

# Rightsize Your Customer Experiences

Build strategies and business cases to match customer expectations with business performance.



**INSIGHTS**  
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ttec™

# Turn off trade-offs

Customer experience delivery is often considered a trade-off. Do you want to make customers happy, or do you want to keep costs down? Success in one area comes at the expense of the other.

Not anymore. These formerly divergent positions are now aligning, thanks to emerging digital channels that cost less and customers prefer. It's possible to reduce costs, improve ROI, and boost customer satisfaction all at the same time by re-thinking your contact center channel strategy and operations.

This e-book examines channel migration stats, trends, and ROI potential. It's a thought starter for customer executives grappling with how to balance cost pressures and experience expectations.

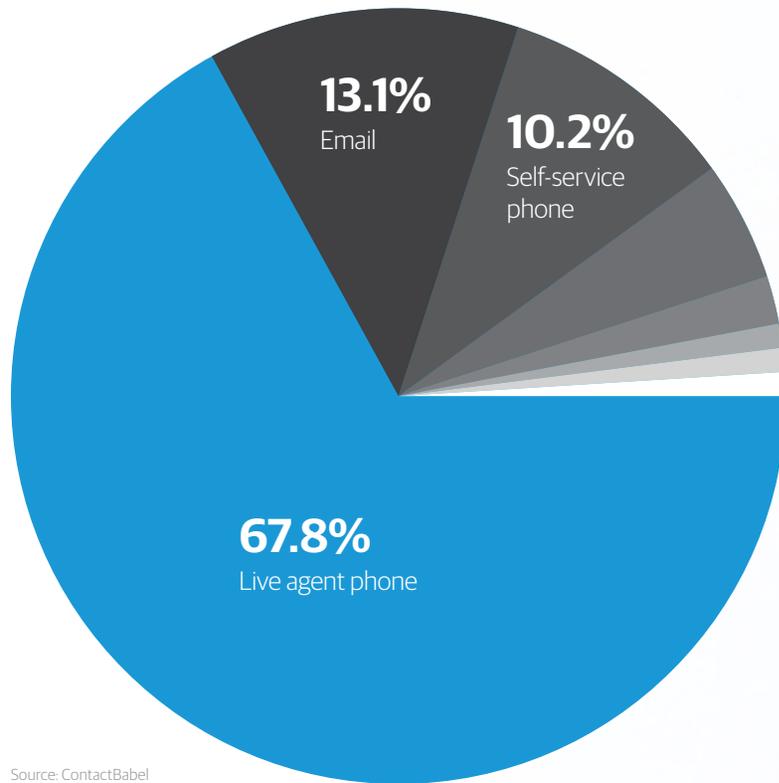
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# Voice dominates customer interactions

Even in the digital age, voice still leads the contact center industry.

## INBOUND INTERACTIONS BY CHANNEL



Source: ContactBabel

**5.3%**

Web chat

**1.8%**

Social Media  
(customer service)

**0.7%**

Letter

**0.7%**

SMS

**0.4%**

Fax

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Live voice interactions, while still a majority, are on the decline. They dropped from **68.9%** last year to **67.8%** this year.



# Consumers prefer lots of channel options

Depending on the type of interaction, consumers want to engage in different channels.



## CONSUMER CONTACT PREFERENCES



### Speak to someone on the phone

- Answer a simple question/request
- Investigate products/services
- Ask a question about my bill
- Register a complaint
- Urgent technical assistance
- Emergency service
- My product/service fixed
- My bill refunded



### Web self-service

- Investigate products/services



### Speak to someone in person

- Close my account



### Email/SMS

- Give positive feedback



### My account online

- Change my account details

Source: Verint

**64%**

of consumers prefer digital channels for basic customer service issues (Verint)

**58%**

of UK consumers would embrace customer service automation and AI if they enable efficient experiences (IMImobile)

**55%**

of all customer interactions typically begin online and more than a quarter now begin on mobile devices (Microsoft)

