



Automation and the Human Touch: Measuring and Implementing the Appropriate Approach

A paper for CCA Industry Council



CCA INDUSTRY COUNCIL

CCA Industry Council drives the industry's research agenda by interacting to ensure research approach, debate and output provides the pathway for the future in terms of new thinking and strategies from across all sectors.

An initial meeting was held where 30 leading players from industry debated 'Changing the Rules'. From this debate it is clear a need has been established to create 'Beyond Operational Efficiency' - a new vision for how customer contact centres should be repositioned within organisation, placing the customer at the heart of the business.

Industry Council consists of an exclusive group of representatives from leading organisations who are committed to providing this input whilst themselves benefiting from a unique package of leading edge research, networking, government influencing opportunities and profile within industry as 'Leaders of the Future'.

Expert academic and private sector facilitators will draw on leading edge debate and invite participation from other recognised research houses and agencies to engage with Industry Council to ensure the group deliver leading edge analysis.

As the independent professional body, CCA partner with leading organisations and groups to access relevant research and information for the development of the Industry Council. CCA's vision is for contact centres to be repositioned within organisations to reflect the increasing complexity and competitor challenges arising from the dominance of this channel.

CCA are indebted to the efforts of the Foundation Partner Group who have formed the backbone of activity in taking forward the development of the CCA Standard[©] and creating the vision for CCA Industry Council. These organisations across all sectors, both public and private, each have a significant impact on the contact centre market-place.

FOUNDATION PARTNERS



Foreword from Rob Pike, Chair of CCA Industry Council



For many years it has been predicted that automation would lead to a rapid decline in voice traffic to the contact centre. Although later than expected there is now hard evidence that the reduction in agent or 'human' calls is not only taking place but gaining momentum. Trends from some large US banking organisations indicate that customers are extensively using IVR and natural voice as part of their customer contact offering, with the majority of transactions completed within the automated system.

Traditionally the pattern from US is followed by the UK, which would suggest that this trend may well be adopted by the UK customer sooner rather than later. However, much of the recent press in the UK has been focused again on customer dissatisfaction with contact centres, specifically in using automated services. If it's true, why does the customer feel frustrated using automation or are organisations not presenting the technology in the most appropriate way? Evidence from the US suggests that the use of natural voice has increased satisfaction for many.

These issues have considerable implications for how we take customer contact to the next level as automated services are used more frequently, and often demanded, by customers. Therefore they need to be effective and efficient from both the business and customer perspective. The role of customer contact centres is becoming increasingly about access and support, and the ability to deal effectively with more complex enquiries as the simpler transactions are completed in the automated route. The challenge for business today is to not only listen to the voice of the customer in terms of design but also to ensure the customer is educated and guided appropriately in all methods of contact to facilitate a positive outcome and enhance experience.

The fourth in a series of research papers exploring the changing face of customer contact this paper discusses how self-serve technology can be used effectively and the impact of its increased use on the role of the agent. The ultimate goal, of course is maintaining the 'human' element whilst implementing the appropriate response for your customer.

We are indebted to the work of CCA Foundation Partners who have been the catalyst of CCA's evolution to Customer Contact Association in 2006. Their dedication has helped create CCA's Industry Council, a unique think-tank which is challenged with finding solutions to ensure that the customer is placed at the heart of an organisation's operations.

We would like to extend our grateful thanks to CCA's Research Council for again providing very insightful findings into this critical issue.

Rob Pike
Chair, CCA Industry Council

Rob is Director of Operations, Ulster Bank Group and European Consumer Finance at the Royal Bank of Scotland

Introduction

The latest quarterly Research Council report looks at the future of voice calls and the impact that speech recognition technology, and other channels, is having on call numbers and customer satisfaction.

The impetus for the research from the CCA Industry Council was the news that two large American banking organisations are now extensively using IVR and speech recognition as part of their customer contact offering. The first receives 750m calls per annum of which 85% are completed within the IVR. The second organisation receives some 245m calls per year of which 80% are completed within IVR.

- What does that mean for the 'traditional' voice-led call centre?
- What response is required from the contact centre to meet the changing needs of the customer?

