



The US Customer Experience Decision-Makers' Guide 2022-23

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The 2022-23 US Customer Experience Decision-Makers' Guide

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RingCentral

RingCentral, Inc. (NYSE: RNG) is a leading provider of business cloud communications and contact center solutions based on its powerful Message Video Phone™ (MVP™) global platform.

More flexible and cost-effective than legacy on-premises systems, RingCentral Contact Center is an industry-leading cloud contact center solution that enables organizations to make it easy for customers to connect - from any channel, anywhere, with anyone. RingCentral Contact Center is a market-leading solution that helps businesses embrace a future-fit technology stack, enable remote agents, reduce costs, improve operational agility, and delight customers.

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- Empower and engage agents to deliver faster, more personalized customer experiences, leading to faster time to resolution and higher CSAT scores.
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RingCentral is headquartered in Belmont, California, and has offices around the world.

For more information, please contact a sales representative. Visit www.ringcentral.com or call 855-774-2510.

INTRODUCTION AND METHODOLOGY

The "*US Customer Experience Decision-Makers' Guide (2022-23 – 5th edition)*" is a major annual report studying the CX strategy, performance, operations and technology aspects of US organizations.

Taking a random sample of the industry, a detailed structured questionnaire was answered by 184 senior CX and customer contact professionals between April and July 2022. Analysis of the results was carried out in August 2022.

Additionally, a survey of 1,000 US consumers was carried out in June 2022 in order to understand their attitudes to elements of businesses' CX programs and what they understand a positive customer experience to be.

ContactBabel is grateful for the support received from the sponsor of the report. Complete editorial independence has been maintained at all stages, and readers can be confident about the objectivity of the report's findings.

Third-party White Papers, case studies and thought leadership pieces may also be referenced to assist readers who may wish to look more in-depth at specific areas or to gain another viewpoint.

SEGMENTATIONS

Looking at headline figures for CX statistics gives a certain level of insight, but only with a clear understanding of how and why metrics differ between operations can readers see where they stand compared to their competitors.

As such, key statistics have been segmented in many different ways where relevant and possible:

- by vertical market (industry sector)
- by contact center size (overall US agent positions)
- by organizational type (e.g. B2C or B2B)
- by annual US revenues.

Figure 1: Survey respondents by vertical market

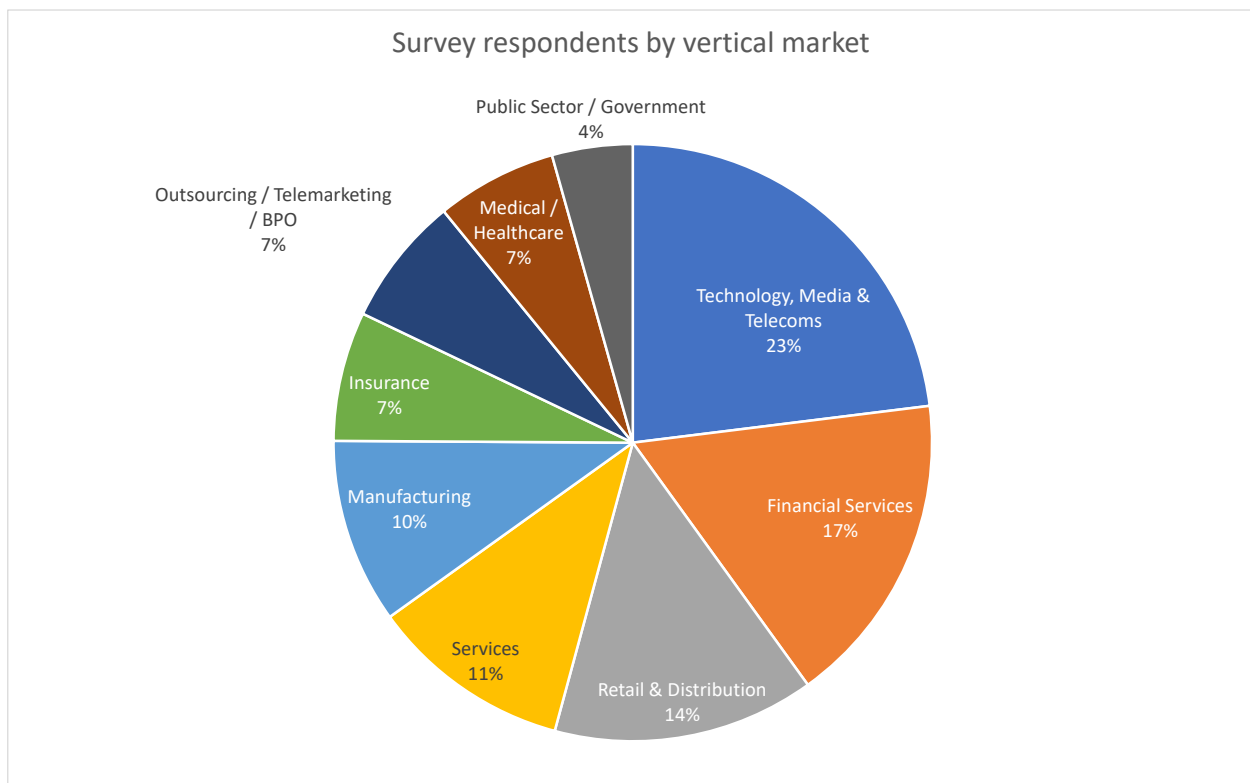


Figure 2: Survey respondents by B2B / B2C

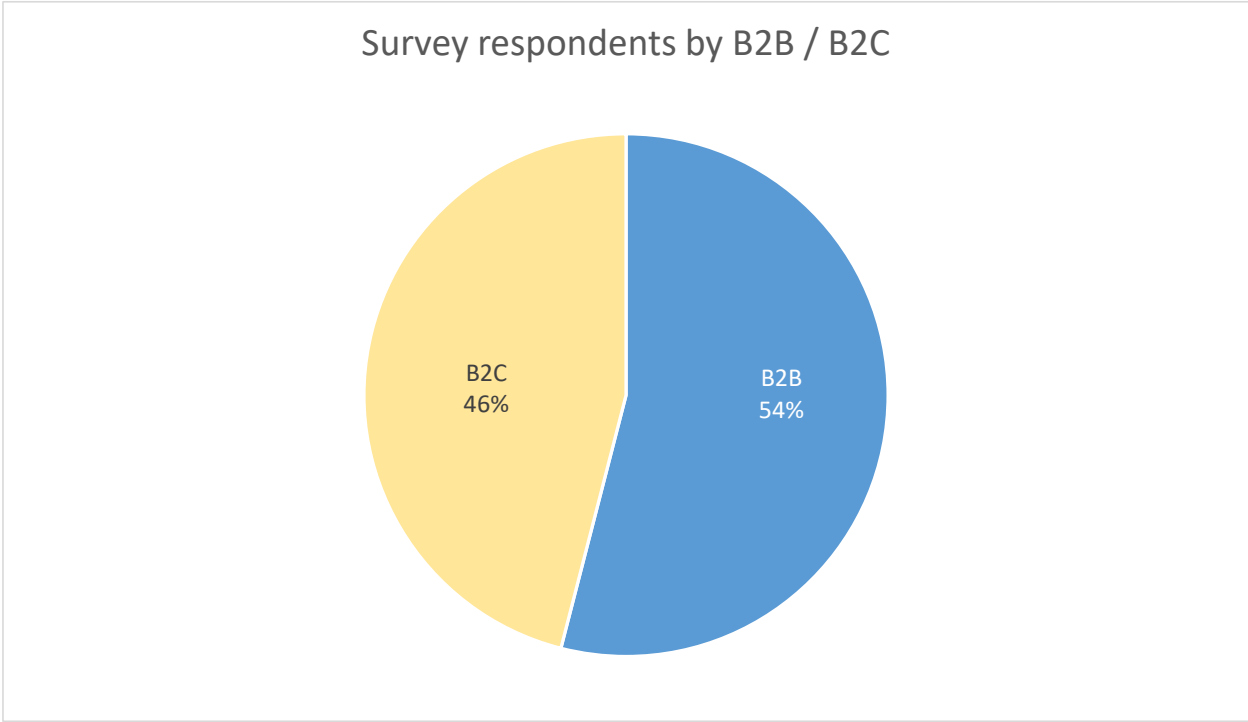


Figure 3: Survey respondents by contact center size

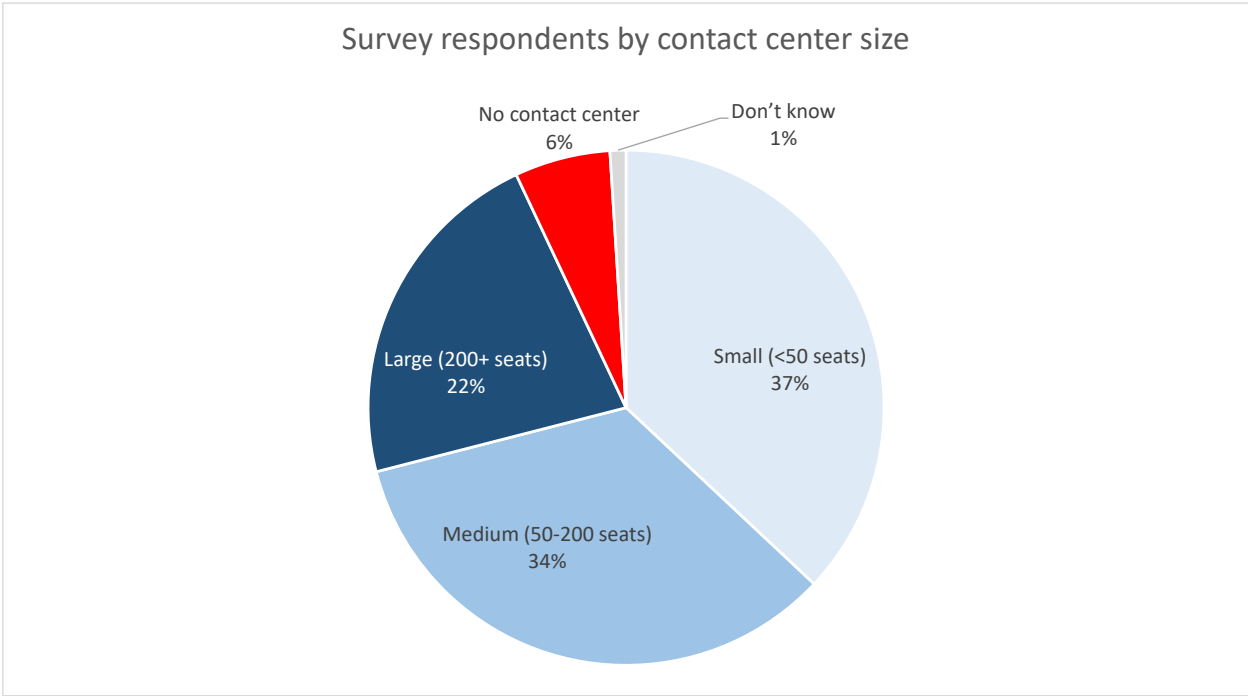
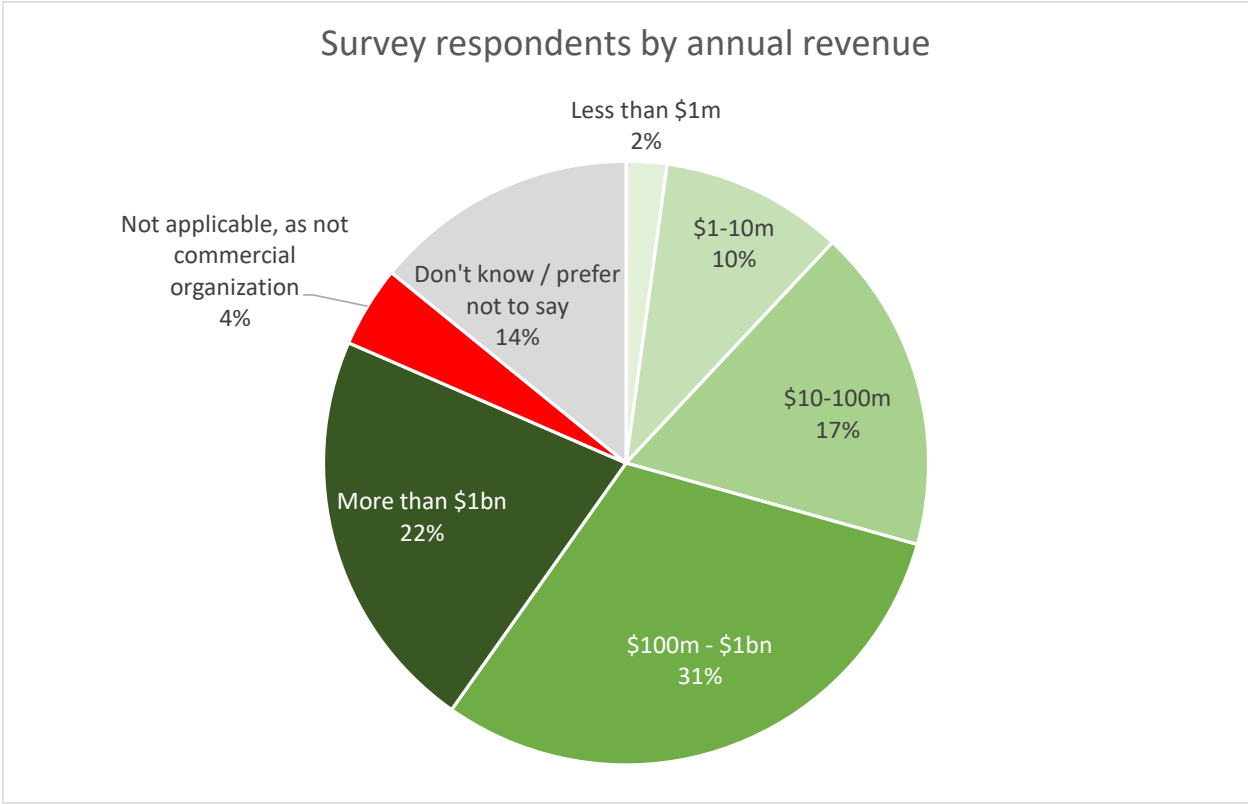


Figure 4: Survey respondents by annual revenue



HOW IMPORTANT IS CUSTOMER EXPERIENCE TO ORGANIZATIONS?

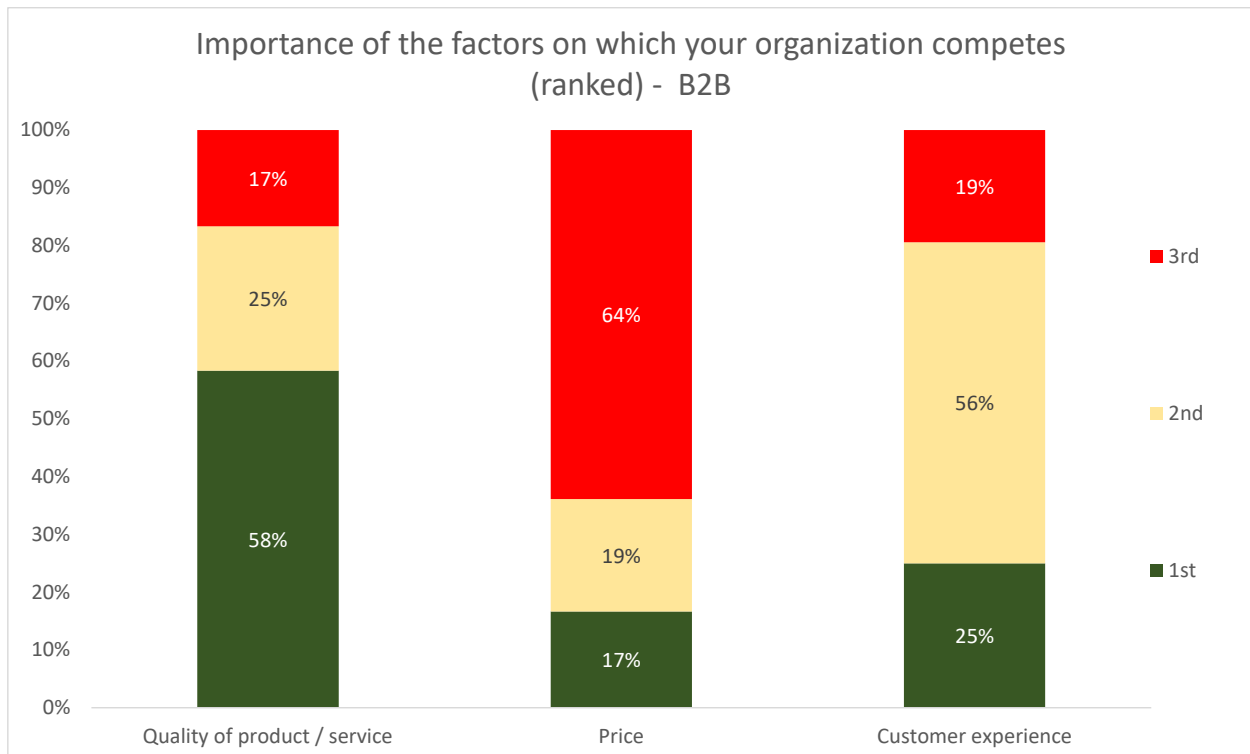
HOW DO ORGANIZATIONS COMPETE?

The fundamental purpose of a commercial organization is to maximize profit for its shareholders. There are typically two main ways in which this is achieved: through increasing revenue and reducing cost.

In the past, the majority of business focus was upon the variables over which there could be a large measure of control, such as managing the internal cost of production and service provision, employee salaries, price setting and sales resource allocation. More recently, the increasing use of technology in almost every part of an organization has created an unprecedented amount of data that may be analyzed. At the same time, large-scale advertising and widespread use of the Internet has made customers more aware of alternative products and services, meaning greater price competition and the need for companies to differentiate in ways that don't damage their bottom-line.

The main ways in which organizations have competed to win business is either through a low-cost product or service, or through selling goods or services of a higher quality (whether the quality is real or perceived) which allows greater flexibility in pricing. More recently, as the customer is increasingly held at physical arm's length to the business (through the use of online shopping, contact centers or websites), the overall customer experience has become a battleground upon which to win customer favor.

Figure 5: Importance of the factors on which your organization competes (ranked) - B2B



Survey respondents were asked how their organization competed, ranking three factors in order of importance: quality, price and customer experience.

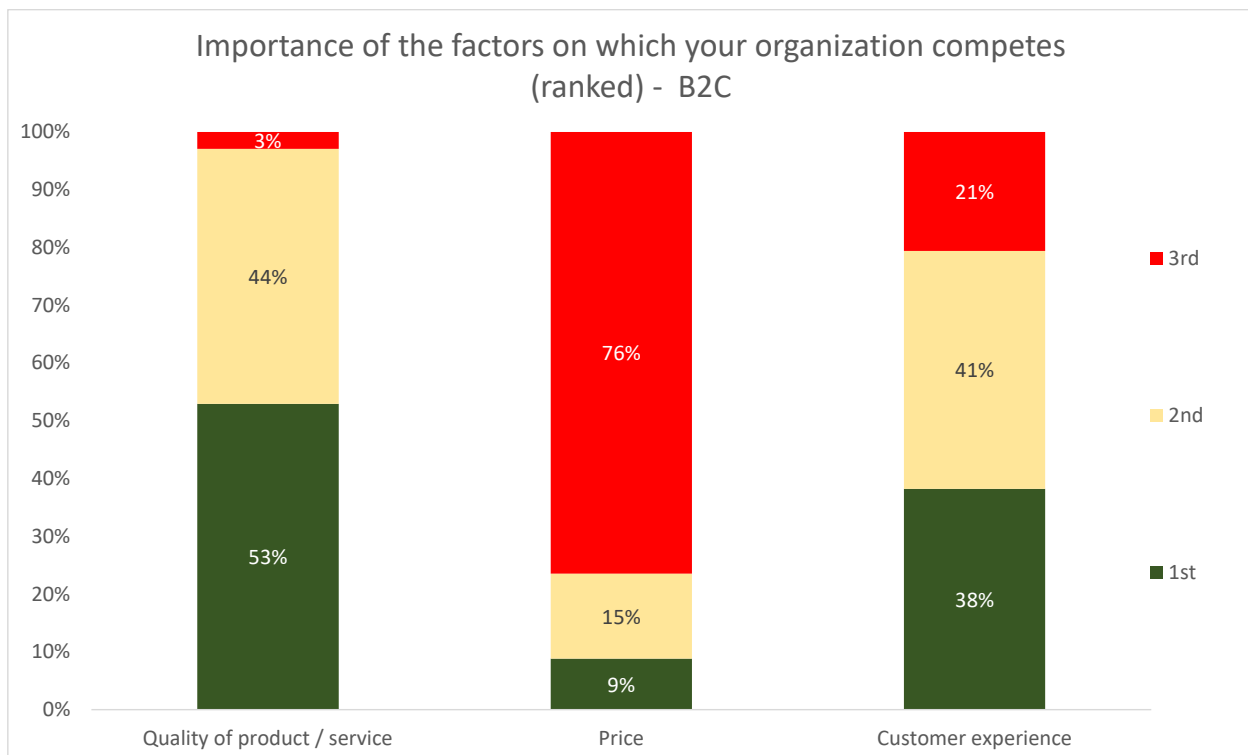
58% of B2B organizations, and 53% of B2C respondents stated that their primary competitive factor was quality.

As competition on price tends to mean lower profit margins for all of the companies in that sector, it is usually the case in this survey that price is rarely the key factor any business wishes to compete upon especially in the B2B sector.

After a lukewarm feeling last year that CX was the major differentiator (only 20% of B2C companies placed it first), 38% of these companies now say that customer experience is what they wish to compete upon primarily. The CX figure for B2B businesses is still quite low.

If many businesses are indeed moving their focus away from CX, this gives an opportunity for others to double-down on their customer experience strategy and lock in loyal customers for years to come, benefiting by the contrast between themselves and those organizations who have lost their CX concentration.

Figure 6: Importance of the factors on which your organization competes (ranked) - B2C

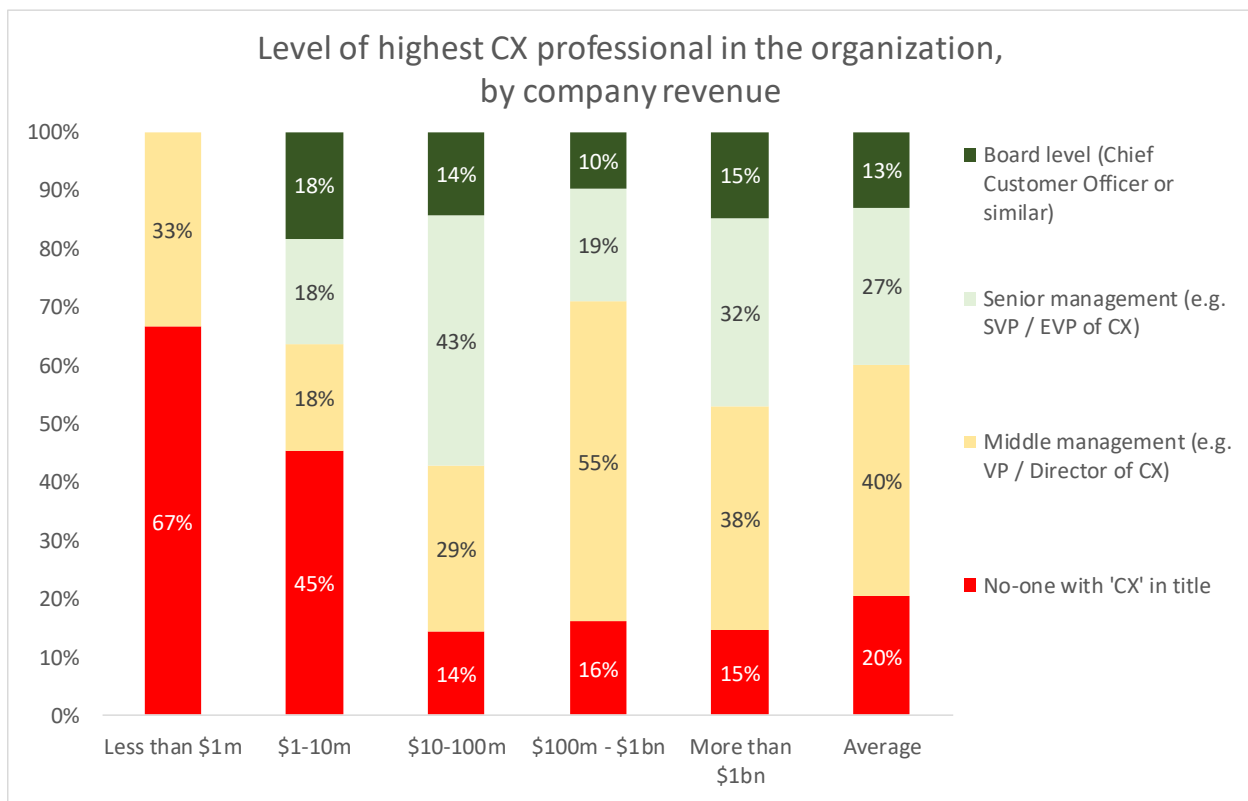


CX GOVERNANCE

A question was asked to survey respondents about 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 CX programs which are likely to impact on many existing fiefdoms.

The chart below shows clearly that small organizations are far less likely to have a dedicated customer experience 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 7: Level of highest CX professional in the organization, by company revenue



The top CX professional within organizations with small revenues will tend to report directly to the CEO, as there will be a relatively flat structure in place. This tendency to report to the most senior member of the company decreases as organizational revenue increases and new layers of management emerge, although it is worth noting that 27% of respondents with more than \$1 billion in revenue reported that their most senior CX professional still had a direct report to the CEO.

However, in larger organizations, senior CX professionals are most likely to report to the head of operations, with around 1 in 5 reporting to other C-level executives and a relatively small minority reporting to marketing.

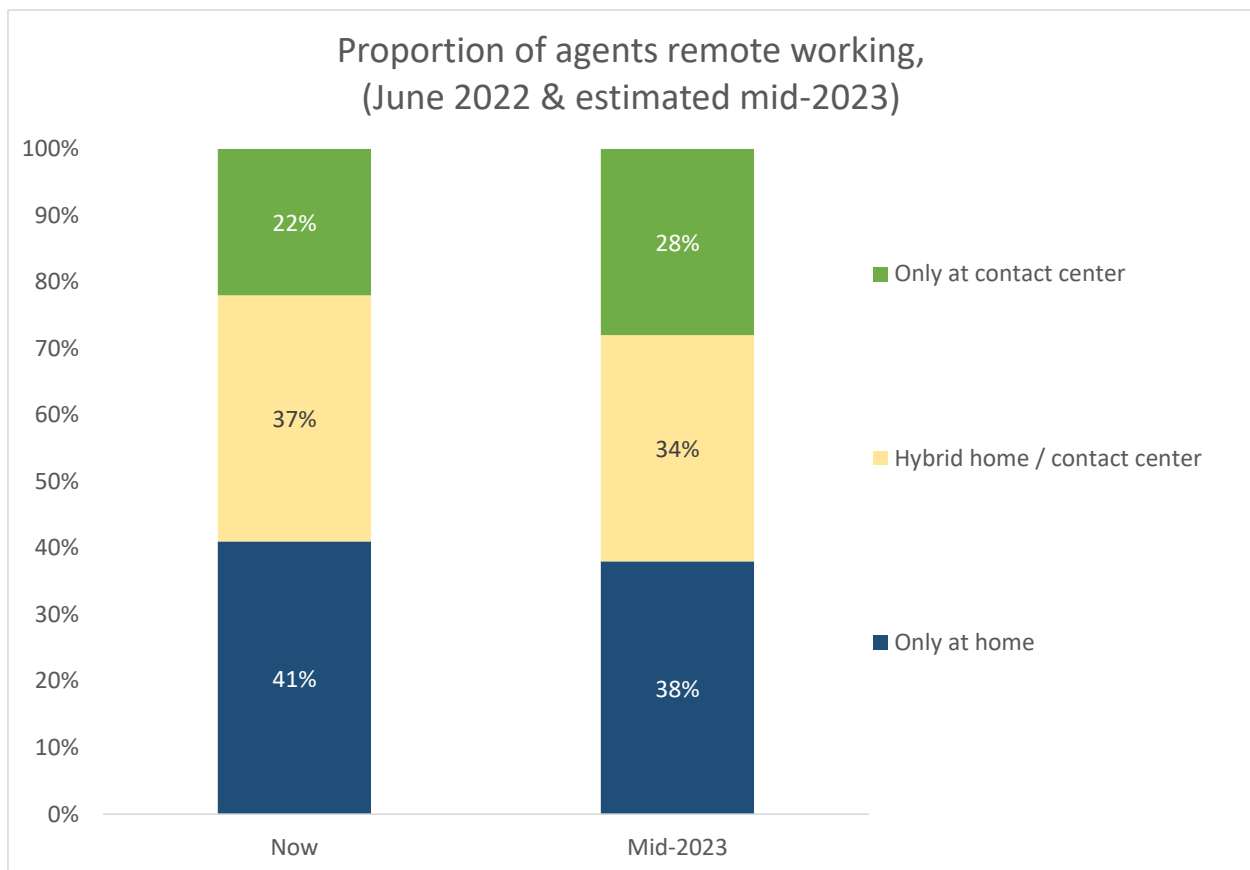
REMOTE WORKING

The survey looked at the current use of contact center remote working, and businesses' expectations for mid-2023. Please note that the figures below segment hybrid working and full-time remote working.

41% agents are still working entirely remotely at the moment, and businesses expect that this will reduce only slightly to 38% in the next 12 months.

Although 28% of contact center agents are expected to be back full-time in a centralized environment next year, this is still very much lower than pre-pandemic times, suggesting that the model of a flexibly-located workforce is here to stay.

Figure 8: Proportion of agents remote working (June 2022 & estimated mid-2023)



CX BUDGET, ROI & INVESTMENT

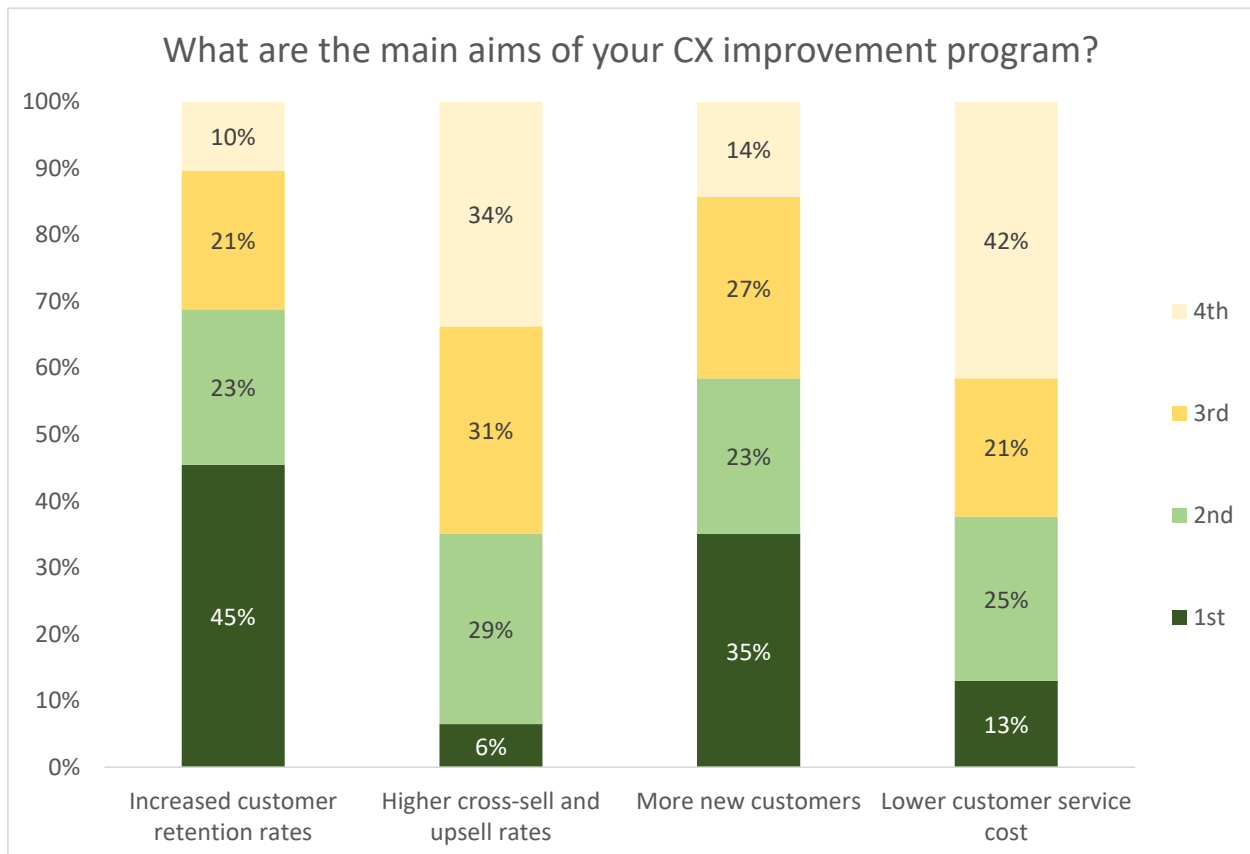
MAIN AIMS OF THE CX IMPROVEMENT PROGRAM

Survey respondents were asked to rank in importance the main aims of the customer experience program from the following options:

- to increase customer retention rates and loyalty
- to reduce the cost of serving the customer
- to increase the number of customers they had
- through cross-selling and upselling, to increase the revenue per customer.

