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The Customer Experience: the Journey from Good to Great

Richard Snow
Ventana Research

Karina Howell
Solutions Marketing Manager
Interactive Intelligence, Inc.

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Introduction

Providing a great customer experience has emerged as the holy grail of competitive advantage, as traditional sources such as price or product differentiation become less sustainable. In an age of accelerated information flows, traditional sources of differentiation such as price and product differentiation erode rapidly, leaving customer service as the last sustainable source of competitive advantage. This challenges customer-facing departments to step up their game. For decades, customer centers have focused on providing an acceptable level of service by emphasizing efficiency and internal operational metrics. While this approach has long provided a sound foundation for meeting customer needs, the leap from good to great requires a different journey. In this paper we pose and respond to a series of questions to guide you through this journey.

We begin by defining how we know we've arrived at the desired destination We all know a great customer experience when we see it. Yet to many organizations and their contact centers, the ability to consistently deliver such an experience remains elusive. Up-leveling customer service to great requires a shift in focus, one that places the customer's subjective preferences and perceptions front and center. Customers appreciate experiences that make taking care of business easy— and enjoyable. They expect their experience to be consistent across all channels, and they expect it to be personalized.

We also provide guideposts in this journey by asking the question "what are the most appropriate metrics?" A new set of customer-facing metrics, typically deployed through surveys and as components of voice of the customer (VOC) programs, are essential to gauging progress.

As your company moves closer to delivering a great customer experience — consistently — it will realize much higher levels of customer loyalty just as consistently.

Q: What makes a great customer experience?

Snow/Ventana: Consumer use of the Internet, smart mobile devices, touch-screen devices, and social media all encourage customers to expect it to be easy to engage with you. They want to engage when they want to, and be able to use their preferred channel of communication. Customers want to be recognized. They want their issue to be resolved without having to use more than one channel or deal with it multiple times. They want to enjoy the experience whether they engage with a person or with technology. Companies therefore must shift from concentrating on internal processes such as marketing, sales, and customer service to how customers feel during and after an interaction at any touch point. They must focus on the actions a customer takes as a result of those feelings.

To make all this work first means supporting as many communication channels as necessary: the corporate website, email, mobile apps, social media, text messaging, telephone (fixed and mobile), video, Web-based instant messaging, and postal mail. Doing so enables customers to choose the channel of their choice, at the time of their choice. Customers can then carry out different tasks such as requesting information, complaining about problems or purchasing new products or services.

But that's only the beginning. Responses must be personalized so customers feel they are recognized as individuals and responses are not just general-purpose answers, which many people find annoying. Responses must be in context, so if for example the customer tried but failed to complete a task in one channel, the company recognizes this when it engages through another channel. Most of all, responses must be consistent and speedy. If a customer requests information such as the balance of their account through one channel, then the customer should receive the same answer if they use an alternative channel. If it isn't consistent, customer satisfaction levels drop and the company's costs increase because customers have to keep engaging until they are certain they have the correct answer.

From the customer's perspective, great customer experiences are easy to complete, personalized, in context and consistent.

Howell/Interactive Intelligence: Great customer experiences deliver value by not only solving customer's problems, but doing so in a way they perceive as easy and enjoyable.

In order to accomplish this, it is essential to provide the channels customers expect, and to provide rapid, effective service across all touch points. While phone and email remain the most used channels, use of web chat, SMS, social media, and smartphone applications are expanding rapidly. The growth of smartphone usage is increasingly causing customers to use self-services, while also expecting a seamless transfer of information to a live service channel. The need to provide web and smartphone customers with live service is one reason Dimension Data's 2014 Benchmarking survey identifies web chat as the top priority channel to add for more than 50% of responding contact centers.

We recommend you first master the channels you currently offer, and then add the newer touch points in accordance with customer preferences. These preferences are shifting rapidly. Dimension Data's 2014 benchmarking survey reports that the phone is only the fourth channel of choice for Generation Y — behind electronic messaging, social media, and smartphone applications. Generation X is not far behind. While phone-based customer contact is not going away anytime soon, those businesses that limit customers to this channel stand the risk of generating customer frustration. Ultimately, such frustration negatively impacts customer loyalty and revenue.

