

# WHERE IS CUSTOMER CARE HEADED?

RESEARCH PAPER

In April 2013, communications service providers (CSPs) from around the world gathered at Alcatel-Lucent's Motivation 2013 event to share best practices, experiences and ideas in the area of customer experience. During the event, Alcatel-Lucent Consulting Services surveyed more than 30 customer experience leaders representing 19 CSPs across 16 countries. With this primary research project, Alcatel-Lucent sought to learn about customer care initiatives, concerns and technology adoption across a broad cross-section of CSPs that are focused on customer experience.

This white paper presents the quantitative results of Alcatel-Lucent's customer care survey, along with some of the key qualitative responses provided by the survey participants. Its aim is to provide insights and benchmarks that can help customer care leaders develop more successful customer experience strategies.

# TABLE OF CONTENTS

INTRODUCTION / 1

KEY INSIGHTS FROM THE ALCATEL-LUCENT SURVEY / 2

Call drivers / 2

Self service / 2

Assisted care / 4

Remote control / 4

Chat / 5

Workflow analytics / 6

Social media / 6

Gamification / 7

CONCLUSION / 8

ABOUT THE AUTHORS / 9

ALCATEL-LUCENT CUSTOMER EXPERIENCE CONSULTING / 9

ABBREVIATIONS / 9

## INTRODUCTION

Customer care issues and support techniques are evolving as technology and social media extend their influence throughout the global population. For fixed and mobile operators, the ability to provide customer support for mobile devices is a growing concern.

For example, Wi-Fi has become one of the top call drivers for fixed CSPs. It will become even more important as more mobile devices are connected within home networks. To manage the increasing focus on mobile services, CSPs will need the ability to take control of mobile devices remotely so that they can help users troubleshoot problems and configure device settings.

Research by the Harvard Business Review indicates that 67 percent of customers prefer self service to live interactions with customer care.<sup>1</sup> This comes as no surprise given the growing number of consumers who use YouTube to learn new skills or web forums to get quick answers to questions. For CSPs, the reality is that self service is becoming table stakes.

In April 2013, Alcatel-Lucent surveyed customer care leaders from CSP organizations around the world.<sup>2</sup> The intent of the survey was to learn more about how CSPs approach customer care, what technologies they use to enhance the customer experience, and what worries them about current and future customer engagements.

The results of this survey show that CSPs are on the right track when it comes to customer care. However, these results also show that CSPs have much work to do to fully capitalize on the opportunities offered by self service, analytics and remote troubleshooting capabilities. For example:

- Over 85 percent of respondents said that they have implemented self service already or plan to do so within a year. However, many of those surveyed are struggling to get customers to adopt these services. This may well be caused by a lack of dedicated marketing designed to communicate the availability of these services.
- Nearly two-thirds of respondents are using chat for customer care. However, most don't initiate chat sessions proactively for customer care issues and haven't built chat capabilities into key support workflows.
- A full 37 percent of respondents are using workflow analytics to support and enhance their customer care program. Most are capturing data and performing simple analytics, but few are using advanced analytics to measure workflow success or increase workflow efficiency.
- More than two-thirds of respondents have implemented at least one form of social media as part of their customer care program. Although social media monitoring and customer forums are well used, there are many social media opportunities left to explore across the customer care environment.
- A small number of respondents have begun to apply gaming techniques and mechanisms to customer care. While many CSPs are still becoming familiar with gamification, the market leaders are already applying gaming concepts like participant ratings, achievement levels, badges and leaderboards.

<sup>1</sup> "Why Your Customers Don't Want to Talk To You", Harvard Business Review blog, July 28, 2010.

<sup>2</sup> The Alcatel-Lucent customer care survey reached 19 CSPs in 16 different countries: Argentina, Australia, Belgium, Croatia, Czech Republic, France, Hungary, Italy, Luxembourg, Netherlands, Russian Federation, Spain, Switzerland, Turkey, United Kingdom and the United States

This white paper shares some of the key highlights of the Alcatel-Lucent customer care survey. Its intent is to provide insights, provoke thought around customer care innovation, and help CSPs transform their overall customer care strategies. By transforming customer care, CSPs can start taking steps to develop a broader customer experience program that makes it easier for customers to purchase services and to get help exactly when they need it.

