# Customer Care Transformation

Is your customer self-care strategy working hard enough?

## Industry briefing

Self-care is now an integral part of the care mix. However, many companies are finding that existing deployments are ill-prepared to meet the change in customer demands; lacking the data analytics, sentiment analysis or machine learning capabilities required to meet ever aggressive call deflection and customer satisfaction targets.

wds
A Xerox Company

# Managing care costs

## Is your customer self-care strategy working hard enough?

Most companies are finding themselves under increasing pressure to contain their customer care costs; often having to do so while targeted with retaining customers through service excellence.

It's unsurprising then that many of these companies, typically reliant on customer care operations burdened with a heavy cost infrastructure and an ageing business model, have jumped quickly to embrace digital, self-care channels as a way of servicing their customers.

These digital care channels, ranging from web-forums and virtual agents to smartphone apps and social media, are now a common part of the care mix and, deployed correctly, are typically able to service a care transaction up to **98%** more cost effectively than a call to a contact center.

Unfortunately, the goal to reduce care costs by deflecting traffic away from expensive contact center resources and into self-care environments is not happening at the pace originally anticipated.

**"** Up to **20**% of call volume in today's contact centers is "fall-back" traffic following a failed self-care interaction. **"**

Was your interaction successful?

Yes

93%

70%

70%

Call Center

Self-Care

Twitter
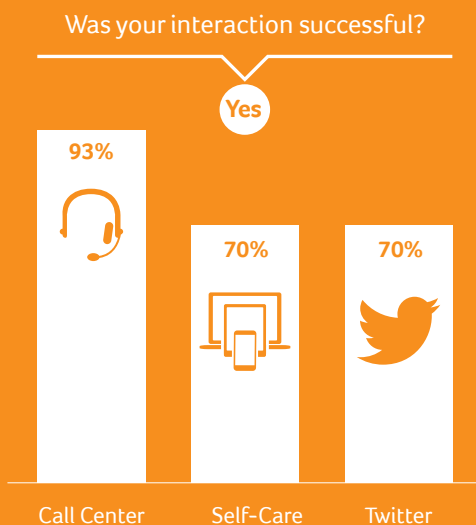
In fact, despite the industry's best efforts, satisfaction and resolution rates across many self-care tools are lower than they are for the traditional contact center (which remains the most common method for customers to engage with customer care).

In addition, WDS analysis has discovered that up to **20%** of call volume in today's contact centers is actually "fall-back" traffic following a failed self-care interaction. Factors such as this maintain an artificially high call volume and mean that the current forecast is for voice traffic to remain the majority for most companies until 2016.

For customers investing in self-care solutions through digital channels, WDS offers guidance to improve this forecast and achieve a greater Return on Investment (ROI).

# The Digital Care Gap

## The need to offer convenience by servicing customers through a variety of channels has become a key differentiator.

In fact, **55%** of customers state that convenience is the principle driver for using a company's online care tools. However, while digital channels succeed in offering greater convenience, many fail to deliver high levels of customer satisfaction. Only **3%** of customers choose to use an online care tool for a personalized experience. In this regard, expectations remain low.

Compare this to a call to a contact center. It may not be considered the most convenient care channel, but **52%** of customers use it because they believe it gives the most personal experience. Over a quarter of users **(26%)** also choose it principally because of the speed of a resolution.

The message for companies is clear. A blended, multi-channel approach to care is an essential component for today's business. However, the care mix should be structured to balance convenience and personalization.

WDS believes there are clear rewards for companies that invest smartly in a digital care strategy. However, analysis into current deployment techniques has highlighted four common deficiencies, each of which can add unnecessary cost and impact ROI.

## 1. Discoverability:

A resolution to a customer's problem is too difficult to find via the digital and self-care channel. It may simply be buried too deeply within a support page's navigation or the environment is unable to interpret the customer's described "symptoms" and connect them to a resolution.

## 2. Accuracy:

The support content available through the self-care channel doesn't relate to the actual call types being seen in the contact center. As a result, common customer issues are not supported with the relevant support knowledge. WDS analysis into this has shown that **40%** of a company's common call types are typically not represented on the accompanying self-care channel.

## 3. Timing:

Customer expectations vary according to the care channel being used and most expect digital channels to be efficient and fast. WDS research shows that almost half **(48%)** expect a response to their social media enquiry within an hour. When a response is not forthcoming, customers risk "falling-back" to calling the contact center.

## 4. Conversation:

While there is no need for companies to over engineer a human persona onto a digital self-care tool, there is benefit to allowing a two way conversation. Customers gain confidence in digital tools where they believe the assistance is being served against their personal needs, and not on prescribed business rules.

# Counting the cost of a failure

## The fall-back paradox and customer effort

Ironically, when a request for customer care [through a digital channel] fails it can add immediate cost to the contact center – the very care channel that front line digital tools are designed to protect. In fact WDS estimates that up to **20%** of voice traffic into a contact center environment is the result of a failed digital transaction. This "fall-back" traffic alone can account for **9%** of a total care budget and make it difficult to accurately forecast call volumes and, therefore, staffing needs.

For companies that get their care mix right, the benefits of a positive experience (regardless of the channel) cannot be underestimated and WDS analysis has observed a positive correlation between support satisfaction and brand satisfaction.  In fact, **64%** of those highly satisfied with an individual support experience go on to rate their service provider's overall performance as excellent. Likewise, brand NPS for customers with a positive support experience is almost double a company's average.

