Driving CX Optimization Through Embedding Voice and Digital Channels with CRM

OMDIA

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Contents

Summary

In brief

To meet evolving customer demands for the move toward more human-centric customer service, companies will be required to provide omnichannel customer-engagement platforms combining traditional voice services with a variety of digital channels with an emphasis on ubiquitous access to meet the demands of increasingly mobile customers. This is dependent on information sources spread throughout the enterprise and beyond and, given the complexity of designing and managing multiple channel contact centers, is no simple task, but it is achievable with the proper set of integrated tools.

Omdia view

To be successful in meeting this goal of creating the human-centric omnichannel customer-engagement platform of the future, Omdia believes businesses must move quickly along the path of molding the multichannel contact center to become a centrally managed omnichannel platform that provides users with a wide choice of channel access based on their preferences, prioritized according to the customer's total future value to the company. This will require a complete 360-degree view of each customer across all access channels that includes historical CRM data, real-time marketing-platform information, and a constant view of the customer journey through the process. All must be managed through a single pane of glass such as an agent desktop solution that is driven by artificial intelligence (AI) to determine next best action at each step of the process.

Key messages

- The voice channel will remain a constant in contact centers of the future to offer support for more complex customer inquiries and for those requiring a personal, compassionate interaction.

- The recent COVID-19 pandemic experience will provide a long-lasting boost to the implementation of cloud-based contact centers staffed by remote workers.

- Multichannel contact centers provided a step toward meeting a new set of customer requirements for more choices, flexibility, digital channels, and the move to mobile support access.

- The omnichannel contact center is evolving to be the standard for customer-care solutions by merging the advantages of multichannel operations with centralized oversight, system management, and control.

- The digitization of customer-engagement solutions supported by AI capabilities capitalizes on the omnichannel scenario of customer engagement by splitting

customer interactions into live agent conversations/support and self-help channel deflection where appropriate.

- The agent desktop solution of the future must merge voice, digital channels, marketing-platform information, and CRM data in real time into one centralized agent console or hub, allowing agents to eliminate toggling between multiple screens, a characteristic not commonly found in contact centers today.

The voice channel is changing but not dying

Despite the speculation about the coming death of the voice channel, its future remains strong

The customer-engagement marketplace is changing faster than ever before. As solution platforms shift from business premises to the cloud, a shift driven by economics and convenience, customers will demand the increased use of digital channels. In addition, there is a growing demand for the use of mobile devices to access services. The timing of the COVID-19 pandemic may have created the "perfect storm" scenario for a major shift to the cloud contact center marketplace, because previous concerns about the use of cloud services, such as reliability and security, have been waning, and the larger enterprises with on-premises systems simply required a strong and tested justification to transition to the cloud to maintain business continuity.

Simultaneously, self-help options sparked by AI are developing to impressive levels of sophistication, and voice interactions handled by live agents will continue to be diverted to automated digital channel processes. There has been a good deal of speculation about how and when technological innovations such as improved self-help applications, AI, conversational interactive voice response (IVR), machine learning (ML), speech analytics, and automated natural language processing techniques might negatively affect the demand for live agents and the voice channel itself.

To prepare for the coming changes in agent support and the long-term fit of the voice channel, businesses with contact centers must move with the market and develop a 360-degree view of their client base. They should simultaneously determine their customers' evolving demands and preferences to optimize service and differentiate their service delivery in the future. Coming changes will require an understanding of what the changes in customer-service platforms will be in terms of cloud versus premises-based systems, the evolving mix of voice and digital channels, the acceptance of self-service, the overall effect of AI on live agent headcount requirements, and the profile of the new voice "superagents" that will arise to meet market demands and customer expectations.

Based on a recent Omdia forecast of global voice-agent positions through the year 2023, we predict a slowdown, but not a reversal, in growth rates of live-agent positions through the year 2021 with a leveling off in overall global agent-position counts beginning in the year 2022, caused by the increased use of digital channels, the broader implementation of advanced AI technologies, and some economic slowdown in some geographic regions, including North America and Western Europe, where overall contact center seat growth has been dropping. However, Omdia does not predict a rapid falloff in voice-agent seats because of AI in the coming three years. We see AI being implemented in support of the agents and not as a method of driving agent replacement. Initially, AI will drive digital

channel capabilities in simple and easy-to-do functions that currently amount to agent busy work: answering questions about hours of operation, finding the nearest bank ATM machine, and answering questions about current checking account balances. These are the very tasks that tend to cause agent churn because of their monotonous and nonstimulating nature. During the next phase of AI implementation, the customer-support process will be improved by AI supplementing the agent or automated bot responsiveness by providing timely intelligent screen-pops and/or next-best-action suggestions based on ongoing ML or extracted knowledgebase information.