## KEY INSIGHTS FROM THE ALCATEL-LUCENT SURVEY

Each Alcatel-Lucent survey participant was asked a series of 10 questions covering a variety of topics relating to customer care. Most of these questions required a “yes” or “no” answer. Participants were also asked some open-ended questions about their present and future call drivers and techniques for improving self-service adoption rates. This section examines the answers they provided, and explores the insights uncovered by the survey. It complements these answers and insights with industry facts and recommendations.

### Call drivers

Most of those surveyed were fixed service providers. However, concerns about smartphones and mobile devices top the list of worries for providers of fixed and mobile providers. Respondents named connectivity, service configuration, device configuration and Wi-Fi as today’s primary call drivers. They anticipated that connected devices such as smartphones, tablets and home network issues would become the top call drivers of tomorrow. In cases where a CSP offered a video service, the service was named as a key call driver on both lists.

Survey participants are clearly worried about the proliferation of mobile devices of all types. They are particularly concerned about the demand these devices place on customer care when they are used in the home.

**Recommendations for CSPs:** Prepare for customer care issues related to the growth of smartphones and mobile devices networked in the home. A focus on Wi-Fi is an obvious first step given that Wi-Fi is now well established as a top call driver.

### Self service

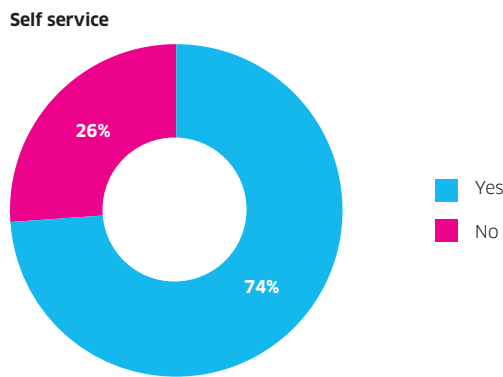
Uninterrupted service is the most important element of a positive customer experience. When a failure occurs, it’s essential to get customers back on track quickly. CSPs must solve the customer problems quickly, with solutions that customers feel are fair and reasonable.

Customer care organizations have traditionally addressed service failures through interactive response systems and call centers. Now that advanced communications technologies have spread through a broader population and set of demographics, self service is becoming a more important part of customer care.

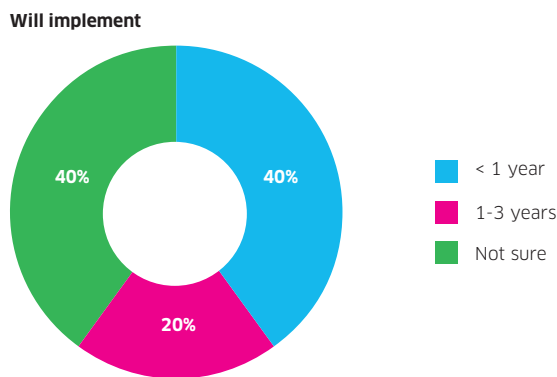
Self service is no longer an optional part of the customer care offer. It's a highly favored option for a large and growing majority of customers. More than two-thirds of customers would rather use self-service than interact with their service provider.<sup>3</sup> Further, 83 percent of customers would be more likely to recommend their provider if they were offered easy-to-use and consistent self-service by way of their mobile device.<sup>4</sup>

The results of Alcatel-Lucent's customer care survey indicate that CSPs have been listening to their customers. Nearly 75 percent of those surveyed are offering self service beyond frequently asked questions posted to a web site. Of those not yet offering self service, 40 percent plan to offer it within the next year. This means that nearly 85 percent of all those responding will be offering self-service support within the year.

**Figure 1. Percentage of CSPs currently offering consumers a self-service option for customer care**



**Figure 2. Percentage of CSPs planning to offer consumers a self-service option for customer care**

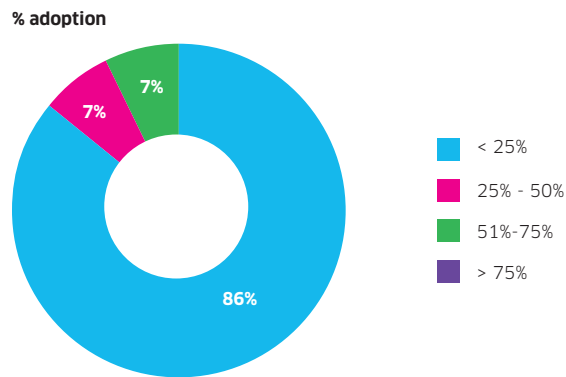


While it appears that CSPs are moving toward providing self service for customer care, the adoption rate remains low among customers. Among those surveyed, 86 percent claim that their adoption rate for self-service care is less than 25 percent. Many have adoption rates of less than 10 percent.

