Next-Generation Contact Centers Must Become Relationship Platforms

Strategies To Keep Pace With The Social Customer

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Forrester Consulting
Making Leaders Successful Every Day

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About Forrester Consulting

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit www.forrester.com/consulting.

Executive Summary

With the advent of social computing technologies like blogs, online ratings and reviews, wikis, microblogs, and internet-based communities, customers are able to rapidly and widely share their opinions about products and service experiences and wield influence over the reputation of corporate brands more than ever before. Customers now control your brand. In August 2010, Cisco Systems commissioned Forrester Consulting to evaluate the future evolution of the "next-generation" contact center in light of the need to support multimodal customers and keep pace with the changing technology landscape. Forrester tested a hypothesis that asserted there will be a significant shift in customer contact centers away from the siloed, static, scripted approach of phone, video, and Web that is the call center of today. Contact centers will evolve to become relationship platforms, with a focus on building personalized and collaborative customer interactions.

Forrester conducted in-depth surveys with nearly 1,400 consumers around the world. In addition, Forrester interviewed over 150 business and IT professionals responsible for contact centers at global brand companies.

Key Findings

Organizations that fail to invest in transforming their contact centers into relationship platforms capable of meeting the fast-evolving expectations of consumers risk being left at a competitive disadvantage. Forrester's study yielded four key findings:

- **Customers are dissatisfied with their customer service experiences.** Customers understand what good customer service is, and they demand it from every service interaction they have with a company over all the communication channels that they use. More often than not, customers are disappointed with the service they receive. Banks, credit card companies, TV service providers, and utilities have the most disappointed customers.

- **Global brands struggle with critical service and support capability gaps.** Large global companies recognize they lack key abilities to deliver an outstanding customer service experience. For example, personalization, mobility, outbound communications, and online search are all rated as quite important for success, but these areas are where company abilities fall short. Other important capability gaps include multimedia-rich solutions, social networking, and video to support customer service.

- **A new generation of "social" customers is setting the agenda for contact centers of the future.** Managers of contact centers have a strong desire to evolve their contact centers to enable a wider range of customer interaction capabilities tailored to the generational preferences of their customers. Brands that target younger, Gen Y customers place a high priority on investing in social networking support, mobile service, multimedia solutions, personalization, online search, and video capabilities.

- **Organizations are taking the first steps toward building next-generation customer management platforms.** Business and IT decision-makers report that they are investing in developing important new competencies that will support the basis of a multifaceted relationship management platform. The next-generation contact center will have several important characteristics. It will be multichannel, multimedia, multiplatform, and social media fluent. It will operate with consistent information across all channels to enable deep personalization of customer interactions.
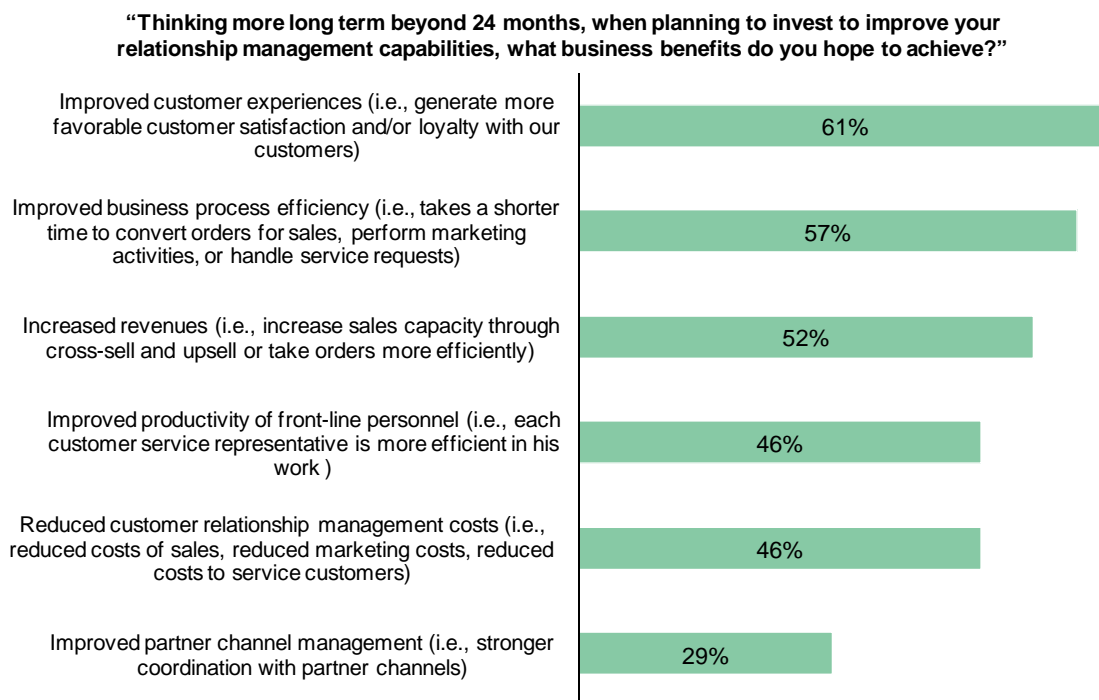
Global Brands Navigate A New Customer And Technology Landscape

