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a Verint Company

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Is Your Digital Transformation Strategy Driving Seamless Customer Journeys?

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Executive Summary

Informed and empowered consumers continue to grow their use of mobile and digital technologies to seek out competitive products and services. Yet in the race to win, serve, and retain these customers, their digital transformation strategies often leave out the coordination and integration required to create seamless journeys across all touchpoints. In what Forrester refers to as the age of the customer, companies must focus on creating superior customer experiences (across all channels) or risk becoming irrelevant.

In January 2017, Contact Solutions, a Verint Company, commissioned Forrester Consulting to evaluate the importance of providing a seamless engagement experience for customers across all touchpoints. A survey was designed with the hypothesis that success in the age of the customer requires flawless execution of customer experiences across channels, including contact centers and digital touchpoints (such as mobile).

KEY FINDINGS

- › **Companies engage customers through many different channels, but most channels deliver different and siloed engagement experiences.** In the race to add digital touchpoints such as mobile, companies are optimizing individual touchpoints but not the complete customer journey.
- › **Contact centers have an important role in digital strategies, but many companies struggle to showcase the value that contact centers bring.** Digital transformation strategies largely focus on self service, such as mobile applications. The issue arises when customers need assistance from contact center agents to complete a request for information, finalize an order, or solve a service problem.
- › **Companies are implementing changes to better understand customer journeys and foster greater collaboration between business silos.** Bridging the organizational silos requires a more expansive and comprehensive view of customer engagement. Each group needs to allocate resources to planning and designing comprehensive customer journeys, which is a challenge for most contact centers.
- › **Businesses are focusing on driving a seamless and personalized customer service experience across channels.** The end objective of having improved data integration and visibility across channels is to enable better service and support for customers.

The Customer Journey Is Fragmented

The future of customer journeys is different than what exists today, and most companies are not aligned to support customers on that new journey based on their current capabilities. For example, 56% of companies surveyed said that customers are demanding service on a channel that they don't currently support. Success in the digital era requires a more seamless customer experience between customer touchpoints, which is enabled by embedding customer service into customer experience architecture to fill in the gaps between touchpoints. But adding another channel can exacerbate the problem if it is not properly implemented.

A company's digital engagement with a customer is almost never an isolated, one-time interaction. Instead, customer engagement typically occurs through a variety of touchpoints across multiple discrete channels: websites, emails, mobile apps, telephone calls, SMS, and others. A key opportunity exists for further differentiation and competitive advantage by providing a unified customer journey that is compelling across all touchpoints, preserving contextual data as customers shift around. However, for many businesses today, interactions occur within isolated business silos in which there is no or limited visibility of customer data across departments or groups. This creates two major challenges for businesses:

- › **Inability to create a more seamless digital customer experience.** Customers should not feel like each new interaction with a company is a new journey; rather, each new interaction should feel like a continuation of the same journey. Business silos limit companies' ability to create a consistent customer experience by reducing visibility of customer actions, which can make future interactions frustrating for customers.
- › **Inability to personalize customer interactions.** Without the ability to dynamically view a customer's journey progress, see personal information already obtained, or gather specific context across departments, companies will repeatedly fall short of delivering experiences that delight customers. Companies need to have visibility into a customer's entire journey and interactions in order to personalize future experiences.

