



# Optimizing Multichannel Environments

Improve the Customer  
Experience and Profitability

# The Right Channel

## Shifting customer service to lower-cost channels is necessary to maintain profitability, but it cannot come at the expense of customer satisfaction.

If it does, the savings—and the customer—will be lost.

Contact centers today are challenged to find just the right communication channel mix to keep customers happy while lowering costs. The key, however, is to deliver an exceptional customer experience regardless of the channel.

While voice may be the most popular channel, user demands for mobile and digital self-service channels are growing in importance. Gartner predicts that, “Through 2016, 75% of current Customer Service Support (CSS) applications in the contact center will require an overhaul to keep pace with shifting business needs.”<sup>1</sup>

To stay competitive, leading organizations are looking to implement a multichannel contact center strategy, one that integrates live agent, Interactive Voice Response (IVR) systems, Web, Mobile, Fax, email and other channels into one, seamless hub. As leading analysts from Gartner see it, “The customer interaction hub (CIH) will replace the older collection of interaction systems over the next 10 years.”<sup>2</sup>

While a multichannel environment can lower costs and improve the customer experience, it takes more than advanced self-service technology to make it successful. Before jumping to overhaul your channel mix, consider these questions:

- Who are your customers?
- What channels do they prefer?
- How do your customers move across channels?
- What is your strategy for improving the customer experience and cost level across these channels?

An optimized multichannel solution requires a cohesive environment, integrating technology with business goals and continuous improvement strategies. This is difficult to achieve in the siloed departments and ad hoc technology environments of the typical organization.

To stay competitive, many leading organizations are partnering with one full-service provider offering an integrated suite of automated and live agent channels. These partnerships help firms maximize the multichannel environment, increase profitability and optimize the customer experience.

This paper provides multichannel strategies that will help you plan and implement new competitive customer service strategies. We'll explore the challenges associated with a multichannel environment and best practices that can help to address these challenges. Finally, we discuss benefits and challenges associated with the most common approaches to implementing a multichannel solution.

To stay competitive, many leading organizations are partnering with one, full-service provider offering an integrated suite of automated and live agent channels.

<sup>1</sup> Gartner, Key Issues for CRM Customer Service Strategies, Processes and Technologies, 15 March 2011

<sup>2</sup> Gartner, Top Business Processes for CRM Customer Service, 2011 to 2013, May 5, 2011

# Benefits of Multichannel

**Compared to contact centers with voice channels alone, multichannel centers have been shown to improve the customer experience, reduce costs and increase sales.**

## Improved Customer Experience

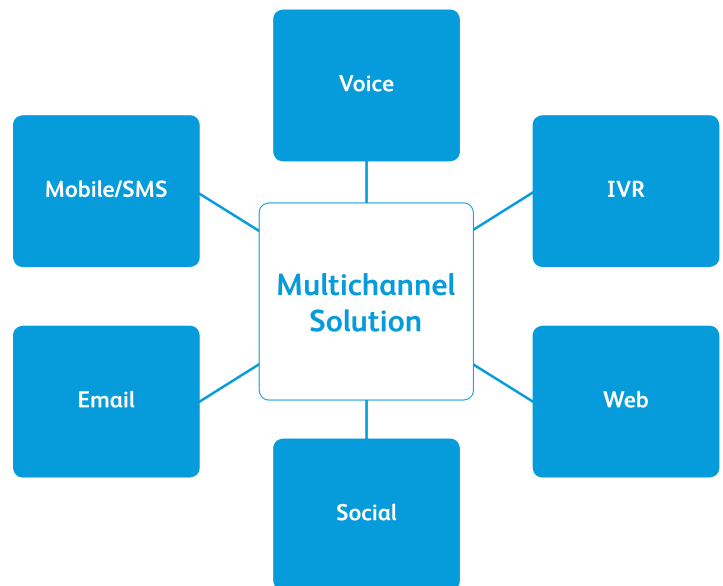
Giving customers the ability to meet their goals in their preferred channel, whether self-service or agent-assisted, improves the customer experience. In a well-designed hosted multichannel environment, self-service channels allow customers to get in, get out and get on with their business quickly. If they choose to opt into the contact center, a well-designed multichannel environment ensures that their account information travels with them. This eliminates the need to re-answer a litany of questions from a live agent, making for a much happier customer experience.

