

The State of Customer Contact Centers

Exploring Technology, Goals and Drivers
for New Investment



Benchmark Research
White Paper



V E N T A N A
R E S E A R C H

Aligning Business and IT To Improve Performance

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Ventana Research performed this research for a fee to determine attitudes toward and utilization of technology in contact centers. This document is based on our research and analysis of information provided by organizations that we deemed qualified to participate in this benchmark research.

This research was designed to investigate the technological practices and needs of individuals and organizations involved in contact centers and the potential benefits from improving their existing processes, information and systems. This research is not intended for use outside of this context and does not imply that organizations are guaranteed success by relying on these results to improve planning. Moreover, gaining the most benefit from improving the use of contact center technology requires an assessment of your organization's unique needs to identify gaps and priorities for improvement.

We certify that Ventana Research wrote and edited this report independently, that the analysis contained herein is a faithful representation of our evaluation based on our experience with and knowledge of technology and contact centers, and that the analysis and conclusions are entirely our own.

Ventana Research

Table of Contents

Executive Summary	5
About This Benchmark Research	8
Methodology	8
Qualification	8
Demographics	9
Company Size by Number of Employees	9
Company Size by Annual Revenue	10
Geographic Distribution	11
Industry	12
Job Title	13
Role by Functional Area	14
Key Insights	15
Contact centers are maturing slowly in their use of technology.	15
The contact center infrastructure is dominated by the telephone.	15
New channels of communication are the most likely areas for infrastructure investment.	15
Analyzing customer interactions across channels is beyond the reach of most contact centers.	16
IVR remains a core technology, but its use is seldom optimized.	16
Applications focus most on agent performance and the customer relationship.	16
Satisfying customers and increasing efficiency are the key business drivers for investments.	17
Improving contact center performance requires helping agents.	17
Customer feedback is an increasingly important tool.	17
Advanced analytics are not widely used in contact centers.	18
CRM remains prevalent as CEM gains momentum.	18
Knowledge management is important, but many companies have not implemented it.	19
Websites continue to focus on basic customer service.	19
Social media is just starting to emerge as a channel for customer service. ...	19
Companies see the value of using contact center applications in the back office.	20
What To Do Next	21
Assess the maturity of your contact center technology and its use.	21
Consider investing in new channels of communication.	21
Develop cross-channel capabilities for customer interaction.	22
Focus on satisfying customers as well as increasing efficiency.	22
Look for applications that can improve agent performance, particularly at the desktop.	22
Consider the relative values of CRM and CEM.	22
Investigate a comprehensive approach to managing customer feedback.	23
Identify the benefits of analytics in the contact center.	23
Consider using knowledge management to make contact center information more available and consistent.	24

Evaluate ways to optimize your website for customer service.	24
Explore social media as a new channel of communications.	24
How Ventana Research Can Help	25
About Ventana Research	26

List of Figures

1. Participants by Company Size (Number of Employees)	9
2. Participants by Company Size (Annual Revenue)	10
3. Participants by Region.....	11
4. Participants by Type of Industry	12
5. Participants by Job Category	13
6. Participants by Functional Area	14

Executive Summary

Technology has always been central to contact center operations. Over the years the channels of communication have gone beyond the telephone, and the number of contact channels has accelerated and diversified in the last few, the most recent new avenue of contact being social media. Whatever the specific channel, though, it is clear that today's customers increasingly insist on being able to interact with companies through the channels they prefer. To be able to satisfy that demand, the contact center and its managers and agents need tools that make multichannel communications as efficient and effective as possible and that will maximize their understanding of what's going on in each of the interactions that occur and across the totality of them.

Tools are needed elsewhere as well. Given ubiquitous access to choices in products, pricing and delivery, customers can and do leave a company at the slightest annoyance. Acquiring and retaining customers is more challenging and costlier than ever, and loyalty is hard-won and easily lost. To hold onto it, companies must focus on the quality of the customer's experience and prioritize customer satisfaction over cost minimization, the traditional top emphasis in the contact center. Managing the customer experience at every point of contact and ensuring high levels of satisfaction, while still doing so efficiently and economically, also require technology that can measure how customers feel about their interactions and how promptly and fully agents and systems are able to resolve their issues. Finally, companies need to analyze information from all channels and interactions and derive repeatable best practices as well as key performance indicators (KPIs) against which to measure performance of both people and processes.

Ventana Research undertook this benchmark research to acquire real-world information about levels of maturity, trends and best practices in how contact centers use technology, both infrastructure systems and applications for customer interaction and performance management. It explores how they do this now, how their personnel feel about the current processes and tools, plans they have to change or improve them, and benefits they hope to gain by doing so.

In general companies still rely on well-established technologies and are slow to adopt new ones that could help them interact with customers.

The research found that in general companies still rely on well-established technologies and are slow to adopt new ones that could help them interact with customers across multiple channels, improve those customers' experiences and increase their satisfaction. The telephone remains the dominant channel of communication for most contact centers. Three-fourths of centers have a standard TDM-based telephony infrastructure; more than four-fifths have deployed systems for call routing (84%) and call recording (80%). The technology deployed the next-most often is voice over Internet Protocol (VoIP, 59%). However, for new infrastructure investments companies are looking to other channels, with one-fourth intending to invest in e-mail, text and chat. The most widely implemented

applications in the contact center are quality management (by 79%) and workforce management (67%), both of which focus on the agent. More than half of organizations have deployed customer feedback management (59%) and customer relationship management (CRM, 57%) applications, which to some extent address customer issues. However, despite the fact that increasing customer satisfaction is by far the top business driver for investing in the contact center, chosen by 58 percent, the findings that customer experience management (CEM) technology was the number-one planned technology investment for only 11 percent and customer-focused performance management was ranked highest by a mere 3 percent raise doubt about how directly companies will pursue this goal through new technology.

Most companies understand that as the primary people interacting with customers, agents are most likely to influence that experience. So they pay attention to managing their performance and have some tools for that, as noted above, and the research shows that agent workforce optimization is the top technology that they plan to invest in. Nearly half of organizations (48%) already have e-learning systems for agents, and 22 percent plan to deploy that in the near future. Similarly, 56 percent have deployed an application for agent coaching management and an additional 15 percent plan to do so.

