Digital Transformation for Contact Centers

Leveraging Modern Technology for a Superior Customer Experience
Crowded marketplaces are giving customers more options than ever before. Which is exactly why smart businesses are positioning themselves to compete, and win, based on their customer experiences.

If you can promise your customers the right answer fast, every time, you can offer them something powerful. And if you can find a balance between a world-class customer experience and a way to keep costs in check, even at scale, you can revolutionize the way customer service is done.

HGS commissioned Canam Research to conduct a survey of customer experience leaders to better gauge and understand the behaviors and opinions of top organizations today surrounding contact centers and the customer experience. The mission of the survey, and this accompanying report, is to collect and disseminate the strategies and challenges facing top customer service leaders, and to improve the value of contact centers in companies across all industries by subjecting them to the same level of audit and evaluation that are best-practice for other departments.

This report solicited the opinions of C-suite executives, directors, and vice-presidents alike. It sought responses on a broad array of call center and customer experience topics like omnichannel adoption and transformation, advanced call center analytics, automation and customer self-service, strategic process outsourcing, and more.
It demonstrates that there is a growing demand to compete and succeed on the customer experience as a strategic initiative throughout the corporate world, but that roadblocks to successful execution — specifically, challenges with omnichannel expansion, properly mapping metrics and analytics to their desired results, leveraging automation to enable scalable growth, and prioritizing digital transformation initiatives — are keeping companies from realizing the full value from their contact centers.

These results are objective, unbiased, and represent the most current and up-to-date realities of the industry. By understanding these realities, organizations can better benchmark, forecast, and realize their growth and customer experience development moving forward, and successfully leverage the power that a true modern contact center has to offer.

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The rise of digital integration is driving the push for truly omnichannel contact centers; that is, contact centers that can resolve customer issues, with persistent issue ticket and customer context, seamlessly across the channels of voice, email, SMS/text messaging, video, chat, and in-application communications.

The opportunity is enormous: imagine being able to promise your customers the right answer fast, every time, no matter whether they feel like reaching into their pocket and texting you, or hopping into a convenient video chat for some free one-on-one time with one of your experts.

In fact, according to the Canam Research survey, more than one-third (39%) of respondents said that adopting and/or unifying channels is their organization’s single most important future performance consideration.

And the reasons are obvious: omnichannel capability allows your customers to start, stop, and continue their service inquiries whenever is convenient for them. They can finish whenever they like, even on another channel, adding tremendous convenience and value to your customer service offerings.

What’s more, omnichannel capability allows your brand to meet your customers where they are, and via the methods they naturally prefer. According to Pew Research, in 2015, millennials surpassed all other demographics in representing the largest portion of the workforce. That means that for the first time, the majority of the workforce are “digital natives,” those that grew up using text, chat, mobile video, etc.

These customers not only prefer modern digital channels like text messaging (27%), social media (33%), and online videos (24%) over phone calls (22%)
for their communications with businesses, but they are more likely to give preference to businesses that support those channels, even if that business isn’t the cheapest option. Indeed, if a business supports their preferred channels, 38% said they’re more likely to renew their product or service, 27% said they’re more likely to sign up for a loyalty program, and 19% said they’re more likely to leave a positive review.

That’s right: the largest and fastest-growing group of your customers will buy from you if you support these digital channels, without even needing to compete on price.

But despite this, many organizations that could be perfectly poised to capitalize on omnichannel transformation fail to recognize this value, and prioritize it accordingly.

According to the Canam survey, unsurprisingly, respondents view antiquated legacy channels like Voice (64%) and Email (46%) as “very important to resolving customer issues.” But, that recognition of value plummets when considering digital channels. Less than one-fourth (24%) view Chat as “very important to resolving customer issues;” less than one-tenth (9%) view SMS/text as “very important;” and just 4% see Video as “very important.” In fact, the aforementioned legacy channels of Voice and Email are the only ones considered “very important to resolving customer issues” by more than a quarter of companies.

Which, as we’ve learned, is not what their customers are saying.

And this fundamental misunderstanding of changing customer preferences gets worse. Nearly one-fourth (23%) of respondents declare that SMS/text is “Not Important” to resolving customer issues; 32% declare that in-app communications are “Not Important;” and, perhaps most astonishingly, nearly half (46%) declare that video is “Not Important.”
This is the omnichannel gap.

Despite 39% of companies identifying omnichannel expansion as the single most important consideration for the future performance of their organization, they still struggle with undervaluing the importance of these channels to their changing customers. This, even though 42% of call center interactions are already digital, and that leading analyst predictions show that voice connections are on the decline and will be overtaken by digital interactions as soon as 2018.

With 82% of Canam survey respondents describing the prospect of expanding to channels beyond voice as “difficult,” there must be something keeping these companies from seizing upon the enormous value of omnichannel digital transformation.

And it turns out, there is.

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Analytics: The Right Tool for the Right Job

Imagine performing chemistry without the proper meters, instruments, or microscopes.