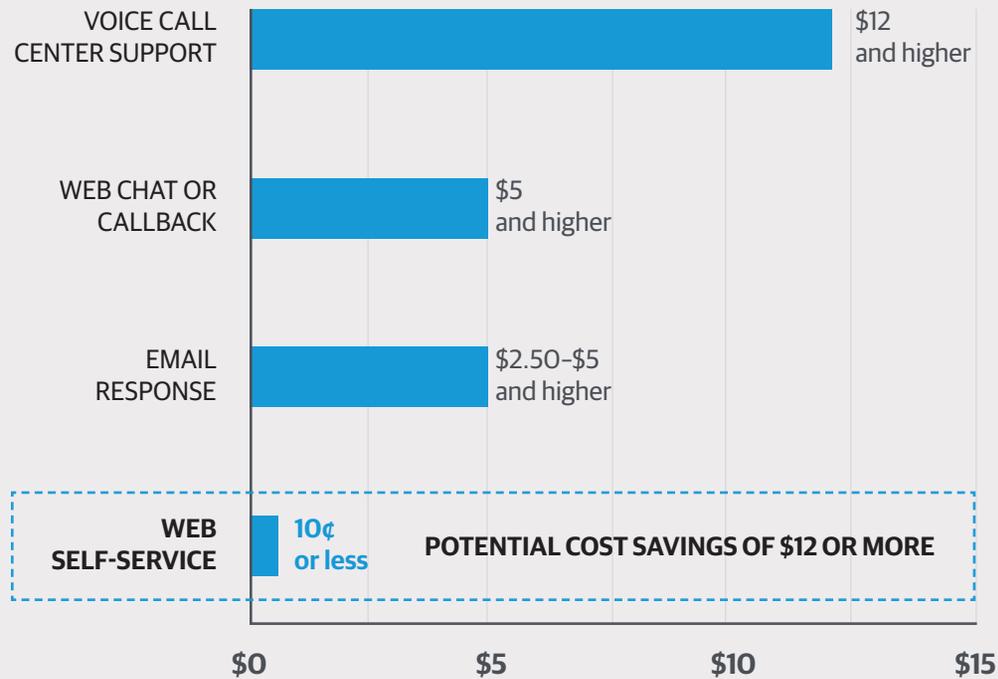
**50%**

of consumers prefer to conduct all customer service interactions via text/chat/messaging (Aspect)

# More channel options, lower costs to serve

Non-voice channels cost significantly less than voice. Self-service in particular costs almost nothing, and often it's a channel customers prefer.

**COSTS PER INTERACTION CHANNEL**



Source: Salesforce

## Banking costs per interaction

Teller/associate = **\$4**

Mobile = **10¢**



## Airline costs per interaction

Associate check-in = **\$3**

Kiosk = **14¢**



Source: Forrester Research

# Changing the channel

CX leaders are taking notice of the trend. Research shows they expect the interaction channel mix to change evolve. Web chat, social media, email, and SMS in particular are on the upswing.

## Digital becomes top-of-mind

Digital business transformation is a leading priority for CX leaders.

