

December 2012

## Improving Engagement with Multi-Channel Service

In Aberdeen's *Trends in Customer Service 2012: Multi-Channel Edition* (November 2012), only 39% of organizations reported that they had been able to drive improvements in customer satisfaction over the previous 12 months. An even lower percentage indicated success in enabling higher rates of loyalty and retention.

This is not a recipe for success. Service is integral to business success and forms the core of a customer management and engagement strategy. In Aberdeen's State of Service Management research survey, organizations indicated that 81% of their revenues came from existing customers. These organizations also stated that the cost of service and customer retention was far lower than the cost of new customer acquisition.

Best-in-Class organizations (defined later) execute on a strategy that supports the multi-channel nature of customer requests. These leading organizations do not just open up their service infrastructures to accommodate new channels, but also empower their teams to deliver an effective and consistent experience regardless of the channel selected by the customer. This document will highlight the key business capabilities that support a Best-in-Class customer engagement strategy.

### The Growing Multi-Channel Trend

As seen earlier, customer satisfaction is no easy metric to move on a year-to-year basis; the average customer satisfaction score for respondents to Aberdeen's *Trends in Customer Service survey* (October 2012) was 75%. Customers have become more demanding in terms of the level of service provided, as well as a lot more particular regarding the experience delivered when interacting with their service organization. This experience includes the utility delivered for the product purchased, the information experience when looking for support, the transaction experience when conducting commerce with the organization, the brand experience in evaluating the value of the purchase, and eventually the support experience when requiring service or assistance. Customers want this experience to be effective and consistent regardless of how and when they choose to interact with the organization.

With speed of resolution, consistency of experience, and availability of information on their mind, organizations are establishing goals to enhance customer satisfaction levels in 2013 (Figure 1). This isn't necessarily surprising given poor performance numbers, but organizations need to ensure that they get back to basics and delight their customers prior to

#### Analyst Insight

Aberdeen's Insights provide the analyst perspective of the research as drawn from an aggregated view of the research surveys, interviews, and data analysis

#### Research Methodology

Between September and October 2012, Aberdeen polled 162 business leaders of customer care and customer service. Survey respondents primarily fell into the following demographics:

##### Geography

- North America, 54%
- Europe, 28%
- APAC, 13%

##### Industries

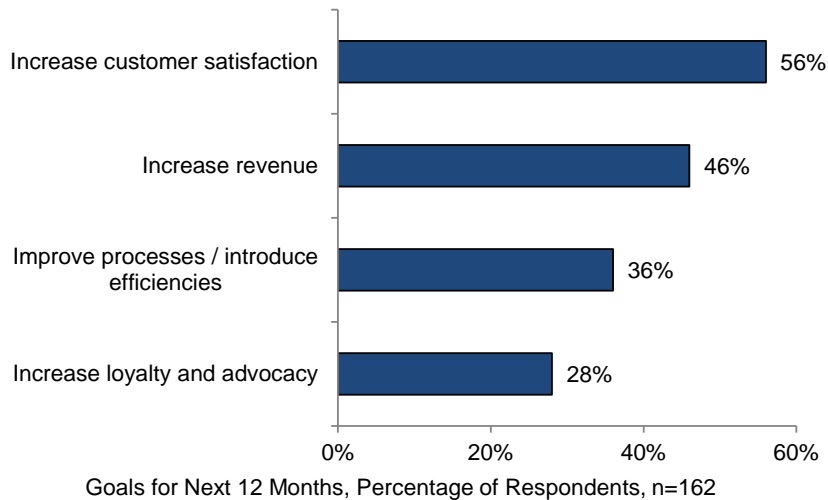
- Software or IT Services, 18%
- Industrial Manufacturing, 13%
- Computer and Office Equipment, 12%
- High Technology, 7%

##### Company Size (Annual Revenue)

- Less than \$50m, 42%
- \$50m-\$1b, 29%
- \$1b+, 29%

considering the additional goals of retention, loyalty, advocacy, and revenue growth.