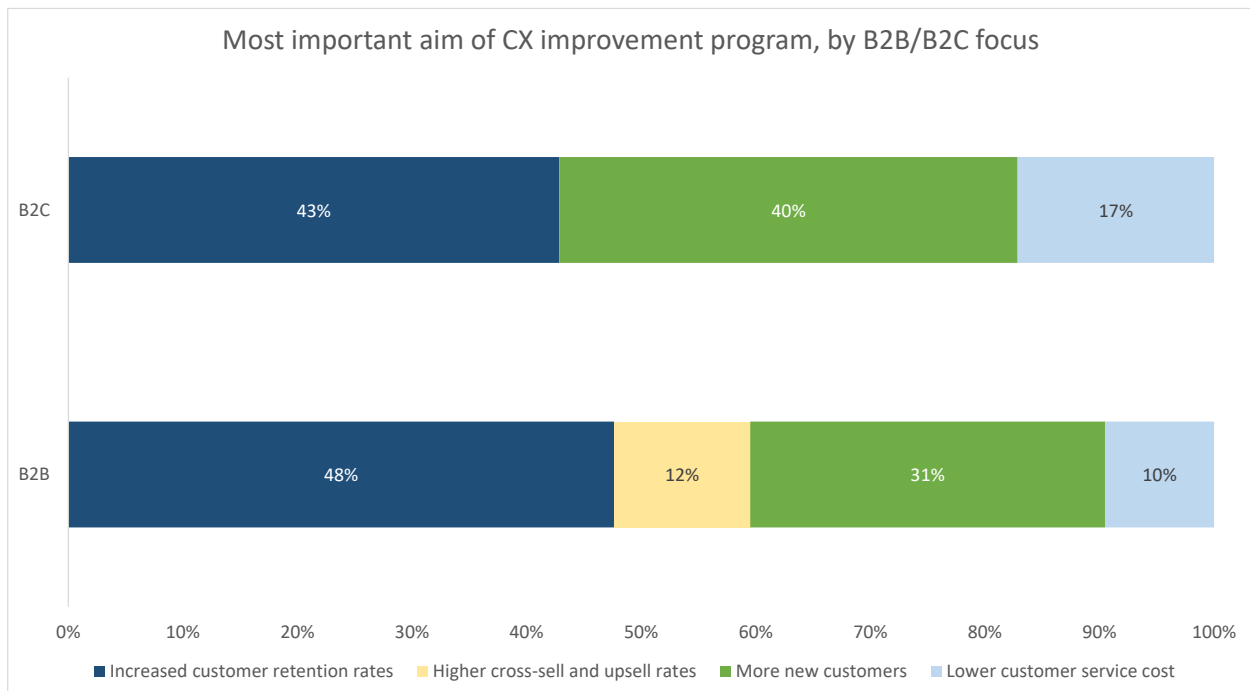
68% of respondents placed an increase customer retention rates in the first or second position, suggesting that one of the long established aims of CRM – customer loyalty – is still a major target for most companies' customer experience programs.

Figure 9: What are the main aims of your CX improvement program?



Almost half of B2B survey respondents state that increasing customer retention rates is the primary aim of their CX program, whereas B2C organizations – which often have larger contact centers – are more likely than B2B respondents to state that increasing customer numbers and lowering the cost of customer service is their primary aim.

Figure 10: Most important aim of CX improvement program, by B2B/B2C focus

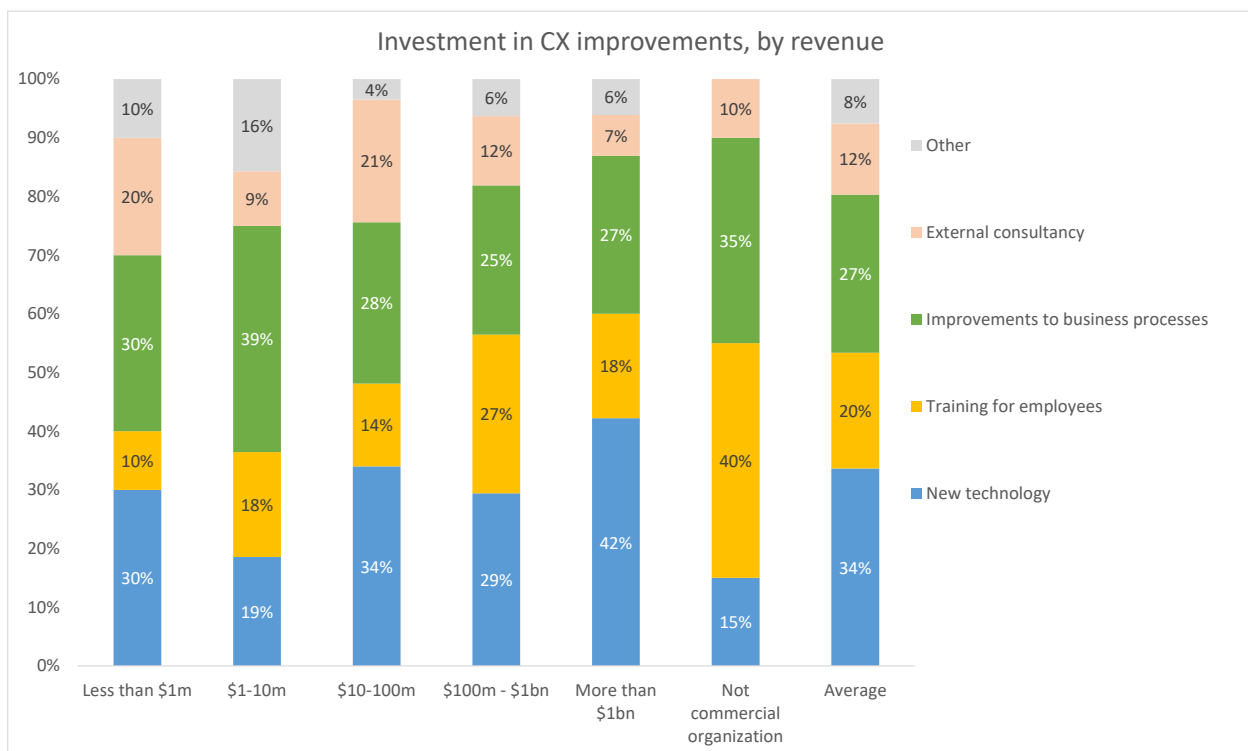


CX INVESTMENT: PEOPLE, PROCESS, TECHNOLOGY

Survey respondents were asked to describe the allocation of their investments in customer experience improvements, considering new technology, training of employees, business process improvements and fees paid to external consultants.

Across the whole of the survey respondent base, investment in technology received somewhat more than business process improvements once again this year, with CX technology improvements accounting for 34% of CX investments for all revenue bands. Smaller companies were more likely to spend more proportionally on external consultancy, and non-commercial organizations reported much a higher proportion of spending on training employees.

Figure 11: Investment in CX improvements, by revenue



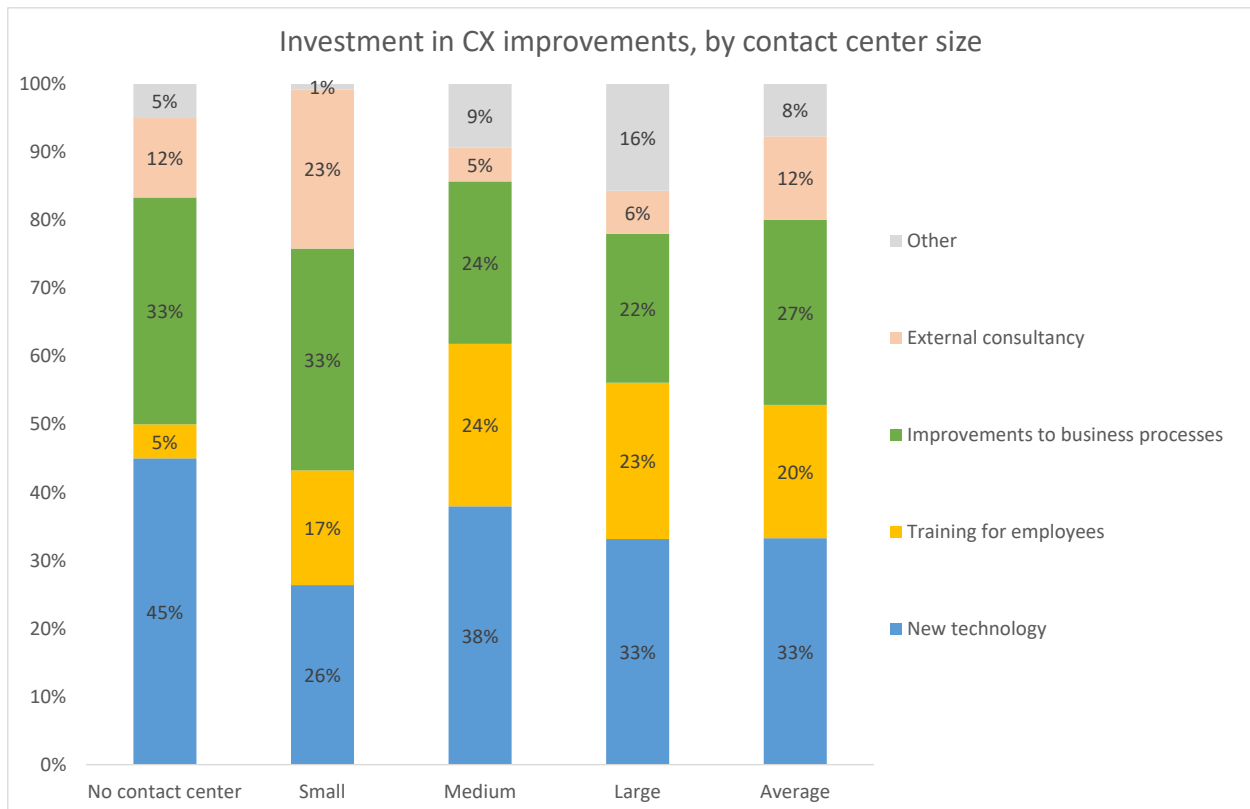
Other expenditure includes:

- process-related costs
- product enhancements
- re-implementing poorly done previous projects
- repurposing staff costs, i.e. taking reps off of standard work to perform testing
- rolling out our own software on cloud infrastructure, in-house integration projects
- various marketing expenditures

While contact centers do not account for all of the expenditure on CX technology, it tends to account for a very significant proportion of overall technological CX spend.

As such, it is quite surprising to find that there was very little difference again this year on the proportion of CX improvement budgets spent on technology, even in those companies which did not have a contact center.

Figure 12: Investment in CX improvements, by contact center size

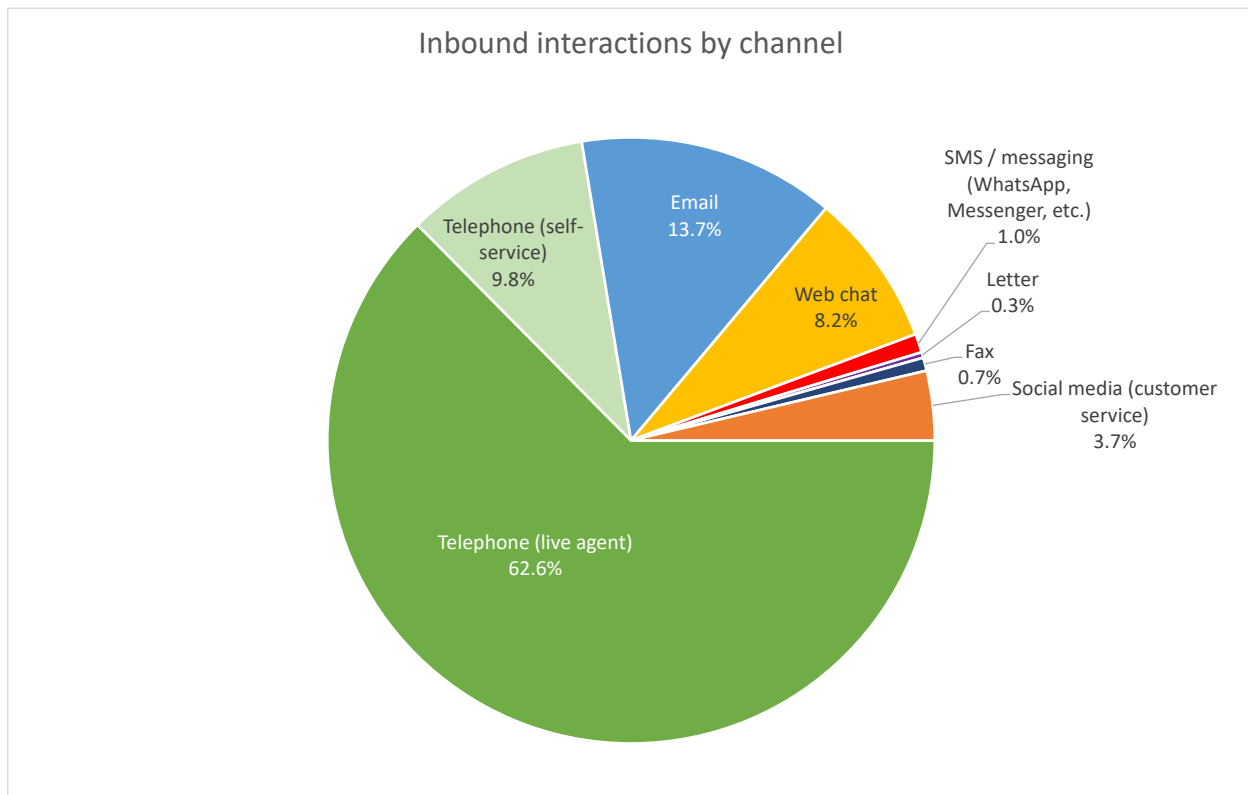


CX INVESTMENT: CHANNEL FOCUS

Before looking which channels are receiving the most CX investment, it is important to put omnichannel into perspective.

Looking at the reality of multichannel, multimodal and omnichannel activity, the US contact center industry has embraced the various forms of non-voice customer communication.

Figure 13: Inbound interactions by channel



The proportion of live inbound interactions by telephone continues to drop slowly. Telephony self-service interactions rises back close to its long-term historical figure of 10%.

After growth over the past two years, the email channel has dropped a little back to under 14%.

Web chat showed very strong growth, up from 4.7% in 2019 to 6.8% in 2020, and 8.2% in 2021.

Social media also rises from 1.7% in 2019, to 2.5% in 2020 and up to its highest figure of 3,7% in 2021. As 61% of respondents using this channel expect growth next year, it would be a surprise if social media did not continue to grow in volume to some extent.

The following table shows both median and mean averages of the most important interaction type – live telephony – with the mean average being a representation of what is happening in the entire industry at an aggregated level, whereas the median – the midpoint – purposefully takes out any outlying, eccentric data points: this latter figure is what the ‘typical’ contact center might recognize in themselves.

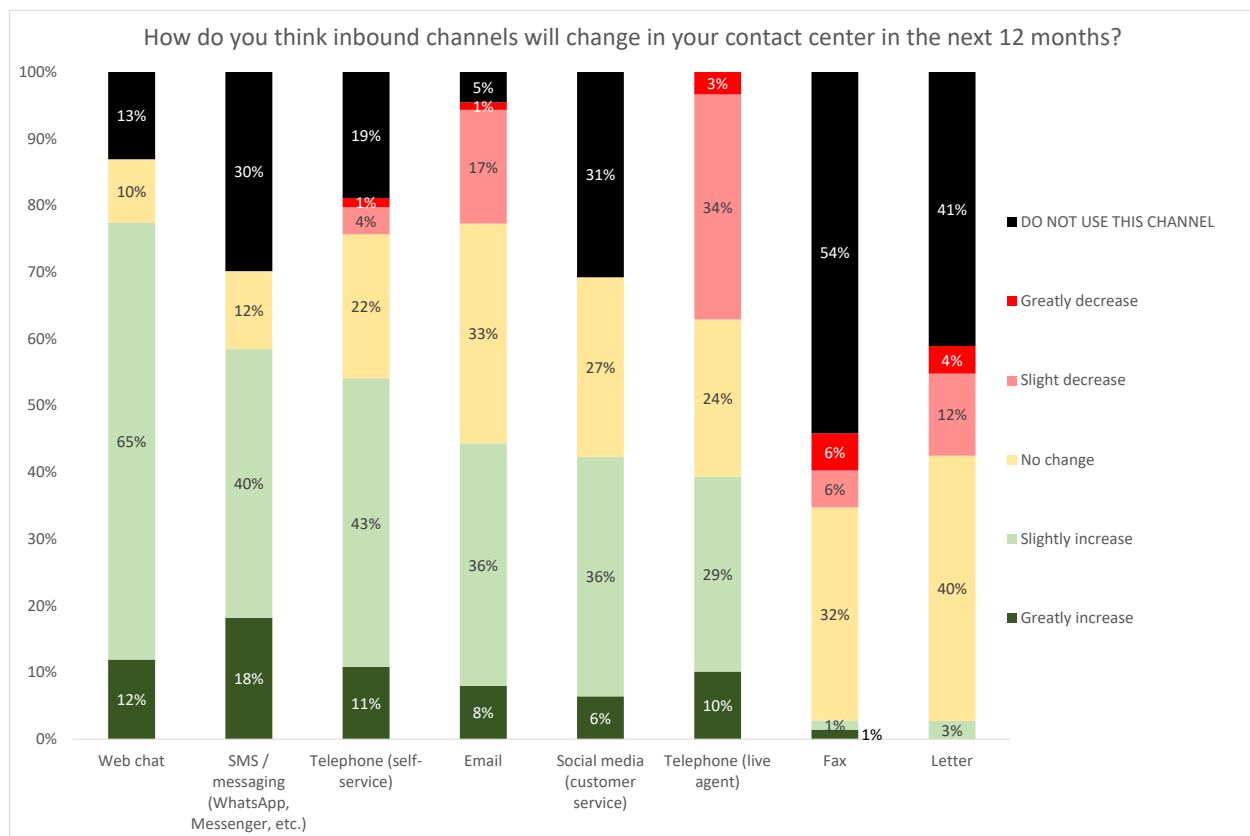
Agent-handled calls are most important to respondents in the insurance, medical and transport & travel sectors, with respondents in manufacturing, TMT and retail & distribution once more this year being significantly under the average with their levels of telephony, as they often deal with higher levels of email, and increasingly, web chat.

Figure 14: Inbound interactions that are telephone (agent), by vertical market

Vertical market	Mean average	Median average
Public Sector	89%	75%
Insurance	81%	81%
Outsourcing & Telemarketing	66%	75%
Medical	66%	65%
Technology, Media & Telecoms	63%	70%
Retail & Distribution	61%	60%
Services	58%	60%
Transport & Travel	58%	58%
Finance	52%	65%
Manufacturing	41%	48%
Average	62.6%	65%

As not all of the same respondents take part in this survey every year, a jump or drop in the usage of a minor multimedia channel could be an industry-wide phenomenon or a case of a handful of early-adopters skewing the results, which is certainly possible where only a few use a channel, and where mean averages are used. As such, a question is asked to respondents about how each inbound channel will change, so being able 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 15: How do you think inbound channels will change in your contact center in the next 12 months?



As usual, the traditional media of letters and fax will have a slight net decline in our respondents' eyes, although still have their place in the likes of the insurance, medical and manufacturing industries.

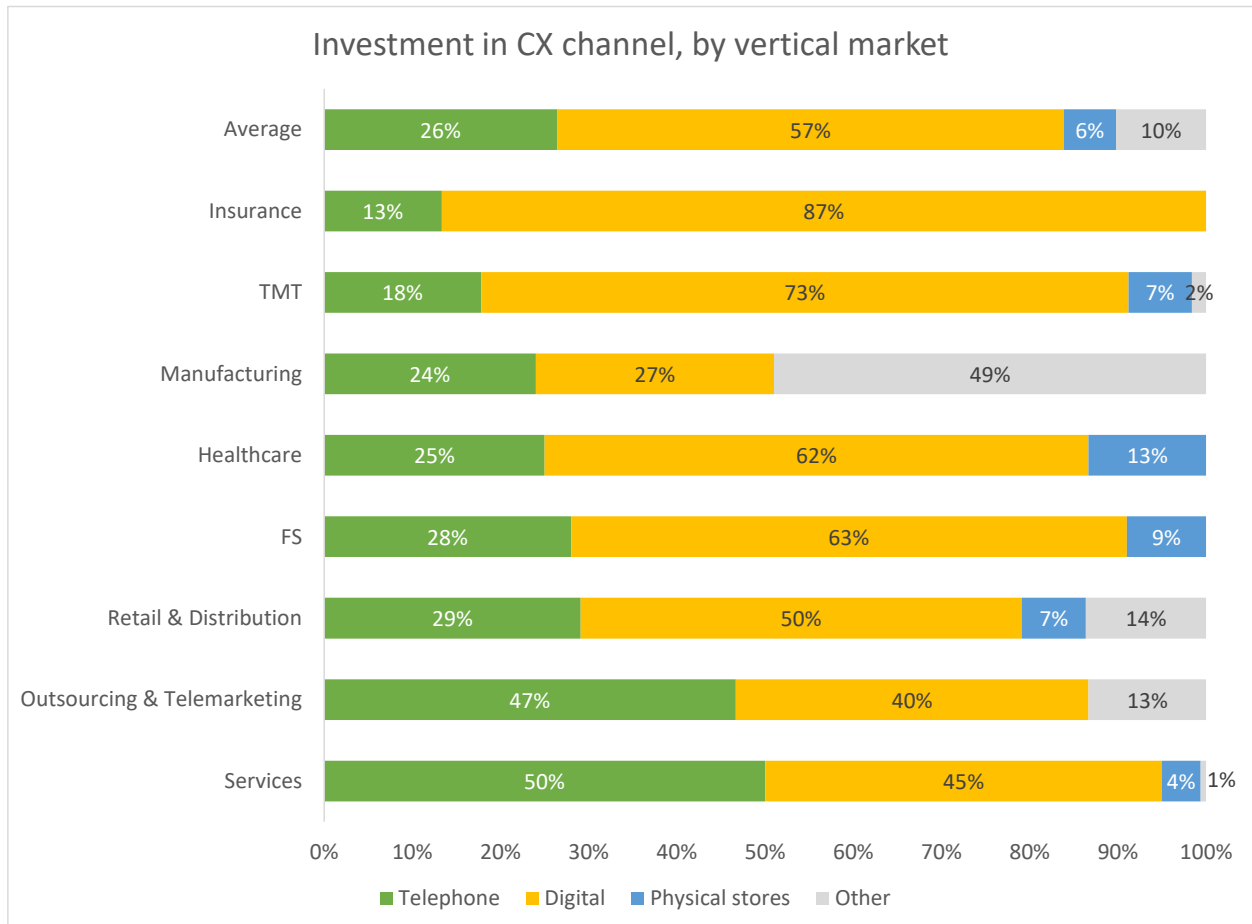
More respondents believed the live telephony channel volumes would increase (39%) than thought they would decrease (37%), which is a reverse on recent years' findings, and suggests that the telephony channel still has a great deal to offer.

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. New approaches, such as visual IVR, are likely to encourage further use of self-service. Although not shown on this chart, around half of respondents offer an app or mobile service option for customer service.

The previous chart's real message is that channels aren't being replaced – with the general exception of fax and perhaps letters – but rather augmented, and businesses have to accept that they need to develop an omnichannel approach, as that's what their customers are expecting. This means that the pressure to unify the view of the customer across channels is a challenge that isn't going to go away.

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).

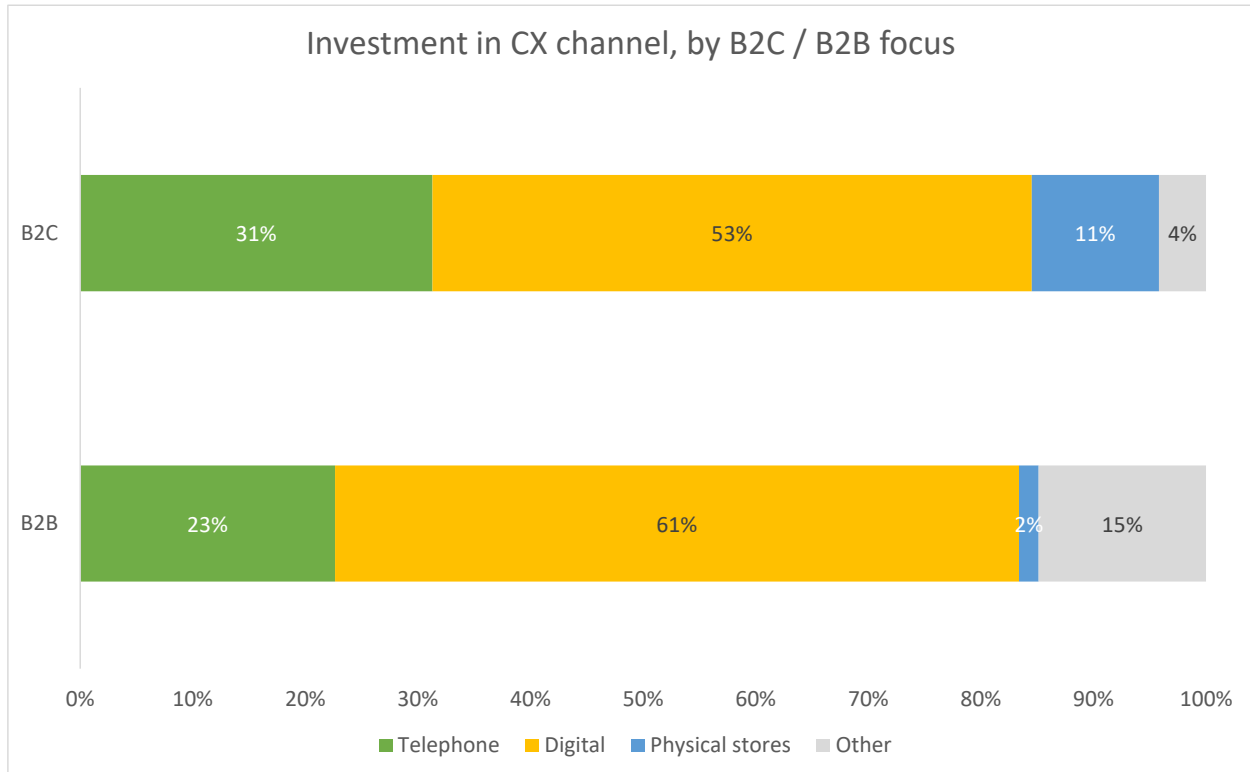
Figure 16: Investment in CX channel, by vertical market



When considering the B2B/B2C segmentation, B2C are more likely to spend more on physical locations such as stores, as would be expected.

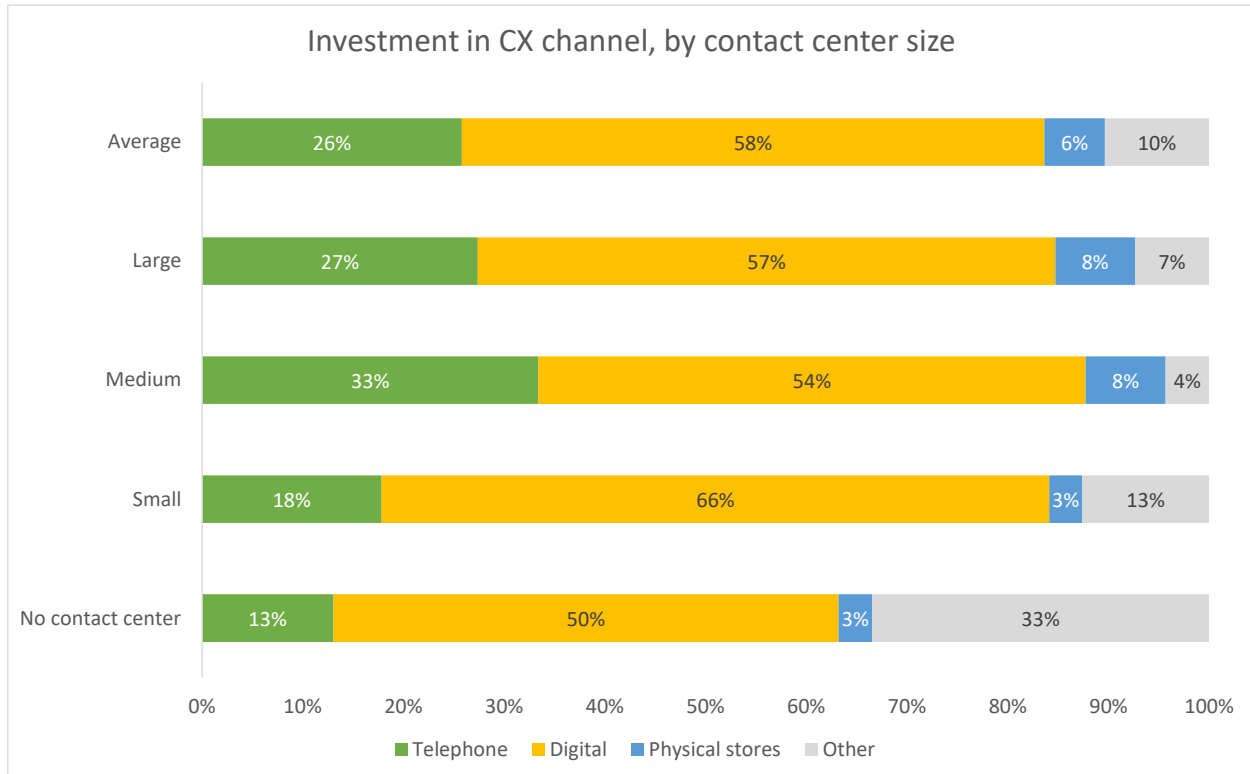
B2C's greater proportional expenditure on telephony may be because many of the very largest contact centers are within this type of organization.

