MCM OUTLOOK 2014

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MCM OUTLOOK
CONTACT CENTER

MCM Outlook 2014:
The Contact Center Is Your Customer Service Gateway
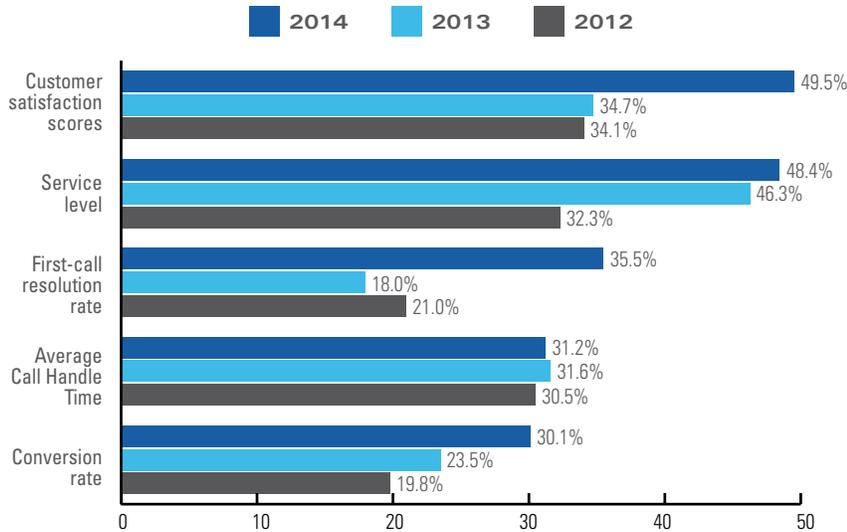
BY TIM PARRY

How important is the contact center to your business? Quite possibly, it is your company's unsung hero.

If your contact center can create a positive interaction with a customer, you can win a lifelong fan, said Yankee Candle Company chief marketing officer and president-direct Brad Wolansky during his keynote session at eTail West 2014.

"Everything comes back to customer service. Delivering customer service isn't that hard, but a lot of [merchants] are lousy at it."

— Brad Wolansky, Yankee Candle Company

What contact center measurements do you rely on?

2014 **2013** **2012**

Measurement	2014	2013	2012
Customer satisfaction scores	49.5%	34.7%	34.1%
Service level	48.4%	46.3%	32.3%
First-call resolution rate	35.5%	18.0%	21.0%
Average Call Handle Time	31.2%	31.6%	30.5%
Conversion rate	30.1%	23.5%	19.8%

"If you look at the companies that are doing well... you will find many view the contact center as a critical component to building loyalty and lifetime value with their customer base."

— Michael Moseman, Brooks Brothers

Have you added any new technologies to your contact center in the past 12 months?

2014 **2013** **2012**

2014: Yes 14.3% / No 85.7%
2013: Yes 12.0% / No 88.0%
2012: Yes 13.3% / No 86.7%
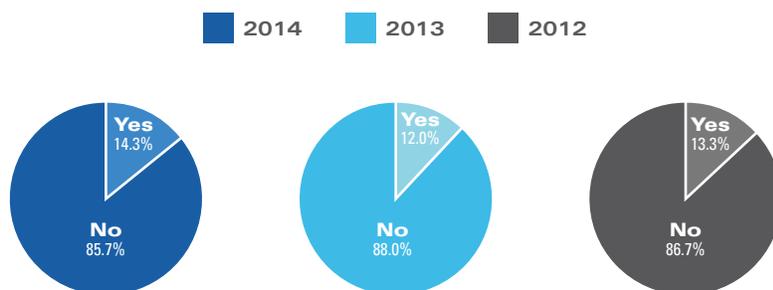
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How are ecommerce and omnichannel merchants treating their contact centers? Here's a snapshot look at Multichannel Merchant's MCM Outlook 2014 survey, which was fielded from Feb. 10 to March 10 and drew 1,281 respondents. Of those respondents, 470 identified themselves as a merchant or a retailer.

