VOCALCOM

Meeting the multi-channel challenge

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A report detailing current attitudes of customer contact professionals to serving customers over multiple channels – and what to consider when deciding how best to meet the multi-channel challenge.

2...Executive Summary

As an advocate of an 'omni-channel' (or channel agnostic) approach to customer care, Vocalcom was keen to find out how companies are currently meeting the challenge of serving customers over the wide array of channels now available to them. So, we questioned a representative sample of contact centre managers and customer service directors to discover the exact nature of the multi-channel challenge and how organisations are currently meeting it.

The answers we received clearly show that this is a real concern for managers, who are struggling with issues of transparency, insight, and technology. Some of the key findings include:

1) The telephone is no longer the most convenient contact channel for customers (just 8% of respondents felt it was the most convenient channel), but increasingly complex customer queries mean the phone is still the channel of choice for customers and companies alike (34% felt this was true).

2) A lack of channel integration is making it difficult to manage the customer journey (60% said it is difficult or impossible to track the customer journey thanks to disparate systems) and for agents to serve customers to the best of their ability (70% of agents have a separate desktop interface for each contact channel).

3) Insights into customer behaviour are not being shared across the business, with well over half of respondents unable to share information easily across departments.

4) Technology is a major stumbling block for many operations managers. Nearly a third (30%) see their current technology infrastructure as inadequate for dealing with multiple channels.

5) In spite of 100% of respondents agreeing that customers in the future are more likely to demand a seamless experience no matter how they make contact, but more than a third 35% do not expect their company to invest in multi-channel contact in the next 12 months.

Among our sample, there was a clear desire to understand how customers want to make contact, to integrate channels better, and to implement technology that can facilitate a seamless customer experience across all channels.

3...The nature of the challenge: research findings

Remember the good old days when there were only three main methods of communicating with a business? You could meet face-to-face in a branch, you could write a letter or you could give them a call. Sounds nice and simple to manage, doesn't it? Then the Internet and smartphones came along and changed everything. Now, consumers have a dizzying array of communication methods to choose from, including: email; Twitter; Facebook; webchat; web forms; community forums; SMS.
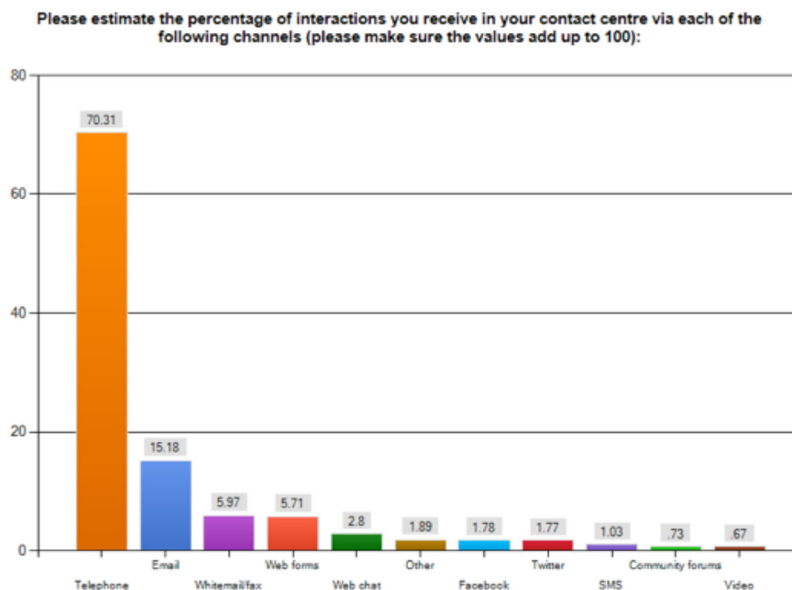
On the face of it, this is great news for customers and a real headache for businesses that have to deal with all these different channels. However, this brave new world also represents a great opportunity for organisations willing to embrace it – because if implemented correctly, online channels can be cheaper to handle, as well as providing invaluable insight into customer behaviour.

All this may sound like old news – after all, online channels have been around for ages. And yet, despite online channels offering more convenience and accessibility, the vast majority of customer interactions still occur over the phone (according to ContactBabel's *State of the Industry 2012* report, 78% of inbound contact is still made over the phone).

So why is this? Vocalcom asked a number of contact centre managers across a range of sectors and size of operation a series of questions to understand the depth of the multi-channel challenge and how organisations are coping with it. This whitepaper will reveal the results and offer insights and advice on how you can tackle multiple channel contact in your business.