Figure 17: Investment in CX channel, by B2C / B2B focus



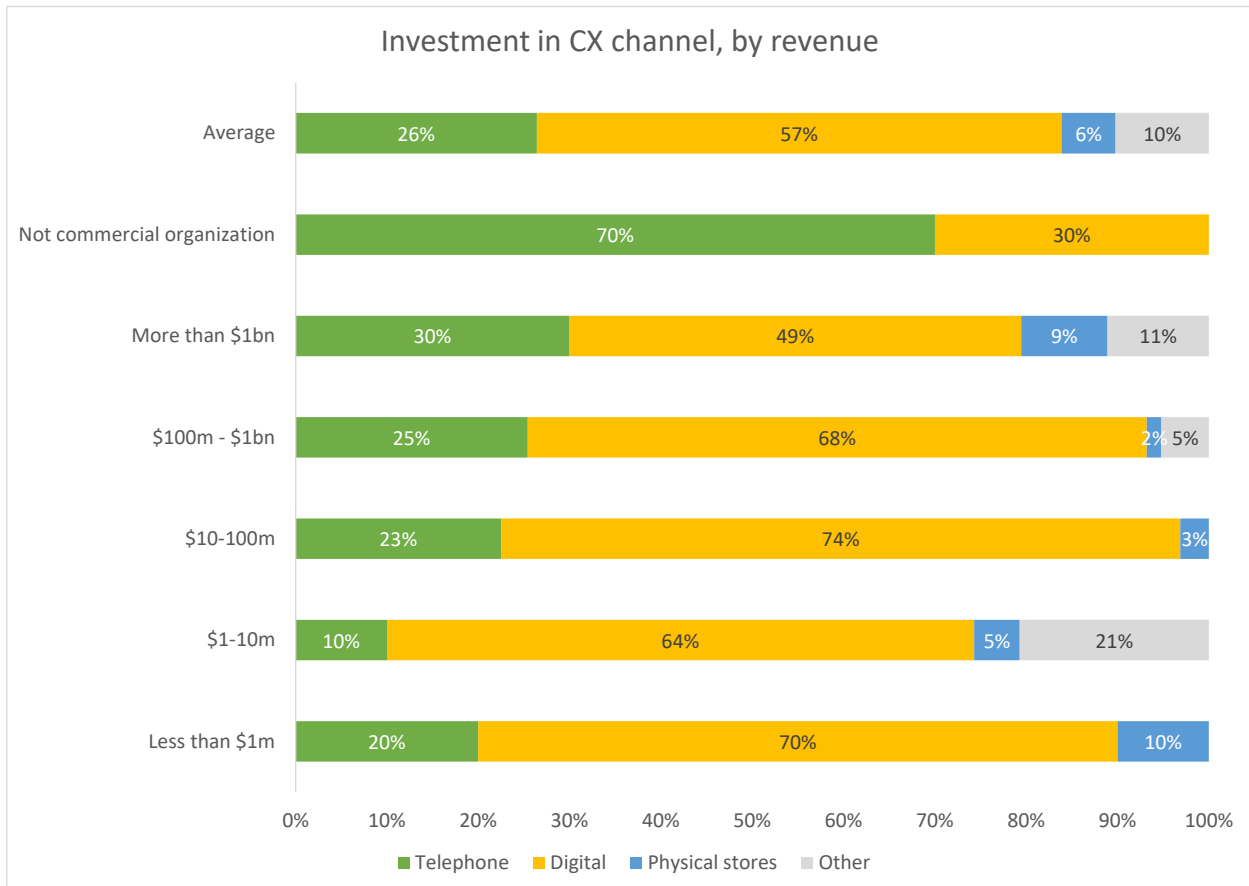
The previous hypothesis is supported by the finding that organizations with larger contact centers are more likely to spend a higher proportion of their CX investments on this channel.

Figure 18: Investment in CX channel, by contact center size



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 19: Investment in CX channel, by revenue



NB: the 'Other' category responses given include:

- CRM and knowledge management
- Field events
- Internal development
- Supporting integration
- Training of staff.

CORPORATE SUPPORT FOR THE CX PROGRAM

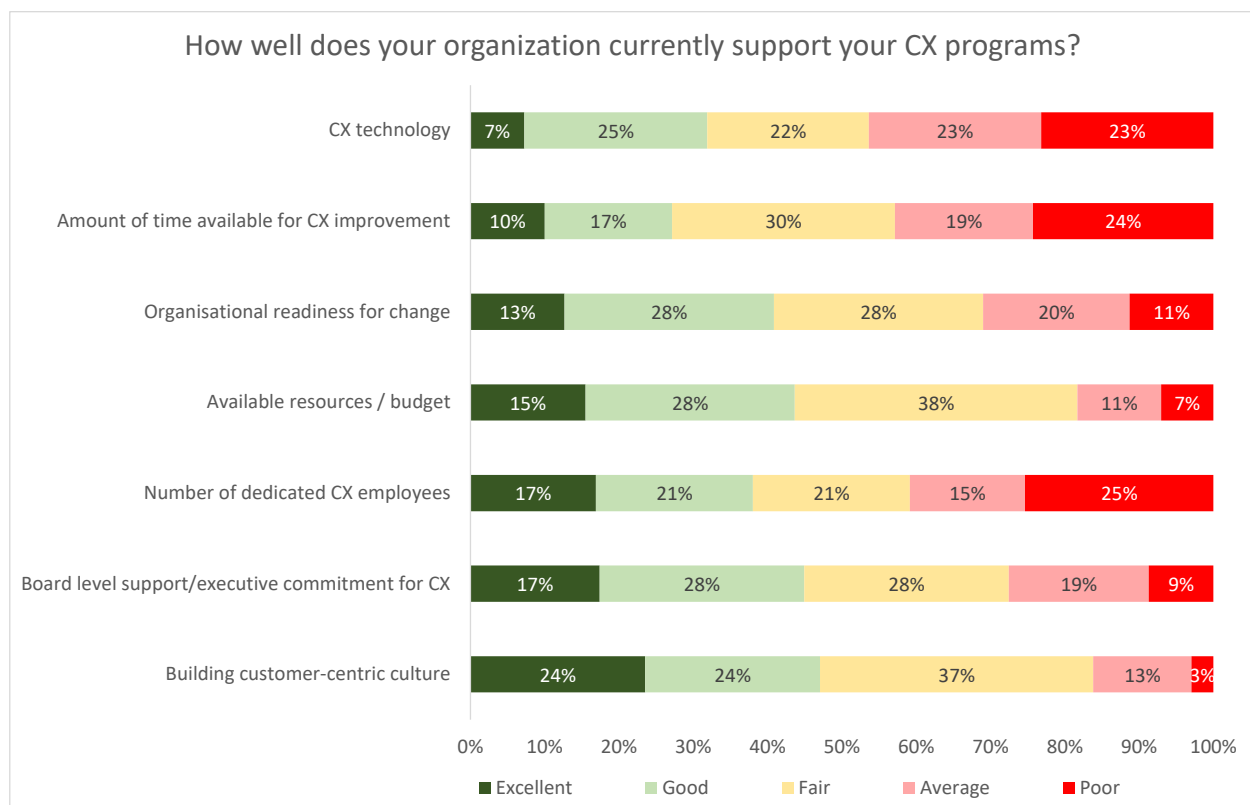
Survey respondents were asked how well their organization currently supported their customer experience programs. In the main, the results were not particularly positive, with over 40% of organizations stating that their CX technology and the amount of time available for CX improvements was either poor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

Almost 1 in 10 survey respondents rated support for CX initiatives from senior management as ‘poor’, with a further 19% stating that it was only ‘average’. CX change needs strong and ongoing support from senior management, and it is clear that this is not always happening.

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 20: How well does your organization currently support your CX programs?

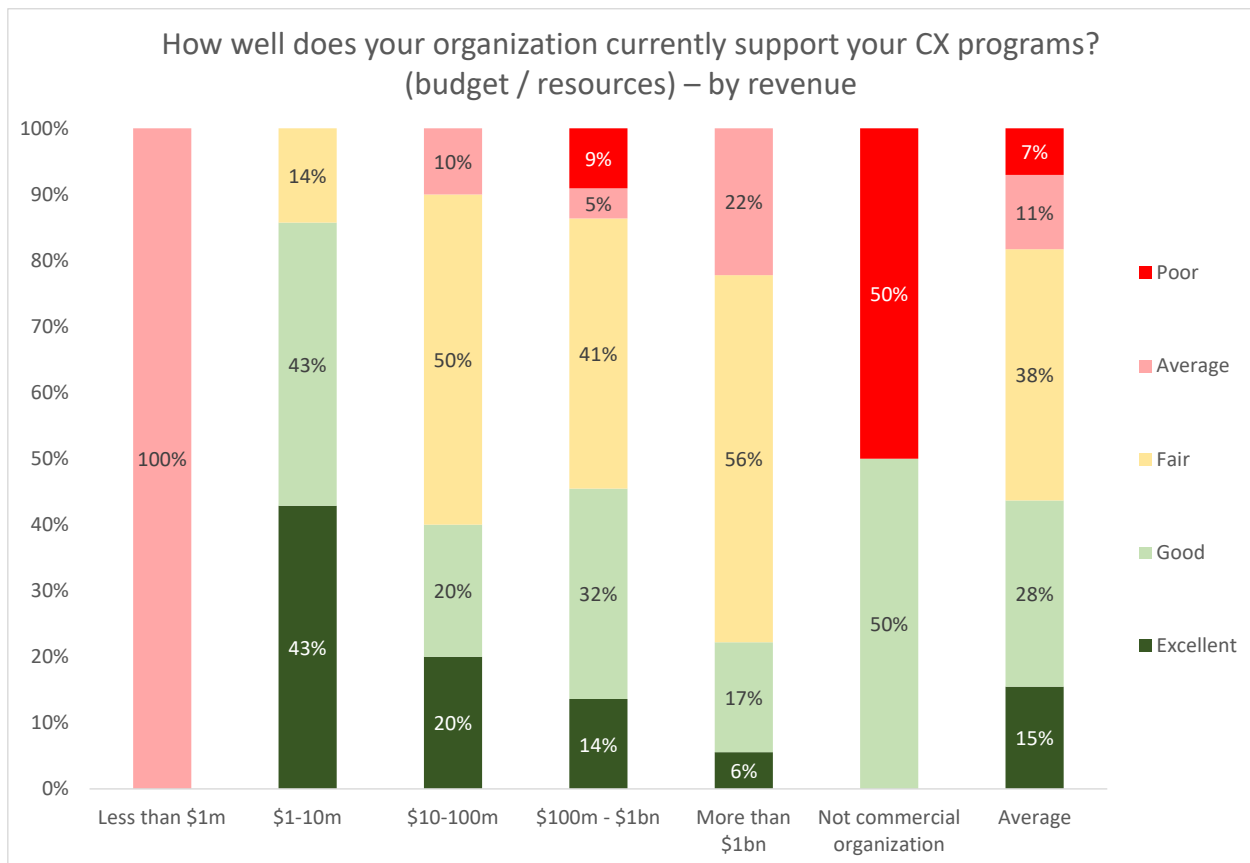


It is worth investigating organizations' support of their CX programs in a little more depth within the next two charts, which look at the availability of budget and resources when segmented by revenue and the impact of contact center size on CX technology.

Looking first at the availability of budget and resources for CX programs when considering the revenues of the organization, we might expect to see that smaller organizations with less revenue would have greater problems in allocating budget and resource to support their CX program, and this is the case this year.

Issues also seem to arise within larger organizations where there are a significant proportion of respondents who report that they are not receiving enough resources to carry out their CX programs effectively.

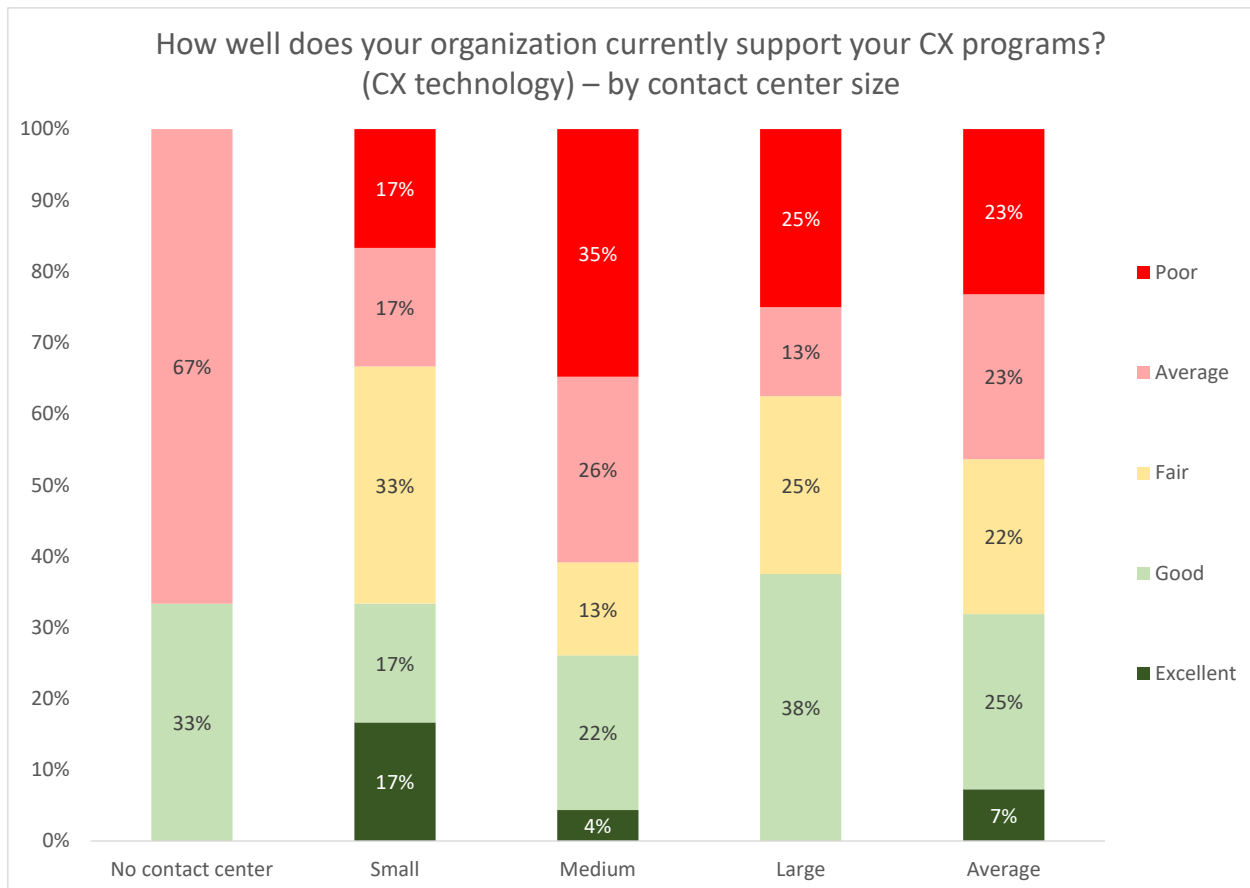
Figure 21: How well does your organization currently support your CX programs? (budget / resources) – by revenue



When considering the capability of customer experience technology by the size of the contact center, there are significant proportions of respondents at every level of commercial organization who ranked their CX technology as being poor or average, particularly in mid-sized operations.

Even those that do not have a contact center are dissatisfied with the level of CX technology, with two-thirds stating that it is only 'average'.

Figure 22: How well does your organization currently support your CX programs? (CX technology) – by contact center size



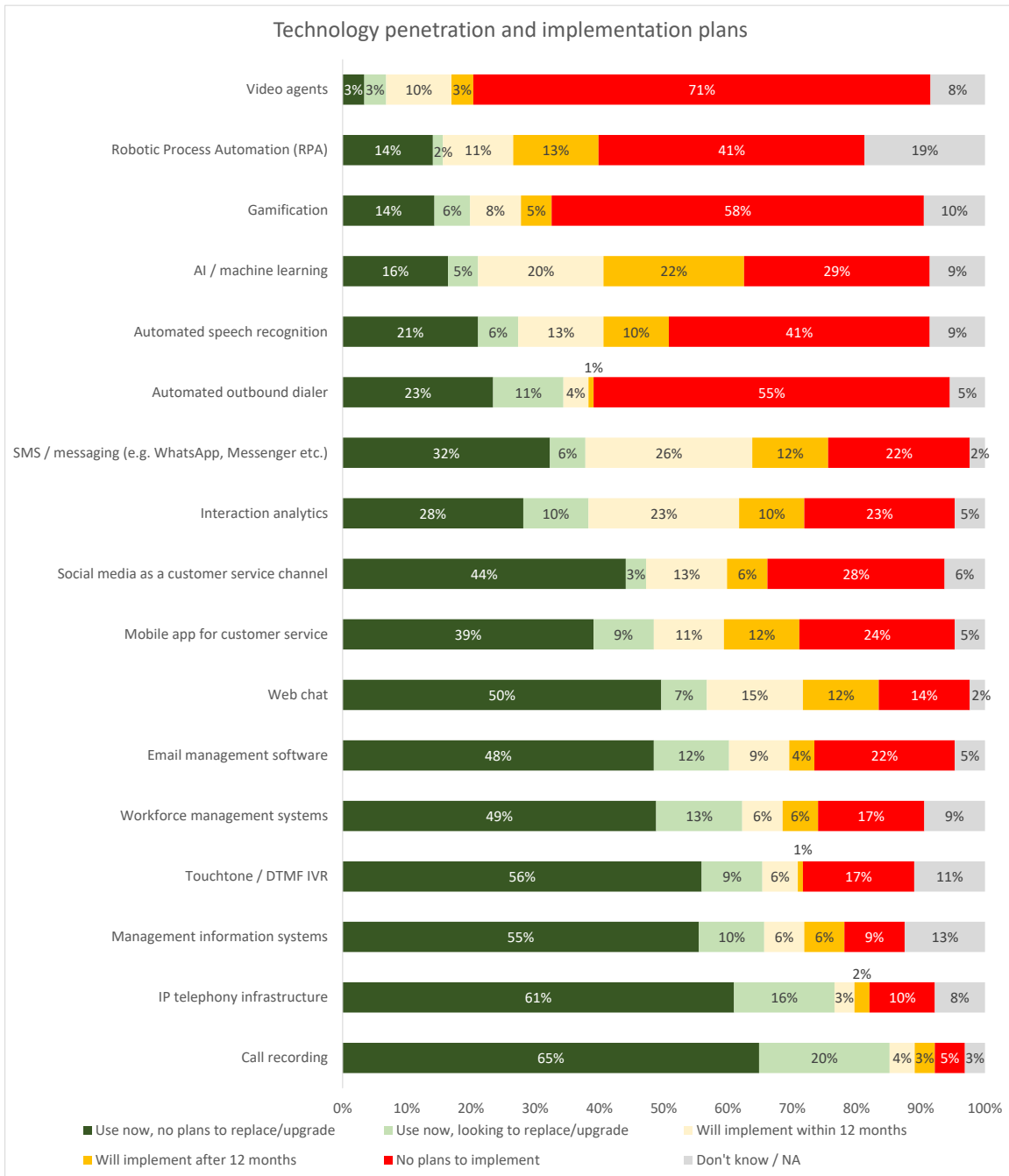
The next section of this report looks in depth at the use of some of the technologies supporting customer experience – in particular within the contact center – and the plans that organizations have for investing in these in the near future.

TECHNOLOGY

CURRENT AND FUTURE USE OF CUSTOMER CONTACT TECHNOLOGY

Figure 23: Technology penetration and implementation plans

This chart shows respondents' current and future use of specific contact center solutions, and should be used to identify the relative use of technology, and the most likely planned areas of investment.



Call recording, IP infrastructure and workforce management are amongst the most likely to be upgraded or replaced in the next year, with a significant proportion of respondents using interaction analytics and email management also looking to do so. Many legacy call recording solutions are moving to the cloud, removing the need for on-site storage and maintenance, security management and improving operational flexibility.

In terms of new implementations, messaging, interaction analytics, web chat and AI are singled-out in the short term, with AI and RPA also receiving a very high level of attention in the longer term considering their low current usage.

EFFECT OF TECHNOLOGY ON THE CUSTOMER EXPERIENCE

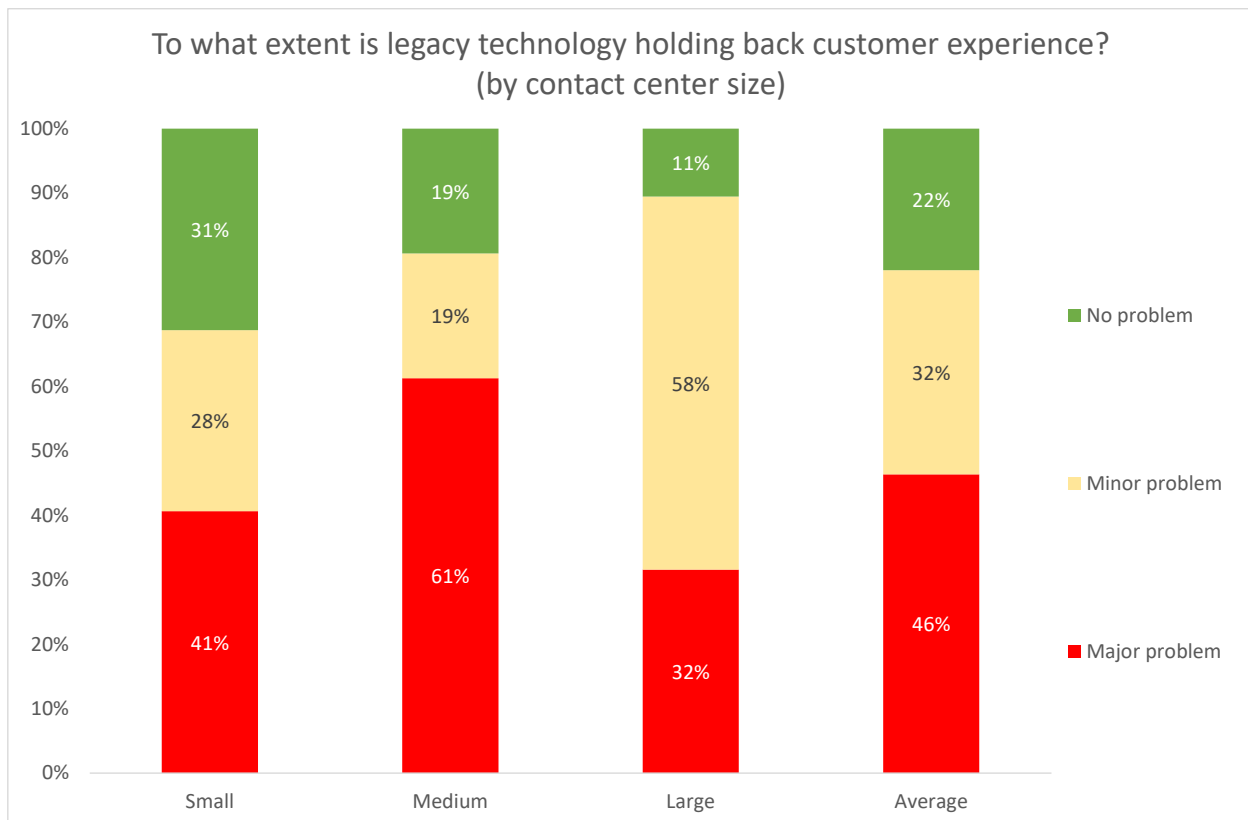
ARE TECHNOLOGY ISSUES HOLDING BACK CUSTOMER EXPERIENCE?

Respondents were asked about the extent to which technology challenges were affecting their ability to improve their customers' experience.

Legacy technology is reported to be a major problem by 46% of survey respondents, with those with 50-200 seat contact centers stating this more frequently. This is an increase on previous years.

While there has been a very significant move to cloud – supported recently by the need for remote working – it is clear that there is still a long way to go before businesses can fully develop their CX-supporting technology.

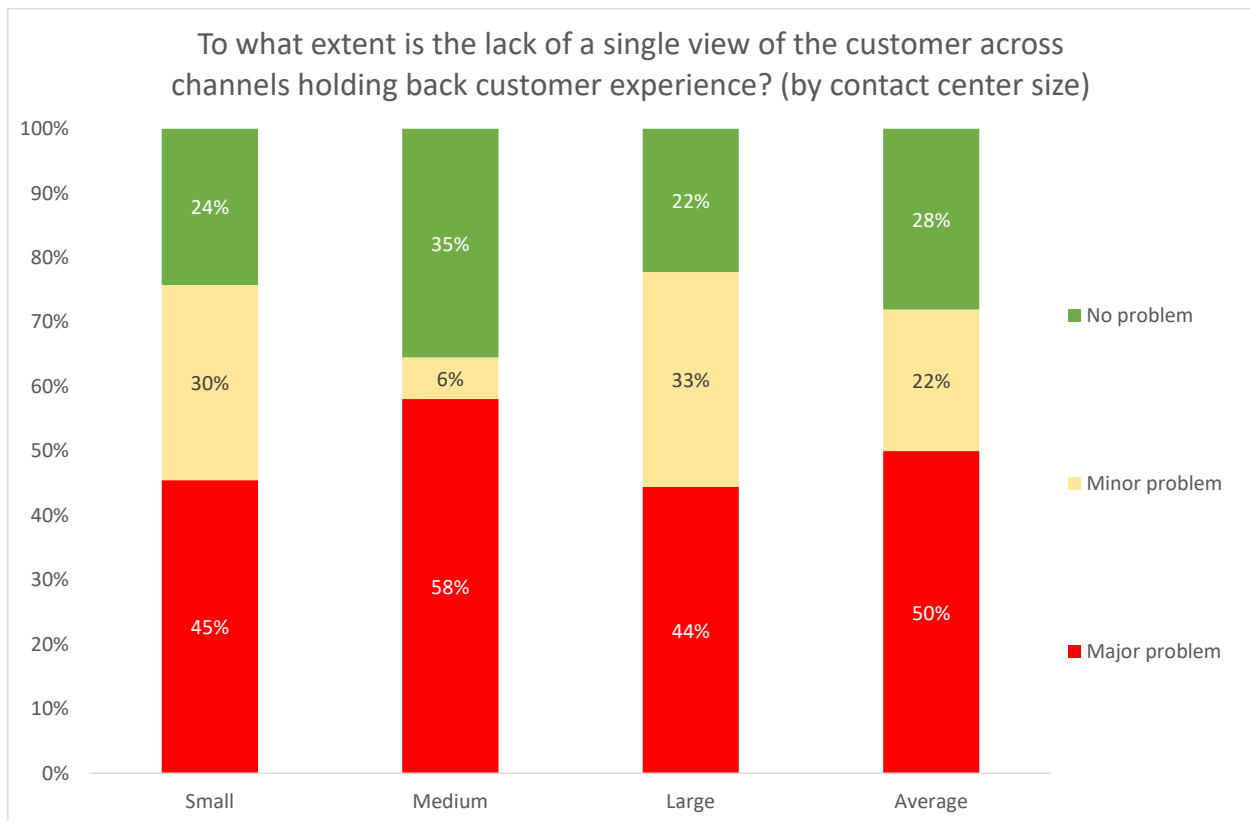
Figure 24: To what extent is legacy technology holding back customer experience? (by contact center size)



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.

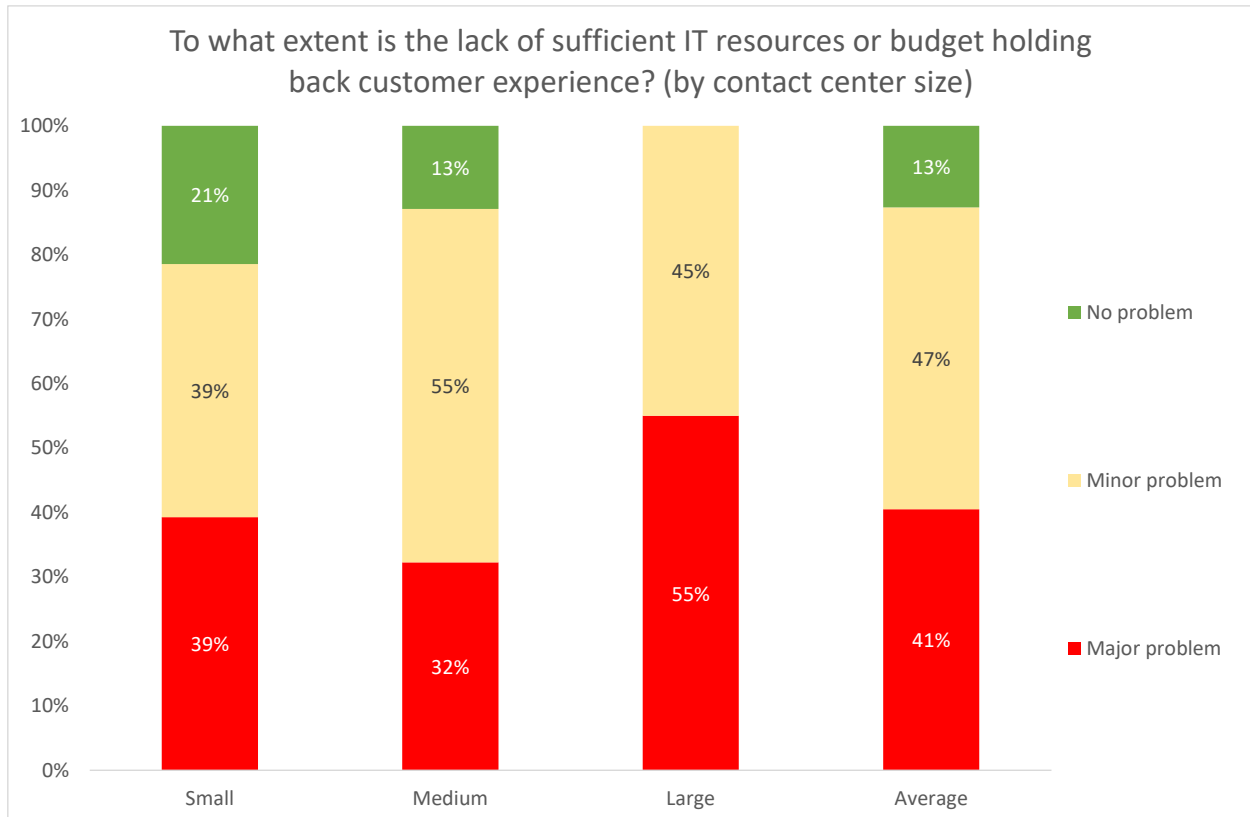
Not being able to view the customer across channels means that the full benefit of omnichannel contact cannot be achieved, and that unnecessary time and effort are being spent by the customer, with sub-optimal results for all concerned.

Figure 25: 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.

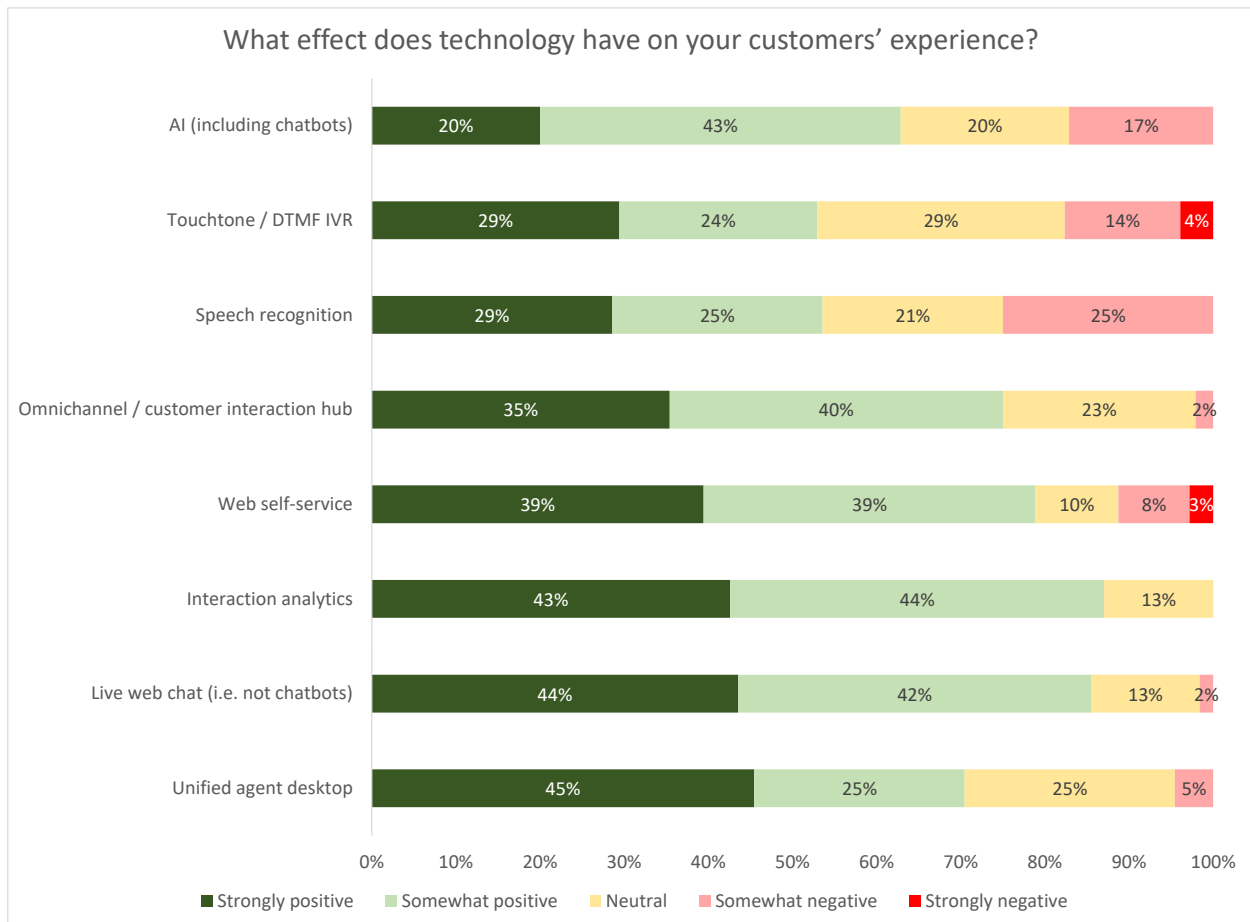
Figure 26: To what extent is the lack of sufficient IT resources or budget holding back customer experience? (by contact center size)



DOES CX TECHNOLOGY AFFECT CUSTOMER EXPERIENCE?

