

For: Application
Development
& Delivery
Professionals

Contact Centers Must Go Digital Or Die

by Kate Leggett and Art Schoeller, April 3, 2015

KEY TAKEAWAYS

Web Self-Service Unseats The Phone Channel In Customer Service

The number of channels through which customers engage companies for customer service is increasing. For the first time, the phone channel has been unseated from the top spot by web self-service, and electronic live-assist channels are also rapidly increasing in popularity.

Customers Use Self-Service Channels As A First Point-Of-Contact

Consumers are increasingly impatient and want quick answers to their questions. They use self-service channels as a first point-of-contact and escalate the more complex questions to live agents. This means that live agent interactions are increasingly important in building customer relationships.

Customer Service Digital Technology Investment Lags Behind Customer Demand

Today, customer service organizations are not investing in digital technologies to keep up with customer demand. They must invest in omnichannel solutions, unified queuing, routing and reporting, and process guidance and develop an agent pool skilled in multiple channels.

Contact Centers Must Go Digital Or Die

Rework Your Contact Center Technology And Staffing Models To Align With Customer Channel Preferences

by [Kate Leggett](#) and [Art Schoeller](#)

with [Stephen Powers](#) and Arelai Ephraim

WHY READ THIS REPORT

Consumer preference for customer service channels is changing across all ages and demographics. Adoption of digital customer service channels, with an emphasis on self-service channels such as web and mobile, is exploding as consumers expect relevant and seamless omnichannel customer service. However, firms' technology and staffing plans are not keeping up with consumer demand for digital customer service. This report outlines communication channel customer use and major gaps in contact center technology and operations. It also provides data that will help application development and delivery (AD&D) pros align operations with customer expectations to garner their satisfaction and long-term loyalty.

Table Of Contents

2 **The Digital Imperative For Assisted Customer Service**

Customers Are Increasing The Diversity Of Channel Use By Going Digital

5 **Contact Center Operations Don't Line Up With Consumer Behavior**

6 **Six Steps To Achieve An Omnichannel Contact Center Tech Road Map**

WHAT IT MEANS

8 **Cross-Organizational Commitment Is Critical To Going Digital**

8 **Supplemental Material**

Notes & Resources

We based this research on ongoing client inquiries, briefings, and interviews with CRM services providers.

Related Research Documents

[TechRadar™ For AD&D Pros: Contact Center Solutions For Customer Service, Q1 2015](#)

[Transform The Contact Center For Customer Service Excellence](#)

[Vendors Battle For The Heart Of The Contact Center](#)



THE DIGITAL IMPERATIVE FOR ASSISTED CUSTOMER SERVICE

Customers have become increasingly impatient with poor service. They simply want an accurate, relevant, and complete answer to their question upon first contact so they can get back to what they were doing before the issue arose. Forrester data shows that 55% of US online adults are likely to abandon their online purchase if they cannot find a quick answer to their question. In addition, 77% say that valuing their time is the most important thing a company can do to provide them with good online customer service — up 6 percentage points from 2012.¹

AD&D professionals supporting customer service organizations must strive to support the delivery of effortless or pain-free service and streamline processes to deliver the right answer to a customer question. This is a win-win for customers and companies alike. Delivering service efficiently and in line with expectations satisfies customers. Companies are satisfied because costs are contained as this type of service minimizes handle times and customer re-contacts and maximizes first-contact resolutions.