Improving the customer experience and more deeply engaging with customers to strengthen the bonds of loyalty are among the top priorities of large consumer-brand organizations around the world. Forrester's survey of customer contact center business and IT executives confirms this priority is just as important as the perennial need to improve contact center efficiencies (see Figure 1). To achieve these goals, contact center customer support needs to evolve to better serve customers who no longer rely on one venue for receiving information but instead engage multiple sources. In addition to calling the support center and checking a company's website and its brochures, many customers also research information on products and services from social networking sources, such as blogs and online user ratings. With customers now requiring more real-time support, it's essential to keep pace with their expectations and to respond to them in new ways.

Unfortunately, many customer support managers still approach customer communications in the same old way, with an emphasis on managing telephone interactions separately from other forms of contact. Companies often lack a clear understanding of customer priorities and fail to have a comprehensive plan for responding to customers as they want be supported.

Figure 1

Improving The Customer Experience To Strengthen Loyalty Is A Top Goal

"Thinking more long term beyond 24 months, when planning to invest to improve your relationship management capabilities, what business benefits do you hope to achieve?"

Improved customer experiences (i.e., generate more favorable customer satisfaction and/or loyalty with our customers)	61%
Improved business process efficiency (i.e., takes a shorter time to convert orders for sales, perform marketing activities, or handle service requests)	57%
Increased revenues (i.e., increase sales capacity through cross-sell and upsell or take orders more efficiently)	52%
Improved productivity of front-line personnel (i.e., each customer service representative is more efficient in his work)	46%
Reduced customer relationship management costs (i.e., reduced costs of sales, reduced marketing costs, reduced costs to service customers)	46%
Improved partner channel management (i.e., stronger coordination with partner channels)	29%

Base: 157 global decision-makers

(multiple responses accepted)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco Systems, August 2010

Market Trends Challenge Contact Center Executives

Forrester's research spotlights that leading organizations seek to more deeply engage with their customers and provide a better experience by extending the reach of their contact centers beyond traditional boundaries. These companies are making efforts to provide customers with a rich, integrated experience across all channels.[1] To make technology bets wisely, contact center executives must understand and navigate key trends in the customer service landscape.[2]

- **Users expect the same experience across communication channels.** A company reinforces its brand perception every time a user interacts with it, whether in-person or over all the communication channels that the company offers. These channels include but are not limited to voice, email, chat, web self-service, as well as social channels such as forums and popular sites.

- **Social media are increasingly important and act as a natural escalation point.** Consumers trust peer-to-peer interactions more than peer-to-company interactions.[3] As consequence, Customers they increasingly expect to be able to interact with companies through social and community-based interactions which include discussion threads, wikis, blogs, podcasts, popular social media sites, etc. Firms must include customer communities, ideally with extensions to company employee communities, in their overall customer service offering. The processes to manage these communities must be in line with processes that support traditional customer service communication channels.

  Social media is important not only as a reactive medium but a proactive one. Emerging best practices focus on proactively contacting a customer based on social-media feeds. As a next step, some companies are leveraging 3rd parties to reach out via social media. For example, a banking customer posts an issue of importance on a social media site, bank service agents notices and responds; OR non-bank servicing agent notices and responds; OR competitive organization notices and responds.

