



Introduction

In today's customer service environment, customers often drive interactions. They have better access to information, more channels through which to communicate with companies and easier opportunities to go elsewhere than ever before. Benchmark research conducted by Ventana Research shows that businesses recognize they are not meeting the burgeoning expectations of their customers.

Most organizations lack a complete view of their customers and their interactions with them. Their view is incomplete because organizations have difficulty supporting multiple engagement channels and coordinating the responses of employees across business units.

This e-book is based on Ventana Research's benchmark research into next-generation customer engagement and next-generation customer analytics. It is designed to help organizations understand the challenges of customer multichannel engagement, the systems available to help them improve and the business benefits they can realize.

Customer Engagement Must Improve

In benchmark research conducted by Ventana Research, **one-third of organizations asserted that they provide excellent customer experiences.** Nearly twice that amount (**59%**) **said that they provide good customer experiences.** Yet despite the many positive overall responses, three-quarters (**77%**) **of organizations indicated that it is very important for them to improve the way they engage with their customers.**

Most organizations are seeking to improve in three areas:

- Customer service (70%)
- Business processes (54%)
- The customer experience (74%).

Takeaway: Organizations understand that they must improve the customer experience.



Customer Engagement is an Enterprise Issue

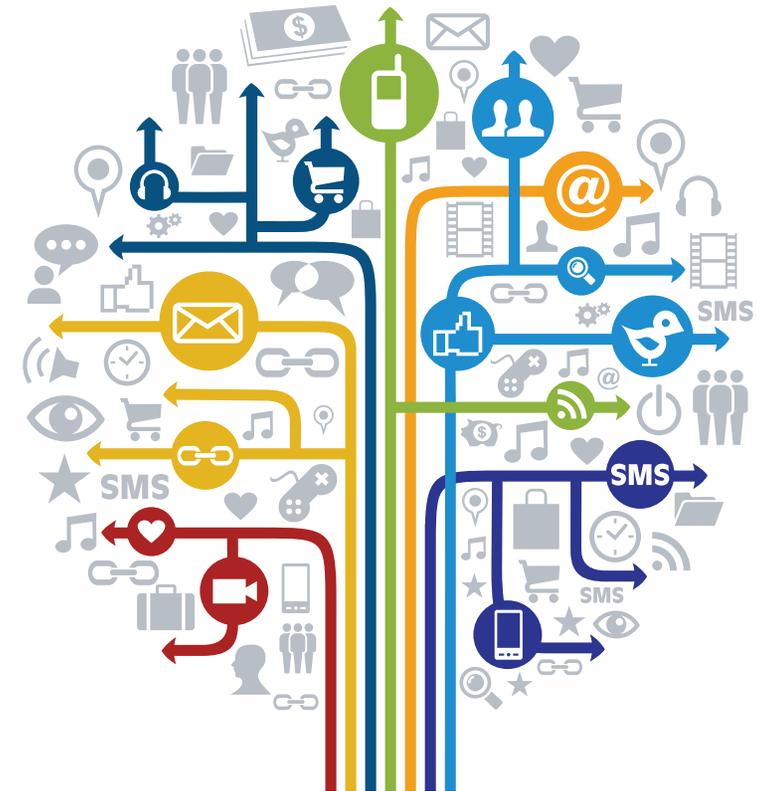
Today's increasingly connected society gives customers many channels through which to engage with businesses.

Customers want to connect via their channel of choice, which means that companies must maintain a broad array of channels – seven, on average, our research shows.

Customer engagement also occurs across multiple business units. They can include marketing, sales, customer service and the contact center as well as mobile and home-based knowledge workers.

While all contact channels are expected to grow, **the highest rates of growth are expected in the use of social media, Web-based self-service, customer portals and mobile applications.**

This expansion of contact channels challenges organizations to maintain consistent communication with customers throughout the enterprise – a complex task.



Takeaway: Companies must engage consistently with customers at multiple touch points.

Meeting the Challenge of Engagement

Today's customers expect their engagements with an organization to be easy and consistent, and to provide a personalized experience that reflects their relationship with the company.

To meet these expectations companies must overcome several barriers:

- Disparate systems used to manage customer-associated activities and data, making it a struggle to access the information they need when they need it
- Communication channels managed independently of each other, making it difficult to provide consistent information across all channels
- Business units operating as independent silos, making it hard to provide consistent responses incorporating contextual information.

