



# The Inner Circle Guide to Omnichannel (2023-24)

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The Inner Circle Guide to Omnichannel (US) – 4<sup>th</sup> edition

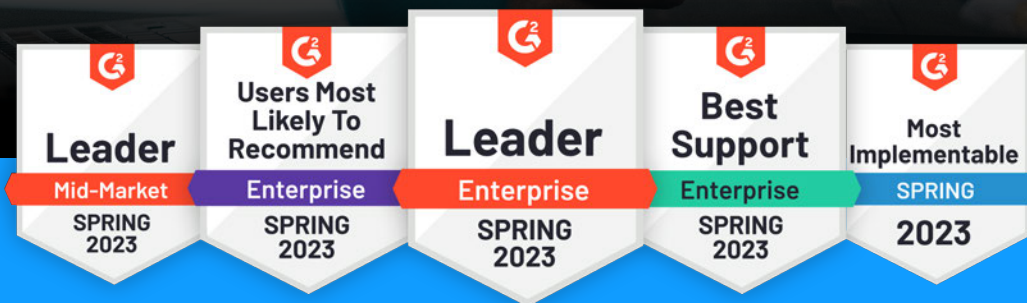
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# Google Cloud Contact Center AI Platform

Accelerate Your Contact Center Capabilities with a Secure End-to-End AI-Powered CCaaS Solution from Google



Delight your customers with human-like AI-powered contact center experiences, lower costs, and free up your human agents' time. Google Contact Center AI empowers your organization to manage multiple channels, automate and streamline workflows, and improve the agent experience all in a single platform that offers security and privacy, along with unified data.

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## ABOUT THE INNER CIRCLE GUIDES

The Inner Circle Guides are a series of analyst reports investigating key customer contact solutions. The Guides aim to give a detailed and definitive view of the reality of the implementing and using these technologies, an appraisal of the vendors and products available and a view on what the future holds.

The Inner Circle Guides are free of charge to readers. Sponsors have **not** had influence over editorial content or analyst opinion, and readers can be assured of objectivity throughout. Any vendor views are clearly marked as such within the report.

There are Inner Circle Guides to:

- Agent Engagement & Empowerment
- AI, Chatbots & Machine Learning
- AI-Enabled Self-Service
- Cloud-based Contact Center Solutions
- Customer Engagement & Personalization
- Customer Interaction Analytics
- First-Contact Resolution
- Fraud Reduction & PCI DSS Compliance
- Next-Generation Technology
- Omnichannel
- Omnichannel Workforce Optimization
- Outbound & Call Blending
- Remote & Hybrid Working Contact Center Solutions
- Voice of the Customer.

These can be downloaded free of charge from <https://www.contactbabel.com/research>.

The statistics within this report refer to the US industry, unless stated otherwise. There is a version of this report available for download from <https://www.contactbabel.com/research> with equivalent UK statistics and findings.

“Small” contact centers are defined in the report as having 50 or fewer agent positions; “Medium” 51-200 agent positions; and “Large” 200+ agent positions.



# SUPPLIER DIRECTORY



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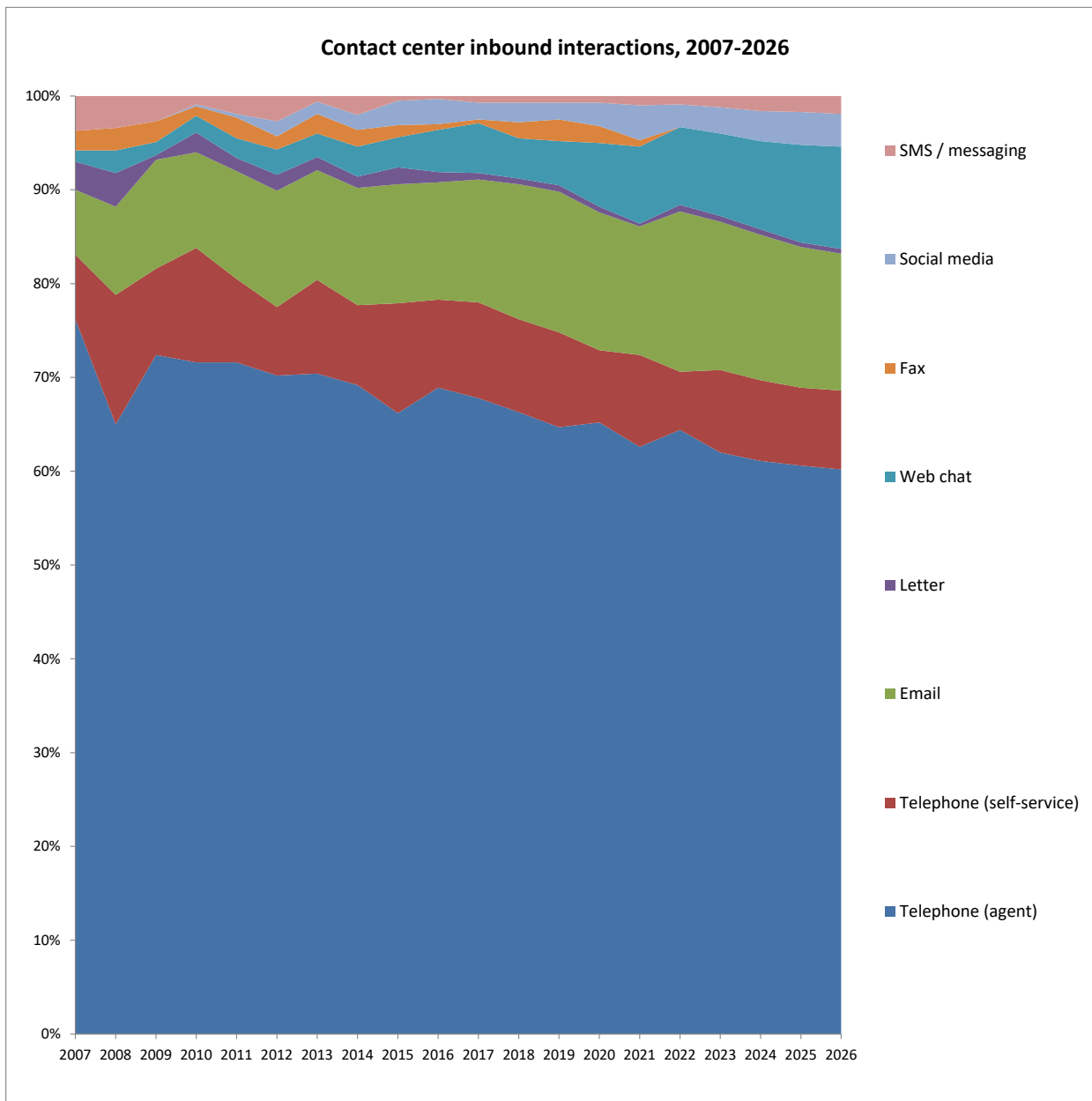
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## CHANNEL USAGE: PAST, PRESENT AND FUTURE

The following chart shows the proportion of inbound interactions by channel since 2007, with predictions shown until the end of 2026. The most obvious thing to note is that telephony has declined from over 75% to around 65%, and that email and web chat have risen considerably, followed to a lesser extent by social media. Non-telephony communication accounts for over one-third of inbound interactions in US contact centers, showing that the capability to handle both voice and non-voice communication effectively is vital for the industry: hence the need for omnichannel.

Figure 1: Contact center inbound interactions by channel, 2007-2026 (projection)



Year / Channel	Telephone (agent)	Telephone (self-service)	Email	Letter	Web chat	Fax	Social media	SMS / messaging
2007	76.2%	6.9%	6.9%	3.0%	1.2%	2.1%	0.0%	3.7%
2008	65.0%	13.8%	9.4%	3.6%	2.4%	2.4%	0.0%	3.4%
2009	72.4%	9.2%	11.6%	0.5%	1.4%	2.2%	0.0%	2.7%
2010	71.6%	12.2%	10.2%	2.1%	1.8%	1.0%	0.2%	0.9%
2011	71.6%	8.9%	11.5%	1.4%	2.1%	2.2%	0.4%	1.9%
2012	70.2%	7.3%	12.4%	1.7%	2.7%	1.4%	1.6%	2.7%
2013	70.4%	10.0%	11.7%	1.4%	2.5%	2.1%	1.3%	0.6%
2014	69.2%	8.5%	12.5%	1.2%	3.2%	1.8%	1.6%	2.0%
2015	66.2%	11.7%	12.7%	1.8%	3.2%	1.3%	2.6%	0.5%
2016	68.9%	9.4%	12.5%	1.1%	4.5%	0.6%	2.7%	0.3%
2017	67.8%	10.2%	13.1%	0.7%	5.3%	0.4%	1.8%	0.7%
2018	66.3%	9.9%	14.4%	0.6%	4.3%	1.7%	2.1%	0.7%
2019	64.7%	10.1%	15.0%	0.7%	4.7%	2.3%	1.8%	0.7%
2020	65.2%	7.7%	14.7%	0.6%	6.8%	1.8%	2.5%	0.7%
2021	62.6%	9.8%	13.7%	0.3%	8.2%	0.7%	3.7%	1.0%
2022	64.4%	6.2%	17.1%	0.7%	8.3%	0.0%	2.4%	0.9%
2026	60.2%	8.4%	14.6%	0.5%	10.9%	0.0%	3.5%	1.9%

Live agent telephony will continue its gentle decline in terms of the proportion of interactions handled. Although older demographics become more comfortable with using it, email will decline slightly to around 14-15% of inbound interactions by the end of 2026, as there are more effective and quick digital channels to use in its place.

Web chat enjoyed a major increase in 2020 and 2021 and will continue to become mainstream, led by the retail sector, where the opportunity to ask a quick question in real time can dramatically improve the conversion rate of online baskets, something that the US leads in. Telephony self-service will maintain its volumes, with implementations of visual IVR, which allow businesses to put a visual front-end on existing systems, offering the option to improve the customer experience.

The use of social media as a customer service channel will remain niche except for specific younger demographics communicating with companies which actively promote this digital channel to their consumer base. The use of messaging and SMS will increase and we would expect to find some video calls being made by 2026.

The number of inbound calls that agents handle is predicted to decrease by 0.8% year-on-year in the next four years: while the easier, more transactional contacts will be increasingly handled through AI-enabled web self-service (with the average voice interaction becoming a more complex process, requiring longer to handle successfully), the increasing customer expectations, growth in multifunctional smartphones and other devices and the automated support of digital channels will serve the pent-up customer demand for immediate support.

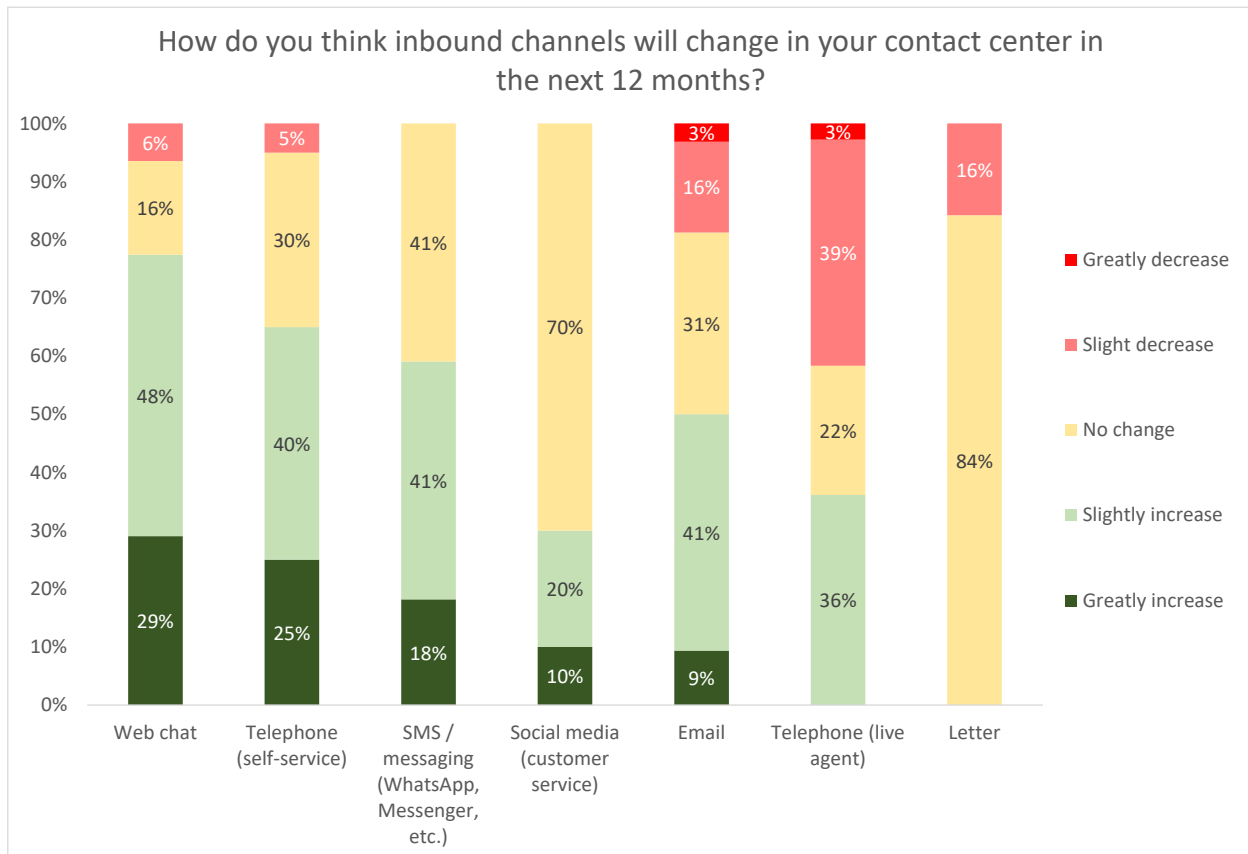
However, there will continue to be strong relative growth in social media and web chat interactions (although the former is from a very low base), supporting the online browsing sessions which require assistance, with email becoming a trusted solution for non-urgent and more complex requests that might historically have required a letter to be sent (e.g. in the case of a detailed complaint).

Figure 2: Relative changes in inbound channels, 2022-2026

Inbound channel	Compound annual growth rate (CAGR), 2022-2026 (number of interactions)
Social media	10.9%
Web chat	8.0%
Telephone (agent)	-0.8%
Email	-3.0%
Telephone (self-service)	8.9%
Total inbound interactions	0.9%
Total inbound agent positions	-0.4%
NB: total inbound interactions does not include web self-service	

A question was asked to survey respondents from over 200 US businesses about how each inbound channel will change, allowing us to judge if any alterations in the use of channels is due to real changes at a contact center-level, or is more of a statistical blip caused by a different set of respondents providing data each year.

Figure 3: How do you think inbound channels will change in your contact center in the next 12 months?



As usual, the traditional media of letters will have a slight net decline in our respondents' eyes. More respondents believed the live telephony channel volumes would decrease (42%) than thought they would increase (36%), which is a reverse on recent years' findings, although the net effect is fairly even.

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. Strong growth is once again expected in web chat customer service interactions, with email volumes still predicted to grow although at a lower rate than previous years. Messaging – which includes SMS but which will mainly be driven by WhatsApp and Messenger – is expected to show rapid growth.

The rise of non-telephony channels suggests that these are becoming increasingly popular with customers. However, individual channels may work well in isolation, but to provide consistently good customer experience, they must be seamlessly linked as part of an omnichannel strategy.

## DRIVERS FOR OMNICHANNEL

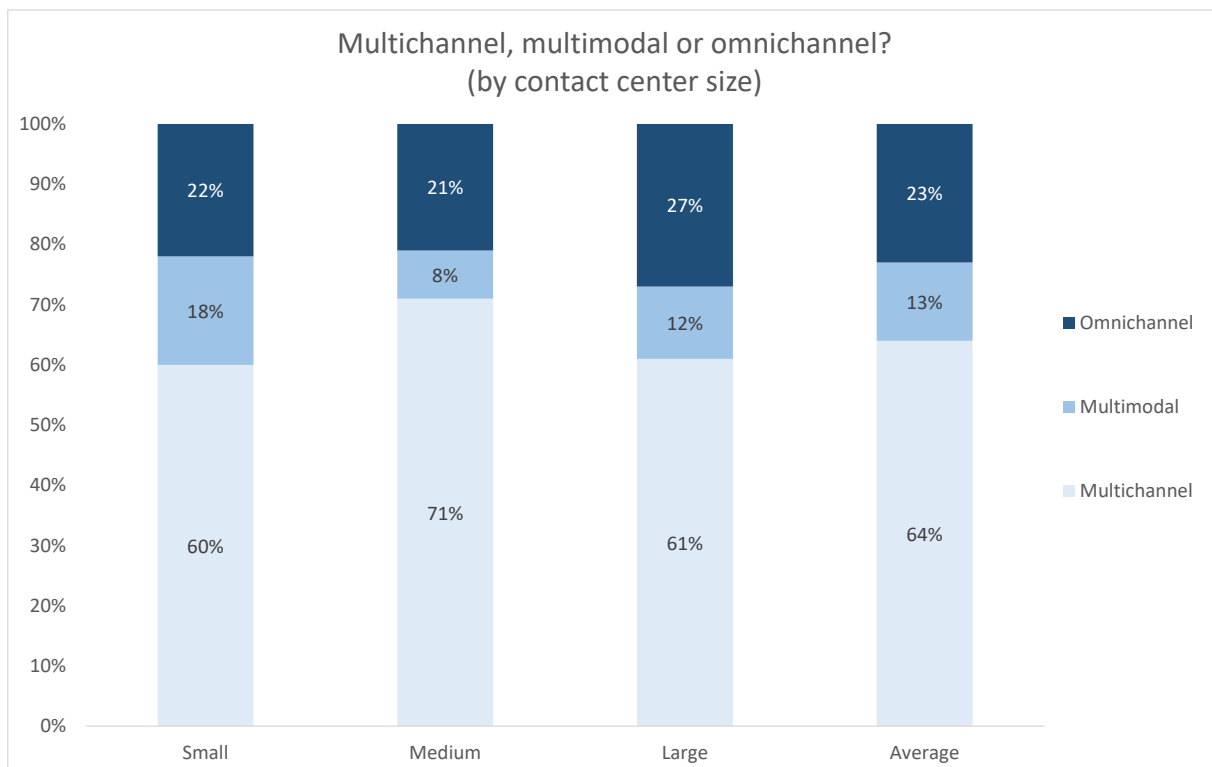
### WHAT IS OMNICHANNEL?

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 the purposes of describing how far along the omnichannel process our survey respondents are, those who offer multiple communication channels to customers were asked to place themselves into one of three categories:

- **Multichannel:** “We offer a choice of channels to customers (i.e. several of voice, email, social media, web chat), from which they can use one in a single interaction. If they change channel, the context and history is lost”
- **Multimodal:** “We offer a choice of channels, and customers can use more than one in the same interaction (e.g. an agent can send an email or SMS to a customer while they are talking on the phone)”
- **Omnichannel:** “We offer a choice of channels, and can use more than one over multiple interactions, while retaining the history and context of the original enquiry. Relevant information follows the customer across channels and interactions”.

Figure 4: Multichannel, multimodal or omnichannel? (by contact center size)



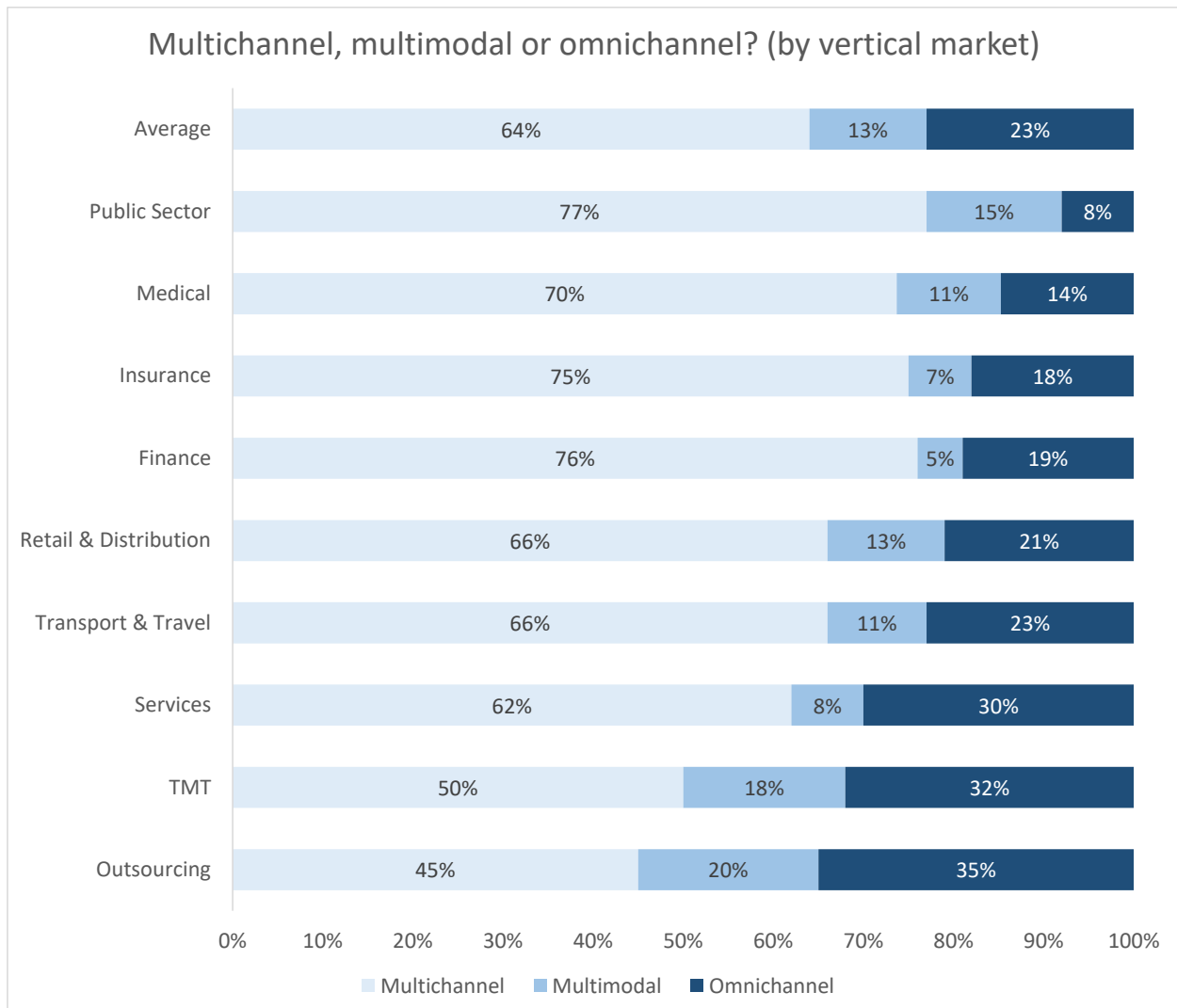


23% of respondents described themselves as omnichannel, with 13% assessing themselves as multimodal and 64% multichannel (compared to last year's figures of 22%, 12% and 66% respectively).

Mid-sized operations were less likely to describe themselves as either omnichannel or multimodal: smaller operations tend to have a higher proportion of digital interactions than larger operations and can often move more nimbly than large contact centers, whereas the largest operations will tend to have greater levels of investment in technology and business processes.

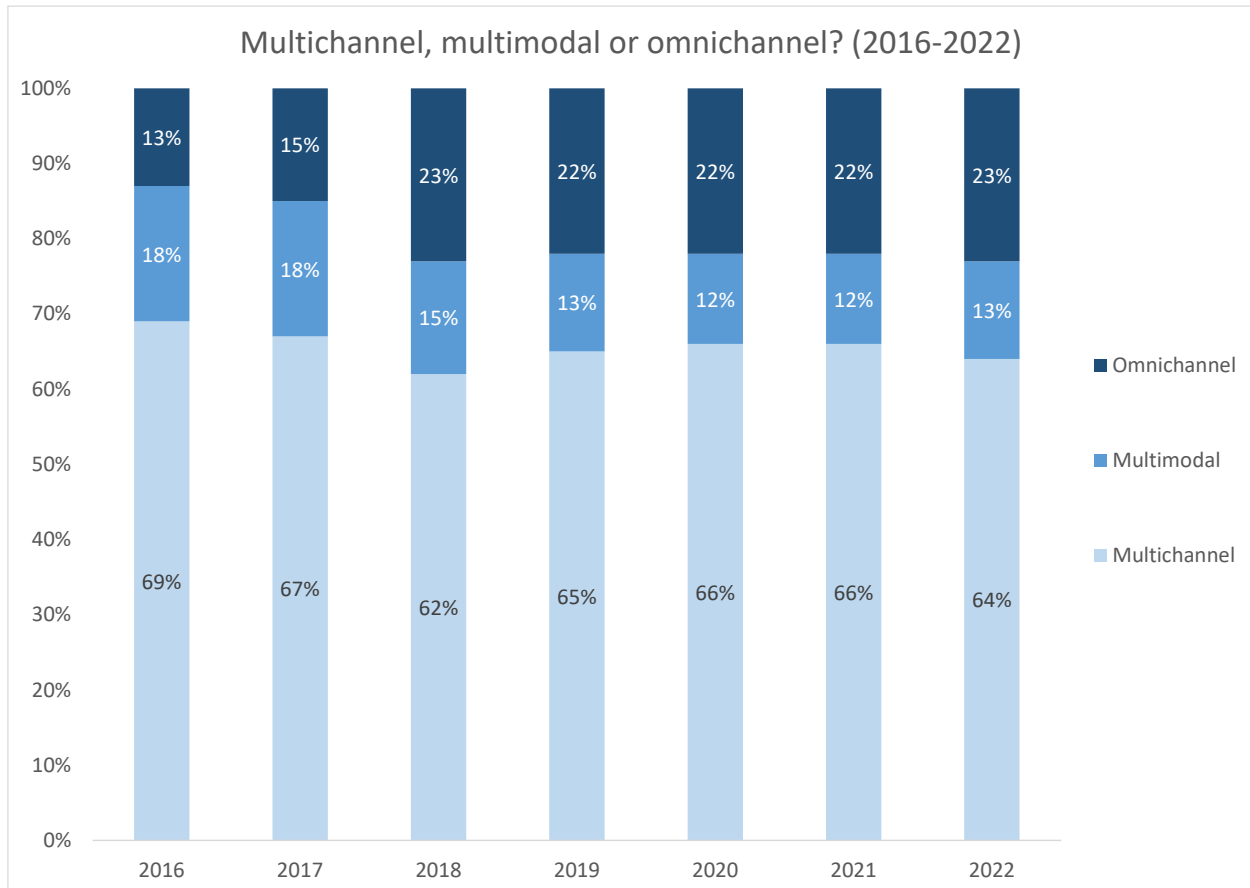
At a vertical market level, outsourcing and TMT respondents were most likely to describe their operations as omnichannel. Few respondents from the medical or public sectors describe themselves as omnichannel.

Figure 5: Multichannel, multimodal or omnichannel? (by vertical market)



Looking at historical data, it seems as though there has been a certain stalling in the move to omnichannel amongst survey respondents since 2018.

