Thriving in the Experience Economy

Building exceptional customer experiences through the contact center

TABLE OF CONTENTS

Introduction

In today's hyper-competitive marketplace, the most effective business leaders are the ones looking to differentiate themselves in meaningful and impactful ways. This raises the multimillion-dollar question, "What truly differentiates a brand to the point of driving real business impact (like customer loyalty, revenue generation, or even employee engagement)? Well, if we look to data, researchers are consistently arriving at the conclusion that it is the customer experience (CX), over both price and product, that is a brand's key differentiator.
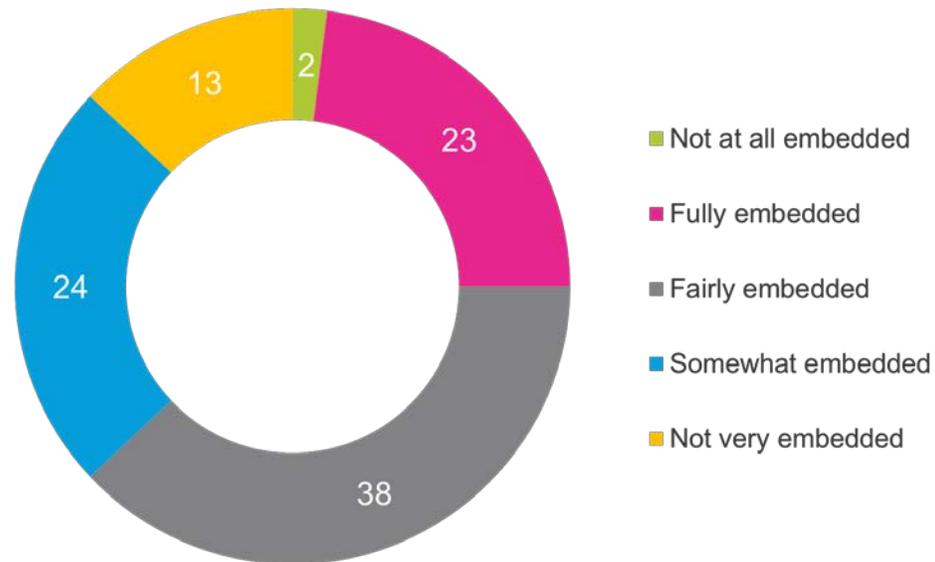
One organization that's been tracking the business impact of the customer experience is Forrester Research. Their Customer Experience Index (CX Index™)[1] provides insight on the extent to which a brand's customer experience strengthens customer loyalty and other business metrics. Forrester's research measures how well a company takes the CX metrics of effectiveness, ease, and emotion and leverages them to drive customer loyalty through retention, enrichment (likelihood of buying additional products and services), and advocacy. Forrester research shows that a 1-point improvement in its CX Index score can lead to an incremental $244 million in revenue for a big-box retailer. A 2017 study[2] by KPMG Nunwood Consulting found that the most effective models for delivering service are those in which customer relationships receive focused and dedicated attention, providing further evidence for the importance of the customer experience. Furthermore, PwC's Future of Customer Experience[3] study revealed that customers highly value speed, convenience, knowledgeable and helpful employees, and friendly service. Almost 80% of the U.S. respondents rated these factors as the most vital aspects of a great customer experience.

Assuming that all of this is true, and only going to increase in importance, it's critical for organizations to align their people, processes, and technologies to supporting CX initiatives. In this whitepaper, we'll explore how the contact center is the keystone to delivering exceptional customer experiences, reveal ways to use CX as a tool for driving market share and revenue, and provide the foundation for building a business case for investing in customer experience. At a time when the typical customer journey crosses many touchpoints, it is the contact center who is best poised to deliver relevancy and personalization to every customer interaction.