But a focus on the improvement of the tools the agents use themselves is less in evidence. On average the agents must access three separate systems to resolve an interaction; as well as impacting their performance, this juggling can impede speedy resolution of issues and thus customer satisfaction.

We recommend that centers deploy a “smart” desktop to deliver real-time guidance and help agents navigate easily among systems.

We recommend that centers deploy a “smart” desktop to deliver real-time guidance and help agents navigate easily among systems, but at this point fewer than one-quarter of companies (23%) have done so, and more than one-third (36%) have no plans for it.

Analytics are being deployed increasingly in many aspects of business to assess and manage performance. This research finds that advanced analytics are not used extensively in contact centers. The type most often in use is for the interactive voice response (IVR) system (by 42% of organizations); a distant second is analytics for

the agent desktop (26%). More customer-centric analytics are sparsely deployed, speech analytics by only 17 percent and social media analytics by 13 percent. As well, only 16 percent said speech or desktop analytics are very useful for their business, and a mere 5 percent said social media analytics are very useful. However, the research also indicates that interest is growing: 24 percent plan to deploy speech analytics and 19 percent social media analytics in the near future.

The research yields similar findings regarding another key tool for contact centers agents, knowledge management (KM). Two-thirds of organizations said that KM is very important to the success of customer service, but only 43 percent have implemented a system. Among those organizations that have, fewer than half (48%) have a single system to support both of the most popular communications channels, voice interaction with agents and Web-based self-service. A KM system could help provide customers with consistent information across multiple systems and channels, which organizations said is very important.

Organizations are farther along in soliciting and analyzing customer feedback, yielding information that can be used to improve customer satisfaction (the top business driver), agent training and coaching (which if effective can improve both agent performance and the customer experience) and other aspects of operations. Almost three-fifths (59%) have deployed customer feedback management applications, and 18 percent plan to do so. However, many have issues in collecting and analyzing feedback, often lacking tools that do this, especially across channels.

The second-most popular channel for interacting with customers is the corporate website, primarily through self-service. Currently most organizations offer what have come to be standard functions of such sites: providing information (78%), making it possible to initiate e-mail contacts (61%), posting lists of frequently asked questions (FAQs) to handle customer inquiries (61%) and providing self-service functions such as paying bills (55%). Only 21 percent support the interactive activity of chat with an agent, and even fewer (18%) have an online support forum or community. Most see the customer service role of their Web presence growing; nearly half (47%) of organizations expect the number of interactions via Web-based self-service to grow in the next 12 months. They also anticipate growth in active channels, as 29 percent expect such an increase in instant messaging or chat and 23 percent in public social media.

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That level of growth, impressive as it sounds, may fall short of catching up with customers' preference for social media.

Fewer than one-third (32%) currently have an active social media presence that they view as assisting with customer service, and 18 percent plan to establish one in the near future. However, 40 percent have no such plans. We predict that companies' interest in this channel will surge as they see how readily customers use it to discuss their experiences with and opinions of those they do business with.

As noted, organizations understand that to reach their business goals they must increase customer satisfaction. We believe that applications for customer experience management can provide a significant boost in this area because they directly address the relevant issues contact centers face and are designed to find out what customers think (and perhaps predict how they may act). This research finds that less than one-third (29%) of companies have adopted CEM applications and that only 14 percent plan to invest in CEM or customer-focused performance management applications. On the positive side, 22 percent of organizations have appointed a customer experience executive to manage this aspect of their business, and nearly as many (21%) use a dedicated CEM team. Providing these managers and their reports with appropriate tools could empower the whole process.

About This Benchmark Research

Methodology

Ventana Research conducted this benchmark research over the Web from October through December 2010. We solicited survey participation via e-mail blasts, our website and social media invitations. E-mail invitations were also sent by our media partners and by vendor sponsors.

We presented this explanation of the topic to participants prior to their entry into the survey:

Contact centers and customer self-service are important channels through which companies maintain their relationship with customers. Recent research carried out by Ventana Research showed that in difficult economic times it is vital for companies to make every interaction with their customer, no matter the channel, as positive an experience as possible. We'd like to know more about how you manage your contact center and customers' experience – about the current processes and technology that you have deployed and the plans you have to make these channels as efficient and as effective as possible. This research will explore the business drivers, technical requirements, barriers to adoption and timelines for improving interaction-handling. Your confidential participation will help improve technology for contact centers.

The following promotion incented participants to complete the survey:

All qualified participants will receive a report on our research findings that you can apply to your organization's efforts and a quarterly membership to the Ventana Research Community valued at US\$125 or €92. In addition, all qualified participants will be entered into a drawing to win a benchmark research report of your choice valued at US\$995 or €732. Thank you for your participation!

Qualification

We designed the research to assess the use of and plans for deployment of IT analytics across organizations and industries. Qualification to participate was presented to participants as follows:

The survey for this benchmark research is designed for customer-, call center- and contact center-related business and IT managers connected with managing or operating an in-house contact center, offering outsourced contact center services or involved with the purchasing of technology for this area. Others such as consultants and systems integrators may participate in the survey but are not eligible for incentives and will be used in the analysis only if they meet the qualifications. Incentives are provided to qualified participants in the research.

Further qualification evaluation of respondents was conducted as part of the research methodology and quality assurance processes. It entailed screening out responses from companies that are too small, questionnaires that were not materially complete, or those where the submission is from an inappropriate submitter or appears to be spurious.

