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Getting Engaged With Your Customers

White Paper

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Getting Engaged With Your Customers

Customer engagement is an evolving framework for deploying practices and technology that strengthen the bonds between the enterprise and the customer.

Perhaps an easy way to understand the concept of customer engagement is by providing a hypothetical example. Nathan and his wife Tammy are planning a vacation getaway to a tropical beach resort. As frequent travelers, they are platinum-level members of Sunlovers Resorts.

They peruse the Sunlovers website and narrow the choices to five. Nathan clicks on the "call me" button to speak with a representative. Although his call is routed to a special queue that serves only platinum-level clients, all lines are still busy. A message immediately appears that his call will be handled in five minutes or, if he prefers, the resort can return his call via the cell number they have on file. Nathan, being the impatient type, then selects the chat option. Almost immediately, Connie—the customer ambassador—greets Nathan by name and asks about his background and interests, mostly to confirm information already on file. She then uses the collaboration tool to share images of the two hotels that the decision guidance system presented as best choices. She also shares pictures of hotel rooms, local attractions, room rates and even restaurant menus. Nathan and Tammy agree with the recommendations that the software had suggested.

Upon arrival at the airport Nathan sends a text message to the hotel requesting pickup. After a short and comfortable ride to the hotel, Nathan and Tammy are met by Tony—the friendly uniformed attendant who greets them by name and pulls up their registration information on his mobile tablet. Nathan swipes his credit card and signs with a digital pen. This action automatically registers Nathan and Tammy and activates a key code on his smart phone. This is a special app available only to platinum-level customers. The keyless entry system uses Bluetooth technology to gain entry to the guest room and exclusive lounge.

Tony escorts Nathan and Tammy to their room. Shortly after Tony departs, Tammy decides she would rather have a west-facing room to view the sunset. Nathan sends a text to Connie requesting the room change. Connie, who has room information for all Sunlovers properties, notes that a recent cancellation has made a west-facing suite on the 10th floor available for an extra $50 per night. Connie elects to offer the suite for only $25 more (she is authorized to do so to retain valuable customers). As expected, Nathan jumps at the opportunity. Connie sends Nathan a text confirmation and makes the change on the hotel reservation system. Hotel back-office personnel see the change and automatically cancel the wireless code for the former room and issue a new code for the suite. Connie then texts Tony to help move their bags. As Nathan and Tammy relax in the hotel lounge, they each receive a welcome message from the hotel manager. Throughout their visit, Nathan and Tammy receive personalized text messages about special events and promotions tailored to their specific interests.

The entire resort experience was beyond their expectations. Nathan responds to the post-visit automated survey with glowing praise and volunteers summary comments to the open-ended questions. He also agrees to allow the hotel to post his comments on the resort's Facebook page.

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This hypothetical scenario illustrates several of the key elements that contribute to an optimized customer experience and optimal customer engagement:

Deep knowledge of individual consumers – It begins by having a deep understanding of each customer. This means harnessing the data that resides in internal and readily available external systems and databases, including social networks.

Personalization – Tony was able to greet Nathan and Tammy by name and leverage historical information to personalize interactions and align offers and options suited to their preferences. Connie had the benefit of decision guidance software (also known as "next best offer") to help choose the best resort. The system knew that our travelers enjoyed snorkeling and automatically selected a hotel that had top-quality expeditions and interesting shipwrecks nearby.

Customer involvement – Engagement by definition is a two-way street. At every interaction point, resort personnel listened to what these travelers had to say and did what they could to comply with their wishes.

Preferential service for top customers – All customers deserve good customer support, but enterprise investments should be commensurate with the lifetime value of the clients. Platinum-level customers account for a disproportionate share of company sales and profits. Retaining these valued customers is a top priority.

Employee empowerment – Connie decided to offer the upgraded suite at a 50 percent reduction from the standard price. This may not have been necessary, but she knew the room would have been otherwise unoccupied, and this simple act of consideration may make the difference between a satisfactory customer experience and an exceptional one.

