CDW® PEOPLE WHO GET IT®

THE EVOLUTION OF THE CUSTOMER ENGAGEMENT CENTER

To meet consumers' changing demands, organizations must provide better service by integrating channels and data.

EXECUTIVE SUMMARY

Today's customers have more options than ever before, and these options bring new expectations. Most consumers expect organizations not only to promptly solve their problems, but also to do it in a manner — and at a time — of the customer's choosing.

This means that organizations must be prepared to meet customers where they are, across a number of integrated channels. Whether customers reach out via phone, email, social media, chat or some other channel, organizations need to respond quickly and effectively, and be able to seamlessly transition cases from one channel to another. And, while customers want access to self-service and digital tools, they also want the option to instantly connect with a live representative who can give them personalized service.

Technology can help. By putting in place appropriate solutions, such as data analytics and customer satisfaction monitoring tools, businesses can position themselves as leaders in customer engagement. But organizations often face challenges when integrating new tools. Many organizations rely on a trusted partner to help integrate solutions and ensure the success of their revamped customer engagement centers.

Engaging the Modern Customer

It is difficult to overstate the importance of customer service.

In its best moments, the customer engagement center provides organizations with an opportunity to wow their customers with excellent service, to win their loyalty for years to come and to solve problems in a way that both makes the customer happy and makes efficient use of corporate resources. Ninety-eight percent of consumers in the U.S. say that customer service is important to their choice of and loyalty to a brand. Seventy-eight percent say they have a more favorable view of brands that ask for and accept customer feedback, and 57 percent have a more favorable view of those that reach out with proactive customer service notifications.

At the same time, organizations that fail to satisfy their customers can face a serious backlash. The most drastic examples — when a representative directly insults a customer, for instance — often make headlines, creating public relations nightmares that can go on for weeks. But more mundane instances of subpar service can be even more insidious, quietly eroding a brand's reputation over time and causing once-loyal customers to flee to competitors. According to "The Definitive Guide to the Modern Contact Center" from Calabrio, a customer

From Call Centers to Customer Engagement Centers

What's in a name? It depends on who you ask.

Some people still refer to customer service hubs as "call centers" or "contact centers." But a compelling argument can be made that the term "customer engagement center" better describes what these business units have — or, at least, what many companies want them to be.

Here's how the call center evolved into the customer engagement center:

- In the 1960s, companies used private automatic branch exchange (PABX) technology to handle large numbers of customer contacts. In 1973, the automatic call distributor was developed to allow Continental Airlines to run a telephone booking system.

- According to the Oxford English Dictionary, the term "call center" was first used in 1983.

- Over time, as customer service operations began to incorporate other channels besides voice (including email and instant messaging), the term "contact center" emerged.

- With the rise of social media, brands began to recognize that customer interactions needed to be consistent across multiple platforms, giving rise to the "customer engagement center." The new model reflects a changing approach to customer service, which today sometimes means proactively reaching out to dissatisfied customers via Twitter or other channels, rather than waiting for them to call in. And the new moniker better emphasizes the end goal of the business unit: to engage customers positively with the brand.

is four times more likely to defect from a brand due to a service-related problem than because of price- or product-related concerns, and a single dissatisfied customer can easily influence more than 1,000 others on social media. According to the report, 9 in 10 consumers have switched brand loyalty at least once in the past year, and acquiring a new customer is up to 25 times more expensive than retaining an existing one.

With so much evidence pointing to the customer engagement center as a potential driver of value for organizations, making investments in this area seems imperative. Why, then, do so many organizations consistently struggle to satisfy customers who come to them with problems?

The answer may lie in expectations, which can make customer service something of a moving target. For example, a company that delivers excellent service will likely elevate the expectations of its customers. In any situation where the company doesn't live up to that standard (or perhaps even changes its customer service policies), it may face a harsh backlash.

Even for organizations that haven't changed their own customer service policies, shifting customer expectations can be the source of significant challenges. As consumers have grown accustomed to using technology in their own lives, they expect the organizations they interact with to be able to seamlessly engage them via multiple channels. Research shows that 57 percent of consumers say they have higher expectations for customer service than they did just one year ago. Nearly half of consumers (49 percent) typically begin their customer service interactions online, and 71 percent say they have used at least three different customer service channels, such as phone, email, live chat and text messaging.

