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Execs In The Know

# PROACTIVELY RESPONDING TO **THE MOBILE SHIFT** TO DELIVER A BETTER CUSTOMER EXPERIENCE

# 1

# INTRO TO THE MOBILE SHIFT

In the last 15 years, Amazon has grown from $1 billion in sales to a $90 billion plus company. During that same period, some well-known brick and mortar retailers that had more than $40 billion in sales 15 years ago have seen revenues drop by more than 75 percent.[1]

At the heart of this shift is digital disruption, changing the market as we know it forever. The constant flood of new competitors, products and services can make it challenging for any brand to stay afloat. Technology has evolved from making business and our lives more convenient, to completely changing the way we do business and go about our day-to-day lives. Advancements that even five years ago seemed out of reach have since become reality thanks to the rate at which technology changes, pushing consumers online and to their mobile devices.

> At the heart of this shift is digital disruption, changing the market as we know it forever.

The "Total Retail Survey" stated that 54 percent of respondents buy products online weekly or monthly, and 20 percent of consumers confirmed they made purchases on their mobile phone in 2015 (up 8 percent from the previous year). To put the scale of this mobile shift in perspective: During Thanksgiving weekend/Cyber Monday, as much as 37 percent of US online purchases were made on a mobile device – up from 29 percent in 2014. Overall, mobile commerce reached $100 billion in 2015, representing one-third of total online transactions.[1]

The future of mobile is bright and the technology doesn't show any signs of plateauing any time soon. Another key statistic from the "Total Retail Survey" noted that 34 percent agree that their mobile phone will become their main purchase tool.[1] This is a great example of how deeply mobile has permeated our society when even consumers that don't rely on mobile today as their number one choice for purchases intend on utilizing the tool in the near future. It's of clear importance to be present where your customers are and have a strategy in place to provide a better user experience, in the channel of their preference.

[1] Total Retail Survey 2016. PWC, 2016.

**54%** of people make online purchases regularly

**20%** of buyers make purchases on their mobile phone

# 2 USING DATA TO UNDERSTAND YOUR CUSTOMERS' BEHAVIOR AND OPTIMIZE THEIR EXPERIENCE

One upside to the mobile shift is the abundance of customer data that is available. This data means little if you're simply collecting it, but when analyzed to determine actionable takeaways, can help your brand profile, understand and connect with customers in a meaningful way. It is through these connections that you can develop a personal, trusting relationship with customers and, over time, nurture loyal brand advocates.

**20%** of "satisfied" customers still intend to take their business elsewhere

## CSAT Isn't the Only Indicator of Customer Loyalty

Putting all of your focus on one metric to benchmark your activities and analyze what changes need to be made is a recipe for disaster. A recent report from Corporate Executive Board (CEB), "An Excerpt from Shifting the Loyalty Curve: Mitigating Disloyalty by Reducing Customer Effort," revealed that customer satisfaction (CSAT) alone is not a strong enough indicator of customer loyalty.[2] In fact, 20 percent of "satisfied" customers indicated intent to leave or do business elsewhere.[2] So while CSAT can't be ignored, it's critical to go a step further to discover what makes customers loyal.

[2] An Excerpt From Shifting the Loyalty Curve: Migrating Disloyalty by Reducing Customer Effort. The Corporate Executive Board Company 2009. Customer Contact Leadership Council, 2016.

**In the same CEB study, survey respondents were asked what brands could do to increase customer loyalty:[2]**

1. **Reduce Customer Effort:** Make the experience direct and seamless. If customers are able to solve their issues with as little effort as possible, the first time they contact you, that's a huge win.

2. **Improve Experience with the Customer Service Representative (CSR):** Your reps aren't robots; add the human element back into your experience. CSRs need to be properly trained with helpful knowledge about your products and services; the right tools to perform at the highest level; and empathetic understanding of customer concerns.

3. **Provide "Moments of Wow":** Go above and beyond. Meeting customer expectations is a must, but exceeding them and putting forth the extra effort to create an extraordinary experience could help to set you apart from the competition.

All three of these themes can be addressed during a single customer transaction and built into the overall customer experience – elevated furthermore with a proactive approach to customer service.