It is also essential that those various channels be blended seamlessly such that agents have a view into recent customer interactions regardless of contact method. In a 2014 Global Customer Experience Survey sponsored by Interactive Intelligence, 65% of respondents rated as "very important" to a quality customer experience the condition that "the staff has access to my history and current activities with that company." When agents have access to a customer's universal record, the customer experience improves as the need to repeat information is eliminated.

In order to consistently meet and exceed customer expectations, a growing number of companies are gathering new metrics designed to directly gauge customers' reactions to interactions. Specifically, companies are using tools such as speech and text analytics , plus post interaction feedback surveys designed to measure customer's perceptions, positive, or negative.

Since determining whether the quality of an experience is easy and enjoyable is, by definition, subjective, these new types of metrics are crucial. Customer expectations are changing rapidly, and it's essential to adapt accordingly.

Q: How can companies deliver great customer experiences?

Snow/Ventana: Companies must engage with customers in three ways: through assisted service, self-service, and connected service. Assisted service includes channels where customers engage with a person. Self-service includes channels where customers engage with technology, such as IVR or the corporate website. And connected service begins with customers trying to resolve their issues in a self-service channel such as a mobile app. If they are unable to complete the interaction using self-service, they are seamlessly transferred to assisted service, such as an agent in a contact center.

My benchmark research into next-generation customer engagement shows companies support on average 7.5 channels of engagement. The key to providing a great experience is achieving consistency across all channels. The research shows that the highest percentages of interactions are still handled by a person, be it a contact center agent or someone working in a back-office business unit or branch office. The outcome of such interactions thus depends on the skills of the person handling the interaction and the information the person can access. So along with getting the technology right, it is vital that anyone engaging with customers gets appropriate training and one-on-one coaching that meets their specific needs. It is also vital that everyone uses the same information to provide responses. To achieve this consistency, the company must produce a complete view of customers and their interactions and share it across the enterprise.

The key for self-service is that the technology works in the way the customer wants, not to meet an internal objective. For example, IVR menus should reflect what customers want to do; menus should not be designed just to reduce operational costs. The key for connected service is a seamless transfer so that customers don't have to repeat any steps they have already completed in self-service, such as providing their name, account number, or security information.

Overall, the key to success is providing choices that match customers' expectations.

Howell/Interactive Intelligence: Managing all customer interactions through a universal routing engine lays a foundation for meeting rising expectations for an improved experience across all touch points. As the survey data we've shared illustrates, customers expect to receive service across various channels. They also expect to transfer seamlessly from self-service to assisted service; and they expect agents to have access to the context of other interactions.

At the same time, companies must continually prepare for the impact of the newest wave of technology innovations — mobile devices, social media, big data, and cloud computing. These technologies are converging to place increased influence in the hands of the average consumer. Customers now have powerful computing power in their pocket, and expect to resolve service issues in their spare moments via smartphone applications. In turn, the results of these interactions — be they positive or negative — can be broadcast over social media channels. These technologies are raising customer expectations significantly.

The good news is that these technologies also provide a new set of tools for companies to differentiate themselves through great customer experiences. By implementing a cloud model, you can deploy an integrated suite of advanced customer service applications in a very short timeframe while paying only for those applications that add business value in your environment. Social media provides powerful tools for understanding your customers' perceptions of your brand. By monitoring and reacting to customer conversations about your brand, you are able to shift perceptions in a positive direction. By leveraging unstructured data from both within and outside the contact center, you can receive the feedback necessary to guidance process improvements.

Q: What are the keys to delivering exceptional customer service and experiences across every touch point?

Snow/Ventana: The first key to delivering exceptional customer service and experiences is to understand the customer's reaction during and after each engagement. You therefore need a voice of the customer (VOC) program that, through surveys or by using analytics tools, shows not only the outcomes of interactions but the customer's sentiments. A second key is to understand the channels that different customers use to carry out various types of interaction, and if and when they use multiple channels to achieve the wanted outcome. My research into customer relationship maturity shows that innovative companies use analytics tools that can capture which channels customers use, for what purpose, and the outcomes. These companies then produce customer journey maps that show which journeys result in the best experiences for the customer. By combining these two kinds of information, companies can put in place process improvement programs, training and coaching to improve employees' knowledge and skills, and technologies to support both efforts.