4...Current channel use

What is the current picture of channel choice for customer service? We asked our panel of respondents what percentage of interactions they received via which channels:

Please estimate the percentage of interactions you receive in your contact centre via each of the following channels (please make sure the values add up to 100):

As you can see from the chart above, by far the most utilised channel is the telephone. So why is this? Over a third (34%) of respondents said it was because queries are complicated and so more easily handled over the phone. This does make sense, as the more complicated a query is, the more likely a customer is to call rather than use a channel that does not easily allow a two-way exchange.

Meanwhile, 20% said it was because their customers like to speak to someone, which highlights the importance of trust and reliability for consumers. As customer experience consultant Cheryl Black points out: "It's a very human reaction to want verbal confirmation. If an interaction is emotionally important to the customer, they don't always trust that their query has been dealt with if they don't talk to someone. Think how often we say 'isn't it' or 'don't you agree' at the end of a sentence. We are looking for a verbal handshake for reassurance."

However, it could be argued that customers simply do not trust newer online channels because they have had a poor experience using the web for customer service. Research published in the Harvard Business Review, for example, suggests that 57% of inbound calls to organisations came from customers who went to the website first[1].
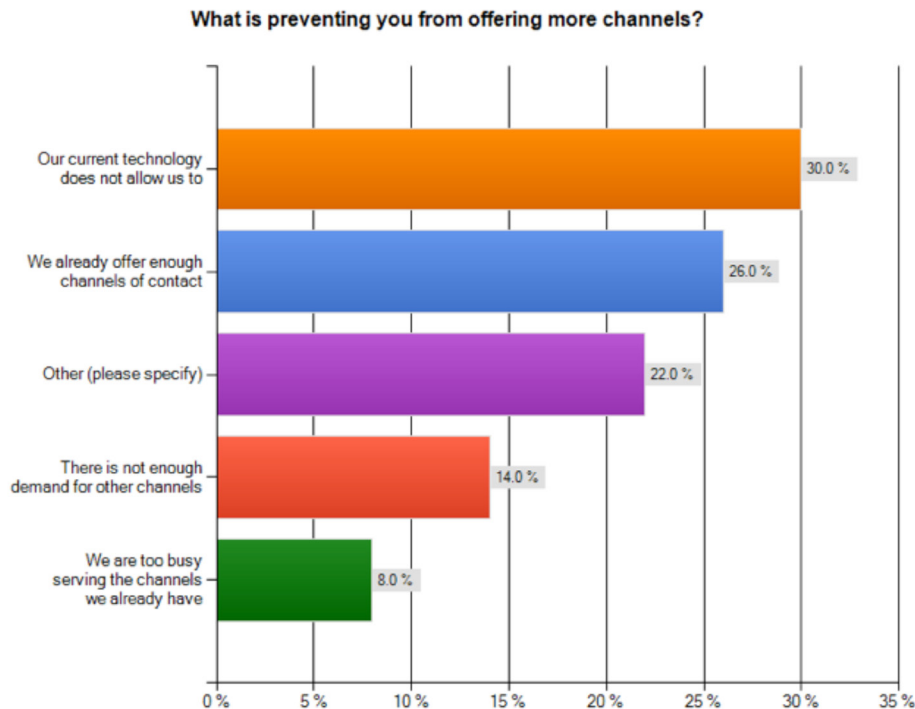
Email is a case in point, as many firms have relatively poor service level agreements in place for replying to emails, meaning that customers have to wait to receive a reply (if they get a reply at all). The Harvard Business Review research also suggests that it takes an average of 2.4 emails to get a query resolved, as opposed to 1.7 phone calls. Contact centre consultant Darryl Beckford says: "The telephone is the most real time of channels. Many organisations offering email, for example, tend to have unreasonably long SLA's meaning customers end up calling to get an answer."

[1]"Stop Trying to Delight Your Customers", Matthew Dixon, Karen Freeman and Nicholas Toman, Havard Business Review July-August 2010

With this in mind, it's perhaps surprising that email is still the second most popular channel of communication. Email definitely still has its place in the customer service mix (perhaps for very complex enquiries or where supporting documentation may be required), but we would expect other emerging channels, such as webchat, to overtake use of email in the future.

5...The obstacles to a better channel mix

It's clear that, while customers would welcome a wider choice of reliable channels (8% of respondents felt that the telephone was the most convenient channel and just 4% felt that it was the quickest way of getting through), many organisations are struggling to focus on any of the digital channels that customers are increasingly using in their personal lives. So why is this? The chart below describes some of the reasons companies are not focusing on online channels:

What is preventing you from offering more channels?

Reason	Percentage
Our current technology does not allow us to	30.0 %
We already offer enough channels of contact	26.0 %
Other (please specify)	22.0 %
There is not enough demand for other channels	14.0 %
We are too busy serving the channels we already have	8.0 %

[NOTE: The actual results of this are: Current technology: 30%, Already enough channels: 32%, Other: 10%, Not enough demand: 20%, Too busy: 8%].

