

# The Definitive Guide to the Modern Contact Center

Empower agents, increase retention and drive revenue with the right customer experience technology

## Shifting expectations put the spotlight on the contact center

Five years ago, it might have sounded nostalgic to suggest quality customer service as a key business differentiator. But today, businesses in every industry are recognizing that modern consumers expect a higher level of service—and are willing to seek out businesses that provide it. As organizations shift their focus to enhancing customer experiences, the contact center moves into the spotlight.

No longer viewed as a problem-resolution or cost center, businesses look to the contact center to deliver proactive service that increases customer retention and drives revenue. As they work to meet the heightened expectations of both customers and internal stakeholders, the core of the modern contact center must be a technology platform that brings together every contact channel and all contact center data—from the voice of the customer to agent operations—into a unified solution.

Read on for a definitive guide to building a modern contact center that maximizes efficiency with operational analytics, reduces costs with the right mix of cloud and on-premises technology, empowers agents with the information they need to deliver exceptional service in an omnichannel environment, and harnesses the power of contact center data to deliver customer intelligence across the business.

## Today's customers expect seamless, personalized experiences

The technology people use in their everyday lives has dramatically changed their expectations as customers. They not only expect 24/7 availability of service, they want to connect in the means most convenient for them. Almost half (42%) of customer interactions are now digital—from email and web chat to mobile apps and social media.<sup>1</sup> Expect this percentage to increase

as younger generations continue to prefer digital mediums for their interactions. Moreover, a customer's most convenient medium often varies. Forrester reports that 95 percent of customers use more than one channel to communicate with companies.<sup>2</sup> Delivering a personalized, omnichannel experience means more than enabling multiple channels—it requires seamlessly linking these channels to give agents an accurate and comprehensive picture of the customer and interaction.

<sup>1</sup>Global Contact Centre Benchmarking Report 2016, Dimension Data  
<sup>2</sup>Forrester Research

## More on the line than ever before

The risk of not meeting heightened consumer expectations is at an all-time high. Web and mobile offerings enable customers to switch allegiances with the click of a button—and they do. A recent study found that nine in 10 consumers (89%) have switched allegiances at least once in the last 12 months.<sup>3</sup> The real cost of each lost customer continues to grow, as new stats estimate it costs anywhere from five to 25 times more to acquire a new customer than to retain an existing one,<sup>4</sup> The impact is also felt in missed revenue. Studies show cross-selling has a 60 to 70 percent success rate, while selling to new prospects is successful a meager five percent of the time.<sup>5</sup>

Social media dramatically magnifies this negative impact. A customer service maxim used to hold that a dissatisfied customer shares his or her bad experience with 10 other people. Thanks to social media, that number is more like 100—or even 1,000.

All of this adds up to alarming figures: NewVoice Media estimates that poor customer service costs U.S. companies about \$41 billion a year.