<sup>3</sup> Why Your Customers Don't Want to Talk To You", Harvard Business Review blog, July 28, 2010.

<sup>4</sup> Amdocs Survey: Improved Proactive Care, Mobile Self-Service Tools Can Increase Service Provider Net Promoter Scores." The survey was conducted between November and December 2012. (Source: ZDNet March 2, 2013)

Figure 3. Currently reported adoption rates for self-service options for customer care



Given that two-thirds of customers want self service, what is behind these low adoption rates? The way CSPs promote — or, in many cases, don't promote — self-service offers some clues. Most often, CSPs don't even tell customers that self service is available. Slightly more than one-third of those offering self service say that their customers learn about self service on their own, through web searches. The next most common approach is to have the call center or interactive voice response (IVR) system inform customers of the self-service option. A small percentage of CSPs provide information on self service during installation processes.

The survey showed that few CSPs have used marketing campaigns to drive the awareness of self service. What's notable, however, is that the respondents that marketed their self-service offers had the highest adoption rates. As with any outstanding product or service, it's important to communicate the availability and benefits of self service to customers.

**Recommendations for CSPs:** Implement self service. Make it easy to use and provide an option for mobile devices. Be sure to market its availability and make it easy to find when customers need it.

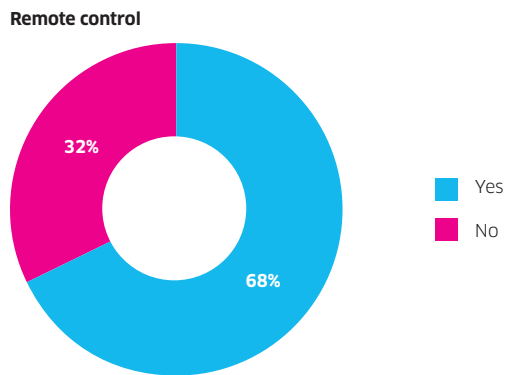
### Assisted care

Survey respondents were asked to indicate whether they are using interactive assistance to enhance the call center care experience. The survey identified two specific interactive capabilities: remote control and chat.

### Remote control

More than two-thirds of respondents are using remote control capabilities. These capabilities enable customer care agents to take control of the devices so that they can help users troubleshoot problems and configure device settings.

Figure 4. Percentage of CSPs equipped with remote management capabilities for customer care



Interestingly, the mobile operators who took the survey indicated that they don't currently use remote control. This may be because they are not ready to implement a solution, or because they are unaware of the increasing availability of applicable and accessible remote control technologies that could be applied to control mobile devices.

It's important for all CSPs to understand that mobile devices are becoming bigger call drivers as their reach extends to more customers. With most use occurring in the home, even fixed operators recognize the need to support mobile devices. CSPs need to get ready for further mobile market evolution by exploring capabilities that will enable them to access device status and settings or perhaps even take remote control of customer mobile devices.

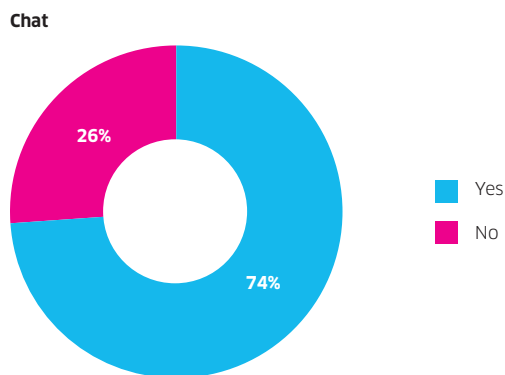
**Recommendations for CSPs:** Begin exploring remote control capabilities as a means to address the rise of mobile devices as call drivers.

## Chat

Web chat is an increasingly popular customer care option in North America and Europe. Ovum forecasts that web chat-based customer care will experience a compound annual growth rate (CAGR) of 20 percent from 2012 to 2017.<sup>5</sup>

Among those CSPs surveyed by Alcatel-Lucent, nearly 75 percent offer chat-based support. Most of those offering chat-based support indicate that chat sessions are initiated by customers. Few CSPs offer proactive support options.

