

Overcoming the Barriers to Channel Shift



VERINT®



Table of Contents

Introduction	03
The Barriers	04
The Solutions	12
Conclusion	28
About Verint® Systems	29

Introduction

“ While most organizations have implemented some form of “channel shift” strategy, many might say they have not met their intended economic outcomes. ”

Many of today's organizations are facing unprecedented challenges as a result of the converging pressures of the digital customer and limited budgets.

With widespread use of the Internet and mobile technologies, digital customers have come to rely on these devices for their dealings with commercial organizations and now expect to be able to do the same in their dealings with utility company.

At the same time, exceptional budgetary pressures have forced many organizations worldwide to rethink how they manage their services. With fewer funds—and fewer employees—more has to be achieved with less.

These challenges have led organizations to provide digital access to services as a way of not only giving their customers what they want, but also reducing their own cost of service delivery.

But, while most organizations have implemented some form of “channel shift” strategy (termed “digital first” by Verint®), many might say they have not met their intended economic outcomes.

This guide draws on the experiences of Verint customers worldwide to provide you with practical advice, hints and tips to recognize potential barriers and overcome them, presented in a 15-point summary. Use this guide to inform your opinions and help gain support for the evolution of your organization's digital-first strategy to one that can really deliver the benefits that you and your organization need.





The Barriers

Overview

“I’m not getting the savings I expected and need” is perhaps the most common view expressed by many organizations—a catch-all phrase framed by their digital-first strategies’ core objective—the delivery of meaningful savings. The reasons for these barriers are wide and varied, and may include:

- An unwillingness from the key decision makers (people) to support a digital-first strategy.
- Key decision makers having fears about making services available online (people).
- A lack of digital-first skills, ranging from email and social media writing skills to basic IT skills (people).
- Customers’ perception that they will get better service if they call (people).
- Senior managers insisting on having design control of the website, despite not having the appropriate user experience (UX) skills (people).
- Digital services not being marketed, so customers don’t know about them (process).
- The cost of implementation (process).
- Organizations not realizing that this is a journey, and while they may have achieved some initial success, they need to be thinking about what to do next (process).
- Organizations focusing on transactions only and not thinking about data and knowledge (process).
- Customers needing different user accounts to access different services (technology).
- Organizations implementing a “web-only” strategy (desktop) and not considering other digital channels, such as smart TV, smartphone and social networks (technology).
- Customers not feeling it’s worth using digital services because they have no confidence they’ll get what they need (technology).
- Organizations focusing on their own digital “shop fronts” and have not considered leveraging others (technology).
- The lack of a comprehensive identity verification capability, making it difficult to digitally enable those services that require authentication (technology).

Each barrier is categorized as being about people, process or technology to emphasize that, for some organizations, people represent the biggest barrier to channel shift.

Having noted some of the most commonly expressed barriers to channel shift, let’s look at possible solutions to help you successfully navigate around these hurdles.

The Barriers

“ One of our key decision makers is unwilling to support our digital-first strategy. ”

While many customer service departments offer well-understood and regarded services, digital-first strategies are still relatively new to many key decision makers.

Specific examples include:

- Key decision makers (and, in particular, elected officials) may be skeptical about the economic value that can be derived from digital-first strategies.
- Department heads may not believe in or are unwilling to use channels other than face-to-face and phone.
- Marketing or IT “owns” the website and won’t let customer service use it.



The Barriers

“ One of our key decision makers is afraid about what might go wrong if we implement our proposed digital-first strategy. ”