## Reduced Costs

Self-service channels offer companies the ability to handle more customer contacts faster and much more cheaply. Forrester estimates that “While Web self-service can cost as little as a few cents per contact, telephone customer service typically costs \$6 to \$12 or higher per contact. Newer technologies such as live chat can cost approximately \$5 per contact, and virtual agents can cost less than \$1 per contact. In other words, every call to a call center that could have satisfactorily been resolved via a virtual agent costs \$5 to \$11 more than necessary.”<sup>3</sup>

## Increased Sales

A well-integrated multichannel solution drives revenue growth. Customers are more comfortable using their preferred channel which helps to increase the rate of sales completion over a shortened sales process. Meeting customer needs in one shot will also help to boost the customer experience, loyalty and purchasing frequency.



<sup>3</sup> Forrester Research Inc., Selecting Online Customer Service Channels To Satisfy Customers And Reduce Costs, June 25, 2010

# Why Companies Struggle with Multichannel

**Companies are familiar with live agent, IVR and self-service web solutions, but they struggle to integrate these pieces to effectively deflect the appropriate calls and lower cost—without driving customers to the competition.**

## What Channels?

Organizations don't typically have a good understanding of the best channels needed to meet customer needs. When firms lack a true understanding of customer preferences, they tend to err on the side of cost efficiency, i.e., what will have the fastest impact on their bottom line. This short term approach ends up costing organizations more in the long run as dissatisfied customers turn to expensive contact center calls, or in the worst case, take their business elsewhere.

## Integrating Complex Self-service Channels

Self-service channels including web, mobile channels or other digital self-service options offer the convenience customers demand. They're also a cost effective alternative for transactions too complex for the IVR, such as creating an account or placing an order. The problem organizations face is maintaining uniformity across all self-service channels and monitoring performance. They simply don't have the hosted infrastructure and robust platform needed to support these business critical processes.

In a recent survey of 5,000 consumers, Forrester found that, "Although it was the most preferred method for getting customer service, only 53 % of consumers were satisfied with their phone support experiences."<sup>4</sup>

## Disconnected Channels

A siloed, inconsistent environment is created when separate technologies and infrastructures are put in place for each channel, often by different vendors or business units. This negatively impacts all channels, but the impact can be disastrous when the customer turns to a live agent for help completing an online form, only to find the agent can't help. The agent can't help because they don't have access to data locked behind the web channel, nor can they access the customer's account to verify the special promotion sent by marketing to their mobile phone. In a recent survey of 5,000 consumers, Forrester found that, "Although it was the most preferred method for getting customer service, only 53 % of consumers were satisfied with their phone support experiences."<sup>4</sup> Undoubtedly, these low satisfaction scores can be traced back to siloed, disconnected channels.

## Stagnant Approach

Organizations implement multichannel solutions to create material value, drive cost savings and improve the customer experience. Yet, if yours is like most organizations, you'll be challenged to ensure the solution continues to deliver value after the initial deployment. Continuous improvement effort is needed in a multichannel contact center more than ever.<sup>5</sup>

# Getting the Most Out of Multichannel Solutions

**Organizations must refocus business goals and strategies around the contact center as it evolves into a multichannel customer communication center.** Best practices in this environment promote an integrated multichannel package with all components—agents and self-service—optimized to provide the greatest impact.

## User-centered Design

It's important to serve customers in their preferred communication channel mix. This begins with understanding your customers and the tasks required to accomplish their goals. Run through the different scenarios a caller might use to accomplish their goals. Use this exercise to determine if the channel enables the caller to quickly and efficiently complete these tasks, or if the channel needs rework to eliminate challenges.

To gauge how customers prefer to engage with your brand, Gartner recommends that organizations, "Capture customer channel preferences (face to face, e-mail, SMS, etc.) in the CRM system and operationally adjust the organization to honor those preferences in inbound and outbound interactions."<sup>6</sup>

## Integrated Service Platforms

A well-designed and managed multichannel solution provides customers a useful and enjoyable way to fulfill their main goals quickly and easily. An integrated service platform is designed to receive and handle transactions from all types of channels including calls, emails, SMS, Fax, chats, tweets, etc., allowing

A benefit program in Florida saw significant improvements in administrative costs and customer satisfaction after they engaged a leading outsourcer to implement a multichannel solution. Missed member payments are automatically flagged and sent to the host system which reaches out to the customer to coordinate payment. Undeliverable mail signals another outbound application to notify customers that their address on file needs to be updated. The caller is then connected to the call-center agent to complete the address update. The integrated solution reduces costly agent calls and significantly lowered payment processing costs.<sup>7</sup>

customers to transition seamlessly between channels. All customer information, purchase history and recent transaction activity is retained and accessible through any channel.