Figure 6: Multichannel, multimodal or omnichannel? (2016-2022)



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## Supercharge Your Customer and Agent Experience

Delight your customers with human-like AI-powered contact center experiences, lower costs, and free up your human agents' time. Google Contact Center AI empowers your organization to manage multiple channels, automate and streamline workflows, and improve the agent experience all in a single platform that offers security and privacy, along with unified data.



### Multimodal, Omnichannel Customer Experience

Use Web & Mobile (iOS & Android) SDKs to deliver better support experiences across all channels for a consistent customer experience.



### AI-Driven Routing

Improve your operational efficiency with contact deflection, predictive routing, and improved agent productivity. Reduce average handle time by providing deep interaction context and turn-by-turn interaction guidance based on customer sentiment and intent.



### Visual IVR

Provide customers with self-service options via Web or Mobile interfaces.



### Embeddable Experiences

Embed the entire customer journey into your app, including interacting with agents, sharing digital media, and making secure payments.



### Inbound and Outbound Voice, SMS, and Chat

Enable agents to handle multiple channels simultaneously and pivot between channels during an interaction without loss of context.



### Intelligent Forecasting and Scheduling

Increase operational efficiencies across all channels and improve agent engagement and customer satisfaction by deploying workforce management tools built for the cloud.



“Fitbit relies on Google Cloud and UJET to provide support to our customers with a mobile-first approach. This collaboration, in combination with a strong Salesforce integration, has helped us modernize our entire customer support experience.”

**Cassandra Johnson**

VP, Devices & Services Customer Care & Vendor Mgt. Office  
Google (Fitbit Parent Company)

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## CUSTOMER DRIVERS FOR OMNICHANNEL

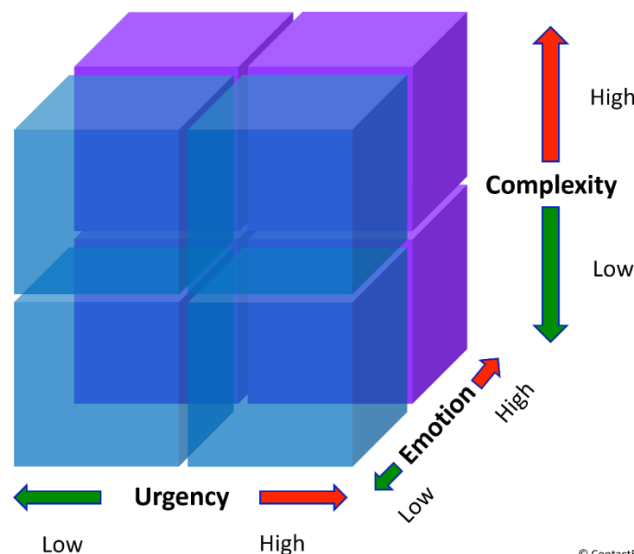
The two main factors influencing contact centers within any vertical market are the need to provide profitable (or at least, cost-managed) service, and customers' preferences for contacting organizations.

It is not only the nature of the specific business 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 organization that is being contacted: 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 CHANNEL OF CHOICE

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 analyze 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



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Using this 2x2x2 cube as a structure, there are eight types of interaction: combinations 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 organizations and customer types.

Figure 7: 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	Self-service	Email
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; 911	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 interactions<sup>1</sup>, 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 through sentiment analysis, flagging this up to the agent within the call. In any case, if the customer has already tried two or three other channels without success, it might be thought that even the most competent and empathetic agent will find it difficult to turn the moment of truth around positively. However, the 'peak-end' rule, a psychological finding where we recall a memory based upon how we felt at a peak (or trough) moment as well as how we felt at the end of the situation biases the memory of the overall experience, and gives live agents a chance to rescue even particularly poor customer experiences.

For more information on this and other customer engagement methods, please download "The Inner Circle Guide to Customer Engagement & Personalization", free from [www.contactbabel.com](http://www.contactbabel.com).

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

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 center. 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 center 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, technology 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 center is 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 key points in the customer journey.

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 center), involving alternatives, connections and payments. If, on missing the last call for the plane, the customer were immediately provided with an SMS, message 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.

Our recent survey of 1,000 US consumers attempts 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:** for example, a complaint or having to return an incorrect item they were looking forward to receiving.

**High urgency:** for example, checking the arrival time of a plane or train from which they were meeting someone.

**High complexity:** for example, difficulties completing a tax return or mortgage application form.

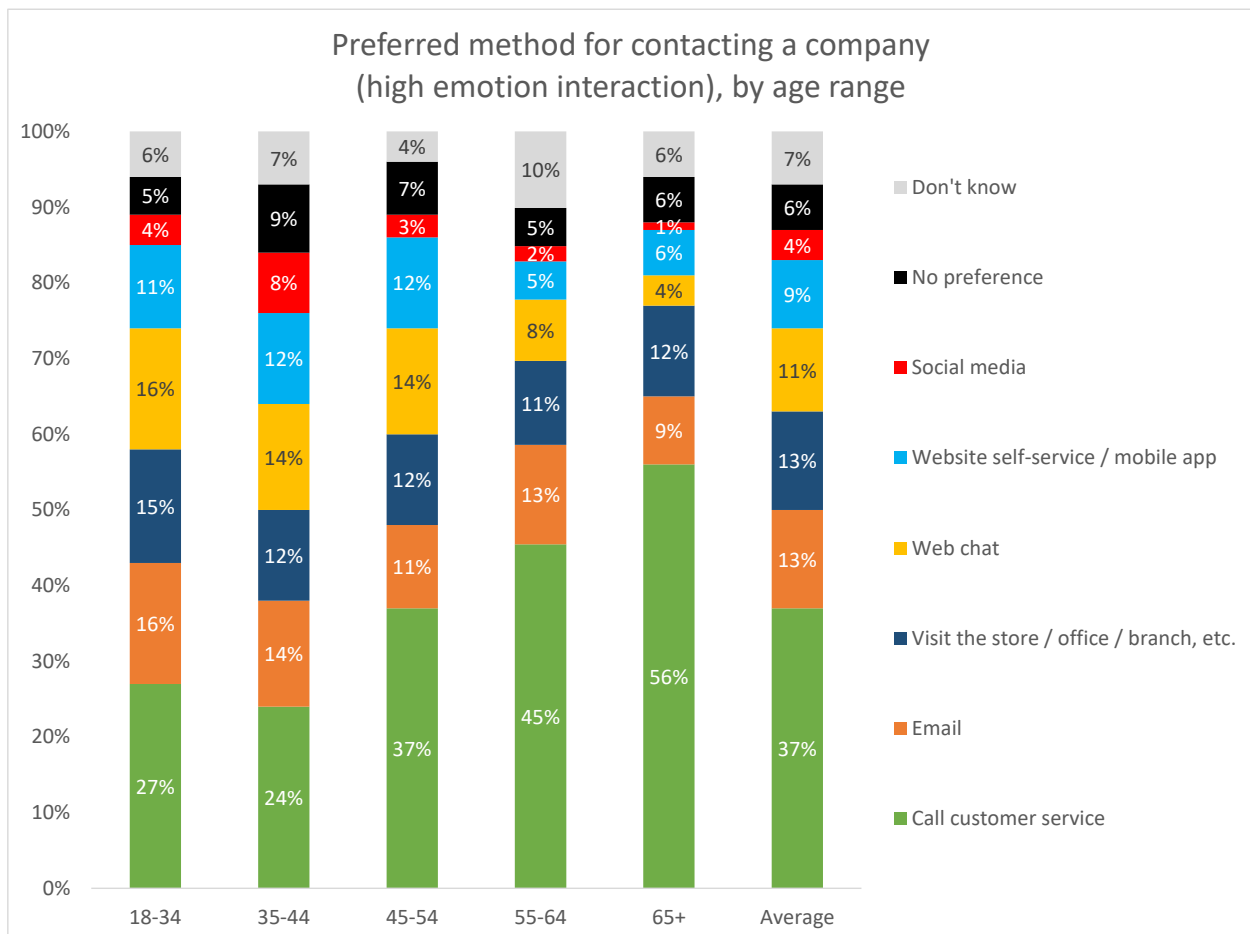
## HIGH EMOTION INTERACTIONS

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 phone the contact center, with 37% of respondents choosing this method. The second most popular, at 13%, were email and physically visiting the store or office.

There was a strong pattern based on the age of the survey respondent and their preferred channel: the younger demographics were most likely to send an email, use web chat or web self-service, whereas the older generations would pick up the phone. Amongst the under 45-year-olds, there was some preference for using social media.

Figure 8: Preferred method for contacting a company (high emotion interaction), by age range





## HIGH URGENCY INTERACTIONS

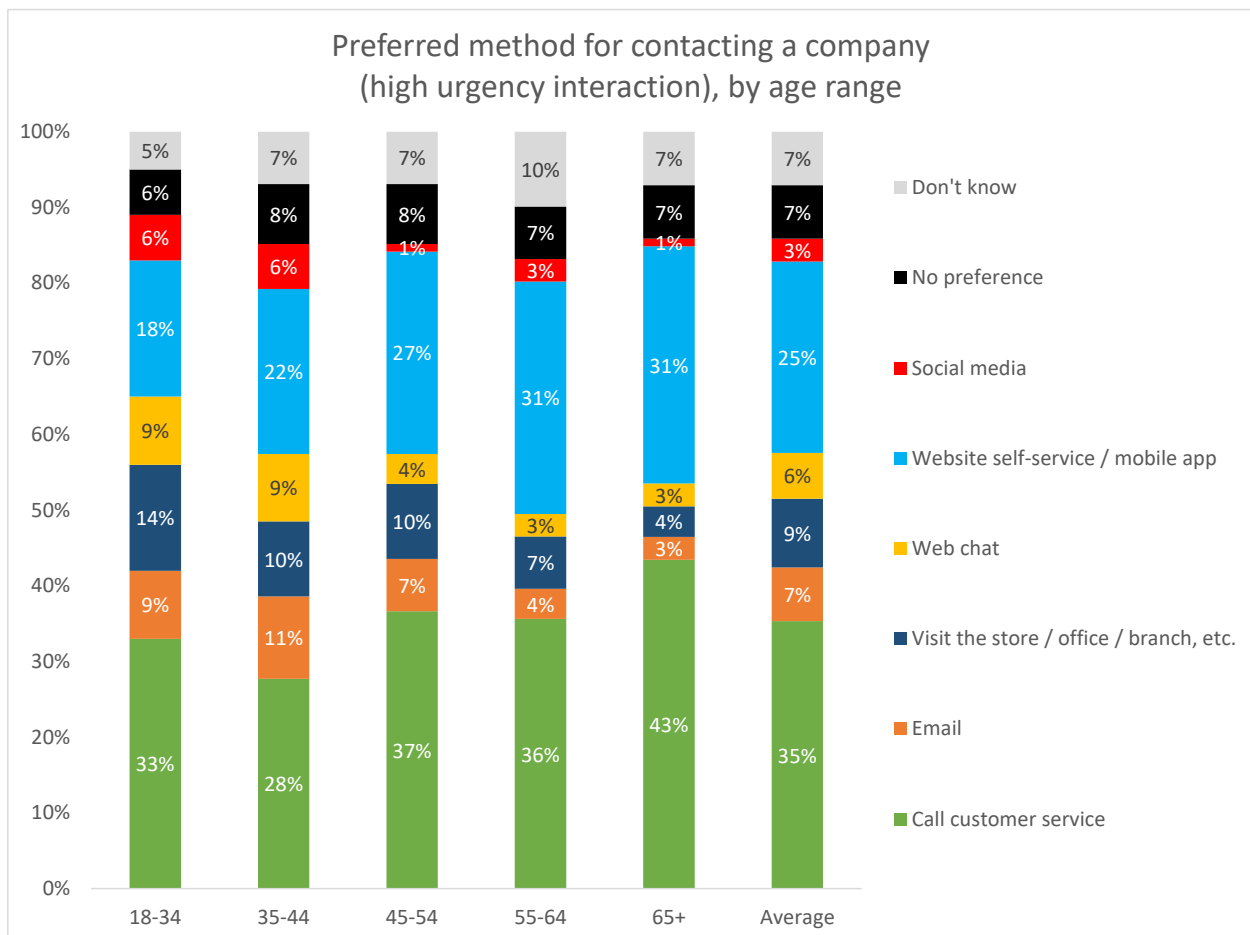
Survey respondents were asked which would be their preferred channel of choice in a situation where they were meeting somebody from a plane and urgently needed to confirm the time at which to be at the airport.

Usually, the most popular channel is web self-service/mobile app, but the past two years have shown a strong move towards live telephony.

Amongst older demographics, calling the contact center was seen as a preferred option, with these respondents also being more likely to use self-service.

Despite the immediacy offered by web chat and social media channels, few older respondents stated that these would be their preferred method of interaction even in high urgency cases. The younger demographics were much more likely to use social media, web chat and email.

Figure 9: Preferred method for contacting a company (high urgency interaction), by age range



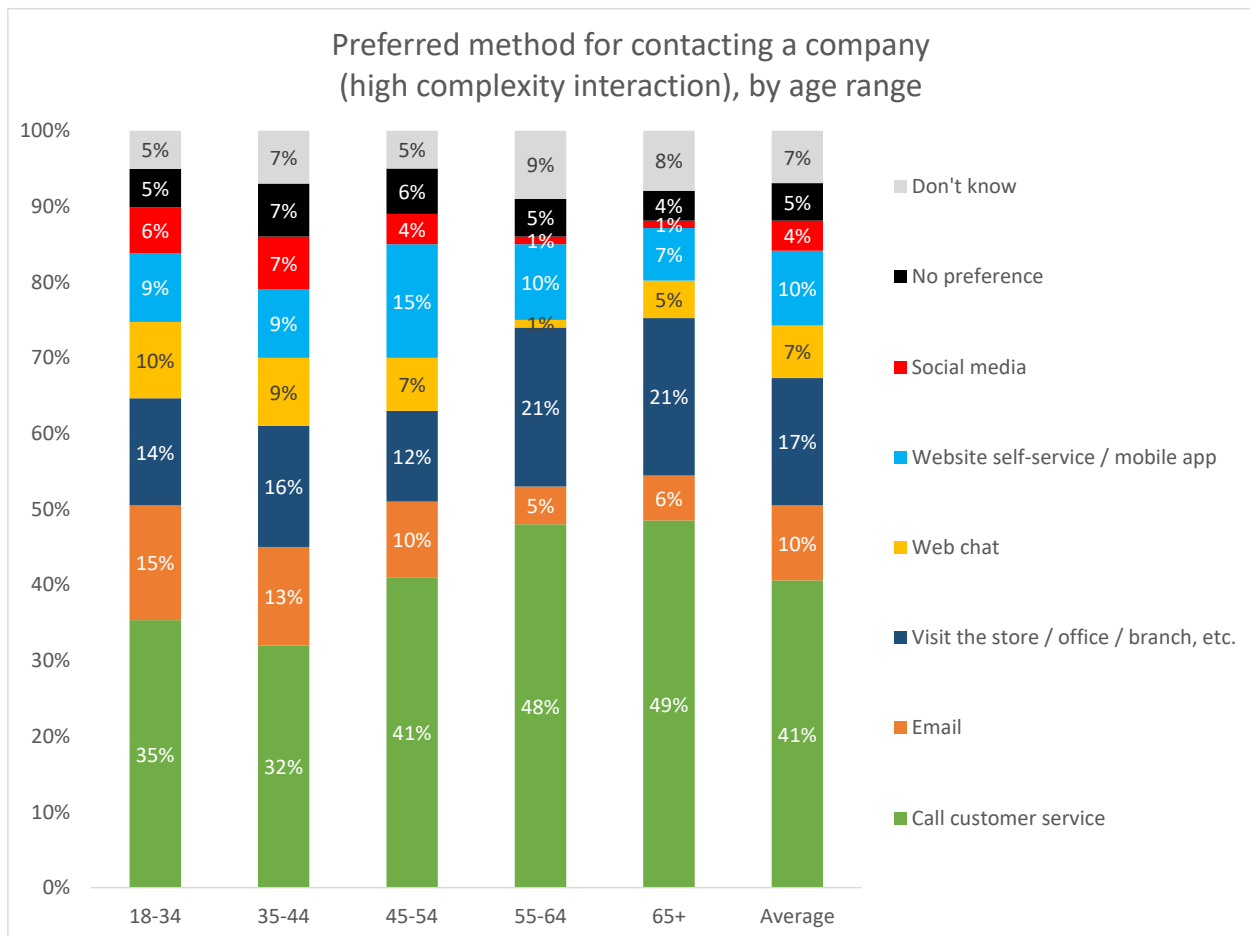
## HIGH COMPLEXITY INTERACTIONS

For highly complex interactions, such as getting guidance with a tax form or mortgage application, the most popular contact choice was phoning the contact center, especially amongst older customers.

A physical visit to an office or branch was far more popular in pre-pandemic times, especially with the oldest demographic which chose this option in 25% of cases in 2019: 21% of the oldest age group now feel this is the best method to use, up from only 11% in 2020 which suggests that these people are becoming more adventurous again.

It is noticeable that web self-service is less popular for complex interactions than for urgent enquiries. Web chat, email and social media again figure to some extent in the youngest age groups.

Figure 10: Preferred method for contacting a company (high complexity interaction), by age range



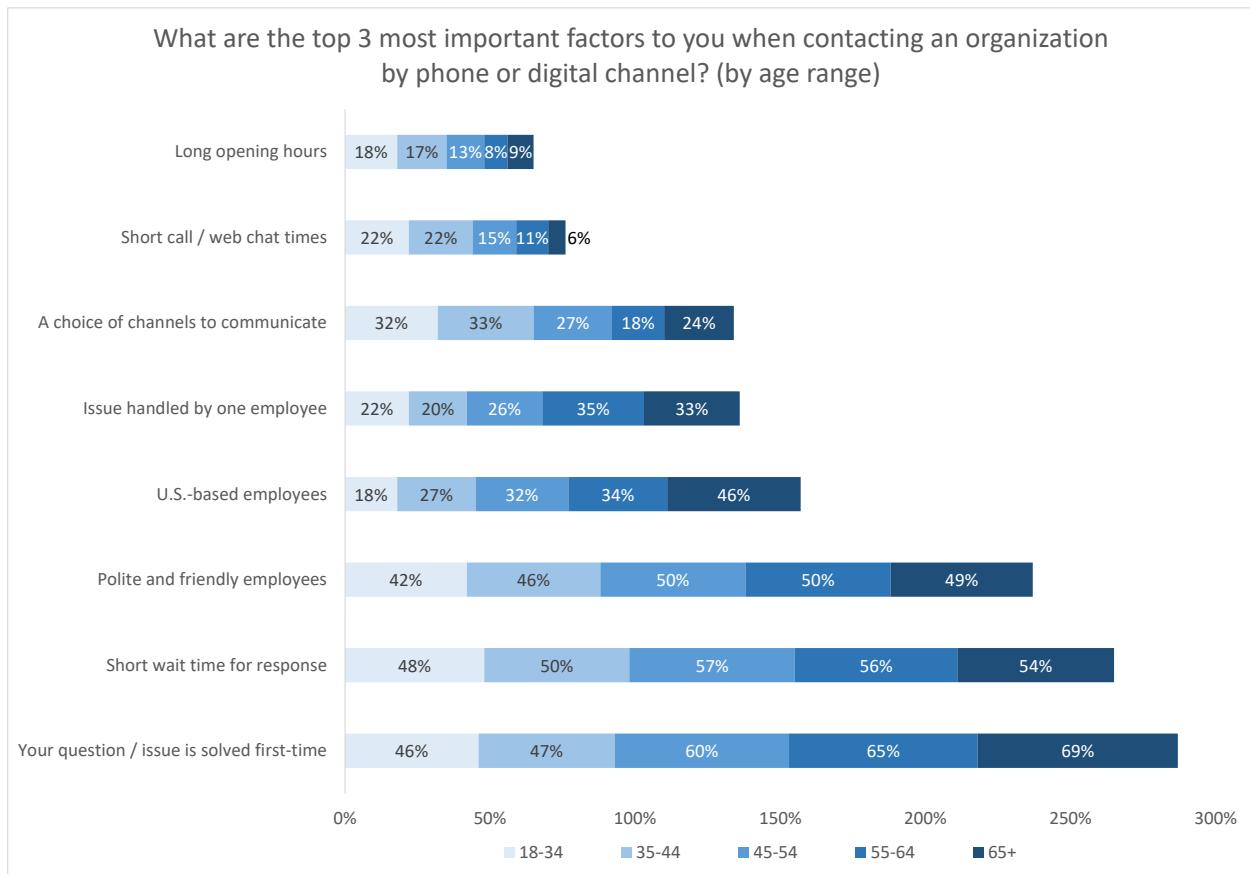
Despite the preference for telephony in all three of these scenarios, the channel does not have a majority in any of them. The general fact remains that customers don't usually want to pick up the phone in the first instance, and yet they do. The challenge for businesses is being able to understand not only how their customers want to engage with them, but also why and when.

## OMNICHANNEL AND THE CUSTOMER EXPERIENCE: THE VIEW FROM THE CUSTOMER

ContactBabel commissioned the research firm [Engine Group](#) to carry out a survey of 1,000 US consumers. One of the purposes was to identify what were the most important customer experience factors when contacting an organization.

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

**Figure 11: What are the top 3 most important factors to you when contacting an organization by phone or digital channel? (by age range)**



The chart above 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, 55% of the youngest age group (18 to 34 years old) stated that first-contact resolution was one of their top three most important factors, whereas 71% of the oldest age group (over 65 years old) placed this in their top three.

When considering 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 US-based employees.

Younger customers place more importance on longer opening hours, and are also more likely to value having a choice of ways to communicate with the organization. Further evidence for this age group's valuing of its time can be seen in somewhat higher importance being placed upon short call/web chat duration, although a short queue/wait time is valued by all age groups.

At first glance, omnichannel / multichannel does not seem to place particularly highly – 'having a choice of ways to communicate' is only placed in the top 3 CX factors by around 25-30% of consumers (although it is more important than it was in 2018 when the first of these surveys was done). However, omnichannel is vital to the most important factor of all – having the issue resolved first-time – as true omnichannel provides a single view of the customer across channels, allowing seamless movement between channels without changing agents, losing context or making the customer repeat themselves.

## BUSINESS DRIVERS FOR OMNICHANNEL

### CHEAPER COST OF SERVICE?

Businesses want to balance quality with cost. Profitability is always at the forefront of any decision for commercial organizations, and the uptake of automation and digital channels promised high-quality service at a fraction of the cost of a phone call.

Looking at figures from hundreds of US contact centers, it seems fair to say that although there is some cost differential between telephony and the digital channels, it is by no means dramatic.

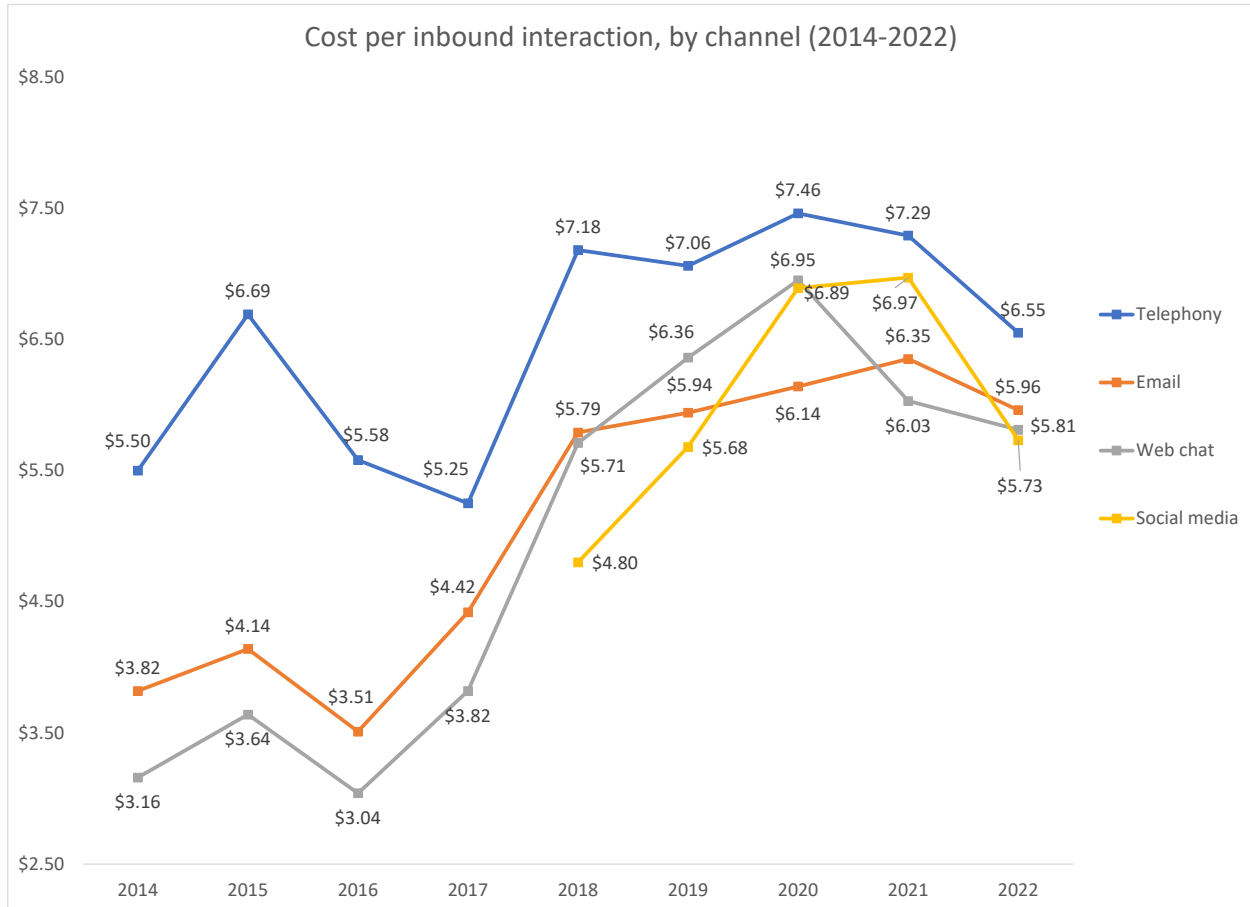
One of the main reasons for this is that there is still a relatively low level of automation being used in many businesses. For emails, it is also the case that if the query is not answered satisfactorily within a single response, the time and cost associated with multiple replies and possibly phone calls is soon greater than if the customer had simply called in the first instance.

Figure 12: Cost per inbound interaction (phone, social media, email & web chat)

Channel	Mean	1st quartile	Median	3rd quartile
Phone	\$6.55	\$8.00	\$5.25	\$3.00
Email	\$5.96	\$7.00	\$4.00	\$3.00
Web chat	\$5.81	\$8.58	\$5.00	\$3.00
Social media	\$5.73	\$9.00	\$3.00	\$2.00

Despite some uptake in automation, social media and web chat costs have only just begun to dip in cost, while more established channels such as telephony and email – which require live input from agents and may well be complex – have remained fairly steady for some years.

