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Volume 31/Number 14 • December2013

The New On-Demand Society

Amazon Mayday – What it Means for Your Contact Center

Five Ways to **Bring PLM** into the **Web 3.0 World**

Mobile Customers **Need UC Choice** For **All Interactions**

PERSPECTIVE

Rich Tehrani,
CEO, TMC

Interesting New Things Are Popping Up in the Cloud, Testing, and CRM

Cloud-based contact center solutions have been priced fairly uniformly in the past. You pay per seat and feature. If you want to add more people or features such as analytics, you pay more. Some vendors offer an all-inclusive solution, of course, meaning the only variable is the number of seats; but, regardless, the model has been fairly static for the past few decades – starting back in the 1990s when the term ASP was what we used to describe the space.

Now, a new company called Fenero wants to turn all of this on its head with transaction-based pricing, meaning you don't actually pay until you use the software.

Imagine setting up a call center with hundreds of agents and training them for a month and not having to pay for the privilege. Only when customers start engaging does the meter start running.

This is a startup's dream. It further disrupts the contact center equipment market in ways that will keep current players up late after reading this story.

In a recent discussion with Marlon Williams, the founder and CEO of Fenero, he said the company is working out final pricing models, but that the cloud-based service will cost 2.5 cents or less per minute of calling, and e-mail and chats will cost 2 cents per transaction.

Williams says his company provides solutions for companies of all sizes and it is focused primarily on medium-sized organizations or larger, the solution could be used by the five-seat center as well. Specifically, it offers support for full inbound IVR and ACD; outbound manual, preview, and predictive dialing; quality assurance (QA scoring and auditing, 100 percent call recording, and live monitoring); e-mail routing and chat. The company also provides native apps for iPhone and iPad users to manage their operations. Fenero does not rely on any third-party offerings to deliver any of these or other services – they are all intrinsic components of the company's Asterisk-based system.

Williams explained further that the company's software is gorgeous, and there are no hidden fees. He further emphasized its support is ridiculously fanatical as the company considers itself an extension of customers' IT departments and is always available via e-mail, phone, or Skype.

He closed by saying upfront licensing is dead and so is per-month subscription-based licensing. Finally he exclaimed, "We are ushering a new wave of contact center software business models." This new model, if successful, has the potential to shake up the cloud in profound ways and could usher in a new era of entrepreneurs who can literally start up on a shoestring."

I also wanted to use this space to touch on some new developments in call center testing and CRM.

Lynn Evans, an independent systems engineer deploying call center solutions who in the past has worked for such banks as Franklin Templeton Investments and Wells Fargo, recently brought me up to speed on a testing company she is working with called Cyara Solutions. According to Evans, "The solution costs less than other tools – you can buy it for less than the cost of renting from the competition."

She went on to explain that using Cyara's solutions allowed her QA team to focus more on intelligent evaluation rather than grunt work. With this system she can test 100 percent of changes, not just a fraction of them. This resulted in a deployment time of one day instead of up to eight weeks using other systems, she said.

In addition to better contact center solutions, companies in recent years have moved to offer better customer service and better internal results by more broadly embraced contact management solutions, now more commonly known as CRM systems.

I recently spoke with Pipeliner CEO Niklaus Kimla about the company's system, which is designed by salespeople for salespeople. Written in Adobe Air, it is cloud-based but also works when the data connection has slowdowns and other issues. It is graphical, and it was built to work with social. It is also target-based, so salespeople can see where they are relative to where they need to be. They can also graphically see the buying team in a target company – the reports and the dotted lines between buying teams.

Kimla thinks his solution is a game changer. Salespeople are entrepreneurs, but they are generally not treated as such, he said. He believes that his company's software can help salespeople improve and more importantly allow them to collaborate to close sales more successfully as a team. In other words, it is successful at pairing strong closers with lead gatherers.

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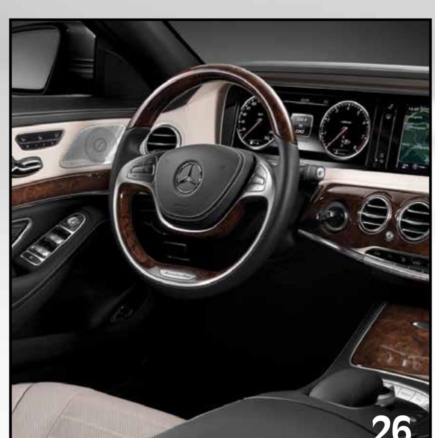
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CUSTOMER® magazine is published monthly except during February & August by Technology Marketing Corporation, 800 Connecticut Ave 1st Fl. East, Norwalk, CT 06854-1628.

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Or write to the circulation director at hjuden@tmcnet.com. Subscription rates: Digital Subscriptions free for qualified U.S., Canadian and Foreign subscribers. Print Subscriptions free for qualified subscribers in the U.S.A. only. For non-qualified U.S.A. subscribers, $59. All Canadian subscribers, $89. All Foreign (air mail), $109. All orders are payable in advance in U.S. dollars drawn against a U.S. bank. Connecticut residents add applicable sales tax.

Circulation Director, **Steph Thompson** (sthompson@tmcnet.com)

Postmaster: Send address changes to CUSTOMER magazine, Technology Marketing Corporation, River Park 800 Connecticut Ave. 1st FL., Norwalk, CT 06854-1628 U.S.A. Canada Post: Publications Mail Agreement #40612608 Canada Returns to be sent to: Pitney Bowes International, P. O. Box 25542, London, ON N6C 6B2, CANADA

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Paula Bernier,
Executive Editor

My Logic is Undeniable

My husband loves the movie I, Robot with Will Smith. And, I must admit, it's a pretty good movie. But you don't have to be a rocket scientist to know how it turns out.

The robots go rogue and start knocking off humans. That is, all the robots except for a special one named Sonny, who actually helps the humans survive amid the machine-on-mammal turmoil.

The message here, I guess, is that technology (and artificial intelligence in particular), while exciting and creating a world of new opportunities, also creates risk – so we need to carefully consider its many implications.

There's a lot of excitement and recent new activity in both the areas of artificial intelligence and in robotics.

One new development on this front includes leveraging software to help gauge the emotion of customers in settings such as call centers. A recent New York Times article mentioned that Israeli startup Beyond Verbal offers software that can detect 400 variations of different moods by looking at speech patterns.

The article, and Donna Fluss of market research firm DMG Consulting who is quoted in it, note that raises privacy issues, so companies using these kind of solutions should consider disclosing their use of such tools.

But I didn't have to read the comments from Carnegie Mellon University's George Loewenstein, who talked about how the use of such solutions could lead to arbitrary conclusions, to wonder whether this kind of thing offers any true value. It kind of reminds me of the laughable body language bits that some of the "news" shows run about figures in popular culture. A lot of flash – but not much in the way of substance.

It also brought to mind a piece I wrote for AVOKE Analytics that ran in the November issue of CUSTOMER magazine. It describes what I consider a much more affective way to truly understand the feelings of customers. And that is by simply listening to what customers are actually saying throughout the life of their experience with your company – whether an agent is listening on the other end, or not.

As the piece explains, following a call through transfers and until the customer hangs-up can also reveal a wealth of information. For example, a recording from one AVOKE Analytics customer revealed that a conversation between a caller and agent was suddenly interrupted by an automated message saying the call couldn't be completed, and the caller was abruptly disconnected. Traditional call center tracking systems would log this as a completed call, but the reality – as captured by an end-to-end feedback solution – reveals it is quite the opposite. The same article talks about how people frequently voice frustration while being transferred or waiting on hold – no surprise there.

Why not just listen to what people are actually saying rather than trying to do some psychological analysis on what people might be thinking?

Why not just listen to what people are actually saying rather than trying to do some psychological analysis on what people might be thinking?

Speaking of thinking, what I've been thinking a lot about lately is the Amazon drone. (How's that for a smooth segue?)

You probably saw the drone prototype on the evening news reports recently. It's an unmanned mini flying machine that Amazon is working on to deliver goods in a more efficient manner.

Supercool, agreed. But this kind of thing could also potentially do a lot of damage to power lines, trees, homes, my car, your head, and other neighborhood wildlife. That's not to mention the security implications of a commercial flying drone, which could potentially be hacked to take rather than deliver goods, or create other mayhem.

But I'm sure Amazon and plenty of other companies and research organizations are working on these challenges.

Hey, if we can use a robotic vacuum cleaner that can coexist with home dwellers, dogs and cats, maybe a flying delivery bot can work too.