The following chart looks at the effect that organizations believe specific technologies have on their customers' experience. Generally, they are seen as providing a positive experience for customers, with even IVR seen as helping customers. (Only survey respondents that actually used these technologies were included in this analysis).

Figure 27: What effect does technology have on your customers' experience?



Businesses using **omnichannel** are very positive about the effect on customer experience.

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 true omnichannel, the platform, infrastructure, applications and resources need to be available to identify, route and switch interactions between agents and channels seamlessly, while keeping all relevant data gathered in the course of the interaction: larger operations are more likely to have had the investment made to deliver this sort of experience.

A key aim of omnichannel is to provide a consistency of customer experience, and this requires access to the same master dataset and also the same knowledge bases and business logic. There must be real-time data flow and updates between channels and databases: without this, consistency is impossible.

One of the main irritants for a customer is having to contact the business on numerous occasions, often through different channels, about the same issue. Omnichannel promises a way in which this experience can be made less painful and more effective for both customers and businesses, by providing a single view of the customer's journey – not just that particular interaction, but the entire experience – so that agents do not have to repeat questions and can treat the customer's request more effectively.

Unified desktop: Many of today's contact centers use complicated, multiple applications, often only loosely linked, which require skilled and experienced agents to navigate and manage interactions with customers successfully at the same time. Even after the call is completed successfully, each system may need specific inputs from the agent in order to start the required back-office processes or to keep each database consistent with the others. The result is that even though a contact center may be staffed with experienced, hard-working and skilled staff, its overall performance is suboptimal, leading to lower profits, customer satisfaction and unnecessary costs, as well as downstream service issues.

The variable capability of agents is also a contributory inhibitor to quality improvements, profit maximization and an optimized customer experience. One possible solution is to look at an overall unified desktop environment that includes dynamic scripting, as well as understanding agent training needs through an integrated solution including call recording and analytical functionality, delivering up-to-date performance metrics and in-call information supporting cross-selling and upselling offers.

The rapidly growing addition and use of new channels is only making this need more urgent. Role-based performance dashboards and real-time reporting of analysis means that insight into the contact center's efficiency and effectiveness can be shared immediately with relevant business users without the need for high levels of user expertise and experience. Although the unified desktop can be seen as an internally focused technology, the vast majority of respondents believe that its ability to provide in-call support to agents and reduce downstream errors has a very beneficial effect upon customer experience.

Interaction analytics can be used in many different ways to address various business issues. This is an advantage – it is hugely flexible – but it can also make its message to the market more complicated. However, depending upon how interaction analytics is used, it can assist in:

- agent improvement and quality assurance
- business process optimization
- avoidance of litigation and fines
- customer satisfaction and experience improvements
- increases in revenue and profitability
- improvements in contact center operational performance, and cost reduction.

Like most contact center applications, analytics can be used to cut costs, but its promise goes far beyond this. No other contact center technology provides the business with this level of potential insight that goes far beyond the boundaries of the contact center and can offer genuine and quantifiable ways in which business processes can be improved.

Amongst the survey respondents which use interaction analytics, there is a general feeling that it impacts somewhat positively upon the customer experience, although perhaps not quite to the same extent as customer-facing technology such as web chat. As a large amount of interaction analytics is done historically, the immediate benefits to the customer may not be as apparent.

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, with 2 or 3 chats being seen as sustainable.

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 visitor is paused on a web page too long, perhaps as they can't find what they are looking for. In such cases, there are two main benefits to the business to provide text 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 the use of web chat can avoid a number of these, which is a cost saving for the business and better for the customer as well.

Survey respondents using web chat usually see it being very positive for customer experience. Later in this report, the popularity of web chat can be seen in the survey of 1,000 US customers and it is rare to find that this channel does anything other than improve the overall customer experience.

Survey respondents feel that **web self-service** is of overwhelmingly positive benefit to the customer experience, and as the cost per automated support session is estimated to be between 40 and 100 times cheaper than a live call to an agent, it has significant benefits to the business too.

Research has stated that 58% of calls to the contact center result from bad website service or a failure in another channel. Most customers will visit a website first; if they cannot find what they're looking for immediately they will try self-service; if the self-service experience does not give them what they want immediately and accurately, they will either call the business or go elsewhere. In cases where the customer is tied into an existing business, this will result in a higher cost of service and decreased customer satisfaction. In cases where the web visitor is only a potential customer, a failure in the self-service process on a website will mean the almost-certain loss of a sale. In all cases, providing effective web self-service options – with a clear path to escalation to a live agent, along with any contextual customer specific information – is in the best interests of the business.

Despite the rapid growth in the use of web-based services, the importance of the voice channel has not diminished to the extent predicted by some commentators:

- Customers still find voice the most convenient, flexible and quickest communication channel in many instances, especially in older demographics and for complex and high-emotion enquiries
- Customers' expectations continue to rise. Not only do they seek out competitively priced goods and services, but they require quick, efficient service as well
- The general level of awareness of identity theft as a real issue has also grown, and the voice channel still provides customers with the greatest level of confidence.

Many calls are not suitable for self-service, as the customer may have multiple requests, the call is of a complex nature or be from someone who wants to speak with a human agent. Small businesses may have such a low volume of calls that self-service is not cost-effective. If customers don't want to use IVR, they will "zero-out" (press 0 for a live agent, or try to find a similar shortcut) – 23% of IVR calls are abandoned in this way. If businesses don't offer a live agent option to an irate and frustrated caller, they won't need to worry about providing customer service to them in the future, as they'll go elsewhere.

Despite the wider and more powerful functionality that **automated speech recognition** (ASR) gives to an IVR system, significant inhibitors are present. It is generally acknowledged that speech recognition can be considerably more expensive to implement than DTMF IVR, and is also likely to require significant, highly-paid in-house resource to fine-tune and operate it going forward. Some solution providers note that the majority of businesses' interest in moving from DTMF to speech recognition comes when the existing telephony self-service legacy system is approaching end-of-life.

Speech-based IVR is particularly useful in cases where very long lists of items such as place names or surnames may be chosen, for which the more structured DTMF IVR is unsuited. The success or otherwise of speech-based IVRs is very affected by how callers are encouraged to use the service. It has been the case that some speech implementations have actually made life more difficult for the customer, who may not have the confidence that the system will understand their natural language request and provide very short, one-word answers; if nothing is given in the way of prompts or examples, callers may give too little or too much information as they are unsure of the sophistication or capabilities of the system, and this may be a reason for high self-service abandonment rates. Using prompts such as "describe in a few words why you are calling us, for example 'to start a new mortgage application'" can be useful in setting ground rules for successful use.

Survey respondents are generally very positive about the effect that speech recognition has had on the customer experience.

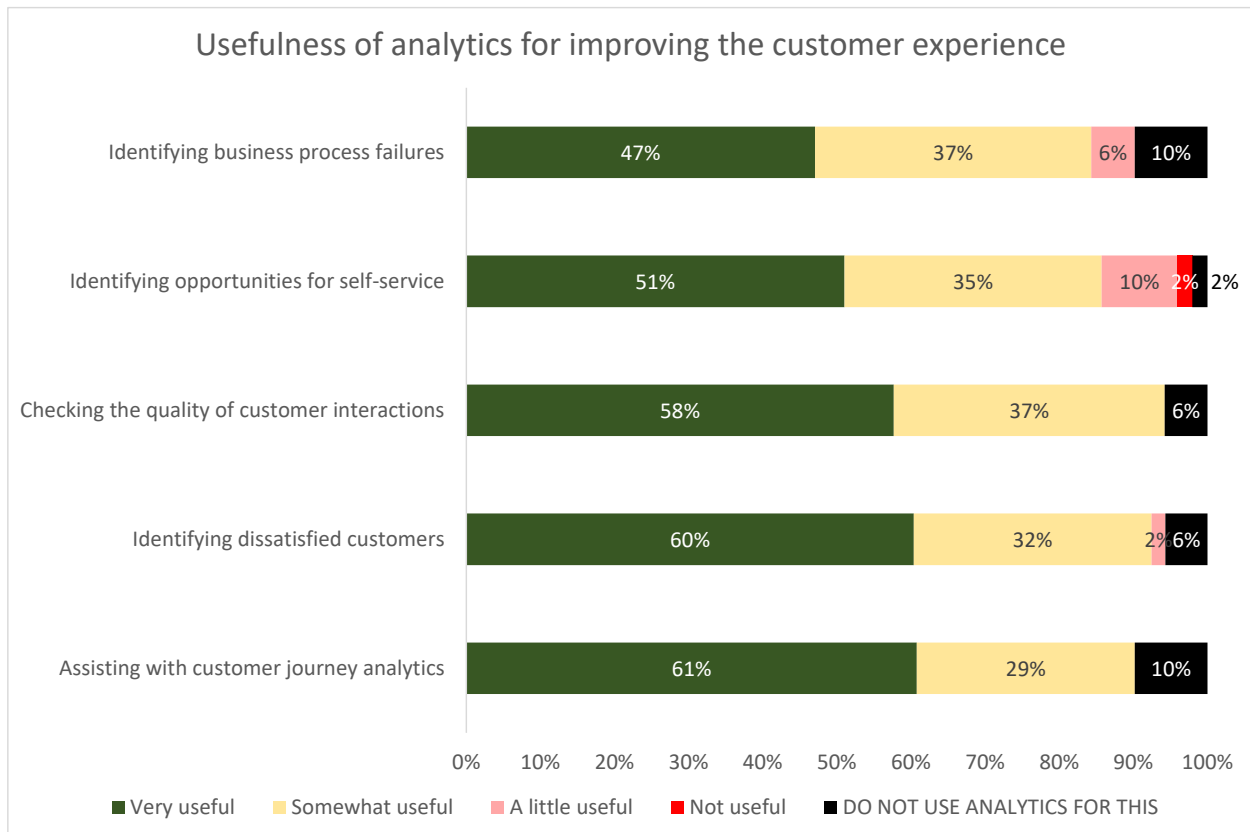
The feeling amongst respondents is that **IVR** can be somewhat less beneficial to the customer experience, despite its widespread prevalence. IVR was typically implemented as a cost-saving measure, rather than something to improve the customer experience, and although visual IVR promises to benefit both business and the smartphone-owning customer, its uptake is currently low.

THE ROLE OF ANALYTICS IN CUSTOMER EXPERIENCE

Customer interaction analytics offers huge opportunity to gain business insight, improve operational efficiency and develop agent performance. In fact, the list of potential applications for this technology is so high that businesses could be forgiven for being confused about how to target and quantify the potential business gains.

Organizations using analytics were asked how useful the solution was for improving various aspects of the customer experience, either directly, or through improving internal processes which then had a impact upon the overall customer experience.

Figure 28: Usefulness of analytics for improving the customer experience



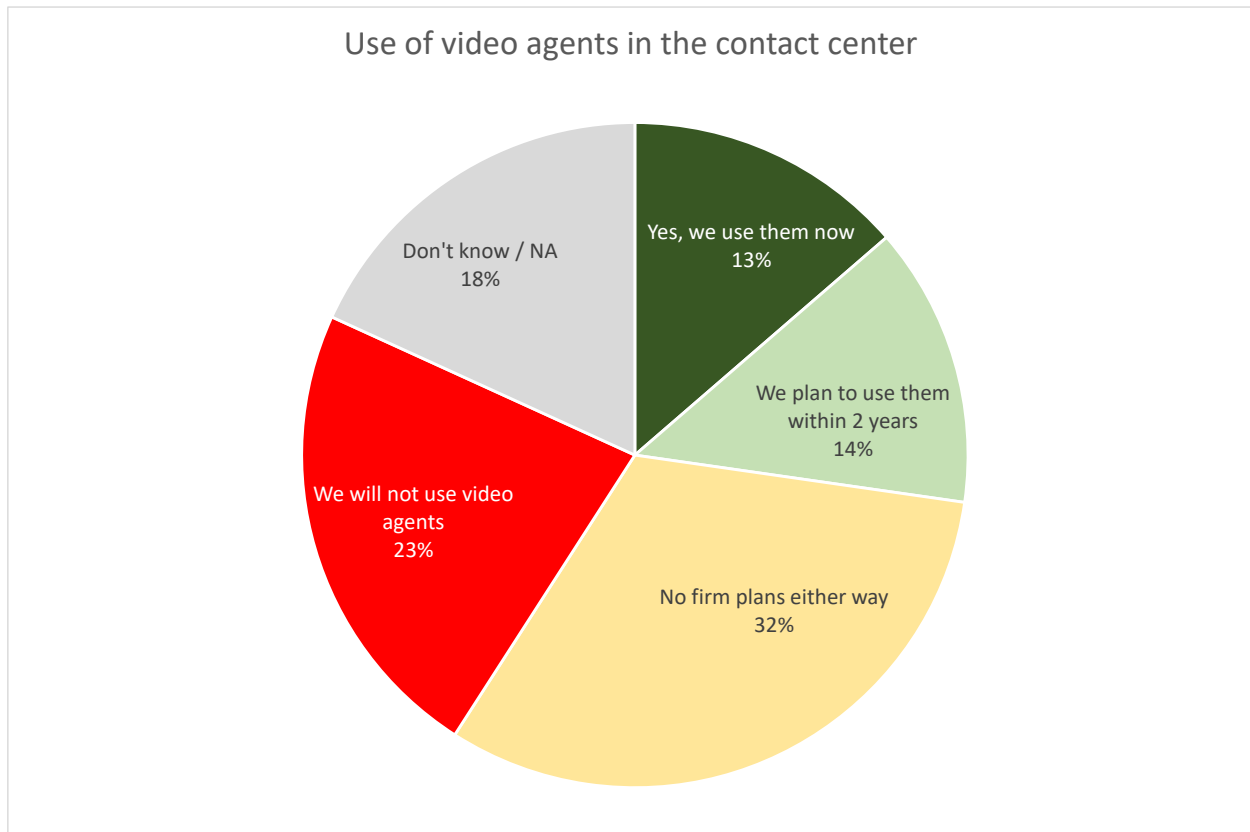
This year, the use of analytics for the identification of dissatisfied customers, business process failures and customer journey analytics improvement were all rated very highly, as was the widely used assistance with QA. It seems as though businesses are beginning to use analytics effectively for more than just compliance and agent quality.

CURRENT AND EXPECTED USAGE OF VIDEO

A recent ContactBabel survey of US companies found that 13% of respondents were using video in their contact centers today, and that a further 14% plan to do so within two years.

23% of survey respondents had made a definite decision not to do so.

Figure 29: Use of video agents in the contact center

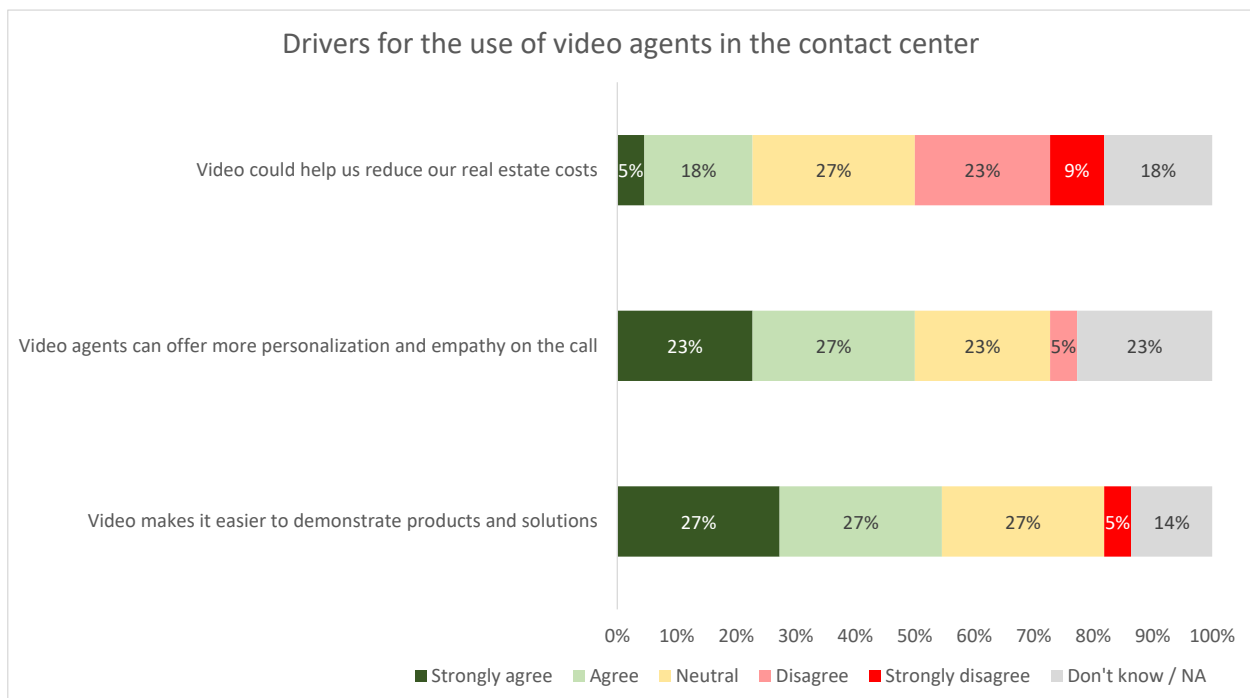


Looking at the possible advantages of video, 54% of business survey respondents believed that video agents could offer more personalization and empathy on the call, with only 5% disagreeing.

50% of businesses agreed that being able to demonstrate products and solutions was a driver for video, with 5% disagreeing.

Only 23% thought that video agents could reduce the premises costs (through working at home), with 32% disagreeing.

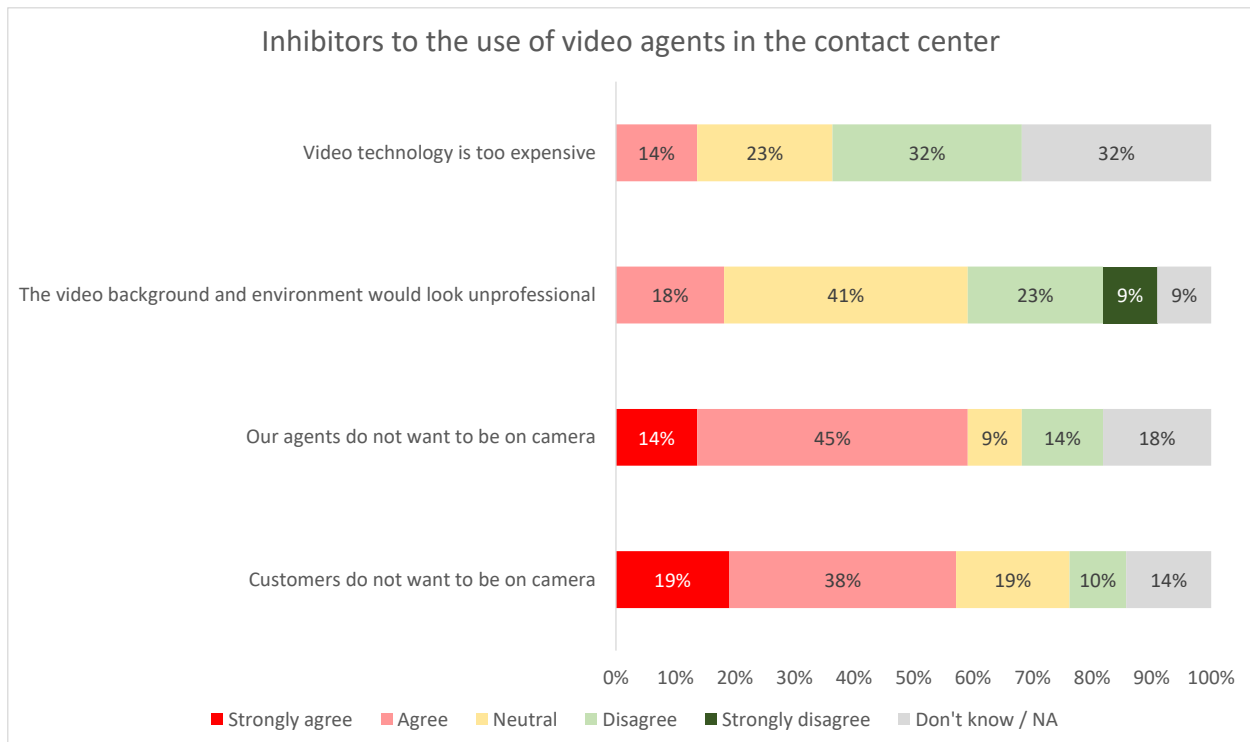
Figure 30: Drivers for the use of video agents in the contact center



Looking at the inhibitors to video, 59% of business respondents stated that they did not think their agents would welcome being on camera. 57% believed the same about customers (although for one-way video, this would of course not be an issue).

Relatively few respondents believed that video technology was too expensive, or that the background and environment would be difficult to manage professionally.

Figure 31: Inhibitors to the use of video agents in the contact center



Further comments from survey participants were mainly along the lines of video not being appropriate for their type of business (for example, as agents could feel additionally pressured and stressed on difficult and emotive calls), and that some customers prefer face-to-face meetings for sensitive or complex issues.

It was also stated that video was more often currently used in sales or account management roles rather than customer service.

WHAT DOES CX MEAN TO A CUSTOMER?

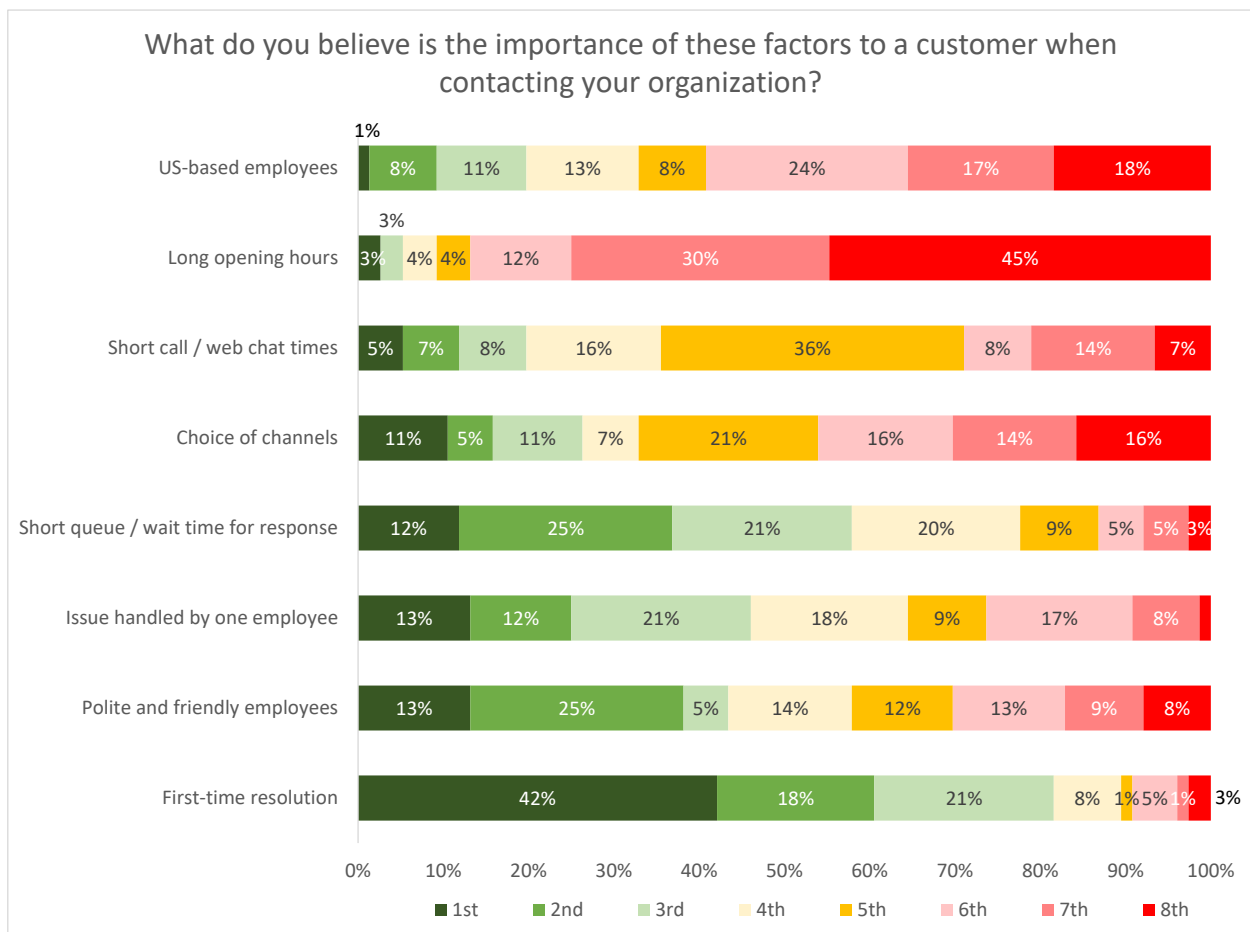
One of the most difficult things for an organization to be confident about is not so much agreeing what actually makes for a great customer experience, but rather which of the many elements that go towards this result are actually the most important, and consequently should receive the greatest investment and resource.

This section looks at the importance of key factors which occur within the customer experience when a customer contacts an organization, from the perspective of the business and also from the customer.

THE VIEW FROM THE BUSINESS

Organizations ranked the importance of eight factors that could impact upon customer experience.

Figure 32: What do you believe is the importance of these factors to a customer when contacting your organization?



As with many past ContactBabel surveys, first-time resolution was clearly seen as being the most important factor impacting upon customer experience, with 42% of respondents ranking it in first place, and a further 39% placing it within the top three.

A short queue time or wait time for a response was also seen as being important, being ranked in the top 3 by 58% of respondents, with polite and friendly employees being ranked in the top 3 by 43% of organizations surveyed.

The following section considers these elements of the customer experience from the perspective of customers themselves, and there are some significant differences of opinion between organizations and customers on what impacts the most on customer experience.

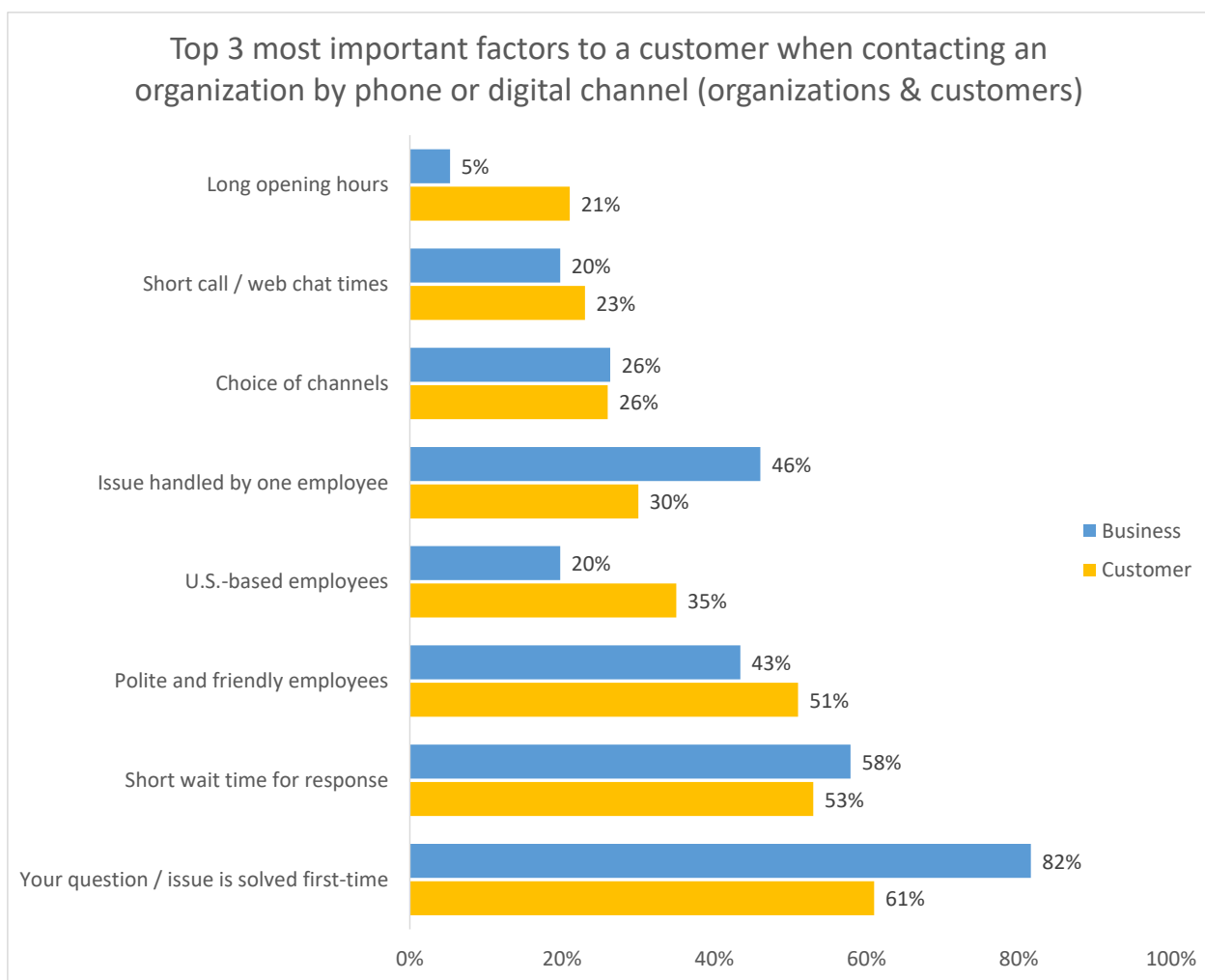
THE VIEW FROM THE CUSTOMER

ContactBabel commissioned the research firm [Engine](#) to carry out a survey of 1,000 US consumers. One of the purposes was to identify differences in opinion between organizations and customers about the most important customer experience factors when contacting an organization.

As such, consumers were asked to state which were the top three most important factors to them when contacting an organization, with the same factors presented to them that had been offered to organizations within the business survey upon which most of this report is based.

The chart below shows a direct comparison between what businesses believe customers want, and what customers actually value. Customer data are normalized as if each respondent has selected three choices (in fact, not all survey respondents did so), in order to compare directly with organizational data.