Figure 13: Cost per inbound interaction, by channel (2014-2022)



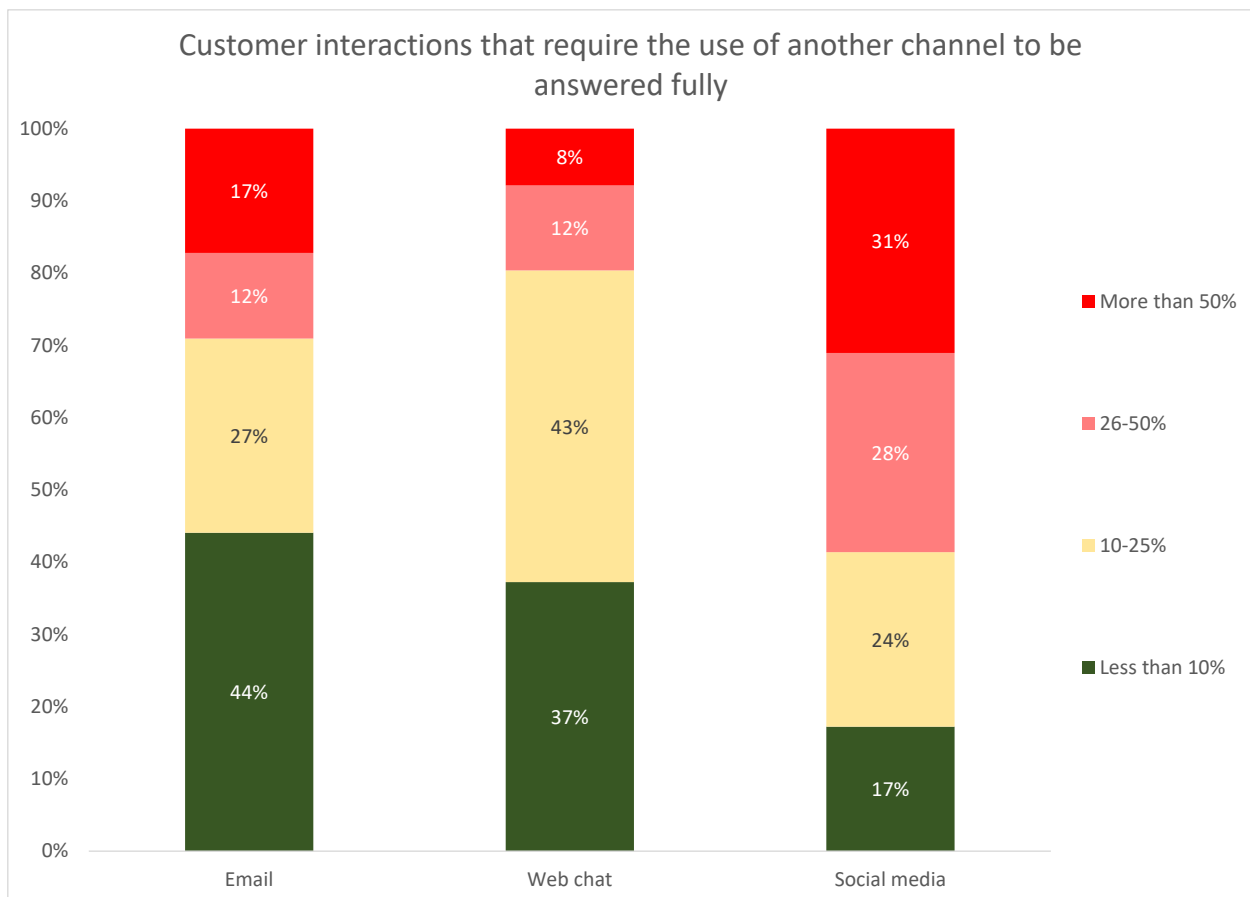
## PROVIDING A BETTER CUSTOMER EXPERIENCE ACROSS CHANNELS

The importance of having an integrated omnichannel solution can be seen through the importance that customers place upon not having to re-explain issues or re-enter information if they have to move between channels to complete an interaction with a business, with recent research showing this as becoming a much more important factor in customer experience.

Having identified a seamless transition between channels as being of growing importance, the chart below shows that using multiple channels is still a common requirement for many customers and interactions. 44% of respondents state that more than 90% of emails can be handled over that specific channel, with a figure of 37% for web chat, and only 17% for social media.

In fact, 31% of survey respondents state that more than half of the social media requests they receive require another channel to resolve them effectively, highlighting the previous finding that customer satisfaction is increasingly affected by whether the customer has to repeat issues across different channels. Omnichannel aims to provide a seamless transition between channels, and is ever more necessary to provide a superior customer experience.

Figure 14: Customer interactions that require the use of another channel to be answered fully

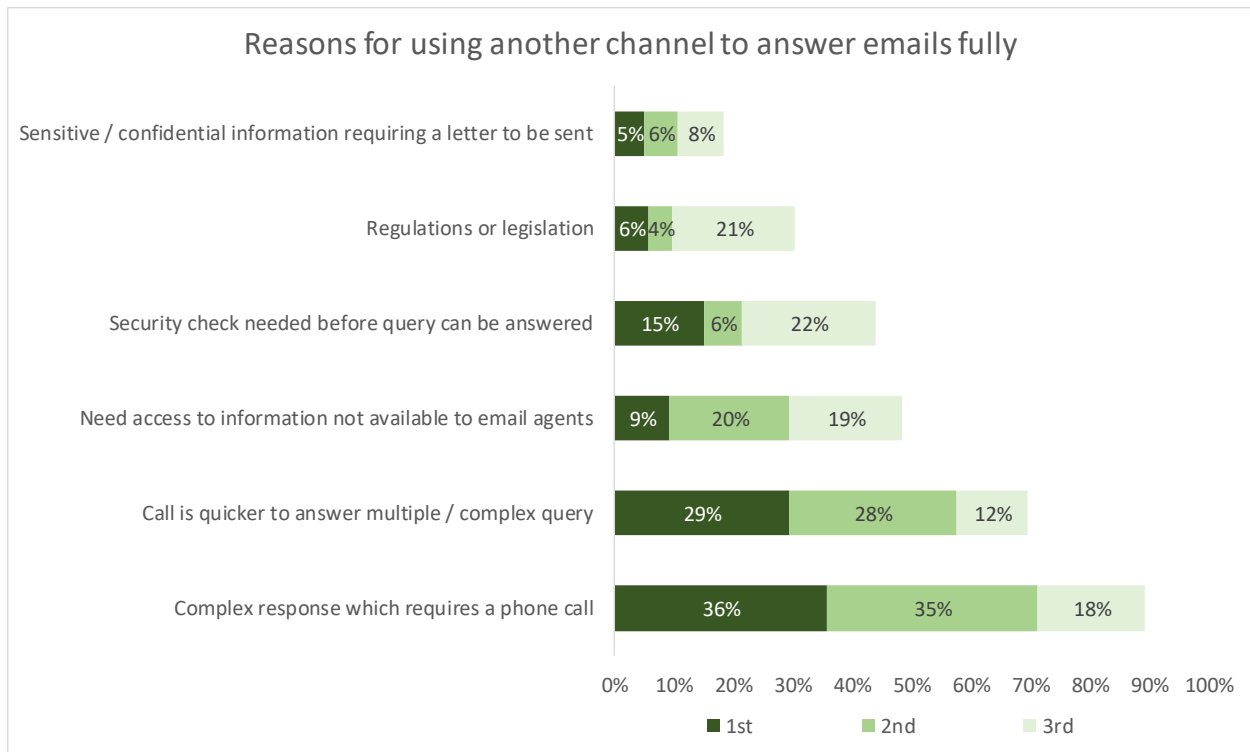


A follow-up question was asked about the reasons for using another channel. While this question specified the email channel, it is likely to apply to other digital channels as well as they face many of the same challenges.

There were two clear, interlinked reasons for requiring other channels to answer an email request fully: the multiple, back-and-forth nature of the queries are quicker to answer on a call; and complex issues are better handled with a phone call rather than an email.

The ability to take customer through security checks more easily in a different channel was also considered important by 43% of respondents, and 48% considered that email agents do not always have access to the sources of information that they need to answer the question fully.

Figure 15: Reasons for using another channel to answer emails fully





## THE OUTBOUND OPPORTUNITY

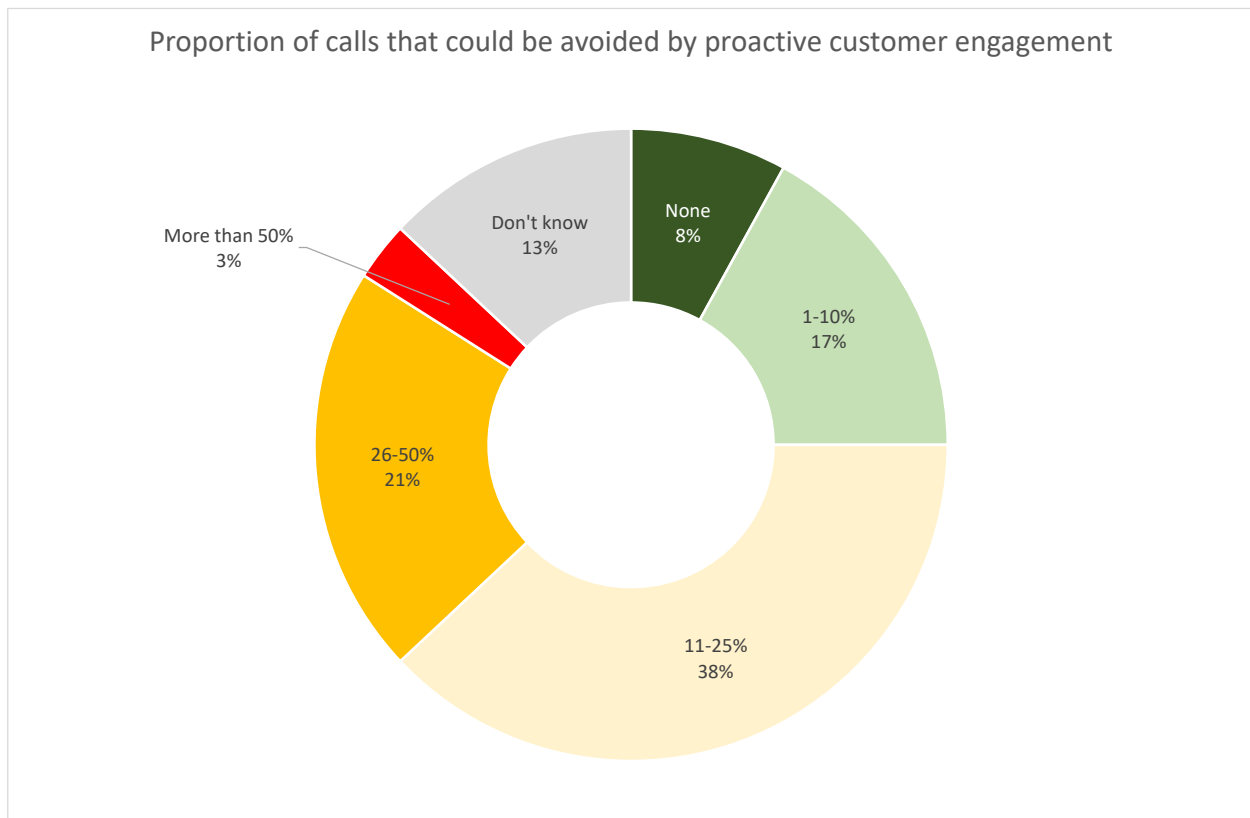
It is important to note that omnichannel isn't simply about managing inbound interactions. Identifying opportunities for proactive outbound customer contact allows businesses to avoid unnecessary inbound calls while improving the customer experience, in that they are presented with useful information without having to make any effort.

Survey respondents were asked what proportion of inbound calls could be avoided by engaging the customer before they felt the need to call the business.

24% of contact centers reported that more than a quarter of their inbound calls could be avoided if more proactivity was used, which would make a huge difference to costs (especially through automated outbound communication), as well as having a positive effect on customer experience.

Businesses should be encouraged to analyze the type of interactions that they receive into their contact center, and to see if there is a cost-effective way of proactively handling these. The opportunity is certainly there for the industry as a whole to manage the inbound demand more effectively than is being done so at the moment.

Figure 16: Proportion of calls that could be avoided by proactive customer engagement



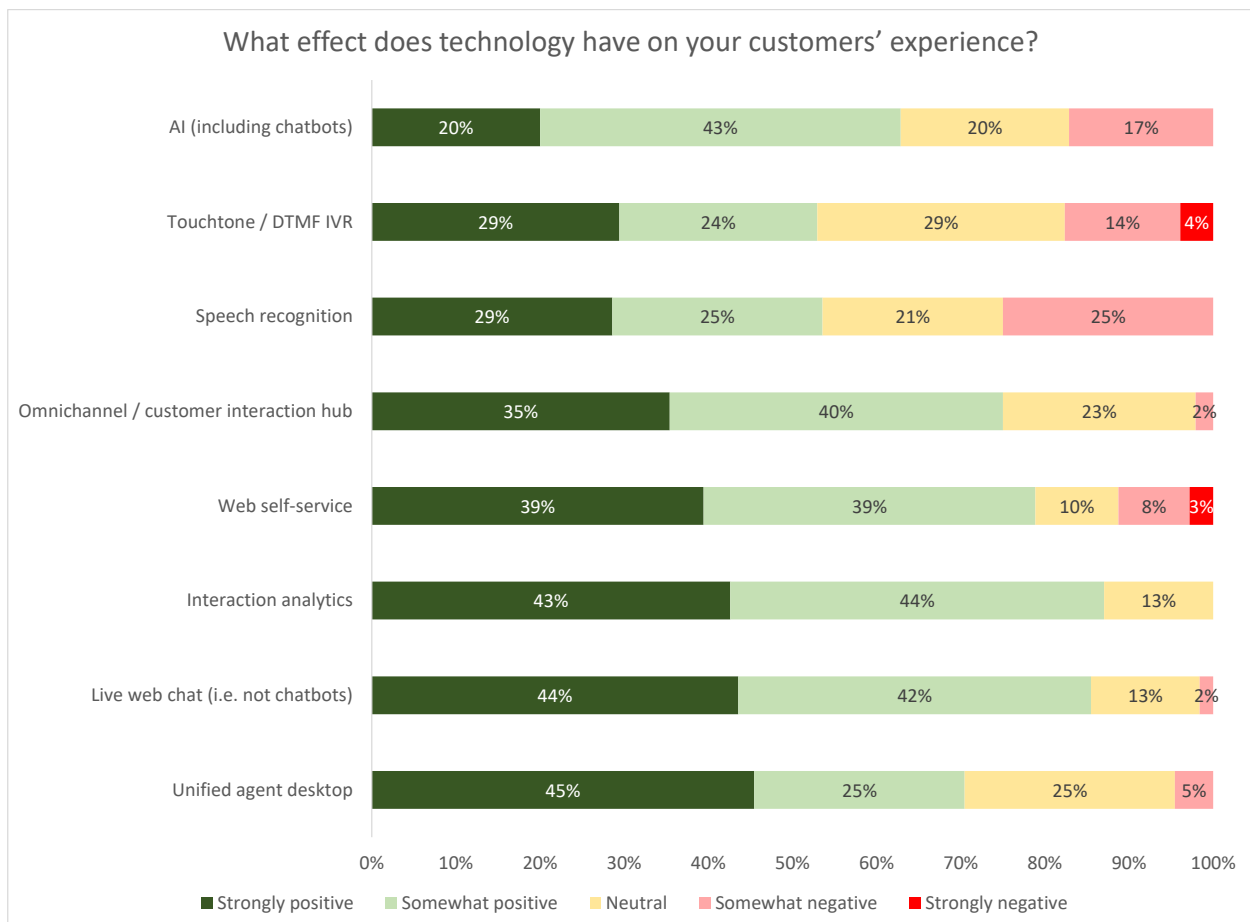
## OMNICHANNEL AND THE CUSTOMER EXPERIENCE: THE VIEW FROM THE BUSINESS

Businesses were asked about the effect that the technology that they used had on their customers' experience.

Generally, they are seen as providing a positive experience for customers, although IVR has a more polarizing view. (Only survey respondents that actually used these technologies were included in this analysis).

75% of respondents felt that having an omnichannel approach had a positive effect on the customer experience.

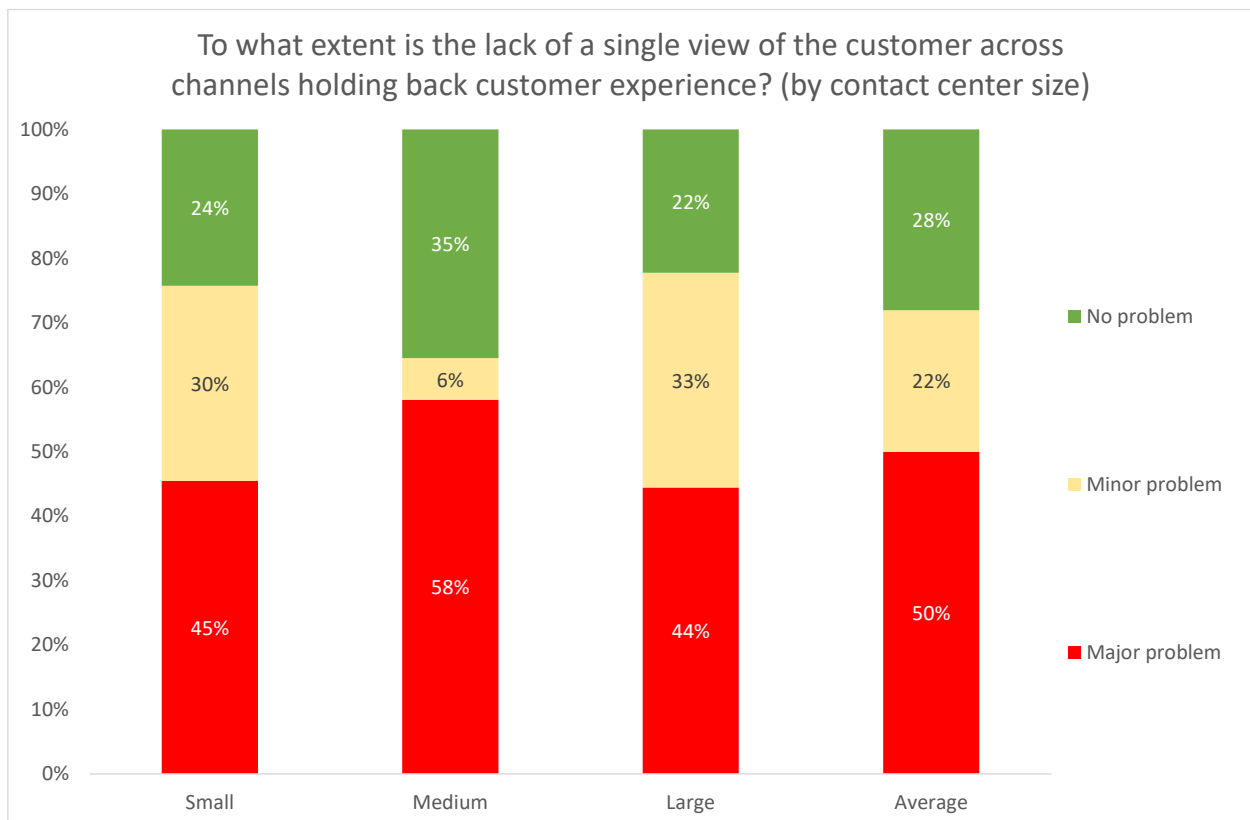
Figure 17: What effect does technology have on your customers' experience?



Half of respondents also state that not having a single view of the customer across channels is also a major problem for them. Again, those in mid-sized operations were more likely to feel this.

Not being able to view the customer across channels means that the full benefit of omnichannel contact cannot be achieved, and that unnecessary time and effort are being spent by the customer, with sub-optimal results for all concerned.

**Figure 18: To what extent is the lack of a single view of the customer across channels holding back customer experience? (by contact center size)**



Respondents with large contact centers were most likely to note that a lack of IT budget for CX-supporting technology was a major problem for them, although many from smaller operations also felt that this was an issue for them.

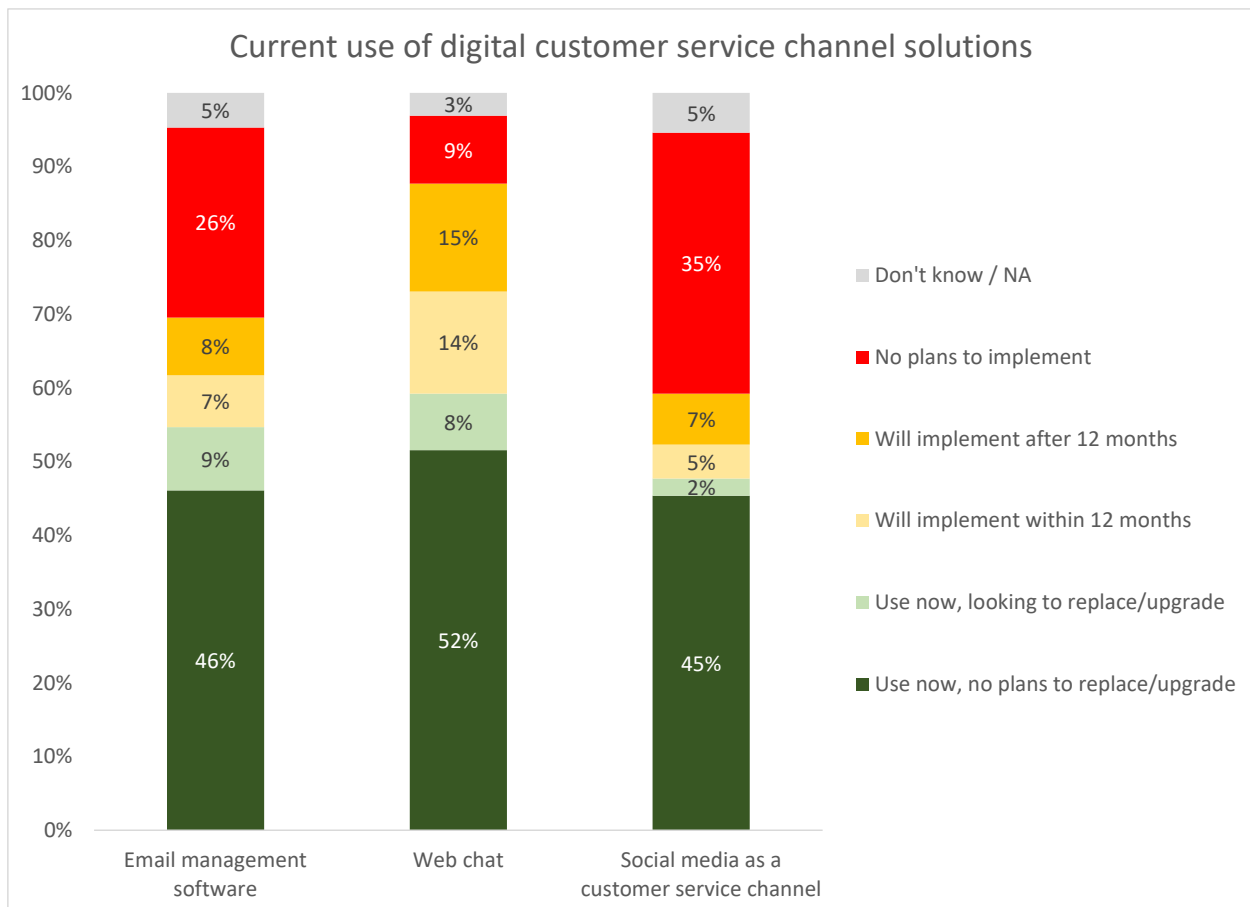
The lesson that can be learned from these findings is that while individual channels (such as web chat) are seen to work well for customers, making them work together and having a single view of the customer across channels is still a major problem for many businesses.

## CHANNEL FOCUS

The following chart shows the solutions that are being used to support digital channels, with at least half of respondents using automation or agent-supporting solutions for each of web chat, email and social media.

Interest in these solutions from those not already using them remains strong, especially for web chat.

Figure 19: Current use of digital customer service channel solutions



The next sections of this report look in depth at the use of various digital channels, including:

- Email
- Web chat
- Social media
- Messaging
- Video
- Co-browse / web collaboration.

## EMAIL

Email was the first of the non-voice multimedia channels to be used, and is still by far the most well-used, having been mainstream for well over a decade.

Email should stand as a salutary lesson that it is not businesses that make new channels a success, but customers. Put bluntly, email in its first incarnation failed almost entirely. Too many businesses rushed to push customers to this new channel – commonly supposed to be cheaper than voice – without having the processes, solutions or staff to manage this properly. What happened next can be understood as a ‘herd inoculation’: enough customers had enough bad experiences from enough organizations that the entire channel was discredited, even for those businesses which were providing a reasonable service through email or just keeping a watching brief.

The reason for this rejection was the appalling level of service provided by many of the early multimedia businesses. With response times stretching into many days, if not weeks, the companies failed to understand that any communication with the business has a degree of urgency to it, else why would they be trying to speak with the business at all? Of course, even when a response was eventually provided, the issue might have gone away, or been dealt with by calling the contact center, meaning that customers’ existing confidence in the voice channel was further reinforced at the expense of the email channel. It is also the case that email does not fit the type of enquiries that people make in some cases, such as the need for quick, simple and confidential information (such as an account balance), and the increasing requirements for identity checking places a cap on the usefulness of email as a channel for some types of business.

It took many years, much investment and the coaxing of customers to try new channels again for email to emerge as being credible. Of course, businesses and customers now both realize that email is more suitable for some interaction types than others (the rise of web self-service has meant email is no longer the only online communication method available), and complex issues such as complaints, or other enquiries requiring a formal paper trail are well-suited to email. In fact, much of the demise in the letter and fax as channels can be traced to a direct replacement by email.

Email is also an excellent outbound channel, providing reassurance, great levels of detail and attachments, and is able to link to other specific areas of information via hyperlinks. As an inbound channel, it has inherent weaknesses: an inability to carry out customer authentication and to carry out a real-time 2-way conversation being amongst them, as well as the lengthy wait to get a response. In the longer term, it is likely to be superseded to some extent by more immediate online channels such as web chat and social media. It does however have the advantage over virtually every channel that there is no queue time at all – the customer writes the email and presses ‘Send’ immediately – a ‘fire and forget’ interaction.

Email as a channel has increased from 13.7% of inbound interactions in 2019 to 17.1% by the end of 2022.

Usually, it is the B2B-focused manufacturing sector that reports the highest levels of email, and this is the case again this year, with transport & travel, TMT and retail also experiencing high usage of inbound email.

Figure 20: Inbound interactions that are email, by vertical market

Vertical market	% of inbound interactions that are email
Manufacturing	34%
TMT	29%
Transport & Travel	21%
Retail & Distribution	15%
Outsourcing	14%
Insurance	13%
Services	13%
Medical	11%
Public Sector	9%
Finance	3%
<b>Average</b>	<b>17.1%</b>

As with previous years, emails are proportionally less important for large contact centers.

