

*"only 8% strongly agree that 'my company is successful in offering omnichannel customer care solutions.'"*

*p. 2*

# DRIVE EFFECTIVE MULTICHANNEL CUSTOMER CARE THROUGH FOCUS

**Findings from CX Act's Omnichannel  
Customer Care Study.**

By Cynthia Grimm, CX Act

**CONTACT CENTER PIPELINE**

SMART INSIGHTS AND PRACTICAL ADVICE FOR THE CONTACT CENTER  
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By Cynthia Grimm

CX Act

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**M**uch has been written about the proliferation of contact channels in an increasing omnichannel world, especially in the path-to-purchase cycle. But in recent research, CX Act Inc. (formerly TARP Worldwide) found that the customer care experience is neither as “omni” or as effective as many believe.

The research suggests customers and companies would be better served if companies would take a more measured approach and step back from their seemingly relentless pursuit to cover all bases (channels) equally, without having considered customers’ fundamental needs, and before they are really ready and able to do so.

CX Act recommends a more focused approach, with less emphasis on “omnichannel” customer care and more on “multichannel done with finesse” by guiding customers to the channels that are best equipped to serve their needs. We propose a five-step process for achieving that focus.

### Omnichannel: Words Vs. Reality

We’ve learned that it is one thing to be “in” a channel and make your company relevant to the consumer conversation when creating awareness and engagement. It’s quite another when customers reach out through that channel and expect companies to be geared up to respond and resolve issues.

When contact center executives were asked their definition of “omnichannel,” there was a wide variance of understanding. While some defined it as allowing customers to contact companies any way they like, others thought of it as the consistency in which the service is delivered. A common theme is the ability of companies to allow customers to choose without disrupting service.

Contact center executives also provided insight into the many challenges and barriers associated with a true omnichannel—every channel for every reason for everyone—customer care. Key barriers and challenges were mainly technology focused—integration of systems across various information channels and the lack of resources to prioritize the development. Four out of 10 companies “strongly agree” that “integration of customer care channels is a hot topic in their company,” but only 8% strongly agree that “my company is successful in offering omnichannel customer care solutions.”

Given the many challenges being encountered by companies, we question the usefulness of the term “omnichannel” at all as a company goal in the context of customer care. A more pragmatic objective is for companies to aim for multichannel customer care experiences done well, with the customer’s needs in mind; i.e., first-contact resolution, handled as quickly and easily as possible. Some have called this “multichannel done with finesse.”



## ABOUT THE CX ACT OMNICHANNEL CUSTOMER CARE STUDY

A comprehensive national study conducted in early 2015 with:

- 2,500 consumers in a nationally representative online panel
- Contact center executives, surveyed through Contact Center Pipeline

Examined customer view and company view of contact behavior, now and in future, and expectations and service levels by channel, reason for contact and industry.

For more information about Omnichannel Customer Care, visit: [www.cexact.com](http://www.cexact.com).

### “Multichannel Done with Finesse” Impacts the Bottom Line

If there were any real doubt as to why great customer care experiences matter, the answer is evident in bottomline measures such as loyalty and advocacy. CX Act’s previous research (“CX Act 2013 Touchpoint Study: Personal Presence Trumps Digital Decorum,” *Pipeline*, March 2014) shows that customers who receive a first-contact resolution, regardless of channel of contact, are nearly twice as likely to remain loyal and four times more likely to spread positive word of mouth about your brand (see Figure 1).

This is a dynamic that impacts the whole customer experience continuum, from acquisition to retention and growth, and is thus a crossfunctional concern, not just the problem for the customer service or consumer affairs department!

### Customers Still Rely on Traditional Care

CX Act’s Omnichannel research shows that 75% of customers use traditional contact channels (i.e., phone or in-person) when contacting companies with a question, complaint or to conduct a routine service transaction, with only 2% using live chat on the website, 2% via mobile care and only 1% via social media. There is surprisingly little difference by age. (See Figure 2.)

So why aren’t customers using more non-traditional channels for service transactions? After all, there is a growing trend toward using multiple non-traditional channels for product/service research and purchasing.

### Companies Not Meeting Expectations

The answer lies in the actual experiences being provided by companies through non-traditional channels that lead to frustration and disappointment and, therefore, lower customer expectations. The consequence is a stuttering progression toward use on these non-traditional channels as customers seek the safe haven of more reliable traditional channels.