## Transparency is the new currency of 2016.
It's not just about your brand; it has to be about what you offer consumers and, more importantly, the world at large.

### Leveraging Third-Party Demographic Data to Segment Your Audience

Although segmenting customers into particular demographic groups can be tricky, it is beneficial to examine the behaviors, patterns and trends of certain peer groups. For example, mobile commerce is more popular amongst younger demographics who have grown up with smartphones and more quickly adapt to new features or changes.

Brands have often used location data to customize outreach, but other advancements are not far off. As reported in the Trendwatching.com article, "5 Consumer Trends for 2016," Barcelona-based Telefonica Research released a report in September 2015, which described that experts can study smartphone activity to tell whether a user is bored with 83 percent accuracy.[3] Customers that were thought to be "bored" were more likely to read/open BuzzFeed articles that were sent to them.

An especially technologically savvy cohort is Millennials. Born after 1980, Millennials have grown up learning to use the latest and greatest advancements in technology. Almost 40 percent buy products online monthly, while close to 30 percent shop online weekly. More than 80 percent use their mobile devices while shopping in-store to access coupons, research products, compare prices and even pay for purchases.[4]

These Professional Consumers (called "Prosumers") are more knowledgeable than ever before. They know "their brands" inside and out, including product information and company culture, and demand to do business with you on their terms. These customers have high expectations and want the products they use, services they invest in, and interactions they spend time on to be seamless extensions of their lifestyle. They want to see behind-the-scenes to know that you care about your employees and that your values align with making the world a sustainably better place.

Transparency is the new currency of 2016. It's not just about your brand; it has to be about what you offer consumers and, more importantly, the world at large.

**80%** of Millennials use mobile devices while shopping in stores

[3] 5 Consumer Trend for 2016. Trendwatching.com, 2016.

[4] Total Retail Survey 2016. PWC. 2016.

# 3 NOT JUST REACTING TO THE MOBILE SHIFT: THE PROACTIVE FACTOR IN ANY INDUSTRY

Proactive customer support ties in directly with the omni-channel revolution: It has been abuzz for a long time and every organization knows it's a worthwhile strategy to invest in, yet many still fail to make it a priority. You have likely already experienced proactive support as a consumer – perhaps an SMS/text or email notification when a flight was delayed or a package was shipped.

Proactive customer support has measurable benefits for both customer experience and operational performance. On the consumer side, outbound communications increase the amount of engagement with customers as well as the richness of each interaction, resulting in increased self-service efficiency and boosted customer satisfaction and loyalty. Operationally speaking, proactive strategies enhance automation and containment, decreasing call time and overall costs of inbound care.

## Encouraging More Effective Self-Service – Making Things Easier on Customers and Your Contact Center

A study by Enkata stated that pre-emptive service can reduce inbound call volumes by as much as 30 percent, while increasing customer retention rates by 3 to 5 percent.[5] Research by Sabio and the Customer Contact Association stated that, on average, one in four calls to inbound contact centers are either unnecessary or avoidable.[6] The reason for the calls were primarily customers looking for information about next steps in the purchase cycle, clarifying pricing issues or company terms and conditions, or calling back because their issue had not been solved the first time.

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[5] Why Your Company Needs Proactive Customer Service. Maximer, June 24, 2015.

[6] Dorman, Stuart. Challenging Demand is the Real Key to Fixing Call Centre Queues. Sabio, April 16, 2012.

The **key** is to anticipate customers' needs

### Streamline Operations and Cross-channel Visibility

A well-developed multi-channel integration strategy could have saved these customers a few headaches. Building out your self-service channel to include Frequently Asked Questions or how-to videos can help your customers find the answers to their problems more quickly. Inbound interactive voice response (IVR) is another great solution to help callers find the answers they need, while also lowering costs typically allocated to staffing agents to field those queries.

### Improve Transparency

Taking the time to discover potential problems, come up with solutions and communicate with customers before they encounter issues can help mitigate multiple message chains (potentially across multiple channels) that might otherwise occur when dealing with the problem in a reactive state.

Even when communicating seemingly bad news – like a product is on back order and will take a few additional weeks to ship – more often than not, the customer appreciates knowing the information as soon as possible. The key is to anticipate customers' needs.