Figure 21: Inbound interactions that are email, by contact center size

Contact center size	% of inbound interactions that are email
Small	16.8%
Medium	24.5%
Large	9.6%
<b>Average</b>	<b>17.1%</b>

The cost of email has dropped slightly compared to last year, and while it is historically a little lower than live telephony (which is usually around \$7), it is considerably more expensive than a self-service session.

This may indicate that emails – in a similar way to live phone calls – are getting longer and more complex, as the easier work is handled through self-service.

Figure 22: Estimated cost per email

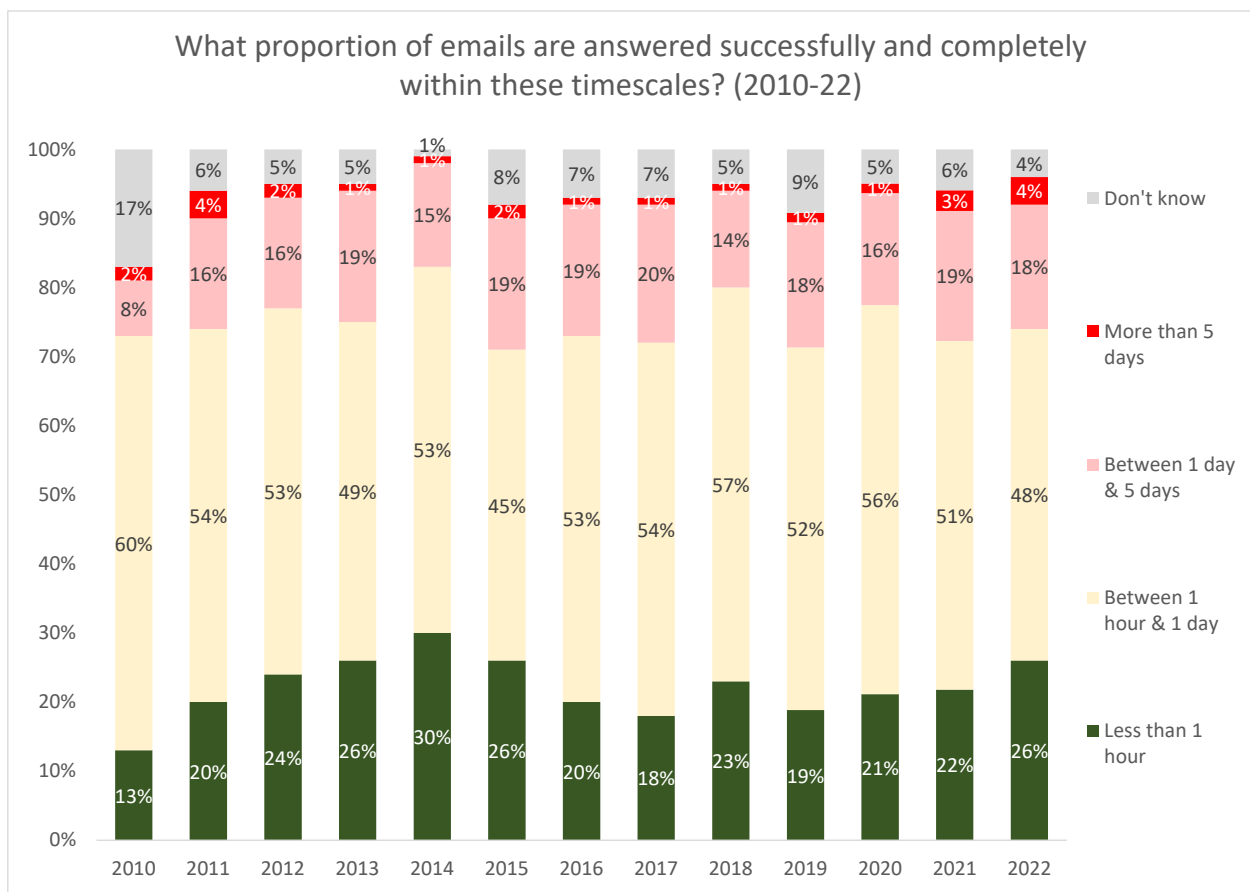
Email cost	
Mean	\$5.96
1st quartile	\$7.00
Median	\$4.00
3rd quartile	\$3.00

For businesses that handle substantial volumes of email, while it is not suggested that they should aim to answer an email in the same amount of time that it takes to complete a phone call, it is desirable to manage all interactions closely to consistent business rules, and to act quickly if service levels slip. Too often it seems, contact centers have become so used to managing the telephony queue that they neglect multimedia interactions. The result is that multimedia response times (mostly email) have historically been sacrificed to meet telephony service levels, and although there have been steady and significant improvements in the response rates between 2010 and 2014, recent years saw email response times deteriorating, perhaps as a result of email now being used more for complex enquiries, with simple service requests being handled by self-service.

Taking longer than one day to answer an email runs the risk of the customer losing patience, and going elsewhere or phoning the contact center, placing a greater cost burden on the business than if they had just called in the first place.

2022's figure of 74% answered within one day is a slight improvement on last year's figure, although the reported 22% of emails taking more than a day to respond to is the highest figure recorded.

Figure 23: What proportion of emails are answered successfully and completely within these timescales? (2010-22)





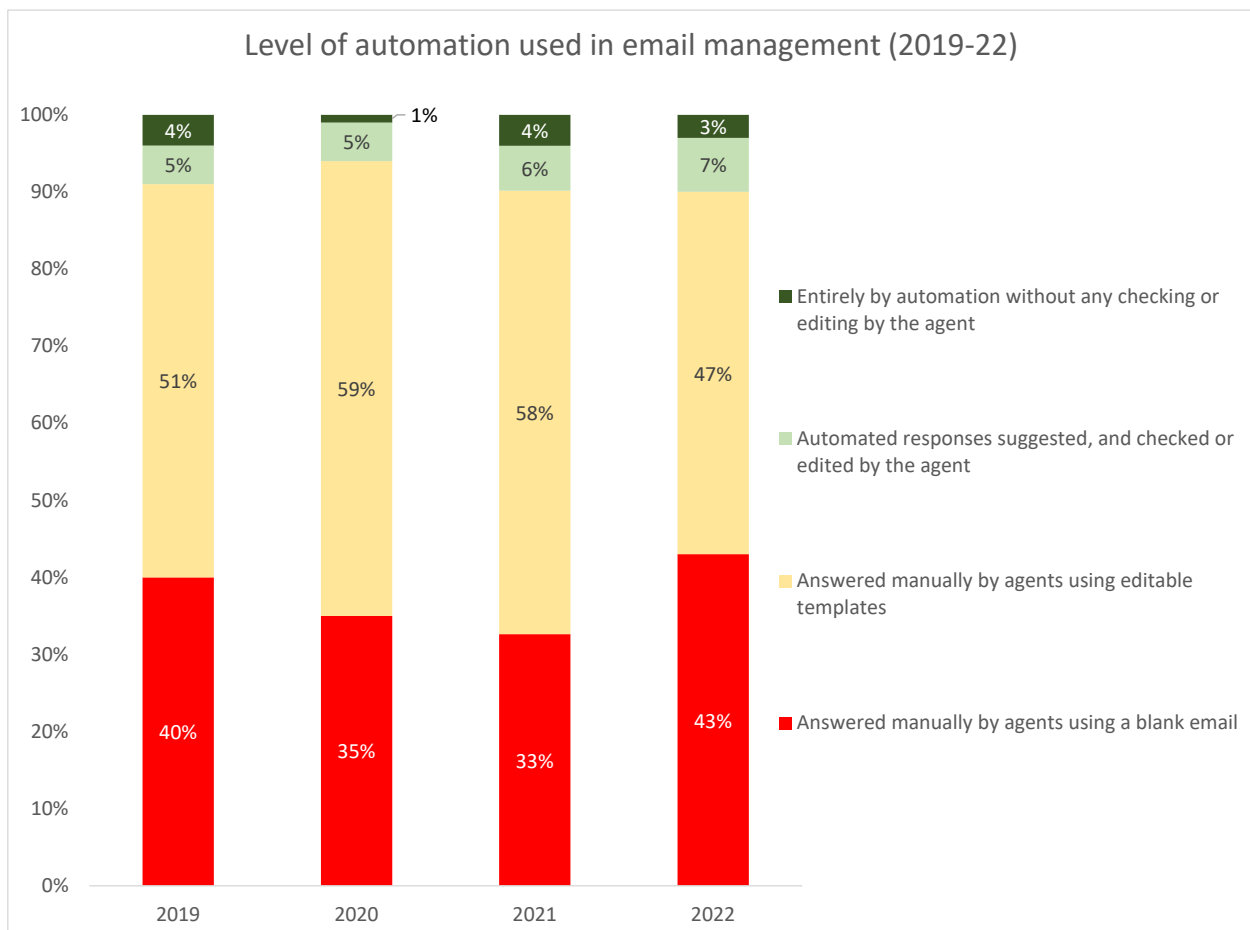
The most popular method of answering inbound email is to use agents, who start with templated, editable responses and change them accordingly, thus not having to compose every email from scratch, but also being able to draw from a common pool of knowledge.

The second most popular method of answering emails is to start with a blank email, and let agents completed themselves. This is not only likely to take longer, but also leads to an increased risk of poor grammar, spelling and punctuation, as well as a less consistent response.

Only 10% of emails have automated responses, (these statistics do not include simple automated acknowledgements), and of those, the majority have to be checked by agents before sending.

There had been a small but noticeable movement from using blank emails to templated responses since 2019, although this has fallen back in 2022.

Figure 24: Level of automation used in email management (2019-22)

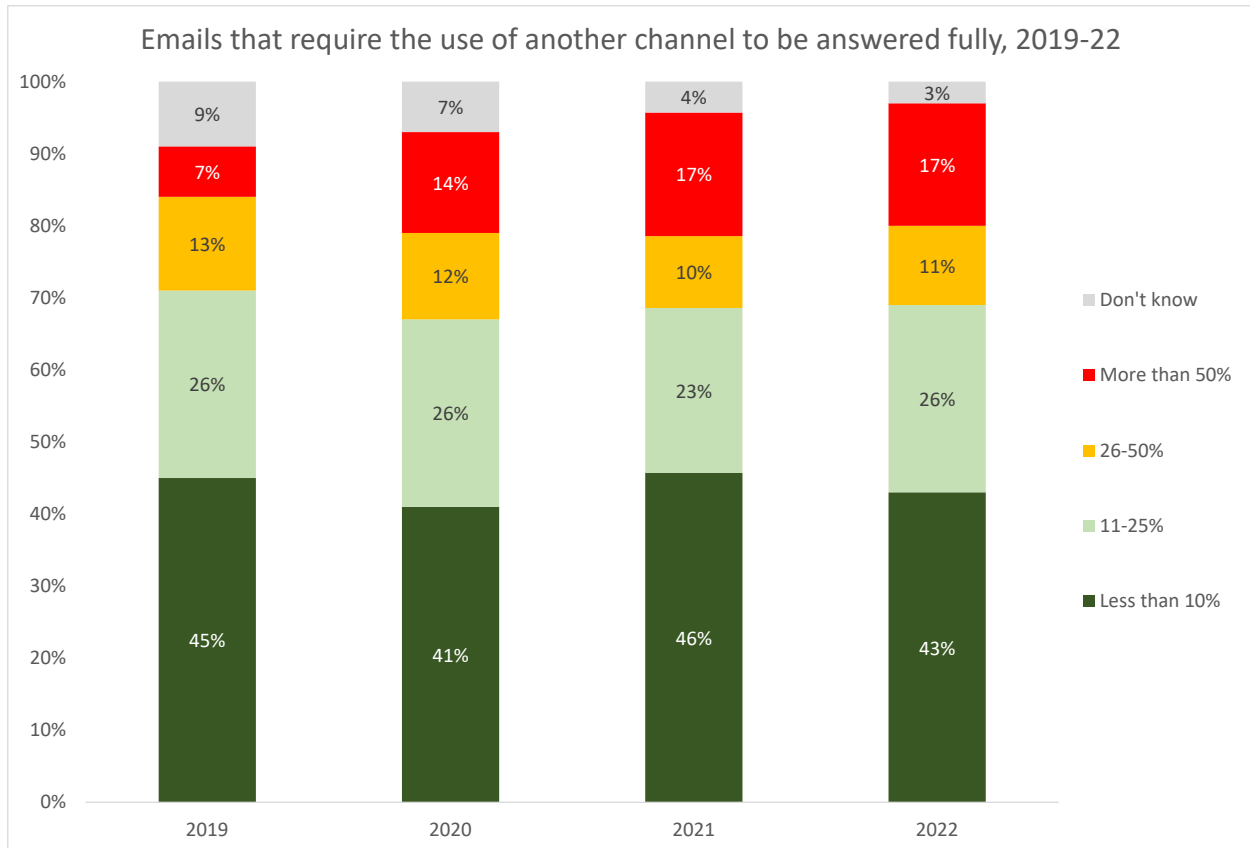


Respondents were asked to estimate the proportion of emails that required the use of another channel to be answered fully.

43% of respondents stated that fewer than 10% of their emails needed supplementary channel assistance, which is fairly similar to other years.

However, 17% of respondents said that more than half of their emails had to be followed up using an alternate channel, which is more than double the proportion of 2019. This may indicate that the subjects of emails are becoming more complex, perhaps as customers are choosing to use email more frequently for topics that are better suited to telephony as a result of telephony queue times becoming longer.

Figure 25: Emails that require the use of another channel to be answered fully, 2019-22



## WEB CHAT

Live web chat offers an organization 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. Some solution providers have stated that an agent can deal with 4 or more web chat sessions at the same time, but whether this is a sustainable model for the agent or provides an acceptable quality of service for the customer is quite another question. Agents can respond to frequently-asked questions by using 'hot-keys', which provide templatised answers and can escalate queries if required.

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 in providing web chat: revenue maximization, 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.

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## VIRTUAL AGENTS / CHATBOTS

One form of value-added web chat functionality is a AI-enabled 'Virtual Agent', which may appear to a browsing website visitor to be a human agent, offering web chat. However, it is an automated piece of software which looks at keywords and attempts to answer the customer's request based on these, including sending relevant links, directing them to the correct part of the website or accessing the correct part of the knowledge base. If the virtual agent cannot answer the request successfully, it may then seamlessly route the interaction to a live web chat agent who will take over. It is possible that the browser will not even realize that any switch has been made between automated and live agent, particularly if the web chat application is sophisticated enough to pass the context and the history to the agent, although some businesses believe it is best practice to identify clearly between virtual and real agents.

Most virtual agents encourage the visitor to engage with them using natural language, rather than keywords. The virtual agent will parse, analyze and search for the answer which is deemed to be most suitable, returning this to the customer instantly. Many virtual agent applications will allow customers to give all sorts of information in any order, and either work with what it has been given, or ask the user for more detail about what they actually meant. Having been unconsciously trained over the years to provide their queries in a way which standard search functionality is more likely to be able to handle (for example, a couple of quite specific keywords), customers must be encouraged and educated to use natural language queries in order for virtual agents to be able to deliver to their full potential.

The virtual agent application is different from standard search functionality, ignoring bad punctuation or grammar, and using longer phrases rather than just searching on keywords.

Sophisticated AI-enabled applications attempt to look for the actual intent behind the customer's question, trying to deliver a single correct answer (or at least a relatively small number of possible answers), rather than a list of dozens of potential answers contained in documents which may happen to contain some of the keywords that the customer has used. The virtual agent application may also try to exceed its brief by providing a list of related questions and answers to the original question, as it is well known that one question can lead to another.

Solution providers and users train the system to pattern-match the right words or association of words with the correct result: the application, unlike older forms of web search techniques, does not simply guess what the customer wants, or how they will express themselves. Through 'listening' to what the customers actually say – perhaps through a mixture of large quantities of audio and text – the initial set-up configuration can achieve a good accuracy rate, which really benefits over time as a positive feedback loop is established. Solutions that gather and differentiate customer requests and results from multiple channels, noting the difference between them, have an even better success rate.

Virtual agent functionality 'understands' the context of what the customer is asking, with the result being more akin to that of an empathetic human who also has had access to what the customer has been trying to do. For example, if asked "When can I expect my delivery?", the context and the required answer will be different depending on whether the customer has placed an order and is enquiring about its status, or has only a hypothetical interest in turnaround times in case they decide to place an order.

More information about chatbots can be found in ContactBabel's "The Inner Circle Guide to AI, Chatbots & Machine Learning", available free of charge from [www.contactbabel.com](http://www.contactbabel.com).

## WEB CHAT: COSTS AND METRICS

The cost of a web chat is again found this year to be higher than usual, at \$5.81 compared to \$3.82 in 2017. As with email, this may indicate that web chat is being used for longer and more complex matters more suited to telephony.

As the median (midpoint) value remains at \$5.00, this suggests that the cost rise may be structural rather than simply a one-off data anomaly.

Figure 26: Estimated cost per web chat

Web chat cost	
Mean	\$5.81
1st quartile	\$8.58
Median	\$5.00
3rd quartile	\$3.00

41% of respondents using web chat offer the option immediately to all website visitors, with 59% only doing so at some specifically-triggered point in the interaction.

Of these 59% who offer web chat at specific points, the most frequently used trigger for web chat was when a visitor went to a specific page, with other popular triggers being when a customer was on a page for a certain amount of time, or if they have been identified as a specific type of customer.

When considering how live web chats are handled, survey respondents from small and medium contact centers tend to take phone agents out of the queue to handle web chats on an ad-hoc basis, or as part of a mixed voice/digital queue. Those from large operations are more likely to use dedicated chat agents or multi-channel digital agents (e.g. handling social media or email too). Small operations report much more likelihood of having a single dynamic queue which handles voice as well as text customer interactions.

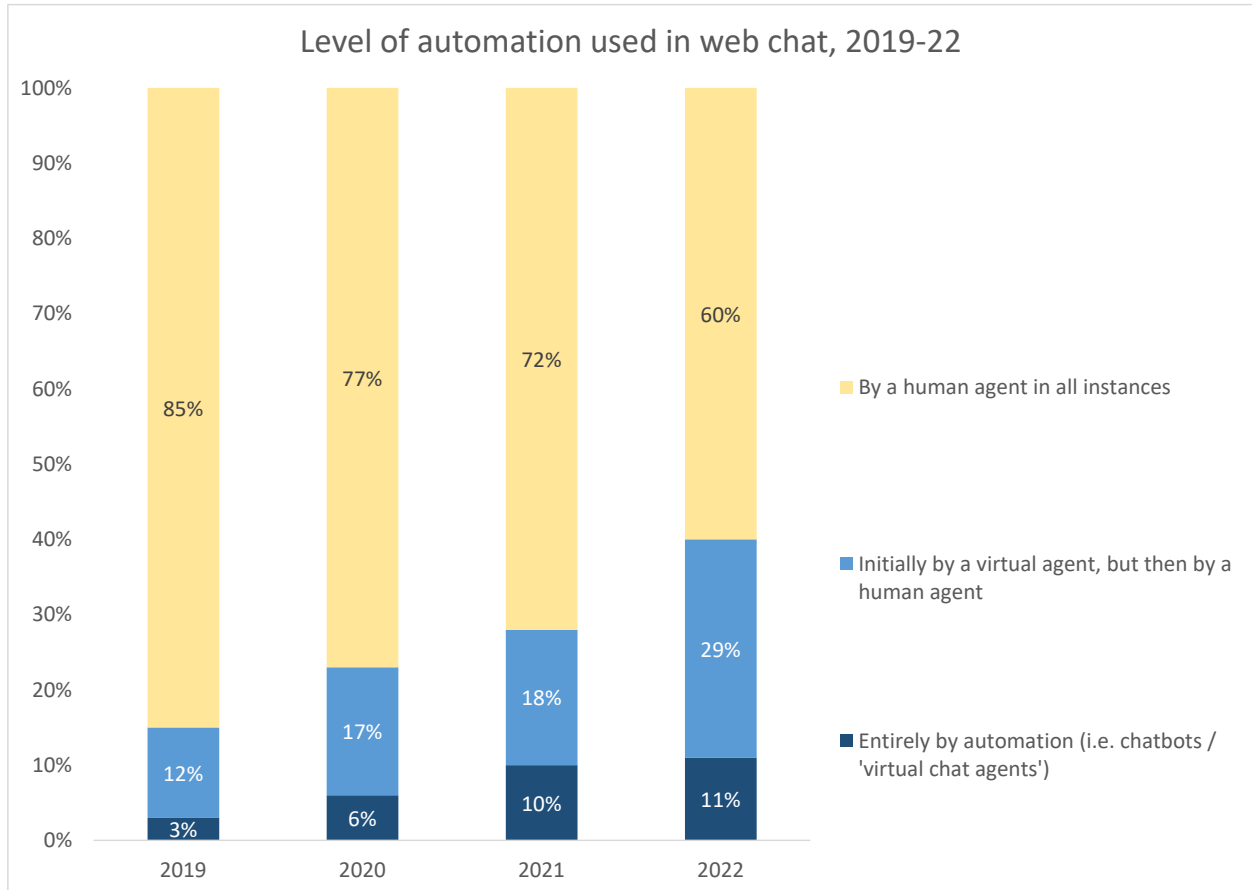
One of web chat's strengths is seen as the ability to have agents handle multiple chats concurrently (of course, it only seems this way to a customer, as the web chat agent uses the time that the customer is typing their response to handle other chats). Some vendors have stated in the past that agents could run five or six concurrent chat sessions: the reality seems to be that two sessions is a reasonably consistent average, with a peak of three or even four if required, but which is not possible on a long-term basis.

Around two-thirds of survey respondents indicated that web chats are mainly carried out with existing customers, which fits in with previous findings that sales operations are less likely to be using web chat. This finding is further supported by the nature of most web chat: more than 80% of those offering web chat state that the majority of their web chats are focused on servicing existing products and services, rather than for sales queries.

As the cost of web chat is broadly similar to other channels such as email, voice and social media, there is considerable room for increasing efficiencies and lowering costs.

Web chat automation has grown considerably in the past three years, both as a result of initial handling by automated chat bots which may then hand off to live agents where appropriate, and also through the growing use of AI-enabled virtual agents that handle web chats on their own.

Figure 27: Level of automation used in web chat, 2019-22

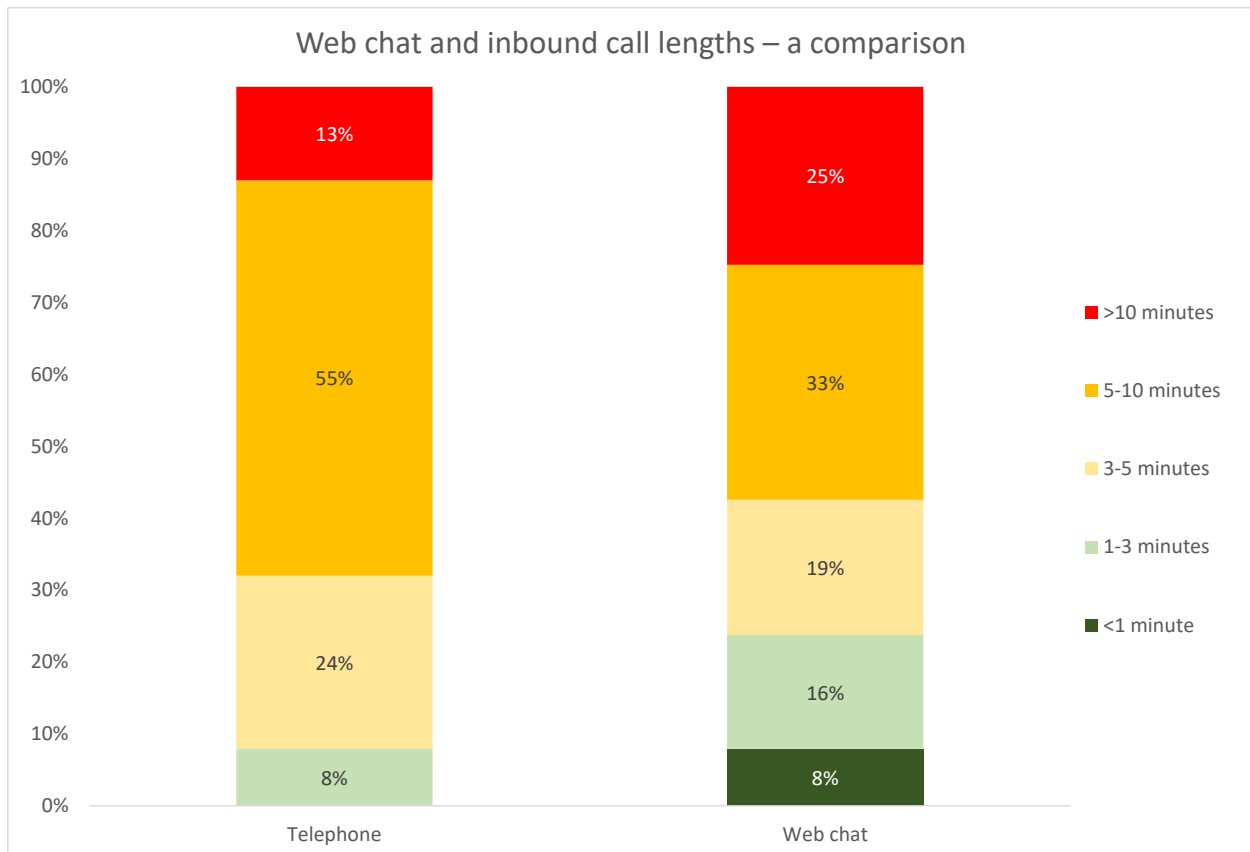


Comparing the experience of web chats with telephone calls, the survey finds that 77% of web chats take longer than 3 minutes to complete fully, as agent multi-tasking and the time taken to type differs from the experience of handling a phone call.

Comparing web chat and telephone side-by-side, the customer will usually experience a shorter overall length of interaction over web chat: 24% of web chats are handled in less than 3 minutes, compared to only 8% of phone calls, almost certainly due to the average complexity of phone queries being greater than other channels.

However, it is noticeable that web chats are becoming longer, and it may be that – as with phone calls – the average complexity is rising.