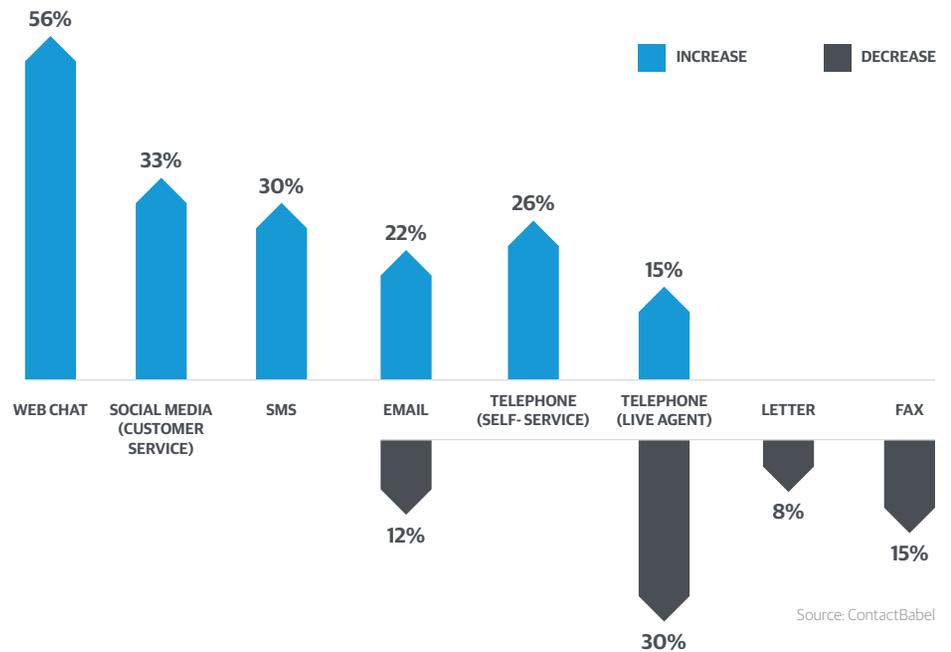
CX TEAM TECH PRIORITY	2017 RANK	2016 RANK
Omnichannel: integration of technologies	1	1
Digital business transformation (migration of voice traffic to digital)	2	3
Data analytics	3	4

Source: Dimension Data

## Shifting channel expectations

CX leaders predict growth in web chat and social media as inbound channels, replacing voice traffic.

### How do you think inbound channels will change in your contact center in the next 12 months?



# ROI of channel migration

There is tremendous potential to save costs and boost revenue when delivering services in less expensive channels that customers prefer.

## Cost savings

Channel migration has some enormous financial potential that will be noticed outside the contact center.

Major banks that reduce call center volumes by **20%** can save up to **\$80 million** within one year

(Bain & Co)

Contact center process improvements at a wireless company led to a **20%** improvement in average handle time and **\$10 million** in total financial savings

(TTEC)

## Revenue generation

By moving to channels that customers prefer, companies can also expect an improvement in their CX and NPS scores. Forrester estimates that even small improvements result in millions worth of revenue gains.