The most important factors driving the selection by a customer of a contact channel is the degree to which the channel will be “quick and easy” and that the questions/complaint/transaction will be completed/resolved in the first contact.

CX Act’s research found that when company representatives were asked to indicate which of the channels they offered were equipped to handle a complaint/question in one contact, telephone was the highest with 92% equipped to handle complaints in one contact. Non-traditional channels, especially self-service online and mobile, fared very poorly with only 24% equipped to handle complaints through their mobile channel. (See Figure 3.)

Those that are not able to complete the transaction through their channel of choice are primarily directed back to more traditional channels or left on their own. (See Figure 4.)

This inability to handle through non-traditional channels feeds customers’ already low expectations. While most (over 80%) of customers **expect** their complaint or question to be resolved in one contact via telephone or onsite, less than 70% **expect** their issue to be resolved in one contact when contacting via self-service, mobile or social media. Generally, companies are meeting or exceeding customer expectations with traditional channels and falling well short on non-traditional channels (especially mobile, self-service online and social media). (See Figure 5.)

This finding is consistent with what CX Act found through our Touchpoint Stress Test research last year (“Brands Falter on Digital Channel Engagement Leading to Lost Loyalty: Highlights from the CX Act 2014 Customer Touchpoint Stress Test,” *Pipeline*, July 2014) in which 58% of customers were very satisfied with their phone response, but less than 40% were satisfied with their response via non-traditional channels.

### But Customers DO Want to Use Non-Traditional Channels

While traditional care (especially phone) will continue to be a channel of choice, when asked which channels they will consider in the future, the percent who will consider self-service online is three times higher and mobile care consideration is 10 times higher than the current usage. (See Figure 6.)

Customers want to use non-traditional channels when it increases the speed and ease that they can get an answer to their question or resolve an issue.

### Biggest Opportunities with Mobile and Web Self-Service

Putting together the company assessment of delivery, customer expectations of delivery and customers' future usage (see Figure 7) reveals that the telephone channel has the highest expected future use and is meeting or exceeding customer expectations. However, the non-traditional channels with the greatest expected future use that fall well below expectations are mobile (including self-service, chat and text on mobile) and self-service on the web.

### Companies Also Not Meeting Service Level Expectations

Customers have high expectations for response time, with 80% expecting a final response within 24 hours when using a telephone or online live chat channel, and slightly lower expectations for other channels. Companies' ability to respond within 24 hours, especially on non-routine transactions, is significantly lower than customer expectations, with less than 20% of companies responding within 24 hours for mobile and social media contacts. (See Figure 8.)

### Customers Choose Channels Based on Task

Across all reasons for contact, the most important factor to customers when selecting a channel is the degree to which they can resolve their question/complaint/task quickly and easily. For complaints and questions, customers also like human contact. Security is the fourth most important factor driving channel selection, rising in importance for account sensitive transactions (e.g., billing or payment). (See Figure 9.)

Companies understand this dynamic, with contact center executives also most likely to rank quick and easy resolution and security among the most important factors for satisfying customers across all reasons for contact.

Customers are most likely to **expect first-contact resolution** from either live chat online or via telephone. They expect the **highest level of security** through online self-service. And, customers expect contacts to be **easiest to handle** via online live chat, email or mobile self-service.

### Seamless Integration Is the Key to “Quick and Easy”

Customers prefer to have their issue resolved on first contact, in their channel of choice, “quickly and easily.” In order to achieve a “quick and easy” experience, the most important drivers are having personal details available, having information on previous transactions and providing a personalized solution. For the telephone channel, a key driver is a “warm and friendly experience.” (See Figure 10.)

This has implications for how companies can optimize each contact channel experience.

### Aligning Customer Expectations and Channels

Putting together customer expectations by reason for contact and channel provides clear guidance on what works for customers and how companies can best optimize their contact channels today and in the future. (See Figure 11.)

Companies should aim to use traditional channels (phone and on-site) and live chat for the non-routine matters (e.g., questions and complaints) where interaction and emotional engagement and empathy remain paramount.

Self-service and mobile apps are best-suited for the routine and data sensitive transactions (e.g., billing and account related). There is a potential to move more general questions and account inquiries to self-service and mobile, with seamless integration allowing for a more personalized interaction.