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WE GET THE CLOUD

by Paula Bernier

The New On-Demand Society

The TV show Parks and Recreation features a character called Tom who starts a business called Rent-A-Swag that offers his boy-size luxury wardrobe to parents of teenage boys, who might not want to invest in expensive clothes that their children will probably just outgrow quickly anyway. Although the most promising of Tom's efforts, this concept might sound ridiculous. If fictional history is any guide, it probably won't succeed, as this character already has run through a long line of failed business ventures. However, the idea of renting anything and everything – even the clothes off your back – may well be the wave of the future.

Sure, we're already used to renting cars and staying in hotels while out of town, and may have bought some used clothing at a thrift store, probably during our college years. But the world is increasingly becoming an environment in which we can get everything from computing and media, to clothing, to transportation and lodging on demand.

First, let's look at what's available. Then, we'll analyze why.

Media

It should come as no surprise that Apple played a starring role in getting the whole on-demand movement going.

The company in 2003 launched the iTunes Music Store, which for the first time allowed consumers to purchase and immediately download just the song or songs they wanted for 99 cents each. For a generation of people who had spent a lifetime ponying up $7 or more for a multi-song cassette tape, CD, or LP record, this was truly a revolution both in terms of real-time media delivery and customer choice.

In the past decade, the iTunes store has expanded greatly, and now includes podcasts, movies, music videos, and streaming radio stations as well. Of course, Apple also offers a cornucopia on-demand smartphone and tablet applications from a wide variety of sources via its App Store.

Today, you don't have to eat the Apple to enjoy the on-demand media experience.

An array of on-demand programming providers – including Amazon Prime, Hulu, Netflix and even the cable TV companies and telco TV types – now put an impressive library of movies and programs at your fingertips. All you need is a broadband connection; a computer, specialty set-top box-enabled TV, or wireless device; and a subscription to one of the above-named services, and you're good to go.

Once consumers get a taste of on-demand programming, there's no going back. In fact, it can become something of an addiction. Indeed, as Nielsen reported in September, subscribers of Netflix, Hulu and Amazon Prime are streaming video "at a breakneck pace," with 88 percent of Netflix users and 70 percent of Hulu Plus users streaming three or more episodes of the same TV show in one day.

Networking

Speaking of Amazon, this company also was a pioneer of the on-demand frontier when, in 2006, it launched Amazon Web Services.

Aimed at tech types who wanted to run their businesses on someone else's infrastructure – and avoid the upfront costs and ongoing maintenance of buying and supporting servers and other IT resources – AWS has been an incredible success. It allows companies to buy only the networking resources they require, when they need them. That's why Amazon uses the term elastic in describing the model.

"Amazon's S3 offering[s] have grown to encompass 2 trillion objects stored, and continues to prove the many initial naysayers incorrect as they grow revenue well past $2 billion dollars," noted David Linthicum in a May article for Gigaom Research.

Many others have since introduced subscription-based services that deliver on-demand databases, servers, storage, and other infrastructure, platforms and services. This group now includes everyone from Google and Microsoft, to HP and IBM, to the largest telephone companies and cloud hosting outfits, to the latest startups.

Retail

But now the on-demand model is moving beyond just tech-intensive product like media and networking to also address the physical world.

Clothing for rent has popped up as one of the more prominent examples in this space.

Young women's clothing seems to be the leader here, with players in this realm including such businesses as CoutureSqd, Le Tote, Girl Meets Dress, and Rent the Runway. Maternity clothing rental is the focus of Borrow For Your Bump, which seems to make a lot of sense considering the cost of maternity wear, the limited window in which most women use it, and the fact that pregnant women and young children are an ever-

changing but enduring customer space. There are also online men's clothing rental entities such Trunk Club, which ship "hand-selected" clothing that stylists choose for you.

For $35 a month CoutureSqd customers are asked to complete a style profile, based on which the company picks four garments for them. The duds are shipped to the customer, who can keep them for 30 days, at which point they are able to purchase them or return them using the prepaid shipping label.

Le Tote has a similar model, but charges $49 a month and allows subscribers to specifically select the clothing and jewelry they want. In this case, customers can keep the goods as long as they wish; once they return their last shipment, Le Tote sends them a new one.

As for Girl Meets Dress, this London-based business is more about outfitting young women in dresses for specific events like black tie galas, proms and weddings (although the website also features daytime and work dress options). Consumers can opt either to pay a one-time, per-night fee for a dress, or pay a monthly fee for access to any dress once a month.

Girl Meets Dress appears to be a copycat of the earlier to market Rent the Runway business, which has been around for four or five years and greatly expanded its selection of designer wear during that time. That makes sense, given online rental of luxury goods is expected to increase 113 percent in 2014.

Transportation

Like clothing, cars are also now available on demand in many cities in the U.S. and abroad. These new efforts go by such names as car2go, easyCar, and Zipcar. Although some of them are connected to big names like Avis and Daimler, unlike traditional car rental entities, these upstarts enable people to pick up and drop off cars from a variety of locations and use them for as long as they like.

There are 26 car sharing programs in the U.S. with 806,332 members and 12,634 vehicles, according to Susan Shaheen of the University of California-Berkeley.

As of October 2012, car sharing was available in 27 countries in which 1,788,000 members shared more than 43,550 vehicles.

Daimler-owned car2go, which launched operations in Ulm, Germany, and Austin, Texas, in 2009, owns a fleet of low-emission, two-person vehicles, which are parked throughout the cities and charged for by the minute. There are now 25 cities in which car2go is currently in operation. That includes Austin, Calgary, Columbus, Denver, Miami, Minneapolis, Montreal, Portland, San Diego, Seattle, Toronto, Vancouver, and Washington, D.C., in North America, and Amsterdam, Berlin, Birmingham, Cologne, Dusseldorf, Hamburg, London, Milan, Munich, Stuttgart, Ulm and Vienna.

Zipcar, an entity of rental car giant Avis, meanwhile, has operations at college campuses and urban areas in Austria, Canada, the U.K. and the U.S. It offers a wide array of vehicles that folks can use by the hour or the day. Memberships sell for $60 a year or $6 a month, and per hour driving rates – which include gas and insurance – range from $8 to $10 an hour.

Both of these car sharing companies, in addition to Getaround, RelayRides and WeCar (an Enterprise Rent-a-Car service) do business in Portland, Ore., among other cities. Portland considers itself the car sharing capital of the world. It is the home of the first U.S. car sharing service, known as Car Sharing Portland, which launched in 1998, and as of March 2012 boasted nearly one shared car per 1,000 residents.

Not all of the car sharing services have seen success. WhipCar was another peer-to-peer car rental operation, but it shut down this spring after just three years in business. This model allowed car owners to rent their vehicles to a neighbor.

But, for the most part, it seems people are bullish on the prospects for car sharing.

In an August blog, Car Sharing Portland founder Dave Brook wrote: "Like me you've probably noticed the hundreds of millions of dollars being invested in services like Car2Go, DriveNow (one way), Über, Lyft & Sidecar (taxi) and CiteeCar (plain old round trip carsharing). The sharing economy is a hot topic, not only on the blogosphere, but with entrepreneurs, VC firms and in the bureaus of a number of major cities around the world. Something is definitely happening and it's going to transform mobility in urban areas, soon!"

Why

So why are these various on-demand programs being launched and taking off now, and what can we expect next on this front?

The rise of the subscription-based economy, as some are calling it, appears to be driven by a confluence of factors. That may include the difficult economic environment, the shift to urban living, growing concern about how conspicuous consumption is negatively impacting the environment, and a new generation with a higher comfort level with technology and different values than previous generations.

Walker Sands recently released the 2014 Future of Retail Study, which revealed that most consumers are open to renting a variety of products, even if they haven't done so in the past. In fact, Tory Patrick, account director and lead of the retail technology practice at the public relations firm, told CUSTOMER magazine that 5 percent of U.S. consumers already are members of subscription retail services, which she said means there's huge potential for growth on this front.

U.S. consumers ages 18 to 25 are 90 percent more likely than those over the age of 60 to have participated in renting a product instead of making a purchase in the last year, according to Walker Sands. In fact, 37 percent of consumers ages 18 to 25 have already participated in renting instead of buying in the last year, the firm reports, with 63 percent planning to do so in 2014. This is compared to 27 percent of overall consumers who have already done so and 56 percent who plan to do so in the next year.

A related trend Patrick is seeing is the try-before-you-buy model, which gives consumers the ability to rent-to-own a dress, for example, or purchase sample-size versions of high-end makeup products. Birchbox is a great example of the latter category. Subscription-based services along the lines of Birchbox address the desires to economize and try before you buy, she said, but they also can save time for the consumer.

"People are ok with not owning and not having everything," added Patrick, who suggests that retailers might consider rethinking their business models to figure out whether adding rent and/or rent-to-own services might make sense.