An integrated service platform provides a win-win-win opportunity for organizations. It increases customer satisfaction, improves agent productivity and it increases profitability by lowering costs and increasing customer loyalty. Recent research shows that Best in Class service providers which have an integrated multichannel environment achieved 86 percent customer retention levels, 38 percent increase in agent productivity and a 21 percent reduction in total support costs in a 12 month period.<sup>8</sup>

## Consistency Across All Touch Points

The key to a successful contact center is consistency in dealing with customers across all channels. If a customer calls today about an email sent yesterday regarding a web transaction last week, the contact center agent must have the capability to handle all transactions consistently.

Robust, cloud based technology allows different contact types, such as voice and email, to be handled seamlessly and consistently. The technology has the ability to collect, store and manage contact information from whatever source, enabling better management of customer relationships. Full integration of CRM systems with multichannel contact center operations delivers a more efficient and focused service to customers, increasing customer loyalty, repeat business and revenues.

## Continuous Improvement (CI) Strategy

A strong multichannel solution requires continuous monitoring and analysis to identify patterns. How are people using the system? What are the commonalities? When and at what point do people opt to transfer to an agent – or simply hang up? By monitoring patterns within the call center, organizations can identify areas to improve cost efficiency and ways to optimize the customer experience. A strategy for continuous improvement provides an actionable framework to manage the customer experience across all channels.<sup>9</sup>

<sup>6</sup> Gartner, Top Business Processes for CRM Customer Service, 2011 to 2013, May 5, 2011

<sup>7</sup> Contact Solutions, State Benefit Program, 2011

<sup>8</sup> Aberdeen, Multichannel Service Delivery, June 2010

<sup>9</sup> Contact Solutions, Continuous Improvement Practice Overview

# Implementation Approach

**The approach a firm takes to integrating a multichannel solution must include a cross-touchpoint strategy to ensure customers receive consistent, un-siloed support across all channels.**

## Voice Channel (Agent and IVR)

In the simplest terms, an IVR automates the processes of the agent and makes the information available 24x7. A wide range of interactions are appropriate for this type of automation: A cell phone user wants to check the balance on her account, or a passenger wants to find his gate at the airport. In many cases, talking to a “machine” to get personal information may be preferable to chatting with an actual person — as long as the experience is a good one.

An IVR, however, requires continuous analysis and optimization to deliver maximum benefit to the caller and to the organization. General user frustration with poorly-designed IVR systems has led to a backlash over companies which “force” customers into an automated application, making it difficult to reach a live person. The perception is that these organizations are more concerned about saving money than supporting customers.

Forrester reports that, “roughly half of consumers say that they use automated phone systems to research, buy, and get service, but few of them are satisfied with those experiences. Only 14 % of consumers who said that they used an IVR for research were satisfied.”<sup>10</sup>

Without a user-centered design and continuous improvement programs in place, the IVR can be the weakest link in your multichannel strategy. Organizations often implement digital self-service options in addition to IVR systems to allow customers to help themselves by retrieving information or performing transactions like purchasing products and services without agent intervention.

A large stored-value card program serving over 1 million card holders had an IVR that provided 70 % automation rates. A leading multichannel outsourcer took over servicing this program and replaced the old IVR with its cloud-based solution. With the proper user-centered design and robust technology platform, the automation rate improved to 91.4 % saving over \$1M/year. Continuous improvement of the solution improved automation to 97.1 % while increasing customer satisfaction.<sup>11</sup>

## Digital and Web Based Self-Service

Every customer interaction needs to be queued, routed, and managed in the same manner. This requires underlying program workflows, business rules, and decision support. Many centers that provide some form of multichannel self-service have not taken the appropriate steps to coordinate the channels they use. Web, email, voice, IVR, and SMS should all roll into the same data structures within the center. This helps to ensure the data collection and reporting channels deliver consistent information to customers. Too often this is not the case.

Rapid introduction of mobile devices is also making it increasingly difficult for internal IT departments to accommodate shifting demands of customers and business using current integration tools. Organizations will often turn to point service vendors to help them stay on top of and better manage these rapidly changing tools and their integration.