Seamless Integration

Of course, it doesn't do an organization much good to simply offer multiple customer service channels, unless those channels are both individually useful and also integrated in a way that creates a seamless customer experience. In a true omnichannel environment, consumers will be able to easily navigate their way from channel to channel, confident that the details of their case won't be lost in the shuffle. When various channels aren't integrated, customers often have to restart their engagement with an organization multiple times — repeating information, wasting time and ultimately becoming frustrated. Essentially, this sort of multichannel (as opposed to true omnichannel) environment merely creates multiple opportunities for organizations to disappoint their customers.

Organizations should not discount the importance of live agents in omnichannel customer service engagement. While a large portion of customers may solve their problems via chatbots or other online tools, many continue to see the human customer service representative as central to solving their problems, and become angry when this fundamental element is missing or ineffective. According to a 2018 study by Calabrio, 74 percent of customers are more loyal if they can speak to someone who represents a company, and more than half (56 percent) don't trust that their issue will be addressed if there's no option to speak to a representative. Furthermore, 43 percent of consumers say they would consider switching to a competitor

if a company doesn't provide the option to speak to a live person, and 46 percent would feel that the company doesn't really want their business. Perhaps most striking: More than 4 in 5 customers (82 percent) say they're most satisfied with human service.

Other increasingly important aspects of the customer engagement center include 24/7 service, first-call resolution, social media integration and self-service options. The desire of consumers to resolve issues around the clock — and on their first try — point to the value that they place on their time and how much they resent having to use productive work hours or family time on customer service calls. Meanwhile, consumers' demand for social media integration and online self-service reflect the extent to which customers (especially younger people) live their lives today online.

Here again, it's not enough to merely offer online options. Organizations must take measures to ensure that these channels are meeting consumers' needs, and too often, they

90%

The percentage of customer engagement center leaders who say they struggle to recognize customers across multiple devices[1]

are falling short. Eighteen percent of U.S. consumers say that the inability to resolve their issue or find information online is the single most frustrating aspect of a poor customer service experience, and only 39 percent believe that brands are currently using social media as an effective channel for customer service. Very quickly, these sorts of tools are becoming essential. According to a report from Calabrio, customers will manage 85 percent of all interactions through self-service by 2020.

Technologies to Achieve Excellent Customer Engagement

Today's customer engagement centers require a mix of sophisticated technologies, deployed and integrated in a way that streamlines employees' jobs and provides a seamless omnichannel experience for customers. In building out their customer engagement centers, businesses should consider incorporating the following technologies, features and processes:

Data integration: To provide customers with a true omnichannel experience, organizations must integrate data among all of their channels, bringing the information they gather from disconnected systems into a central location. Failing to do this is almost worse than not having multiple channels at all, as customers will quickly become frustrated if they find that they have to restate their entire case every time they engage with a brand in a new way.

Data integration can be achieved through customer data platforms or similar solutions that enable organizations to integrate both structured and unstructured data, creating a single view of the customer. Having this information in one place can have benefits that go beyond the customer engagement center. For instance, integrated customer data may help companies to develop personalized marketing campaigns.

Cloud solutions: A number of IT resources have shifted to public cloud providers within many organizations, and the customer engagement center is no exception. According to some estimates, nearly half of customer engagement centers relied primarily on cloud-based technologies by the beginning of 2018. The cloud can make customer engagement center deployments more scalable and flexible, and may also result in cost savings. However, regulatory requirements often make it impossible for organizations to place their customer engagement centers completely in the public cloud, and cloud platforms may lack some of the features of on-premises solutions.

Customer satisfaction monitoring: Often, in evaluating their customer engagement centers, organizations pay close attention to statistics such as average call time, time to answer and first-call resolution. Some of these directly or indirectly lead to happy or unhappy customers, but customer satisfaction itself is the most important outcome of a customer engagement center, and companies should track the metric closely. In the

Compliance in the Customer Engagement Center

Practically every industry has to grapple with data privacy regulations — such as HIPAA, the Payment Card Industry Data Security Standard, the EU's General Data Protection Regulation and the Sarbanes-Oxley Act — and these requirements extend to the customer engagement center, where agents routinely handle protected information and calls are often recorded for quality assurance and training purposes.

These features can help organizations improve security and ensure compliance in the customer engagement center:

Start-and-stop recording: In some customer engagement centers, agents manually pause call recordings when customers read off sensitive information such as credit card numbers. While this can reduce the amount of regulated data that is stored, the process is prone to error. Automated pauses in recording and interactive voice response systems, where customers enter information with their telephone keypads, are also options.

Data encryption, storage and deletion: Sensitive data should be encrypted in transit and at rest, and should be destroyed when an account is deactivated.

Authentication: Only users with maximum security clearance, or those in specific roles defined by the organization, should have visibility into customer data and recordings.

