Session: 404
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Track: Technology Management

Customer-Centric is Mobile-Centric: Determining the Right Channel Mix

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Session Description

Today's customers expect companies to accommodate their preferred communication channels and provide seamless interaction – but multi-channel service excellence can be an elusive goal. Learn ways to create a cohesive customer experience while delivering cost savings through channel optimization, loyalty and retention. Explore a business case tool that factors in over 1,000 variables to determine the right mix of channels and tactics. Leave this session prepared to create a cohesive enterprise view of the customer experience and a customer-centric contact center that delivers real ROI!

Speaker Background

Mary Cook is Varolii's Call Center Industry Practice Manager. She helps customers further define their enterprise multi channel communication strategies– and her area of expertise is within the call center. Mrs. Cook has more than 17 years of contact center experience including managing inbound and outbound global operations across a variety of industries. Starting her career within call center operations like Xerox and FTD, Mary moved into the BPO Industry working for global companies like iQor, and eventually became a call center industry consultant. Mary has helped companies across all industries develop and execute their call center strategies. Mary is widely published and is a sought after speaker for ICMI and Contact Center events. An avid social networker, you can find her on Linkedin and Twitter (CallCenterDr).

Customer-Centric is Mobile-Centric: Determining the Right Channel Mix

Mary Cook
June 15, 2011

Agenda

- Today's Customer Centric Model
- How to Build a Multi-Channel Communications Strategy
- Delivering Cost Savings and Incremental Value with Multi-Channel Models

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Today's Customer Centric Model

Today's Customer Centric Model

Communicate Across Multiple Channels

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Communication Challenges

…and where are we headed

Immediate	Personalized	Interactive	Multi-Channel	Converged*
• In the moment communications where the message and response, action, and reaction occur right now	• One to one communication where relevant, preference,-driven messaging is the norm and expected by the customer	• Two-way communication where active dialog is the key to engagement • It's more about the conversation than the initial message	• Multi channel communications where customers use multiple channels and maneuver between them • Channel choice, brand consistency and coordinated messages are important	• Melded communications where message types blur (marketing, service) • Channels become incidental as interactions that begin in one channel are consumed in another

** Source: Message Systems, Preparing for Message Convergence January 2011*

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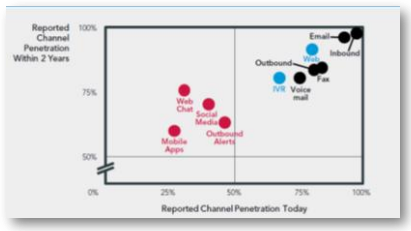
Multi-Channel Penetration

Current and Future State



Source – Contact Center Pipeline, Setting the Bar for Multichannel Customer Contact

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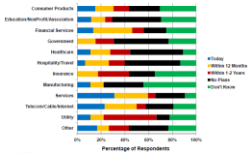
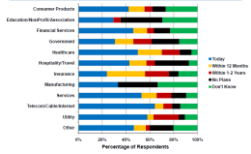
Current Usage - 2010 Survey

Text and Proactive Outbound

Text Messaging by Industry Segment



Proactive Outbound by Industry Segment



- Not many utilizing SMS
- Large % have no plans

- Adopted by many
- Continuing to grow

Source: 2010 Self-Service and the Multichannel Contact Center, Strategic Contact

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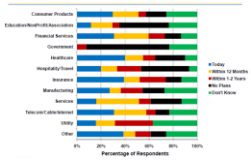
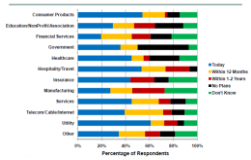
Current Usage – 2010 Survey

Mobile Applications and Social Media

Mobile Apps by Industry Segment



Social Media by Industry Segment



- Apps being used more than SMS
- With exception of Govt., continued growth

- Actively engaged
- Plans surpass even mobile apps

Source: 2010 Self-Service and the Multichannel Contact Center, Strategic Contact

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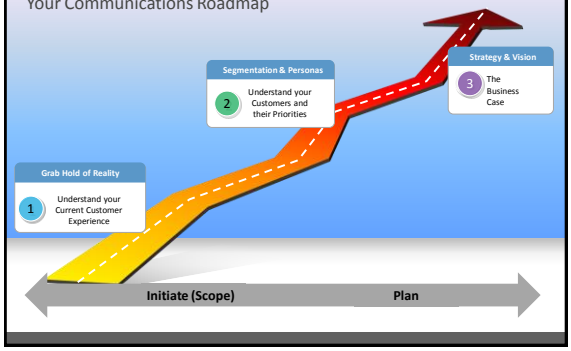
Build a Multi-Channel Communications Strategy