The contact center is the customer experience keystone

One of the greatest challenges for contact center leaders in the experience economy is moving beyond the historical paradigm that the contact center is just an entry-level entity that is built to provide efficiency to an organization. This mindset, rooted absolute cost reduction, has led contact center leaders, down the misguided paths of strict average handle time standards, scripting to the point of debilitation, and a reputation for laggard adoption of technology. These decades-old habits must be reversed for the customer experience to truly win. For organizations to deliver remarkable service, they must transform their focus to one that enables the contact center to do remarkable things. This begins with the decision to embed customer experience initiatives within the contact center. According to the following 2018 research[4] by Omobono, progress is being made but there is still a way to go!

To what extent is CX embedded within your organization?

Legend:
- Not at all embedded
- Fully embedded
- Fairly embedded
- Somewhat embedded
- Not very embedded

Values shown: 2, 23, 38, 24, 13

Source: What Works Where 2018 Research by Omobono

In the Omobono study, just 23% of companies indicated that a customer experience program is fully embedded within their organization. Another 38% said that they're "fairly embedded". This means that more than one out of every three companies are highly likely to have significant gaps in their ability to deliver a great customer experience. According to the same research, CX initiatives are owned exclusively by marketing in 16% of organizations while, for the remaining majority, it's a blend of departments with sales and customer service rising to the top of the list.

Outside of marketing, what other departments take ownership of the customer experience?

Sales	Customer service	Operations	The board	IT	HR	Finance	Supply chain	Legal
65%	54%	37%	34%	19%	13%	12%	11%	6%
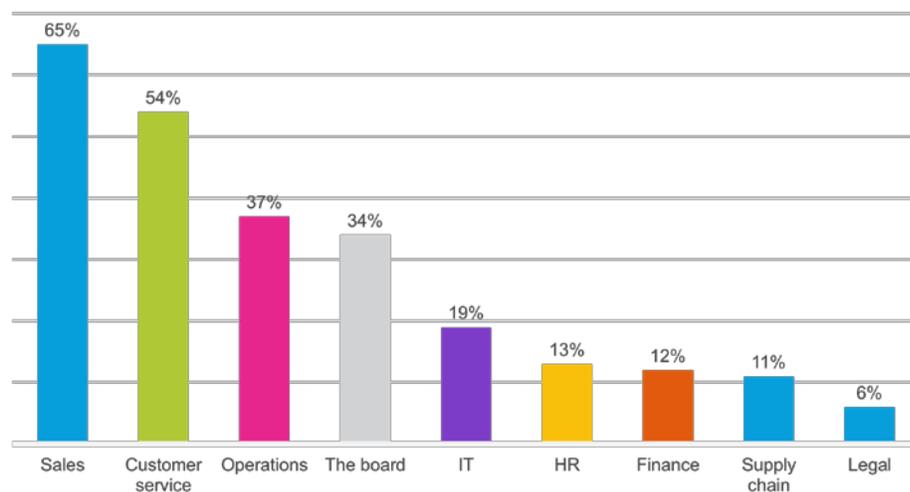
Source: What Works Where 2018 Research from Omobono

NICE·inContact

While this research doesn't explicitly define the contact center as one of the customer experience owners, contact centers often fall within the functions of sales, customer service, or operations. That aside, here's the reality: the low hanging fruit of improving the customer experience has already been addressed by many organizations, or can be remedied relatively simply (for example, implementing new channels of service, evolving product offerings, or adjusting pricing structures).

The complex and truly challenging part of the customer experience comes in excelling at the human-to-human interactions and mastering the use of automation and intelligence as appropriate. Furthermore, it's wonderfully orchestrating it all into seamless cross-channel experiences that are powered by robust business intelligence and the thoughtful application of customer data. It's because of these nuances and intricacies that the contact center is poised to be the MVP in enabling organizations to stand apart based on the customer experience. This can't happen without an investment in technology that enables these seamless interactions; and these investments in technology won't happen without a connection to driving revenue. Fortunately, the research[1] by Forrester indicates an exciting relationship between improvements in CX and increases in revenue potential.

