HCLTech | AVASANT

# The future of customer **experience**

## Automation, analytics and agent enablement

Contact centers have evolved from their origins as call centers, becoming central to driving customer experience (CX). After the pandemic, customers have become more demanding, switching providers when service deteriorates or is not price competitive, making the role of these CX centers even more critical. Organizations increasingly realize they need to up their game and exceed customer expectations.

But this sort of white glove customer experience might not be cost-optimal. Additional investments might be required to onboard new resources and reskill or upskill agents. To achieve the vision of the CX center, the solution must be a combination of technology, domain knowledge, and analytics to drive superior customer experience. This will increase revenue, improve customer retention, and drive higher first-call resolution. Ultimately, a higher percentage of incidents will be resolved in digital channels, reducing costs.

Our vision for the CX center comprises four themes, as shown in Figure 1:

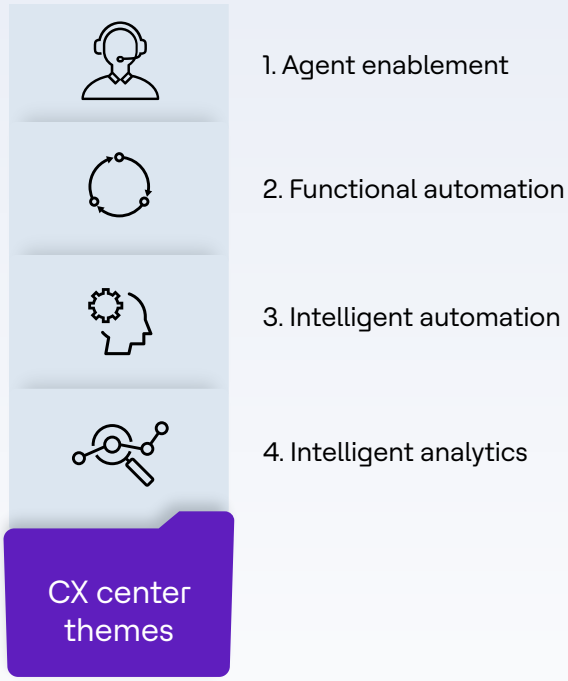



**Figure 1:** The four themes of customer experience

# Theme 1: Agent enablement to deliver enlightened CX

Customer centricity must be at the core of the business to ensure a positive and seamless customer experience. CX agents are essential to maintaining customer satisfaction and brand reputation. When an agent is not empowered to respond to customer queries quickly and in-depth, the overall experience suffers. Therefore, to better serve customers, enterprises must become agent-centric, because enhancing the customer experience starts with empowering the CX agents who serve them.

Today's agents need strong skills in communication and problem-solving to be able to work under demanding conditions and to understand the company's policies, practices, and culture. This will allow them to better address customer queries, improve their experience, and have more efficient and effective interactions. As outlined later in this report, technologies such as voicebots or chatbots, the single customer view (SCV), conversational AI, virtual assistants, intelligent automation, sentiment, and predictive analytics complement and enrich these skills.

Because basic queries are automated or handled via self-service, human agents will now be left with only the more complex queries. This means they will need a higher level of skills. But, this might be a problem. A recent survey by the non-profit association Nicsa found that over 70% of agents in the investment management industry had an average tenure of one year or less as of June 30, 2022. Businesses, therefore, must enable all agents, whether newer or older, with skills that allow them to efficiently manage complex interactions. Agents of all skill levels appreciate an environment where they are in control of the conversation. When they do not fully understand the context of the customer conversation and need to escalate the call, they can easily become frustrated and think about another career path.

As shown in Figure 2, agent enablement requires technologies that can interpret caller intent, requirements, and issues, while allowing agents to work anywhere, at any time, and on any device.

