How an Avaya customer reduced costs by 10% and increased customer satisfaction by 7%*

Steve Rolfe, Avaya Expert - Financial Services Industry

The goal was demanding. A retail bank wanted to optimize its investment in its contact center by providing a seamless customer experience to the back office and the branch whilst increasing compliance, reducing fraud and improving customer experience. All at a reduced cost.

The business challenge

For voice, email and, increasingly, webchat interactions, the contact center is an organization's main touchpoint with their customer.

The contact center should simplify the management of people, process and workload in order to meet business goals, while delivering the highest levels of customer service. Unfortunately, these attributes remain confined to the contact center, when ideally their business value would also be realised in the enterprise or branch network. Yet customers have increasingly high service demands and expect the organizations they deal with to provide a seamless customer experience across all communication channels – including 'face to face' in the branch.

This can be a major headache for organizations, particularly retail banking, as the branch network and the contact center are typically disconnected. So when communications are initiated in the branch or routed into the back office, most of the benefits of the contact center are unavailable with the following implications:

• Communications are not delivered in a seamless way

• Tasks are not managed effectively and service levels are impacted

• Resources in the branch are not managed as efficiently

• Compliance, adherence and quality can't be guaranteed, adding significant business risk

For many retail banks the contact center, branch network and the enterprise are managed and controlled in silos. Consequently the values realised in one part of the business are not being leveraged in the others, which can impact on the customer experience more than ever before.

Contact Center   Branch   Enterprise
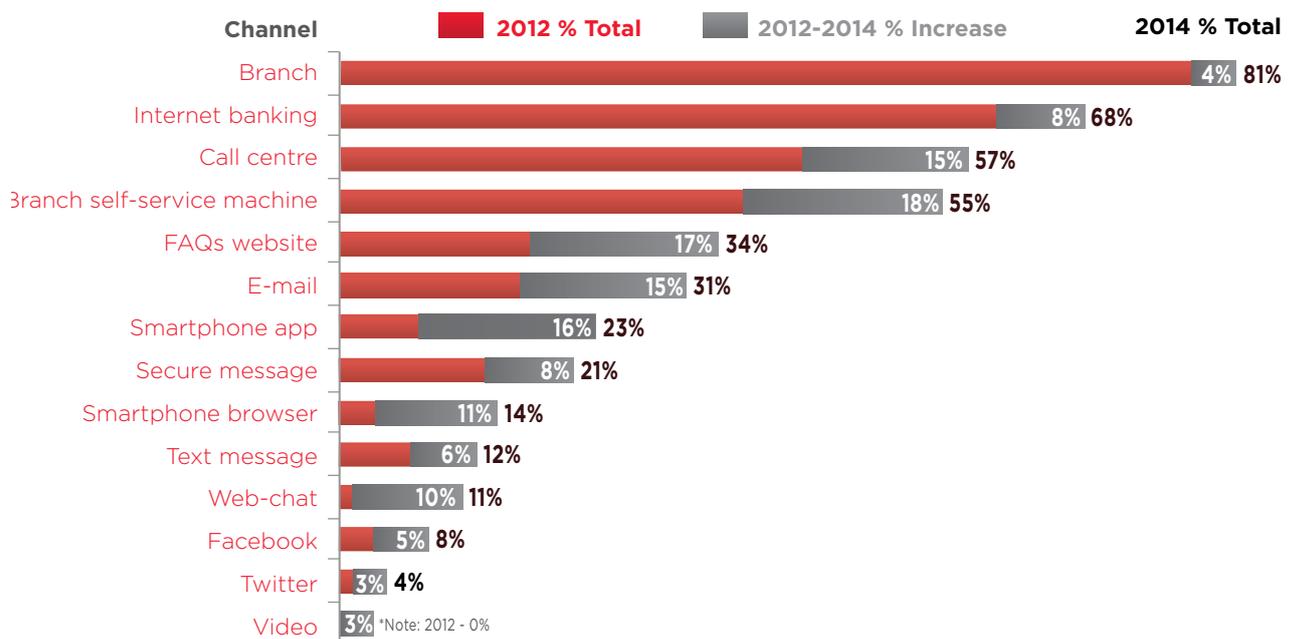
* Avaya customer, top global bank.
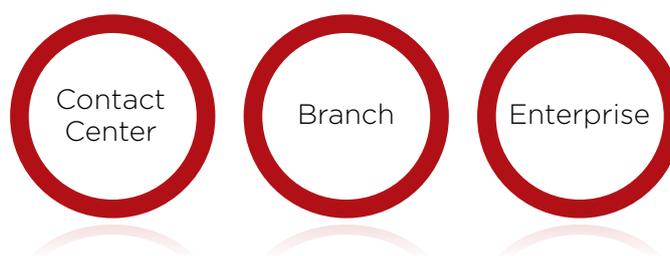
Beyond the branch

Customers are demanding a safe and seamless experience via any device and via automated self-service or assisted service.