Two of the biggest barriers to great customer experiences are technology that is not easy to use, and an inconsistent customer experience across channels. Companies in our research cited three main challenges to achieving the fabled omnichannel experience: difficulty integrating business systems, difficulty integrating channels of communication, and lack of collaboration among business units. To deliver great experiences, companies must address all three of these in a coordinated manner. My research into the contact center in the cloud shows that, increasingly, companies are planning to do this by adopting applications in the cloud (63%) and communication management systems in the cloud (44%). Typically, such systems are better integrated than on-premises systems, have better integration with other systems, are easy to use by customers and employees, and can be deployed solely in the cloud or in a hybrid environment.

Additionally, my research into next-generation customer engagement shows that customer engagement is no longer the responsibility only of marketing, sales, customer service and the contact center. Every unit except for IT now engages with customers. To provide consistent customer experiences, at a minimum companies must consider using business process management systems that span business processes and new collaboration tools that make it easier for employees to share information and jointly decide actions.

Delivering exceptional experiences begins by understanding the customer experience through a comprehensive VOC program to better connect processes, interaction channels, business applications and analytics, and to enable better collaboration between everyone involved in customer-facing activities.

Howell/Interactive Intelligence: The first thing you must do is decide that elevating customer experience to a competitive weapon is a top priority. From this commitment, you then align the employee culture, design business processes and deliver interactions around this goal. Our experience indicates that such a commitment from senior organizational leaders is foundational to this process. You can then put the initiative into

action by cultivating engaged employees, those driven to make a difference, and by empowering these employees with the tools and recourses necessary to deliver great experiences.

As Richard points to, we also recommend that you map the customer journey. A customer journey map is a diagram that identifies the steps a customer goes through in engaging with your company. For example, an insurer can map the steps in filing a claim, a hotel maps the journey from reservations to check out, and so on. A map can be cradle to grave — dating from when a customer first hears about your company to telling a friend about their experience — or it can map specific processes. The more customer touch points you have to complete a process, the more complex the map is, and also the more necessary.

With this knowledge in hand, you can next look at the touch points that support the customer through their journey. This includes products, retail locations, websites, phone calls between customers and agents, and even comments posted by customers on social media reporting their experiences with your brand. A customer journey map helps a company to understand how effective particular interactions are (for example, are calls and emails handled to the customer's satisfaction), while gauging how these interactions fit within an entire process. It may be that the document process flow must be refined. Or it may be that contact center agents require real-time guidance and immediate access to expertise from knowledge workers in other parts of the enterprise. This can be provided through presence integration and collaborative social tools.

Q: How can companies measure their success in providing great customer experiences?

Snow/Ventana: My experience and benchmark research shows that companies should examine the metrics they use to measure the customer experience. Many companies are excessively concerned about contact center operational performance, often to the detriment of customer satisfaction. My latest research into next-generation customer analytics shows that companies use on average eight financial and operational metrics and only three customer-related metrics. Companies should identify the business outcomes they are seeking — by using, for example, first contact resolution (FCR) rates, customer satisfaction scores, Net Promoter Scores (NPS) and customer effort scores (CES), or customer lifetime value. The metrics a company uses should encourage actions that improve these ratings.

Several customer-focused metrics relate to customer sentiment: customer satisfaction, propensity to recommend or a feeling of ease when interacting. To derive these and other insights into the customer experience requires companies to "ask" customers about their feelings, which they can do by using multichannel survey techniques or analytics tools for channels such as voice, text, and social media. Any program to measure the success of the customer experience should use a closed-loop VOC process that determines customer sentiment objectively and ensure that action is taken based on the findings.

To produce a complete view of customer interactions and metrics, companies must consider adopting newer forms of analytics that combine structured data (such as from CRM, ERP, and knowledge management systems) and unstructured data (such as speech recordings, text and social media posts), and, where possible, event data such as location. My research into next-generation customer analytics shows that companies are inexperienced in the use of such tools, and instead rely heavily on spreadsheets. This means companies are spending more effort than necessary to generate customer-related reports and metrics. Appropriate tools can also automate a VOC program that can produce a complete, up-to-date view of customer engagement and the customer experience. The key is a balanced set of metrics derived from using advanced analytics tools on all available sources of customer and interaction data.