Across all channels and reasons for contact, the key continues to be “quick and easy,” but companies need to ensure a high level of emotional connection for traditional channels and live chat. Email is another channel that—while being “digital”—requires some humanization to be effective, an area of down fall for many organizations.

### The Answer Is Focus

So, how can companies achieve the balance between offering new channels and meeting customer expectations? Some have suggested that companies just need to provide all channels for all reasons for all customers, or as some say “true omnichannel.” Our research suggests that a more pragmatic and effective solution for both customers and companies lies in providing “multichannel customer care, but done with more finesse” and to guide customers to the channel that will allow them the solution that will most meet their needs.

If companies continue to try to be all things to all people when (a) it’s not necessary, and (b) before they are ready, they will continue to suffer criticism from their customers and bear the brunt of duplication of costs that inevitably come with duplication of effort and the inability to shift resources to those areas that are most effective for both the business and the customer.

Companies can best achieve this solution through focus. CX Act recommends a five-step process for achieving that focus:

1. **Evaluate** your company’s capabilities and operational constraints across channels.
2. **Identify** needs, preferences and expectations among your most important customer segments.
3. **Prioritize** development of channels that will best serve your customers.
4. **Establish and meet** service levels for each channel that meets customer expectations.
5. **Communicate, educate and direct** customers to the channel that will most meet their needs by task. 



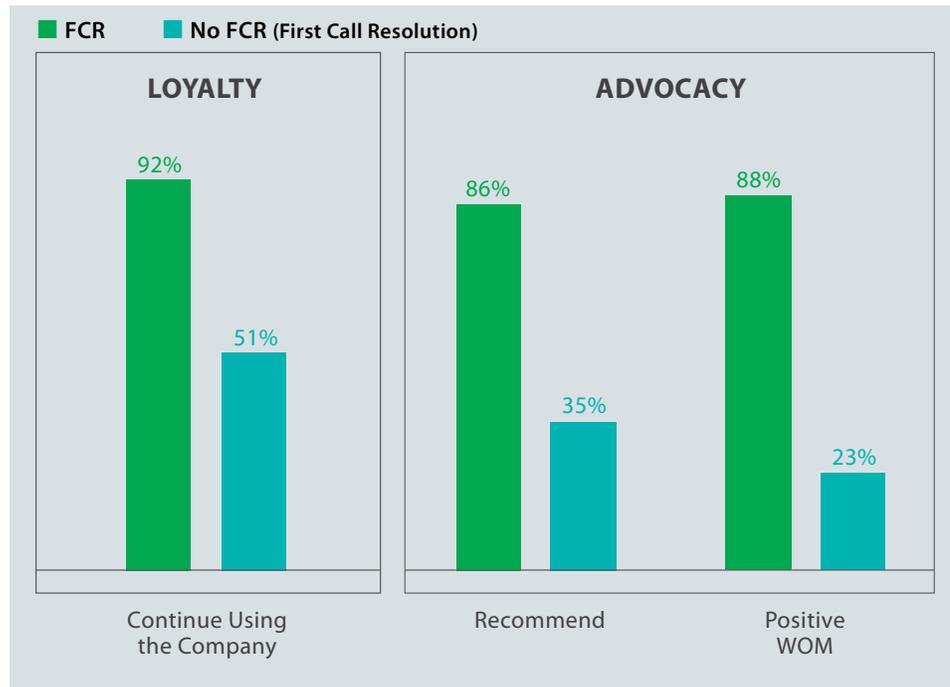
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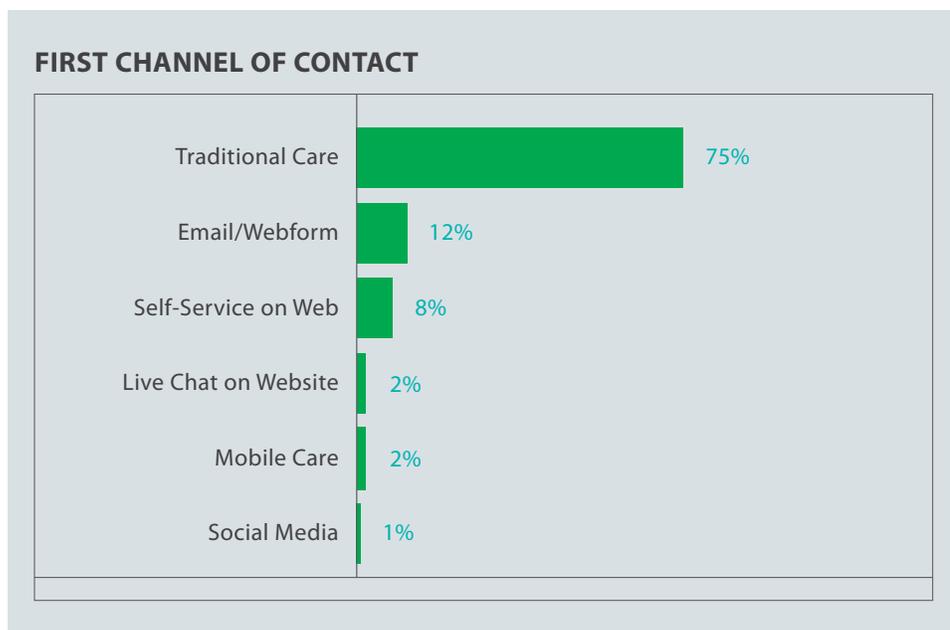
**FIGURE 1**

