



## Impact Every Customer Interaction

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In today's highly competitive global economy, customer experience needs to be more than marketing-speak. Rather, it must be treated as a key component of any company's customer acquisition and retention strategy.

The fact is, whether it's a surly retail clerk, a clueless call center representative, or a malfunctioning website, substandard service is a surefire recipe for customer attrition. Also, failure to satisfy customers' needs can easily dilute a company's brand power, tarnish an organization's reputation, and push customers into the arms of competitors. What's worse, all it takes is one poor customer experience for a customer to switch allegiances on the spot.

"Customers can be lost in a single interaction," warns Matthew Storm, Director of Innovation Solutions at NICE Systems, the leading worldwide provider of intent-based solutions that capture and analyze interactions and transactions, realize intent, and extract and leverage insights to deliver impact in real time, "Whether the interaction is face-to-face or over the phone, a customer can be easily lost forever."

## The bottom line benefits

Just as poor customer service can rob a company of precious revenue, a superb customer interaction can boost an organization's bottom line. In fact, according to a recent survey by Strativity Group, 73 percent of consumers stated that they would expand their purchases with a vendor by 10 percent or more if the customer experience was superior. And 55 percent of consumers agreed that they would stay with a vendor for 10 years or more as long as the experience remained superior.

Rising customer acquisition costs are also contributing to the financial imperative of delivering excellent customer service. Consider this: A study by the Wharton School of Business at the University of Pennsylvania reveals that reducing customer attrition by just 5 to 10 percent can increase annual profits by as much as 75 percent. Now multiply these percentages over the course of a customer's lifecycle and the result is an impressive increase in customer lifetime value.

## A multichannel world

As alluring as the promise of increased profits may be, delivering superior customer service has never before been so challenging and complex. For starters, industry trailblazers such as Amazon.com and Apple have raised the bar on what it means to offer customers excellent service. From consumer-friendly return policies to being able to track purchase deliveries in real time, customers are no longer easily impressed. Consumer advocacy sites and social media channels are empowering consumers by letting them swap product reviews and publicly flog companies that deliver poor customer service.

"Customers know more about their choices than they ever have before," says Martha Rogers, Founding Partner of Peppers & Rogers Group. "We're living in a world in which all the information we need about companies is now out and available for everyone to see. It's the age of extreme transparency and that's empowering customers in a way that we've never seen before."

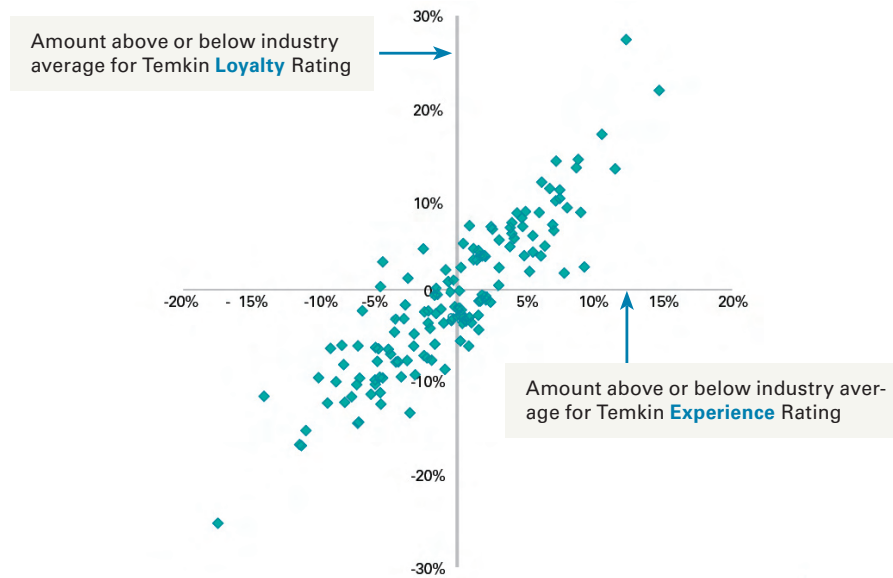
Further raising the bar on customer service is the fact that customers are now interacting with businesses across a multitude of channels including brick-and-mortar locations, contact centers, interactive voice response (IVR), mobile devices, social media, and the Web. In fact, often what a customer considers a single interaction actually takes place across multiple channels and multiple



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## Customer Experience Correlates to Loyalty

According to research from Temkin Group, organizations that rate high in customer experience also rate high in customer loyalty. The opposite is true, as well.