### Get Personal; Create Delight

Proactive messaging also gives brands the opportunity to personalize the customer experience. Find out what customers like, send them deals that tie to past purchases or use geo-location-based messaging to target customers where they are. This is not only applicable to retail brands, but also adds benefit in, for example, the healthcare field: Say you're on a long waiting list to get in to see your doctor when, knowing you prefer SMS notifications, the hospital texts you to let you know that there's been a cancellation. You're delighted about the sudden availability. Sure, a representative at the hospital or clinic could have called you, but this is a perfect example of knowing customers and communicating in their preferred channels.

Moving back to our example of a proactive notification for flight delay/cancellation, airlines could go a step further to suggest alternative routes, letting your know where to go in the airport to re-book, or suggesting local restaurants to accommodate a prolonged stay.
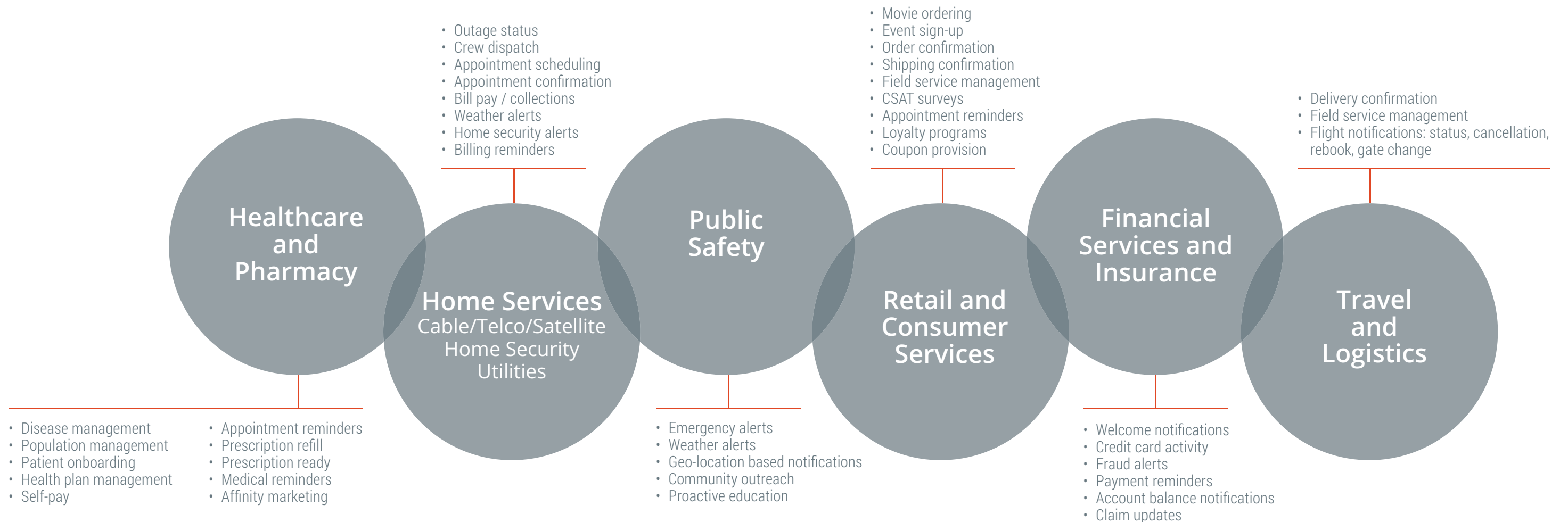
## 1 in 4
On average, one in four calls to inbound contact centers are either unnecessary or avoidable

# 4 HOW TO USE PROACTIVE MESSAGING IN VARIOUS MARKETS

**Healthcare and Pharmacy**

- Disease management
- Population management
- Patient onboarding
- Health plan management
- Self-pay

- Appointment reminders
- Prescription refill
- Prescription ready
- Medical reminders
- Affinity marketing

**Home Services**
Cable/Telco/Satellite
Home Security
Utilities

- Outage status
- Crew dispatch
- Appointment scheduling
- Appointment confirmation
- Bill pay / collections
- Weather alerts
- Home security alerts
- Billing reminders

