



# Enriching the Customer Experience

*Customer-centric improvements to multichannel support touchpoints can strengthen customer relationships and business results.*

**A**s the global economy continues to gain strength, corporate leaders seem focused on two parallel strategies: acquiring customers and growing revenues. Quite often, though, the zeal to acquire new customers and grow sales comes at the expense of customer retention.

One of the most effective ways to accomplish both customer acquisition and retention is by creating a repeatable approach to delivering great experiences through the many channels customers use. This includes the various channels customers use for support, such as voice, IVR, text, chat, and email.

Unfortunately, few companies have made customer experience a priority issue. That's a missed opportunity for customer support and retention, since customers reach out for support when they're trying to resolve a problem.

"Most companies are not concerned about providing their customers with a superior customer experience," says Fernando Pierry, a partner at Peppers & Rogers Group. "I don't see that on their CEOs' agendas."

But it should be. Numerous studies have shown that customers who receive consistent experiences across different channels are more likely to remain satisfied and loyal customers. Happier customers often lead to improved business outcomes, including higher customer value, decreased churn rates, and incremental revenue growth from recommendations and referrals.

In a November 2010 report it published based on the results of its 2010 Customer Experience Index, Forrester Research found that when a company's index score rises, the percentage of customers who are willing to purchase from the company also climbs. In its analysis of 133 companies across 14 industries in which it examines how well companies are meeting consumer need, the ease of working with the company, and the enjoyability of interacting with the company, Forrester found that the positive effect on revenue can range from \$6 million for retailers to \$689 million for hotels.

The business benefits of favorable customer experiences don't stop there. Forrester also found that revenue saved from reduced churn ranged from \$35 million for retailers to \$964 million for wireless carriers. Meanwhile, incremental revenues driven by word-of-mouth recommendations ranged from \$4 million for retailers to \$110 million for wireless carriers.

It's always a challenge for companies to strike a balance between providing all customers consistent, superior experiences across all channels while ensuring that high-value customers are receiving differentiated, first-rate support. "Analyzing information that customers share through their feedback and interactions with companies across various channels can help determine the needs, behaviors, and preferences of different

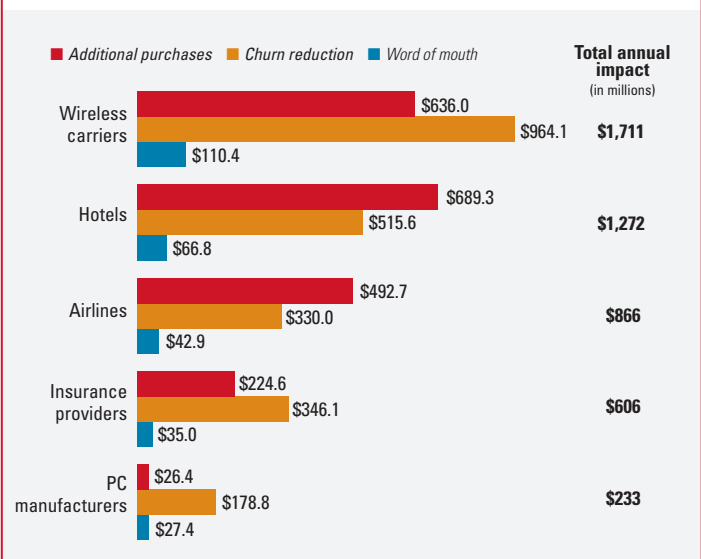
customer groups. Decision-makers can then identify and craft the types of support experiences different customer groups expect, based on which channels they use, and how they use them," says Pierry.

"Customers expect companies to understand their preferences on their prior experiences and interactions with a company," says Terry Saeger, senior vice president and general manager at VoltDelta OnDemand. "Decision-makers can now more easily capture preferences and supplement this information by simply asking customers about their likes or dislikes in a recent channel interaction, and then guiding customer care based on cached personalized detail."