Customers who receive FCR are more loyal



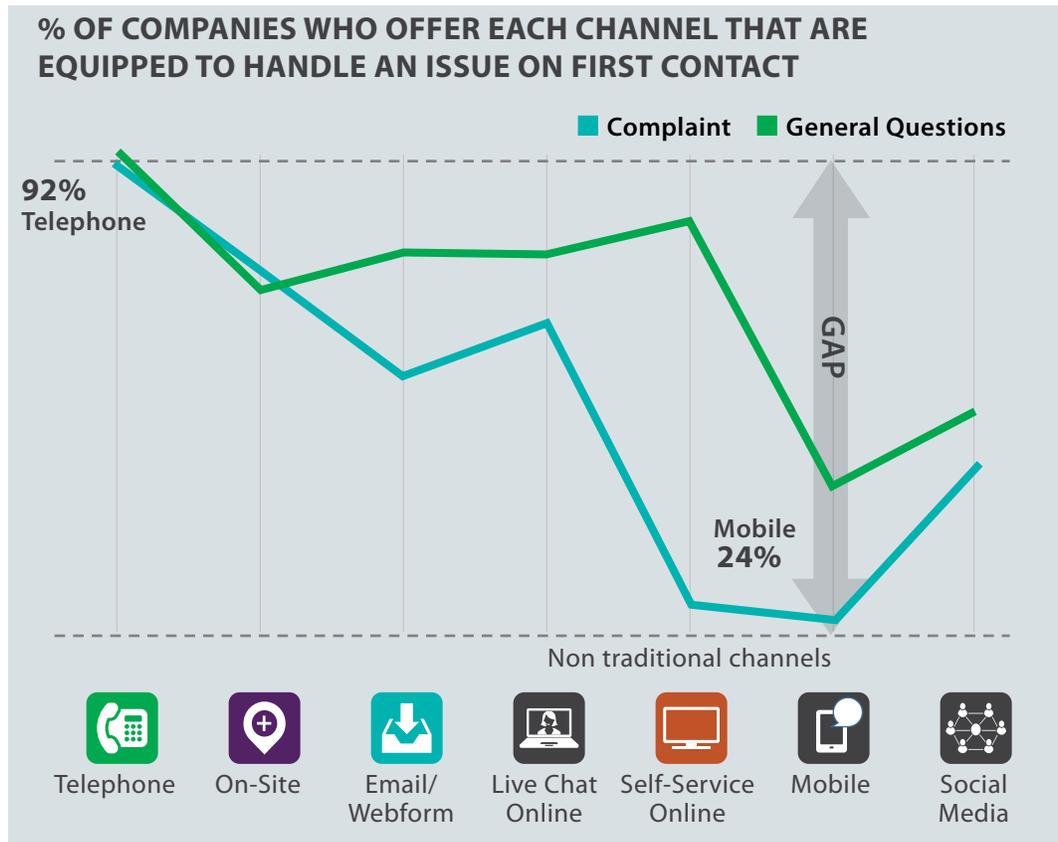
**FIGURE 2**

Customers use traditional contact channels



**FIGURE 3**

Which channels are equipped to provide FCR?