Over half (52%) of our panel felt that there is no need to offer other channels, either because the demand isn't there, or because they already offer enough ways for customers to get in touch. It would be interesting to find out how these organisations have reached this conclusion. It's easy to assume that customers don't want other forms of communication because, for example, the majority of contact is made over the phone. But this could be for a number of reasons – for instance if customers are unaware of the availability of other channels, or if some channels are insufficiently resourced, or poorly integrated, and so frustrating for customers to use.
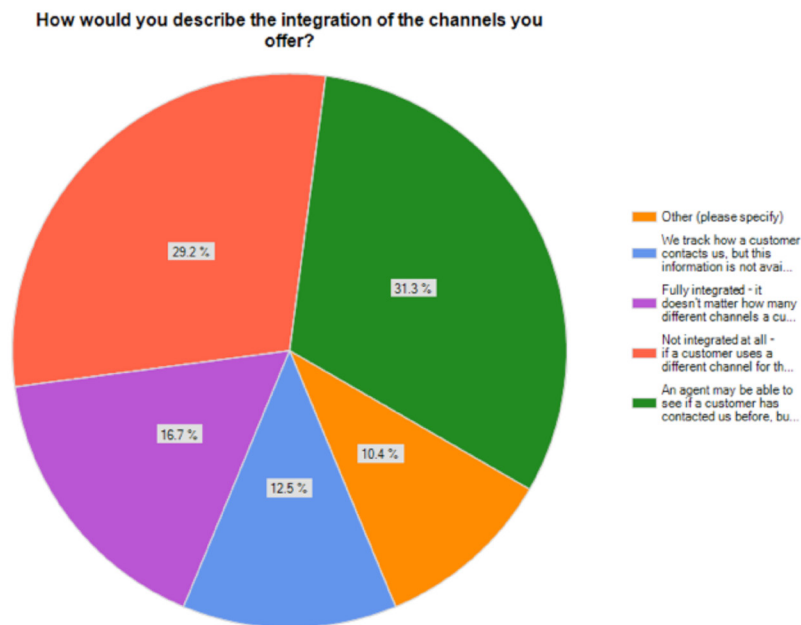
In our experience, companies rarely actually ask customers how they would prefer to communicate, making it difficult to answer with any certainty that they already offer enough channels of contact.

As you can see, technology is seen as a big stumbling block, with 30% of respondents citing it as an issue – and this goes some way to explaining why telephony is still by far the channel with most traffic. Steve Harris, director of Clonmore Management, explains: "Technology constraints are a big issue – as new channels (and greater numbers of customer interaction) have come along, organisations have 'bolted on' platforms to core systems without considering the longer term consequences of the expansion in the use of Internet channels. The cost and technological constraints associated with merging systems is difficult to justify without significant return on investment (ROI)."

6...Integration: the true multi-channel challenge

For those organisations that do want to offer a wide choice of communication channels, there is a huge challenge ahead: that of integration. As management consultant Simon Roncoroni says: "It is extremely difficult to have all the customer data on a single system, up to date, and available at all touchpoints."

The answers to our questionnaire suggest that just 17% of contact centres feel their channel offering is fully integrated, with staff able to view full details of a customer's history, no matter how they choose to make contact:

How would you describe the integration of the channels you offer?

- Other (please specify)
- We track how a customer contacts us, but this information is not avai...
- Fully integrated - it doesn't matter how many different channels a cu...
- Not integrated at all - if a customer uses a different channel for th...
- An agent may be able to see if a customer has contacted us before, bu...

Meanwhile 29% state that channels are not integrated at all, resulting in a frustrating situation for customers who find themselves having to repeat information if they make contact via two different channels. A further 31% said that previous interactions may not be visible to the agent dealing with the contact, which again results in frustrating repetition and raising doubt in the customer's mind that they are dealing with a reliable, competent organisation.

Steve Harris, director at consultancy Clonmore Management, says: "The single biggest challenge is creating an integrated IT platform which provides a single view of the customer (across telephony, online and face to face channels) covering product holdings, contact history and the ability to start an application in one channel and complete it within another."