**Figure 1: Goals for Customer Service in 2013**



Note: Top Three Requested  
Source: Aberdeen Group, October 2012

**Analyst Insight - Best-in-Class**

The following performance areas were used to qualify Best-in-Class organizations:

First-Contact Resolution - 82% (56% for all others)

Customer Retention - 92% (72% for all others)

12-Month Change in AHT - -4% (1% for all others)

12-Month Change in Workforce Utilization - +16% (+6% for all others)

12-Month Change in Revenue per Customer - +17% (+5% for all others)

The focus on increasing customer satisfaction is being done while keeping an eye on cost. Only 8% of respondents indicate that they are investing in improving customer satisfaction regardless of the cost associated (Table 1). Most organizations are looking to increase customer satisfaction with limited or no increase in cost as seen by 38% and 36% of respondents respectively. Sixteen percent (16%) of respondents focus primarily on cost, either looking to keep customer satisfaction constant while reducing costs or slashing costs with no regard for the impact on customer satisfaction.

**Table 1: Customer Satisfaction versus Cost**

The Decision	Percentage of Respondents
We are looking to improve customer satisfaction regardless of cost	8%
We are looking to improve customer satisfaction <b>with a limited increase in cost</b>	36%
We are looking to improve customer satisfaction <b>with no change in cost</b>	38%
We are looking to hold customer satisfaction constant with a decrease in cost	15%
We are looking to cut costs, regardless of the impact on customer satisfaction	1%

Source: Aberdeen Group, October 2012

Nearly 50% of organizations are looking to increase revenue with the aid of better service and support. Therefore the profitability impact of service is beginning to be evaluated more on the top line as opposed to the ability of the service organization to cut cost. This focus on revenue is consistent with polling completed by Aberdeen at the [2012 Chief Service Officer Summit](#), where revenue growth was cited as the top goal of event attendees. As service organizations are viewed more as profit centers and value drivers, this focus on revenue will continue to rise.

In order to achieve the goals highlighted in Figure 1, leading organizations (defined in sidebar on previous page) prioritize investments around employee empowerment, collaboration, performance visibility, and automation (Table 2). These improvements are necessary when considering the evolving nature of service and customer engagement across a multi-channel model, discussed below.

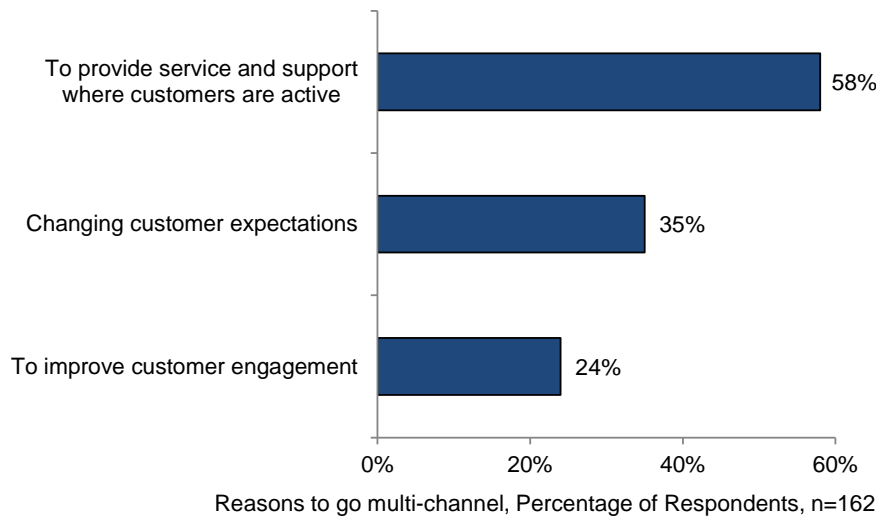
**Table 2: Succeeding in a Multi-Channel World**

Strategic Initiatives Being Prioritized	Percentage of Respondents	
	Best-in-Class	All Others
Empower agents with better information	61%	50%
Increase collaboration between service, sales, and marketing	57%	41%
Improve performance management within service organization	46%	45%
Provide service across more channels	43%	40%
Invest in multi-channel technology	43%	37%