Figure 33: Top 3 most important factors to a customer when contacting an organization by phone or digital channel (organizations & customers) – customer data normalized to total 300%

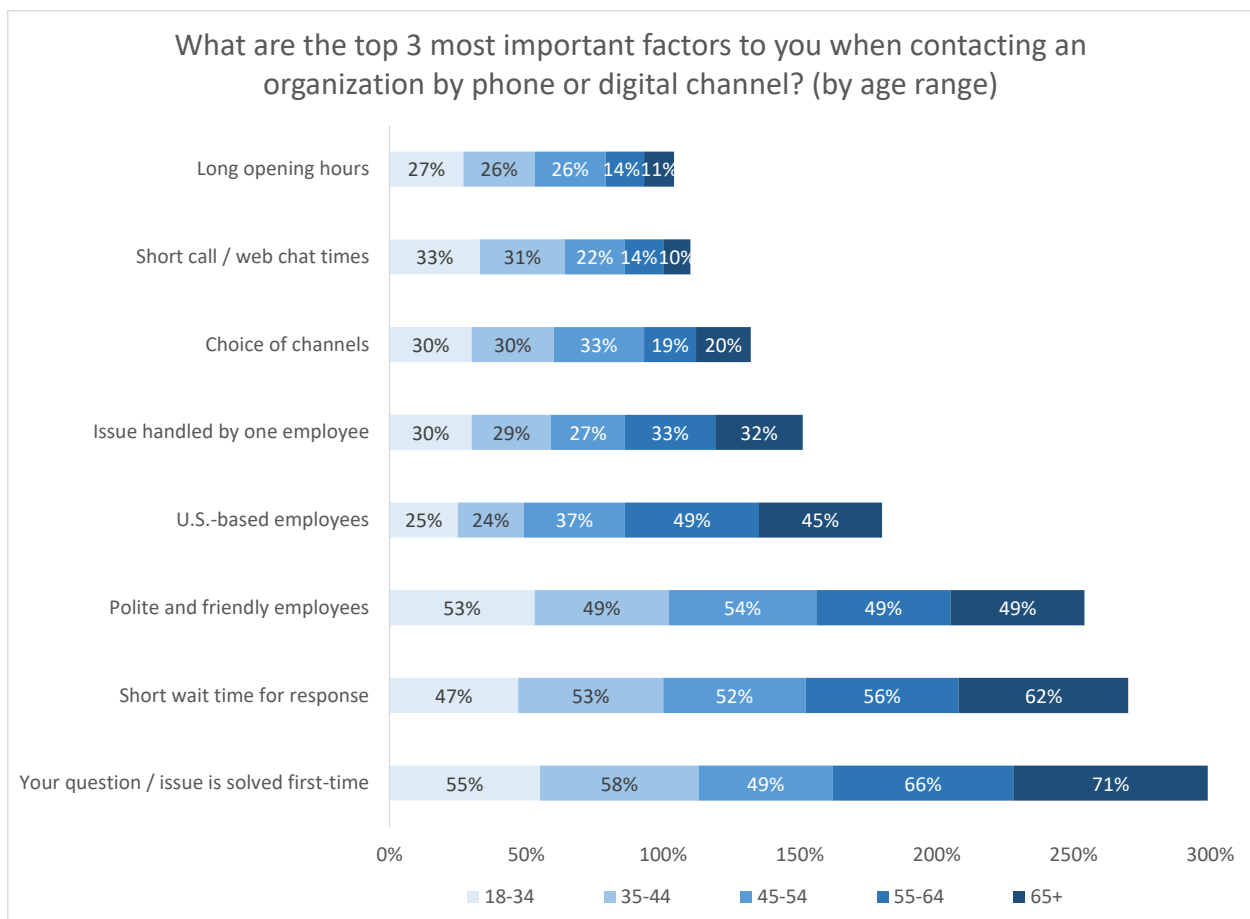


Customers and organizations agree on some points: first-time resolution is vital; short queue times are also very much preferred; polite and friendly employees are highly valued; short call/web chat times and long opening hours aren't vital to everyone.

There are some significant differences in opinion: customers place far more emphasis on US-based agents than organizations believe that they will; long opening hours and short calls are likely to be more important to younger customer segments at least and issues don't necessarily have to be handled by a single agent.

Looking in more depth at these responses brings out some patterns. The figures below are expressed as the percentage of each age group that expressed an opinion.

Figure 34: What are the top 3 most important factors to you when contacting an organization by phone or digital channel? (by age range)



The previous chart 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.



How RingCentral helped government agencies rapidly expand customer support amid the pandemic

The world's third-largest provider of customer-experience outsourcing

One of the world's largest and most respected providers of outsourced contact center services, Sitel Group® delivers meaningful connections between its clients and their customers. The company's decades-long reputation for professional, reliable, and secure service has made Sitel Group a trusted partner for governments around the world.

But when the pandemic led to enormous contact center demand at many UK public-sector agencies, Sitel Group faced a logistical challenge supporting its longtime government partner.

Rapidly onboarding 20,000 remote agents to support UK social services

As the 2020 quarantines went into effect, Sitel Group received a contract to support several agencies facing massive spikes in inquiries from the public—including the Department of Health and Social Care, UK Visa and Immigration, and Home Office.

Ian Conduit, Sales Director at Sitel Group, points out that the combined needs of these and other UK agencies, in the timeframe they were asking for help, presented a challenge even for a company of Sitel Group's size and experience.

It meant onboarding and coordinating 20,000 new agents in under two months—all home workers, due to the quarantines.

Leveraging RingCentral, a trusted ecosystem partner

Steve Rafferty, RingCentral's Country Manager for UK & Ireland, notes that this project had a couple of unique challenges including working through this complex undertaking entirely virtually—using RingCentral Video and RingCentral's team-messaging platform to collaborate.

“We knew RingCentral reliably makes good on its 99.999% uptime promise, and the company's platforms have the security and compliance elements built in. Whatever solution we devised with our partners at RingCentral, we knew it would meet our client's requirements.”

Ian Conduit, Sales Director, Sitel Group®

Improving operations with RingCentral

With a project of this scale and these time constraints, close collaboration with partners is a must. The teams operated as one organization, working together toward a shared goal.

RingCentral drew up an agreement that was strictly pay-as-you-need, and over time Sitel Group took advantage of this flexibility by increasing and decreasing its licenses multiple times. Ian's team went from a few thousand agents to 20,000, back to a few thousand, and back again to 20,000.

The organizations also found ways to leverage integrations with Sitel Group's existing workflows allowing teams to gain visibility into call data and improve agent performance. They also use database integrations to automate steps for agents, such as pulling up a caller's profile as they take the call, helping to deliver a better experience for clients.

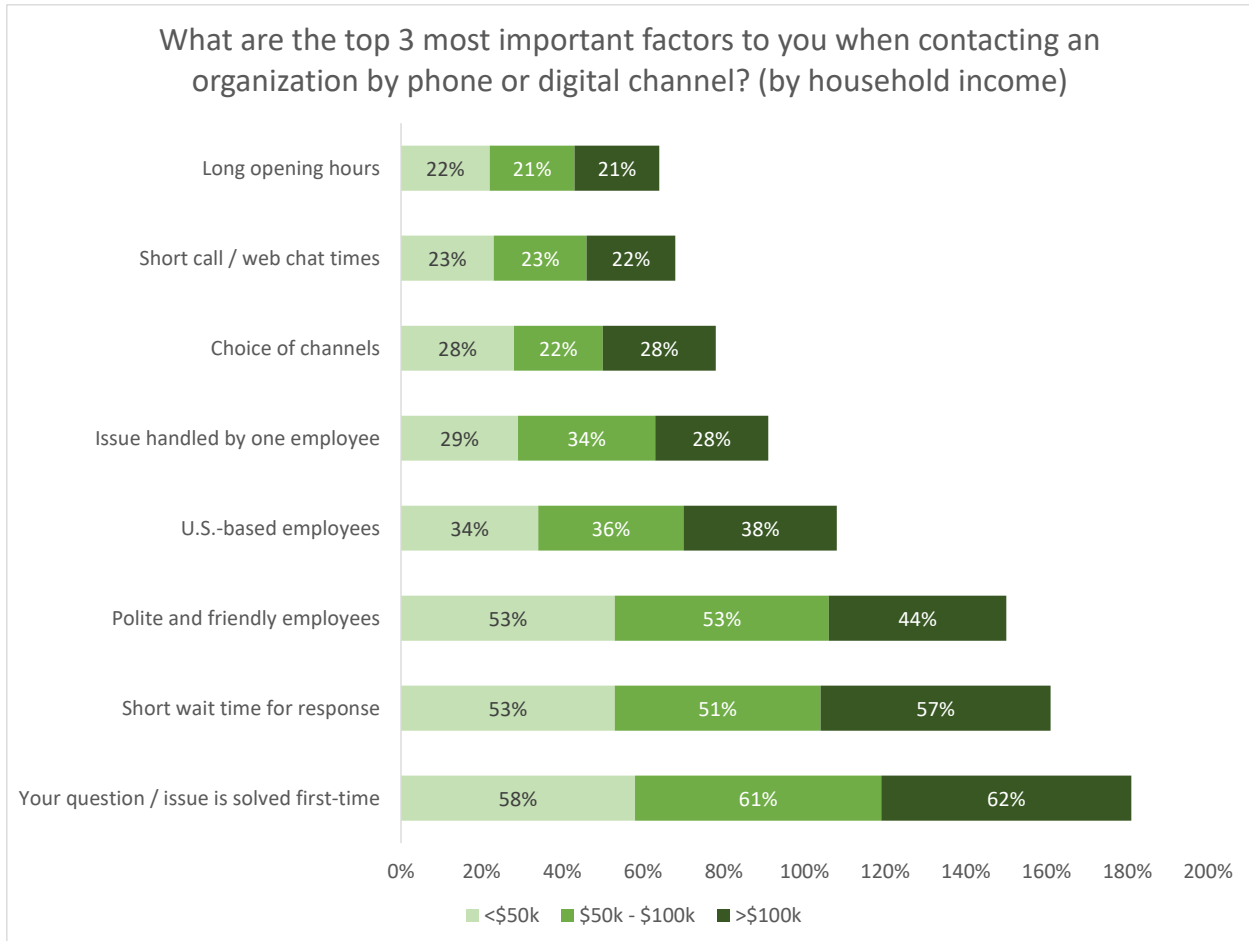
“When I look back and consider what our teams have accomplished—handling millions of calls, with thousands of new agents working from laptops at home—I'm amazed that this was even possible.”

Ian Conduit, Sales Director, Sitel Group®

When segmenting the consumer data by household income, lower-income groups value having polite and friendly agents.

Apart from this, and a slight inclination for higher-income respondents to prefer US-based agents, there are very few major differences between income groups this year.

Figure 35: What are the top 3 most important factors to you when contacting an organization by phone or digital channel? (by household income)



FIRST-CONTACT RESOLUTION RATES & CUSTOMER EXPERIENCE

First-contact resolution (FCR) rates are not simple to understand, but have to be viewed in context. An improving business may well see its FCR rate actually decline after it implements process improvements, which is counter-intuitive, but if the business had been handling live calls that were more suited to self-service or avoidable through better marketing communications, getting rid of these ‘easy’ calls entirely will make the FCR rate decline. If many calls are about the same issue, and are answered quickly and accurately, it improves FCR rates, but of course piles up cost and impacts negatively upon other performance metrics, such as queue length and call abandonment rate.

Businesses should consider the reasons for these unnecessary calls, rather than just focusing upon a single metric, as high first-contact resolution rates may actually be masking underlying problems:

- The contact center is handling simple and repetitive calls that could be moved to self-service, or which could be addressed on a website and through better marketing communications
- Callers are dropping out of self-service to speak with agents because the self-service application is failing in its task and should be re-engineered
- Unclear marketing communications are causing customers to call
- Calls are being received that are actually driven by mistakes from elsewhere in the enterprise.

When businesses begin stopping unnecessary calls at the source, those left are usually of a more complex nature. This will lower first-contact resolution rates initially, allowing a clearer picture of what is really happening in the contact center to emerge which can then be addressed more fully.

The drop in first-call resolution (FCR) rate in 2015 seems to have been more of a statistical blip than a fundamental change, and the overall trend for mean FCR is fairly static: as the easier interactions go to self-service (especially online), the contact center is left with more difficult and varied tasks, which are also very complicated to categorize effectively using the current tools available to most, and this trend may be accelerating as mobile and web self-service channels become more effective at taking the ‘low-hanging fruit’.

Figure 36: Historical first-call resolution rate

First call resolution rate	Q2 2007	Q3 2008	Q4 2009	Q3 2010	Q1 2012	Q1 2013	Q1 2014	Q1 2015	Q2 2016	Q2 2017	Q3 2018	Q3 2019	Q4 2020	Q4 2021
Mean	73%	70%	76%	75%	73%	71%	74%	64%	72%	74%	75%	76%	75%	76%
Median	80%	75%	80%	81%	77%	78%	80%	71%	81%	82%	80%	85%	79%	78%

The first-contact resolution rate is an important metric for a business to track, being concerned both with the customers' experience as well as avoiding unnecessary calls. However, it is very difficult to measure effectively, with no single best practice method of getting definitive statistics that are directly comparable to the rest of the industry. This difficulty is shown by the fact that ten years ago, more than half of contact centers responding to our surveys did not collect FCR performance at all.

Unlike most contact center benchmarking metrics, many commentators agree that first-contact resolution is better measured in isolation i.e. as an internal metric, rather than comparing the FCR of your own operation with others within your sector or of a similar size. This is because not only are all businesses different, but within each individual business are likely to be some departments where FCR varies wildly: technical support for example may have a relatively low FCR, whereas other departments which are handling simple calls are likely to see much higher FCR. It is also important to understand the effect that a good self-service system and effective outbound communication can have on reducing simple contacts: the fewer simple inbound calls received, the less chance there is of the other calls being resolved first-time, due to their increased complexity.

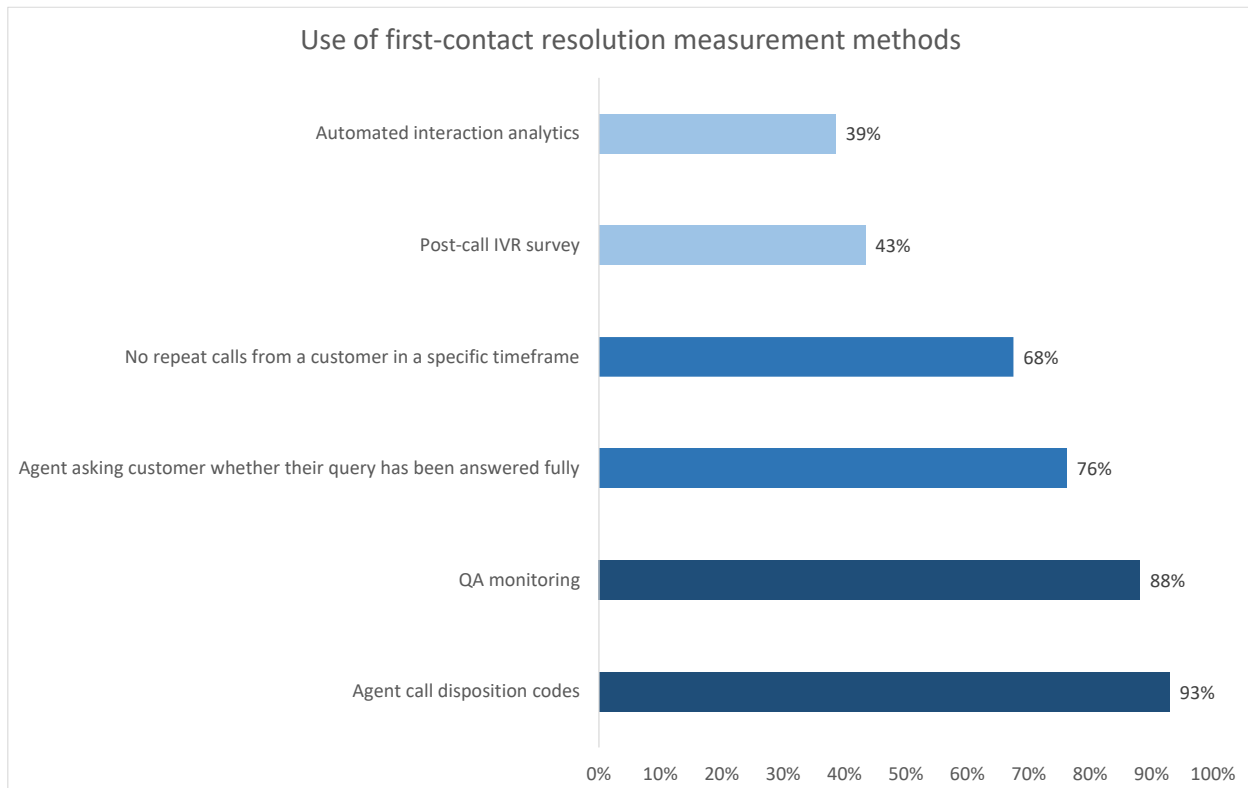
There are various ways to measure, or at least closely estimate, first-call resolution rates:

- Agents provide opinions on whether the call was resolved completely, including tagging the interactions with a disposition code at the end of the call (used by 93% of respondents)
- Tracking of issues shows if they are re-opened (68%)
- Supervisors monitor calls and score based on their opinion (88%)
- Customers can be asked their views by the agent (76%) or through an IVR survey (43%)
- Analytics of interaction recordings can be used to see whether the call was actually resolved or more interactions were needed (39%).

The accurate tracking and actionable insight of FCR is one of the biggest challenges to the contact center industry: it is key to customer satisfaction and cost management.

ContactBabel's report, [The Inner Circle Guide to First-Contact Resolution](#), gives examples of how to do this.

Figure 37: Use of first-contact resolution measurement methods

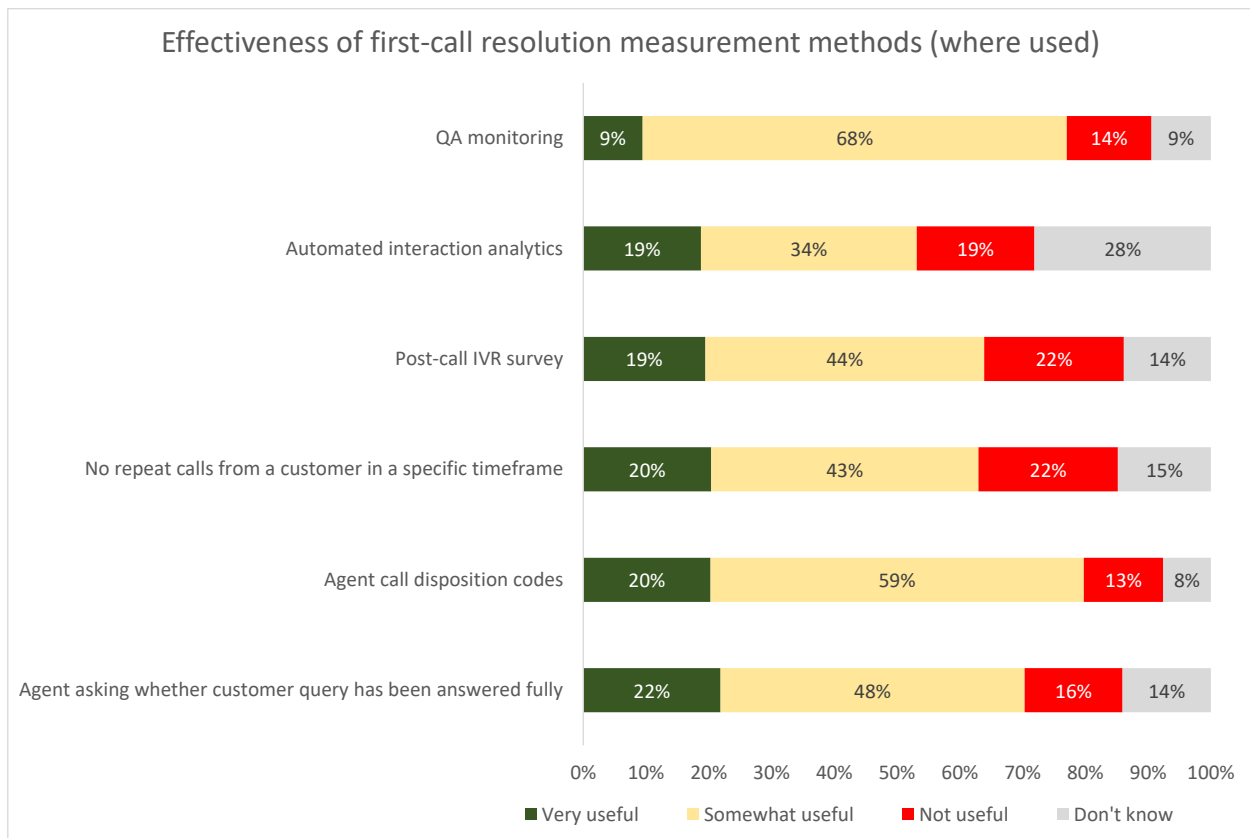


QA monitoring, the most widely-used form of gathering first-contact resolution information, is not seen as particularly effective. Surprisingly (compared to UK figures, where survey respondents were very positive), automated analysis of call recordings is considered ineffective by 19% of those respondents that use this method of calculating first-contact resolution.

Tracking customer callbacks within a specific timeframe is also seen as fairly ineffective, and although the simple method of having an agent ask if the issues has been fully resolved is rated highly by 22%, although 16% do not rate this method at all.

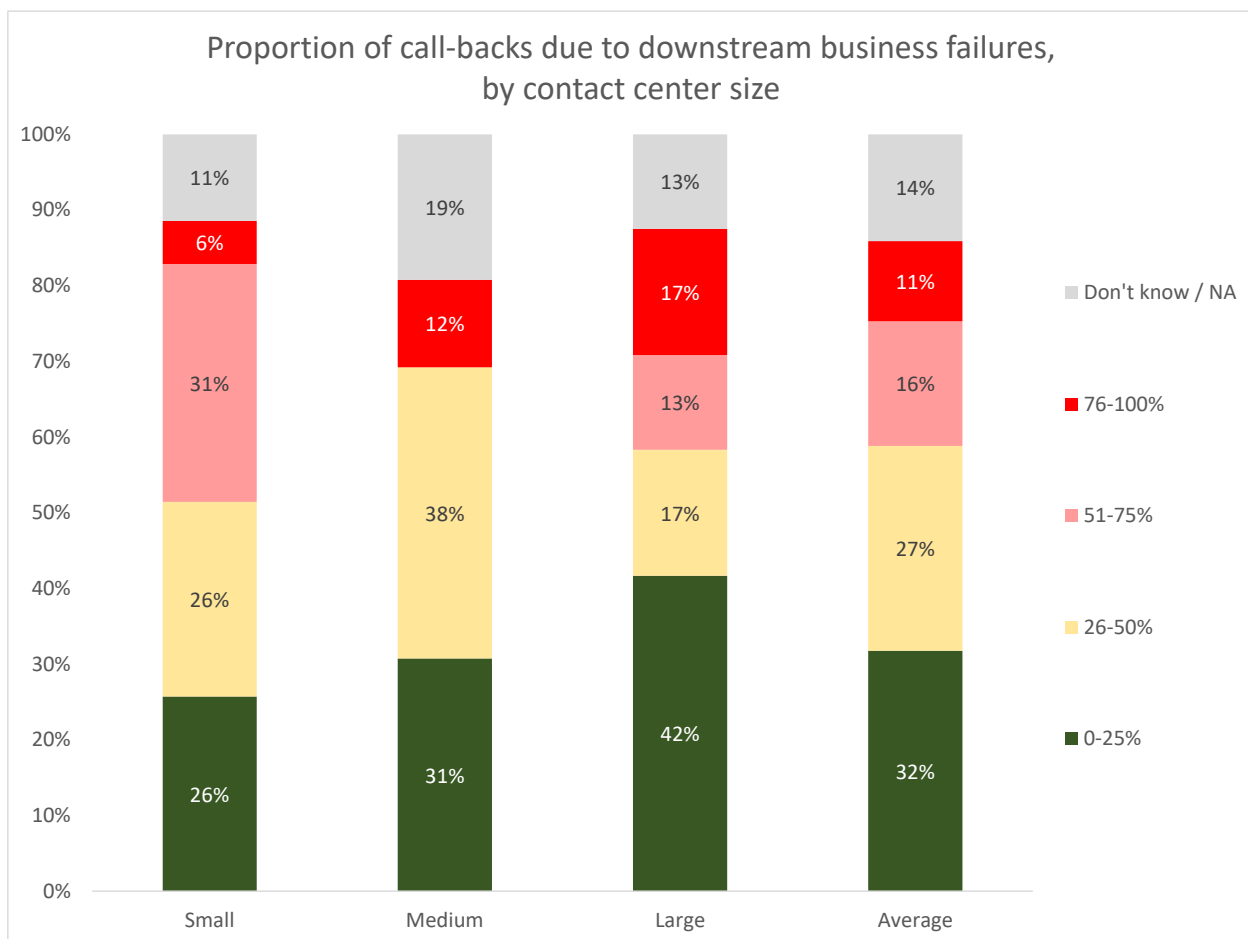
In essence, this chart shows an at-best lukewarm enthusiasm for any of the FCR measurement methods suggested to survey respondents, leading to the conclusion that far more needs to be done by both businesses and solution providers.

Figure 38: Effectiveness of first-call resolution measurement methods (where used)



It is worth noting that the majority of contact centers who track first-call resolution do so **only** based on the initial telephone call itself: that is, they do not check whether the action or business process initiated by the call has been followed through successfully. Most complaints received by a contact center are about the failings of the wider business (around 80%), so focusing entirely upon the work done within the contact center is missing the point of measuring first-call resolution. The following chart shows that 27% of respondents report that more than half of their call-backs are due to failures in downstream processes and actions (or lack of them), showing that there is a real need for joined-up processes between the front and back-office as well as between channels.

Figure 39: Proportion of call-backs due to downstream business failures, by contact center size



However, even if FCR can be measured successfully and accurately, this figure is still not necessarily actionable: we do not always know why some calls are not resolved first-time. Without a greater level of insight, contact center managers may not be addressing the real issues that are impacting on customer satisfaction and the effectiveness of the operation. In the near future, we expect to see the power of speech analytics being further directed at understanding why customers contact a business multiple times. The recent ContactBabel report, "[The Inner Circle Guide to First-Contact Resolution](#)", looks in depth at how to measure and improve FCR.

OMNICHANNEL AND THE CUSTOMER EXPERIENCE

LIVE OR AUTOMATION?

Artificial intelligence (AI) is a wide-ranging term for technology solutions which appears to emulate human cognitive capabilities through the 'understanding' of complex, natural language requirements in order to reach its own conclusions and develop itself based on what works and what doesn't. Machine learning refers to the ability of software to evolve based on measuring its performance and success, without input from humans.

Within the customer contact space, there is a great deal of interest in how AI & machine learning can work to deliver a superior customer experience at every hour of the day, across channels, leveraging the vast amounts of data that are available to many large organizations. Supported by the speed and availability of affordable processing power, and the enormous amount of structured and unstructured data available, the opportunity exists for AI to take customer contact far beyond what is feasible now.

AI for customer contact is currently best known for chatbots, a computer program that runs automated tasks and simulates conversation with the customers. It may be given a human avatar and personality characteristics, and includes natural language processing, dialogue control, access to knowledge bases and a visual appearance that can change depending on who it is talking to and the subject of the conversation. Chatbots are often found in the web chat channel, but the functionality can be used in any other digital channel, such as social media, email or even voice self-service.

As AI can be given access to all of the relevant data a company holds on its customers, as well as unstructured data held elsewhere (for example, forums or social media channels), it has a far wider source of knowledge from which to draw compared to human agents. In theory, an AI with sufficient sophistication could make human agents all but unnecessary, but for the foreseeable future, AI looks mainly to be used to work alongside its human colleagues.

In order to gauge the level of acceptance and expectation around fully automated customer contact, US organizations and consumers were asked whether automation or human assistance would be preferable to the customer base in circumstances where the customer effort, time and outcome were **exactly** the same. Although the question is quite hypothetical – automated channels usually require far less effort and time than human interaction, but often cannot deliver the same functionality – the findings were quite surprising considering the popularity and recent uptake of automated self-service.

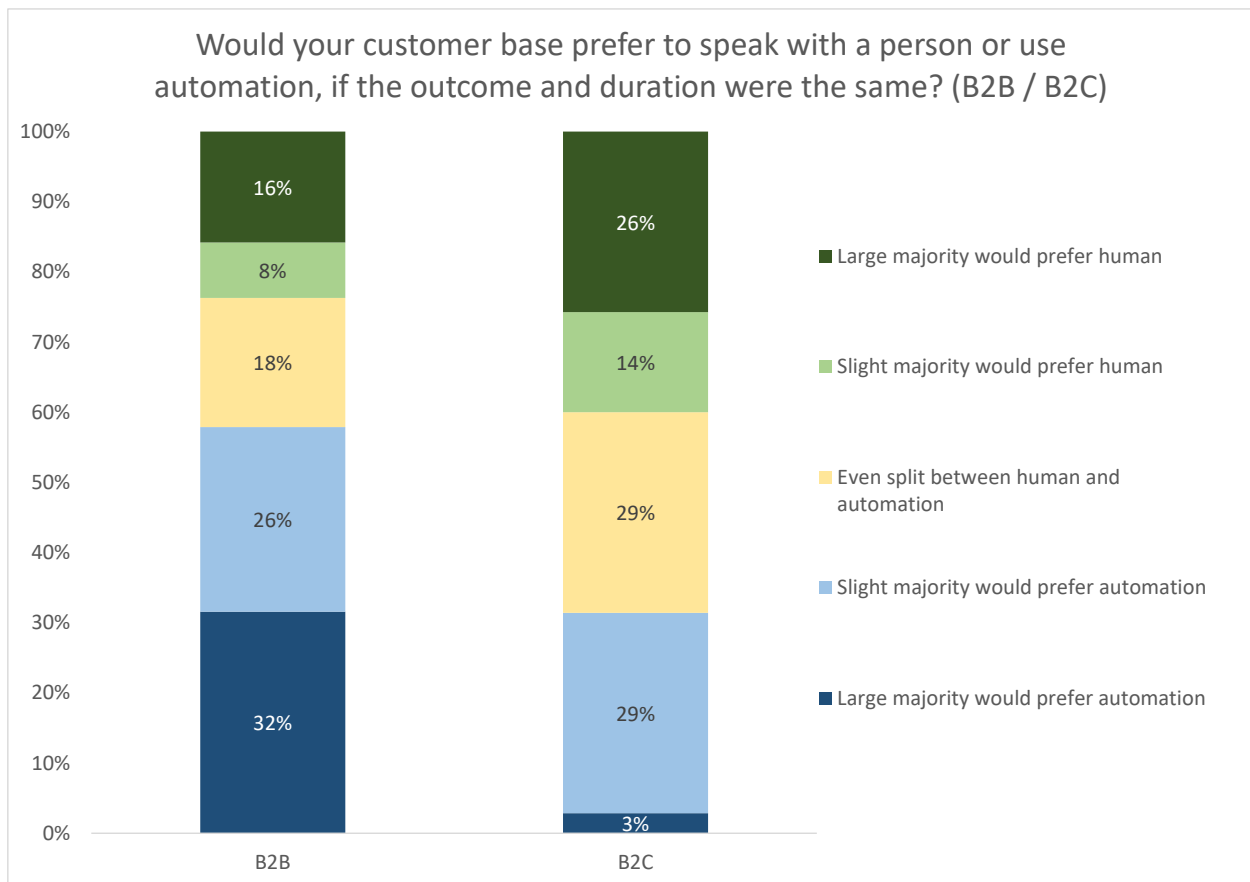
THE VIEW FROM THE BUSINESS

B2B organizations surveyed for this report tended to believe that their customer base would prefer to use automation, with 58% believing this.

Only 33% of B2C respondents agreed, with 40% thinking that their customers would prefer to speak with an agent.

Overall, organizations were fairly evenly divided between automation and human agents.

