



The UK Customer Experience Decision-Makers' Guide 2018

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The 2018 UK CX Decision-Makers' Guide

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Enghouse Interactive is a leading global provider of customer experience and contact centre solutions. With over 15,000+ customer worldwide, we work with organisations of all sizes, industries and complexity to improve their service, productivity and operational efficiency.

Our integrated suite of solutions includes multi-channel contact centre, self-service, quality management including real-time speech analytics, reception and call handing, outbound communications and integration tools.

This wide portfolio places us in the unique position to offer complete, fully featured module solutions from a single vendor and can facilitate graceful contact centre migrations between legacy, hosted, cloud or hybrid environment with ease.

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With the ability to align people, processes and systems at exactly the right time, in the right way to consistently deliver seamless customer experiences is what we believe creates real differentiation for today and into the future.

To find out more

Contact:

w: www.enghouseinteractive.co.uk

t: +44 (0)2033 573040

e: marketingemea@enghouse.com

INTRODUCTION AND METHODOLOGY

The "*UK CX Decision-Makers' Guide (2018 – 1st edition)*" is a major annual report studying the CX strategy, performance, operations and technology aspects of UK organisations.

Taking a random sample of the industry, a detailed structured questionnaire was answered by 246 senior CX and customer contact professionals between January and April 2018. Analysis of the results was carried out in May and June 2018. Additionally, a survey of 1,000 UK consumers was carried out in May 2018 in order to understand their attitudes to elements of businesses' CX programs.

ContactBabel is grateful for the support received from the sponsor of the report. However, complete editorial independence has been maintained at all stages, and readers can be confident about the objectivity of the report's findings.

Third-party White Papers, case studies and thought leadership pieces may also be used to assist readers who may wish to look more in-depth at specific areas or gain another viewpoint.

CX EMPOWER CONNECT RESOLVE



AUTOMATE INTERACTIONS,
EMPOWER CUSTOMERS TO
SELF-SERVE. BUT DON'T STRAY
AWAY FROM CONNECTING TO
THE RIGHT PEOPLE FIRST TIME

OVER 15,000 CUSTOMERS GLOBALLY

EXCEL IN CX WITH ENGHOUSE INTERACTIVE



**Enghouse
Interactive**

Enghouse Interactive EMEA, Imperium, Imperial Way Reading, RG2 0TD, United Kingdom
Tel: +44 (0) 118 943 9270 www.enghouseinteractive.co.uk

SEGMENTATIONS

Looking at top-line figures for CX statistics is only so useful. Only with a clear understanding of how and why metrics differ between operations can readers see where they stand compared to their competitors.

As such, key statistics have been segmented in many different ways where relevant and possible:

- by vertical market (industry sector)
- by contact centre size (overall UK agent positions)
- by organisational type (e.g. B2C or B2B)
- by annual UK revenues
- by number of UK customers.

Figure 1: Survey respondents by vertical market (count and percentage)

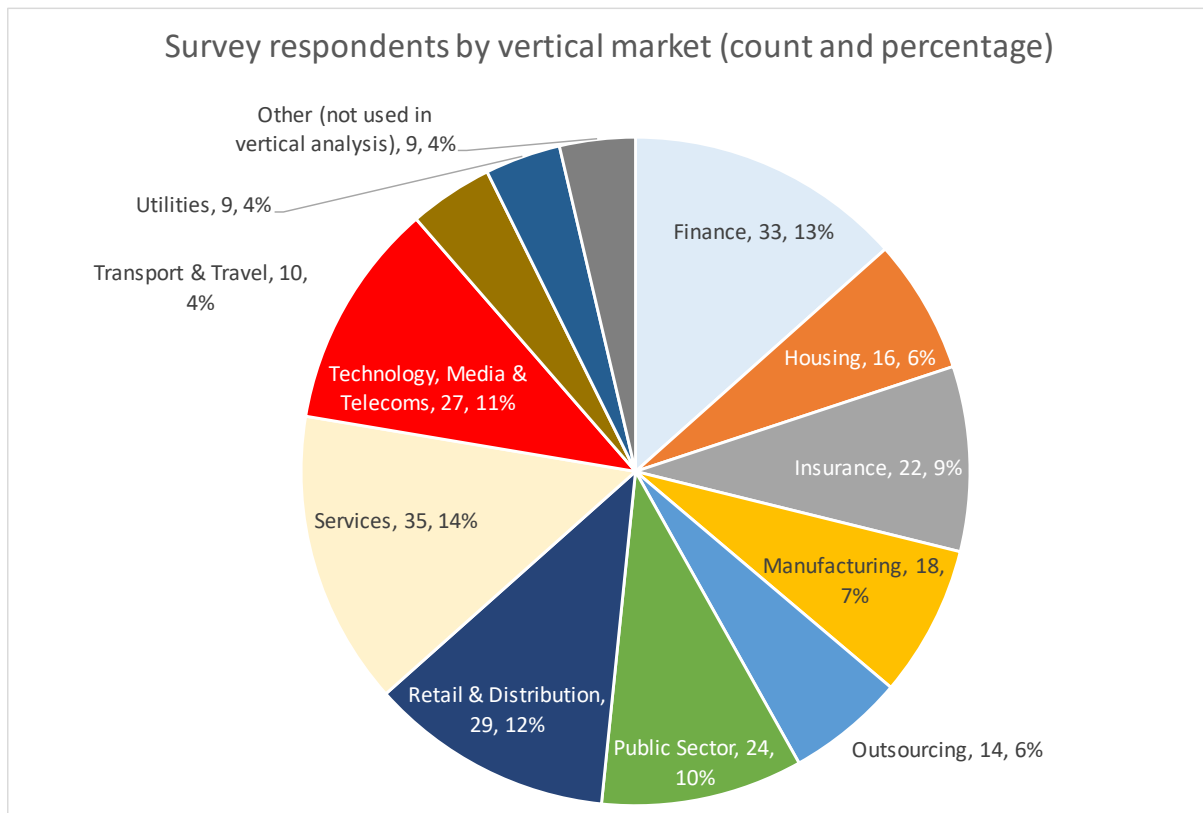


Figure 2: Survey respondents by B2B / B2C (count and percentage)

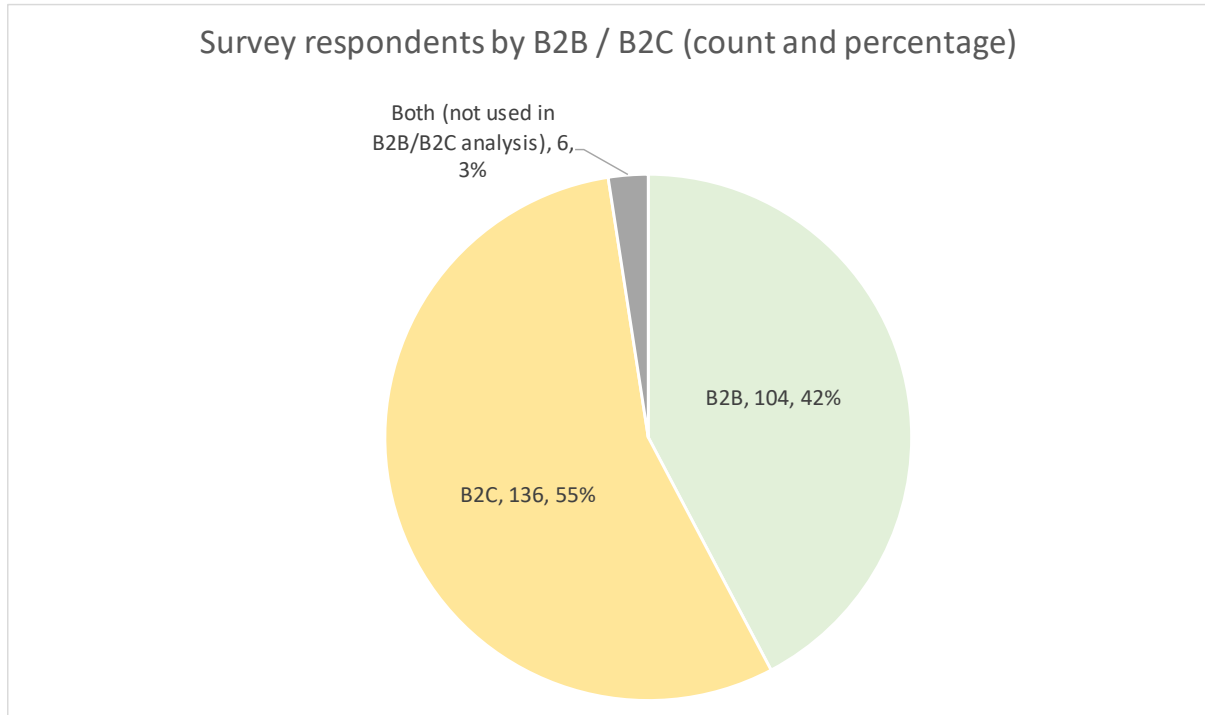


Figure 3: Survey respondents by contact centre size (count and percentage)

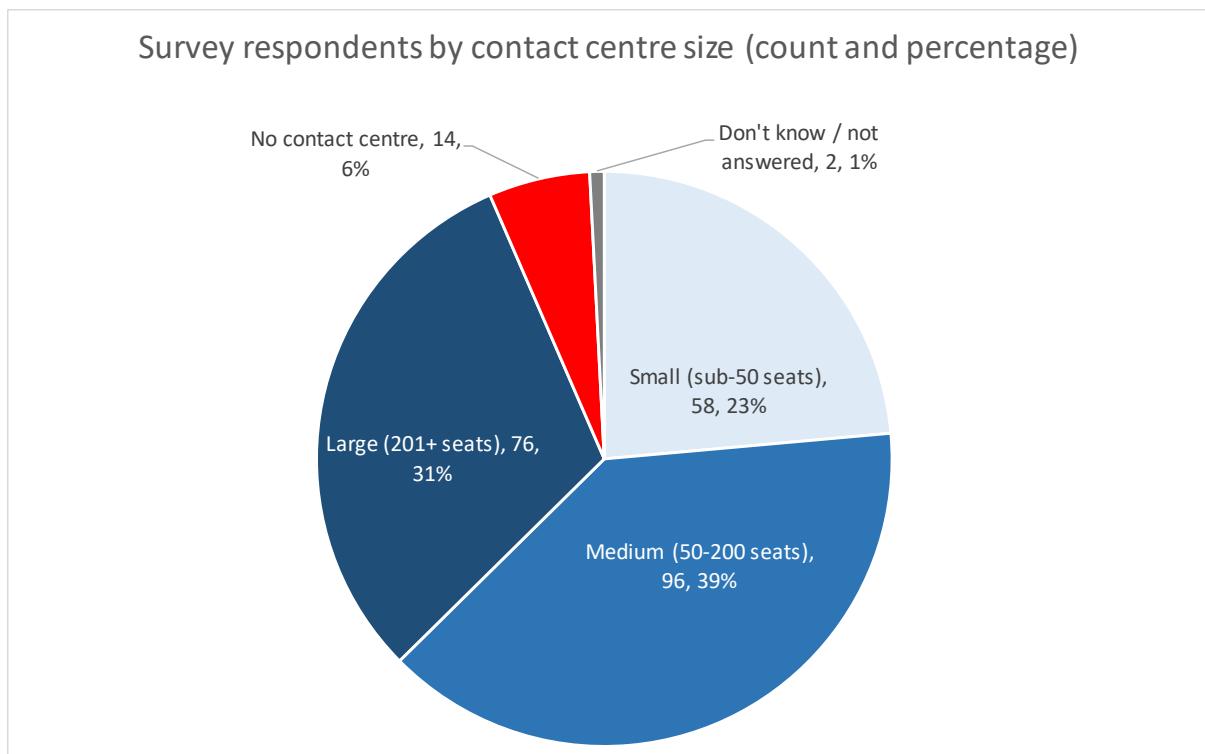


Figure 4: Survey respondents by annual revenue (count and percentage)

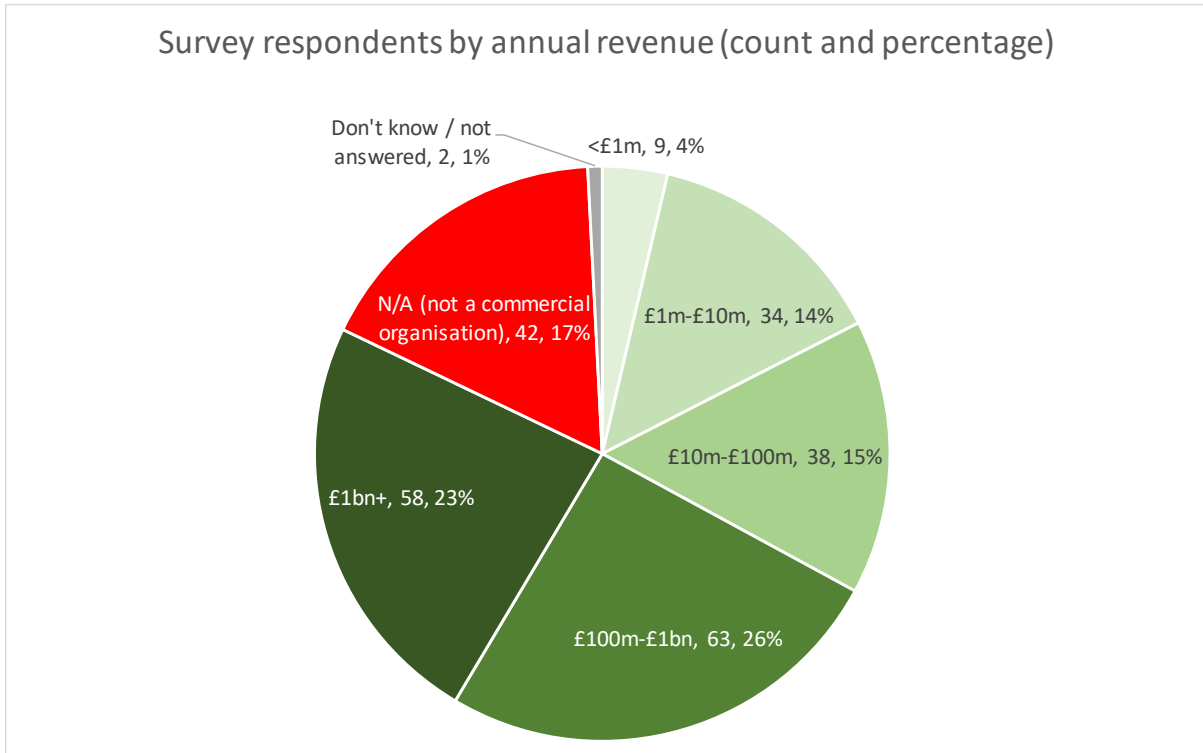
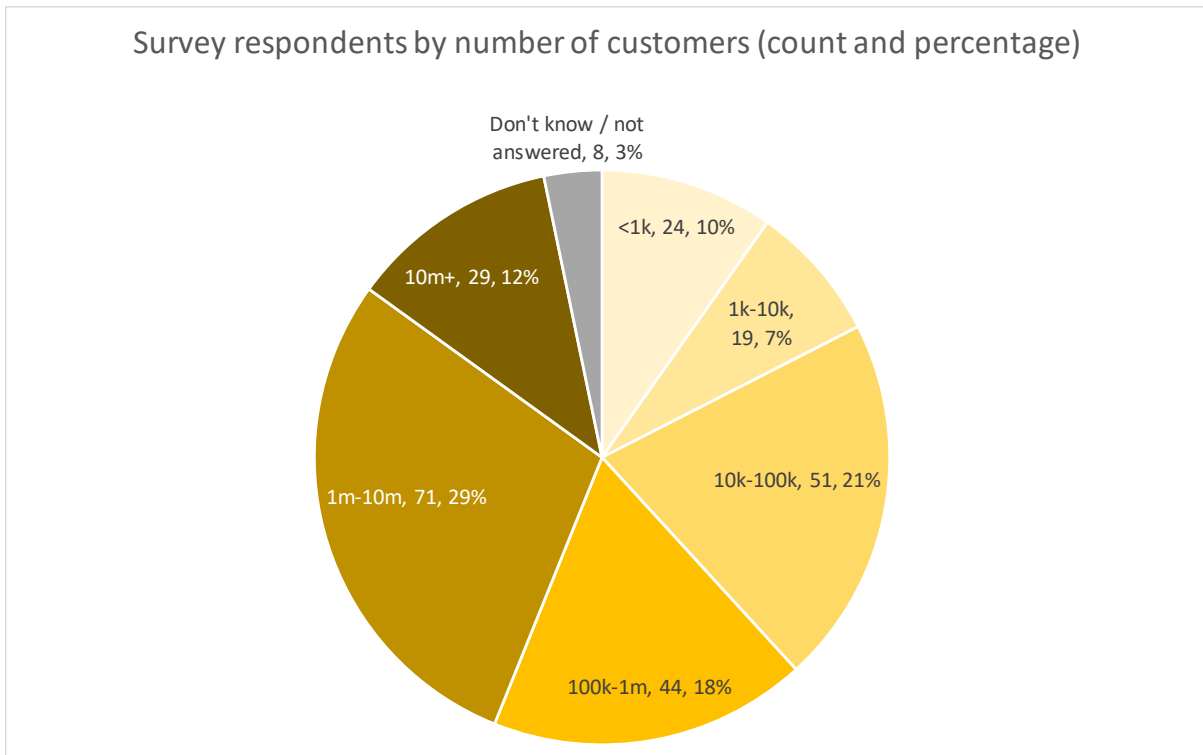


Figure 5: Survey respondents by number of customers (count and percentage)



HOW IMPORTANT IS CUSTOMER EXPERIENCE TO ORGANISATIONS?

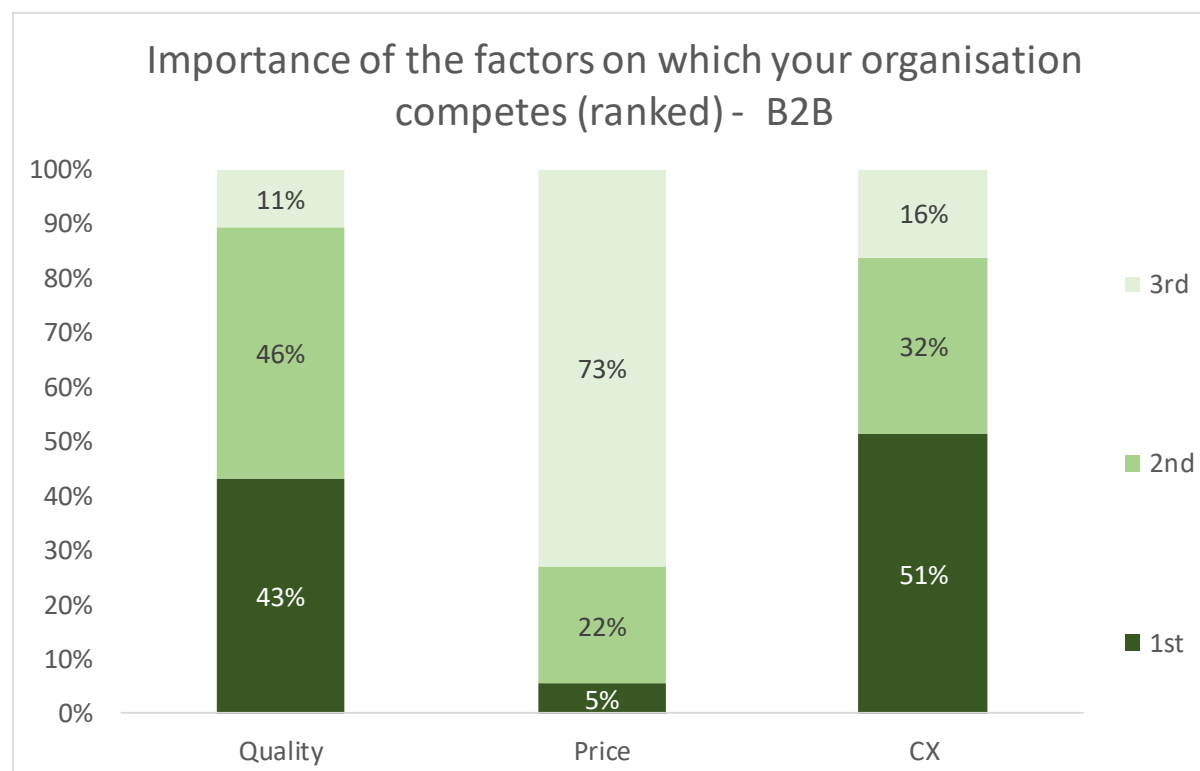
WHAT DO ORGANISATIONS COMPETE UPON?

The fundamental purpose of a commercial organisation is to maximise profit for its shareholders. There are typically two main ways in which this is achieved: through increasing revenue and reducing cost.

In the past, the majority of a business's focus was upon the matters that it had a large measure of control over, such as managing the internal cost of production and service provision, employee salaries, price setting and sales resource allocation. The increasing use of technology in almost every part of an organisation has created an unprecedented amount of data that may be analysed. At the same time, large-scale advertising and widespread use of the Internet has made customers more aware than ever of alternative products and services that they can buy, meaning greater price competition.

The main ways in which organisations have competed to win business is either through a low cost product or service, or through selling goods of a higher quality (whether real or perceived) which allows greater flexibility in pricing. More recently, as the customer is increasingly held at arm's length to the business (through the use of home shopping, contact centres or websites), the overall customer experience has become a battleground upon which to win customer favour.

Figure 6: Importance of the factors on which your organisation competes (ranked) - B2B



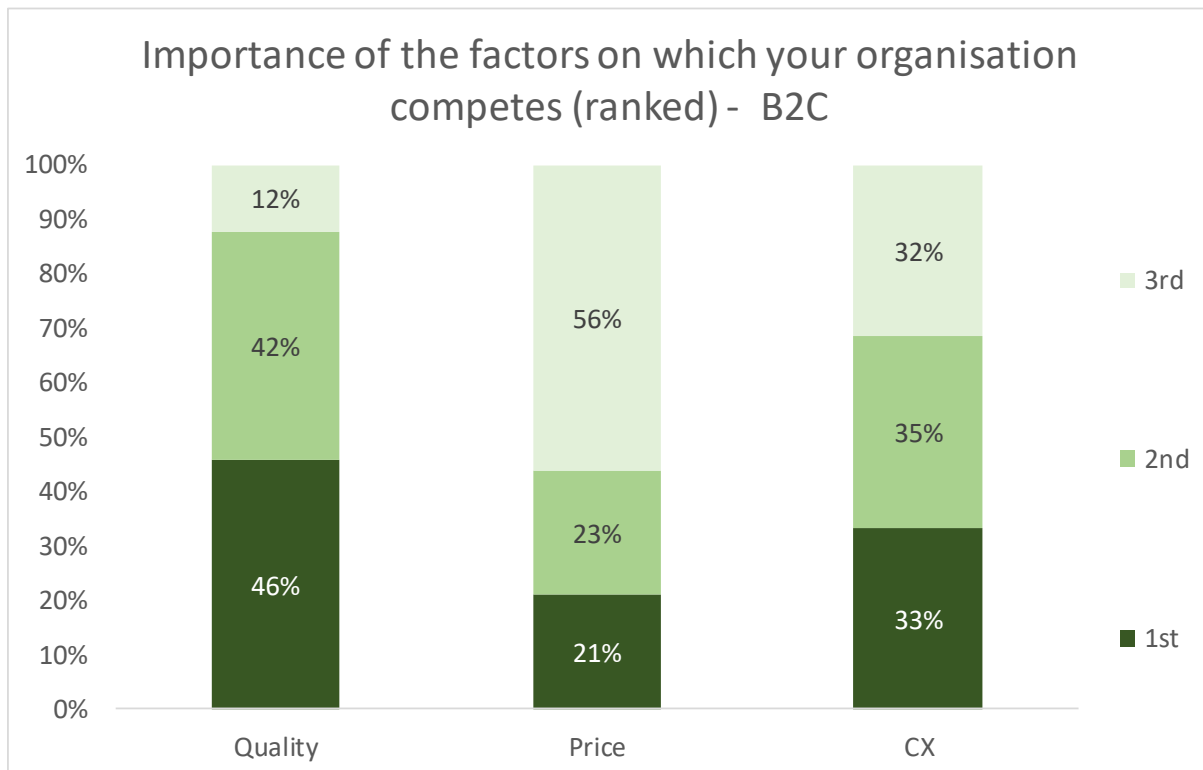
Survey respondents were asked how their organisation competed, ranking three factors in order of importance: quality, price and customer experience.

As competition on price tends to mean lower profit margins for all of the companies in that sector, it is unsurprising that only 5% of B2B respondents placed this factor in first place. 21% of B2C companies stated that their organisation competed primarily on price, and this can be explained by the generally greater price sensitivity amongst consumers rather than businesses.

43% of B2B organisations, and 46% of B2C respondents stated that their primary competitive factor was quality. Interestingly, more than half of B2B respondents stated that customer experience was their primary means of gaining competitive advantage.

For over 40% of all businesses to say that customer experience, rather than price or quality, was the main factor upon which they wish to compete in the market can be seen as being very significant and indicative of the mindset of senior business leaders in the UK: many organisations are now seeing customer experience as being the key to profitability.

Figure 7: Importance of the factors on which your organisation competes (ranked) - B2C

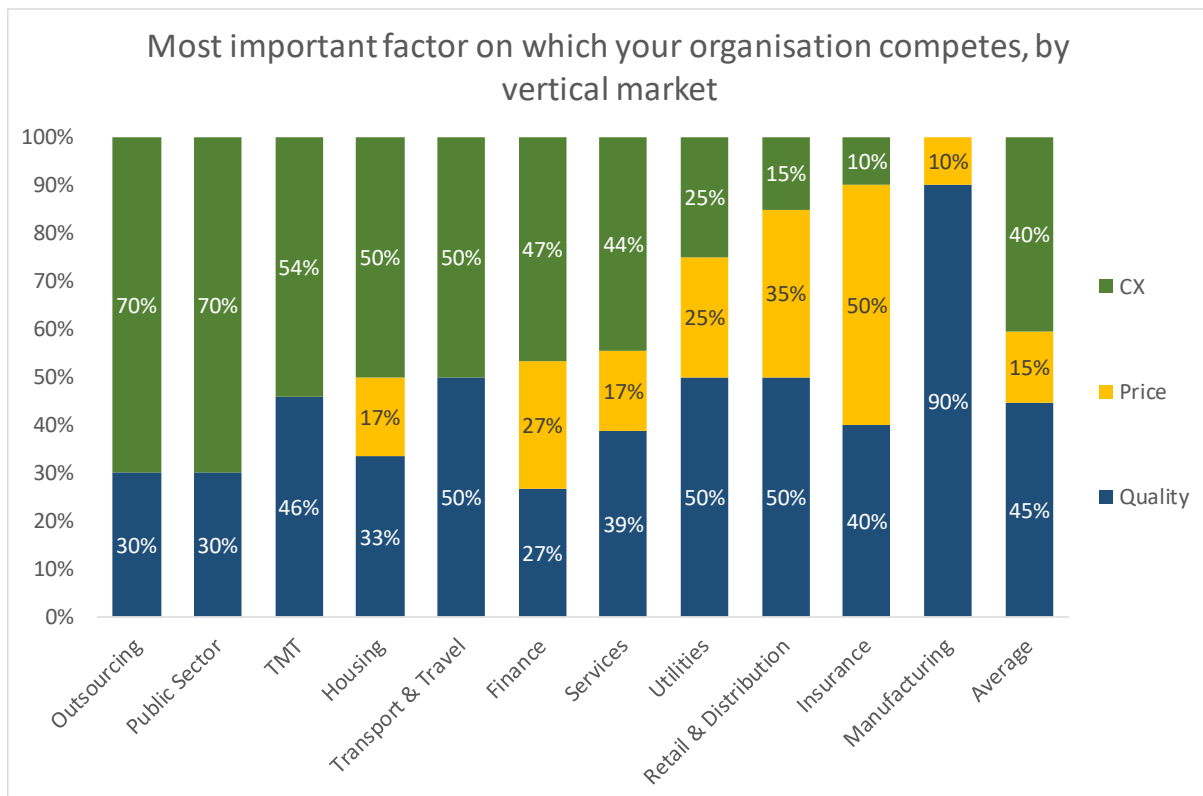


While there are few major differences between B2B and B2C attitudes to competitive differentiators, the same cannot be said of the vertical market level. It is important to bear in mind that due to the increased segmentation of data, sample sizes for each vertical market are considerably smaller than those in the previous B2B/B2C analysis. However, it is interesting to speculate how the nature of the actual business may impact upon competitive differentiators.

60% of public sector respondents stated that customer experience is their key competitive differentiator: in this sector, 'quality' is often an intangible concept, and cost is often irrelevant, as any product or service is either free, or will lack an alternative supplier. The outsourcing sector also wishes to compete on customer experience rather than cost.

At the opposite end of the scale, manufacturing respondents state that they try to differentiate on the quality of the product, with B2B sales often being less price-sensitive than those in the B2C sector.

Figure 8: Most important factor on which your organisation competes, by vertical market



The retail & distribution sector competes more frequently on price, particularly in low-cost, commoditised products that make up the bulk of many retailers' sales. A successful model of internet-based retail relies upon self-service, and although this is an important part of the overall customer experience, many consumers will visit the site in the first place looking for the lowest price for a product that they have already decided to purchase. The insurance sector, which is also a commoditised industry due to the prevalence of cost-comparison sites, also widely competes on price.

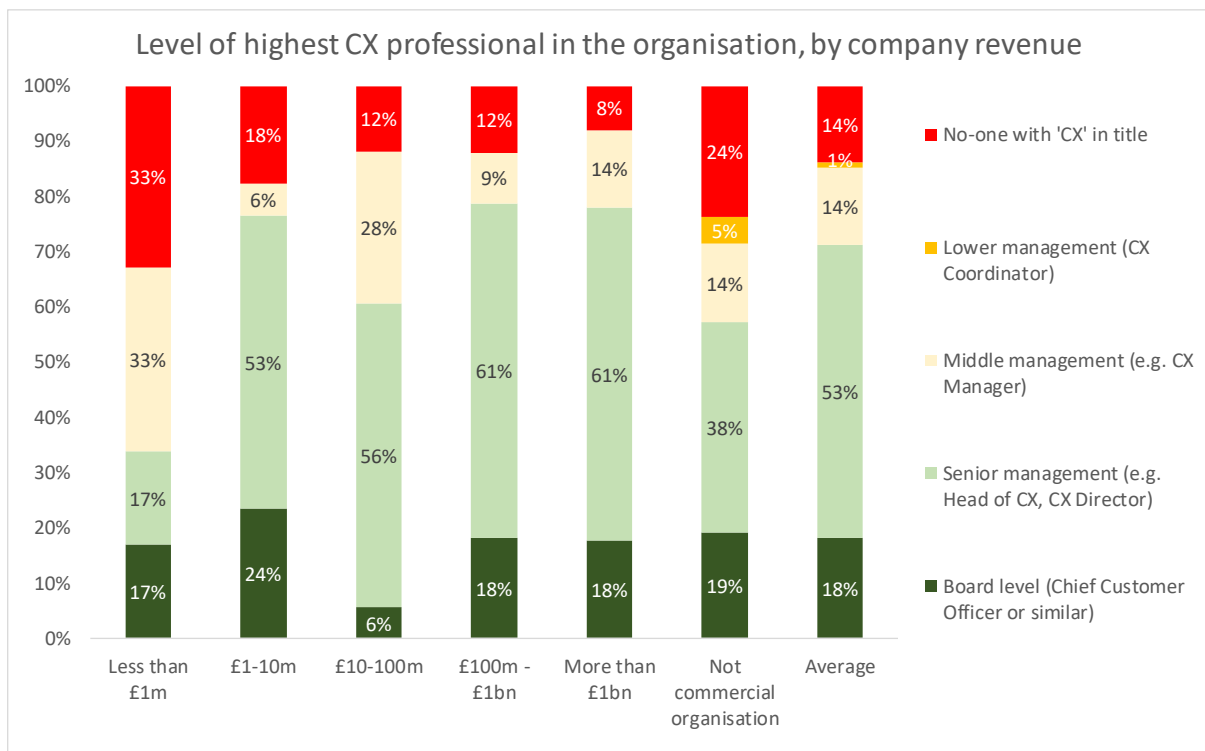
There is little pattern shown when data are segmented by company revenues or customer numbers.

CX GOVERNANCE

A question was asked to survey respondents about who in their organisation was responsible for customer experience. Governance shows how seriously CX is being taken, and how capable organisations will be of driving radical CX programmes which are likely to impact on many existing fiefdoms.

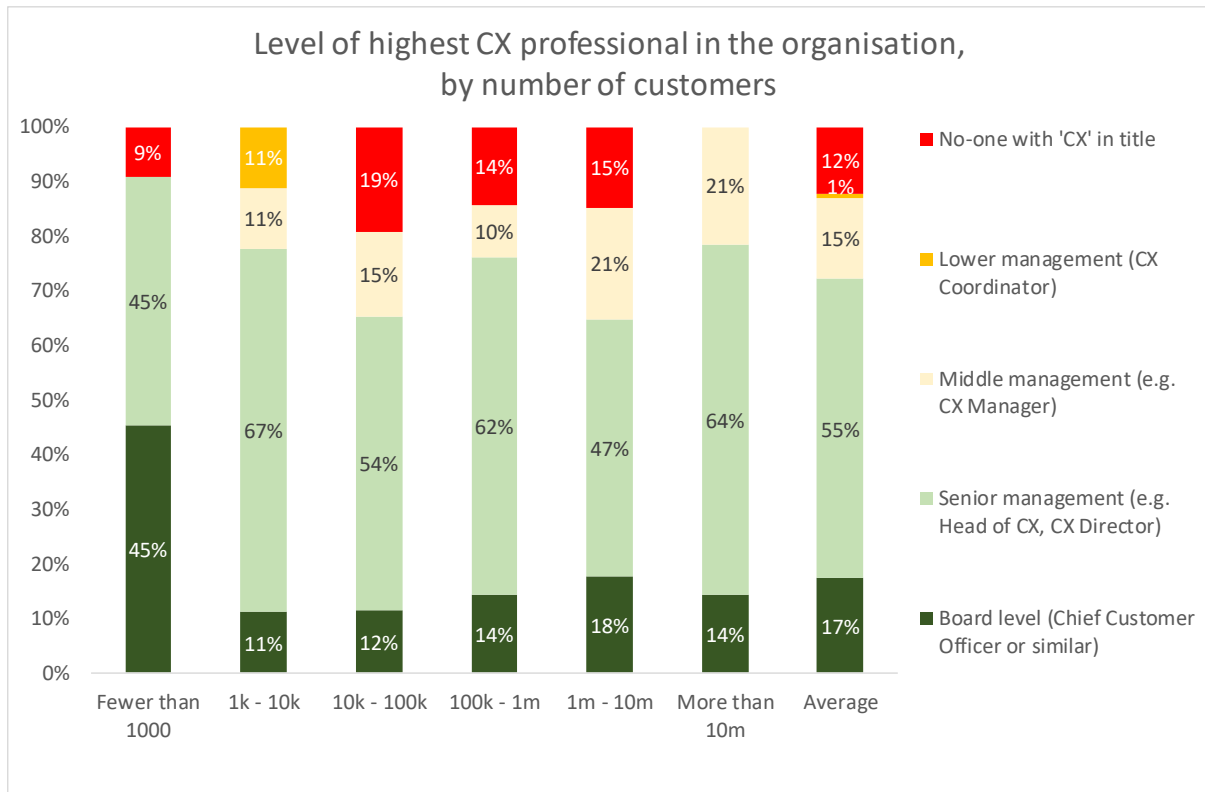
The chart below shows clearly that small organisations are far less likely to have a dedicated customer experience professional working within them. Even in the very largest organisations surveyed, only 18% had a CX professional at board level, although there is often representation for CX at very senior management level.

Figure 9: Level of highest CX professional in the organisation, by company revenue



It is not the case that organisations with relatively few customers are least likely to have a senior CX figure – many of these within the survey are B2B companies which had a small number of customers, but very large revenues. In such cases, each customer has very considerable importance to the organisation, and their customer experience - and possible subsequent ongoing loyalty - is of vital importance to the company. In such cases, organisations were likely to have a CX professional right at the very top of their structure.

Figure 10: Level of highest CX professional in the organisation, by number of customers

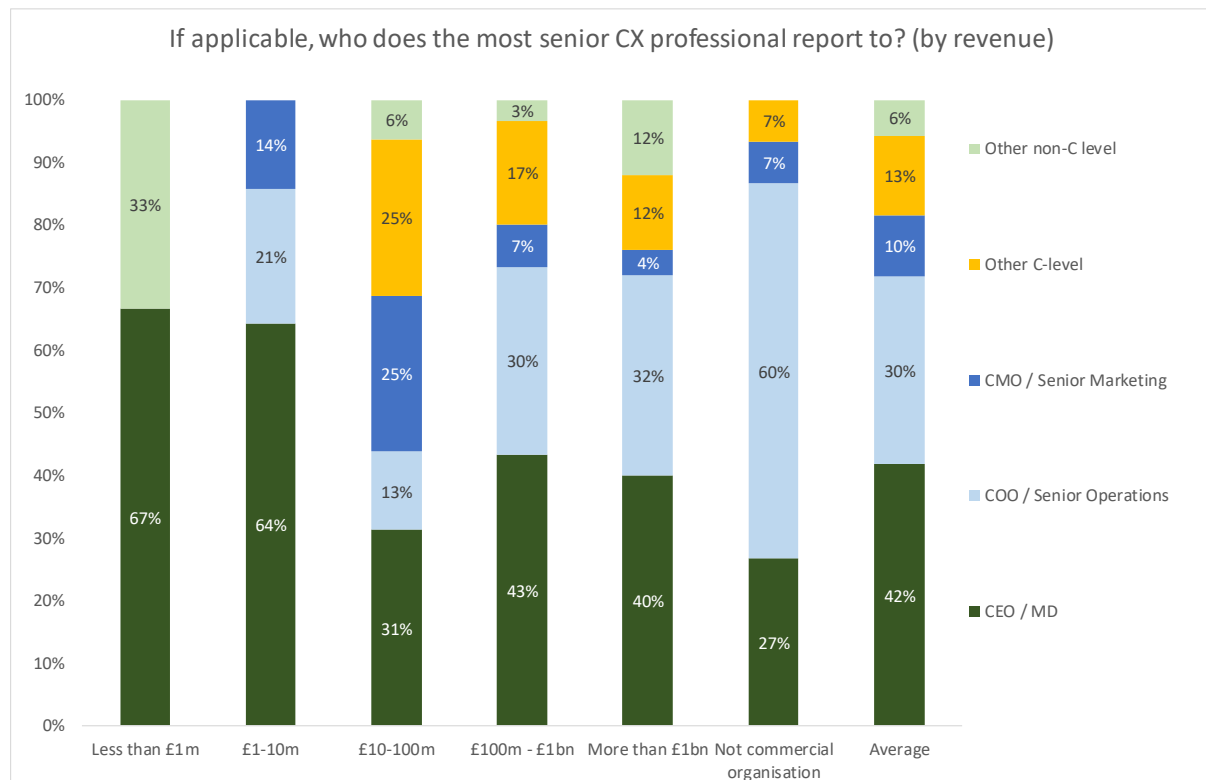


In order to get a better understanding of how the role of customer experience management is seen within an organisation, the question was asked to survey respondents that had dedicated customer experience management professionals, to whom within the organisation that person directly reported.