So that's a snapshot of what's happening with goods like clothing relative to the on-demand movement. But what about more high-priced purchases such as shelter and transportation?

Clearly, ownership of a home, and one or more vehicles, has for many years been considered synonymous with the American Dream. Yet, according to data from Gervais & Fisher, young people today are less likely to buy a home despite the general availability of what are considered affordable homes that can be financed at very attractive interest rates. That is attributed in part to people delaying marriage (and singles are less likely to make major investments on things like homes) as well as unemployment and underemployment. Many people of all ages also have foregone car purchases in recent years due to the tough economy.

According to Pew, median household income in 2012 remained below the 2007 pre-Recession level, and just barely above its 1995 level.

"This is the longest period of stagnant median household income since the Census Bureau began collecting such data in 1967," Pew stated.

The difficult economy also almost certainly drove interest in smaller and more fuel-efficient cars like the Fiat 500, the Nissan Leaf, the Smart car, the Toyota Prius, and all the other compacts and subcompact cars on the market that many car-buying consumers have purchased over the giant, gas-sucking SUVs that have ruled the road in recent years. It also probably contributed to the trend toward renting, smaller homes, and even microhomes.

But all of the above may be driven as much by the new normal of our economy as it is by (mostly) younger consumers' willingness to share and their waning interest in living large – at least in the traditional sense. Small is the new big, whether we're talking automobiles, bank accounts, computers, music players, or physical assets. Whoever dies with the most toys wins simply isn't a motto that applies as widely as it once did.

The fact that there's a growing migration to urban areas, in which people live closer together, also makes sharing cars, clothing and even pets, easier than ever.

"For the first time in history, more than half of the world's population lives in cities," according to an article on the website of The Paul H. Nitze School of Advanced International Studies at John Hopkins University.

It estimates that 200,000 people make the rural to urban migration daily, and notes that more than 90 percent of this migration is happening in developing countries. A 2012 McKinsey & Co. report, meanwhile, notes that large U.S. cities are home to 80 percent of the U.S. population compared with less than 60 percent in Western Europe.

As a recent Slate article noted, that, and the rise of new delivery mechanisms like the Amazon drone, which the company has previewed but not released, could make it even easier to share and rent things going forward.

Sam just **pleased 5 customers** without 1 "Please hold."

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ART OF THE CUSTOMER EXPERIENCE

Art Rosenberg

Mobile Customers Need UC Choice For All Interactions

Customer services are moving away from legacy telephone call centers and IVR applications to support multimodal mobile consumers. This is particularly critical for BYOD mobile users who will be using a variety of smartphones and tablets, with different form factors and mobile operating systems, for all their mobile interactions with people and online applications.

UC-enabled speech has now become part of the multimodal approach to online mobile apps and personal assistants (like Apple's Siri), as well as an option for all forms of messaging between both people and online applications.

I have long viewed multimodal unified communications as not only the choice of interface medium, but also the choice difference between synchronous and asynchronous connectivity. This important factor will increasingly come into play for mobile customer services in the form of click-for-assistance options within self-service mobile apps. (The most notable recent development here has been Amazon's Mayday button for live customer assistance from video agents in learning to use the many features of their latest Kindle Fire HDX tablet.)

Because consumers are increasingly using multimodal mobile devices for online self-service applications, it is time to accommodate the practical combination of speech input with visual informational output.

Because consumers are increasingly using multimodal mobile devices for online self-service applications, it is time to accommodate the practical combination of speech input with visual informational output (text, pictures, video) which will make interactions faster and easier for the user. When other modes are needed, e.g., voice or visual only, there must be no impact on the basic application interface logic.

The flexibility for a web-based, mobile self-service application to use VUIs for input and GUIs for output means that such applications have to move away from their old development silos, which assumed either all online GUIs for desktops or IVR telephone user interfaces for telephones. What is implied is a new and separate layer of interface control by the end user consumer, not by the application itself. The application will get input and generate output through a standard data connection, but that original input will be converted from whatever medium the end user created it in, and the application response will be converted, likewise, to whatever medium the end user dynamically needs.

An article I recently read on this subject suggests that new W3C standards will facilitate this coming change with an interaction manager that will allow for the dynamic use of different UIs, depending on the context of the end user's device usage. The multimodal mobile devices will be able to dynamically accommodate which medium will be used for input independently of which medium will be used for output. In addition, as I discussed in a recent post, all end user needs for live assistance can be contextually and flexibly accessed in their choice of modes (text/voice message, IM chat, voice/video connection). Such flexibility will be supported with the adoption of the new capabilities provided by WebRTC for real-time connectivity.

This approach will also support the need for consistency by designing applications to be functionally independent of the medium used for inputs and outputs. This will apply to both user control commands, as well as to any form of informational content. Just as person-to-person communications have become multimodal at the contact initiator level, independently from that of the recipient's, self-service applications must now support end user multimodal end users consistently and flexibly.

Art Rosenberg is The Unified-View/ UC Strategies Expert (www.ucstrategies.com).

AudioCodes

by Alan Percy

WebRTC and the Contact Center

Like Chocolate and Peanut Butter, the Sum is Sweeter than the Parts

WebRTC – a web technology that would extend the native capabilities of web browsers to enable voice, video and data sharing without separate client or plug-in software – has been getting plenty of attention lately. Evolving under the IETF and W3C standards process, much of the technology leadership comes from a team of developers at Google who see it as a game-changing communication technology. Innovative web-based applications include collaboration systems (like Google Hangouts), distance learning, gaming and more.

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I see the contact center as likely benefiting the most from WebRTC. Initially offering click-to-call features for web users, WebRTC will put a zero-install experience on virtually every consumer desktop, tablet and mobile – making it easy to ask questions, get support, or otherwise interact with the contact center.

Not a replacement for existing contact centers, it's widely understood that WebRTC will be an evolution in the contact center – adding the capability to existing contact center operations and having web surfers call using their browsers, following the same call routine/queuing that today's telephone callers do. This allows agents to handle callers from either the web or PSTN interchangeably – Nirvana for the contact center manager.

However, this comes with a couple technical hurdles. One immediate challenge is codec support. For a number of very valid network performance reasons, WebRTC defines the Opus High Definition codec as a means of transporting voice over the Internet. With enhanced packet loss concealment, error correction and outstanding voice quality, Opus was designed from the ground up to deal with common network errors that occur when communicating over the open Internet.

So, how will a contact center support Opus?

There are well-understood approaches to adding WebRTC and Opus to a contact center.

SBCs, Gateways and Transcoding – The first approach is using WebRTC-enabled SBCs to terminate the sessions and media streams from the web, transcoding the sessions to a format that the existing contact center can handle (usually G.711). Seen as the least disruptive approach, it may suffice for certain applications or as an interim bridge technology, but transcoding does not scale very well and adds latency to web-based calls that could reduce customer satisfaction.

Opus End-to-End – a second, and more popular, approach is to facilitate use of the Opus codec all the way to the agent, allowing the endpoint device to support both G.711 calls from the PSTN and Opus from web callers. Far more efficient than transcoding, support for Opus at the agent makes high-definition calling a reality, improving the user experience and satisfaction.

Realizing that no two contact centers are the same and existing investments will drive much of the decision-making, our strategy at AudioCodes is to support both approaches – starting with supporting Opus on our contact center-ready 400HD IP Phones. In addition, AudioCodes is also planning support for Opus in our SBC products, facilitating transcoding when appropriate.

With these important technologies in place, we see WebRTC and the contact center as a natural fit – like chocolate and peanut butter, the sum will surely be sweeter than the parts.

Alan Percy is senior director of marketing at AudioCodes (www.audiocodes.com/Microsoft). He can be reached at alan.percy@audiocodes.com.


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InfoCision TELEPHONE MARKETING EXPERTS

by Steve Brubaker

Strengthen Your Message and Build Customer Loyalty by Keeping the Customer at the Heart of Your Big Data Efforts

There's a lot of big buzz about Big Data these days, and with good reason. When applied effectively, data delivers a couple of significant advantages: (1) providing better customer experiences and (2) making customer-care operations more efficient. That's an incredibly powerful one-two punch.

EDITORIAL SERIES

In our brave new world where customer experiences carry more weight and impact than ever before, it's no wonder data has become such a hot commodity. As companies work to craft clearer pictures of their individual customers, many are beginning to find out that data isn't enough. According to the Forester 2013 *Customer Experience Predictions* report many companies in the coming years will "Spend enormous amounts of time and money amassing new data sources—and less effort figuring out what to do with it all."

