

Managing Customer Interactions with Intelligence



Serving the needs of your customer has taken on new meaning. A global marketplace, filled with more agile and flexible competitors, has compressed response times and changed the rules of engagement. Companies are forced to reexamine their historic product-focused strategies and begin transitioning to a more customer-centric operating model — a model predicated on the ability to attract, retain, and grow relationships with high-value customers.

Competing and winning in “the age of the customer” is dependant on how well your organization consistently delivers the highest quality customer experience at each point of interaction. It does not matter whether you are competing in a business-to-consumer or business-to-business environment — your customers are measuring the quality of their experience along three dimensions:

- **Functional Benefits** — the real or perceived attributes or features of your company’s products and services.
- **Process Benefits** — the speed, ease and efficiency of conducting business with your organization.
- **Relationship Benefits** — how successful you are in personalizing your value proposition and the interaction experience to the individual customer.

Together these benefit areas serve as a yardstick, which customers use to measure the

merits of doing business with any one company relative to its competition. The correct mix of benefits will vary from industry to industry, customer to customer, prospect to prospect. However, most companies need to include a combination of all three as part of its value proposition.

In the new customer-centric marketplace, an organization’s long-term success is directly related to how effective it is in integrating Process and Relationship benefits into the value delivery strategy. This necessitates a fundamental shift in the roll of your primary customer-facing capabilities, elevating the strategic value of your contact center as the integration and delivery mechanism in ensuring a quality experience.

The contact center must be transformed into an important strategic asset for delivering differentiated value. For many enterprises, the contact center is the main portal for managing interactions with both prospects as well as existing customers. The contact center is best positioned to deliver the process and relationship benefits your customers are expecting. As such, it can no longer be managed as a cost center. In this new customer-centric world, the contact center is an important source for capturing customer learning and applying this learning to deliver the kind of superior experience that differentiates your organization with its most profitable customers.

Foundational to becoming a customer-centric company is the ability to capture, compile, integrate and analyze appropriate customer data and transform this data into intelligence and insight that enables you to deliver a superior, more personalized experience. The internet has empowered your prospects and customers with much more data to make what they believe are better and more informed decisions. To counter-balance a more enlightened customer set, suppliers must learn how to integrate customer intelligence to enrich the experience they deliver.

We define Customer Intelligence as the ability to use information about a customer to create a more meaningful and satisfying interaction. Deliver a differentiated experience that builds deeper relationships and generates greater revenue and profits. Customer intelligence is built on three dimensions:

- **Customer Information Integration**
 - Integrate all customer data bases into one central profile repository
 - Create a 360 degree view accessible to all customer-facing personnel
 - Collect customer data at all points of interaction and continuously update customer repository
- **Customer Insights**
 - Apply sophisticated modeling and analytical techniques to uncover new, more actionable insights about needs, behavior and value
 - Segment customers based on needs, value, and behavior
 - Conduct root cause analysis to better understand inquiry types and enhance Customer Service Representatives' (CSR) ability to address and support each type of interaction and achieve a high first call resolution rate
 - Use predictive modeling to identify potential defectors as well as propensity to favorably respond to new offers or communications
- **Customer Insight in Action**
 - Integrate customer insight to design a more targeted customer experience by channel
 - Score customers and define different levels of treatment by customer type
 - Intelligently route customers, based on business rules, to the best resource with the necessary knowledge and skills

- Personalize interactions based on learning and prior experiences
- Empower front line employees with tools, knowledge assets, and real-time prompts to deliver a differentiated experience
- Integrate real-time analytics to escalate and proactively manage difficult situations

Industry research as well as CSC's experience suggests less than 20 percent of companies have a central repository that contains all customer information. Without an aggregated consistent source of customer data, numerous problems arise, including excessive manual data manipulation as well as various versions of "the truth". Furthermore, it is virtually impossible to understand a customer's unique needs, channel preferences, and behavior or predict how they will respond to a new offering or treatment.

Most centers treat all customers alike — a reality that perpetuates unnecessary service costs as well as operational capacity strain while failing to advance the strategic priorities and goals of the business. Transitioning to a value delivery model requires an ability to transform customer information into knowledge and insight that results in a superior, differentiated experience.

Companies are challenged to cost-effectively integrate customer data into an actionable repository — a repository that is easily accessible to each and every functional area that touches the customer either directly or indirectly. All too often, information about each interaction, channel preference, prior service history, contact history, unresolved issues, purchase history across product lines and lines of business, as well as response rates to past incentives or communications are maintained in separate databases, or worse yet, not captured or maintained. However, with some focused effort, this data can be integrated to develop a comprehensive customer profile. A rich repository of customer information, which, when properly analyzed, can yield actionable insight. Insight that streamlines the customer management process, improves the design of future products, increases the effectiveness of future marketing campaigns, as well as personalizes subsequent interactions in a way that enhances customer satisfaction, loyalty and long term profitability.