Intrusion prevention systems: An IPS can protect sensitive data by monitoring networks for security threats and policy violations and reporting suspicious activity.

Source: [1]Calabrio, "Separating Reality from Hype: 9 Ways CMOs and CXOs Can Use Contact Center Analytics Today," June 2018

past, customer satisfaction was often measured with mail surveys or phone interviews that occurred several days after an interaction. Today, customers are more commonly polled immediately after customer service calls, often with interactive voice response surveys.

Speech analytics: To improve experiences with the customer engagement center (or to even pre-emptively fix the issues that prompt customers to call a company in the first place), organizations need data. Speech analytics tools turn the unstructured data of a voice conversation into actionable insights, providing new information about why customers are calling, whether agents are complying with policies and procedures and even about potentially fraudulent claims. Speech analytics can also help improve employee training, as these tools enable organizations to monitor up to 100 percent of calls, speeding up evaluation and allowing for timely coaching.

Call recording: According to an old business maxim, you can't manage what you can't measure. In the customer engagement center, you can't measure what you don't record. Good call recording tools provide companies with more data and help to ensure regulatory compliance.

Workforce management: Workforce management tools help customer engagement center managers to create more accurate forecasts and schedules, as well as to reduce overstaffing and overtime. This is critical, as managers need to keep costs down

$41 billion

The amount that U.S. companies lose annually due to poor customer service[2]

without trimming staffing levels to the point that customers are kept waiting. These solutions can even increase employee engagement and satisfaction, with features such as dynamic scheduling and gamification. And by providing agents with visibility into key metrics, workforce management solutions help agents see the value they deliver and deepen their connection to their work.

Mobility: A mobile app provides a new way for brands to interact with their customers, and it's a channel that many people (especially younger consumers) prefer. While a good mobile app should include at least one way for customers to seek resolution of issues, most customers' engagement with the tool will be centered on positive experiences. For example, a number of retailers have largely shifted their customer loyalty programs to their mobile apps (away from physical loyalty cards), and some even offer customers in-app electronic games to play. While not everyone will want to engage with companies in this way, a well-designed mobile app can give some customers a familiar, friendly tool to help solve problems.

Security tools: Regulatory compliance and the protection of customer data must be top priorities for any customer engagement center, as a breach could not only open up an organization to fines and penalties, but also cost the company the trust of its customers. Among other tools, data encryption and access management solutions are vital safeguards. Some solutions also feature intrusion prevention system (IPS)

Follow the Money

Want to know what businesses consider to be the most important components of their customer engagement centers? Take a look at where they're investing their resources right now.

Call center operators identified these omnichannel categories as investment priorities this year:[3]

62%	**54%**	**48%**	**45%**	**37%**
Phone/voice/ live agent	Email engagement	Live chat	Social media engagement	Mobile engagement (live agent/SMS)
36%	**28%**	**28%**	**18%**	**17%**
Virtual queue/ callback	Omnichannel CRM	Unified communication	Voice recognition	Omnichannel desktops
17%	**14%**	**13%**	**8%**	**7%**
IoT devices	Video/multimedia engagement	Voice translation services	Text translation services	Web RTC

Sources: [2]Calabrio, "The Definitive Guide to the Modern Contact Center," June 2017; [3]CCW Digital, "Contact Center Priorities for 2018," December 2017

technology that can monitor the network for malicious activities, log suspicious events, attempt to block them and report them.

Quality management and reporting tools: Advanced tools can help companies to create a central command center, putting all evaluation capabilities in one place and eliminating the need for manual reporting.

Opportunities and Challenges

Historically, many organizations have considered their customer engagement centers to be cost centers. But there's a growing recognition that the new data and omnichannel customer engagement made possible by modern solutions have opened up new opportunities for companies to generate new business value — including improvements in customer loyalty and even increases in sales. To optimize the potential value of their customer engagement centers, organizations must take advantage of new opportunities in the space, watch out for common pitfalls and solve challenges that stand in the way of success.

Here are some opportunities and challenges facing organizations today:

Efficiencies Through AI

Artificial intelligence tools have the potential to reduce costs and improve customer service. Obviously, AI chatbots that are able to resolve customers' questions and disputes can greatly reduce the cost of staffing a customer engagement center. But also, analytics from Internet of Things (IoT) deployments can provide new insights into how customers behave, helping to create real-time "digital trails" of each customer as they interact with brands, both in the physical and digital worlds.