Figure 5. Percentage of CSPs using chat capabilities for customer care



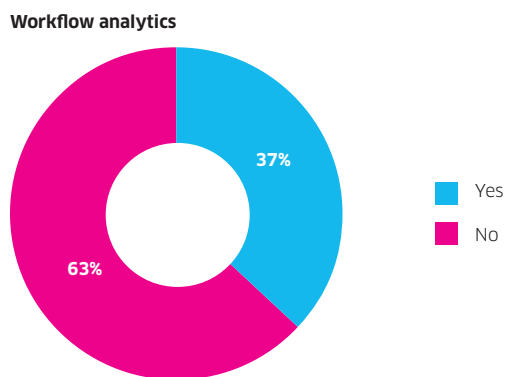
<sup>5</sup> "Leveraging Web Chat to Optimize the Customer Experience." Ovum, January 2013.

**Recommendations for CSPs:** Consider implementing proactive chat to ensure that customers get the help they need. For example, use proactive chat to offer assistance to customers who appear to be struggling with specific web pages. To improve the customer experience, use links to relevant videos and web pages in chat sessions.

## Workflow analytics

More than one-third of CSPs interviewed by Alcatel-Lucent are already performing some form of workflow analytics. These CSPs are using workflows for specific support processes and applying data analytics to measure their performance. In most cases, the analytics are basic, covering elements such as workflow completion and resolution type. Many of those surveyed expressed an interest in implementing advanced analytics that offer deeper insights into workflow performance and customer experience.

Figure 6. Percentage of CSPs collecting analytics related to customer care workflows



**Recommendations for CSPs:** Use data analytics to improve the efficiency and effectiveness of customer care workflows. Utilize analytics to understand how your workflows are affecting your Net Promoter Scores. For example, use analytics to measure results against repeat calls, or to gain a greater understanding of where problems occur within a given workflow.

## Social media

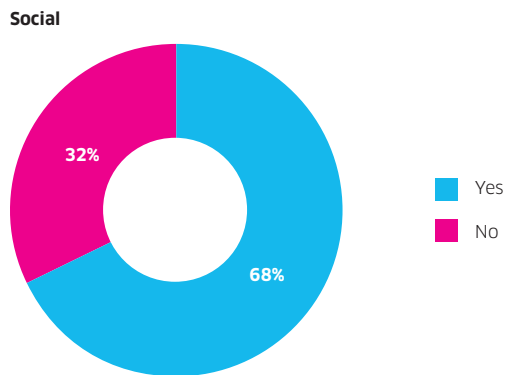
Social media is becoming an increasingly important part of the customer-CSP relationship. Most CSPs use social media outlets like Facebook and Twitter to support sales and marketing activities. Some are now receiving service requests through these outlets. When a customer makes a request through social media, a contact center representative should respond in a private channel. In addition, CSPs should begin to store social media data in their customer records, just as they store phone and e-mail contact information today.<sup>6</sup>

Alcatel-Lucent researchers asked participants if their companies were using social media for customer support. More than two-thirds of respondents — 68 percent — indicated that they were offering some form of social support.

<sup>6</sup> "Defining the Rules of Engagement for Customer Service in Social Media." Ovum, April 2011.



Figure 7. Percentage of CSPs using social media to offer customer support



**Recommendations for CSPs:** Treat social media as an important element of the overall customer care strategy. Capitalize on the fact that more and more customers are joining collaboration forums and sharing information and opinions through social outlets such as Facebook and Twitter. Build social media monitoring into social media planning processes.

## Gamification

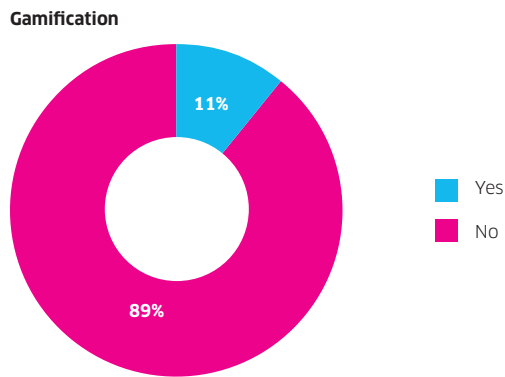
Companies in many industries are beginning to use gaming capabilities and mechanisms to help shape customer and call center agent behavior. These companies recognize that people tend to avoid undertaking mundane activities — even if these activities must be performed at some point. Taking cues from the gaming world, they are seeking to keep customers and agents engaged by introducing an element of fun into contact center engagements. This process is called gamification.