Consistency at all touch points – Most consumers interact with the restaurant wait person, hotel receptionist, bank teller and supermarket cashier far more often than they deal with contact center agents. The philosophy of customer engagement needs to be applied throughout the customer journey and across all touch points and all media. In our example, the contact center agent, limo driver, curbside attendant and front desk personnel worked in unison to provide an engaging and rewarding customer experience.

Proactive communications – In our example, the resort leveraged its intimate knowledge of Nathan and Tammy's profiles by directing text messages tailored to their interest in snorkeling. The message from the hotel general manager after check-in was a nice touch. The post-call survey confirmed that the enterprise was committed to customer satisfaction and was interested in their opinions.

Deployment of customer-centric technology – Sunlovers leveraged smart phone and keyless entry technology to speed and simplify the check-in process. The powerful speech and text analytics tools condensed information from the loyalty program's CRM system, reservation system, contact center interactions, and social media to develop a clear picture of individual travel patterns and preferences. Web self-service made it easy to narrow their choices. Knowledge management software enabled Connie to quickly assess which properties were best for Nathan and Tammy and send them text messages with personalized offers.

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From Customer Service to Customer Engagement

Customer engagement optimization is the next step on a continuity of management philosophies about how to manage customer interaction functions. Figure 1 contrasts significant differences between traditional customer service and customer engagement.

Figure 1 – Customer Service vs. Customer Engagement

Customer Service	Customer Engagement
Seeks to satisfy customers	Seeks to exceed customer expectations
Customer contacts are transactions	Customer contacts are stops along the customer journey
Communicates primarily by phone or self-service	Communicates via the customer's preferred channel and device
Focuses on cost containment	Focuses on customer lifetime value
Limits agent decision making	Guides customer decision making
Measures processes	Measures results and highlights bottlenecks
Deploys voice-centric stand-alone call servers, recorders, dialers and associated software	Deploys multi-point, multi-modal customer engagement optimization suite

Source: Pelorus Associates, 2013 World Contact Center Workforce Management Systems Market, 2014

Customer engagement optimization is the execution phase of customer experience management. A good analogy is the emergence of the workforce optimization (WFO) suite. Verint® launched the first fully-integrated workforce optimization suite in 2005. Today, virtually all significant multi-solution providers offer an integrated WFO suite. Now, Verint, with its acquisition of KANA® Software, has again taken the lead in developing an integrated customer engagement optimization suite.

Behind this technology evolution and migration are significant trends in global economics, consumer behavior and technology. One of the leading reasons executives give for adopting a customer engagement strategy is the desire to move from merely providing service, and focusing on customer experiences, to taking a more holistic view of customer relationships, journeys and loyalty. Such an approach, by merely its nature, also enables them to drive more distance between themselves and their competitors. Superior customer care has been demonstrated to strengthen brand affinity. And unlike pricing adjustments and even service and product innovations, superior customer care cannot be readily duplicated.

The Power of the Customer Journey

Customer experience management recognizes that every interaction at any touch point constitutes an experience. Customers may transit linearly, as in the case with Nathan and Tammy (from website to auto check-in), or they may bounce around from point to point as they gather new information or encounter unanticipated obstacles. The process of communicating with the enterprise at these various touch points is known as the customer journey. There are many models of the customer journey. Figure 2 presents a classic marketing view that begins with need recognition and concludes with a highly satisfactory acquisition.

Figure 2 – Customer Journey					
Recognition	**Research**	**Decision Making**	**Transaction**	**Fulfillment**	**Satisfaction**
Recognizes unmet need or unresolved problem	Collects relevant data and assesses options	Selects most favored option	Vendor processes order or service request	Timely delivery to consumer	Customer is pleased with process and outcome

Source: Pelorus Associates, 2014

This model portrays an orderly process of moving from point A to point B and so on. In reality the customer journey has many unplanned stops, some missed exits, and frequent backtracking. The process varies significantly by the value of the good or service, the nature of the consumer (new or repeat), demographics, urgency, and other factors.