How to Build a Multi-Channel Communications Strategy

Your Communications Roadmap



Enterprise Communications Strategy Project

Theme Park Case Study

Challenges

- Lack of personalized, immediate, interactive and multi-channel communications.
- Grow Revenue by 1% ($50M Gross)

Process

- Analyzed existing customer experience and needs (and priorities)
- Analyzed customer conversations across lifecycle by needs, conversation, results desired, segment, personas, business units and channels.
- Followed PMP Processes

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Understand your Current Customer Experience

1b

Surveys

- 82% of guests bring cell phones with them to Orlando.
- 50% of guests intentionally visited travel blogs about the park prior to coming
- 62% of guest said park lacked proactive communication during their planning process – in particular via the website and the call center
- Only 44% of those who made their reservations online rated their booking experience as excellent
- 40% of those who book online make calls to the call center to plan for at least some aspect of their trip.
- Average Consumer views website 4 times prior to calling call center
- 29% of guests were from outside the USA
- 31% of those who use the Internet while in Orlando used it to check show times and operating hours
- 63% of survey respondents said that their children are significant influencers in the choice of vacation destinations and theme parks

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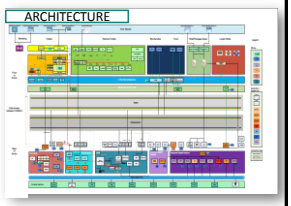
Understand your Current Customer Experience

1

Technology Review

- 49 Systems Reviewed
- Exhibited all of the classic signs of an organically grown Enterprise
  - Systems talk to each other via Point-To-Point (FTP)
  - No centralized Middleware to upgrade this approach
- 188 page Word document created to articulate architectural diagram including:
  - What the system does
  - Who is the business owner
  - Who is the IT owner
  - The technology stack
  - Future enhancements planned
  - Reliability
  - Longevity



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Understand your Current Customer Experience

1

Data Analysis

- 226 "Standard Reports" Analyzed
- Marketing
  - Email Marketing
  - Direct Mail
  - Website
  - TV
- Sales
  - Point of Sales
- Operations
  - Call Center Reports
- Customer Insight
  - Customer Surveys
  - Online Behaviors

LYRIS SparkList

nielsen

pegasus

Aloha

AVAYA

OMNITURE

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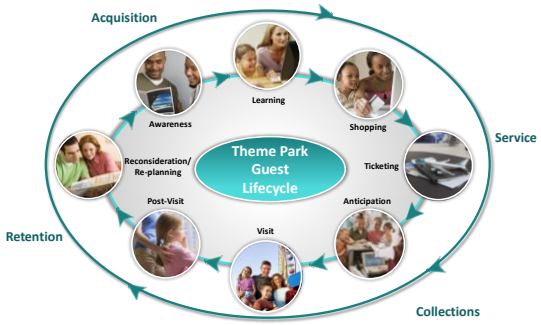
Customer Experience Maps

1



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Understand your Current Customers and their Priorities 2

Segmentation

All-Inclusive Pre-Planners

- Pre-planned all-inclusive vacationers, seeking variety of activities
- Involved in team sports
- Visit theme parks and spas
- Children influence vacation decisions
- **Prefer mail, website, and email communications**

Young at Heart

- Active, thrill-seeking, escapists who enjoy rides and feeling like a kid again
- Facebook users
- **Prefer mobile and web based communication**
- Take many and wide variety of vacations
- Influenced by TV/Magazine ads
- Use travel books

Evening Entertainment

- Spontaneous weekenders, seek adult fun like shows and nighttime entertainment
- Prefer lower-key daytime activities like golf and fishing
- **Prefer communication spread across all media types**

Luxury Seekers

- Full-service resort goers, willing to pay for convenience and good service
- Prefer high-end vacations such as skiing, spas, and gambling
- **Prefer phone and email** communications
- Influenced by magazine ads and spots woven into television shows

Budget Conscious

- Budget travelers, seeking familiarity and family time
- Heaviest TV watchers
- Less involved in online activities
- **Prefer mail and voice** communications
- Children influence vacation decisions

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Understand your Current Customers and their Priorities 2

Primary needs

- **Logistics are key**
  - Pay in advance for everything (transportation, lodging, food and tickets)
  - Nail down itinerary in advance, and prefer resort hotel close to theme park
- **Entertainment**
  - Adventurous, with forethought, something they've never tried before
- **Price**
  - Prefer bundled pricing, even if elements are not discounted

Communication Preferences

- **Multi Channel and Personalization is key**
  - Communications specific to their travel interests
  - Website, Email, and Mobility

Vacation behaviors

- Prefers weeklong trips over weekend getaways
- Other vacation options: Kids' sports tournaments, competing theme parks

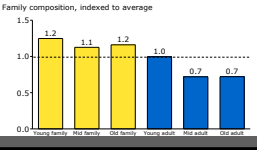
Key characteristics

- **Children influence vacation decisions**
- Susceptible to mail promotions
- Involved in team sports