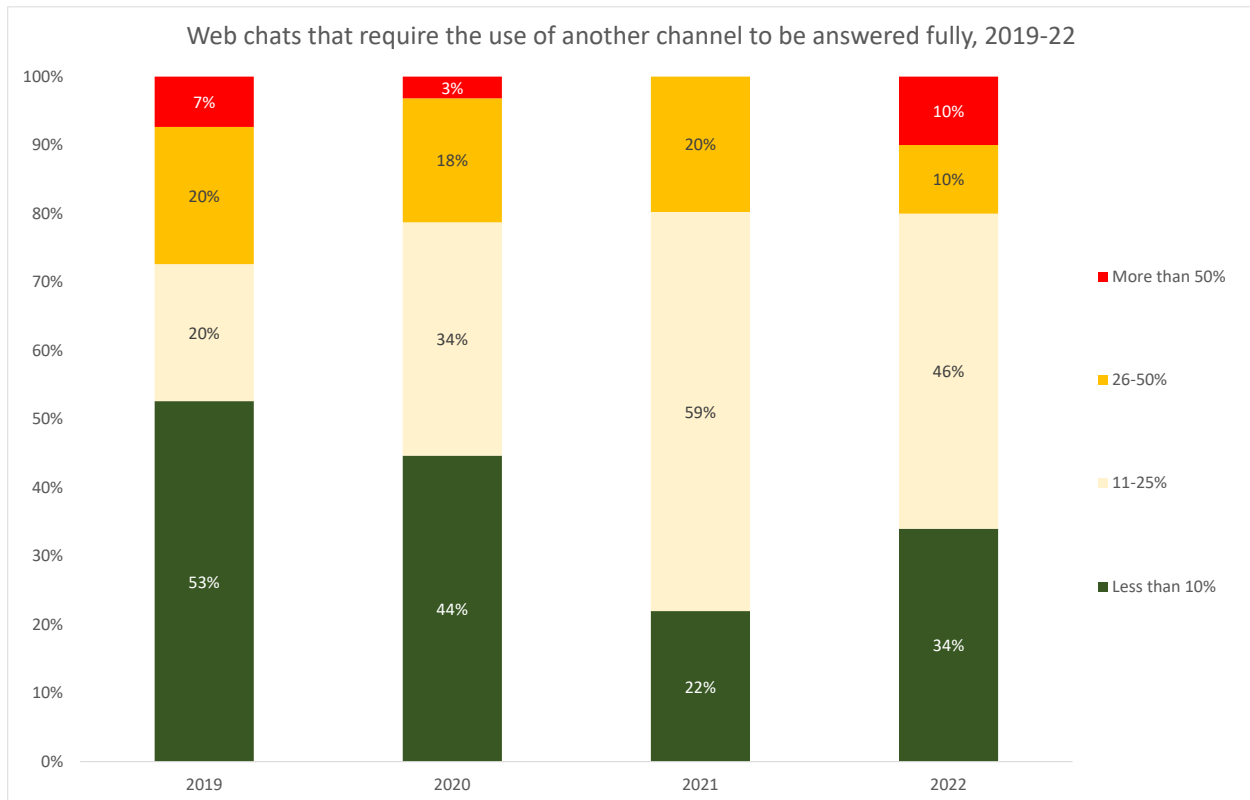
Figure 28: Web chat and inbound call lengths – a comparison



Since 2019, there has been a significant drop in the proportion of web chats that can be handled without using another channel, with only one-third of respondents now reporting that fewer than 10% of web chats require alternative channels, compared to more than half in 2019.

This provides further evidence that web chats are becoming more complex to handle.

Figure 29: Web chats that require the use of another channel to be answered fully, 2019-22





### **Tips for using chat and cobrowsing successfully**

Understand the role that you want web chat to have within the customer contact mix. Do you see it as a replacement for email? Or is it more of a call avoidance strategy? Or is it perhaps a way to close the sale? Without understanding this, it'll be difficult to measure its success. Some businesses will offer web chat and cobrowsing only to their premium customers, or to those who are in the final stages of purchasing but who have stalled.

Choose the most suitable metrics for what you're trying to achieve. If web chat is about revenue, then perhaps focus on sales conversion rates, rather than average handle time, in order to encourage agents to make the most of cross-selling and up-selling opportunities.

Some customers may use web chat as an initial method to ask tentatively about products and services. The solution should provide the option to continue the conversation via a phone, or to send relevant documents and videos.

Work with the solution provider to determine what a reasonable and realistic number of concurrent web chat sessions might be. While it is theoretically possible for an agent to cope with four or more conversations at once, the reality is that this is unsustainable over long periods or with complex issues. It is far more realistic to expect a well-trained agent to deal with perhaps two or three conversations concurrently, and this should be fed into your workforce planning system. However, it may be that agents who deal with both telephony and web chat find it too difficult to deal with multiple chat sessions as well, and will deal with only one chat at a time.

As with any real-time interaction channel, monitoring traffic is vital to success. Plans need to be made to handle web chat spikes and providing estimated wait times to those in a web chat queue will allow them to choose a self-service, phone or email option instead.

Plan how web chat will integrate with existing customer service channels. It is possible to run web chat as an entirely separate, siloed channel, but customers expect to be able to move between channels seamlessly. Being able to treat web chat interactions in the same way as other communication channels means that resources can be spread across channels as and when needed.

Sophisticated web chat solutions allow for 3-way chat, so that an agent can bring subject experts into the conversation as required.

Consider using a trial, in a discrete department, product or service area. This will allow you to understand what works and what doesn't, in a relatively low-risk environment. Changing a small number of variables will also provide a more accurate understanding of how web chat affects customer service levels, customer satisfaction and revenue. It will also provide information about the types of customer and queries that web chat is likely to be used by and for.

Make customers aware that you're offering web chat, by promoting it through existing, higher-cost channels such as within the telephone queue's recorded announcement.

## SOCIAL MEDIA & MESSAGING

The rise of social media as a customer service channel has often been de facto, in that customers have actively sought out the company's Facebook page or Twitter account to communicate with it, even if the company originally had a social media presence only to disseminate information. For foreseeable future, ContactBabel expects social media to remain a relatively minor channel in terms of overall number of interactions compared to telephony, but one with the potential to be strongly negative – to punch well above its weight – and many senior executives within most companies are treating the channel with a great deal of respect.

Despite the relatively low levels of customer interactions via social media, the high-profile nature of this channel and the possible magnifying effects of negative comments means that social media is viewed as being far more important than baseline interaction statistics would suggest. Some savvy customers, knowing that their public complaint or issue will be dealt with quickly, prefer to go straight to a social media channel rather than wait in a telephone queue. Others might choose the social channel after they've had a bad experience on another channel, such as waiting on hold for a phone agent.

Uniquely, social media has taken off as a customer service channel as a result of customer demand, rather than businesses' enthusiasm for promoting a cheaper service channel. The following chart shows how channels fit customers' needs, and we can see that social media for some customers can provide a very positive experience with a very low pain point, and at virtually no cost of time or money: the customer complains, loudly and in public, so the business reacts quickly and effectively. For the customer, this is great: it is the business for whom the popular methods of social media handling are not optimal: not only do they have to carry out their business in public, reacting quickly and without being able to authenticate the customer's identity, but they often cannot handle the query without resorting to another channel such as phone or email, which provide more privacy and functionality. In such cases, they are not even seen by the outside world to be reacting quickly and effectively, or to have solved the problem. Both customers and companies are finding out what works with social media and what does not. Crucially, as with any channel, success will only come when a channel delivers a successful experience for both sides of the equation.

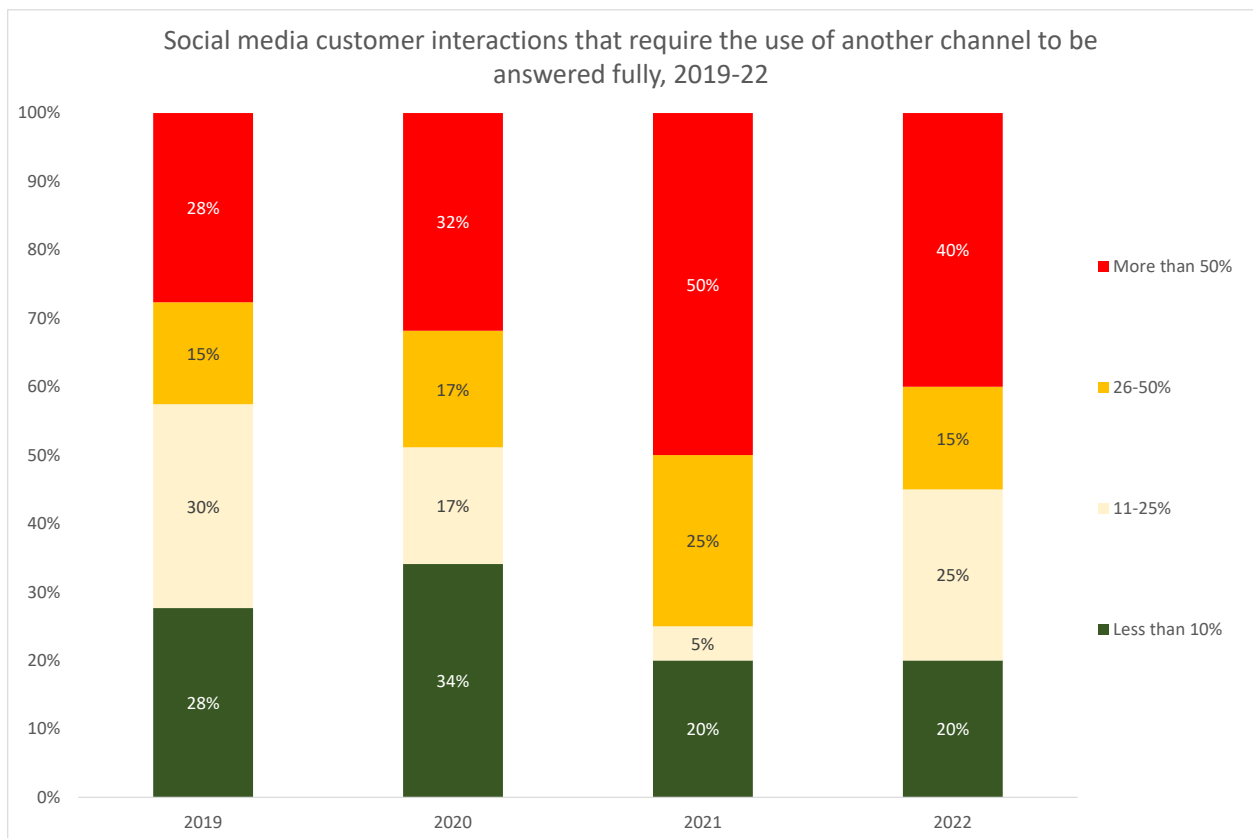
A social media interaction has historically been a little less expensive than an email or web chat, although there is little to choose between them, perhaps as so many digital channel interactions are still handled with a high level of manual input. The level of complexity for all live channels is rising as well, as customer familiarity with self-service means that fewer simple queries are handled by human agents.

Figure 30: Estimated cost per social media customer contact

Social media customer contact cost	
Mean	\$5.73
1st quartile	\$9.00
Median	\$3.00
3rd quartile	\$2.00

40% of respondents state that more than half of social media requests have to be completed via another channel, perhaps because of the public nature of the channel, that customer identity verification is not as straightforward as with voice, as well as increasing levels of complexity.

Figure 31: Social media customer interactions that require the use of another channel to be answered fully, 2019-22



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## MESSAGING

With well over 1bn active users of Facebook Messenger and WhatsApp, organizations should at least have a watching brief over these tools where customer contact is concerned.

Messenger/WhatsApp have the benefit of familiarity with customers, and businesses may wish to investigate including these types of interaction within their agents' web chat screen. As many users live their lives permanently logged into these applications, there is an ease-of-use and ubiquity associated with them.

The applications allow historic records of interactions to be kept (which is not the case with all users of web chat), and there is a great advantage over social media such as Twitter and Facebook: messages are private, which not only allows customer identity verification, but also will reduce the damage to a business through public negative messages. Unlike most web chat, these applications allow the sharing of images.

The familiarity of these applications will work in favor of agents as well as customers, which will reduce training time and cost. Businesses will also need to consider what is an acceptable service level for these channels: as detailed elsewhere in the report, web chat is perhaps closest to the telephony channel's service level target, whereas social media is more akin to email. Although Messenger/WhatsApp are types of social media, they will be used as web chat from the customer's perspective, and should be resourced according to similar expectations.

WhatsApp, especially, is often used as a closed, group-based application, and there may be pushback from segments of the customer community that do not currently associate the use of these applications with business communication. The challenge to businesses will be to persuade customers that letting them into their social circle is worth the effort.

Regardless of the familiarity that customers and agents have with new communication tools, channel hopping and the need for these various channels to work together (not siloed) in a unified omnichannel experience will continue to remain a large concern. Organizations must be aware of the customer's intent and journey as more channels continue to become available.

To find out more about using messaging in the contact center, please download ContactBabel's "The Inner Circle Guide to Next-Generation Customer Contact" from [www.contactbabel.com](http://www.contactbabel.com).

### **Tips on providing customer service via social media**

- Despite the pressure that social media puts onto a business, younger generations are the most likely to express a preference for communicating with businesses in this way. They are also more likely to complain about problems on social media, so supporting a social media customer care plan is vital to winning and keeping this section of your customer base.
- Social media does not have to refer only to the likes of Twitter and Facebook. Customers are growing increasingly more sophisticated at seeking out help themselves, with many preferring to attempt to find their own solution via customer communities before contacting a business, although this can be a very hit-or-miss approach.
- Be aware that age has a particularly strong role in the choice of customer communication channels. Generally speaking, older generations are more likely to choose the phone as their primary channel, whereas younger customers will look at digital channels. See the section on customer channel preferences earlier in this report for more detail.
- 80% of customers trust recommendations from other customers. The downside to this, of course, is that customers will also take a negative criticism of a product or company very seriously.
- By keeping a Twitter feed or Facebook page up-to-date, an organization can reduce inbound call traffic at a time when a particular issue is causing a spike of calls, for example, if bad weather threatens to close schools.
- Blending social media with other forms of customer communication can mean that agents get a more well-rounded view of what customers are actually thinking. Knowledge sharing between agents, especially where new information is put in a timely fashion into the knowledge base, will assist both agents and self-service customers.
- Just because the customer has initiated a social media interaction does not mean that a business has to stay on that channel to resolve it successfully. Customers may like to receive an outbound call from the agent, as this may provide the opportunity to go into further detail, and to resolve the issue entirely.

## VIDEO AGENTS

Video agents are a step towards more personalized, high-quality customer contact. The customer will be able to see to whom they are talking through a computer or mobile device, assuming the broadband requirements are met. The widespread rollout of 5G has made the smartphone an even more powerful device, and we can expect that the high bandwidth available will encourage businesses to offer both real-time and recorded video as part of their customer communication mix.

Video will help enable contact center applications such as facial biometric authentication (similar to Apple Face ID) and voiceprint recognition; real-time behavioral assessments supporting sentiment and intent analyses; augmented/virtual reality; holographic visuals; gesture recognition and voice navigation. Two-way video communication is likely particularly relevant to mobile users, as their smartphone device already comes enabled with a camera and microphone, unlike many desktop computers which may not have this functionality as standard or whose users have it disabled.

Companies implementing video should have a strategy about what exactly they want it to do. On the face of it this seems self-evident, but video sits squarely in the middle of two other channels: phone calls and face-to-face interactions. Will video be seen by customers as a value-add phone call or as a way of keeping customers at arms' length? While we believe the former to be more likely, our research in this area showed that some customers saw video as just being a way for businesses to cut costs so they didn't have to offer "proper" (i.e. face-to-face) service. Customers whose main recent experience of video has been a virtual medical appointment rather than one in a surgery may see video as being a downgrade, but we believe that those who are open to using video will see it as an upgrade on a telephone call.

ROI can be justified through increased sales and conversions from company websites, and travel and rent costs can be reduced by offering traditional in-person services online. Customer loyalty and brand image can also be improved and measured through traditional CSAT metrics which are more likely to be impactful than simply comparing the operational costs of video vs traditional phone calls.

The ROI on video deployments has 2 distinct elements:

**Hard ROI:** Video simplifies the identification and validation of the person's issue and provides more situational context leading to a more comprehensive understanding, leading to better outcomes and higher first-contact resolution rates and a decrease in call wait times. Video access to that empowers decision-makers regardless of their location can result in measurably lower costs per customer issue.

**Soft ROI:** Increasing first-contact resolution and reducing call duration and queue times have a positive impact on customer engagement, brand loyalty and long-term profitability. Therefore, the soft ROI is directly correlated to the resulting improvements in NPS, CSAT and other forms of positive feedback.

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## USE CASES FOR VIDEO

While video is probably not needed for many of the everyday interactions between businesses and customers, there are times when its capabilities can add value to the customer experience and the outcome of the interaction.

It's important to understand that offering live video to customers is not appropriate for every business. As the result of our customer survey shows later in this report, different demographics have varying views on video. Not every customer segment will agree that there is a benefit to seeing agents, and many interactions would be better off suited to another channel, such as web chat or self-service. However, for interactions where trust and empathy are important, and where the issue may be complex, video can provide a level of service that telephony cannot match.

Live video use cases include:

**Sales:** For an retailer selling high-value items on a website, the option to have a video call looks to be a very good idea. With cart abandonment rates reportedly averaging around 70%<sup>2</sup>, having a relatively high cost channel such as click-to-video available at the point of sale could in theory prove highly profitable.

Some retailers choose to offer video to potential purchasers rather than for after-sales service (for which they may offer web chat), which allows the demonstration of products as well as the chance to cross-sell, upsell and offer insurance. This also allows businesses to consider a reduction in the number of physical stores that they have, as the website / contact center can then act as a virtual store. The Alibaba Group are taking this a step further by announcing their Buy+ virtual reality store which allows consumers to browse in a virtual environment. There is more information on virtual and augmented reality in a later section of this report.

**Healthcare:** The coronavirus pandemic has hugely accelerated a gradual move towards offering remote medical services. In some part, these have been restricted to telephone-based consultations which by their nature do not allow for visual examination and rely upon the patient's own description of symptoms. Video consultations provide a significant upgrade on this, providing more accurate information for triage and offering a way forward for primary healthcare providers as well as advice lines such as NHS 111 in the UK.

The few studies of the effectiveness of video health consultations in outpatient environment suggest high patient and clinician satisfaction, and similar levels of disease progression in chronic cases<sup>3</sup>. Primary care findings also showed little difference between face-to-face, telephone and video outcomes, although evidence was weak, technical issues were often experienced and doctors' attitudes were mixed.

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<sup>2</sup> <https://baymard.com/lists/cart-abandonment-rate>

<sup>3</sup> <https://www.bmj.com/content/371/bmj.m3945>

While video consultations are a significant step up on telephony-only appointments, they currently appear unlikely to replace face-to-face consultations for acute conditions, for those which require physical examinations, or for certain types of patient (for example, those unable to use technology effectively, or those which do not possess it).

**Financial services:** Various businesses – usually banks – are already using video kiosks to offer virtual branch banking services in areas where physical branches have closed. Skilled mortgage advisors, legal advisors and financial consultants who may otherwise have made a home visit can be put in front of potential customers immediately, saving their time. Many customers may welcome this, rather than feeling that they have to welcome a stranger into their home. Offering remote video consultations can also make appointments out-of-hours more palatable to all concerned.

**Insurance:** Many insurance companies are already asking customers who are making claims to upload photographic evidence of damage, and video can take this one step further by providing a clearer and more complete picture of the reason for the claim, increasing accuracy and reducing fraudulent claims. This reduces the need for the insurer to send out an assessor, which is beneficial for the customer as well as the business. Agents can also be trained to identify tell-tale visual signs of dishonesty.

**Technical support:** One of the most high-profile examples of video technical support was Amazon's Mayday service, offered on the Fire tablets from 2013. Despite its popularity with customers, it was quietly dropped in 2018. It may have been that it was a victim of its own success, becoming the most popular way to access technical support which would have impacted costs considerably (particularly as Amazon's Alexa virtual assistant has become ubiquitous).

Businesses looking to consider video agents may wish to consider what the likely demand will be, and possibly offer it only in certain circumstances and to specific customers. If the choice is between a phone call and a video call, then the interaction length (and therefore cost) is likely to be similar. However, if self-service could carry out a high proportion of initial requests, then video may best be left as a 2<sup>nd</sup>- or 3<sup>rd</sup>-line support option.

**Product support demonstrations:** if the agent has the product to hand, it is far easier to show the customer how to use it, rather than try to explain it (which may often involve jargon which is frustrating for the customer).

**Complaints:** While there are not many businesses using video agents to handle complaints, it can be theorized that demonstrating empathy is easier in a video call than in a phone call, and that the customer is likely to get less frustrated and angry if they can see who they're talking to, rather than just another "faceless employee". Video is seen by customers as a premium channel, and this may also show that the company is taking their issue seriously. This may also apply to renewals or where the customer has said that they wish to cancel a subscription.

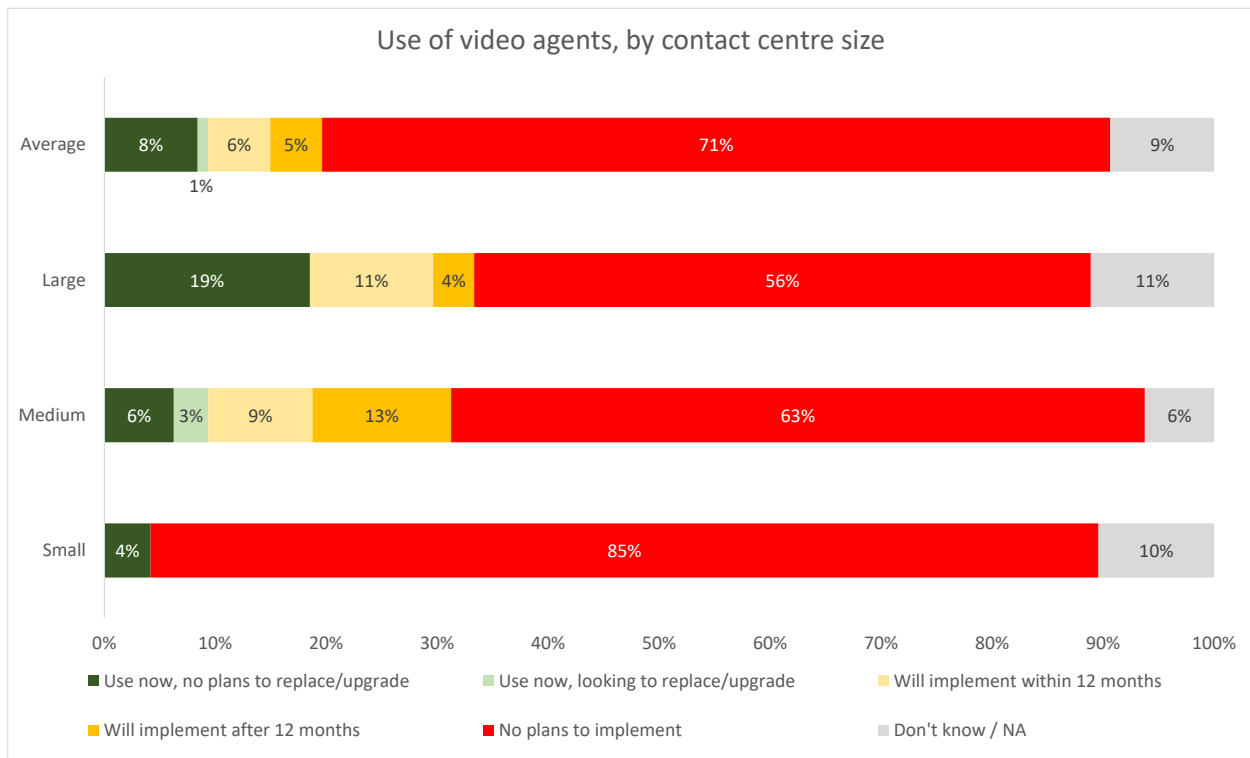


## CURRENT AND EXPECTED USAGE OF VIDEO

A recent ContactBabel survey of US companies found that 9% of respondents were using video in their contact centers today, and that a further 11% plan to do so within two years.

Larger contact centers, often driven by the uptake in the usage of video during the pandemic, are most likely to be using video agents now.

Figure 32: Use of video agents, by contact center size



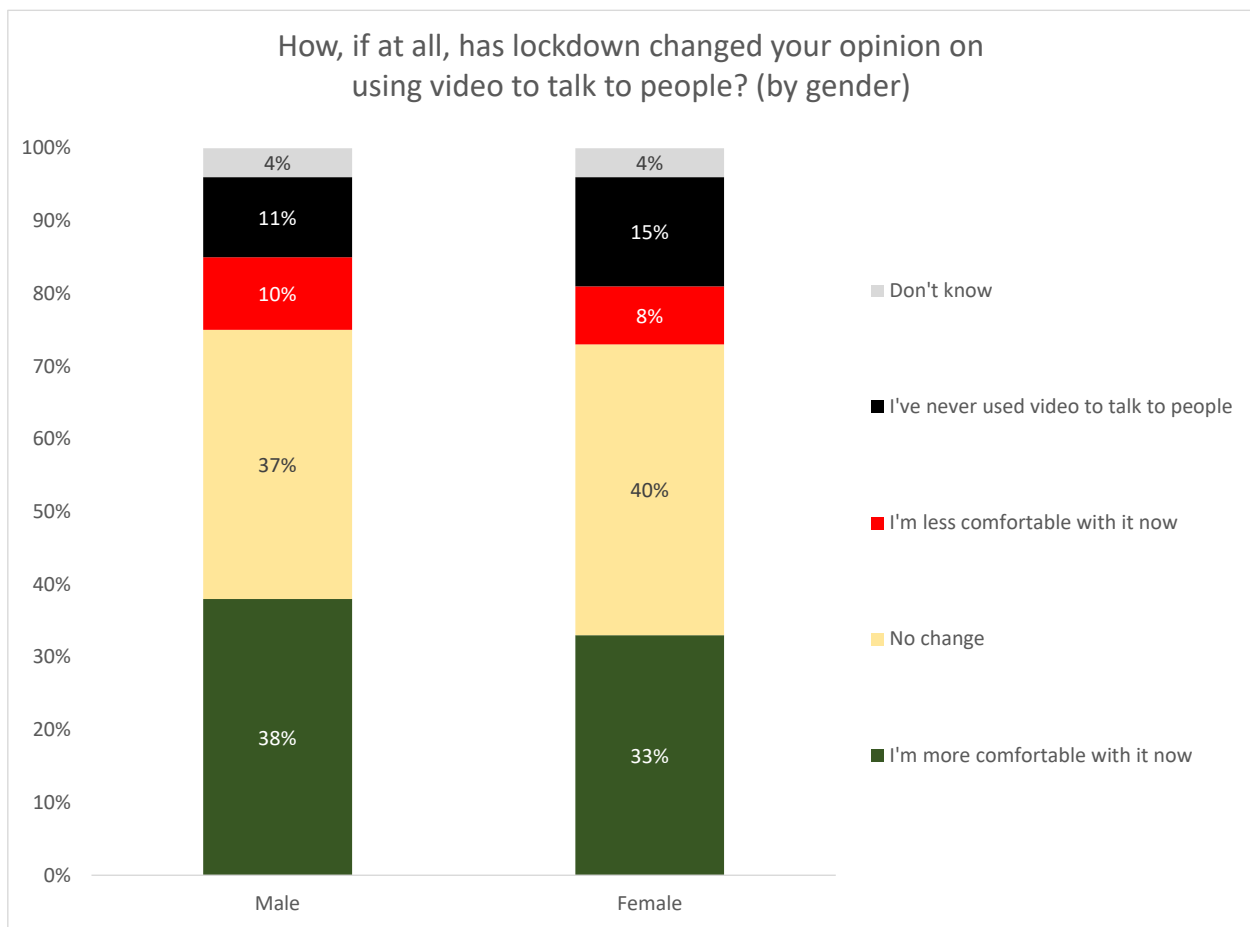
## CUSTOMER ATTITUDES TO VIDEO IN THE CONTACT CENTER

A recent ContactBabel survey of 1,000 US consumers looked at whether the widespread use of video calls during lockdown had changed people’s perceptions of this channel.