- **Knowledge management tools for self-service and for agents are becoming more important.** Once pigeonholed as a tool for consumers to access static customer website support documents, advanced knowledge management (KM) and search tools are a critical necessity for satisfying self-service and agent/customer experiences.[4] Whether via an IVR system or website, KM tools provide users with contextual and personalized self-service experiences. As for agents, robust KM helps them effectively and efficiently answer the exponentially increasing range of customer inquiries about products, services, transactions, and policies.

- **Agile customer service demands a strong foundation of business process management.** Organizations are formalizing agent actions in an effort to standardize service delivery, minimize agent training times, ensure regulatory and company policy compliance, and control costs.[5] New solutions now offer the ability to visually model customer service process flows across different communication channels. When deployed, agents are led through a set of process steps that map to UI screens. These screens contain scripts, knowledge, and back-end data that are relevant at that step of the process. These applications also offer the ability to monitor and optimize the flow's success criteria, include decisioning, and extend process automation to the back office.

- **Enterprise feedback capabilities must include traditional methods and social monitoring.** It is critical for a company to receive positive and negative feedback about their products and services and implement organizational processes to respond to this feedback for brand preservation. This can be done via traditional channels such as surveys as well as listening to the explosion of customer comments and sentiment over social channels.

- **Customer service needs to support the mobile customer.** Smartphones are driving above-average growth in the global handset market.[6] Consumers increasingly expect to complete customer service interactions through their mobile devices. Contact centers therefore need to offer knowledge resources, case management, email, chat capabilities, and access to community sites via mobile devices.

Leadership Is The Critical Requirement For Next-Generation Contact Centers

Executives and managers of contact centers have a strong desire to evolve their contact centers to enable a wider range of customer interaction capabilities tailored to the generational preferences of their customers. However, they understand that strong leadership is necessary to overcome barriers that stand in the way (see Figure 2). The most important challenges are:

- **Changing existing business processes.** Changing business processes is the biggest challenge to evolving to become a next-generation contact center. Re-architecting long-standing business practices that cross functional silos and getting employees to accept new work practices are top barriers to transitioning to next-generation capabilities.

- **Coordinating across platforms.** Many contact centers are built upon diverse legacy systems that have been acquired and incrementally deployed over time. The consequence of this is that it can be very difficult to coordinate multichannel customer interactions across fragmented and inflexible platforms.

- **Gaining support and measuring business results.** Strong leadership is needed to gain the cooperation from across the organization necessary for delivering a superior customer experience and put in place a measurement framework that will ensure the organization is tracking toward its customer support objectives.

Figure 2

Organizations Face Challenges To Improve Customer Interaction Capabilities

"What are your organization's biggest challenges to improving customer interaction management capabilities? (Please pick and rank your top five biggest challenges from 1 [most important] to 5 [fifth most important])."

(percentage of respondents who cited each challenge among their top five, regardless of rank)

Challenge	Percentage
Changing existing business processes	45%
Coordinating across different technology platforms	44%
Gaining cooperation across the organization to support customer interaction management	42%
Measuring results	38%
Having enough staff to support customer interaction processes	36%
Working with IT to adopt new technologies	35%
Creating a single view of customer data and information	35%
Managing data quality	34%
Working with Business users to adopt new technologies	34%
Creating customer insight to drive decision-making	33%
Finding, attracting, and retaining the right skills	32%
Defining the business case for investment	29%
Gaining user acceptance of new technologies	27%
No budget	25%
Unsupportive CEO or upper management	13%

Base: 157 global decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco Systems, August 2010

Contact Centers Evolve To Become Relationship Platforms

In August 2010, Cisco Systems, Inc. commissioned Forrester Consulting to explore the future evolution of the next-generation contact center in light of the requirement to support the needs of multimodal customers and keep pace with the changing technology landscape. To further understand these trends, Forrester tested the hypothesis that asserted: There will be a significant shift in customer contact centers away from the siloed, static, single-medium, scripted approach of phone, video, and Web that is the call center of today. Contact centers will evolve to play a key role as a customer relationship management (CRM) foundation. Contact centers will become multichannel, multimodal

A Relationship Management Platform is an adaptable, flexible, and modular platform that aligns customer relationship processes and resources to: 1) enable consistent and personalized customer interactions, 2) allow customers to communicate via their preferred communications modes and channels, and 3) increase preference and loyalty through continually enhanced customer relationships.

relationship platforms, with a focus on building personalized customer interactions. The relationship management platform of the future has several defining characteristics, it is: channel agnostic (provides customer choice); location independent (incorporates centers and/or remote agents); consistent in use of customer information across channels (supports relationships and not just transactions); and, social media fluent (enables proactive management of brand and customer issues).