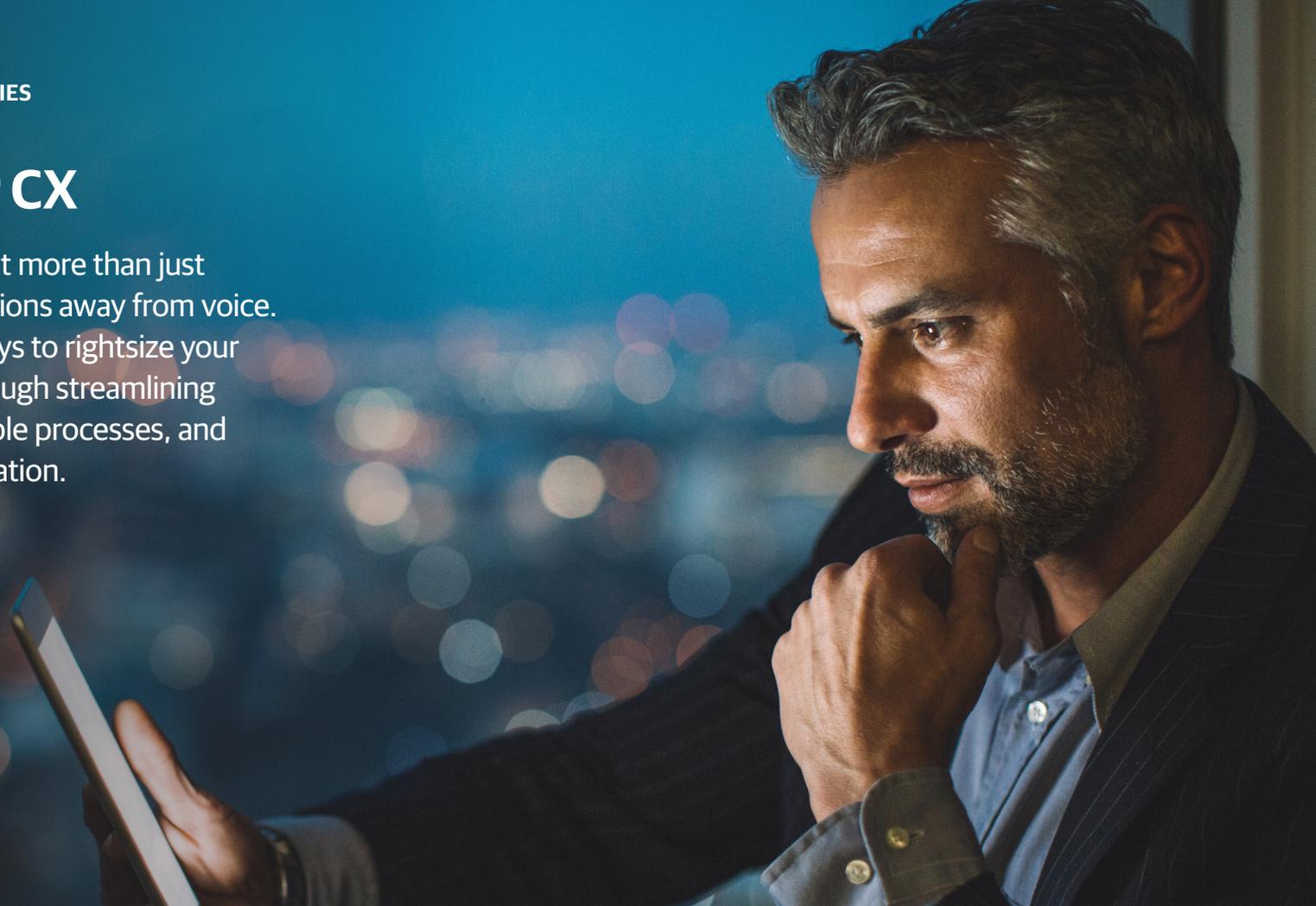
### 1-point improvement in CX Index™ score results in:

		Annual incremental revenue per customer (from a 1-point increase)		Average number of customers per company		Total Revenue
	Auto manufacturers: mass market	\$48.50	x	18M	=	<b>\$873M</b>
	Hotels: upscale	\$7.54	x	44M	=	<b>\$332M</b>
	Wireless service providers	\$3.39	x	82M	=	<b>\$278M</b>
	Big-box retailers	\$2.44	x	100M	=	<b>\$244M</b>
	Auto and home insurance providers	\$14.32	x	15M	=	<b>\$215M</b>
	Airlines	\$3.49	x	48M	=	<b>\$168M</b>
	Traditional retail banks	\$8.27	x	15M	=	<b>\$124M</b>
	TV service providers	\$6.11	x	17M	=	<b>\$104M</b>
	Internet service providers	\$5.26	x	16M	=	<b>\$84M</b>
	Rental car providers	\$1.67	x	40M	=	<b>\$67M</b>
	Auto manufacturerers: luxury	\$104.16	x	350K	=	<b>\$36M</b>
	Direct banks	\$9.96	x	3M	=	<b>\$30M</b>
	Credit card providers	\$0.08	x	61M	=	<b>\$5M</b>

Source: Forrester

# Rightsize your CX

Channel migration is about more than just moving customer interactions away from voice. There are a number of ways to rightsize your customer experience through streamlining operations, changing simple processes, and being smart about automation.



## Get the digital journey right: Think about how automation feels to the customer

Automation and customer self-service tools can do much of the work to offset voice volume. Know which interactions customers will prefer digitally, and save your people for interactions that are complicated, highly valuable, or fueled by emotion.

