Balancing Customer Experience and Profitability in a Mobile World: Self-Service Strategies That Drive Loyalty and Lower Costs
Managing the customer service experience is tied to building a company’s brand loyalty. Though the customer service experience can either build or diminish a brand, and thus affect future revenue and profits, it needn’t be inconsistent with a company’s efforts to reduce the operational costs associated with service and support.

“Those working with a company’s customer service function wrestle with this cost trade-off daily; however: “You’re not alone,” said Joe Outlaw, Principal Analyst, Contact Center Group, Frost & Sullivan.

This balancing act to provide the best service at the lowest cost is one that the majority of today’s companies struggle with as they utilize new strategies and approaches to improve customer service levels as well as reduce cost and increase profits.

Customers want alternative ways to interact with companies—particularly as communications become increasingly mobile. The option to use the most convenient interaction channel, whether agent-assisted or self-service, based on location, time of day, type of question or urgency of the request goes a long way towards addressing heightened customer expectations.

Relevant technologies are advancing and techniques are evolving, which enable these “have your cake and eat it, too” approaches to customer support. Proprietary technologies are giving way to standards-based platforms and development languages that ease the delivery of powerful, personalized self-service applications.

Advances in speech-recognition software and natural language processing are also evolving with new service models, such as cloud hosting, increasing the availability and affordability of these advanced technologies. Tools also reflect the changing environment. Continually maturing application development and lifecycle management solutions now include capabilities such as:

- Build once—deploy broadly across customer-interaction channels
- Integration with business intelligence and CRM for streamlined interactions and a unified customer experience across multiple self-service and agent-assisted channels.
- Desktop-unification initiatives—customer and product data organized for more efficient use by applications and live agents

“Customer demand is changing based on our research,” said Outlaw. “We have found a segment of customers who actually prefer self-service. The catch is—it must be done well.”

Key attributes for customer service applications are evolving, driven by customer demand and competition. Applications are tasked with being more intelligent and intuitive to use. Customers are requiring that these applications be tailored to fit their needs and adapt to their usage, while being always available across interaction channels and devices.
The ability to cohesively support multiple communication channels is a breakthrough service when done well. Meaning that customer service must provide a consistent, branded, albeit channel-appropriate (i.e., speed, responsiveness, device support, interface support) experience.

These services must provide the same answers to customer questions and requests regardless of the channel—Success requires that application logic and integration with backend data sources be consistent for all channels (hence the concept of build once, deploy across channels).

Customer service applications must support customers who switch between multiple channels without a loss of interaction thread information. They are also required to provide real-time individual channel and cross-channel customer activity and performance visibility.

Even more importantly, said Outlaw, these customer service attributes must gently offer to steer customers to the “best” channel to resolve their requests.

The Mobilization of Customer Service
Customer service interactions are becoming increasingly mobile, with over 3 billion phones SMS enabled. Customers between the ages of 18 and 24 years old are interested in receiving notifications via SMS, while older customers are less likely to want to be contacted by SMS. And by 2014, mobile internet is expected to take over desktop internet usage.

“The coming generations are more and more demanding about being addressed over different types of channels other than voice,” said Tobias Goebel, Senior Solutions Engineer, Voxeo.

Meanwhile, over 50 percent of the world’s population is under 30 years old, which places the pressure on companies to address this audience and their future needs. To complicate matters, the spread of social networks opens the possibility for one bad customer service experience to spread rapidly depending on the outreach of that individual. Leveraging automation can help alleviate the challenge of serving more customers over more channels, while also unifying the customer experiences across touchpoints—smartphones, SMS, social media, and more.

The Needs of the Mobile Customer
The challenge to meet the mobile customer across all available and future contact channels lies in creating a distinct customer service experience without multiplying costs or efforts, while also delivering a consistent user interface.

One strategic effort is the use of proactive, personalized outbound communications. These solutions can both increase customer loyalty and reduce contact center costs by
With the multi-channel platform, we have a huge amount of flexibility. After implementing IVR, we deployed text, mobile web and kiosk self-service with no additional IT costs and it was seamless for our customers. When we need to make a change we make it once and it’s deployed to all channels.
— Jan Šafka
Vice President
Transformation and Innovation
Customer Services Europe
Deutsche Telekom AG, Headquarters

automating processes and offloading inquiries to agents. Examples include:
- Account notifications and alerts
- High-volume, time-critical emergency notifications
- Payment reminders
- Appointment reminders and confirmations
- Fraud Prevention
- Shipping notifications
- Personalized offers and promotions
- Location-based services

“If you introduce a mobile web, self-service experience in addition to IVR or a text-based or smartphone app, you need to have a big picture understanding of what’s happening with the customer at any time,” said Goebel.