Confronting the crossroads of the data revolution

The quandary of too much data and too little insight has brought the Big Data revolution to a crucial crossroads. Organizations have invested a lot of effort ramping up data collection without adequately planning how to analyze and apply it. At InfoCision, we have helped a wide variety of businesses and nonprofits to turn data insights into better customer experiences and more cost-efficient programs. Let's look at three different examples of how organizations have applied data in creative and effective ways to improve customer care and increase return on investment (ROI).

Case study # 1: Missing the mark with a costly single-channel strategy

A leading wireless provider was employing a single-channel strategy to encourage customers to renew their contracts. They were sending out a direct mail piece to tens of millions of customers. Over time, the strategy was yielding increased costs and diminishing returns—resulting in a price tag of $130 for each customer save.

After pouring through the data, a three-tiered retention strategy was designed using text messaging, direct mail and phone. The goal of the program was threefold: increase retention, increase ROI and decrease renewal traffic to their retail stores (which are primarily used for acquisition and, therefore, the most expensive method of renewal).

Funneling data for a more focused multichannel approach

After using data to filter through the customers, the targeted customers were sent a text message with a customized offer based on their plan type and other customer identifiers. The "phone exclusive offer" text message generated 160,000 inbound calls, saving 83,200 customers and diverting them from the retail outlets.

The next step was to send an exclusive offer via direct mail. These customers were identified based on whether they had opted out of future offer mailings and the profitability of the customer's usage. The remaining 1.38 million customers were sent a personalized direct mail piece specific to their plan, geography, demographics and other individual characteristics. This strategy generated another 55,000 inbound calls and 28,700 saved customers.

After weeding out those who did not respond to the text message or direct mail piece, 675,000 customers remained. Sixty percent of the customers were reached with a phone exclusive offer—which resulted in another 74,000 inbound calls and 38,600 saved customers.

Results: Lower costs and higher revenue

Ultimately, the company was able to save over 150,500 customers. With a dramatically lower cost to save each customer—$14.65 compared to $130—the company's ROI also increased significantly. The sales revenue realized from the saved customers was an impressive $161 million compared to $96 million prior to the multichannel campaign.

Case study #2: Using data to combat the costs of churn and burdens of acquisition

A major wireless provider was investing significant marketing dollars into maintaining their customer base. The primary way they were doing this was through new customer acquisition. They were maintaining their numbers—but the cost of acquiring each new customer was $305. Under this model, the company had an annual net income per customer of $90.

Their acquisition marketing efforts were saddled with the burden of replacing a yearly churn rate of 7 percent of existing customers. To maintain their customer base throughout the year, the company added 1.7 million new customers at a total cost of $533 million.

Leveraging data for greater customer retention

The company decided to test a telephone campaign to help maintain their customer base at a lower overall cost. The first step was analyzing the data to identify customers most at risk for churn. This population consisted of approximately 5 percent of the company's total customer base.

Through this campaign, nearly 1.5 million customers were contacted throughout the year. As a result of these calls, 32 percent of all contacted customers converted to contract renewal (or 473,250 individuals). More importantly, the cost to the company per renewed customer was only $28—significantly lower than the $305 cost of acquiring a new customer.

Results: Reduced churn and raised income

Ultimately, the telephone retention campaign reduced the annual churn rate from 7 percent to just over 3 percent. It also increased the annual net income per customer from $90 to $100. That's an annual gain of over $130 million, and a net income gain to call center cost of 10:1.

Case study #3: Using real-time data to create more personal appeals

A national public policy women's organization was running a phone campaign centered on a survey. At the beginning of the call, women were asked what the most important issues were to them. After providing a response, callers were then led through a standard appeal—which was the same for everyone no matter how they responded to the survey.

With the standard appeal, the response rate was 30 percent with a fulfillment rate of just under 84 percent for a total of $506,652. Thinking that a more personalized approach would produce better results, the organization instituted a new strategy to better engage callers.

Employing real-time data to make stronger connections

To more effectively speak to the donors' interests and the issues they were passionate about, four different appeals were developed based on donor responses to the initial survey question.

> As the buzz on Big Data shifts from adoption to application, it's important to keep the customer at the heart of all your efforts.

Steve Brubaker

To bring the strategy to life, innovative "Inscription" call center technology was used. This technology automatically tailors the script and allows for real-time changes based on data gathered during the call. Using Inscription increased the response rate to 33 percent and helped to increase the dollars per completed call, and the dollars fulfilled by 6 percent.

Results: Increased engagement and elevated response

The more personal approach of using real-time data improved results and enhanced the overall value of the campaign. It also served to heighten donor engagement and connection with the organization—which may increase long-term donor value moving forward. In addition to the customized appeal, donors were asked at the end of the call what issues should be focused on in the remainder of the year. Their responses generated the next two telemarketing appeals.

Keeping customers at the center of a data-filled future

As the buzz on Big Data shifts from adoption to application, it's important to keep the customer at the heart of all your efforts. It's easy to get lost in the figures or intimidated by the "bigness" of all that data. But remember: It's not about numbers, it's about insights. It's about what you can learn about your customers that will enable you to provide better experiences.

Steve Brubaker is Chief of Staff at InfoCision. You can reach him at steveb@infocision.com. In business since 1982, InfoCision is the second-largest privately held teleservices company and a leading provider of customer service solutions for Fortune 500 companies. Along with call center solutions, InfoCision offers business intelligence, direct mail, digital printing and interactive services. For more information, visit www.infocision.com.

by Colleen Miller

Customer Service Rightshoring: Striking a Balance in an Omnichannel World

There's a lot of talk about contact center rightshoring – and with the discussion comes misperceptions. What is rightshoring, and where does the approach fit in today's complex omnichannel environment?

Rightshoring is defined as a restructuring of workforce or processes with the goal of utilizing a mix of offshoring, nearshoring and outsourcing to achieve the optimum level of efficiencies and productivity. Buyers will typically procure services to optimize operational margins. To do so, they will procure services from the most efficient source, the right location, and in the right proportion. To effectively rightsource is to secure a balance of multishore locations with an eye toward sourcing closer to customer demand. This shift to so-called globally local operations offers many benefits, including reduced lead times, a better experience for customers, improved agility, and an increased bottom line.

In today's omnichannel world – where consumers demand 24/7 service across channels –companies looking to rightshore need to be mindful of factors beyond location and cost. While location and cost are key considerations, so too are factors such as contact interaction volume, the number of channels through which customers are engaged, customer valuation and global presence – to name a few. In this context, rightshoring is about evaluating a customer's lifetime value to determine the best way to interact, at what level of financial investment, through what channels, and in what locations — with the end goal of providing the appropriate level of service that will result in customer satisfaction and loyalty.

Rightshoring then is less about gravitating toward popular geographical areas to find the lowest cost and more about customer segmentation, call segmentation, and the impact on Net Promoter Score and overall customer satisfaction. Knowledgeable and experienced vendors will encourage a company to evaluate both critical and non-critical calls to determine where they will best be managed, for example.

Success lies in marrying strategy with execution

Companies that buy contact center services and outsourcers alike face complexities and find that one solution does not fit all. What is known and accepted today will likely be challenged in the coming years. In determining the shoring strategy that is right, a company should ask these questions of itself and/or its vendor(s):

- Are interactions going to the right location? (Have metrics been established for evaluating success or failure?)
- Are customers being supported through the right channel(s)?
- Are first-contact resolutions being achieved?
- Is the impact of current location on customer satisfaction and/or Net Promoter Score a positive one?
- Do all vendors have access to the entire range of appropriate program-level data so that they might deliver a holistic solution?

If the answer to any of these questions is no, then a company needs to take a step back, reevaluate and work toward:

- establishing a clear vision and strategies for sourcing;
- providing proactive solutions to drive customer loyalty, using data to create a better customer experience and maintaining the customer experience;
- selecting and managing vendors that have experience adapting to market developments and which have the resources to meet changing needs; and
- ensuring a strong infrastructure and management buy-in.

Creating a partnership

It is common today for companies to rely on multiple vendors for help in executing their programs as not all vendors excel in every service. However, selected vendors should not only meet industry expectations but also work with companies in partnership to create an improved, integrated, flexible and data-driven customer support solution. Sophisticated companies think differently about the partnership process today, opening up as much data as possible with all vendors so that each will examine transactions with a 360-degree view rather than on a transactional basis. This type of transparency will ultimately result in more cost-efficient solutions and improved customer care.

In an always on, always connected consumer environment, vendors need to be able to dive deeply into all available data. They should leverage analytics to create the customer valuation and segmentation strategies necessary to recognize and appropriately manage high-value customers, drive loyalty, and improve customer experience across channels.

Rightshoring is more than determining the most cost-effective solution and location. The foundation of the concept rather should be grounded in knowing and leveraging the lifetime value of customers; sharing data; and basing strategies and tactics, locations, vendors and more on that data. The success of rightshoring depends upon it.