Forrester's research[7] discovered three types of relationships between CX and revenue:

1.   Increases in revenue potential get progressively bigger with higher CX scores for companies like traditional retail banks, upscale hotels, and auto manufacturers.
2.   Revenue potential and CX scores move in lockstep for TV and internet service providers, big box retailers, and auto and home insurance providers.
3.   Increases in revenue potential get progressively smaller with higher CX scores for wireless service providers, airlines, and credit card providers.

So, what should contact center leaders focus on if they want to delivery great customer experiences? According to the NICE inContact Customer Experience Transformation Benchmark Study[5], there were four clear "must-do's" for companies who want to provide a great customer experience:

1.   Quick to Respond
2.   Easy to Use
3.   Resolution to problems
4.   Nice, Friendly, & Understanding Employees/ Agents

Here is what that looks like for contact center leaders who want to best support their organizations customer experience initiatives:

Quick to Respond: When it comes to being quick in the contact center, it is important to be efficient while not compromising on quality. However, these two metrics (efficiency and quality) are at constant odds with each other. A great contact center customer experience finds the balance of the two.

Here is where speed matters most for the customer:

1.   Wait time – The longer people wait to reach someone, the higher the abandonment rate and hence the likelihood of lost revenue opportunities.
2.   Response time – Closely tied to wait time, if customers are expecting a response, it needs to be accurate and immediate.

Here is where quickness matters most for the contact center:

Average handle time – An obsession with AHT leads to a slippery slope of complications. AHT mattered most when contact centers were focused solely on efficiency and reducing costs but for the CX Contact Center, the emphasis on delivering speed, as the most important thing needs to be reconsidered. In fact, when contact centers have focused on improving the customer experience (and not average handle time) they discovered that their AHT actually reduced in many cases.
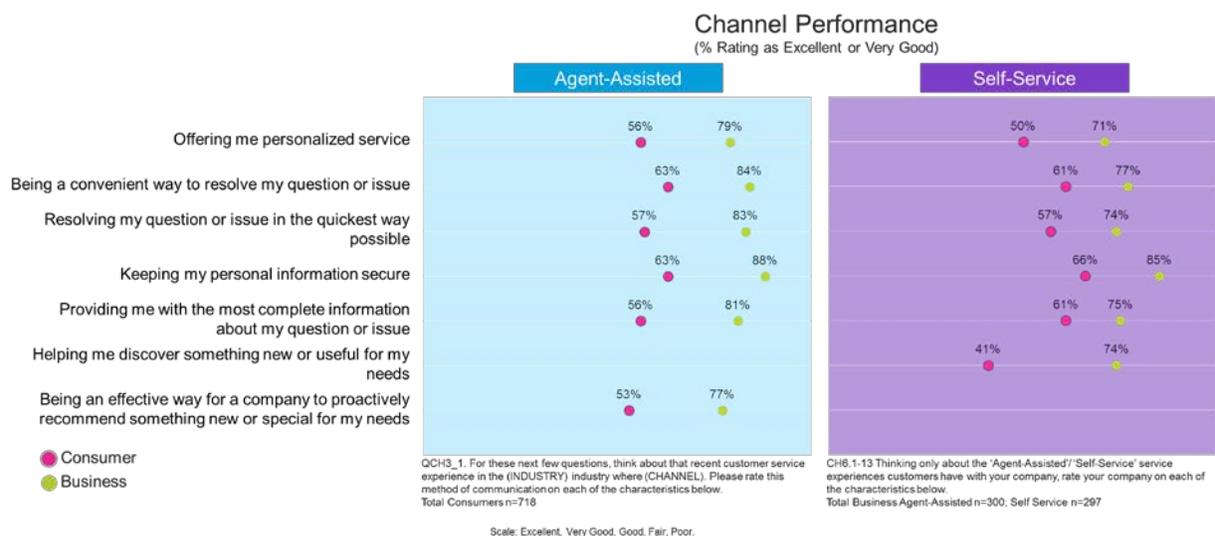
NICE·inContact