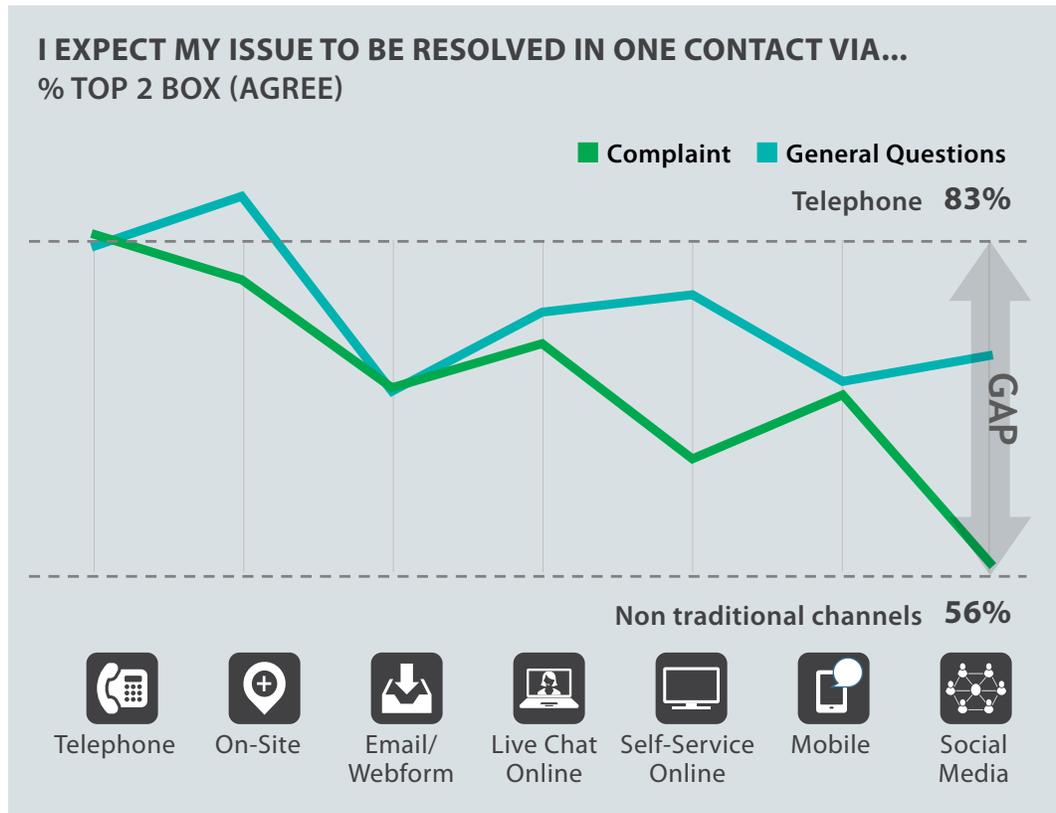
**FIGURE 4**

When a channel fails, customers are redirected to more traditional channels



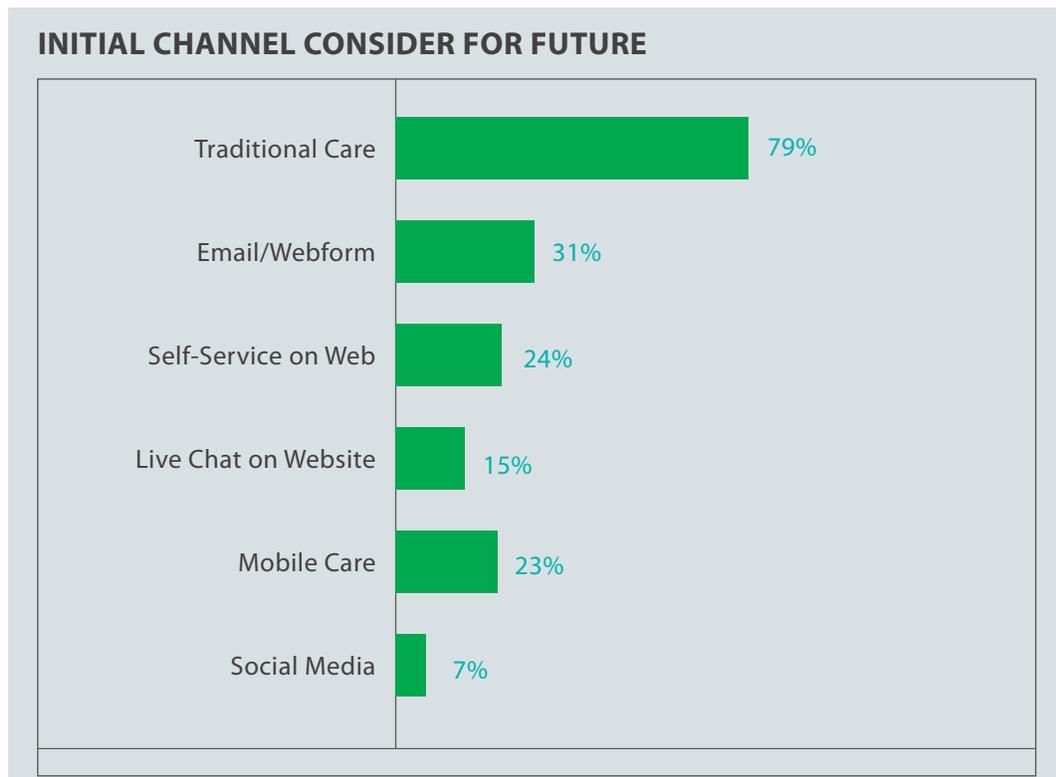