Source: Temkin Group research report "The Customer Experience-Loyalty Connection"

contacts. For customers, the experience with a company is the sum of all interactions with it, which presents a unique challenge.

"Customers don't think of channels in any organized way because that's how they've been interacting with companies for decades," says Rogers. As a result, she adds, "customers need to be able to speak with a contact center representative today and visit a company's website tomorrow and have it be a consistent experience that serves them seamlessly."

Consider, for example, a bank customer who is struggling to pay a utility bill on a financial institution's website. Frustrated and confused, he clicks on the customer service button and is offered two choices: either email a query, or dial a customer service number. Upon dialing the number, an IVR system guides him through the process of paying his bill online. Still confused, he presses "#," at which point, his call is routed to a contact center representative, who ideally should know what has transpired with this customer up to that point. In fact, the customer most likely expects that the agent interaction will be akin to second- or third-tier support, not a rehash of what he has already attempted via self-service. This means that the Internet, IVR, contact center—three distinct channels in the course of a single customer interaction—all must deliver specific, yet consistent and high-level service.

Social media is certainly no exception and must deliver the same superb customer experience as age-old face-to-face encounters. In fact, although a relatively new customer service channel, social networking sites such as Facebook and Twitter are proving to be both powerful and potentially dangerous means for communicating with customers.

"If I 'friend' my bank using Facebook, and then send a message explaining my frustration with their customer service, I'm now airing my dissatisfaction publicly to my Facebook friends, as well as the hundreds of thousands of people who have also 'friended' the bank," says Storm. "Now it's up to the bank to step in and resolve the matter publicly—in a positive way that's safe for the entire world to see."



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## Nurturing a seamless and consistent experience

Today's multitude of channels creates a conundrum for companies: how to provide customers with second- and third-tier service levels while maintaining a consistently outstanding customer experience. After all, companies need to begin viewing customer experience as an aggregate of interactions spanning multiple channels. And that means taking a proactive, intelligence-based approach to delivering comprehensive, relevant, personalized, and timely service in order to foster loyalty, boost business, and compete on a global scale.

"It's all about the customer interaction journey," says Oren Ezra, NICE Systems' Vice President of Solutions Marketing. "These days, companies need to be in sync with a customer at every point of the journey, no matter what channel the customer is using at the time in order to offer real-time relevant responses to service requests."

### The Four Pillars of Customer Communication



It's an incredibly tall order, but one that can be accomplished by embracing four pillars of customer communication: a holistic view, contextual accuracy, a personal touch, and timely service. Together, these key ingredients can create a superior customer experience that offers a number of benefits, including: increases customer value, improves operational efficiencies, fosters outstanding customer service, and builds a holistic view of the customer journey across multiple channels.

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## The Four Pillars of Customer Communication

### Pillar #1: Multiple Touchpoints = Multiple Opportunities

The first step to creating a superior, loyalty-building customer experience involves **cross-channel interaction analytics**. Customers today communicate with companies across a variety of touchpoints, from Web-based forums to Twitter feeds. Discovering what's really happening across all these channels, and knowing how to react can be challenging.

"Cross-channel interaction analytics is a way of viewing the customer holistically," says Storm. "Rather than simply view the customer in one specific interaction, or each channel on its own, and then decide how to proceed, cross-channel analytics helps companies compile all the information available about that customer, from any given channel, in a hub of information, and then analyze this information to reveal the insights that allow the company to make the greatest customer service impact possible."

Simply put, businesses can use cross-channel analytics to capture a customer's interactions across multiple channels, properly gauge intent, and then analyze this intent to reveal actionable insights. These insights are at the customer base/segment level (e.g., root cause for customer dissatisfaction around billing, which leads to updated procedures and best practices), as well as at the individual customer level (e.g., the likelihood that a specific customer will accept certain upsell offer).

A company can use these insights to drive actions that positively impact not only customer service, but also the bottom line. Take, for example, an e-tail customer who calls customer service and successfully receives a new password to log on to the site. Mission accomplished, correct? But what if that same customer had already made five failed attempts online to retrieve a new password? From a contact center perspective, that customer's experience was stellar; from an online self-service perspective, a dismal failure.