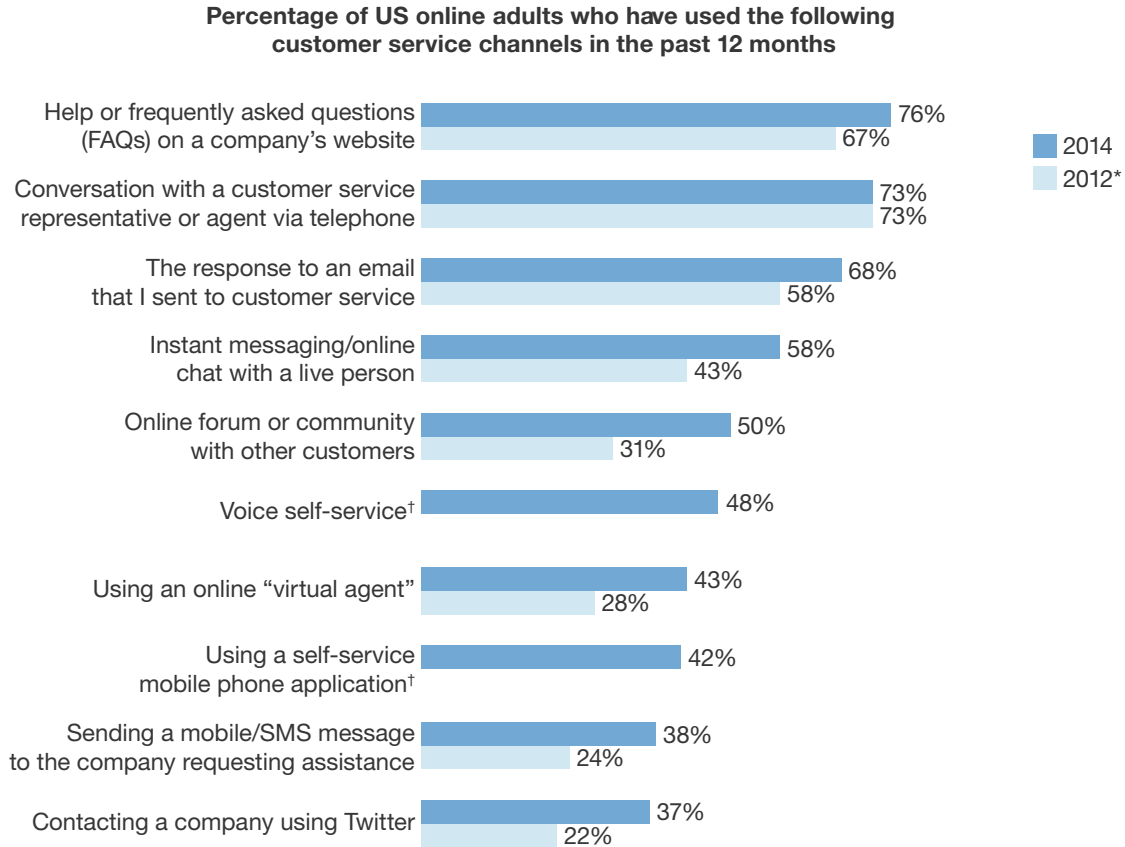
Customers Are Increasing The Diversity Of Channel Use By Going Digital

Customers increasingly leverage self-service and digital communication channels for customer service because these channels offer minimal interaction friction. Our data shows that:

- **Web self-service interactions overtook all other channels.** For the first time in the history of our survey, respondents reported using the FAQ pages on a company's website more than speaking with an agent over the phone (see Figure 1). Web self-service use by US online adults increased from 67% in 2012 to 76% in 2014. Among those who use it, this channel also has a 70% satisfaction rate, which is a large increase from the 59% satisfaction rate reported in 2012.²
- **Other self-service channels are on the rise.** We see a rise in adoption across all self-service communication channels by US online adults. Online forum/community usage has jumped from 31% in 2012 to 50% in 2014; virtual agent usage has jumped from 28% in 2012 to 43% in 2014; and this year, 48% and 42% of respondents report using voice self-service and mobile self-service. Satisfaction rates for these channels have also incrementally risen in the last two years, indicating that companies are doing a better job at delivering service over these channels.³
- **Voice will increasingly become an escalation — not a primary service — channel.** Phone use for customer service has remained stagnant at 73% from 2012 to 2014, and we predict it will dip as self-service channels evolve. Today, companies resolve straightforward customer service interactions via self-service channels, leaving complex issues like account closure, booking a complex multicity set of flights, or an explanation of smart metering billing policies to the phone channel. These questions often take longer to resolve and are opportunities to build positive customer relationships with an end-goal of increased customer loyalty.

- **Web chat will grow because it preserves web self-service context.** Online chat adoption among US online adults has significantly risen in the last five years — from 38% in 2009 to 43% in 2012 to 58% in 2014.⁴ Chat offers several benefits to the customer: Firms can quickly connect customers to an agent with the right skills to answer the question without having to navigate an arduous interactive voice response (IVR); questions can be succinctly resolved in near real-time; and agents can leverage customer behavior on the website to move the conversation forward instead of rediscovering information that has already been communicated to the customer.
- **Email remains a viable channel in the modern world.** Email remains the third most widely used communication channel among US online adults in 2014. In the past five years, email use has decreased by only 2 percentage points, from 70% in 2009 to 68% in 2014, and has experienced a 10% increase since 2012.⁵ Why? Self-service channels such as web and mobile provide rapid answers to straightforward questions, but cannot address all questions, such as those that require offline research, or business transactions such as complex return merchandise authorizations (RMAs).