This chart reflects the changing usage across communication channels over the last two years:

Communication channels consumers used to connect with their bank

Channel	2012 % Total	2012-2014 % Increase	2014 % Total
Branch		4%	81%
Internet banking		8%	68%
Call centre		15%	57%
Branch self-service machine		18%	55%
FAQs website		17%	34%
E-mail		15%	31%
Smartphone app		16%	23%
Secure message		8%	21%
Smartphone browser		11%	14%
Text message		6%	12%
Web-chat		10%	11%
Facebook		5%	8%
Twitter		3%	4%
Video		3%	*Note: 2012 - 0%

*Source: BT/Avaya - Youbiquity Finance Report – 2014

The average number of channels used annually by consumers in the UK to contact their bank has increased to **44%...**

2012	4.3
2012	6.2

*Source: BT/Avaya - Youbiquity Finance Report – 2014

All channels are demonstrating an increase in usage – including the branch, surprisingly. However, the chart doesn't highlight the transition from multichannel to cross, or omnichannel communications. Increasingly customers start an interaction with their bank on one channel, then continue their journey using multiple communication channels or 'channel hopping'. They also expect a consistent and seamless experience across all channels and touchpoints.

It's easy to assume that these changes are linked to Generation Y. However, the largest growth demographic in facebook in the last three years is over 35-year-olds. This could well apply to many more of our customer segments than we first assumed.

We have to offer our customers more way of communicating with us and ensure them of a seamless experience.
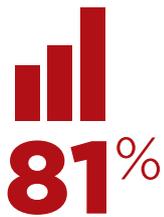
What is customer experience and why does it matter?

If you ask Forrester, they will tell you that customer experience is about a lot more than simply meeting a customer's needs – it's about making it 'easier to do business with' and, ideally, making it 'enjoyable'.

Forrester's Customer Experience Index

"Thinking of your interactions with these firms over the last 90 days..."

ENJOYABLE — "How enjoyable were they to do business with?"

EASY — "How easy were they to do business with?"

MEETS NEEDS — "How effective were they at meeting your needs?"

Source: 'The Customer Experience Index, UK 2014', Forrester Research, Inc., March 21, 2014

Measuring your omnichannel engagement strategy against all these of elements forms a true customer-facing perspective that will improve your ability to create innovative new services that turn good interactions into great interactions.

Organizations that lead the way in delivering superlative customer experiences see an upside from 'getting it right'. The table below indicates that over a six-year period 'better experiences drive better returns'.

A recent global study conducted by Avaya reinforced this...

81%

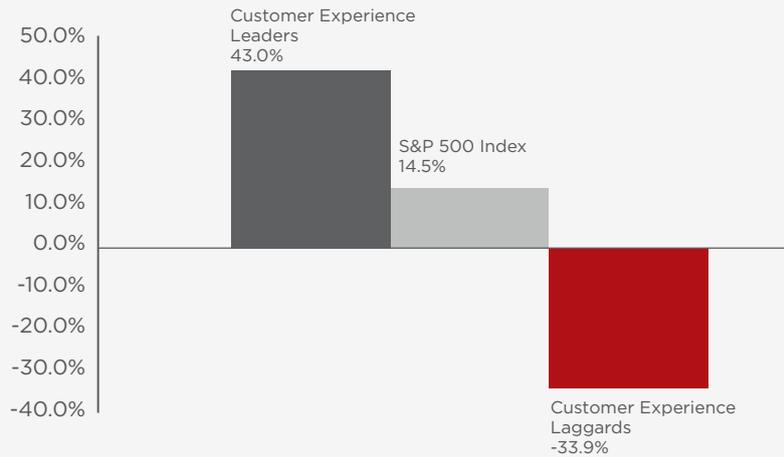of organizations experiencing significant profit increases have CEM