Note: Top 4 Requested  
Source: Aberdeen Group, October 2012

More than eight out of 10 service organizations deliver service across multiple channels. This isn't a groundbreaking data point, but still worth mentioning when highlighting the broader trend of customers driving the service discussion on channels that are convenient for them (Figure 2). Multi-channel customer service isn't just about opening up support opportunities on new channels, it is much more about delivering effective service and support on whichever available channel the customer finds convenient. It's not about the quantity of channels supported, but the quality of interaction and customer experience delivered on the channels that are supported. Eventually, customers will demand and seek out a wider channel presence, but will be very quick to drop a particular channel if they find it to be ineffective, thereby negating any investment made in supporting that channel.

**Figure 2: Multi-Channel Drivers**



Note: Top 2 Requested  
Source: Aberdeen Group, October 2012

The most popular channels of service interaction continue to be voice (live or automated), email, and the web (see sidebar), with an increasing amount of interest being shown to mobile, social and self-service channels. While the push towards non-voice related channels gets a significant amount of attention, voice continues to remain the top area of service interaction. In addition to the 36% of requests (by volume) that originate via voice channels as seen by Aberdeen's survey results, nearly 35% of all other non-voice requests eventually get escalated to a voice-based channel, thereby making it a considerable focus of investment moving forward.

In keeping with the steps provided by the Best-in-Class in Table 2, the following are keys to ensuring multi-channel success:

**Build Channel Strategy to Maximize Engagement**

The true success of a multi-channel endeavor lies in balancing customer preferences with channel function. It is also a balance between information and engagement. Certain channels that involve direct and live communication with the customer, such as voice and chat, are vital to boosting engagement especially in the case of urgent or sensitive service requests. They also provide a conversational element that is vital, especially when customers seek additional insight on a transaction to supplement online research, or have given up on self-service options. Finally, they also provide a better opportunity for the service agent to understand the context of the customer's pain points and suggest additional changes, modifications, or products that will prevent future issues and drive up customer value. Self-service channels, on the other hand, are extremely vital in offering customers the opportunity to complete simple transactions such as account changes, minor updates, service requests. These can easily be

**Research Insight**

Challenges in Providing Service across Multiple Channels (Percentage of respondents, n=162)

- Consistency of Messaging and Service (52%)
- Integration of Customer Information across Multiple Channels (35%)
- Continuation of Interaction across Channels (27%)

**Research Insight**

Current Channels Supported (percentage of respondents, n=162)

- Voice - 95%
- Email - 90%
- Web - 61%
- Mail/Fax - 54%
- Customer Service Desk - 48%
- Social (incl. Discussion Forums, Communities) - 41%
- Mobile - 33%
- Live Chat - 25%

accomplished without agent interaction, thereby adding to the convenience factor when customers are looking for quick access to information. With the increasing use of mobile devices to access self-service, the convenience offered via self-service portals can go a long way in maximizing the customer experience.

A channel strategy that pushes to the lowest-cost outcome will see a heavy weighting of self-service channels, but might not be the one that drives the highest level of customer satisfaction. Similarly, a strategy that focuses on live agent interaction might not yield ideal customer experience and satisfaction results if agents aren't empowered to resolve customer issues in a timely and effective manner. While customers might prefer to chat with live agents for vital service issues, the goodwill of conversing with a live agent is greatly diminished if that agent is unable to resolve the issue or informs the customer to leverage another channel to attain resolution.

The key is balance. To attain that balance, organizations need to:

#### *Understand customer channel preferences by type of transaction*

It is surprising that only 29% of the Best-in-Class (compared to 23% of All Others) dig deeper into understanding the channel preferences of their customers, and an even lower 13% look into the channel preferences by type of interaction. More so, only 21% look to understand their customers' awareness of self-service channels and self-service information. By digging into customer preferences, organizations can prioritize the type of information available across channels, hone in on key attributes vital to the customer experience per channel, and even set up training or coaching programs to educate customers on the vast network of self-service options available to resolve basic service issues.