Forrester conducted an online survey of 1,384 consumers in Brazil, China, Mexico, the United States, and Western Europe to understand the quality of their customer experiences interacting with organizations in 15 industries (airlines, automotive, banks, credit card providers, health insurance plans, hotels, insurance providers, Internet service providers, investment firms, parcel delivery/shipping firms, PC manufacturers, retailers, TV service providers, utilities providers, and wireless service providers). Consumers were asked to rate their satisfaction at each point of the "pre-purchase research," "purchase," and "post-purchase support" customer-interaction cycle.

Forrester also conducted an online survey of business and IT decision-makers from 157 large and global companies with headquarters in Brazil, China, Mexico, the United Kingdom, and the United States in seven industries (financial services, insurance, consumer products, telecommunications, media and entertainment, retail, and utilities). The survey focused on gaining insights into their goals, current investment priorities, and the strengths and weaknesses of their contact center business and technical capabilities.

Global Brands Are Challenged To Meet The Expectations of Customers

From the survey of consumers from around the world, Forrester found that global brands struggle to deliver satisfying customer experiences across interaction channels. Specifically:

- **Consumers are not satisfied with their service experience.** Customers understand what good customer service is, and they demand it from every service interaction they have with a company over all the communication channels that they use. More often than not, customers are disappointed with the service they receive. In fact, consumers (in all generation segments) who interact with brands in 15 global industries report that they are dissatisfied. Banks, credit card companies, TV service providers, and utilities have the most disappointed customers (see Figure 3).

- **Customers want to engage with brands through multiple interaction channels.** Although the primary interaction channels used by consumers continue to be the telephone, a company's website, or a retail location, other interaction channels are also important and need to be supported. Self-service interaction channels such as automated phone systems, search engines, and electronic kiosks are also popular. All forms of social channels have become widely adopted, including the use of product and review sites, online discussion forums, and social media. Videos and webinars are also gaining noticeable adoption as additional ways to engage with customers (see Figure 4).

Enterprises Seek To Align Their Service Interactions With Generational Preferences

From the survey of executives responsible for managing the contact centers, Forrester found that global brands need to develop a flexible relationship management platform in order to meet diverse needs across customer generational segments. In addition, they need to close critical customer service capability gaps.

- **Brands seek to meet the preferences of a new generation of consumers.** Global brands understand that not only do consumers expect to be able to interact with companies through multiple interaction channels, the channels preferred vary depending on the generation the customer belongs to. Brands that target younger, Gen Y customers place a high priority on investing in social networking support, mobile service, media-rich solutions, personalization, online search, and video capabilities (see Figure 5). These priorities offer a glimpse of the important customer interaction capabilities that will be required in the future. Companies targeting Gen X consumers also place a high priority on mobile interactions, personalization, and social networks. Brands focused on the Younger Boomer generation focus most on the personalization and outbound communications capability needs of this particular segment.

- **Global enterprises are hampered by gaps in customer interaction capabilities.** Global brands also report that they have key capability gaps that hinder their ability to meet the needs of customers. For example, personalization, mobility, outbound communications, and online search are all rated as quite important for success, but these are areas where company abilities fall short (see Figure 6). Other important capability gaps include media-rich solutions, social networking, and video to support customer service. These gaps spotlight the need for flexible interaction relationship platforms that can support a broad range of service and support capabilities.

Figure 3

Consumers Dissatisfied With Service Across Industries And Generations

Percentages below are net satisfaction rates for getting <u>customer service</u> and are calculated by the total percentage of consumers who were satisfied (answering 4 or 5 on a 5-point scale) minus the percentage of consumers who were dissatisfied (answering 1 or 2)