**"Cross-channel interaction analytics is a way of viewing the customer holistically."**

—Matthew Storm,  
Director of Innovation  
Solutions, NICE Systems

By examining a customer's interactions across multiple channels, an organization can analyze intent and gain insights that are not readily apparent when looking at individual interactions. Armed with this insight, companies can act decisively and effectively to impact customer satisfaction across a wide array of touchpoints.

Case in point: What if the contact center operator who fields the call from the frustrated e-tail customer already knew of the customer's previous online attempts to retrieve a password? Now, the contact center operator has the opportunity to reverse the damage caused by the customer's failed attempts to retrieve a password online by extending an apology or perhaps even a promotional offer as compensation for the inconvenience.

"After all", says Amit Ashman, NICE Systems' Director of Solution Marketing, "cross-channel analytics isn't just about compiling customer data. Rather, it's about understanding its meaning in a holistic way and determining what to do with all the information that you gather," he says. "Analytics is about how to drill down and enlighten the organization as to how to create the superior level of customer service that people want."

And that, Ashman says, requires "understanding the implications of a customer interacting in certain ways and making certain moves, as well as recognizing the correlations between particular activities and events, and being able to draw conclusions from these in order to improve customer service across multiple channels."

## Pillar #2: Putting Service in Perspective

Closely linked with the insight and understanding across touchpoints that cross-channel analytics provides is **context awareness**, the second pillar of impactful customer communication. For years companies have relied on contact center quality monitoring technologies to identify opportunities for improvement among contact center representatives and develop relevant training programs. However, what many companies fail to recognize is that providing reps with real-time contextual information about customers' *current intent* is mandatory to help them deliver top-notch service.

For example, many contact center agents rely on generic scripts to field queries and engage customers. "But what if, through cross-channel interaction analytics, we knew more about the customer and his current intent, such as his purchasing needs arising from a recent life change like the arrival of a new baby," suggests Storm. "Armed with this context awareness, the organization can now approach the customer in a smart and relevant manner; it can provide information that will guide the contact center representative to take a particular action that provides the most targeted and impactful results to both the customer and the organization, such as seizing the opportunity to cross-sell an auto insurance policy to home insurance policy owner, providing the best resolution to the customer's need."

By providing agents with real-time, relevant guidance—based on the context of the current interaction in relation to the holistic profile of the customer—an organization can equip them to take next-best actions and positively impact the customer interaction, whether it's recommending upgraded services or selling additional products that are tailored to a customer's unique needs, life status, buying history, and product preferences.

"Rather than having an insurance agent randomly ask a customer, 'Do you have the right life insurance for your current needs?'" Storm explains, "context awareness guides the customer service representative to upsell or cross-sell products and services based on all of the information a company has on a customer—information that's specific to the context of the customer interaction."

The best part: Context awareness is portable, meaning it can be transferred from channel to channel, whether it's via email, contact center, or face-to-face. "Simply put," says Ashman, "today's customers expect relevant service. And the only way to provide relevant service is through context awareness."



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Marketing, NICE Systems

### Pillar #3: Adding a Personal Touch

Another pillar of consistent and superior customer communication across multiple channels is **personalization**. “Personalization means truly knowing your customers and providing them a service they feel was tailored to their specific needs,” says Ashman. Storm agrees. “An employee can make a significant impact by offering personalized service,” he says. “It’s all about taking the information you’ve gathered on a customer and parlaying it into a specific, personalized action that is certain to enhance a customer’s satisfaction. That creates loyalty.”

To be sure, examples of personalization vary widely from channel to channel. One compelling application of personalization is in the contact center. By combining analysis of previous interactions and other customer data in real time, a company can provide its contact center representatives with prompts during a current customer interaction that guide them to the best customer outcome. This information may be personalized next-best action instructions on how to handle specific issues, relevant upsell or cross-sell opportunities, or special offers or a surprise free gift for loyal customers.

Such strides can also be made on the floor of a retail shop. Consider, for example, a longtime customer who frequents a men’s high-end clothing store. He enters the brick-and-mortar location in search of a new suit. Fortunately, a salesperson recognizes the customer and pulls up his profile on the retail chain’s computer. There, right before him, are in-depth details including how many suits the customer has purchased, his preferred label, the color and material of each suit, and what accessories, if any, he’s purchased, as well as what percentage of these purchases he’s made online. He can even see any notes previous service reps had entered after serving this customer, both in the store and online. By gaining access to these details, the associate is now equipped to offer the right package deal of clothing and accessories based on that customer’s specific preferences and needs. Consequently, when this customer needs more clothes, it will only be natural for him to come back to the store that knows his needs and provides him the best deal.