This quarter we have 5 excellent and well-researched papers from Cap Gemini, CM Insight, Gallup, Intersperience and Dimension Data, which make key points about the questions above:

- The definition of IVR is broadening beyond the well-established call routing, and applications of touch-tone and simple speech recognition, to include advanced speech recognition and natural language technologies such as used by TrainTracker (which can mitigate against the much disliked queuing of calls).
- Improvements in natural language recognition rates, design tools and standards are accelerating the adoption of speech recognition which has reached a breakthrough point in terms of usability.
- These traditional and particularly the newer applications of IVR can improve customer experience. However, the key criteria for the success of IVR is the customers' ability to accomplish goals rather than the technology per se.
- The pace of change can be expected to grow as the economic influence of younger consumers, or the M-Age, drives demand for self-service interfaces.
- The role of customer contact is increasingly about Access and Support. The former is about making it easier and faster for customers to contact organisations through multi channel and the latter is about helping customers with complex issues.
- The role of normal human voice will shift towards the difficult, emotional and detailed calls. This will mean fewer but longer calls. Focus on recruiting the best agents who engage with customers and regular feedback and coaching will sustain future voice call interactions.
- The major improvements in IVR technology through speech recognition and natural language techniques, is just one opportunity among a range of multi channel applications demanded on various occasions by customers.
- Education and guidance for consumers is vital to the successful adoption new self service technologies.

- Overall, there are significant opportunities to review customer contact management. Much of this is around driving down call numbers, lowering costs of interaction. But significantly, the chance to improve customer experience through shorter turnaround times, improved call outcomes and 'One & Done' programmes also exists.
- Lastly, the role of contact centres in determining the brand perceptions of organisations is set to grow. This means having a holistic approach to all customer contact, rather than simply 'bolting on' a new speech recognition capability. All channels need to be measured and linked to a central customer database to provide a joined up customer experience.

'The Changing Nature of Voice'

'Research as early as 2002/3² illustrated that automated, online and email channels were changing consumer expectations and needs of the traditional 'voice' channel. Research in 2006 has confirmed these trends, indicating a clear 'polarisation' between the role of automated and 'voice' channels in the minds of the consumer.'

Prepared by Paul Hudson, intersperience



² 'Its Your Call', intersperience, 2003

1. Executive Summary

This paper is written on the belief that in the medium to long-term we are likely to see a fall in overall 'voice' calls as enquiries migrate to automated channels. The role of this paper is not to debate the changes in pure volume terms, rather it explores the impact of these changes on the future of the 'voice' channel.

From as early as the 1999/2000 'dot-com' boom it was in fact clear that a key aspect of successful introduction of Internet channels is the provision of a clear contact route to a human - giving the customer the sense of 'being there' for them in times of need. Those websites that were not from a well known and trusted brand that did not have a clear contact route through either telephone or a physical address took longer to be trusted and used. It is therefore likely that offering a 'voice' channel will itself increase the take-up of automated channels.

The paper expands on recent research, which has clearly indicated that whilst call volumes may fall, the consumer will increasingly seek 'deep support' from the human telephone channel.

Traditionally the voice channel has been designed to focus on 'transactional' needs. In fact if the history of the call centre is retraced to its origins and roots, the landscape was very different with only the voice channel being available. At that time, organisations were encouraging customers to make 'direct' contact with organisations and by-passing the face to face channels. At this stage of development the customer was most comfortable using the direct voice channel for 'transactional' needs and using face to face for the deeper levels of support when required.

Today the customer has many more choices for contact and especially younger customers do not always associate the phone with the need for 'voice' conversations - the 'thumb-generation' is as comfortable remaining anonymous and using touch-tone channels, in line with the frequent use of SMS to communicate with both friends and family. This group are also less likely to benefit in natural-voice automation for the same reason.

In research, we have termed this group the 'M-Age'³. At present they are not economically active but in the next few years as they do become active, we are likely to see a significant shift in customer needs and preferences.

Today we are just beginning to see the mass-shift towards using the Internet for buying, selling and seeking out information, but the likely impact of this shift on customer needs and expectations of 'voice' could be seen as early as 2002/3. Research then showed that as customers moved their 'transactional' needs online and through email, their use of 'voice' changed. Their expectations were subtly shifting as the choices and options for communicating with organisations increased. No longer was 'direct' contact a new trend and no longer was 'voice' seen as being the only 'direct' route.

The same research in 2002/3, along with many client research projects highlighted that the needs of a customer were greatly different between what might be termed a 'transactional' enquiry vs what might be termed

³ 'Mobile Access', The Centre for the Study of Media, Technology and Culture, 2002, 2003, 2004, 2005 and 2006.

