

Conversing with Your Customers

Turning call centers into profit centers through the power of real-time decisioning

WHITE PAPER:
COMMUNICATIONS

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ABSTRACT

THERE WAS A TIME NOT LONG AGO WHEN EXPERTS WERE PREDICTING THE DEMISE OF THE CALL CENTER. GIVEN THE OPTIONS FOR EMAIL AND ONLINE CHAT, TEXTING AND SOCIAL MEDIA, IT WAS THOUGHT THAT CONSUMERS WOULD EMBRACE THE OPPORTUNITY TO AVOID IVRS AND HOLD TIME. COMPANIES EXPECTED TO BENEFIT AS A RESULT: THEY VIEWED THEIR CALL CENTERS AS A COST OF DOING BUSINESS AND LOOKED FORWARD TO THE SAVINGS THAT RETIRING THIS LABOR-INTENSIVE SERVICE CHANNEL WOULD PROVIDE.

TODAY, HOWEVER, CONSUMERS STILL PICK UP THE PHONE WHEN THEY HAVE AN ISSUE, QUESTION, OR CONCERN: FINDINGS FROM CONVERGYS' 2011 U.S. CUSTOMER SCORECARD RESEARCH SHOW THAT THE MAJORITY OF U.S. CONSUMERS STILL RANK INTERACTING WITH COMPANIES VIA AGENTS OVER THE PHONE AMONG THEIR TOP TWO PREFERRED CHANNEL OPTIONS FOR CUSTOMER SERVICE.¹

FAR FROM BECOMING PASSÉ, CALL CENTERS ARE NOW TAKING ON A NEW ROLE. THEY ARE BECOMING PROFIT CENTERS TO BOLSTER RETENTION, INCREASE CROSS-SELL AND UP-SELL, IMPROVE CUSTOMER SATISFACTION AND STRENGTHEN CUSTOMER LOYALTY. THE BEST OF THIS NEW GENERATION OF CALL CENTERS ARE INFORMED BY DATA, BUILT ON ANALYSIS, AND PROVIDE REAL-TIME INSIGHTS THAT TRANSFORM CALLS INTO DIALOGUES CENTERED ON CUSTOMER UNDERSTANDING AND FOCUS. THEY GENERATE SCRIPTING IN REAL TIME THAT IS SPECIFIC TO THE NEEDS OF EACH CUSTOMER AND HONES IN ON THE BEST NEXT ACTION.

THIS IS A PARTICULARLY IMPORTANT OPPORTUNITY FOR TELECOMMUNICATIONS COMPANIES AS THEY LOOK TO DIFFERENTIATE THEMSELVES AND IMPROVE CUSTOMER LOYALTY IN AN INCREASINGLY COMPETITIVE MARKETPLACE.

THIS WHITE PAPER PROVIDES A QUICK OVERVIEW OF MARKET FACTORS THAT ARE INCREASING COMPETITIVE PRESSURES AND DRIVING SERVICE NEEDS. IT HIGHLIGHTS THE DISTINCT BENEFITS THAT ADVANCED REAL-TIME DECISIONING HAS OVER OTHER ANALYTICALLY DRIVEN CUSTOMER-INTERACTION MODELS; AND, IT OFFERS A REAL-WORLD EXAMPLE—AND REAL-WORLD RESULTS—OF ADVANCED REAL-TIME DECISIONING IN ACTION.

¹ Convergys: Call-Center Agents Still Critical to Customer Care; Billing World - Dec 14, 2011

FOR IMPROVED SERVICE, CUSTOMERS EXPECT FASTER RESPONSE, INFORMATION SHARING ACROSS TOUCHPOINTS, AND MORE RELEVANT MESSAGING.

Walking the walk: the need for customer-centricity

Consumers today know about the data companies collect on them. They understand how technology can be used to transfer, share, and interconnect information. They expect businesses to have a clear record of their interactions across channels and across lines of business. They don't like to repeat themselves; and, now more than ever, they don't believe that they should have to.

Spotlight on service for the telecom industry

As of June 2011, reported wireless penetration of 102.4% actually exceeded the total U.S. and territorial population. Improved wireless service has prompted tens of millions of consumers to cancel their landlines altogether, eating into traditional revenue streams at AT&T and Verizon, among others. Meanwhile, wireless access to the Internet threatens traditional DSL broadband suppliers.

As more consumers recognize the promise, and good value, of phone service using VOIP, millions of households and businesses worldwide have signed up for VOIP service as an alternative to landlines, often through their cable providers as part of a bundled service. Several major companies, such as Comcast, have embraced the VOIP opportunity, along with startups like Skype (acquired by Microsoft in 2011) and Vonage. New entrants who are willing to provide no-contract plans are also placing increasing pressures on the industry.