Figure 1 For The First Time, Web Knocks Out Voice As The Top Consumer Channel Of Choice



Base: 4,509, *7,411 US online adults (18+)
 (multiple responses accepted)

†Denotes categories where data is only available for 2014

Source: Forrester's North American Consumer Technographics® Customer Life Cycle Survey 2, 2014;

*Source: Forrester's North American Technographics Customer Experience Online Survey, Q4 2012 (US)

122341

Source: Forrester Research, Inc. Unauthorized reproduction or distribution prohibited.

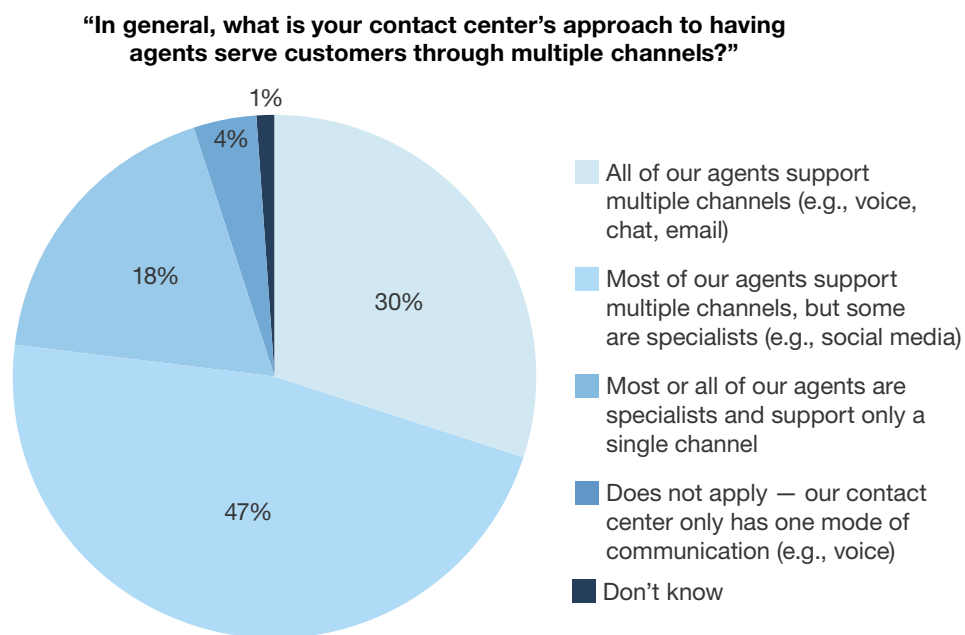
CONTACT CENTER OPERATIONS DON'T LINE UP WITH CONSUMER BEHAVIOR

Today, consumers contact customer service organizations at an increased rate, and over a greater number of channels, when compared with historical contact volumes. Use of every channel for customer service grew significantly between 2012 and 2014, with the exception of the phone channel. Fifty-two percent of contact center decision-makers project their contact centers to grow in size (as measured by number of agent seats) by 5% to 10% next year, and 13% project a growth of more than 10%.⁶ However, when we compare consumer engagement behavior with contact center operations, we see a mismatch. Specifically:

- **Contact centers don't deploy digital channels in proportion to their use.** While consumers increasingly use digital channels, the firms of two-thirds of contact center decision-makers deploy chat customer service channels, and more than half deploy social customer service channels, but those that deploy these channels do not necessarily adopt best practices.⁷ It's no wonder that among US online adults, a tenth of chat users and a quarter of Twitter users are dissatisfied with customer service over these channels.⁸
- **Nearly two-thirds of contact centers do not manage inquiries in a standard way.** Customers expect consistent service over the touchpoint or channel of their choice. They also expect to start an interaction on one channel and continue it on another without having to restart the conversation. However, only 36% of contact center decision-makers say that their firms have implemented multichannel integration to provide consistent experiences.⁹
- **Half of contact centers do not use knowledge management.** Customers expect complete answers to their questions, delivered consistently across communication channels. Most companies have basic FAQs on their site, and customers report a 70% satisfaction rating with these FAQs.¹⁰ However, only 44% of contact center decision-makers report that their firms have an agent-facing knowledge management solution.¹¹ This means that agents fielding complex questions that make self-service more difficult cannot easily access the content they need to reliably answer customer questions, putting the quality of service at risk.
- **Companies don't train contact center agents to manage omnichannel inquiries.** Contact centers must shift agent resources in real time between communication channels to optimally align with incoming contact volume. For example, if chat and phone volumes spike as a result of a promotion or a service alert, contact center managers must be able to shift email agents to these real-time channels. However, the firms of only 30% of contact center decision-makers train all of their agents to support multiple channels. Eighteen percent dedicate agents to a single channel, which makes personnel balancing across channels ineffective (see Figure 2).