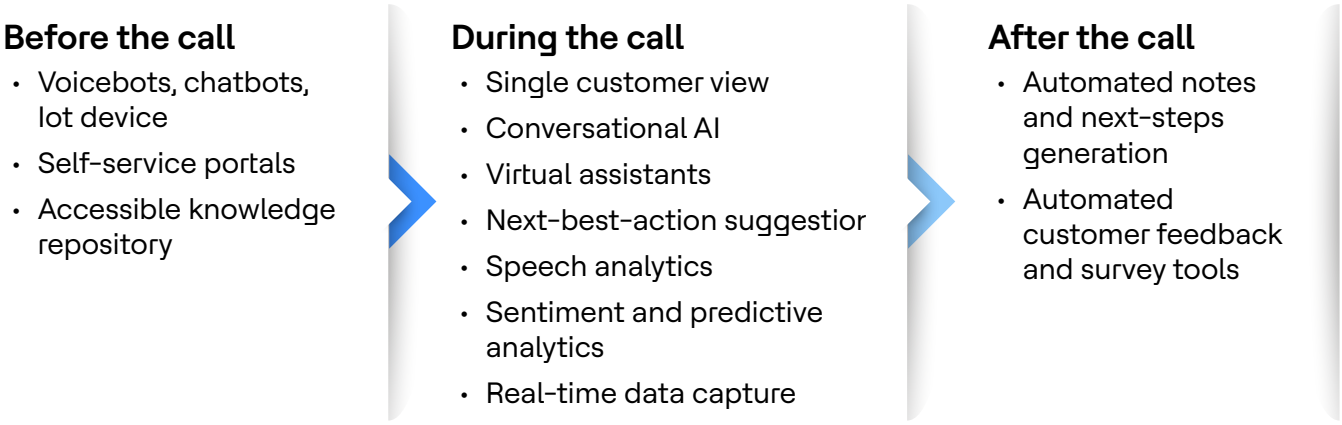



Figure 2: Technologies for agent enablement

Enabling agents with the right set of tools and technologies will provide not only better CX but also better outcomes, such as the following:

01 **Optimized processes:** These include reducing caller wait time while agents search for relevant information, decreasing drop rates due to long wait times and longer calls, improving first call resolution (FCR), as agents have the information and insights in real-time, and surpassing resolution of customer queries. These are just a few business outcomes that can be enhanced with intelligent automation.

02 **Empowered agents:** Enterprises can provide seamless customer experience with an SCV, which is a consolidated, consistent, and unified view of the caller's details known and acquired from many sources, with real-time insights derived from them and included as part of the agent dashboard. Virtual assistants can be deployed to assist agents in providing prompt and correct replies to the caller while improving their efficiency. For example, a US-based healthcare provider implemented an NLP interactive virtual assistant and integrated it with the client's telephony and customer database to provide real-time member information. It also offered real-time call transcripts to give agents caller insights, improving the agent experience while assisting callers.

03 **Personalized CX:** The faster resolution of customer queries and personalized interaction play a key role in improving CX. This can include automating routine inquiries and answering common questions with voicebots or chatbots that leverage intelligent automation and AI. According to NASSCOM, nearly 57% of consumers like to share personal data with businesses that send personalized discounts, products, and offers. Leveraging customer data and insights from multiple sources, agents can provide more personalized and relevant interactions, leading to a more customized engagement with the caller. For example, a visual digital entertainment company implemented a cloud contact center solution and integrated it with Salesforce CRM to personalize the experience for each customer.

Another enabler of personalized CX is providing proactive and empathetic interactions using sentiment and predictive analytics to analyze customer interactions and identify patterns and trends in customer behavior. Agents can better understand the emotional state of customers and proactively offer a solution that addresses their needs and concerns, resulting in a more empathetic and proactive response. For example, an international bank developed an AI voice-processing solution to capture insights from customer conversations to tailor the interaction specifically for each customer.

# Theme 2: Functional Automation for Efficiency and Enhanced CX

With more customers contacting companies, call volumes have drastically gone up, and peak call volumes have shown an unexpected increase. Often these requests are of a complex nature and require agents to spend much time and effort in resolving them. In this scenario, customer trust and loyalty are at risk, wherein unhappy customers can quickly move to another service provider in search of a better CX.

In the context of CX, functional automation means using RPA for activities such as offloading mundane and repetitive tasks from agents, improving process workflows, monitoring quality and analyzing user experience, reducing after-call work, and forecasting and scheduling of agents. Functional automation helps increase operational efficiency, reduce costs, improve forecast accuracy, and enhance the quality of service and customer experience.

Figure 3 shows two examples of how functional automation enables better customer support:

**Automated ticket distribution**

This helps in distributing customer inquiries based on agent and company preferences. This lets a company set its preferred optimal ticket load for agents, which can result in reduced errors and better quality of service.

