

Trends in Customer Service

Multi-Channel Edition

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Trends in Customer Service - Multi-Channel Edition

At Aberdeen's 2012 Chief Service Officer (CSO) Summit, 85% of attending business leaders stated that their organization was placing an increased importance on customer service given the constraints of the global economy and an extremely competitive marketplace. In fact, the mission of service and support and the delivery of the right customer experience is being spread across the entire organization. Essentially, "We are all in the service business."

Customers too would like an increased focus on service and support. Not only would they like to see faster and more effective issue resolution when they approach the organization regarding service, but they would also like to receive a consistent and effective service experience on the channel that they use to acquire service. While the phone (call center) continues to be the primary medium of service interaction, the use of other channels such as email, chat, web self-service, social media, and mobile is increasing significantly as customers seek a more convenient (yet effective) service experience. Quite often, the call made to the contact center is the result of a failed self-service experience or an ineffective service discussion on another channel.

Are service organizations responding? This document will highlight some of the broader trends in customer support, and focus on the best practices in engaging customers across multiple channels.

What Customers Want

While the role of the customer service organization continues to gain more respect and focus internally, there is a lot of work to be done, especially as organizations look to differentiate themselves on the level of service provided.

Table 1: The Struggles in Keeping Customers Delighted

Metric	Percentage of Organizations Reporting INCREASE in previous 12 months
Customer satisfaction	39%
Customer retention	25%
Customer loyalty	22%

Source: Aberdeen Group, October 2012

Analyst Insight

Aberdeen's Insights provide the analyst perspective of the research as drawn from an aggregated view of the research surveys, interviews, and data analysis

In a recent poll of over 160 organizations, less than 40% indicated that they had successfully improved customer satisfaction levels over the previous 12 months (Table 1). Even fewer organizations have been successful in improving loyalty or customer satisfaction over the same time frame. Current satisfaction and retention numbers hover around the 75% range, indicating that the average organization is losing a fourth of its customers annually. This leads to lost revenues, a higher cost of new customer acquisition, and negative customer sentiment.

As seen in the sidebar, satisfied customers are vital to ensuring a consistent flow of revenue for products and services. They can also become valuable advocates of the organization's brand and make referrals to net new customers. In fact, respondents indicate that a third of their customers actively make referrals, which can significantly impact revenue and profitability by driving down the cost of new customer acquisition.

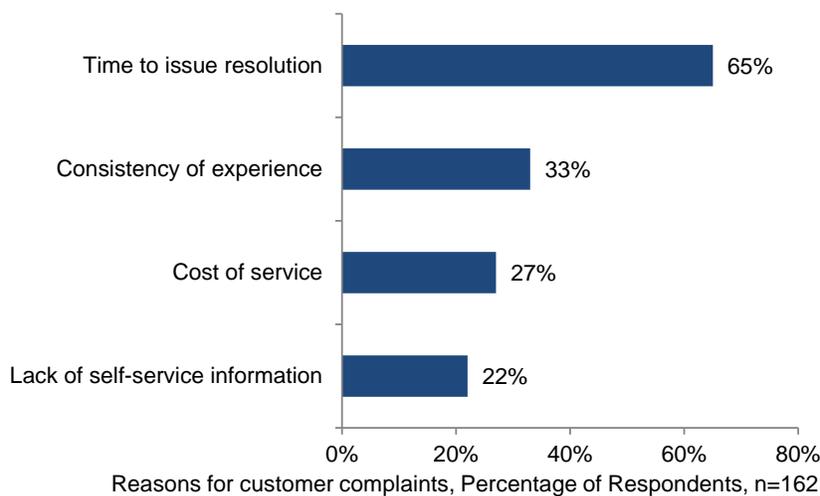
Past [Aberdeen Service Management research](#) has indicated how customers are actively demanding better, faster, and more effective service. This boils down to faster access to necessary service information and improved time to resolution. It's important to note that the top customer complaints aren't tied to hold times (20% of respondents) or the provision of automated service (2% of respondents), but to the amount of time the customer has to wait to have an issue resolved. A quick answer on the phone or email is a good start, but only as good as the impact of the response in solving the customer's issue.

