



TRANSFORMING CUSTOMER CARE

OPTIMISING COSTS AND DELIVERING BETTER
EXPERIENCES THROUGH DATA

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ABOUT RETAIL REPLY

Retail Reply helps brands accelerate their response to the opportunities of digital transformation and customer experience, both in-store and online, in the retail, fashion, telco and hospitality sectors. Retail Reply supports clients' digital transformation across Digital Strategy, Planning, and Delivery. Our expertise includes IT architecture, digital product delivery, customer contact centre transformation, point-of-sale implementation, loyalty & promotion-engine development and execution, online and mobile customer experience, omnichannel implementation via microservices architecture, and capability-led planning.

GET IN TOUCH WITH US

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INTRODUCTION

Over the last decade, two trends have been playing out that are largely transforming the way consumer businesses are operating customer care.

The first trend is the significant increase of online demand, accelerated by the COVID-19 pandemic. This online demand has increased the volume of service requests going into contact centres. The second trend that emerged in parallel to the first is the proliferation of new digital customer care capabilities that help businesses operate customer care at lower costs, provide better experience for customers and employees, and offer an increased ability to sell to customers.

The challenge for consumer businesses is in finding ways to use customer care as a core differentiator and knowing where to invest, while optimising the cost base.

The road to a remarkable digitally enabled customer care experience is challenging. In Retail Reply's experience, consumer businesses often struggle in the following areas:

- Limited customer self-service capability and a lack of automation and AI, requiring high levels of human involvement

- Constrained ability to capitalise on unanswered demand
- Limited analytics capability resulting in lack of actionable reporting and insights
- Telephony solution limiting the ability for distributed / remote teams
- Certain failures in customer upstream platforms driving high contact volumes
- Manual, complex, and inefficient processes further impacting productivity
- Struggling to attract, motivate and retain a skilled workforce to manage demand

These challenges form the burning platform from which a strengthened digital care proposition needs to take shape.

The answer is not in a larger workforce, but in data-informed solutions.

THE FUTURE OF CUSTOMER CARE

The future of customer care is about building a remarkable, digitally enabled customer care strategy and experience. Customer behaviours have changed significantly over the last few years with accelerated online purchases, which has placed far more pressure on customer care teams to maintain a quality customer experience despite growing volumes of contacts.

THERE ARE THREE KEY ELEMENTS UNDERPINNING THE FUTURE OF CUSTOMER CARE:

1. COST EFFECTIVENESS & EFFICIENCY

By better understanding the business' demand and developing digital customer care capabilities, call volumes can be kept under control and deflected / directed to the most appropriate channels, thereby reducing the pressure to grow customer contact teams.

2. CUSTOMER-CENTRIC EXPERIENCE

Establishing simpler and faster ways to handle customers' queries across all channels provides consistent experiences and improved brand loyalty and ensures customer journeys are optimised to the intent / mission of the customer contact. To achieve this, businesses need to segment their customer interactions to align to the contact strategy and technology required to support the right service experience.

For example, a customer query to find out where an order is, can be served with minimum clicks through a self-serve journey, which will be different to the needs of a contact relating to a customer complaint where early human interaction may be more appropriate.

Businesses need to ensure the "voice of the customer" is at the heart of their Customer Care

Strategy – capturing customer needs and feedback through customer interactions, customer research and customer communities / focus groups. But more importantly, they need to compile this data and take informed, specific and targeted action. For example, one UK Retailer was able to use their customer intent data to identify a growing trend of calls relating to delivery issues in a certain area, enabling the business to proactively reach out to other customers in the affected area to make them aware of the issue at hand, reducing calls and improving customer experience. This same approach can be used to identify patterns in customer interactions linked to churn, enabling the business to take proactive and informed action.

3. NEXT GENERATION REVENUE ENGINE

Seizing the potential that customer care channels have in identifying opportunities to upsell and cross-sell to customers. Customer care teams have access to some of the most powerful customer data, by better understanding this data brands can provide employees with the right information at the right time to take the right action to handle each query.