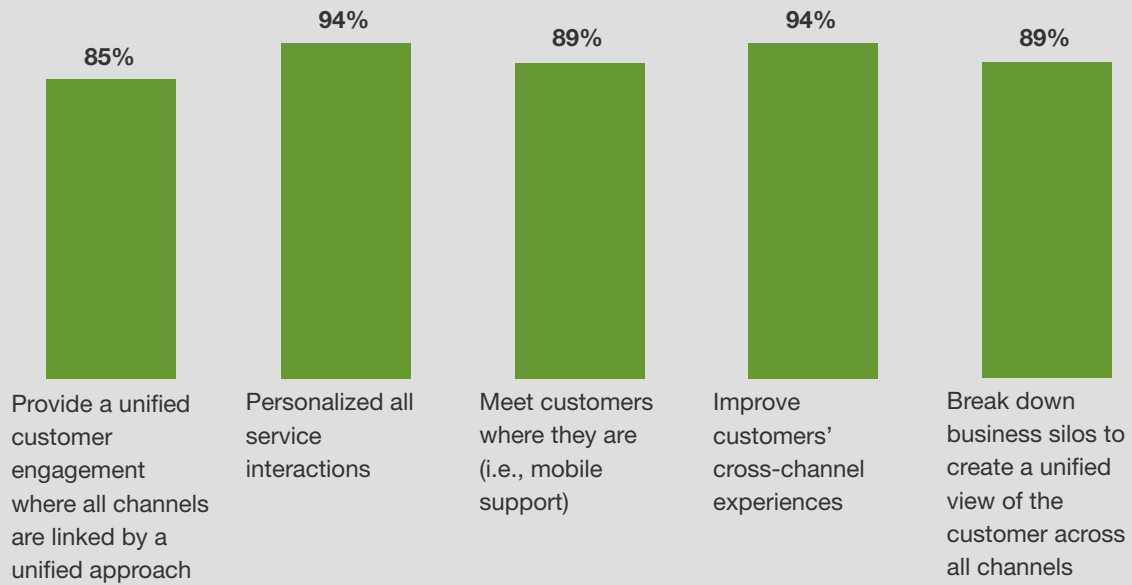
The market imperative exists to solve this problem, and companies that don't address it will be left behind. A high percentage (89%) of companies we surveyed stated they are putting a priority on breaking down the business silos that get in the way of providing seamless customer journeys (see Figure 1). But getting there presents a multifaceted challenge. For example, 43% of the firms surveyed are faced with organizational issues, and 37% said their platforms lack dynamic data integration capabilities (see Figure 2). The end goal of seamless, friction-free, and personalized customer journeys can be achieved, but not without a coordinated effort and strategy.



47% of companies surveyed said customers' expectations are changing regarding the experiences they want.

Figure 1

“How much of a priority are each of the following customer experience objectives for your organization over the next 12 months?” (“High or medium priority” responses are shown)



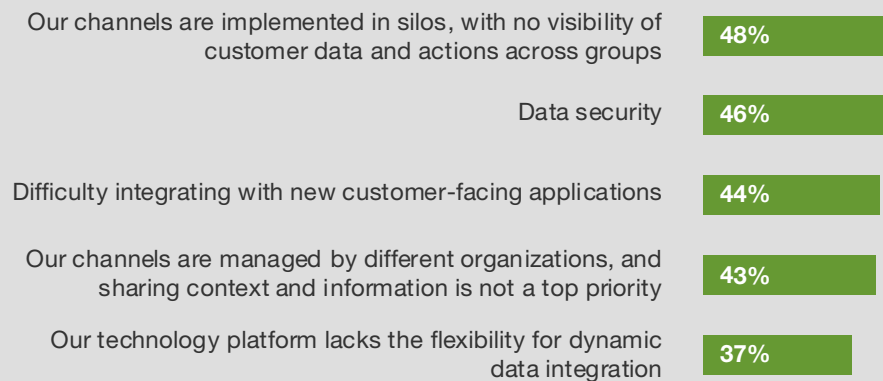
Base: 107 individuals at the manager level and above responsible for digital strategy in the US

Source: A commissioned study conducted by Forrester Consulting on behalf of Contact Solutions, February 2017

Figure 2

“Which of the following barriers, if any, prevent your company from distributing customer data across channels?”

(Percentage ranked in top three)



Base: 107 individuals at the manager level and above responsible for digital strategy in the US

Source: A commissioned study conducted by Forrester Consulting on behalf of Contact Solutions, February 2017

The Role Of Contact Centers In Supporting Digital Strategies

As companies seek to drive improvements in understanding the customer journey, contact centers play a critical part in supporting that change. However, most companies position contact centers as more operational and tactical assets rather than strategic assets (see Figure 3). This creates a lapse in understanding for business leaders in terms of the overall value that contact centers can offer as part of a larger digital strategy. This is emphasized in the survey results, as 79% of the respondents felt that contact centers were important to their digital strategy moving forward, yet 41% face challenges in showcasing the benefits of contact centers and are unsure of the benefits of integrating contact centers into their strategy. This makes it harder to secure funding and get the executive buy-in needed to support improvements (see Figure 4).

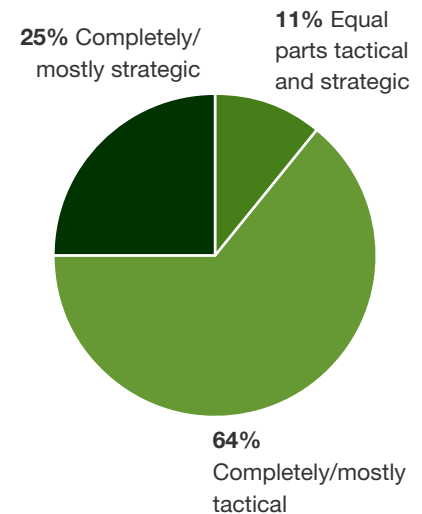
This challenge ties back to the issues with business silos. By running contact centers tactically within an isolated business silo, companies are missing an opportunity to design seamless journeys that create value and differentiation from competitors.