As expected, the top CX professional within organisations with small revenues will tend to report directly to the CEO, as there will be a relatively flat structure in place. This tendency to report to the most senior member of the company decreases as organisational revenue increases and new layers of management emerge, although it is worth noting that 40% of respondents with more than £1bn in revenue reported that their most senior CX professional still had a direct report to the CEO.

However, in larger organisations – and especially those which are not commercial operations – many senior CX professionals report to the head of operations, with around 1 in 7 reporting to other C-level executives and 10% reporting to the head of marketing.

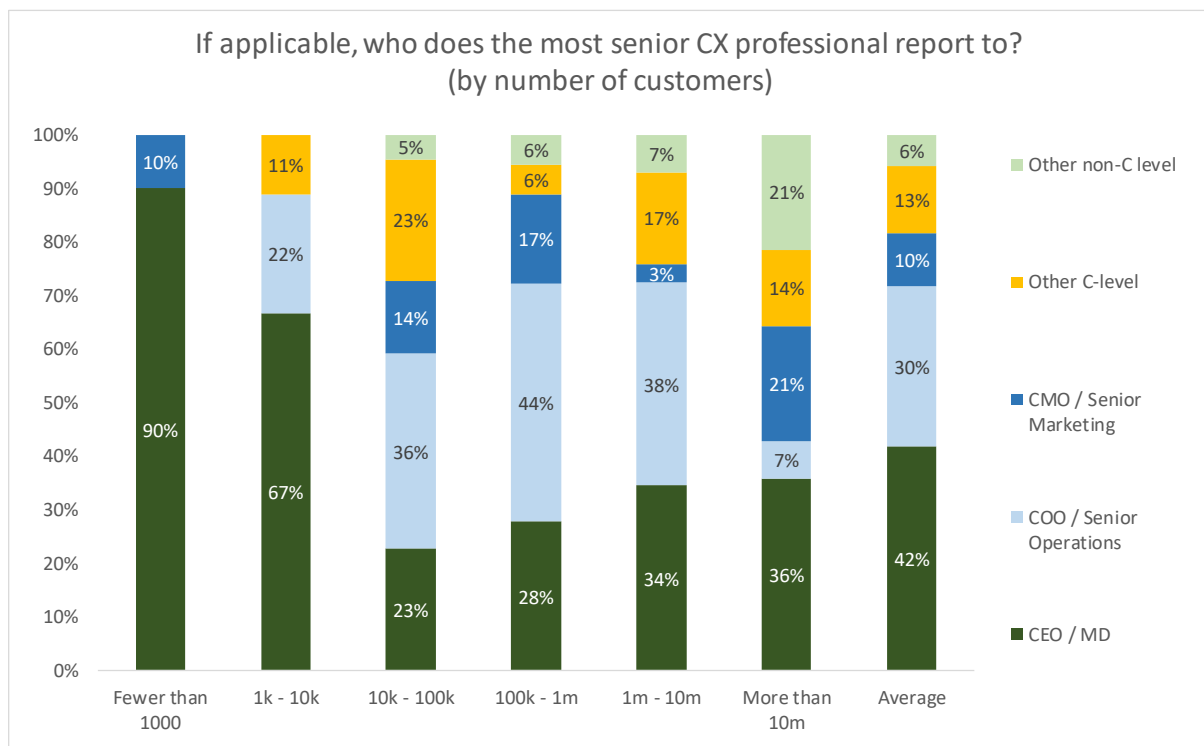
Figure 11: If applicable, who does the most senior CX professional report to? (by revenue)



A similar pattern emerges when considering CX management reporting structures segmented by the number of customers that an organisation has.

Those with few customers are more likely to report to the CEO, and those with the greatest number of customers may tend to report to senior operations management. It is interesting to note that in 21% of the very largest organisations studied, the Head of Marketing was seen as the appropriate report for the Head of CX.

Figure 12: If applicable, who does the most senior CX professional report to? (by number of customers)



CX BUDGET, ROI & INVESTMENT

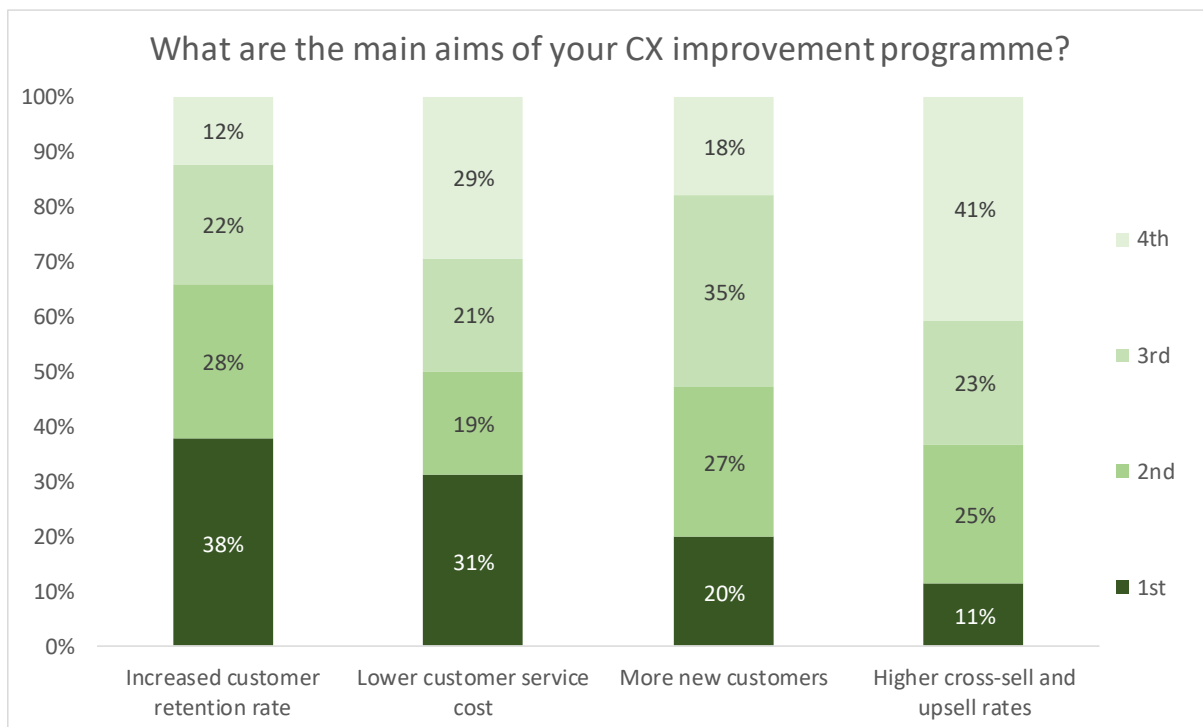
MAIN AIMS OF THE CX IMPROVEMENT PROGRAM

Survey respondents were asked to rank in importance the main aims of the customer experience program from the following options:

- to increase customer retention rates and loyalty
- to reduce the cost of serving the customer
- to increase the number of customers they had
- through cross-selling and upselling, to increase the revenue per customer.

66% of respondents placed increase customer retention rates in the first or second position, suggesting that one of the long established aims of CRM - customer loyalty - is a major target for most companies' customer experience programs.

Figure 13: What are the main aims of your CX improvement program?



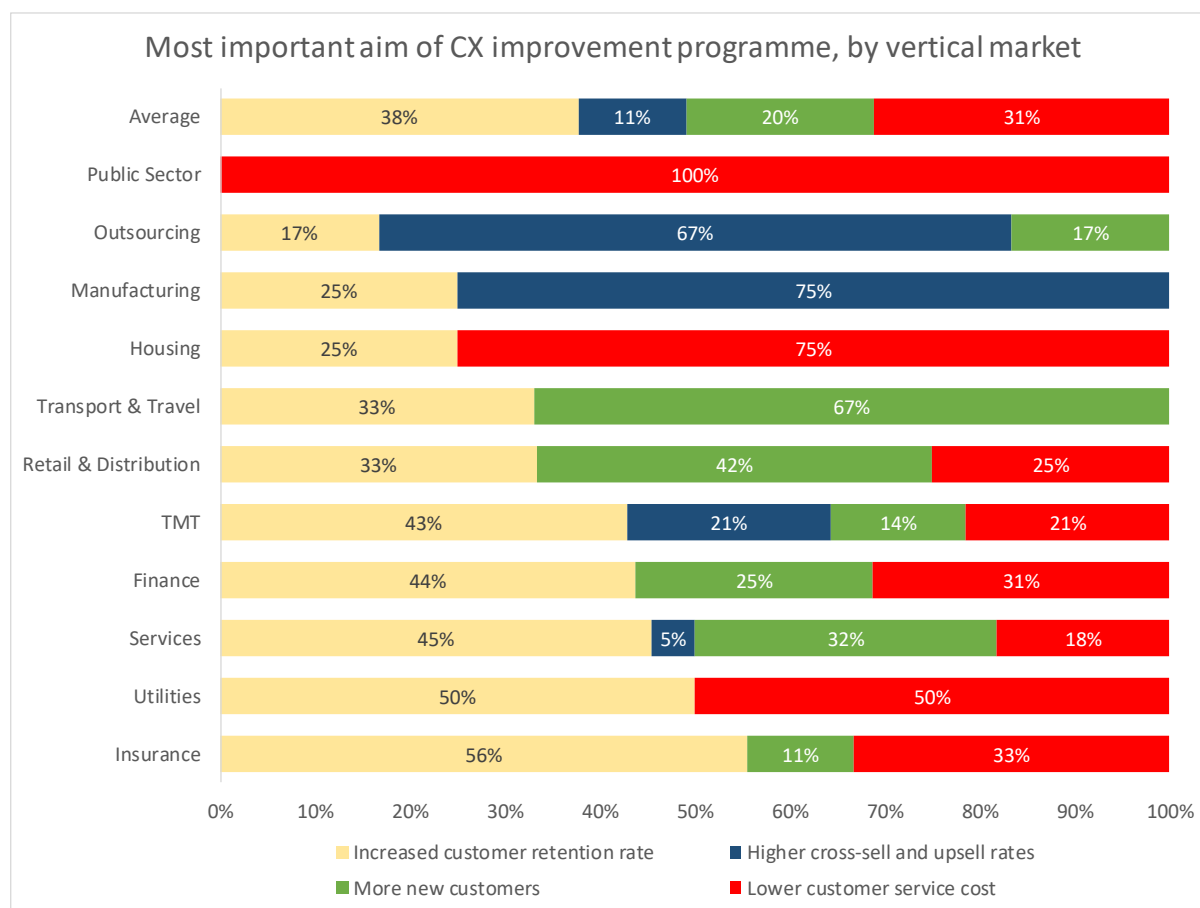
While caution should be applied when looking at the vertical market figures below (due to the relatively small sample sizes in some of the sectors), there are a few interesting conclusions that can be drawn.

The majority of insurance respondents surveyed stated that the most important aim of the customer experience improvement program was to improve customer retention rates. In a highly competitive sector where product differentiation is not easy, the ability to sell products to the same customer year-on-year is paramount.

Closely linked to customer retention, cross-sell and upsell rates are seen as the aim for the majority of manufacturing and outsourcing respondents.

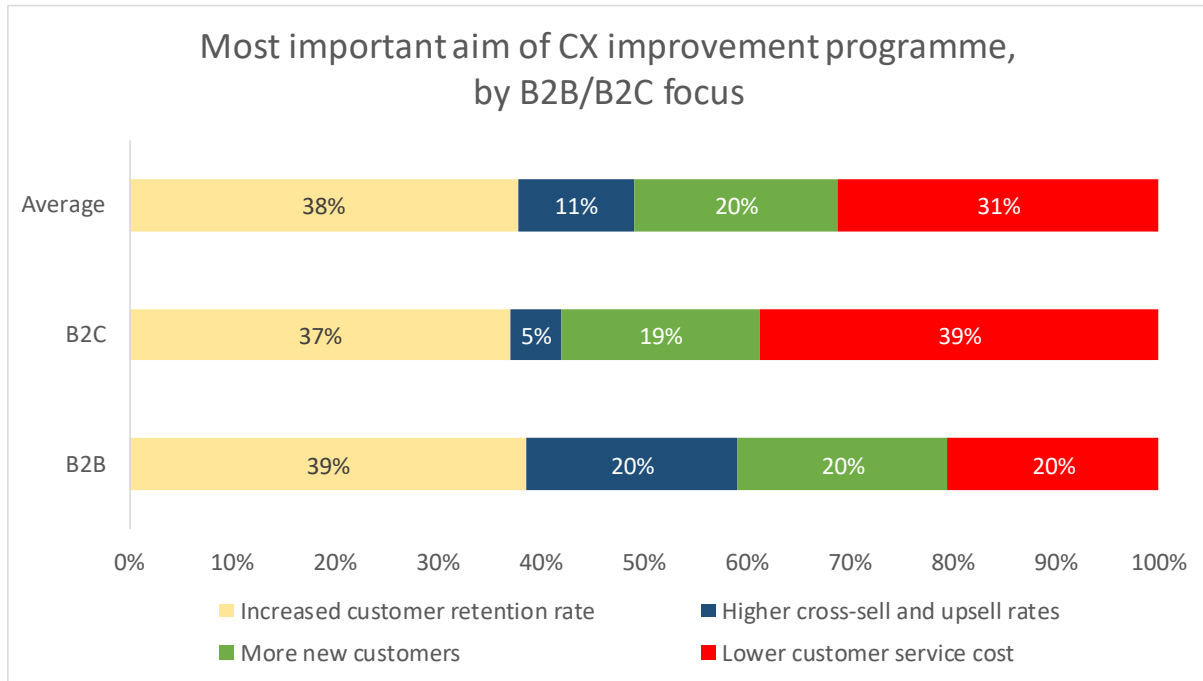
The public sector, as a generally non-commercial vertical market, focuses CX improvements on reducing the cost of service without lowering quality, often through self-service options.

Figure 14: Most important aim of CX improvement program, by vertical market



B2B organisations report that cross-sell/upsell is a far more common primary aim of improving their customer experience than is reported by B2C respondents. While decreasing customer service costs is seen as the primary focus of the CX program by 20% of B2C respondents, this figure increases to 39% amongst the B2C organisations.

Figure 15: Most important aim of CX improvement program, by B2B/B2C focus

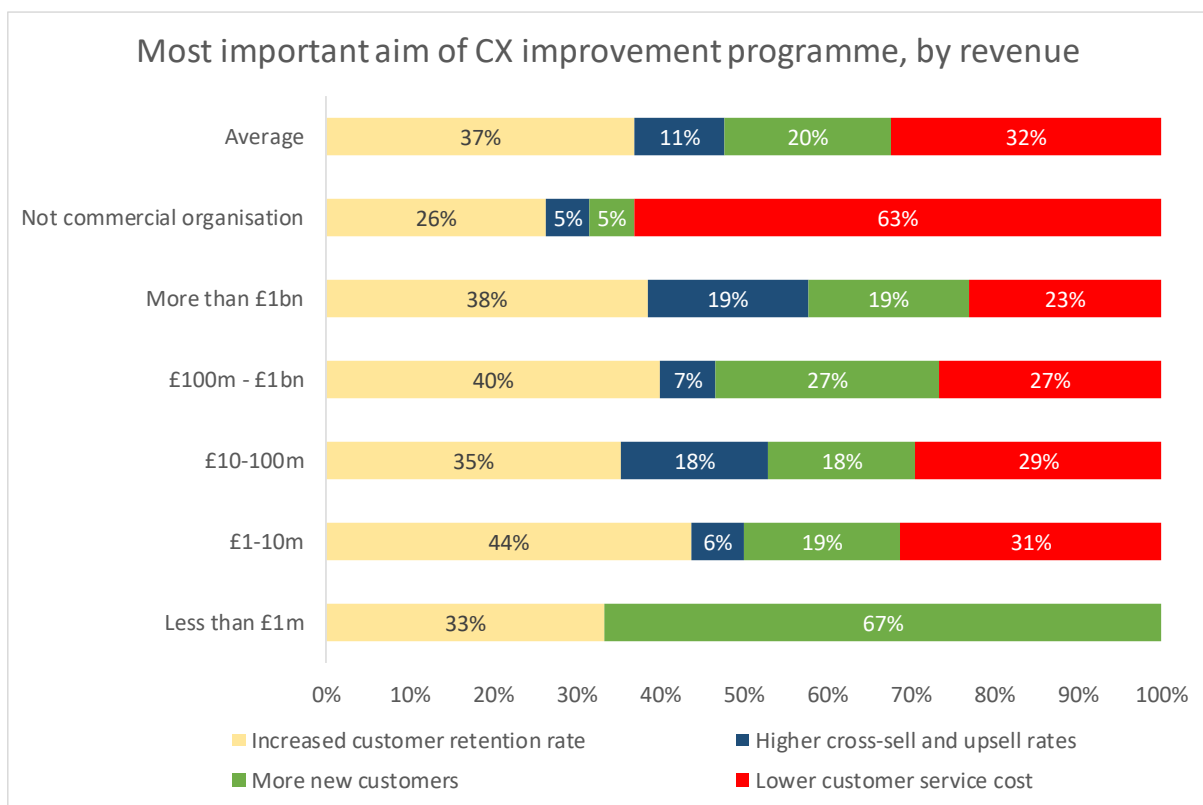


When considering respondents segmented by revenue, perhaps the most noticeable finding is that the smallest organisations place far more importance on gaining new customers through their CX improvement program.

The focus of CX improvement on reducing customer service cost is of far more importance to non-commercial organisations, although a significant minority from all except the smallest businesses also have this as a priority.

Increasing customer retention rates and loyalty is stated to be the most popular primary aim of the CX improvement program by all revenue segments, except for the very smallest, and the non-commercial sector.

Figure 16: Most important aim of CX improvement program, by revenue



CX INVESTMENT: PEOPLE, PROCESS, TECHNOLOGY

Respondents were asked to describe the allocation of their investments in customer experience improvements, considering new technology, training of employees, business process improvements and fees paid to external consultants.

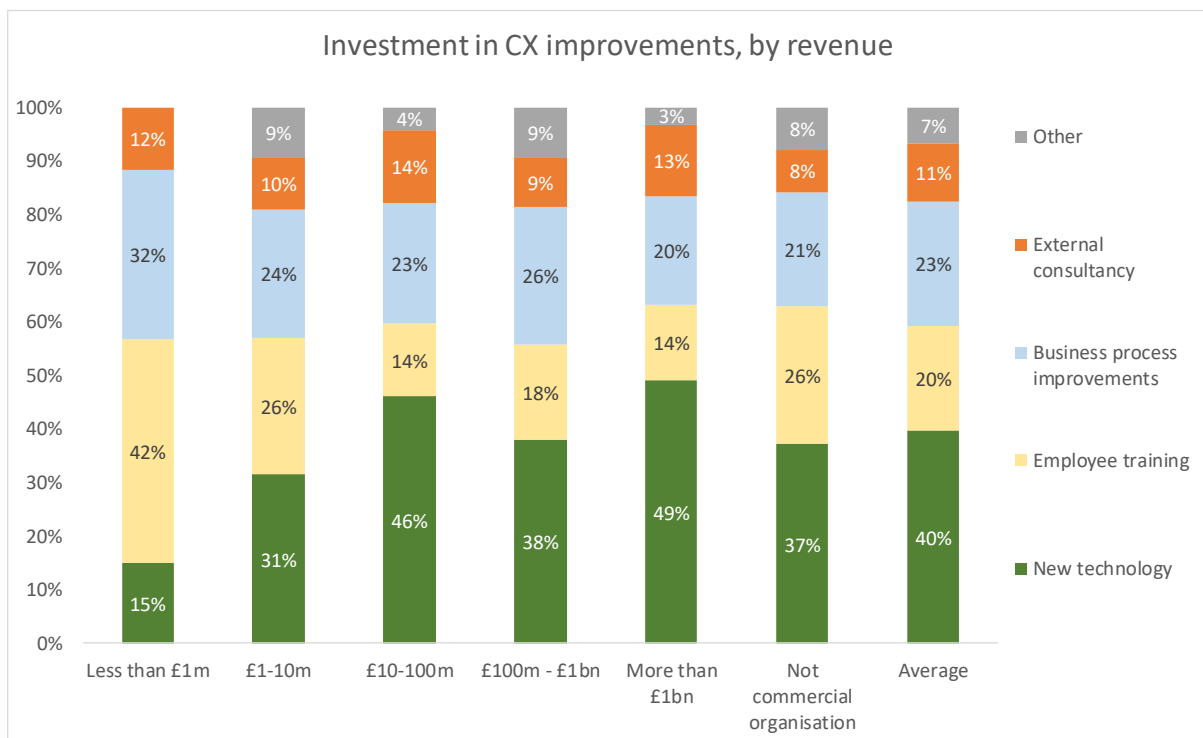
‘Other’ spending includes:

- Benchmarking
- Customer research
- In-house development on existing platforms
- Integration
- Internal consultancy.

Across the whole of the survey respondent base, investments in technology were almost double that of investment in business process improvements. This is especially noticeable in the largest operations.

Smaller businesses were more likely to spend a higher proportion on training, and also had the highest proportion of spend on business process improvements.

Figure 17: Investment in CX improvements, by revenue

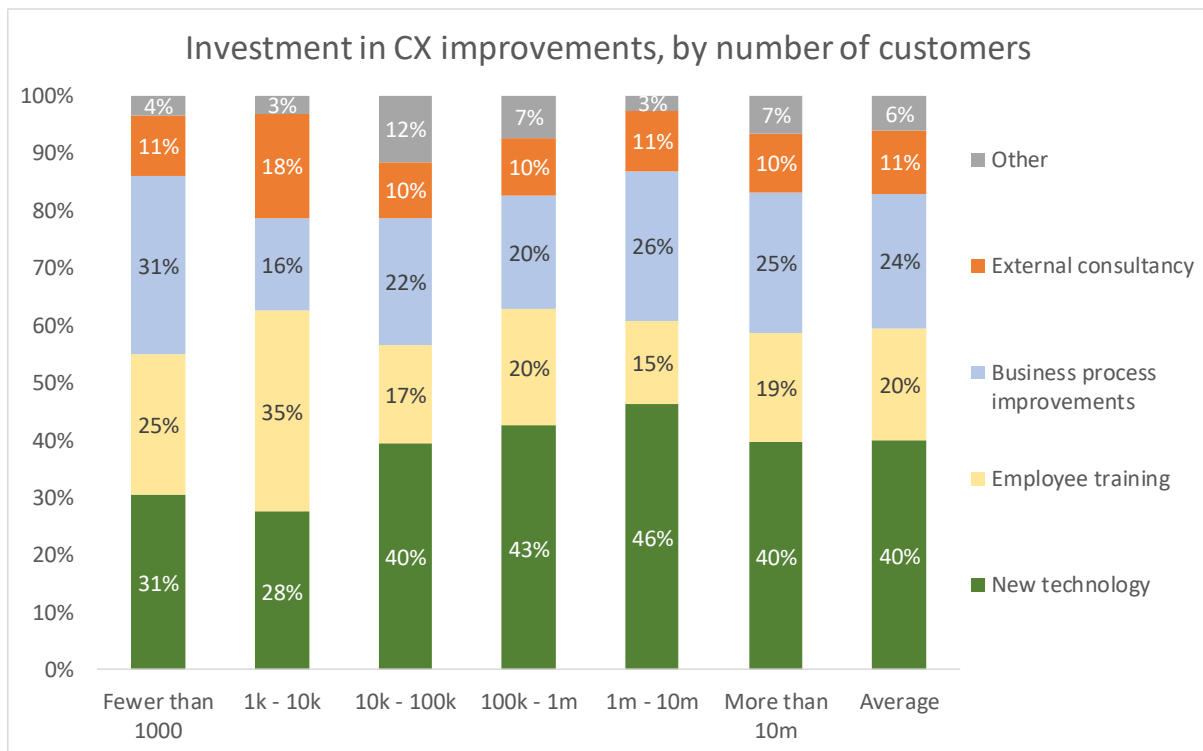


The pattern of CX investment was similar when considering the number of customers served by an organisation, with technology being proportionately more important in organisations with more customers.

It is important to note that survey respondents with fewer than 1,000 customers do not necessarily have lower revenues: many of these are substantial B2B organisations, with many of their customers spending very substantial amounts with them each year. As such, these organisations spent the lowest relative amount on new technology, and the highest amount on business process improvements. Those organisations with very considerable amounts of customers (usually B2C) would tend to spend proportionally the most on new technology, although the proportion of investments spent on business process improvements is fairly similar across most segments.

Those respondents with smaller numbers of customers were those that reported spending the greatest amount of proportional investment on employee training.

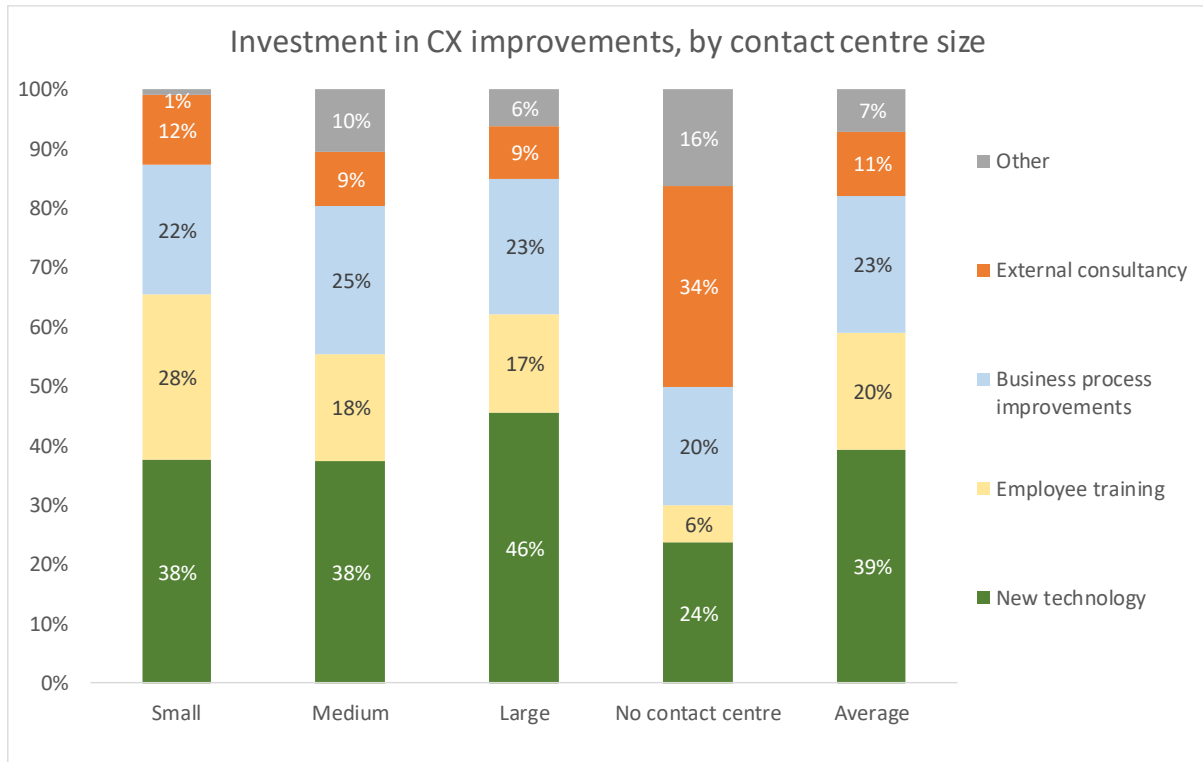
Figure 18: Investment in CX improvements, by number of customers



When considering survey responses segmented by the size of the contact centre, it is unsurprising to find that those with significant contact centres were most likely to spend on technology. While contact centres do not account for all of the expenditure on CX technology, it tends to account for a very significant proportion of overall technological CX spend.

Those without contact centres spend proportionately the most on external consultancy.

Figure 19: Investment in CX improvements, by contact centre size

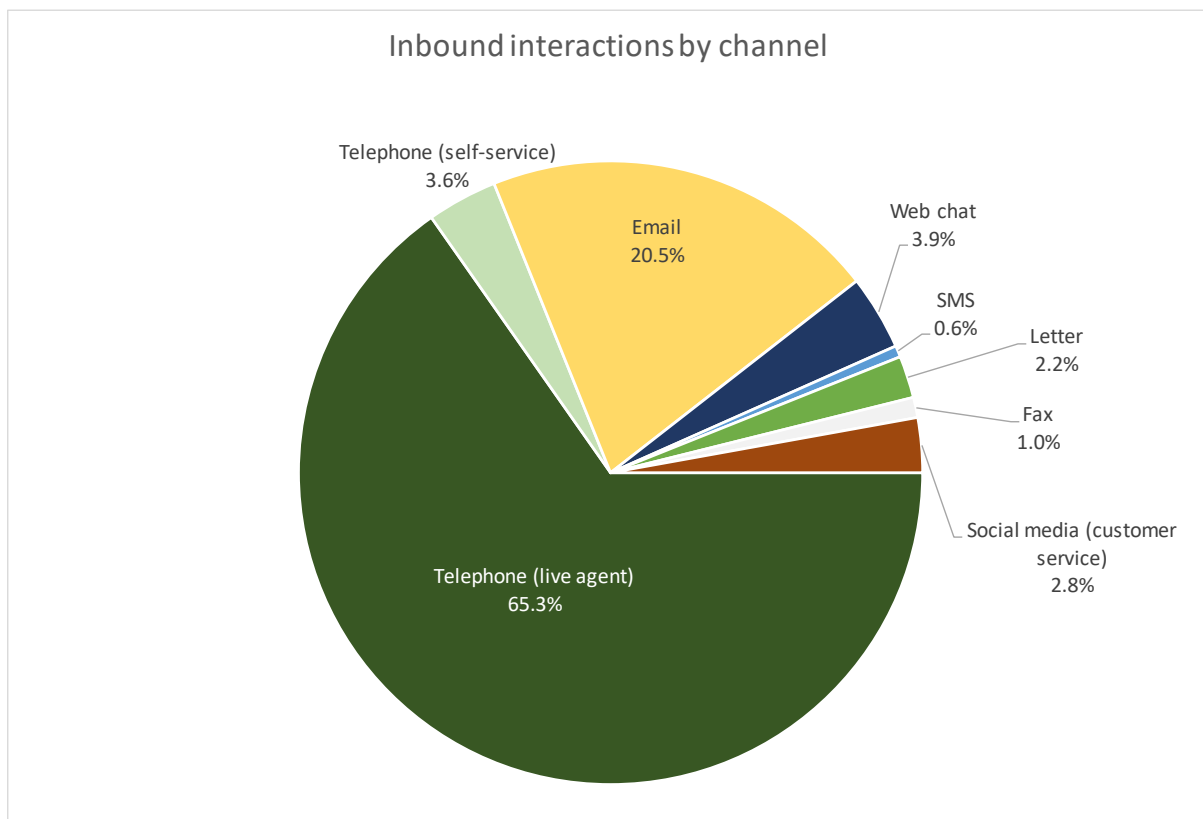


CX INVESTMENT: CHANNEL FOCUS

Before looking which channels are receiving the most CX investment, it is important to put omnichannel into perspective.

Looking at the reality of multichannel, multimodal and omnichannel activity, the UK contact centre industry has now strongly embraced the various forms of non-voice customer communication.

Figure 20: Inbound interactions by channel



The proportion of live inbound interactions by telephone dropped to 65.3% in 2017, its lowest recorded level, in line with a long-term gentle downward trend.

The proportion of telephony self-service interactions remains low, despite expectations of its future rise.

The email channel increased significantly, after being around 15% for a number of years. Next year's figure will show whether this is the result of a single year having a higher than usual proportion of major email users amongst its survey respondents.

Web chat and social media show continued growth, although they are still minor channels compared with voice.

Looking at vertical market figures, agent-handled calls are most important to respondents in the public sector, transport & travel, housing and insurance sectors, with manufacturing, services and TMT respondents reporting lower levels of telephony.

Email is well represented in most vertical markets, with the manufacturing, outsourcing, TMT, retail and services sectors highest.

Telephony self-service seems strongest in the utilities sector as usual.

Web chat is developing a much stronger presence in retail, so as to encourage and close online sales, but is still a way off being a major channel for any other vertical market, although finance respondents report more web chats this year.

No sector reports being ahead in terms of social media customer contact.

Figure 21: Inbound interactions by channel, by vertical market

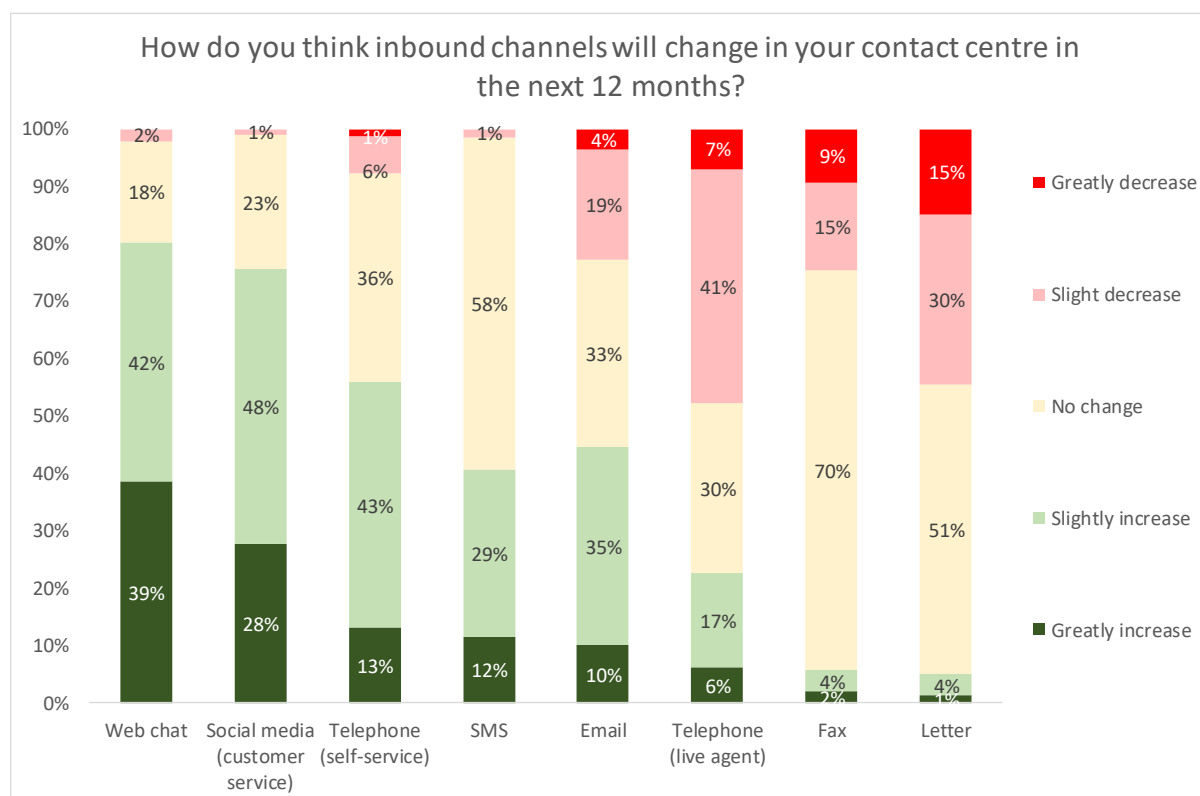
Vertical market	FS	HS	INS	MAN	OS	PS	RD	SVCS	TMT	TT	UTILS	Mean
Telephone (live agent)	63%	81%	76%	59%	64%	78%	61%	56%	57%	81%	62%	65.3%
Telephone (self-service)	3%	1%	0%	1%	1%	6%	1%	5%	5%	1%	15%	3.6%
Email	19%	11%	15%	27%	23%	12%	20%	28%	25%	17%	12%	20.5%
Web chat	8%	2%	1%	2%	5%	1%	11%	4%	6%	0%	4%	3.9%
SMS	0%	1%	0%	0%	1%	0%	1%	1%	2%	0%	0%	0.6%
Letter	4%	1%	6%	1%	3%	0%	1%	2%	2%	2%	3%	2.2%
Fax	0%	0%	0%	7%	0%	0%	1%	1%	0%	0%	0%	1.0%
Social media (customer service)	2%	3%	2%	3%	3%	3%	4%	3%	3%	0%	3%	2.8%

NB: "0%" refers to a number lower than 0.5%, rather than necessarily a zero value.

Care should be taken when considering vertical market statistics, as the research sample size may be small. Use only as an indication of relative importance.

As not all of the same respondents take part in this survey every year, a jump or drop in the usage of a minor multimedia channel could be an industry-wide phenomenon or a case of a handful of early-adopters skewing the results, which is certainly possible where only a few use a channel, and where mean averages are used. As such, a question is asked to respondents about how each inbound channel will change, so being able to judge if any alterations in the use of channels is due to real changes at a contact centre-level, or is more of a statistical blip caused by a different set of respondents providing data each year.

Figure 22: How do you think inbound channels will change in your contact centre in the next 12 months?