Mobile text or SMS channels successfully reach more mobile customers than mobile apps or websites. Independent research indicates that over 90 percent of the population is wireless; almost 70 percent of mobile owners use SMS; and the vast majority of text messages are read.<sup>12</sup>

A leading multichannel partner has developed a Mobile Balance Inquiry service allowing recipients to receive account balances via SMS, which increases customer satisfaction and reduces costs.

Callers enroll for the service via inbound IVR. Once their number is registered, callers request their balance using a predefined vanity short code. The provider host looks up the customer's balance and returns it to the mobile phone via SMS immediately. Automatic deposit notification and low balance alerts via SMS also improve customer satisfaction by helping them manage their spending.

## Multichannel Point Services

Individual self-service technology is often procured from a point-based vendor on an ad hoc basis. These point solutions can be problematic when organizations try to implement the 'best' solution for IVR, email, web and SMS separately. This typically results in good technology operating in siloed channels across the enterprise. Customers get a different response depending on the channel they choose, which fuels the fire of customer dissatisfaction.

Organizations using point-based solutions also run the risk of getting their channel mix wrong. Customer preferences, technology and channel costs change rapidly. Anticipating these changes requires continuous monitoring and analysis of customer interactions—not to mention deep pockets to regularly upgrade systems and technology.

The potentially disastrous consequences of implementing disconnected multichannel point services highlight the benefits of engaging an adaptive multichannel partner.

## Multichannel Partner

Xerox, along with their partner, Contact Solutions, provide organizations with an efficient and agile multichannel strategy. The team applies extensive end-to-end analysis to develop customer experience programs and a roadmap for multichannel implementation success.

## Un-siloed and Consistent

The team develops multichannel solutions designed to deliver consistent levels of support by sharing information about the customer across multiple touch points such as Web, IVR/voice portal, telephone, SMS, and email interactions. By tearing down the 'virtual silos' segmenting customer support, the team provides an optimized, integrated customer experience across all channels.

## Optimized Customer Experience and Profitability

Each solution is developed with an overarching goal: optimize the customer experience and profitability. Easy to use channels aligned with customer preferences encourage higher self-service rates at significantly cheaper rates per contact. Service-Oriented Architecture (SOA) application integration supports all channels and reduces complexity and cost. The multichannel solution increases customer satisfaction by reaching customers when and how they want to be contacted.

## Continuous Improvement Methodology™

A unique Continuous Improvement (CI) methodology is embedded in each solution, enabling organizations to make informed business decisions about self-service solutions. The CI service is executed and managed by the team using best practices, tools, scorecards and an ROI tracking model. This CI practice provides your organization with:

- Visibility into projected and actual cost-savings and customer experience performance
- Strategic insight into customer behaviors, what-if scenarios and system performance;
- Actionable analytics provide specific actions needed to improve your multichannel environment.<sup>13</sup>

A well-managed multichannel strategy is a critical component in a successful call center solution. Through continual analysis and improvement practices, a multichannel environment can save companies and entities millions, while providing timely, accurate information to callers around the clock. It's a good call – for everyone involved.

<sup>12</sup> comScore, Mobile Year in Review, 2010

<sup>13</sup> Contact Solutions, Continuous Improvement Practice Overview

## Summary

A new sort of contact center is needed to manage multimedia customer contact. A contact center that provides agents with up-to-date visibility of interactions across all channels and customers with a consistent service across all channels delivers an optimal multichannel environment.

Your business has a great opportunity to improve the customer experience and reduce costs by leveraging what is now possible in your contact center. The shift to a multichannel contact center is not without risk but implementation with an experienced multichannel outsourcing partner will help you manage the risk, optimize the customer experience and maintain your competitive advantage.

For more information, visit [www.xerox.com](http://www.xerox.com), [www.news.xerox.com](http://www.news.xerox.com), [www.realbusiness.com](http://www.realbusiness.com) or [www.xerox.com/businessservices](http://www.xerox.com/businessservices).  
For investor information, visit [www.xerox.com/investor](http://www.xerox.com/investor).

## Case Study – State Program Benefits from 6 Channels

### Challenge

- High administrative and call center costs
- Manually process bank transfers and credit payments
- Frequent customer account overruns

### 6-Channel Solution

- IVR: Inbound self-service calls for payments and account services
- Live agent: More complex calls
- Outbound SMS: Customer alerts of account balance threshold
- Inbound SMS: Customer account balance inquiries
- Website and mobile web: All IVR transactions plus more complex transactions

### Results

- Reduced calls to agent by self-servicing in web
- Reduce live agent call length
- Lower cost of payment processing