#### Relevance is a must

But regardless of channel, one thing is certain: by tracking a current customer’s value and life stage, and by leveraging cross-channel interaction analytics to create a holistic customer profile, organizations can generate important insights about individual customers. As a result, customer service representatives not only can provide customers with the relevant and complete information, but they can also make appropriate personalized product recommendations based on their specific circumstances. This relevant, timely interaction not only increases customers’ satisfaction, but also drives revenue via personalized upselling and cross-selling opportunities.

“This kind of hyper-personalization comes across to a customer as recommendations that are relevant and context aware based on the organization’s familiarity with his needs as opposed to a hard-sell,” says Storm. And that, of course, is a guarantee of enhanced customer satisfaction.

If handled correctly, personalization can also lower costs. “Personalization can make it worthwhile for a customer to return and for a company to create a better customer experience,” says Rogers. “If done right, a company should be able to also save money in the process.”

Personalization creates engagement and increases customers’ likelihood of repurchase without additional marketing investments. What’s more, personalization helps a company determine which of its customers are most likely to benefit from and truly appreciate high-level, high-cost customer service. Rather than invest hundreds of thousands of dollars in providing sophisticated and customized customer service to every customer, personalization can enable a company to target those customers that are most likely to deliver a return on its investment.

Says Rogers: “There are many instances where companies that are able to deliver more personalized and better services for select customers actually save money by not offering the same blanket high-level service to every one of its customers.”



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*—Martha Rogers, Ph.D.,  
Founding Partner,  
Peppers & Rogers Group*

## Pillar #4: Making an Impact at the Moment of Truth

The final pillar of customer communication may just be one of the toughest tasks to accomplish: offering the *right* customer service or recommendation in **real time**.

Each and every day, consumers receive promotional offers in the mail, telemarketing calls soliciting new business, and email recommending such products as a new credit card, cool gadget, or a service plan upgrade. Yet all these outreach initiatives have one unfortunate thing in common: they're all delayed responses to a customer's previous actions or based on predictors for potential action. "Whether these offers would really be relevant and accepted by the customer when they are received is only a guess by the company," says Ashman.

"Many companies are living in a post-impact world," Storm adds. "And that type of upselling and attempts to gain more wallet share from your customers, or actions to correct dissatisfaction due to poor service, happens all the time—and it typically happens after the moment of interaction."

That's a huge mistake, according to Ashman. "If businesses don't leverage information, and act on it in personal and contextual ways *in real time*, when the customer is in contact with them, then they're letting the opportunity slip away. Once the moment is gone, once the customer is gone, it's irrelevant to try to go back and re-create the experience. It can't be done," he says, adding that "in some cases the effort and expense the company has to put forward to recover from a poor service interaction, even partially, would be significantly higher than the customer's value. In other cases, recovery is impossible, for example, when an angry customer posts her deep frustration on Facebook for all her friends to see right as she hangs up the phone."

### Viewing the dark side of the moon

Let's return to the example of the longtime customer of the men's high-end clothing store. Which would be wiser: offering him a 25 percent discount if he purchases a second suit from his favorite designer while he's still in the store or mailing him a generic flyer a week later promoting a sale on silk ties? By failing to identify and act on insights in real time, companies miss the opportunity to drive sales and enhance customer service.

Companies, however, have limited visibility into what's being said in each customer interaction. According to Ashman, impacting every customer interaction in real time is all about gaining visibility into what he calls "the dark side of the moon." Ashman explains: "At the moment of truth, as the agent interacts with the customer, most companies today have to rely on the agent making all the right moves to provide exceptional experience and take advantage of sale opportunities, while remaining as efficient as possible—the same as NASA relied on the Apollo astronauts as they entered the dark side of the moon." A few "hero agents" might be able to do it, but most agents will not.

"In order to create the level of customer service that today's consumers expect, there has to be a way for organizations to empower each and every agent on the floor to do just the right thing at just the right time," says Ashman.

Tools required for impacting customer interactions precisely at the moment of truth include real-time speech analytics and real-time guidance. Real-time speech analytics technology can identify the customer intent and context from what the customer and agent are discussing as the interaction unfolds. Then that agent can be carefully guided on how to respond and maximize the value of the interaction while the customer is on the line.

