

# Demystifying Omnichannel Customer Engagement

By Richard Snow, Ventana Research



## The Author



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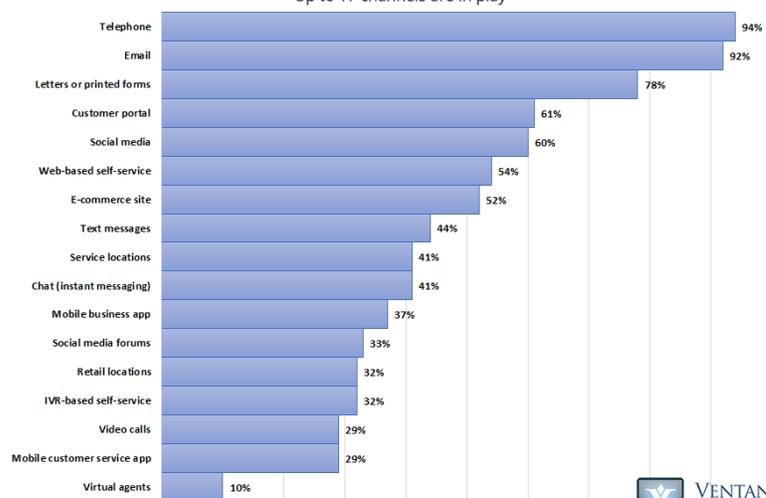
Richard leads Ventana Research's Customer and Contact Center Management research practice, which is dedicated to helping organizations improve the efficiency and effectiveness of managing their customers, throughout their lifetime and across all touch points, including the contact center. As an industry veteran with more than 30 years experience, Richard conducts research exploring the people, process, information and technology issues behind customer operations management, contact center management, and customer experience management.

## Q: What is omnichannel customer engagement?

**A:** Consumers engage with each other and with businesses through more communication channels than ever before. Our benchmark research into next-generation customer engagement shows that companies use as many as 17 channels and on average support about eight.

### Customer Channels Supported by Companies

Up to 17 channels are in play



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Customers expect consistent responses across all channels they use, and they want to be able to change channels without having to re-enter information they have already provided – for example, they do not want to be asked to rekey into a mobile app data they already entered into an IVR system or to repeat it when they end up speaking with a contact center agent.

To provide an omnichannel experience that is the same on all channels, companies must therefore manage interactions in a comprehensive manner that provides a consistent, personalized



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experience for each customer regardless of the number or nature of touch points. In addition, data collected at one touch point should be available at any subsequent touch points used during an interaction. Omnichannel customer engagement thus aims to allow customers to engage through as many channels as they wish, perhaps even at the same time (for example, speaking on a mobile phone to a contact center agent while looking at the company's website), and to seamlessly switch between channels as they carry out a sequence of interactions to resolve an issue.

**Q: What consumer trends drive omnichannel engagement?**

**A:** In this emerging digital age, consumers are more likely to use digital channels of communication (text, instant messaging, social media) rather than speak to a person via telephone or meet face-to-face. It is also the case that people increasingly expect instant responses to their queries. Consumers want to engage with businesses at the times they choose, using technology they choose, and they may want to do this in different ways for different products and services and types of interaction; for example, they may request information online, but for billing inquiries or complaints they may want to talk to a person. Whatever the specifics, though, customers want interactions to be easy and they want information and outcomes to be personal to them and appropriate to the situation. Above all, they want consistent responses regardless of the channel they use, and if companies fail to match this expectation, they will search online until they get an answer that meets their expectations; furthermore they may well then choose to use social media to tell the world about their experience. Companies thus have to provide omnichannel engagement to survive and prosper in ever more competitive markets.



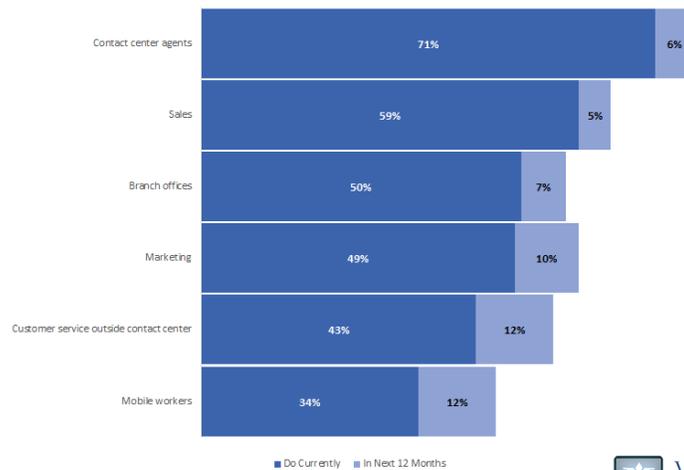
When done properly, engagement thus becomes a seamless journey that is centered on the consumer.

## Q: How does omnichannel management enable a customer-centric focus?

**A:** As well as engaging through multiple communication channels, consumers engage with different business units and groups (including marketing, sales, finance, customer service, the contact center, home-based workers and self-service systems) at various stages in the customer life cycle. These contacts can include searching for products and services, purchasing them, seeking support and terminating an agreement. To complete any of these might require a series of interactions, which collectively are often called customer journeys, that involve multiple channels and employees from different business groups. Our benchmark research however shows that companies typically handle customer interactions as individual one-off transactions.

### Who Handles Customer Interactions

More agents will be outside the contact center



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The customer journey pursuing an issue or inquiry and the information provided thus will vary depending on the system or people the customer engages with. Omnichannel engagement seeks to ensure consistency and provide the same up-to-date information across all channels, interactions and employee touch points. When done properly, engagement thus becomes a seamless journey that is centered on the consumer.



# 74%

of organizations seeking to improve customer engagement are driven to improve customer experience

We advise starting small and building incrementally on successes.