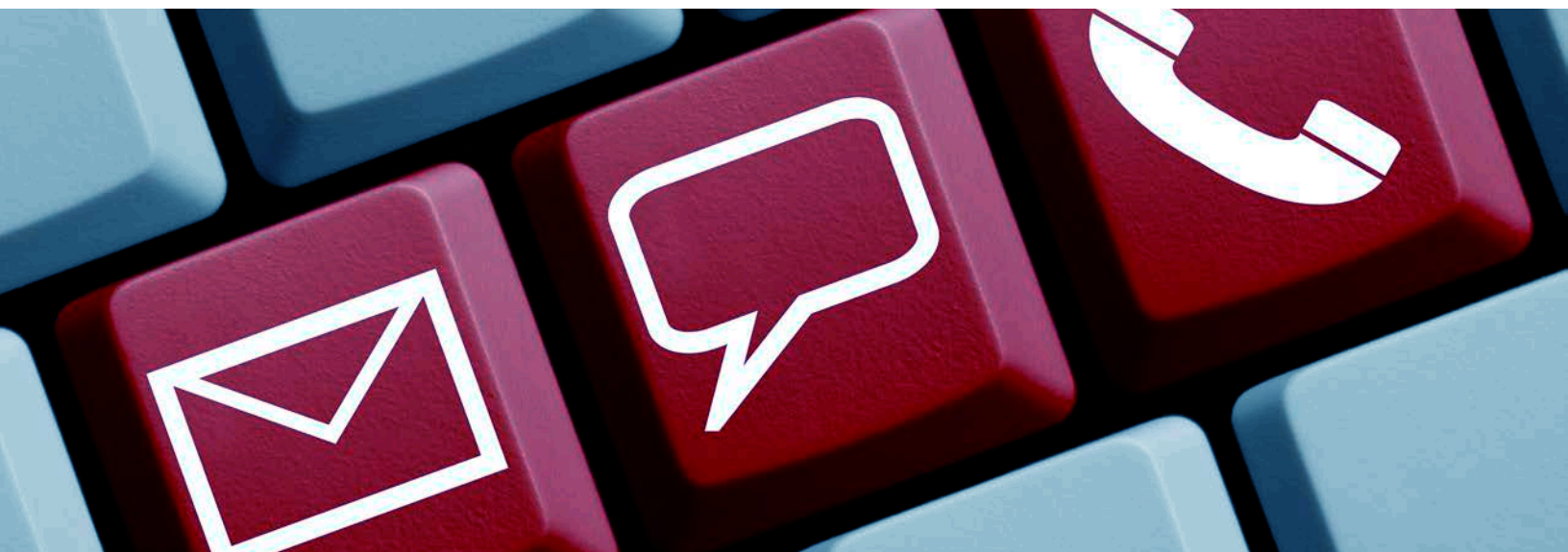
The recent bad publicity from the widely reported problematic “Obamacare” website has reinforced the fear among key decision makers of embarking on a digital-related strategy.

Specific fears may include:

- IT department heads may have concerns about security.
- Regulators and senior management may have concerns about the political impact of a failed project.
- Key decision makers may have fears about the consequences of putting all services and data online.

The Barriers

“ My services were designed for contact center strategies—not for digital-first strategies. ”



While many organizations are now looking at digital-first strategies, they were, until recently, primarily focused on contact center strategies that provide mediated access to services (via a contact center agent). Unfortunately, services designed specifically for mediated access are often not appropriate for digital (or nonmediated) access for various reasons, including:

- **Identity verification** – Services designed for the contact center often leave it to the contact center agent to (a) manually determine whether identity verification is required for a particular service and (b) perform the appropriate identity verification steps manually. Customer identity verification requires a different approach on digital channels.
- **Service guidance** – Services designed for the contact center depend on the contact center agent to guide the customer through requested services, some of which may be complex.
- **Customer service metrics** – Services designed for the contact center are optimized to meet the organization's customer service metrics, such as average handling time (AHT), which focus on speed of use and rely on trained contact center agent users. Such designs are not appropriate for services that are to be accessed on digital channels.
- **Service knowledge** – Services designed for the contact center often assume contact center agents understand the public utility organization's business, which includes structure, terminology and processes. This approach is not appropriate for services that are to be accessed on digital channels by customers who will normally not be familiar with “internal organizational language.”

The Barriers

“ My services are currently not integrated. ”

While nonintegrated services might be tolerable for contact center strategies, they are not for digital-first strategies due to the increased service volume—and associated service delivery costs—that digital-first strategies bring.

Specific barriers include:

- Services that require fulfillment by back-office departments require integration so that back-office systems are automatically given details of the work to be performed. Updates must be automatically passed back to the customer service software solution to keep customers informed of progress.
- Services that require information held in back-office departments require integration so that information can be retrieved securely and in a timely manner for customers.



The Barriers

“ My integrations were designed for contact center strategies—not for digital-first strategies. ”

Unfortunately, even where services are integrated, they might not be suitable for digital-first strategies for various reasons, including:

- The systems being integrated with are not designed for large-scale access, which digital channels require.
- The systems being integrated with are only licensed for use through the contact center, and the cost of licensing them for digital-first access is prohibitive,
- The integration is not fully automated, requiring mediated steps that are not suitable for a customer to perform.





The Barriers

“ I can't provide my customers with digital access to the services I want for security reasons. ”

Many organizations generally lack a standard method of authenticating customers in an appropriate way across all channels. As a result, organizations and suppliers have been left to work it out for themselves, resulting in a fragmented approach not only across organizations, but also within each organization, where customers are often required to have multiple user accounts as a result of suppliers adopting different approaches.

The Barriers

“ I need to ensure I provide access to everyone
—not just the digital customer. ”



The idea of providing access to all services to everyone, often termed “social inclusion,” is daunting. As recently as 2011 and early 2012, some organizations were still using this as a reason to minimize their investment in digital strategies, since the telephone was the only channel that could genuinely provide everyone with access to all services.

However, this has now changed, with many organizations aggressively seeking to implement digital-first strategies as a result of austerity measures, while at the same time seeking to provide access to everyone through these digital services through the use of proxies or advocates, such as family relatives. At the more extreme end of the channel shift spectrum, some organizations are even considering “digital only” strategies.