Figure 40: Would your customer base prefer to speak with a person or use automation, if the outcome and duration were the same? (B2B / B2C)



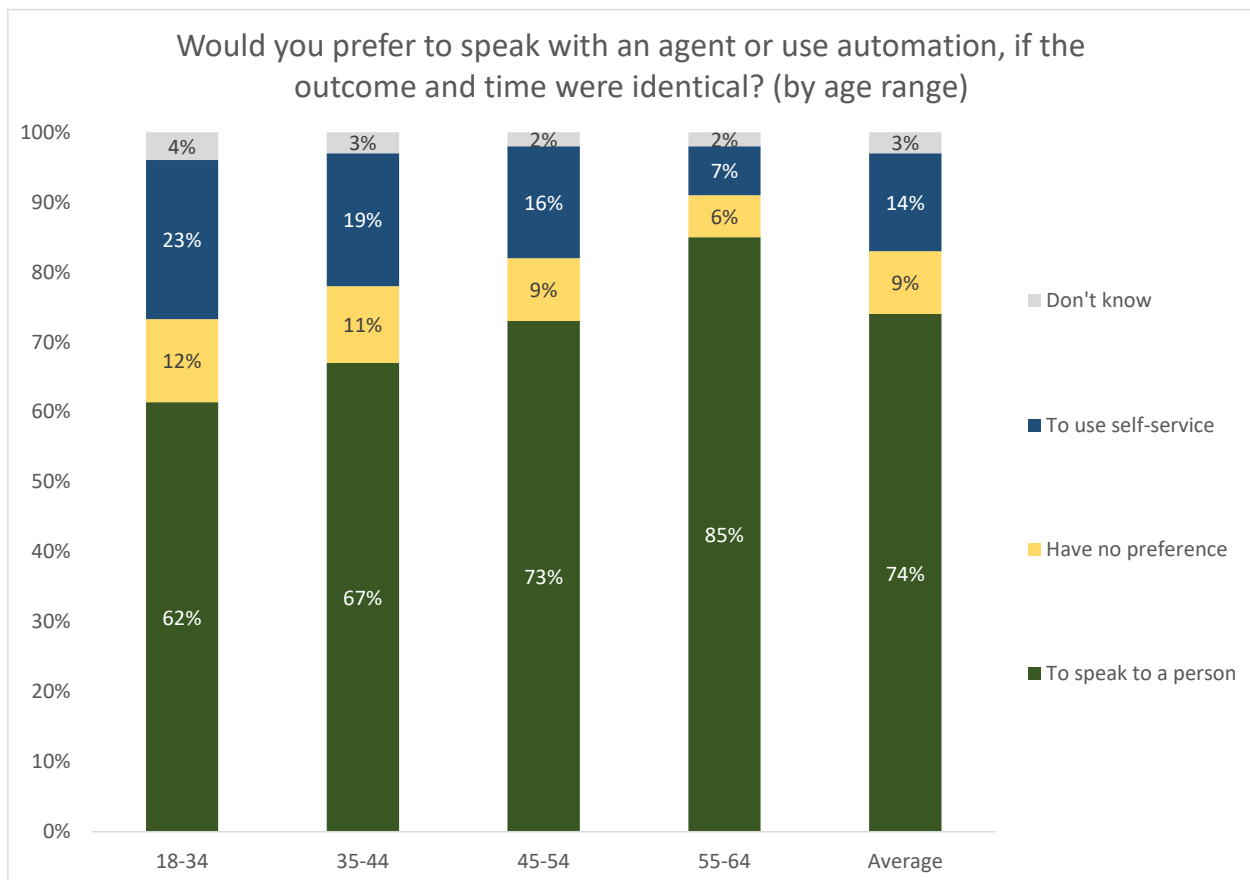
THE VIEW FROM THE CUSTOMER

When the same question was asked of customers, it was found that the customer base was much more strongly in favor of speaking to a human employee than businesses had believed.

Looking at the age group of the customer base, older demographics feel more strongly about human contact, with younger and middle-aged customers being more likely than them to choose to use automation. This fits in with the previous findings that the younger section of the customer base places more value on their time, whereas the older demographic prefers to have their issue resolved first-time by a single employee.

Bearing in mind that this question emphasized that the outcome and customer effort/time **would be identical** in each case, the results show that the customer base at present is not yet at a stage where automation is generally seen as being even on equal terms with human contact, let alone the preferred method of contact with a business, and that the human touch is still very much valued.

Figure 41: Would you prefer to speak with an agent or use automation, if the outcome and time were identical? (by age range)



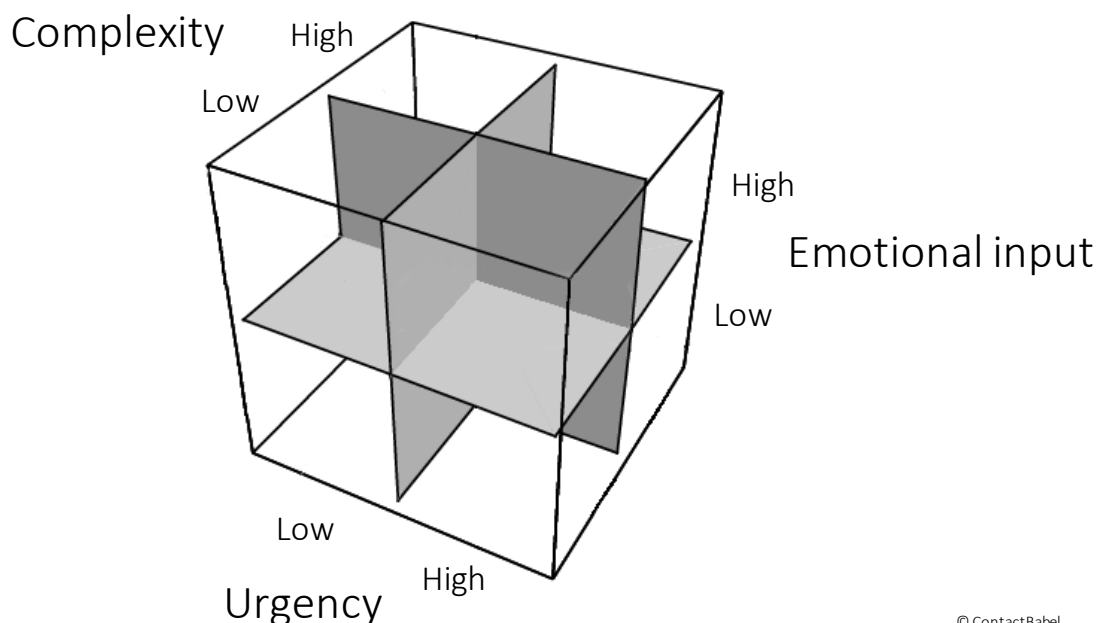
Women were a little more likely than men to want to speak with an agent (76% vs 73%). More affluent households (\$100k+) chose automation in 19% of cases vs. 12% for sub-\$50k households, and there was a similar pattern for college graduates (18%) vs high school graduates / non-graduates (12%).

OMNICHANNEL: THE CONSUMER'S CHOICE

There are two main factors that influence contact centers within any vertical market: the commercial activity within that sector, and customers' requirements and preferences for contacting organizations. It is not only the nature of the specific business vertical market 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 business that is being called: 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 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



© ContactBabel

Using this 2x2x2 cube as a structure, there are eight types of interaction, a combination 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 42: The Customer Interaction Cube and 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	Phone	Self-service
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 interactions¹, 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, flagging this up to the agent within the call, but agents should be in any case capable of recognizing this without technology. In any case, if the customer has already tried two or three other channels without success, even the most competent and empathetic agent will find it difficult to turn the moment of truth around positively.

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

For this reason, 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 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 only 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 moments of truth.

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 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.

The survey of 1,000 US consumers carried out for this report attempted 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: notifying a company that an incorrect item has been sent to them. This was chosen as a high emotion interaction as being sent an incorrect item is often frustrating, as not only has the desired product not arrived, but the customer is then left with the problem and effort of returning the item. This is not a particularly complex interaction, and in many cases will not be particularly urgent.

High urgency: checking the arrival time of a flight that the customer is meeting. This is likely to be an urgent interaction as it is very time-sensitive. Complexity is very low – as the required information is simply a time – and in the majority of cases, should have a fairly low emotional impact.

High complexity: receiving guidance on completing a mortgage application or tax form. This is likely to be a complex and long interaction, but is unlikely to have high levels of urgency or emotional response.

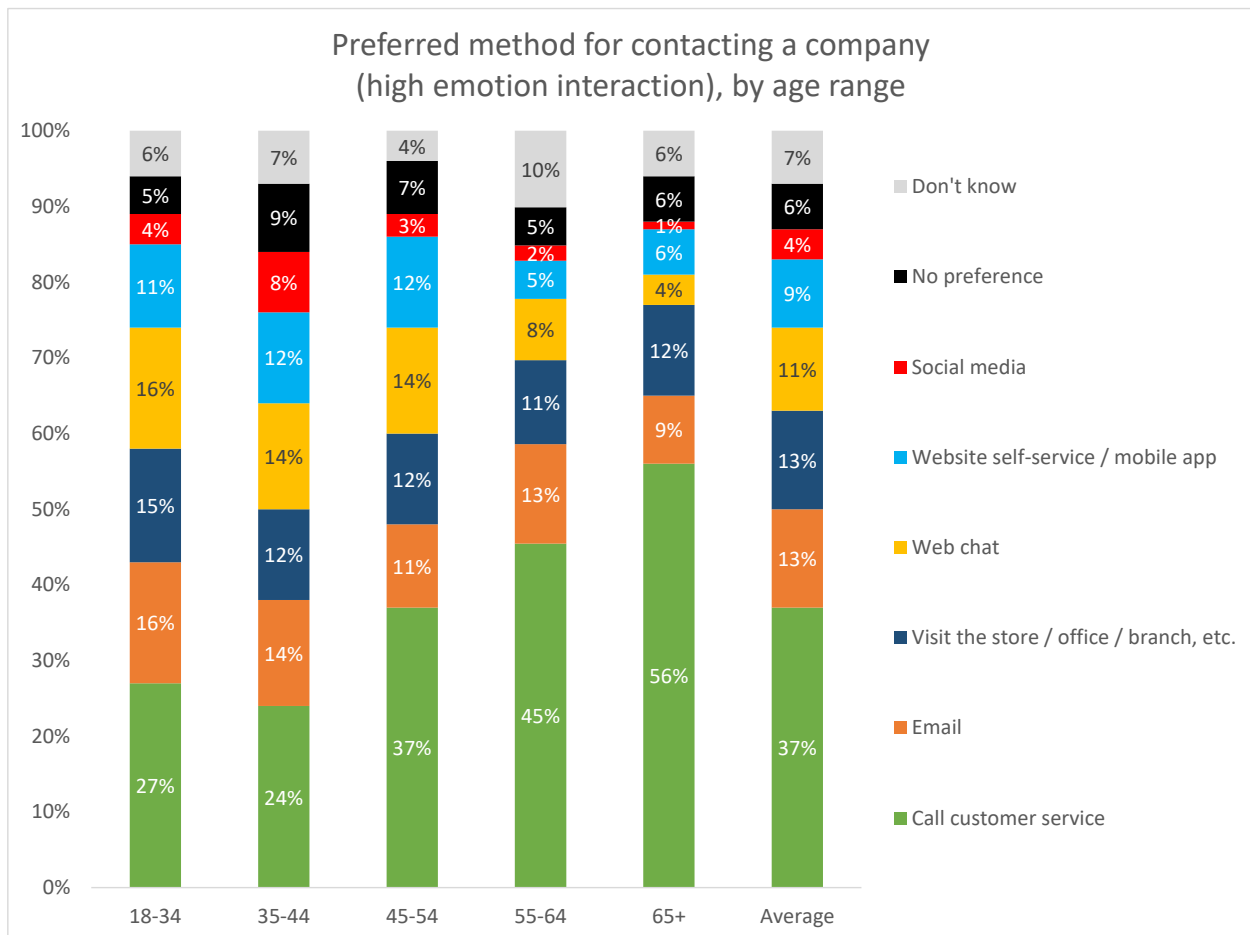
HIGH EMOTION INTERACTIONS

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.

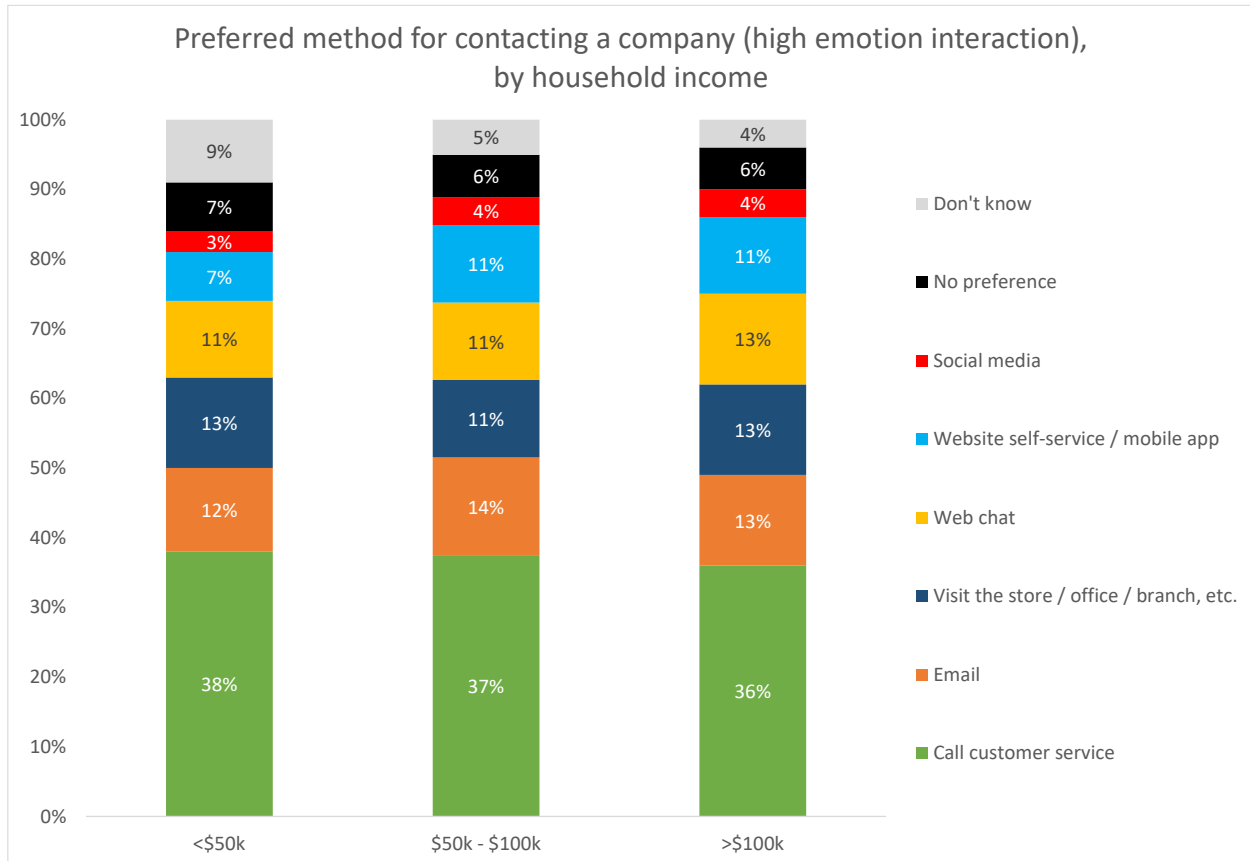
There was a strong pattern based on the age of the survey respondent and their preferred channel: the younger demographics were most likely to send an email, use web chat or web self-service, whereas the older generations would pick up the phone. Amongst the under 45-year-olds, there was some preference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

Figure 43: Preferred method for contacting a company (high emotion interaction), by age range



When considering the preferred method for contacting a company with a high emotion interaction, there was very little difference between income groups.

Figure 44: Preferred method for contacting a company (high emotion interaction), by household income



HIGH URGENCY INTERACTIONS

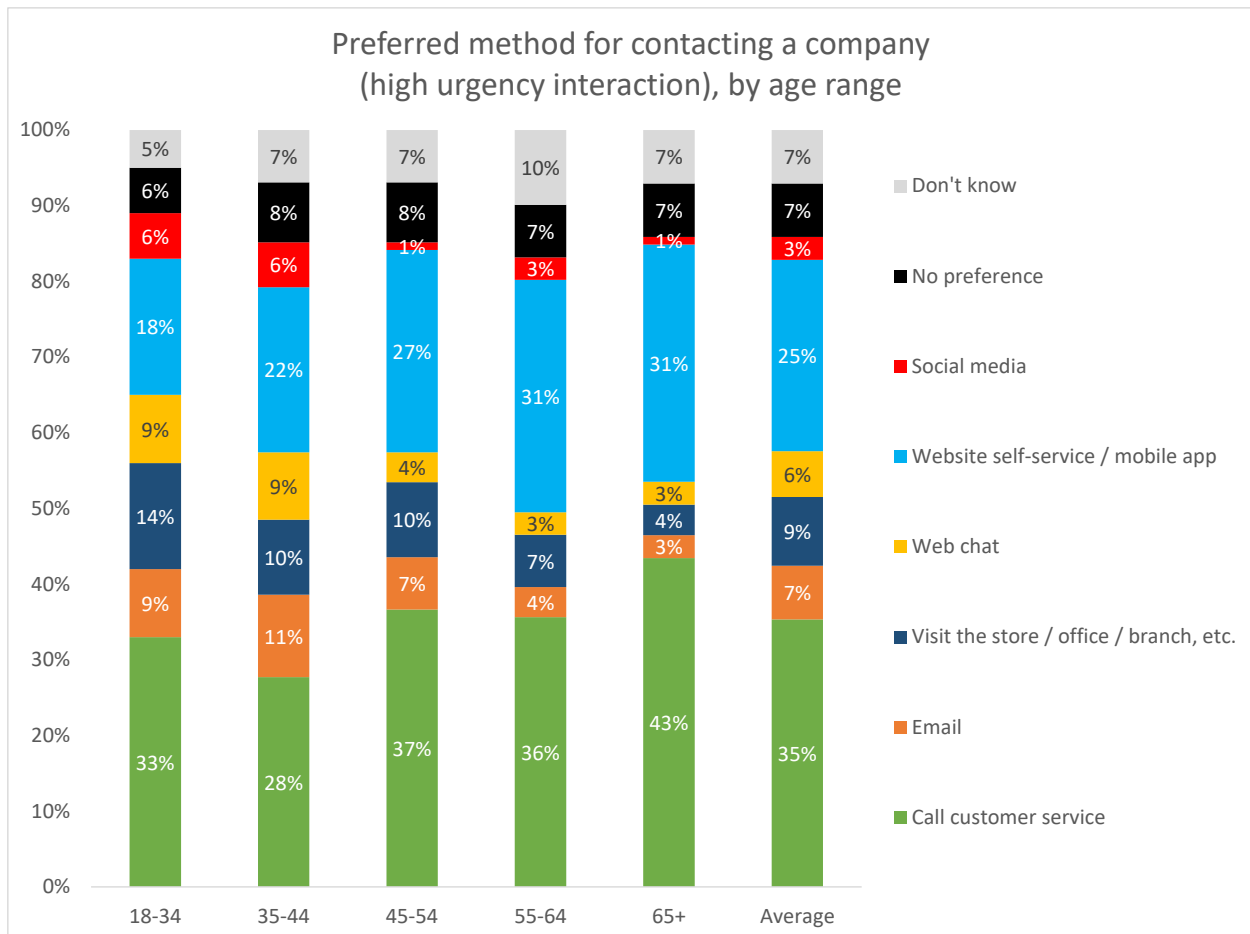
Survey respondents were asked which would be their preferred channel of choice in a situation where they were meeting somebody from a plane and urgently needed to confirm the time at which to be at the airport.

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.

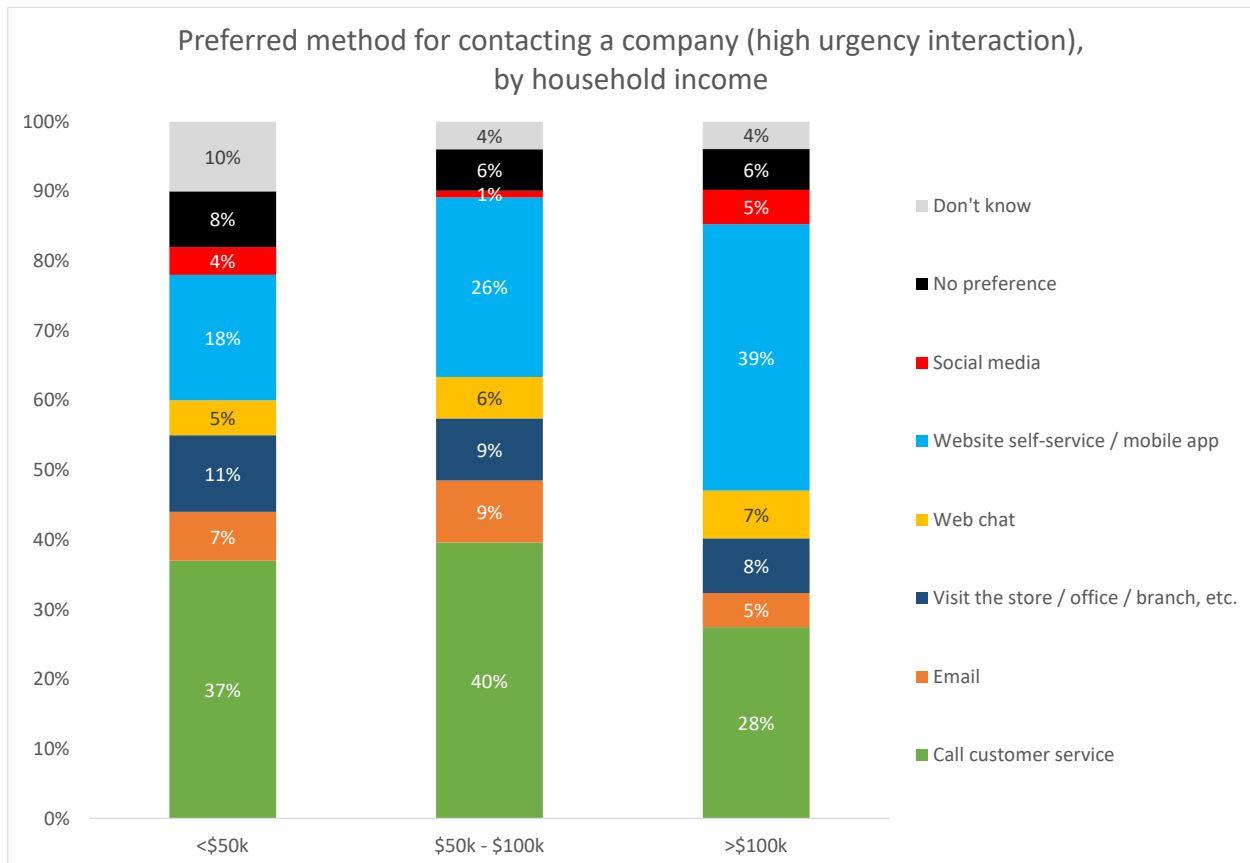
Despite the immediacy offered by web chat and social media channels, few older respondents stated that these would be their preferred method of interaction even in high urgency cases. The younger demographics were much more likely to use social media, web chat and email.

Figure 45: Preferred method for contacting a company (high urgency interaction), by age range



When considering household income, web self-service was a much more popular options amongst the most affluent households, with telephony being more popular with lower income respondents.

Figure 46: Preferred method for contacting a company (high urgency interaction), by household income



HIGH COMPLEXITY INTERACTIONS

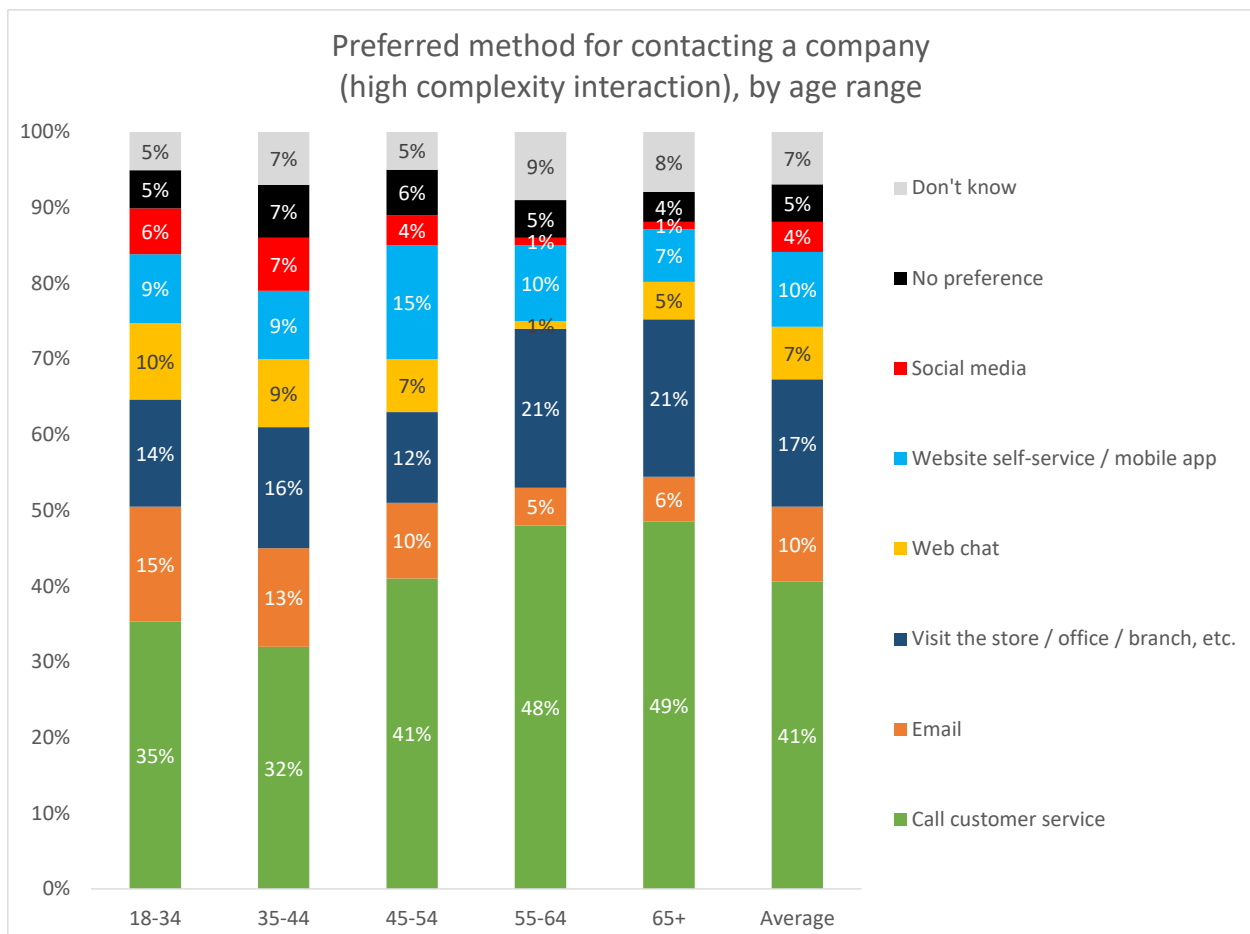
For highly complex interactions, such as getting expert guidance with a tax form or mortgage application, the most popular contact choice was phoning the contact center, especially amongst older customers.

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 a much less popular option for complex interactions than it had been for urgent enquiries.

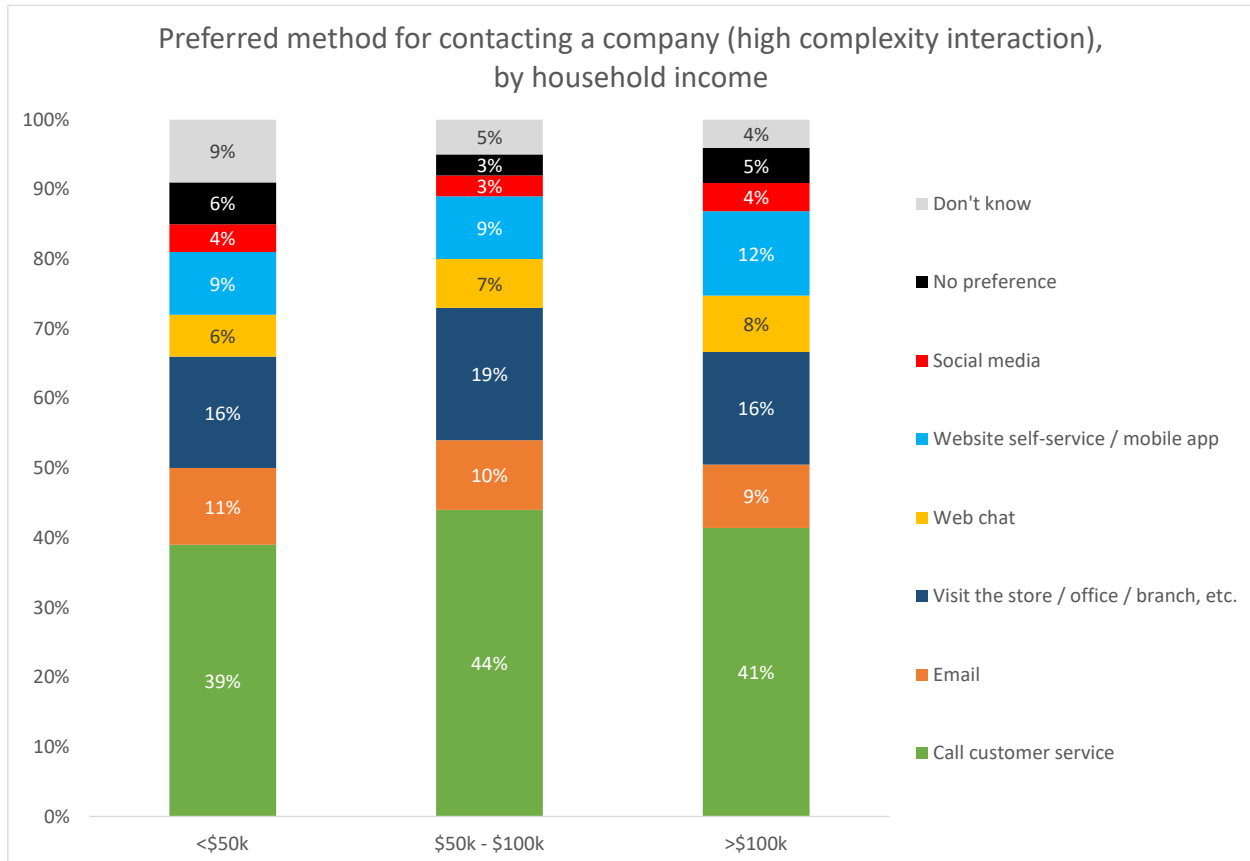
Web chat, email and social media again figure to some extent in the youngest age groups.

Figure 47: Preferred method for contacting a company (high complexity interaction), by age range



Higher income respondents are a little more likely to attempt to solve the problem through web self-service, but overall there is very little difference.