## THE HIGH STAKES OF HIGHER EXPECTATIONS

**95%** OF CUSTOMERS USE MORE THAN ONE CHANNEL TO COMMUNICATE WITH COMPANIES<sup>6</sup>



A DISSATISFIED CUSTOMER CAN EASILY INFLUENCE **1,000+ PEOPLE** ON SOCIAL MEDIA

**4X**

A CUSTOMER IS **4X MORE LIKELY TO DEFECT** IF A PROBLEM IS SERVICE-RELATED THAN PRICE-OR PRODUCT-RELATED<sup>7</sup>



**9 IN 10 CONSUMERS** HAVE SWITCHED ALLEGIANCES AT LEAST ONCE IN THE LAST YEAR<sup>8</sup>

**25X**

IT COSTS UP TO **25X** MORE TO ACQUIRE A NEW CUSTOMER THAN RETAIN AN EXISTING ONE<sup>9</sup>

**\$41B**

POOR SERVICE COSTS U.S. COMPANIES **\$41B PER YEAR**<sup>10</sup>

<sup>3</sup>NewVoiceMedia

<sup>4</sup><https://hbr.org/2014/10/the-value-of-keeping-the-right-customers>

<sup>5</sup>Marketing Metrics

<sup>6</sup>Forrester Research

<sup>7</sup>Bain & Company

<sup>8</sup>NewVoiceMedia

<sup>9</sup><https://hbr.org/2014/10/the-value-of-keeping-the-right-customers>

<sup>10</sup>NewVoiceMedia

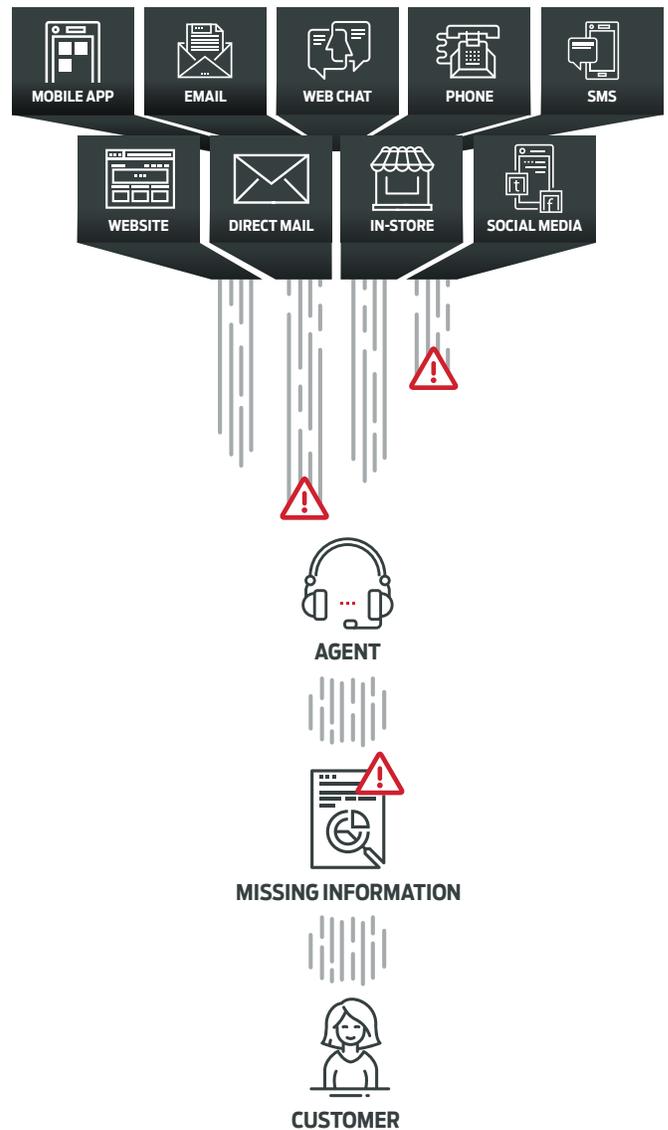
**More companies see opportunity in enhanced customer experiences**

As the impacts of inferior customer service grow, businesses in every industry are seeing this challenge as an opportunity: deliver a superior customer experience, stand out from the competition and drive measurable results—from increasing customer retention to attracting new customers and driving incremental revenue. Three in four companies now recognize customer service as a key differentiator,<sup>11</sup> and Forrester found that customer service is now second—behind sales—among strategic investments companies are making for the near future.

**Legacy technologies impede contact center improvement**

Given this awareness and investment in improved customer service, why are customer satisfaction levels down worldwide for the fourth consecutive year?<sup>12</sup> Most contact centers are trying to meet modern challenges and goals with outdated, legacy technologies. Rigid technologies with weak integrations often create silos between people and channels—and place extra burden on already-taxed agents as they work to provide seamless customer experiences. In addition, this approach leaves an organization juggling the costs and inefficiencies of implementing and training agents to use multiple, disparate technologies. Lack of integration also creates barriers to the free flow of contact center data, and prevents an organization from realizing the potential of enhanced reporting, data-driven workforce optimization (WFO) and voice-of-customer (VoC) analytics.

**SILOED TECHNOLOGY STIFLES DATA FLOW, IMPEDES PROGRESS**



<sup>11</sup><http://www.dimensiondata.com/Global/Global-Microsites/CCBenchmarking>  
<sup>12</sup><http://www.dimensiondata.com/Global/Global-Microsites/CCBenchmarking>

## Key capabilities of the modern contact center

To effectively move from a responsive pressure valve to a proactive driver of business value, the modern contact center must deploy a tightly integrated technology solution based around five key capabilities:

### 1. Multi-channel integration built for the digital age

The average organization has nine customer contact channels. Despite the omnichannel customer expectations mentioned earlier, only 18 percent of organizations have fully integrated their contact center channels—and 31 percent haven't even begun channel integration.

The modern contact center must deploy a platform that easily integrates with best-of-breed, channel-specific technologies. This integration should be realized in both front-end and back-end functionalities. Front-end integration gives agents a unified dashboard with all relevant customer and interaction information—across every channel. Back-end integration pulls all customer contact data into a single repository, where it can be mined by the analytics engine—another critical aspect of the modern contact center.