## Q: What are the business drivers for omnichannel interaction management?

**A:** Our research reveals that organizations seeking to improve customer engagement are driven to improve customer experience (said 74%), improve overall customer service (70%), improve business processes (54%), become more competitive (44%) and reduce operational costs (43%), especially in the contact center. Customer experience has thus become a key business differentiator in acquiring and retaining customers. The same research reveals that three obstacles stand in the way of achieving these goals: relevant systems aren't integrated, communication channels are managed as silos, and responses to the customer are inconsistent. These result in increased operational costs, reduced customer satisfaction, employee frustration, damage to brand image (through, for example, negative posts on social media), a lack of coordination between business groups and the loss of customer trust. A connected omnichannel approach can help overcome all of these obstacles, provide customers with the choices they are seeking and so result in improved business outcomes and financial results.

## Q: What steps should organizations take to implement omnichannel customer engagement?

**A:** Delivering an omnichannel approach requires an enterprise-wide effort that includes executive sponsorship and buy-in and cooperation across all business units involved in customer-related activities – marketing, sales, customer service, the contact center, finance and HR. We advise starting small and building incrementally on successes.

Begin by analyzing current customer journeys by product; focus on those that aren't delivering the desired business outcomes. This will require a team that includes employees from involved business groups who have a variety of relevant skills and experience or access to expertise. Next, determine how to improve processes so that each journey focuses on the customer, supports seamless transitions across business groups and



**In general, take a journey-by-journey approach. Test the process of changing one or two journeys, learn from mistakes, celebrate successes and expand into other tasks, customer segments or journeys.**

channels and optimizes the journey from the customer's perspective while delivering the required business outcome. Also assess what new skills, training and coaching may be required for employees and evaluate systems, current or new, that can best support the new processes and people. Finally, reexamine the metrics that will be used to monitor and assess the success of the new approach for both efficiency (such as average handling times or transfer rates) and effectiveness (such as first-call resolution rates or net promoter and customer effort scores). Remember that omnichannel management requires an integrated approach spanning people, processes, information and technology.

Periodically assess the success of the new approach and refine it to further improve performance. Later apply it to all other journeys.

#### **Q: Do you recommend a phased approach?**

**A:** Yes. My experience shows that selecting one or two key tasks, such as customer onboarding (the process of a customer signing up for a service or beginning to use a product) or handling service quality complaints works best. Start with a few heavily used channels, typically the telephone and the company website, and expand to include all supported channels. Sometimes it's wise to select one customer segment (for example, high-value customers), then move on to others after success.

In general, take a journey-by-journey approach. Test the process of changing one or two journeys, learn from mistakes, celebrate successes and expand into other tasks, customer segments or journeys. If you use external service providers (outsourcers) to support customer engagement, apply the process to them, taking into account that processes and information should be shared.



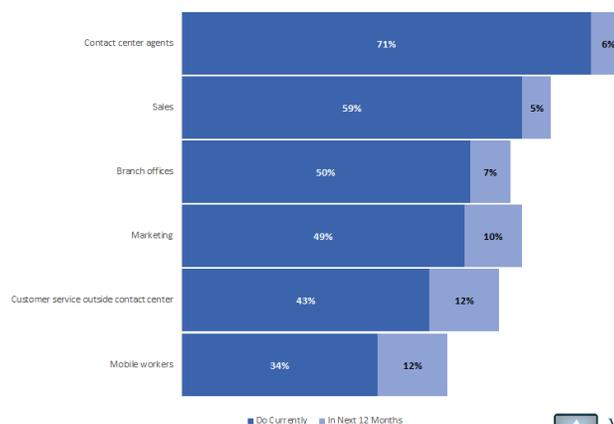
The two most common benefits companies achieve through omnichannel engagement are to provide customers with choices that match their expectations and with experiences that are consistent across channels

## Q: How can companies build a business case for omnichannel customer engagement?

A: Omnichannel engagement can help organizations overcome inconsistencies in the handling of interactions, which can annoy customers, and it can streamline operations by standardizing processes. A business case for omnichannel customer engagement can thus be built from two perspectives: improved business performance as a consequence of more satisfied customers who remain loyal longer and spend more, and reduced operational costs associated with handling customer interactions. We recommend using both.

### Providing Multiple Channels for Interaction

Direct business benefits aren't widely realized



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Our research finds that the two most common benefits companies achieve through omnichannel engagement are to provide customers with choices that match their expectations and with experiences that are consistent across channels – both can result in satisfied customers. Companies should thus build a case based on expected improvements in key metrics such as net promoter scores (NPS), wallet share (the average number of products bought per customer) and customer lifetime value (total sales minus sales and support costs). Omnichannel engagement also makes it easier for customers to engage with companies, which can result in lower customer effort scores (CES), which has



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the dual benefit of improving customers' satisfaction and reducing the costs of handling interactions.

From an operational perspective, our research shows with the successful deployment of omnichannel engagement, customers are more likely to use self-service channels and call less. This will have a direct impact on key metrics such as repeat calls, interaction handling times, use of agents to assist in interactions and first-contact resolution rates. Omnichannel engagement also has a direct impact on agent satisfaction, as the agents will be more able to meet customer expectations. Our research into the agent desktop and customer service shows that agent satisfaction has a direct impact on customer satisfaction, with very satisfied agents twice as likely to meet targets for customer satisfaction, NPS and CES and thus to deliver business benefits. And higher agent satisfaction is also likely to reduce agent turnover, which in turn will reduce recruiting and training costs.

The prospect of such a combination of improvements should enable companies to build a business case for omnichannel customer engagement. Less obvious but equally important is that omnichannel engagement should result in better cooperation between business groups, a better understanding and view of customer journeys, and an increased focus on the customer.