36% are now more comfortable with using video, with 9% less comfortable. 39% reported no change in their previous attitude.

There is a marginal difference between how comfortable people now are using video depending on their gender, with men very slightly more positive than women about this.

Figure 33: How, if at all, has lockdown changed how comfortable you are using video to talk to people? (by gender)



To find out more about using video in the contact center, please download ContactBabel’s “The Inner Circle Guide to Next-Generation Customer Contact” from [www.contactbabel.com](http://www.contactbabel.com).

## CO-BROWSE / WEB COLLABORATION

**Co-browsing (or web collaboration)**, which sometimes includes form-filling and page-pushing as a subset of functionality, is a very intensive, one-to-one channel, formerly used for high-value customers or in those cases where it is quicker and more effective for an agent to take over the reins than to talk the customer through the process. While it has been useful for certain businesses, processes and customers, it is difficult to make a case for it on a cost-saving basis alone, although it will encourage the completion rate of sales, and as such, improve profitability.

Co-browsing may be used to help customers fill out forms, or to complete online transactions, and may be done in conjunction with a concurrent telephone call or web chat. Unlike page-pushing – which is a one-way movement of information from agent to customer – and screen sharing – where the agent takes control of the customer’s desktop – co-browsing is a true two-way collaboration tool. Either the agent or the customer can control the cursor or enter data into fields, and business rules can be set up so that the agent does not see or enter sensitive information.

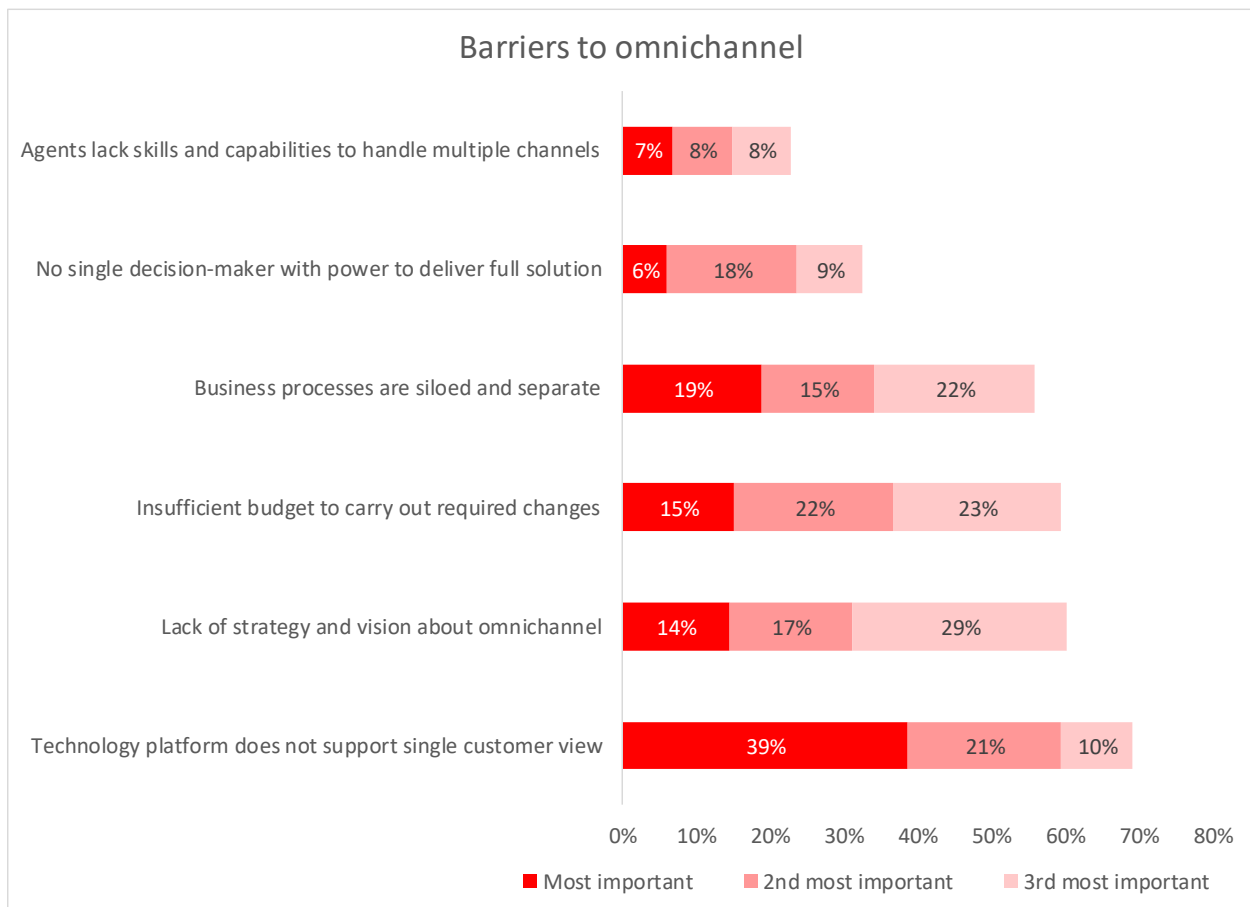
While it is not a cheap option, cobrowsing, particularly in association with a telephone call or web chat, can be an effective way of closing a high-value sale. It is, however, currently used in relatively few US organizations.

## BARRIERS TO OMNICHANNEL

Respondents believe that there are four main barriers to omnichannel, any of which in isolation would be hard enough to overcome, but together appear to be quite daunting:

- the technology platform does not support a single view of the customer
- there is insufficient budget to carry out the required changes
- business processes are siloed and separate
- there is a lack of strategy and vision about what omnichannel can deliver.

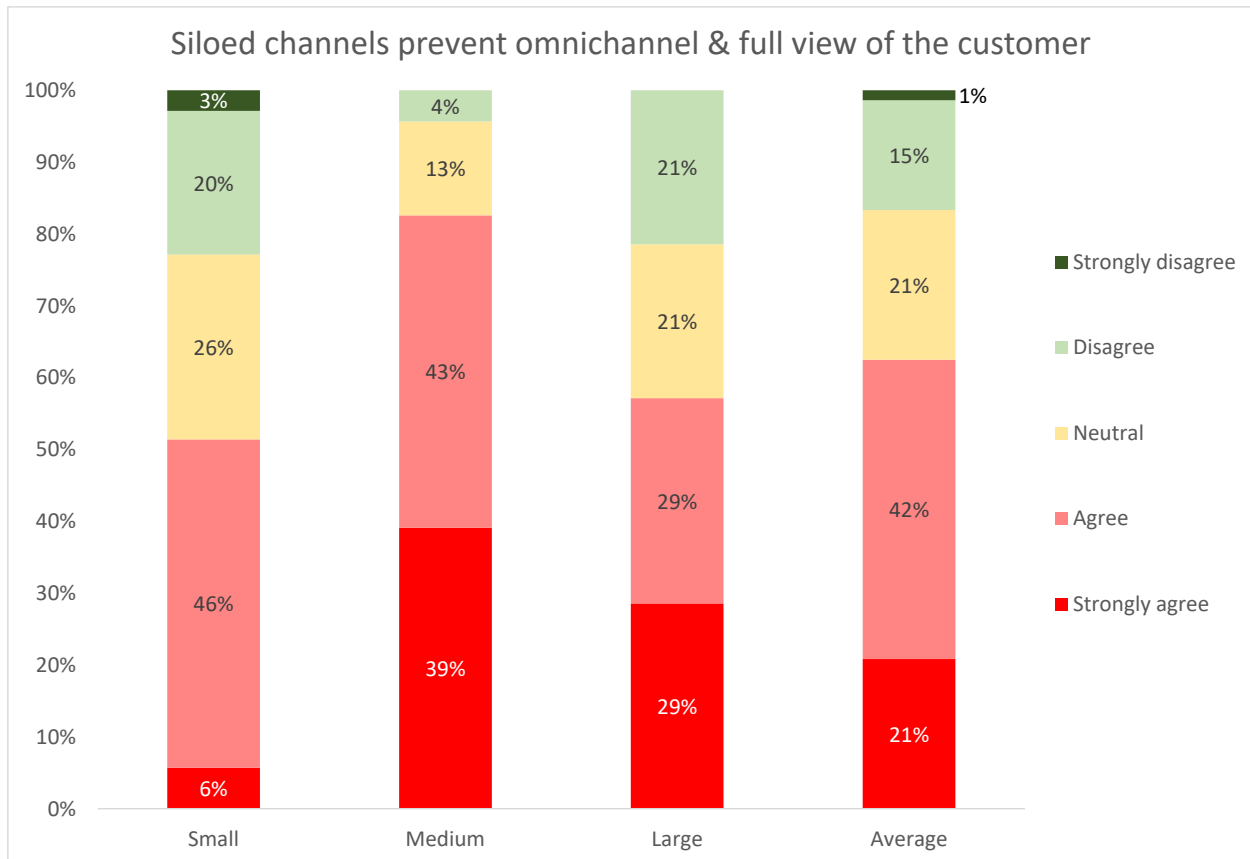
Figure 34: Barriers to omnichannel



While these inhibitors to omnichannel are certainly formidable, they are not insurmountable.

From a technical viewpoint, the starting point is to have a single integrated platform that is capable of identifying a customer regardless of the channel which they choose to use. This will involve mean evolving from the siloed, channel-focused point solutions that were put in place to handle a specific need, and using a services architecture that is extendable to different channels in the future. The chart below shows that this siloed architecture is still causing problems for many organizations that are trying to take an omnichannel approach.

Figure 35: "Siloed channels prevent omnichannel & a full view of the customer", by contact center size



It is also important to have a master dataset for product and customer data which is a 'single source of truth' that can be drawn upon by any customer or agent through any channel.

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.

Concern that agents lack the skills and capabilities to handle multiple channels is not seen as one of the major inhibitors, as the majority of respondents do not feel that this holds them back from offering customers a full omnichannel experience.

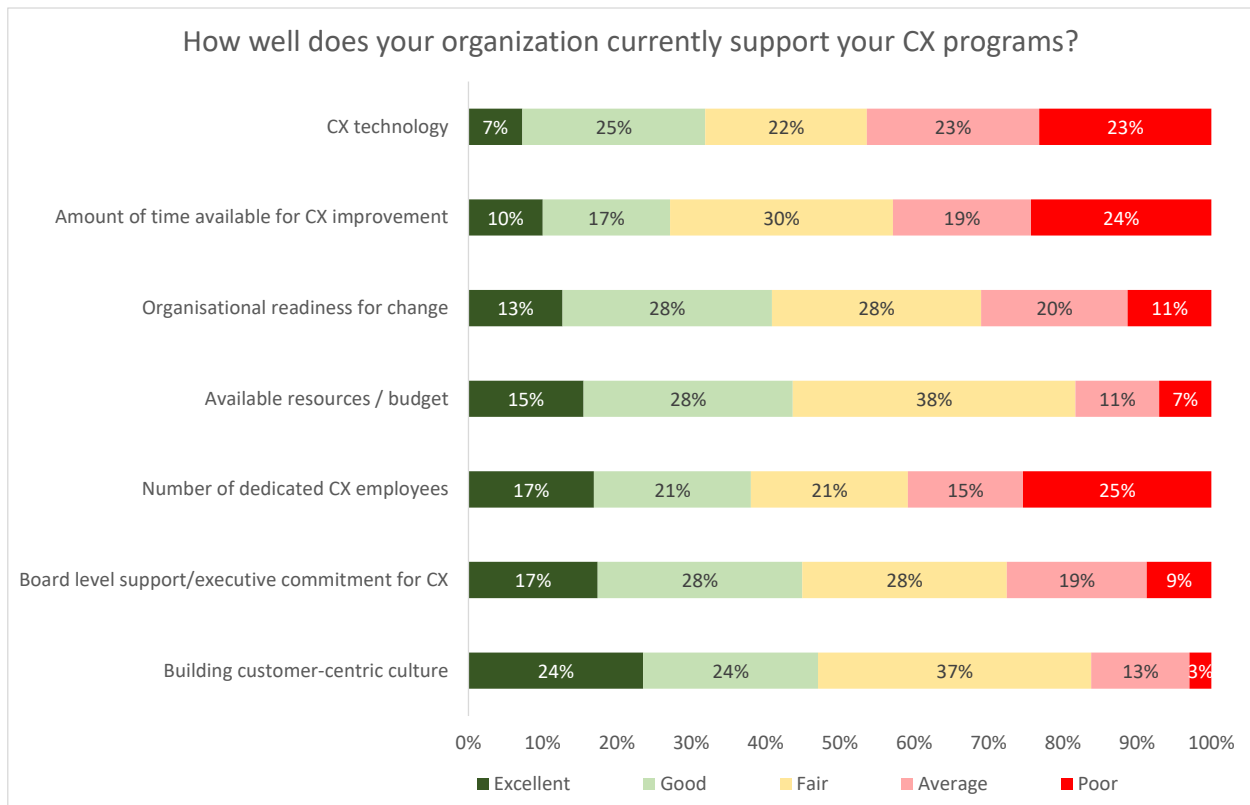
The absence of a technology platform that supports a single view of the customer can be further seen in the following chart.

Respondents were asked how well their organization currently supported their customer experience programs. In the main, the results were not particularly positive, with over 40% of organizations stating that their CX technology and the amount of time available for CX improvements was either poor or average, and a similar proportion thought that there were not enough employees dedicated to CX.

On the positive side, around half of respondents stated that the organizational culture was building a customer-centric culture, 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 fairly neutral rating for the organization’s readiness for change suggests that having a CX culture does not easily or necessarily translate into actual action to improve CX.

The low rating for CX technology is of concern, with almost a quarter of respondents stating that theirs was ‘poor’, compared to only 7% who reported that theirs was ‘excellent’.

Figure 36: How well does your organization currently support your CX programs?



## GETTING OMNICHANNEL RIGHT

### FROM MULTICHANNEL TO OMNICHANNEL

Without a single platform or customer interaction hub, the complexity of handling multiple channels increases greatly each time a new channel, device or medium is added to the customer service mix. The only constant is that – regardless of the method they choose to communicate with the business – customers want accurate, timely information delivered in a form with which they are happy.

The challenges for the business are to provide a high quality of service which is consistent across the channels and to do so in a cost-effective manner. To do this, and break down the boundaries between contact channels that has been stifling the potential of non-telephony contact, a platform is required which automatically captures, processes, routes and reports on customer interactions and related activities based on a company's specific business criteria, providing a view of each and every customer interaction. Customer interactions through channels such as voice, email, web chat, instant messaging and activities such as work items must be handled according to business-defined processes and strategies, avoiding the problem of rogue interactions that are left outside normal workflows, or favoring one channel (often, voice) to the detriment of others.

The universal queue approach – which has been around for many years – can set priority levels to incoming calls, e-mails and chats, and offers the functionality to blend inbound and outbound calls into a single queue to allow agents to move between media as required. This approach also facilitates a single view of the customer across all channels, which is one of the key ways to improve the quality of service offered, as well as improving the agent's confidence and morale.

Such is the theory. The reality for most businesses is that the requirements of their customer base, along with the opportunity to cut service costs have thrust numerous new channels into the customer service mix, leaving them with the headache of deciding how to implement and integrate new technology, recruit and train agents appropriately, and forecast and schedule the right staff to handle these new types of interaction. The easiest and quickest option has been to treat each channel separately, having agent silos and treating each interaction as being independent rather than part of a wider customer journey. If the customer changes channel, or contacts the business later about the same issue, they tend to have to start again from the beginning.

The "omni" element to omnichannel (meaning "all") can be understood as reflecting the customer's experience of interacting with the business: to them, an organization's separate internal workflow and siloed systems are not just irrelevant, they are unseen. Omnichannel requires the breaking down of boundaries, not only between channels but also the ownership and management of the various relevant business processes and departments affected by customer interactions. This is why successful omnichannel implementations will require a senior management sponsor, with the authority and remit to make changes in any and all appropriate business units.

It's important to realize that omnichannel is not simply about implementing the right technology. While omnichannel obviously involves supporting multiple channels consistently along the customer journey, it is vital to understand and create the business process workflows that occur within each interaction type, not simply across customer service channels, but also reaching into the back office, financial and order management systems, the distribution process and any other business activity that is affected by the initial customer contact.

Consistency is a concept that should be at the forefront of any discussion of omnichannel, as it is perhaps the key to a successful customer interaction, and applies to many of the elements within this strategy:

- Look-and-feel / branding across channels
- Unified knowledge base, both for the self-service and live agent environment
- Consistent pricing and stock levels available across all channels
- Single customer history, including the current customer journey and context of where they have been, updated across channels in real-time. This is particularly important at the boundary between self-service and live agent interaction: currently, the context and experience of the customer is usually lost once the move into the live agent environment: breaking down this boundary is vital to a successful omnichannel experience
- Functionality offered should be consistent where possible: for example, while it is not suitable to fill in a loan application on public social media, it is possible to carry out a web chat about a specific question on the loan application form while on the website.

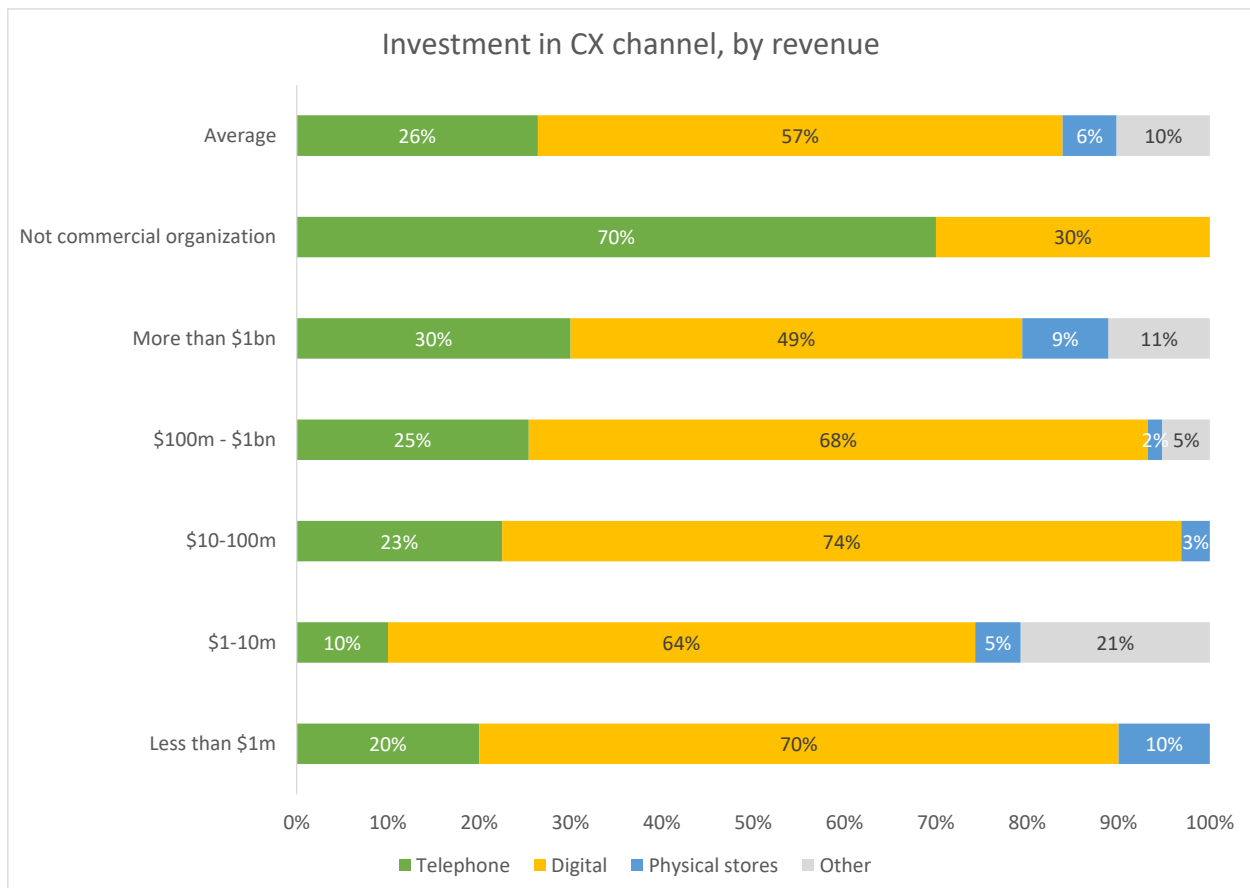


## OMNICHANNEL AND CUSTOMER EXPERIENCE INVESTMENT

Although the availability of budget and resource is often stated by contact centers as being the main reason for sub-optimal systems and processes, digital channels are receiving considerably more investment than the traditional telephony channel, so this concern should less affect those implementing omnichannel.

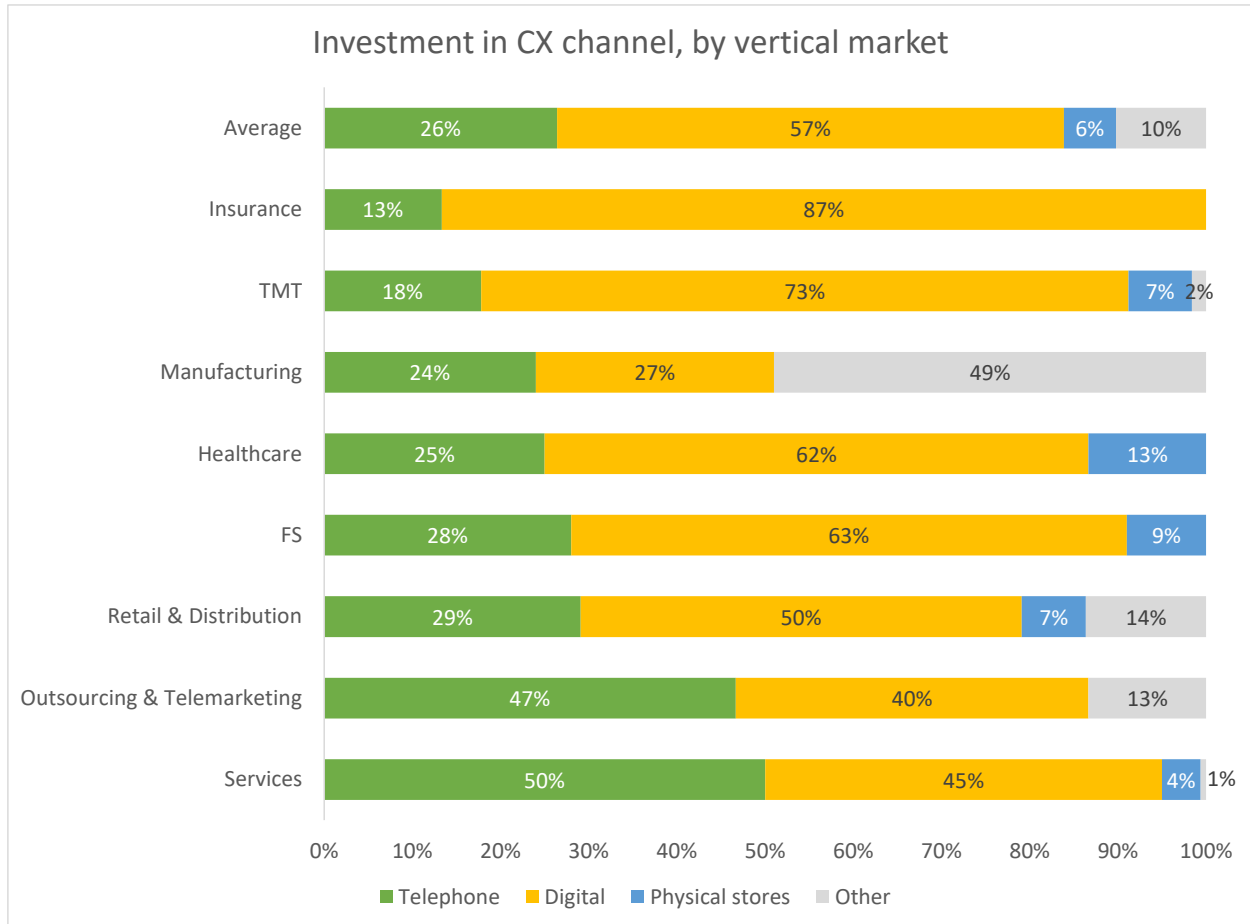
The chart below shows that mid-sized businesses are embracing the digital channel as a way to give themselves a level playing field when competing against much larger organizations, with non-commercial organizations reporting spending the greatest proportion of their CX budget on their telephone channel.

Figure 37: Investment in CX channel, by revenue



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 26% of inbound interactions (excluding web self-service), compared to over 72% coming through telephony (whether live or self-service).

Figure 38: Investment in CX channel, by vertical market



While these findings can be seen as being generally positive for the future of omnichannel, businesses should remember that live telephony accounts for around 65% of inbound interactions, and should not be neglected.

The following table gives a close analysis of US contact centers’ IT investment priorities in 2016 and 2022. The percentages in the table show % of respondents placing the solution within their top 5.

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 36% of respondents in 2022, while this is down from 47% in 2016, it is still seen as the second investment priority after AI. The various supporting applications, such as web chat, social media and email management systems still have significant proportions of respondents placing them within the top 5.

Figure 39: Top 5 most important areas of contact center IT expenditure in the next two years (proportion of contact centers placing solution in their top 5, 2016 & 2022)

Technology solution	2016	2022
Artificial Intelligence	n/a	45%
Omnichannel (i.e. single view of the customer across channels)	47%	36%
Web Self-Service	19%	36%
Speech Analytics	21%	33%
Performance & Quality Management	37%	30%
Desktop Automation & Analytics	26%	30%
CRM / Agent Desktop software	43%	28%
Telephony Self-Service (includes DTMF IVR, speech recognition and visual IVR)	19%	24%
Cloud	17%	19%
Web Chat	28%	18%
Back-Office Integration	21%	16%
Email Management	22%	16%
Social Media	16%	15%
Workforce Management	37%	15%
Call Recording	32%	14%
Mobile Service	12%	14%
Gamification	8%	14%
Hardware (including PCs & servers)	7%	13%
Homeworking	24%	13%
Telephony Infrastructure (including IP)	13%	13%
Management Information Systems	18%	11%
Headsets	7%	10%
Interaction Routing (including ACD/CTI-like functionality)	9%	10%
Voice Biometrics	5%	9%
Virtual Contact Centers	19%	8%
Outbound Automation	9%	5%
Video/Web RTC	5%	6%

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## PROVING ROI

While differing from business to business, moving from multichannel to omnichannel is likely to require significant investment in platforms and business process reorganization. As with any investment or restructuring, the business has to be convinced by the financial improvements that will follow.

