Improving Contact Center Profitability

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Gone are the days when companies that sell goods and services to the public can succeed without effective Contact Center Operations (CCO). Banks, insurance companies, telecommunications service providers, and even hospitals successfully manage customer service and build brand loyalty with a strong CCO.

CCOs can make or break a company, but they are expensive to build and maintain and can't be done if it means sacrificing a positive customer experience. The question then becomes: if loyalty building is the key to profitability, how do can companies get there?

The Old Strategy: Move Offshore

About two decades ago it was a no-brainer to cut CCO expenses by establishing call centers offshore. The benefits were obvious. Developing countries costs were far lower than North America or Western Europe. Labor and social benefit expenses were a fraction of the cost. Acquiring real estate for mammoth call centers was substantially cheaper. And, since the primary means of customer relations was via a phone service that could be done over the Internet, companies could appear right next door while operating thousands of miles away. With these steps taken, communication costs were slashed.

The contributions of these new call centers to bottom lines were dramatic. The solution was at hand and proclaimed to the entire world that offshore call centers were the answer to high call center operation expenses.

Customer Experience Begs to Differ

It didn't take long, however, for companies to learn that lower expenses are not necessarily the most important factor. Familiarity plays a huge part in customer loyalty. To that end, when contacting a local company for service, customers do not expect to hear a foreign accent. They want to be greeted by a local representative they can easily understand. But language and culture are not the entire story.

Offshore customer center operations have limited communication with the departments of the companies at home, so updating foreign call centers with new product information and policies is no trivial task. And, offshore call centers often use the same staff to service multiple companies – which means rules of engagement overlap. What is good for the efficiency of the call center is not necessarily good for the person buying a service via the call center. The result? Customers can become frustrated by the lack of expertise present when it comes to addressing their specific situation or problem.

Lastly, by farming out the customer service operation to foreign centers, companies lose control over security, privacy, and the vetting of employees by their individual standards. What might be acceptable in one country could be a big no-no in another. North American companies needed to get control back.

Better Customer Experience

While expense reduction is always pertinent to the profitability of a company—and CCO expenses can be considerable—companies now recognize that good customer service, impeccable reputation, and repeat business are critical to maintaining revenue. They must bring their contact centers back on-shore without affecting the bottom line, while at the same time meeting customers' rising expectations. No small feat.

In today's hyper-competitive marketplace, like it or not a company's brand is built – or destroyed – on customer experience. According to Customers 2020, a study by Walker, a US-based customer intelligence consulting firm, by 2020 (a mere 2+ years from now) **customer experience will overtake price and product as the key brand differentiator.** The study established that the explosion of the digital lifestyle is profoundly impacting expectations, leading toward customer empowerment.

Customers expect more. Much more. The Walker study also found that customers expect companies to know their individual needs and to personalize their experience to meet those needs. In fact, the study revealed that 86 percent of consumers are even prepared to pay more for a better customer experience.

Technology to the Rescue

As the speed of digital communications and the use of smart digital devices increase, companies turn to technology to improve customer experience while cutting costs. More and more companies have been investing heavily in self-service digital channels, hoping that these will decrease the number of interactions of customers within the call centers. Fewer human interactions means less call center staff and lower phone bills—reducing expenses.

But the high investment in digital channels is not achieving the desired change fast enough. While younger people tend to live a more digital lifestyle, about half of the customer base, mainly customers over 35 (who have money to spend) are not rushing to adopt digital. In fact, most people still prefer calling a human being for customer service.

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Which contact channel is the most popular with the following age groups?
(Social, App, Email, Chat, Phone, Other)

25-   25-34   35-54   55-70   70+

Dimension Data 2016 Global Contact Centre Benchmarking Report

Digital Siloes

It's not just the customer adoption that is off. Companies have taken a piecemeal approach when implementing their digital solutions, creating another impediment to meeting customer experience expectations.

Today, most digital channels are siloed - a customer's contact journey must take place, end-to-end, over a specific channel. If a customer wishes to move from one channel to another, engagement is halted and restarted. For example, if customers fill in personal data on a website, they might still be required to repeat the entire process once they reach a live agent. Or, if a process starts in the company's app, it might be impossible to complete it on the website.