"Real-time impact tools are a cost-effective way to automatically close the performance variance—the gap between your average agents' performance and those "hero" agents—by delivering to agents the guidance and information they need in real time for the most effective decision-making at the moment of truth, such as how best to respond to the customer's current issue or what product they should offer at this very moment," says Ezra. It's a strike-while-the-iron's-hot approach to customer service that companies would be wise to adopt.



**"Real-time impact tools are a cost-effective way to automatically close the performance variance..."**

—Oren Ezra V.P. of Solutions Marketing Group, NICE Systems

## Conclusion

These days, customer service can easily make or break a customer relationship. Create positive experiences and you can count on a customer's continuing loyalty. On the other hand, even one negative customer experience can easily result in churn and lost revenues.

Complicating matters further is the fact that companies must deliver a consistently excellent customer experience via multiple channels, from brick-and-mortar retail stores and the contact center to social media sites and mobile.

Fortunately, there are ways to ensure a positive experience in customer interactions every step of the way. The four pillars of customer communication—cross-channel analytics, context awareness, personalization, and real time—combine to form a high-impact strategy for creating an outstanding customer experience during every interaction, regardless of channel. The fact is, in today's hyper-competitive marketplace, companies have no other option than to provide a consistent and compelling customer experience across all communication channels. ■

### What You Need to Know to Impact Every Customer Interaction

Nine points to remember when determining a customer-focused interaction strategy

1. Delivering superior customer service hinges on four pillars of customer communication, all working in coordination: a holistic view, contextual accuracy, a personal touch, and timely service.
2. Every single customer interaction is a prime opportunity to build customer value, foster loyalty, increase a customer's lifetime value, and boost your bottom line.
3. A bad experience from a poorly handled customer interaction can negatively impact revenue, tarnish your corporate reputation, and rob you of precious revenues.
4. In this era of transparency, customers have never been wiser; they're intimately familiar with corporate policies, pricing strategies, and communication channels.
5. Social media channels such as Twitter and Facebook can amplify the impact on a company's reputation as an excellent customer service provider.
6. By examining a customer's interactions across multiple channels, an organization can analyze intent and gain insights that are not readily apparent when looking at individual interactions.
7. Providing real-time relevant guidance to a contact center representative's desktop better equips that individual to take next-best actions that cater to a customer's unique situation at the moment of truth.
8. Personalized service is essential to creating long-lasting relationships with loyal customers. Organizations that invest in creating a holistic customer profile and in analyzing a customer's needs—between interactions and during interactions in real time—can make appropriate personalized product recommendations based on a customer's specific circumstances, which promotes loyalty.
9. Businesses that lack a way to guarantee their agents take advantage of every opportunity in real time—to mitigate a developing customer dissatisfaction, identify hidden sales opportunities, and offer the right deals, or wow the customer with a quick and relevant resolution—are missing out on an opportunity to offer superior customer service and ensure loyalty and business growth.





## **NICE Systems**

NICE Systems, is the worldwide leader of intent-based solutions that capture and analyze interactions and transactions, realize intent, and extract and leverage insights to deliver impact in real time. Driven by cross-channel and multi-sensor analytics, NICE solutions enable organizations to improve business performance, increase operational efficiency, prevent financial crime, ensure compliance, and enhance safety and security. NICE serves over 25,000 organizations in the enterprise and security sectors, representing a variety of sizes and industries in more than 150 countries, and including over 80 of the Fortune 100 companies.

For more information about NICE SYSTEMS visit, [www.nice.com](http://www.nice.com)

## **Peppers & Rogers Group**

Peppers & Rogers Group is dedicated to helping its clients improve business performance by acquiring, retaining, and growing profitable customers. As products become commodities and globalization picks up speed, customers have become the scarcest resource in business. They hold the keys to higher profit today and stronger enterprise value tomorrow. We help clients achieve these goals by building the right relationships with the right customers over the right channels.

We earn our keep by solving the business problems of our clients. By delivering a superior 1to1 Strategy, we remove the operational and organizational barriers that stand in the way of profitable customer relationships. We show clients where to focus customer-facing resources to improve the performance of their marketing, sales, and service initiatives.

For more information, visit [www.peppersandrogersgroup.com](http://www.peppersandrogersgroup.com)