



Executive Brief

Customer Experience Improvement: The Role of Technology in Developing a Positive Customer Relationship

Every year, organizations invest in their contact center technologies with the dual goals of providing a high quality customer experience, as well as developing a cost- and time-effective system that meets business and budget needs. Yet if this process is not handled carefully and contact centers experience numerous issues, the opposite results are achieved: customers switching to the competition, companies building a bad reputation, and organizations experiencing profit loss.

This executive brief provides insight into:

- The monetary value of providing a high-quality customer experience
- The role of technology in creating a positive customer experience
- The importance of monitoring that technology to ensure that issues do not negatively impact the customer experience

What is a Good Customer Experience Worth?

There are many ways to save contact center costs and increase profit margins. For instance, you can trim expenses by installing self-service technologies that allow customers to complete easy and frequent transactions at their own pace via automated processes. At the same time, you must not lose sight of the fact that customers demand a high quality experience. Nearly 60% of companies think that their customer service is only equal to or not as good as their competitors.¹ So what is to stop customers from changing their loyalties?

Raising the level of customer experience produces a real dollar value, ranging from a low of \$40M for large retailers to a high of \$1.7B for wireless carriers.² In contrast, 87% of consumers say that a bad customer experience would lead them to never return to a company.³

Consumers expect that, in return for their business, they will not experience such issues as difficulty hearing or understanding an agent, agents that lack the information to answer questions, routing to the wrong agent, long wait times, or dead air. When customers have a bad experience, they will most likely share it with their friends and extended community via social media channels such Facebook and Twitter.

The average cost per customer service call is \$3.46. If a new technology or feature can lower the cost per call even by a small amount, it can be

worth the investment. With that in mind, companies in the US make an average recurring call center technology investment of \$2.1B per year.⁴

There is no doubt that providing customers with increased options and higher quality services will pay off in the long run. The real question is how to get the most out of your company's technology investment so you can actually reap the desired benefit of a better customer experience.

The Role of Technology

Of equal importance to developing a contact center that provides a high quality customer experience, is to develop a cost- and time-effective system that meets the needs of your business and budget. In the quest to achieve these goals, companies have created complex environments, filled with multiple technologies, which can include:

- Devices: Session Control and Management Servers, application servers, media servers, PBXs, SBCs, gateways, and SIP-based endpoints
- Contact Center Solutions: Automatic Call Distributor (ACD), Interactive Voice Response (IVR), Computer Telephony Integration (CTI), and routing
- Enterprise solutions: Customer Relationship Management (CRM), Enterprise Resource Planning (ERP), employee directory, skills tables
- Unified Communications technologies: Multi-modal, multi-channel social interactions, such as email, web chat,

and other innovative contact center channels⁵

This type of environment provides numerous benefits, but also introduces risks around infrastructure reliability. The resulting issues can negatively affect customer service and the ability of employees to properly perform their jobs. Thus, the exact technology that was supposed to save costs is actually causing a hit to the bottom line.

Take, for instance, the fact that there is a lack of standardization between the way different technologies interact (e.g., IVR vs ACD vs CTI) – sometimes even when they are developed by the same vendor. How many times have you called a company, provided your name and other personal information to the automated system, and then later had to supply that same information to the agent you eventually ended up speaking with? It is annoying, frustrating, and stressful for customers. Moreover, it slows down the agents because they have to ask for customers to repeat information and because they often have to explain to customers why that information had to be provided a second time.

Contact centers all use different sets of technologies and vendors, which further complicates the situation. For example, as a consumer, you may call into a company, get the home-based call center, and later have to be transferred to an outsourced call center. That second location may not use the same technology environment as the first. If a company does not keep a careful eye on what is happening during the interactions between

those differing infrastructures, customers can experience such issues as dropped calls or lack of appropriate agent information.

Further problems can be introduced when changes are made to the contact center infrastructure. As new products and applications are introduced, configuration and interoperability issues can result in problems like connection failure, jitter (where packets arrive at their destination at different intervals), packet loss (which can degrade call quality and understandability), latency (causing conversation lags and sometimes incomprehensible conversations), bad voice quality, etc. In fact, 79% of customers globally report experiencing poor voice quality, and that alone costs contact centers 7.6B BP in the UK and \$36.8B in the US.⁶

These issues have an almost immediate negative customer impact and will not only cause customer dissatisfaction, but also often require customers to call back and start the process all over again. This, of course, adds further costs to the company and annoyance to the customers.

The problem is increased when the source of an issue cannot be quickly discovered – or, even worse, if the company does not realize that an issue is occurring. A single problem can then have a domino effect, causing further issues in other areas. As a result, it is even more challenging to find the origin of the glitch – thereby increasing the chance that the customer experience will take a hit.

The IVR: Saving or Increasing Costs?

Let's take a moment and focus on a single contact center technology, to see how it can affect the customer experience. Interactive Voice Response system, or IVR, is one of the key money-saving technologies in the contact center environment. Larger companies rely heavily on self-service technologies to enhance the customer experience⁷ and lower business costs. With an IVR, customers can access a certain amount of information around the clock, without having to wait for an agent. Organizations can also use agents more cost-effectively, enabling them to spend time on involved issues rather than handling basic information requests.