Although the voice channel will go through an evolutionary period as the role of voice in the customer-experience marketplace is reshaped, it will neither disappear nor lose its level of importance in customer service. As Omdia research has consistently indicated, customer demand for the voice channel, although changing in nature, is still very strong, and it must coexist alongside the growing number of digital channels being introduced. This channel preference is determined by the purpose of the interaction and often driven by the customer's need for understanding, compassion, or objective advice. Additionally, the voice or digital channel preference can be driven by a need for urgency, security, or human interaction and opinion. This has been proven to be even more important during times of crisis such as the world is now experiencing with the COVID-19 pandemic, given that human empathy can be perceived as a brand differentiator during a time of crisis.

As depicted in Figure 1, a majority (51%) of customers surveyed said they prefer the voice channel for interactions dealing with product technical issues. The phone call was the first choice of customers dealing with billing questions (38%), service and outage restoration (26%), and suspected fraud (26%). Email led for interactions concerning web purchases, service/order cancellations, reservation changes, and account modifications. Other nonvoice digital channels, shown in the light blue boxes, showed some second-place strengths but nothing significant. It is apparent that SMS, mobile, and live chat are moving upward in customers' channel selection process, but voice is maintaining a strong presence.

Figure 1: Customer channel by inquiry type

Which channel would you prefer to use if you knew you could get a resolution on the first attempt?

	Phone call	Email	SMS	Mail	Website	Mobile app	Live chat	Communities	Social media
Technical issue with product or device	51%	22%	6%	4%	6%	4%	7%	0%	1%
When purchasing items on the web	16%	27%	4%	4%	22%	13%	9%	3%	4%
Service outage & restoration	26%	19%	7%	8%	14%	9%	8%	5%	5%
Billing question	38%	18%	8%	6%	8%	5%	13%	1%	4%
Suspected fraud	26%	19%	5%	14%	8%	8%	8%	9%	4%
Cancellation	14%	27%	20%	15%	10%	6%	3%	2%	5%
Change a reservation	12%	21%	17%	9%	8%	16%	11%	1%	7%
Make account modifications	8%	24%	6%	18%	18%	12%	6%	0%	9%
General support questions	6%	8%	1%	0%	19%	22%	33%	4%	8%

N=400
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Source: Omdia

Customers' strong sentiments about the voice channel are still evident in Omdia's research studies and are supported in our ongoing discussions with contact center users and customer-engagement personnel. Accordingly, Omdia expects the voice channel to remain relevant and be an important factor in customer engagement into the future. Although the number of live agent interactions will be reduced over time, the live voice channel will persist, and we predict the number of voice minutes will remain stable as voice calls become longer and more complex.

Digital channels are gaining in importance

Although there is little doubt that the voice channel will maintain its importance to customer engagement, the need to use additional channels to meet customer needs and enhance customer service is becoming obvious. This requirement for expanded modes of customer interaction, such as email, SMS, chat, social media, and a growing dependence on mobile applications, has been driven by the increased customer demand for personalization and added convenience. While it is still too early to speculate on the ultimate and optimal mix of customer-service channels, Omdia envisions the combination of a wide variety of channel capabilities that already exist and others that have yet to appear.

An Omdia global survey of customer-service employees completed in late 2019 asked contact center agents to report on which interaction channels they currently use to engage with their customers. Figure 2 summarizes the results gathered in that study. A few assumptions we can garner from the research are that channel popularity has already expanded well beyond voice and that many agents are already operating in a multichannel mode that combines analog voice and digital channels. Additionally, 87% of agents are using email in their everyday operations, and 73% depend on mobile applications as a mode of customer interaction. The fact that 70% use voice suggests it is still an important channel despite the rise of digital.

Figure 2: Agent channel usage

As a customer service employee, which of the following channels do you use to engage with customers?