#### *Analyze resolution efficiency by type of channel for specific requests*

Certain channels are better for certain requests from a resolution point of view whether measured via first-time fix or time to response. Others are better from a cost per contact point of view (Table 3). These criteria need to be balanced when considering the best channels for handling service requests. In addition, customer status and the likelihood of a service request leading to a sale should also be considered when determining the optimal routing for service requests.

Looking at Table 3, it makes sense to leverage self-service channels in account information discussions where the efficiency rates are closest to those at live channels but at a much lower cost. One could argue that appointment requests should also be pushed down to self-service channels, but these appointments could contain emergencies or additional product or part purchase scenarios that are better handled via live channels. For channels where live engagement is preferred by customers, chat offers a valuable opportunity, especially when customers are conducting research or looking for guidance on returns, due to the combination of faster response times, lower costs, and comparative (70%+) resolution rates.

**Table 3: A Balancing Act**

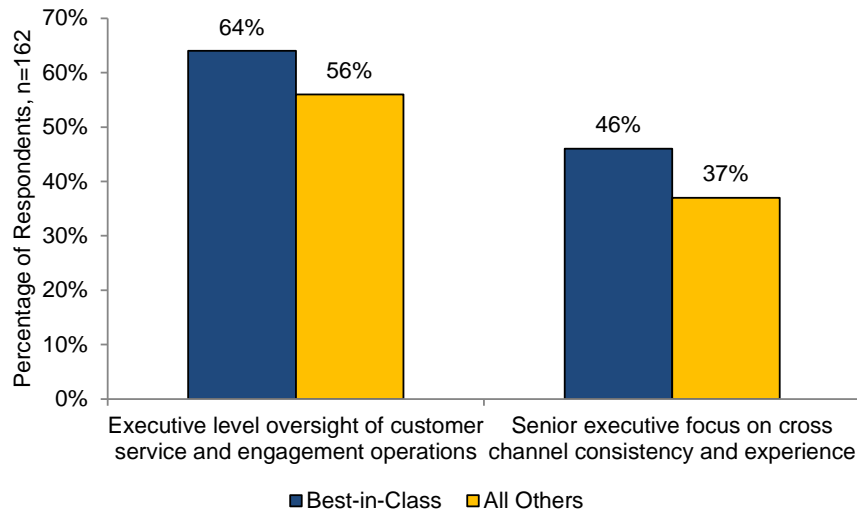
Type of Service Request	First-Contact Resolution			Resolution/Deflection
	Voice	Chat	Email	Web Self-Service
Appointment Request	65%	42%	54%	42%
Billing Inquiry	69%	55%	62%	47%
Account Information	70%	61%	62%	55%
Purchase	66%	57%	65%	53%
Tech Support	65%	57%	60%	52%
Returns	77%	72%	79%	79%
Metric	Voice	Chat	Email	Web Self-Service
Cost per Contact	\$30.3	\$9.9	\$9.9	\$6.9
Time to Response	Hold Time Avg. - 53 sec/call	Hold Time - Minimal	Response Time Avg. - 915 mins	Response Time - NA

Source: Aberdeen Group, October 2012

### **Establish Service Champions**

In Table 2, 57% of leading organizations indicated that they were investing in better collaboration between service, sales, and marketing to drive improved customer engagement (see Figure 5 for collaboration paths between service and sales). The push for this collaboration needs to start at the C-suite and Chief Service Officers (CSOs) can take significant steps in working with their sales and marketing counterparts to adopt a true 360 degree view of the customer. Leading organizations in the [Trends in Customer Service](#) research were more likely to have a service leader in place (Figure 3) and also more likely to have these leaders manage channel development, expansion, and empowerment strategies.

**Figure 3: The Impact of Leadership**



Source: Aberdeen Group, October 2012

When looking at broader Customer Experience Management (CEM) initiatives, Aberdeen's research has shown that the most successful programs are helmed by the CEO. Forty-three percent (43%) of leading organizations have CEOs initiate and oversee their CEM programs when compared to 23% of all others. On the other hand non Best-in-class organizations are four times more likely to have CEM initiatives led by the VP of Marketing.