The deficiencies for becoming a Customer Intelligent enterprise go much deeper. Not only are companies not collecting and integrating the right customer data, they are not conducting the type of analytics necessary to uncover meaningful insight to shape customer behavior in a way that is mutually advantageous. Most of the analysis performed by the contact center is focused on monitoring operational performance (e.g., service levels, AHT, abandonment rates, etc.). Very little relates to customer needs, satisfaction levels, preferences, behavior, or for that matter, value to the organization.

Surprisingly, few companies are collecting and analyzing channel-specific data. The lack of channel-specific analysis is indicative of a bigger problem facing companies: low customer satisfaction scores. Industry research suggests overall weighted satisfaction scores of around 60 percent, a low level in and of itself. Even more disturbing is the fact that satisfaction scores by channel, other than voice, are below 50 percent. What do these scores suggest regarding the amount of time and attention companies are giving to the design, execution and management of the customer experience by channel? Over the last several years, companies have built many new communication channels and enhanced overall accessibility. However, they have created a bigger problem by delivering poor service and support.

Disturbingly, few companies are analyzing customer satisfaction or dissatisfaction scores, purchase behavior, contact history, or responsiveness to prior marketing campaigns. Consequently, they are missing an opportunity to understand how to improve the customer management process, provide assistance to the CSR with next likely action prompts, or allow timely remediation of customer problems which, left unchecked, can be a source of frustration and dissatisfaction.

The reality is most contact centers continue to be managed from a traditional operational perspective. Most of the analysis tends to be very tactical to support day-to-day business operations and efficiently manage a growing volume of interactions across multiple channels, e.g., tracking SLA's volumes, abandonment rate, and quality and workforce management. Operational performance tracking represents the basic block and tackle analysis necessary to optimize internal productivity. However, how

much insight does it reveal relative to the quality of the interaction from a customer's perspective?

Building strong customer relationships requires a new set of analytical tools applied to a more robust customer-centric data set. Organizations need to perform rigorous analysis to guide the design, execution and tracking of a more stratified, personalized service experience. We are not suggesting there is no place for operational analyses; however, the job for the contact center analyst will become more complex, requiring new skills to conduct, interpret and communicate the learning in a way that positively impacts the customer experience.

In a new value delivery operating model, the role and stature of the contact center needs to be elevated inside the enterprise. Senior executives, as well as those in sales and marketing, must view the contact center as an asset integral to the success of the overall business strategy. This requires closer collaboration with marketing and sales in the design and execution of the customer management process. We envision an environment that invites input from the contact center on the design and execution of all customer management activities. There is a need for dedicated resources inside the contact center that possess the necessary skills to perform more sophisticated modeling and analysis. These analysts will work closely with their counterparts in marketing and sales to share learning and develop recommendations on how to operationalize intelligence as part of the day-to-day customer management process.


In the customer intelligent operating model, the contact center performs an important market-sensing role and becomes a rich source of customer insight and learning valued by marketing and sales. The contact center is viewed as a full partner in building stronger customer relationships, and through close coordination and collaboration, designs and delivers a superior experience at each point of interaction.

We are not suggesting the contact center become the hub for all customer analytics. However, insight from more robust customer analytics needs to shape how the contact center:

- Scores customers and defines different levels of treatment
- Intelligently routes customers to preferred channels and the appropriate resource that possess necessary skills and information

- Directs, as appropriate, a customer to self-service
- Proactively notifies customers with important communications and offers, thereby eliminating an inbound inquiry or delighting a client with valued information or an offer
- Directs real-time interventions and escalation of dissatisfied customers or likely defectors for remedial action
- Provides CSRs with relevant prompts and quick access to knowledge assets based on real-time monitoring of interaction

The following suggests customer analytics that when performed in collaboration with marketing and sales can yield tangible business value:

Objectives	Strategic Levers	Sample Analytics
	• Operational improvements	• Performance tracking
	• Switch to self service	• Value analysis
	• Intelligent routing	• Behavior and value analysis
	• Differentiated service strategy by customer segment and channel	• Segmentation analysis
	• Behavior shaping	• Real-time interaction analysis, response modeling
	• Script adherence and compliance	• Compliance analysis
	• Proactive service management	• Usage/behavior analysis
	• Customer management	• Defection analysis • Risk/interaction analysis • Knowledge management
	• Cross-sell/up-sell	• Propensity to purchase/next likely to buy
	• Market sensing/innovation	• Data mining

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www.csc.com

Computer Sciences Corporation

Consulting Group

266 Second Avenue
Waltham, Massachusetts 02451
United States
+1.781.890.7446

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In summary, an organization's long-term success is directly related to how effective it is in integrating the contact center as part of its value delivery strategy. Major changes in processes and capabilities are required to put the customer intelligent strategy into action. The contact center must be prepared to assume a more strategic role in the capture of customer knowledge and applying this insight in the delivery of a superior experience at each point of interaction. This requires a shift from a cost containment model to a customer-centric, value creation model. A value creation model built on customer intelligence to design the who, what and how of a customer experience. If your company's success is contingent on building deeper, stronger customer relationships, then managing your interactions with intelligence has never been more strategic.

To learn more about CSC Customer Intelligence solutions, please contact Rich Davidian at 212.532.1500 or rdavidia@csc.com.