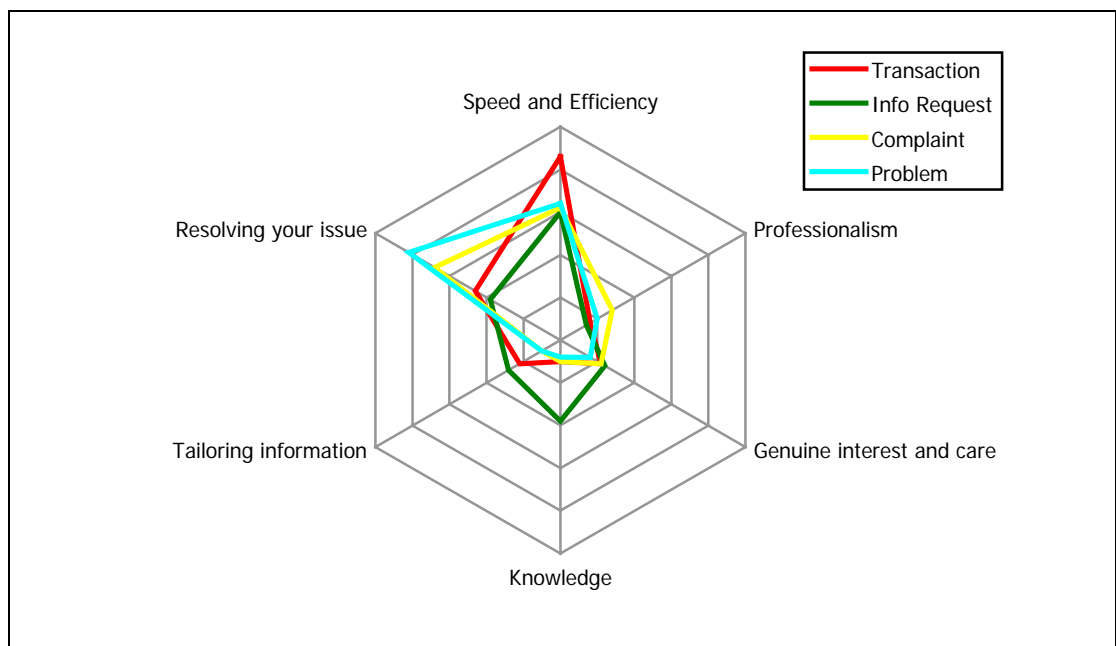
the 'emotive' enquiry. The needs of the customer were becoming more complex to understand and organisations were pushed to recognise what is a subtle shift. The volumes would come through in the same numbers but underneath the surface, the needs and expectations had changed.

To a large extent this shift in 'communications mix' and in customer expectations could be attributed as the key reason why dissatisfaction with customer service had risen significantly between 1998 and 2003 from 19% to 32%⁴.

So what was happening to customer needs and expectations? Why had this caused such an impact on the headline satisfaction? And more crucially, as the Internet and automated channels become more prevalent what happens to the needs of the 'voice' channel?

Firstly, it is important to understand the needs of the customer at a very general level. Figure 1, below, highlights the very different nature and needs of four common enquiry types, a transaction, an information request, a complaint and a problem. Firstly, it is important to state that the actual customer situation is very different between a complaint and a problem; the latter is more immediate, more urgent and probably more emotive, whereas a complaint is emotive but more structured, thought through and planned.

Figure 1: Different customer needs⁵



A transactional call is all about speed and efficiency - a short call that is professional and provides the answer quickly. But the essence of success is in the speed. Where these calls are the majority, handling time targets, scripts and processes will achieve the right result.

⁴ 'Its Your Call', intersperience, 2003

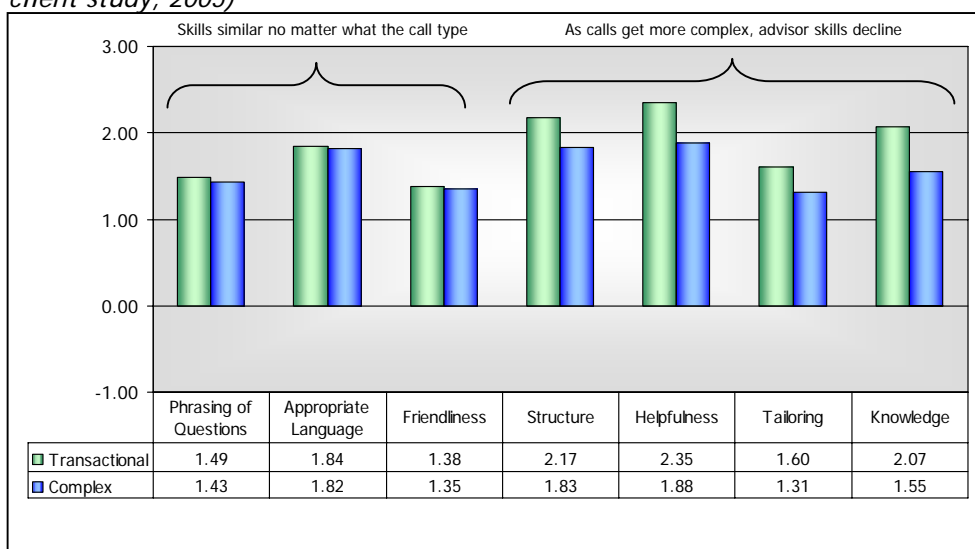
⁵ 'Experience Laboratory', 2006, intersperience