**Automatic callback**

Long wait times can frustrate customers. Automatic callback allows customers to request a callback when no customer service agents are available or the wait times are too long.

| Objectives | Reducing errors and improving process accuracy | Improving quality monitoring | Reducing after-call work | Improving workforce management | Driving adoption of salf-service | Reducing call time/call wait times |
|---|---|---|---|---|---|---|
| **Functional automation use cases** | • Data entry<br>• Call routing<br>• Automatic ticket distribution<br>• Automatic call distribution | • Call quality monitoring<br>• Real-time customer feedback<br>• Tracking employee/ agent productivity | • Generating call summaries<br>• Scheduling callbacks<br>• Logging data in CRM<br>• Analyzing customer Feedbacks | • Forecast volume and staffing<br>• skills-based routing | • Automatic speech recognition<br>• Automatic outbound contact | • Call deflection<br>• Data entry<br>• Automatic callback<br>• Automactic ticket/call distribution |
| **Key outocomes, benefits and impact** | • Reduced costs of customer service<br>• Improved agent workflow and productivity | • Improved customer satisfaction<br>• Improved agent performance | • Reduced customer wait times<br>• improved agent performace | • Improved agent performance and productivity | • Reduced costs of customer service<br>• Improved agent workflow and productivity<br>• enhanced quality of service<br>• Increased CSAT | • Improved agent workflow and productivity<br>• Increased CSAT |

Figure 3: Objectives and benefits of functional automation for CX centers

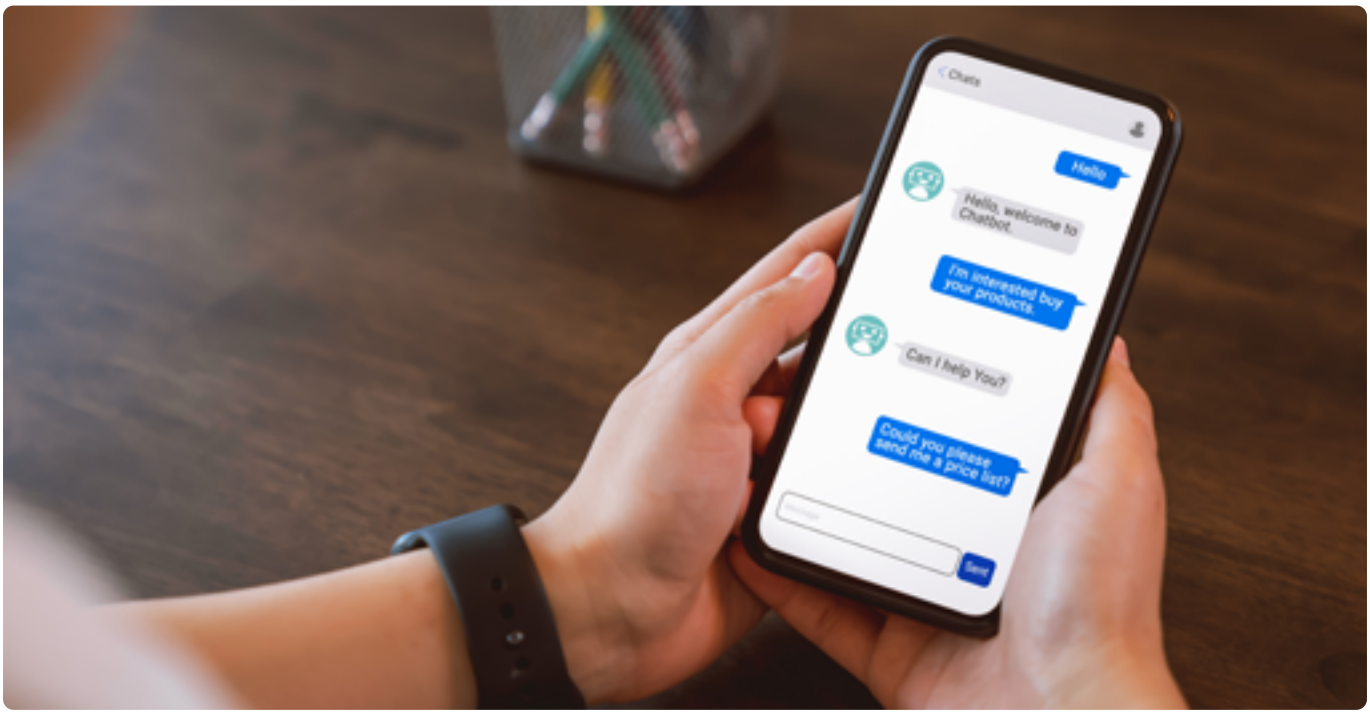
The benefits outlined in Figure 3 will lead to an improved customer experience. The first approach could be around measuring and improving operational efficiency by improving key performance indicators (KPIs) such as FCR, first response time , and average handling time (AHT). This leads to faster response and cuts down on manual errors, driving key benefits to significantly improve customer satisfaction. As explained in Theme 1, the second approach is directing your customers to self-service channels, using technologies such as chatbots and intelligent personal assistants.