Gaming concepts like contests, ratings, leaderboards, badges, levels and points can be used effectively within contact centers. For example, a CSP can run a contest to encourage agents to learn about a new service offer or behave in a specific way. The CSP can use gaming techniques to track agents' accomplishments and identify contest leaders. As part of the contest, reminders can be sent to agents to encourage them to follow a new learning module and attain the next level of expertise.

CSPs can also apply gaming techniques in customer forums as a means to engage customers and build loyalty. For example, CSPs can reward customers who actively ask and answer questions by providing recognition, badges or points toward products or services.

Only 11 percent of CSPs surveyed by Alcatel-Lucent have begun to apply gaming techniques and mechanisms to customer care. Given that the concept of gamification is new to customer care, these CSPs can take confidence from the fact that they are market leaders.

Figure 8. Percentage of CSPs using 'gamification'



**Recommendations for CSPs:** Recognize that gamification is a natural fit based on the demographics of those working within contact centers and those who prefer self service. CSPs seeking to establish or extend customer care leadership should begin to explore opportunities to build gaming techniques and mechanisms into customer care processes.

## CONCLUSION

Across the fixed, wireless and converged marketplaces, the growing use of mobile devices and home networks to access, consume and share content will drive customer care needs in the coming years. To keep pace and sustain a positive customer experience, CSPs will need to prepare for this new reality and adopt a more customer-friendly approach to customer care.

The findings of Alcatel-Lucent's 2013 survey on customer care re-emphasized the industry trends that will shape the next generation of customer care. These findings also identified areas where CSPs are advancing customer care, along with actions they can take to continue the trend. The survey found that:

1. Customers prefer self service and place a high priority on ease of use and mobility. CSPs should do more to promote their self-service offers.
2. CSPs must prepare for an influx of mobile devices in the home. It will be particularly important for CSPs to gain the ability to support and configure these devices through remote control.
3. Social media is an increasingly important element of the customer care strategy. More than two-thirds of those surveyed had begun to explore social care options. Continued exploration of these options will help CSPs reach, support and engage more customers.
4. Gamification is new to the customer care industry. Gaming techniques and mechanisms can provide a means to deepen customer engagement and drive key behaviors in care agents.
5. In a workflow-driven environment, the use of analytics can help CSPs capture metrics and use them to boost the efficiency and effectiveness of customer care, as well as improve NPS.

The insights from the Alcatel-Lucent survey provide a starting point for exploring the underlying capabilities required to support a strong customer care strategy. Each of these capabilities will play an important role in delivering support that addresses the needs and

demands of a new generation of customers, devices and services. To make the most of these capabilities, service providers must ensure that processes, systems, organizations and people are aligned in support of a customer-focused approach to customer care.

## ABOUT THE AUTHORS

Ann Marie Vega and Paul Fairbrother are principal consultants in the Customer Experience practice within Alcatel-Lucent Consulting Services. They have led consulting engagements covering customer experience, strategy, business models, knowledge management, and process consulting for CSP executives worldwide. Ms. Vega is the co-author of the Touchpoint Improvement Model (TIM), a means to assess a CSP's readiness to provide a strong customer experience at touchpoints across 38 different business areas. Mr. Fairbrother is an Information Technology Infrastructure Library (ITIL) expert and enhanced Telecom Operations Map (eTOM) practitioner who has leveraged his skills and experience in activities ranging from full end-to-end implementation of service management frameworks and service desk functions, to operations support system (OSS) migration, process maturity assessments and improvement programs.

## ALCATEL-LUCENT CUSTOMER EXPERIENCE CONSULTING

Alcatel-Lucent's Customer Experience Consulting practice offers a patent-pending holistic view of the customer journey, along with underlying capabilities that can identify, measure and improve key customer touchpoints and dependencies. The CX Consulting practice measures the impact of these touchpoints and dependencies against the total Net Promoter Score (NPS) and the broader customer experience.

The Alcatel-Lucent CX Consulting practice combines these capabilities with unique access to, and experience with, the Motive Customer Experience portfolio. This combination makes it the natural choice for consultations on customer experience matters for Motive customers. The Alcatel-Lucent CX Consulting practice understands and incorporates the Motive portfolio's impacts and capabilities relative to NPS, customer satisfaction, customer lifetime value, ITIL and eTOM frameworks, and customer care metrics.

## ABBREVIATIONS

CAGR	compound annual growth rate
CSP	communications service provider
eTOM	enhanced Telecom Operations Map
IVR	interactive voice response
ITIL	Information Technology Infrastructure Library
NPS	Net Promoter Score
OSS	operations support system
TIM	Touchpoint Improvement Model