Customer Experience Leaders Outperform the Market

6-year Stock Performance of Customer Experience Leaders vs. Laggards vs. S&P 500 (2007-2012)

Customer Experience Leaders 43.0%

S&P 500 Index 14.5%

Customer Experience Laggards -33.9%

Source: Watermark Consulting, 2013, www.watermarkconsult.net

CEM is tied to greater customer satisfaction, loyalty, retention and repeat purchasing,

It is perhaps not surprising to find such high levels of support among top management, as this research demonstrates a very strong link between Customer Experience Management (CEM) activity and business success. Of those with a comprehensive CEM programme, all have seen improvements to their business as a direct result, the biggest of which has been customer satisfaction (68%). In addition, companies have enjoyed increased customer loyalty (64%), customer retention (59%), repeat purchasing (50%) and customer's total spend (37%)*.

There is also a strong correlation between CEM efforts and increased profits for companies. The research shows that more of those who have seen significant profit increases in the last 12 months have a CEM programme in place (81%)*.

So companies with CEM initiatives outperform organizations that don't.

Challenges

To leverage the benefits delivered by the contact center to drive productivity in the back office and branch and improve the overall customer experience

To leverage the benefits available in the enterprise to drive collaboration with the contact center, the back office and branch and improve the overall customer experience

Avaya can help today

Avaya can deliver solutions that address these challenges today by:

• Meeting the need for a safe and seamless customer experience from whatever channel of communication customers choose

• Accommodating the prevalence of new devices and Bring Your Own Device (BYOD) and by interacting using automated self-service or assisted service

• Matching the customer to the right person in the business – whether they are in the contact center, back office or branch, which is becoming a key metric in customer contact strategy

• Proactively pushing communications to the customer in order to keep them informed or to request feedback

• Integrating with other key data sources in order to determine the 'next-best' business decision

• Enabling the organization to manage and monitor agents or virtual agents, wherever they are located from a central location

• Enabling the organization to comply with legislative changes and regulatory requirements

• Enabling automated fraud surveillance solutions using speech analytics and biometrics

• Making collaboration possible for everyone, everywhere, so experts can be engaged in real-time in order to meet customer requirements

• Accommodating new communication and collaboration channels, such as video, which is growing rapidly as a communication channel of choice for customers

The video requirement is particularly relevant to the financial services vertical where it's becoming a key channel for enhancing the branch proposition, including:

• Creating kiosks in branches and remote locations

• Enabling video communications for the customer in the branch to an advisor in the contact center or an expert in the back office

• Integrating video into the Intelligent ATM and providing communications direct to an advisor

• Creating a self-service branch of the future that provides seamless connectivity to the business whilst maximizing customer experience and reducing staffing costs
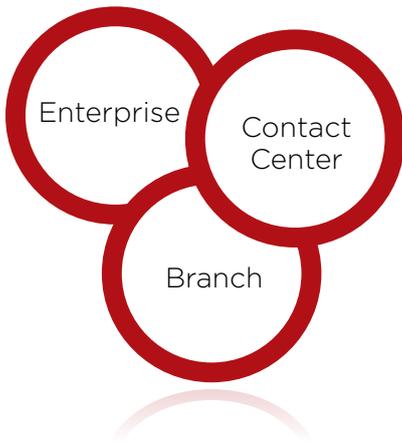
CEM removes silos and brings everything together.

Avaya has recently enhanced its Customer Experience Management solutions to help businesses eliminate the fragmented, high-effort service that jeopardizes customer loyalty and revenue growth.

From a single software platform, new capabilities increase reach and bring every aspect of the customer experience into a seamless, dynamic stream with greater real-time visibility into interactions and contextual information. The end result is a transformed customer experience built one interaction at a time.

The enhancements to Avaya Customer Experience Management Solutions enable companies to centralize and orchestrate all mobile, web and contact center interactions that occur throughout a customer care cycle. By better aligning customer needs with enterprise customer care resources, organizations address a key element that is currently missing from many customer service strategies: a consistent, end-to-end experience over any media, any channel, any device that reduces operational costs and builds brands.

The Avaya Customer Experience Management Framework does not operate in isolation either.