BRINGING CONTACT CENTER LEADERS TO THE STRATEGY TABLE

Despite not being able to fully measure the value that contact centers can provide, businesses still recognize the importance that contact centers have to their digital engagement strategy. When respondents were asked how they were evolving the role of contact centers to better support digital engagements, the top response, at 64%, was involving contact center leaders more in strategic planning. Even for companies that said that contact centers are not an important part of their strategy currently, 42% expect contact centers will become more of a priority in the future.

Figure 3

“What best describes your company’s approach to contact center operations: tactical or strategic?”

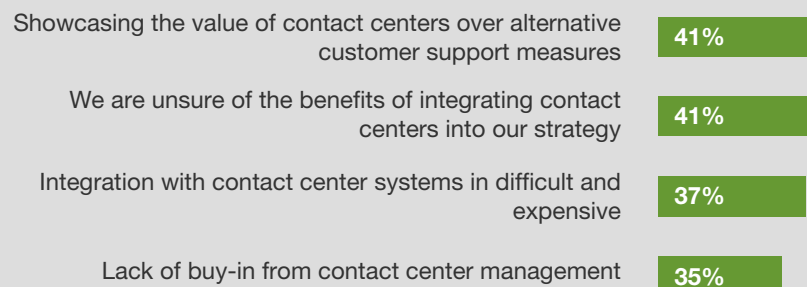


Base: 106 director-level and above contact center operations/senior leaders in the US

Source: A commissioned study conducted by Forrester Consulting on behalf of Contact Solutions, February 2017

Figure 4

“What are your challenges with integrating contact centers as a key part of your digital strategy?”



Base: 54 individuals at the manager level and above responsible for digital strategy in the US

Source: A commissioned study conducted by Forrester Consulting on behalf of Contact Solutions, February 2017

42% of those who do not see contact centers as a part of their digital strategy today expect that to change in the future.

Developing A Successful Strategy For Digital Customer Experience

In order to deliver on evolving business priorities and create a successful digital strategy, companies must first understand the nature of their customers' interactions with them in order to serve their needs. To do this, many companies are doing the following:

- › **Increasing collaboration between business silos.** The first step is to solve the organizational divide and get teams working together. Recognizing this problem, 97% of companies surveyed stated they were chartering and funding teams to define customer journeys and drive innovation.
- › **Identifying all aspects of the business that have an impact on customer experience.** Knowing how, when, and where customers are interacting with their companies is the next critical step in creating seamless digital experiences. Of the companies surveyed, 95% are planning to use or are already using analytics and other algorithm-based tools to leverage data to understand the customer journey (see Figure 5).
- › **Better serving customers “where they are.”** Serving customers where they are is about being able to provide them with the services and experiences they need across any channel or device. This is enabled through data analytics on customer data. Seventy-two percent of companies surveyed recognize the importance of serving customers where they are, and they are leveraging improved analytics to design and implement a more seamless journey.

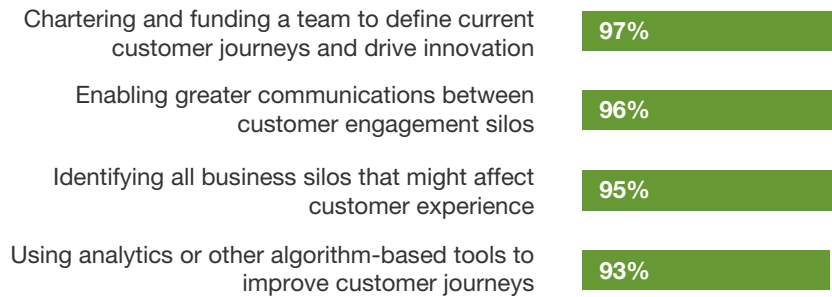
As companies better connect their data silos and begin leveraging customer data for more strategic improvements, they must be careful that their data is being properly managed and governed. The majority of companies surveyed are focused on improving coordination and data sharing across business silos, but only 12% are establishing a data governance process as part of that increased collaboration. Without a clear data governance process, reconciling customer data from various business silos will be a core barrier to running successful analytics, which will result in less relevant insights for guiding ongoing strategies and improvements.

55% of companies place high priority on breaking down business silos to gain a more unified view of the customer across channels.

Figure 5

“What investments is your organization making to implement its digital strategy and create digital experiences for customers?”