With improved routing, queueing, and dialing capabilities, it is possible for the contact center to improve their effectiveness in addressing their customer's need for speed by eliminating wait time, getting connected to an agent

Easy to Use: For contact centers wanting to deliver a convenient customer experience, a focus on improving self-service and automation is essential. Customers want to help themselves as much as possible and the companies who restrict, or complicate, the opportunities for self-service could cause themselves more harm than good. Furthermore, it is important to leverage channel integrations that enable customers to seamlessly move from self to agent assisted-service when necessary. The expectations that customers have for an omnichannel experience are ones that eliminate the disconnections between voice and digital channels. If a customer starts on your website, moves to a web-based chat, and then calls in to speak with an agent, the expectation is that you'll have full insights on their actions and can guide them to their best next step. Contact centers must deploy integrated technologies if they truly want to deliver on customer expectations, as customers naturally expect their experiences across channels to be connected to each other.

Resolution to problem: One of the greatest challenges for contact center leaders today is possessing all of the customer journey data that they need to be successful but having no effective means of bridging it all together. If a contact center is providing service in a channel, they understand a bit about customer expectations and behavior trends. But, without an omnichannel platform, they don't know how the entire customer journey fits together. By integrating systems and bridging the gap, however, contact centers will maximize their existing business intelligence and quickly accelerate their ability to meet customer needs across the full journey.

Nice, Friendly, & Understanding Employees/ Agents: We are putting these two together, as they speak directly at another key reason it is critical for the contact center to be at the epicenter of CX initiatives: the people who are delivering the experience need to be well trained; well-equipped; and well-prepared to be engaging, knowledgeable, and delightful advocates of their company. Contact center agents are frequently the true ambassadors of a company's customer experience and scheduling, managing and training them with the right tools is critical for success.

These four things seem so straightforward and obvious that companies must be excelling at them, right? After all – companies are very likely to say that the customer experience is important to them, and if this is all that it takes, then companies must be delivering a satisfying customer experience. Think again. Across virtually every industry, there is a significant gap between the level of importance of the CX and the level of satisfaction that customers have with their experiences.

Channel Performance
(% Rating as Excellent or Very Good)

	Agent-Assisted		Self-Service	
	Consumer	Business	Consumer	Business
Offering me personalized service	56%	79%	50%	71%
Being a convenient way to resolve my question or issue	63%	84%	61%	77%
Resolving my question or issue in the quickest way possible	57%	83%	57%	74%
Keeping my personal information secure	63%	88%	66%	85%
Providing me with the most complete information about my question or issue	56%	81%	61%	75%
Helping me discover something new or useful for my needs			41%	74%
Being an effective way for a company to proactively recommend something new or special for my needs	53%	77%		

Consumer
Business

QCH3_1. For these next few questions, think about that recent customer service experience in the (INDUSTRY) industry where (CHANNEL). Please rate this method of communication on each of the characteristics below. Total Consumers n=718

CH6.1-13 Thinking only about the 'Agent-Assisted'/ 'Self-Service' service experiences customers have with your company, rate your company on each of the characteristics below. Total Business Agent-Assisted n=300; Self Service n=297

Scale: Excellent, Very Good, Good, Fair, Poor.

NICE·inContact

These gaps between customers and businesses are not just numbers on a graph – they are representative of customer churn, lost revenue, disengaged employees and brands on the brink of obsolesce. That does not have to be the case for your brand and, in fact, closing the gap on customer experience doesn't just reduce negative results – it actually drives positive financial impact back to the business.

Perhaps, we all intuitively know that a positive customer experience drives revenue, but do we truly know how to improve the customer experience? The organizations that thrive in the experience economy have realized that an intentional, and balanced, focus on their people, processes, and technologies is the only way to truly succeed. And, there are many "right" approaches to valuing people and maximizing processes, but the foundations for investing in CX and contact center technology are universal. The organizations with excellent customer experiences empower their contact centers with an omnichannel platform that leverages CRM integrations to provide agents with context on the customer journey and enable customers to seamlessly transitions from one channel to the next. Their utilizing an integrated workforce optimization tool to balance workloads, drive predictability, and maximize the efforts of every employee. Lastly, those who are doing all of this on a cloud native platform experience benefits instant and infinite scale, agility and easy integration with existing applications. They are making an upfront investment that is enabling them to experience a remarkable return on investment.