### 2. Robust employee engagement functionality

A recent study from Cornell suggests the average contact center turns over a third of its staff every year; other estimates put turnover significantly higher. This high turnover and lack of agent engagement impacts customer service in many ways, from a lack of experienced and well-trained agents, to customers' perception of agent happiness, which has been shown to directly impact the brand experience. This issue largely stems from the contact center's traditional role as a pressure valve, where agents merely served a sounding board for angry, frustrated customers. As businesses begin asking more from their contact centers, they are realizing they need new strategies for engaging agents—providing guidance, feedback and incentives to help them meet heightened expectations—and retaining the quality staff capable of delivering better service. In other words, to effectively enhance the focus on the customer, the modern contact center must first focus on the agent. Studies show that achieving a five percent increase in employee engagement translates into five percent profit growth in the subsequent year.<sup>16</sup>

## CHALLENGES CONFRONTING CONTACT CENTERS



ONLY **18%** HAVE FULLY INTEGRATED CONTACT CENTERS<sup>14</sup>

**33%**

THE AVERAGE CONTACT CENTER SEES **33% TURNOVER**



**HALF** OF ALL CONTACT CENTERS ARE MOVING TO THE CLOUD<sup>15</sup>



IN THE AVERAGE ORGANIZATION, **98%** OF VoC DATA REMAINS UNEXPLORED

**50%**

DON'T SHARE CONTACT CENTER INTELLIGENCE ACROSS THE BUSINESS

<sup>13</sup><http://deloitte.wsj.com/cio/2015/07/21/contact-centers-face-growth-challenges/>

<sup>14</sup><http://deloitte.wsj.com/cio/2015/07/21/contact-centers-face-growth-challenges/>

<sup>15</sup><http://www.dmgconsult.com/services/hostedCC/abstract.asp>

<sup>16</sup><http://www.orchestrate.com/blog/top-contact-center-technology-trends-2016/>

A comprehensive and integrated contact center technology platform increases agent engagement in a number of ways:

- **Better information enables agents to work smarter:** An intelligent agent dashboard provides a 360-degree view of the customer and the interaction in one place. Agents have the tools and information they need to deliver the customer service customers expect, which positively impacts the agent experience.
- **Timely feedback:** Targeted feedback does more than drive employee development—it keeps agents engaged and motivated. Timely performance reporting enables agents to see their own quality scores, giving them the validation they crave to raise engagement while allowing them to self-manage their own consistent improvement.
- **Advanced reporting:** With fast, in-depth reporting, contact center managers receive an immediate visual of agent performance—and leverage that information to motivate agents and teams with incentives, rewards and other forms of gamification.
- **Schedule flexibility:** Access to a scheduling platform allows agents to express their work shift preferences, swap shifts and manage their own work-life requirements, significantly improving the agent work experience. New scheduling functionality

meets these needs while also giving managers the flexibility and transparency to adjust schedules based on dynamic call volume and needs.

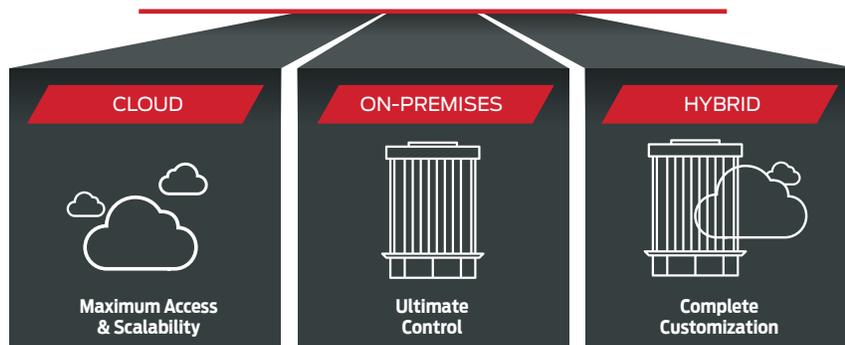
### 3. Flexible deployment with cloud-enabled infrastructure

Like nearly every facet of modern business, contact centers are rapidly transitioning to the cloud. Almost one in five contact centers moved to the cloud in 2015.<sup>16</sup> But with Gartner reporting that more than half of Global 1000 companies now store sensitive customer data in the cloud<sup>17</sup>, growing confidence in the security of cloud infrastructures will accelerate cloud adoption. Contact centers seeking the many benefits of a cloud-enabled solution—from lower cost and powerful scalability to enhanced accessibility and data-sharing—will move forward with greater confidence and purpose.

But the reality is that a 100-percent cloud-based deployment isn't right for every organization—and regulatory requirements often make it impossible. Furthermore, many technologies force businesses to choose between the robust security and functionality of an on-premises deployment (sacrificing convenience and agility), or the accessibility and scalability of a cloud deployment (with a frustrating fraction of the features).

The modern contact center should look for a

## CHOOSE YOUR DELIVERY MODEL



<sup>17</sup><http://www.gartner.com/newsroom/id/1862714>

technology platform that is built to be deployment-agnostic, delivering a consistent level of security, accessibility, scalability and functionality. This flexible, cloud-enabled platform equips an organization to build a solution that fits its unique needs and requirements—from fully on-premises, to completely in the cloud, to hybrid deployments.