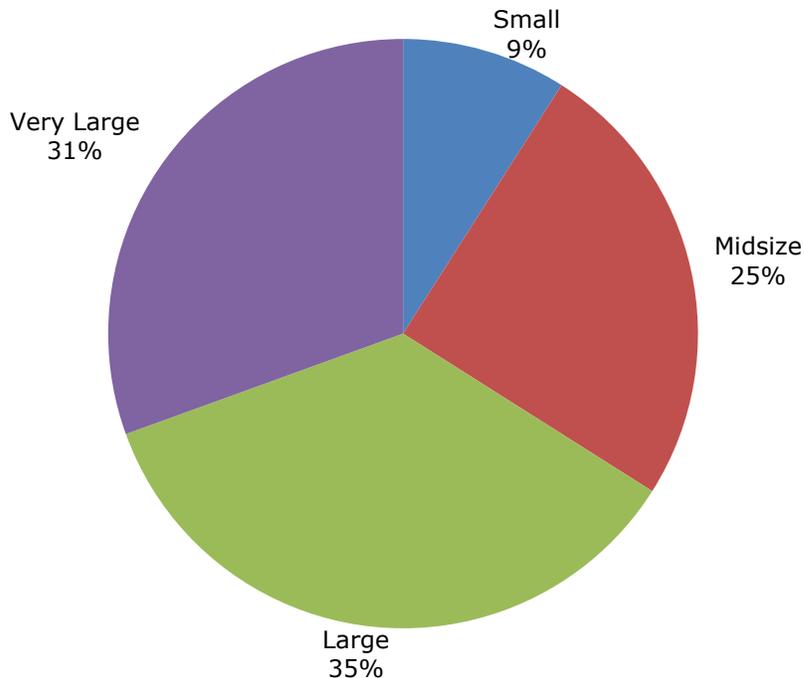
Demographics

We designed the survey used for this research to be answered by executives and managers across a range of roles and titles working in contact center organizations. We deemed 465 of those who clicked through to this survey to be qualified to have their answers analyzed in this research. In this report, the term “participants” refers to that group, and the charts in this section characterize various aspects of their demographics and qualifications.

Company Size by Number of Employees

We require participants to indicate the size of their entire company. Our research repeatedly shows that size of organization, measured by number of employees, is a useful means of segmenting companies because it correlates with the complexity of processes, communications and organizational structure as well as the complexity of the IT infrastructure. In this research, two-thirds of participants come from larger organizations, with 31 percent working in very large companies (having 10,000 or more employees) and 35 percent in large companies (with 1,000 to 9,999 employees). One-fourth work in midsize companies (with 100 to 999 employees), and less than one-tenth work in small companies (with fewer than 100 employees). Although this distribution skews a bit more to larger companies than much of our benchmark research, it remains consistent with our research objectives and provides a suitably large sample from each size category.

Figure 1
Participants by Company Size (Number of Employees)

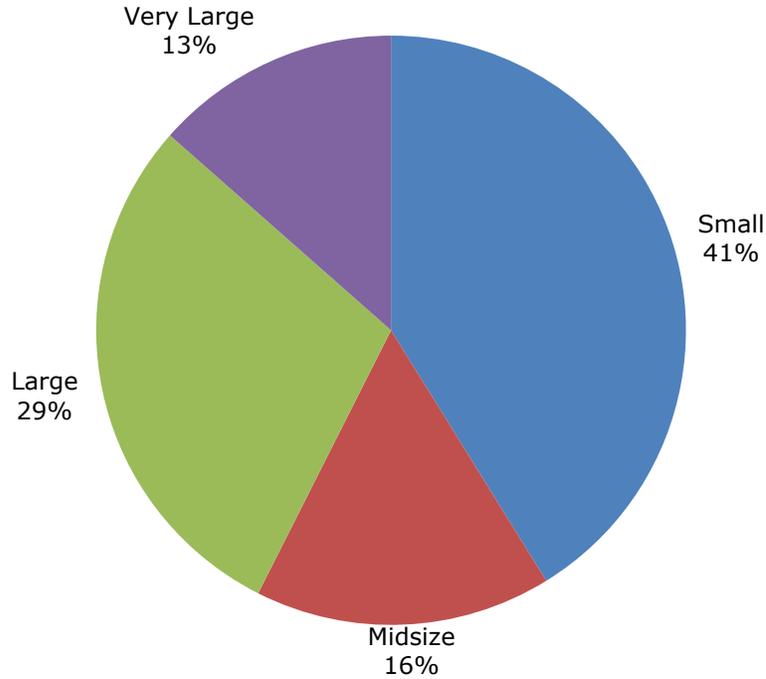


Source: Ventana Research

Company Size by Annual Revenue

When we measured size by annual revenue, the distribution among categories shifted sharply downward. By this measure, less than half as many participants work in very large companies (having revenue of more than US\$10 billion), 6 percent fewer work in large companies (having revenue from US\$500 million to US\$10 billion), and 9 percent fewer work in midsize companies (having revenue from US\$100 to US\$500 million); however, more than four times as many work in small companies (with revenue of less than US\$100 million).

Figure 2
Participants by Company Size (Annual Revenue)

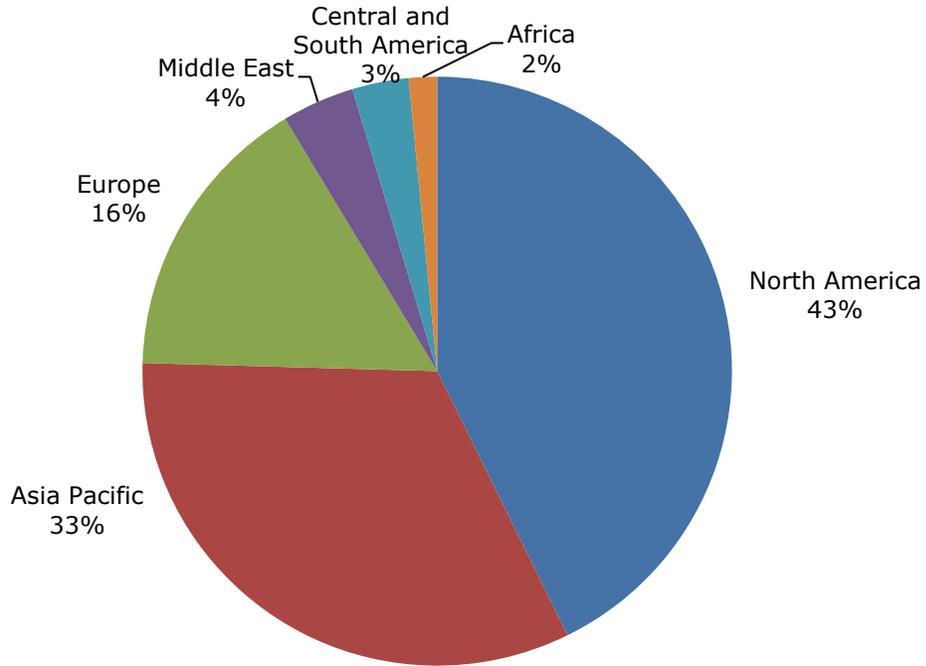


Source: Ventana Research

Geographic Distribution

More than 40 percent of the participants were from companies located or headquartered in North America, and one-third were based in Asia Pacific. Those in Europe accounted for 16 percent, in the Middle East for 4 percent, in Central and South America for 3 percent and in Africa for 2 percent. This result was somewhat different than for many of our research projects, in which most participating organizations are headquartered in North America. We note that, regardless of where they are based, many of these organizations operate globally.