The Solutions

Overview

Verint believes understanding your own barriers to channel shift (potential or real) is a critical first step in helping to develop or refine your digital-first strategy, as it helps you personalize your digital strategy to your specific circumstances. With this understanding in place, you can then assemble the right set of solutions to help maximize the economic value that can be derived from your digital-first strategy.

This section introduces a selection of the solutions that our customers have found useful in the successful implementation of their digital-first strategies. These address the full spectrum of barriers—people, process and technology.

The Solutions

Get the key decision makers on board from the start.

Digital-first strategies can impact more departments more significantly than traditional customer service strategies that have been focused on voice and face-to-face channels. So, it is critical that digital-first strategies get the key decision makers on board from the start. This typically includes the following roles:

- **Regulators and senior executives** – These are the people who are likely to take the credit—and also the blame—publicly for the success or otherwise of the digital-first strategy.
- **Head of customer service or head of IT** – Depending on who is leading the digital-first strategy, the other needs to be brought onboard early, given the dependence digital-first strategies place on both respective departments.
- **Departmental heads** – This group is likely to be impacted—positively or negatively—by the success or otherwise of the digital-first strategy.

One specific technique that has helped some organizations get key decision makers on board for has been to empower them to work more closely with staff, customers and stakeholders via the use of mobile devices and digital channels, such as online forums and Facebook.



The Solutions

Plan your digital-first strategy as a business program and not as an IT project.



The delivery of a digital-first strategy as an IT project can result in failure, since the approach may not take into account the people issues discussed earlier in this document and the breadth of decision makers outlined in the previous section.

While this does not necessarily need to be an onerous activity, a digital-first strategy designed as a business program must take into consideration several areas, such as:

- **Key decision-maker involvement** – Including executives and management helps ensure the key decision makers are not only onboard from the start, but also continue to contribute throughout the program.
- **Governance** – Including the relevant stakeholders helps ensure regular communication between the relevant departments, allowing risks and issues to be correctly managed throughout the program.
- **Critical success factors** – Identifying the factors that are critical to the success of the project, including getting the key decision makers on board, encourages their management throughout the program to help increase the likelihood of success.
- **Cultural change** – Digital-first strategies must include plans on how to change what are typically inward-facing organizations to outward-facing customer-centric organizations.
- **Outcomes** – Identifying the outcomes by which the success of the program will be judged, which should include the target channel shift goals for each digitally enabled service, can enable the benefits of the program to be accurately determined.

The Solutions

Start small.

Recommended by many organizations, successful digital-first pilot projects can produce facts that can help quash misconceptions. These facts can help convince otherwise unwilling key decision makers to support future phases of digital-first programs.

For example, a common misconception is that customers in deprived areas will not (or cannot) use digital services. This is sometimes driven by a focus on household broadband connectivity, which tends to be lower in deprived areas. However, this ignores the fact that many citizens in these same areas have smartphones, which are of course web-enabled, and some Verint customers have conducted targeted pilots that demonstrated 70 percent and higher levels of channel shift in such areas.

Successful pilots therefore require clear outcomes defined up front, with baselines identified and appropriate measurements in place to enable clear reporting of benefits.