An excellent customer experience delivers real value back to the business

One of the tools that is available for determining the business value of a technology solution is Forrester's Total Economic Impact ® portfolio. When measuring the economic impact and ROI of a technology investment, TEI balances costs with three other equally significant factors: benefits, flexibility, and risk. In Forrester's Total Economic Impact study[6] of NICE inContact's CXone, the interviewed companies experienced incredible quantified benefits from the focused efforts in embracing technology to improve the customer experience.

- **Reduced cost of improved customer experience:** Companies experienced a reduced cost of customer experience that includes reduced AHT from improved routing and queuing across geographies, increased first call resolution (FCR), and optimized agent utilization.
- **Incremental gross profit:** By leveraging the CXone outbound dialer, customers no longer need agents to call customers for renewals. And, automation made it more impactful as well. This change provided the company with a 15% potential increase in retention rate and revenue
- **Reduced contact center cost:** Infrastructure refresh and maintenance costs can be avoided by migrating to NICE inContact's cloud contact center solution. This also includes disaster recovery and phone line savings.
- **A Net Present Value of $19.8 million**
- **A Return on Investment of 323%**
- **A Total Payback of $25.9 million**

NICE·inContact

The interviewed organizations also experienced the following benefits:

- **Improved customer experience and satisfaction:** One interviewed customer not only reduced AHT by 10% and improved FCR from 40% to 70%, but also improved customer satisfaction scores from 59% to 85%.
- **Enhanced self-service capabilities.** One interviewed customer systematically removed 10% to 20% of calls from live agent queues by deploying a virtual agent. Several customers noted that deploying chatbots and leveraging contact center data to develop better self-service options was a key part of their future state. Self-service tools also improved agent experience by automating repetitive tasks.

These are just a few examples of why the contact center, and more specifically, the CX-centric contact center is significantly more than an "entry level entity built for efficiency." By investing in the customer experience, driving speed, efficiency, and delivering real business outcomes, can all be realities of the contact center. It begins by breaking the paradigm that the contact center is simply a "cost center".

Overcoming the cost center stigma, however, is not a new challenge for contact centers. In particular, the contact centers that are not revenue generating fight this battle on a regular basis as they attempt to quantify how their services help the profitability of the greater organization. The new challenge for every contact center (revenue generating or not) is to have the tools, resources, and support necessary to effectively meet the needs of the always-connected, uber-informed consumer; to understand and demonstrate the numerous in which an elevated customer experience in their contact center drives value back to the organization. It is now time to build a strong business case to invest in contact centers.

NICE·inContact

References

1. The US Customer Experience Index, 2018, Forrester Research, June 2018
2. B2B Customer Experience: Winning in the Moments that Matter, David Conway
3. Future of Customer Experience, David Clarke
4. What Works Where, 2018, Jonathon Palmer
5. NICE inContact Customer Experience Transformation Benchmark Study 2017
6. Total Economic Impact of NICE CXone, Forrester Research, November 2017
7. Drive Revenue with Great Customer Experience, 2017, Forrester Research, January 2017