## Reduce the number of calls to the contact center

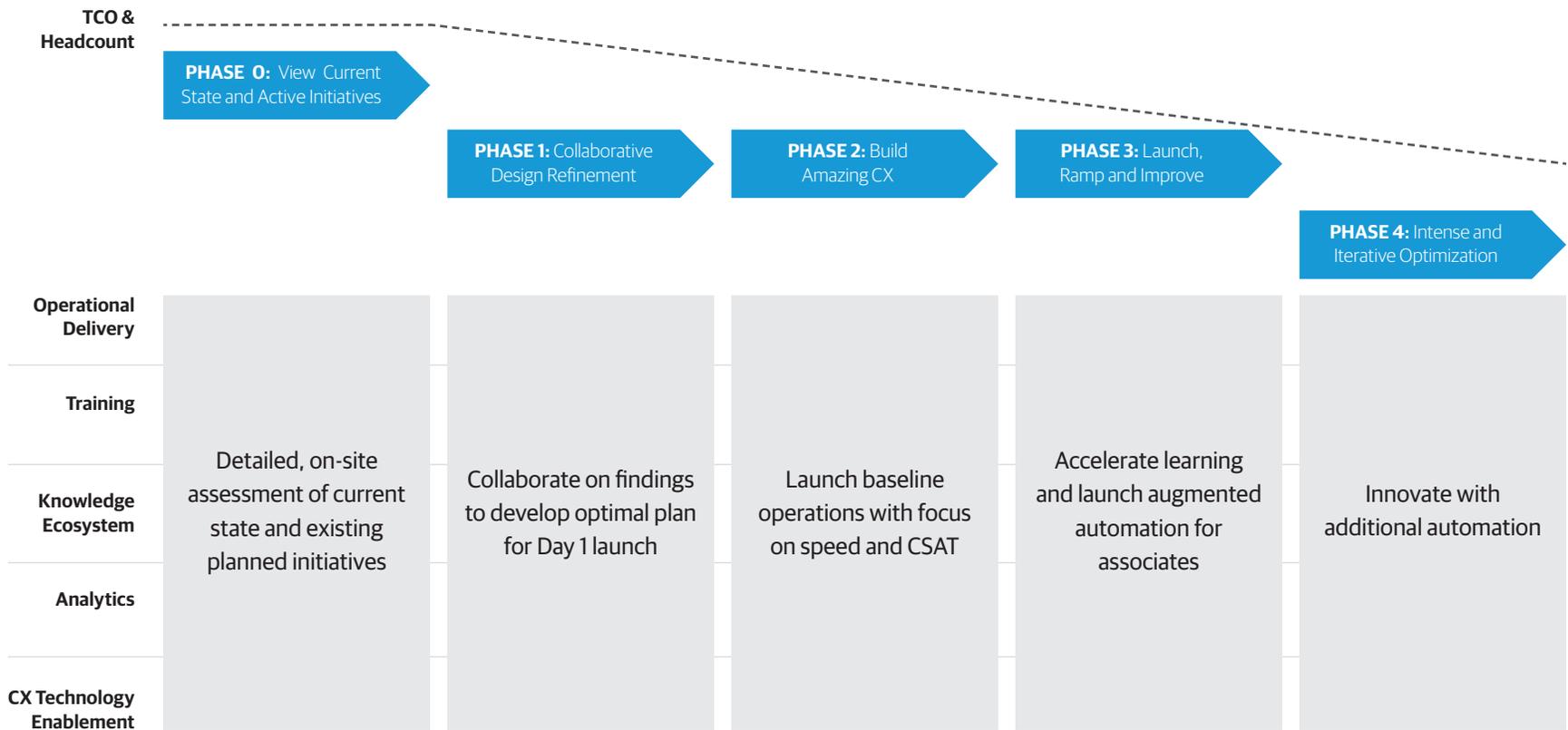
Eliminate “bad volume” by reducing redundant calls or pre-empting calls with proactive outreach before a customer needs to pick up the phone. Even simple changes to associate scripts and website text may increase first resolution rates and reduce overall calls.

## Contact center optimization: Understand more about “why”

Leverage valuable insight that already exists in your contact center operations to change for the better. Determine why people call and what slows down the process so you can fix common issues or prevent future calls.

# Putting strategy to work

We recommend a phased approach that applies best practices in operations, training, knowledge, analytics, and technology when deciding on an optimal channel mix. The approach delivers incremental value and cost savings in each phase can be applied to invest in the next ones.