Takeaway: Engaging with customers must be an enterprise-wide undertaking.



Complete Customer Information Is Essential

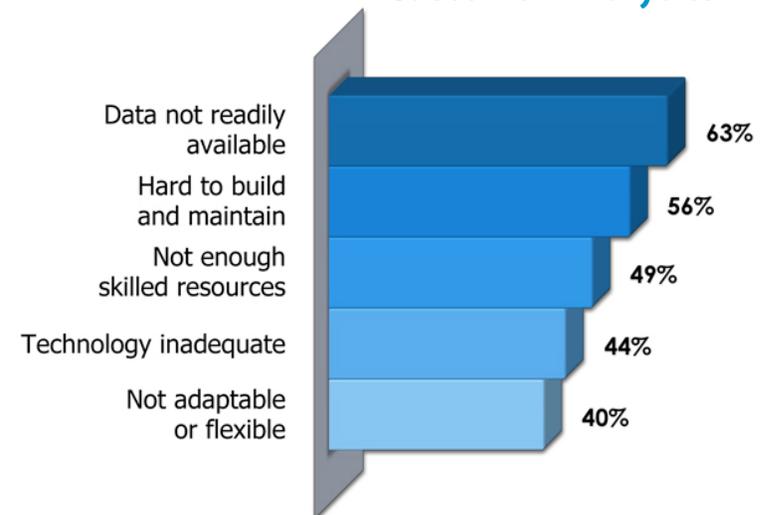
As noted, organizations must have an all-inclusive view of customers and their interactions. Yet our benchmark research into customer relationship maturity data reveals that **fewer than one-third (31%) of companies are able to say they have a complete view of their customers.**

Analytics are key to that complete view. Three-fifths (59%) of companies said it's very important to improve the use of customer analytics to improve their customer views. However, many aren't adept at using analytics. **Almost half (46%) are not satisfied with their current processes for creating customer analytics,** most often for these reasons:

- Data is not readily available (63%).
- It's difficult to build and maintain analysis models (56%).
- They don't have access to the right skills (49%).

Takeaway: Organizations need to choose, adopt and learn to use analytics that produce a complete view of customers and interactions.

Dissatisfaction with Customer Analytics



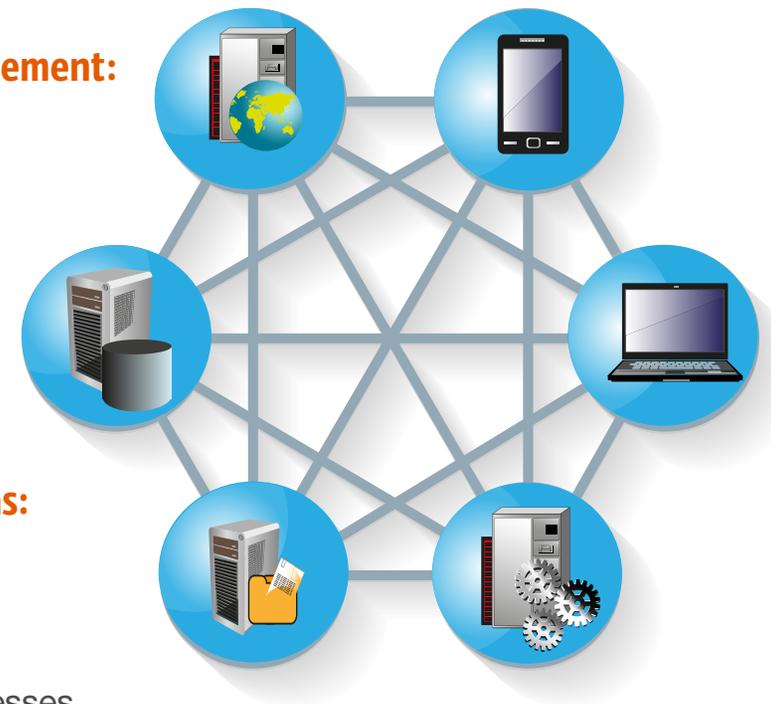
The Right Systems Can Improve Engagement

Companies use a combination of systems to manage customer engagement:

- Communication systems to manage the different channels
- Business applications to track and report on customer-related transactions and data
- Analytics to analyze data to guide interactions.

To improve the customer experience and engage productively with customers, **companies need systems with new capabilities such as:**

- Collaboration, so employees can share information and cooperate on interactions
- Business process management, to improve interaction-handling processes
- Workforce optimization, to improve the performance of those handling interactions
- Interaction analytics, to understand the channels customers use to engage
- Web-based systems, for customer self-service.