**FIGURE 5**

Customers' expectations for FCR by channel



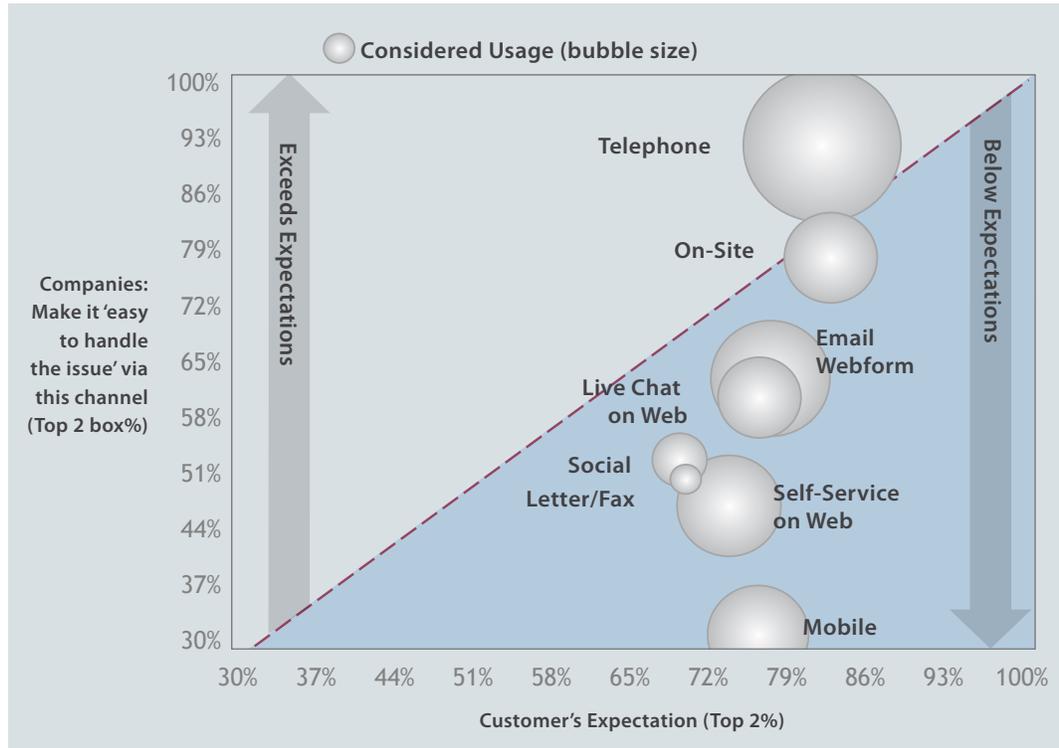
**FIGURE 6**

Customers want to use non-traditional channels