Mapping the customer journey is both a creative and analytical process. A good place to start is by forming a team whose members represent every direct touch point with the customer. For a cable TV provider, this could include the contact center, local front offices, collections personnel, and field service technicians. The next step is to collect feedback from all of these individuals and mesh that with any voice of the customer research on hand and other customer data gleaned from internal and external systems. This process should identify all of the major contact points and shed light on what customer databases are used by the different functional groups. There are various software packages that can help in developing these maps.

Once the map has been constructed, the team should identify "pain points." These will be situations where customers may encounter dead ends or off ramps that could derail an otherwise fluid journey.

Figure 3 outlines major pain points the team may uncover at each step of the customer journey.

Figure 3 – Major Pain Points at Each Step of Customer Journey

Research	Decision Making	Transaction	Fulfillment	Satisfaction
Unclear website	Poorly designed IVR	Slow reply to consumer query	Missed delivery date	Unhappy with sales person, waiter, etc.
Employees lacking key information	Confusing website	Compliance violations	Price or terms not as promised	Issues with telephone agent
Misleading postings on social media	Agent can't match product to consumer	Potential fraud	Product damage upon delivery	Product or service not working as expected

Source: Pelorus Associates, 2014

Once the pain points have been identified and evaluated, the next steps are to revise practices and implement technology that clears these obstacles. The management of Sunlovers identified potential trouble spots at every interaction point and deployed best practices and new technology to help ensure a seamless and highly satisfactory travel experience. Figure 4 recaps the technology tools they used to optimize the customer engagement.

Figure 4 – Customer Engagement Optimization: *Sunlovers Resorts*

Points of Engagement	Optimization Tools
Website	Self-service, mobile app, chat, call me, collaboration
Call center/reservations	Personalization, decision guidance, reservations system, text, email, desktop analytics, recording, speech analytics, mobile app, location software, workforce management
Airport pick-up (driver)	Personalization, phone app, text
Bell person	Personalization, curbside check in
Registration	Keyless entry, pre-populated registration forms
General manager	Personal note to room or text
Maid	Personal note
Restaurant, lounge staff	Personalization, text alerts for specials
Maintenance	Case management
Check out	Personalization, text, email receipts
Contact center	Post-visit survey

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Benefits of Customer Engagement Optimization

For the customer, the benefit is an exceptional experience—one that is more than simply satisfying but over-the-top when compared with expectations. They will eagerly tell their friends and neighbors about your company's products and services and be disinclined to entertain overtures from competitors.

For the supplier or service provider, there are multiple advantages:

Competitive differentiation – Delivering exceptional customer service in a world where even satisfactory service is all too rare is a great way to stand out against the pack. Establishing your organization as among the best in the way it treats its customers presents a very high hurdle for competitors to overcome.

Long-term profitability – Customers are willing to pay a premium for superior service and are much more loyal than those that are just constantly looking for the lowest price. Retaining your best customers is less costly than attracting replacement customers.

Effective advertising – Loyal and extremely satisfied customers will tell others, a practice made much easier through the use of Internet blogs and websites.

Motivated employees – Customer engagement optimization can only be effective when customer-facing employees have the knowledge and resources to guide customers to mutually beneficial purchase decisions and the authority to resolve minor problems on the spot. Empowered employees are motivated employees. Motivated employees are satisfied employees, and satisfied employees produce satisfied customers.

The Customer Engagement Optimization Suite

Making the leap from customer service to customer engagement requires a corporate commitment to leverage superior customer care as a major point of competitive differentiation. The greatest challenge will be establishing a customer-centric culture throughout the organization and most particularly at every point where the customer communicates with the enterprise. The sales department and contact center immediately come to mind, but what about the technician that makes house calls, the individual that makes deliveries, the person who takes credit applications, or the employee charged with collecting overdue accounts? All of these and others are in a position to influence the customer experience. They all need to project courtesy and professionalism and do their part to protect the unique culture of the enterprise.