While AI holds great promise, the technology has a long way to go to reach its full potential. Even some of the world's largest technology companies have struggled to get AI chatbots to behave in a way that approximates the understanding and communication capabilities of human agents. At the moment, humans simply haven't been able to build rules to handle all conceivable queries and scenarios. However, a number of observers predict that chatbots will achieve "independence" as AI technologies evolve, freeing human customer service representatives to focus on solving more complex problems.

Enhancing Employee Value

Customer contact centers are notorious for employee turnover, with the average center turning over a full third of its workforce each year, according to "The Definitive Guide to the Modern Contact Center" from Calabrio. And a "stick to the script" mentality can make customer engagement center employees feel like mere cogs in a machine. However, a good customer engagement center platform can give agents the data they need to better serve customers, and also give managers the necessary information and tools to provide better feedback

84%
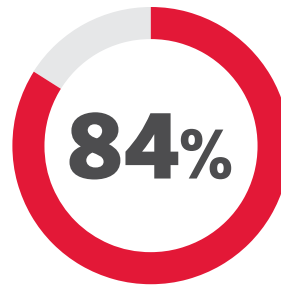
The percentage of marketing teams that planned to expand their use of artificial intelligence in 2018[4]

and improve agents' work environment. This means breaking down the silos that currently prevent agents from seeing a single view of the customer, rethinking success metrics to incorporate employee satisfaction and retention, and providing data-driven training and feedback that helps agents to address their shortcomings.

If an organization has historically treated the customer engagement center primarily as a cost, a significant shift in mindset and culture may be required for leaders to consider investing in their employees. This reluctance results in dissatisfied agents and, ultimately, dissatisfied customers. According to Calabrio, 60 percent of customer service agents agree that their company doesn't always provide the technology they need to address the challenges they face when helping customers. Thirty-four percent of agents say they don't have the right customer data available to them at the time of the request, and 14 percent think a lack of training contributes to the inability to resolve issues. When asked what improvements their employers could make to improve their jobs, agents most commonly say they want a more flexible work environment, followed by better technology that provides a single view of the customer.

Amplifying the Voice of the Customer

Improved data collection and analysis tools are giving companies the chance to truly hear the desires and demands of their customer base in a way that simply wasn't possible until recently. Through speech analytics, social media mining and other tools, organizations are now able to make better sense of the torrent of "voice of the customer" (VoC) data coming into their customer engagement centers.

These tools allow organizations to analyze customer information to arrive at insights that can lead to improvements not only in customer service, but also across the entire enterprise. For example, VoC data may inform smarter sales and marketing strategies, or guide product research and development. Through this analysis, the customer engagement center can be more than just a tool for resolving customer problems and disputes. It can become one of the principal ways that companies learn what customers want and expect from them.

According to the Calabrio report, an astonishing 98 percent of VoC data remains unexplored in the average organization, and half of companies don't share customer engagement center data with the rest of the business at all. This represents an enormous missed opportunity. The problem may not be that organizations don't value their customer data, but rather that they don't know how to make sense of it. After all, if even customer service agents in an organization lack access to integrated customer data, it's unlikely that the company has analyzed and organized the information in a way that can provide value across the enterprise.

CDW: A Customer Engagement Partner That Gets IT

With decades of deep experience across a variety of industries, CDW is uniquely positioned to help companies modernize their customer engagement centers. From designing systems and procuring technologies to installing equipment and training employees, CDW offers end–to–end services to help companies engage their customers.

Services and technologies offered by CDW include the following:

Business analytics: With access to both cloud and on–premises analytics tools from leading partners, CDW's solution architects have designed Big Data solutions for some of the world's largest enterprises.

Installation and integration: Organizations' in–house IT professionals often lack experience deploying modern customer engagement center solutions. By contracting CDW for installation and integration services, companies can get their new technologies up and running as soon as possible, and allow their own employees to focus on other business–critical projects.

Adoption and training services: New customer engagement tools won't make any difference if employees don't know how to use them properly. Training sessions from CDW can smooth out the learning curve and encourage speedy and wide adoption.

The CDW Approach

ASSESS
Evaluate business objectives, technology environments, and processes; identify opportunities for performance improvements and cost savings.

DESIGN
Recommend relevant technologies and services, document technical architecture, deployment plans, "measures of success," budgets and timelines.

MANAGE
Proactively monitor systems to ensure technology is running as intended and provide support when and how you need it.

DEPLOY
Assist with product fulfillment, configuration, broad–scale implementation, integration and training.

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To learn more about evolving workplace technologies, read "The Modern Workforce Insight Report" from CDW.

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