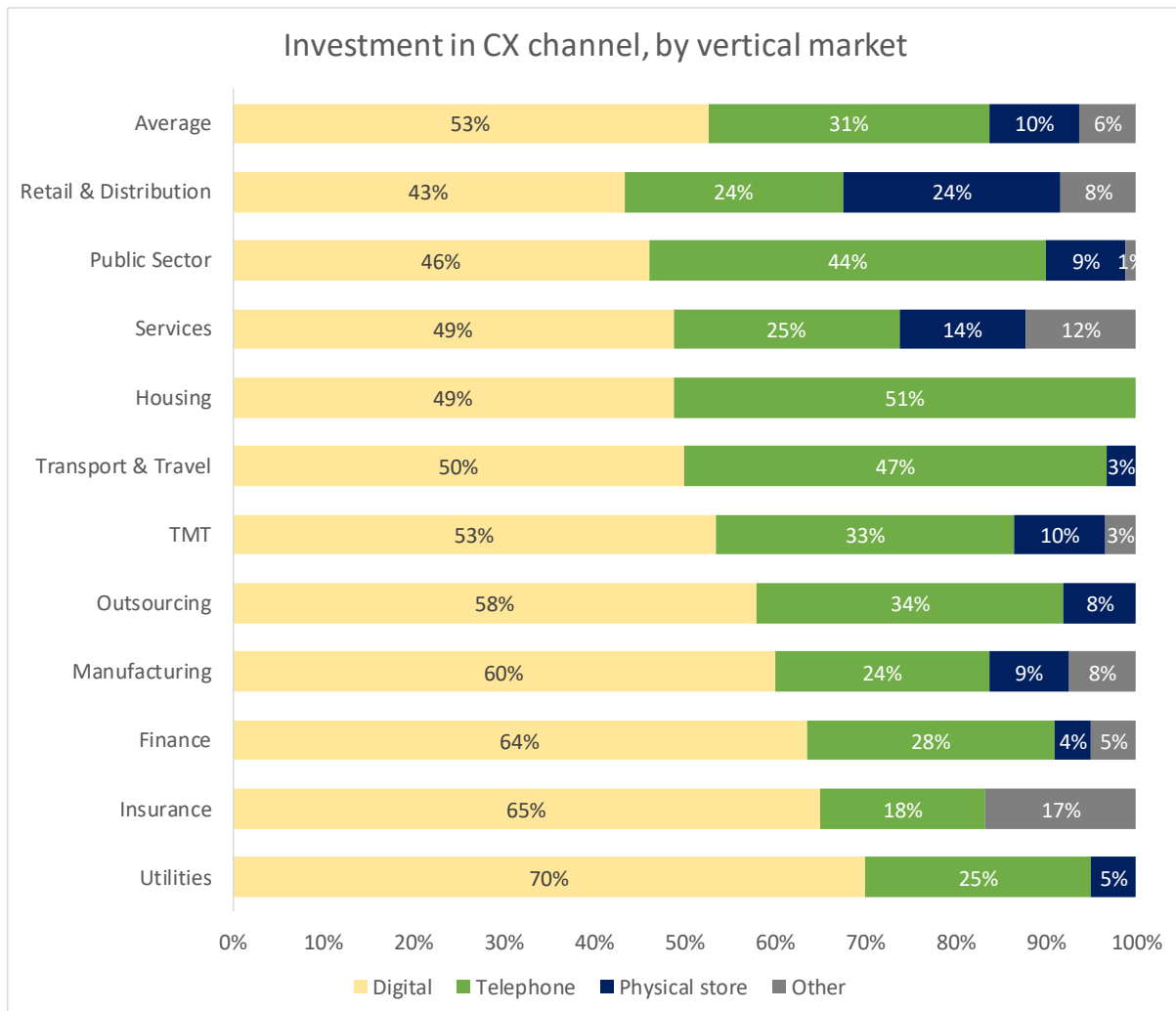
As usual, the traditional media of letters and fax will have a net decline in our respondents' eyes, although still have their place in the likes of the insurance, medical and manufacturing industries. Interestingly, more respondents this year once again believed the live telephony channel volumes would drop (48%) than thought they would rise (23%), a finding that growing each year, and which signals a trend in the industry that is explored in the next chart.

Strong growth is once again expected in web chat and social media customer service interactions (and SMS, from a very low base), with email volumes still predicted to grow although at a much lower rate than previous years. Telephony self-service is expected to grow once again this year, with its twin benefits of customer convenience and low cost still very much relevant. New approaches, such as visual IVR, are likely to encourage further use of self-service. Although not shown on this chart, almost half of respondents offer an app or mobile service option for customer service.

The previous chart's real message is that channels aren't being replaced - even letters and fax will continue to be supported - but rather augmented, and businesses have to accept that they need to develop an omnichannel approach, as that's what their customers are expecting. This means that the pressure to unify the view of the customer across channels is a challenge that isn't going to go away.

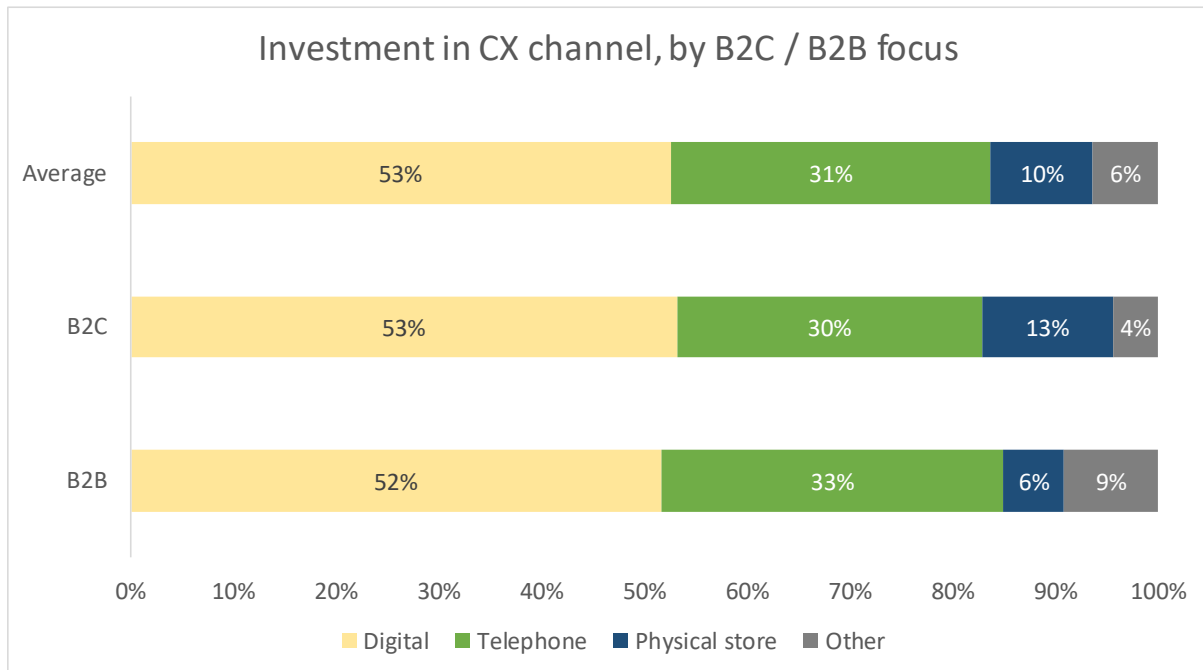
Turning to how customer experience investment is spent by channel, it is easy to see that for the majority of vertical markets, digital channels such as email, web chat, website and social media receive far more attention and investment than the traditional telephony channel, despite the former accounting for around 28% of inbound interactions (excluding web self-service), compared to around 70% coming through telephony (whether live or self-service).

Figure 23: Investment in CX channel, by vertical market



When considering the B2B/B2C segmentation, similar proportions of CX investment are spent on digital, although B2C will tend to spend proportionately more on physical locations such as stores.

Figure 24: Investment in CX channel, by B2C / B2B focus



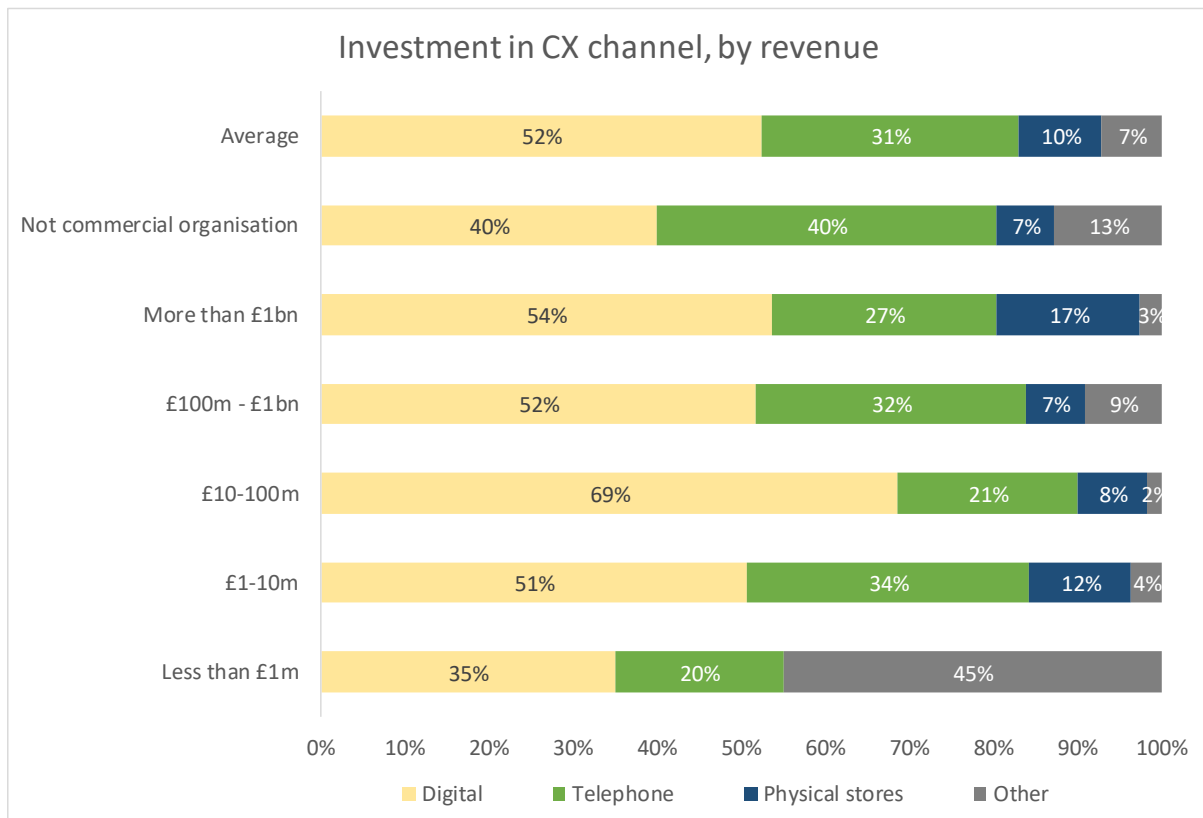
NB: the 'Other' category responses given include:

- Customer onboarding experience
- Customer surveys
- Direct mail marketing
- SMS.

The chart below shows that many mid-sized businesses are embracing the digital channel as a way to give themselves a level playing field when competing against much larger organisations. Respondents with £10-100m in revenue state that 69% of their CX investment is going into digital channels.

It is also noticeable that non-commercial organisations are spending proportionally more on their telephony than other respondents, perhaps as many are behind the technology curve.

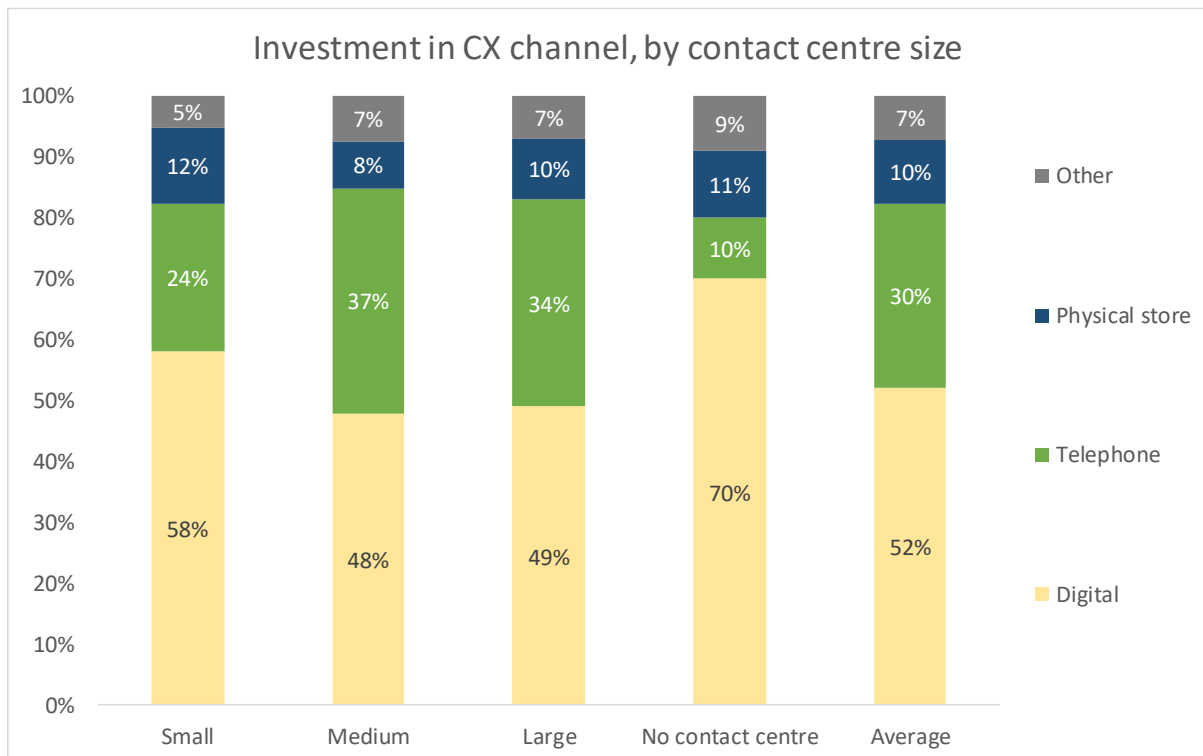
Figure 25: Investment in CX channel, by revenue



The following chart shows investment in CX channels segmented by contact centre size. Unsurprisingly, those with no contact centre spend a very small proportion of their CX investment on the telephony channel, with digital channels receiving the majority of CX investment.

As might be expected, the proportion of CX investment spent on the telephony channel generally increases as a contact centre size goes up, although it should be noted that even in organisations with the greatest amount of telephony, investment in digital channels is still proportionally higher.

Figure 26: Investment in CX channel, by contact centre size



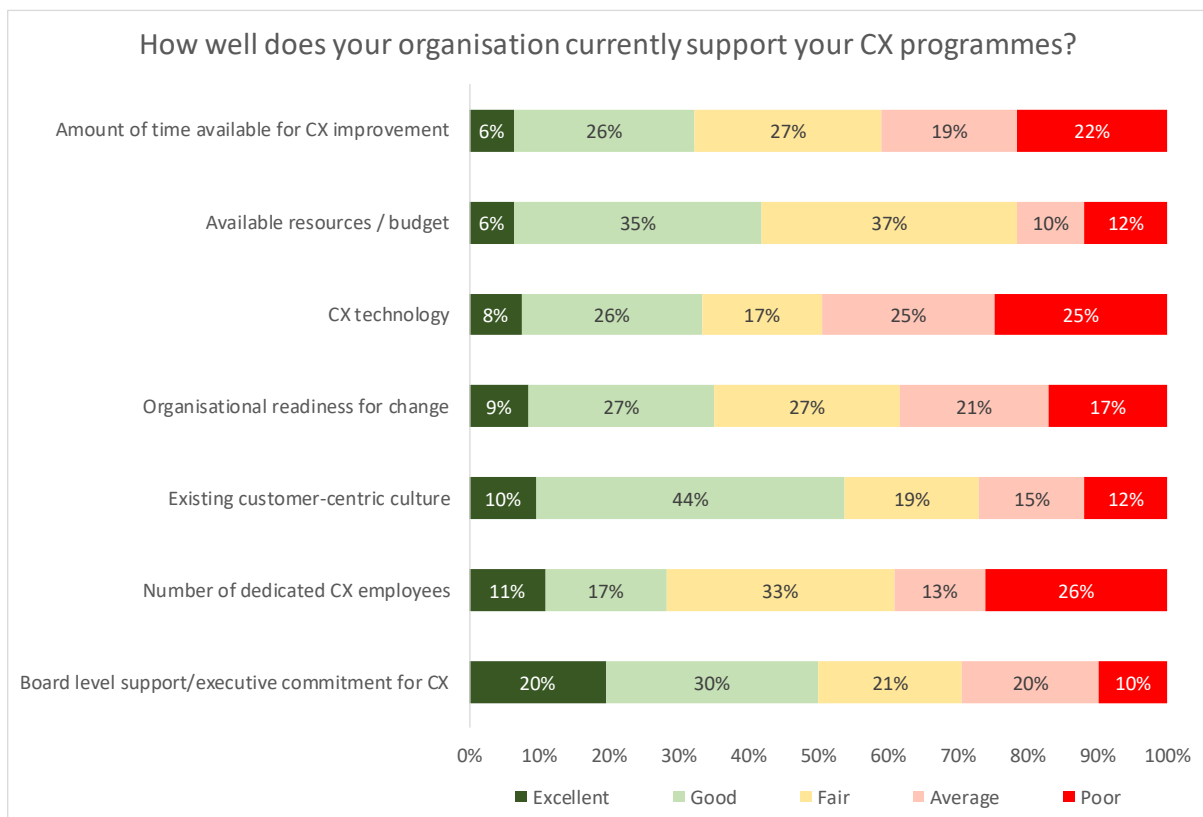
CORPORATE SUPPORT FOR THE CX PROGRAM

Respondents were asked how well their organisation currently supported their customer experience programs. In the main, the results were not particularly positive, with half of organisations stating that their CX technology was either poor or average, and almost 40% being lukewarm about their organisation’s readiness for change.

On the positive side, more than half of respondents stated that the organisational culture was already customer-centric and 50% commended their executives’ commitment, so it appears as though it is the execution of CX improvement rather than the acceptance of the concept itself which needs to be improved.

Having said that, the widespread finding that there were not always enough time and resources for CX improvement shows that having a CX culture does not easily or necessarily translate into actual action to improve CX.

Figure 27: How well does your organisation currently support your CX programs?

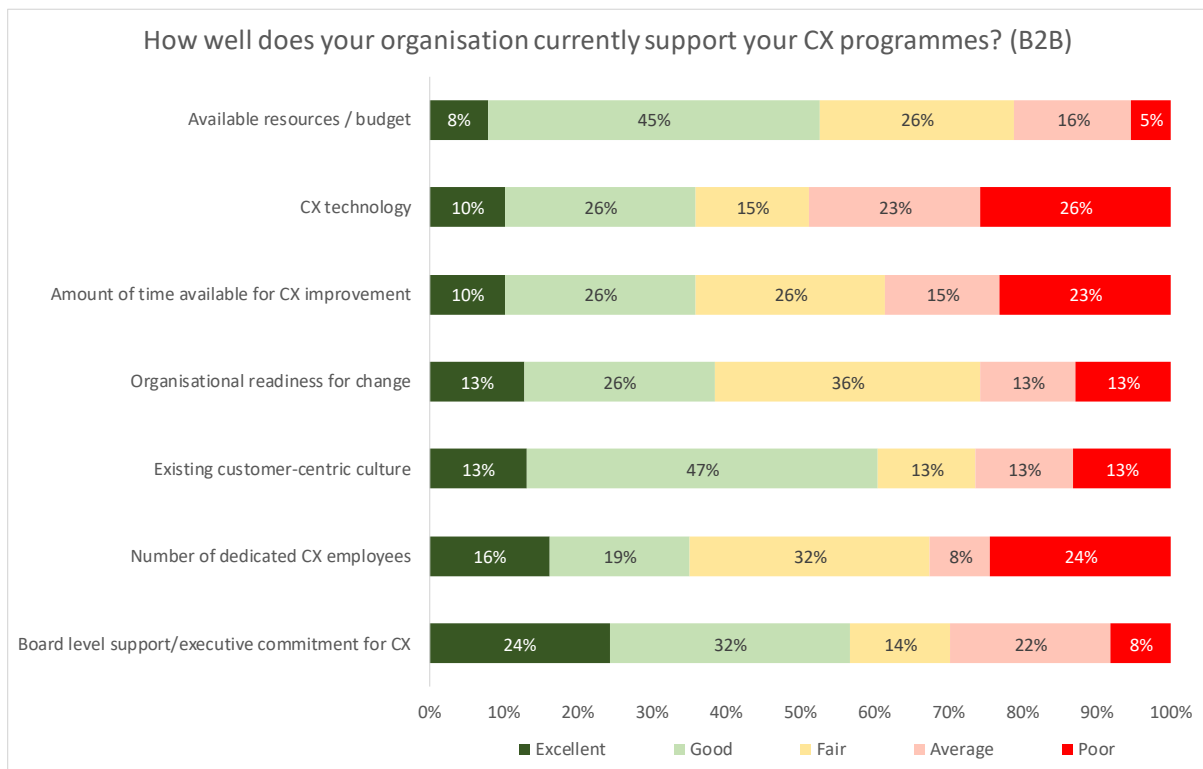


Within B2B organisations, there was a strong belief amongst many that there was an executive commitment to improving customer experience.

However, more than one-quarter of B2B respondents felt that their customer experience technology was poor, and around a quarter stated that there was little time available for actually improving the customer experience or the resources available to do so.

Although there is certainly room for improvement in every one of the factors surveyed, B2B respondents are generally much less critical of their organisation’s support of customer experience than is the case with B2C respondents.

Figure 28: How well does your organisation currently support your CX programmes? (B2B)



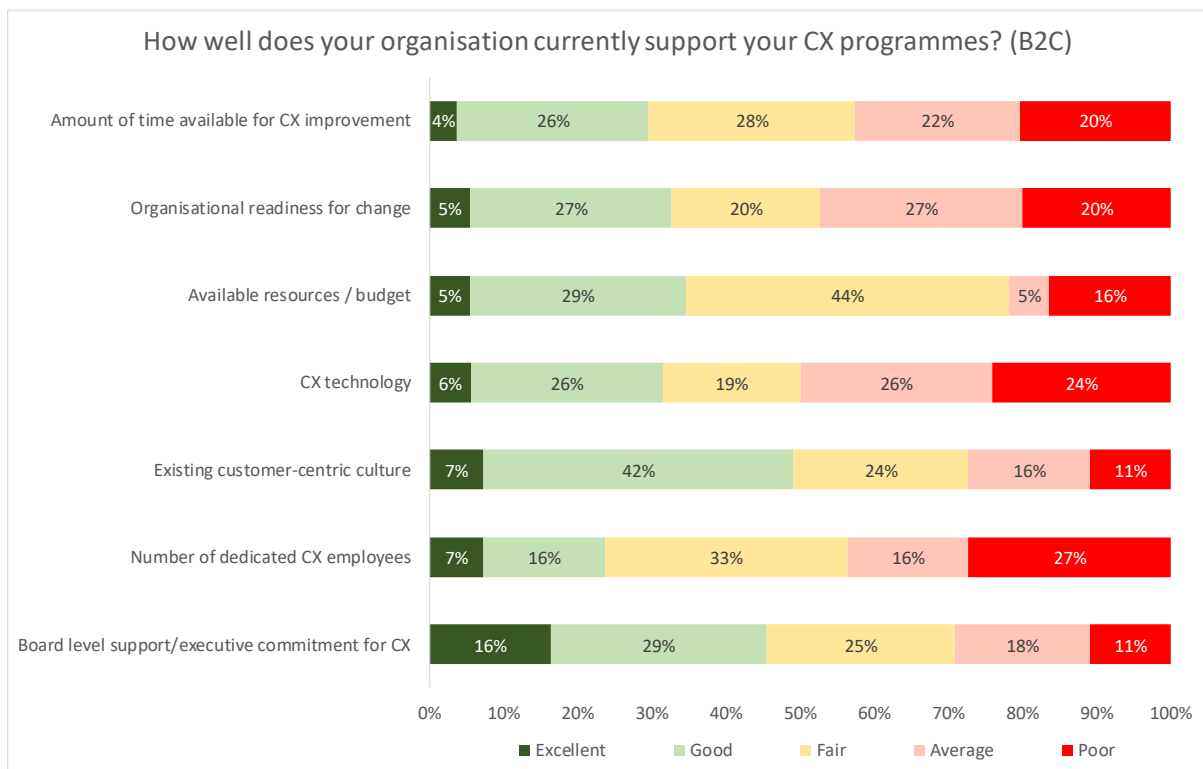
For B2C survey respondents, around 50% consider that their organisational culture is already customer-centric and that the executive commitment to improving CX is either excellent or good.

However, the good news stops here. 42% of respondents state that the time available for improving the customer experience is either poor or average, with half reporting unacceptable CX technology.

Only 23% of respondents believe that the availability of CX resources is either good or excellent, with only 32% believing the same about CX technology.

Generally speaking, the extremely low levels of ‘excellent’ responses shows an industry which still realises that has a very long way to go before it achieves what it wants to with its customer experience programmes, even if there is a general acceptance that customer-centricity is vital to the organisation’s future.

Figure 29: How well does your organisation currently support your CX programmes? (B2C)

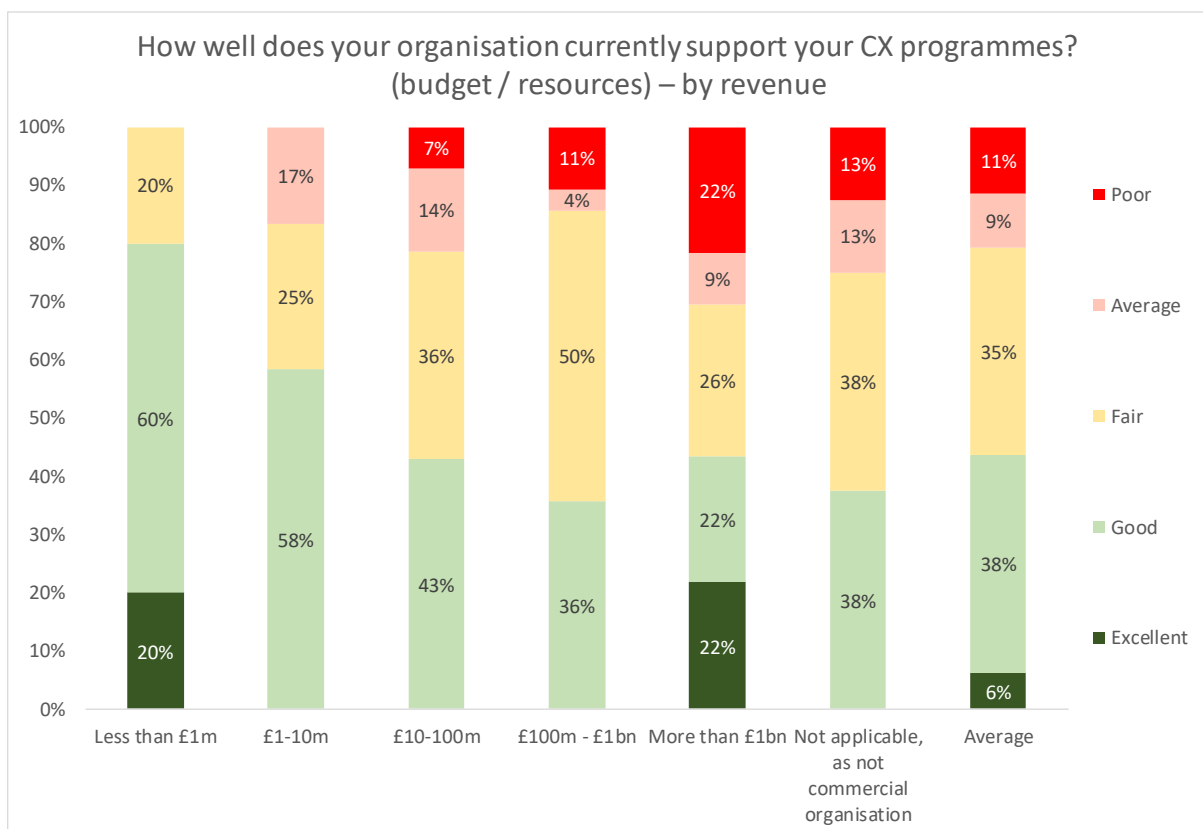


It is worth investigating organisations' support of their CX programs in a little more depth within the next two charts, which look at the availability of budget and resources when segmented by revenue, and the impact of contact centre size on CX technology.

Looking first at the availability of budget and resources for CX programmes when considering the revenues of the organisation, we might expect to see that smaller organisations with less revenue would have greater problems in allocating budget and resource to support their CX program.

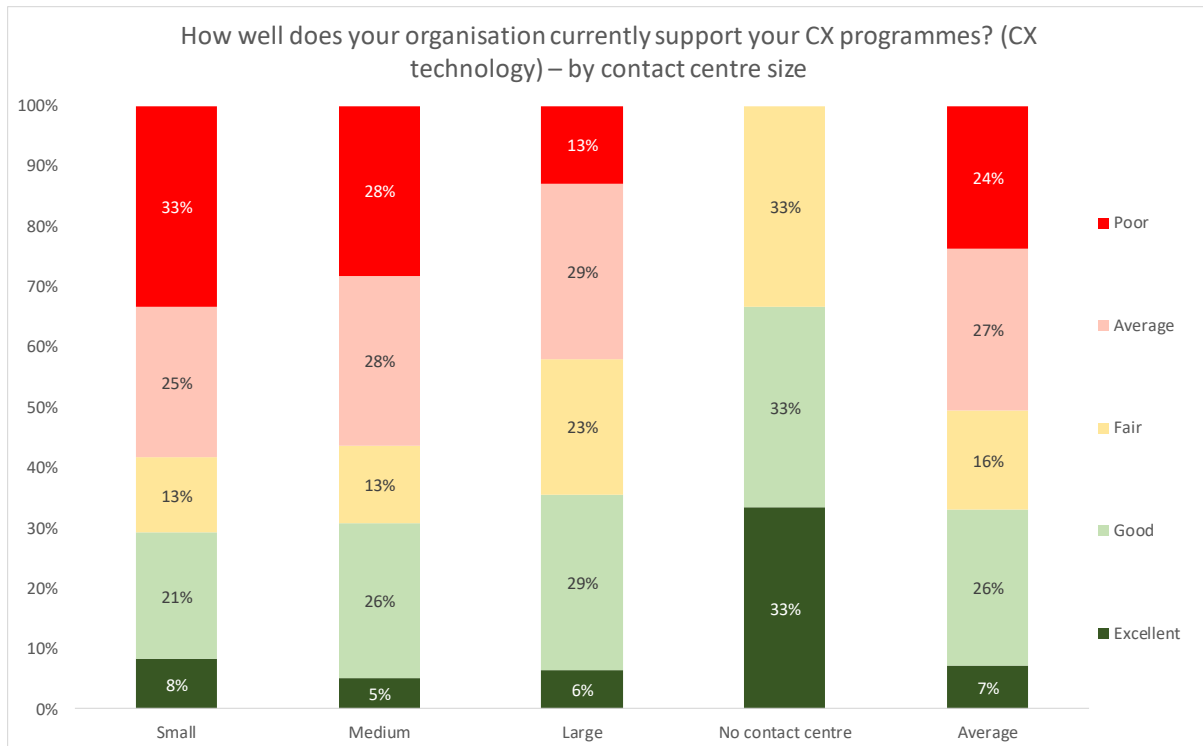
In fact, 80% of the smallest businesses surveyed are generally happy with their allocation, and the greatest levels of budgetary and resource discontent are found in organisations with the highest annual revenues.

Figure 30: How well does your organisation currently support your CX programmes? (budget / resources) – by revenue



When considering the capability of customer experience technology by the size of the contact centre, there are very significant proportions of respondents at every level who ranked their CX technology as being poor or average. As you might expect, those that do not have a contact centre are least likely to be dissatisfied with the level of CX technology, but even those within the largest contact centres cannot be said to be uniformly delighted with the technology that they have in place.

Figure 31: How well does your organisation currently support your CX programmes? (CX technology) – by contact centre size



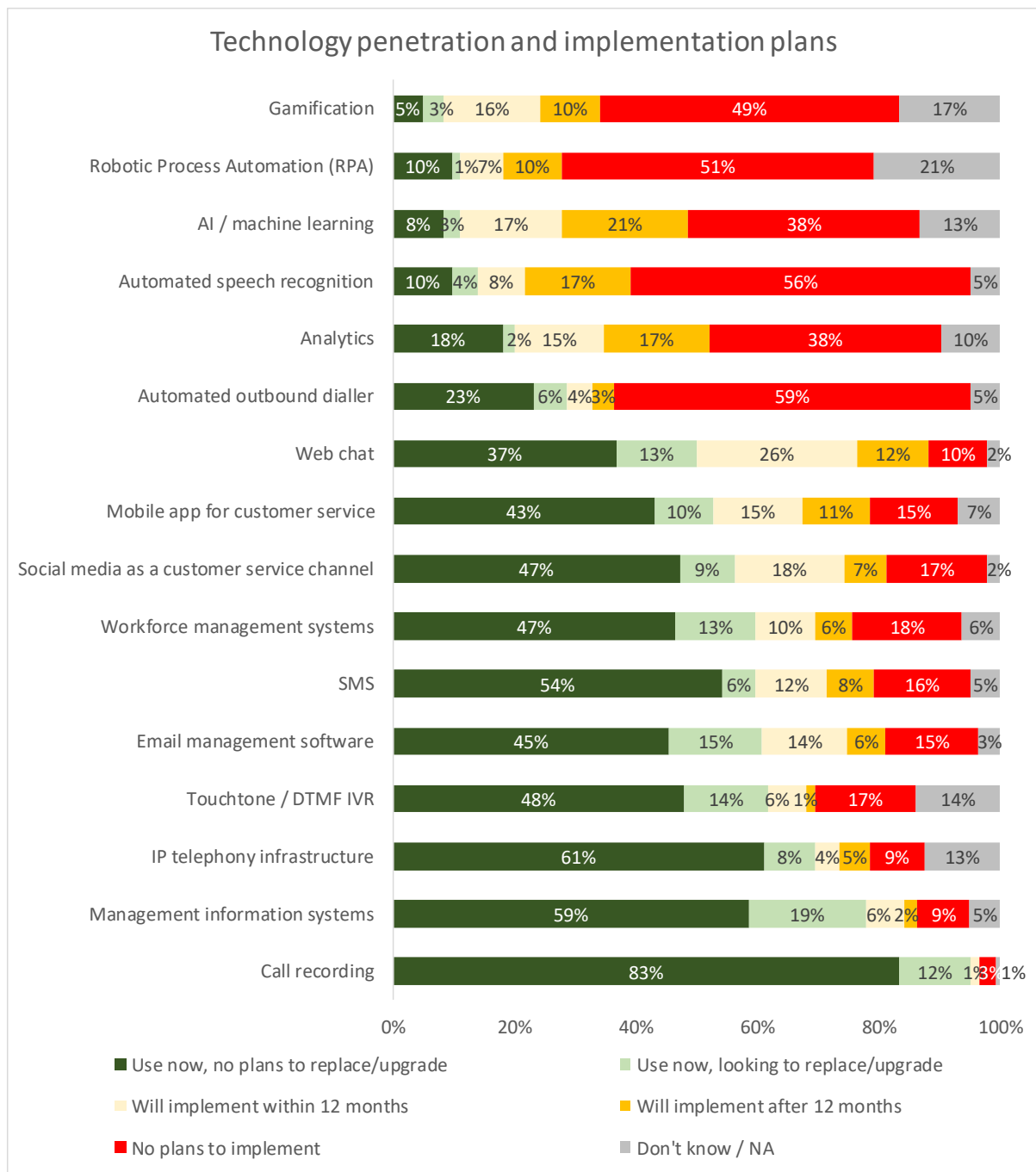
The next section of this report looks in depth at the use of some of the technologies supporting customer experience – in particular within the contact centre – and the plans that organisations have for investing in these in the near future.

TECHNOLOGY

CURRENT AND FUTURE USE OF CUSTOMER CONTACT TECHNOLOGY

The following chart shows respondents' current and future use of specific contact centre solutions. These figures are taken from a ContactBabel survey carried out in mid-2017, and as such, may not mirror the technology usage found in the current report's survey responses. The following two charts / tables should be used to identify the relative use of technology, and the most likely planned areas of investment.

Figure 32: Technology penetration and implementation plans



DTMF IVR, workforce management, email management and MIS are amongst the most likely to be upgraded or replaced in the next year, with a significant proportion of respondents using web chat also looking do so. Many legacy call recording solutions are moving to the cloud, removing the need for on-site storage and maintenance, security management and improving operational flexibility.

In terms of new implementations, web chat, social media, mobile service and analytics are singled-out in the short term, with AI/machine learning and gamification also receiving a very high level of attention considering their low current usage. In the longer-term, AI, speech recognition and analytics were seen by respondents as likely investments. This may show that businesses are serious about these solutions, or alternatively it may be viewed as something that businesses would like to do, but find it difficult to get around to as they have more pressing tasks in the meantime.

Recognising that the reality of contact centre investment does not always match the intention shown in the previous chart, the following table gives closer analysis of IT investment priorities.

Figure 33: Top 5 most important areas of contact centre IT expenditure in the next two years (proportion of contact centres placing solution in their top 5, 2015-17)

Technology solution	2015	2016	2017
Omnichannel (i.e. getting channels to work together)	42%	50%	55%
CRM / Agent Desktop Software	48%	56%	53%
Back-Office Integration	39%	45%	48%
Self-Service (DTMF IVR, Speech Recognition & Web Self-Service)	20%	30%	33%
Email Management	41%	37%	31%
Web Chat	38%	31%	29%
Desktop Automation & Analytics	19%	25%	27%
Performance & Quality Management	26%	25%	25%
Workforce Management	19%	29%	24%
Management Information Systems	30%	25%	22%
Mobile Service	15%	13%	19%
Social Media	21%	20%	18%
Cloud	18%	17%	16%
Interaction Routing (including ACD/CTI-like functionality)	17%	14%	14%
Speech Analytics	9%	8%	13%
Hardware (including PCs & servers)	19%	13%	12%
Call Recording	19%	6%	12%
Gamification	8%	9%	11%
Homeworking	14%	9%	11%
Virtual Contact Centres	7%	10%	8%
Telephony Infrastructure (including IP)	10%	12%	7%
Outbound Automation	6%	5%	5%
Voice Biometrics	4%	3%	3%
Video/Web RTC	0%	4%	2%
Headsets	7%	3%	2%

The percentages in the previous table based on the proportion of respondents over the past three years placing the specific solution within their top 5. By starting to show this historical data, patterns will start to emerge, showing the solutions that are gaining the most interest over the years, and those which are losing their appeal.

CRM (including improvement to the contact centre agent desktop and contact management system, as well as company-wide CRM) has been in no.1 position for a number of years, and although CRM loses its number one spot in 2017 to omnichannel, it runs it a very close second.

Omnichannel - which has been defined within this part of the survey as getting the various channels to work together - is placed within the top 5 priorities by 55% of respondents (an increase on last year's figure of 50%), which is higher than any other solution. The various supporting applications, such as web chat, email management systems and social media have significant proportions of respondents placing them within the top 5, especially the former two solutions, although it is noticeable that these numbers are falling year-on-year as implementations actually happen.