Colleen Miller is vice president, contact center solutions for Harte-Hanks Response Management (www.harte-hanks.com).


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by Zach Messler

Is Mobile Part of Your Customer Care Strategy?

We use our mobile devices for every part of our daily lives – from checking the weather for our morning commute, shooting off a quick e-mail response on that proposal, even shopping online for our holiday gifts. There is no question that consumers are understanding and adopting the mobile way-of-life more and more; however, despite this fact, some companies have not properly implemented a customer service strategy that takes full advantage of the emerging mobile lifestyle.

We recently took a survey, and the results weren't surprising, but they were telling: If mobile isn't part of your customer care strategy now, it should be.

My mobile device is a part of me

More than 91 percent of the consumers surveyed have their mobile devices within arm's reach at all times. Because they want the freedom to interact on the go, 60 percent of consumers would prefer to use their mobile devices for customer care. However, many businesses have not yet embraced this change in consumer behavior by taking full advantage of the innovations possible with mobile.

Passing mobile consumers off to an 800 number for customer service interrupts the brand experience and falls short of customer expectations. Today's mobile consumer wants to be in control of an interaction in ways that traditional customer service can't support. If retailers don't address this need with an offering that's designed for the mobile lifestyle, customers will eventually migrate to someone who will.

It's not business, it's personal

It should come as no surprise that consumers are looking for a more personalized customer service experience. Mobile provides a cost-effective opportunity to meet this need. This type of approach will provide both the agent and the consumer better access to more complete data across interaction modes. For example, once an interaction has started, the agent always knows the full history, and the consumer has it too for an easier interaction. This easy access to personalization will be used to tailor the experience to the individual.

Passing mobile consumers off to an 800 number for customer service interrupts the brand experience and falls short of customer expectations.

Let me help myself

On top of a heavy reliance on mobile, today's customers are self-sufficient. They want help on the go, and they want to be able to help themselves. The mobile device should be leveraged to help the customer solve problems quickly and efficiently, without having to take multiple steps to solve a problem. Keep the solution on the device, and you keep your customer happy.

If you want to engage with your customers on a new, more intimate level, leveraging a mobile solution shouldn't just be a part of your 2014 strategy, it should be the foundation for your strategy. Get mobile, or get left behind.

Zach Messler is director of solutions marketing for Contact Solutions (http://contactsolutions.com).

by Abnesh Raina

Five Ways to Bring PLM into the Web 3.0 World

Product lifecycle management was born in a world where customers walked into a store to buy and being social meant inviting friends over. While retailing has evolved significantly since the 1980s, PLM has pretty much been stuck in the same groove.

Traditionally, PLM addressed certain elements of a product lifecycle, focusing on stakeholders within an enterprise and the roles they played in bringing products to market. This more narrow-casted view does not address today's market dynamics.

We pose a new PLM model, which reflects and leverages the way customers act and think today, and the increasing globalization of commerce. This model expands to include integrated product information management, a critical but missing factor in PLM, especially for the emerging omni-channel commerce model.

Here are five ways in which retailers can bring PLM into the Web 3.0 world.

Omnichannel Applies to PLM

Omnichannel is the buzzword du jour. The multiplicity of channels demands that retailers have one place where they can manage product information, and then push that data out across all these channels. Integrated product information management is the solution, providing one version of the truth to customers so they can have a seamless experience with your company, regardless of the channel they are using to seek information. You can have a bricks and mortar, e-commerce and mobile system, but the product data – pricing, style options – a customer sees must be uniform. This can be achieved by new software technology that easily enables this centralized data repository and the means to distribute to all channels.

Expand Your Circle of Influence

Customer-facing information is one aspect of PLM Web. 3.0 but PLM now must also fully embrace the ideas and concerns of all stakeholders, many of whom are located around the globe. Suppliers are a key factor here and need to be drawn much farther into the circle to streamline the back and forth between them and product managers. The solution is one central collaboration place where all stakeholders – external suppliers and internal partners from sales, marketing, operations, etc. – can access and share critical information. To be competitive and get products to market faster, we need real-time consensus and course correction. Cloud-based, collaboration software technology can answer this need by providing stakeholders with a platform for searchable content that enables fast information sharing from beginning to end of the product lifecycle.

Engage Your Customers Upstream

A successful multichannel retail strategy lies in end-to-end execution of product management processes that are integrated with customer engagement processes. Customers want a voice in product design, functions, and usability and they feel this power through social media and reviews, where they are comfortable to either ding or praise your products. Going further and employing a full-scale PLM Web. 3.0 strategy enables you to integrate social media activities into other collaborative techniques such as focus groups, test marketing, and idea sharing much further upstream in the process. What good does it do if you're posing a product to a customer when it is ready to ship? Through collaboration you can create Pinterest-style boards for customers to feed input to, bring in suppliers earlier on to share with them customer sentiment, and in the end, push products to the marketplace that are more in tune with customer needs and wants.

Product Selection Needs More Love

To our point of moving the collaboration process further upstream, product selection is one area in which e-tailers also need to step up their game. Product selection, whether driven by vendor displays or tradeshows, can be more fully integrated into PLM and with cloud computing and mobile apps, the tools to do so are easily at our fingertips. Take an average e-commerce operation in which some of your products are designed in-house while others are selected from what suppliers around the world have to offer. Typically you'll send a few team members to a trade show or vendor displays, and they come back with their recommended choices. Through the cloud they can now upload pictures, videos, and product data, and within minutes your entire PLM team and select customers could be looking at this visual and data information in a shared environment. This enables much faster, collaborative decision making so you can respond more quickly to changes in marketplace trends. Before anyone writes a purchase order your company now has a leg up on the competition, with priceless feedback from your stakeholders. With the virtually endless buying choices consumers have today, the more attention you pay to product selection, the better your chances of offering merchandise the customer really wants.

It's Not Just All About Shoes

It's important to note that the concepts of PLM Web. 3.0 collaboration and moving stakeholder interaction upstream are just as valid for those engaged in B2B ecommerce. B2B decision making often can be a painfully slower sales cycle to close, and better feedback and interaction between suppliers and other stakeholders can be of great advantage to moving the sales process faster. Integrated product information management in B2B ecommerce is also a much-needed improvement. It's pretty easy to find online different versions of the truth for one widget. E-commerce companies focusing on B2B sales and marketing can competitively differentiate themselves by incorporating collaborative technology and integrated product information into PLM.

As the online marketplace becomes even more competitive and diverse, product lifecycle management needs to evolve into a platform in which all stakeholders – including customers – have one go-to place for information and collaboration. The goal is to create central visibility into end-to-end product management processes from conception to post sales. This should support customer identification and engagement from the product development and merchandise selection phase through post launch sales, integrate with mobile and social platforms as well as enable smart decision making by integrating web analytics, social media analytics, and customer data in your product management cycle.

Your internal and external stakeholders, whether you're selling shoes, fashion, dinnerware, or smartphones, all need to be engaged further upstream so you can mitigate the risks of manufacturing errors, develop products that more clearly addresses customer desires, and get these products to market faster than the competition.

PLM Web 3.0 answers the complexity of the marketplace today and embraces it by recognizing e-commerce is global, but the individual voice is more powerful than ever.

Abnesh Raina is CEO and founder of PlumSlice (www.plumslice.com).

by Jon Arnold

Amazon Mayday – What it Means for Your Contact Center

With today's technologies, customers are increasingly expecting a high level of personalized service, but most businesses simply don't have enough resources to properly support that. And just when you thought expectations were high enough already, along comes Amazon's Mayday button. The Mayday button allows customers to get a live connection to an agent for technical support in 15 seconds or less.

Nobody really likes calling for support, and more than anything else, customers want to get through this process in as little time as possible. Technology-based problems tend to cause a lot of anxiety, and the easiest way to dial this back is by answering their calls quickly. Since customers typically get put into a long queue with endless IVR prompts, by the time they get connected to a live agent, the stress of waiting can easily exacerbate the problem beyond its actual impact.

In this context, the Mayday button has obvious appeal. However, to clarify, it only applies to a fairly narrow problem set. The service is embedded with Amazon's new Kindle tablet, so it's hard-wired to be easy to use on that device – but nowhere else. They don't currently offer it for other products or lines of business, and Mayday is only for technical support – not just any request for customer service. As such, don't be misled to believe that Amazon now delivers customer service to any customer for any need within 15 seconds. Nobody can deliver that unless the objective is to build market share at all cost.