- **Contact centers don't take care of the basics to deliver quality care.** Contact centers don't empower agents to deliver personalized service. They also don't effectively monitor the quality of care delivered or use these insights to recommend targeted coaching to address performance gaps. For example, the firms of only 39% of contact center decision-makers use computer telephony integration (CTI) to display a customer's information on an agent's screen; only 55% use quality monitoring tools to monitor the success of agent interactions; and only 54% use satisfaction surveys to measure results from a customer perspective.¹²

Figure 2 Contact Centers Are Not Staffed With Omnichannel Agents



Base: 634 global technology and business decision-makers who are significantly involved with contact centers (20+ employees, 50+ contact center seats)

Source: Forrester's Business Technographics® Global Networks And Telecommunications Survey, 2014

122341

Source: Forrester Research, Inc. Unauthorized reproduction or distribution prohibited.

SIX STEPS TO ACHIEVE AN OMNICHANNEL CONTACT CENTER TECH ROAD MAP

In order to better align contact center technology and operations to customer communication demand for customer service, AD&D pros supporting contact center operations should:

- **Leverage your data to align operations with customer expectations.** Customers increasingly leverage digital channels, with an emphasis on self-service as a first point-of-contact. Make sure that your web and mobile self-service content is in line with customer expectations by monitoring customer searches, search results, and the types of inquiries escalated to live agents. Pinpoint content gaps or suboptimal self-service content and rework content to make it more in line with customer demand.

- **Monitor customer self-service journeys and pass journey information to agents.** Monitor customer journeys on your website, IVR, and mobile app. Pass this information along to agents so they understand the research that the customer has done prior to a live contact and avoid having to restart the conversation. Invest in proactive digital engagement technologies like proactive chat when you detect friction in customer journeys to ensure that they are able to achieve their goals.¹³
- **Empower agents with contextual customer information.** Agents need customer context and history to personalize interactions. Use computer telephony integration to send customer information to the agent. Integrate with back-end systems to understand the customer's transactional history. Use process guidance technologies to handhold agents through predefined resolution paths and push the right knowledge and data to them at the right point in process.
- **Invest in a universal queue for omnichannel inquiries.** Today, firms queue and route inquiries by media type. For example, they manage phone inquiries in queues separate from chat, email, or social inquiries. They run reports on individual queues to understand and optimize the throughput and agent staffing of individual communication channels. But it's difficult to do this across communication channels. Invest in establishing a universal queue for all inquiry types. This will let you model and forecast optimal agent loading between channels and give you flexibility to adjust loading in real time.
- **Use a universal desktop to standardize agent experiences.** Each of the siloed agent solutions typically has a different user interface (UI) and user experience, which means that agents must shift context as they move between channels, decreasing their productivity. Invest in a universal desktop that integrates channels together at a UI layer. Or better yet, retire siloed technologies and replace them with modern omnichannel solutions that provide consistent business processes, user experiences, and reports across the range of communication channels that your contact center supports.
- **Standardize measures of success across channels.** Contact centers don't manage all digital communication channels for customer service. Work with business owners of other communication channels — such as eBusiness, eCommerce, or digital operations — to ensure that you deliver consistent customer service experiences. This means that you must standardize the metrics and measures of success for each channel, collect customer feedback consistently across channels, and act on the feedback.

WHAT IT MEANS

CROSS-ORGANIZATIONAL COMMITMENT IS CRITICAL TO GOING DIGITAL

Today, contact centers implement communication channels in silos, with agent teams primarily dedicated to a narrow set of channels. Separate organizations may own self-service channels like mobile applications and websites. This impedes companies from delivering consistent omnichannel experiences and puts customer satisfaction — and company revenue — at risk.¹⁴ Fragmented organizations contribute to this problem. Successful companies form cross-organizational teams that represent all customer touchpoints. They develop solid journey maps that help prioritize people, process, and technology investments to help their contact centers “go digital.”