It is interesting to note that respondents place back-office integration as the third most-likely investment priority over the past three years, with the proportion of respondents placing it in their top 5 growing significantly even since 2015. This suggests that respondents are very aware of the need to underpin the entire customer contact infrastructure - both front and back office - with a robust, stable and non-siloed infrastructure that allows a single view of the customer throughout their entire experience in an omnichannel environment. While back-office integration may not be the most glamorous technology solution available, this significant level of interest and planned investment shows the contact centre's remit is widening to cover the entire customer journey, not just the voice element.

After some years of relative stagnation, self-service continues to grow in interest to the contact centre sector, driven in part by the promise of artificial intelligence and chat bots being able to provide a far superior self-service experience than had previously been the case. The same can be said for desktop automation and analytics, which also links with the back-office and robotic process automation, areas which are of growing interest for many of the largest organisations.

One interesting point to note is that telephony infrastructure upgrades (usually involving IP) is no longer one of the main planned expenditures on contact centre technology, as so many have moved to this already, although upgrades are planned for a significant proportion of respondents.

EFFECT OF TECHNOLOGY ON THE CUSTOMER EXPERIENCE

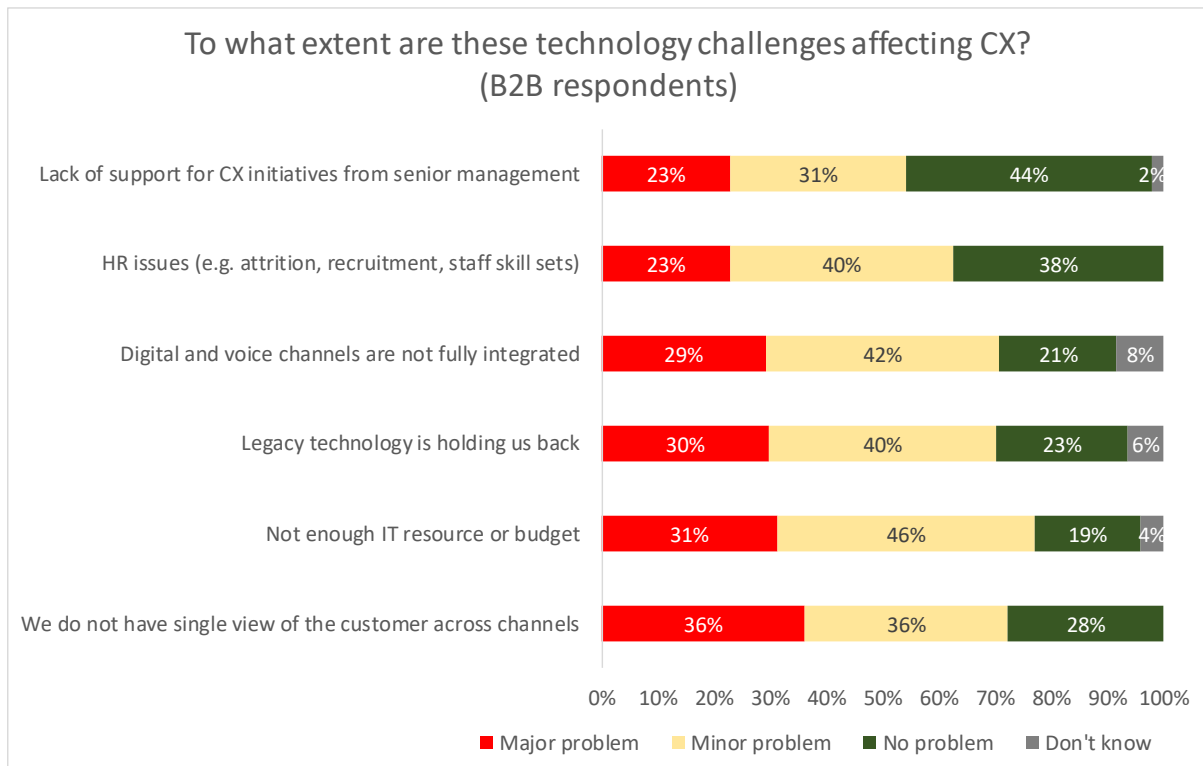
B2B & B2C CX TECHNOLOGY

Respondents were asked about the extent to which technology challenges were affecting their ability to improve their customers' experience.

Once again, B2B respondents were less likely than their B2C counterparts to flag up major technology challenges, although it is noticeable that 36% of B2B respondents stated that not having a single view of the customer across channels was a major problem for them.

Issues around HR (such as the availability of suitably qualified and experienced IT resource) and a lack of support from senior management for customer experience initiatives are seen as being less of an issue, although 23% of B2B respondents still state that this is a major problem for them.

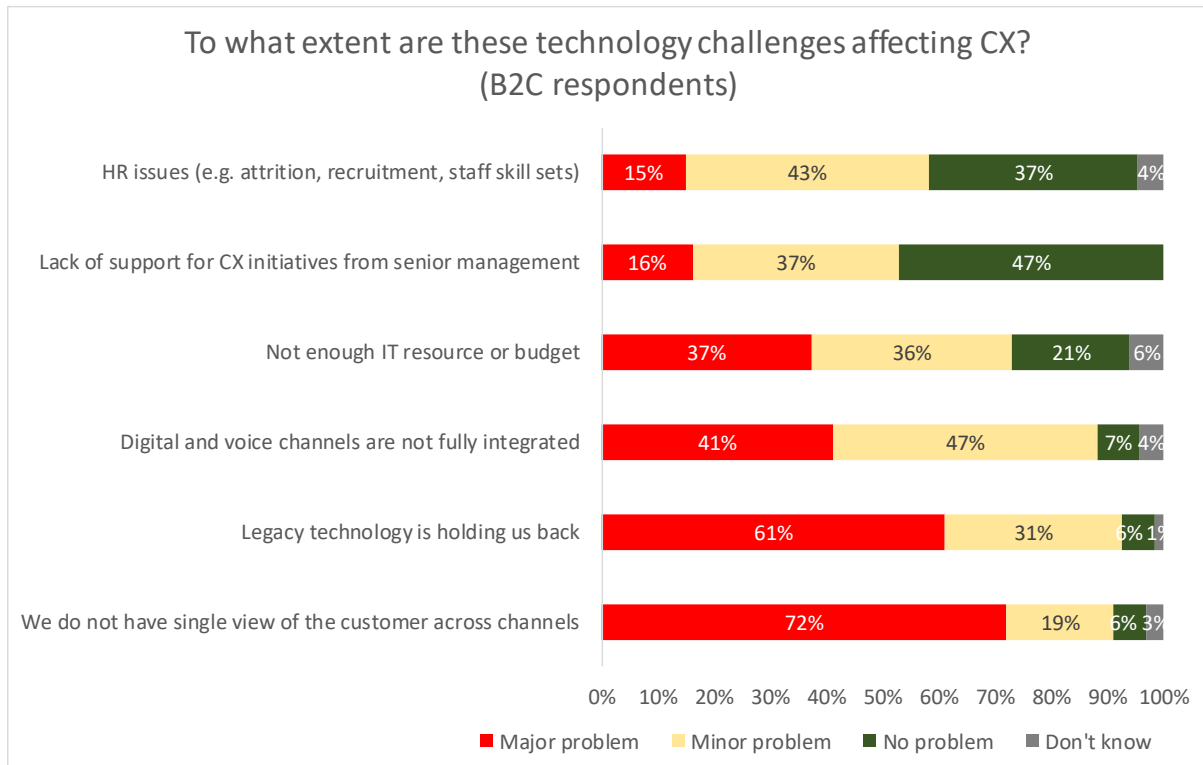
Figure 34: To what extent are these technology challenges affecting CX? (B2B respondents)



For B2C respondents, technology challenges affect customer experience significantly more.

In particular, 61% of respondents state that it is a major problem for them that their existing legacy technology is holding them back, and 72% state that not having a single view of the customer across channels is a major problem for them.

Figure 35: To what extent are these technology challenges affecting CX? (B2C respondents)

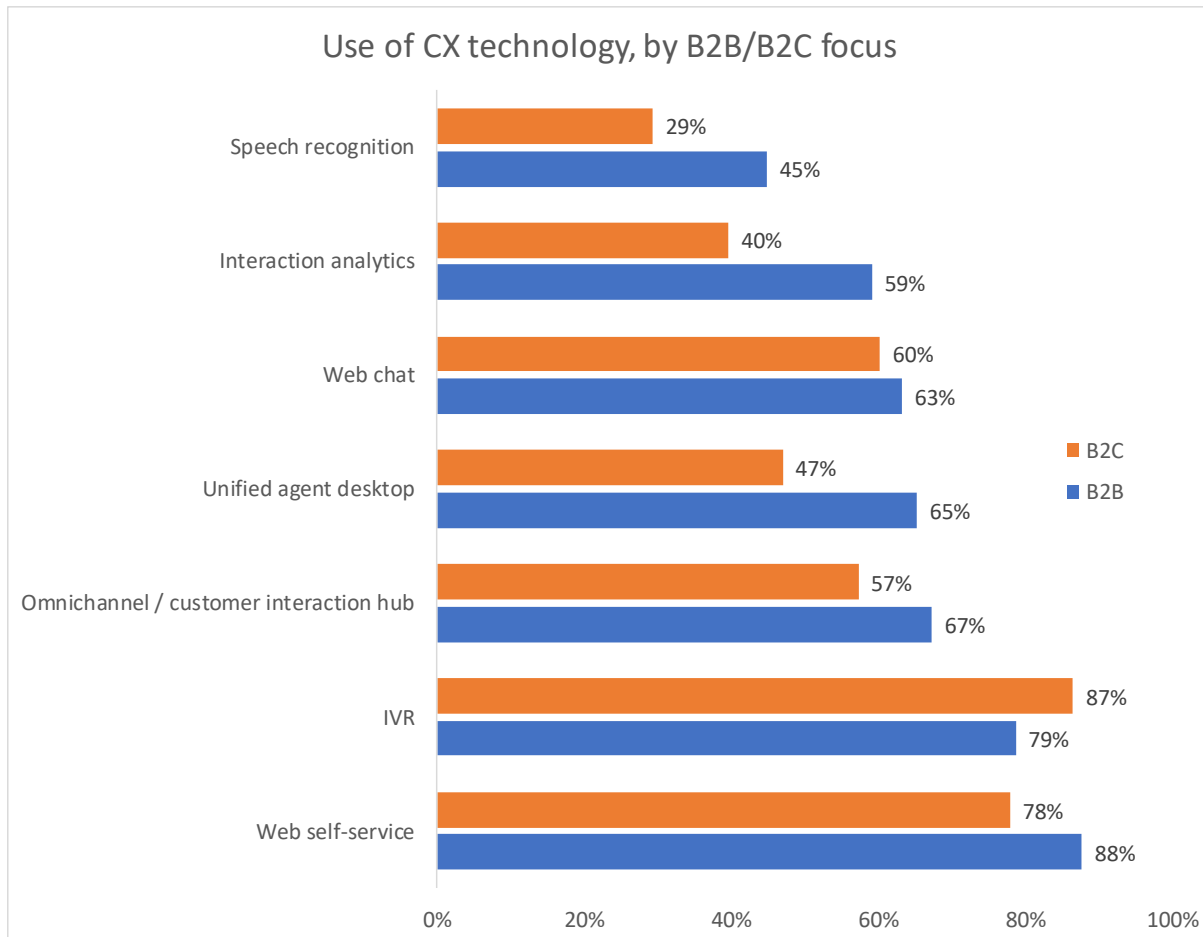


Looking at CX-related technology challenges from the perspective of company revenue and number of customers, it is the organisations with the most customers that are most likely to be having trouble gaining a single view of the customer, and these operations are also most likely to be restricted by their existing legacy systems. 86% of respondents with more than 10m customers stated that the single view of the customer was a major problem, compared to 10% of respondents with fewer than 10,000 customers.

Larger respondents with more customers were more likely to report major concerns with IT human resources, and IT resourcing and budgetary issues were reported to be a problem for many respondents of all sizes. The organisations with most customers were most likely to report a lack of support for customer experience initiatives from their senior management, with 38% of the largest companies stating this was a major problem for them.

Considering the use of customer experience technology by B2B/B2C organisation type, B2B respondents have a slight tendency to have implemented more technology in the case of most applications. The exception to this is in the use of IVR.

Figure 36: Use of CX technology, by B2B/B2C focus



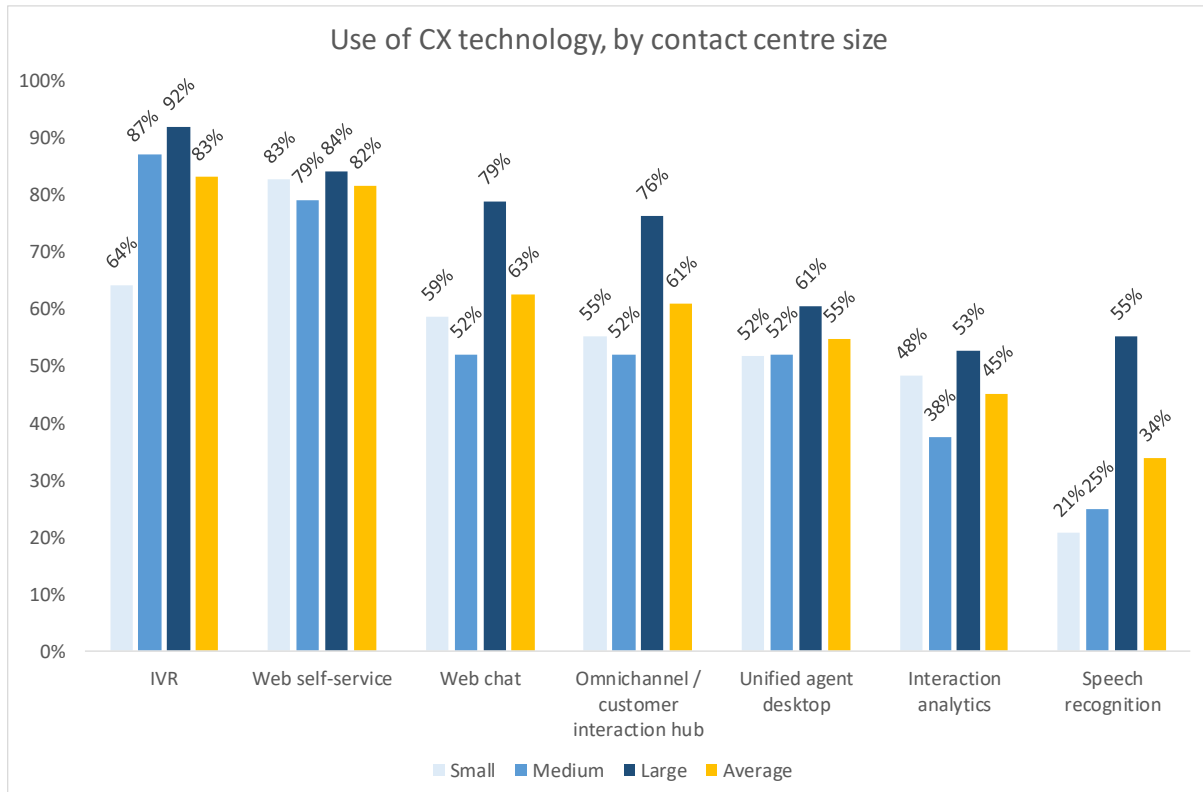
B2B respondents generally report that their technology has a positive impact on the customer experience, with web chat, unified agent desktop and omnichannel being seen as particularly effective, with over 80% of B2B respondents stating that these technologies were positive.

B2C respondents were also very upbeat about omnichannel and web chat, with around half of respondents using these technologies stating that they were strongly positive. However, 30% of respondents that used IVR stated that it had a somewhat negative effect on the customer experience although three-quarters of B2C respondents that used automated speech recognition stated that they had a positive opinion on how this affected the customer experience.

CX TECHNOLOGY BY CONTACT CENTRE SIZE

The following chart shows clearly that the use of many types of CX-related technologies is closely linked to the size of the contact centre, except for web self-service which as a cost-effective and proven method of deflecting calls with a minimal marginal service cost is popular with all types of organisation.

Figure 37: Use of CX technology, by contact centre size



NB – these technology usage figures are from this 2018 CX survey, and are not the same as fig. 32 which was based on the 2017 contact centre survey which had different respondents.

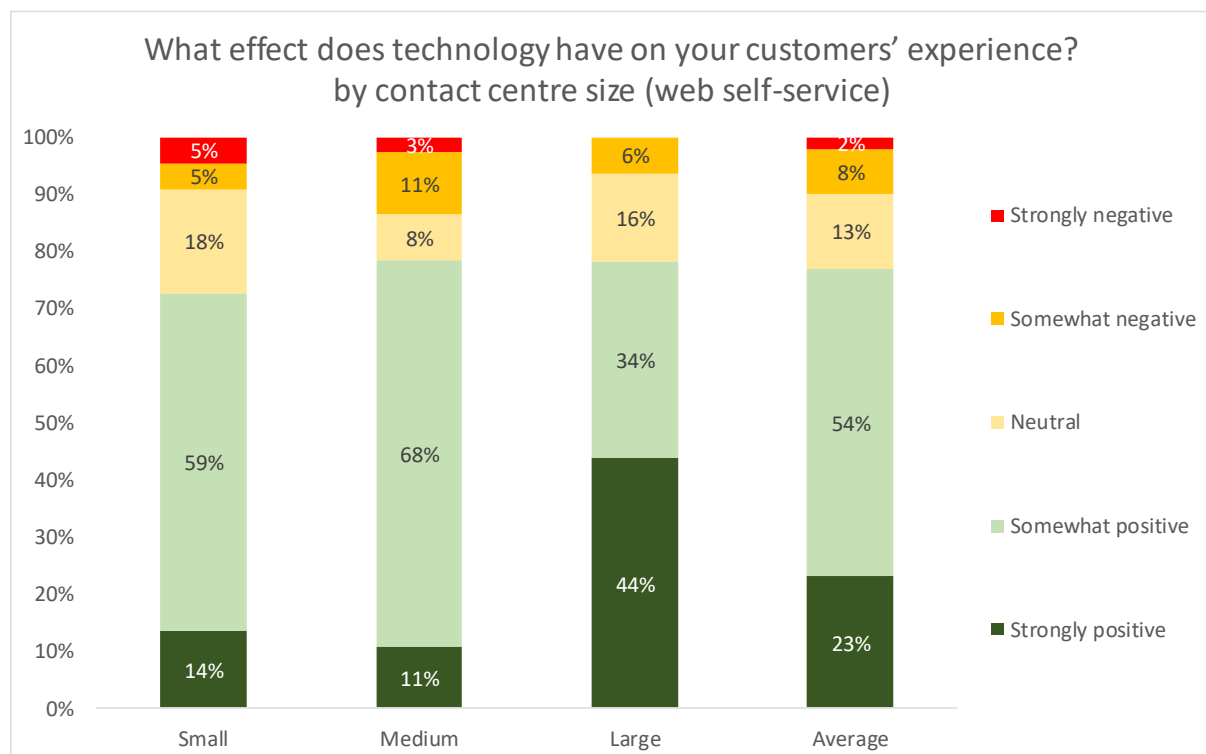
The following series of charts study the effect that organisations believe specific technologies have on their customers' experience. The charts are ordered by their greatest use by organisations (i.e. web self-service has the greatest penetration rate, and automated speech recognition the least. As such, we would expect to see a positive correlation between a technology's usage and the positive effect that is believed to have on the customer experience.

The most popularly used customer experience technology is web self-service. For businesses, by far the major advantage to having customers use web self-service is the fact that the cost per automated support session is estimated to be between 40 and 100 times cheaper than a live call to an agent.

Research has stated that 58% of calls to the contact centre result from bad website service or a failure in another channel. Most customers will visit a website first; if they cannot find what they're looking for immediately they will try self-service; if the self-service experience does not give them what they want immediately and accurately, they will either call the business or go elsewhere. In cases where the customer is tied into an existing business, this will result (merely) in a higher cost of service and decreased customer satisfaction. In cases where the web visitor is only a potential customer, a failure in the self-service process on a website will mean the almost-certain loss of a sale. In all cases, providing effective web self-service options - with a clear path to escalation to a live agent, along with any contextual customer specific information - is in the best interests of the business.

Survey respondents feel that web self-service is of generally positive benefit to the customer experience, although a few respondents in small/medium contact centres feel otherwise.

Figure 38: What effect does technology have on your customers' experience? by contact centre size (web self-service)



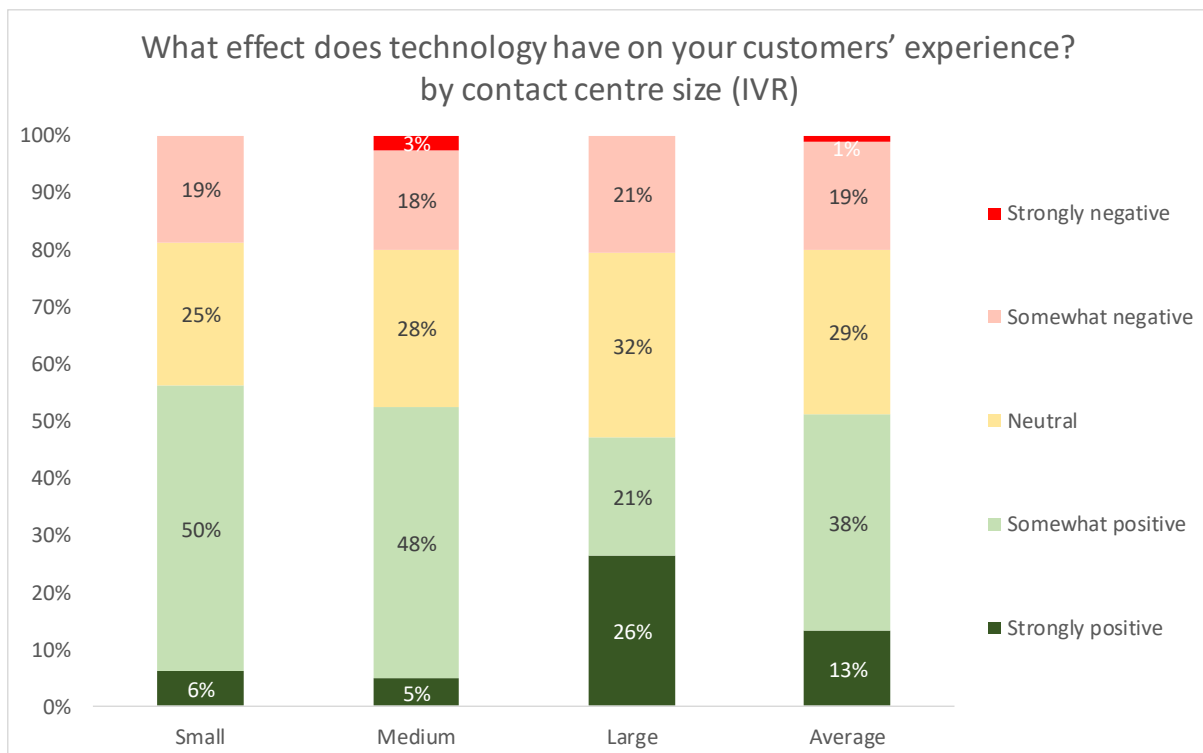
Despite the rapid growth in the use of web-based services, the importance of the voice channel has not diminished to the extent predicted by some commentators:

- Customers still find voice the most convenient, flexible and quickest communication channel in many instances, especially in older demographics and for complex and high-emotion enquiries
- Customers’ expectations continue to rise. Not only do they seek out competitively-priced goods and services, but they require quick, efficient service as well
- The general level of awareness of identity theft as a real issue has also grown, and the voice channel still provides customers with the greatest level of confidence.

Many calls are not suitable for self-service, as the customer may have multiple requests, the call is of a complex nature or be from someone who wants to speak with a human agent. Small businesses may have such a low volume of calls that self-service is not cost-effective. If customers don’t want to use IVR, they will “zero-out” (press 0 for a live agent, or try to find a similar shortcut) – 10% of IVR calls are abandoned in this way. If businesses don’t offer a live agent option to an irate and frustrated caller, they won’t need to worry about providing customer service to them in the future, as they’ll go elsewhere.

The feeling amongst respondents is that IVR is somewhat less beneficial to the customer experience, despite its widespread prevalence. IVR was typically implemented as a cost-saving measure, rather than something to improve the customer experience, and although visual IVR promises to benefit both business and the smartphone-owning customer, its uptake is currently low.

Figure 39: What effect does technology have on your customers’ experience? by contact centre size (IVR)



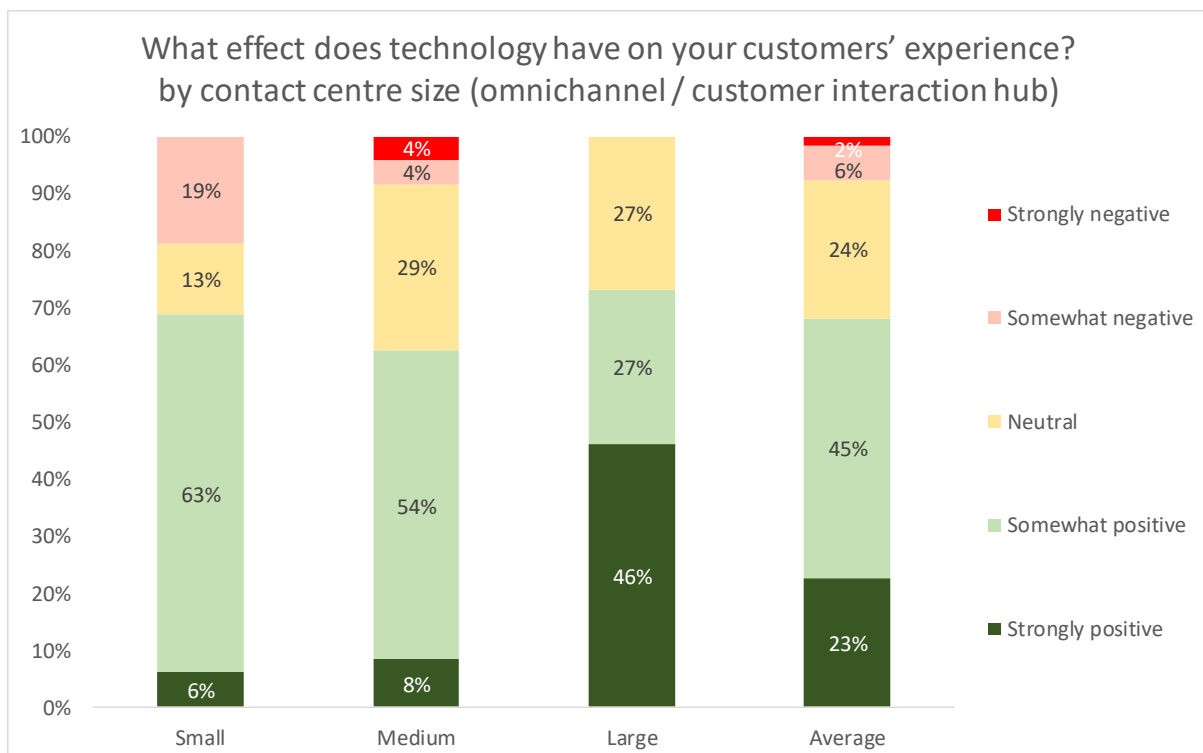
Recent years have seen the word ‘omnichannel’ introduced as describing the goal of customers being able to contact (and be contacted) through any channel - switching between them during the interaction as appropriate, while taking any relevant data and history along with them – with a single, unified view of the customer’s journey being available to the agent. For true omnichannel, the platform, infrastructure, applications and resources need to be available to identify, route and switch interactions between agents and channels seamlessly, while keeping all relevant data gathered in the course of the interaction: larger operations are more likely to have had the investment made to deliver this sort of experience.

A key aim of omnichannel is to provide a consistency of customer experience, and this requires access not only to the same master dataset, but also the same knowledge bases and business logic must be applied equally. There must be real-time data flow and updates between channels and databases, as without this, consistency is impossible.

One of the main irritants for a customer is having to contact the business on numerous occasions, often through different channels, about the same issue. Omnichannel promises a way in which this experience can be made less painful and more effective for both customers and businesses, by providing a single view of the customer’s journey - not just that particular interaction, but the entire experience - so that agents do not have to repeat questions, and can treat the customer’s request more effectively.

Businesses using omnichannel are very positive about the effect on customer experience, especially those with the largest contact centre operations.

Figure 40: What effect does technology have on your customers’ experience? by contact centre size (omnichannel / customer engagement hub)



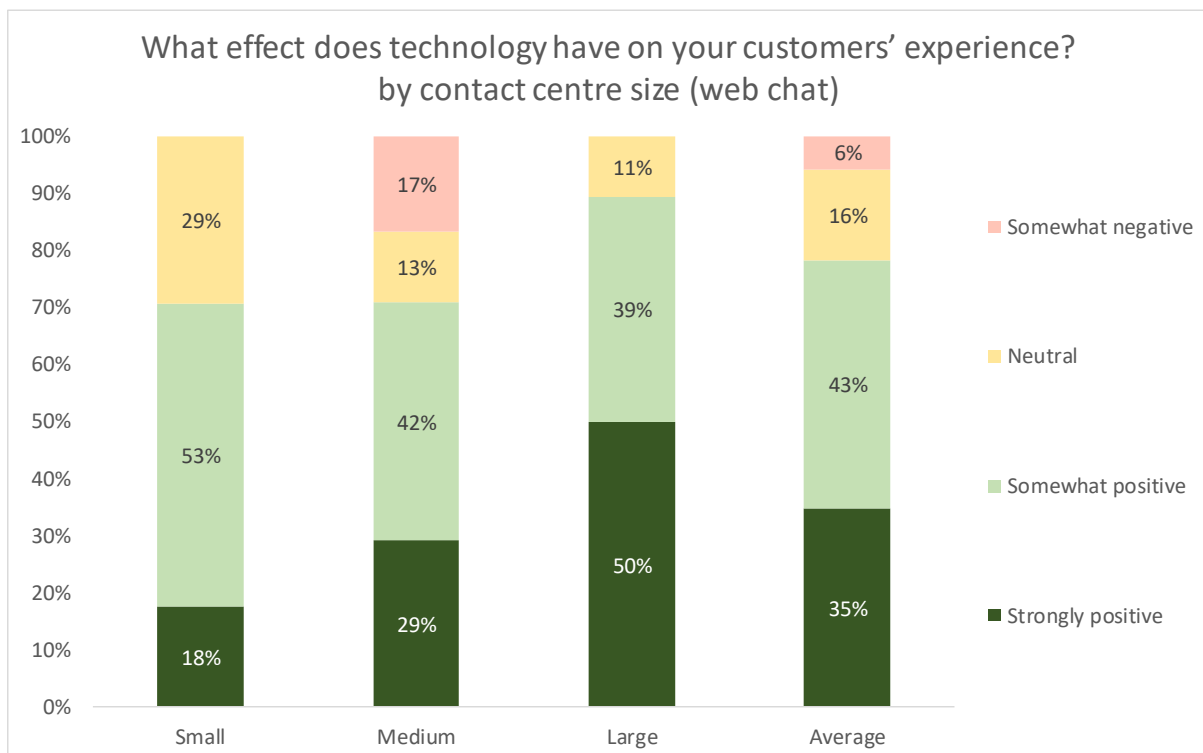
Web chat offers an organisation a chance to cut costs through running more than one chat session at a time with customers, using the time that a customer spends reading and replying to an agent's response to deal with other customers concurrently, with 2 or 3 chats being seen as sustainable.

Web chat is often used as a 'point of crisis' channel, for example, to convert an online shopping basket into a sale by providing timely service, or if a browser is paused on a webpage too long, perhaps as they can't find what they are looking for. In such cases, there are two main benefits to the business to provide text chat: revenue maximisation, and the avoidance of unnecessary calls.

Web chat can also act as a safety net for the customer if an online self-service attempt fails. An analogy can be made with voice self-service, where a failed session is often ended with the customer 'zeroing-out' - pressing zero to get in touch with an agent. Failed web self-service sessions may end with a phone call being made, but web chat can avoid a number of these, which is a cost saving for the business, and better for the customer as well.

The survey respondents using web chat, it is almost universally seen as being positive for customer experience. Later in this report, the popularity of web chat can be seen in the survey of 1,000 UK customers, and it is rare to find that this channel does anything other than improve the overall customer experience.

Figure 41: What effect does technology have on your customers' experience? by contact centre size (web chat)



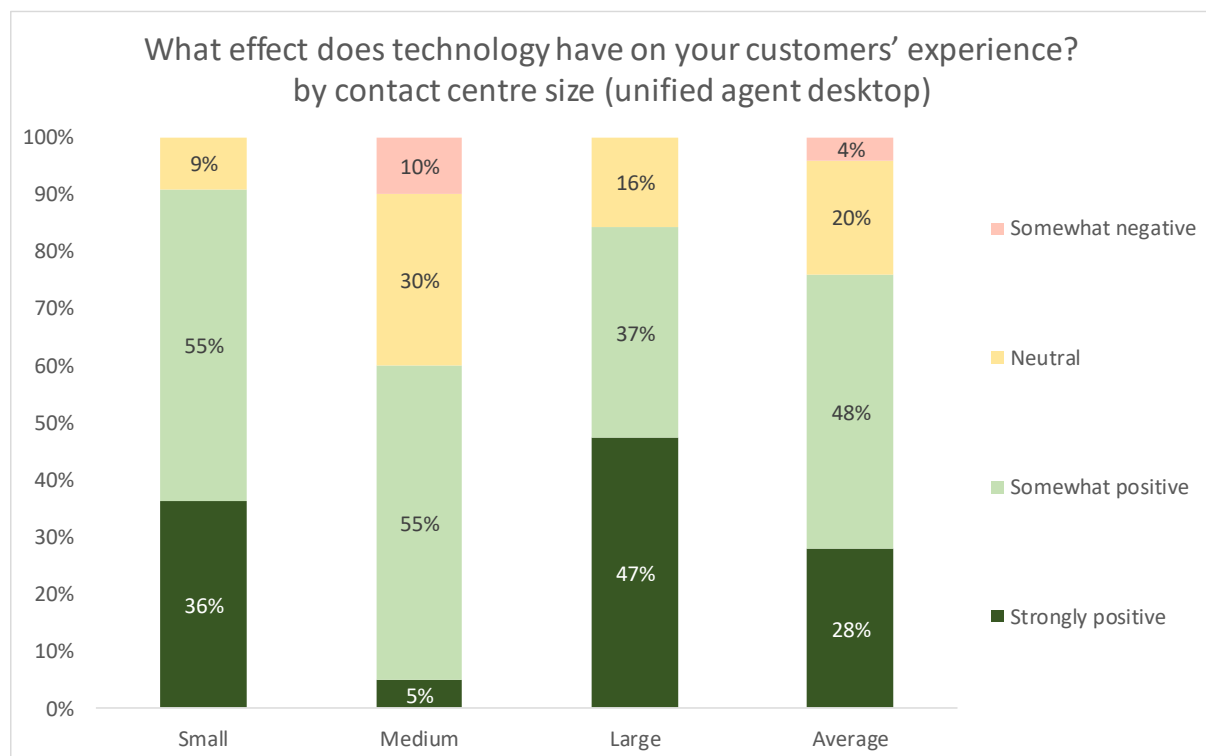
Many of today’s contact centres use complicated, multiple applications, often only loosely-linked, which require skilled and experienced agents to navigate, let alone to manage interaction with customers successfully at the same time. Even after the call is completed successfully, each system may need specific inputs from the agent in order to start the required back-office processes, or to keep each database consistent with the others. The result is that even though a contact centre may be staffed with experienced, hard-working and skilled staff, its overall performance is suboptimal, leading to lower profits, customer satisfaction and unnecessary costs, as well as downstream service issues.

The variable capability of agents is also a contributory inhibitor to quality improvements, profit maximisation and an optimized customer experience. One possible solution is to look at an overall unified desktop environment that includes dynamic scripting, as well as understanding agent training needs through an integrated solution including call recording and analytical functionality, delivering up-to-date performance metrics and in-call information supporting cross-selling and upselling offers.

The rapidly growing addition and use of new channels is only making this need more urgent. Role-based performance dashboards and real-time reporting of analysis means that insight into the contact centre’s efficiency and effectiveness can be shared immediately, with relevant business users, without the need for high levels of user expertise and experience before the full value can be realized.

Although the unified desktop can be seen as an internally-focused technology, the vast majority of respondents believe that its ability to provide in-call support to agents and reduce downstream errors has a very beneficial effect upon customer experience.

Figure 42: What effect does technology have on your customers’ experience? by contact centre size (unified agent desktop)



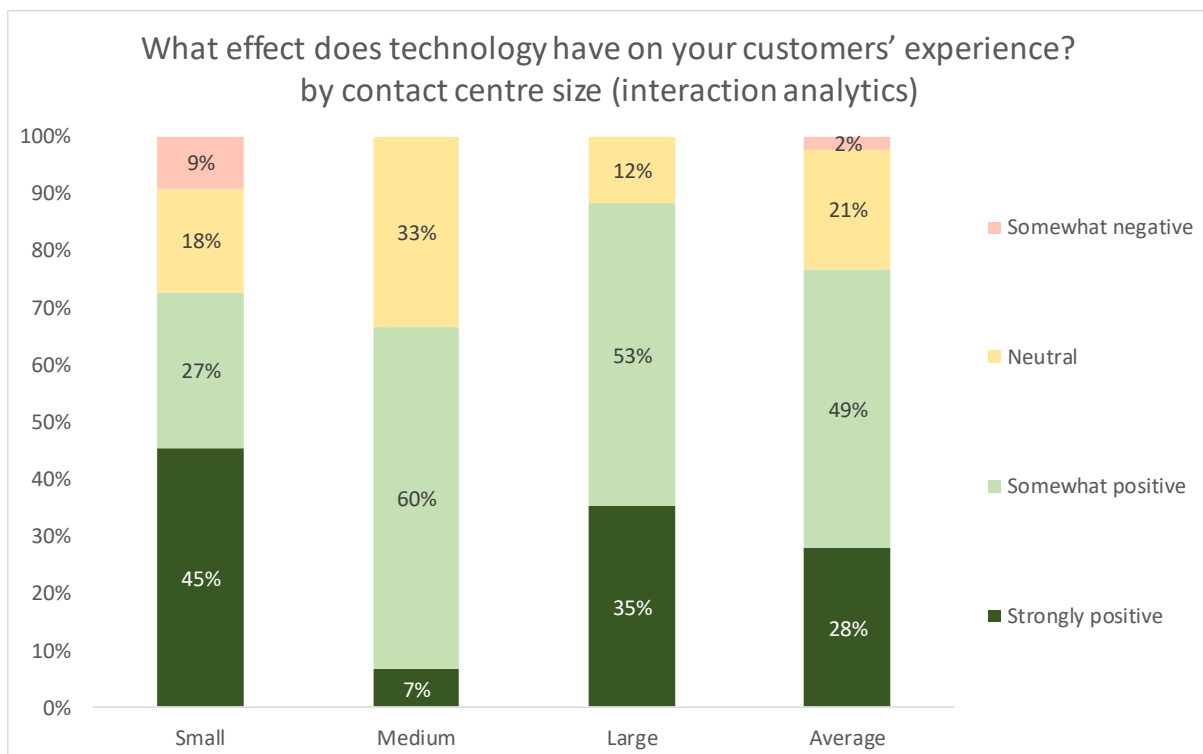
Interaction analytics can be used in many different ways to address various business issues. This is an advantage - it is hugely flexible - but it can also make its message to the market more complicated. However, depending upon how interaction analytics is used, it can assist in:

- agent improvement and quality assurance
- business process optimisation
- avoidance of litigation and fines
- customer satisfaction and experience improvements
- increases in revenue and profitability
- improvements in contact centre operational performance, and cost reduction.

