Omni-channel: Hype or reality?
Learn how to provide a consistent customer experience across all your channels

Kate Leggett, Principal Analyst
Forrester Research
Customers want to engage with companies on their terms, when they want, and where they want
Fifty-two percent of consumers agree: “I am very likely to abandon my online purchase if I cannot find a quick answer to my questions”

Source: North American Technographics® Customer Experience Online Survey, Q4 2012(US)
Seventy-one percent of consumers agree: “Valuing my time is the most important thing a company can do to provide me with good customer service”

Source: North American Technographics® Customer Experience Online Survey, Q4 2012(US)
Customer effort is a key component of Forrester’s customer experience index

Forrester’s Customer Experience Index

“Thinking of your interactions with these firms over the past 90 days . . .”

“How enjoyable were they to do business with?”

“How easy were they to do business with?”

“How effective were they at meeting your needs?”
Few companies deliver an outstanding experience

Distribution of scores in Forrester’s Customer Experience Index, 2013

- Excellent: 8%
- Good: 31%
- Okay: 36%
- Poor: 17%
- Very poor: 8%

Consumers want to use a range of communication channels

<table>
<thead>
<tr>
<th>Method</th>
<th>2012</th>
<th>2009*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephoning a company and speaking to an agent</td>
<td>73%</td>
<td>73%</td>
</tr>
<tr>
<td>Help or frequently asked questions (FAQs) on a company's website</td>
<td>67%</td>
<td>57%</td>
</tr>
<tr>
<td>Sending an email to customer service</td>
<td>58%</td>
<td>56%</td>
</tr>
<tr>
<td>Instant messaging/online chat with a live person</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Click-to-call</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>Online forum or community with other customers</td>
<td>32%</td>
<td>23%</td>
</tr>
<tr>
<td>Screen sharing</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Virtual agent</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Sending a mobile/SMS message to the company requesting assistance</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Contacting a company using Twitter</td>
<td>11%</td>
<td></td>
</tr>
</tbody>
</table>

Base: US online adults who have used any customer service method in the past 12 months; *US online adults who have used any customer service method in the past 12 months (multiple responses accepted)

Source: North American Technographics Customer Experience Online Survey, Q4 2012 (US); *North American Technographics Customer Experience Online Survey, Q4 2009 (US)
Many companies have invested in a broad array of communication channels for cost containment reasons.

<table>
<thead>
<tr>
<th>Customer service channel</th>
<th>Approximate cost per contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call center technical support</td>
<td>$12 and higher</td>
</tr>
<tr>
<td>Call center CSR</td>
<td>$6 and higher</td>
</tr>
<tr>
<td>Web chat or callback</td>
<td>$5 and higher</td>
</tr>
<tr>
<td>Email response</td>
<td>$2.50 to $5 and higher</td>
</tr>
<tr>
<td>Virtual agent</td>
<td>$1.00 or less</td>
</tr>
<tr>
<td>Automated speech response</td>
<td>$0.50 or less</td>
</tr>
<tr>
<td>IVR touchtone response</td>
<td>$0.30 or less</td>
</tr>
<tr>
<td>Web self-service</td>
<td>$0.10 or less</td>
</tr>
</tbody>
</table>

Source: December 18, 2009, “It’s Time To Give Virtual Agents Another Look” Forrester report
But not all channels are equally effortless, and this impacts satisfaction ratings.

<table>
<thead>
<tr>
<th>Channel</th>
<th>Satisfaction Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephoning a company and speaking to an agent</td>
<td>69%</td>
</tr>
<tr>
<td>Instant messaging/online chat with a live person</td>
<td>63%</td>
</tr>
<tr>
<td>Click-to-call</td>
<td>61%</td>
</tr>
<tr>
<td>Screen sharing</td>
<td>61%</td>
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<tr>
<td>Sending a mobile/SMS message to the company requesting assistance</td>
<td>61%</td>
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<td>Sending an email to customer service</td>
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<td>Contacting a company using Twitter</td>
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<tr>
<td>Virtual agent</td>
<td>55%</td>
</tr>
</tbody>
</table>

Percent of US online adults who have adopted and reported satisfaction with the following online customer service channels in the past 12 months (4 or 5 on a scale of 1 [extremely dissatisfied] to 5 [extremely satisfied]).

Base: US online adults who have used customer service channels in the past 12 months (multiple responses accepted)

Source: North American Technographics® Customer Experience Online Survey, Q4 2012 (US)
Customers Complain About Poor Service

“In which of the following ways have you provided feedback or complained about unsatisfactory customer service interactions in the past 12 months?”

- Told friends or family: 33%
- Took a survey: 20%
- Called the company: 19%
- Sent an email to the company: 16%
- Chatted with customer service online: 12%
- Wrote a review on the company’s website: 5%
- Wrote about it on a social networking site (e.g., Facebook, Myspace): 5%
- Sent a letter to the company: 5%
- Wrote a review on a third-party website (e.g., Yelp, TripAdvisor): 4%
- Posted a comment on a company’s social networking page (e.g., Facebook, Myspace): 4%
- Posted an entry on a customer forum: 4%
- Tweeted about it on Twitter: 2%
- Wrote about it in a blog post: 2%
- Sent the company a message via Twitter: 1%
- Other: 3%

Base: 7,440 US online adults who have used any customer service method in the past 12 months (multiple responses accepted)

Source: North American Technographics® Customer Experience Online Survey, Q4 2012 (US)
And social technologies amplify negative opinions about your brand
Take a step back and think about the journey that customers expect to have with a company.