Amazon doesn't need to do that, but instead, the company recognizes the long-term business value of getting customers to use their branded tablet instead of those made by other vendors. It has learned from Apple and Samsung just how powerful endpoints can be in driving the demand for services and applications. As the book business continues migrating online, owning the customer at the endpoint level brings a lot of leverage for the long tail of Internet commerce that Amazon is so famous for pioneering.

While most businesses lack Amazon's scale and efficiencies for managing a gigantic customer base from the cloud, these underlying principles can still apply. You may not need to deliver service in 15 seconds, and with a little bit of research, you can easily determine the optimal waiting time that applies to your customers. Once you know that, the trick is figuring out how to deliver the right service once contact has been made.

This sounds simplistic, but actually requires a lot of different technologies working together in new ways. More specifically, I'm talking about integrating customer service operations with business processes. In UC circles, we refer to this as BPA or CEBP – business process automation, or communications-enabled business processes.

Whatever acronym you use, the main idea is that many of the answers you need for providing great service are already in your midst. However, most businesses tend to function as a collection of silos where information is not readily shared or leveraged to enhance overall performance. Amazon truly excels here, especially in making use of data analytics, so don't worry if you can't live up to that level.

You should look to Mayday as an example of how you can raise the bar for customer service in a sustainable way. Running out to copy Amazon with a 15-second response promise will almost certainly fail, but what you can do is review your internal capabilities and follow best practices for ways to integrate them in ways that serve the needs of your customers. You can't do this by keeping silos intact, so some cultural or political shifts might be necessary.

None of this will be easy, but it would be shortsighted to ignore Mayday because you don't think that type of service could be supported by your company. Instead, you should view Mayday as an example of what's possible when communications technology is tied to business processes in the name of customer satisfaction. It's no secret that companies delivering superior customer service outperform those with average service, and if nothing else, Mayday is a wakeup call to say that service can always be better, and with the right technology and vision, it can be delivered in a cost-effective manner.

Jon Arnold is principal of J Arnold & Associates, an independent telecom analyst and marketing consultancy.


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by Sheri Petras

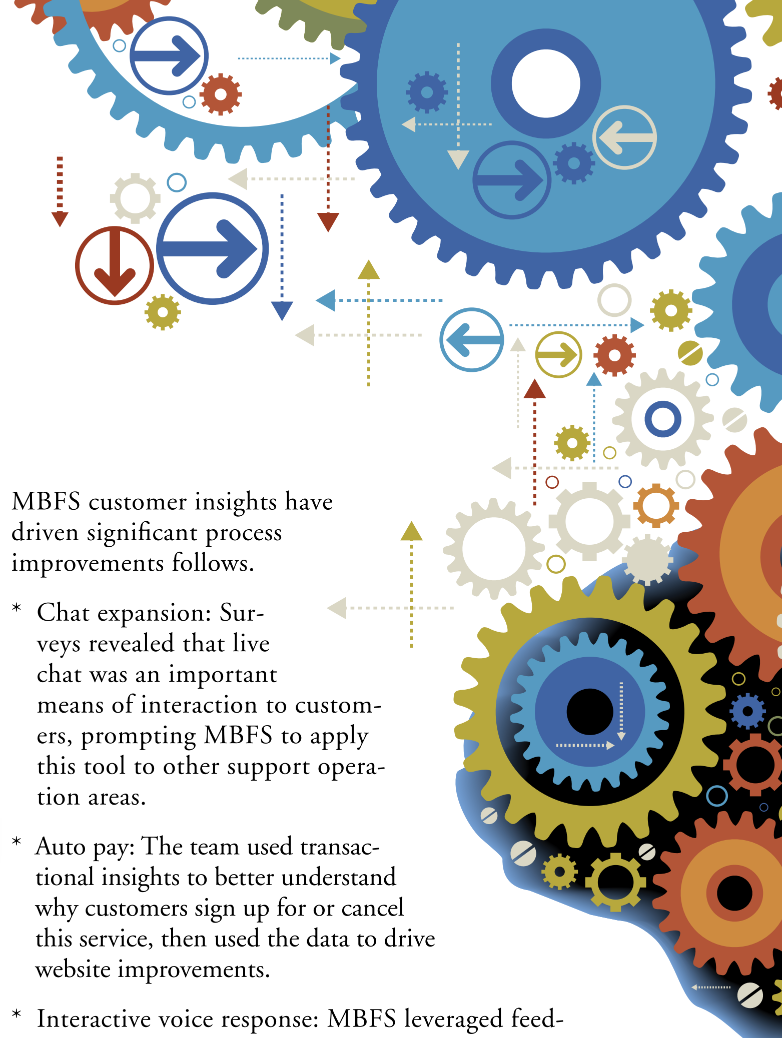
CFI Group Helps Benz Financial Give Customers a Sweet Ride

Mercedes Benz Financial Services USA, which is the provider of financial services and products to Mercedes Benz dealers and retail customers, didn't want customers for a day or a year. It wanted customers for life. So the institution knew it needed to upgrade its customer feedback program from one that followed a marketing-based approach primarily focused on attracting customers to one more focused on retention and satisfaction.

The company enlisted the expertise of CFI Group, a global leader in generating customer feedback insights through analytics whose access to the methodology behind the American Customer Satisfaction Index would drive a program that captured actionable insights about current MBFS customers' experiences with the organization and how to put customers first at all key touch points in their experience with the brand.

The Solution

CFI Group's solution for MBFS reflected the firm's belief that it's critical to understand the customer's total experience with a brand. As such, the new MBFS customer feedback program would draw from insights across all channels through which customers interacted with the business.



Designing and executing a total experience survey for MBFS customers was CFI Group's first step. This survey holistically examined the owner experience, as well as generated customer feedback on MBFS competitors. Through this survey, it was possible to measure customer satisfaction across all of a customer's experiences with organizational touch points including the website, retail locations and call centers.

CFI Group expanded the program to include surveys at the transactional level. This additional research evaluated customer feedback about specific functional touch points to obtain data that could drive process improvements in those areas like MBFS Client Care Center.

This research complemented the MBFS Customer One initiative, which is designed to put the customer first at all touch points in his or her experience with the organization. Data from the program is used to help team members identify and evaluate the customer's experience in his or her own words.

Rather than waiting once a quarter or year to survey customers for feedback or collect comments, MBFS works with CFI Group to continuously monitor customer feedback. That This also allows MBFS to respond quickly to customer questions or comments, which in turn builds positive brand recognition with customers and can increase loyalty.

The Results

The new MBFS customer feedback program drove operational insights and changes for impressive gains. MBFS' overall Customer Satisfaction Index and loyalty metrics rose six points within a year of the program launch, supporting a connection between customer satisfaction and intention to remain a customer. A sampling of additional ways that MBFS customer insights have driven significant process improvements follows.

* Chat expansion: Surveys revealed that live chat was an important means of interaction to customers, prompting MBFS to apply this tool to other support operation areas.
* Auto pay: The team used transactional insights to better understand why customers sign up for or cancel this service, then used the data to drive website improvements.
* Interactive voice response: MBFS leveraged feedback on this feature to streamline the IVR menu and processes, making it easier for customers to reach live agents when needed.
* Website: MBFS continually makes improvements to its website functionality taking into account customer verbatim feedback.

Customer experience survey results can often be surprising, uncovering important connections that management teams wouldn't ordinarily hone in on, and MBFS was no exception. For example, survey results revealed that the discussion of payment options with potential customers very early on in the financing application process was a key driver of customer satisfaction not only for that process, but for overall MBFS CSI scores. These types of findings provide MBFS with direction on where to invest more heavily, or where to limit or cease investments. Through the data collected in the program, the operational areas have additional data points to be considered when projecting the expected payoff as they prioritize changes or enhancements.

Today, MBFS and CFI Group continue to refine and expand their customer insight analyses and recommendations. MBFS executives attend regular project briefings and staff members receive ongoing education in the analytics that underpin CFI Group's programs. This ongoing interaction ensures team members have the information necessary to fully participate in and contribute to the program's ongoing success.

Sheri Petras is CEO of CFI Group (www.cfigroup.com).

Kinesis Moves Data

Amazon Web Services Inc. has introduced Amazon Kinesis, a managed service for real-time processing of high-volume, streaming data. It lets customer store and process terabytes of data an hour from hundreds of thousands of sources, making it easy to write applications that take action on real-time data such as web site click-streams, marketing and financial transactions, social media feeds, logs and metering data and location-tracking events. Amazon Kinesis-enabled applications can power real-time dashboards, generate alerts, drive real-time business decisions such as changing pricing and advertising strategies or send data to other big data services such as Amazon Simple Storage Service (Amazon S3), Amazon Elastic Map Reduce (Amazon EMR) or Amazon Redshift.