RED = Poor satisfaction (less than 40%)	Gen Y	Gen X	Younger Boomers	Older Boomers
Airlines	47%	41%	41%	46%
Automotives	51%	51%	50%	50%
Banks	35%	38%	37%	34%
Credit card providers	35%	41%	38%	32%
Health insurance plans	47%	35%	49%	10%
Hotels	63%	63%	60%	64%
Insurance providers	52%	50%	31%	49%
Internet service providers	29%	44%	25%	43%
Investment firms	45%	29%	63%	56%
Parcel delivery/shipping firms	43%	54%	48%	58%
PC manufacturers	55%	54%	61%	57%
Retailers	51%	54%	48%	67%
TV service providers	35%	32%	18%	15%
Utilities providers	32%	37%	13%	35%
Wireless service providers	38%	48%	30%	45%

Base: 1,384 global consumers

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco Systems, August 2010

Figure 4

Customers Expect To Interact With Brands Through Diverse Channels

Consumers who used channel in previous three months

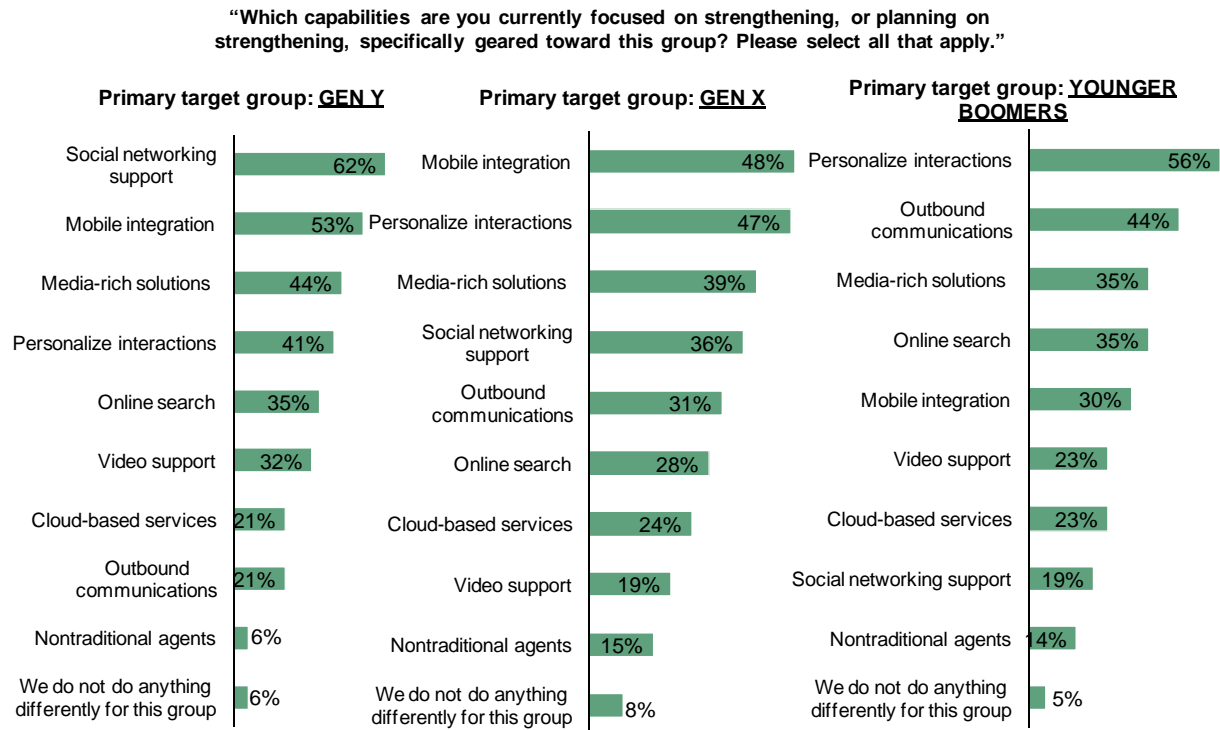| Channel	%
Speaking with a company rep on the phone	76%
Using a company website	71%
Going to a retail location/store (not online)	69%
Sending an email to a company	40%
Using an automated phone system	34%
Using a search engine (e.g., Google, Yahoo!)	33%
Looking at a paper catalog/direct mail	33%
Reviewing on product/service review sites	31%
Speaking with a company rep over chat/IM	29%
Viewing online discussion forums	28%
Using some other means of electronically communicating…	27%
Using a self-service electronic kiosk	25%
Using product/service ratings services	24%
Using a social media website (e.g., Facebook, Twitter)	24%
Viewing a video online	22%
Viewing a webinar	20%

Base: 1,384 global consumers

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco Systems, August 2010

Figure 5

Companies Are Aligning Interaction Channels To Generation Preferences

"Which capabilities are you currently focused on strengthening, or planning on strengthening, specifically geared toward this group? Please select all that apply."