In order to quantify the business case for omnichannel, businesses should consider how the following potential improvements could affect them:

- analyzing and forecasting how many of each interaction there are can provide a baseline for measuring ROI and cost
- increasing cross-selling and upselling rates by making sure that the customer does not abandon the interaction through frustration caused by channel switching, and by responding to queries in an informed and timely manner
- increasing customer satisfaction and potentially reducing the cost of service by personalization and offering service through the customer's preferred channel
- increasing customer loyalty and lifetime value through providing superior and proactive service at the moment of truth
- if implementing a single unified agent desktop, significant decreases in call handling time can be expected as agents no longer have to toggle between multiple screens and applications to find what they're looking for. This is particularly the case for less experienced agents
- decreasing unnecessary calls by handling queries correctly early in the customer journey and using proactive outbound customer service to avoid unnecessary calls
- taking advantage of many customers' preference for self-service by offering a powerful and consistent experience across all channels which will reduce inbound call volumes
- cost reduction outside the contact center through improved inventory throughput and decreased cart abandonment
- implementing a cross-channel knowledge base which will provide consistent information to customers and agents regardless of channel
- if using a single vendor, consider the reduction in the cost of managing multiple vendors, point solution maintenance and upgrades that a single unified solution can bring
- escalating an interaction from self-service to live service in an omnichannel environment offers the opportunity for customer identity authentication to take place before the agent is involved, reducing cost and call length and improving service levels

- having the context and customer history on the agent's screen will reduce call lengths and decrease customer frustration
- having a single workforce management solution that can handle multiskilled resourcing in an omnichannel environment will improve service levels across all channels, and reduce time spent on manual scheduling. Intraday changes based on actual volumes within each channel will further optimize resources
- if a one-off issue (for example, related to a specific marketing campaign) suddenly becomes a major topic of customer interactions, templatised and consistent answers can be shared quickly across channels
- automatically moving agents quickly between channels based upon real-time interaction volumes improve service levels, removes the time taken to assign resource manually and a unified omnichannel desktop environment means that agents do not have to log onto multiple applications manually
- a consistent and up-to-date knowledge base shared across channels means that it is more likely that a query will be successfully answered early in the customer journey, improving customer satisfaction and decreasing the duplication of effort and unnecessary cost as customers will no longer have to seek an answer through an alternate channel
- improving first contact resolution rates on non-voice channels will decrease inbound call volumes and improve the customer experience. This will lead to improvements in customer satisfaction, NPS and customer loyalty, which will feed the bottom-line
- costs are not solely restricted to the IT implementation (including hardware, software, ongoing services, integration and consultancy), but will also include the time and effort of project stakeholders and the training of agents on new systems and processes

Businesses may wish to quantify volume of interactions that they received by type, perhaps using the 2x2x2 cube matrix shown earlier in the report. This will allow the identification of the types and volumes of interaction that are suitable for self-service or non-voice interaction, which will allow them to focus on the areas of greatest potential.

The measurement of omnichannel success is likely to be significantly different from the typical efficiency metrics associated with the contact center. There is likely to be increased focus upon customer-related metrics, such as NPS, customer effort and customer satisfaction, but it is vitally important to understand the more traditional measurements such as wait time, first contact resolution and interaction transfer rates also impact directly upon the customer experience, and consequently, customer satisfaction scores.

As time progresses, businesses are also more likely to include metrics such as number of channels used and % of calls deflected by self-service in order to appreciate and quantify the effect of the omnichannel experience upon the customer.

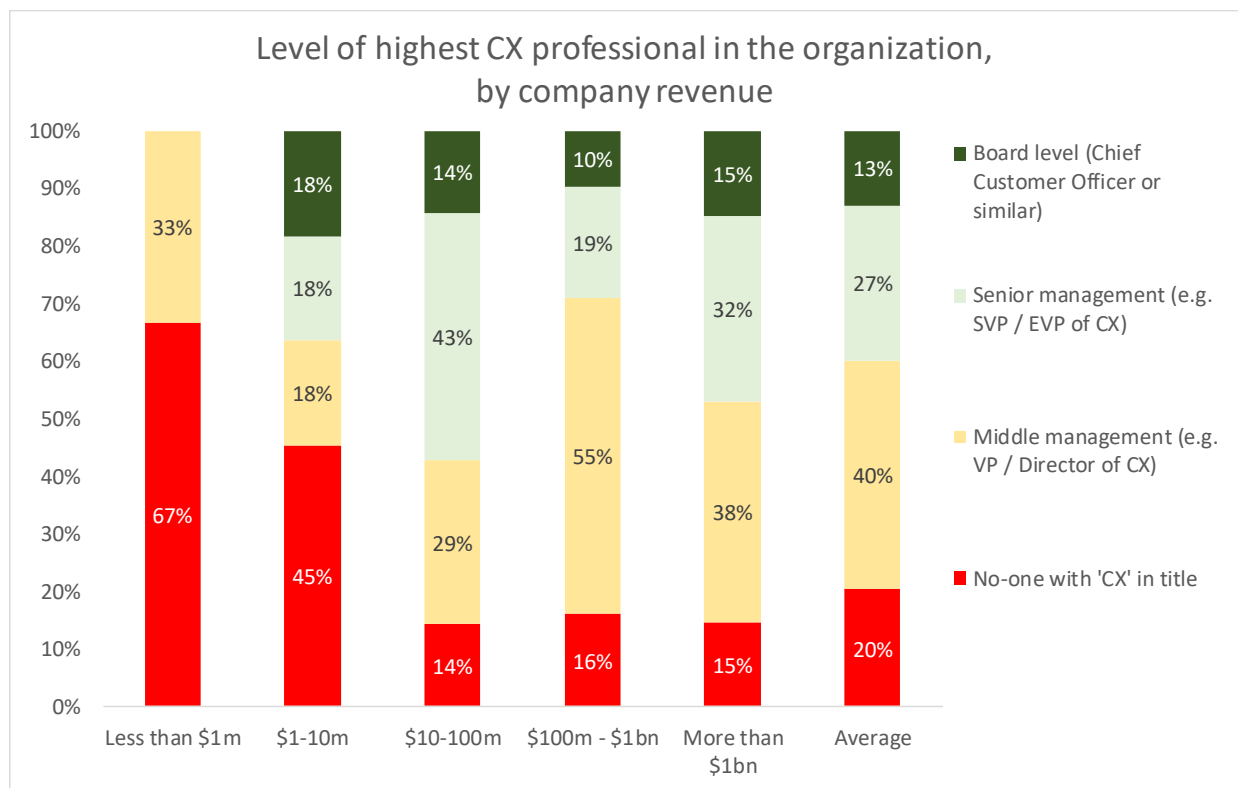
## PULLING TOGETHER: THE POLITICS OF OMNICHANNEL

Organizations offering service across multiple channels and devices have to decide: who actually owns the space? Telephony is established as a contact center function, and some other non-voice customer channels also fall under its auspices, but social media is often still owned by marketing (who may also lay claim to mobile strategy), and the wider self-service, AI and knowledge base functionality may be a remit of the IT function. This fragmented and inconsistent ownership of multiple customer contact functions means that maintaining the same high standard of information and service across channels has become even harder, and the path to true omnichannel even more fraught.

It may not be possible or even desirable for a single unified group to take charge of all such functions. However, because the customer neither knows nor cares about the internal structure of the organization, a bridge between the channels must be created to ensure that a customer experience does not break down if the initial channel cannot handle all the customer's requirements effectively, and the growth in cross-functional customer experience teams is a response to this issue.

Survey respondents were asked who in their organization was responsible for customer experience. Governance shows how seriously CX is being taken, and how capable organizations will be of driving radical and successful CX programs, including omnichannel, which are likely to impact on many existing fiefdoms. The chart shows that small organizations are less likely to have a dedicated CX professional working within them. Even in the very largest organizations surveyed, only 15% had a CX professional at board level, although there is often representation for CX at very senior management level.

Figure 40: Level of highest CX professional in the organization, by company revenue

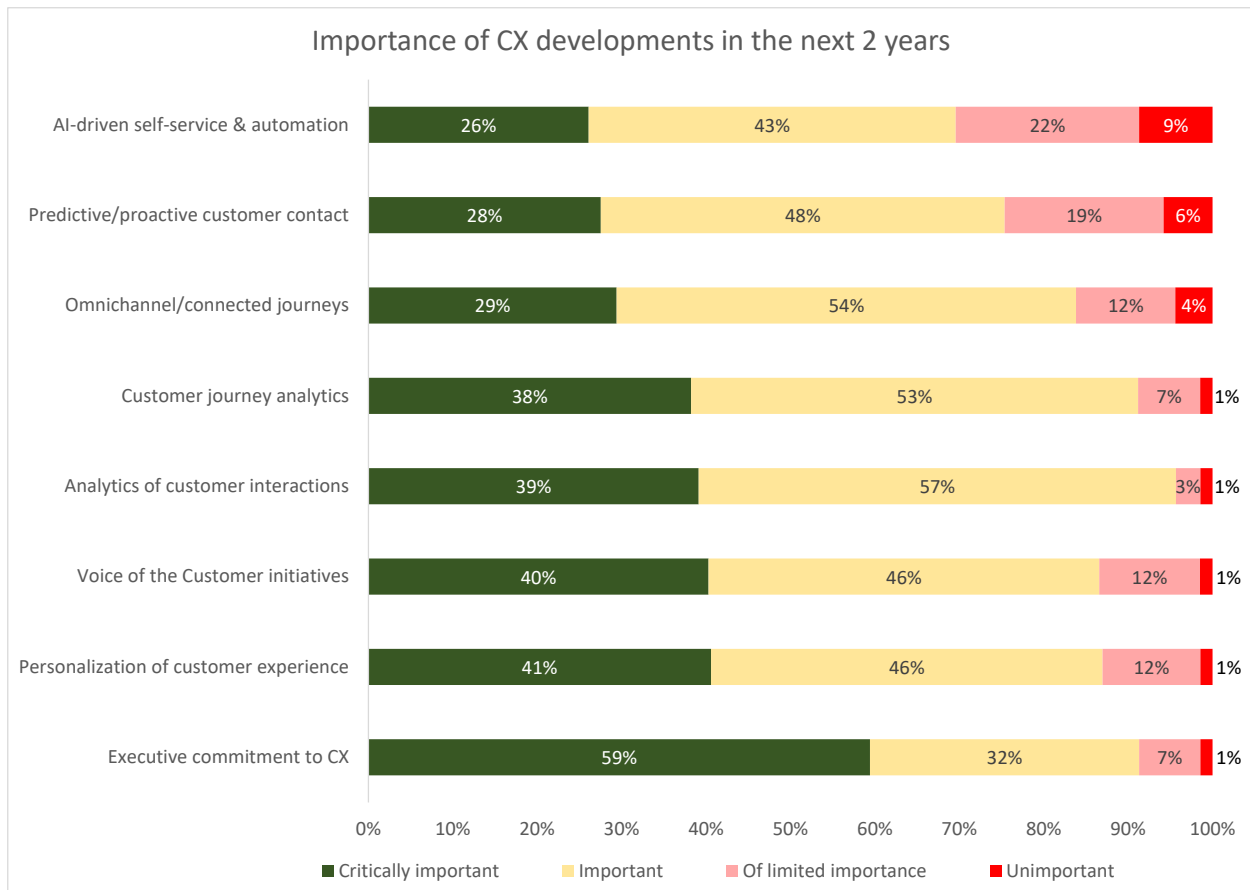


Survey respondents were asked their opinion on how important various customer experience developments would be to their organization in the next two years. Omnichannel was seen as critically important by 29% of respondents, with only 16% stating that it was of limited importance.

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.

Successful omnichannel demands a high-level champion to make departments work together for the good of the company: without this, few omnichannel implementations will fully succeed.

Figure 41: Importance of CX developments in the next 2 years



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## APPROACHING THE OMNICHANNEL CHALLENGE

- Gather as much information as possible from customers, through analytics, customer surveys or preferably both: many businesses are doing this through a Voice of the Customer program. The aim is to understand which business processes are working, which are suboptimal and perhaps most importantly, which are most valued by the customer. This should not just be restricted to contact center processes, but also into the organization's back office and fulfilment systems as well. Omnichannel is a journey, so focusing upon those areas which are most obviously broken will make sense, both from the customer's perspective and also in proving the concept to stakeholders within the business
- A single source of knowledge or 'truth' should be identified within your environment – for many companies, this is the CRM system – and make sure that other system components can integrate easily with this in order to access and amend customer records in real-time. A platform or hub will be required that allows every channel to access and update the customer's master record as and when required, with real-time synchronization being of vital importance. Within each individual channel, consider the potential use of further automation: for many businesses, non-voice channels still rely upon manual input and there are considerable opportunities to reduce cost and improve data consistency
- While the vision and strategy should be distinct and all-encompassing, the implementation can be done in phases that immediately impact upon the customer experience and prove ROI
- Set measurable objectives, using metrics that are directly related to the desired outcome, particularly those are valued by customers rather than simply using internal metrics. For example, if one of the aims of the omnichannel project is to reduce customer effort, it would make sense to consider first contact resolution rates, rather than agent occupancy rates, for example. Metrics that are able to demonstrate ROI should be chosen wherever possible, in order to demonstrate to and reassure stakeholders elsewhere in the business that the project is achieving financial success. As elements of the omnichannel journey go live, behaviors and outcomes that support these metrics should be tangibly rewarded
- As with any large, cross-departmental project that may need to alter the culture of the organization, omnichannel will require a project champion at a senior level, with the authority and vision to influence and create change wherever required, backed by and reporting to a sponsor at the highest level of the organization. Create a cross-functional organizational overlay that represents the interests of each interested party, and emphasize that this is a business transformation project rather than another IT-led operation. The key stakeholders involved at various stages of the omnichannel project should be identified and the benefits of the project explained to them. Throughout the project, communicate why these changes are being made and what the benefits are to individuals, departments and the organization as a whole



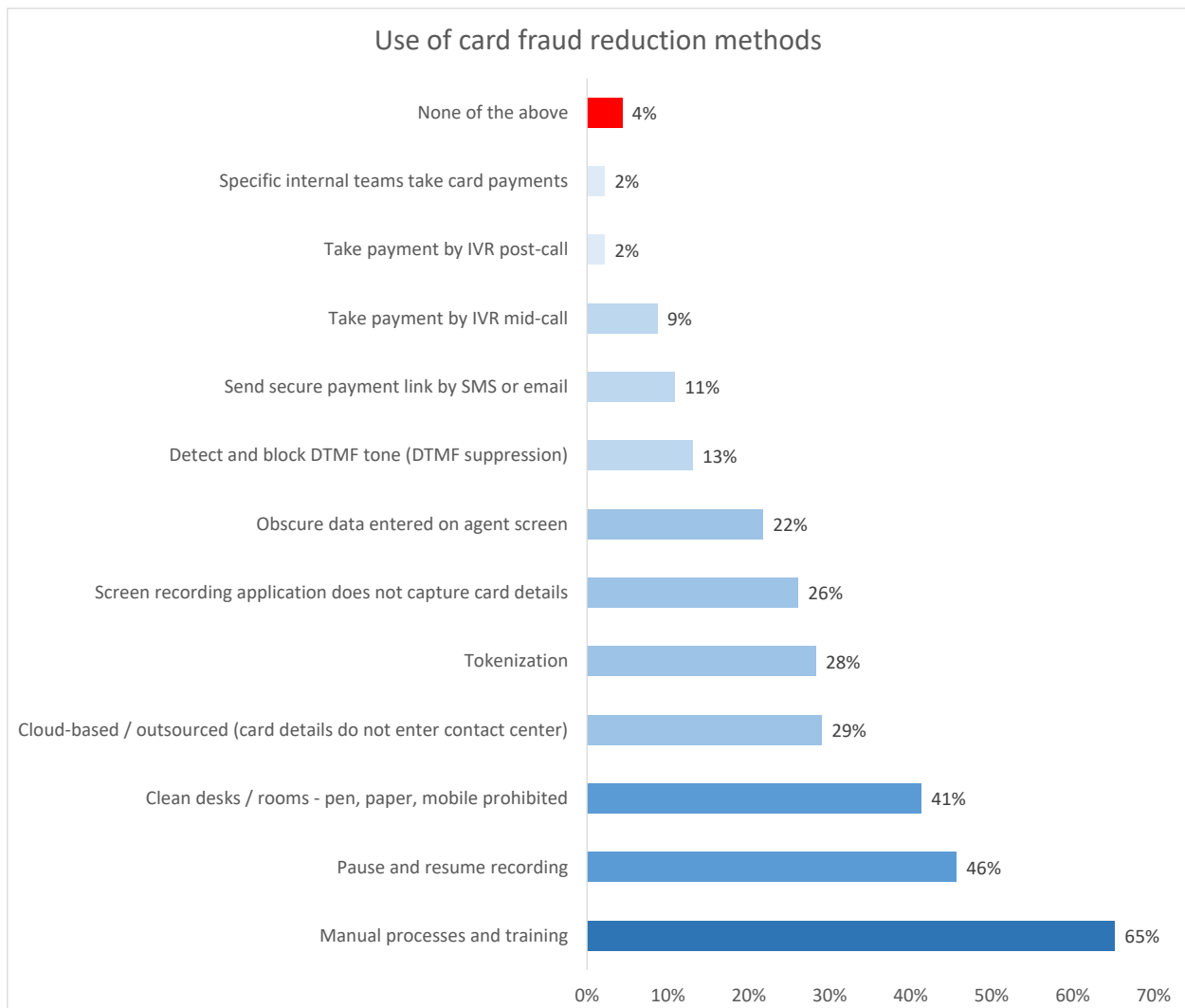
- Identify as many of the customer journeys as possible (and their business owners), tracking them across channel, into the back office, financial and distribution systems, and back out towards the customer. If some channels are owned by different departments (e.g. social media is often run by marketing), pitch the benefits of having the contact center deal with customer interactions, allowing the marketing department to concentrate on their core job
- Using a tool such as the 2x2x2 cube matrix shown earlier, identify volumes and uses associated with each customer channel, segmented by variables such as customer demographics and intent if possible. Identify the potential moments of truth and the knowledge and data required at each stage in the journey to identify gaps
- Make a point of learning from the people who have actually been handling interactions over different channels, and have the contact center agents work alongside them to understand what's different in these channels
- A single customer interaction interface on the agent's desktop will make it far easier for them to concurrently handle multiple interactions on different channels as they will not have to toggle between screens and applications, and means that the customer can stay engaged with the same agent throughout the process. The agent desktop should provide previous interaction details regardless of channel, current customer status, visibility of the channels the customer has used as part of this interaction, the customer's profile and even their persona/personality type
- Be careful not to automate a broken process: using customer journey analysis to identify those bottlenecks both within the contact center and in the wider enterprise that are causing frustration, delay and increased costs
- Accept that omnichannel customer contact is an ongoing process, to be revisited and continually improved as the nature of business, customer preferences and new channels further evolve
- Agent training should not be overlooked: while some employees may be highly skilled at handling telephony enquiries, they may require training on handling email or web chat, and the use of any public social media platform such as Facebook or Twitter will require different training around tone, brand and communication techniques.

## OMNICHANNEL PAYMENTS

The PCI DSS guidelines state: “As a starting point, consider whether the organization should aim at excluding telephone-based card payment data entirely...for organizations committed to taking payments over the telephone, consideration should be given to techniques that minimize exposure of PAN and SAD to the telephone environment and balance that with user/customer experience requirements, with the object of significantly reducing the CDE (card data environment) or eliminating the CDE altogether”.

Respondents were presented with a long list of solutions, approaches and business processes that aimed to reduce the risk of card fraud within the contact center, and were asked to indicate which they used. It should be noted that many of these methods used do not in themselves render the operation fully PCI-compliant, although methods that do not allow the card data into the contact center at any point (even encrypted) will take the operation out of the scope of PCI.

Figure 42: Use of card fraud reduction methods



### **Pause and Resume (46%)**

Usually the most widely-used method of card fraud reduction is ‘pause and resume’ or ‘stop-start’ recording, which aims to prevent sensitive authentication data and other confidential information from entering the call recording environment. Pause and resume may be agent-initiated, act for a fixed time period (e.g. stopping recording for a minute), or be fully automated. The PCI DSS standard could be interpreted as to prefer automation over manual intervention to avoid human error. Automated pause and resume may use an API or desktop analytics to link the recording solution to the agent desktop or CRM application, being triggered when agent navigates to a payment screen, for example. The recording may then be paused, to be resumed at the time when the agent leaves the payment screen, which in theory should remove the period of time whereby the customer is reading out the card details. This method, one of the most popular, has several obvious benefits, not least of which include a low set-up cost and the speed of implementation.

Pause and resume is historically the most popular method of assisting with PCI compliance, and has several obvious benefits, not least of which include a low set-up cost and the speed of implementation. However, breaking a recording into two parts makes it difficult to analyze the entire interaction, and goes against some industry-specific regulations, e.g. any financial services regulations which require a record of the full conversation, so some contact centers prefer to mute the recording or play a continuous audio tone to the recording system while payment details are being collected, meaning that there is still a single call recording which can be used for QA and compliance purposes.

More pertinently, PCI DSS guidance states that “Pause-and-resume technologies may be manual or automated, and whilst a properly implemented pause-and-resume solution could reduce applicability of PCI DSS by taking the call recording and storage systems out of scope, the technology does not reduce PCI DSS applicability to the agent, the agent desktop environment, or any other systems in the telephone environment.”

The new PCI guidelines have moved away from just securing recorded card data, to securing **spoken and recorded** card data, the former of which pause and resume cannot assist with. Pause and resume takes the recording and storage part of a call out of scope, but still leaves the agent, the agent desktop environment and other systems in the telephony environment in scope for PCI.

### **Improving Processes and Agent Training (65%)**

The most widely-used method of card fraud reduction is that of **improving manual processes and agent training**: the biggest risk in any organization relating to data theft is its staff – not necessarily from fraudsters, but laxity in taking proper care of data – and the relatively low cost of training and education of the risks can go a long way in making staff vigilant to perils such as phishing emails and such like. Phishing emails can mean that staff innocently allow hackers to enter the system, and is a bigger risk than a rogue staff member writing down card numbers.

The practice of **obscuring card details (22%)** on an agent's screen as they are being typed in is a low-tech way of preventing screenshots of the card data being taken on a smartphone, for example. It can be linked to IVR data input, so that the agent can see that the card details have been entered by the caller, but not be able to see exactly what they are. **Disabling screen recording (26%)** in the card input screen also reduces the risk of card data being hacked, as it is simply not available to be stolen.

### **Clean Desks / Rooms (41% / 2%)**

A very few organizations set up **dedicated payment teams (2%)**, working away from other agents, often in a **clean room** environment with no pens, paper or mobile phones, so that customers can be passed through this team to make payment. As these agents have a single responsibility – handling card payments – sometimes they are underutilized, and at other times there can be a queue of people waiting to make payments. In terms of the customer experience, this latter scenario is suboptimal. A clean room is generally not seen as being a particularly pleasant working environment for agents, being Spartan of necessity. Not being able to be in touch with the outside world, for example with children or schools, can be a significant problem for some agents. It has been estimated that it takes around \$3,000 per agent per year to create and maintain a clean room environment. Implementing a clean desk policy in the contact center (rather than a dedicated clean room) will reduce the opportunity for agents to write down card details, but cannot be relied upon to prevent fraud.

### **IVR Payments (9% / 2%)**

A minority of respondents, especially those with a large contact centers, using automated IVR process to take card details from the customer, cutting the agent risk out of the loop entirely. **Mid-call IVR (or agent-assisted IVR) (9%)** is more popular than **post-call IVR (2%)**, as it is seen as a more customer-friendly approach: the caller may have additional questions or the requirement for reassurance and confirmation after the payment process, perhaps around delivery times or other queries not related to the payment process.



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### **Detect and Block the Phone's DTMF Tones (13%)**

13% of this year's respondents use **DTMF suppression** in order to assist with their PCI compliance. DTMF suppression describes the practice of capturing DTMF tones and altering them in such a way that cardholder details cannot be identified either by the agent, the recording environment or any unauthorized person listening in. DTMF suppression aims to take the agent out of scope as well as the storage environment, as card details on the agent's screen may be masked as well as the DTMF tones being neutralized (thus removing any – albeit theoretically small – danger of a handheld recorder being used).

At the point in the conversation where payment is to be taken, the agent directs the customer to type in their card details using the telephone keypad. The DTMF tones are altered so that they no longer represent the card number or sensitive authentication details. The caller inputs their card data via a touchtone keypad in a similar way to an IVR session, keeping them in touch with the agent at any point in the transaction in case of difficulty, clarification or confirmation. There are anecdotal references made to an average time-saving per call of around 10 seconds if the caller types in their own card details rather than reading them out and having confirmed by an agent.

### **Third-Party Cloud-Based Payment Solution (29%)**

29% of this year's respondents use **third-party cloud-based payment solutions**, which is far more likely to be the case in larger operations and which is growing in popularity very rapidly. Using a cloud-based solution to intercept card data at the network level means that no cardholder data is passed into the contact center environment, whether infrastructure, agents or storage. As such, this can be seen to de-scope the entire contact center from PCI compliance. Like any cloud or hosted solution, it relies heavily upon the security processes and operational effectiveness of the service provider, although the PCI DSS attestation of compliance and external audits, along with regular penetration testing may well show superior levels of security over that present in-house. Some cloud-based solutions may require greater levels of integration or configurations than their on-site equivalents, but most seem to be engineered in such a way as to minimize changes to the contact center systems, processes or agent activities.

### **Tokenization (28%)**

Tokenization takes place in order to protect sensitive card information such as the PAN (primary account number or 'long card number') by replacing it with non-sensitive data which merely represents the initial data. The purpose of this is to devalue the data so that even if it is hacked or stolen, it is of no use to a criminal. One of the main benefits to tokenization is that it requires little change to the existing environment or business processes, as apart from the addition of a decoding mechanism, the flow of data, its capture and processing works in the same way as if it were true card information coming into the contact center environment.

A customer entering a 16-digit card number might have six digits within the middle of the card taken out and replaced by entirely different digits, before this information is passed as DTMF tones into the contact center environment. This allows the contact center to be outside PCI scope, as there is actually no **real** cardholder data entering the environment, as well as making it a less attractive target for data hacking and stealing. Tokenization does not require special integration with existing payment processes, storage systems, telephony or IVR systems, nor does the agent desktop have to change as the same data format is coming into the desktop environment.

The first stage of tokenization is to collect the actual cardholder data via DTMF tones. For each key press, the solution replaces the associated tone with a neutral or silent tone, and sends the actual number relating to the DTMF tone elsewhere within the solution in order to be tokenized. Card numbers and sensitive authentication data such as card validation codes are replaced as necessary, and the new tokenized DTMF tones are played down the line to the contact center. The actual cardholder data is held temporarily within the hosted environment.

Within the contact center environment, the tokenized DTMF entry goes to the same places that the existing payment process defines, being recorded as usual and going to the agent desktop just as if the card information was actually true, passing through a decoder (which may be hardware or software) which converts the tones to keystrokes that are entered in the payment screen. As the card data is only a tokenized representation, it cannot be said to be actual cardholder data and thus does not fall into the scope of PCI DSS compliance.

Once the agent submits the tokenized payment card details, the transaction is sent back to the hosted environment, where the tokenized data is matched and converted back into the actual cardholder information, which is passed on to the payment service provider, which returns the usual payment success/failure confirmation.