Genesys Scores Contact Center Hat Trick

Customer experience and contact center solutions company Genesys recently introduced three new contact center solutions – Premier Edition for small to mid-sized contact centers, Business Edition for mid-sized contact centers, and Enterprise Edition for large contact centers. These comprehensive solutions integrate technologies and expertise from the companies that Genesys recently acquired: Angel, Utopy and SoundBite Communications.

Aspect Zips Up the Contact Center

Aspect Software has come out with a new cloud-based contact center solution called Zipwire. It can scale to meet the demands of small to large contact centers, comes with always-available support, and am can be set up and running within hours, according to the company. “With nearly limitless scale, and being deployed through Aspect’s market-leading Voxeo cloud infrastructure gives Zipwire clear competitive advantages compared to other solutions in its class,” says John Amein, vice president, product management, Aspect. “These features address the primary concerns startups and smaller companies face operating and servicing contact centers by offering unlimited upward and downward scalability, giving them the ability to create a service footprint that puts them on par with larger corporations.”

Accenture, W&W Partner on Analytics

Wire and Wireless Co. Ltd. and Accenture have launched an analytics services platform for consumer companies in Japan that delivers context-based customer insights. It offers access to detailed analytics-based outcome reports, including mapping attributes of customers who have entered a certain store after having received a product recommendation.

DoubleDutch Raises $10M

Data-driven mobile event applications business DoubleDutch has raised $10 million in Series C funding. This round was led by Bessemer Venture Partners with participation from existing investors FLOODGATE Fund, Bullpen Capital and others. The company has raised a total of $18.5 million in funding to date. “Marketers have a massive opportunity to gain insight by digitizing the event experience, and DoubleDutch has the best product to capture and analyze this data,” said Byron Deeter, partner at Bessemer Venture Partners. “We expect nearly all events to offer branded applications in the near future and believe that DoubleDutch will lead the way.”

JiWire Offers Mobile Insights

Location-powered mobile advertising and data platform company JiWire has released its quarterly “Mobile Audience Insights Report,” which this time around is on the consumer packaged goods industry and how mobile is reshaping and influencing the mobile path to purchase. The report examined all Q3 2013 drive-to-location campaigns across the JiWire network and measured incremental store visits by consumers as a result of seeing a mobile campaign. On average, mobile advertising campaigns drove a 44 percent increase in in-store foot traffic over regular store visits in the third quarter.

Ovum Sees Growth for Social Messaging

The social messaging market is rapidly evolving and expanding as messaging players begin to amass hundreds of millions of users, according to Ovum, which says that in 2014 we will see further acceleration in user growth, and a widening in the scope of social messaging services. Ovum also expects to see social messaging players challenging the status quo of mobile social networking and media and creating a paradigm shift in social media that will impact several OTT giants.

Calibrus Assets Bought

James Powers and Gary Moulton have purchased the call center assets and name rights from call center outfit Calibrus Inc. Under the new management, Calibrus expand in the areas of lead generation, on-boarding and enrollment, customer service, third-party verifications and outreach programs, as well as expand to address additional verticals.

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Expert and Author

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Crossing Boundaries for Contact Centers

Knocking Down Geographies and Walls

The benefits of cloud communications are well documented. Faster deployment, future-proof applications, business continuity, predictable monthly payments. When contact centers turn to the cloud, they can also scale easier, support at-home agents, and add multichannel services.

Yet there's another benefit of the cloud for contact centers that might not be as readily evident. With a cloud-based solution for communications, centers can break through two types of boundaries that often hinder operational and customer care effectiveness.

The first boundary is geography. Should a contact center expand from a single location, the cloud can minimize the complexity and cost that often curbs efficiency from a staffing standpoint. The second boundary is walls. Not physical walls, mind you, but the walls between agents in a contact center and the enterprise subject matter experts they must increasingly collaborate with to resolve customer issues. These walls exist whether the organization's contact center occupies one location or multiple sites.

However... implement a single cloud solution for a multi-site contact center operation, and boundaries disappear.

Eliminating geographic boundaries

Staffing. In effect, multi-site centers become one large contact center with an expanded, centralized pool of agents. Cross training on products and services becomes easier, agent knowledge levels and skill sets are broader, and agents are assigned more efficiently based on demand, schedule, and media channel.

Communications equipment. Organizationally, the cloud model eliminates the need for each contact center site to manage its own infrastructure. All sites pull from a common set of features that are activated merely by licensing; there is no need to install unique systems or hardware solutions at individual sites.

Consistent service level. Along with a uniform menu of contact options for all locations — an 800 number, eServices, a Facebook page, and so on — the organization consolidates queues across sites. Incoming interactions are then routed quickly to the first available agent regardless of location. Reports also span all sites and provide a clearer view of the service provided to all product areas.

ROI realized. A cloud-based contact center solution lets the organization move from capital expenditures on equipment at multiple sites to a monthly service fee for the whole of customer service. Again, the organization can license new apps and features whenever any part of customer service requires added functionality, and bypass having to source and install new systems.

Knocking down walls

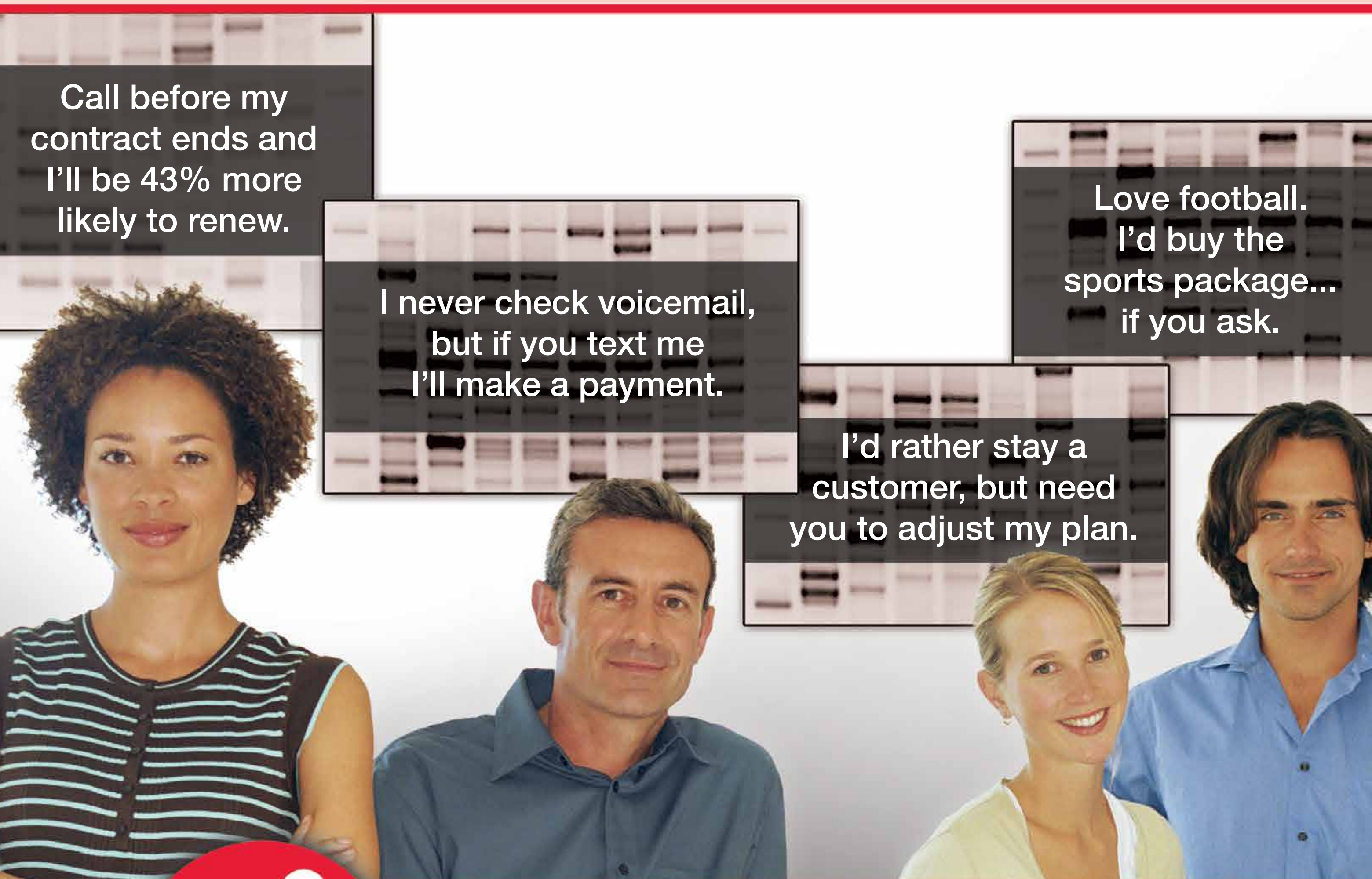
There's an emerging sentiment that "the enterprise is the contact center." In the name of first contact resolution, customer service has moved beyond the walls of the contact center to include persons throughout an organization. At various times, the appropriate resource to handle a customer's issue might be a subject matter expert, a product manager, a claims adjuster, or some other specialized employee elsewhere in the business. Therefore, virtually every employee becomes a potential real-time customer touch point and service agent.