Research Insight

Benefits of satisfied customers (Percentage of respondents, n=162):

- They continue to spend money on products and services (42%)
- They promote our organization's brand (38%)
- They bring in new customers (37%)
- They increase their spend of products and services (35%)

Figure 1: Thumbs Down to the Service Experience



Note: Top Three Requested
Source: Aberdeen Group, October 2012

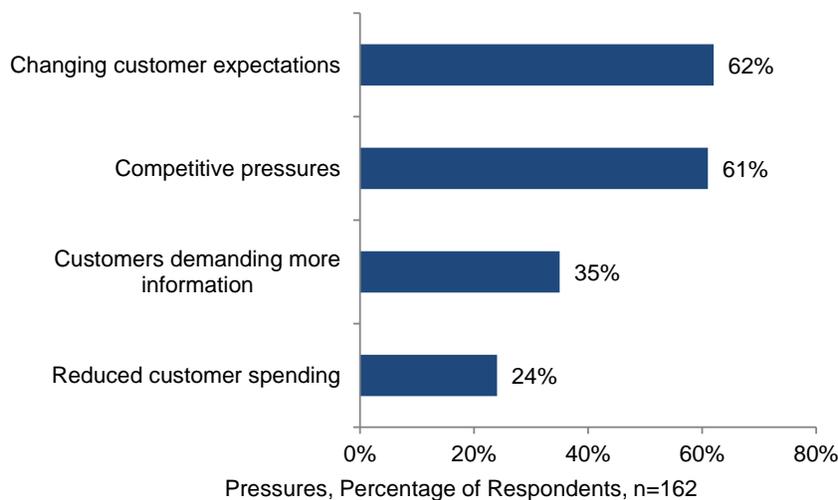
That said, the experience delivered to customers while they are looking for or requesting service is also becoming extremely vital. Hold and response times do become important in impacting customer delight and can be very

powerful when coupled with improved resolution times. The service experience delivered also becomes vital when considering that customers are seeking service on multiple channels and it is up to the service organization to deliver an effective and consistent service experience regardless of the channel.

In using multiple channels, customers may also be looking to acquire self-service information to remove the need to actually contact the service organization. This hidden service cycle is usually not tracked, but the lack of adequate self-service information can raise customer angst and lead to an influx of complaints.

The management of customer expectations is vital to ensuring customer service success, and ultimately the success of organizations moving forward (Figure 2). Customers today are extremely mindful of their spend, especially given the volatile economic climate. Loyalty to an organization's brand, products, and services becomes incredibly important given the sea of competitors in the market. Differentiation has to occur on the service and customer engagement side of the business, areas where customer value can still be driven without a corresponding reduction in price.

Figure 2: Customer-Driven Market Pressures for Service Improvement



Note: Top Three Requested
Source: Aberdeen Group, October 2012

Meeting Customer Requirements

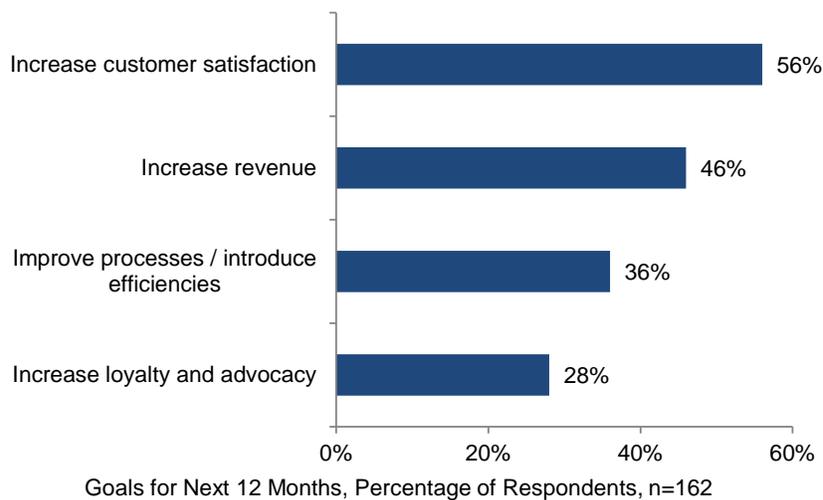
Given the broader market pressures driving improved service performance and increasing customer demands for better service, it isn't surprising that service organizations are establishing goals to improve customer satisfaction in the next 12 months (Figure 3). Nearly 30% are also looking to improve loyalty and advocacy from customers to ensure the possibility of future

spend on products and services. As one service executive stated at the [2012 CSO Summit](#), "Satisfaction is nice, but I care about customer *commitment*."