Proportion of respondents

Notes: multiple response question

Source: Omdia

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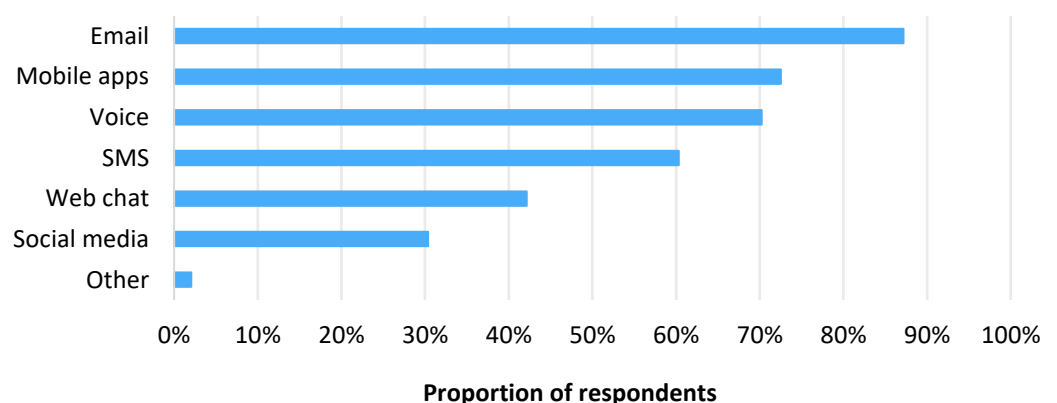
It is apparent that the shift to multichannel contact center operations is already taking place. However, the evolution of customer-service operations has certainly not been finalized. The list of channel options available to reach customer-service centers will continue to expand as new technologies are developed and customers' expectations grow. What is becoming obvious is that multichannel customer-engagement operations are here to stay. But are they enough? The next step in the evolution has already begun in the form of the omnichannel contact center.

Simply put, omnichannel merges the advantages and capabilities of multichannel with the capabilities of centralized oversight and management. Whereas *multichannel* is most often a cobbling together of several disparate channels working in the same customer-service center using siloed datasets, *omnichannel* is the integration of those channels into a fully planned, administered, and supervised combination of communication modes that seamlessly manage cross-channel functionality to optimize and personalize customer support. See Figure 3 for a representation of a modern omnichannel contact center diagram that follows the principles of recognizing, orchestrating, adapting, and protecting while managing customer interactions through the marketing/sales/support journey.

Figure 3: The omnichannel centralized management map

Recognize │ Orchestrate │ Adapt │ Protect

Source: Omdia
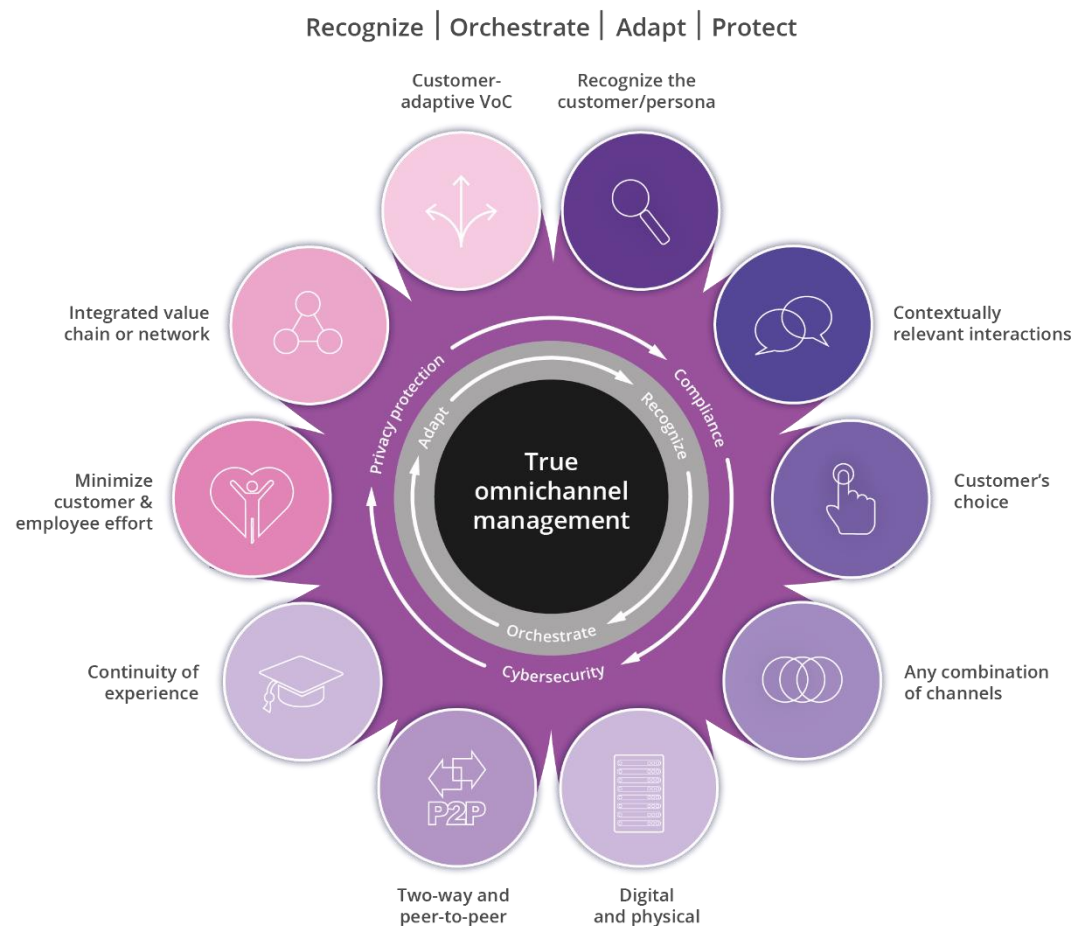
Until recently, enterprises have treated customer engagement as a channel, with business units interacting with customers through separate interaction streams including email, the web, chat, social media, or the contact center. This siloed method of engagement, without common administration and a complete set of customer and interaction data, only perpetuates the ubiquitous enterprise challenge of fragmented and frustrating customer experiences. To move forward, enterprises must be supported by a holistic set of customer data, so employees can recognize and respond to individual customers and collaborate in real time across enterprise functions and channel interactions.