The customer care centre will transform into an experience centre, focusing on activities that are high value for both business and customer, making reliable and accessible data even more valuable.

CALL CENTRE

- Cost Reduction driven
- Transaction Based (High Volume)
- Relatively routine repetitive tasks
- Nature of activity is not complex
- Little access to Enterprise Information Systems
- Low skilled staff, no empowerment

CONTACT CENTRE

- Customer Care driven
- Recognises that not all customer/calls are identical
- More personalised handling of customer interaction
- Leading edge Digital systems
- Acts as a barrier between customer & Information Systems
- Skilled Staff

CUSTOMER CARE CENTRE

- Desire to provide the highest-level of customer care
- Personalise all customer contact
- Significant use of technology
- Distinct culture of teamwork
- Customers have direct access to enterprise Information Systems via multiple media contact methods
- Highly Skilled staff – empowered to resolve

EXPERIENCE CENTRE

- Proactive and interactive value add customer experiences
- Leveraging self-serve channels, automation and artificial intelligence to drive down costs and improve customer experience
- True business integration with all customer care teams working from shared data and insights
- Empowered staff in the contact centre – acting as Partners – to deliver high value add services and maximise revenue

ORGANISATIONS REALISING THE BIGGEST RETURN ON CUSTOMER CARE INVESTMENTS ARE FOCUSED ON ACHIEVING THE FOLLOWING:

- Developing a customer care strategy based on customer intents, journeys, and routing strategy
- Leveraging cost-efficient cloud-based contact centre technology enabling access to more capable and cost-effective agents by employing talent in more remote locations
- Eliminating customer pain points by addressing the root cause of contact requests enabled through advanced analytics
- Introducing options for targeted self-serve digital capabilities using web, mobile, app, chat bots and interactive voice-response (IVR) systems; for example, some of our telco clients are aspiring to resolve 85% of contact volume through digital channels and utilise expert agents to tackle the remaining 15% of contacts which tend to include complaints and complex issues
- Leveraging data to identify opportunities to upsell and cross sell to customers, and equipping agents with relevant information and tools to transform the contact centre
- Taking an integrated, holistic approach to customer care operations to adopt all facets, including employee care, workforce management, performance management, technology, and quality
- Optimise and automate back-office contact centre end-to-end processes through journey mapping, process mining, lean six sigma, etc.
- Address unanswered demand by leveraging human-assisted channels such as contact centre as these are best positioned to resolve complex requests that add incremental revenue to the business while improving customer experience

BUILDING A REMARKABLE DIGITALLY ENABLED CUSTOMER CARE AND EMPLOYEE EXPERIENCE



Transforming customer care capabilities touches a number of areas – for the purpose of this whitepaper, we channel our attention to customer care strategy and analytics, and not on other areas such as operating model changes, and technology change management.

Using the omnichannel environment to reduce cost, improve experience and maximise sales requires brands to apply a strategy at the customer contact reason level that will set direction for strategic investments. Through our experience working with organisations across multiple industries, we have found that the following principles are essential for guiding such investments:

- **Ensure Measurability:** standardise customer intents (contact reason) data and use a common framework that can be measured in a consistent way across all digital customer care channels (covering all contact centres) and markets in order to reduce customer care costs.
- **Enable Steering:** use a strategic framework that enables routing customer intents based on their business and customer value. This will result in reduced costs, improved experience and increase sales.
- **Deliver Actionable Insights:** create actionable insight at contact reason level as a prerequisite to identifying any technology and broader operating model investments. Deploy a data visualisation capability that allows the creation of these insights to define clear actions on an ongoing basis, covering operational, tactical, and strategic reporting levels (making data accessible to other departments to act on and invest in change).
- **Democratising (Sharing) Contact Centre insights across the business:** your Customer Care teams hold some of the most insightful and valuable data in the business, but the catch is that their ability to act on it is limited and lies mainly out of their hands. Providing access for other departments and teams to explore and act on the data is essential for unearthing insights and seizing the biggest opportunities.
- **Invest in Automation and Self-Serve:** use the capabilities of virtual agent technology (chat and voice bots) in combination with mobile apps, web services and others to serve the customer more cost efficiently and with a better experience.