At the same time, consumers now expect more from the companies with which they do business—and particularly companies in the communications industry that are in the business of providing improved connectivity. Faster response, information sharing across customer touchpoints, and better, more relevant messaging are all amongst customer expectations for improved service. Customers fully believe that they deserve to be known, understood and well-served. And, when they are not, they often do change providers, causing disruptive churn in customer bases.

Consumers also understand the age-old “get them off the phone” dynamic that measures call-center productivity in terms of call length. They recognize the probability that their calls will be outsourced overseas. They expect—and loathe—long wait times. In short, they are on the alert for bad service before they begin; but they initiate phone interactions because they need something: an issue addressed, a point clarified, a question answered.

Couching messaging in the politest possible terms no longer helps to assuage customer frustration. Experience has created a rift between what businesses say and how consumers interpret it:

Consumers require better actions, not just polite messaging. To be truly customer-centric requires:

- An understanding of customer account needs, preferences, usage
- A recollection of consumers' interactions with the company even as they move across and interact through different channels

WHAT WE ARE SAYING

- We are experiencing unusually high call volume...
- Your call is very important to us and will be answered in the order it is received...
- Did you know that you can now do almost everything online...
- To help get you to the right agent, please enter your phone/account number...

WHAT CUSTOMERS ACTUALLY HEAR

- We don't have enough staff...
- You're at the end of a very long queue...
- And, are you still bothering us on this very expensive channel?
- Please enter your number so that we can ask you again later...

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- Customer discussions that are relevant and fresh, not repetitious
- An appreciation of each customer's business
- Delivery on promises made, particularly the promise of customer-centric service

This is easier said than done. The reality is that most telecommunications companies are structured around products and channels—not customers. What's more, their customer data resides in a variety of places, in a variety of formats, and they don't have the wherewithal to share it effectively, streamline, de-dupe and otherwise use it efficiently across their organizations.

Organizational shifts to support better call-center experiences—and performance

Transformation to true customer-centricity is necessary for call centers to perform effectively as profit centers; and this transformation requires:

Call Center Data Integration. The call center has to be treated in every way as an integral sales/marketing touchpoint; and, this requires that the data it gathers be shared to better inform interactions that take place at other times through other touchpoints. The call center can hold a more effective customer conversation if it knows the customer recently shopped for a new plan, ran over his/her limits, received a recent promotion, or called recently with a question or issue.

Cross Channel Integration. True customer-centricity requires a multi-directional exchange. Each touchpoint must inform and be informed by the others to create and be able to articulate a true 360° view of the customer. Cross-channel integration is necessary to ensure that the call center has insight into other customer interactions across the organization.

Using Data for Prediction. The data that is gathered and shared must also be applied—and the better it is applied, the more effective it is in determining the best next action each time a customer contacts the call center. Best-next-action recommendations reflect prior behaviors, stated preferences, market conditions, and more. They can range from a dedicated cross- or upsell, to an account change to better reflect the customer's need and situation, to the active choice not to take action beyond addressing the customer's immediate concern. For example: not all accounts that are up for contract renewal are particularly profitable, and not all customers are positively receptive to renewal efforts. Predictive analytics can help to home in on the customers who will value a contact—and provide additional value to the company as a result.

Helping Frontline Employees Apply Key Brand Values on the Call. Carefully scripted calls based on customer specifics and informed by information from across all channels will further help to reflect positively on key brand attributes and values—and to relay positive changes to coverage, customer service, billing, bundled offers, network speeds and more.

Data essentials

The quality of inputs directly reflects the quality of outputs—and therefore excellent data quality is required to ensure excellent analytical insights. Accuracy, consistency, completeness and alleviation of redundancies are all essential to data quality and quality analytical results.

COMBINING CUSTOMER DATA AND CALL CONTEXT IMPROVES UPSELL, ENABLING REPS TO PROVIDE THE RIGHT MESSAGE AT THE RIGHT TIME.

The ultimate objective: real-time decisioning

The most effective scripting with the highest potential to enable revenue generation through call-center interactions is built on real-time decisioning. This type of marketing automation can enable call centers to capitalize on customer needs at a particular point in time. By combining existing customer data and customer input on the reason for their call, this can improve upsell/cross sell, enabling call-center reps to provide the right message at the right time according to the customer's situation and needs.

For example: if a customer calls to question a bill, a quick review of the customer's usage patterns may uncover new ways to save, or new services that the customer may want to consider. A customer who is concerned about network coverage for receiving emails via a smart phone may also benefit from on-the-go coverage for his or her laptop. And, a customer questioning the value of his/her current TV package may be enticed by a limited-time offer to try new channels, or a triple-play package that gives them more for their money.