The full MCM Outlook 2014 report on Operations and Fulfillment will be released in conjunction with Multichannel Merchant's Operations Summit, which will be held Apr. 22 to 24 in Indianapolis.

Measuring What Matters

The consumer landscape has changed and not only do consumers expect a quick response, but they also expect a thoughtful and informative dialogue, says Michael Moseman, director of the customer contact center at Brooks Brothers. And those can really only be captured through customer satisfaction scores and first-call resolution-type metrics.

"Without a robust monitoring program, you run the risk of being very efficient, but perhaps not very effective in truly supporting your customer," Moseman says.
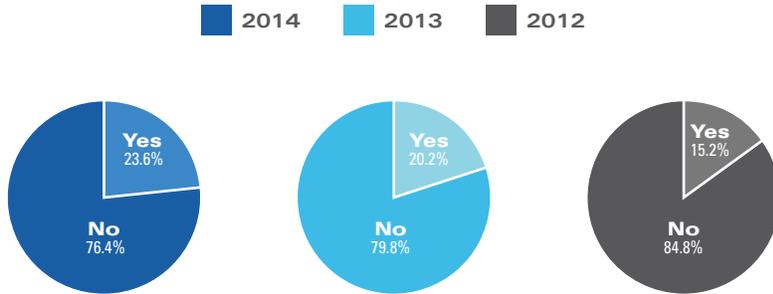
So it should not come as a surprise that the most important contact center metrics, according to the MCM Outlook 2014 survey results, involve making customers happy.
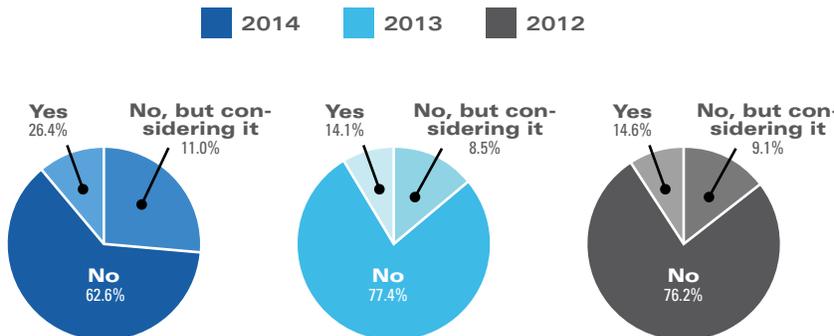
In fact, almost half (49.5%) of respondents said customer service scores are the most important contact center measurement they rely on. Last year, customer service scores ranked as second most important, coming in at 34.7%.
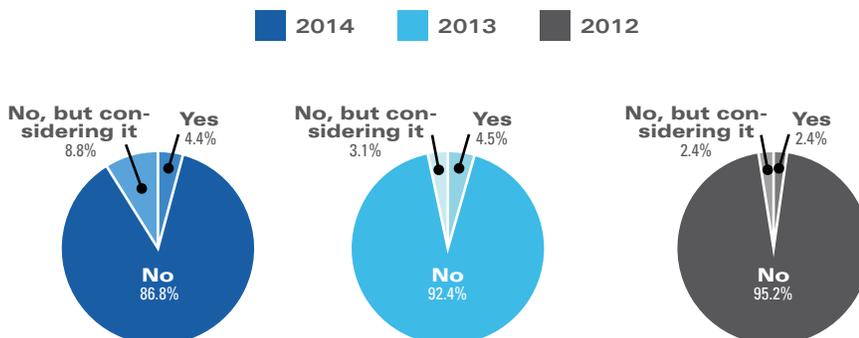
An interesting aside—51.4% of B2C

Do you plan to add any new technologies to your contact center in the next 12 months?

2014 | 2013 | 2012

- 2014: Yes 23.6%, No 76.4%
- 2013: Yes 20.2%, No 79.8%
- 2012: Yes 15.2%, No 84.8%

Are you using an outside provider for contact center services?