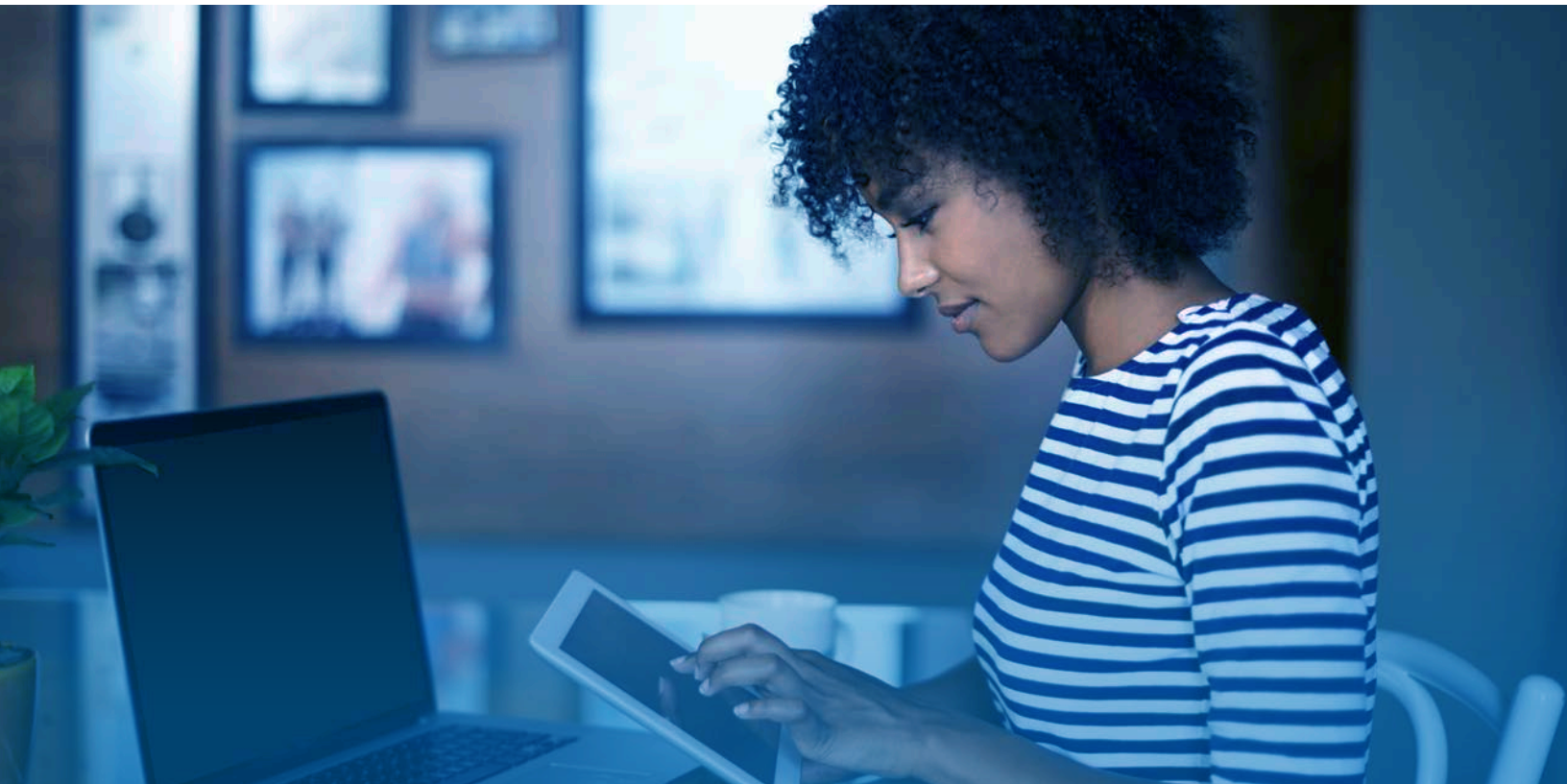
The Solutions

Design Your Services for Digital First Access – Responsive Web Design.

In recent years, services designed for the web were designed often specifically for the desktop and not for relatively new digital channels, such as smartphone, tablet and smart TV.

While web applications technically work on these relatively new digital channels, as they employ standard web browsers, they can be difficult to use. This has led to the emergence of “post-conversion” responsive web design applications that make their best attempt at re-purposing web desktop-designed applications to run on different form factors (screen sizes), such as smartphone web browsers. However, such applications not only tend to increase the overall customer service total cost of ownership (TCO), but also do not always produce good results.

The solution here is to ensure that whatever software you are using employs what are now standard responsive web design techniques to help ensure the web application automatically—without the use of third-party software—repurposes to suit the form factor of the digital device that it is being accessed on.





The Solutions

Design your services for digital-first access –
but not all of them!

While the focus of this section is on designing your services for digital-first access, it is important to note that:

- Not all services are suitable for digital channels; for example, some social services require face-to-face interaction.
- While suitable for some digital channels, not all services will be suitable for all digital channels; for example, complex benefits applications are typically not suitable for the smartphone channel, but are very suitable for the web desktop channel.

In other words, digital-first strategies should not assume that all services should be made available digitally. Further, they should not assume that a service that has been made available across one digital channel should be made available across all digital channels. Of course, few organizations can digitally enable all of their services at once—enablement tends to be done incrementally. This leads to the question of priority, and the answer is not always obvious. The Business Intelligence components of the associated customer service solution can play a critical role here, helping you pick the ripest “digital apples” from the channel shift tree first, accelerating the savings for the organization and driving up stakeholder buy-in and support.

The Solutions

Minimize the number of disparate customer service software solutions within your customer service estate.



The use of multiple software solutions to implement digital-first strategies can in itself force organizations to duplicate logic, integrations, automations, responsive web design and security approaches, thereby significantly increasing the overall customer service TCO. It can also lead to a fragmented and unsatisfactory customer experience, increasing customer dissatisfaction and complaints.

For example, an organization that uses one customer service software solution to support phone, letter, email and web transactions and another one to support a native smartphone app will likely have to replicate service logic and service integration in two places.

Minimizing the number of disparate customer service software solutions employed will obviously reduce the need to replicate and, therefore, help reduce the overall customer service TCO. And while using one customer service software solution is the optimal situation, externalizing logic and integrations, for example, can minimize the TCO impact with using multiple solutions.

The Solutions

Support your digital customers.



Successful digital-first strategies recognize that customers are not experts in utilities service delivery and require some form of support, especially for more complex services. The main support techniques are summarized below.