The key to creating engaging customer experiences that meet or exceed customer expectations begins with understanding what customers are looking for from their support interactions with companies. From there, company leadership can craft personalized support strategies that enhance service delivery while improving efficiencies and reducing costs. ■

## The Economic Impact of Customer Experience

According to Forrester Research, customer experience impacts business outcomes on at least three levels: a customers' willingness to repurchase; her likelihood to switch her business to a competitor; and her likelihood of recommending a company to family or friends.



Source: *The Business Impact of Customer Experience, 2010*; Forrester Research, 11/2010

## 7 Ways to Enhance the Customer Experience



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—Todd Schmeer,  
Director of Speech Application Services,  
VoltDelta OnDemand

To help create great experiences for customers across the various channels they use for inbound and outbound communications, it’s important for companies to gather feedback from customers about their recent experiences. Companies can do this in two ways: using traditional feedback mechanisms such as voice of the customer programs and surveys and also by applying analytics to information that’s collected during customer-company interactions, including voice, IVR, and other types of assisted or self-service transactions.

In addition, companies can also decipher customers’ preferences and support experiences using sentiment analysis tools that can be applied to comments they make in social media and other digital channels about their support experiences.

**1. Adopting channel preferences:** Calls to live agents may still be most customers’ preferred channel for service, but many customers prefer alternative channels, like voice self-service or SMS. Companies must capture those preferences and use them for both in- and outbound service.

Most companies maintain a history of a customer’s interactions with them in different channels. It’s important for companies to use this information and try to

customize support offerings based on a customer’s usage patterns and needs.

**2. Using voice automation:** IVR self-service done well is both effective and efficient. Savvy companies also use voice automation to capture information prior to transfers to a live agent and then provide the information to the agent via “whisper” or by pre-populating fields in a CRM system, so the agent doesn’t have to repeat questions.

“Additionally, companies can make use of embedded intelligence in IVR systems that recognize a customer’s prior IVR interactions and patterns linked to the type of information they’ve sought in the past,” says Todd Schmeer, director of speech application services at VoltDelta OnDemand. “Once a caller has been recognized, the IVR system can be programmed to offer the same type of information to a known caller as provided during previous calls, like an account balance. This approach serves customer needs both individually and efficiently.”

**3. Offering proactive alerts:** One guaranteed way to boost satisfaction is to use proactive alerts, no matter the industry. Whether it’s a telecom sending payment notifications, an airline sending flight change details, or a bank warning of a low balance, alerts are a must. Make sure alerts are short, relevant, and easy for customers to understand and respond to. Try to make alerts convenient and non-intrusive (e.g., don’t send them at 9 p.m. on a weeknight).

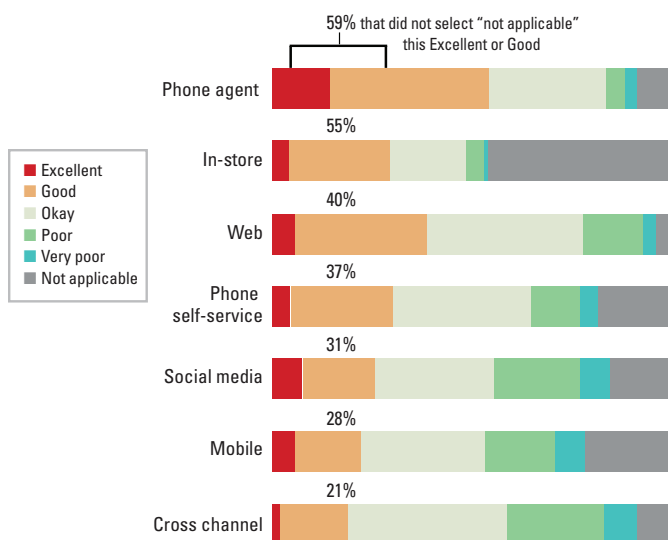
Companies that can recognize patterns in a customer’s support inquiries can tailor alerts based on this history of interactions. For instance, if a bank customer typically goes online to check an account balance on the 10th of each month, send him an outbound call, text message, or email a day or two in advance informing him that his deposit for \$X dollars has been received.