Primary target group: GEN Y

Capability	%
Social networking support	62%
Mobile integration	53%
Media-rich solutions	44%
Personalize interactions	41%
Online search	35%
Video support	32%
Cloud-based services	21%
Outbound communications	21%
Nontraditional agents	6%
We do not do anything differently for this group	6%

Primary target group: GEN X

Capability	%
Mobile integration	48%
Personalize interactions	47%
Media-rich solutions	39%
Social networking support	36%
Outbound communications	31%
Online search	28%
Cloud-based services	24%
Video support	19%
Nontraditional agents	15%
We do not do anything differently for this group	8%

Primary target group: YOUNGER BOOMERS

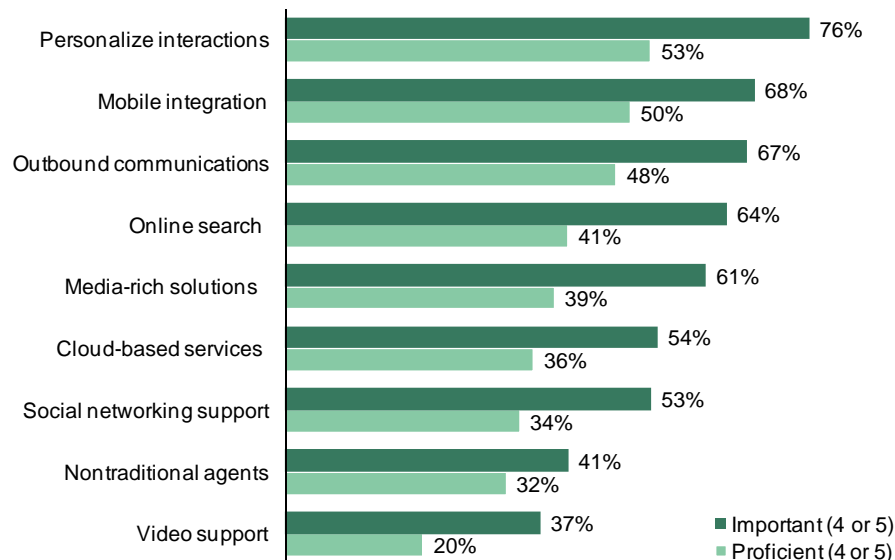| Capability	%
Personalize interactions	56%
Outbound communications	44%
Media-rich solutions	35%
Online search	35%
Mobile integration	30%
Video support	23%
Cloud-based services	23%
Social networking support	19%
Nontraditional agents	14%
We do not do anything differently for this group	5%

Base: 157 global decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco Systems, August 2010

Figure 6

Global Brands Struggle With Gaps In Customer Interaction Capabilities

"On scale of 1 to 5, how important/proficient are the following business capabilities to the long-term (i.e., greater than 24 months) success of customer interactions and relationships?"

Capability	Important (4 or 5)	Proficient (4 or 5)
Personalize interactions	76%	53%
Mobile integration	68%	50%
Outbound communications	67%	48%
Online search	64%	41%
Media-rich solutions	61%	39%
Cloud-based services	54%	36%
Social networking support	53%	34%
Nontraditional agents	41%	32%
Video support	37%	20%

Base: 157 global decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco Systems, August 2010

Companies Invest To Make The Transition

To meet these challenges, Forrester found that global organizations are, in fact, *already taking* steps to build the capabilities required to turn their contact centers into relationship management platforms. The business and IT decision-makers surveyed reported that they are investing in developing important new competencies consistent with the vision of establishing a multifaceted relationship management platform — for example (see Figure 7):

- **Customer feedback surveys.** Global brands place a high priority on investing in customer feedback mechanisms to help establish a dialogue with employees, partners, and customers regarding key issues and concerns and potentially make customer-specific, real-time interventions. With the rise of social media, organizations additionally seek dynamic customer sentiment trend information from social networks.