Detail of Pre Planner Segment

Key metrics	
% of market uniques/attendance/revenue	23%/27%/26%
Theme park frequency	Orlando: Every 2.6 years Regional: Every 2.7 years
Average Orlando length of stay	4.4 days
% who have visited... (OUS/FL)	Theme Park A: 28%/66% Theme Park B: 45%/83%
Preference (must equal 100%)	Theme Park A: 36% Theme Park B: 64%
Net Promoter Score	Theme Park A: 48% Theme Park B: 52%

Family composition, indexed to average



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Personas 2

Driven by Emotions

Carla

All-Inclusive Pre-Planners

Carla is a married 43 year-old mother of 3 children, ages 5, 7 and 12

- **She lives on Dubuque, Iowa and has HH income of about $89,000.**
- **Her last trip to Orlando was 3.2 years ago.**
- **She has never been to this theme park.**
- **She likes fine dining and Jazz music**
- **Her top priorities for her vacation**
  - **To spend time with her family**
  - **To get a good value for her money**
  - **To reduce inconvenience**
- **She prefers to plan key activities ahead of time, and purchase tickets**
- **In advance when it will save her money or significant inconvenience in market to do so.**

Key Finding
Communication Preferences

- **Has internet access and uses daily**
- **Uses smart phone a lot**

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Multi-Channel Strategy Planning Process

2

Map Segments and Applications to Media

Communication Channels

- What communication channels am I currently using to speak to my customers?
- What channels do my customers want to communicate across?
- What conversations can we automate and / or supplement with multi-channel options?

Conversations Managed

- How many and what type of conversations are we having?
- To whom (segments and personas) are we speaking?
- What kind of conversations should we be having?
- What conversations do our customers want?

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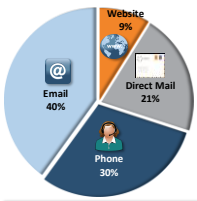
Communication Channels Used

2

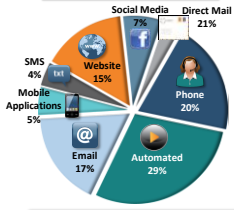
Pre and Post Project Implementation

Pre Implementation



- Large % of Direct Mail Used
- Lack of Website Communication
- No Mobile Strategy

Post Implementation



- Decrease in Direct Mail
- Increase in Website Communication
- Increase in Self Service and Mobile

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Enterprise Communications Strategy Project

Theme Park Case Study - Results

Results

- Within 60 days, revenue **increased 6%**
- Call Center **reduced operating expenses by 23%** through channel optimization
- Communication Preferences - YTD, have gathered over **5M customer communication preferences**
  - Mobile - YTD, over **2M customers use mobile application**
  - Social Media - **Communities built and supported in real-time**

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Delivering Cost Savings and Incremental Value

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Channel Optimization

3

Addressing the Call Center Business Pains

1. **How can we reduce operating expenses?**
   - Agent compression
     - Inbound call deflection
     - Reduction in outbound calls
     - Channel swapping
2. **How can we add incremental business value…build our brand?**
   - Increase customers (acquisition)
   - Reduce customer churn (retention)
   - Increase dollars collected (collections)
3. **How can we enhance our customer experience?**
   - Cross channel communications - mobility
   - Improved reach rates

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Automation Business Case Drivers

3

Data inputs

Reduce Operating Expenses	Increase Business Value & Customer Experience
• Inbound Call Deflection • Agent & Predictive Dialer • Agent Dialing • Mail Replacement • Existing Automation • New Messaging	• Collections • Decrease in Breakage Rates • Increase in Acquisition Rate • Cross Channel Options

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Let's Go to the Call Center

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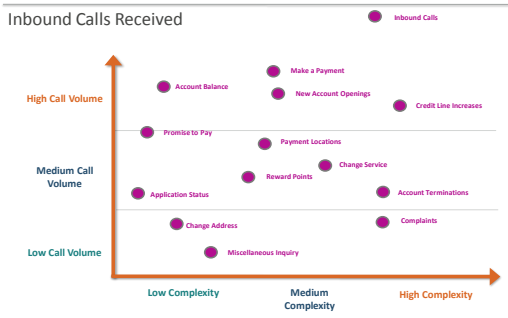
Crocodile Bank – Automation Review

Inbound Calls Received



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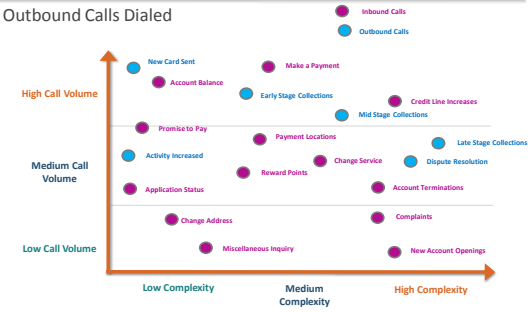
Crocodile Bank – Automation Review