Beyond the creation of a customer-centric culture and imposition of best practices there are investments that need to be made. The sum total of these investments comprise the customer engagement optimization suite. Figure 5 provides an abbreviated list of some of the applications that can help optimize customer engagement at each point in the customer journey.

Figure 5 – Customer Engagement Solutions					
Recognition	**Research**	**Decision Making**	**Transaction**	**Fulfillment**	**Satisfaction**
Quality management and recording	Web self-service	Decision guidance software	Desktop and process analytics	Desktop and process analytics	Quality management
Engagement analytics	Mobile and social collaboration	Email, live chat and co-browsing	Scripting	Case management	Enterprise feedback management
Speech and text analytics	Knowledge management	Web self-service	Voice biometrics	Fraud prevention analytics	Speech and text analytics

Source: Pelorus Associates, 2014

Recognition – Through recorded interactions and the use of speech and data mining, it is possible to set up an "early warning system" that looks for indicators such as reduced purchase frequency, notification of an impending address change, variation in bill payment habits, heightened anxiety in call center contacts, or other actions that could signal an at-risk customer.

Research – Since research often begins at your website, it's important to make the site so informative and easy to use that there is little reason to check out the competition. Useful tools are illustrations, customer ratings, configurations, and an easy transition to voice or chat. Knowledge management software that provides quick access to all the information an agent may need increases the probability of the interaction being completely resolved at the first contact.

Decision-making – In less than a generation, we have gone from a very limited selection of wireless phones and service options to a seemingly unlimited number of choices. Think of how this has complicated the jobs of customer service representatives and retail consultants! Decision guidance software uses algorithms to wade through the available options and identify a small number of selections that are best suited to the needs of the consumer. Live chat with co-browsing makes it easier still for consumers to evaluate available options.

Transaction – Authentication questions are a major annoyance for e-commerce customers. It gets the buying experience off on the wrong foot by implying the caller may not be whom they claim to be. Current methods include confirming telephone numbers, account numbers, the last four digits of social security numbers, and even so-called social questions like the name of one's first grade teacher. There is a better way —it's called voice prints. Once a customer's voice print is on file, the software can perform the authentication based only on the caller's voice. Voice prints are among a family of unique personal identifiers known as biometrics. Other examples are fingerprints and retinal scans.

Fulfillment – All of the hard work that went into presenting a superior customer experience can quickly evaporate if things go wrong at the processing and fulfillment stage. Process analytics software provides employee visibility into activity across different systems, applications, and processes. It can also expose opportunities for speeding up internal processes, such as auto populating forms.

Satisfaction – Voice of the customer systems, that include Enterprise Feedback Management (EFM) software, collect and unify customer feedback information from all of the many sources within and outside the enterprise. With a simple keystroke, executives can see what categories comprise satisfaction and dissatisfaction, spot rising trends, and note where there have been any recent changes. Further diagnosis will produce actual verbal interchanges with contact center representatives or alternatively surface data from customer location visits.

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Putting It All Together

An optimized customer engagement occurs when all the human touch points portray the same level of customer centricity and individual technology tools work in harmony with each other. An integrated single vendor platform produces many advantages particularly from the IT side. Integration complexity is greatly reduced and software upgrades and fixes can be performed all at once. Working with a single vendor reduces administration costs and helps pinpoint accountability. Verint Systems, with its market leadership, technology innovation and customer satisfaction, offers the broadest and most feature-rich integrated solution set in the industry at this time.

About the Author

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About Verint Systems Inc.

Verint® (NASDAQ: VRNT) is a global leader in Actionable Intelligence® solutions. Actionable Intelligence is a necessity in a dynamic world of massive information growth because it empowers organizations with crucial insights and enables decision makers to anticipate, respond and take action. Verint Actionable Intelligence solutions help organizations address three important challenges: customer engagement optimization; security intelligence; and fraud, risk and compliance. Today, more than 10,000 organizations in over 180 countries, including over 80 percent of the Fortune 100, use Verint solutions to improve enterprise performance and make the world a safer place. Learn more at **www.verint.com**.

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