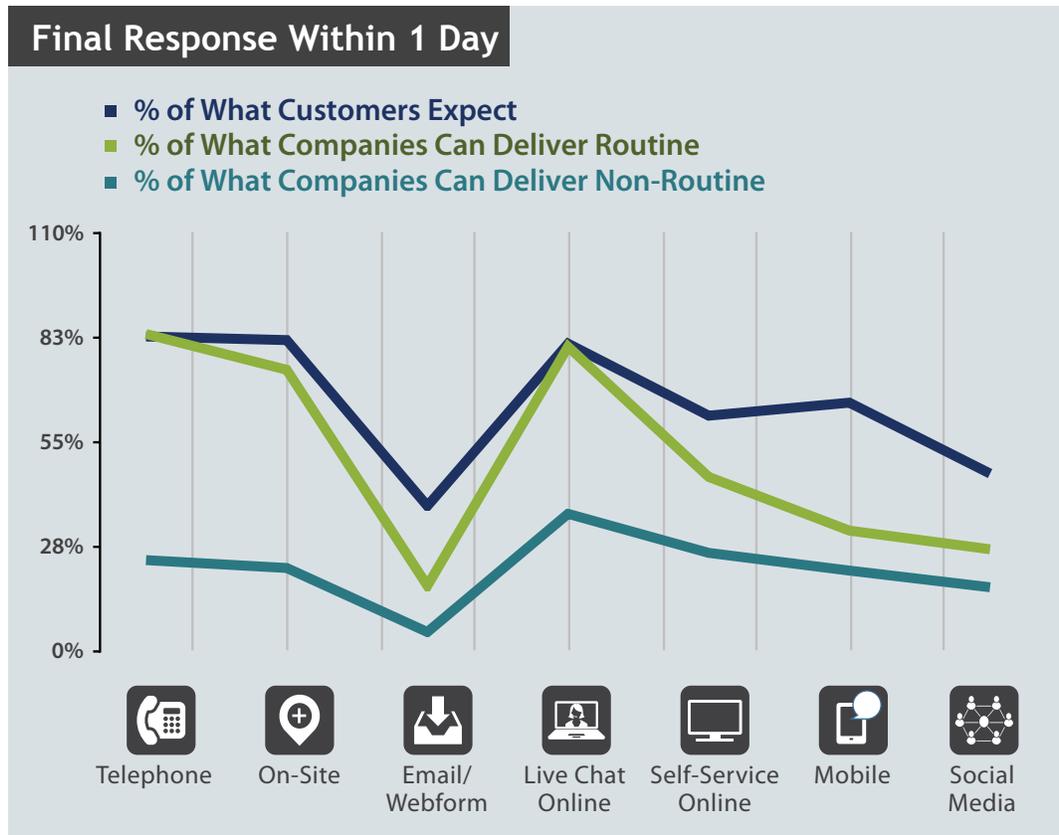
**FIGURE 7**

Telephone has highest expected future use and is meeting or exceeding expectations