As we move away from the transactional enquiry, resolution, knowledge and tailoring become much more important than speed. Beneath this, resolution in this situation will require far more 'support', 'guidance', 'understanding' and 'advice' than pure 'systematic information'. In these cases, handling time targets, scripts and systems are not guaranteed to give success.

The question then becomes, is the advisor enabled to move out of a 'transactional' role into a more supportive and guiding one?

Figure 2, below, is taken from a client study from 2005 and shows the findings of what happened to advisor quality when the call was more complex and emotive. As the caller's needs became different, the advisor was less able to 'move' to tune-into their needs and support them. The advisor was actually constrained by the controls, training, systems, processes and key performance indicators, which were all designed to meet the needs of the transactional calls.

Figure 2: What happens to advisor quality as the call changes? (interspersed, client study, 2005)



What the chart shows is that there is likely to be a much more significant mismatch between customer needs and advisor delivery where the call had become more complex or emotive.

The subtle shift in customer needs is also seen on a wider, more macro basis. Zuboff and Maxim wrote in 2002 about 'The Support Economy', outlining a consumer who is in need of far greater support and far more guidance. This should be summed up as being the need for 'deep support'. As we move away from transactional needs to more emotive and complex ones, we must not just pay 'lip-service' to the word support but truly understand what this means. Zuboff and Maxim warned;

'When the new dreams of deep support come face to face with the old business organisations, still based on the standard enterprise logic, the result is what we call the transaction crisis. Most people experience the transaction crisis, as consumers and employees, every day.'
[Zuboff and Maxim, 2002]⁶

Their 'transaction crisis' is a useful anecdote when returning to the questions debated thus far; that of changing customer needs and falling satisfaction. When we look back at the customer satisfaction figures for 2003 and the 'gap' in customer needs in figures 1 and 2, we are actively seeing the results of the 'transaction crisis' within the 'voice' channel itself.

Clearly if call volumes do switch in the way described this is likely to lead to an increasing 'transaction crisis' as the 'gap' of what is needed and what is delivered widens. Which in turn, begins to question the structures and approach of the centres and raises serious questions as what happens if a clear trend of changing call volumes is seen.

It doesn't mean that voice becomes less important, it actually means voice becomes more important. As 'voice' becomes the channel of 'deep support', the opportunity for organisations is to rethink their approach to enable this point to become the space where the organisation has the chance to touch, affect and impact the customer's mood and emotions. This is in itself a very different role of voice to the more traditional one of a contact centre, one where they may touch the customer less often with less frequent interactions, but one where those interactions become increasingly important to the customer's emotional mood, thereby having the power to influence overall customer satisfaction much more.

When thinking what this new role is, it is important to start by stating that *'supporting the product or process, is not the same thing as supporting the customer'*. By which we mean in simple terms that the customer has emotional needs whereas the product just has a set of features and facts.

The 'voice' channel needs to be more flexible, more able to enable and empower the advisor the change 'roles' depending on the nature and situation of a customer. The advisor must be better supported and trained to 'tune into' and re-focus on the needs of the emotional needs of the customer. This requires a re-think of the philosophy at the heart of contact centre management, moving away from the operational, process end of the spectrum.