The focus on increasing customer satisfaction is being done while keeping an eye on cost. Only 8% of respondents indicate that they are investing in improving customer satisfaction regardless of the cost associated. Most organizations are looking to increase customer satisfaction with a limited (38% of respondents) or no increase (36% of respondents) in cost. Sixteen percent (16%) of respondents are focused primarily on cost, either looking to keep customer satisfaction constant while reducing costs or by slashing costs with no regard for the impact on customer satisfaction.

Nearly 50% of organizations are looking to increase revenue with the aid of better service and support. Therefore, the profitability impact of service is beginning to be evaluated more on the top line impact as opposed to the ability of the service organization to cut cost. This focus on revenue is consistent with polling completed by Aberdeen at the [2012 CSO Summit](#), where revenue growth was cited as the top goal of attendees. As service organizations are viewed more as profit centers and value drivers, this focus on revenue will continue to rise.

Figure 3: Goals for Customer Service in 2013



Note: Top Three Requested
Source: Aberdeen Group, October 2012

In order to achieve the goals highlighted in Figure 3, leading organizations (defined later) are prioritizing investments around employee empowerment, collaboration, performance visibility, and automation (Table 2).

Table 2: Empowerment is Key in Winning the Service Battle

Strategic Initiatives Being Prioritized	Percentage of Respondents	
	Best-in-Class	All Others
Empower agents with better information	61%	50%
Increase collaboration between service, sales, and marketing	57%	41%
Improve performance management within service organization	46%	45%
Provide service across more channels	43%	40%
Invest in technology	43%	37%

Note: Top 4 Requested
Source: Aberdeen Group, October 2012

People — As the service leader at a large hospitality firm indicated, "The Science of Service is about the Science of *our* people." To a large extent, the delivery of the right service that leads to appropriate resolution is contingent on the people in place to deliver this service. The increasing interest in self-service channels doesn't reduce the importance of people, as the information provided on these channels needs to be constantly monitored, evaluated, and updated to drive self-service resolution. It might eliminate the need for a phone call. In addition, even in an optimal self-service environment, people will still be relied upon to interact with customers on issues that cannot be resolved with self-service.

Collaboration — Revenue and customer engagement goals are better met when service, sales, marketing, and other groups truly collaborate around driving additional value to the customer. The end customer experience can be marginalized by disjointed transactions, however optimal, with the individual functions of the business. If a service agent is unaware of the products or service contracts sold at the time of customer discussion, or a sales agent is unaware of a current service issue at the time of renewal, then the customer is unlikely to have an optimal experience when dealing with the entire organization. The service experience might be good, or the sales conversation might be nice, but the results from either won't be ideal — especially for the servicing organization.

Performance Management — With the vast amount of data available around customer impact, financial results and operational performance, it is vital for the service organization to hone in on the key issues that need to be worked on in the short term and the broader market shifts that need to be evaluated and planned for in the long run. A performance management framework around service encompasses the collection and management of data on one end, as well as the appropriate use of data for service business change on the other end.

The investments in new service channels and automation will be discussed below:

Research Insight

Current Channels Supported (percentage of respondents, n=162)

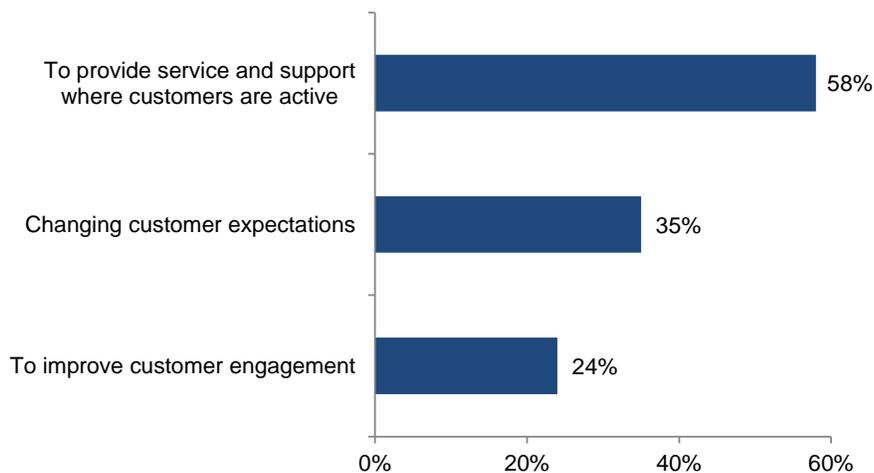
- Voice - 95%
- Email - 90%
- Web - 61%
- Mail/Fax - 54%
- Customer Service Desk - 48%
- Social (incl. Discussion Forums, Communities) - 41%
- Mobile - 33%
- Live Chat - 25%

The New Forums of Customer Dialog

More than 8 out of 10 service organizations are delivering service across multiple channels. This isn't a groundbreaking data point, but still worth mentioning when highlighting the broader trend of customers driving the service discussion on channels that are convenient for them (Figure 4). The proportion is similar for B2B or B2C service discussions. Organizations need to be able to deliver a consistent and effective service experience on the channels preferred by their customers.