Customer-centric brands must focus on their customer care strategy, technology, and operating model to address challenges and set themselves up for the future. We have identified four steps that help businesses focus on finding actionable insights to deliver on key strategic priorities.

STEP 1

Customer Intent Harmonisation

UNCLASSIFIED CUSTOMER CONTACT VOLUME



CONTACT CENTRE



IVR



CHATBOT



MOBILE APP



WEB SERVICES



INTERPRETATION, TAGGING & CLASSIFICATION



HARMONISED INTENT CATALOGUE

ID | Journey Grouping | Intent



004 | Manage Account | I want to update my contact details



051 | Selling | Tell me more about your products and services



077 | Refunds & Returns | The wrong product has arrived



081 | Manage my Order | When will my order arrive?



087 | Tech Support | I need help setting up my TV



090 | Manage Account | I would like to change delivery address



115 | Other | I need to speak to an agent

Understanding why customers are contacting you is the first step. Contact volume intents need to be harmonised across channels and segmented in order to begin taking specific action

The first step is to gain a consistent and coherent view of the reasons that customers are contacting the business, we call these customer intents.

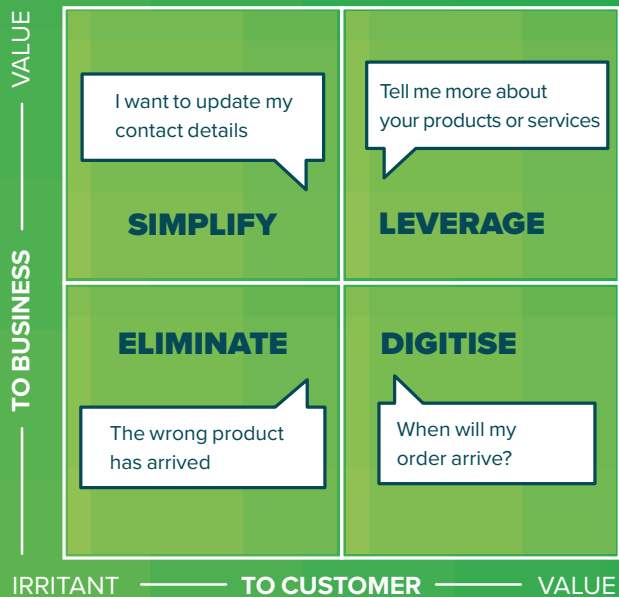
Customer Intents are standardised versions of customer contact reasons for engaging with the business. The standardised use of intents across the customer care landscape is a foundational step and has several advantages:

- It provides a common understanding of the customer contact reason enabling comparison (of performance) across channels, business units and markets
- It enables measurement and granular reporting by contact reason across various cost efficiency, customer experience and sales metrics across all organisational levels
- It unearths insights on how to improve customer care performance (cost, experience, sales)
- Intents enable steering to the most appropriate channel based on the value the intent itself contributes to customer and business

Applying a strategy to the customer intents to enable focus on the right strategic actions will help businesses reduce cost, improve customer experience and grow revenue.

STEP 2

Value Analysis & Intent Steering



Not every customer intent should be treated equally. Applying a framework helps to structure and segment customer intents, in order to take the right course of action for each.

The Value Irritant (VI) Model is an effective method of classifying and prioritising customer intents in order to take targeted action towards improving customer experience and reducing costs. The model is based on the value that intents provide to businesses and customers. These are mapped to one of the following strategies:

- **DIGITISE** transactional customer intents that can be self-served
- **ELIMINATE** root causes that drive customer intents which are painful and irritating to customers and business
- **SIMPLIFY** intents that are irritating to customers but valuable to the company: make them easy to complete
- **LEVERAGE** customer intents which represent high complexity and high value journeys (sales) that should be funnelled to expert human agents (in Contact Centre)

LOOKING AT YOUR CONTACT CENTRE BY VI STRATEGY AND INTENT HELPS TO IDENTIFY THESE KEY ACTIONS:

- Self-Serve capabilities and Automation (of “Digitise” intents) often require journey specific implementations (e.g. chatbot capabilities for “I want to amend my booking”). Understanding which intents drive costs helps to identify the right technical and operating model investments.
- Failures in customer upstream platforms are often expensive. Identifying the most-costly “Eliminate” intents helps to focus investments in this area. Opting for a Digitise strategy as a short-term solution is often the right course of action to reduce Contact Centre costs here.
- Brand: focus on highest volume intents and invest in (1) contact centre technology for Leverage intents, (2) downstream systems for Eliminate intents and (3) digital customer capabilities for Digitise and Simplify intents to increase overall customer service experience.
- Unanswered Demand: Freeing up contact centres agents and using the proceeds to reinvest in capabilities in human channels (Contact Centre) for the top sales intents helps with capturing unanswered demand.

STEP 3

Data Visualisation and Actionable Insights



Visualising intent level performance across channels enables you to steer volume away from the contact centre and deliver on strategic priorities.

Visualising all intents and their volumes and costs enables businesses to identify opportunities before taking action. This step in the process brings to life the customer care dashboard. It's from here that businesses can identify and drill down further into opportunities, as well as measure progress against initiatives that are underway.

Measuring intent performance using key metrics (KPIs) helps to generate actionable insights for businesses.

The illustration shown is an example of how insights can be used to identify opportunities for cost reduction:

1. Intent ID 81 has the highest volume in contact centre, which makes it the costliest intent for the business.
2. We know from the VI Model that ID 81 is a "digitise" intent. In other words, we want the volume to be lower in the contact centre and higher in digital channels. Additionally, zooming in on chatbot performance, we notice that containment rate is low.
3. This is an actionable insight for the business to (1) shift volume from contact centre to digital channels, (2) improve chatbot performance and containment rate for ID 81.

How do you move from insights to action?

STEP 4

Opportunity Roadmap

TOP INTENT OPPORTUNITIES



WHEN WILL MY ORDER ARRIVE?



I WANT TO UPDATE MY CONTACT DETAILS



THE WRONG PRODUCT HAS ARRIVED



I WANT TO DISCUSS A PRODUCT WARRANTY

OPPORTUNITY ANALYSIS & ROADMAP

CUSTOMER JOURNEY ASSESSMENT – MOBILE APP



STEP 1 is unnecessary as data can be retrieved from the customer profile

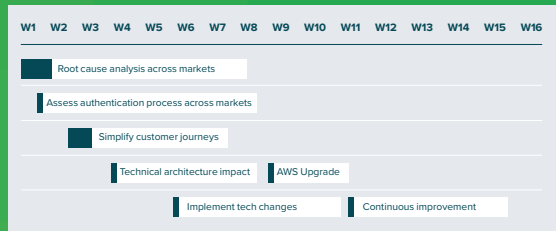
STEP 2 is unnecessary as data can be retrieved from the customer profile

STEP 3 can be eliminated by providing the answer in the app instead of letting the customer call the contact centre

OPPORTUNITY ANALYSIS

- > Customer journeys
- > TCO & benefits breakdown across channels
- > Mapping to strategic drivers

OPPORTUNITY ROADMAP



OPPORTUNITY ROADMAP

- > Well defined work packages / agile epics
- > Stakeholder engagement – tech & business
- > Synergies, dependencies and overlaps

Develop an opportunity plan and roadmap for each top opportunity, in a series of workshops with a cross-functional team representing all relevant tech and business areas

Once the insights from intent performance are correctly understood, businesses should focus on a mix of intent-based opportunities and longer-term enabling initiatives in order to lay the foundations for the future.

In order to act on the insights, organisations need to generate ideas to act on opportunities. Ideas for improvement could come from the following:

1. Internal benchmarking and best practice sharing – compare the performance of the same intent across multiple BUs or geographies with the objective to learn from each other
2. Competitor benchmarking - compare the performance of the same intent (contact reason, journeys, etc.) with that of competitors
3. Customer journey analytics – which helps identify low performing journey steps and channels at a granular level

Looking at customer experience and sales by intent and journey provides a specific focus to drive step change improvements. For instance, the volume shift illustrated previously could be achieved by better communicating to customers and helping them understand that the intent (Intent 81) is better served through the chatbot than the contact centre. Or, the containment rate may be improved by designing a better conversation flow in the chatbot for Intent 81.