This has two central implications;

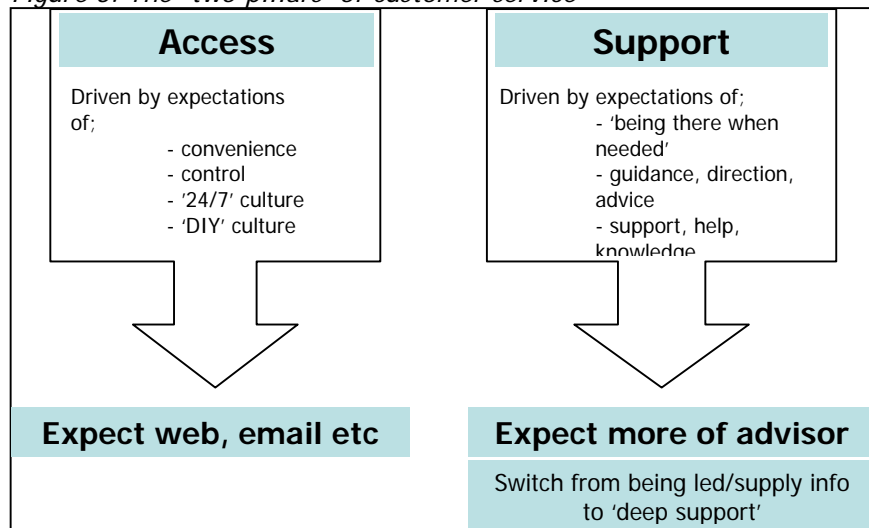
- Organisations need to provide ubiquitous access across a variety of contact channels, giving increased choice, convenience and 24-7 access. Contact volumes through these channels will take-up the 'transactional role' and are likely to see increasing volumes in the medium to long term.
- Organisations are expected to provide a clear 'support' channel. In the medium term customers expect this to be in the form of the human telephone channel. As automated channels are introduced this is likely to lead to an increasing proportion of longer, more emotive call

⁶ 'The Support Economy', 2002, Zuboff and Maxim

volumes. Whilst the total volumes may fall, voice calls are likely to play a much greater role in setting brand/customer satisfaction.

In a multi-channel environment, customer service rests on providing 'Two Pillars' of service - Access and Support. Whilst all channels (human, telephone, online and IVR) have the ability to provide 'Access', currently the customer relies most heavily on the human telephone channel for the 'Support' aspect. This may change in the very long-term as the 'M-Age' become

Figure 3: The 'two-pillars' of customer service⁷



Currently, the majority of the debate about automation surrounds just one of these pillars, that of 'Access', with little debate being focused on the second pillar, 'Support'. This second pillar is likely to become ever more important in the Support Economy that Zuboff and Maxim speak of.

Organisations need to equip themselves in thought and deed to provide both pillars of service. As the role of voice begins to change and organisations are actively encouraging the take-up of automation, we must also recognise at the same time that this will have an impact on the changing the needs of 'voice'. By encouraging the development of the 'Access' to organisations, in parallel we are also putting greater pressure on the second pillar of service, 'Support'.

The nature of support is increasingly important to customers in an economy where commoditisation, price-based competition creates a vast proliferation of choice between very similar products. Brand can play a part in helping differentiate and sign-post a customer in their choice, but decisions are increasingly made on a more emotional, experience-based level. This experience level means that at the time when automation is being used to increase 'Access', the customer is also increasingly making choices based on the level of experience, support, guidance and advice that they receive. In turn, this is only likely to create more of a polarisation between the two-pillars of customer service and likewise create a polarised need between automated channels and that of the traditional 'voice' channel.

⁷ 'Brand Service Experience'. 2006, intersperience

This creates enormous opportunity for those organisations that can first recognise and secondly understand and act on the changing customer role of 'voice' but at the same time, it creates significant risks in getting it wrong and creating in the words of Zuboff and Maxim, a 'Transaction Crisis'.

The key Implications for the changing nature of 'voice' can be summarised as follows:

- Potential for lower call volumes
- Longer call lengths
- Increasingly emotive enquiries
- Increasingly wider range of enquiries and more difficult to predict the nature of enquiries that will be received
- Human telephone channel to play a more important role in setting customer/brand perception and satisfaction
- Greater need for providing support and guidance to the customer will mean that processes and training will need to change to provide a very different call experience, one that is more sensitive and able to better tune into the expectations of the caller - one that can produce a more supportive and emotionally sensitive experience

Summary

- The use of automated channels is set to increase as the 'M-Age' becomes more economically active. In the longer term, this is less likely to require the use of natural-voice automation
- This may result in lower call volumes for the 'voice' channel
- This is likely to lead to increased importance being laid on the calls that are made. They will have more impact on overall brand perception and customer satisfaction, because they are more emotive, more complex and more important to the customer's lives.
- Important that the consumer has a sense of support, help and guidance when needed. Organisations need to think out their strategy for 'two-pillars' of customer service - 'Access' and 'Support'

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