• It integrates into, and layers on top of, the entire Avaya portfolio including Avaya Aura and Networking Frameworks as well as the Avaya devices

• It supports new delivery frameworks such as CCaaS and managed services offers

• It integrates into third party applications and resources to tie together business applications, data intelligence, outsourcer models, supply chain feeds, contact center and frontline agents and other enterprise experts and resources
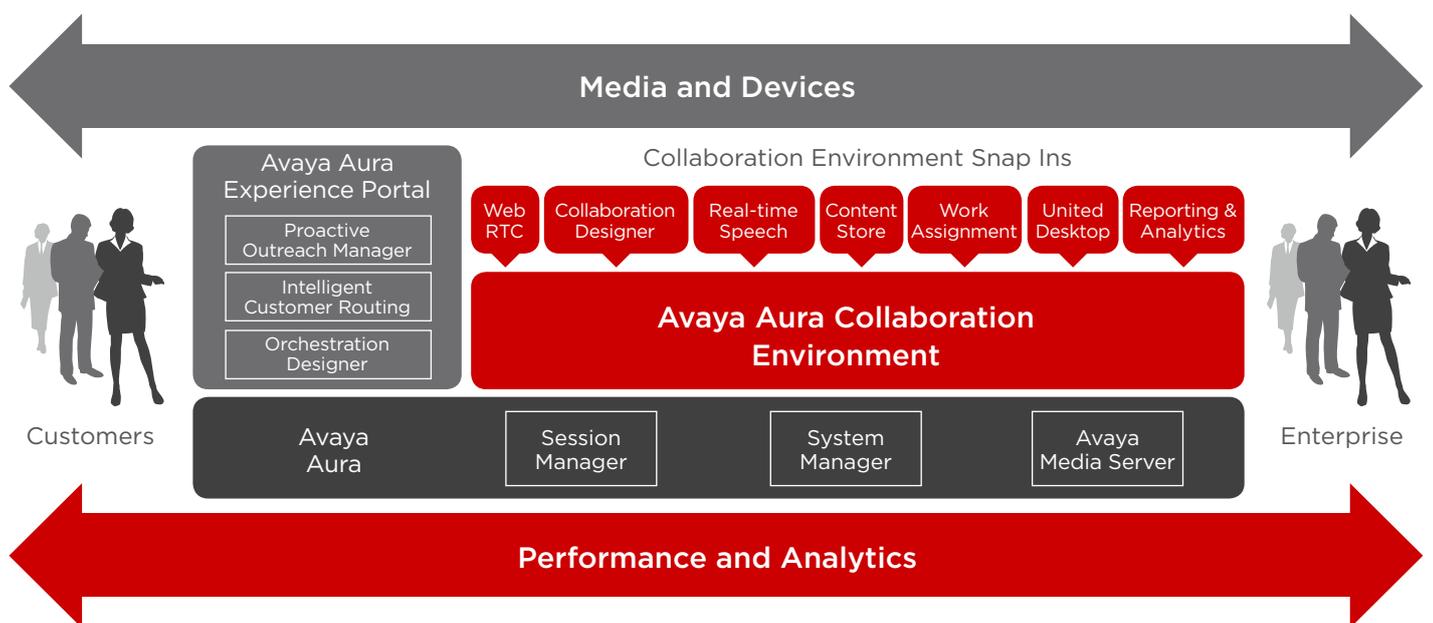
This complete alignment with CEM and will transform how organizations interact with their customers in the future.

81%

CEM initiatives failed
in the last 3 years

Why isn't CEM happening everywhere?

Several factors contribute to the resistance to, or even failure, of a CEM strategy such as:

- Silos of management with:

  - Different lines of business

  - Different IT teams

- Little desire for business to collaborate or release ownership

- Resistance to change due to perceived complexity of consolidation

- Lack of visibility of how solutions can deliver business value

Despite their best efforts, in the last three years 81% of organizations have seen CEM initiatives fail in their organization. No individual country or industry sector has escaped.