#### **4. Agile applications empower remote agents—at home and around the globe**

As budget concerns and competitive pressures squeeze contact centers to deliver more with less, more contact centers will take advantage of the cost efficiencies of remote agents. This is expanding the long-standing practice of moving contact centers beyond borders. But it's also driving rapid growth in work-from-home agents. Allowing agents to work from home not only saves companies money on facility overhead, it's been shown to improve productivity and increase job satisfaction (thereby reducing turnover).

A flexible technology platform is ideally set up to empower both global workforces and work-from-home agents. Agents easily and securely access the network and relevant applications, managers retain complete oversight with comprehensive agent performance metrics and reporting, and all contact data is automatically and continuously pulled from remote workstations to the central analytics engine.

#### **5. Advanced analytics and reporting reveal new opportunities and demonstrate value**

“Big data” may be an overused buzzword in the business world, but most organizations are only just beginning to understand, explore and exploit it. Contact centers are lagging even further behind. Leaders across organizations are seeking out sources of customer data to deliver better insights that drive

toward organizational goals. However, many contact centers still lack data-driven WFO capabilities, and most have no VoC analytics capabilities (the average contact center only analyzes two percent of all customer interaction data). In addition, as businesses invest in customer service and look to the contact center to drive business value, contact centers are finding they're unable to deliver the consistent, accurate, in-depth reporting that demonstrates the return on contact center investments.

But that's changing quickly. Deloitte published a recent report showing that 87 percent of contact centers plan to expand their reporting and analytics capabilities in the next year. Organizations see immense potential in their unexplored contact center data, with most believing it can improve customer experiences as well as enhance productivity and operational efficiency. Nearly half of those surveyed by Deloitte believe their investment in analytics will translate to revenue growth.

The modern contact center will deploy a technology platform that leverages data analytics and reporting across key use cases:

- **Better performance metrics—more accurate reporting:** Traditional contact center metrics are limited to average handle time and script adherence, which don't completely and accurately reflect the quality of the customer service provided. Modern analytics allows a contact center to put metrics in perspective by combining metrics with customer evaluation scores. Moreover, a comprehensive analytics solution integrates this performance data with sales and marketing systems, enabling the business to see the real impact of improved customer service on brand reputation, net sales and revenue. This gives the modern contact center the validation it needs to garner continued investment and support.

- **Automated compliance to mitigate risk:** Advanced speech analytics allows managers to go well beyond automated script adherence monitoring. They can now identify instances of agents using high-risk or “off-limits” words or phrases and quickly address these issues to mitigate risk of regulatory fines and/or litigation. In addition, new solutions can automatically pause audio and screen recordings when agents access personal customer data as part of a PCI or HIPAA compliance program.
- **Leveraging VoC insights across the business:** Within the contact center, advanced, multi-channel VoC analytics enables agents to deliver predictive and proactive service, and has been shown to significantly raise customer retention and first contact resolution (FCR) while reducing service costs.<sup>18</sup> But half of all companies don't share contact center data with the rest of the business. By deploying an analytics solution that seamlessly integrates with sales CRM, marketing automation and other enterprise systems, organizations can create a high level of business alignment that correlates with an average of 32 percent year-over-year revenue growth (compared to an average 7 percent decline in revenue among less-aligned organizations).<sup>19</sup>

## Conclusion

### Building a technology platform to elevate the contact center

The modern contact center faces new and rising expectations. Customers demand personalized, omnichannel experiences and are quick to switch allegiances. Within the business, organizations expect to see measurable ROI for their investments in improving the customer experience. However, while many contact centers have effectively shifted their mentality from reactive to proactive and predictive, technology typically lags. Rigid legacy systems with limited integration burden agents, impede efficiency and leave valuable data unexplored. The core of the modern contact center is a fully integrated, multi-channel, cloud-enabled infrastructure—built from the ground up to enable flexible deployment and use. An elevated technology platform allows data and insights to flow freely within applications and across the business. This seamless integration empowers agents with the information they need to work smarter, increasing engagement and reducing turnover while improving service levels. It delivers cost efficiencies, enabling data-driven WFO, unlocking the efficiencies of cloud deployments and empowering work-from-home agents and global workforces. Finally, it enables advanced data analytics that reveal powerful VoC insights to improve service and enhance sales and marketing efforts while delivering accurate, in-depth reporting that demonstrates the value of improved customer experiences. Armed with the empowering capabilities of a fully integrated technology platform, the modern contact center can fully realize its potential as a key business differentiator and reliable growth driver.

<sup>18</sup>Aberdeen Group

<sup>19</sup>Aberdeen Group