- **Phone** – As digital services increase in number and complexity, customers may increasingly need telephone support from the customer service center.

To increase the effectiveness of this support, consideration should be given to making the digital services used by the customer as similar as possible (if not the same) as those used by the customer service agent.

- **Email** – While email is expensive to process and it makes sense to migrate as much email as possible to online transactions, removing support for it altogether (as some utilities organizations have done) is, Verint believes, a step too far. It sends conflicting messages to the very customers that organizations are hoping will use the available digital services. And like the telephone, email has an important role to play in providing support to the digital customer.

- **Chat** – While chat is not a new channel in general, it is one that has had little uptake thus far. But, Verint believes this is about to change in the next year or so, as chat can provide reactive and proactive support to the digital customer. While many people are familiar with the chat button available on commercial sites, fewer are familiar with its other mode of operation—contact center agents can “watch” website activity and reach out to offer help where problems are being encountered. This proactive type of support is already forming a critical part of many commercial organization’s digital-first strategies. Verint believes this will become equally important.

- **Assisted Self-Service** – Finally, perhaps the simplest way to provide support to those who need it most is the provision of assisted self-service desks in walk-in centers. Essentially a locked-down Internet-enabled computer with a browser, keyboard and mouse, self-service desks are being introduced by increasing numbers of organizations as a way to familiarize customers with digital services, with the ability to request help from a member of staff if they need it.

The Solutions

Integrate your knowledge with your transactions.

While content (or knowledge) is often the major part of an organization's website, it is surprisingly rarely integrated to digital transactions to help digital customers find and complete services.

Knowledge-infused processes (i.e., where content and transactions are integrated) support the digital customer in a variety of ways, including:

- **Search** – Knowledge-infused processes are easily located via the digital channel's search capability, just like any other piece of information, removing the need for the digital customer to understand the organization's structure and the vagaries of its internal naming conventions.
- **Browse** – Knowledge-infused processes are easily located via the digital channel's browse capability, just like any other piece of tagged information.
- **Contextual Support** – Knowledge-infused processes are easy to consume because they provide contextual support for each field and page within the process. Help is dynamically presented to users of the process, based not only on the process step but also of their personal context with respect to the process.

Digital-first strategies must consider knowledge-infused processes, particularly as more sophisticated services are offered online to provide the support necessary to find and successfully complete services. This "successful completion" is key. If customers try to use a digital service and fail, they may be far less likely to try it again--or indeed, to try any other digital service.



The Solutions

Tell them about it!

“If you build it, they will come” does not apply to digital services. In simple terms, you need to tell your digital customers about the digital services you have available to them.

The objective of advertising digital services is simply to make every target customer aware of the services that can be performed digitally and across which channels. The challenge is doing this at the right time (which implies an ongoing campaign) so that when customers actually need to use a service they know where to go.

As such, advertising can take many forms including:

- TV campaigns
- Print campaigns
- Advertisements on the main website
- Advertisements in letter correspondence and bills
- YouTube advertisements
- Email campaigns

As advertising can be expensive, many organizations should seek to advertise on assets that are available to them, such as bills, social media or in-store displays.





The Solutions

Make them come back for more!

Raising awareness is the first step; ensuring target digital customers will actually use the digital services when they actually need to is another. Techniques that can further familiarize target digital customers with the available digital services include:

- When finishing a call, contact center agents are scripted to recommend the caller uses the website the next time. For example, “Just in case you want to make another application in the near future, you might want to use our new web service available on...”
- Requesting the customer’s email address (or indeed social network; for example, Twitter username) for each service being requested enables a confirmation email to be sent immediately together with a link to a digital service that enables tracking.
- Supporting secure messaging is accessible only via digital channels.

Digital-first strategies must incorporate integrated marketing campaigns to help ensure digital customers are aware of the available digital services when they need to use them. And the experience must be positive to encourage customers to self-serve again in the future.

The Solutions

Provide secure access appropriate to the service being accessed.



Successful digital-first strategies depend on an omnichannel identity verification strategy to maximize the number of service types that are available across digital channels. However, this can often result in a solution that becomes a barrier to use for the majority of customers.

Verint recommends that a customer's identity:

- Is verified only when it has to be.
- Includes a user name that is simple to remember; for example, the customer's email address

Elaborating on the first point, Verint recommends that the amount of work a customer has to do to access a service should be governed by the associated business-level impact (the impact—financial or otherwise—to a party should the authenticated customer not be who the system thinks they are).

For example:

- Customers wishing to report a problem—typically viewed as having the lowest Business Level Impact—should not be subjected to an identity verification process.
- Customers wanting to access more secure information, such as their personal account information—typically viewed as having a higher Business Level Impact—should be subjected to an identity verification process and may also require a further one-time proof of identity step.

The Solutions

Think knowledge, transactions and data.