The root cause of this difficulty lies in legacy technology systems, as Simon Harrison, cloud contact centre evangelist at Vocalcom explains: "Synchronising across channels is a difficult task for a lot of companies because they have invested in contact technology already – and the only solution for adding channels is to bolt on software to the existing infrastructure." Getting these manifold systems to then talk to each other becomes very difficult.
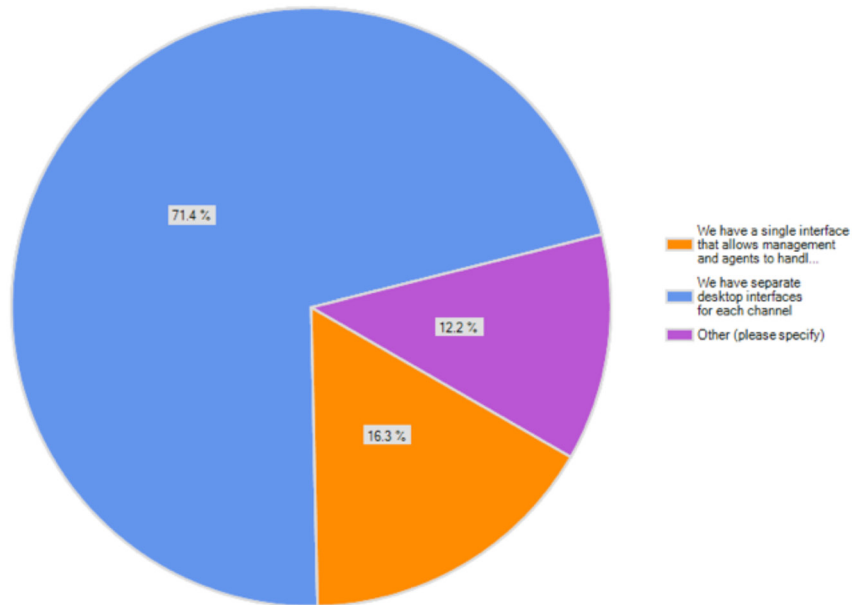
7...What are the practical implications of these disparate systems?

The impact of this non-integrated technology is huge – both on frontline contact centre workers and customers because it doesn't allow for flexibility in choosing a contact channel. If a company is offering multiple ways to get in touch, customers quite rightly expect to be able to use whichever one is most convenient for them at that particular moment.
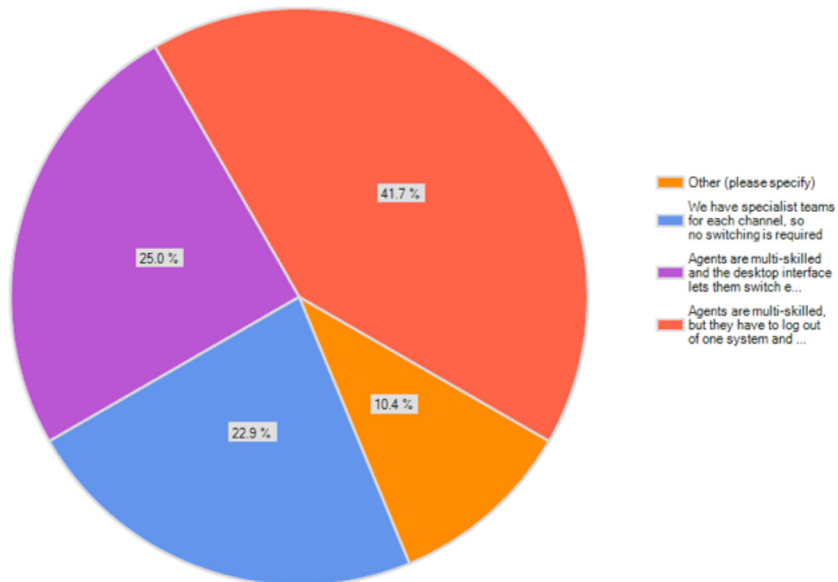
Cheryl Black explains: "Each channel may work well independently but doesn't account for the fact that customers may want to use them in a different way, and move back and forwards across channels, in a way that doesn't follow the rigid process laid down for them! Typically this results in advisors not being able to see the same data on each channel, or to be able to follow the customer's journey."

This is clearly a widespread problem, as the results of our survey show:

**How do you manage multi-channel contact?**

- 71.4 %
- 16.3 %
- 12.2 %

Legend:
- We have a single interface that allows management and agents to handl...
- We have separate desktop interfaces for each channel
- Other (please specify)

How easy is it for agents to switch between channels at busy times?

- 41.7 %
- 25.0 %
- 22.9 %
- 10.4 %

Legend:
- Other (please specify)
- We have specialist teams for each channel, so no switching is required
- Agents are multi-skilled and the desktop interface lets them switch e...
- Agents are multi-skilled, but they have to log out of one system and ...

Over 70% of agents have a separate desktop interface for each channel – and for almost 40% of agents, this means having to log out of one system and into another to view different types of interaction. Just 16% of respondents said their agents have a single workspace that allows them to easily track a customer's journey, but 25% of our panel said their agents can swap which channel they are handling without much difficulty – enabling them to respond to busier channels as and when needed.