Multi-channel customer service isn't just about opening up support opportunities on new channels, it is much more about delivering effective service and support on whichever available channel the customer finds convenient. It's not just about the quantity of channels supported, but in the quality of interaction and customer experience delivered on the channels that are supported. Eventually, customers will demand and seek out a wider channel presence, but will be very quick to drop a particular channel if they find it to be ineffective, thereby negating any investment made in supporting that channel.

Figure 4: Multi-Channel Drivers



Reasons to go multi-channel, Percentage of Respondents, n=162

Note: Top 2 Requested

Source: Aberdeen Group, October 2012

The most popular channels of service interaction continue to be voice (live or automated), email, and the web (see sidebar), but organizations continue to show an increasing interest in channels that support self-service or provide real-time information access to customers. From a volume perspective, the following channels see the most traffic when considering incoming service requests:

- Voice (all) - 36%
- Email - 21%

Research Insight

Challenges in Providing Service across Multiple Channels (Percentage of respondents, n=162)

- Consistency of Messaging and Service (52%)
- Integration of Customer Information across Multiple Channels (35%)
- Continuation of Interaction across Channels (27%)

- Customer Service Desk - 15%
- Web - 12%

While the push towards non-voice related channels might be extremely high, voice continues to remain the top area of service interaction. In addition to the 36% of requests that originate via voice channels, nearly 35% of all other non-voice requests eventually get escalated to a voice-based channel, thereby making it a considerable focus of investment moving forward.

Notes from the Best

Before presenting the steps necessary to build a successful customer support program across multiple channels, or one in the image of the Best-in-Class, it is important to highlight the metrics used to determine Best-in-Class performance.

In the case of this customer service research, Best-in-Class tabulation takes operational metrics such as utilization, average handle time, and first-call resolution into account, as well as more customer-centric measures of retention and revenue per customer. Organizations are not only rewarded for current performance, but also for moving their metrics in the right direction over the previous 12 months. The logic behind the selection of these metrics is because customer satisfaction or dissatisfaction is governed by speed and efficiency of issue resolution. With that in place, satisfied customers are more likely to be loyal and thereby increase their spend with the organization.

Table 3: A Look at Best-in-Class Performance

Metric	Average Result	
	Best-in-Class	All Others
First-Call Resolution (Voice)	82%	56%
Customer Retention	92%	72%
12-Month Change in Average Handle Time	-3.7%	1.3%
12-Month Change in Workforce Utilization	15.9%	5.8%
12-Month Change in Revenue per Customer	17.0%	5.1%

Source: Aberdeen Group, October 2012

It is worth noting that while not considered or used to determine Best-in-Class, leading organizations were able to outperform all others in:

- Customer satisfaction - 91% vs. 71% for All Others.
- First-touch resolution across non-voice channels.
 - Email - 68% vs. 46% for All Others.
 - Chat - 45% vs. 28% for All Others.

- Escalations to voice from self-service channels - 45% vs. 66% for All Others.

In achieving the results highlighted above, the Best-in-Class share some common capabilities around processes, organizational structures, collaboration, knowledge sharing, and performance management. Those aspiring to be Best-in-Class in customer support and eventually organizational performance must work on enabling the following capabilities:

Executive Ownership of Service. Consistently, the Best-in-Class highlight their focus on having executive ownership for service across all channels and all disciplines (customer support, field service, parts). This enables accountability for service performance, more proactive planning for future service needs, and promotes collaboration between service and the rest of the enterprise. In the current customer service survey, 64% of the Best-in-Class had a service executive in place with profit and loss responsibility and oversight when compared to 56% of all other organizations.