Like most contact centre applications, analytics can be used to cut costs, but its promise goes far beyond this. No other contact centre technology provides the business with this level of potential insight that goes far beyond the boundaries of the contact centre, and can offer genuine and quantifiable ways in which sub-optimal business processes can be improved.

Amongst the survey respondents which use interaction analytics, there is a general feeling that it impacts positively upon the customer experience, although perhaps not the same extent as customer-facing technology such as web chat. As a large amount of interaction analytics is done historically, the immediate benefits to the customer may not be as apparent.

Figure 43: What effect does technology have on your customers' experience? by contact centre size (interaction analytics)

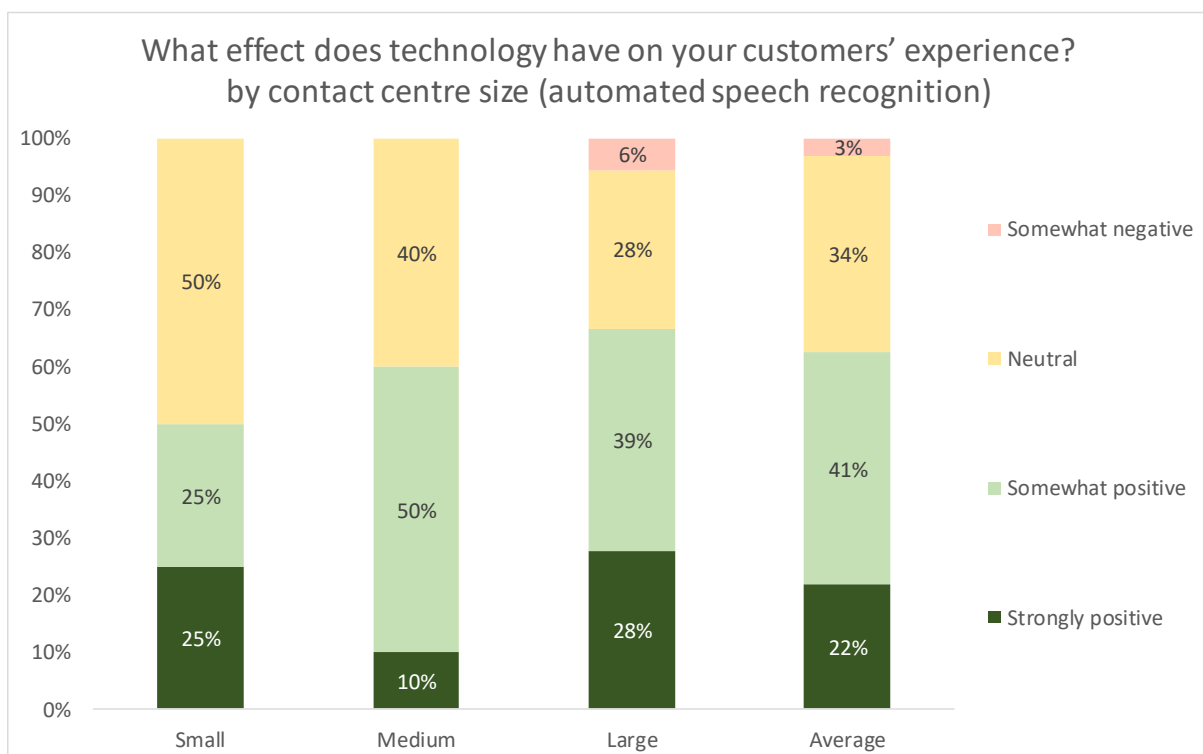


Despite the wider and more powerful functionality that automated speech recognition (ASR) gives to an IVR system, significant inhibitors are present. It is generally acknowledged that speech recognition can be considerably more expensive to implement than DTMF IVR, and is also likely to require significant, highly-paid in-house resource to fine-tune and operate it going forward. Some solution providers note that the majority of businesses' interest in moving from DTMF to speech recognition comes when the existing telephony self-service legacy system is approaching end-of-life.

Speech-based IVR is particularly useful in cases where very long lists of items such as place names or surnames may be chosen, for which the more structured DTMF IVR is unsuited. The success or otherwise of speech-based IVRs is very affected by how callers are encouraged to use the service. It has been the case that some speech implementations have actually made life more difficult for the customer, who may not have the confidence that the system will understand their natural language request and provide very short, one-word answers; if nothing is given in the way of prompts or examples, callers may give too little or too much information as they are unsure of the sophistication or capabilities of the system, and this may be a reason for the high self-service abandonment rates seen earlier. Using prompts such as "describe in a few words why you are calling us, for example 'to start a new mortgage application'" can be extremely useful in setting ground rules for successful use.

Survey respondents are generally positive about the effect that speech recognition has had on the customer experience, but there are more neutral responses given for ASR than for many of the other technologies surveyed.

Figure 44: What effect does technology have on your customers' experience? by contact centre size (automated speech recognition)

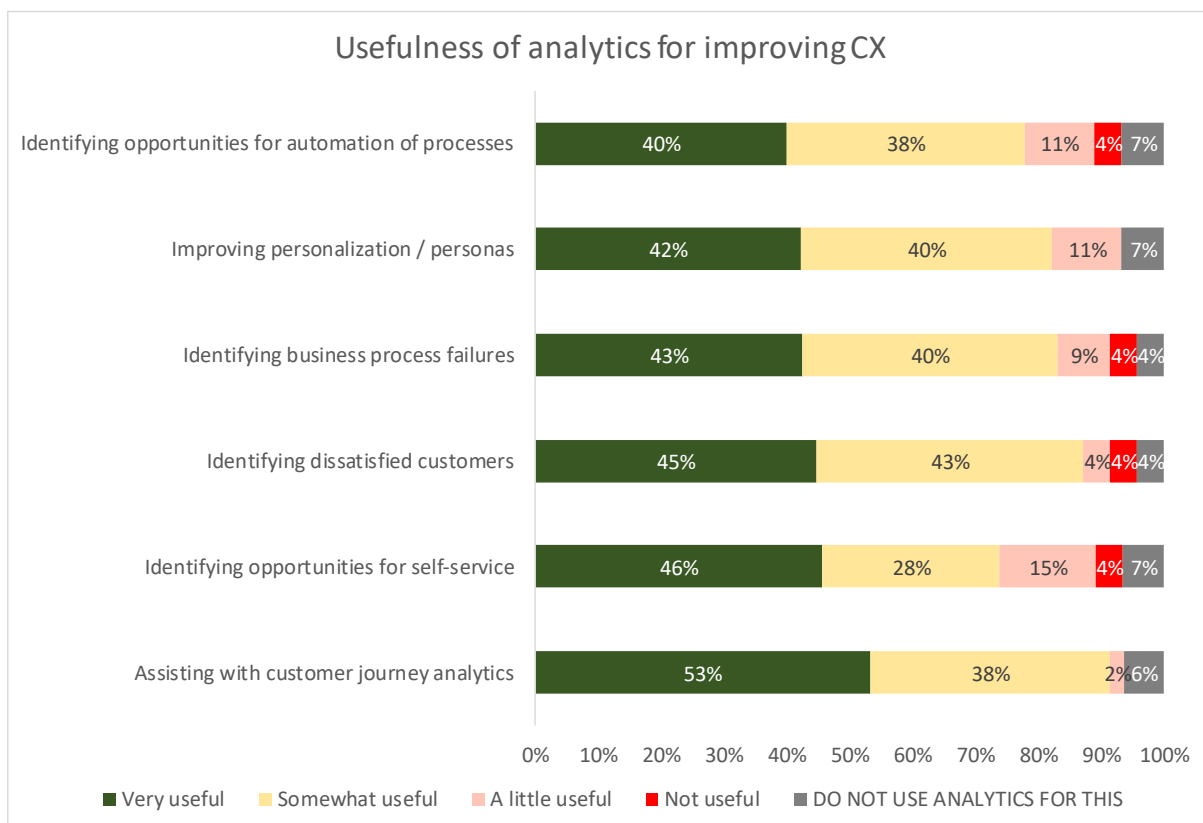


THE ROLE OF ANALYTICS IN CUSTOMER EXPERIENCE

Customer interaction analytics offers huge opportunity to gain business insight, improve operational efficiency and develop agent performance. In fact, the list of potential applications for this technology is so high that businesses could be forgiven for being confused about how to target and quantify the potential business gains.

Organisations using analytics were asked how useful the solution was for improving various aspects of the customer experience, either directly, or through improving internal processes which then had a impact upon the overall customer experience.

Figure 45: Usefulness of analytics for improving CX



The overall conclusions were surprisingly consistent: in most analytics use cases, slightly under a half of respondents stated that it was ‘very useful’ with a slightly smaller percentage saying that it was ‘somewhat useful’.

Its assistance with customer journey analytics gained the greatest proportion of very positive responses. Analytics’ usefulness in identifying self-service opportunities received the most lukewarm responses, but this was still outweighed by those who thought it of use for this purpose.

WHAT DOES CX MEAN TO A CUSTOMER?

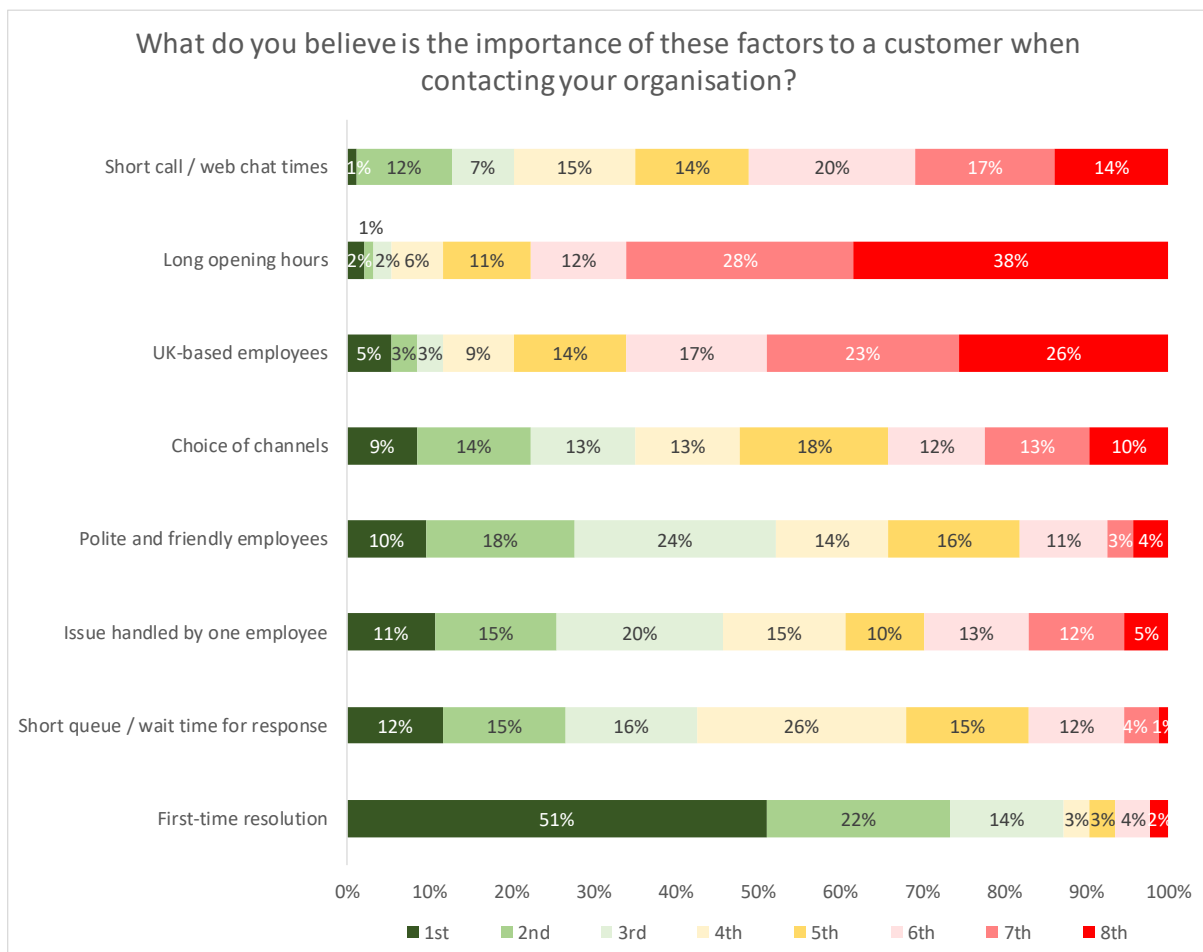
It is difficult for an organisation to be confident about which of the many elements that go towards a great customer experience are actually the most important, and consequently should receive the greatest investment and resource.

This section looks at the importance of key factors which occur within the customer experience when a customer contacts an organisation, from the perspective of the business and also from the customer.

THE VIEW FROM THE BUSINESS

Organisations were asked to rank by importance eight factors that could be said to impact upon customer experience.

Figure 46: What do you believe is the importance of these factors to a customer when contacting your organisation?

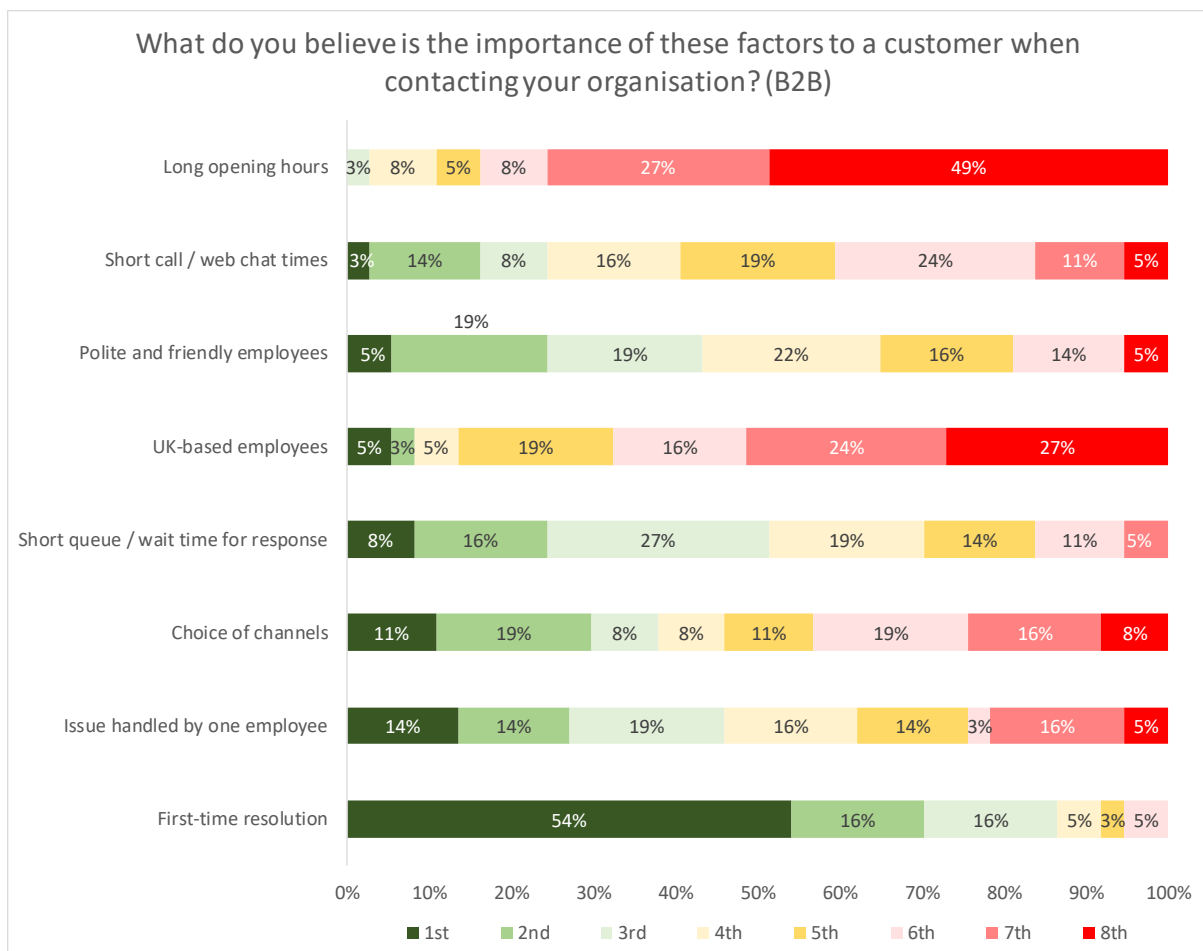


As with many past ContactBabel surveys, first-time resolution was clearly seen as being the most important factor impacting upon customer experience, with 51% of respondents ranking it in first place, and a further 36% placing it within the top three.

A short queue time or wait time for a response was also seen as being important, being ranked in the top 3 by 43% of respondents, with polite and friendly employees being ranked in the top 3 by 52% of organisations surveyed. Having the issue handled by a single employee was placed in the top 3 by 46% of respondents.

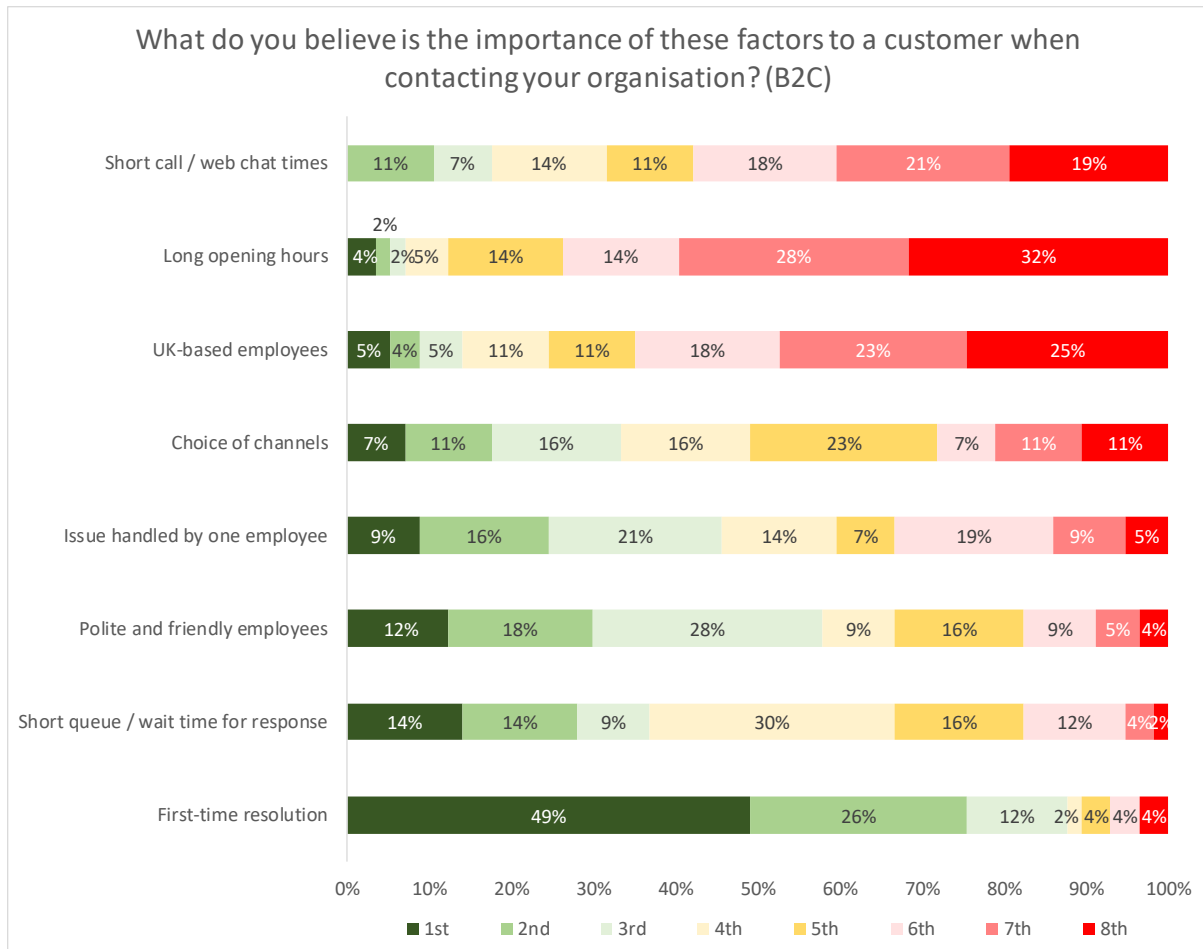
Looking at responses based on B2B/B2C segmentation, B2B respondents were more likely to judge a short queue/wait time for response as being important, and also placed slightly more emphasis on having a choice of channels. Long opening hours were not seen as an important part of improving the customer experience, probably because the nature of the customer base is that they will only wish to talk to an organisation within their own working hours.

Figure 47: What do you believe is the importance of these factors to a customer when contacting your organisation? (B2B)



There is little real difference between B2B and B2C respondents in this analysis: B2C are a more likely to believe that UK-based employees make a difference, and that polite and friendly employees are important to the customer experience, but there are few major differences of opinion.

Figure 48: What do you believe is the importance of these factors to a customer when contacting your organisation? (B2C)



The following section considers these elements of the customer experience from the perspective of customers themselves, and there are some significant differences of opinion between organisations and customers on what impacts the most on customer experience.

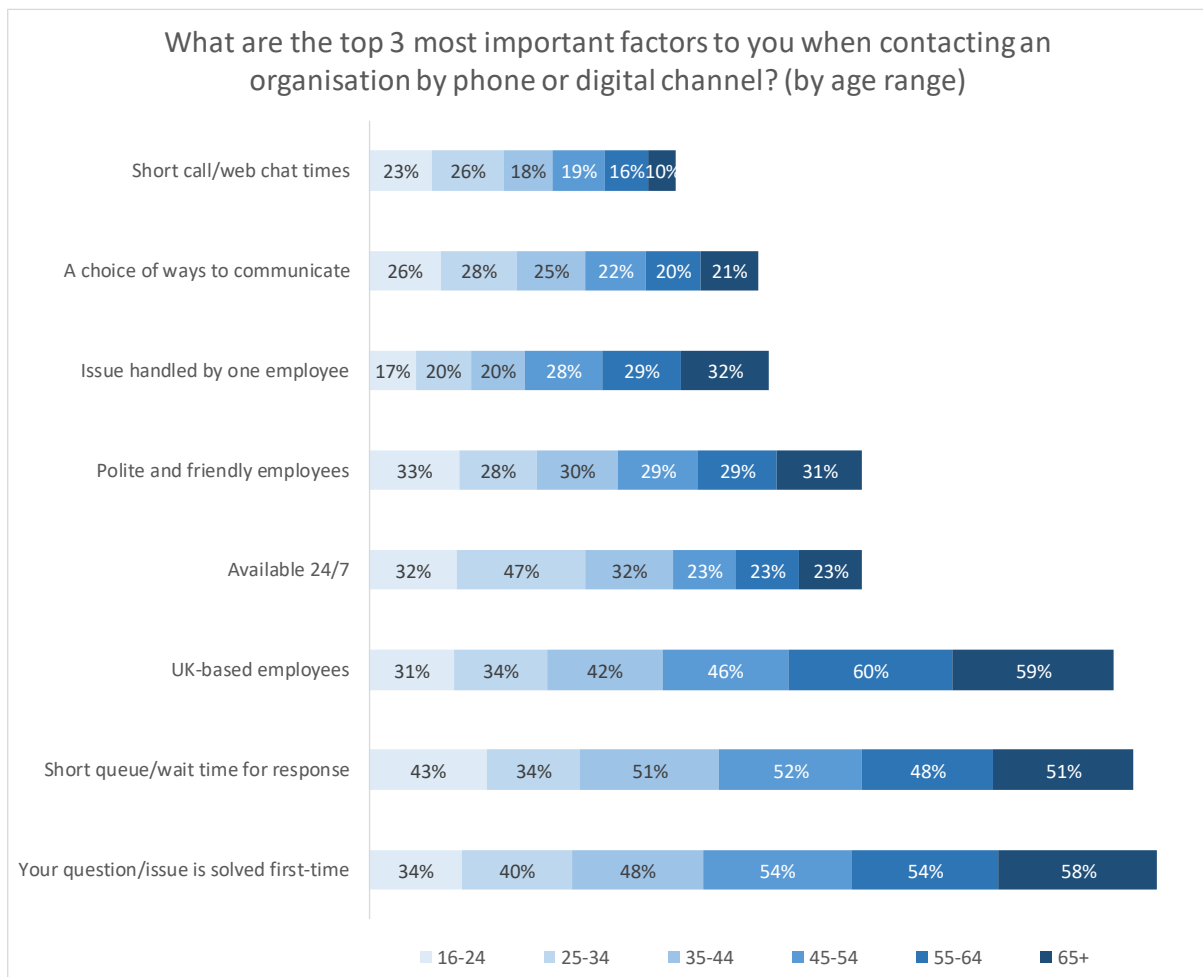
THE VIEW FROM THE CUSTOMER

ContactBabel commissioned the research firm [Aurora Market Research](#) to carry out a survey of 1,000 UK consumers. One of the purposes was to identify any differences in opinion between organisations and customers about what were the most important customer experience factors when contacting an organisation.

As such, consumers were asked to state which were the top three most important factors to them when contacting an organisation, with the same factors presented to them that had been offered to organisations within the business survey which most of this report is based on. (NB: on the advice of the research organisation, the option “longer opening hours” was swapped for “available 24/7”, as it was felt that this was less prone to being misunderstood by the audience).

Figures below are expressed as the percentage of each age group that expressed an opinion.

Figure 49: What are the top 3 most important factors to you when contacting an organisation by phone or digital channel? (by age range)



The previous chart shows the importance of various customer experience factors as an aggregated bar chart, segmented by age so as to show the factors that were of most importance to customers in each age range. Aggregating the results allows an understanding of which factors were placed in the top three overall, while also providing insight on age-related opinion.

For example, 34% of the youngest age group (16 to 24 years old) stated that first contact resolution was one of their top three most important factors, whereas 58% of the oldest age group (over 65 years old) placed this in their top three.

This consumer research has some interesting findings when comparing consumer attitudes to businesses' beliefs:

- both businesses and consumers agree that first contact resolution is the most important single factor impacting upon customer experience when contacting a business
- a short queue/wait time for response is also seen as being an important part of the customer experience
- having UK-based employees is seen as far more important to customers than businesses believe
- having long opening hours is important to customers, whereas businesses place this amongst the least important customer experience factors.

When considering these findings from the perspective of the various age ranges, the importance of first contact resolution is considerably higher in the older age ranges, as is having UK-based employees. There is also a pattern that older age-groups are less likely to be happy with being passed between agents.

Younger customers place very significant importance on longer opening hours, with this factor being voted by 25-34 year-olds as being even more important to them than first contact resolution.

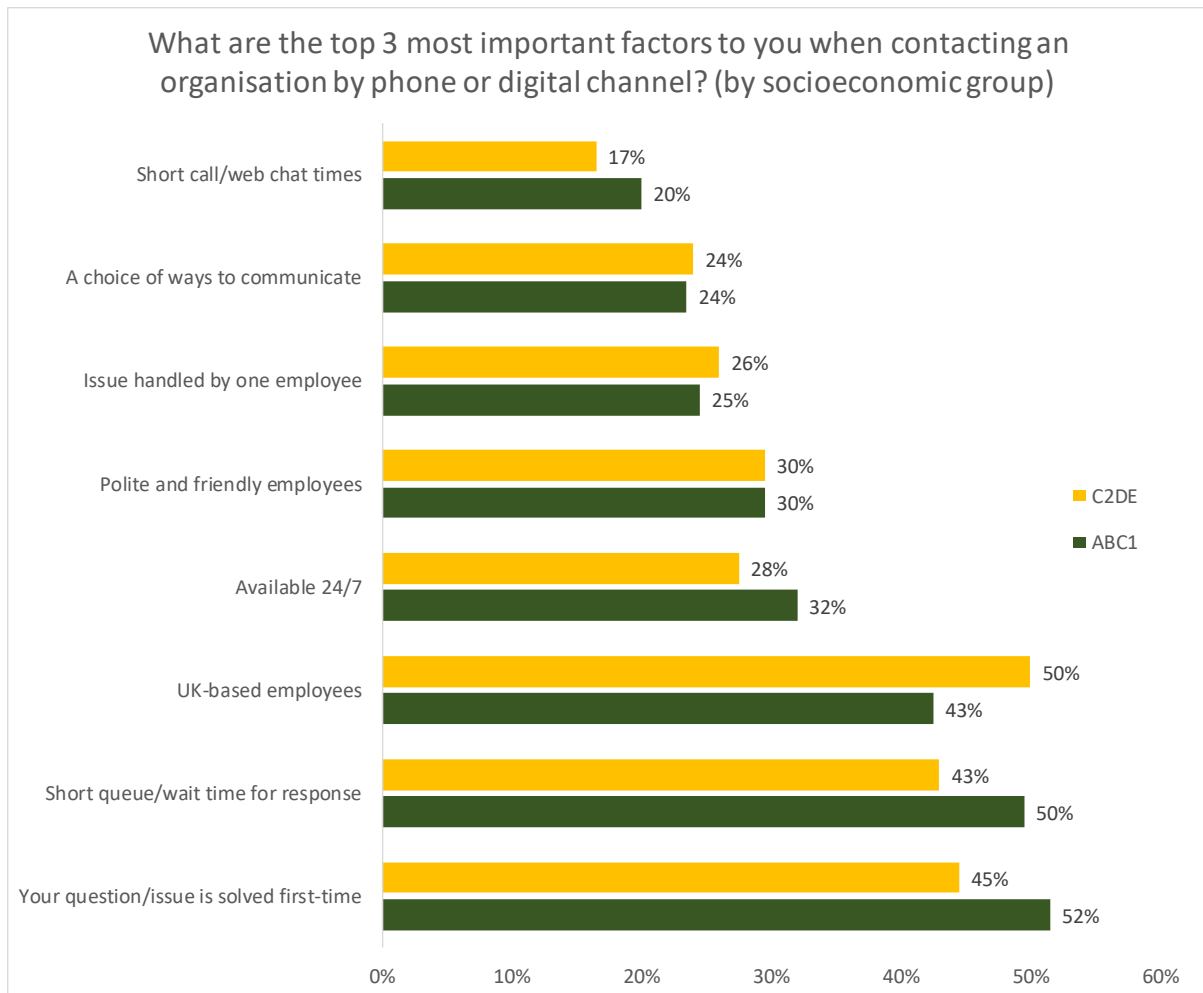
Younger customers are also more likely to value having a choice of ways to communicate with the organisation, and further evidence for this age group's valuing of its time can be seen in relatively high importance being placed upon short call/web chat duration. However, the youngest age group are not willing to sacrifice courteous service for time saved, as they are also the group that most frequently places 'polite and friendly employees' in the top three factors.

When segmenting the consumer data by socio-economic group, ABC1 respondents are those who are keenest to have first contact resolution, a short wait time and short call duration.

C2DE respondents are more likely to state that having UK-based employees is positive for their customer experience.

Both groups place the same emphasis on polite and friendly employees, and ABC1s are slightly more likely to state that being able to contact a business outside normal working hours is important.

Figure 50: What are the top 3 most important factors to you when contacting an organisation by phone or digital channel? (by socioeconomic group)



OMNICHANNEL AND THE CUSTOMER EXPERIENCE

LIVE OR AUTOMATION?

Artificial intelligence (AI) is a wide-ranging term for technology solutions which appears to emulate human cognitive capabilities through the ‘understanding’ of complex, natural language requirements, in order to reach its own conclusions and develop itself based on what works and what doesn’t. Machine learning refers to the ability of software to evolve based on measuring its performance and success, without input from humans.

Within the customer contact space, there is a great deal of interest in how AI & machine learning can work to deliver a superior customer experience at every hour of the day, across channels, leveraging the vast amounts of data that are available to many large organisations. Supported by the speed and availability of affordable processing power, and the enormous amount of structured and unstructured data available, the opportunity exists for AI to take customer contact far beyond what is feasible now.

AI for customer contact is currently best known for chatbots, a computer program that runs automated tasks and simulates conversation with the customers. It may be given a human avatar and personality characteristics, and includes natural language processing, dialogue control, access to knowledge bases and a visual appearance that can change depending on who it is talking to, and the subject of the conversation. Chatbots are often found in the web chat channel, but the functionality can be used in any other digital channel, such as social media, email or even voice self-service.

As AI can be given access to all of the relevant data a company holds on its customers, as well as unstructured data held elsewhere (for example, forums or social media channels), it has a far wider source of knowledge from which to draw compared to human agents. In theory, an AI with sufficient sophistication could make human agents all but unnecessary, but for the foreseeable future, AI looks mainly to be used to work alongside its human colleagues.

In order to gauge the level of acceptance and expectation around fully-automated customer contact, UK organisations and consumers were asked whether automation or human assistance would be preferable to the customer base in circumstances where the customer effort, time and outcome were exactly the same. Bearing in mind the rapid advance and uptake in digital channels, the findings were quite surprising.

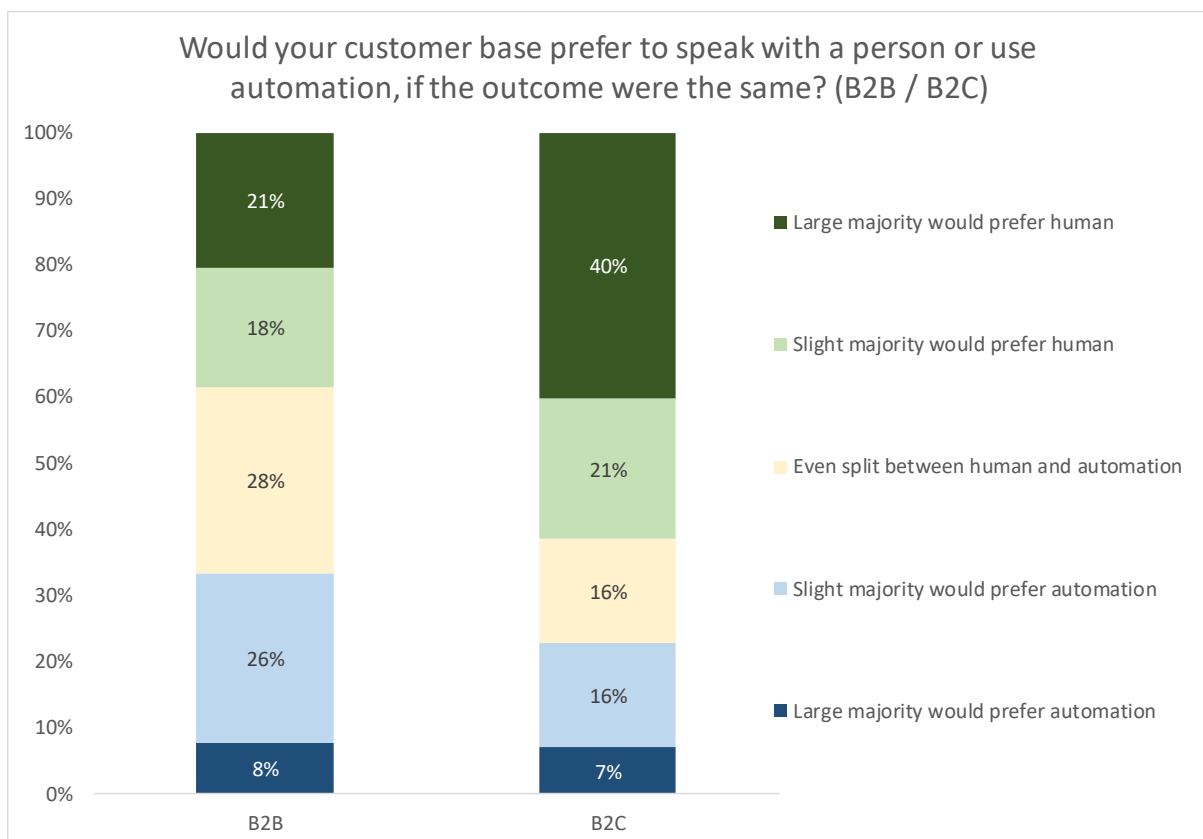
THE VIEW FROM THE BUSINESS

Organisations surveyed for this report tended to believe that their customer base would prefer to speak to a person rather than use automation, even if the outcome and effort were the same.

This was particularly the case for B2C respondents, of which 40% said that a large majority of the customer base would prefer human contact over automation.

B2B respondents were more evenly divided, with 39% believing that a majority of their customer base would prefer human contact, against 34% who thought that automation would be preferred.

Figure 51: Would your customer base prefer to speak with a person or use automation, if the outcome were the same? (B2B / B2C)



At a vertical market level, those in the housing and public sector were most likely to believe that human contact would be preferred, with many of those in finance and retail believing that their customers were more likely to choose automation.