- **Media-rich solutions.** Another important investment priority are **s**olutions that provide users with a rich-media interface for a full range of self-service and assisted service, including voice portals, web support, chat and co-browse, and click-to-call, and allow customers to transfer to a live agent as needed. For example, many retail websites offer customers a choice of a chat session or a callback from a live agent.

- **Social networking support.** To keep pace with the rise of the "social customer," the organizations that Forrester surveyed are investing in Web 2.0 tools to check customer conversations on social media websites and proactively
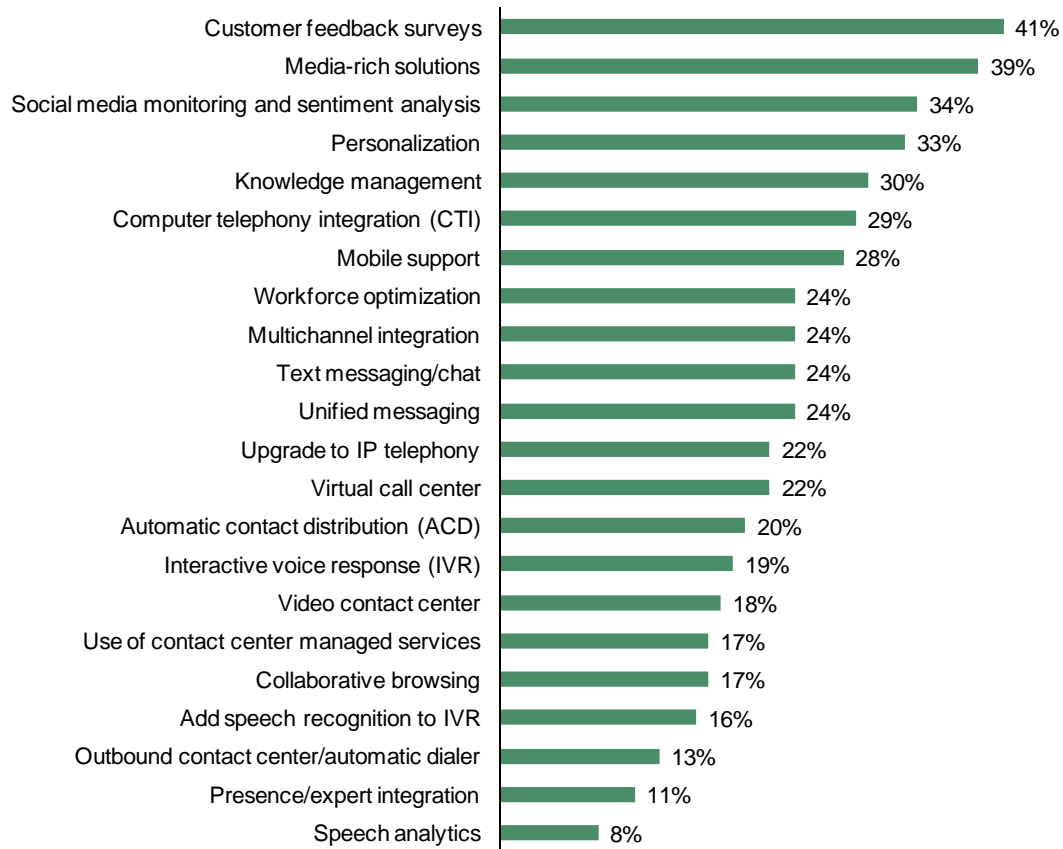
reaching out to customers in two-way online conversations to address issues. This requires agent training on how to respond to social media conversations and to answer customer questions and concerns.

- **Personalized interactions.** Companies are adding resources to improve the customer's experience by deploying personalized content based on the customer's log-in information or account number, aggregate content from past account activity, and current actions to provide actionable suggestions or individual response over multiple channels.

- **Knowledge management.** The companies surveyed anticipate investing in new tools to identify, create, represent, distribute, and enable adoption of insights and experiences to enable frontline personnel or customers to answer questions quickly and accurately.

- **Computer telephony integration.** Many companies plan to further invest in strengthening their ability to manage diverse customer interaction channels, such as phone, email, website, fax, and chat in an integrated fashion.

- **Mobile integration.** The enterprises surveyed understand the importance of providing services that give customers access to a number of functions using their mobile device. This includes activities such as making payments, accessing account information, purchasing tickets, and receiving text message responses and web content.