The power of real-time

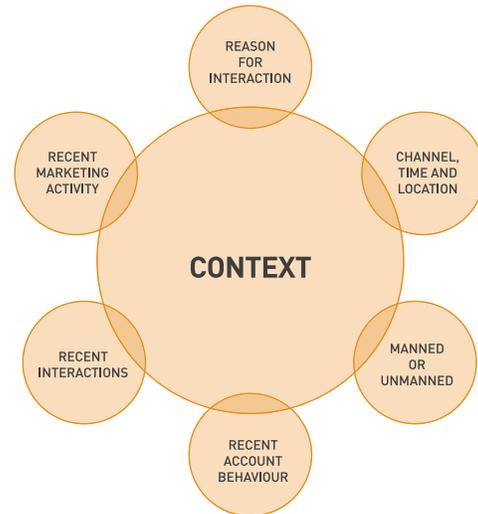
Companies with Advanced Real-time Decisioning (RTD) consistently report greater confidence in their ability to serve their call-center customers over both those with interaction-based decisioning and those with no prompts at all.

Performance rated high:	Advanced RTD Engine	Interaction-Based Only	No Prompts At All
"Gathering data on new customers to plan the relationship"	58%	56%	38%
"Using customer INSIGHT to make relevant offers on all inbound contacts"	47%	33%	32%
"Re-establishing profitable relationships with former customers"	61%	42%	25%
"Good at identifying customers who can be persuaded to consider a new offer"	75%	60%	35%
"Able to make use of customer insight to retain customers we might otherwise lose"	83%	60%	55%

Source: Loudhouse Research Study, 2010.

Informing the single view of the customer

The reason that real-time decisioning makes such a tremendous difference in call-center performance is that it provides specific context that reflects how a whole range of factors impact the best next step for both the business and the customer.



Advanced real-time decisioning considers context from the perspective of what the customer has done recently (account behaviors and interactions such as usage, payment patterns, and service contacts); contacts he/she has received (recent marketing activity, promotions, billing communications and more); how, when and where the contact was initiated; as well as the reason for the interaction in the first place. This more timely and holistic view can present the most current, relevant, and appropriate offers—and demonstrate a true understanding of the customer.

Rather than using a series of pre-prioritized prompts, advanced real-time decisioning generates best-next-action prompts specific to the customer and interaction themselves. In this way, it creates a sense of dialogue rather than simply a sale.

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The power of best next action

The difference between applying analytics to develop a standard set of call prompts—and using them to develop best next actions—is significant. The best way to understand this difference is to walk through an example.

Most telecommunications companies today apply analytics in creating a set of pre-prioritized prompts. Looking carefully at data across their customer databases, they arrive at a list of offers that they believe represent, overall, the best potential cross/upsells. For example, they may determine that a series of three offers, in a set order, have the highest potential for generating additional revenue; and, these offers might be 1) selling friends and family, 2) selling a data plan and 3) selling hands free.

The analysis behind this list may be well-reasoned, but it is limited because the inputs are limited. It doesn't adjust in real time; and, if it aligns with the reason for the customer's call it's purely coincidental—the reason for the call isn't automatically factored in.

So, if a customer happens to call about adding an additional phone, there is a natural fit. If, however, the reason for their call is concern that they may be exceeding their voice and/or text limits, none of these pre-prioritized pitches align with the reason for the call. Instead, the reps have to change the subject to make their pitch.

The best next action, on the other hand, creates an “at the moment” recommendation that reflects the nature of the contact as well as other inputs. The customer, therefore, who calls about exceeding their minutes, could receive an offer for an unlimited text plan or an account review—and the conversation could acknowledge and address an earlier email sent to the customer.

This shift turns the interaction conversational; it keeps it focused on the customer's immediate interest; and, when and if it uncovers additional customer inputs—for example, if the customer's concern about minutes is driven by

increased texting by a son or daughter—it can generate a second suggestion, such as a student super saver program, that fits within the ongoing conversation.

The benefits of advanced real-time decisioning

Because the offers are more closely aligned with the customers' needs, the benefits of this best next action approach are two-fold:

- The likelihood of a sale is higher.
- The interaction is more likely to be viewed positively (sale or not) by the customer, strengthening satisfaction and loyalty, and reducing the likelihood of attrition.

Real-world benefits of real-time decisioning

How big a benefit can real-time decisioning provide? Applied across four calls centers and used by more 700+ agents, IVR and the company website, advanced real-time decision quickly optimized customer contacts and increased customer lifetime values:

Revenues	+35%
Client Satisfaction	+55%
Agent Productivity	+14%
Customer Retention	+26%

And it was easy to implement. The program was up and running within 16 weeks.

These results are typical of the benefit that can be gained by using real-time insights to inform better customer conversations.

TO GAIN GREATER INSIGHT INTO HOW REAL-TIME DECISIONING IS ENABLING TELECOMMUNICATIONS TO INCREASE REVENUES AND STRENGTHEN CUSTOMER RELATIONS, CONTACT PITNEY BOWES SOFTWARE AT 1-800-327-8627 OR VISIT WWW.PB.COM/SOFTWARE.



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