In order to achieve the agreed strategy, a breakdown of delivery (into manageable work streams and packages) helps deliver value quickly and reveals opportunities to learn and improve. Additionally, ensuring that the agreed capabilities and high-level requirements are clearly mapped to the benefits will help identify quick wins and longer-term investments.

In this process, clear and ongoing communication of the roadmap between key teams / departments across the business is critical to success. Moreover, communication channels with dependent / related programmes must be established to leverage new capabilities or identify synergies / re-use of technologies.

The recent global and local events have resulted in a rapid evolution of customer behaviour and expectations. Creating a customer intent driven contact is an empathetic road to a remarkable digitally enabled customer care experience, exceeding customer expectations and influencing loyalty along the way.

LESSONS FROM DELIVERY

Customer contact strategy implementation and data visualisation case study



[CLICK HERE TO WATCH THE TESTIMONIAL](#)

BACKGROUND

The TOBi Programme (IVR Voice, App Chat, Web Chat, and Social Media Chat) is a key strategic programme to enhance customer experience and reduce contact centre operations costs. Significant investment has been made into TOBi for development and global scale-up across 15 markets – with over 150M+ chatbot conversations.

Reply has been a key partner for Vodafone in Customer Contact Strategy & Customer AI Analytics globally since 2018.

Vodafone leveraged Reply to accelerate the development of TOBi globally, reduce contact centre volumes across markets, and demonstrate clear business value of TOBi's digital customer contact channels through a data-driven approach.

APPROACH

Reply is working with Vodafone to bring data to the forefront of decision making.

We have worked to create a common cross-channel and cross-market framework. KPIs are based on a consistent approach that measures specific customer intent strategies and creates a traceable thread throughout all customer contact channels.

Vodafone is now able to demonstrate the value of digital channels and create priorities for new digital capabilities in both established and emerging markets.

RESULTS

The customer strategy programme has allowed Customer Operations Directors across Vodafone markets unparalleled visibility of data. This has resulted in:

- Increased and more focused investment in digital capability in Chatbot and Mobile App
- Senior Leader ownership and focus on eliminating poor customer services that have saved tangible costs and improved efficiencies within the first 6 months
- Enhanced channel steering to digital channels for better customer experience and efficiency
- Best Practice sharing of successful journeys across markets to accelerate the development of digital channels

HIGH-END UK DEPARTMENT STORE

BACKGROUND

Our client had optimised as much as they could within their existing contact centre setup – to improve beyond this point they needed to invest in a customer contact centre strategy to inform the right technology capabilities. Their current contact centre capabilities were challenged by:

- Limiting technology and data: holding back the strategy and capability ambitions
- Operating model inefficiencies: agents had a complex setup with inefficient processes
- Legacy architecture: costly, hard to support and restricting their speed of change
- Remote working: there is a need to adapt to this new long-term setup

APPROACH

We worked closely with our client to develop their customer care transformation strategy and business case to make the next step in customer care experience.

The business case focused on customer care capability enablement, helping to ensure the business leveraged new tech capability such as automated call routing, text analytics, workforce optimisation etc., to improve customer experience, loyalty, revenue and find opportunity for cost reduction.

Data & analytics played a significant role in not only informing the right strategy but establishing access to insights for future investments, learning and ongoing improvements.

RESULTS

The retailer now has a data-driven customer care strategy from which a roadmap of workstreams has been initiated and key capabilities prioritised, helping the business:

- Redirect low-complexity and non-commercial contacts to more cost-efficient digital channels
- Handle high-complexity and commercial contacts within the contact centre with higher cost efficiency and better customer experience, while maximising revenue opportunities

A business case is progressing through the portfolio stage gates with all relevant senior business, operations and technology stakeholders aligned and onboard with the value and outcomes to be delivered.



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