Howell/Interactive Intelligence: The metrics that make sense when measuring the customer experience differ significantly from those used to measure operational efficiencies such as average handle time (AHT,) hold time, and wrap up time. Rather than measuring things that are proxies for improved experiences, we believe it is essential to go directly to the source, to the customer, and ask them how they rate their service experience. When added to more traditional metrics, such as first contact resolution, these voice of the customer programs can provide powerful tools to improve the customer experience. Typically part of enterprise-wide VOC programs, these metrics are gathered through customer surveys administered shortly after a service interaction.

However, such programs do pose certain challenges. Many companies report that the Net Promoter Score, which is based on responses to a single survey question "How likely is it that you would recommend (company name) to a friend or colleague?" is too generalized to provide actionable guidance. While concern over this limitation has some validity on the surface, the fact remains that NPS provides an invaluable starting point. Many companies are also choosing to augment the NPS with some of the new metrics developed by the CX firm, Beyond Philosophy. These metrics measure more granular and subjective experiences by assessing gradations of the Net Emotional Value (NEV) and linking this both to NPS and Customer Satisfaction (CSAT) scores.

A further means of gaining more granular insights into customer perceptions of service interactions is to analyze unstructured interaction data. This approach can include text analytics of social media interactions and speech analytics gauging a customer's response to a phone call while it is still occurring. The resulting insights allow a supervisor to monitor reactions in real time while the opportunity exists to intervene and improve the experience — a significant step in moving a customer's experience from good to great.

Q: What is your top piece of advice for companies seeking to move their customer experiences from good to great?

Snow/Ventana: My advice is that companies follow the best practices identified in my research into customer relationship maturity. It shows that companies focused on their customers use customer journey mapping, VOC, and customer analytics to understand the customer experience and coordinate changes in their people (training and coaching),processes, (personalization, contextualization, and consistency), information (a complete view of the customer and balanced metrics) and technology (integration of channels) to focus on the customer, not internal operations. This way companies can deliver experiences that are easy, personalized, in context, and consistent.

Howell/Interactive Intelligence: Improving the customer experience requires building your brand from the inside out. This means cultivating engaged employees and empowering them with the technologies and supporting processes to deliver effective, easy and enjoyable experiences. Your brand is not the sum of your advertising campaigns and promotions, it's what people say about you. This includes first your employees; customer perceptions of your brand then follow suit. If your culture is not already customer (and employee) focused, this is the place to begin walking the walk so that behavior supports the talk.

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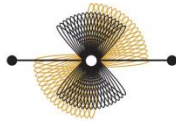
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The Authors

Richard Snow is VP & Research Director - Customer and Contact Center Research at Ventana Research, where he leads the firm's [Customer and Contact Center Management](#) research practice. In this role, Richard conducts research exploring the people, process, information and technology issues behind customer operations management, contact center management, and customer experience management. He also works with senior business operations and IT managers to ensure that companies get the best performance from today's highly complex application products. With more than 30 years experience, Richard has worked in management and consulting leadership positions in the technology industry including with Price Waterhouse, Sema Group and Valoris, and has been involved with all aspects of delivering IT solutions to a variety of clients in the telecommunications, financial services and public sectors. Contact him on [Twitter](#) at @rjsnowvr, on [LinkedIn](#), and at [richard.snow@ventanaresesarch.com](#). Also read Richard's blog at [http://richardsnow.ventanaresearch.com](#).

Karina Howelll is a solutions marketing manager at Interactive Intelligence responsible for the suite of contact center technologies. Her experience includes 14 years in the customer interaction management space. She has provided marketing research and strategy to contact center solution vendors, held product marketing roles at Genesys Telecommunications, and served as practice leader at analyst firm Frost & Sullivan. Ms. Howell holds a master's degree in Political Science from the University of California at San Diego, and a bachelor's degree in Politics from the University of California at Santa Cruz.