That’s what searching for actionable insights was like before the rise of precision analytics. Now, discovering and implementing improvements, whether toward process optimization, cost efficiency, scale and expansion, or strategy planning, is as simple as understanding what the numbers are telling you.

Digital analytics have already transformed industries around the globe for the better, and customer service will be no exception. Call centers are the perfect candidates for analytical optimization.

Customer service executives seem to appreciate this. According to the Canam survey, 49% of respondents reported that “Increasing or Improving the use of analytics for actionable insights” is very important for the future performance of their organization.

And they’re absolutely right. But are they actually getting value from their analytics?

When asked how they were actually leveraging the data they collect, just 15% report using it for “predictive analytics and proactive resolutions.” Only 59% report using analytics to “drive improvement and strategy.”

So: despite 49% of companies wanting to use analytics to help their company thrive now and in the future, few are actually leveraging them to achieve that goal.

And the reason could be that 73% call “measuring and analyzing performance to gain actionable insights” difficult.

Why?
Let’s remember our chemistry set. **What if you’re using a thermometer to try and measure speed? What if you’re relying on a ruler to keep track of time?**

It’s not that call centers aren’t using analytics. They just aren’t using the **right ones for the goals they want their call center to achieve.**

For example, nearly two-thirds (65%) of respondents said the main purpose of their contact center was Improving Customer Experience and Brand Perception. That’s a good goal, and one that adds lasting value for your company! Meanwhile, only 12% said the main purpose was to get customers off the phone as quickly as possible.

And yet, **76% said the most important metric they measure is Average Handle Time, and only 2% said they measure Customer Churn Rate.**

Their analytics do not match up with their actual goals. They are measuring time with a ruler.

**Your customers want you to help them better. This opportunity is enormous.** According to Gartner, 89% of CEOs want to compete on CX, yet only 8% of consumers think businesses are doing a good job of it.

The finest precision instruments in the world aren’t worth anything unless wielded by an expert who understands the insights they can reveal, how they can serve you, and how to act upon them.

By working with a partner deeply familiar with call center analytics and customer experience analytics, and how to apply them at scale to map, predict, and achieve the unique goals your organization seeks to achieve, you can compete, and win, on customer service.

**89%** of CEOs want to compete on CX, yet only 8% of consumers think businesses are doing a good job of it.
Allowing customers to get the right answer fast is the key to optimizing the customer experience. **So how do you do that at scale?** You do it through the proper balance of automation and self-service.

By leading with automation and customer self-service, and plugging in live expert help only when needed, you reduce the friction for customers to get resolution, and you reduce your costs to serve them.

53% of respondents to the Canam Survey are organizations that manage >100 contact center seats. 18% manage >1500 contact center seats. **These are big operations, perfectly ripe for the savings of automation and self-service.**

Already, the brightest minds in the industry are beginning to see the value in this type of automation. According to the survey, 52% of companies say that “Increasing the Use of Self-Service with A.I.” is “very important to future performance.” Similarly, 32% attach the same long-term importance to “Adopting Robotic Process Automation,” while 55% agree that customer self-service is important to optimizing their customer experience.

But, is “automation” just a buzzword? Are these organizations really improving their customer experience, the ultimate goal, after all?

Not according to the leaders themselves. When asked more specifically, just 16% “strongly agreed” that AI and bots improve the customer experience. 39% were neutral, and 13% even strongly disagreed.

**Why? Because the critical connection between automation and digital channels isn't always obvious.**
As we looked at in Chapter 2, many organizations are not prioritizing the same digital channels that their customers want. These are the channels most critical to modern customer satisfaction, and they are exactly the channels where automation is most powerful. Want proof?

57% said SMS is of "little importance" for resolving customer issues.

50% said in-app communications are of "little importance" for resolving customer issues.

27% said chat is of "little importance" for resolving customer issues.

You’ll remember that *the customers themselves reported* that they prefer both SMS and chat to the telephone when dealing with companies.

This is your chance to bridge the gap and reap the rewards.

Smart companies do not rely entirely upon automation, but rather they *lead* with self-service, then intelligently integrate humans when and where it makes sense.

Leading with automation assists your human agents, as well. Intelligent call center automation shows them all relevant information before the issue gets to them, including things like ticket history, customer history, and back-end process integration. This allows the agent to focus on empathy and customer connection, which 94% of those surveyed recognized as "Very Important to Future Performance."

This balance of self-service and live help also lets businesses scale intelligently while keeping costs in check. In fact, a larger portion (13%) of survey respondents called "Containing Costs as the Business Scales" their toughest challenge than any other issue. More than three-quarters (79%) agreed it's "Difficult."

Here’s the real deal: an optimal customer service organization is one that balances an excellent customer experience with improved cost of doing business, and creates ongoing opportunities to generate revenue through frictionless service and personalization that wows the customer.