Outbound Calls Dialed



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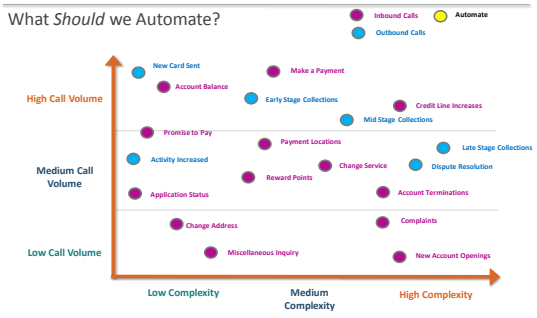
Crocodile Bank – Automation Review

What *Should* we Automate?



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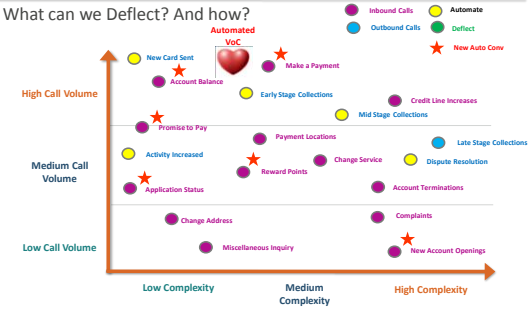
Crocodile Bank – Automation Review

What can we Deflect? And how?



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Crocodile Bank – Automation Review

Cross Channel Possibilities?

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ROI in Action

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ROI in Action

Crocodile Bank Business Case

1. How many conversations do I want to automate?
   - Automate (1) predictive dialer conversation
   - Automate (1) manually dialed conversation, allow for inbound transfers
   - Automate a new VoC survey conversation
2. What communication channels do I want to offer?
   - Voice until preferences are gathered
3. How many inbound calls do I think I can mitigate?
   - About 40%
4. What is my RPC rate on outbound conversations?
   - Varies by channel

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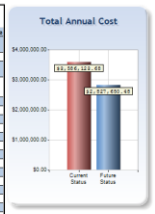
Crocodile Bank

The Automation Business Case

Monthly Varolii Operational Savings

	Current State	Future State
Treated Records (Customer / Account) Volumes	280,000	780,000
DIRECT Inbound Calls (Current Inbound vs. Future Deflected)	$76,000	$45,600
Inbound VI Msg Transfers		
Mail Treatment Cost		
Predictive Dialer / Agent	$127,913	
Agent Manually Dialing	$94,931	$4,806
Other Automation / Blaster		
Net New Messaging		
Existing Varolii Automation		
Avg TOTAL Varolii Monthly Cost (Invoice)		$185,232

	Current State	Future State
Total Monthly Cost	$298,844	$235,638
Monthly Savings (NET of Varolii expense)		$63,206
ROI		26%
Annual Total Cost	**$3,586,124**	**$2,827,650**
Annual Savings (NET of Varolii expense)		$758,473



26% Return on Investment

- ✓ Automated (1) predictive dialer conversation
- ✓ Automated (1) manually dialed conversation, allowed for inbound transfers
- ✓ Automated a new VoC Survey Conversation

3 Conversations Automated

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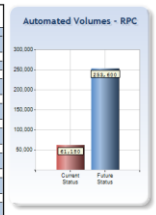
Crocodile Bank

The Automation Business Case

Monthly Outbound Automation RPCs

Monthly Automated Volumes	Current State		Future State	
	Total Daily Calls	Right Party Contact	Total Daily Calls	Right Party Contact
Mail Treatment Cost				
Predictive Dialer / Agent	230,000	49,680	230,000	50,600
Agent Manually Dialing	50,000	11,500	50,000	13,000
Existing VII Automated Volume				
Brand New Notification Volume			500,000	190,000
Existing Automation (Blaster)				
Total (Processed & RPCs)	280,000	61,180	780,000	253,600
Right Party Contact	21%		32%	



- ✓ Automated (1) predictive dialer conversation
- ✓ Automated (1) manually dialed conversation, allowed for inbound transfers
- ✓ Automated a new VoC Survey Conversation

3 Conversations Automated

Automation reaches more of your customers…

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In Conclusion

- Build Your Road Map
- Leverage automated communications as much as possible to free up resources for other new communication channels
- Leverage experts. Call Mary Cook to help build your ROI

Mary E. Cook | Industry Practice Manager - Call Center

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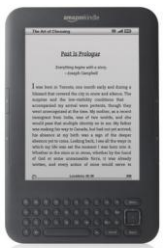
Who is the winner?

Kindle Drawing



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