Figure 48: Preferred method for contacting a company (high complexity interaction), by household income



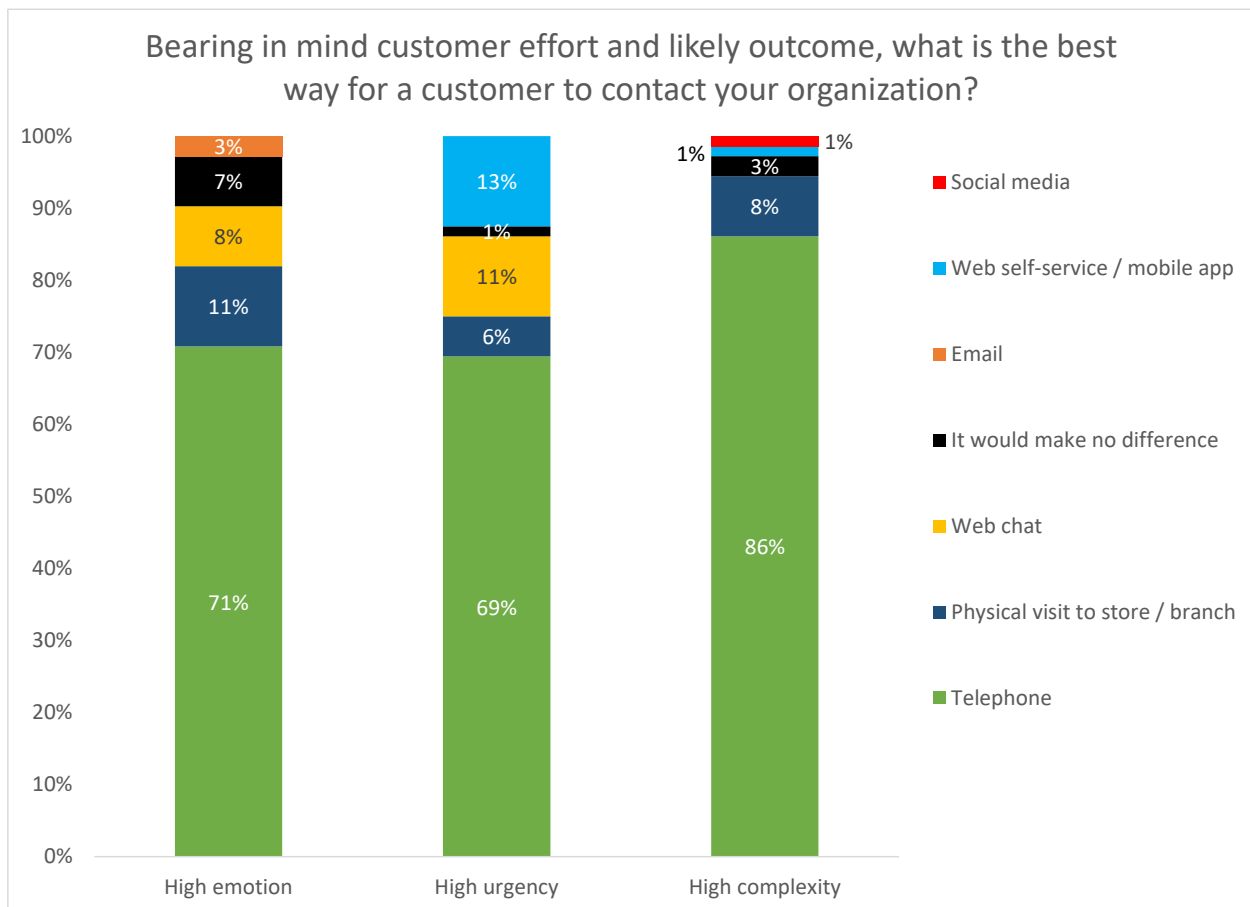
THE VIEW FROM THE BUSINESS

When businesses were asked about the best channels for customers to use depending on the type of query, there was a very strong belief that telephony would be the right option.

Over two-thirds of respondents recommended telephony for all of the scenarios given, with a few recommending web chat, visits to a store and web self-service.

This is somewhat different from what customers would generally like to do, and as telephony is a high cost channel it would seem a good idea for organizations to continue to develop their cheaper digital channels to match customer demand.

Figure 49: Bearing in mind customer effort and likely outcome, what is the best way for a customer to contact your organization?



CX BENCHMARKING & UNDERSTANDING THE CUSTOMER

To improve customer experience, it is necessary to be able to measure it. There is no single best method or benchmark to use for doing so that applies equally to every company or type of customer base, but many organizations will use a mixture of data sources and methods to approach the issue from various angles.

CUSTOMER SURVEYS

Customer surveys have been an integral part of most businesses for many years, often based around large-scale analysis of call recordings, but the more traditional, direct methods of understanding customer experience and requirements are still very much present.

The numerous methods of directly surveying customers include:

IVR: at the end of the call, and after agreeing to do so, the customer may be passed through to an automated IVR system, which typically asks a mixture of open and closed questions which can be answered with a combination of touchtone and speech. This has the benefit of immediacy in that the caller will be able to give an accurate assessment of the call and the agent. Additionally, the business may be alerted in near-real-time to any major problems through pre-programmed automated SMS or email alerts.

The speed and ease with which an agent-invited IVR survey can be implemented gives it a distinct advantage over a survey conducted via outbound calls. The resources and staff time required to make outbound calls often mean that they are conducted erratically and rarely during peak times which undermines the quality and usefulness of the data collated. As agent-invited IVR surveys are automated, they require little staff input and can monitor customer satisfaction whenever the contact center is open.

Outbound automated surveys are becoming more prevalent. After the call has been concluded, the caller's number may be put into an outbound dialer's queue, which calls them and offers an IVR survey. The speed with which this call-back is made is crucial to the take-up rate of the survey, with up to 70% acceptance rate if the call-back is in minutes, but perhaps only 10% if the call is made over 48 hours later.

Written: some businesses ensure that a system-generated email is sent to the customer soon after an interaction takes place, often requesting detailed feedback through open-ended questions. Typically, more customers who have had a poor experience will bother to complete the questionnaire, skewing the figures, and although some good and detailed learning points can emerge, it's perhaps only appropriate if the customer has engaged very deeply with the business on a number of recent occasions (e.g. completing a mortgage application) or with a demographic that has more time available to them, especially older people.

However, email does allow immediacy and offers a customer a chance to express themselves more fully, rather than simply with numerical scores. This method also has the advantage that it can be fully automated.

Detailed person-to-person interviews have an important role to play, particularly where the feedback generated can be compared side-to-side with feedback by other methods. Having quantitative and qualitative data provides valuable feedback that can't be achieved by adopting a single surveying method.

Web forms are becoming increasingly widely used as an increasing number of customers visit a website initially to see if they can find the information or resolve the issue themselves. Online survey invitations that pop up within a couple of seconds of entering a website are widely used, although many customers find them intrusive as they have not yet found the information that they require. Using a little more intelligence around when to offer the survey to the customer provides far higher take-up rates and more accurate, informed feedback.

Outbound: the contact details of a proportion of incoming callers can be passed to a dedicated outbound team, who will call the customer back, often within 24 hours, to ascertain the customer's level of satisfaction with the original call. Sometimes customers will find this intrusive, while others will welcome the chance to provide feedback. Additionally, certain companies employ outside agencies to survey customers regularly, which may be useful in benchmarking exercises, since they will apply a more formalized and structured approach to data gathering and presentation. The automated option as mentioned in the IVR section above should also be considered as an option.

SMS: Text messaging has the advantage of immediacy of sending and also of reporting on the results. It is a cheap way of carrying out surveys, and can be linked to a specific agent, allowing the contact center to use this information for agent performance as well as satisfaction with the business. However, SMS does not support particularly detailed questioning, and businesses will have to collect mobile numbers if they do not already have them. However, take-up rates are better than many other forms of feedback (at around 25-35% on average), and younger and more time-poor customers are more likely to respond, providing a wider universe of responses across demographics. This form of survey can allow the contact center to identify very unhappy customers and schedule an outbound call to deal with the problem.

Different customers will prefer to be surveyed in different ways and a survey platform should have the flexibility to support IVR, web, text and written surveys and collate the results in a unified reporting system. Not only will this mean that businesses are increasing the number of customers accessed, but a different quality of feedback and level of insight will be received from each approach.

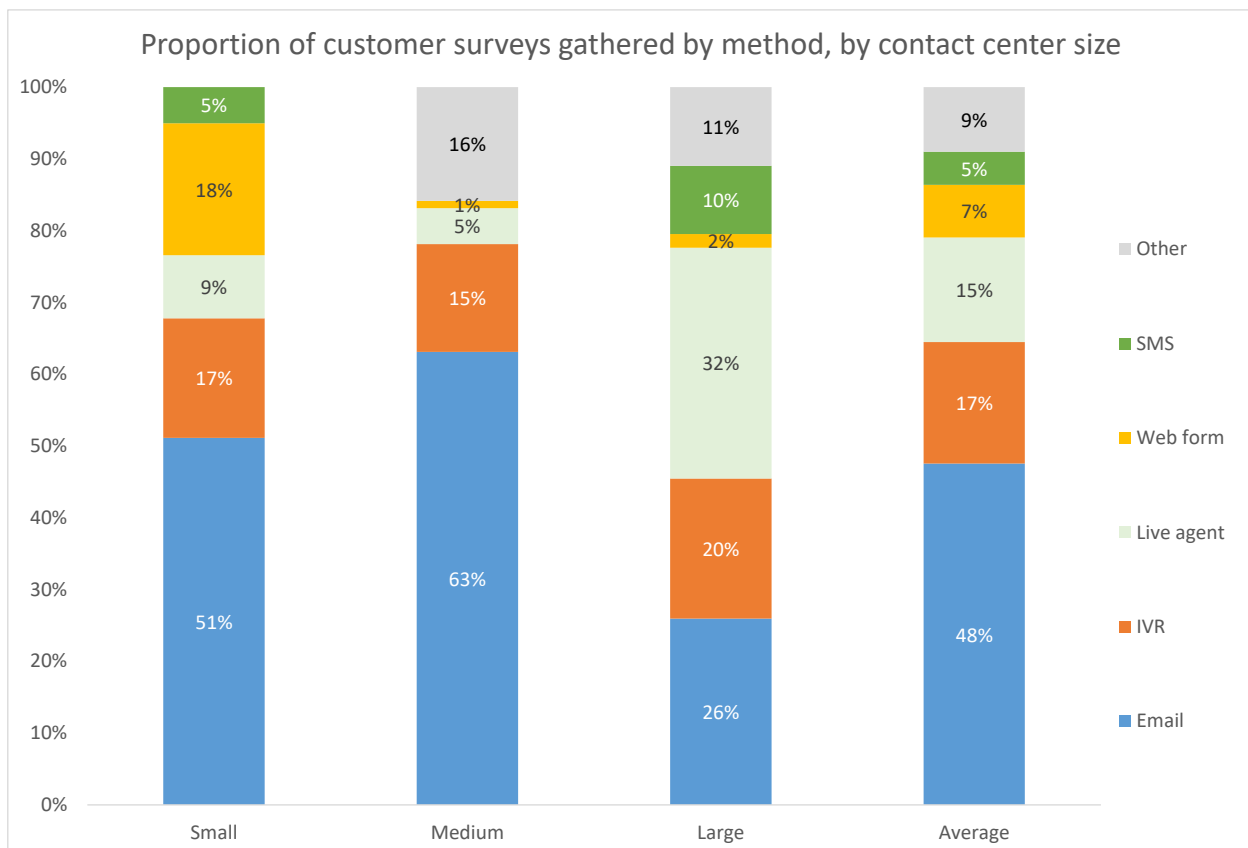
By far the most popular way of collecting customer surveys is via email, particularly amongst small and mid-sized operations, with 48% of surveys being collected in this way. Email allows a mixture of quantitative numerical data to be collected, along with qualitative comments which may highlight issues that would otherwise be unknown. It also has the advantage of immediacy and can be fully automated, requiring little or no additional input from the business. Web forms also allow this mix of numerical and written data to be collected, but the timing of offering the surveys during a web browsing session can be difficult to get right.

Large operations are more likely than others to use IVR to gather customer surveys, whereas smaller contact centers use web forms more often.

Despite the cost, outbound survey calls carried out by live agents are used in 17% of cases, which allow a depth of qualitative information to be collected from which insights can be drawn. Respondents from large operations are much more likely to use this method.

Both SMS and IVR are more positioned towards gathering quantitative information, often aligned to NPS.

Figure 50: Proportion of customer surveys gathered by method, by contact center size



Regardless of whether or not surveys identify specific agents, a key to customer feedback success is whether the survey implemented is considered by agents as just yet another form of monitoring, or a genuine attempt to help them provide better service in the long run. Agents tend to respond well to successful customer satisfaction improvement initiatives as they usually make their job easier and more rewarding.

Keep the survey process simple, focus on agent engagement and act quickly to provide positive feedback to the team. It's more important to get the survey adopted as a positive part of the company's customer service strategy than it is to design the academically perfect survey that has a negative impact on the morale of the team.

It is vitally important before beginning to survey customers, that a business:

- Clearly determines the purpose and aims of the survey
- Considers adopting a variety of question types. Scored questions enable a business to produce statistically significant and representative data. Free comments allow the gain of real insight into customers' perception of service
- Selects an experienced company to set up and host the survey. Businesses will benefit from their expertise and knowledge and avoid potentially costly errors and missed insight
- Ensures that the survey can be carried out throughout the day, including peak times, to gain a true picture of the customer experience
- Makes sure that the results of the survey can be collated and analyzed in a wide variety of ways. It is pointless to amass information if it cannot be evaluated and the results disseminated usefully
- Has procedures in place to act upon the information that it finds. The survey may have uncovered some broken processes in the service which need attention. It will also inevitably throw up disgruntled customers whose specific concerns need addressing. In this instance, the survey platform should provide some mechanism for alerting and following-up to ensure that dissatisfied customers are quickly escalated to the appropriate staff
- Adopts a unified approach across the business to assessing and monitoring customer satisfaction. If a business continues to reward agents based on traditional call performance metrics, it risks not supporting the right behaviors needed to produce superior customer experience. If agents are rewarded based on customer satisfaction ratings, it will increase agent engagement and retention at the same time as improving the service it offers to customers.

EMPLOYEE FEEDBACK

Voice of the employee (VoE) programs are an integral part of the workforce engagement management suite, aiming to understand how employees feel about their work and the organization with the end goal to understand and improve outcomes for employees and the business.

Some of the purposes of VoE include:

- improving employee performance and retention
- identify areas of underperformance in the organization
- understanding and addressing the causes of boredom and burnout in front-line employees
- improving employee motivation and aligning them with business strategy and culture
- as happy employees directly affect performance and customer experience, making the workplace and culture more pleasant will benefit everybody.

VoE programs survey employees through tailored questions in order to gather insight about current levels of engagement by role, team, department, etc. Not only do front-line employees appreciate being listened to, but to be able to see any changes and improvements made as a result of their comments is very motivating.

Team and individual development plans can then be published, progress tracked and results shared. VoE survey findings can provide insight to other parts of the WFO suite (e.g. coaching/eLearning, and also gamification and performance), and also be connected to other metrics including absence, attrition and customer-focused scores.

VoE helps organizations understand what their best-performing employees are thinking and engage with them to keep them loyal. It is important for any VoE program to be set up so as to be able to release actionable insight: not just answers to questions such as 'How engaged with the business are you?', but also **why** this is, how it can be improved and what effect on the business will this have. VoE in the contact center should answer questions around whether agents have all the tools they need to deliver a successful customer experience and whether they are encouraged and empowered to own the customer's issue or feel as though they are managed and judged solely by internal metrics.

Many contact center employees are finding that the calls they are now handling are becoming increasingly complex, as many of the simplest interactions are being resolved through self-service. Where support systems and training have not been upgraded accordingly, this can lead to stress and demotivation as not being able to help customers effectively is a very negative experience. This issue is only likely to get larger over time, particularly as customer expectations are always rising.

Successful VoE is a long-term, ongoing project rather than simply being a snapshot of a moment in time, and it is important to create buy-in at the top of the organization by sharing the goals and insights with senior management and linking any results to improvements in business performance.

COMPLAINT ANALYSIS

Complaints are a potentially rich environment for businesses to understand where they are going wrong and which issues are in danger of turning a customer into an ex-customer. For many businesses, each complaint is dealt with on a case-by-case basis, with little in the way of categorization or structure being put in place formally and little chance of communicating findings in an actionable way to the relevant department.

Speech analytics gives businesses a chance to quantify the reasons that customers complain, identifying the most important factors, assessing trends and spikes, and providing hard recommendations based on every call taken. Real-time analytics allow businesses to track words and phrases related to complaints (such as 'supervisor', 'manager', 'complain', 'unhappy' etc.), allowing escalation to a supervisor, or screen-pop to the agent to provide them with a revised script or suggestions of how to handle the call. Emotion detection and sentiment analysis may also be used to identify unhappy or wavering customers within the call, updating supervisors who can then intervene or advise the agent accordingly.

John Seddon uses the term “failure demand” to describe calls that are created by the inability of the business’s systems to do something right for the customer:

“A failure to do something - turn up, call back, send something...causes the customer to make a further demand on the system. A failure to do something right – not solve a problem, send out forms that customers have difficulty with and so on – similarly create demand and creates extra work. Failure demand is under the organization’s control, and it is a major form of sub-optimization.”²

Seddon cites the instance of the bank where failure demand created almost half of the calls which they had to deal with. Another classic example of failure demand is where emails go unanswered, leading to calls being made (first-stage failure demand). Later, the email will be answered, unnecessarily, as the customer already has their answer or has gone elsewhere (second-stage failure demand). This redundant work will then impact on other (still live) messages in the email queue, creating a vicious circle of failure demand. Redesigning and restructuring the way in which work flows around the organization, putting the contact center at the heart of it (rather than treating it as a separate silo), will go much of the way to reducing unnecessary contacts. The customer ends up getting a better service from the whole company, not just the contact center.

One way in which this can be achieved is to unify and automate the agent desktop, bringing in the relevant data automatically, depending on who the caller is and what they want. At the end of the call, the correct data is written back to the relevant places, and the correct processes started automatically, meaning that the right departments will be provided with the right information, thus reducing the risk of failure demand, unnecessary calls and irate customers.

² *Freedom from Command and Control: A better way to make the work, work*, John Seddon

This also takes the pressure off the agents to remember which systems to update and how to navigate through them within the call (which causes long delays, negatively impacting customer satisfaction), or in the wrap-up, which risks agent forgetting to do things, and also decreases agent availability, increasing the queue length, and decreasing customer satisfaction.

In cases where multiple processes have to happen in order for the customer's requirement to be met, automated outbound messaging to the customer, whether by email, SMS or IVR is likely to reduce the number of follow-up contacts that the customer feels that they have to make.

Information on failure demand can be gleaned from the contact center, which can also hold huge amounts of knowledge about customers' views of the products, services, competitors and company. Feedback loops can be established to push information and insights upwards to those who can make a difference in product development, process improvements and customer strategies. Interaction analytics offers businesses the chance to mine huge amounts of data and find patterns and reasons in a timely fashion, and it is vital then to act upon this knowledge, proving to both customers and agents that the business takes them seriously.

On average, 15% of survey respondents' calls were complaints, and of those calls, 87% were not about the contact center itself (or its staff), but rather 'failure demand', caused by a breakdown of process elsewhere in the organization.

However, the contact center has to deal with the fall-out, and further failures within the complaints procedure (or lack of it) can see customers calling into the contact center again and again, becoming more irate each time, despite the real problem lying outside the contact center.

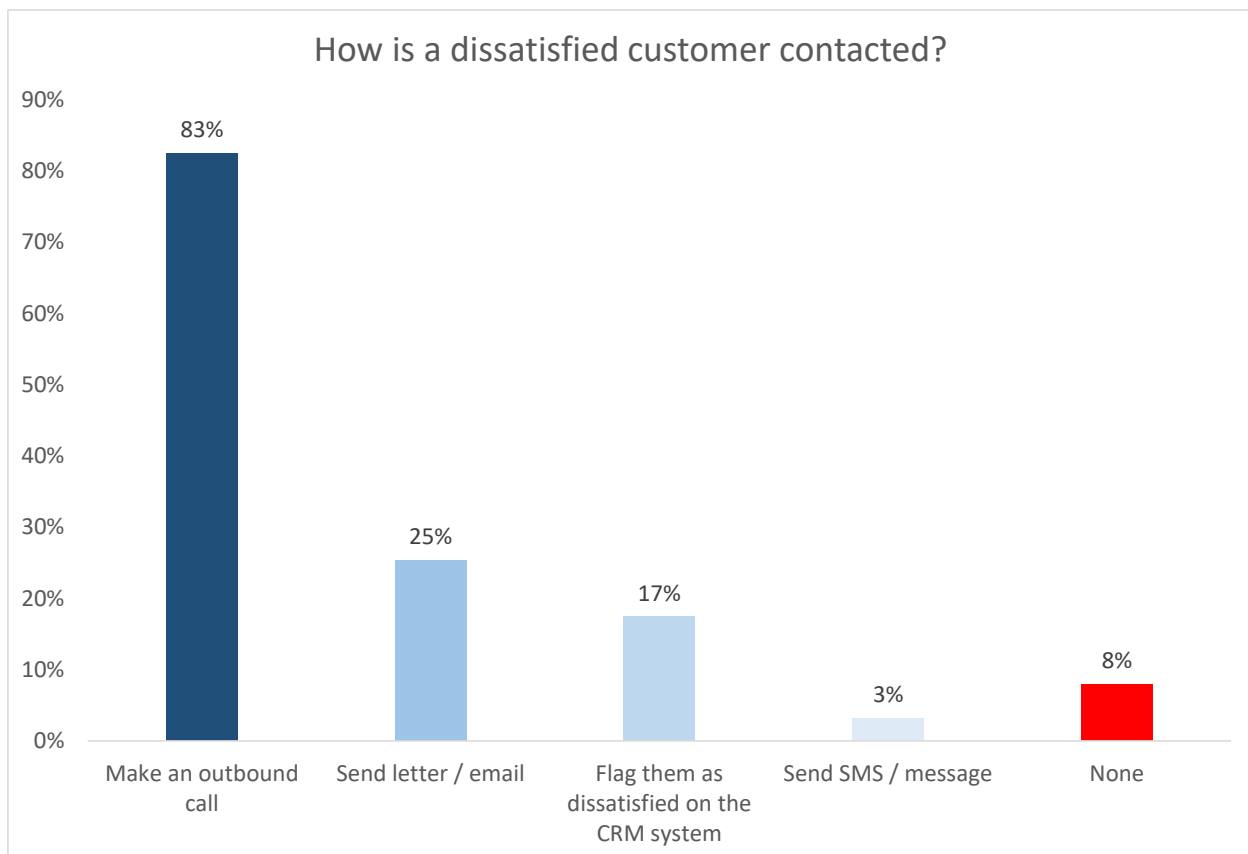
There is also the case that there is a blurring of responsibility between the contact center and the rest of the business so that lines of demarcation over where the fault lies can be difficult to find. For example, a telecoms provider that has taken an order for a new line has to rely on the rest of the organization to provision and deliver this correctly. If the agent takes the contact email down incorrectly, the customer will not receive any information about their order, which may have a query on it. When the irate customer rings in to complain, the problem may appear to be with the back-office processes where the order has halted, but the fault actually lay with the original agent. Whether this is tracked or reported on correctly is not a certainty, so any analysis of the split between contact center / back-office complaints should be treated with caution.

There is also a real risk especially within large contact centers that a single agent does not have the capability or responsibility to deal with the customer's issue, which may reach across various internal departments (e.g. finance, billing, provisioning and technical support), none of which will (or can) take on full responsibility for sorting out the problem.

The following chart shows how survey respondents handle customers that are identified as being dissatisfied.

It is heartening to see that very few organizations choose to do nothing in these cases, with a large majority – especially in the B2B sector – making an outbound call. Sending a letter or email is also quite a popular choice.

Figure 51: How is a dissatisfied customer contacted?



CUSTOMER CONTACT ANALYTICS

There has been a great increase in customer satisfaction surveys in recent years, with the widespread uptake of Net Promoter® scores (NPS) being a good example of companies' desire to learn what their customers actually think about them. However, research has shown that a 'satisfied' customer isn't necessarily a profitable or loyal one, and the results of customer surveys, particularly the written or telephone-based variety (the latter of which, despite its limitations and expense, is still seen as the best method), are carried out at a time when any feelings about the original interaction may have changed or dissipated, are prone to inaccuracy, delay and lack of detail.

With all of the methods of customer surveys, the questions are fixed in advance, and if the right questions aren't asked, the level of actionable insight is low. In many cases, a business might know that x% of its customers are satisfied, and y% dissatisfied, but it still has no real idea why this is, or even how it will impact upon their profitability.

As an addition to customer satisfaction surveys, customer contact analytics allows a business to gather customers' views within the interaction itself – guaranteeing immediacy and accuracy – and can be applied across 100% of calls, rather than focusing on the outlying 'very dissatisfied' or 'delighted' customers.

Furthermore, through widespread and detailed analysis of what the call is about, the type of language or messages used in the call, how the customer was handled, and the eventual outcome, businesses will be able to learn how to improve their customer retention and satisfaction in real-life, bypassing the standard metric (e.g. "83% of customers are satisfied") and getting to the root causes of satisfaction or dissatisfaction and sharing the results with the rest of the operation.

Some solutions use historical analysis of call characteristics, agent behaviors and interaction outcomes to estimate customer satisfaction or Net Promoter® scores on every call, and can also predict the attrition of customers based on what they have said and what has happened within the call, allowing the business to act swiftly. Other solution providers use this type of analysis to help online educators predict which students will pass the course and which will drop out, meaning they are able to target proactive assistance as required.

VOICE OF THE CUSTOMER ANALYTICS

Recently, there has been a great increase in the number of organizations implementing “Voice of the Customer” (VoC) programs, increasingly based around large-scale analysis of call recordings, as well as using formal surveys of customer experience to offer the customer a chance to feed-back, and the business to learn.

VoC programs strive to capture customer feedback across multiple channels of engagement (IVR, live agent, email, etc.), while enabling closed-loop strategies to support customer retention, employee development and omnichannel experience optimization. VoC programs typically trigger alerts with role-based delivery via the use of text and speech analytics, offer statistical modelling services to pinpoint root causes, and digitally track progress and results with case management.

The definition of what a VoC program includes runs the gamut across vendors from simply sending alerts based on key words derived from a survey, to more complete solutions that directly contribute to contact center optimization and overall CX improvement. Examples of more complete VoC program features include:

Closed Loop

- **Automated Alerts:** as surveys are completed, real-time alerting capabilities will immediately identify and inform teams of customers in need, while assigning ownership for follow-up
- **Callback Manager:** an interactive system that enables callback teams to conduct detailed case reviews and disposition follow-up activities for eventual root-cause analysis
- **Case Management:** root-cause exploration tools enable back-end analysis of the customer’s initial concern, enabling operational support teams to uncover, track and mitigate systemic problems proactively.

Coaching

- **In-The-Moment Coaching Tools:** as surveys are completed, real-time alerting capabilities will identify when a frontline employee is in need of immediate coaching intervention
- **Performance Ranker:** the performance ranker helps managers develop weekly and monthly coaching plans by outlining strengths and weaknesses for each employee, while identifying opportunities for peer-based knowledge sharing
- **Behavior Playbooks:** playbooks with scorecards help managers coach specific behaviors by outlining how to best demonstrate each of them, showcasing best-practice examples and suggesting sample role-plays.

Reporting

- **Real-time Insight** – text analytics zeros in on key issues from multichannel survey feedback
- **Role-based Reporting** – define type and frequency of report delivery based on responsibility, title, geography and more
- **Call Recording** – drill-down detail includes IVR and live agent call recording for additional insight.

VoC programs are frequently ongoing engagements with results measured by internal CSAT scores, NPS benchmarks and efficiency improvements.

Alongside direct customer surveys, VoC analytics solutions can also gather insight from recorded digital and voice channels. Aggregation of customer surveys and analytical results can identify the root cause of any issues identified, and provide actionable insight for changing processes and/or agent handling techniques.

VoC should be seen as a continuous process, rather than a one-off project, and ongoing analysis allows the business to operate a closed-loop system, whereby identified issues can be actioned and continuously checked to make sure that the problem does not reoccur.

MYSTERY SHOPPING

Mystery shopping is often used by retailers in order to measure and confirm that the experience a customer has with an organization is one which the business actually intended them to have. Mystery shopping does not have to happen within a physical store, as it is also possible to carry out these activities with the contact center or online.

Businesses may wish to make sure that specific actions are being carried out consistently, such as greeting a customer or asking if they need help with packing their purchases, and can also be useful more subjectively to understand the general feeling that the customer has had about communicating with the business.

Mystery shopping is generally better suited to B2C organizations, as B2B mystery shopping may require specialist information and can be an extremely complex sales process, involving ratification of a potential customer's identity and *bona fides*.

While mystery shopping has a part to play in understanding customer experience, the fact remains that the actual mystery shopper is not a real customer, and is acting based on specific instructions given to them by the company.

Additionally, customer experience data will be taken from a relatively small sample size of mystery shoppers, rather than a larger proportion of the customer base which can be accessed through surveys or analytics.

THE USE OF CX BENCHMARKING METHODS

The chart below shows the use and effectiveness of some of the methods of gathering customer experience covered earlier in this chapter.

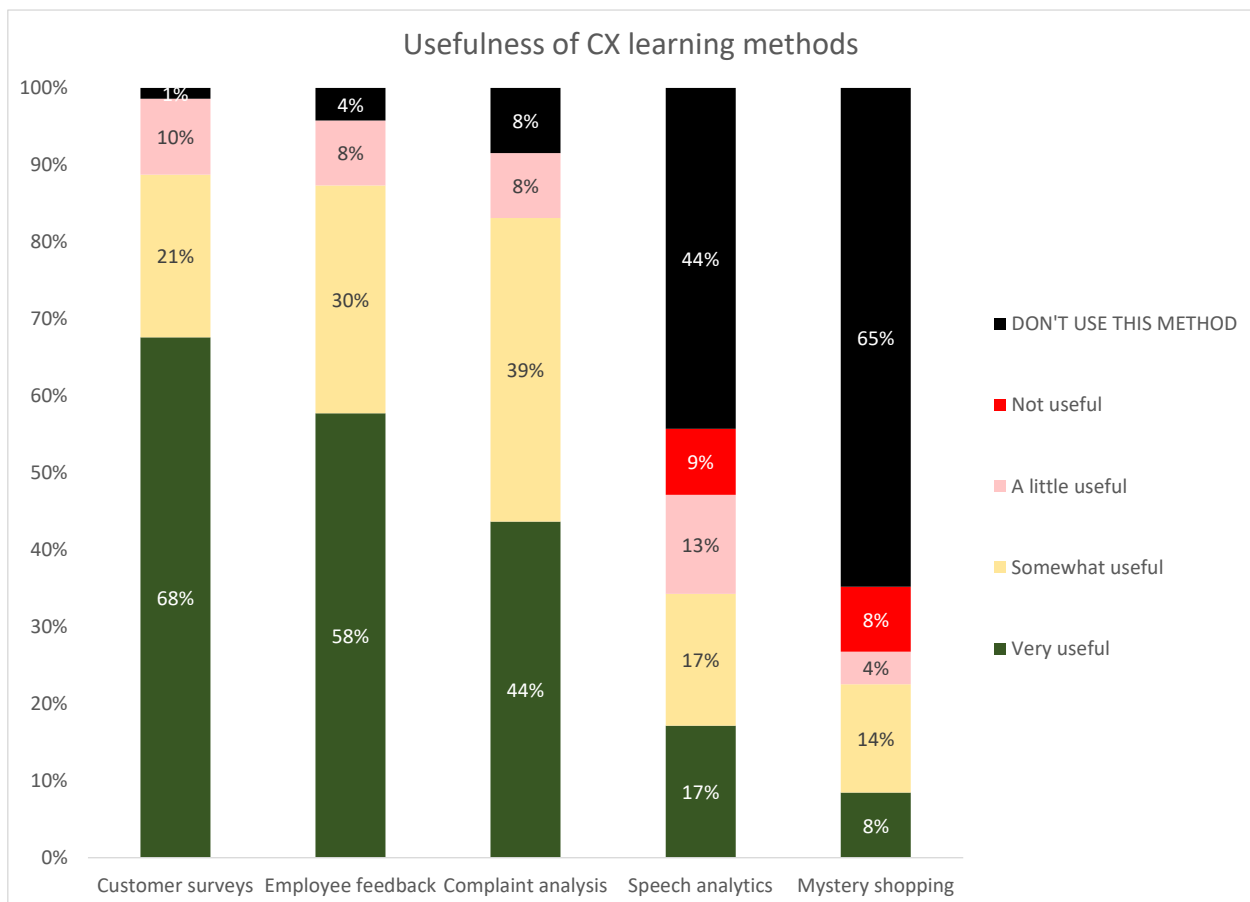
A large majority of respondents use customer surveys, employee feedback and complaint analysis in order to learn about customer experience, with a minority using speech analytics and mystery shopping.

Direct customer surveys were said to be the most effective method of gathering customer experience data, with 69% of respondents **who use this method** stating that it was very useful. Employee feedback and complaint analysis were also generally seen as useful, although the latter not quite to the same extent as customer surveys.