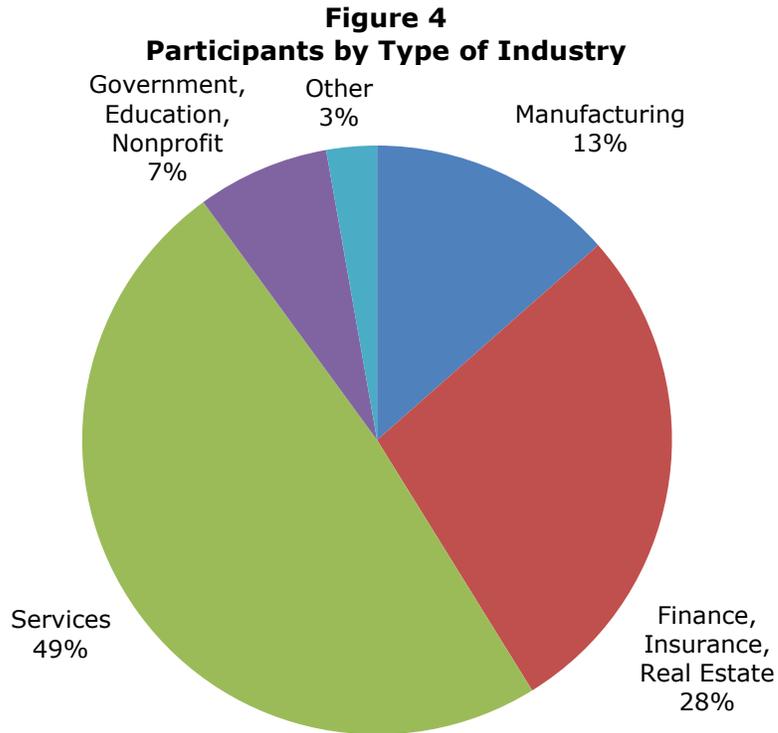
Figure 3
Participants by Region



Source: Ventana Research

Industry

The companies of the participants in this benchmark research represented a broad range of industries, which we have grouped into four general categories and miscellaneous others, as shown below. Classified in this way, companies that provide services accounted for nearly half of participants; those in finance, insurance and real estate accounted for more than one-fourth, manufacturing for 13 percent and government and nonprofit and others for the balance.

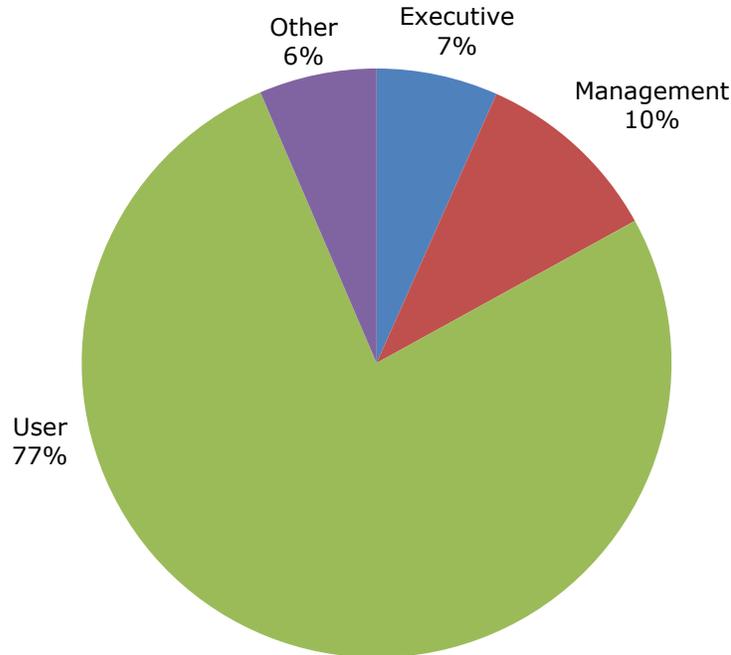


Source: Ventana Research

Job Title

We asked participants to choose from among 14 titles the one that best describes theirs. We sorted these responses into three categories: executives, management and users. More than three-fourths identified themselves as having titles that we categorize as users, a grouping that includes senior manager or manager (47%), director (12%), analyst (10%) and staff (7%). Only 7 percent are executives, and 10 percent are in management, by which we mean vice presidents of some level.

Figure 5
Participants by Job Category



Source: Ventana Research

This is how we aggregated the 14 title response options:

Executive

- CEO, President
- COO or Head of Operations
- CIO or Head of Information Technology
- CFO or Head of Finance
- Other CxO

Management

- EVP or SVP
- VP

User

- Senior Manager
- Manager
- Director
- Analyst (Business, Financial, etc.)
- Staff