### **Empower Service Agents**

Executive leadership and sponsorship of multi-channel activities is also central to truly understanding the gaps in a current multi-channel strategy, and the investments needed to close those gaps. Empowerment of agents is the top strategic action highlighted by the Best-in-Class to improve service performance and it takes on two flavors:

#### **Training**

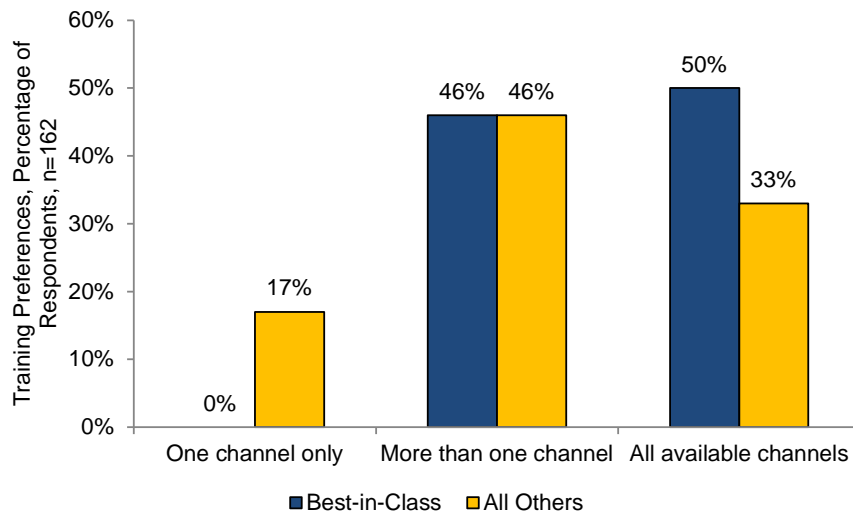
Sixty-one percent (61%) of the Best-in-Class, versus 47% of All Others, frequently and periodically train their service agents on issue diagnosis, escalation, and resolution procedures. Training can be extremely vital in driving first-call or first-touch resolution rates, thereby impacting the cost of service and improving customer satisfaction. In fact, those organizations that focus on frequent training see advantages in key metrics vs. those who don't:

- First-call resolution on Voice — 65% vs. 58%
- First-contact resolution on Chat — 38% vs. 27%

It is also worth noting that Best-in-Class organizations prefer to deploy cross-channel agents as opposed to dedicated agents (83% of the Best-in-

Class use cross-channel agents vs. 66% of All Others). While this is the norm for most organizations, the Best-in-Class are also more likely to train their agents on issue resolution practices and technology usage across all available channels (50% vs. 33% for All Others) (Figure 4). This allows for a more flexible workforce, especially in handling customer-request volumes during busy or off peak times. Agents that are primarily staffed on a particular channel can be leveraged across other channels when demands on their time are lower.

**Figure 4: Cross-Channel Training and Support**



Source: Aberdeen Group, October 2012

### Information and Tools

The other element of agent empowerment revolves around the provision of the right information to agents at the point of contact with customers. Information regarding a particular service issue or related resolution practices should be readily available to service agents so they are able to spend more time interacting with the customer and less time interacting with their applications. Best-in-Class agents are more likely to have:

- Visibility into complete customer history (71% vs. 54% for All Others)
- Performance dashboards (57% vs. 42% for All Others)
- Visibility into customer interaction history regardless of channel (54% vs. 43% for All Others)
- Access to resolution knowledgebase (57% vs. 41% for All Others)
- Remote access tools (61% vs. 39% for All Others)
- Additional account management recommendations (32% vs. 21% for All Others)