Smart organizations go beyond just technology and governance to focus on personnel issues as well. They train agents on multiple channels, giving them the flexibility to move agents between channel types to better manage workloads. This also improves the quality of service delivered because many phone calls, for example, must be closed out with a digital follow-up. They don't fall into the trap of having agents simultaneously manage multiple channels because this hampers productivity. For new hires, they search for multiskilled agents who can function in an omnichannel, digital environment.

SUPPLEMENTAL MATERIAL

Survey Methodology

Forrester conducted the North American Consumer Technographics® Customer Life Cycle Survey 2, 2014, fielded in August 2014 of 4,546 US individuals ages 18 to 86. For results based on a randomly chosen sample of this size, there is 95% confidence that the results have a statistical precision of plus or minus 1.5% of what they would be if the entire population of US online adults (defined as those online weekly or more often) had been surveyed. Forrester weighted the data by age, gender, income, broadband adoption, and region to demographically represent the adult US online population. The survey sample size, when weighted, was 4,509. (Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in online panels.) Please note that respondents who participate in online surveys generally have more experience with the Internet and feel more comfortable transacting online.

Forrester conducted the North American Technographics Customer Experience Online Survey, Q4 2012 (US), fielded in November 2012 of 7,506 US individuals ages 18 to 88. For results based on a randomly chosen sample of this size (N = 7,506), there is 95% confidence that the results have a statistical precision of plus or minus 1.13% of what they would be if the entire population of US online individuals ages 18 and older had been surveyed. Forrester weighted the data by age, gender, income, broadband adoption, and region to demographically represent the adult US online population. The survey sample size, when weighted, was 7,440. (Note: Weighted sample

sizes can be different from the actual number of respondents to account for individuals generally underrepresented in online panels.) Please note that this was an online survey. Respondents who participate in online surveys have in general more experience with the Internet and feel more comfortable transacting online. The data is weighted to be representative for the total online population on the weighting targets mentioned, but this sample bias may produce results that differ from Forrester's offline benchmark survey. The sample was drawn from members of MarketTools' online panel, and respondents were motivated by receiving points that could be redeemed for a reward. The sample provided by MarketTools is not a random sample. While individuals have been randomly sampled from MarketTools' panel for this particular survey, they have previously chosen to take part in the MarketTools online panel.

For Technographics Clients: How To Get More Technographics Data Insights

Forrester's Consumer Technographics surveys include many additional questions and parameters by which you can analyze the data contained in this report. If you wish to subscribe to Forrester's Consumer Technographics services, please contact your account manager or data@forrester.com. If you are an existing Technographics client, please contact your data advisor at data@forrester.com.

Forrester's Business Technographics Global Networks And Telecommunications Survey, 2014

Forrester conducted a mixed methodology phone and online survey fielded in April 2014 of 3,140 business and technology decision-makers located in companies with two or more employees. Each calendar year, Forrester's Business Technographics fields business-to-business technology studies in 10 countries spanning North America, Latin America, Europe, and Asia Pacific. For quality control, we carefully screen respondents according to job title and function. Forrester's Business Technographics ensures that the final survey population contains only those with significant involvement in the planning, funding, and purchasing of business and technology products and services. Additionally, we set quotas for company size (number of employees) and industry as a means of controlling the data distribution and establishing alignment with IT spend calculated by Forrester analysts. Business Technographics uses only superior data sources and advanced data-cleaning techniques to ensure the highest data quality.

ENDNOTES

- ¹ Consumers of all generations demand effortless customer service. See the "[Demands For Effortless Service Must Influence Your Customer Strategy](#)" Forrester report.
- ² We define being satisfied as selecting 4 or 5 on a scale from 1 [extremely dissatisfied] to 5 [extremely satisfied]. Source: Forrester's North American Consumer Technographics® Customer Life Cycle Survey 2, 2014 and Forrester's North American Technographics Customer Experience Online Survey, Q4 2012 (US).

