

# Pipeline

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## **Will Quad Play Be a Home Run Or A Strikeout for CSPs? The Answer May Lie in Your Customer Service**

by Jeff Gordon, Convergys

The appeal of triple-play or quad-play to communications service providers (CSPs) is clear: Providing more services translates into bigger market share, more revenue, and higher customer lifetime value. But fail to provide adequate customer support for these services, and you may lose out on these benefits. Millions of dollars invested in networks, infrastructure, and marketing may ultimately be wasted if your customers cancel or fail to use services due to frustration or lack of understanding. This is just one reason customer service is increasingly becoming a strategic differentiator for CSPs.

Service bundling may ultimately benefit the customer and the CSP, but it poses an unprecedented challenge to customer service. This challenge comes at a troubling time for the customer care industry; statistics show that customer satisfaction levels across all industries have flattened or declined over the past few years, even as spending on customer care continues to surge (see chart).

Merely adding staff, or striving to improve existing metrics, just won't cut it anymore. We need a new paradigm for customer care. In this new paradigm, customers will see the CSP as an active partner in solving problems and making life easier. To fulfill this goal, companies will utilize new channels and new technologies (such as IP) to understand and interact with customers in ways never before possible.

### **The Missing Link in Convergence**

CSPs are aiming at convergence, but the customer care paradigm must converge as well. At the moment, we're a long way away from that goal.

Multi-company partnerships are needed to build and maintain the devices, applications, and networks that make converged devices function optimally. With so many players, a customer may not always know whom to call when there's a problem. And when a customer does call, she is too often bounced like a pinball

from agent to agent, or from company to company. At each stop she must wait in hold queues and retell her story. Then she must wait some more as agents scroll through pages of data in search of information. For customers increasingly accustomed to solutions “on demand,” it can be a maddening experience.

James Canton, the futurist who addressed our 2007 Convergys Executive Forum in January, predicts that “the increasing complexity and sophistication of products and services will increasingly tax the competencies of customer care professionals, and will continue to frustrate consumers if they’re not getting their needs met.”

Changing the paradigm of customer care requires “converging” on the customer’s needs: That is, reorienting processes and attitudes towards a customer-centered view. At Convergys, we believe the customer care center of the future will have four key elements: *proactive care, automation effectiveness, agent efficiency* and *customer value optimization*. Let’s explore what each of these will mean in practice.



### **Proactive Care**

It is said that we live in the information age, yet contact centers often seem information-starved. Businesses gather terabytes of data on their customers’ context, transaction history, and inclinations. Their staffs are experts on the benefits and flaws of their own products and services. Yet this knowledge is seldom used to improve the customer experience in real time.

Instead, businesses wait until a problem prompts a frustrated customer to reach out for help. If the customer doesn’t feel his personal needs are being met via automation, he or she will demand attention from a live agent. Even if the problem is resolved, the customer’s time has been wasted, and the company has fielded an expensive call.

In the future, customer care operations will leverage the information at their disposal to proactively reduce both costs and consumer aggravation. Businesses have more ways than ever to communicate with customers. So why not *use* them?

Imagine, for example, that a longtime customer of yours is being charged her first late payment fee. You know from experience that such customers are likely to call in, pay up, and request a waiver for the late fee from a live agent. So why wait for the call? In the future, this customer will receive an email, text message or automated call—before she receives the bill—notifying her that if she pays promptly through the company website, no late fee will be charged. This scenario saves the customer from frustration and the company from an expensive call.

In the future, contact centers will *anticipate* customers' needs and problems, improving satisfaction while reducing costs. Which customers need to be notified of a service outage, a product update, or a troubleshooting tip? A proactive contact center will know the answer and will take action. And with the increasing prevalence of IP-addressable appliances, it will become easier to locate your customers and address their needs in real time.

### **Automation Effectiveness**

The goal of automation is to handle mundane tasks so that live agents are freed up for higher-value tasks like selling, while maintaining or even increasing customer satisfaction. This is another realm where making full use of the customer information lodged in your data warehouses is useful.

In the future, automated menus will be highly personalized. Say you're the customer of a bank. After verifying your identity, the voice response unit will greet you by name: "Hello, Mr. Smith, are you calling about your CD, which is set to expire in three days, or about your bank account, which has a low balance that might soon incur a fee?"

In the background, an automated program will be monitoring the quality of this dialogue. If there is a hitch—say, the computer fails to understand a customer, or the customer's voice rises in frustration—the program alerts an agent. The agent can speak to the customer directly or quickly solve the problem from behind the scenes.



## Agent Efficiency

In the past, companies gathered data chiefly to serve their internal purposes. Information systems were built in functional silos to serve one part of the business. As a result, most customer service representatives sit before desktops loaded with a large number of applications—and waste a lot of time fishing through them to find useful nuggets of information.