Causes for Failure Include

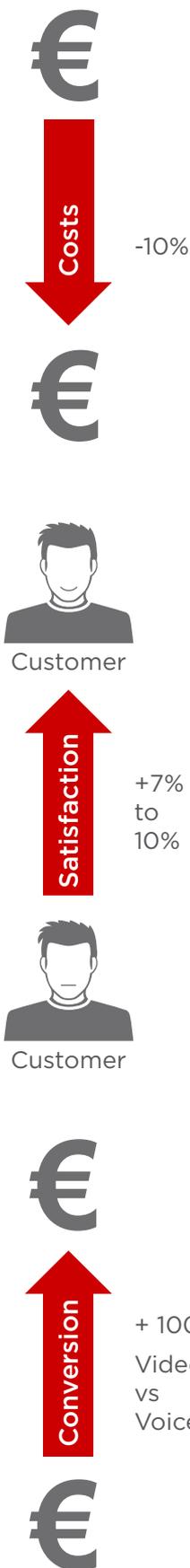| 31%	30%	30%	29%
Failure to Modify Business Processes	Misalignment with Customer Preferences	Lack of Employee Buy-in	Lack of Senior Management

*Source: 'Missing Customer Expectations?' research report, carried out by Dynamic Markets, on behalf of Avaya, March 2014

What's the cost?

Among those who have witnessed failed CEM initiatives in the last three years (the majority), 66% have wasted money because of their efforts. Organizations have lost as much as £750,000 (or $1,250,000) on failed initiatives. However, 46% say they do not know how much was lost, but they are confident some was wasted. Of these respondents, 32% were C-level / VP level and 36% were MDs, CEOs and owners who perhaps should have a better handle on such issues*.

Companies do not typically associate functions like finance, R&D, IT and operations as dealing with customers, which could be a blind spot in the way they approach and plan CEM initiatives contributing to their failure.

€

↓ Costs

-10%

€

(Customer)

Customer

↑ Satisfaction

+7%
to
10%

(Customer)

Customer

€

↑ Conversion

+ 100%

Video
vs
Voice

€

Some businesses are getting CEM right

One of many retail banks has introduced video into the branch to provide access to a financial expert, who can be located in a central location, such as a call center, or another branch. There were a number of drivers behind this initiative including:

• Regulatory pressures – including the requirement to be able to prove that the customer was treated fairly when purchasing a financial product such as a mortgage or home loan

• Cost pressures – branch resources are expensive and often considered less efficient than contact center located personal bankers

• Customer experience – the function of the branch was regarded as old fashioned and many consumers felt it had not kept up with the times. Even so, the branch remains the cornerstone of a bank's sales and service position

• Competitive pressures – new entrants were revolutionizing the look and feel of the branch

The implementation of the video channel differs from bank to bank with some providing a simple touch screen monitor to enable a video chat with an agent, while others enable webchat, form sharing and co-browsing functionality. In some instances scanners, printers and finger print terminals have been integrated as part of the solution suite. Whatever the configuration, they all share a common trait in that they have delivered value to the organization and the customer experience.

Customers using video typically recognise improvements in customer satisfaction of between 7-10%* compared to voice.

The integration of the branch, the contact center and the back office has delivered financial benefits too, in the form of:

• Cost savings – the integration of skilled expertise in the contact center providing a service over video has delivered headcount savings in the branch estimated to be a minimum of 10%*

• Increased revenues from improvements in sales conversions – the regulatory demands have driven video adoption in the branch and most retail banks have recognized significant sales conversion performance in branches with video compared to those without, ranging between 50-100%*

The quantifiable benefits highlighted above have been recognised in initial discussions with the global banking business. However, more thorough analysis will be required to recognise the full value.

Finally

In addition to CEM, Avaya offers a complete solution stack that addresses everything from easy-to-use collaboration applications to the resilient, scalable network capacity that businesses will need in days and years ahead. Avaya services can help you create and implement a BYOD policy that allows you to better manage your employees' mobile devices and ensures network security isn't compromised.

With the advent of Bring Your Own Application (BYOA), you have the opportunity to capitalize on innovation that comes from within. The Collaboration Environment is a great platform to enable your employees to create new applications, not only for fellow employees, but more importantly for customers.

Whatever your need, Avaya can help you realize the vision of a truly intelligent workforce, one that is flexible, adaptable and collaborative. One that is equipped to help you compete and win in today's business environment.

About Avaya

Avaya is a global provider of business collaboration and communications solutions, providing unified communications, contact centers, networking and related services to companies of all sizes around the world. For more information, please visit **www.avaya.com**

Learn more
To learn more, please contact your Avaya Account Manager or Authorized Partner or visit us at **www.avaya.com**