Finally, companies can shift away from strategies such as automating call deflection and eliminating unnecessary call transfers. Instead, they can view every interaction as an opportunity to reposition contact centers to cross-sell, upsell, and generate new revenue rather than just cutting costs.

Most enterprises across industry verticals have largely stuck with first trying to improve operational efficiency and then gradually transitioning to self-service. For example, a global telecom company deployed a persona-based smart routing solution and a customer engagement hub to improve CX across preferred channels. This cut the AHT of cases by 28% and improved CSAT scores by 13%. A credit card company automated multiple processes by simplifying its inbound/outbound account resolutions and unifying various systems, creating a single view of the customer and implementing rule-based workflows that reduced call-handle time by 30%.

Low-code automation and RPA are the heart and soul of functional automation. It can remove or expedite mundane and repetitive tasks, limit manual interventions, and provide easier integration and process streamlining opportunities. Low-code and no-code automation tools can enable companies to significantly bring down development time, make faster changes in their CX processes, and provide customization to customers more quickly.

# Theme 3: Intelligent Automation to Reengineer Customer Service




With a growth in the volume of consumer calls, businesses must develop ways to manage them efficiently without a commensurate cost increase. Furthermore, businesses must learn from client input and have a process to act on it. There needs to be a feedback loop in place to collect and process input from various sources. These include the agents themselves, along with customer comments, postings, and their online behavior. Intelligent automation can provide insights by detecting service gaps and promoting organizational change.

Intelligent automation goes beyond functional automation in the sense that functional automation uses only rule-based tasks involving structured data, whereas intelligent automation takes both structured and unstructured data to trigger judgment-based responses and actions.

With enterprises facing an abandonment rate between 5% to 8%, according to IFC, and callers preferring to use digital self-service instead of waiting for a human agent, intelligent automation enhances CX by improving efficiency, reducing costs, and providing personalization. Intelligent automation should be used in addition to agent interaction rather than replacing it. This frees human agents to focus on more cases where the customer really needs to talk to someone.

Intelligent automation in CX centers refers to the adoption of AI, visual interactive voice response (VIVR), chatbots, and other modern technologies to automate and improve specific or repetitive CX center processes and activities. Functional and simple automation means automating customer support queries, such as providing basic product information, quoting a price, or resetting a password. Intelligent automation goes beyond this by incorporating these technologies to automate complex tasks and queries, such as analyzing customer interaction and anticipating their needs to suggest the next best action to agents. Adopting intelligent automation requires a deliberate and strategic approach to identifying key processes and pain points. CX decision makers can then determine how these can be moved to self-service, based on automated, non-voice models. The objectives and benefits of intelligent automation are shown in Figure 4.

To reap the benefits of data from multiple systems, intelligent automation can collate data automatically and generate relevant insights. These can alleviate customer dissatisfaction when the CX center is isolated from the rest of the organization. Furthermore, this vision should engage employees from across the business rather than treating the CX center as an island.