2014 | 2013 | 2012

- 2014: Yes 26.4%, No, but considering it 11.0%, No 62.6%
- 2013: Yes 14.1%, No, but considering it 8.5%, No 77.4%
- 2012: Yes 14.6%, No, but considering it 9.1%, No 76.2%

Are you using an offshore contact center services provider?

2014 | 2013 | 2012

- 2014: No, but considering it 8.8%, Yes 4.4%, No 86.8%
- 2013: No, but considering it 3.1%, Yes 4.5%, No 92.4%
- 2012: No, but considering it 2.4%, Yes 2.4%, No 95.2%

respondents said customer service scores were the most important metric, as did a 50% split of B2B respondents. Those who said they had an even split of B2B and B2C customers (38.5%) brought the overall number down.

Service level (48.4%) was the second most important contact measurement, followed by first-call resolution rate (35.5%). Respondents who rely on first-call resolution rate nearly doubled from last year's 18%.

"When agents feel pressured to end calls within a certain time limit, or pick up the phone as quickly as humanly possible, they're putting more priority on putting out fires and less emphasis on actually getting to the root of the customer's problem by doing proper research on the issue and potential solutions," wrote StellaService client development manager Chris Vodola in an article for MultichannelMerchant.com. "It's not always about speed—successful interactions fully resolve all of the customer's questions."

Return on investment also saw a big jump based on the 2013 MCM Outlook results. While 16.7% of respondents measured ROI in the contact center in 2013, 25.8% are measuring ROI in 2014.
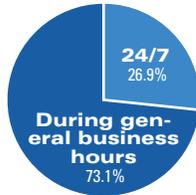
Debra Ellis, founder of Wilson & Ellis Consulting, notes that those four metrics are not only gaining importance, but are also closely related.
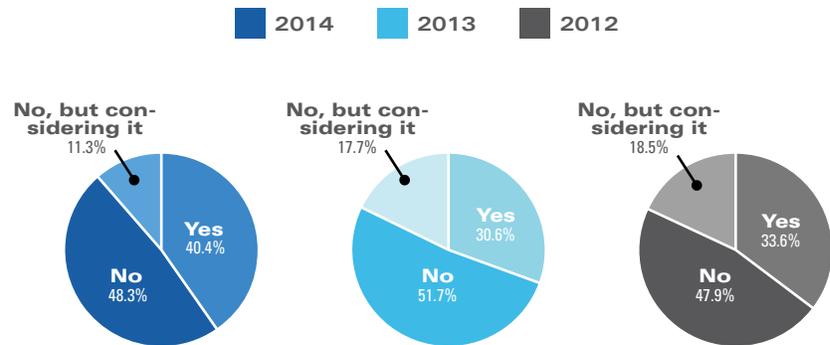
"Customer satisfaction and loyalty is directly tied to ease of service," Ellis says. "First-call resolution has the greatest effect on people's willingness to return to a company and recommend it to others. This is good news for merchants because the solution that improves loyalty also reduces costs."

Also of interest: In 2013, 32% of respondents said they did not rely on any

If you use live chat in the contact center, how often are agents available?

24/7 26.9%

During general business hours 73.1%

Are you using live chat in the contact center?

2014   2013   2012

No, but considering it 11.3%

Yes 40.4%

No 48.3%

No, but considering it 17.7%

Yes 30.6%

No 51.7%

No, but considering it 18.5%

Yes 33.6%

No 47.9%

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contact center measurements. This year, that number fell to 17.2%. However, it is interesting to note that in 2014, 21.4% of the B2C respondents are not measuring any contact center metrics.

Live Chat Gains Popularity

The number of respondents who use live chat in the contact center rose to 40.4%, up from 30.6% in 2013. Last year, 17.7% of respondents said they were considering using live chat software in the contact center. This year, just 11.3% of respondents said they are considering it.