The CSO - a Collaborator and Friend of the CIO, CMO. In Table 2 (page 5), 57% of leading organizations indicated that they were investing in better collaboration between service, sales, and marketing to drive improved customer engagement. The push for this collaboration needs to start at the C-suite and CSOs can take significant steps in working with their sales and marketing counterparts to adopt a truly 360 degree view of the customer. To support improved collaboration as well as other customer-centric initiatives, such as the opening up of new support channels, an organization-wide knowledgebase for support agents, or better self-service and mobile tools, CSOs and CIOs need to work together to ensure the deployment of the appropriate IT infrastructure.

Listen to Your Customers. In order to understand or prioritize channels for service engagement, or to truly evaluate the performance of the service organization it is vital to listen to customers. This can be accomplished via:

- **Customer Feedback or Voice of the Customer Programs -** Forty-six percent (46%) of Best-in-Class service organizations have a voice of the customer program in place when compared to 40% of All Others. This not only entails the proactive capture of feedback (43% of the Best-in-Class vs. 35% of All Others), but the integration of feedback across channels (25% of the Best-in-Class vs. 22% of All Others) and the proactive distribution of customer feedback across the entire organization (46% of the Best-in-Class vs. 38% of All Others).
- **Proactively Monitor Customer Sentiment -** It is also vital to capture unsolicited customer feedback and customer sentiment proactively in order to unearth potential service issues and discover product and service advocates or those who can negatively impact your service brand. Forty-three percent (43%) of the Best-in-Class

have a proactive sentiment monitoring program in place, which is primarily tied to discussions occurring in the social space.

- **Customer Councils** - Only 21% of the Best-in-Class indicate having a formal customer advisory board or customer council in place. These councils, usually comprised of a handful of key customers across industries, can be extremely useful in notifying the organization of service issues and challenges as well as in providing feedback that can be leveraged to improve product quality. More so, these councils can assist in the development of a new product and services roadmap that can help the pursuit of new revenue. Nearly 40% of the Best-in-Class are looking to develop these customer councils in the coming 12 months.
- **Customer Analytics** - While most analyses conducted focus on broader customer trends, or on the operational performance of specific service channels with regards to handle time and closure rate, organizations would benefit from developing a deeper understanding of customer preferences tied to service delivery channels. For instance, only 29% of the Best-in-Class dig deeply into understanding the channel preferences of their customers, while 13% look into the channel preferences by type of interaction. More so, only 21% look to understand their customers' awareness of self-service channels and self-service information. By digging into customer preferences, organizations can prioritize the type of information available across channels, hone in on key attributes that are vital to the customer experience per channel, and even set up training or coaching programs to educate customers on the vast network of self-service options available to resolve basic service issues.

Agent Empowerment - Training. Sixty-one percent (61%) of the Best-in-Class, vs. 47% of All Others, frequently and periodically train their service agents on issue diagnosis, escalation, and resolution procedures. Training can be extremely vital in driving first-call or first-touch resolution rates, thereby impacting the cost of service and improving customer satisfaction. In fact, those organizations that focus on frequent training see advantages in key metrics vs. those who don't:

- First-call resolution on Voice - 65% vs. 58%
- First-contact resolution on Email - 55% vs. 47%
- First-contact resolution on Chat - 38% vs. 27%

It is also worth noting that Best-in-Class organizations prefer to deploy cross-channel agents as opposed to dedicated agents. While this is the norm for most organizations, the Best-in-Class are more likely to train their agents on issue resolution practices and technology usage across all available channels (50% vs. 33% for All Others).

Agent Empowerment - Tools. Training can improve agent knowledge around service issues and help deliver a smoother customer experience.

However, training has to be augmented with the provision of vital information at the point-of-service. Some of the focus areas for the Best-in-Class to empower their agents are:

- Visibility into complete customer history (71% vs. 54% for All Others)
- Performance dashboards (57% vs. 42% for All Others)
- Visibility into customer interaction history regardless of channel (54% vs. 43% for All Others)
- Access to resolution knowledgebase (57% vs. 41% for All Others)
- Remote access tools (61% vs. 39% for All Others)
- Additional account management recommendations (32% vs. 21% for All Others)
- In-call or In-session collaboration with other service agents (39% vs. 20% for All Others)
- In-call or In-session collaboration with customers via co-browsing or screen sharing (36% vs. 19% for All Others)
- Real-time personalized or contextual guidance (25% vs. 20% for All Others)

While continuing to focus on all of these areas, leading organizations are actively looking to strengthen their knowledgebase and contextual guidance capabilities in the next 12 months. A knowledgebase across all channels can help agents appropriately diagnose and resolve service issues while in session based on the findings and interactions of other service agents. For this to be successful it is vital that the knowledgebase be easy to query, easy to prioritize (based on voting), and dynamic in accepting new content. Agents also need to be responsible for continually updating and refreshing the knowledgebase.