Most importantly, intelligent automation must be implemented and integrated as seamlessly as possible to ensure there is no compromise on CX, especially when a customer wants to talk or respond to a human voice.

| Objectives | Optimizing incoming call volumes | Augmenting agents during calls | Improving call quality | Tracking operation metrics in real time |
|---|---|---|---|---|
| **Intelligent automation solution/ application areas** | • Predictive dialers<br>• Intelligent chatbots or VIVR | • Predictive dialers to gather required information<br>• Automated data entry and skill-based call rounting<br>• Automated notes creation for after-call work | • Automated customer-feedback request<br>• Single customer view<br>• Next best action and insights | • Automated reporting of KPIs and other metrics |
| **Key outcomes benefits, and impact** | • Reduced call volume<br>• Decreased CX center coast | • Eliminated manual data entry<br>• Reduce the call duration for agents | • Automated quality audit and feedback loop | • Automated SLA/KPI Tracking |

Figure 4: Objectives and benefits of intelligent automation for CX centers

When fully realized, intelligent automation enables better CX in a number of ways. In terms of **process optimization**, it can have a dramatic and positive impact on several key indicators, including the following:

**Average wait time:** Introducing chatbots and VIVR will reduce the overall wait time of callers, as the calls involving simple or repetitive tasks are deflected to or managed by digital channels.

**Call abandonment rate:** This metric will improve as the IVR can offer customers choices, such as a conversational AI bot, a VIVR, or a text messaging option to allow customers to connect with digital self-service.

**First Call Resolution (FCR):** This metric will improve as agents have access to information from multiple sources, helping them to respond to customers more efficiently. This leads naturally to shorter wait times for callers while agents are searching for information, a reduction in drop rates due to long wait times and longer calls, better FCR as agents have information and insights in real time, and improved query resolution.

**Call handling efficiency:** Automating mundane operations such as call routing or answering basic questions frees agents to focus on more complex or higher-value activities. This leads to increased efficiency and productivity of the CX center. For example, a global telecom company deployed an AI-powered, persona-based smart routing solution to enable call routing from multiple channels by creating agent and customer personas. It also improved their CSAT scores by 13%.

**Average wrap-up time:** On average, an agent takes six minutes after the call to wrap up the call, according to IFC. This time can be reduced to a few clicks with intelligent automation taking notes while the agent is on a call, providing a summary and key action items to the agent at the end of the call.

Intelligent automation also leads to **enhanced quality of interaction with agents:** This is the result of improving the accuracy of customer interactions and targeting agent training. Intelligent automation can assist in eliminating errors and increase the accuracy of client interactions by detecting and escalating situations that require human intervention. This ensures that customers quickly receive assistance. For example, a US airline implemented a speech and text analytics platform to analyze customer interactions across all channels. This allowed the airline to target the training of agents and better identify customers for credit card sales campaigns.

Finally, intelligent automation **improves customer satisfaction.** Enhanced customer experience can be achieved with automated answers that quickly provide support. For example, an automated chatbot can answer frequently asked questions, helping clients immediately get assistance. Customers are more likely to be satisfied with their interactions if they feel their needs are addressed promptly and effectively. For instance, an online ticketing company used an experience management platform to gather feedback from digital channels, which helped improve its offerings and enhance customer experience.

# Theme 4: Intelligent Analytics for Better Decision-making

This fourth theme ties together the previous three themes with analytics. CX centers have plenty of information about the customer, with a large volume of structured and unstructured data generated through multiple interactions, whether voice or non-voice. The ability of advanced analytics to generate insights that can improve operational metrics and enhance business outcomes has become a key differentiator in the world of customer service.

This theme is illustrated in Figure 5.

| | | | |
|---|---|---|---|
| **Three top ways to segment analytics in CX centers** | **Customer analytics:** understanding behavioral patterns, voice of the customer demographics, and purchase data | **Channel analytics:** Voice/ call, cross channel (chat, email, social media and SMS), speech, text and interactions | **Predictive analytics:** identify likelihood of best-case and worst-case scenarios and determine probability of an outcome |
| **Key use cases** | Assessing frequency of behaviors, assessing repeat inquiries, and analyzing customer feedback | Tracking abandoned calls, automated transcription and processing intonation analysis, and sentiment analysis | Optimizing agent staffing determining training requirements, predicting customer churn, and detecting fraudulent transactions |
| **Examples of optimized KPIs and benefits achieved** | • Reduced AHT<br>• Decreased call volumes<br>• Improved contact resolution rate<br>• Enhanced agent productivity<br>• Increased customer retention | | |

Figure 5: Types of intelligent analytics, use cases, and benefits

CX centers have mastered the art of using basic analytics techniques, tools, and models that utilize historical data to understand their current state of customer service. This can be further augmented by bringing in predictive analytics with actionable insights that allow an agent to provide a more personalized response more quickly.