# Putting strategy to work



There are many areas that influence successful channel interactions.



Here are just some of the areas to be reviewed in a current state assessment:



## Talent acquisition and management

- Appropriate Skill Alignment & Career Path
- Employee Retention Results
- Strategic Workforce Planning
- Current Geographical Redundancy
- Language Coverage



## Operational Delivery

- Interaction types
- Interaction flows
- Skills assessment
- Hiring profile
- Hiring process
- Languages
- Rewards and recognition
- Average turnover



## Analytics

- KPIs
- CSAT scores
- VOC tools
- Complaint process



## CX Technology Enablement

- Connectivity
- Omnichannel
- Chat, social, video
- Login
- WFM
- QA



## Training

- Tools
- Common errors
- Coaching cadence



## Knowledge Ecosystem

- Syllabus
- Content
- Knowledge base
- Tools

# The customer perspective

When you do decide to move customers to new channels, it's a delicate process. Communication is key. Customers need to understand what is happening and why so they won't feel as disrupted or out of control in whatever decision is made.



## Migration tactic



## Pros



## Cons

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### **VOLUNTARILY**

Voluntarily ask consumers to switch channels

Consumers have control over how they want to interact with a company, boosting satisfaction

Consumers may not switch in large enough numbers to save enough costs

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### **FORCE**

Force customers to use the other channels by eliminating voice options

Saves costs internally

Customers feel that their freedom is threatened, harms satisfaction

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### **REWARD**

Reward customers for moving to preferred channels and charge fees for using traditional channels

Encourages customers to behave in preferred ways; consumers retain some control

Incentives cut into cost savings, and work is necessary to determine best incentives to encourage behavior change

# Key enablers of channel migration



## Associate culture and skills

Front-line employees have the power to make or break a customer relationships. Whether on the phone, web chat, or SMS message, they need to understand the desired customer outcomes, and how they play a role in the program's success. Training, culture, and employee satisfaction are hugely important to realizing ROI potential.

## Tools

Seamless digital transition requires integrated systems across functions. Insight can be derived from integrated knowledge management, customer data, CRM, AI/ML tools, and cloud systems, working in tandem to continuously monitor and learn from customer interactions and sentiment.

## Metrics to monitor behavior

Digital channels provide more metrics opportunities than traditional interactions. Include a measurement strategy as part of migration, looking at efficiency, consumer, financial and commercial metrics to understand the big picture and gauge success.

## Case in point

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### Small changes, giant ROI

A B2B business services company needed to transform its customer care operations to more swiftly react to and pre-empt customer problems before they occurred. The company examined millions of unstructured phone logs using text analytics and customer information to determine root causes of inbound calls. Senior leaders used the new insight to change product descriptions, add self-service options, and improve training for contact center associates about why people call and how to resolve their issues.

#### RESULTS

The company will save **tens of millions of dollars** with call reduction of **10%-15%** per year over three years.

Customer satisfaction is on the rise.

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### Change to chat

During the busy U.S. tax season, a leading tax software company added a live chat support feature to help small business customers with technical and software questions. The goal was to provide the same level of service and expertise to customers as phone associates.

#### RESULTS

In one season, NPS significantly increased as a result of the engaging, personalized conversations.

In addition, chat conversations led to **109%** increase in conversion rates.

The company realized **\$51 million** in revenue.

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# Things to consider



## Channel migration is more than a cost play

Making decisions based on cost savings alone can create an imbalance on the customer side that could ultimately backfire. Make decisions based on both internal and customer benefits.

## Digital isn't the only solution

Voice will always play a role in customer service and care. Determine which interactions would benefit most from moving to new channels, and which make sense to keep in traditional channels.

## Automate smart

We are nearly at the tipping point from automation as hype to business-as-usual. One-third of contact center executives say that AI and robotic process automation (RPA) have matured enough to justify strategic investment by 2019, according to Deloitte. The goal is to create "do no harm" automation policies and processes that free up human resources to focus on higher-value interactions.

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