Of course, the correlation also applies to a negative support experience with negative brand perception being amplified after a failed care interaction. Worryingly for companies whose customers experience a failed digital interaction and then go onto call customer care, there is added risk. WDS analysis highlights the importance of customer effort, with customers who have to engage with a care channel more than three times in any six month period x6 more likely to be at risk of switching brands.

> **Self-care is seen as the most convenient care channel, but the Contact Center the most personal.**

# How should companies approach the digital care opportunity?

While there are very real risks for those unprepared in their approach to digital care and self-service, the opportunity for those that can innovate beyond their competitors is enormous.

For companies looking to maximize their digital care investments, WDS offers the following guidance.

## Connect the contact center to your digital care channels:

One of digital care's most common failings is the inability for the customer to find a resolution to a problem. Almost **30%** of customers using self-care tools made available through their provider's website are unable to get the support they need. This is typically because the company's common call types are not represented on the accompanying self-care channel.

Much is written about the need for omni-channel care strategies to consider a unified view of the customer across care channels. However, WDS believes it is equally important to have a unified view of problem types across the growing care mix. Self-care deployments that rely on static support knowledge score consistently lower for customer satisfaction and problem resolution. Instead one of the key capabilities to realizing a successful digital care strategy is the ability to collate meaningful customer and support data from the wider care operation, including the physical contact center, and use that insight to improve digital accuracy.

Benefiting from advancements in machine learning, the next generation of self-care technology has the ability to "learn" from the millions of interactions that flow through them daily. Not only this, but WDS extends this learning to the millions of care transactions that flow through the traditional contact center.

Ironically, for those looking to move a greater share of traffic to digital self-care channels, this means reshaping how the traditional contact center operates and how a company values the data being collated from it. WDS calls this model Seats + Software; an environment where the role of the contact center agent extends beyond resolving customer issues and into training [and improving the performance of] digital self-care tools.

Consider the process that a typical care agent follows to resolve a customer problem; he or she must first decipher the customer's "symptoms", then diagnose a cause and find a successful resolution.  With the right tools deployed within the contact center, the self-care instance can "listen and learn", making a connection between customers' described symptoms, the cause and the resolution. When it [a virtual agent for example] encounters the same question through a digital channel it can draw on this experience, confident that it now understands the presented symptoms, the likely cause and the most effective resolution. The more transactions that pass through it, and the more agents train it to learn, the more accurate it becomes.

## Consider the conversation and think about customer effort:

While mapping a self-care deployment to the wider care operations can help to increase problem coverage (the percentage of problem types expressed by customers that have a solution available through a self-care interface), customer adoption can still present a challenge.

Many existing solutions, in particular virtual agents, present a rigid and linear experience, often relying on keyword searches. This can be a barrier and lead to poor customer satisfaction. The latest generation of tools are designed to overcome this limitation and are able to handle unexpected changes in context to deliver more personalized and relevant support content. Achieving this is dependent on a number of technical considerations, in particular Natural Language Processing (NLP), which utilizes algorithms to derive "intent".

This may extend to the virtual agent understanding the right time to intelligently escalate a "digital-conversation" to a live agent; perhaps to resolve a personal issue or where customer sentiment analysis suggests customer satisfaction is falling.

## Be cross-functional:

A winning digital care investment must be cross-functional and it must deliver a transformational shift in the way a company views and manages its care operations. In many cases today, investments continue to be made across discrete functional groups. Customer operations, for example, may own the contact center environment but not the self-care or retail channels. This makes it challenging to get a holistic view not only of the customer, but of the addressable pain points. Many self-care deployments consequently operate on guesswork and anecdotal evidence to determine the likely customer problem types.

Today's customer doesn't expect boundaries as they hop between care channels and so to counter misaligned objectives, consider a unified customer care Profit & Loss (P&L) to more accurately track the cost of supporting customers as they hop between digital and non-digital care channels. Also, focus on KPIs that track total customer effort (how easy is it for the customer to get an accurate resolution first time, every time, on the channel of their choice).

# Conclusion

With customer care transactions increasing, companies are under increasing pressure to leverage digital care channels as a means of reducing costs. However, self-care and digital care should not be seen as a panacea to the problem. Companies who will gain the most will be those able to create a unified mix of care channels that meet both customers' needs for convenience and personalization and even understand the need to connect self-care channels to the wider care operation to ensure insight generation and a unified view of problem types.

With self-care technology now maturing, many companies will find legacy deployments ill-prepared and unlikely to be able to scale to meet the needs of today's customers; lacking the sentiment analysis or machine learning capabilities required to meet aggressive call deflection targets. In fact, the true cost of a deficient self-care deployment (fall-back voice traffic) is unlikely to be visible within an existing care operation's P&L, lulling companies into a false sense of security.

# About WDS

WDS, A Xerox Company is a global leader in the delivery of transformational customer care solutions. Built around a cognitive technology platform that continually learns from the customer care transactions that pass through it, we help you to leverage your existing data assets to increase efficiency across the care-mix; from improved agent performance to self-care automation and personalization. Quite simply we help your customers find the answers they need and ensure that every experience is better than the last.

**To learn more about WDS, please email enquiries@wds.co**

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