So, as you can see, many companies are struggling with disparate systems that simply do not offer a full picture of the customer journey. This lack of visibility is also a problem at managerial level. Nearly all of the operations managers we surveyed (85%) said that different contact channels have separate SLAs and are measured and reported differently:

**How is multi-channel performance measured?**
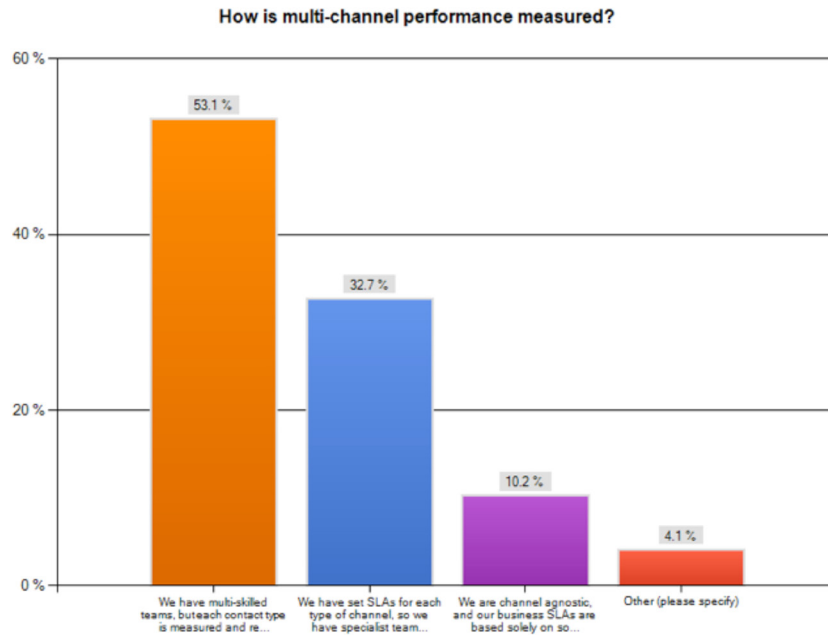
There is better news when it comes to agent training and knowledge – 35% of respondents said agents have desktop access to a company-wide knowledgebase, allowing them to answer pretty much anything that is thrown at them. A further 15% have access to a specialised knowledgebase within the contact centre.

How are your agents equipped to answer customer queries?

However, nearly half of the centres we asked rely on training and team leader intervention to make sure customers get the help they need. This is perhaps a cause for concern, as it relies on employees working in a stressful environment being able to recall complex information at the drop of a hat. It also places considerable strain on team leaders, who should be coaching agents to offer a great customer experience, rather than continually answering questions and filling knowledge gaps for agents on the phone.

8...Business insight

One thing contact centres are increasingly recognised for is the insight they offer into customer behaviour. But all the insight in the world is no good if it can't be shared around the rest of the business. So how do our respondents rate their ability to share potentially business-critical information?

How easy is it for you to share knowledge and insight gained in the call centre with the rest of the business?
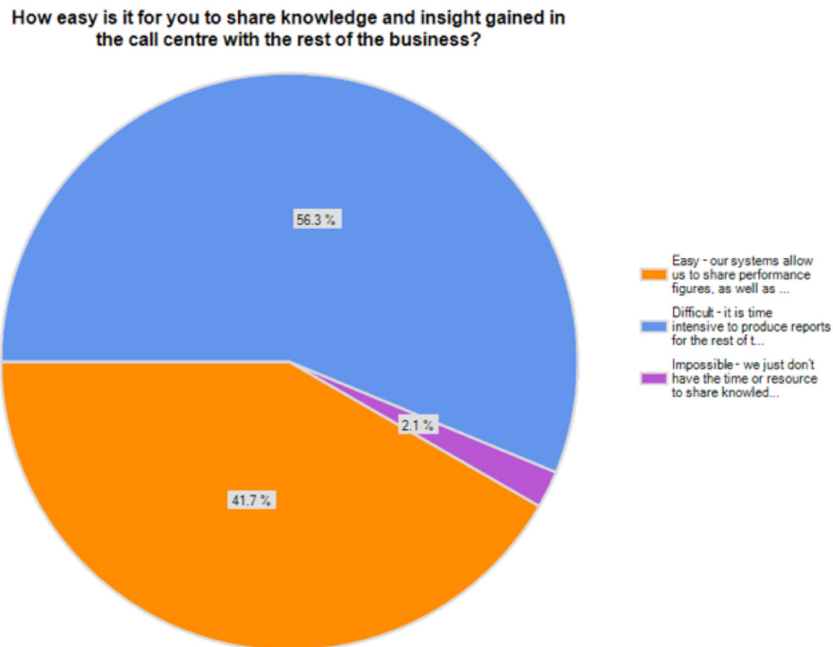

As you can see, for well over half of contact centres, it is either difficult or impossible to share knowledge and insight. This is frustrating, as contact centres really are a goldmine of valuable information that is so often overlooked simply because that information is not readily available and shared among different departments and at board level.