**4. Embracing personalization:** Data is essential to offering superior customer care. Companies that operate siloed channels make it difficult for support agents to gain a 360-degree view of customers. Understanding a customer’s personal characteristics (e.g. 50-year-old male, one child in college, one about to graduate high school) can open up new opportunities. For instance, if an IVR system is able to recognize older callers, the system prompts can be slowed down to make it easier for them to understand and navigate.

Along with learning customers’ channel preferences,

### Rating Customer Experience by Channel

“How would you rate the customer experience that your organization currently delivers in these areas?”



Base: 163 customer experience professionals from companies with \$1 billion or more in annual revenues  
Source: Temkin Group Q4 2010 Survey

companies should also import customer information gathered in the contact center into their CRM systems to allow for more targeted and relevant future interactions.

**5. Harnessing feedback:** The contact center is a primary source of customers' opinions and ideas that companies can use to help improve service, as well as products, processes, and more.

Be sure to ask customers targeted questions about their most recent channel experiences. For instance: What channels do you use, and why? What would you change about your last IVR or email support experience?

**6. Hiring home agents:** No longer bound by office parks or geographies, organizations that use on-demand con-

tact center tools can hire the best talent for their needs, despite location.

Depending on the circumstances, companies can assign at-home agents to speak with customers within the same time zone or geography in order to further personalize the experience ("I see you're calling from Louisville, KY. I'm also from the Bluegrass State.").

**7. Rethinking cross-channel service delivery:** Companies cannot deliver service effectively through multiple siloed channels. Effective service happens as a continuum across channels. One way to do this is by assigning a customer experience leader or chief customer officer to oversee quality control and measurement of different customer experience metrics across all channels. ■



**"To provide customers with consistent experiences... management should sponsor and establish a compensation structure that rewards employees for helping to improve customer experiences between all channels."**

—Fernando Pierry, Partner, Peppers & Rogers Group

### Acting on Customer Experience Intelligence

The use of analytics tools can be extremely effective in helping companies determine the types of experiences customers want and expect in different channels. This includes the use of text analytics and sentiment analysis to gather insights about customer behaviors and attitudes found in such unstructured data as social network comments, SMS interactions, and even recorded conversations in contact center communications.

Because customer calls into the contact center are often recorded for training purposes or to meet regulatory and legal requirements, companies can use analytics tools to interpret customer sentiment and identify opportunities for improving support. Sentiment analysis can also help companies to interpret language and phrasing in call center interactions to determine, for example, whether a customer is at risk of taking his or her business to a competitor.

"Drawing on customer feedback and interaction data offers companies several benefits," says VoltDelta OnDemand's Saeger. "By identifying and acting on customer support preferences, companies are able to tailor the types of experiences that customers want while demonstrating to customers that their input is important to the company," says VoltDelta OnDemand's Schmeer. "By demonstrating to customers that their feedback is valuable, companies can begin to form trusting, lasting customer relationships that can lead to sustainable business outcomes," says Pierry.

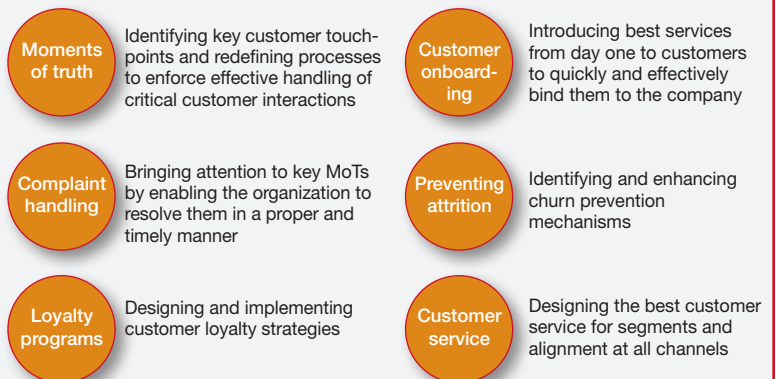
### Endorse Cross-Channel Incentives

In order to craft great multichannel experiences for customers, employees need to be properly incented and motivated to meet customer needs across channels. "In most organizations, channel managers and their teams are typically compensated to deliver optimal customer experiences only for the channels they're responsible for," says Peppers & Rogers Group's Pierry.