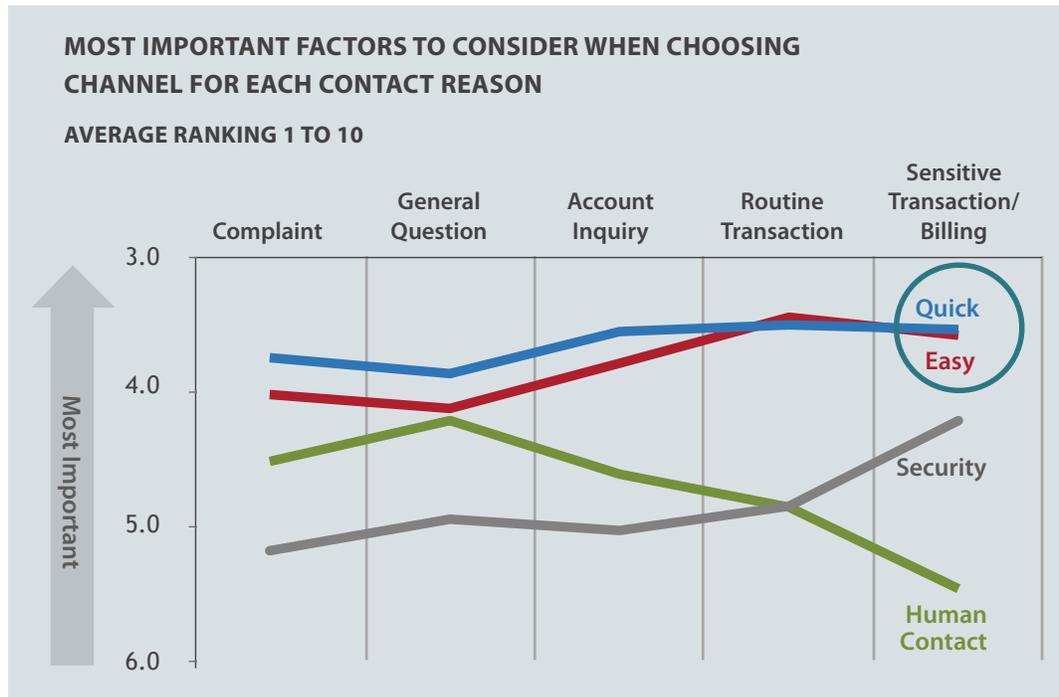
**FIGURE 8**

SL expectations and ability to respond



**FIGURE 9**

Key factors for customers when selecting a channel



**FIGURE 10**

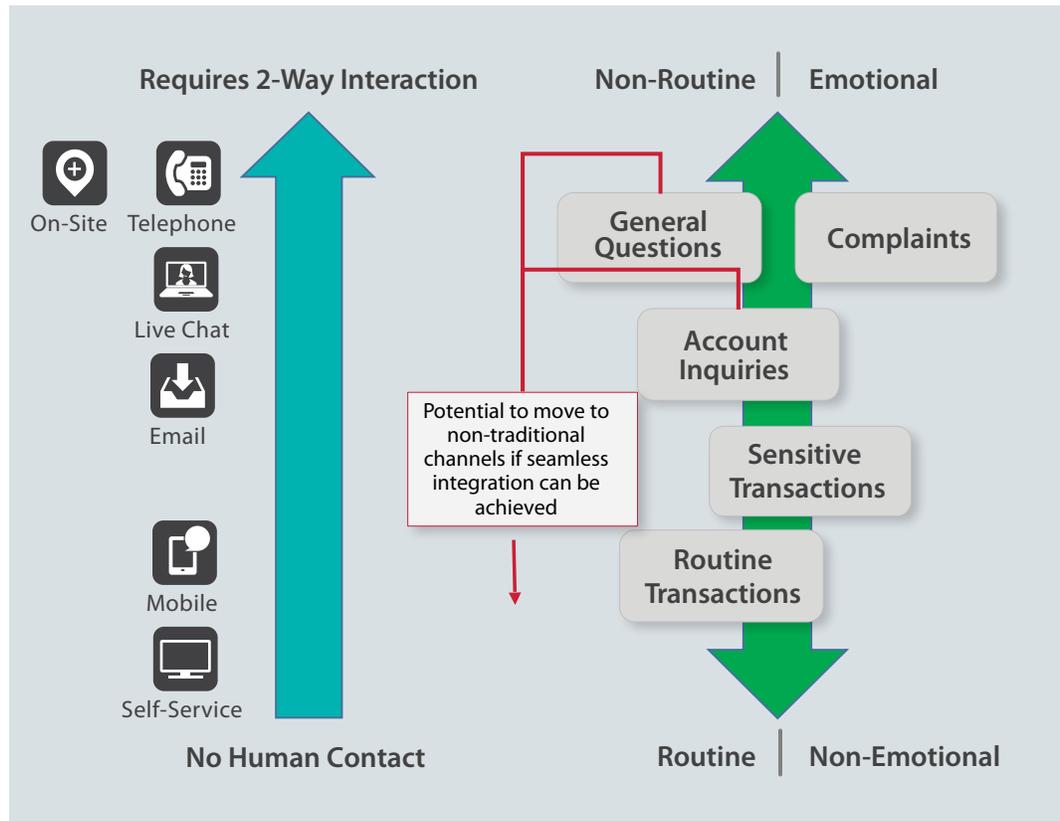
Key drivers for a "quick and easy" experience

**KEY DRIVERS**  
(when conducting routine transaction)

	Telephone 	Email/ Webform 	Self-Service Online 	Self-Service Mobile 
Personal details available	21%	17%	22%	18%
Previous transactions available	18%	18%	19%	18%
Personalized solution	17%	19%	17%	22%
Warm and friendly experience	20%	16%	15%	16%
Ability to control the speed of service	16%	17%	18%	14%
Ability to Multi-task	7%	12%	8%	11%

**Legend:** Rank 1 Driver (Dark Green), Rank 2 Driver (Medium Green), Rank 3 Driver (Light Green)

**FIGURE 11**  
Aligning customer expectations and channels



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