CRM data remains the fuel of robust customer engagement

A primary reason for the limited capture and underutilization of information in the contact center is the fundamental lack of integration of the various datasets in any given enterprise. Therefore, the complete customer journey is often spread across several different channels and databases. Customers typically live in a multichannel environment, using the web, chat, email, SMS, or voice channels to reach businesses depending on their location, available endpoint access, and personal preferences. Seldom are these data sources integrated to give the business or agent a total overview of the customer's journey before they attempt to answer the customer's questions or resolve their immediate issues. This often results in agents asking repetitive questions to gather information that has already been supplied by the customer earlier in their customer service journey.

Successful handling of the customer experience throughout the customer journey is at the core of effective omnichannel management. The ability to orchestrate customer data, context, existing customer preferences, and appropriate responses to customer interactions throughout their journey to deliver a consistently positive experience at scale also requires AI-driven automation. Customer-journey optimization is dependent on a high level of customer-data integration, both historical information from CRM and back-office systems and contextual information gleaned through the customer interaction and other activities in real time. Managing a 360-degree view of the customer drives real-time insight that can trigger next best actions being initiated. Next-best-action notification gives agents access to AI tools while they are on a call for better, smarter service and can help agents focus on the customer conversation rather than on having to research answers. To trigger the right response and deliver continuity and consistency of experience, the customer-interaction data must persist across the customer's travels throughout their entire journey across all available channels of access.

At the heart of optimal customer service is historical CRM data merged with channel information and context gathered during the customer's past and current interactions. In addition, recently introduced marketing platforms are now able to contribute real-time customer activity information that can enhance the services and offers being presented to the customer at the perfect time for those offers to be acted on by the customer. More specifically, a cloud marketing platform can add valuable insights into precisely which day, time, and channel will augment the opportunity for a successful proactive interaction with a customer based on gathered personally unique data points collected and provided by the marketing solution. This merging of the contact center software, the channels of interaction, the CRM, and the marketing cloud has the potential to bring the

industry closer to achieving a 360-degree view of the customer than has ever been possible before.

With an increased focus on data gathering and integration into a unified database incorporating customer profile and preference information, historical CRM data, the customer journey at hand, and real-time marketing data from ongoing website and shopping activity, the customer-engagement process is as close as it has ever come to service optimization. This process enables the creation of the set of "perfect data" required to improve customer service and the development of a "next-step" strategy development required to optimize the customer experience. What must be added is a focal point in the ongoing process in which the collected information can be intelligently analyzed, directed, and deployed to meet and/or exceed customer expectations.

There is little doubt that good data management based on a complete set of customer relationship management information is critical to customer service and fulfillment. This will continue to grow in importance in meeting customer needs through strong journey management. In addition, personalization and security have become table stakes in the fight for vendor differentiation in the marketplace. But even with superior data collection and management capabilities, the most critical ingredient of service superiority is the ability to put these things together to effectively direct overall customer-service activities.