There was a lack of a generally agreed view on how effective speech analytics and mystery shopping were: while 30% of those who use speech analytics to understand customer experience data found it very useful, 39% stated it as either of little or no use whatsoever.

Mystery shopping fared similarly: 23% of those using it stated that it was very useful, with 34% finding it of little or no use.

Figure 52: Usefulness of CX learning methods



Businesses were asked which of five quantifiable benchmarks that they use in order to measure customer experience and satisfaction.

- Net Promoter Score^{® 3}, otherwise known as NPS, is an index ranging from -100 to 100 that measures how likely customers are to recommend a company's products or services to others. The question asked to customers is:
 - "On a scale of 0 to 10, how likely are you to recommend this company's product or service to a friend or a colleague?"
 - Based on their rating, customers can then be grouped into in 3 categories: detractors, passives and promoters. 'Detractors' score lower than or equal to 6, 'Passives' score 7 or 8 and 'Promoters' answered 9 or 10.
 - NPS is determined by subtracting the percentage of customers who are detractors from the percentage who are promoters. For example, if 50% were promoters and 10% detractors, the NPS would be 40. This allows businesses not only to focus upon increasing the proportion of people that actively like and evangelize about the company, but also to bear in mind those at the opposite end of the spectrum who are lukewarm or negative.
- Customer effort scores look to understand the ease or otherwise with which the customer has interacted with the company on a particular occasion. Often, there will be a five-point scale running from "very easy" to "very difficult", which can be converted into a quantitative metric. Various methods of calculating customer effort scores and pitfalls to avoid can be found within this referenced article⁴
- Quality scores differ from company to company, but are based on interaction scorecards on which employees are scored over a number of calls or interactions each week or month, and include factors such as compliance, quality of greeting and call termination, cross-selling and upselling attempts, fluency of communication and other factors deemed important by the business
- Customer retention rates are generally based on the percentage of customers renewing contracts, and are typically used by businesses within contract-based industries, such as insurance and telecoms
- CSAT (customer satisfaction) scores do not have a fixed and widely-accepted scoring system, but are more wide-ranging. Businesses may decide that they want to track the proportion of customers who report being "very satisfied"; score them at 5 out of 5; etc.

³ Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

⁴ <https://www.callcentrehelper.com/how-to-calculate-customer-effort-94671.htm>

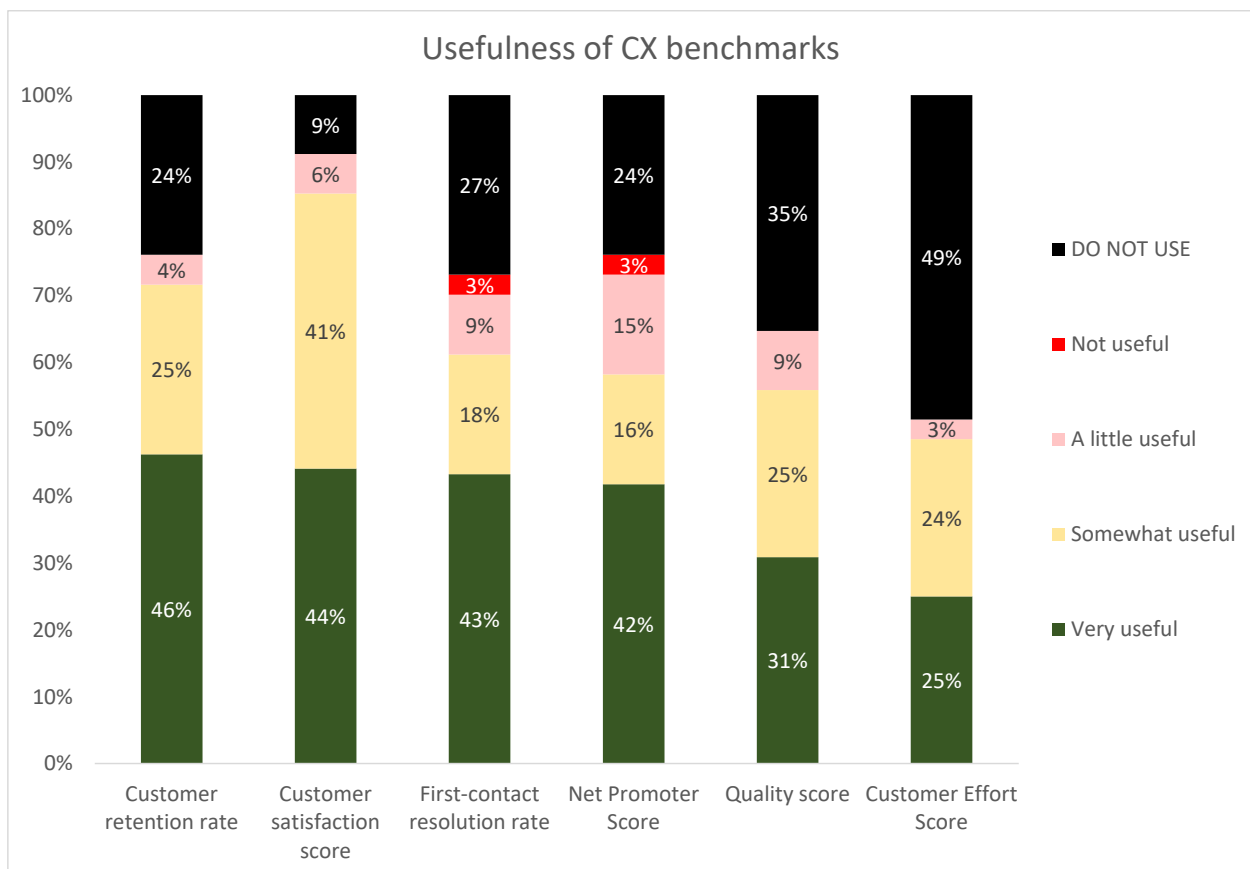
The most widely used customer experience benchmark is the general customer satisfaction rating, which is used by 91% of respondents. Closely following this is first-contact resolution rate (73%), NPS (76%), customer retention rate (76%) and agent quality scores (65%). Customer effort score is less widely used, however is still in place in 51% of respondents.

Respondents that used these customer experience benchmarks were asked to rate how useful they were.

Of those that used it, 61% of respondents stated that they believed that the customer retention rate was a very useful indicator of customer experience, as satisfied customers are more likely to return. Only 49% of respondents using customer effort scores believed it to be very useful.

The other customer experience benchmarks received very similar scores, with 50-60% of respondents that used them stating that they were ‘very useful’, and usually a lower proportion stating that they were ‘somewhat useful’.

Figure 53: Usefulness of CX benchmarks



As customer experience benchmarks change from company to company – there is no generally accepted customer satisfaction rating or quality score that allows direct comparison between organizations – only NPS easily allows head-to-head comparison across companies.

Figure 54: Actual and target Net Promoter Score by vertical market

Vertical market	Actual	Target	% of target
Finance & Insurance	42	50	84%
Medical	75	70	107%
Retail & Distribution	45	60	75%
TMT (Technology, Media, Telecoms)	50	63	79%
Average (inc. other verticals)	46	60	77%

Respondents to this survey generally reported good Net Promoter scores, with a survey-wide average of 46, although this is a decline on last year’s figure of 57.

Those in the medical industry reported the highest average scores.

Respondents were also asked what their realistic target NPS would be (assuming that a perfect score of 100 is unattainable). Most respondents seem to have quite a way to go before achieving their goal.

Looking at quality scores, the fact that there is no single industry-wide quality measurement score made head-to-head comparisons impossible. Instead, each set of responses was judged on whether it was above target, at target or below target.

The majority of respondents are at or above their target this year, an improvement on previous years' surveys.

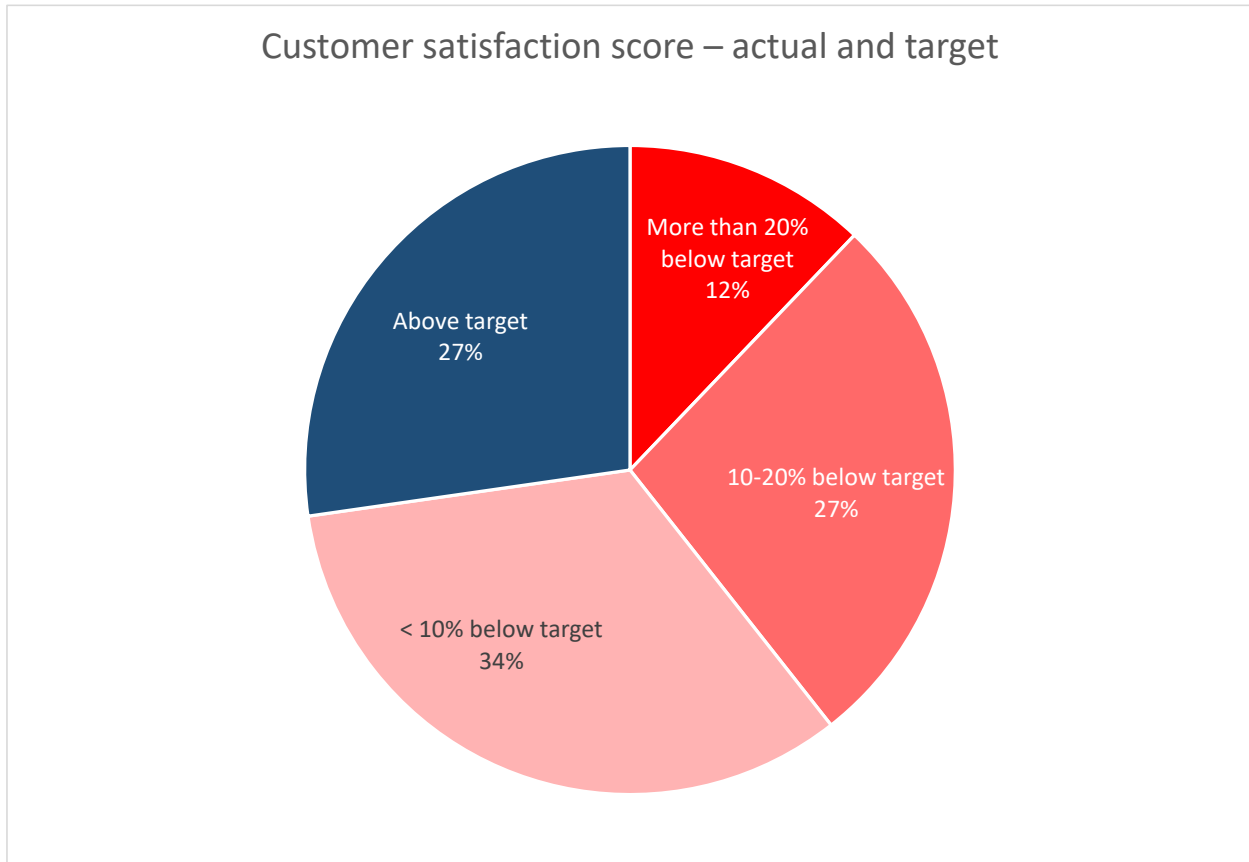
Figure 55: Quality score – actual and target



In the same way as with quality scores, customer satisfaction scores are not necessarily directly comparable between organizations. However, where possible, the data was normalized as a percentage although this should be treated with caution.

39% of respondents were more than 10% below their target, compared to 40% last year.

Figure 56: Customer satisfaction score – actual and target

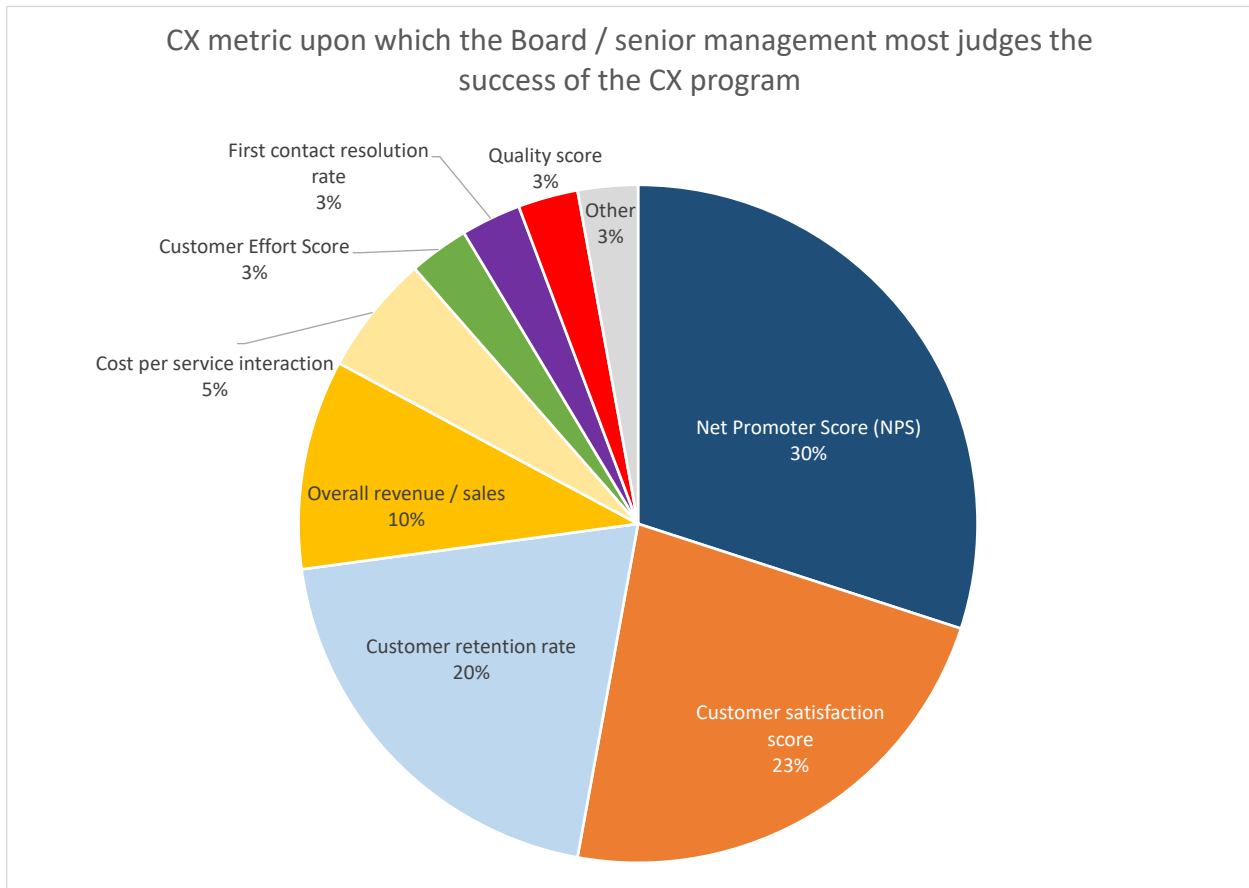


Survey respondents were asked to pick a single customer experience metric upon which their board or senior management team most judged the success or otherwise of the customer experience program.

There was a wide mix of responses, with overall revenue, NPS and customer satisfaction score accounting for 73% of responses.

Also of note is the fact that first-contact resolution rate was identified as being the key CX metric for senior management by only 3% of respondents, despite both the customer and business survey results earlier in this report showing clearly that first-contact resolution was the most important factor influencing customer experience.

Figure 57: CX metric upon which the Board / senior management most judges the success of the CX program



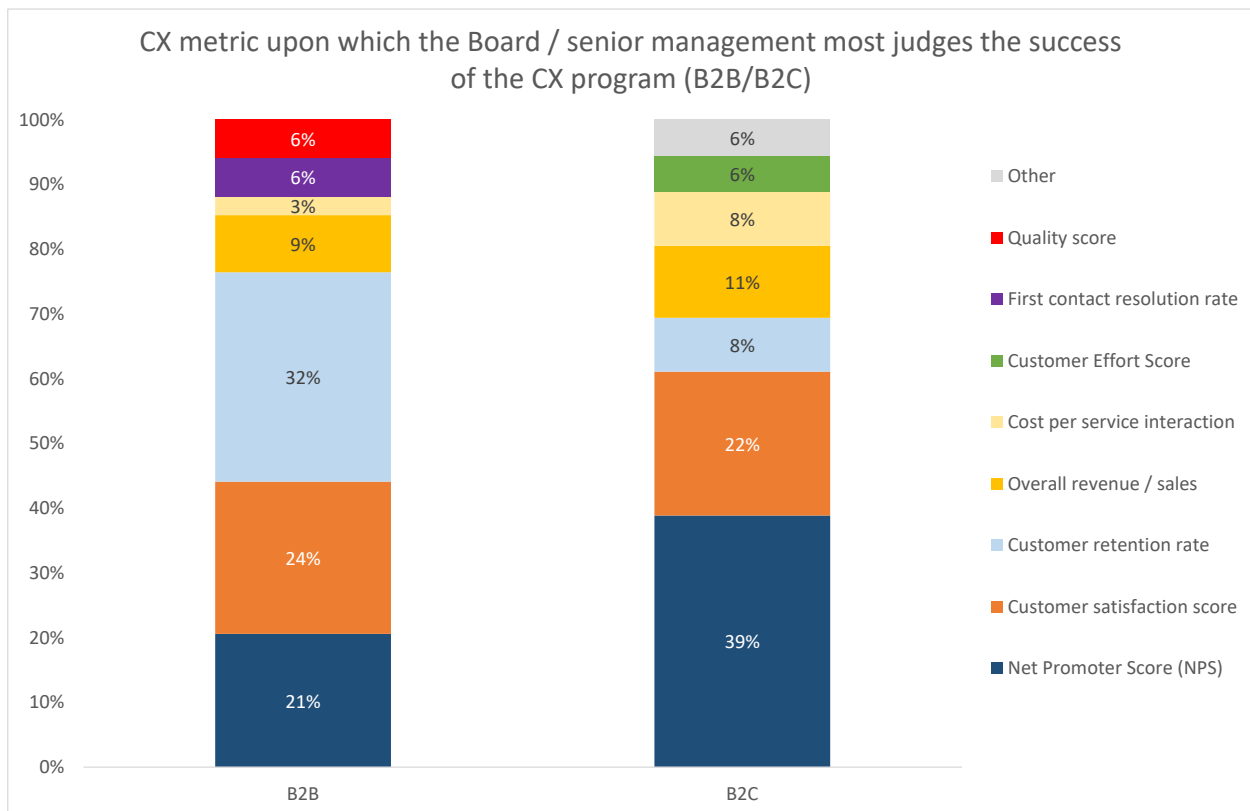
Looking at companies by revenue range, very large (\$1bn+) organizations are much more concerned about NPS, with 47% of respondents from this revenue group placing it first, compared to 12% who place customer satisfaction as the key CX metric.

Smaller commercial organizations with less than \$10m in annual revenue were likely to place customer satisfaction as their no.1 CX metric, although cost-related metrics were placed highly as well.

Customer retention rate was valued especially highly by respondents in non-commercial organizations.

Looking at how B2B and B2C organizations judge the success of the CX program, B2C survey respondents place far more emphasis on NPS, whereas B2B organizations are more likely to focus on customer retention.

Figure 58: CX metric upon which the Board / senior management most judges the success of the CX program (B2B/B2C)



Respondents were asked if their customer-facing employees were financially rewarded based on any customer experience factors.

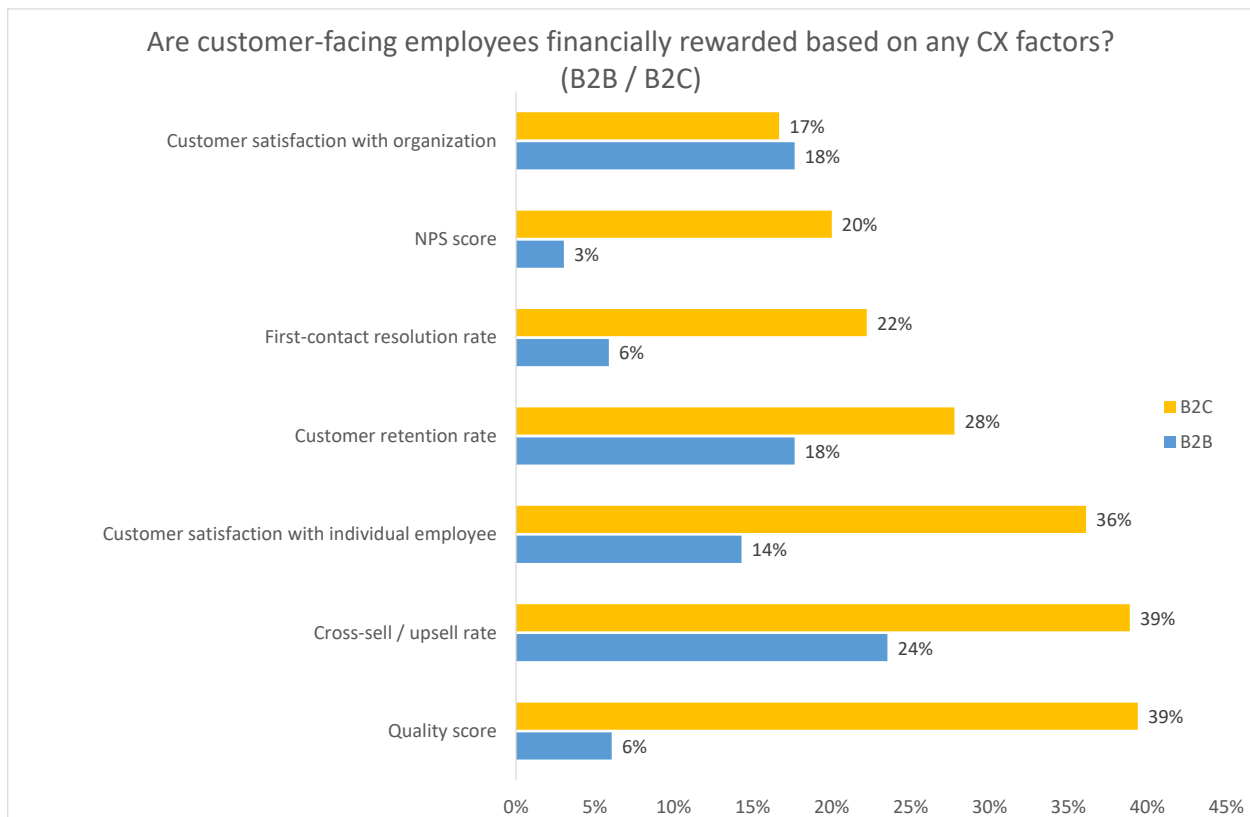
Around 40% of B2C respondents reward employees based on their individual quality scores and cross-sell / upsell rates.

High customer satisfaction scores are also stated to be amongst the most important for both B2B and B2C organizations, especially by B2C respondents which often reward employees for the customer satisfaction created by the individual employee's actions.

Net Promoter score is financially rewarded by far more B2C than B2B operations, and it can be seen in general that B2B respondents reward their agents far less often for meeting key CX factors.

It is disappointing and surprising to see the relative lack of importance placed upon rewarding high first-contact resolution rates or customer retention rates, despite their overwhelming importance to the overall customer experience program, although this year has again seen a rise in B2C organizations rewarding employees based on these metrics.

Figure 59: Are customer-facing employees financially rewarded based on any CX factors? (B2B / B2C)



When considering how customer-facing employees – including those within the contact center – are financially rewarded based on customer experience benchmarking scores, it is clear that those with the largest contact centers are far more likely to reward their employees by some means.

Survey respondents with larger contact centers are more likely to incentivize their staff based on cross-sell and upsell rates, quality, and customer satisfaction both with the organization and the individual employee.

Mid-sized and large contact centers are also considerably more likely than small operations to reward agents based on NPS and first-contact resolution rates.

Figure 60: Are customer-facing employees financially rewarded based on any CX factors? (by contact center size)

	Small	Medium	Large	Average
Cross-sell / upsell rate	24%	35%	50%	31%
Customer satisfaction with individual employee	12%	39%	35%	25%
Customer retention rate	20%	17%	44%	23%
Quality score	4%	38%	43%	23%
Customer satisfaction with organization	12%	13%	25%	17%
First-contact resolution rate	4%	22%	25%	14%
Net Promoter Score	2%	21%	20%	12%

CX FUTURE STRATEGY

THE IMPORTANCE OF CX DEVELOPMENTS

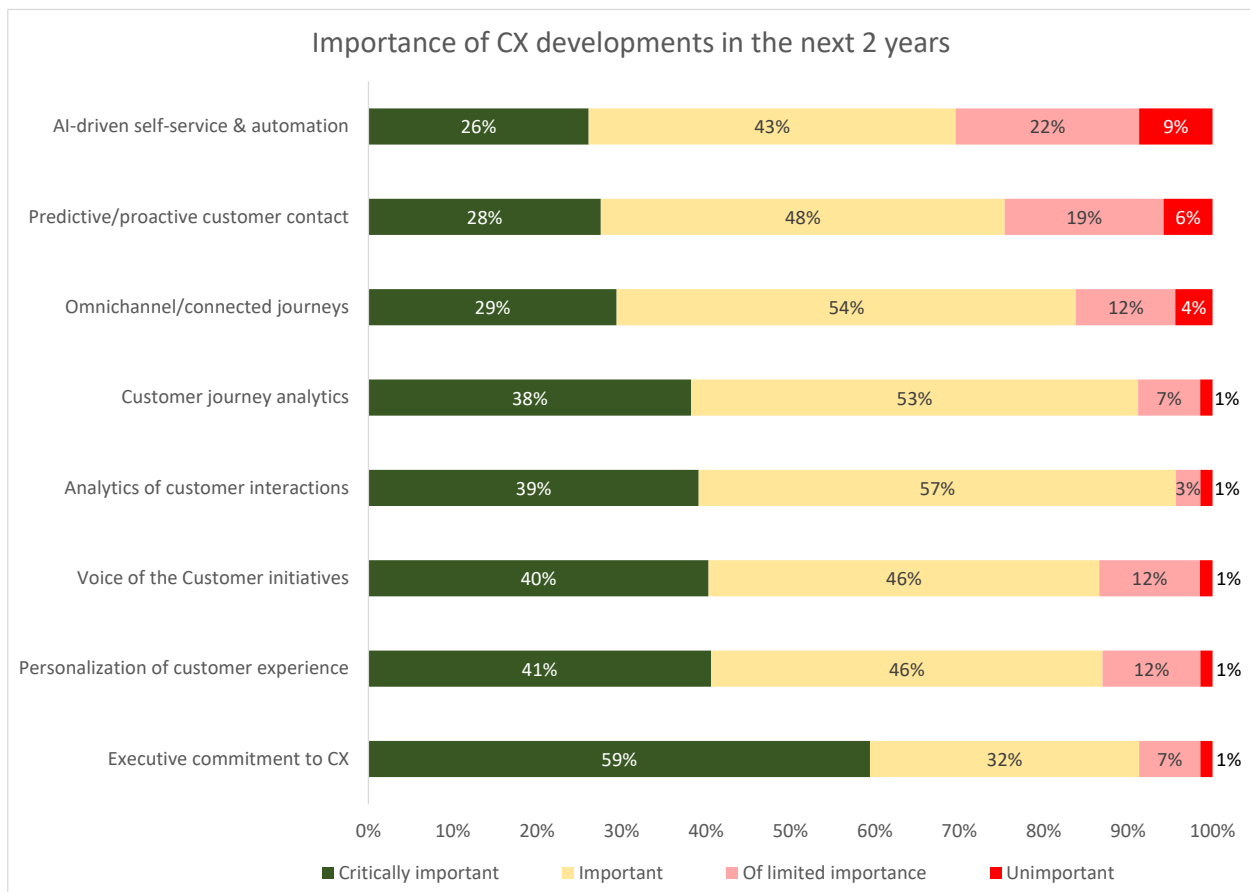
Survey respondents were asked their opinion on how important various customer experience developments would be to their organization in the next two years.

Perhaps the most striking finding was that the factor that was most often stated to be extremely important in determining the future success of the customer experience program was not technology-related, but an acknowledgment that the personalization of the customer experience had to improve.

A greater use of analytics to understand and develop strategies and processes for personalizing interactions with huge numbers of customers will be key to this, and analytics features highly again.

There is also 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.

Figure 61: Importance of CX developments in the next 2 years



CONCLUSION: CX STRATEGIES

The business and consumer surveys carried out in the course of the research for this report show that while improving the customer experience is high on the agenda for many organizations, most businesses are still a long way from where they want to be.

The key findings of this report can be summarized, and various strategies suggested for maximizing the customer experience while improving profitability and managing cost:

- While customer experience is widely seen by businesses as being an important competitive factor, this year's survey shows that many more B2C organizations now see themselves competing on price or especially quality, rather than CX, the former possibly driven by the pressures placed on them by the pandemic crisis
- the governance of the customer experience function has not generally made its way right to the top levels of an organization, and is often seen as being subordinate to the wider operations role, especially in smaller businesses
- The primary aim of customer experience improvement is seen as customer retention
- Investment in customer experience improvement programs is split roughly evenly between business process improvements and technology, with HR a distant third-place
- Live telephony is still by far the largest communication channel used by customers, comprising around two-thirds of inbound interactions. Digital channels account for around 23%.
- However, despite the prevalence of telephony, the majority of customer experience investment is going into digital channels
- CX technology was said by many survey respondents to be under-supported in that it did not give a single view of customers, and many businesses reported that they were being held back by the restrictions of legacy technology and inadequate budgets
- Technology is not the only roadblock to CX: organizational inertia and a lack of time and resource for CX improvements were seen as being important
- Businesses believe that the most important customer experience factors to a customer are first-contact resolution, short wait times and having a polite and friendly agent answer the phone. Having issues handled by a single employee is also seen as important, and can be linked to first-contact resolution rates

- From a consumer perspective, first-contact resolution is also seen as being key to a positive customer experience. However, consumers also want to be able to contact a business at a time that suits them, and many place far more emphasis on having US-based employees to talk to than businesses believe
- Most consumers still have a strong preference for live agent interactions rather than automation, even if self-service is done well. This is especially the case for complex or emotional issues
- Depending on the nature of an interaction – whether emotional, urgent or complex – multiple channels will need to be offered to the consumer base, especially live telephony, email and web self-service
- There are significant differences in channel preference by age and income, so businesses should look to see which their own customer base prefers and in which circumstances, so that support and investment can be planned accordingly
- Despite widespread use of digital channels, there is no sign that customers are ready to abandon the telephone yet
- Interaction analytics is generally said to be very useful in collecting CX data, but is only used by minority of businesses
- Customer retention rate is seen by businesses as being one of the most important CX metrics, and increasing customer retention is seen as being the primary reason for CX improvement. Customer retention rate is increasingly seen as the most important CX metric by more senior management teams
- First-contact resolution rate is almost completely ignored as the primary indicator of the success of the CX improvement program, despite both businesses and consumers indicating that it made the greatest difference to the actual customer experience
- A small minority of companies rewarded customer-facing staff based on customer retention rates or first-contact resolution, which were stated to be the two most desirable outcomes of a successful customer experience program
- The personalization of customer experience is seen as being the most important development in CX within the next two years, supported by an uptake in analytics and VoC.

The surveys show that the telephony channel must be strongly invested in and supported, not only in the present day, but also into the foreseeable future. While digital channels and AI-based automation give the promise of a lower cost of service which is attractive to businesses, consumers state that they are currently more comfortable with live agent service, especially telephony-based, so there is no expectation that live telephony will become unimportant at any time in the foreseeable future.

Over time, the customer base will become more technologically sophisticated and comfortable with using automation, but businesses should be aware that this is a long and ongoing process and that dramatic changes in the short term are unlikely to have a positive effect on customer experience.

Organizations should consider rewarding agents for behaviors that support customer retention and improved first-contact resolution rates: something which is rarely done, despite the acknowledged importance of these metrics to the success of the customer experience program and the business itself.

The findings of this report should encourage businesses to find out more about their own customers' preferences, and give an insight into what they actually value within an interaction. In this way, CX investments can be focused upon the areas and solutions that are valued most highly by customers, thus increasing retention rates and individual customer profitability while keeping service costs under control.

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