(“Implemented or planning to” responses are shown)



Base: 107 individuals at the manager level and above responsible for digital strategy in the US

Source: A commissioned study conducted by Forrester Consulting on behalf of Contact Solutions, February 2017

99% of companies surveyed are working on improving IT systems to be more agile and responsive to meet the challenges created by business silos.

Creating A Unified Customer Journey Supported By Contact Centers

Integrating contact centers more fully into an engagement strategy will enable better dissemination of customer data across channels, thus facilitating more seamless and easier-to-navigate customer journeys. This vision starts with better integration of customer data from all channels and requires a unified digital transformation effort at the enterprise level, with contact center leaders at the table. This will also allow service agents to better serve customers, as they will be more aware of what activities have already taken place on other digital touchpoints. Fifty-one percent of companies surveyed believe these changes will have the most significant impact in delivering a seamless and personalized customer experiences across channels (see Figure 6).



BENEFITS OF A SEAMLESS CUSTOMER EXPERIENCE

As companies are able to connect business silos, harness the potential of their customer data, and drive ongoing improvements, it will create significant business advantages. When we asked companies where they perceived they would experience the greatest benefit of providing a more seamless customer experience, their top responses were increased customer satisfaction, improved revenue, and improved customer retention and loyalty (see Figure 7). The conundrum, though, is that the typical focus of contact centers, reduced cost, was ranked the lowest. This suggests that companies are seeing the benefits of a seamless customer journey more strategically and less operationally — understanding that the investment needed to improve the customer journey is necessary for driving more long-term, strategic success with metrics like customer satisfaction and loyalty.

Figure 6

“Which of the following contact center capabilities do you believe will have the largest impact in delivering a seamless and personalized customer service experience across channels?” (Percentage ranked in top five)

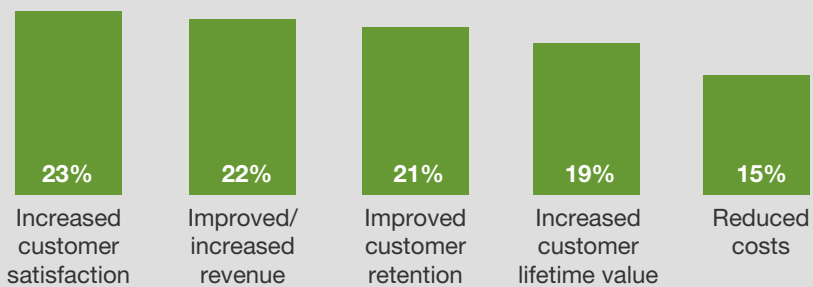


Base: 107 individuals at the manager level and above responsible for digital strategy in the US

Source: A commissioned study conducted by Forrester Consulting on behalf of Contact Solutions, February 2017

Figure 7

“Out of the following, what do you perceive will be the greatest benefit of delivering a seamless customer service experience across channels?” (Percentage ranked No. 1)



Base: 107 individuals at the manager level and above responsible for digital strategy in the US

Source: A commissioned study conducted by Forrester Consulting on behalf of Contact Solutions, February 2017



Companies anticipate that the benefits of delivering a seamless customer journey will be more strategic and less operational (i.e. cost focused).

Key Recommendations

Understanding what consumers want and need can be challenging, and delivering on those needs can be even harder. In order for businesses to succeed in today's economy, they must be able to provide seamless, meaningful experiences across all customer touchpoints. Delivering a single positive customer experience isn't enough, as customers have come to expect similar or better experiences with each subsequent interaction they have with a company. In order to create the seamless journey and experiences that resonate with customers across all channels of engagement, businesses must do the following:



Establish a governance model that spans all customer touchpoints.

Digital transformation efforts themselves can create additional management silos that leave out the impact on the full customer journey. This governance model needs to own the analysis and planning of current- and future-state customer journey maps.



Develop a journey map-driven strategy for customer data management.

As identified in this study, organizations struggle with data spread across multiple systems. This restricts not only the analysis of customer journeys but also the ability to use this data to personalize and optimize customer interactions.



Develop a unified customer journey that includes serving.

Look for and understand gaps where customer service can support the customer journey. Understand how digital affects the journey and digital's requirements on servicing cross-channel interactions in order to provide more personalized experiences.



Understand that future-state journey mapping is an ongoing process.

Identifying key points in customer journeys that can create value, reduce cost, and improve customer satisfaction is a challenge but should not be viewed as a one-time process improvement effort.