Contextual guidance tools can become vital in improving the end customer experience. While a customer is in a service interaction, these tools can help provide a step-by-step guide to service resolution while also reminding the agent to inform the customer of other issues that might need resolution, even if these aren't raised by the customer.

Expand Self-Service Options. The hidden service cycle refers to the time customers spend looking for service information prior to contacting the actual support organization. As Figure 5 reveals, the next 12 months will see an increasing use of self-service channels from customers via voice, mobile, or the web. While it is impossible to curate and manage all of the information available on the web, it is vital that organizations develop a presence on these channels in order to offer the type of information that customers are looking for. Not only does this impact the customer experience, it also significantly impacts the volume of calls and emails driven towards the service organization — particularly for issues that should be and can be resolved via self-service.

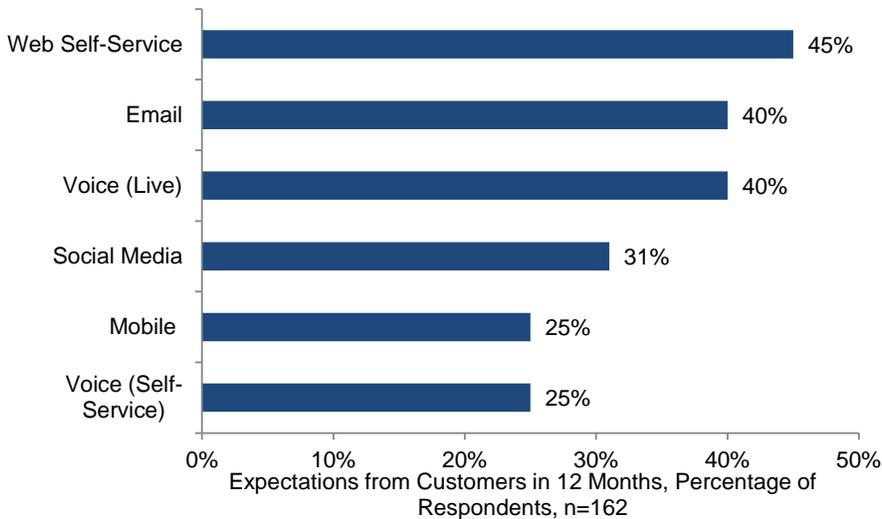
Research Project

Aberdeen is conducting a research survey to further understand trends in:

- Mobile Customer Service
- Self-Service
- Customer Service Analytics

[Participate in the survey.](#)

Figure 5: Customer Preferences for Service Interactions



Source: Aberdeen Group, October 2012

While investing in self-service channels is important, it is also essential that these organizations begin to inform their customers of the existence of and the information available on self-service channels. This begins with understanding customer channel preferences (indicated above). Twenty-five percent (25%) of the Best-in-Class are sampling with incentives for customers to use self-service channels in the next 12 months.

Summary

As Table 4 indicates, organizations are looking to meet their customers on a wider field of channels in the next 12 months. In order to improve customer service and enhance the overall customer experience, it is essential that these organizations focus on:

- The consistency of information and experience across channels.
- Understanding the revenue and customer experience impact of a new support channel, as opposed to just the cost.
- Delivering a more proactive support and information experience to customers.

Table 4: Rising to the Occasion

Channel	Percentage of Respondents, n=162	
	Start Supporting in Next 12 Months	Increase Support in Next 12 Months
Web Self-Service	14%	50%
Mobile	25%	49%

Social	28%	41%
Voice (Live)	4%	40%
Email	4%	40%
Voice (Self-Service)	15%	25%
Live Chat	17%	19%

Source: Aberdeen Group, October 2012

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research	
<p><u>Social Media and Customer Support: From Listening to Engagement</u>; October 2012</p> <p><u>Agent Desktop Optimization: Agents can Finally Focus on the Customer</u>; October 2012</p> <p><u>The Path Best Taken: Leveraging CRM in Pursuit of the Elusive 'Single View of the Customer'</u>; September 2012</p>	<p><u>Measuring Social Media Marketing</u>; April 2012</p> <p><u>SoMoClo Business Transformation: from Challenge to Opportunity</u>; April 2012</p> <p><u>Delivering a Seamless Experience with Multi-Channel Support</u>; December 2011</p>
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