Of course, cardholder data is not the only DTMF-provided information coming into the contact center environment, as other data such as IVR routing options and the entry of account numbers often requires capture of DTMF tones as well. Various configuration options exist within solutions, based upon the specifics of the business in order to circumvent confusion. Customers should check that any hosted tokenization solution will not alter the performance of any required card number validation checks, including card length, range validation and 'Luhn' checks (to make sure a card number 'looks right' before presenting it to the payment services provider). The PCI SSC has published tokenization product security guidelines<sup>4</sup>.

### **Send Secure Payment Link by SMS or Email (11%)**

This self-service card fraud reduction method involves sending an SMS, email or WhatsApp link to a customer which then opens a secure form in which card details can be entered. Card data is kept outside the organization, keeping it outside of scope and can also be linked with tokenisation to collect new information if existing data has expired. This method is secure and reduces agent time, allowing customers to pay at their own convenience, although will possibly be more suitable for some demographics.

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<sup>4</sup> [https://www.pcisecuritystandards.org/documents/Tokenization\\_Product\\_Security\\_Guidelines.pdf](https://www.pcisecuritystandards.org/documents/Tokenization_Product_Security_Guidelines.pdf)

## TOWARDS PERSONALIZED OMNICHANNEL SERVICE

An omnichannel strategy aims to support the customer throughout any and all interactions that they have with the company, reducing their effort, with the goal of providing a high level of customer experience that translates into a long-term, profitable relationship.

As part of this, technology and business processes can be combined to give the customer an experience that is tailored to their requirements, rather than offering the same interaction options each time, regardless of who the customer is, and what they are trying to do.

As seen earlier in the report, customers have different channel preferences depending on their requirements and the sort of people that they are. Yet personalization does not stop there. This section describes some of the opportunities available for businesses which want to make their customers' experience truly personal, while optimizing the cost and outcome for the business as well.

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## ANALYZING CUSTOMER INTENT

Customer interaction analytics can provide a solid understanding of why customers are calling. Categorizing types of calls, and then analyzing them for the occurrence of similar types of words and phrases can give an insight into the reasons for customers' calls. For example, a category such as 'sales' might be analyzed for patterns, and it is discovered that the words 'delivery' and 'website' are mentioned in a disproportionate number of them. Listening to some of these conversations, it may be found that the website does not highlight delivery times effectively enough, leading to unnecessary calls to the contact center, rather than the customer purchasing on the website.

The automatic categorization of calls, based on the types of words and phrases that typically get used within these types of calls, is a starting point. Analytics solutions can then add non-audio data, such as desktop activity or account status, and the tracking of word usage compared with its historical use (e.g. a 300% rise in the use of the phrase "can't log-on" after a software upgrade) can quickly indicate and identify issues that can be handed to the relevant department much more quickly than typical inter-department channels could usually manage. Regular references to competitors and their products can be captured, analyzed and passed to the marketing or pricing teams to provide them with real-life, rapid and accurate information upon which to base decisions. This categorization gives a starting point for analysis, meaning that businesses can listen to the right calls rather than getting them randomly or employing large numbers of people to get insight from customers' calls.

This information can be matched against customer profiles, or those which have recently carried out specific actions, in order to predict why they are calling, and either offer the correct self-service option, or proactively communicate the required solution before they even call.



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## PREDICTIVE ANALYTICS

Predictive analytics is a branch of analysis that looks at the nature and characteristics of past interactions, either with a specific customer or more widely, in order to identify indicators about the nature of a current interaction so as to make recommendations in real-time about how to handle the customer. AI drives predictive analytics to enable an instantaneous gathering and assessment of data from multiple sources to occur even before the call has been routed, which allows accurate prioritization and delivery of the call.

For example, an AI working in an airline contact center may judge a call to be urgent if the caller:

- Has booked a flight for this day
- Rarely calls the contact center, preferring to use self-service
- Is a frequent flier
- Is calling from a mobile phone rather than a landline
- Shares a similar profile with other customers who only tend to call for very urgent reasons.

In such a case, the AI may consider that there is a likelihood that the call is directly related to the flight that is happening today (e.g. there's a danger of missing the flight and the customer may need to rebook), and is able to move the call to the front of the queue and route it to an agent experienced in changing flights, and whose communication style suits the situation and customer profile.

Taking this a step further, the AI is able to augment the conversation with suggestions based upon what the agent is doing on the screen and also, through listening to the details of the conversation, is able to provide relevant information without the need for the agent to search for it, such as the next flight to the customer's proposed destination or the refund / transfer options. At the end of the call, the AI can then email or text the agreed solution to the customer without the agent having to do this manually.

Using predictive analytics, a business can retrospectively analyze interactions in order to identify where customers have defected from the company or not renewed their contract. Typical indicators may include use of the words "unhappy" or "dissatisfied"; customers may have a larger-than-usual volume of calls into the contact center; use multiple channels in a very short space of time (if they grow impatient with one channel, customers may use another); and mention competitors' names. After analyzing this, and applying it to the customer base, a "propensity to defect" score may be placed against each customer, identifying those customers most at risk. Specific routing and scripting strategies may be put in place so that when the customer next calls, the chances of a high-quality customer experience using a top agent are greater and effective retention strategies are applied.

A branch of predictive analytics – predictive behavioral routing – uses insights gathered from historical calls and the analysis of customer communication types in order to choose the agent whose skills and characteristics are most likely to achieve a positive response from the next caller in the queue.

Predictive behavioral routing uses millions of algorithms to decode the language used by agents and customers, in order to understand their state of mind, personality, communication style, engagement levels, empathy and transactional attributes (such as ability to overcome objections, willingness to sell, success rates, the number of times that supervisor assistance is required, etc.). Through analyzing historical interactions, each customer can be matched against a specific personality style. When this customer calls again, they are identified through the IVR or the dialing number, and the call is then routed through to an agent whose performance when interacting with this specific personality type has been seen to be positive. This increase in empathy and the matching of communication styles has seen these matched agent-customer pairings get significantly higher sales closure rates and better customer satisfaction scores.

Predictive behavioral routing has its roots in communication-based psychological models for assessing personality type and identifying behavioral characteristics. One vendor's solution, for instance, is based upon a personality model developed in the 1970's to assist NASA with astronaut selection; the premise of this model is that individual personality type can be derived from a person's use of language. By understanding the type of customer, calls can be routed to agents who are best at handling the caller. Agents who are skilled at handling many types of callers' personality styles can be saved for callers whose character type is unknown, perhaps as this is the first time that they have called.

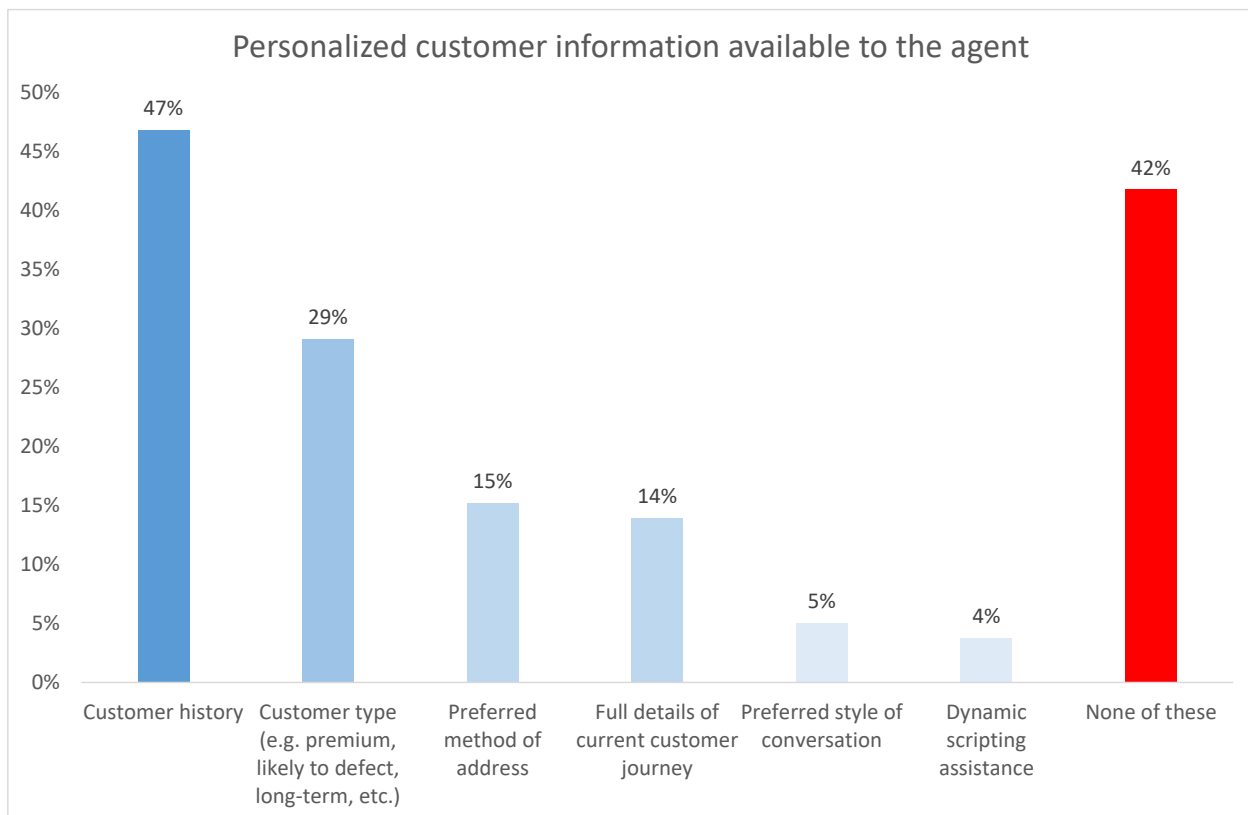
By tracking agent performance across various personality types, information can be fed into the performance management process to help that agent improve, and agent capabilities are regularly reassessed to promote optimal routing.

## HELPING THE AGENT TO HELP THE CUSTOMER

Once the customer has been identified and the call has been routed to the agent, greater personalization of the interaction becomes possible. Agents need relevant information about the customer and the issue they wish resolving to be available at a glance, without having to search manually for it, or keep the customer waiting while they try to understand the situation.

Integrated desktop solutions can remove the need for agents to log into multiple applications, assist them with the navigation between applications within the call, and make sure that customer data is gathered from the correct places and written consistently back to any relevant databases without the need to navigate through multiple systems. This not only increases speed and accuracy, but allows the agent to concentrate on the customer, and on any alerts or suggestions that the desktop application is making about where to take the conversation next.

Figure 43: Personalized customer information available to the agent



Surprisingly, only 47% of contact centers report that the agent even has a full view of the customer history, including any non-voice interactions.

Very few respondents state that their agents are provided with hints and tips on how the customer prefers to be addressed or their style of conversation (relaxed, formal, chatty, etc.), meaning at best that callers receive the same neutral, generic form of address as everyone else.

Only 4% of this year's survey respondents use AI-enabled dynamic scripting / agent assistance, which helps the agent to provide the right information at the right time, seamlessly linking with multiple back-office applications and databases, providing only what is relevant onto the agent's screen. Depending on the experience or profile of the agent, what the customer is trying to do and any regulatory inhibitors, on-screen buttons can be enabled or disabled, or access to fields limited according to business rules. Furthermore, adherence to business processes can be assured by making the agent complete all of the required steps in the transaction (for example, adding call notes, reading disclaimers, etc.).

There is potentially a great deal of benefit to be gained from understanding automatically what is happening on the call, and in being able to act while improvements are still possible, rather than being made aware some time after the call of what has happened.

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## CUSTOMER JOURNEY ANALYTICS

Driven by the need to get beyond the siloed nature of multichannel interactions, customer journey analytics aims to gather together the various data sources, triggered processes, and customer touch points involved in the customer interaction in order to optimize the overall customer journey. By fully understanding the customer experience, businesses can identify and rectify inefficiencies, helping to break down the boundaries between channels and between the front office and the back office.

Customer journey analytics goes beyond the measurement of individual interactions and touchpoints. Sophisticated analytics solutions use data inputs from multiple sources, both structured and unstructured, in association with journey maps, which are produced by employees in multiple roles within the organization who document how various processes currently work and how they could be optimized.

In the past few years, a widespread realization amongst businesses that the complexity of the customer journey has increased in line with the number of new devices and channels available to customers to communicate with the business has led to the initiation of customer journey projects, backed by new management positions coming under the wider 'Customer Experience' banner.

This is particularly the case in larger contact center operations, where businesses are increasingly looking at the effectiveness of back office processes that can impact upon whether the customer has to contact the business multiple times.

Customer effort and engagement is very dependent upon effectiveness by which channels work together, as well as the level of first-time contact resolution. Proactively engaging the customer at the appropriate time within the customer journey has an opportunity to reduce the effort required for the customer to fulfil their interaction completely. As part of a wider omnichannel engagement, businesses must seek to understand how and why customers prefer to engage with them, optimizing the flow of information throughout any connected processes and channels so that the organization becomes easy to do business with.

For more information on customer personalization and customer journey analytics, please see "The Inner Circle Guide to Customer Engagement & Personalization" and "The Inner Circle Guide to the Voice of the Customer", available for free download from [www.contactbabel.com](http://www.contactbabel.com).

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## OMNICHANNEL ANALYTICS

There is an increasing requirement for omnichannel analytics, including email, text chat, IVR and web browsing sessions, to get the full picture of the customer's real journey in a single interaction, in order to identify and improve any channels that failed to fulfil their requirements. Improving self-service optimization is often a quick win that can provide immediate economic benefit to businesses: in the UK, a mean average of 13% of calls that go into an IVR system are 'zeroed-out' – rejected by the customer in favor of an operator – and in the US, a staggering 23% fail the self-service test.

Businesses using customer interaction analytics to review these failed self-service sessions will be able to categorize many of them in order to improve the processes at a macro-level. Common findings from the analysis of these calls is that the IVR system was poorly worded, menu choices were not intuitive, or did not match current service choices. Other failures occur through mistakes in IVR routing, and there may also be problems with a lack of customer awareness that various activities can be carried out by self-service.

Integrating desktop data analytics into speech analytics allows businesses to tag valuable data automatically – such as account ID, product name and order value – from CRM, helpdesk and other servicing applications to recorded interactions. This additional desktop data can be used to enhance automated classification, which allows more targeted and efficient analysis centered on key business issues, such as customer churn, differences in call handling patterns between employees, frequency of holds/transfers associated with order cancellations and upselling and cross-selling success rates. The use of desktop data analytics also allows the business to view the agent's desktop activity (for example, are they spending too much time in particular applications, are they navigating the screens efficiently, etc.), and to understand how much time is being spent in each section of the call.

The next step is to get rid of the silos between channels, allowing the customer to be identified at the beginning of their journey, and for the business to be able to analyze the efficiency and effectiveness at each stage, whether mobile app, website, self-service application or live call. The end goal is for businesses to understand where customers make their choice, where they drop out, and where the profit is within the multiple processes along the customer journey.

Longer-term, future customer contact is likely to become along polarized lines: for everyday, mundane tasks, the customer will choose the website or mobile app for self-service, leaving the contact center to deal with those interactions which are complex or emotive for the customer (as well as there being demographics for whom the contact center will continue to be primary). With the website becoming the first port-of-call for many customers, the analysis and understanding of the success (or otherwise) of pre-call web activity is a valuable source of knowledge about how effective the main portal to the business is being, as well as being able to give businesses greater insight into why people are calling.

Manually analyzing thousands of web sessions and linking them with specific customers and their phone calls is impossible, so there is a great potential for omnichannel analysis. Adding in relatively minor channels such as social media, web chat, SMS and email will make the mix more complex, and more potentially suitable for analysis. It is also certainly worth mentioning that some solutions also analyze the customer's pre-call use of self-service via IVR, providing the agent with a background on the caller's recent experience and offering the chance to improve self-service process failures.

Including social media, email and text chat into the analytics equation is increasingly important, and while many vendors have multichannel/omnichannel analytics within their overall customer contact analytics solution, this functionality is not yet used to anywhere near the same extent as speech analytics.

This lack of uptake may have many reasons:

- the social media channel is often the responsibility of the marketing function within a business, whereas customer contact analytics - being focused on speech at the moment - is usually under the remit of the customer contact operation, meaning that harmonious, integrated analysis across channels is that much more difficult
- for most businesses, interaction volumes for email, chat, social media and other non-voice channels are far lower than for speech, so consequently there has been less urgency in analyzing these
- there may not be a single unified view of the customers' interactions across channels, as is the case in a siloed operation
- it can be more difficult to identify customer in non-voice channels such as text chat or casual web browsing, so the depth of insight available may be that much less.

Perhaps the most obvious potential contact center use of AI-enabled text analytics is in handling digital enquiries, where web chats generally take far longer than phone calls (due to agent multitasking, and typing time) and some email response rates can still be measured in days. As the cost of web chat is broadly similar to other channels such as email, voice and social media, there is considerable room for increasing efficiencies and lowering costs. Real-time text analytics can be used to assist agents when answering emails or handling web chats, or to identify customers at risk based on feedback comments they have left, initiating an action aimed at alleviating their problem immediately.

Most large companies will have formal customer satisfaction and feedback programs, and also will monitor third-parties such as TripAdvisor or Yelp, which provide structured data in the form of scores, and efforts should be made to identify the most important data sources. Text analytics helps to dig deeper into the actual unstructured comments left by customers, which are otherwise very difficult and time-consuming to categorize and act upon, especially where there are many thousands of comments. Industry-specific vocabularies can be used to identify and understand more of the relevant comments, and place them into the correct context. Solutions should also be more sophisticated than simply to identify key words or phrases: the sentiment of the whole comment should be considered (for example, “loud music” in a shop may be exciting to one customer, but irritating to another). Many comments are mixed-sentiment, and may also mix a 5-star review with some more critical comments, which the analytics solution will have to take into account: the comments are where the real value is found, with both positive and negative insights available to be understood.

There will come a time when all data generated within a business will be able to be cross-correlated to provide insights not only to the customer contact department but also to parties such as marketing, operations and finance, so they have greater insight about issues such as price elasticity and revenue maximization. The ability to prove to senior management that the actions and insight held within the contact center has a distinct and measurable impact on the entire company – and as such is not simply a cost center - is likely to improve its visibility and credibility which should help to create a long-term holistic view and assist further investment.

The 'tell-me-why' and discovery modes of customer contact analytics will improve over time as better accuracy and more powerful processing provides richer and more joined-up data for analysis, and the inclusion of non-voice channels show the full picture of customer contact and its intent. There will also be major efforts to link analytics to proving profitability, including identifying “moments of truth” (points at which buying decisions are made, and long-term loyalty can be won or lost), and being able to predict and manage customer churn.



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## PERSONALIZING THE MOBILE CUSTOMER

A personalized approach can also leverage the information that mobile and especially smartphone devices can provide, assuming that privacy regulations allow. On moving from self-service to assisted service, mobile service applications should gather the browsing history, customer information and the context of the session in order to pass this to a live agent. Smartphones are enabled with GPS tracking, so businesses should look to use this capability to deliver better customer experiences where possible. In fact, the inherent capabilities of the mobile device offer businesses huge opportunities to impress their customers, including location-specific information, such as local broadband outages, or the ability to use photo-taking functionality on the phone to provide the agent with a clearer picture of the situation (which may be particularly useful for insurance claims, for example).

SMS and outbound calling also offer opportunities for businesses to deliver proactive customer service through the mobile channel, creating a positive attitude. Furthermore, location-specific device information also allows businesses to deliver timely service and relevant marketing messages which can be positives for the customer at that specific place and time.

Solution providers are keen to offer technology that ties in the mobile channel more tightly with the existing voice and data customer support channels, providing a single integrated user experience regardless of initial channel choice and any cross-channel movement by the customer. One of the key ways to do this is to offer live agent support more easily (for example, through clicking an icon within an app), which provides a context-relevant, geographically supported and personalized customer experience. The movement between self-service and live service is currently very difficult for many customers – it is certainly not seamless – and actually may involve abandoning the mobile channel entirely in order to start afresh with another channel. As the customer has chosen originally to use a mobile channel, even a successful outcome with another channel will risk leaving the customer dissatisfied with the company, and less likely to use the mobile channel in future. There is also the danger that because the organization is unaware that a failed mobile session has been the root cause of a live contact, it will underestimate the reality of cross-channel interaction failures.

Contextual data provide a great opportunity for businesses to deliver timely personalized service in a cost-effective and profitable manner. The nature of mobile devices means that businesses potentially have the opportunity to know more about their customers and their specific requirements and preferences than ever before.

This includes:

- **Customer identity:** once the customer has identified themselves, such as by logging on, or through the mobile phone number, this allows the agent to access their existing customer history in the same way that would be done so on a phone call into the contact center.
- **Geographical information:** smartphones are GPS-enabled, allowing agents to see where customers are, and to direct them to the nearest shop, for example.

- Historical activity: if the customer has been browsing a mobile website or app beforehand, the information that the customer browsed previously may be useful for the contact center agent to have to hand, in order to see and understand what the customer has already tried to do.
- Stored data: the mobile device may have data stored that identifies the customer, such as account number, that can speed up the interaction and make it more effective.
- Collected information: the mobile device may also be used to capture and share information with the business such as photographs or videos. It may be possible to automate a two-way interaction: for example, a customer may use their mobile phone to scan a QR (quick response) code on a product. Using the information on the code, as well as the customer's input into the app about what they are trying to do, the customer may be directed to the correct place within business's self-service function in order to solve the issue that they have. This can take the contact center out of the equation altogether, resulting in reduced costs for the business and a quicker and more effective customer experience.

The widespread rollout of 5G has made the smartphone an even more powerful device, and we can expect that the high bandwidth available will encourage businesses to offer both real-time and recorded video as part of their customer communication mix.

The future of mobile customer contact is also likely to include the use of micro-apps, which work by the customer clicking on a link that has been sent to them which opens up what looks like a company-branded app, but does not require the customer to visit an app store, search for the right app, download it, login and navigate to the right place. This will have a significant positive effect on customer effort and will also provide the business with opportunities for personalization as they will be able to send the customer exactly what they need and what the business wants them to see. It will also not require the customer to clog up their phone with dozens or even hundreds of apps which are difficult to find and may be rarely used in any case.

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## CHECKLIST: KEY ELEMENTS TO ACHIEVING YOUR OMNICHANNEL STRATEGY

- The overall omnichannel strategy should be clearly explained, and broken down into achievable aims and goals
- Anything that does not lead directly to implementing the strategy should be side-lined
- Align KPIs with what you want to achieve. If some traditional customer metrics don't support the strategy, don't be afraid to lose them
- The executive sponsor should have authority across departments, and have the ability to break down silos
- Talk to customers and understand what is broken, what works well and what they value most
- Customer journey analytics can identify processes that can be redesigned if they are wasteful, broken or inefficient. Remember to include back-office processes, fulfilment and third-parties if the customer journey uses these
- Have visibility and measurement along the customer journey, not just for individual channels
- Use analytics tools for text and desktop applications, as well as voice
- Identify the agent skills needed and those which are currently present: train and recruit accordingly
- Use an interaction platform capable of routing and handling multiple channels and cross-channel interactions with a single set of business and routing rules
- The platform should preserve context and history across channels, with no need for the customer to repeat their issue
- Connect the customer with the right agent: workforce management should be for all channels, not just voice, and have the capability to include knowledge workers and the back office if necessary
- Agents should have access to a single up-to-date knowledge base and a unified desktop application with all relevant applications and data
- Consistency across databases should happen automatically in real-time without the need for manual intervention or duplication
- Use closed-loop performance management – use regular assessments, measure process improvements, skills gaps etc.: omnichannel is an ongoing process.

## THE FUTURE OF OMNICHANNEL

Businesses' interactions with customers are becoming a highly polarized mixture of the automated and the personalized. Moving a large proportion of interactions onto self-service works for businesses, and is increasingly popular with a customer base that is becoming more sophisticated and demanding in what it expects from self-service.

A greater understanding of the customer journey and experience will lead organizations to appreciate the customer's perspective more fully. Making existing channels more user-friendly, for example through adding videos to websites or implementing visual IVR, will help to evolve the customer experience without making them retreat to more familiar forms of communication which may not be as cost-effective for the business.

Analysis and prediction of customer actions will support proactive outbound customer contact, answering a customer's query before they have even initiated an inbound interaction.

The future will likely see greater transparency of an organization's systems, sharing information from a single knowledge base and master customer record with any relevant employee, and making much of this available to the customer as well. Some organizations may also share their customer interaction performance with customers, making the wait times per channel available and allowing customers to take control of how they communicate with the business.

In the longer-term, there's no doubt that AI will play a key part of handling customer interactions in most businesses, but the question is: how? The use of AI should be focused on use cases where the AI does a better job than a human, whether that's being quicker, more accurate, available 24/7 or able to see patterns in data that no person could see. The role of AI in supporting live agents on calls has grown rapidly and many businesses believe that agent enhancement rather than replacement will be AI's gift to customer contact in the foreseeable future.

We can also expect to see personal technology applications seeking out the best deals on offer, or interacting with a business on behalf of customers without involving the customer at all. This leads to the conclusion that many customer-agent interactions will be exceptional, such as a complaint, an urgent or complex issue or a technical query that an FAQ or customer community couldn't solve. It is also likely that whole segments of the customer base who don't want automation at all will be handled directly by live agents in many cases.

Many self-service scenarios suggest a world in which customers speak directly to 'intelligent' systems, but an e2e world is becoming real, where systems talk directly to other systems without a human being involved at all. The customer will delegate many of their business interactions to an intelligent device, which will store information such as personal preferences, financial details and individuals' physical profiles. Customers will instruct the device to research the best deals for products and services, and to come back to the device's owner with the best selection. The personal AI would 'call' the relevant contact center (which could in fact be either a AI or possibly a live agent in some cases) and even purchase the best deal without having to involve the owner in any way.

The same principle applies to customer service: using the 'Internet of things' means that, for example, utilities meters already send their own readings to suppliers on request, and a manufacturer can detect when a part on an appliance is about to fail and organize a replacement part and engineer visit with the customer's permission.

Having said all that, our consumer surveys show that there is still a preference for human contact, mainly because it is the most likely way to solve the customers' issues, even if it is more effort than using self-service. As time progresses and confidence in self-service continues to increase, there is likely to be a movement towards accepting automation for a considerable proportion of interactions. In the meantime, businesses pursuing an omnichannel strategy should always remain aware that telephony is still the largest channel and is likely to remain so for the foreseeable future.

## ABOUT CONTACTBABEL

ContactBabel is the contact center industry expert. If you have a question about how the industry works, or where it's heading, the chances are we have the answer.

We help US and UK contact centers compare themselves to their closest competitors so they can understand what they are doing well, what needs to improve and how they can do this.

The coverage provided by our massive and ongoing primary research projects is matched by our experience analyzing the contact center industry. We understand how technology, people and process best fit together, and how they will work collectively in the future.

If you have a question about the contact center and CX industry, please get in touch.

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- The Inner Circle Guide to the Voice of the Customer
  
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- The European Contact Centre Decision-Makers' Guide
- The UK Contact Centre Decision-Makers' Guide
- The US Contact Center Decision-Makers' Guide
- The UK Customer Experience Decision-Makers' Guide
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