**T-Mobile’s Multi-Channel Self-Service System**

T-Mobile needed a more flexible solution that would ease management and support additional customer interaction channels. Moving from an existing interactive voice response (IVR) system to a multi-channel, customer service interface is a problem with particular challenges for telecommunications companies, such as Deutsche Telekom AG’s subsidiary T-Mobile.

T-Mobile used Voxeo VoiceObjects to implement a self-service platform that serves its customers over traditional IVR, as well as interactive SMS, or texting. The software provides a multi-channel, self-service platform that can assist clients as they migrate from pure IVR services, to voice, to interactive text interactions, said Voxeo’s Goebel. After the integration of Voxeo VoiceObjects, T-Mobile gained control over application management, including the ability to change sound files and menu order whenever needed. Changes could often be made within seconds. Data and analytics were also much stronger, said Deutsche Telekom’s Šafka. They were also able to leverage integration with their backend systems to deliver a consistent experience over IVR and USSD text. Voxeo VoiceObjects made it easy for T-Mobile to adopt additional self-service channels, said Šafka. Soon after its original deployment T-Mobile began to expand its range of automated customer service channels to include a mobile web portal, connected kiosks, gateways, rich mobile applications for the Apple iPhone and Google Android, and an expanded social media presence on sites like Facebook. “We had no additional IT costs and it was seamless for our customers,” said Šafka. “What we’ve got is huge flexibility. If we want to change anything we change it not only in one channel, but it changes simultaneously in seconds on all channels,” said Šafka. “We have very good consistency across these channels, so each change is populated automatically, everywhere.”

To further enhance the customer experience, T-Mobile was able to determine the reason for a customer’s call based on how soon they were calling after receiving a bill or a marketing SMS text. Using this information, the automated customer service menu could dynamically adapt to the reason for the call and then move the customer through the menu faster. The features used to personalize the experience include greeting a customer by name based on a recorded list of the most popular customer names in T-Mobile’s system; or using demographic data to route callers to agents best suited to serve them. Šafka also noted that T-Mobile is now working on using voice biometrics to remove the need for passwords, making the customer’s voice their password.

**Cross-Channel Analytics at Work**

In moving to a multi-channel customer experience, the ability to harness real-time customer data across channels and deliver robust, consolidated reporting is critical to not only delivering a great experience, but also lowering contact center costs.

Pin-pointing issues in self-service channels to optimize applications leads to more direct answers to customer inquiries and fewer transfers to agents. “The Voxeo approach provides cross-channel reporting, which can give you an overview on what your customers have done and how they have moved across channels,” said Šafka.

**The Benefits of a Unified Customer Experience**

Customer service applications must provide a unified experience across communication channels. This not only improves customer loyalty by delivering consistent service across voice, web, mobile and social interaction channels, but also streamlines development and maintenance efforts, keep costs down on equipment investment, reduces the need for more than one vendor, and makes licensing easier. “A consolidated layer allows you to reuse your investment in your IVR to address the demands of today’s mobile customer,” said Voxeo’s Goebel.
About Voxeo
Voxeo helps enterprises and service providers worldwide improve their customer experiences while lowering costs. The company supports traditional automated phone service, mobile and social interactions for a Unified Customer Experience and simplified migration to a multi-channel contact center environment. Learn more, including how we offer unmatched deployment flexibility at www.triplecloud.com

About Frost & Sullivan
Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company’s Growth Partnership Service provides the CEO and the CEO’s Growth Team with disciplined research and best practice models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 40 offices on six continents. Learn more at www.frost.com

Disclaimer
This Executive Summary discusses key insights and excerpts from a live presentation and panel discussion by Frost & Sullivan, Voxeo, and T-Mobile on March 21, 2012. This summary presents industry insights, best practices, and case studies discussed by the presenters, in the context of the live presentation and panel discussion. For more details, visit www.frost.com/experience. Frost & Sullivan is not responsible for the loss of original context or the accuracy of the information presented by the participating companies.