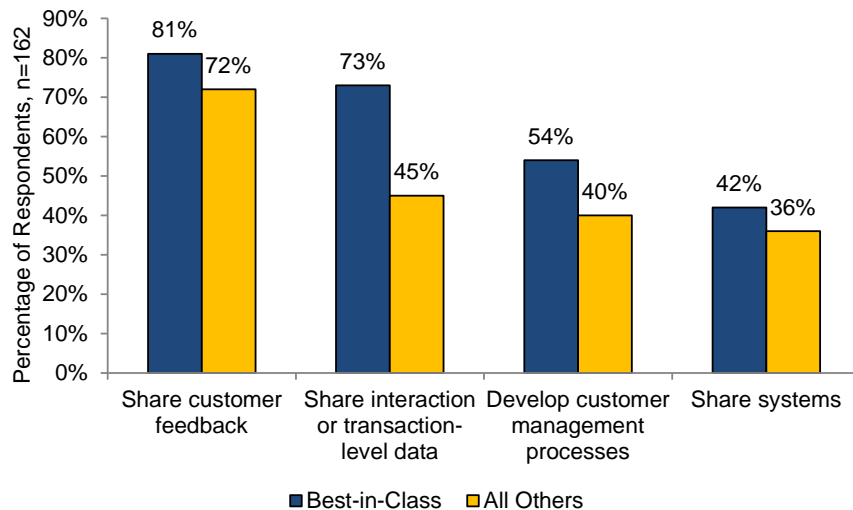
- In-call or In-session collaboration with other service agents (39% vs. 20% for All Others)
- In-call or In-session collaboration with customers via co-browsing or screen sharing (36% vs. 19% for All Others)
- Real-time personalized or contextual guidance (25% vs. 20% for All Others)

Most of these tools are aimed at providing a better resolution experience, while some enable the agent on call to offer suggestions that might prevent a future issue and further enhance the customer experience. For instance, the additional account recommendation capability can ensure that customer accounts are kept updated from an information, products, and services perspective, thereby improving the customer experience and reducing the cost associated with the occurrence of another customer interaction.

### ***Collaborate to Establish a Single View of the Customer***

In taking the discussion beyond customer service, and focusing on customer engagement and experience, it is vital that service agents and teams collaborate with their sales, marketing, and other counterparts. A single view of the customer across these major touch points is vital to ensuring the development of sustainable relationships with customers. If service and sales are in synch when dealing with a customer, service can inform sales of particular relationship building or up-sell opportunities that lead to a more informed sales agent at the time of customer interaction. In Aberdeen's State of Service Management: Outlook for 2013 report, 69% of service leaders reported that sales was the most important internal partner impacting customer service and business improvement metrics. As seen in Figure 5, collaboration between service and sales isn't just tied to ad hoc data sharing, it involves a detailed discussion around individual transactions and the co-development of customer management processes aimed at delivering maximum value.

**Figure 5: Sales and Service: Working as One**



Source: Aberdeen Group, October 2012

## Conclusion

In the multi-channel interaction environment, organizations that view additional channels as a means of enhancing their accessibility and providing their customers with multiple avenues of engagement will win out versus those who view new channels solely as a means to reduce costs. Customers want to interact with live agents for vital service issues and can be keen on self-service options when convenience is top of mind. A balance of both strategies (live vs. self-service), and access to information at both end points is vital to ensuring that customers attain the experience they desire from the channel of their choosing. It is vital to note that the live channel experience takes on greater criticality especially when customers are unable to find what they need on their own.

It is imperative that the channel preferences be evaluated in a periodic manner to accommodate the introduction of new channels of interaction, new technologies that enable richer channel interactions, while keeping a tab on ever shifting interests of customers.

For more information on this or other research topics, please visit [www.aberdeen.com](http://www.aberdeen.com).

Related Research	
<a href="#"><u><i>Trends in Customer Support: Multi-Channel Edition</i></u></a> ; November 2012	<a href="#"><u><i>Leveraging CRM in Pursuit of the Single View of the Customer</i></u></a> ; September 2012
<a href="#"><u><i>Social Media and Customer Support: From Listening to Engagement</i></u></a> ; October 2012	<a href="#"><u><i>SoMoClo Business Transformation: from Challenge to Opportunity</i></u></a> ; April 2012
<a href="#"><u><i>Agent Desktop Optimization</i></u></a> ; October 2012	
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