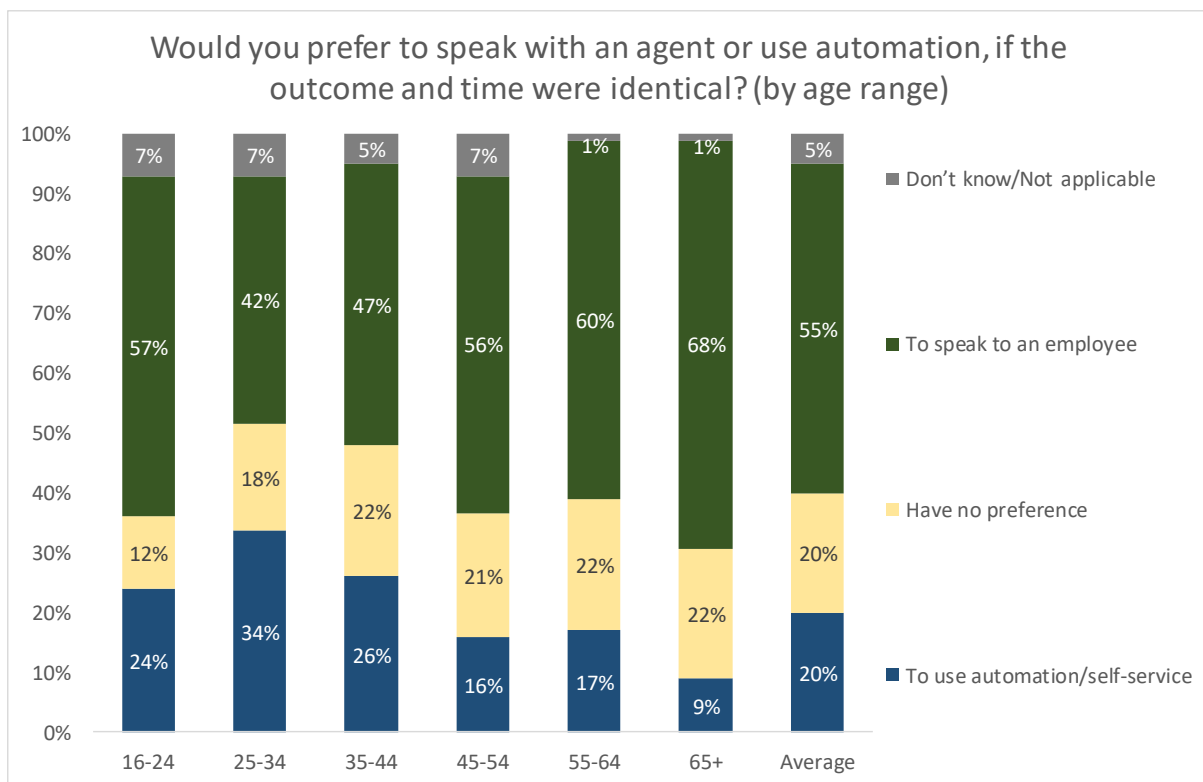
THE VIEW FROM THE CUSTOMER

When the same question was asked of customers, it was found that the customer base was even more strongly in favour of speaking to a human employee than businesses had believed.

Looking at the age group of the customer base, older demographics feel more strongly about human contact, with 25-44 year-old customers most likely to have no preference or to choose to use automation. This fits in with the previous findings that this section of the customer base places more value on their time, whereas the older demographic prefers to have their issue resolved first-time by a single employee.

Bearing in mind that this question emphasized that the outcome and customer effort/time **would be identical** in each case, the results show that the customer base at present is not yet at a stage where automation is generally seen as being even on equal terms with human contact, let alone the preferred method of contact with a business.

Figure 52: Would you prefer to speak with an agent or use automation, if the outcome and time were identical? (by age range)



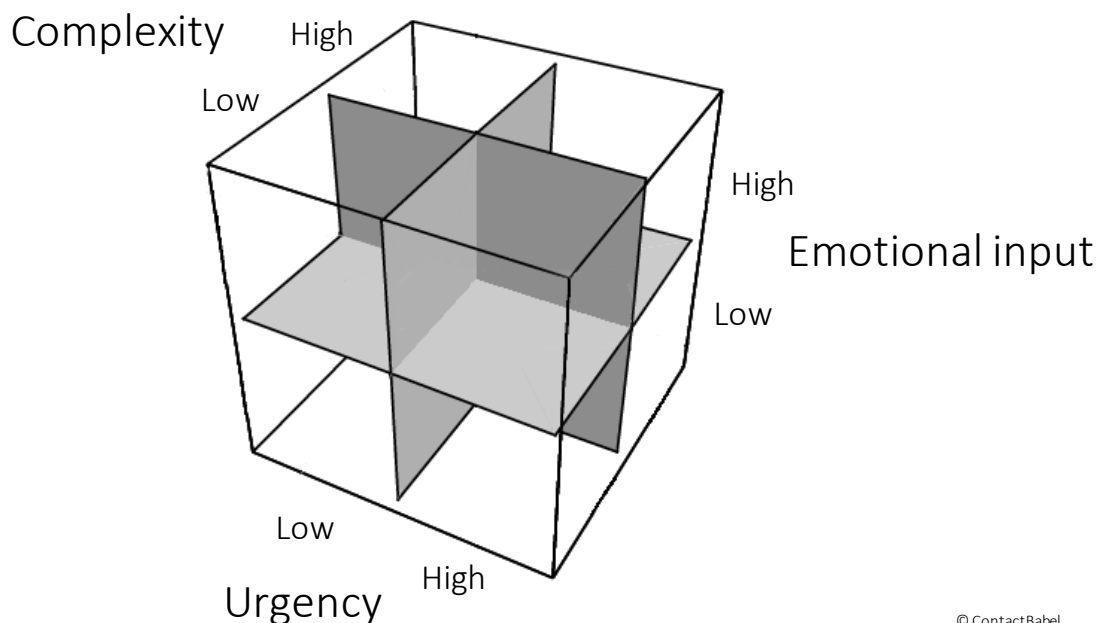
Further analysis of this data showed that 60% of men preferred to speak with an employee, compared to 51% of women. There was very little difference shown at a socio-economic level.

OMNICHANNEL: THE CONSUMER'S CHOICE

There are two main factors that influence contact centres within any vertical market: the commercial activity within that sector, and customers' requirements and preferences for contacting organisations. It is not only the nature of the specific business vertical market that needs to be considered. The urgency, complexity and emotional importance of the interaction is perhaps at least as important as the nature of the business that is being called: for a customer calling a bank, a simple balance request and an urgent call about the progress of a mortgage application are very different types of call, and should be treated as such.

The Customer Interaction Cube (below) is a structure developed to categorize the different types of customer interactions that businesses have to handle, considering the urgency, complexity and emotional input of the interaction from the customer's perspective. Businesses could use this to analyse their volumes of each type of interaction, cross-referencing it with other variables such as the time of day these types of interaction are received, and the customer demographic preferences seen elsewhere in this report in order to support the relevant channels through the promotion of alternatives to live calls, and the correct levels of resourcing. Doing this will not only improve the customer experience, but also reduce the cost of service through anticipating the likely resourcing required and even proactively engaging with the customer on lower cost channels first.

The Customer Interaction Cube



Using this 2x2x2 cube as a structure, there are eight types of interaction, a combination of either low or high urgency, complexity and emotional input. Our hypothesis is that each of these eight interaction types may best be suited to specific channels, and that both business and customer could benefit from matching channel with interaction type.

The examples shown below of various scenarios and the channels most suitable for these are suggestions, and will differ between customer types, businesses and vertical markets, but may offer a tentative framework for readers to build their own scenarios. It should be noted that the results of the customer survey that follow this section suggest that different age groups and socioeconomic segments have their own views on how they prefer to contact a business in each of these cases. Primary and secondary channels are suggested, but will differ between organisations and customer types.

Figure 53: The Customer Interaction Cube and suggested associated channels

Emotional importance	Urgency	Complexity	Examples of interaction	Primary channel	Secondary channel
Low	Low	Low	Meter reading; casual product research	Self-service	Web chat
Low	Low	High	Instructions on how to program a TV remote; find out about proposed planning / house building	Email	Phone
Low	High	Low	Top up mobile credit; check payment has been made	Self-service	Phone
Low	High	High	Details of how to make an insurance claim; understand mobile roaming charges before imminent trip abroad	Web chat / self-service	Phone
High	Low	Low	Book train tickets for important engagement	Self-service	Phone
High	Low	High	Complaint about incorrect billing	Phone	Email
High	High	Low	Simple question about imminent desired purchase (e.g. delivery, personalization, return policy)	Web chat	Phone / social
High	High	High	Household emergency advice; 999	Phone	Web chat

There are many other variables that could be considered alongside these that will impact upon the suitability of channels:

- Demographics
- Ownership of smartphone / broadband impacts upon channel availability
- Time of day (i.e. is this an out-of-hours enquiry? Is the customer at home, at work, or travelling?)
- Whether the request is specific to an account, or a generic issue (i.e. is it necessary to pass through security first?).

While the 2x2x2 cube can help businesses to estimate the current and potential volumes and resourcing required to serve the customer base, it is important to remember that similar types of customer interaction may require very different handling depending on circumstances. For example, a query about product delivery may be a small part of a wide-ranging research process carried out by a particularly thorough prospective customer, or may be asked by a customer who has just realized they've forgotten about an important birthday and needs immediate, accurate information.

McKinsey talks about the 'moment of truth' in customer interactions¹, often occurring when the customer has an unexpected problem or has a high emotional stake, when long-term loyalty and customer advocacy can be won or lost depending on the outcome and the way in which it is handled. Businesses and their representatives should be aware that these relatively rare occurrences offer great opportunities. Recognizing and handling these moments of truth appropriately – moments which are defined as such by the customer, not the business – will have a far greater long-term impact on customer satisfaction and loyalty than the dozens of competently-handled, forgettable interactions that may have happened previously.

Although the 2x2x2 cube gives some indication of the types of interaction that are more likely to be 'moments of truth', which businesses may choose to be handled by their more experienced and empathetic agents, they are by their nature difficult to predict. Current real-time speech analytics solutions can indicate a measure of stress in the customer's voice, flagging this up to the agent within the call, but agents should be in any case capable of recognizing this without technology. In any case, if the customer has already tried two or three other channels without success, even the most competent and empathetic agent will find it difficult to turn the moment of truth around positively.

¹ <http://www.mckinsey.com/business-functions/organisation/our-insights/the-moment-of-truth-in-customer-service>

For this reason, a true omnichannel approach is vital which offers the same high level of service and knowledge through each channel. Equally important is the freedom for agents to act in way appropriate to the situation – for example, if a ‘high-emotion’ interaction happens on social media, which can’t be handled on that channel (e.g. it needs to go through security, or is too complex and lengthy for a non-voice channel), the agent should be given the license to place an outbound call to that customer in real-time, rather than advise them to call the contact centre. While this will impact upon the social media channel’s service levels while the agent is away from it, the moment of truth offers the opportunity to lock-in that customer’s loyalty. For contact centre operations traditionally run on a structured command-and-control basis, this may sound chaotic, but businesses have to decide if the occasional relaxation of their own procedures is an acceptable trade-off for providing the customer with something that they truly value. Agents need to be given *carte blanche* to deliver in ‘moments of truth’, and the training and support to recognize when this is happening.

This is not to say that ‘moments of truth’ necessarily have to be handled by a live agent. The popularity of self-service runs deep in the customer base, and the only reason that many customers abandon self-service at the point of crisis in order to ring the contact centre is only because self-service cannot deliver what they need. If companies focused their efforts on providing more sophisticated and reliable self-service applications, there is no reason why these could not deliver at least as much customer benefit at these moments of truth.

For example, if a passenger misses their plane, they are then likely to engage in a long and complicated discussion with a live agent (either at the airport or in a contact centre), involving alternatives, connections and payments. If, on missing the last call for the plane, the customer were immediately provided with an SMS or email detailing the various options available to them, which they could then select and rebook at once, this would be more convenient for the customer and significantly reduce the cost of service to the business. Perhaps more importantly, the customer would feel that the airline is looking out for them, creating long-term loyalty out of the negative experience of missing a plane.

The survey of 1,000 UK consumers carried out for this report attempted to understand which the channels of preference would be in cases of high emotion, urgency and complexity through presenting survey respondents with three hypothetical scenarios:

High emotion: notifying a company that an incorrect item has been sent to them. This was chosen as a high emotion interaction as being sent an incorrect item is often frustrating, as not only has the desired product not arrived, but the customer is then left with the problem and effort of returning the item. This is not a particularly complex interaction, and in many cases will not be particularly urgent.

High urgency: checking the arrival time of a flight that the customer is meeting. This is likely to be an urgent interaction as it is very time-sensitive. Complexity is very low - as the required information is simply a time - and in the majority of cases, should have a fairly low emotional impact.

High complexity: receiving guidance on completing a mortgage application or tax form. This is likely to be a complex and long interaction, but is unlikely to have high levels of urgency or emotional response.

PUTTING CUSTOMERS FIRST IN THE NEW DIGITAL WORLD

How Firstline Workers Can Help Make it Happen

The move to digital is an urgent priority for business leaders as they strive to drive operational efficiencies and competitive edge. But for those working in customer-facing businesses, the new world of digital brings radical change and significant dislocation.

Some workers who had found their niche in the classic contact centre environment are having to acquire new skills to deal with today's multichannel world. Others used to fulfilling a back-office role are now being asked to become first line workers and directly engage with customers to resolve issues and deliver exceptional service, all of which needs to be tracked. And beyond that, in today's environment where customer service is increasingly a key differentiator, it is vital that organisations don't neglect this.

Empower first line workers to resolve issues first time

The narrative around digital customer transformation is about automation, artificial intelligence and connecting and collaborating across the entire business. Within many organisations, this is a critical to enable coordination between their customers who are making enquiries and their co-workers such as field engineers, financial advisors through to customer service agents, who can deliver the expertise they need to resolve their problems. They also need to understand digital technology, so that they can pull in relevant intelligence from third-party solutions and applications to help answer queries and effectively triage calls, set reminders or create workflows to employees in the middle and back office as and when required.

Digital customer transformation is now on the CEO's shoulders

This level of interaction that first line workers need to have with the organisation's new digital customer environment explains why it is so important that they are brought on board from the beginning as the organisations move to digital. The need for senior level buy-in to any digital customer transformation project is often highlighted and is critically important. Senior decision-makers need to have the vision and the boldness to take a decision that they believe will be for the good of the business and its customers.

Having that boldness was key for Futures Housing Group, a housing association based in the East Midlands, which recently underwent such a digital transformation process. As Lindsey Williams, Group Chief Executive at Futures Housing Group explains: "When considering any big project, which Skype for Business, contact centre transformation and digitalising our business is, I approached it in a way that is not dissimilar to how I feel when I'm skiing. I always think that the best way to

tackle a really difficult slope is to drop a metre down that slope. Once you are on it, you have got no way back and you are starting on that journey. So, it is that first going over the edge, having made the decision that is the critical choice because once you are on that journey, you are on it, and you are going to make it succeed because there is no way back once you have made that decision to move forward."

As they move to digital, businesses need to put in place a step-by-step migration plan. They need contact centre systems and functionality that allows them to connect to customers and to resources across the business seamlessly to ensure they are always delivering the best possible customer service.

Futures Housing Group's collaborative customer vision also recognised the fact that involving firstline workers in the process is critically important. The move to digital and the ongoing roll-out of a digital customer approach must be an enterprise-wide undertaking. Everybody within the organisation needs to be

involved. The firstline worker is key here as these individuals are most likely to engage with customers and represent the brand to external parties – and they often act as ambassadors for the business's services and solutions and prevailing culture. And yet they are frequently left out of the overall vision as the board and information workers take precedence. That must never be the case moving forwards. Like the process of transformation going on around us, firstline workers are all about making connections, driving collaboration, and delivering high-quality customer service. They are key to the digital future.

So, join the digital customer revolution and put the customer at the heart of your business

Everybody within the organisation needs to be involved

FUTURES HOUSING GROUP



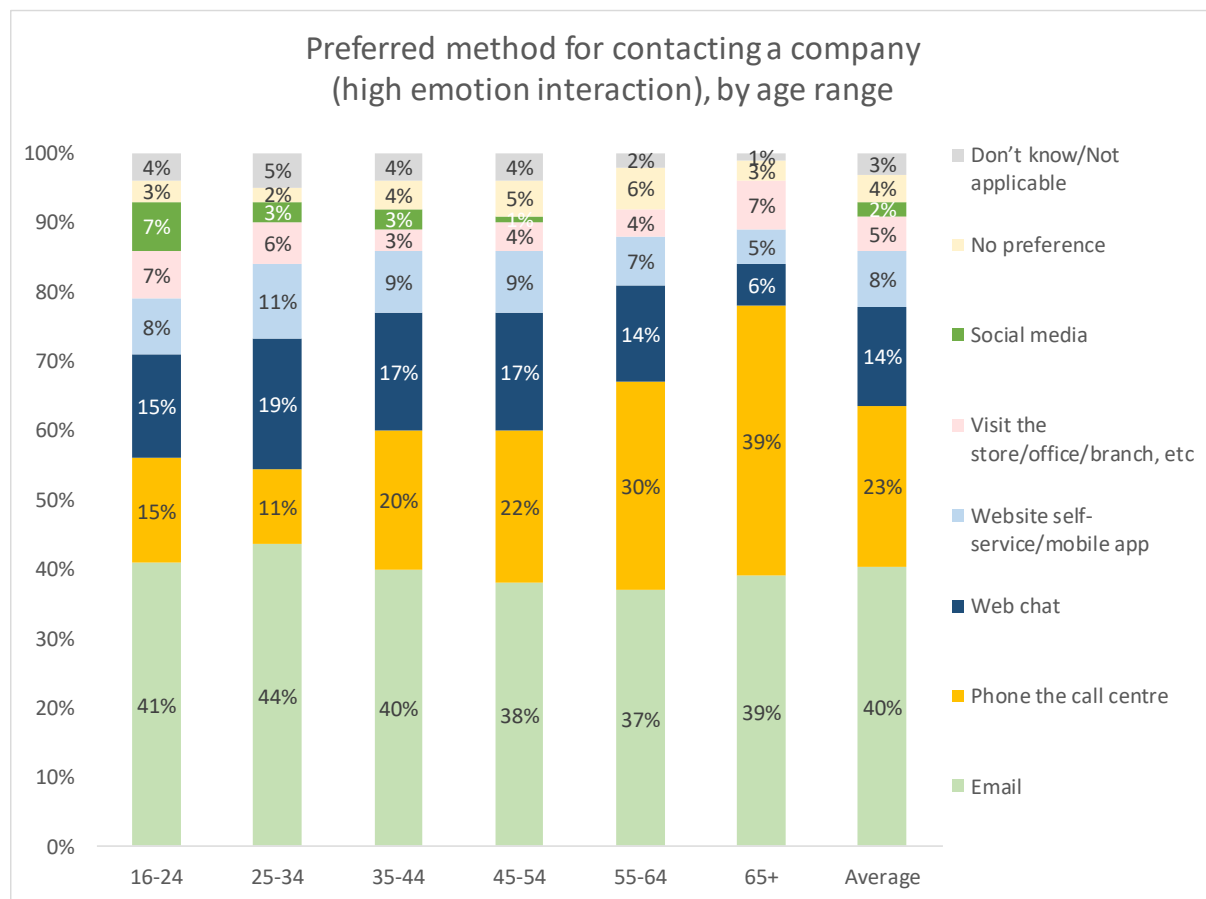
HIGH EMOTION INTERACTIONS

Consumers taking the survey were asked to imagine that a product they had ordered from a company had arrived but was incorrect. In this circumstance, they were asked which would be their preferred method for contacting the company to notify them that this was the case.

The most popular option was to email the organisation, with 40% of respondents choosing this method. The second most popular, at 23%, was phoning the contact centre, and web chat also made a strong appearance, with 1 in 7 respondents choosing this as their preference.

There was a strong pattern based on the age of the survey respondent and their preferred channel: the older demographics were far more likely to pick up the phone, although email was also popular with these age groups. Web chat was a popular option with all except the oldest demographic.

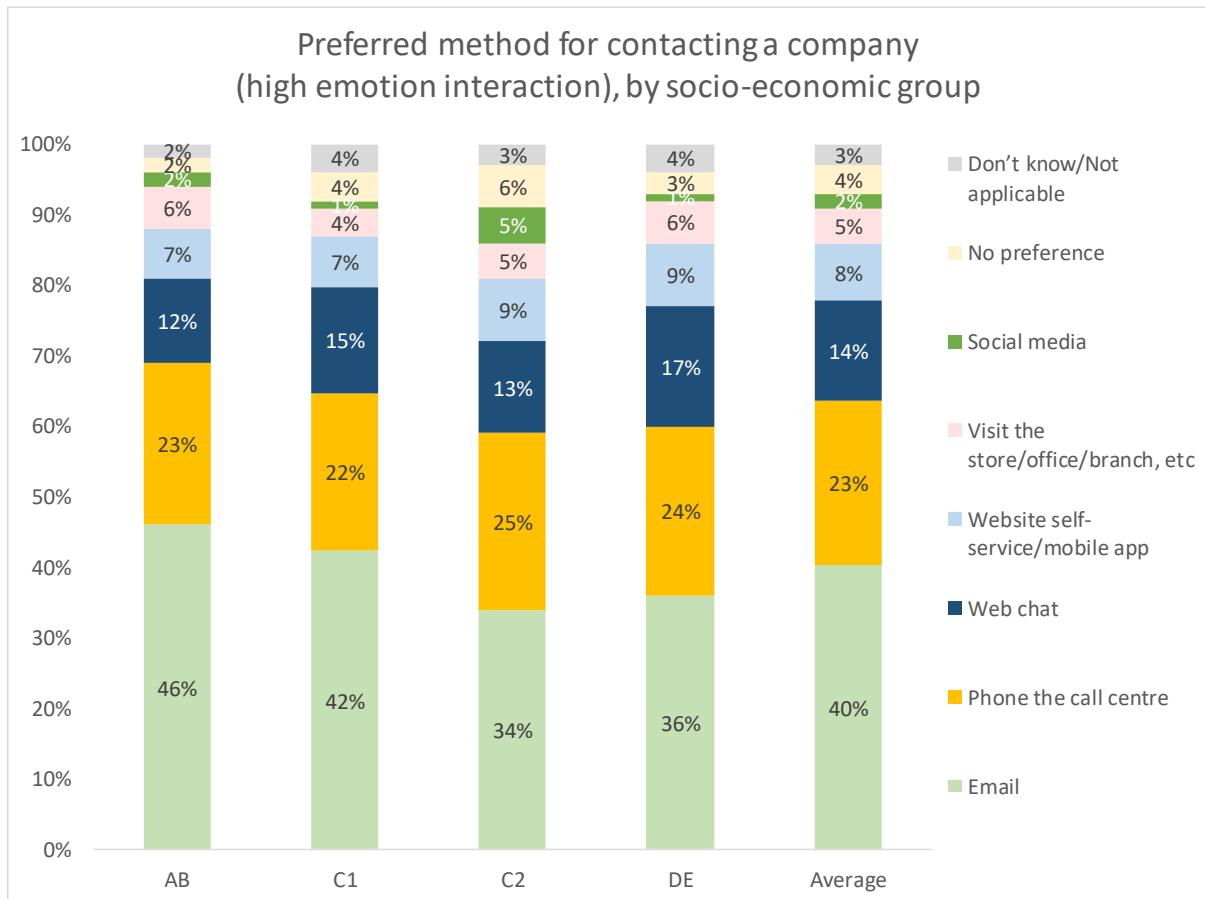
Figure 54: Preferred method for contacting a company (high emotion interaction), by age range



When considering the preferred method for contacting a company with a high emotion interaction, ABC1s were more likely to use email.

Unlike the US, there was no correlation between higher socio-economic groups and the increased use of web self-service.

Figure 55: Preferred method for contacting a company (high emotion interaction), by socio-economic group



HIGH URGENCY INTERACTIONS

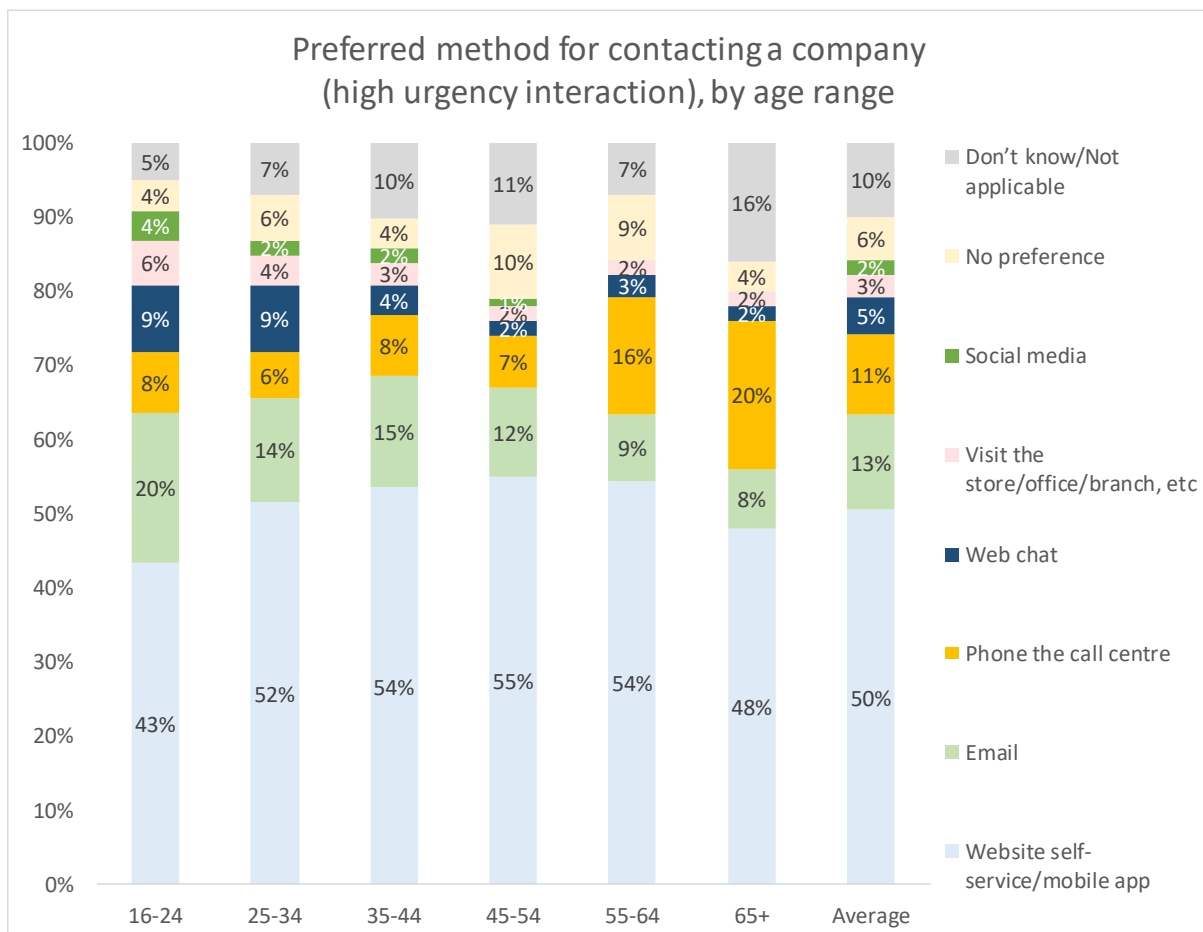
Survey respondents were asked which would be their preferred channel of choice in a situation where they were meeting somebody from a plane and needed to confirm the time at which to be at the airport.

By far the most popular channel was that of web self-service/mobile app, with little pattern being shown depending on the survey respondents' age range in the case of this channel.

Amongst older demographics, calling the contact centre was seen as a preferred option by a considerable minority, with email generally being restricted to younger demographics.

Despite the immediacy offered by web chat and social media channels, few respondents stated that these would be their preferred method of interaction even in high urgency cases.

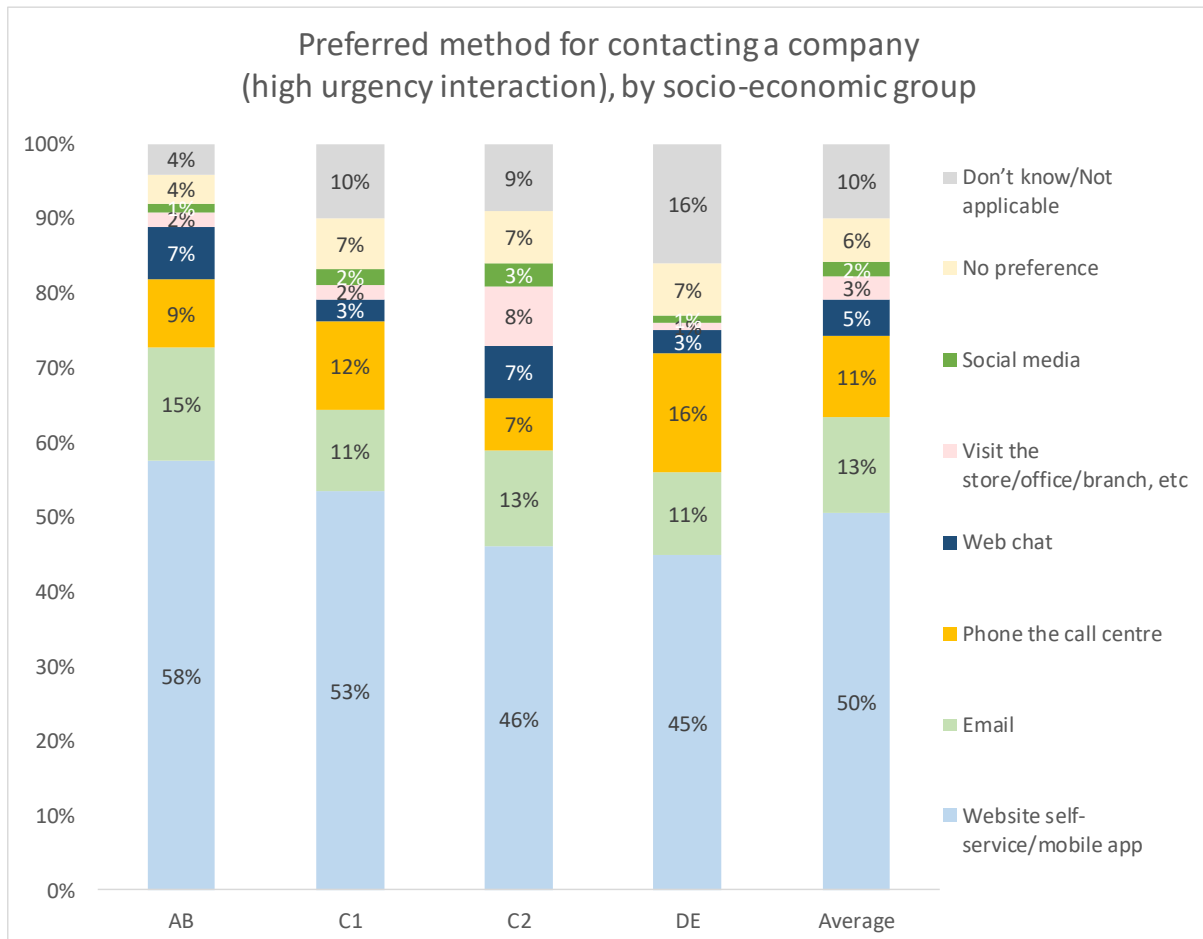
Figure 56: Preferred method for contacting a company (high urgency interaction), by age range



When considering socio-economic groups, web self-service was by far the most popular option for ABC1 respondents, with the contact centre being more popular with DE respondents.

It is noticeable that a considerable proportion of DE respondents did not know which channel they would use in this circumstance.

Figure 57: Preferred method for contacting a company (high urgency interaction), by socio-economic group



HIGH COMPLEXITY INTERACTIONS

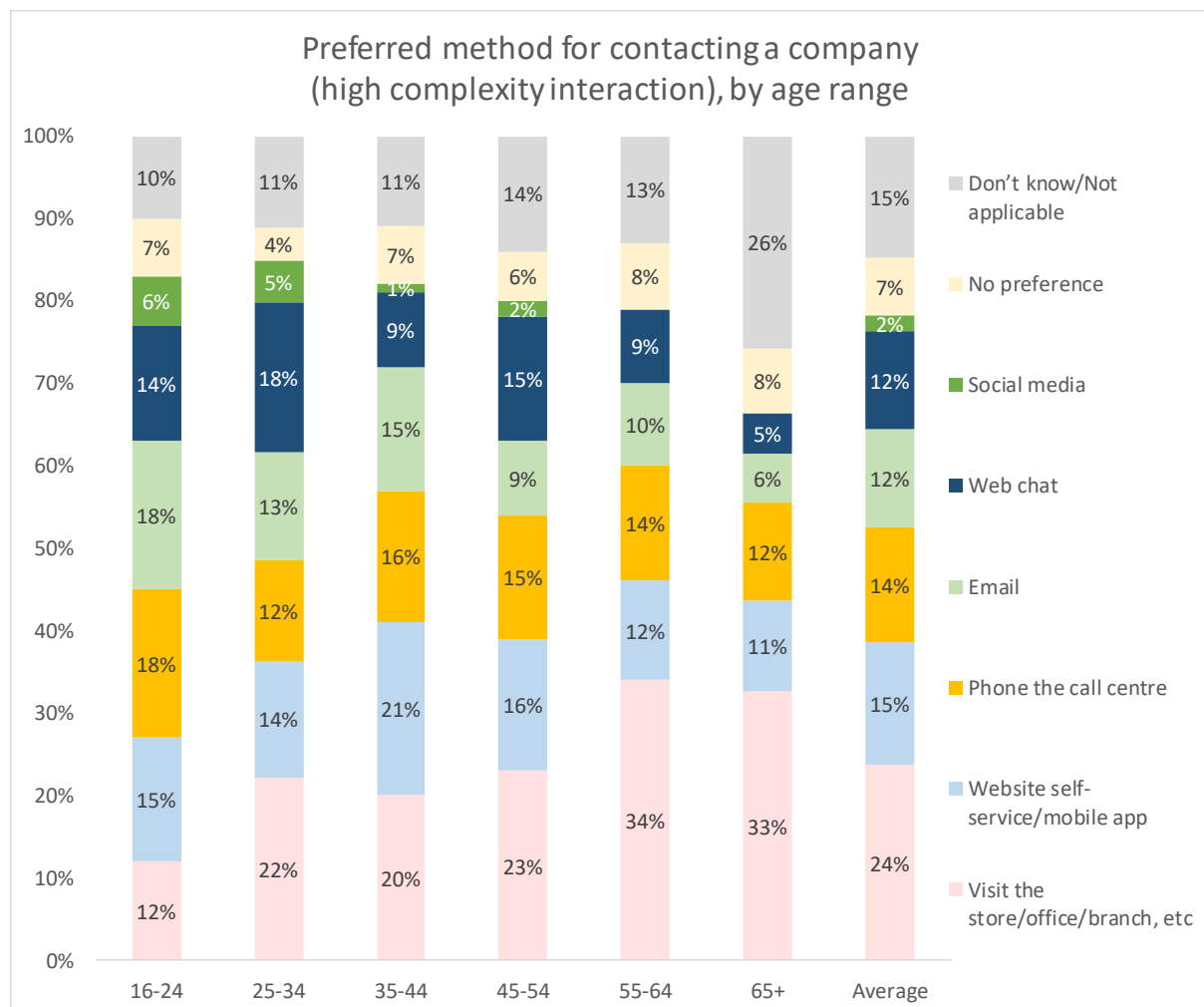
For highly complex interactions, such as getting expert guidance with a tax form or mortgage application, the most popular contact choice was a physical visit to an office or branch, which was much more popular with the older demographic.

Calling the contact centre for advice, or using self-service had similar popularity to each other across most age groups.

It is noticeable that web self-service was a much less popular option for complex interactions than it had been for urgent enquiries.

Web chat was also seen as an appropriate primary channel for complex interactions by a significant minority of the under-55s, whereas email is generally much less popular than it had been for high emotion interactions, possibly due to the probable requirement for back-and-forth communication.

Figure 58: Preferred method for contacting a company (high complexity interaction), by age range

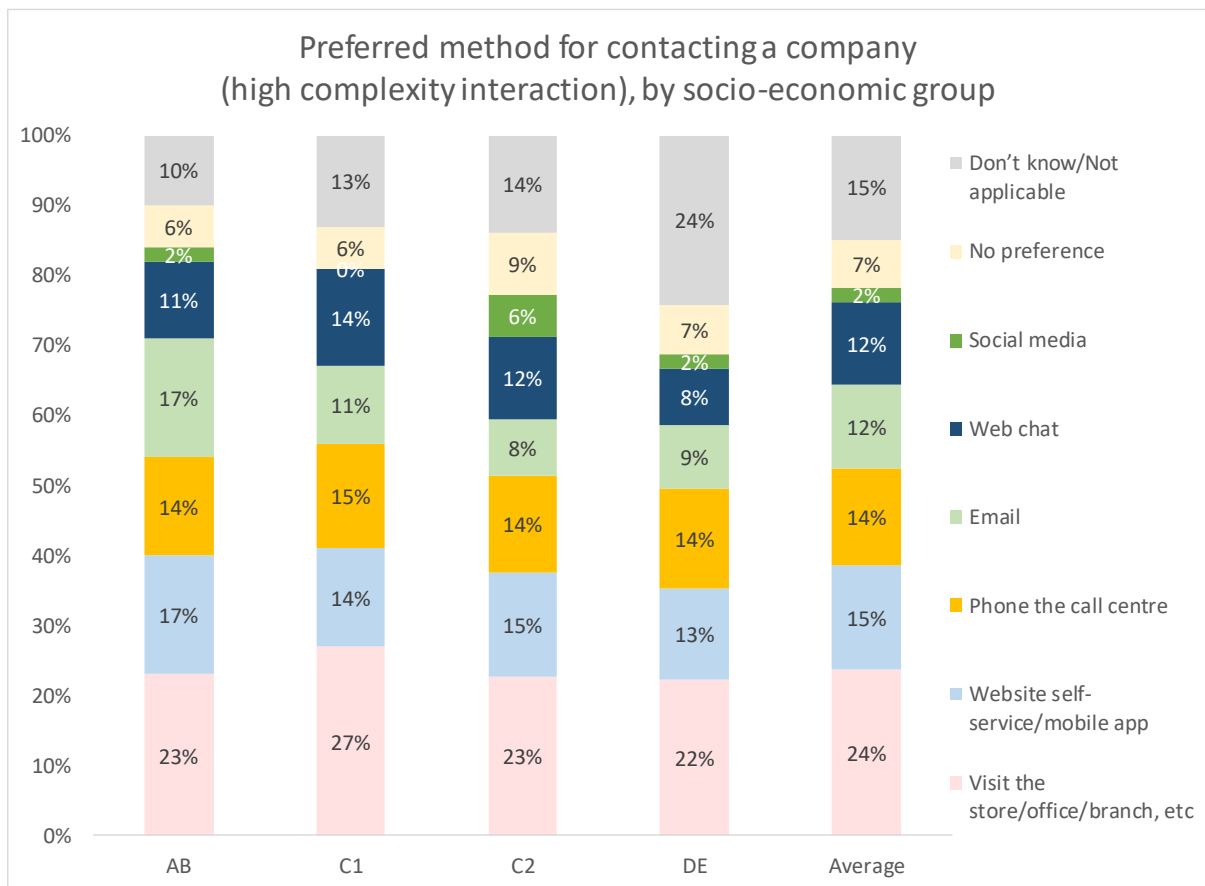


Generally speaking, communication preferences by socio-economic group were much more similar than is the case for highly urgent or emotional types of interaction, with similar proportions at each income level preferring a physical visit to an office/branch, to call the contact centre or use self-service.