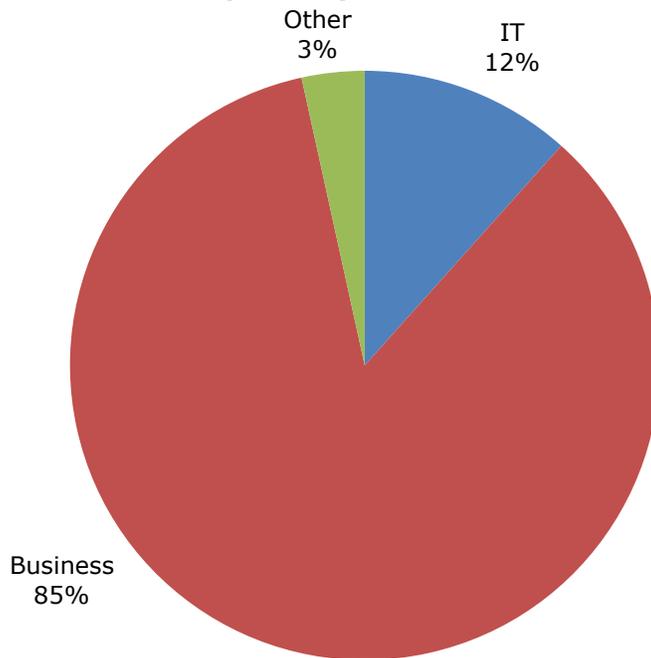
Consultant
Student

We concluded after analysis that this response set provided a meaningfully broad distribution of job titles.

Role by Functional Area

We asked participants to identify their functional area of responsibility as well. In this research, that meant one of three general categories. More than eight out of 10 participants identified themselves as being on the business side of the organization, about one-eighth work in IT, and a few work elsewhere.

Figure 6
Participants by Functional Area



Source: Ventana Research

Key Insights

Our benchmark research yielded the following important general findings and key insights regarding the use of technology in the contact center. (We discuss maturity levels in the Maturity Index portion of the full research report; the actual questions asked in our survey are in the Appendix to the research report.)

Contact centers are maturing slowly in their use of technology.

This benchmark research found that contact centers are maturing at an uneven pace. Our maturity analysis shows that more than half rank at the lowest Tactical maturity level overall, and only one-fourth rank at the two highest levels. Among our four maturity categories, organizations are most mature in Information, where two-thirds rank at the second-highest Strategic level. But this alone is not enough. More than three-fourths of organizations have significant maturity issues in the Process (79% at the two lowest levels) and Technology (76% at the two lowest levels) aspects. In terms of process, fewer than one-third (31%) can track customer interactions that start on one channel and complete on a different channel. Technologically the systems and applications that are most widely deployed are traditional in nature: All organizations have a standard (TDM-based) telephony infrastructure, but 41 percent have not even deployed voice over Internet Protocol (VoIP). Only 14 percent plan to invest in customer experience management (CEM) or customer-focused performance management applications, which we consider Innovative.

The contact center infrastructure is dominated by the telephone.

The research shows that nearly all contact centers have deployed in-bound (93%) or outbound (87%) telephone service. Three-fourths of centers have a standard (TDM-based) telephony infrastructure, and even more have deployed systems for call routing (84%) and call recording (80%). In addition, the technology deployed the next-most often is voice over Internet Protocol (VoIP). Thus it is clear that the telephone remains the dominant channel of communication for most contact centers. Call recording in particular has achieved a high level of penetration: Almost half (46%) of organizations already record 100 percent of calls, and 16 percent plan to invest to reach 100 percent; 44 percent of the remainder also expect to increase the volume of calls they record. The size of the contact center, which tends to correlate with the size of the company in terms of annual revenue, has an impact on infrastructure investment, in that small centers are less likely to invest, especially in call routing and call recording.

New channels of communication are the most likely areas for infrastructure investment.

When it comes to new investments, companies are looking beyond the phone. The largest number (26%) plan over the next 18 months to invest in new channels of communication such as e-mail, text and chat, and the next-most (22%) will invest in unified communications, which includes presence and collaboration. About one-fourth will invest in Web-based chat and slightly less than one-fifth each in self-service via the Web or by mobile devices, or in public social media such as Facebook or YouTube. Nearly half (47%) of organizations expect the number of interactions via Web-based self-service to grow by up to or more than 10 percent in the next 12

months. Fewer anticipate such growth in public social media (23%) or mobile self-service (21%), but their investment plans suggest they see these on the horizon.

Analyzing customer interactions across channels is beyond the reach of most contact centers.

The research shows that less than one-third of organizations (31%) are able to track customer interactions that start on one channel and complete on another; this number is down from the 54 percent that said they can do this in our 2009 benchmark research on contact center technology. We think this decline likely is due not to diminished capabilities in the centers but to them understanding better the complexity of analyzing in depth how customers use these channels. This conclusion is supported by the finding that most of the products organizations use for this purpose, with the exception of those from NICE Systems, can show what channels the customers use but not analyze behavior across the channels. Further, the companies that said they can track interactions across channels do so mostly for the traditional channels of telephone (95%), e-mail (79%) and interactive voice response (IVR, 64%).

IVR remains a core technology, but its use is seldom optimized.

Companies continue to see interactive voice response as a key system in their contact center: 65 percent said it is their most or second-most important technology. They rely on IVR to reduce the volume of calls reaching agents and to improve call routing based on the information the system collects. In addition, 37 percent expect the number of interactions that occur through IVR-based self-service to increase by up to or more than 10 percent in the next 12 months. However, only 21 percent have deployed systems and processes to optimize its use, and only 32 percent have plans to start such an initiative. Among those that have IVR optimization, only 16 percent run the system on a regular daily, weekly or monthly basis; the most (35%) run it “as needed.” For those that don’t try to optimize IVR, doing so is not a business priority (65%), and they can’t find systems that can produce a holistic view of IVR interactions (42%) or trend analysis (33%). When we consider that the experience of callers is influenced by how well such services function, it is surprising that companies don’t pay more attention to optimizing these systems.

Applications focus most on agent performance and the customer relationship.

In terms of contact center applications, at least half of organizations have deployed eight different ones that deal with agents, customers and capturing and storing information. The most widely implemented are quality management (by 79%), workforce management (67%), customer feedback management (59%) and customer relationship management (CRM, 57%). More than half each have applications for managing agent coaching and rewards and compensation. E-learning for agents (already in use by 48%) ranks second (22%) in applications planned to be deployed in the near future. The top choice is speech analytics (24%), which currently only 17 percent have; this can help evaluate both agents’ behavior and customers’ attitudes. Currently the least-often deployed application is social media analytics (13%), but 19 percent plan to implement it.