Agent desktop – the hub of a superior customer journey

For the reasons outlined, the realization that optimal customer engagement will involve an effective mix of digital channels and traditional voice services will be a fundamental requirement in planning for the future. The traditional single-channel voice call centers will have to add digital channels as customers demand them, and newer "digital first" contact centers must plan to add and offer a voice-channel option to their customer-service offerings to provide a well-rounded level of service and support. It should also be noted that a complete set of customer data and activity information will fuel successful customer-service operations into the future. The primary and major intersection of the company knowledge bases—current CRM information, subject-matter expert access, agent experience base, and customer activity across channels—is the contact center agent desktop.

Whether an enterprise enters the marketplace with a voice approach and expands into digital channels or begins its customer-service operations as a digital-only operation and adds the voice channel to round out its services is not really the issue. The real issue is that a complete combined customer-service offering is what the market will demand in the future. Unfortunately, an integrated service that includes voice and digital services is difficult, primarily because many companies depend on using multiple and disparate systems to run their contact centers. Often telephony is not integrated with the agent's console, forcing agents to navigate multiple screens during customer interactions. Besides the information the agent captures on a voice call, often conversational history is lost. This means that in future customer contacts there will be little context to incorporate into the latest interaction. While digital-only agents may be tapping into a company's AI capabilities on digital channels (e.g., chat, messaging, social), voice conversations have been excluded from this wave of innovation. Clearly the addition of a transcription capability for voice is required to complete the full complement of data available to the omnichannel contact center.

The agent desktop solution of the future must merge voice, digital channels, marketing-platform information, and CRM data in real time into one centralized agent console or hub. The agent desktop must have the capability to integrate the voice and digital channels into a single platform, allowing agents to eliminate toggling between multiple screens, a circumstance very common in contact centers today. This will boost agent productivity by reducing redundant data entry and call wrap-up times. Additionally, via added automatic transcription capabilities of the voice channel, agents can then focus on things that matter most including addressing the customer's needs quickly and accurately, hopefully on the first contact. The system will leverage automatic AI-powered agent next best actions that will ultimately lead to better overall customer service,

resulting in higher levels of customer satisfaction. The voice-call transcriptions will appear in real time directly on the agent console screen, and AI could then provide recommended solutions for the agent in the background, reducing average call time and improving both overall agent and customer experiences. This empowers the agent to deliver a more personalized experience based on factors such as the customer's purchase history, warranty information, and/or past interactions across channels. Based on the voice call conversion to text, AI will also automatically and quickly serve up relevant knowledge base articles to the agent. Another desirable byproduct of this scenario is the use of real-time omnichannel visibility on a supervisory console, allowing managers to view all voice calls and digital conversations in real time, monitor where calls are being routed, which skills each agent has, and which conversations require supervisory assistance or coaching live or during agent downtime after the call. The net result is a better experience for customers, agents, and supervisors.

Conclusions

- Although the voice channel is going through an evolutionary period as voice is reshaping its role in the customer experience marketplace, the channel will neither disappear nor lose its level of importance in the customer-service channel hierarchy. Customer demand for the voice channel, although changing in nature, is still very strong, and voice will coexist alongside the growing number of digital channels being introduced.

- The requirement for expanded channels of customer interactions, such as email, SMS, chat, and social media, has been driven by increased customer demand for personalization and added convenience as well as by a desire to add an asynchronous mode to the traditional voice channel for applications where synchronous channels may not be required.

- Although there will be a growing market for digital-only customer-interaction centers, and an ongoing demand for voice-only centers, the majority of customer-interaction centers will evolve to be mixed environments where both voice and digital channels are offered.

- Optimal omnichannel customer service requires historical CRM data merged with channel information and context gathered during the customer interactions. Merged with recently introduced marketing platforms, customer-engagement systems are now able to contribute real-time customer-activity information that can enhance the services and offers being presented to the customer at the perfect time for those offers to be acted upon by them.

- The agent desktop solution of the future must merge voice, digital channels, marketing-platform information, and historical CRM data in real time into one centralized agent console or hub. This will enable the intelligent contact center to integrate voice and digital channels on a consolidated platform, allowing agents to work from a single console, eliminating toggling between multiple screens, a characteristic not commonly found in contact centers today.

Appendix

Methodology

The conclusions and recommendations in this report are based on Omdia primary and secondary research and on multiple discussions and surveys with end users and contact center employees actively working as customer-service managers and agents. In addition, we have interacted with marketing managers and product managers who develop products and market plans for contact center vendors and have based some conclusions on personal experiences as customers interacting with small, medium, and large enterprises via several different channels of access including voice, email, chat, social networks, and web-based services.

Author

Ken Landoline
Principal Analyst, Customer Engagement
ken.landoline@omdia.com

Get in touch

www.omdia.com
askananalyst@omdia.com

Omdia consulting

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