Companies prefer that customers use their digital channels for engagement for the cost-effectiveness. However, customers who prefer digital channels are frustrated because they can't seem to find a smooth journey that considers all of their channels of choice – in whatever way they want to employ them.

Tying all the Channels Together

There is a way to tie all these digital and voice channels together to take advantage of the customer's interaction preferences. Appealing to the customer this way provides a good customer experience and reduces contact center operations expenses at the same time.

Omni-channel solutions combine all of the company's customer-engagement channels – voice and digital – to create a unified customer experience (UCX). The ultimate UCX enables a completely smooth journey with information sharing between channels, transparent to the customer. The customer decides when and how he or she wants to interact, and the omni-channel solution makes it available. Crossing from one medium to another is simple and seamless.

UCX takes advantage of the fact that most customer service engagements begin with a phone call. The journey may start with a voice conversation, but right away the customer is offered an attractive menu of digital methods that are relevant to what she or he is seeking, allowing the customer to complete the journey via whichever channel they choose.
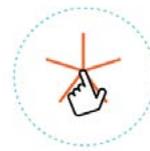
What characterizes this unified customer experience?

Digital transformation.

Blending interactive digital content with voice. For example, using Visual Interactive Voice Response (IVR) ensures that more customers benefit from digital content and enjoy an improved, easy-to-use and engaging customer journey.

Enhanced customer interaction.

Better interactions between customers and agents in real-time are achieved, enabling faster, more effective call resolution through better communication and sharing. This includes real-time co-browsing, interactive screens, files, image-sharing, and digital signatures.

Improving brand perception and creating new marketing channels.

By diverting callers to digital, companies expand brand visibility and digital engagement. They can then use these opportunities to display marketing materials, new offers, and a host of call-to-action ads while the customers self-serve, wait in a queue for an advisor, or even after a call ends.
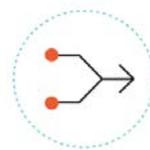
Omni-channel customer experience.

While multi-channel (a platform that provides good service over a variety of separate channels – voice, video, web, app, mobile) is nice, Omni-channel is far better. It also supports multiple interaction channels, and it empowers users to switch between channels without interrupting the engagement.

Contact center optimization.

By offering users a simple, intuitive digital option that is fully integrated into the call process, the single-channel 'glass ceiling' is broken and many of the processes from the contact center can be migrated to self-service with the customer's approval. Whatever calls do reach call center agents can then be completed in a single interaction, significantly improving first-call resolution. A win-win.

Ease of implementation

Advanced omni-channel solutions do not disrupt ongoing operations. Instead, they are pre-integrated into telephony and IVR systems and reuse existing mobile apps and web assets, ensuring rapid implementation and short time-to-market.

Meeting needs of top and bottom lines

Offshore doesn't work. Companies need cost-effective call center operations that enhance, rather than detract from, the customer experience. While moving call center operations offshore might reduce expenses, study after study shows it significantly impacts a company's close relationship with its customer, making the offshore deployment counter productive.

Today, while there are numerous channels for engagement with customers, about half of the buying public still prefers the traditional channel of a phone conversation with an agent. The other fifty percent of the customers increasingly use digital channels of varying sorts, but the interactions tend to be siloed and do not allow customers to switch channels while in session.

To provide a smooth, seamless engagement journey to all customers, companies need to allow customers to switch from channel to channel, and from device to device, while keeping the engagement in progress. Omni-channel solutions provide a unified customer experience that breeds loyalty, while meeting high and increasing customer expectations and keeping CCO costs to a minimum.

About CallVU

CallVU offers an innovative Mobile Digital Engagement Platform blending rich digital and interactive media with the voice channel. CallVU drives simple interactions to self-service and enhance meaningful interactions to a branch like experience. CallVU addresses the business need of diverting customers to digital self-service resulting in reduced call volumes, higher utilization of existing digital assets and greater customer experience. CallVU is a Gartner Cool Vendor in Customer Service CRM 2016.
Visit us at www.callvu.com