Satisfying customers and increasing efficiency are the key business drivers for investments.

This research asked participants to prioritize their top three business drivers for investing in their contact center. The overwhelming number-one choice was to increase customer satisfaction, cited by 58 percent; most often chosen as both numbers two and three was to reduce operating costs (27% and 24%, respectively). These choices embody the longstanding tension between minimizing the expense of running the contact center and using it to improve business performance. The efficiency of the center led in choices of the top three technology areas where organizations plan to invest in the contact center: Agent workforce optimization (16%) and CRM (14%) were named number one most often, though CRM has some customer orientation. The truly customer-focused customer experience management (CEM) was picked number one by 11 percent, and 19 percent placed customer-focused performance management second or third. Contact center performance management technology was rated more highly, chosen number one by 12 percent and among the top three by 32 percent.

Improving contact center performance requires helping agents.

Our research has shown repeatedly that agents are seen as having the biggest impact on customer satisfaction; they also are central to performance and its improvement within the contact center. In this particular research, organizations said that providing agents with all relevant customer information during a call is the most important capability (cited by 42%) for facilitating that improvement; named second-most often was integration with knowledge management (38%), which organizations also said was the system agents need to access most to resolve customer interactions (55%). Yet we also found that agents have to access on average three separate systems to resolve an interaction, which can impede speedy resolution and thus customer satisfaction. We recommend that companies adopt a “smart” desktop that helps agents navigate easily among systems and information and guides their actions, and the bulk of capabilities organizations named as helping to improve contact center performance can contribute to creating a smart desktop: displaying relevant information (42%), advising agents in real time of the next best action (32%), navigating among screens automatically (30%), routing calls based on the caller’s profile (32%), classifying call types automatically (24%) and routing calls to the best-performing agent (8%). In terms of training, 56 percent already have deployed an application for agent coaching management and 15 percent plan to do so; similarly, 48 percent have implemented agent e-learning and 22 percent plan to do so.

Customer feedback is an increasingly important tool.

An obvious way of determining how customers feel about their interactions with a company is to ask them. Almost three-fifths (59%) of organizations have deployed customer feedback management applications and 18 percent plan to do so. Capturing feedback has potential benefits that touch all key aspects of the contact center: customer satisfaction (which 85% said is the number-one benefit), better-targeted training and coaching for agents (selected as the number-two benefit by 60%), improved operational effectiveness in the form of more first-call resolutions (ranked number one or two by 53%) and improved operational efficiency such as shorter average call times (number two for 48%). Capturing feedback can even boost sales effectiveness by improving cross-selling or up-selling by agents during interactions (chosen number two by 58%). The most common ways of collecting

customer feedback are outbound, proactive phone surveys (used by 47% of organizations), directing customers to Web-based surveys (37%) or sending them by e-mail (36%). These are piecemeal solutions, however, and organizations experience a variety of issues in collecting customer feedback, the most common having to do with a lack of tools to gather and analyze it, especially across channels.

Advanced analytics are not widely used in contact centers.

The research finds that analytics are neither extensively deployed nor deemed especially useful for understanding effectiveness in contact centers. Currently the most often implemented type of analytics is for IVR (in 42% of organizations); that is followed by analytics for the agent desktop (26%), speech (17%) and social media (13%). Nor does demand seem strong at the moment: Only 16 percent said speech analytics or desktop analytics are very useful for their business, and a mere 5 percent said social analytics are very useful. However, the research also indicates that enthusiasm is likely to grow. More organizations than currently use them plan to implement them: 24 percent plan to deploy speech analytics and 19 percent social media analytics in the near future. Currently perceived as most useful are real-time analytics about contact center operations (41% said these are very useful) and real-time business analytics to guide agents in handling customer interactions (28% very useful); these also were most highly rated as useful (by 29% each). If available, real-time analytics can help deliver two key benefits of having a complete view of customer interactions: to provide consistent information to customers, regardless of the channel of communication (57% rated this number one), and to advise agents of recent interactions customers have had on non-voice channels (20% rated it second or third); they also can enhance the top-rated capability for performance improvement, providing agents with all relevant customer information during a call (42%). Overall it seems companies still have to be convinced about the usefulness of analytics in supporting their goals for the contact center.

CRM remains prevalent as CEM gains momentum.

Currently only about half (52%) of organizations have customer relationship management software, and given the maturity of this market it is surprising that 29 percent of them use a system developed in-house. That finding, however, makes it reasonable that 56 percent rely on the IT group to manage it while only 37 percent give that responsibility to the contact center. While the most companies (44%) are satisfied with their CRM system, only 17 percent are very satisfied and 29 percent are not satisfied. Among the last group, the primary complaints are that it does not integrate well to other contact center applications (51%) and that it does not answer all their customer service needs.

We repeat that increasing customer satisfaction is by far the strongest business driver for investing in the contact center. Because CRM is concerned more with optimizing internal customer-related processes, the more customer-centric discipline of customer experience management is gaining broad notice. In this research at least, CEM still trails CRM in mindshare. Nearly twice as many organizations have deployed CRM (57%) as have CEM (29%), which is expected given how much longer CRM has been available, but CRM also outnumbers CEM in implementation plans for the near future, though not by much (21% vs. 19%). Currently the most companies make a contact center executive (45%) responsible for managing the customer experience, followed by the customer service team (33%). It is a sign of momentum

for CEM, we think, that more than one in five have appointed a customer experience executive (22%) or dedicated a CEM team (21%) to this task.

Knowledge management is important, but many companies have not implemented it.

Two-thirds of organizations (67%) said that knowledge management (KM) is very important to the success of customer service, which makes it somewhat surprising that only 43 percent have implemented a KM system, and the majority of those (57%) use a system developed in-house. Most of those that have implemented KM rely on people in the contact center to maintain the data, with 59 percent having a dedicated team and 22 percent leaving it to general contact center staff. One of the stated issues for companies is to maintain consistency of information across multiple systems and channels, which a KM system could assist with. But only about half (48%) have a single system to support both of the most popular communications channels, voice with agents and Web-based self-service. The only other channel KM supports to a great extent is e-mail (76%). For organizations that don't have such a system, the two main reasons for this are lack of budget (49%) and it not being a business priority (44%). We conclude that many companies have yet to understand how knowledge management can help them provide consistency across multiple touch points, which could lead to more effective agents and more satisfied customers.