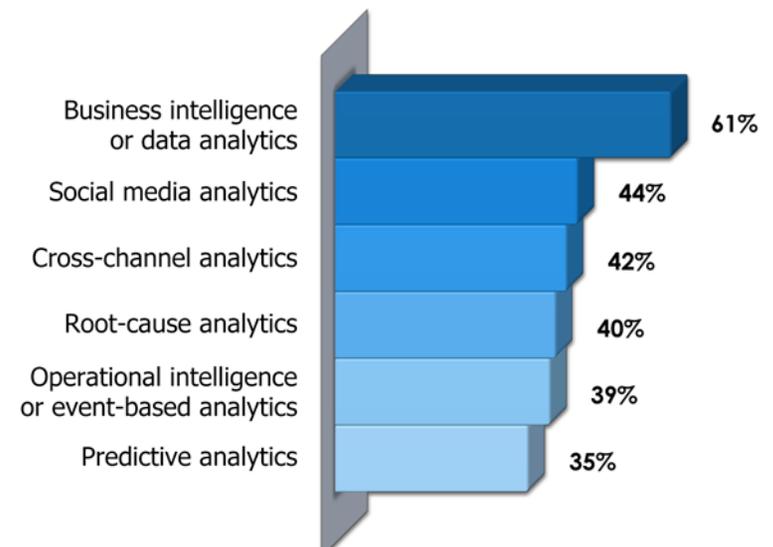
Takeaway: Customer engagement requires new capabilities.

Analytics Can Improve Customer Engagement

To cope with the many sources and types of data relevant to customer engagement, organizations require a range of analytics capabilities. These include:

- Big data analytics to derive meaning from the volume and variety of customer data
- Social media analytics to monitor and understand customer communications on social media
- Cross-channel interaction analysis to understand the use of communication channels
- Root-cause analysis to determine why customers engage with the organization.

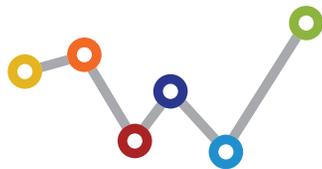
Companies use a range of analytics tools to improve customer engagement.



Takeaway: A range of analytics can help companies understand and improve engagement.

Managing Analytics Delivers Business Benefits

Advanced analytics systems can enable companies to create customer-focused metrics such as customer satisfaction, sentiment and lifetime value automatically. They also can help improve interaction-handling, agent quality monitoring and training and coaching.



Our benchmark research shows that companies that have deployed dedicated customer analytics realize on average six benefits. The three most important are:

- Improvement in customer experience and related metrics
- Better understanding of the impact customer engagement has on the business
- The ability to share information across business units, which can result in more consistent information and better experiences.

Takeaway: Analytics done well improves the customer experience and benefits the business.

Align Customer Operations with Business Goals

Companies use a variety of metrics to monitor and evaluate customer engagement. However, the metrics they use, such as average call handling time, often aren't ones that can help improve customer engagement.

Our benchmark research into next-generation customer engagement found that **the three most common metrics companies are seeking to improve are:**

- Customer satisfaction score
- Customer retention (loyalty) rate
- Number of new customers.

In contrast, the three most often used operational metrics are average call handling time (37%), first contact resolution (35%) and agent quality scores (31%).

Takeaway: Balance operational and customer metrics to help improve engagement.



Innovate in Customer Engagement

Research on consumer buying behavior shows that product, service and price are no longer the major competitive differentiators; instead it's the quality of the customer experience. Customer engagement thus is where innovation lies. Our benchmark research into next-generation customer engagement shows that achieving optimal customer engagement requires a complete view of customers, integrated communication channels, processes that can cross the boundaries of business units, and cooperation between all employees in customer-facing activities. **In sum, it requires a focus on the customer.**

Ventana Research believes that companies that are able to meet these challenges will enjoy a distinct business advantage. We also believe they will benefit from longer-term customer relationships, more referrals and recommendations from existing customers, increased sales of products and services to a loyal customer base, and thus ultimately greater lifetime value.

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The research reports *Next-Generation Customer Engagement*, *Next-Generation Workforce Optimization* and *Next-Generation Customer Analytics* can be purchased from Ventana Research at www.ventanaresearch.com.



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