But is live chat popular with customers? MCM Outlook 2014 respondents said they handle an average of 6.2 live chat sessions per hour and that the average response time is 2.8 minutes.

However, 58.7% of respondents said they handle between one and three live chat sessions per hour in the contact center. More than three-quarters of B2B respondents said they handle between one and three live chat sessions per hour in the contact center.

Ellis, however, believes live chat is gaining acceptance with consumers and merchants. "It contributes to one effort resolution because it allows people who start on the website to resolve issues and get questions answered without moving to another channel," Ellis says. "Customers like it because they can fulfill their needs with minimal effort."

More than a quarter of respondents (26.9%) say they offer live chat to their customers around the clock, while the remaining 73.1% say they offer it during normal business hours.

Ellis says live chat should be available during regular business hours and website peak usage times. If the peak times are spread out or inconsistent, then around-the-clock live chat is needed. Specific schedules are company dependent and need to be monitored and adjusted as usage changes.

"Depending on the complexities of your product or service offering, you can build a strong case to support live chat internally with your strongest agents, or turn it over to an experienced third-party provider," Moseman said.

Upgrades above Overhauls

Each year that we've done MCM Outlook reports, only a handful of respondents say they are adding new technology in the contact center or do not plan to add any. That pattern continues in 2014. Just 14.3% of respondents said they have added new technologies to their contact centers in the past 12 months, up from 12% in 2013.

Almost one in four (23.6%) MCM Outlook 2014 respondents say they plan to add new technologies to their contact center in the next 12 months. That is up from

Out of Office, Still in U.S.

The number of respondents who said they are using an outside provider for contact center services has nearly doubled year over year. More than one-fourth (26.4%) of MCM Outlook 2014 respondents said they are using an outside provider for contact center services. That's up from 14.1% in 2013.

Some merchants worry that outsourcing their contact centers means giving up quality control and customer service. But Curt Barry, president of F. Curtis Barry & Co., says that does not have to be the case.

In some cases, third-party contact centers will be willing to use your order management system and will want to be online with security control for all transactions. You will be able to fully service the customer seamlessly by giving the third-party contact center access to customer records, orders and returns, shipping information, and inventory availability.

As for bringing the contact center offshore, only 4.4% of respondents said they are doing that. However, 8.8% of respondents said they are considering using an offshore contact center service provider. That is up from 3.1% in 2013.

But should merchants consider outsourcing contact center functions? Absolutely not, according to Wolansky. Speaking at eTail West, Wolansky reminded his audience that the contact center is a major part of the overall customer experience and should not be jeopardized.

"Customer care is not an expense, it's a marketing investment," Wolansky said. "What kind of an investment is it when customers get frustrated by cultural and language differences? Outsourcing your customer service does not do a thing for your brand." ∎

20.2% in 2013.

But is this a matter of new technology not being available, or are merchants comfortable with what they have (or looking to upgrade existing systems)?

Making changes in the contact center is a huge undertaking that requires extensive planning, training and resources, Ellis says. She adds that merchants tend to wait until their technology fails to serve them before making major changes.

"Unfortunately, in many organizations, the contact center is viewed as a 'necessary evil,' and there are better places to spend technology dollars," Moseman says. "However, if you look at the companies that are doing well both from a customer satisfaction standpoint and financial performance, you will find many have changed that mindset and view the contact center as a critical component to building loyalty and lifetime value with their customer base."

What contact center technology are you using?

■ 2014   ■ 2013

Technology	2014	2013
Live chat	35.2%	21.3%
Customer relationship management (CRM) applications	33.0%	24.8%
Web chat	29.5%	17.7%
Workforce management software	27.3%	17.4%
None	25.0%	41.5%
Voice over Internet Protocol (VoIP)	25.0%	19.9%
Quality monitoring software	19.3%	14.9%
Automatic call distributors (ACDs)	15.9%	18.4%