Predictive analytics can identify the likelihood of best-case and worst-case scenarios and determine the probability of an outcome. For example, predictive analytics can help in gaining a greater understanding of customer behavior, better analyzing patterns in customer calls, forecasting customer satisfaction, and predicting customer churn. This empowers CX center executives to take necessary action to address issues and risks.

Intelligent analytics can be used to great effect in CX centers:

### Reducing customer churn

Creating an integrated view of customer data and implementing ML to build a predictive model can help predict customer churn. As next steps, companies can set up alerts and define actions that must be taken should customer churn rates exceed a threshold. For example, a Buy Now Pay Later company deployed a solution to onboard digital merchants and set up a support team to reduce churn, improving the lead-to-conversion ratio by 26%–29% and increasing overall merchant acquisition by 35%.

### Improving agent performance

Using advanced and predictive analytics, companies can analyze the attributes, parameters, and KPIs of CX agents. In this way, companies can devise next best actions, such as rewarding high performers or training average performers. For instance, a North American footwear retail brand leveraged speech analytics to generate insights about call drivers and agent behavior and developed training plans to enhance agent performance, leading to a 20% fall in AHT.

In order to achieve the true benefits of intelligent analytics, companies must create a 360-degree view of the customer. This means enabling real-time data ingestion from different channels, touchpoints, and enterprise systems such as customer relationship management (CRM). Enterprises must bridge internal functional siloes between customer service and business functions. Customer service needs to work with supply chain to enable process transparency and visibility for finance and accounting to access billing and product information and marketing to drive sales conversion. In this scenario, customer data platforms (CDPs) are becoming increasingly important. CDPs add value on top of CRM and data management platforms by resolving issues related to siloed customer data, creating unique customer profiles and personalizing the customer journey.

# Mastering CX to Drive Key Business Outcomes

As customers become more demanding and expect better service, the transformation of contact centers into CX centers is becoming more and more important. Empowering agents is critical to enhancing CX and technologies such as voicebots or chatbots, conversational AI, and virtual assistants enhance the agent's abilities. Functional and intelligent automation can help enterprises by analyzing customer feedback, providing insights to detect service gaps, and driving organizational transformation. Ultimately, analytics ties it all together to drive superior CX, resulting in more revenue, enhanced customer retention, and cost savings.

Organizations that leverage CX outsourcing service providers will need to reimagine these relationships to create the right incentives for themselves and providers alike. They will also need to come up with better metrics as the basis for structuring CX outsourcing deals based on business outcomes. With businesses increasingly realizing that CX builds a competitive advantage, the time is right to move away from traditional metrics focused on performance (for instance, service levels) and interaction (for example, AHT and FCR) to metrics based on business outcomes. These include metrics such as increased revenue per agent, revenue per customer, revenue per self-service interaction, number of service upgrades, and cross-sell ratios. Ultimately, metrics should be tied to CX and customer loyalty, such as customer satisfaction (CSAT), customer effort score (CES), customer lifetime value, employee net promoter score, and customer retention rates. However, attempting to directly measure typical CX metrics such as CSAT and CES through feedback surveys should be avoided. Instead, this information should be derived from analyzing critical touchpoints in the customer journey.