In the future, information will be organized and presented in ways that are optimized for customers and the front-line employees who serve them. Agents will have access to a comprehensive view of customer interactions over time and across multiple channels. This holistic view will allow agents to anticipate and resolve issues that might otherwise have led to future calls for help, or to better spot opportunities for up-sell, cross-sell, or retention efforts.

What's more, the "pinball game" will soon be over, as customers are provided with a single point of contact. By leveraging the next generation of VoIP follow-on standards such as SIP and session containers, a customer contact will be initiated one time and, as collaboration occurs among generalists and specialists, they will each "join" in the customer's contact session, where they see the customer's information and actions taken by other staff members during the session. Agents will also "blend" multiple channels in a single session. For example, an agent could "meet" a customer on the phone, then take over the customer's PC and guide the customer to a solution through co-browsing.

This concept can be extended to the full customer service value chain. If your company has partnered to deliver a service, you will want your partner's agents to appear to be yours. With collaborative care, your agent will be able to tell the customer, "Let's consult with the expert on that," rather than, "Here's an 800 number to call."

## Optimizing Lifetime Customer Value

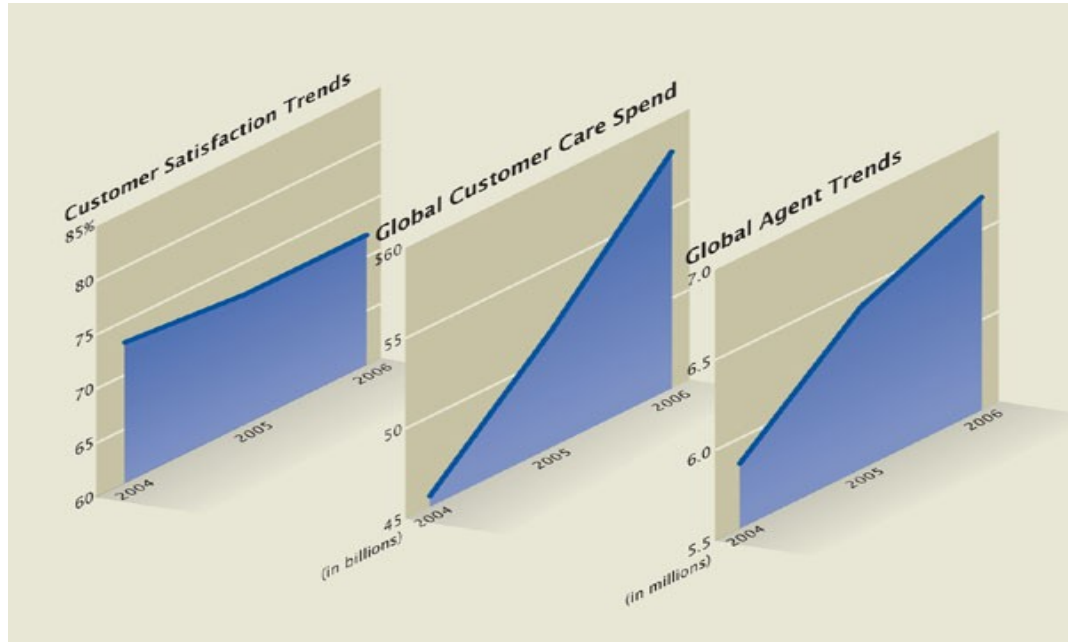
CSPs will fail to maximize the returns from these improvements to customer care unless they can tailor their sell, service, and save efforts to account for each customer's assessed anticipated lifetime value (as well as to customer, product and support life cycles). This is the best way to ensure that up-sells, cross-sells, and the like occur in a timely and relevant fashion.

Optimizing lifetime customer value requires a *systematic* approach. That is, it's not enough merely to assess a customer's value or even to have business policies in place that dictate appropriate service levels. You also need an infrastructure that will allow you to make sure that those policies will be adhered to consistently, not only through automation but also through the agent's applications.

In conclusion, let's remind ourselves of why customer service is important. Early adopters or casual users of free services may be willing to tolerate poor service. But for CSPs aiming at the mass market, profitability will depend on building long-term relationships with paying customers. And even if adding services gives you an edge

in the short run, in the long run, many services will become commoditized. For all these reasons, customer care will make a big difference in helping you stay ahead of the competition.

### Spending Rises, Satisfaction Does Not



Even as spending and hiring on customer care continues to increase, customer satisfaction has remained stagnant. This "stagflation" points to the need for a new paradigm of customer care. (Sources: customer satisfaction, ACSI; customer care spend on outsourcing and consulting services, IDC; total agent positions in key vertical markets, Datamonitor.)

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