Many organizations first think about transactional services when considering digital-first strategies, but this is only one of three types of digital services—the others being information and data.

Knowledge services are those we are probably most familiar with—the type of unstructured information (text) available on company websites. However, this is often not “owned” and managed by the customer service organization—the department that most often owns the digital-first strategy—and is often missing key knowledge required by the digital customer. In Verint’s experience, on average, 70 percent of all interactions are knowledge or information requests, making the opportunity for further channel shift significant.

Despite the previous point, transactional services are the service types most organizations first think about when

considering digital-first strategies. Examples of these include reporting issues, completing applications and paying for services.

Data services are another category of service that is becoming more impacted by the open data initiatives. Often requiring access to information held on multiple systems, data services provide digital customers with (if appropriate) secure access to data about them, such as credit line information, outage history and usage data.

Digital first-strategies must consider all three service types—knowledge, transaction and data—especially when the organizational website is not managed by the same department that owns the digital-first strategy.

The Solutions

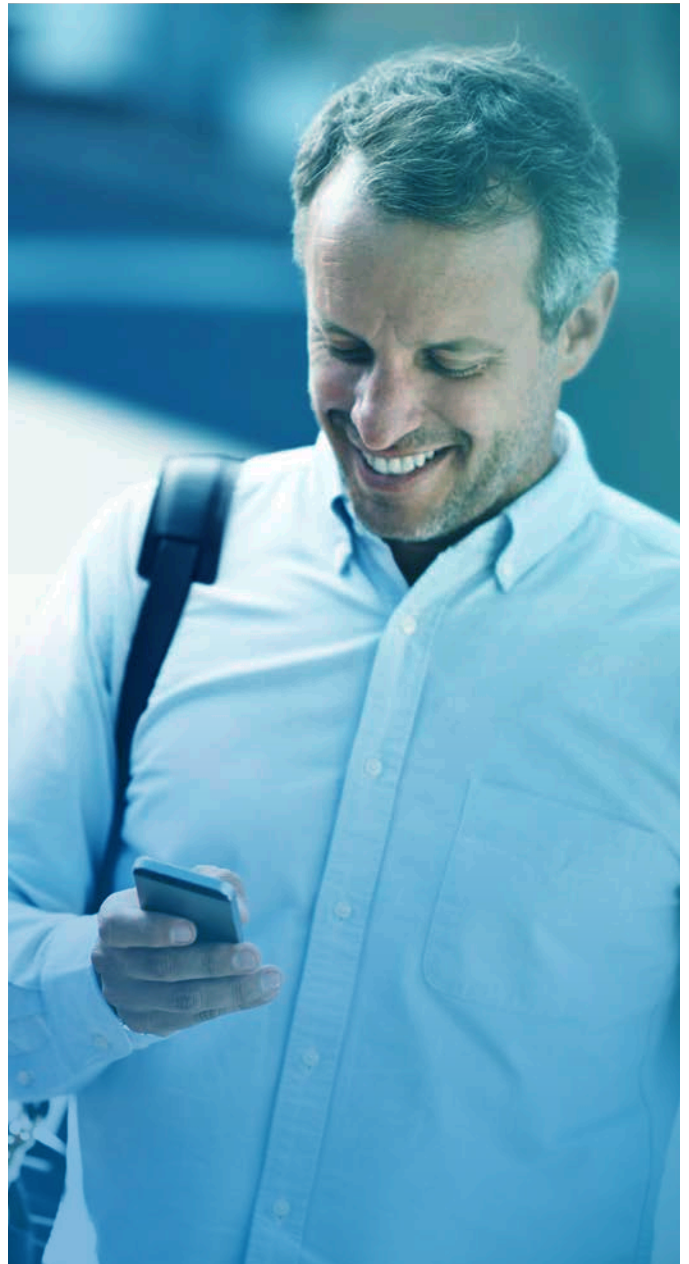
Open up your digital services.

While most organizations rightly think about hosting their digital services through their own digital channels, some organizations, such as banks, supermarkets and social networking sites, are starting to explore supporting access through third-party digital channels.

Open services bring two major benefits:

- Your services are easily available to customers. Open services enable utilities services to be accessed via the websites and mobile apps your customers use every day.
- Stimulate innovation. Open services have been used in support of “hackfests”—organized events designed to encourage customers to build apps and innovate. The first Twitter integration within the utilities sector was built at such an event.

Organizations should consider the provision of open services in the later phases of their digital-first strategies.