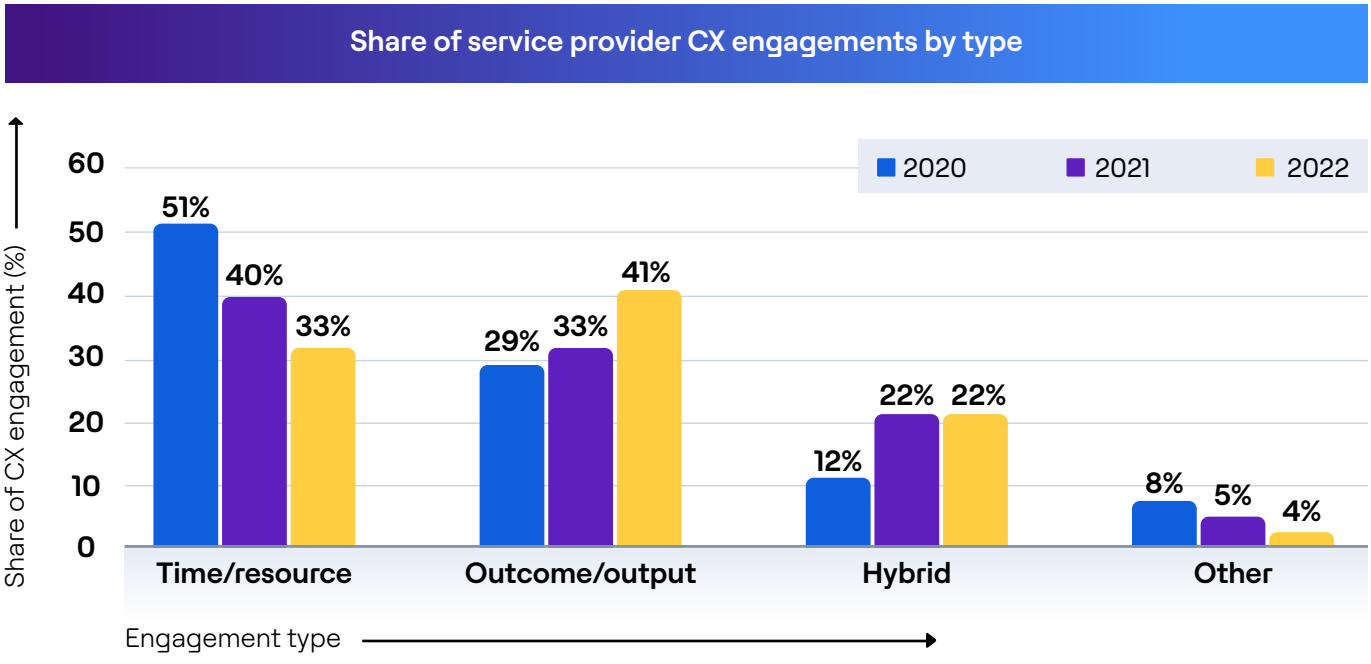



Figure 6: Trend in service provider CX engagements

**Source**: Avasant Research, 2023

CX is now a major driver of customer brand preference, purchase decisions, and behavior, becoming a key differentiator for enterprise growth, customer retention, and loyalty. To help enterprises, service providers are continuously innovating to align themselves with customer business objectives and CX-led initiatives. Our research shows that there has been a steady increase in output- and outcome-based customer service engagements when outsourcing. As shown in Figure 6, a 41% share of engagement in 2022 was witnessed in the overall number of such engagements, rising from 29% in 2020.

CX has emerged as a key lever for businesses to grow and build competitive advantage. Leading brands have already realized that improving CX can significantly reduce customer support issues. There is an inevitable need to provide personalized interactions, afford seamless customer service across channels, and enhance the efficiency of the CX center. Companies must transition to a CX strategy centered on business outcomes, taking a test-and-learn approach. To achieve this, focusing on agent enablement along with the right technologies will not only boost productivity but will also enhance CX and improve business outcomes.

# Authors

**Pankaj Parikh**
Senior Vice President,
Digital Process Operations, HCLTech

Pankaj Parikh is a seasoned business leader with 20+ years of experience in consulting, technology, and outsourcing industry working in North America, LatAm & Europe markets. In his current role at HCLTech, Pankaj is responsible for leading Sales, Solutions, Program Management, and Operations across the Technology, Manufacturing, E&U, Retail and Consumer Goods, Logistics and Travel, and Media & Telecom sectors for Digital Process Operations.

**Matthew Barlow**
Managing Partner
Avasant

Matt Barlow is a managing partner at Avasant and is responsible for its healthcare and life sciences consulting and advisory services. He has served some of the world's largest organizations in customer experience, sourcing strategy, business transformation, and digital operations.

# HCLTech | Supercharging Progress™

hcltech.com

HCLTech is a global technology company, home to 225,900+ people across 60 countries, delivering industry-leading capabilities centered around digital, engineering and cloud, powered by a broad portfolio of technology services and products. We work with clients across all major verticals, providing industry solutions for Financial Services, Manufacturing, Life Sciences and Healthcare, Technology and Services, Telecom and Media, Retail and CPG, and Public Services. Consolidated revenues as of 12 months ending March 2023 totaled $12.6 billion. To learn how we can supercharge progress for you, visit hcltech.com