Websites continue to focus on basic customer service.

This research shows that most corporate websites are used to support well-established, basically passive functions: providing information (78%), initiating e-mail contacts (61%), posting lists of frequently asked questions (FAQs) to handle customer inquiries (61%) and providing self-service functions such as paying bills (55%). Responsibility for the site is mainly split between IT (44%) and Marketing (43%); only 16 percent of contact centers have this responsibility. The findings suggest that people think their website could do more: 45 percent said that closer integration between it and the contact center would be very beneficial; only 19 percent said that would not be beneficial. Organizations do expect Web-based communications to increase, in predictable areas: 47 percent said self-service will grow up to or more than 10 percent in the next 12 months, 29 percent said this about instant messaging or chat, and 23 percent said it about public social media.

Social media is just starting to emerge as a channel for customer service.

The propensity of customers to comment on companies and the quality of their service and products is growing almost daily. Therefore monitoring these sentiments (and responding to them) is an increasingly important component of managing the customer experience successfully. As of now, most organizations are behind the curve here: Fewer than one-third (32%) have an active social media presence for customer service, and 18 percent plan to establish one in the near future; 40 percent have no such plans. Similarly, more than half (54%) don't know whether they monitor customer sentiment on social media; a small group of innovators (7%) monitor customer sentiment using social media analytics, and 16 percent do it manually on a continuous basis. As noted above, however, we do see a developing trend of investment in this fast-evolving channel.

Companies see the value of using contact center applications in the back office.

A set of applications has long been deployed to support contact center agents. As companies distribute more customer interactions to back-office workers or knowledge workers, some see potential use for these applications in those departments. This research shows that the most common applications seen to be useful are quality monitoring (54%), workforce management (45%) and performance management and analytics (40%), which together can help companies better understand how well employees are performing and assist with allocating customer-related tasks to the most highly skilled workers. About one-quarter of companies see value in using desktop recording (25%) to understand more about the processes employees go through to complete their tasks, so that they can then deploy a desktop that will help all employees follow the best practices. Text analytics (19%) is perceived as the least useful application, but we expect this to change as companies better understand that they can learn about their customers by analyzing the content of documents.

What To Do Next

This benchmark research shows that most organizations use conventional technology in their contact centers, do not fully use some of the technology already installed and are not responding quickly to changes in the ways customers want to interact with them. Most still rely heavily on the telephone, especially standard (TDM-based) telephony (deployed in 75%) supported by call routing (84%) and call recording (80%). In addition, 59 percent have voice over Internet Protocol (VoIP, 59%) systems. Likewise, companies continue to lean on interactive voice response (IVR): 65 percent said it is their most or second-most important technology. Yet only 21 percent have deployed systems and processes to optimize IVR use, and only 32 percent have plans to start such an initiative.

The customer service landscape is changing rapidly, and channels other than the phone, including the Web (in several ways), social media and mobile devices, are becoming the interaction venues of choice for many customers. For companies wishing to improve the performance of their contact centers and the level of satisfaction their customers experience, we offer the following recommendations.

Assess the maturity of your contact center technology and its use.

This benchmark research found that contact centers have substantial room for improvement in their ability to apply technology to improve their performance. Our maturity analysis ranks more than half at the lowest Tactical maturity level overall and only one-fourth at the two highest levels. In particular, more than three-fourths of organizations have significant issues in two of the four categories of our Maturity Index: Process (79% at the two lowest levels) and Technology (76% at the two lowest levels). At present, fewer than one-third (31%) of organizations can track customer interactions that start on one channel and complete on a different channel, but for the infrastructure the largest numbers (26%) plan to invest in new channels of communication such as e-mail, text and chat, and in unified communications (22%). Considering applications, only 14 percent plan to invest in two that we consider Innovative, customer experience management (CEM) and customer-focused performance management. Examine where your organization stands in terms of its contact center people, processes, information and technology, and use this research to identify ways in which you can mature to meet your business goals.

Consider investing in new channels of communication.

When it comes to new investments, the research reveals that companies are looking beyond the phone. More than one-fourth plan to invest over the next 18 months in e-mail, text and chat, and the next-most (22%) will invest in unified communications, which includes presence and collaboration. Many will look to improve their Web outreach, with about one-fourth planning to invest in chat and slightly less than one-fifth each in self-service via the Web (or by mobile devices), or in Web-based social media such as Facebook or YouTube. Nearly half (47%) of organizations expect the number of interactions via Web-based self-service to grow by up to or more than 10 percent in the next 12 months. Assess what you are doing in these non-voice channels and how you can use them to serve your customers.

Develop cross-channel capabilities for customer interaction.

The research shows that fewer than one-third of organizations (31%) are able to track customer interactions that start on one channel and complete on another. Those that said they can track interactions across channels do so mostly for the traditional channels of telephone (95%), e-mail (79%) and IVR (64%). Most products organizations currently use can show what channels the customers use but cannot analyze behavior across the channels. Yet companies want to have a complete view of customer interactions across all channels; 57 percent see the top business benefit of that as being able to provide customers with consistent information. We recommend that you consider tools for providing a complete, consistent way to achieve cross-channel interaction and analysis.

Focus on satisfying customers as well as increasing efficiency.

When participants prioritized their top three business drivers for investing in their contact center, the overwhelming number-one choice was to increase customer satisfaction, cited by 58 percent; most often chosen as both numbers two and three was to reduce operating costs (27% and 24%, respectively). These choices embody the longstanding tension between minimizing the expense of running the contact center and using it to improve business performance. Organizations showed mixed intentions in identifying the contact center technology areas where they plan to invest: Efficiency-focused agent workforce optimization (16%) was named number one most often, followed by customer relationship management (CRM, 14%), which has both operational and customer impacts, just ahead of the customer-focused customer experience management (picked number one by 11%). We believe that the customer experience must take precedence if companies want to succeed in today's rapid-fire competition. We advise you to seek investments that can promote this aspect of the center while balancing them with cost containment.