**Public Safety**

- Emergency alerts
- Weather alerts
- Geo-location based notifications
- Community outreach
- Proactive education

**Retail and Consumer Services**

- Movie ordering
- Event sign-up
- Order confirmation
- Shipping confirmation
- Field service management
- CSAT surveys
- Appointment reminders
- Loyalty programs
- Coupon provision

**Financial Services and Insurance**

- Welcome notifications
- Credit card activity
- Fraud alerts
- Payment reminders
- Account balance notifications
- Claim updates

**Travel and Logistics**

- Delivery confirmation
- Field service management
- Flight notifications: status, cancellation, rebook, gate change

## Consider Marketing to New and Existing Customers

It is important to attract new audiences, but don't forget how beneficial proactive care could be for your tried-and-true customers.

Consider a common occurrence in the cable/satellite and telecom/wireless worlds is the race to attract new subscribers with promotions for switching services – or the first three months of service at an incredibly low price. What about the customers that have been loyal for 15 years? (Shouldn't they receive a special offer?) It can be tempting to put all of your focus on acquiring new customers, but don't forget about the ones you already have.

A wireless provider could use proactive messaging to alert consumers when they're roaming, update them about data usage, or even remind them to sign up for a complimentary subscription service. Of course the wireless provider could make more money short-term by letting their customers go over their monthly data allowances or not offering incentives, but by giving the extra effort and spend on their side, they are creating loyal brand advocates.

## Don't Underestimate the Power of Reassurance and Shared Urgency

Proactive care is also beneficial for "must have" services – like those provided by utility companies. Think about this scenario: There's a power outage in your area and you don't know when the power will be reinstated. This situation would be a nightmare for power companies to deal with, but proactive messaging strategies could minimize thousands of calls about the same issue – saving time, money and, perhaps most importantly, customer frustration.

# Minimize thousands of calls
## through proactive messaging strategies

# 5

# EMBRACE CREATIVITY AND STRATEGY

Don't be afraid to get creative with your proactive efforts, but also remember the importance of intelligent strategy. You may come across an innovative way to use proactive messaging, but it might not be suited to your customers and what they need to enhance their experience. Your customer experience is the sum of interactions with your brand, throughout the customer lifecycle. With business intelligence and the proper data points, you can better understand your customers' journey and overall experience.

Evaluate the whole picture and look at customer interactions the way your customer does – as one fluid stream, not distinct points or functions within your organization. Armed with a clear picture, you can determine the proactive communication solutions that will take your customer experience to the next level. **When thinking of ways to be creative with proactive customer support, the answer is often simple – just put yourself in your customers' shoes.** If you were the one with the delayed flight, or power outage, how would you react? What would be the first questions in your mind or potential frustrations that could occur? Brainstorm and then take that first step.

## Customer Experience
is the sum of interactions with your brand, throughout the customer lifecycle

# 6

# WHERE TO BEGIN: GETTING PROACTIVE WITH YOUR CUSTOMERS

**1** **Map Your Customer Journey:** Understand your customers' attitudes, behaviors and triggers. Look at interactions from their perspectives. Prioritize gaps that you might be able to narrow with proactive communication strategies.

**2** **Invest Energy to Create Business Value:** You have to be willing to make the investment in order to get the return. It's more than a financial investment, requiring time, energy and patience in order to demonstrate how proactive strategies can improve the overall customer experience, and eventually, all other aspects of your business. Put the time and effort into making the C-suite understand that the investment will be worthwhile in the long run.

Invest in the proper technology to do the job right and invest in your people. Put effort into hiring and training the right employees – not just during onboarding, but with long-term, ongoing training to keep agents as up-to-date on product knowledge as possible. Keep them motivated by providing incentives and gamification aspects to their work. Passionate employees tend to be brand advocates and also provide a better overall customer experience, which in-turn will lead to loyal customers, repeat purchases, and new business from word of mouth or reviews. Never forget that it's all connected.

**3** **Keep an Eye on Trends and the Competition:** In order to be ahead of the curve, and become early trend predictors, you need to be willing to analyze and evolve. Look at what your competitors are doing, where consumer attention is driven, or what the most popular products/services/experiences are today.

