Business White Paper

Multichannel ROI

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Executive Summary

How customers interact with businesses is changing as a result of significant developments in communication technology. Consequently, contact centers are being challenged with implementing solutions that make it possible to provide customer service communication channels beyond voice alone. Offering multichannel customer service is no longer optional as customers expect more than just one or two channels when they seek contact center assistance. The upside is that making these communication channels available provides *a convenience* benefit to the customer while providing *a cost* benefit to the business—if cheap and effective multichannel technology is utilized. Today, email, chat, and other web-based forms of communication are becoming the norm for customer contact modality. Increasing customer satisfaction and brand loyalty is extremely important for driving revenue. However, companies ought also to be motivated by the Return-On-Investment (ROI) that multichannel customer service can provide. Multichannel contact center technologies such as text, chat, email automated response, and email suggested response offer a strong ROI as well as improve customer service.

Why Calculate ROI in a Contact Center?

Analyzing the ROI for multichannel technology is an essential task that benefits both contact centers considering adding this technology, and vendors marketing multichannel solutions to contact centers. Before purchasing and implementing new systems of any kind, a cost/benefit analysis should be performed to determine which technology solution is most cost-effective and whether or not the new project makes financial sense. If there are several projects under consideration, analyzing the ROI can help to prioritize among the various options by identifying which initiative is projected to provide the greatest return and shortest payback period.

Contact center technology projects tend to be significant investments and may require multiple approvals through several layers of management. Executives seeking to add channels to their systems often find a cost/benefit analysis to be invaluable in justifying the expenditure to upper management.

One of the many ancillary benefits of ROI analyses is that they incentivize meeting performance goals. Once an ROI tool is used to estimate a payback period, there is a natural desire to strive to attain the specific revenues forecasted in the time frame specified.

Vendors have good reason to provide ROI tools and assist with such analyses. A sales approach which focuses on ROI tends to be more of a "solution sale" rather than the traditional "product sale". In a solution sale, the vendor focuses on the customer's technological pain-points and how most effectively to solve those challenges. For a single channel customer, demonstrating numerically how the financial benefits of a multichannel strategy outweighs the costs is an effective approach.

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Buyers have become more sophisticated and expect the vendor's salesperson to help them "sell" the solution internally rather than just present features and price. Assisting customers with the ROI evaluation by providing and helping to complete an ROI tool can shorten the sales cycle and increase the likelihood of a purchase since the vendor is now partnering with the customer to help obtain an approval for the project. ROI analysis can significantly increase upper management's comfort level with the expenditure and help legitimize the purchase by framing it as an investment with a specific return, rather than simply a cost.

The multichannel components of a contact center ACD are often presented as a phase II or III option. Sometimes these options are never implemented at all because their value was never demonstrated. Through ROI cost-justification, vendors can increase the size of their orders and provide their customers with these valuable services in the initial sales phase, rather as a potential add-on, down the road.

"Hard" vs "Soft" Savings

Multichannel ROI hard savings tend to focus on labor savings and network savings. Soft savings tend to focus on customer service and satisfaction.

In terms of **hard savings**, a key labor savings goal is to reduce the amount of time agents spend on phone calls while at the same time providing a superior level of customer service. The business objective is to be able to handle the same workload with fewer agents or re-purpose agents to handle other work.

For example, consider the savings associated with a multichannel screen pop provides both labor and network savings. Based on information a customer enters into a web-based chat form, the customer's record can automatically pop up on the agent's screen with the arrival of the text chat. By not having to ask the customer for an identifier (e.g. customer number) and then search for the correct record, contact centers can shorten the time agents spend on inbound chats (or email) by as many as 10 to 20 seconds per interaction. This provides network and labor savings as average handle time is reduced.

Enhancing a website with text chat capability also provides both network and labor savings. By making it possible for agents to handle multiple chats simultaneously, fewer agents can handle the same number of interactions. Providing agents with the ability to handle text chats (and other types of multimedia interactions) during lulls in voice traffic means agents can be productive during periods they would normally be idle, further decreasing labor costs.

In terms of **soft savings**, text chat technology gives customers the ability to choose the method of communication most convenient for them. Increasing customer satisfaction can build loyalty and a willingness to spend more money. By making it possible for customers to pose questions to agents via chat quickly and easily, businesses can reduce uncertainty during things like Internet sales, and thereby reduce

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shopping cart abandonment. Furthermore, during text chat sessions, agents can suggest additional products, increasing average cart size.

Email auto-response and suggested-response is another contact center feature proven to save money and provide a strong ROI. Automatically responding to customers based on key word searches saves agent labor costs since the system can handle some of the email traffic without agent intervention. If the system does not find an appropriate match, it can send the email to an agent for a manual response. It is important to find a system that provides some intelligence in responding to email in order to minimize the quantity of irrelevant and unhelpful, automated responses.

Email suggested-responses offer agents scripted answers to customer questions that can be placed directly into the email response. The ability simply to cut-and-paste, rather than having to type a response from scratch, can save agents significant time and reduce labor costs. Furthermore, the suggested responses are usually more accurate than agent responses, which lowers the likelihood customers will need to send follow up messages for clarification: an outcome that decreases costs yet again. Suggested-response technology will result in email that is more complete, accurate, and better written. This is not only important from a customer satisfaction perspective, but also from a legal perspective; answers in written form must be accurate and conform to company policy. Inappropriate or erroneous email content can be used against the company in potentially damaging and expensive lawsuits.

Conclusion

Customers now lead far more technology-centric lives. For this reason, many expect companies to offer communication channels that coincide with their preferences. Contact centers are rushing to meet these expectations and are leveraging multi-channel technology to increase sales and decrease expenses through these lower-cost online channels. By utilizing ROI tools to quantify these revenue opportunities and cost savings, vendors can improve ratios of deals closed, increase order size, decrease sales cycles, and most importantly, give their customers solid data to justify from a financial perspective why the proposed solution ought to be adopted.

About Bucher + Suter

Bucher + Suter is a registered Cisco Developer Network and Preferred Solution Partner delivering integrated multichannel solutions for the Cisco Contact Center, that enable customers to realize additional business value from their Cisco investments. Bucher + Suter has been helping customers implement strategic solutions and achieve their goals for over 30 years.