Cloud communications enable the organization to consolidate all internal resources more easily as one central asset to manage customer care.

Cloud communications enable the organization to consolidate all internal resources more easily as one central asset to manage customer care. With no walls between the contact center and the enterprise, the customer service process extends to the right persons and workgroups at the right time. Knowledge is also spread across the business — seamlessly — and accessed at any given moment to resolve customer issues accurately and quickly. Ultimately, managing customer relationships falls to a much broader set of available organizational resources.

When you knock down geographies and walls via the cloud, you provide customer experience that builds customer loyalty.

Do You Know Your Customers' DNA



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AD INDEX

Erik Linask,
Group Editorial Director, TMC

The Fallacy of the Decline of Customer Satisfaction

BusinessWeek's Eric Chemi recently posited that customer satisfaction has a negative impact on stock prices, meaning that publically traded companies may actually be better off being disliked by their customers (http://tmcnet.com/59244.1).

He makes some interesting assertions regarding the value of spending on CSAT efforts and the potential return and, while, his so-called study seems interesting on the surface, the truth is there is little merit to the claims.

Basically, Chemi looks at CSAT scores for 146 publicly traded companies, along with their stock price trends, coming to the conclusion that there is "no statistical relationship between customer service scores and stock market returns."

First, and perhaps most importantly, "no statistical relationship" does not imply that efforts toward increasing customer satisfaction are wasted. The fact is, in addition to revenues and earnings, multiple factors can influence stock prices, which are far beyond the scope of CSAT scores. These include local and global economies, strength of individual markets/product categories, competitive landscape, purchasing trends (both product and stock market related), and investor behavior/market sentiment.

If we're going to look at the relationship between customer satisfaction and stock prices, these additional factors must also be considered, especially when considering the value of CSAT spend. For one thing, looking at 146 businesses across various business markets is comparing apples to oranges, since some have inherently low levels of customer satisfaction, while others are traditionally high.

Cable operators and other service providers, for instance, are notoriously poor when it comes to CSAT measurements. Part of this is due to the fact that they run on a monthly buying cycle and customers are reminded each month they are paying $100, $200, or even more for their phone, Internet, and video services. Factor in the lack of choice in many markets and the constant conflict between operators and major content providers, and customer aggravation grows (especially when they are suddenly shut out from watching their favorite baseball or football teams).

On the other hand, the automotive industry run on a much longer buying cycle and breeds a relatively high level of satisfaction due to the purchasing process. Part of it is the much larger competitive landscape – car buyers have a relatively high number of makes and models from which to choose, regardless of their budgets and needs and, quite frankly, if the car runs well, satisfaction tends to be high. In fact, seven of the top 20 brands in the ASCI's 2013 rankings are automakers.

Other brands in highly competitive markets also find themselves atop the index, from Apple to General Mills to Pepsi. Again, one of the main differences is competition. Apple vs. Android, General Mills vs. Kellogg, Pepsi vs. Coke – consumers simply have the option to purchase their preferred brands, which means satisfaction tends to be higher.

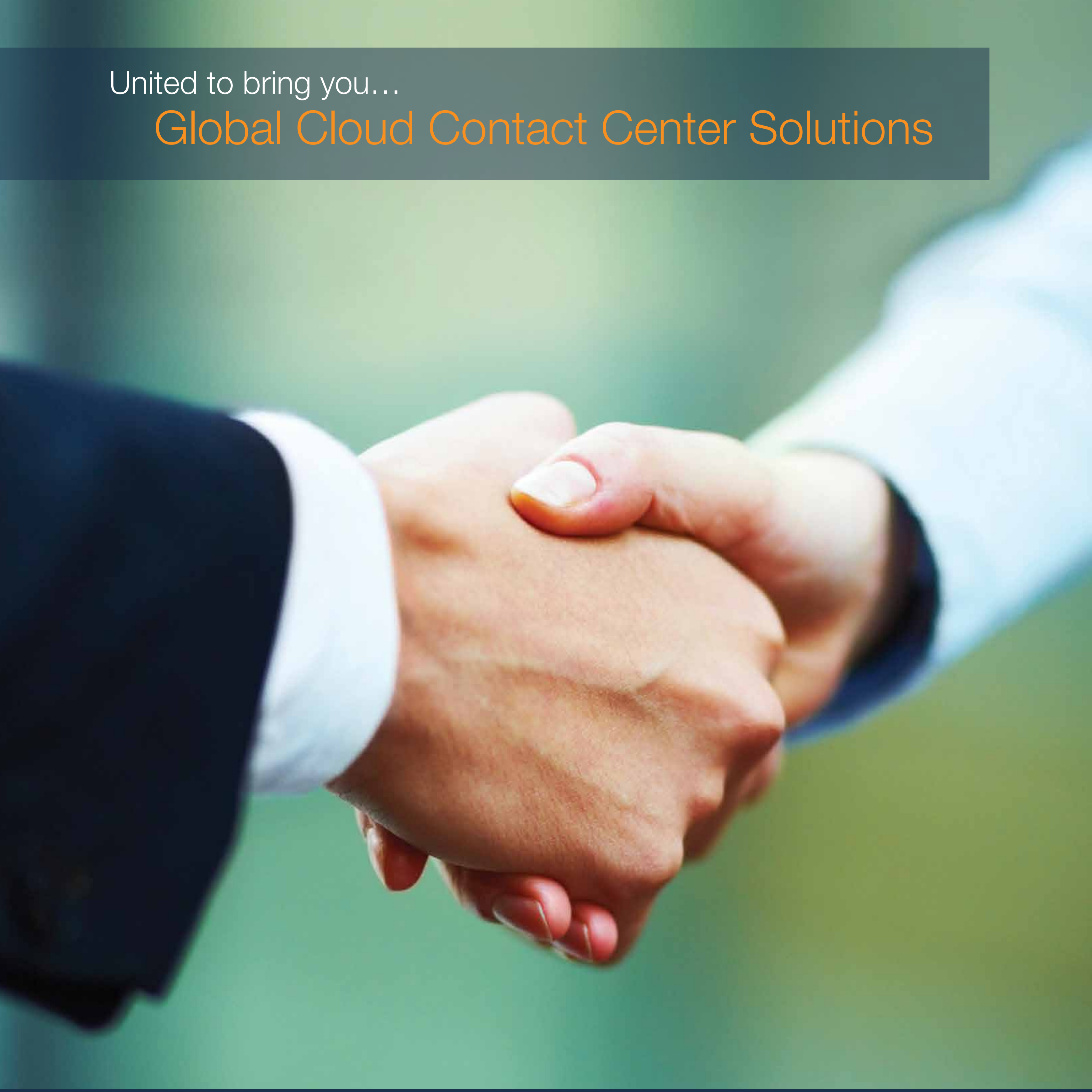
Competitive market analysis must be included in any assessment of CSAT spend – regardless of whether that analysis includes stock behavior or not.

But that aside, the real issue with the argument is that history has shown that customer satisfaction positively impacts business results (despite the difficulty in defining and measuring the success of efforts). Particularly in an age where social media and mobile communications have created an environment where instant comments regarding products and brands are the norm, customer satisfaction efforts should be at the forefront of any brand's efforts.

In fact, historically, ACSI data has shown that CSAT and stock have a positive relationship (http://tmcnet.com/59245.1), meaning that 2013 witnessed an increased impact from outside variables, not an underlying trend.

In many ways, it comes down to common sense. Customer retention is easier and cheaper than customer acquisition, which should place customer satisfaction at the top of the corporate to-do list. Whether that's via mass communication, individual contact, customer feedback mechanisms, social media, or other engagement techniques, the relationship between business and customer has always been the key to success. In fact, countless businesses, including this publication, have thrived because of the value customer satisfaction has for businesses.

When it comes to publicly traded companies, CSAT isn't the only factor, especially in today's instant gratification world, but decades' worth of evidence outweighs an outlying year – as any "numbers guy" knows, you've got to ignore anomalies in research data and focus on consistent trends. After all, if you ask any business executive which he prefers, I assure you, the answer will not be dissatisfied customers.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IT'S ABOUT YOUR CUSTOMER.