The answer, according to Vocalcom's Simon Harrison lies in the technology infrastructure of the business: "The ideal solution is to have an Internet-based front-end and a database back-end, because every interaction is caught in a database that is organised and structured using queries to gain access to information. You can use an interface designer to define a view of information for an agent and put it in their workspace. But you could also build out from that using the open database to define an infinite number of business supporting views and share them using a secure Internet site. So you can share information not only within the agent space, but also outside of it very easily."

9...Overall multi-channel performance

So, we are building a picture here of an industry struggling to get a firm grip on the multi-channel challenge. We asked respondents to explicitly tell us how they would rate their overall multi-channel performance:
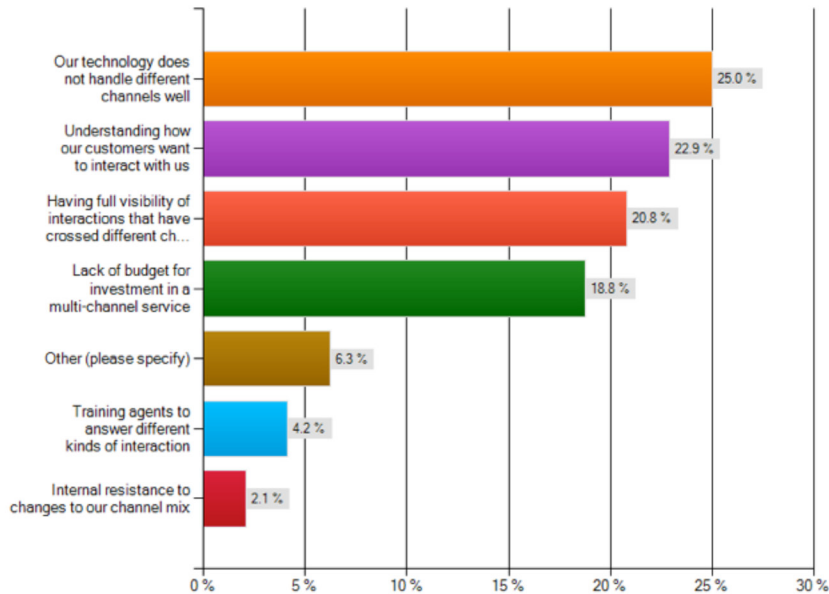
Overall, how would you rate your contact centre at handling multiple channels?

Legend:
- Excellent
- Good
- Room for improvement
- Poor

Values shown: 56.3 %, 25.0 %, 10.4 %, 8.3 %
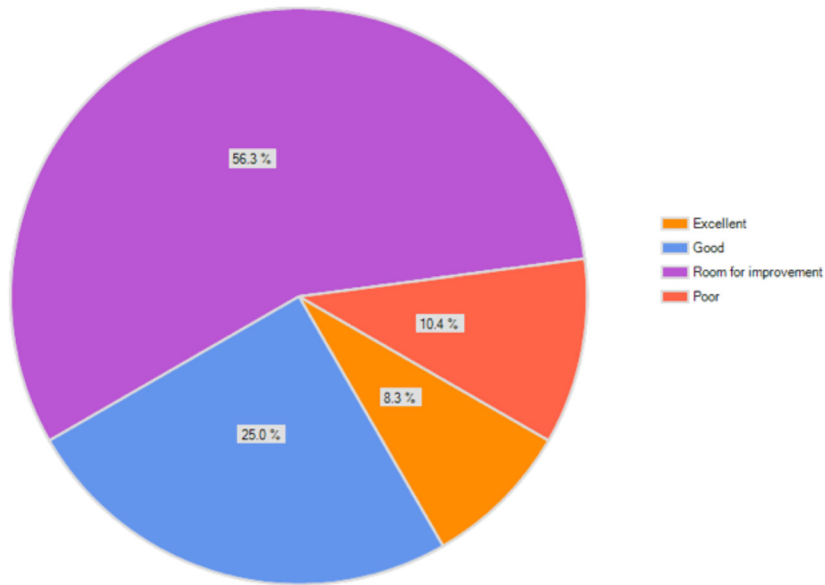
Although it is encouraging to see positive responses from 33% of our panel, there is definitely work to do! The majority of respondents (66%) feel that their performance is either poor or has room for improvement.