Think SMS is of “little importance for resolving customer issues,” even though the customers themselves prefer it.
Digital transformation is not a vague buzzword. It is, quite simply, the integration of helpful digital technologies into all areas of a business, resulting in fundamental changes to how the business operates and how it delivers value to its customers.

Digital disruption has already influenced, and improved, industries across the globe, and customer service is no exception. Between the push for true digital omnichannel accessibility, customer expectations of faster resolutions, and increasingly remote call centers, digital transformation is no longer an option for businesses. In customer service, you must transform to ensure your business stays competitive.

Yet your peers in the customer service industry are not doing enough to make it a priority, or enabling it through strategic decisions.

According to the Canam Survey, barely half (52%) of companies are using any analytics whatsoever for digital transformation initiatives. Even fewer (44%) are using any analytics for change management.

To remain stagnant in this high-tech industry is to die, plain and simple. Look at the Fortune 500 list: of the companies that topped the list sixty years ago, 88% have failed and are now out of business. Think it can't happen to you?

To not plan for strategic change and digital transformation is a self-imposed death sentence.

Digital transformation is not some pie-in-the-sky concept. It is a way to improve costs, customer satisfaction, employee satisfaction, and brand perception by combining automation and smarter analytics to smoothly blend after-contact workflows and related follow-up processes like investigations, underwriting, and fulfillment. It aims to reduce waste, errors, and re-work.

This is what we mean when we say digital transformation.

And the right partner can make it a reality for you.
“Outsourcing” - Not Just a Way to Do Things Cheaper, a Catalyst for Digital Transformation

Look at today’s typical business processes. As operations grow more and more complex, especially with scale, businesses tend to silo their workflows and initiatives. This is intended to keep them more “manageable.”

But, according to an IDC FutureScape report, “By 2018, 70% of siloed digital transformation initiatives will ultimately fail because of insufficient collaboration, integration, sourcing, or project management.”

While siloing is designed to prevent confusion and promote operational simplicity by “keeping the colors from running together,” so to speak, what actually happens at scale is that each different silo grows so robust and complex in its own right that collaboration and management across them becomes dangerously convoluted.

This is precisely where working with a trusted partner can overcome these obstacles and allow you to realize the value that’s there.

Businesses should shift their understanding of “outsourcing” in a contact center context. According to the Canam survey, 19% see outsourcing as simply a way to fill/increase seating capacity at call centers, which is a common misperception. Outsourcing is about far more than sourcing warm bodies to answer phones.

26% of respondents don’t realize outsourcing adds meaningful value as a strategy. In fact:

70% of siloed digital transformation initiatives will ultimately fail because of insufficient collaboration, integration, sourcing, or project management.
Just 16% see it as a way to lower costs (It is.)

Just 12% see it as a way to access talent like experts, programming language skills, etc. (It is.)

Just 2% see it as a way to implement new technology (It is.)

Costs
Outsourcing, in this context partnering with a trusted expert, can slash cost waste. In a world where businesses move with lightning speed and every workflow is an opportunity ripe for optimization, outsourcing reduces the time, effort, and costs required to resolve customer issues.

Talent
Outsourcing your call center means more than filling seats. A trusted partner can, and should, help you quickly scale to meet your emergent business needs, provide access to “hard-to-fill” positions, and respond to fluctuating hiring volumes. From requisition management to assessment, candidate data and status should be captured, managed, and analyzed. A partner should further offer analytics services that generate business insights with respect to benefits programs, career planning, employment equity, grievances, benefits claims, certifications, considerations for promotion/transfer, number of dependents, salary, average work-life of an employee, leave usage patterns, education levels, language skills, and training.

A partner should not only offer access to talent, but provide a proven mechanism for finding and securing that talent quickly and efficiently.

Technology
An outsourcing partner should even bring new digital technologies to the table that add value to your business. Tech like self-service portals, virtual chats, SaaS-based portals, mobile apps, and more are one of the biggest value-adds your organization reaps from outsourcing. Your partner should understand that a successful Customer Self Service Strategy concentrates on the needs of the customer, and provides an easily accessible and usable system.

"Outsourcing“ is not just a way to do things cheaper. It is a catalyst for digital transformation.

12%

Recognize outsourcing as a way to access talent like experts, programming language skills, etc. (It is.)

An outsourcing partner should even bring new digital technologies to the table that add value to your business, like self-service portals and mobile apps.
Digital transformation is the way forward for contact centers. More agile, more responsive, more intelligent, more affordable: a trusted partner makes it all possible.

By recognizing and acting upon the industry’s new possibilities, like omnichannel customer access, intelligent analytics, clever automation and customer self-service, and true value-adding outsourcing, your business can rise to the top and stay there for the future.

Compete, and win, on the customer experience. That’s a real success story.

Ready to see where your company stands?

Take our test and get your free Digital Customer Experience Score.

We’ll help show you exactly where digital transformation could most benefit your organization, and which areas you’re already implementing best practices.
Get your free Digital Customer Experience Score now!

What's your Digital Customer Experience score?

Find Out Now

(And get a peek at your competition)

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