ABC1 respondents are somewhat more likely to attempt to solve the problem through digital channels such as web chat and email.

It should be noted that 24% of the DE respondents did not know how they would prefer to contact a company in this particular case.

Figure 59: Preferred method for contacting a company (high complexity interaction), by socio-economic group



CX BENCHMARKING

To improve customer experience, it is necessary to be able to measure it. There is no single best method or benchmark to use for doing so that applies equally to every company or type of customer base, but many organisations will use a mixture of data sources and methods to approach the issue from various angles.

CUSTOMER SURVEYS

Customer surveys have been an integral part of most businesses since time immemorial. Recently, there has been a great increase in the number of organisations implementing “Voice of the Customer” programs, often based around large-scale analysis of call recordings, but the more traditional, direct methods of understanding customer experience and requirements are still very much present.

The numerous methods of directly surveying customers include the following:

IVR: at the end of the call, and after agreeing to do so, the customer may be passed through to an automated IVR system, which typically asks a mixture of open and closed questions which can be answered with a combination of DTMF touchtone and speech. This has the benefit of immediacy, in that the caller will be able to give an accurate assessment of the call and the agent, and also allows the business to be alerted in near-real-time to any major problems through pre-programmed automated SMS, dashboard or email alerts.

The speed and ease with which an agent-invited IVR survey can be implemented gives it a distinct advantage over a survey conducted via outbound calls. The resources and staff time required to make outbound calls often mean that they are conducted erratically and rarely during peak times which undermines the quality and usefulness of the data collated. As agent-invited IVR surveys are automated, they require little staff input and can monitor customer satisfaction whenever the contact centre is open.

Sometimes, the greatest insights can come from the ad-hoc, unstructured comments that customers leave within a recorded survey, and being able to analyse all of these recordings without requiring someone to actually listen to and transcribe each of them will make insights easier to access and act upon.

It is also worth mentioning that outbound automated surveys are becoming more prevalent, with many tens of millions of outbound IVR survey calls estimated to be made each year in the US. After the call has been concluded, the caller's number may be put into an outbound dialler's queue, which calls them and offers an IVR survey. The speed with which this call-back is made is crucial to the take-up rate of the survey, with up to 70% acceptance rate if the call-back is in minutes, but perhaps only 10% if the call is made over 48 hours later.

Written: a system-generated letter is posted to the customer soon after an interaction takes place, requesting feedback. Typically, more customers who have had a poor experience will bother to return the questionnaire, skewing the figures, and although some good and detailed learning points can emerge, it's an expensive way to survey customers. It's also the case that results will be tilted towards the demographics with more time available to them, especially older people. There can be a lack of immediacy, and some people might feel that sending out a written questionnaire to ask about how well a call was handled is excessively solicitous.

Written surveys via letter or person-to-person interviews have an important role to play, particularly where the feedback generated can be compared side-to-side with feedback by other methods. Having quantitative and qualitative data provides valuable feedback that can't be achieved by adopting a single surveying method.

Email: a email-generated survey request can be immediate and easy for customers to complete. The email mechanism allows businesses to marry the customer feedback to known customer demographic data. The most effective form of feedback is often the "open-ended" questions that ask the customer for feedback using their own words. Email surveys are popular with businesses, but response rates can be low (2-10%) depending on how this is carried out. Response rates and accuracy are far superior when the email survey requests are sent at the point of service delivery in real-time, with 20% response rates achievable in this way. Furthermore, Gartner states that feedback collected at the point of service delivery is 40% more accurate than that collected 24 hours later.

In terms of increasing email response rates, timing, purpose and personalisation should be considered. Timing should be of course be as near to real-time as possible and the purpose should be clear to the reader- not a link to a feedback request hidden at the bottom of an order confirmation email or a newsletter - the email is solely intended to find out what the respondent thinks and makes it easy as possible for them to do so. The personalisation element is vital, showing that you know and genuinely care about the customer. Rather than sending something generic, asking information that the business should already know (e.g. what the call was regarding, when the customer last spoke to the business, etc.), they can be sent a request that is specific to their last interaction. Questions should be kept to a minimum, possibly one score and one question about why they gave that score. That way, control is put back into the hands of the customer, and they can explain what really matters to them, rather than answering the questions the brands think are important.

Outbound: frequently, the contact details of a proportion of incoming callers will be passed to a dedicated outbound team, who will call the customer back, often within 24 hours, to ascertain the customer's level of satisfaction with the original call. Sometimes customers will find this intrusive, while others will welcome the chance to provide feedback. Additionally, certain companies employ **outside agencies** to survey customers regularly, which may be useful in benchmarking exercises, since they will apply a more formalized and structured approach to data gathering and presentation. The automated version of this method should also be considered as an option.

SMS: Text messaging has the advantage of immediacy of sending and also of reporting on the results. It is a cheap way of carrying out surveys, and can be linked to a specific agent, allowing the contact centre to use this information for agent performance as well as satisfaction with the business. While SMS surveys tend to ask simple rather than detailed questions, multiple questions which are contextually-driven by the answer to the first SMS can be asked, perhaps up to a maximum of three. A link to a web form can be included so that respondents have a chance to answer in depth if they so wish.

In today's omnichannel society, it is important to choose a survey method and platform that caters for all your customers. Though many customers want to continue to contact by telephone, there are others who prefer to text or email and it is necessary to offer consistent service across the business. Monitoring all interactions to the company will give comprehensive insight into customers' opinions of the service being offered.

Similarly, different customers will prefer to be surveyed in different ways and a survey platform should have the flexibility to support IVR, web, text and written surveys and collate the results in a unified reporting system. Not only will this mean that this is an increase in the number of customers accessed, but there will be a different quality of feedback from each approach.

We would suggest that there is no single best way to gauge customer satisfaction. If detailed feedback is what's needed, a written or telephone-based questionnaire may be better, although IVR can offer the option of direct quotes through speech recognition or recording transcription. If immediate knowledge about an issue is needed (including your customers' views of agents' performance), consider post-call IVR or an SMS survey in certain circumstances. No matter the channel, all the feedback should be evaluated together in a feedback hub. The more information businesses have at their disposal, the more confident they can be that they fully understand your customers.

It is important before organisations begin to survey their customers, that they:

- Clearly determine the purpose and aims of the survey
- Consider adopting a variety of question types. Scored questions enable the business to produce statistically significant and representative data. Free comments can provide real insight into customers' perception of service
- Consider selecting an experienced company to set up and host the survey. Businesses can benefit from their expertise and knowledge and avoid potentially costly errors
- Ensure that the survey can be carried out throughout the day, including peak times, to gain a true picture of the customer experience
- Make sure that the results of the survey can be collated and analysed alongside all other forms of feedback, including other surveys, online feedback, email, web chat and voice recordings. It is pointless to amass information if it cannot be evaluated uniformly and the results disseminated usefully

-
- Have procedures in place to act upon the information that is found. The feedback may have uncovered some broken processes in the service which need attention. It will also inevitably throw up disgruntled customers whose specific concerns need addressing. In this instance, any feedback platform should provide some mechanism for alerting and following-up to ensure that dissatisfied customers are escalated to the appropriate staff
 - Adopt a unified approach across the business to assessing and monitoring customer satisfaction. If businesses continue to reward agents based on traditional call performance metrics, they are merely paying lip service to good service. If they reward agents based on customer satisfaction ratings the businesses will increase agent engagement and retention at the same time as improving the service offered to customers
 - Give the contact centre leadership a chance to share the feedback gathered across the other lines of business, because it should be clear to all that every person in the business, even the back office, impacts the customer experience.

EMPLOYEE FEEDBACK

Employee feedback, also known as “Voice of the Employee” (VoE) is used by a significant number of organisations to gather and assess customer experience based on the opinions and experiences of those people who have day-to-day contact with customers.

While the method is dependent upon the culture of the organisation and the agents’ own initiative and competence, it can provide profound insight into the experience that customers actually have with the organisation.

One of the main advantages of VoE is that a single frontline employee can provide insight into hundreds of customers, whereas in the case of a typical customer survey, by definition the insights are only about one person’s experience. Employees will be aware of overall trends and specific customer concerns, which can be acted upon quickly. For example, a frontline contact centre agent who receives multiple calls a day which mentioned the difficulty of using a certain part of the website is able to flag this, and if effective internal communication processes are in place, the issue can be rectified in a relatively short amount of time.

Employee surveys should be carried out regularly, but it is also beneficial to have an ad hoc reporting process that is effortless and familiar to the employees (preferably in near real-time), so that they can report upon issues and problems which may have recently occurred, rather than having to wait until the next formal review. The frequency of employee surveys should be balanced between the amount of time the overall process takes (including acting upon the feedback), while not leaving significant gaps between surveys so that insight is forgotten or the momentum to improve is lost.

The integration of employee feedback with other data sources such as customer surveys is vital in order to get a comprehensive view of customer experience issues. If, through the process of 360° feedback, employees are made aware of how their insights have been used to help customers, this will encourage them to participate fully in future surveys as they are aware that their comments actually make a difference.

COMPLAINT ANALYSIS

Complaints are a potentially rich environment for businesses to understand where they are going wrong, and which issues are in danger of turning a customer into an ex-customer. For many businesses, each complaint is dealt with on a case-by-case basis, with little in the way of categorization or structure being put in place formally, and little chance of communicating findings in an actionable way to the relevant department.

Speech analytics gives businesses a chance to quantify the reasons that customers complain, identifying the most important factors, assessing trends and spikes, and providing hard recommendations based on every call taken. Real-time analytics allow businesses to track words and phrases related to complaints (such as 'supervisor', 'manager', 'complain', 'unhappy' etc.), allowing escalation to a supervisor, or screen-pop to the agent to provide them with a revised script or suggestions of how to handle the call. Emotion detection and sentiment analysis may also be used to identify unhappy or wavering customers within the call, updating supervisors who can then intervene or advise the agent accordingly.

John Seddon uses the term “failure demand” to describe calls that are created by the inability of the business’s systems to do something right for the customer:

“A failure to do something - turn up, call back, send something...causes the customer to make a further demand on the system. A failure to do something right - not solve a problem, send out forms that customers have difficulty with and so on - similarly create demand and creates extra work. Failure demand is under the organisation’s control, and it is a major form of sub-optimization.”²

Seddon cites the instance of the bank where failure demand created almost half of the calls which they had to deal with. Another classic example of failure demand is where emails go unanswered, leading to calls being made (first-stage failure demand). Later, the email will be answered, unnecessarily, as the customer already has their answer or has gone elsewhere (second-stage failure demand). This redundant work will then impact on other (still live) messages in the email queue, creating a vicious circle of failure demand. Redesigning and restructuring the way in which work flows around the organisation, putting the contact centre at the heart of it, rather than treating it as a separate silo, will go much of the way to reducing unnecessary contacts. The customer ends up getting a better service from the whole company, not just the contact centre.

One way in which this can be achieved is to unify and automate the agent desktop, bringing in the relevant data automatically, depending on who the caller is and what they want. At the end of the call, the correct data is written back to the relevant places, and the correct processes kicked off automatically, meaning that the right departments will be provided with the right information, thus reducing the risk of failure demand, unnecessary calls and irate customers. This also takes the pressure off the agents to remember which systems to update and how to navigate through them within the call (which causes long delays, negatively impacting customer satisfaction), or in the wrap-up, which risks agent forgetting to do things, and also decreases agent availability, increasing the queue length, and decreasing customer satisfaction. In cases where multiple processes have to happen in order for the customer’s requirement to be met, automated outbound messaging to the

² *Freedom from Command and Control: A better way to make the work, work*, John Seddon

customer, whether by email, SMS or IVR is likely to reduce the number of follow-up contacts that the customer feels that they have to make.

Information on failure demand can be gleaned from the contact centre, which can also hold huge amounts of knowledge about what customers' views of the products, services, competitors and company are. Feedback loops will be established in leading contact centres to push information and insights upwards to those who can make a difference in product development, process improvements and customer strategies. Interaction analytics offers businesses the chance to mine huge amounts of data and find patterns and reasons in a timely fashion, and it is vital then to act upon this knowledge, proving to both customers and agents that the business takes them seriously.

Customers who take the time to complain are also taking the time to state what went wrong with your process, product or communication, and this effort should be acknowledged and treated as being important. Businesses have found that fixing the problem for one customer can help many other customers, including the ones who never contacted you. Most customers are not complaining to cause trouble - they want you to know what went wrong, and believe that you can fix it. If one customer makes a complaint, the chances are that there are many more who are experiencing the same thing. A customer that has given up on your company will probably not complain, but go elsewhere and tell everyone who will listen that they are doing so, an issue that is particularly important in today's world of omnipresent social media.

The following charts show the change in the proportion of calls that are complaints, and whether the complaint is about the contact centre (e.g. an impolite agent) or the wider business (e.g. a late delivery, incorrect product etc). In all years, the target of the complaint was usually the failing of the wider business, although 2012-2015 saw 20% or more of complaints being about the contact centre.

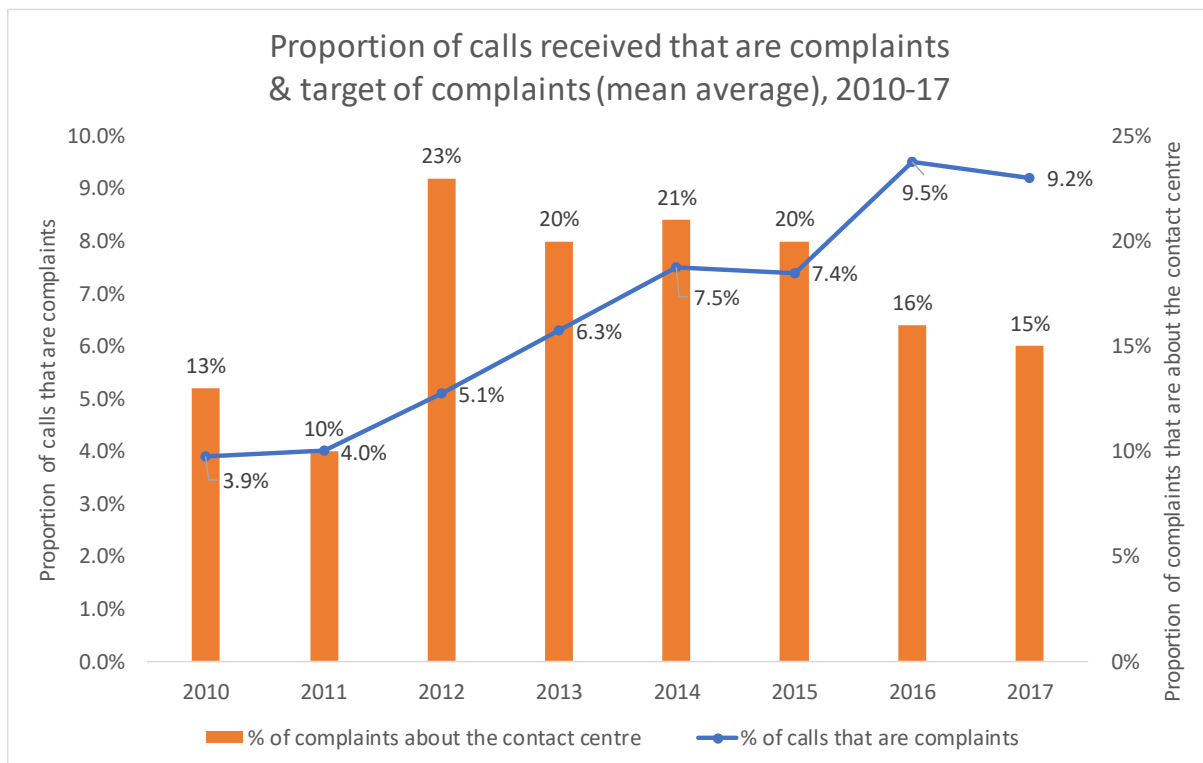
For every vertical market, the majority of complaints received are not about the contact centre itself (or its staff), but rather 'failure demand', caused by a breakdown of process elsewhere in the organisation. However, the contact centre has to deal with the dirty work, and further failures within the complaints procedure (or lack of it) can see customers calling into the contact centre again and again, becoming more irate each time, despite the real problem lying outside the contact centre. This is further exacerbated by the multitude of channels available to customers, who may choose to complain initially via letter or email, and follow up with multiple phone calls if these initial channels are not able to provide them with an acceptable response.

There is also the case that there is a blurring of responsibility between the contact centre and the rest of the business so that lines of demarcation over where the fault lies can be difficult to find. For example, a telecoms provider that has taken an order for a new line has to rely on the rest of the organisation to provision and deliver this correctly. If the agent takes the contact email down incorrectly, the customer will not receive any information about their order, which may have a query on it. When the irate customer rings in to complain, the problem may appear to be with the back-office processes where the order has halted, but the fault actually lay with the agent. Whether this is tracked or reported on correctly is not a certainty, so the split above between contact centre / back-office complaints should be treated with caution.

There is also a real risk, especially within large contact centres, that a single agent does not have the capability or responsibility to deal with the customer's issue, which may reach across various internal departments (e.g. finance, billing, provisioning and technical support), none of which will (or can) take responsibility for sorting out the problem.

A clearer upward trend can be seen when looking at the proportion of calls that are complaints in general, from less than 4% in 2010 to over 9% in 2017. There may be multiple reasons for this: businesses may be failing the customers more often; customers may have become more demanding; or customers may have moved away from the traditional form of complaint – the letter – and prefer to use the phone to complain instead. Certainly, many contact centre decision-makers state that the most effective channel to use for complaints is the telephone, and it may be that customers have found this out for themselves over the past few years.

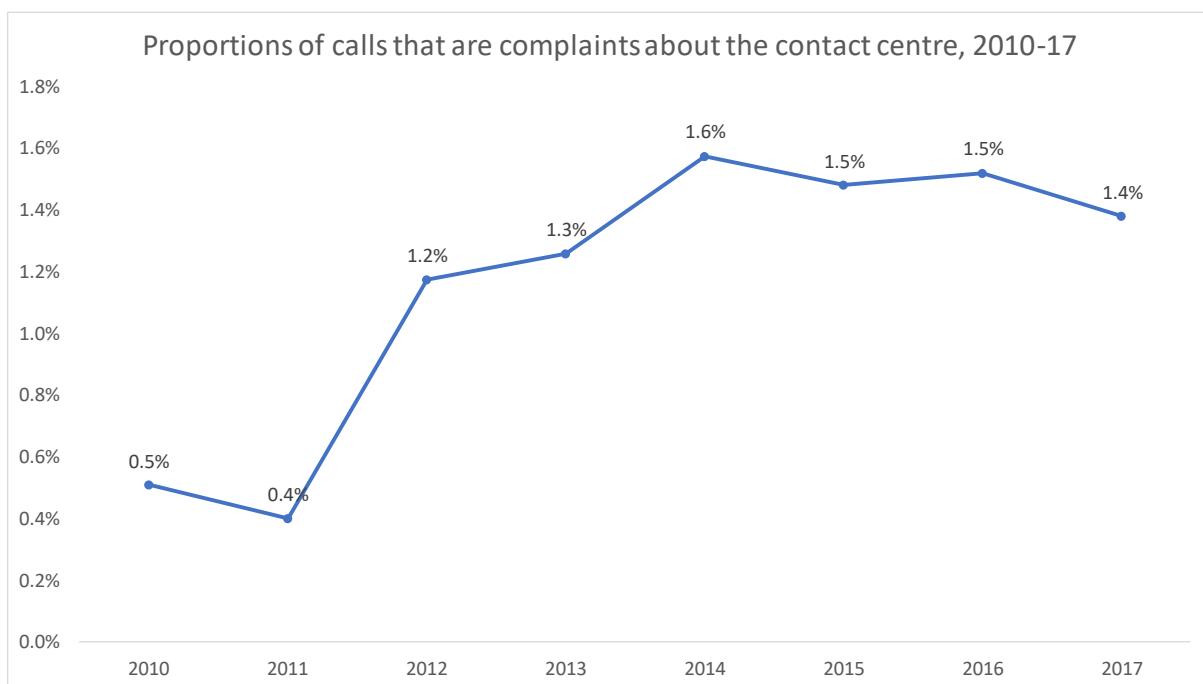
Figure 60: Proportion of calls received that are complaints / target of complaints (mean average), 2010-17



Taking the two sets of data on the previous chart – proportion of calls that are complaints, and proportion of complaints that are about the contact centre – and combining them gives the following chart: proportion of calls that are complaints about the contact centre. This is a figure that contact centre decision-makers should be interested in, as these complaints not only cost money to handle, but are in large part avoidable in the first place.

Since 2012, the figure of contact centre complaints is relatively steady at around 1.5% of inbound calls. This may not seem particularly high, but with 7.6bn inbound calls per year and an average cost per call of £4.00, handling complaints about the contact centre costs the industry over £450m per year.

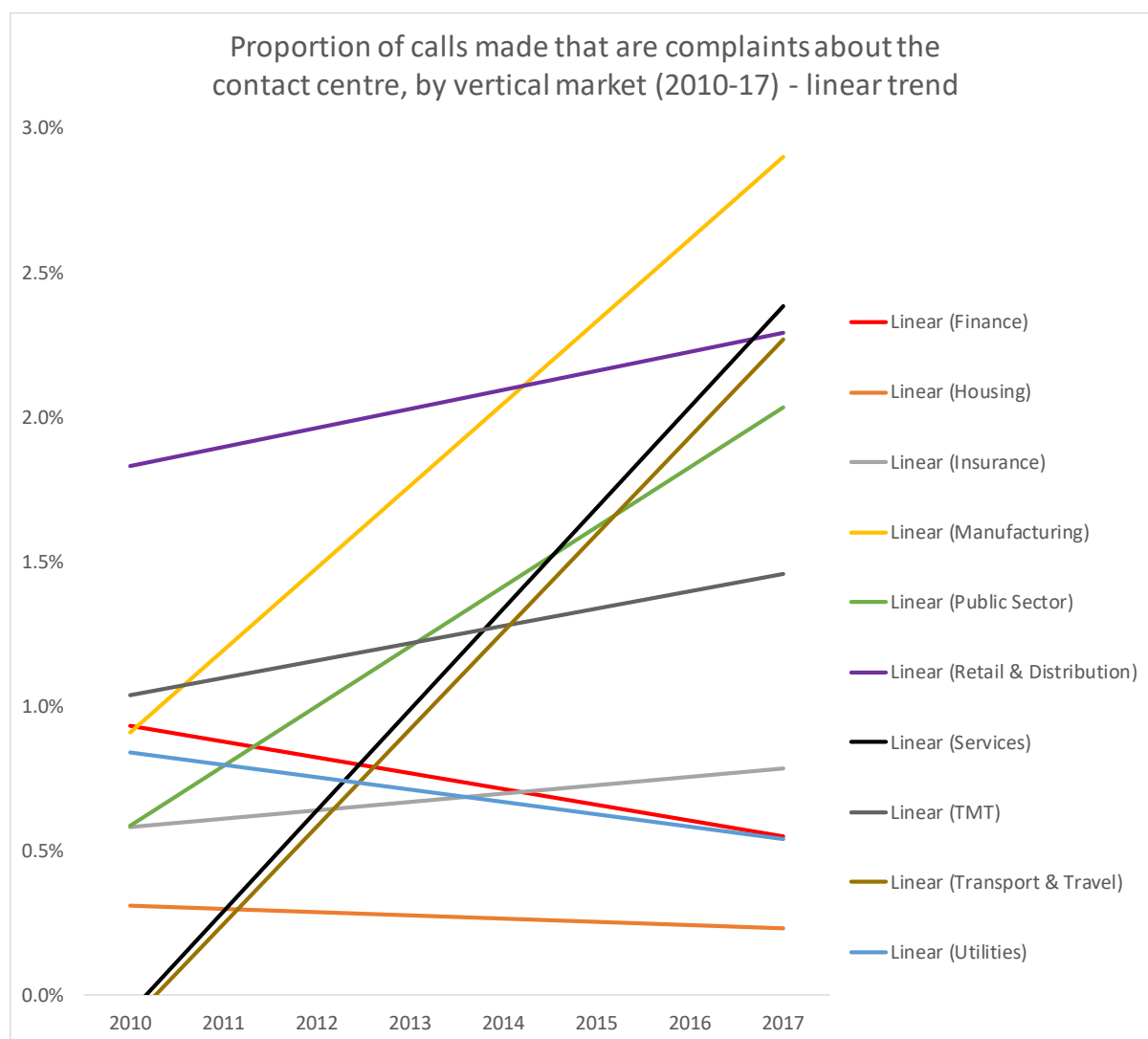
Figure 61: Proportion of calls that are complaints about the contact centre, 2010-17



Looking at the pattern of complaints by vertical market, it was very difficult to get a real sense of the pattern, as each vertical market could change dramatically year on year, as different survey respondents took part each year. In order to bring some sense, a linear trend was used for each vertical market, which smoothed the year to year spikes and drops, while retaining an overall sense of movement.

The chart below should not be used to establish an actual figure, but rather whether each vertical market has a particular problem with complaints about its contact centres, and whether this trend is growing, steady or falling. The manufacturing, services and transport & travel industries report a growing level of contact centre complaints, as does the public sector to a lesser extent. Finance and utilities complaints about the contact centre are dropping, and housing shows very low levels of contact centre complaints at any time.

Figure 62: Proportion of calls made that are complaints about the contact centre, by vertical market, 2010-17 – linear trend



SPEECH ANALYTICS

There has been a great increase in customer satisfaction surveys in recent years, with the widespread uptake of the Net Promoter®³ score (NPS) being a good example of companies' desire to learn what their customers actually think about them. However, research has shown that a 'satisfied' customer isn't necessarily a profitable or loyal one, and the results of customer surveys, particularly the written or telephone-based variety (the latter of which, despite its limitations and expense, is still seen as the best method), are carried out at a time when any feelings about the original interaction may have changed or dissipated, are prone to inaccuracy, delay and lack of detail.

With all of the methods of customer surveys, the questions are fixed in advance, and if the right questions aren't asked, the level of actionable insight is low. In many cases, a business might know that x% of its customers are satisfied, and y% dissatisfied, but it still has no real idea why this is, or even how it will impact upon their profitability. As an addition to customer satisfaction surveys, customer contact analytics allows a business to gather customers' views within the interaction itself - guaranteeing immediacy and accuracy - and can be applied across 100% of calls, rather than focusing on the outlying 'very dissatisfied' or 'delighted' customers. Furthermore, through widespread and detailed analysis of what the call is about, the type of language or messages used in the call, how the customer was handled, and the eventual outcome, businesses will be able to learn how to improve their customer retention and satisfaction in real-life, bypassing the standard metric (e.g. "83% of customers are satisfied") and getting to the root causes of satisfaction or dissatisfaction and sharing the results with the rest of the operation.

Some solutions use historical analysis of call characteristics, agent behaviours and interaction outcomes to estimate customer satisfaction or Net Promoter® scores on every call, and can also predict the attrition of customers based on what they have said and what has happened within the call, allowing the business to act swiftly. Other solution providers use this type of analysis to help online educators predict which students will pass the course, and which will drop out, meaning they are able to target proactive assistance as required.

³ Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

MYSTERY SHOPPING

Mystery shopping is often used by retailers in order to measure and confirm that the experience a customer has with an organisation is one which the business actually intends them to have. Mystery shopping does not have to happen within a physical store, as it is also possible to carry out these activities with the contact centre or online.

Businesses may wish to make sure that specific actions are being carried out consistently, such as greeting a customer or asking if they need help with packing their purchases, and can also be useful more subjectively to understand the general feeling that the customer has about communicating with the business.

Mystery shopping is generally better suited to B2C organisations, as B2B mystery shopping may require specialist information and can be an extremely complex sales process, involving ratification of a potential customer's identity and *bona fides*.

While mystery shopping has a part to play in understanding customer experience, the fact remains that the actual mystery shopper is not a real customer, and is acting based on specific instructions given to them by the company. Additionally, customer experience data will be taken from a relatively small sample size of mystery shoppers, rather than a larger proportion of the customer base which can be accessed through surveys or analytics.

THE USE OF CX BENCHMARKING METHODS

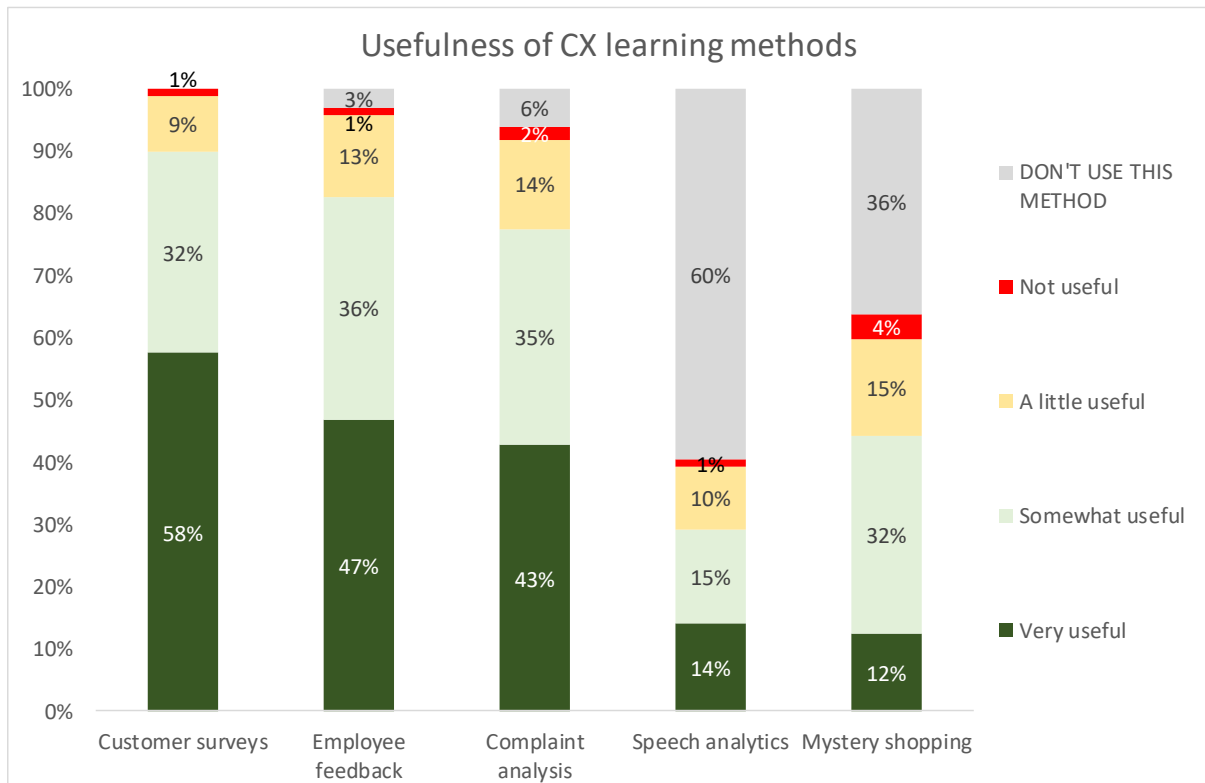
The chart below shows the use and effectiveness of the methods of gathering customer experience covered earlier in this chapter.

The vast majority of respondents use customer surveys, employee feedback and complaint analysis in order to learn about customer experience, with a minority using speech analytics and mystery shopping.

Direct customer surveys were said to be the most effective method of gathering customer experience data, with 59% of respondents who use this method stating that it was very useful. Employee feedback and complaint analysis were also generally seen as useful, although not quite to the same extent as customer surveys.

There was a lack of a generally agreed view on how effective speech analytics and mystery shopping were: while 31% of those who use speech analytics to understand customer experience data found it very useful, 24% stated it as either of little or no use whatsoever. Mystery shopping fared even worse: 19% of those using it stated that it was very useful, however 30% found it of little or no use.

Figure 63: Usefulness of CX learning methods



Businesses were asked which of five quantifiable benchmarks that they use in order to measure customer experience and satisfaction.

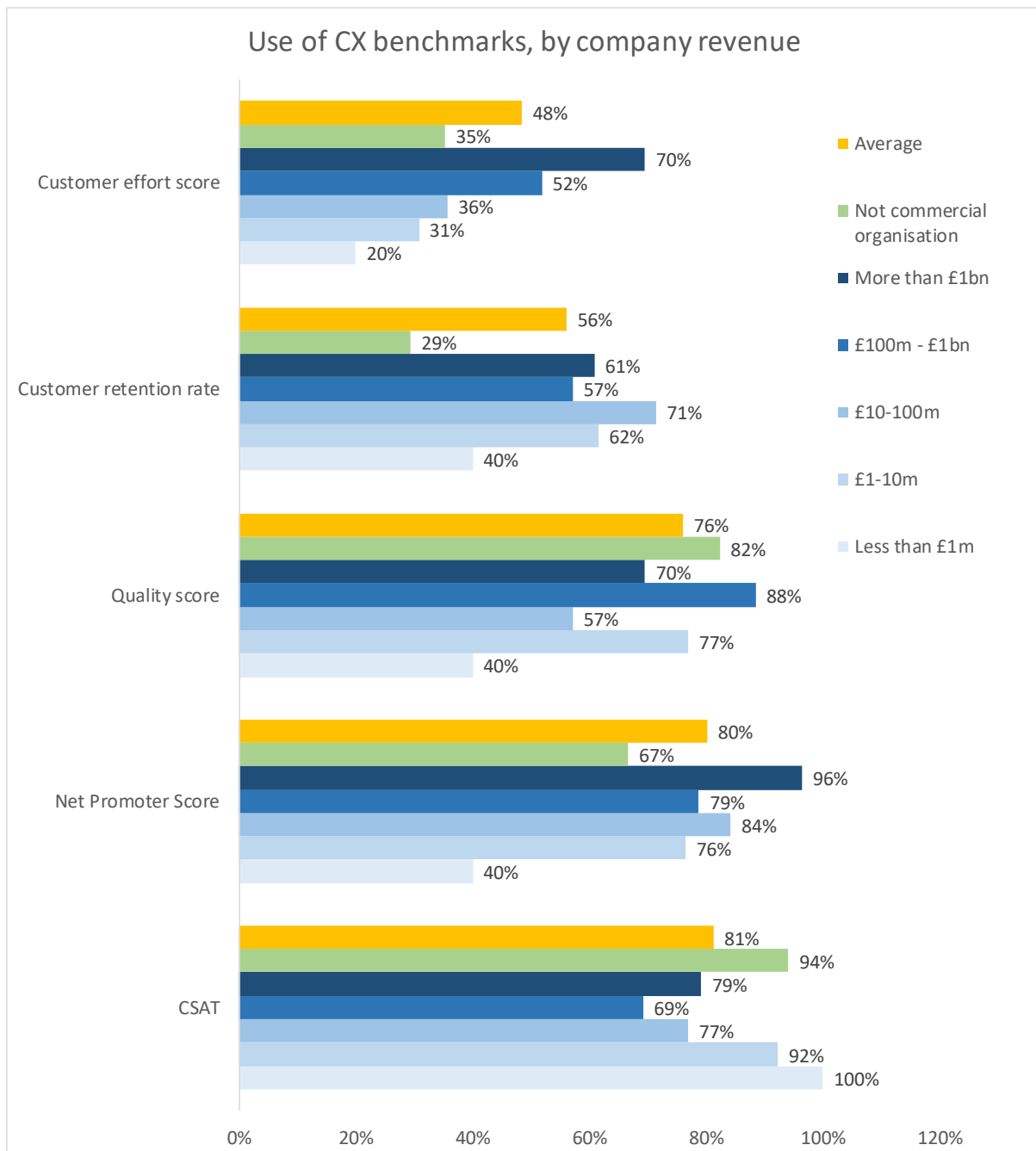
- Net Promoter Score[®], otherwise known as NPS, is an index ranging from -100 to 100 that measures how likely customers are to recommend a company's products or services to others. The question asked to customers is:
 - "On a scale of 0 to 10, how likely are you to recommend this company's product or service to a friend or a colleague?"
 - Based on their rating, customers can then be grouped into in 3 categories: detractors, passives and promoters. 'Detractors' score lower than or equal to 6, 'Passives' score 7 or 8 and 'Promoters' answered 9 or 10.
 - NPS is determined by subtracting the percentage of customers who are detractors from the percentage who are promoters. For example, if 50% were promoters and 10% detractors, the NPS would be 40. This allows businesses not only to focus upon increasing the proportion of people that actively like and evangelize about the company, but also to bear in mind those at the opposite end of the spectrum who are lukewarm or negative.
- Customer effort scores look to understand the ease or otherwise with which the customer has interacted with the company on a particular occasion. Often, there will be a five-point scale running from "very easy" to "very difficult", which can be converted into a quantitative metric. Various methods of calculating customer effort scores and pitfalls to avoid can be found within this referenced article⁴
- Quality scores differ from company to company, but are based on interaction scorecards on which employees are scored over a number of calls or interactions each week or month, and include factors such as compliance, quality of greeting and call termination, cross-selling and upselling attempts, fluency of communication and other factors deemed important by the business
- Customer retention rates are generally based on the percentage of customers renewing contracts, and are typically used by businesses within contract-based industries, such as insurance and telecoms
- CSAT (customer satisfaction) scores do not have a fixed and widely-accepted scoring system, but are more wide-ranging. Businesses may decide that they want to track the proportion of customers who report being "very satisfied", score them at 5 out of 5, etc.

⁴ <https://www.callcentrehelper.com/how-to-calculate-customer-effort-94671.htm>

The most widely used customer experience benchmark is the general customer satisfaction rating, which is used by 81% of respondents. Closely following this is NPS and agent quality scores. Customer retention rate and customer effort score are less widely used, however are still in place in 56% and 44% of respondents respectively.

Considering the data segmentation by company revenue, smaller operations are more likely to use customer satisfaction scores, with only very small companies not embracing NPS. Customer effort scores are used by a majority of larger companies.