So, what needs to be done to improve? What are the biggest challenges?

What is your biggest challenge when it comes to multi-channel contact with customers?

- Our technology does not handle different channels well — 25.0 %
- Understanding how our customers want to interact with us — 22.9 %
- Having full visibility of interactions that have crossed different ch... — 20.8 %
- Lack of budget for investment in a multi-channel service — 18.8 %
- Other (please specify) — 6.3 %
- Training agents to answer different kinds of interaction — 4.2 %
- Internal resistance to changes to our channel mix — 2.1 %

10...The technology challenge

Nearly a quarter (24%) of respondents want to understand how their customers want to interact with them – a sensible course of action because gaining this insight prior to implementing a multi-channel strategy means it is more likely to be a success.

However, the results of the questionnaire clearly show that three of the top four challenges are to do with technology. Either the IT infrastructure simply does not handle different channels well (25%), there is a lack of budget for investment in multi-channel service (19%), or the difficulty of seeing interactions that have crossed channels (21%).

As discussed earlier, this is a symptom of the evolution of contact centres. Simon Harrison explains: "The first breakthrough in call centre technology was the ACD, which allowed businesses to put customers in a queue until someone was available to speak to them. The main call centre technology vendors therefore all built their technology reasonably early around this ACD capability. As customers started to use more email, they had to find a way of complementing what is a specifically voice-based solution with something that supports data as well – and that's not an easy task. Then, just as they are getting to grips with that, webchat becomes another channel to deal with, adding another level of complexity.

"The fact is that most of the vendors out there started out in traditional voice and have had to learn quite an extraordinary amount to be able to support these different channels, which has made them slow on the uptake, not least because they have to make the different solution components work together."

So what's the solution? Harrison believes the future lies in a single platform that has been built from the ground up with an 'omni-channel' approach that supports not only current communication channels, but also those that may spring up in the future.

However, this doesn't mean necessarily throwing out your existing technology infrastructure and starting again. Single platform, flexible solutions mean you can dip your toe in the water and use them to support a new channel alongside your existing systems. This is a good option for companies that have already invested heavily in on-premise, server-based solutions and perhaps have maintenance contracts to honour.

Whichever way you choose to implement a new multi-channel solution, it's important to ensure your investment is future-proof by checking the technology:

• Is based on a single application that can be flexible to your current and future needs

• Is written using a modern code base (such as Microsoft.net), to ensure connectivity between channels

• Has software completely separate from hardware. The software should be completely hardware agnostic, meaning it can be implemented in any environment

• Has a web-based front-end and a database back-end, giving you all the flexibility you could possibly need in the future

As you'd expect of a cloud contact centre evangelist, Simon Harrison is convinced that technology 'in the cloud' is the future: "I truly believe the era of installing server-based applications in contact centres is beginning to change – it's starting to become a little old-fashioned. Consumers are getting used to cloud technology giving them access to their information on any device at any time. That kind of technology is the future – and it's no different for contact centres."

11...The benefits of a cloud-based solution

It's all very well saying that technology in the cloud is the future, but what are the actual business benefits that could be realised by implementing a multi-channel contact centre in the cloud?

1) Agent empowerment

A cloud-based, fully integrated solution means agents will be able to see the full customer journey, no matter how many different methods of contact they have used. What's more, the agent has access to knowledgebases across the business and can discreetly ask for help from managers, making it more likely they will be able to deal with that customer's query first time. This is great in terms of job satisfaction for the agent – and great for first call resolution rates.

2) Transparent performance and self-management

Agents can also see their own performance statistics and so can be more in control of how long they spend on certain activities, or see for themselves where they could benefit from extra training. Managers, too, will be able to easily see which areas certain agents need help with – and they can also see in real time how resources should be split across different channels.

3) Increased agent efficiency

Agents will find it easy to access the information they need using a familiar browser-based interface, meaning they will not require long and complex training courses on how to get the most out of the solution.

4) Increased organisation efficiency

Because agents will be answering queries more comprehensively and efficiently, the number of repeated contacts would be reduced, saving money. Plus, agents will be able to answer more than one query at a time using channels such as webchat.

5) Business insight

The ability to easily track customer journeys through different channels will give unrivalled insight into customer behaviour and how processes and procedures could be improved as a result. This will help raise the profile of the contact centre as a valuable department that is worth investing in. What's more, because cloud contact centres are Internet-based, systems can be accessed from anywhere on any device – helping with disaster recovery as well as flexible resourcing and business transparency.