Social
- Browse community forum
- Browse a company website
- Tweet

Web
- Browse Facebook page

In person
- Transfer to a service agent
- Visit an in-store sales agent

Contact center
- Email a service agent
- Navigate an IVR via a smartphone

Mobile
- Receive information via SMS
Most of the time this journey is fractured.
Your customers switch to more expensive channels when online interactions lets them down

2-3
"Thinking of the last time you tried to purchase a product or service on a company’s website in the past 90 days but couldn’t complete the transaction, what did you do first?"

- Called a customer service phone representative: 35%
- Did business with another company instead: 17%
- Gave up altogether: 17%
- Emailed customer service: 11%
- Chatted with a customer service representative online: 9%
- Went to the branch or store: 6%
- Other: 7%

Base: 1,706 US consumers

Source: North American Technographics® Retail, Travel, Customer Experience, And Financial Services Benchmark Survey, Q3 2009 (US, Canada)
ROI Models Show That Lost Revenue After Failed Website Visits Adds Up Quickly

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site visits per year</td>
<td>59,349,724</td>
<td>1,721,142/2.9%†‡</td>
</tr>
<tr>
<td>Conversion rate</td>
<td>2.9%</td>
<td>“The State Of Retailing Online 2010”*</td>
</tr>
<tr>
<td>Total orders</td>
<td>1,721,142</td>
<td>“The State Of Retailing Online 2010”*</td>
</tr>
<tr>
<td>Average order value</td>
<td>$132</td>
<td>“The State Of Retailing Online 2010”*</td>
</tr>
<tr>
<td>Checkout conversion rate</td>
<td>45%</td>
<td>“The State Of Retailing Online 2010”*</td>
</tr>
<tr>
<td>Estimated serious buyers</td>
<td>3,824,760</td>
<td>1,721,142/45%</td>
</tr>
<tr>
<td>Estimated lost orders, total</td>
<td>2,103,618</td>
<td>3,824,760 - 1,721,142</td>
</tr>
<tr>
<td>Lost orders due to usability problems</td>
<td>1,051,809</td>
<td>2,103,618 x 50% (Forrester estimate)</td>
</tr>
</tbody>
</table>

**Revenue lost to competitors**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Orders lost to competitors</td>
<td>178,808</td>
<td>1,051,809 x 17%</td>
</tr>
<tr>
<td>Value of orders lost to competitors</td>
<td>$23,602,594</td>
<td>178,808 x $132</td>
</tr>
</tbody>
</table>

**Revenue lost to abandoned purchases**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders lost altogether</td>
<td>178,808</td>
<td>1,051,809 x 17%</td>
</tr>
<tr>
<td>Value of orders lost altogether</td>
<td>$23,602,594</td>
<td>178,808 x $132</td>
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</table>

**Total revenue lost due to site failures**

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Total revenue lost due to site failures</td>
<td>$47,205,188</td>
<td>$23.603 million + $23.603 million</td>
</tr>
</tbody>
</table>

*“The State Of Retailing Online” annual survey is conducted by Forrester Research and executed in conjunction with Shop.org.
†Total site visits were calculated based on the known total number of orders and known conversion rate.
Most companies are a mess of disconnected technology
Companies are not investing in shoring up the foundations of good interactions

“Which of the following upgrades is your firm planning for your contact center(s) during the next 12 months?”
(Select all that apply)

- **Support for home workers**: 40%
- **Computer telephony integration (CTI)**: 36%
- **Workforce optimization**: 35%
- **Multichannel integration (such as web, email, text, video, ...)**: 35%
- **Upgrade interactive voice response (IVR)**: 31%
- **Proactive outbound notification (SMS, email, voice, social...)**: 29%
- **Social media support**: 28%
- **Upgrade the contact center to VoIP**: 28%
- **UC integration for presence and access to others (e.g.,...)**: 27%
- **Add speech-recognition applications to IVR**: 17%
- **Contact center managed services**: 15%
- **Multimodal support such as mobile SMS and video**: 12%
- **None of the above**: 10%
- **Don't know**: 3%
- **Other**: 2%

Source: Forrsights Networks And Telecommunications Survey, Q1 2012
Base: 346 North American and European Network and Telecommunication Decision-makers
Agents don't have access to the right information at the right time
The volume of social inquiries and comments overwhelm companies
Companies offer more customer touchpoints than ever before
Start by asking yourself who are your customers?

What are their personas?

What do they want from you?

How do they want to interact with you?
What are your customer’s journey?

Source: Strativity
Look at reducing the effort in helping customers achieve their goals
Focus on people, process and technology to move the needle on multichannel customer service experiences
We Know Customer Experience

Improving the customer experience for over 23 years.
Siloed systems and processes lead to a fragmented customer journey
Migrating to Omni-Channel

By improving the customer experience at every touch point

With Consistency & Continuity
Avoid Calls, Reduce Average Handle and Training Time, Improve the Customer Experience

Your Customers

Via Voice

On the Web

At the Store

At the Contact Center

Your Organization

Visual IVR
Web & Mobile self service

Unified Desktop
Process Guidance Scripting

Interaction Platform (Workflow, Next Best Action, Content)

Integration Platform (Web/Windows/Legacy)

with Consistency & Continuity
Thank you

Kate Leggettt
+1 (650) 269-8658
Twitter: @kateleggettt
kleggettt@forrester.com
www.forrester.com

Steve Herlocher
+1 (770) 776-2218
sherlocher@jacada.com
www.jacada.com