Look for applications that can improve agent performance, particularly at the desktop.

Many organizations have deployed contact center applications that deal with agents. The most widely implemented applications are quality management (by 79%) and workforce management (67%), which track agents' performance. More than half of organizations each have applications for managing agent coaching and rewards and compensation. E-learning for agents, which 48 percent already use and 22 percent plan to deploy, also is popular. These tools are helpful but not in the midst of an interaction. There we recommend that companies adopt a "smart" desktop that helps agents navigate easily among systems and information and guides their actions. This research found that agents have to access on average three separate systems to resolve an interaction; that can impede speedy resolution and thus customer satisfaction. In addition, most capabilities organizations named as helping to improve contact center performance are components of a smart desktop: displaying relevant information (deemed important by 42%), advising agents in real time of the next best action (32%), navigating among screens automatically (30%), routing calls based on the caller's profile (32%), classifying call types automatically (24%) and routing calls to the best-performing agent (8%).

Consider the relative values of CRM and CEM.

Customer relationship management is a well-established software category;

currently about half (52%) of organizations have it, and 22 percent plan to invest in it. But only 17 percent of companies are very satisfied with their CRM system, and 29 percent are not satisfied. This may be due partly to using CRM developed in-house, and 56 percent rely on the IT group to manage their system, which likely adds to its cost and undermines efficient use. In any case, CRM focuses mostly on internal customer-related processes rather than those facing the customer. Customer experience management better addresses interactions and outcomes, but it remains beyond the grasp of many organizations: Only 29 percent currently have such software, and even fewer (19%) plan to implement it in the near future. If increasing customer satisfaction is a key driver of your contact center strategy, weigh the potential benefits of investing in CEM vs. continuing to support CRM. Toward this end, we consider it an innovative step to dedicate an executive (as 22% have done) or a team (21%) to manage the customer experience.

Investigate a comprehensive approach to managing customer feedback.

An obvious way of determining how customers feel about their interactions with a company is to ask them, and many organizations do. Almost three-fifths (59%) have deployed customer feedback management applications and 18 percent plan to do so. Capturing feedback has potential benefits that touch all key aspects of the contact center: customer satisfaction (which 85% said is the number-one benefit of feedback), better-targeted training and coaching for agents (selected as the number-two benefit by 60%), improved operational effectiveness in the form of more first-call resolutions (ranked number one or two by 53%) and improved operational efficiency such as shorter average call times (number two for 48%). It can even boost sales effectiveness by improving cross-selling or up-selling by agents during interactions (chosen number two by 58%). However, the research shows that most organizations use piecemeal solutions for collecting customer feedback: outbound phone surveys (used by 47%), directing customers to Web-based surveys (37%) or sending surveys by e-mail (36%). Advanced tools are available that collect feedback in a comprehensive manner and analyze it in depth. We advise looking into these, basing evaluations on how well the tools provide the benefits you seek, including whether they can increase the percentage of customers willing to take part in the process.

Identify the benefits of analytics in the contact center.

The research finds that analytics are neither extensively deployed nor deemed especially useful for understanding effectiveness in contact centers. Currently the most appreciated are real-time analytics about contact center operations (41% said these are very useful) and real-time business analytics to guide agents in handling customer interactions (28% very useful). Real-time analytics can help deliver two key benefits if applied to a complete view of customer interactions: to provide consistent information to customers, regardless of the channel of communication (57% rated this number one), and to advise agents of recent interactions customers have had on non-voice channels (20% rated it second or third); they also can enhance the top-rated capability for performance improvement, providing agents with all relevant customer information during a call (42%). Otherwise only 16 percent of organizations said speech analytics or desktop analytics are very useful for their business, and a mere 5 percent said social analytics are very useful. However, the research also indicates that enthusiasm for these advanced kinds is likely to grow: 24 percent plan to deploy speech analytics and 19 percent social

media analytics in the near future. Without analytics it is difficult to assess and improve performance; as indicated above, they can produce sought-after benefits.

Consider using knowledge management to make contact center information more available and consistent.

Two-thirds of organizations (67%) said that knowledge management (KM) is very important to the success of customer service, but only 43 percent have implemented a KM system, and the majority of those (57%) use a system developed in-house. A KM system can help maintain consistency of information across multiple systems and channels, which the research identified as important to companies. Currently less than half (48%) have a single system to support both voice interaction and Web-based self-service. We recommend making an effort to understand how knowledge management can help your contact center provide consistent information across multiple touch points; it could lead to more effective agents and more satisfied customers.

Evaluate ways to optimize your website for customer service.

This research shows that most corporate websites are used to support well-established, basically passive functions: providing information (78%), initiating e-mail contacts (61%), posting lists of frequently asked questions (FAQs) to handle customer inquiries (61%) and providing self-service functions such as paying bills (55%). Responsibility for the site is mainly split between IT (44%) and Marketing (43%); only 16 percent of contact centers have this responsibility. We consider this to be underutilization of a key asset, and research participants said their website could do more: for example, nearly three-fourths (73%) said that closer integration between it and the contact center would be beneficial or very beneficial. In any case, organizations expect Web-based communications to increase: 47 percent said self-service will grow up to or more than 10 percent in the next 12 months, 29 percent said this about instant messaging or chat, and 23 percent said it about public social media. Advanced systems exist that can handle these tasks more efficiently or get more useful results from them; consider investing in them.

Explore social media as a new channel of communications.

The propensity of customers to comment on companies and the quality of their service and products is growing almost daily. Therefore monitoring these sentiments (and responding to them) is an increasingly important component of managing the customer experience successfully. Most organizations are behind the curve here: Fewer than one-third (32%) have an active social media presence for customer service, and only 18 percent plan to establish one in the near future; 40 percent have no such plans. Similarly, more than half (54%) don't know whether they monitor customer sentiment on social media. Doing so will be increasingly worthwhile, though only 23 percent of organizations do so now, 7 percent of them using analytics, which can produce automated results. Getting out in front of this trend could provide an advantage in strategizing how to improve customer satisfaction.

How Ventana Research Can Help

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