To provide customers with consistent experiences across all channels, top management should sponsor and establish a compensation structure that rewards employees for helping to improve customer experiences between all channels, adds Pierry. As part of this, decision-makers should define relevant performance metrics (customer satisfaction, loyalty, cross-channel conversion) to determine the success of delivering consistent customer experiences in order to properly align these with employee incentives and compensation. ■

### Delivering Differentiated Customer Experiences

Companies can provide customers with unique experiences by tracking customer channel usage and support feedback and taking action on that information.



Source: Peppers & Rogers Group



### Consumers Vote with Their Wallets

According to recent research by American Express, consumers typically spend more with companies that provide great service experiences:

- 70 percent of Americans are willing to spend an average of 13 percent more with companies they believe provide great customer service
- However, 60 percent of U.S. consumers don't believe that companies have taken steps to increase their focus on providing exceptional customer service
- 78 percent of consumers have not completed a transaction or not made an intended purchase due to a poor service experience
- 59 percent of consumers would try a new brand or company for a better service experience

Source: American Express Global Customer Service Barometer; survey of 1,000 adult U.S. consumers in Feb. 2011.

## Getting Started: A Customer-Centric Approach

Companies can begin delivering exceptional customer support experiences by identifying the needs and preferences of different customer segments and then acting on that information. This includes pinpointing how different customer groups use specific channels for support and identifying what their channel experience expectations are.

Once companies are able to monitor and measure customer experience outputs, they can then begin to customize the processes and technologies they have in place to meet customers' desired experiences. This includes adjustments that can be made to self-service support tools, particularly where they can be simplified to assist customers with ordinary activities such as checking flight status or to resolve frequently asked questions.

Companies need to make it easy for customers to use self-service, as well as personalize the experience, as a means to encourage them to use these tools for mundane tasks. The fact is, many customers continue to prefer to use the

phone to interact with a live agent. "Organizations that are able to convince customers to use self-service channels and make it easy for them to use these tools will end up with more satisfied customers who will have greater confidence in the company's ability to meet their needs," says Pierry. Companies that demonstrate this type of competence, along with providing customers with relevant, proactive alerts, will be better positioned to strengthen customer relationships. In turn, those customers will be more likely to want to continue doing business with a company that places their needs first.

"Smart companies are focusing on keeping their existing customers and maximizing the lifetime value of those customers," says Saeger. "Providing customers with great support experiences may not immediately translate into a new sales opportunity, but by keeping and strengthening relationships with customers, companies are ultimately able to drive more revenue per customer." ■

## Peppers & Rogers Group

Peppers & Rogers Group is dedicated to helping its clients improve business performance by acquiring, retaining, and growing profitable customers. As products become commodities and globalization picks up speed, customers have become the scarcest resource in business. They hold the keys to higher profit today and stronger enterprise value tomorrow. We help clients achieve these goals by building the right relationships with the right customers over the right channels.

We earn our keep by solving the business problems of our clients. By delivering a superior 1to1 strategy, we remove the operational and organizational barriers that stand in the way of profitable customer relationships. We show clients where to focus customer-facing resources to improve the performance of their marketing, sales, and service initiatives.

For more information, visit [www.peppersandrogersgroup.com](http://www.peppersandrogersgroup.com)



VoltDelta OnDemand is a global provider of virtual contact center and voice recognition solutions. Organizations around the world partner with VoltDelta to deploy contact centers and remote agents, enable self service with patent-pending speech technology, and communicate with multichannel support. Over 2 Billion calls per year are processed within VoltDelta's on-demand infrastructure.

More information can be found at [www.VoltDelta.com/OnDemand](http://www.VoltDelta.com/OnDemand)