- ³ We define being satisfied as selecting 4 or 5 on a scale from 1 [extremely dissatisfied] to 5 [extremely satisfied]. Among respondents who used each channel, satisfaction rates increased from 59% (2012) to 62% (2014) for online forums/communities and from 55% (2012) to 62% (2014) for virtual agents. See the [“Channel Management Core To Your Customer Service Strategy”](#) Forrester report.
- Source: Forrester’s North American Consumer Technographics® Customer Life Cycle Survey 2, 2014 and Forrester’s North American Technographics Customer Experience Online Survey, Q4 2012 (US).
- ⁴ Source: Forrester’s North American Technographics® Customer Experience Online Survey, Q4 2009 (US); Forrester’s North American Technographics Customer Experience Online Survey, Q4 2012 (US); and Forrester’s North American Consumer Technographics Customer Life Cycle Survey 2, 2014.
- ⁵ Source: Forrester’s North American Technographics® Customer Experience Online Survey, Q4 2009 (US); Forrester’s North American Technographics Customer Experience Online Survey, Q4 2012 (US); and Forrester’s North American Consumer Technographics Customer Life Cycle Survey 2, 2014.
- ⁶ This applies to technology decision-makers at firms with 20+ employees and 50+ contact center seats. Source: Forrester’s Business Technographics® Global Networks And Telecommunications Survey, 2014.
- ⁷ Sixty-seven percent of technology decision-makers who are significantly involved with contact centers at firms with 20+ employees and 50+ contact center seats indicated that their firms have deployed chat/IM and 57% have deployed social media for customer service. Source: Forrester’s Business Technographics® Global Networks And Telecommunications Survey, 2014.
- ⁸ We define being dissatisfied as selecting 1 or 2 on a scale from 1 [extremely dissatisfied] to 5 [extremely satisfied]. Source: Forrester’s North American Consumer Technographics® Customer Life Cycle Survey 2, 2014.
- See the [“Channel Management: Core To Your Customer Service Strategy”](#) Forrester report.
- ⁹ This applies to technology decision-makers at firms with 20+ employees and 50+ contact center seats. Source: Forrester’s Business Technographics® Global Networks And Telecommunications Survey, 2014.
- ¹⁰ We define being satisfied as selecting 4 or 5 on a scale from 1 [extremely dissatisfied] to 5 [extremely satisfied]. Seventy percent of US online adults report being satisfied or very satisfied with FAQs on a company’s website in 2014, up from 59% in 2012. Source: Forrester’s North American Consumer Technographics® Customer Life Cycle Survey 2, 2014 and Forrester’s North American Technographics Customer Experience Online Survey, Q4 2012 (US).
- See the [“Channel Management: Core To Your Customer Service Strategy”](#) Forrester report.
- ¹¹ This applies to technology decision-makers at firms with 20+ employees and 50+ contact center seats. Source: Forrester’s Business Technographics® Global Networks And Telecommunications Survey, 2014.
- ¹² This applies to technology decision-makers at firms with 20+ employees and 50+ contact center seats. Source: Forrester’s Business Technographics® Global Networks And Telecommunications Survey, 2014.
- ¹³ Proactive engagement at the right time in a customer’s journey increases satisfaction, order sizes, and conversion rates. Proactive engagement can take the form of proactive chat, proactive content, or an offer or coupon. See the [“The Six Key Elements Of Proactive Chat”](#) Forrester report.

¹⁴ Good customer experiences correlate to customer loyalty, and loyal customers are more willing to consider another purchase from a company, are less likely to switch business to a competitor, and are more likely to recommend. Our models estimate that the revenue impact from a 10 percentage point improvement in a company's performance, as measured by Forrester's Customer Experience Index (CX Index) score, could exceed \$1 billion. See the "[The Business Impact Of Customer Experience, 2012](#)" Forrester report.

About Forrester

A global research and advisory firm, Forrester inspires leaders, informs better decisions, and helps the world's top companies turn the complexity of change into business advantage. Our research-based insight and objective advice enable IT professionals to lead more successfully within IT and extend their impact beyond the traditional IT organization. Tailored to your individual role, our resources allow you to focus on important business issues — margin, speed, growth — first, technology second.

FOR MORE INFORMATION

To find out how Forrester Research can help you be successful every day, please contact the office nearest you, or visit us at www.forrester.com. For a complete list of worldwide locations, visit www.forrester.com/about.

CLIENT SUPPORT

For information on hard-copy or electronic reprints, please contact Client Support at +1 866.367.7378, +1 617.613.5730, or clientsupport@forrester.com. We offer quantity discounts and special pricing for academic and nonprofit institutions.



Forrester Focuses On Application Development & Delivery Professionals

Responsible for leading the development and delivery of applications that support your company's business strategies, you also choose technology and architecture while managing people, skills, practices, and organization to maximize value. Forrester's subject-matter expertise and deep understanding of your role will help you create forward-thinking strategies; weigh opportunity against risk; justify decisions; and optimize your individual, team, and corporate performance.

« ANDREA DAVIES, client persona representing Application Development & Delivery Professionals