On the negative side, with an automated system, customers often end up routed to the wrong agent or lose patience with the many options and steps with which they are presented through an IVR. At that point, customers dial "zero" or select the option that allows them to speak with an operator. The operator must then direct the call to the correct agent. This type of call typically happens around 30% of the time and can even happen as often as 50% percent of the time, adding \$415K per year to the cost of customer center calls.⁸

With people often going through this process to reach agents, it becomes more crucial than ever that customers be routed to the correct agents, and agents must get the appropriate screen pops so as to better assist callers. Yet when configuration issues occur or a new piece technology is

added to the system, for example, it is not uncommon that customers might experience issues that hinder those goals. Unfortunately, the bottom line is that 84% of organizations do not have adequate tools to monitor and manage their IVR systems.⁹

Monitoring: the Key to Improving Customer Experience

It is clear that a multitude of issues can arise on a regular basis in the contact center. Some companies do provide exemplary customer service that results in an excellent customer experience, though. So how do they keep their systems up and running, heading off problems before they affect customers? Savvy companies make understanding the customer experience a central part of their business.

Numerous organizations measure customer satisfaction (70% of organizations say it is the most important metric they measure). At the same time, often they look at operational measurements (e.g., call duration, average speed to answer, first call resolution rate) instead of trying to really understand the customer experience (customer expectations, experience, perception of interactions, and overall satisfaction).¹⁰ Comprehensive monitoring – the process that provides real insight into the customer experience – is the piece that many of those companies miss.

46% of companies have new monitoring and analytic technologies in use – this provides a competitive edge.¹¹ Monitoring your contact

center environment lets you gain a true understanding of what your customers are hearing. When there is an issue, you can utilize meaningful and actionable information to fix the problem, diving through the technology layers to determine its impact on voice quality, discover its origin, and improve your understanding of the overall customer experience. With this knowledge, you can increase your call center's ability to take calls and resolve problems, provide a superior customer experience, and minimize customer churn.

A comprehensive monitoring solution will enable you to detect and resolve problems early, thereby helping to improve overall contact center performance. In other words, you can be predictive and proactive, avoiding some problems altogether – thereby creating a better experience for customers and agents alike.

Monitoring should be paired with testing whenever new hardware or applications are added to the environment. In this way, you can continue to resolve any configuration or other issues before technologies go into a live production environment. Think of it as testing to “get it right” and monitoring to “keep it right.”

Conclusion

Improving the customer experience has a clear and direct positive impact on the bottom line. One of the keys to keeping customer satisfaction high is to consistently assure that customer interactions go smoothly, unaffected by technology investments or alterations. While back-end technology changes will continue to occur on a regular basis, this process should be invisible to your customers. That is why it is critical to get it right (test) and keep it right (monitor). The only thing your customers should be aware of is that they are able to access the correct information, get in touch with the right agents, and quickly and clearly communicate their requirements so their needs can be met in a timely manner. Building this kind of positive customer relationship will keep customers loyal, bring you new business, and help increase profits across the board.

1 Survey Results: Companies “Unifying” the Conversational Contact Center, Dan Miller, Sr. Analyst, Opus Research – sponsored by Empirix, October 2010

2 The Business Impact of Customer Experience, by Megan Burns, Senior Analyst, Forrester Research, November 2010

3 2009 Customer Experience Impact Report, Harris Interactive (sponsored by RightNow Tech-

nology), 2009 (2,300 US adults interviewed)

4 Customer Experience in the Call Center: Can the Leaks in the Pipeline be Fixed?, Fonolo, 2010

5 Survey Results: Companies “Unifying” the Conversational Contact Center, Dan Miller, Sr. Analyst, Opus Research – sponsored by Empirix, October 2010

6 Could You Repeat that Please: The Costs and Impact on the Customer Experience of Poor Voice Quality, Professor Morris Pentel, Chairman, Customer Experience Foundation, September 2010

7 The Executive Disconnect: The Strategic Alignment of Customer Service, Genesys Global Survey of Customer Alignment, 2008

8 Customer Experience in the Call Center: Can the Leaks in the Pipeline be Fixed?, Fonolo, 2010

9 The Machine Doesn't Understand Me: The Costs and Impact on the Customer Experience of Poor Voice Quality, Professor Morris Pentel, Chairman, Customer Experience Foundation, November 2010

10 The Executive Disconnect: The Strategic Alignment of Customer Service, Genesys Global Survey of Customer Alignment, 2008

11 Survey Results: Companies “Unifying” the Conversational Contact Center, Dan Miller, Sr. Analyst, Opus Research, October 2010

For a complete list of offices worldwide, or to find an authorized distributor in your area, please visit: www.empirix.com/contactus.

© 2011 Empirix. All rights reserved. All descriptions, specifications and prices are intended for general information only and are subject to change without notice. Some mentioned features are optional.

All names, products, services, trademarks are used for identification purposes only and are the property of their respective organizations.

ENT:EB:CEITROTIDAPCR:0311