NICE·inContact

Transforming One-on-One Experiences in the Contact Center

NICE inContact CXone, the world's #1 cloud customer experience platform, helps organizations be first in their industry by powering exceptional experiences for customers and employees. CXone is the first and only platform unifying best-in-class Omnichannel Routing, Analytics, Workforce Optimization, Automation and Artificial Intelligence –all built on an Open Cloud Foundation. CXone helps organizations of all sizes be first and stay first, empowering your teams to move faster and work smarter. Be the first choice of customers, first to innovate, first choice employer. Only CXone delivers one unified experience, on one cloud native platform, along one proven path, from one leader.
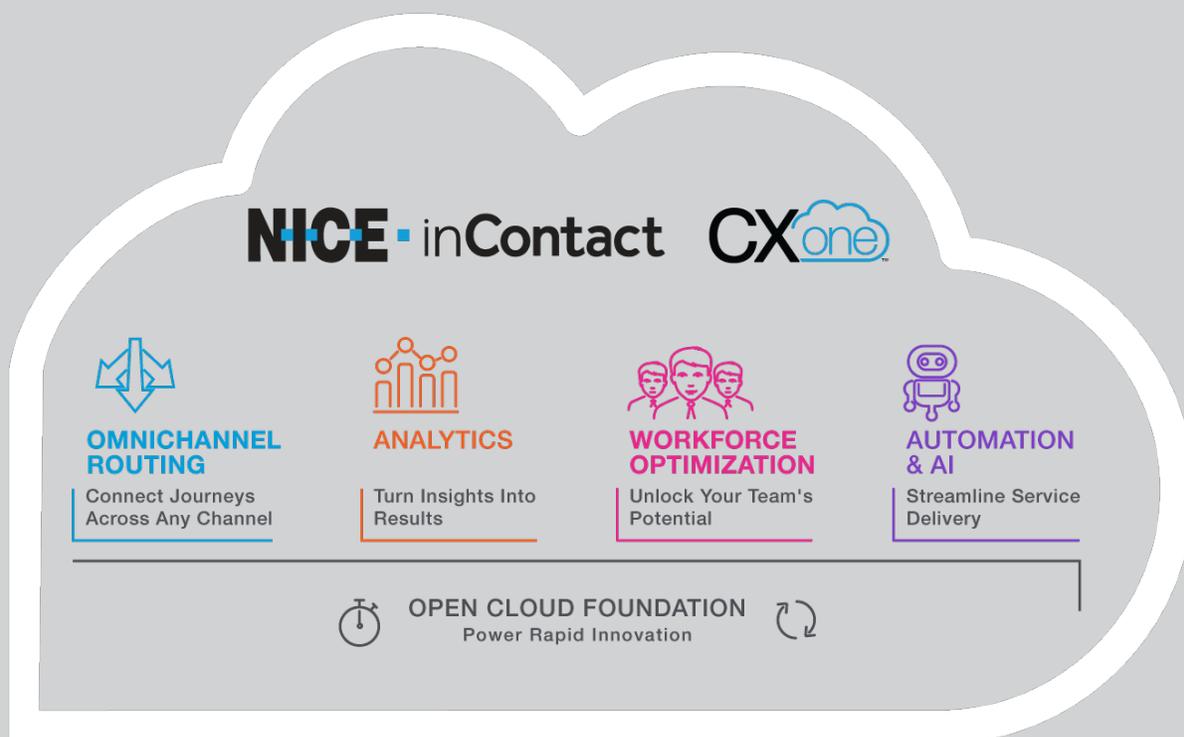
CONTACT

Americas, North America,

T +1 866-965-7227

The full list of NICE marks are the trademarks or registered trademarks of Nice Systems Ltd. For the full list of NICE trademarks, visit http://www.nice.com/nice-trademarks all other marks used are the property of their respective proprietors.

ABOUT NICE inContact

NICE inContact is the cloud contact center software leader, empowering organizations to provide exceptional customer experiences with the world's #1 cloud customer experience platform, NICE inContact CXone™. CXone combines best-in-class Omnichannel Routing, Workforce Optimization, Analytics, Automation and Artificial Intelligence on an Open Cloud Foundation to help companies act smarter and respond faster to consumer expectations. NICE inContact, a NICE company, is recognized as a market leader by Gartner, IDC, Frost & Sullivan, Ovum and DMG, and serves customers in more than 150 countries, including over 85 of the Fortune 100 companies. www.niceincontact.com

CXO0076.0818 • Contents of this document are Copyright ©

NICE·inContact