6) Flexibility and agility

Because there are no hardware upgrades to deal with, or costly installations to find budget for, a cloud-based contact centre allows you to make changes, add channels, refine processes – all fairly easily and usually without the need to bring in your technology provider.

7) Easy implementation

Again, the lack of hardware and costly installations means your contact centre can be up and running much more quickly and easily than traditional server-based implementations.

There can be no doubt that the demands on contact centres today are considerably more complex than they were even five years ago. However, technology has moved on too, and the days of having to deal with rigid systems that cannot react quickly to customer demand are numbered. The next level of customer management involves contact centres hosted in the cloud with a single platform giving access to a full picture of how customers interact with your business.

Getting buy-in from the board

Our survey showed that, while 100% of respondents agreed that customers in the future will demand a seamless experience, no matter how they make contact – just over a third (35%) do not expect their company to make any investment in integrated contact channels over the next 12 months.

If you are serious about implementing a new multi-channel strategy, the only real recipe for success is to make sure you have buy-in from very top-level management. The best way to do this is present yourself as a business leader. Learn to talk the language of the board and do your homework so you know the business impact of what you are proposing.

As Simon Roncoroni, of SR Consulting says: "Directors say they care about customer satisfaction – but they don't really (except in exceptional businesses)." So, rather than focusing on the customer experience, you need to focus on customer behaviour. For example, the finance director may be interested in increased customer loyalty or propensity to buy – or the IT director may want to know how new channels can reduce peak time system users.

6 secrets of a successful multi-channel implementation

1) **Take time to think about your strategy**. Think about how you want technology to augment the customer experience, rather than creating new channels and then trying to fit the customer experience into the structure. Contact centre consultant Darryl Beckford highlights the example of an SMS meter reading system for a utility company: "It was cheaper to service customers this way - plus the customers preferred it, as it was quicker than ringing up, and they could do it where (standing by the meter) and when (24/7) they liked."

2) **Make sure the numbers add up**. "If you can't prove ROI, no matter how 'cool' the solution may appear, it's not worth doing," continues Beckford. "This is where most IT departments fall down, so if you're not getting the help you need to pull the figures together then get someone in who can."

3) **Build a strong relationship with your technology provider and your IT team**. Management consultant Simon Roncoroni says: "Get technologists to tell you what you can do (which they are poor at) rather than telling you what you can't do (which they are brilliant at)." And when it comes to your internal IT team, be prepared to compromise. Cheryl Black adds: "Too often I see a stand off between the Sales/Service teams who want a quick solution, and the IT team who are looking at the longer term system strategy. The issue is usually about data, and building a multi-channel strategy is often the catalyst for a company to tackle its data strategy."

4) **Ask yourself whether this is what the customer really wants**. Director at consultancy Clonmore Management Steve Harris says: "Undertake effective customer research before developing an improvement plan ensuring that it meets both the needs of the customer and provides appropriate ROI for the organisation. Above all else maintain customer choice – customers will use lower cost channels provided they retain the option to 'break out' and speak to a member of staff when they need to."

5) **Make sure your underlying processes are working**. It's important to get a clear picture of the customer lifecycle and all the different touchpoints they have with you before deciding when to encourage them to use alternative channels. Cheryl Black offers an example: "It's no good pushing all your customers to online billing and payment if their bills are regularly incorrect. They are still going to phone you, and will not be happy into the bargain."

6) **Be prepared for things to get worse before they get better**. Contact centre managers implementing any new process or strategy often find that contact volumes actually go up before they come down. This is particularly true if you are starting to offer more channels, as customers may well try out different channels, but they will still call to check that their transaction or query has been dealt with. As long as you have your processes right, however, they will soon learn to trust the new channels and won't find it necessary to call.

About Vocalcom

For almost two decades, Vocalcom has been helping clients to maximise proactive customer contact through their innovative contact centre application suite. Founded in 1995, Vocalcom is a privately owned global company that has consistently grown by 20% each year.

We are 100% focused on contact centres. We have created a highly competent team that combines contact centre operational management experience with a unique understanding of how to leverage technology to improve performance.

Our award-winning and market-leading contact centre application is developed in both Europe and North America, helping us to create a truly world-class solution that is focused on and reflected by local requirements.

Our goal is the constant improvement of our contact centre application suite that enables organisations to transform the way they interact with their customers – our ability to do this is proven by the fact that Vocalcom is being used by over 600,000 agents within 4,500 organisations across 40+ countries.

To find out more about Vocalcom, please visit our website **www.vocalcom.com**

About the author

Claudia Thorpe has been commentating on the contact centre/customer service industry for more than eight years. In that time, she has built up a wealth of knowledge and has written many articles and spoken about industry issues at many events, as well as on UK national television and radio.

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