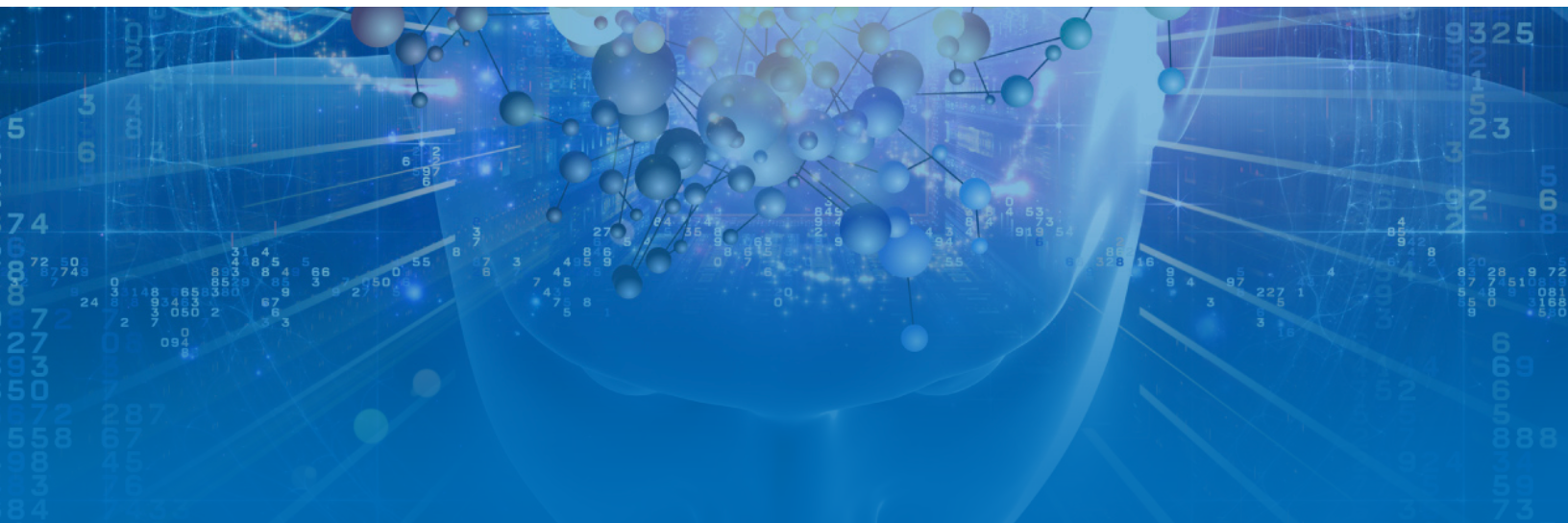


The Solutions

Think about the psychology.

Finally, Verint recommends that organizations implementing digital-first strategies consider the psychological aspects of their implementation to help increase the chance of success. These include the following:

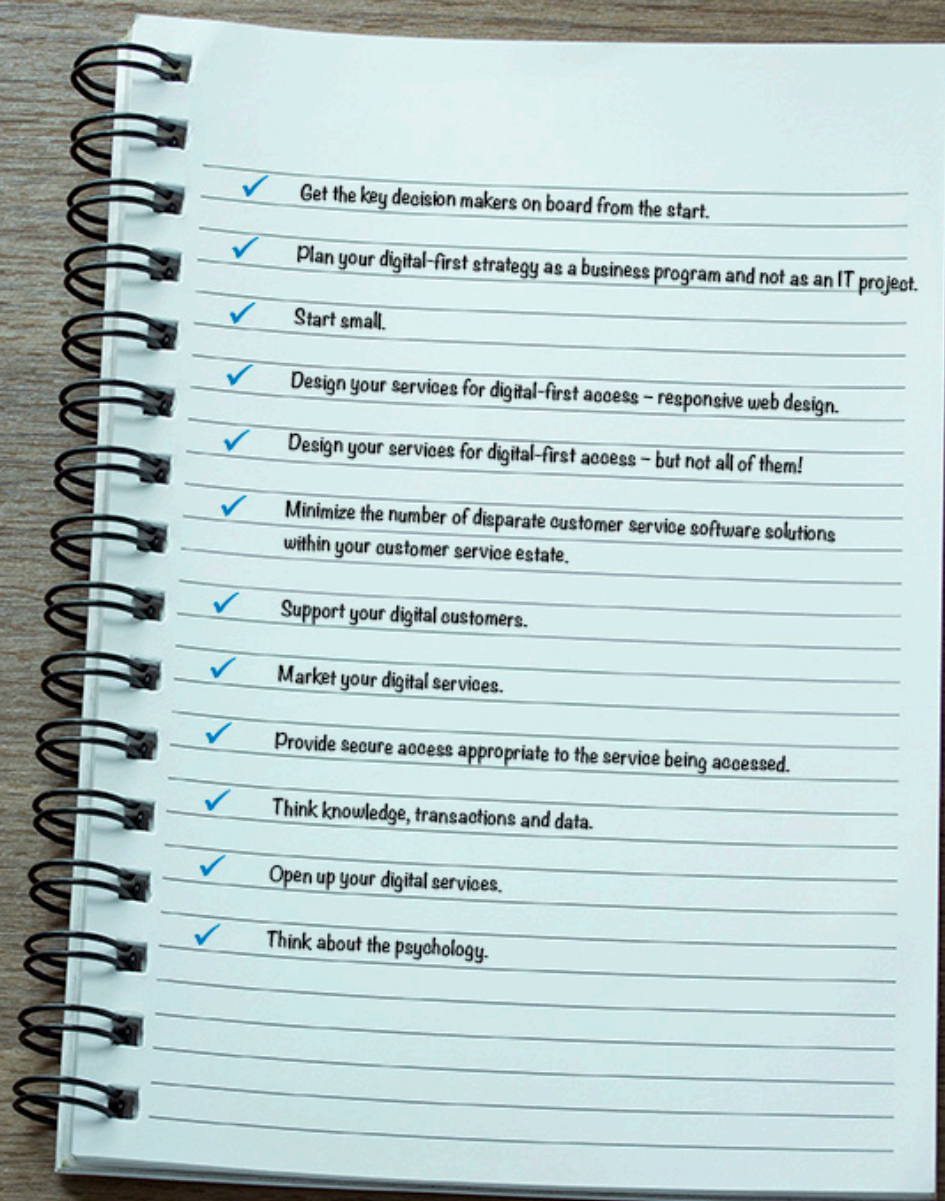
- Many citizens will suspect the digital strategy is really just another cost-cutting measure. While perhaps this will be true, it is also a massive opportunity to give many customers what they actually want—access to services that suit them and control over their customer experience. Further, channel shift enables more time to be given to the non-digital customer. Digital strategies should aim to communicate these benefits to all customers.
- Many citizens will also view the intended digital services as a barrier to them getting what they need, and something that the utilities organization is hiding behind. This view can be addressed by careful implementation of digital services, so that their value is viewed as being greater than that offered via the phone. Further, rather than switching off channels completely, consider using “agile channeling” techniques to allow customers to phone or email in special circumstances, similar to Amazon’s “contact us” service.
- Be careful not to send conflicting messages to your customers. Many organizations are aiming to switch off email altogether, but this might send the wrong message to the very customers that the utilities organization is targeting for digital service uptake. That said, those implementing channel decommissioning strategies should consider doing this on a service-by-service basis; i.e., decommission email only for those services that are available online and redirecting customers who email to the relevant online service.
- Ensure your digital customers know that if they start a digital transaction, they will be able to finish it without further work from them. This can be simply addressed by the words that are used on the website or mobile device, the provision of a reference number at the end of each requested service or completed application, and the ability to track progress.
- Don’t overlook the obvious. Are you making it easy to do business online? Are your digital services easy to find? And how do your interfaces compare with well-used interfaces, such as Google?



The Solutions

Take advantage of the solution checklist.

The key recommendations for overcoming barriers to channel shift from this guide are listed below for your convenience.



Conclusion

Addressing the demands of the digital customer in today's world is a challenge and an opportunity—and it is not easy. While many organizations have started their digital-first journey, albeit perhaps with a different name, some might admit they have experienced multiple barriers along the way and haven't gotten to the end yet. Indeed, this guide reflects these very experiences. The barriers and the solutions are real-world examples of what Verint has seen and heard.

Although implementing a digital-first strategy may appear to be daunting, it needn't be. The key is to define an appropriate vision for your organization and then implement a plan that takes you there one step at a time, reviewing as you go. The opportunity to give customers what they want and, in turn, reduce your cost to serve is enormous, particularly if your strategy seeks to leverage present and future channels. Verint hopes that having read this document, you have some new ideas that will take your digital strategy to the next step.

Verint can help you implement your digital-first strategy. We offer solutions and highly experienced, pragmatic practitioners that can help you take one step at a time to address the barriers raised in this guide at your own pace. We invite you to learn more by visiting www.verint.com or www.blog.verint.com. For additional information or to speak to a Verint representative, please contact info@verint.com.



info@verint.com

Americas: 1-800-4VERINT

EMEA: +44(0) 1932 839500

APAC: +(852) 2797 5678

www.verint.com

About Verint® Systems

Verint® is a global leader in Actionable Intelligence® solutions for customer engagement optimization, security intelligence, and fraud, risk and compliance. Today, more than 10,000 organizations in over 180 countries use Verint solutions to improve enterprise performance and make the world a safer place.

Unauthorized use, duplication, or modification of this document in whole or in part without the written consent of Verint Systems Inc. is strictly prohibited. By providing this document, Verint Systems Inc. is not making any representations regarding the correctness or completeness of its contents and reserves the right to alter this document at any time without notice. Features listed in this document are subject to change. Not all functionality is available in all configurations. Please contact Verint for current product features and specifications. All marks referenced herein with the ® or TM symbol are registered trademarks or trademarks of Verint Systems Inc. or its subsidiaries. All rights reserved. All other marks are trademarks of their respective owners. © 2015 Verint Systems Inc. All Rights Reserved Worldwide.