Figure 64: Use of CX benchmarks, by company revenue

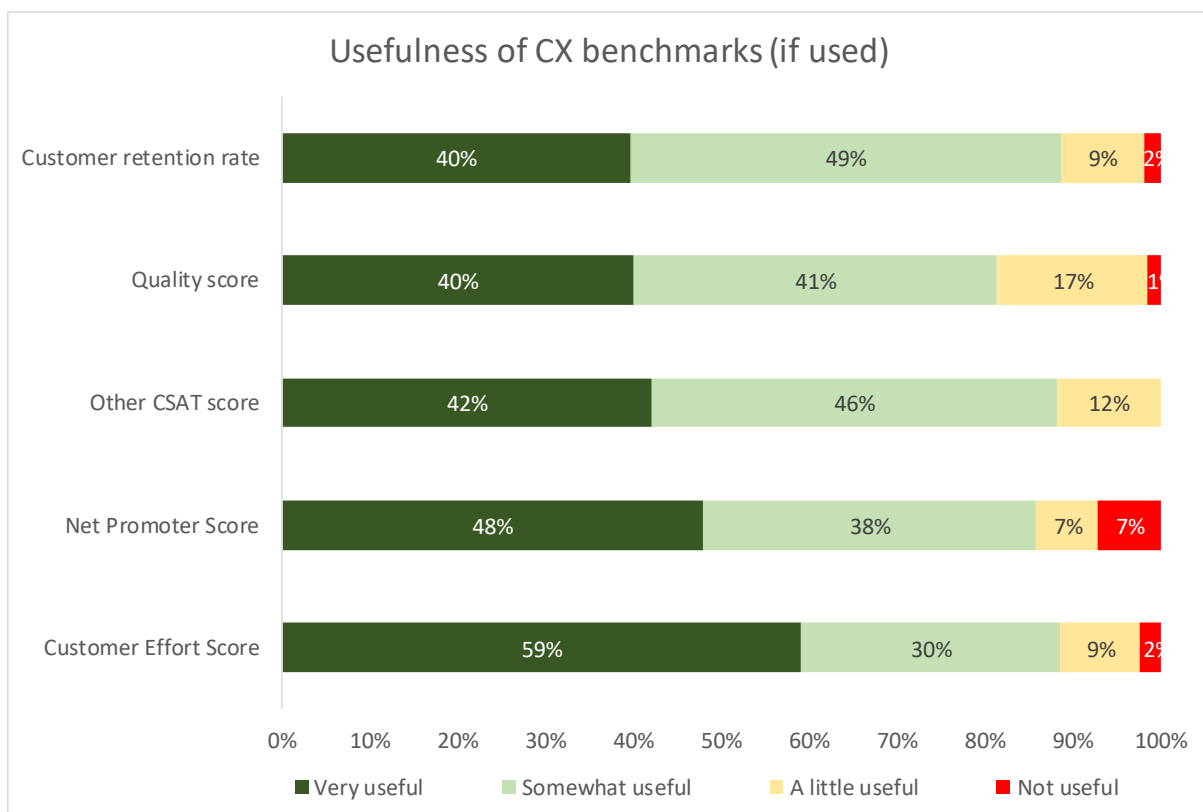


Respondents that used these customer experience benchmarks were asked to rate how useful they were.

59% of respondents stated that they believed that the customer effort score was a useful indicator of customer experience. Most of the other customer experience benchmarks received very similar scores, with 40-50% of respondents stating that they were ‘very useful’, and similar proportions stating that they were ‘somewhat useful’.

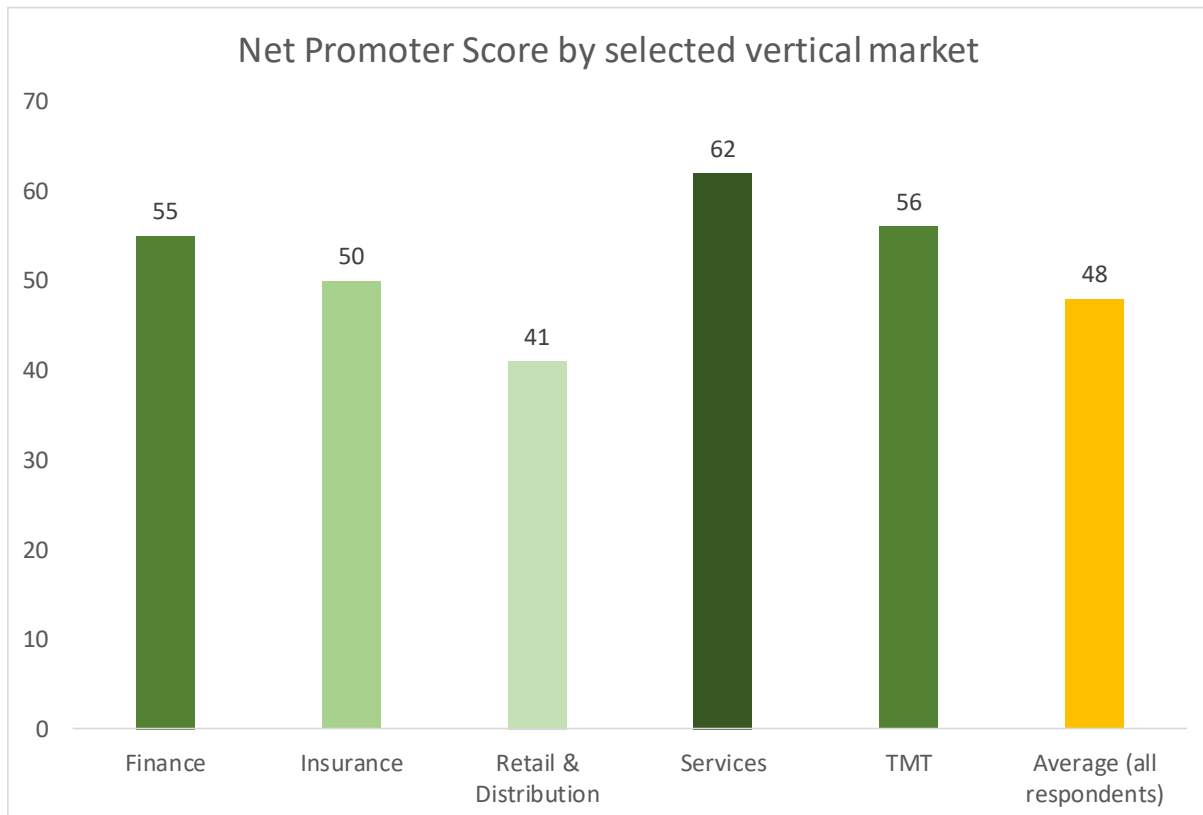
Quality scores were seen as being relatively the least useful customer experience benchmark, with 17% of respondents that used this stating that it was only ‘a little useful’, although it should be noted that quality scores were still seen in a positive light.

Figure 65: Usefulness of CX benchmarks (if used)



As customer experience benchmarks change from company to company - there is no generally accepted customer satisfaction rating or quality score that allows direct comparison between organisations - only NPS easily allows head-to-head comparison across companies, although there were not enough responses from each vertical market to be able to give a full picture.

Figure 66: Net Promoter Score by selected vertical market

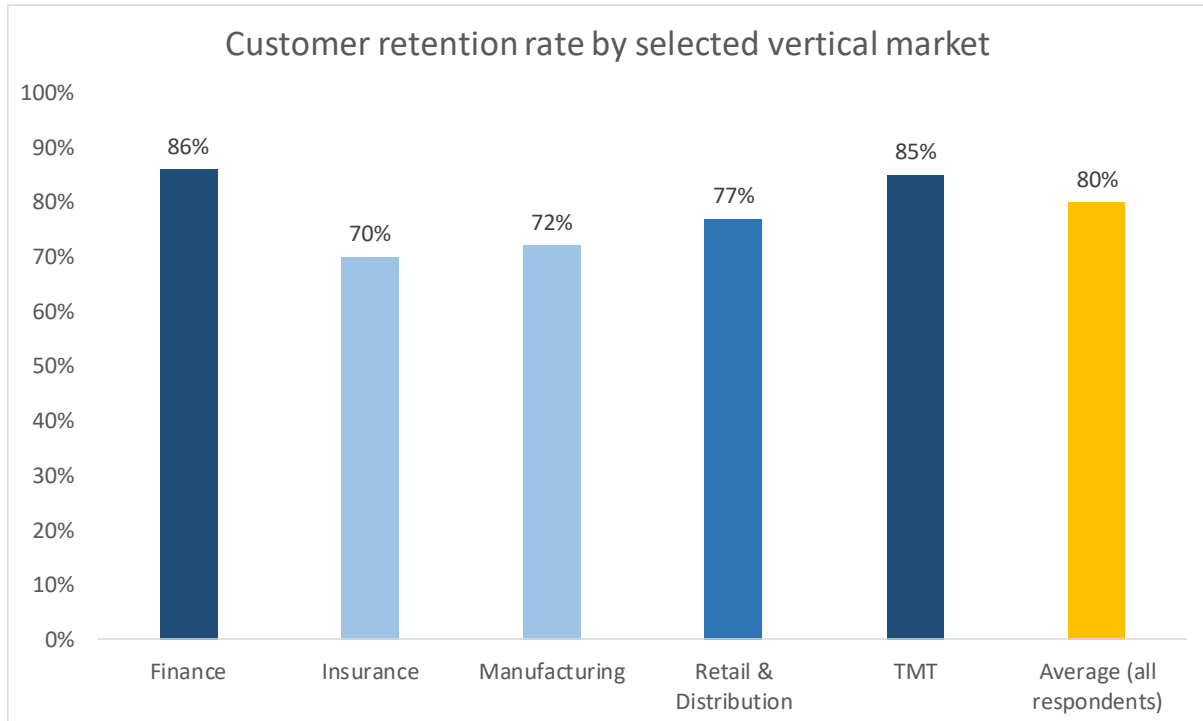


Respondents to this survey generally reported very good Net Promoter scores, with a survey-wide average of 48. Those in the services industry reported the highest average scores, with retail & distribution the lowest.

When looking at customer retention rates, responses mainly came from the finance, insurance, manufacturing, retail and TMT industries.

While the insurance sector had an average customer retention rate of 68%, those in TMT and finance stated that they achieved around 85% customer retention.

Figure 67: Customer retention rate by selected vertical market

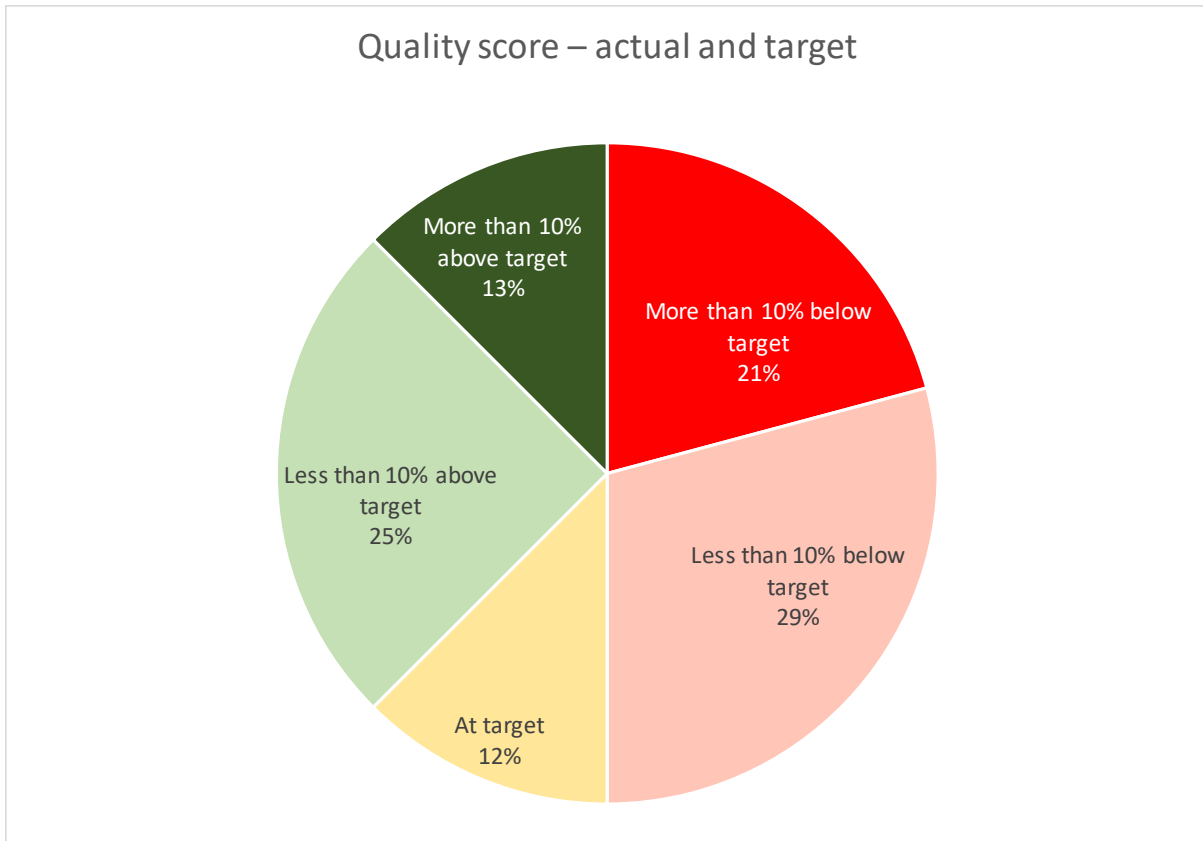




Looking at quality scores, the fact that there is no single industry-wide quality measurement score made head-to-head comparisons impossible.

Instead, each set of responses was judged on whether it was above target, at target or below target. While half of respondents are currently missing their quality target, 58% of these are less than 10% below where they want to be.

Figure 68: Quality score – actual and target



In the same way as with quality scores, customer satisfaction scores are not necessarily directly comparable between organisations. However, where possible, the data was normalised as a percentage, although this should be treated with caution.

Most of the respondents that answer this question gave high customer satisfaction scores and all sectors were close to, or had exceeded their target.

Figure 69: Customer satisfaction score – actual and target

Vertical market	Actual	Target	% of target
Finance	78%	87%	90%
Housing	81%	91%	89%
Insurance	91%	88%	104%
Manufacturing	65%	75%	87%
Outsourcing	80%	90%	89%
Public Sector	81%	83%	97%
Retail & Distribution	84%	89%	94%
Services	90%	92%	98%
TMT	87%	90%	96%
Transport & Travel	86%	80%	108%
Utilities	88%	90%	97%
Average	85%	89%	96%

NB: as some respondents use different measures, data was normalised as a percentage where possible.

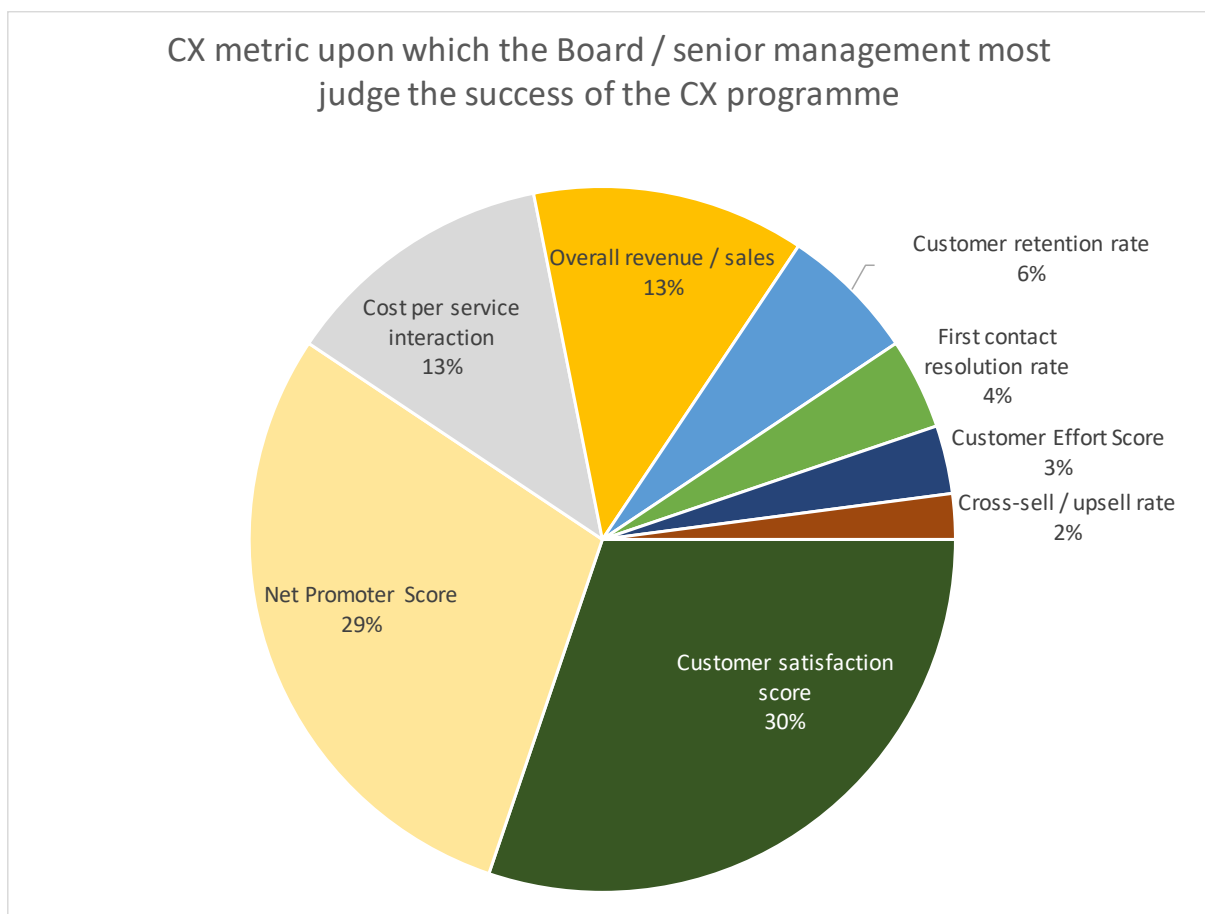
Survey respondents were asked to pick a single customer experience metric upon which their board or senior management team most judged the success or otherwise of the customer experience program.

There was a wide mix of responses, with NPS and customer satisfaction score accounting for almost 60% of responses.

Interestingly, despite customer effort score being stated earlier as the most useful CX benchmarking metric, only 3% of respondents stated that it was the CX metric considered most important by the senior management team.

Of even greater note is the fact that first contact resolution rate was identified as being the key CX metric for senior management by only 4% of respondents, despite both the customer and business survey results earlier in this report showing clearly that first contact resolution was the most important factor in influencing customer experience.

Figure 70: CX metric upon which the Board / senior management most judge the success of the CX programme



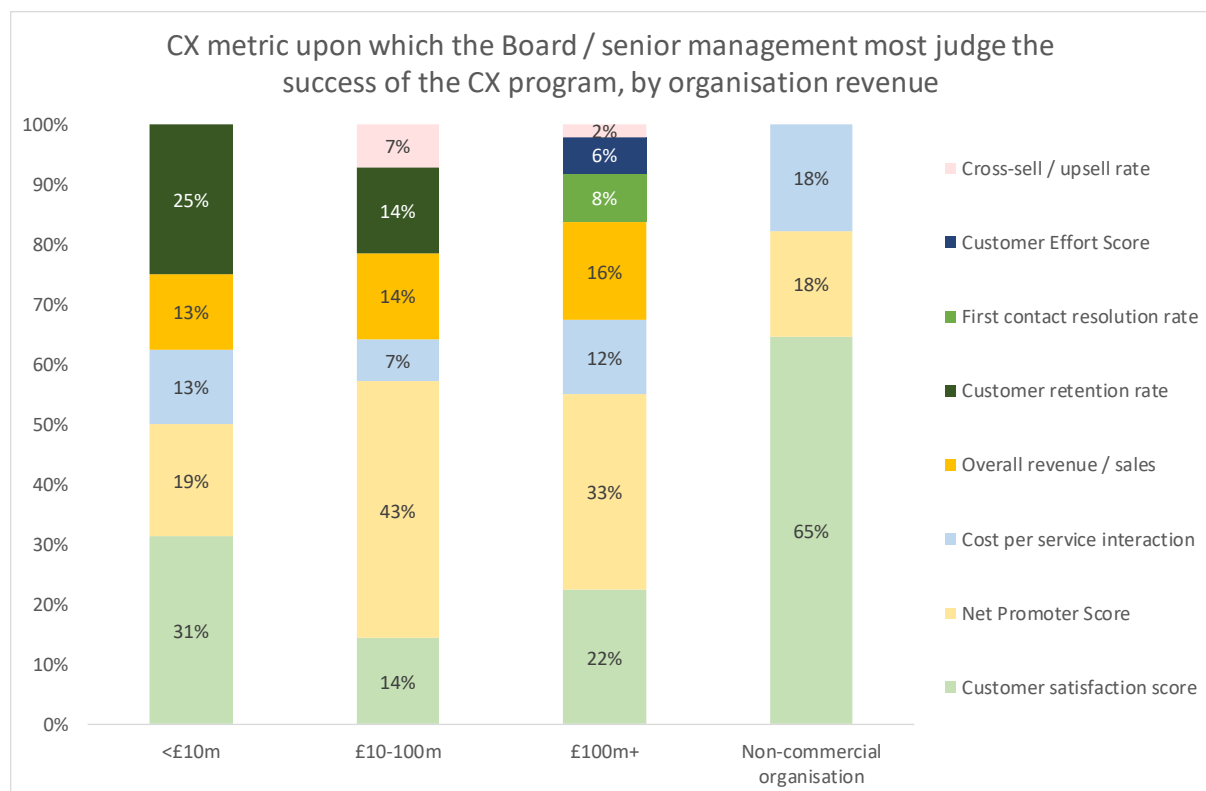
The following chart shows how small, medium and large organisations (as grouped by revenue) view the importance to the senior management team of each customer experience metric. Each metric is ranked from 1 to 8, with 1 being the most important and 8 being the least important.

Larger operations are much more concerned about NPS, with 43% of respondents from the £10-100m group placing it first, and 33% of the £100m+ respondents also doing so.

Small operations are much more concerned about their customer satisfaction score, and are also far more likely than large organisations to rate their customer retention rate as being important.

Non-commercial organisations focus strongly on customer satisfaction scores, and are also most likely to use cost per service interaction as their no.1 CX-related metric.

Figure 71: CX metric upon which the Board / senior management most judge the success of the CX program, by organisation revenue



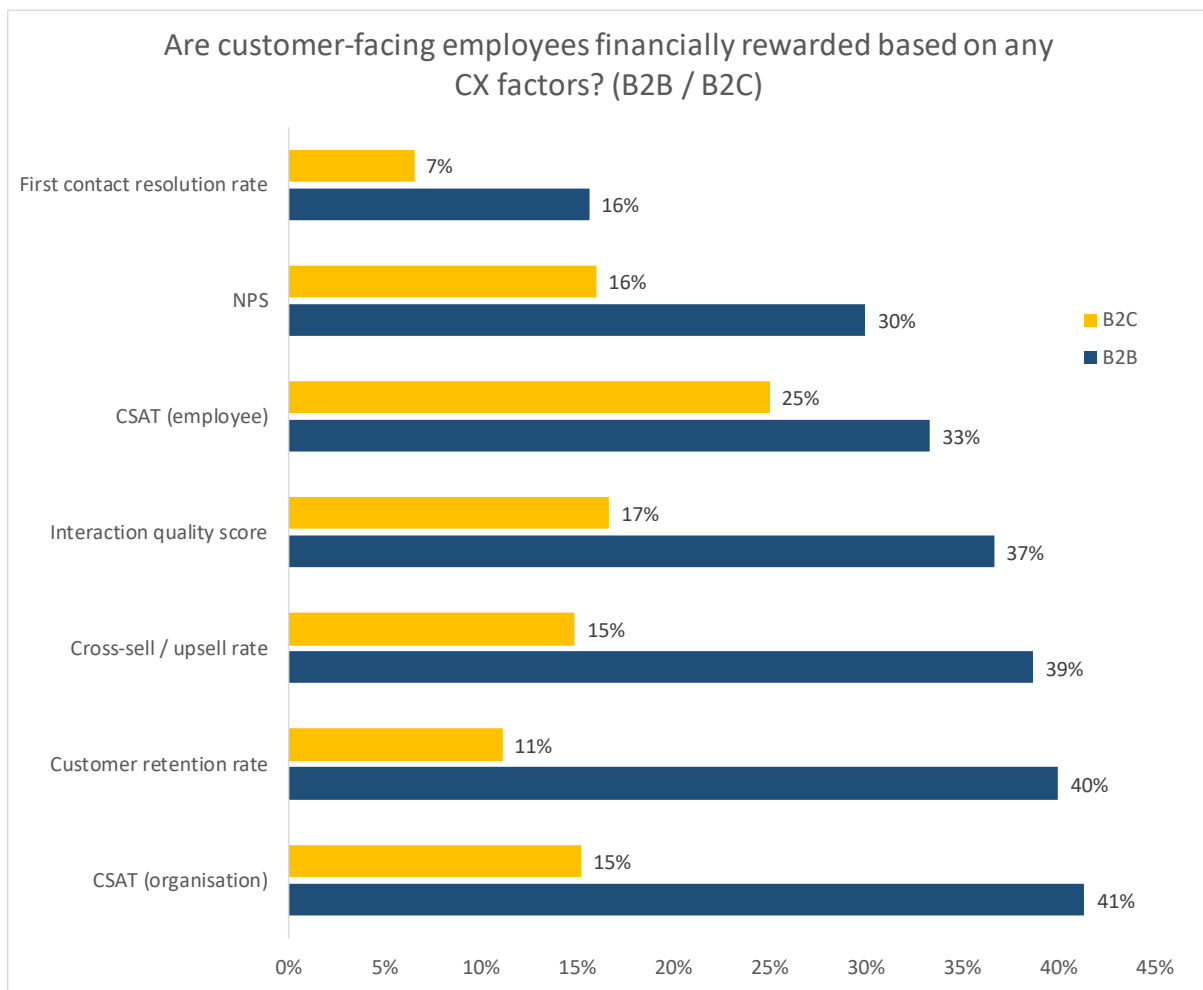
Respondents were asked if their customer-facing employees were financially rewarded based on any customer experience factors.

High customer satisfaction scores are stated to be amongst the most important, and rewarded the most often by B2B respondents, which often reward employees for the customer satisfaction created by the overall organisation.

B2C organisations are most likely to use CSAT linked to an individual employee as a basis for reward, although this is done in only 25% of cases.

It is disappointing and surprising to see the lack of importance generally placed upon rewarding high first contact resolution rates or customer retention rates (in the B2C sector), despite their overwhelming importance to the overall customer experience programme.

Figure 72: Are customer-facing employees financially rewarded based on any CX factors? (B2B / B2C)

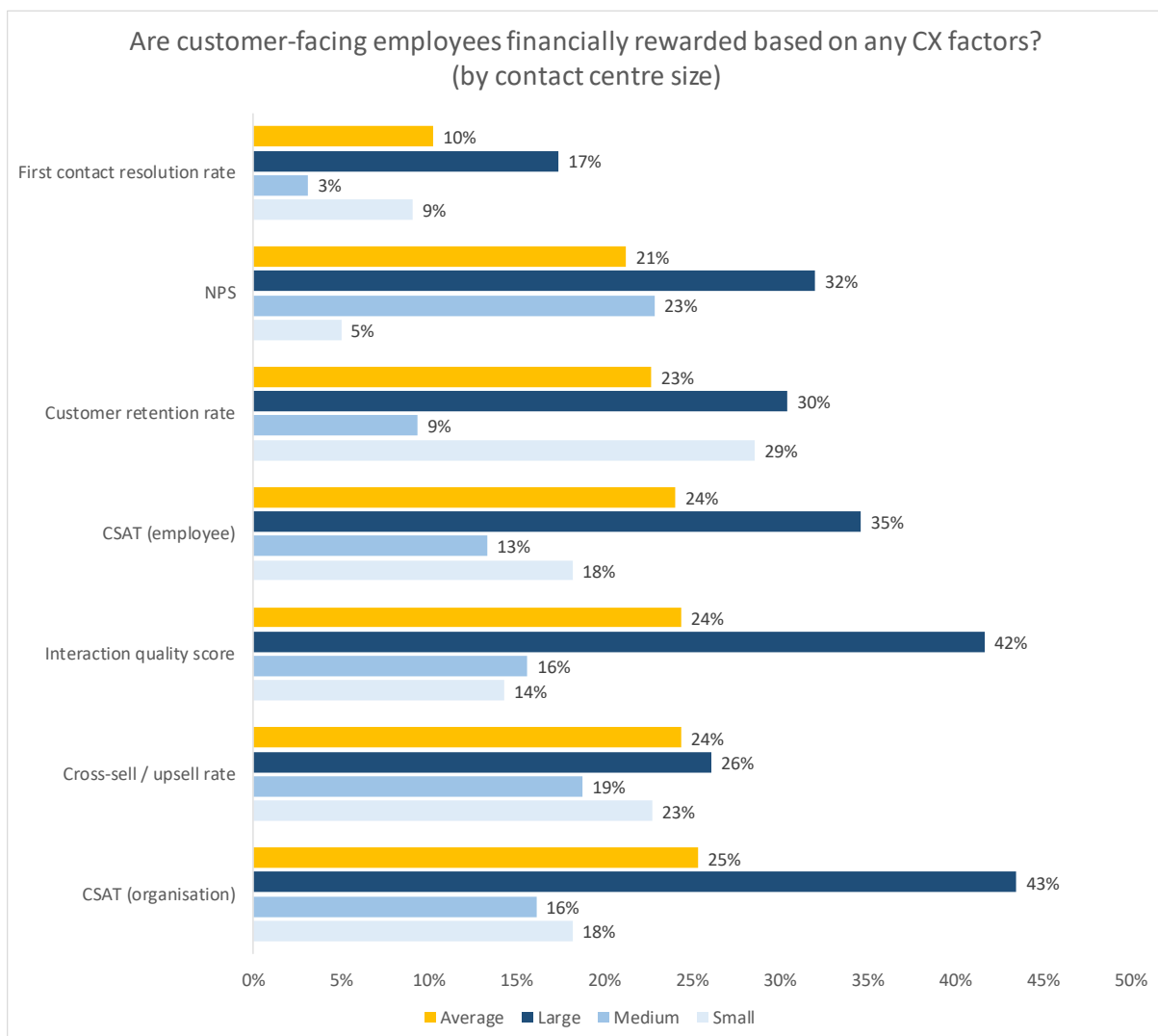


When considering how customer-facing employees - including those within the contact centre - are financially rewarded based on customer experience benchmarking scores, it is clear that those with the largest contact centres are usually more likely to reward their employees by some means.

The majority of respondents with large contact centres will incentivise their staff based on customer satisfaction both with the organisation and the individual employee, with a significant proportion also rewarding based on interaction quality scores.

Large contact centres are also considerably more likely to reward agents based on Net Promoter score.

Figure 73: Are customer-facing employees financially rewarded based on any CX factors? (by contact centre size)



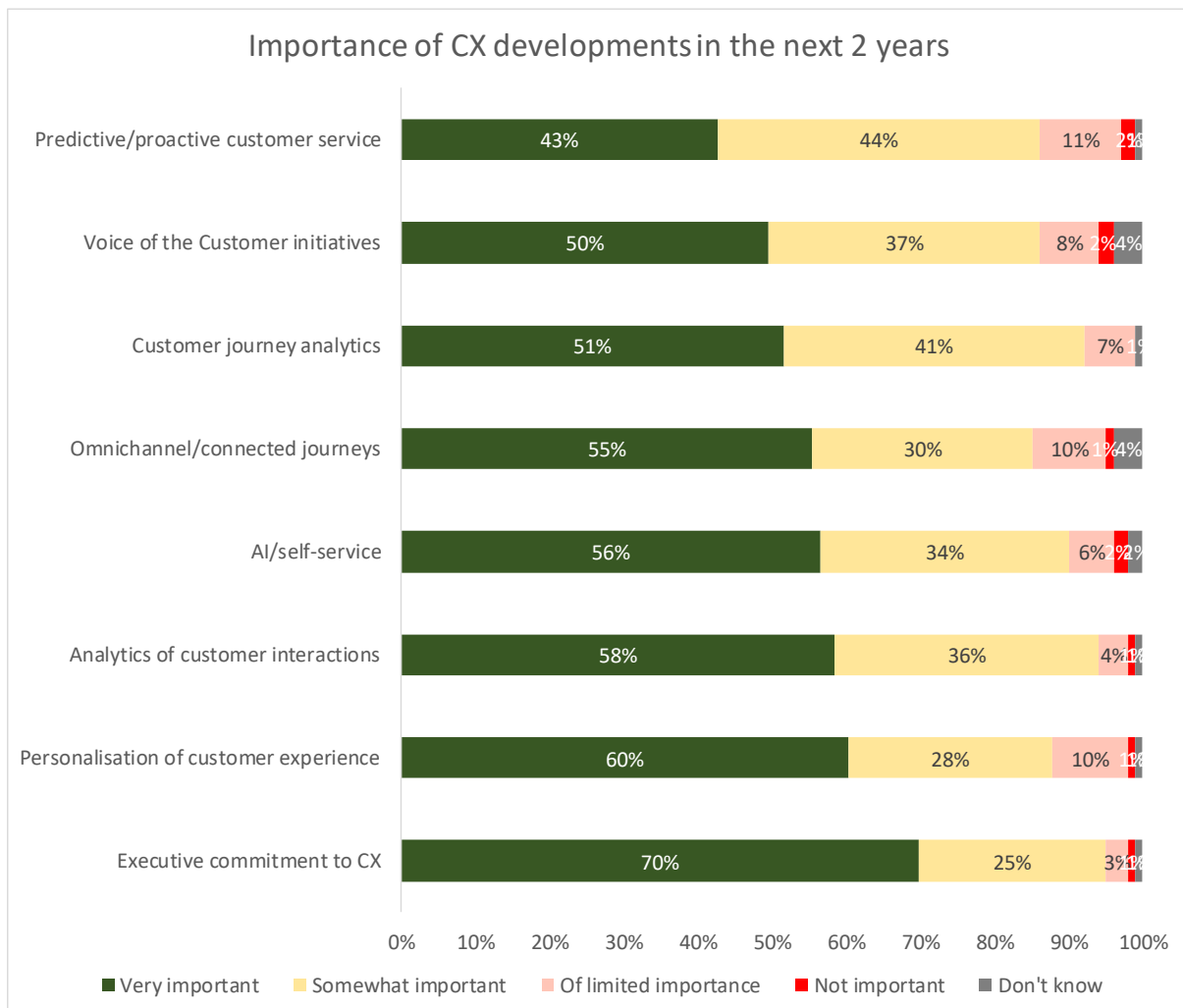
CX FUTURE STRATEGY

THE IMPORTANCE OF CX DEVELOPMENTS

Survey respondents were asked their opinion on how important various customer experience developments would be to their organisation in the next two years.

Perhaps the most striking finding was that the most important factor determining the future success of the customer experience program was not technology-related, but rather a requirement for the continuing and strengthening executive commitment to improving customer experience, without which the multi-departmental CX initiatives could not hope to succeed.

Figure 74: Importance of CX developments in the next 2 years



CONCLUSION: CX STRATEGIES

The business and consumer surveys carried out in the course of the research for this report show that while improving the customer experience is high on the agenda for many organisations, most businesses are still a long way from where they want to be.

The key findings of this report can be summarized, and various strategies suggested for maximising the customer experience while improving profitability and managing cost:

- Customer experience is now widely seen by businesses as being a more important competitive factor, and is potentially the key to increased profitability
- the governance of the customer experience function has not generally made its way right to the top levels of an organisation, and is often seen as being subordinate to the wider operations or marketing role, especially in larger businesses
- the most common primary aim of customer experience improvement is improving customer retention rates
- the main investment in customer experience improvement programs is focused on technology, with business process improvements and employee training receiving similar amounts of support as each other
- live telephony is still by far the largest communication channel used by customers, comprising 65% of inbound interactions. Email is second with 21%, and web chat accounts for almost 4%
- however, despite the prevalence of telephony, the majority of customer experience investment is going into digital channels
- CX technology was said by many survey respondents to be under-supported in that it did not give a single view of customers across channels, and many businesses reported that they were being held back by the restrictions of legacy technology and inadequate budgets. This is especially the case within B2C organisations
- technology is not the only roadblock to CX: organisational inertia and a lack of time and resource for CX improvements were seen as being almost as important
- businesses believe that the most important customer experience factors to a customer are first contact resolution, short wait times and having a polite and friendly agent answer the phone. Having issues handled by a single employee is also seen as important, and can be linked to first contact resolution rates
- from a consumer perspective, first contact resolution and short wait times are also seen as being key to a positive customer experience. However, consumers also want to be able to contact a business at a time that suits them, and place far more emphasis on having UK-based employees to talk to than businesses believe

- most consumers still have a preference for live agent interactions rather than automation, even if self-service is done well. This is especially the case in complex or strongly-emotional issues
- depending on the nature of an interaction - whether emotional, urgent or complex - multiple channels will need to be offered to the consumer base, especially live telephony, email and web self-service
- there are significant differences in channel preference by age and socio-economic group, so businesses should look to see which their own customer base prefers and in which circumstances, so that support and investment can be planned accordingly
- interaction analytics is generally said to be useful in collecting CX data, but is only used by minority of businesses
- an improved customer retention rate is seen by businesses as being the most important CX outcome. However, only 6% of respondents stated that customer retention rate was seen as the most important CX metric by their senior management team
- first contact resolution rate is almost completely ignored as the primary indicator of the success of the CX improvement program, despite both businesses and consumers indicating that it made the greatest difference to the actual customer experience
- a small minority of companies rewarded customer-facing staff based on customer retention rates or first contact resolution, which were stated to be the two most desirable outcomes of a successful customer experience program
- the executive team's commitment to the CX improvement program is seen as being more important than any business process or technology investment: without the former being in place, the latter simply won't happen.

The surveys show that the telephony channel must be strongly invested in and supported, not only in the present day, but also into the foreseeable future. While digital channels and AI-based automation give the promise of a lower cost of service which is attractive to businesses, consumers state that they are currently more comfortable with live agent service, especially telephony-based.

Over time, the customer base will become more technologically sophisticated and comfortable with using automation, but businesses should be aware that this is a long and ongoing process and that dramatic changes in the short term are unlikely to have a positive effect on customer experience.

The findings of this report should encourage businesses to find out more about their own customers' preferences, and give an insight into what they actually value within an interaction. In this way, CX investments can be focused upon the areas and solutions that are valued most highly with customers, thus increasing retention rates and individual customer profitability, while keeping service costs under control.

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Email: info@contactbabel.com

Website: www.contactbabel.com

Telephone: +44 (0)191 271 5269