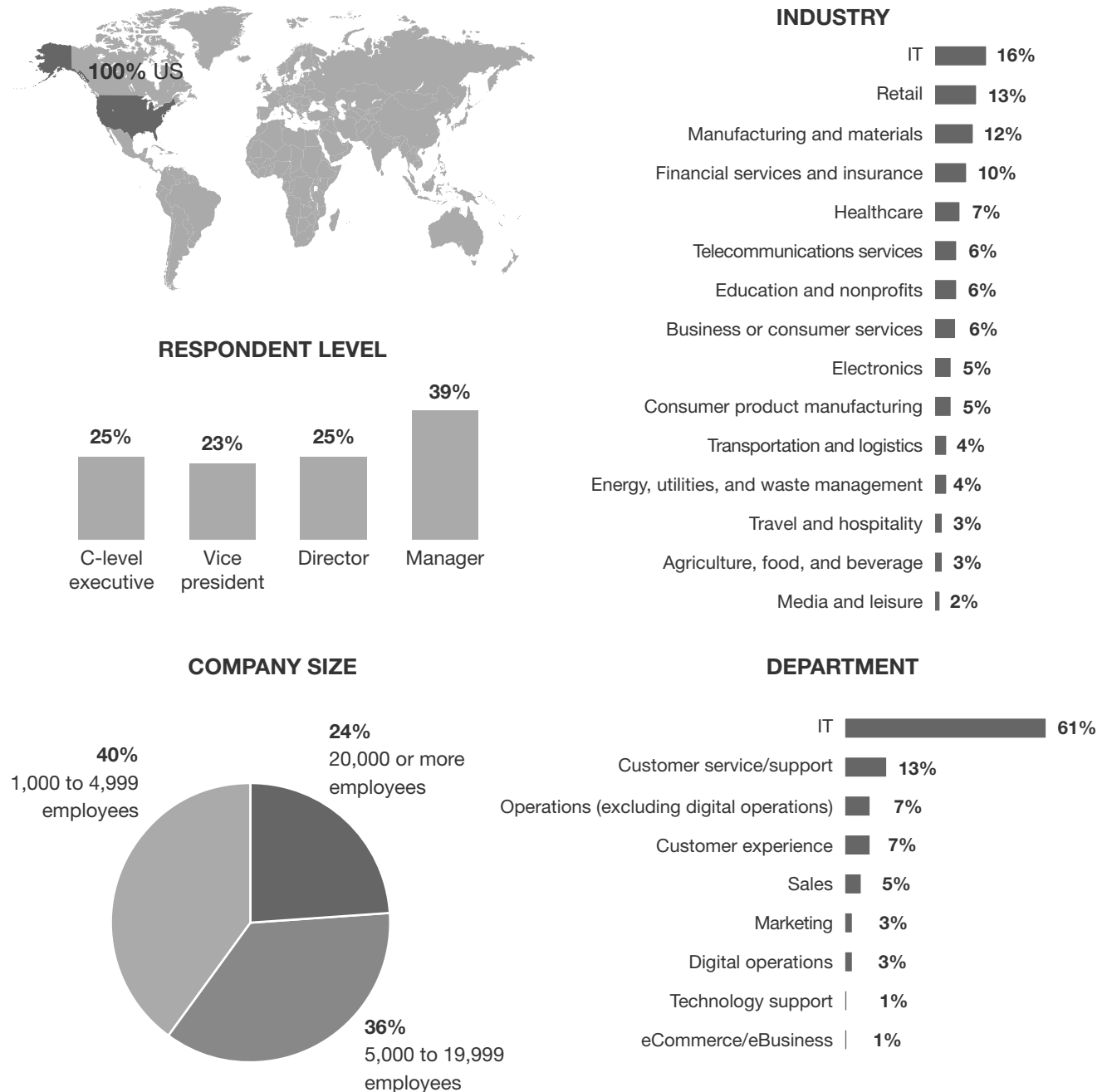
Ensure contact center teams are funded to have a seat at the table.

The historical operational cost focus of contact centers has restricted their collaboration with the teams managing other customer touchpoints. In addition, they own important data about customer interactions that can provide great value and insights when applied to customer journey map analysis and planning.

Appendix A: Methodology

In this study, Forrester interviewed 107 employees in manager positions or higher who are responsible for their companies' digital strategy. Questions provided to the participants asked about priorities for their digital strategy, the importance of contact centers as part of their strategy, and how companies were working to create more seamless customer journeys. Companies surveyed were US based and had 1,000 employees or more. Respondents were offered a small incentive as a thank you for time spent on the survey. The study was completed in February 2017.

Appendix B: Demographics/Data



Base: 107 individuals at the manager level and above responsible for digital strategy in the US
(Percentages may not total 100 because of rounding)

Source: A commissioned study conducted by Forrester Consulting on behalf of Contact Solutions, February 2017