The Trendwatching.com article, "Turn Overwhelm into Opportunity," describes a consumer trend as, "…A new manifestation among people – in behavior, attitude, or expectation – of a fundamental human need, want or desire." The article goes on to describe that trends are made up of three building blocks: 1) basic human needs, 2) drivers of change and 3) innovations. New consumer trends emerge, "…When drivers of change – technological, social, economic, and more – unlock new ways of serving basic human needs, such as connection, safety, value, fun.[7]

Understanding consumer motives and influencers will help you predict where to go tomorrow. Take Domino's Pizza AnyWare campaign as an example of a next level, omni-channel addition. Customers can now place their takeout pizza orders using a mobile app, Dom, from certain models of Ford vehicles, or by texting or tweeting a pizza emoji. They can also track delivery time after the order has been placed through a smartwatch. The possibilities are endless for where technology can take us on the customer journey.

**4** **Make Intelligent Use of the Right Data:** Don't just collect the data; do something with it. Let it work for you. Get a better 360 degree view of your customers by profiling them, mapping their journeys, and identifying common pain points or issues that come up for them. Use these pain points as opportunities to test out proactive communication strategies.

And don't forget about using multiple data sources. You're present on social but are you listening and taking note of what your customers are saying in that space? What about feedback? Do you provide a customer survey? Do you analyze common customer issues that seem to get escalated time and again, to get to the root of the problem? Addressing any of these questions is a great place to start.

**Proactive care** can prevent escalation and the number of team members that need to be involved in a single customer interaction

[7] Turn Overwhelm Into Opportunity. Trendwatching.com, Feb/March 2016.

**5** **Get Rid of Your One-Size-Fits-All Mentality– When it Comes to Your Customers and Your Brand, Overall:** We've discussed Millennials earlier in this report, as they are dominant mobile-technology users, however, it's important to tailor to other segments' needs as well. The same messaging, marketing, branding, service and comprehensive experience will not please everyone. Personalize experiences according to your customer preferences as much as possible and, especially when it comes to proactive reach-outs, make each touch-point helpful and meaningful on the receiving-end.

Judiciously evaluate your own business priorities and make smarter choices about the strategies you tackle first. You can't do it all – especially not all at once – and strategic consultation can help with identifying the right problems, implementing the right technologies, breaking down silos (including channels, data, and operations), optimizing them in effective ways (using data, etc.), and efficiently orchestrating them in a way that works well for your business and your customers.

# Increase
customer satisfaction
by creating
## moments of delight

Adding an emphasis to proactive customer support in 2016 and beyond will benefit your brand in a number of ways. Save time and last-minute emergency effort by predicting common issues before they arise, helping you deal with situations effectively and efficiently. Proactive care can also prevent escalation and the number of team members that need to be involved in a single customer interaction.

Increase customer satisfaction by creating moments of delight and making customers feel like your company is on top of their needs. They will remember the extra effort and build trust in you. This will help you to meet and exceed customer expectations; retain existing customers and generate new ones. Before you know it you'll be on your way to creating your powerful army of brand advocates, who can help you achieve success on the market battlefield.
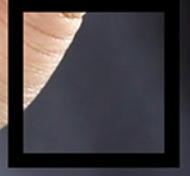
**1** *Map Your Customer Journey*

**2** *Invest Energy to Create Business Value*

**3** *Keep an Eye on Trends and the Competition*

**4** *Make Intelligent Use of the Right Data*

**5** *Get Rid of Your One-Size-Fits-All Mentality*

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**About West**

West delivers communication solutions that help brands create connected customer experiences. We have 30 years of experience strategically improving customer interaction, enhancing productivity and increasing profitability, with clients in healthcare, education, utilities and diverse commercial industries. West Interactive Services solutions include IVR & Self-Service, Proactive Notifications & Mobility, Cloud Contact Center and Professional Services. **Experience Connected at West.com/Interactive.**

*West was recognized for its innovative proactive notifications suite by* **Frost & Sullivan** *with a North American 2015 Product Leadership Award in the Contact Center Outsourcing Industry.*