- **Multichannel integration.** Multichannel capabilities are an important investment focus to provide the ability to manage diverse customer interaction channels, such as phone, email, website, fax, and chat in an integrated fashion.

- **Text messaging/chat.** A sizeable group of companies will be investing in text messaging and chat capabilities. This is an Internet service included as part of a company's website that allows the user to communicate in real time with a customer service agent by using an instant messaging (IM) application.

- **Unified messaging.** The companies surveyed indicated they are investing in the capability to handle voice, fax, and regular text messages as objects in a single mailbox that a user can access either with a regular email client or by telephone.

- **Video support.** There is also interest in adding increased video capabilities. Video service allows callers to engage with agents over their video phone and provides video content to a customer's smartphone. Companies can also offer a mixed media experience by talking to the caller and sending out video clips, such as product descriptions, to their mobile devices.

- **Outbound communications.** This service offers one-to-one communications as outbound messages to landline phones, mobile devices, SMS, and email to notify customers of time-sensitive matters of interest. Companies proactively serve customers rather than react to them. Customers opt in to receive promotional messages that are sent based on the specific customer profile.

Figure 7

Leaders Are Investing In Advanced Relationship Management Capabilities

"Which of the following upgrades do you plan for your customer interaction and relationship management infrastructure capabilities during the next 12 to 24 months? Please select all that apply.'

Customer feedback surveys	41%
Media-rich solutions	39%
Social media monitoring and sentiment analysis	34%
Personalization	33%
Knowledge management	30%
Computer telephony integration (CTI)	29%
Mobile support	28%
Workforce optimization	24%
Multichannel integration	24%
Text messaging/chat	24%
Unified messaging	24%
Upgrade to IP telephony	22%
Virtual call center	22%
Automatic contact distribution (ACD)	20%
Interactive voice response (IVR)	19%
Video contact center	18%
Use of contact center managed services	17%
Collaborative browsing	17%
Add speech recognition to IVR	16%
Outbound contact center/automatic dialer	13%
Presence/expert integration	11%
Speech analytics	8%

Base: 157 global decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco Systems, August 2010

RECOMMENDATIONS

Organizations that fail to invest in transforming their contact centers into relationship platforms capable of meeting the fast-evolving expectations of consumers risk being left at a competitive disadvantage. In fact, many large global organizations are now investing in building the required capabilities. Embarking on this journey requires careful planning. Forrester's in-depth survey with business and IT executives defines important best practices for improving customer interaction capabilities and relationship management infrastructure (see Figure 8).

- **Invest the effort needed to gain organization alignment.** Forrester believes the most important priority in evolving from a traditional contact center into a next-generation relationship platform is to invest in hard work needed to gain organizational alignment among the lines of business using the customer relationship management infrastructure. The decision-makers surveyed agree: They ranked this capability as the number one success factor.

- **Define a customer interaction/experience strategy.** The guiding principles for the design of next-generation contact centers should be based upon the company's customer experience strategy. Forrester defines a customer experience strategy as: a plan that guides the activities and resource allocation needed to deliver an experience that meets or exceeds customer expectations.[7]

- **Build a relationship platform architecture that can be extended to meet changing customer requirements.** Organizations can no longer think of interactions with their customers within silos such as the sales channel mode of communication, or location. They need a relationship platform with the flexibility to adapt to each customer's preferences, maximize business opportunity, and enable more effective use of resources. For example, social media fluency is a key capability that enables companies to proactively manage their brand as well as individual customer issues, and offers an opportunity to increase customer satisfaction and loyalty by exceeding their expectations.

- **Take a pragmatic approach.** To be successful in transitioning the traditional contact center into a relationship management platform requires both vision and pragmatism. In addition to a sound customer experience strategy and multifaceted relationship management platform architecture, successful organizations must also attend to critical prerequisites. These include building a compelling business case to justify investment and involving frontline personnel deeply to gain their support for working effectively to serve the next generation of social customers.

Figure 8

Organization Alignment Is Key To Improving Customer Relationship Management

"Which of the following best practices for improving your customer interaction capabilities in your relationship management infrastructure would you consider most critical in enabling your organization to be successful? (Please pick and rank your top three from 1 [most important] to 3 [third most important])."

(percentage of respondents who cited each best practice among their top three, regardless of rank)

Best practice	Percentage
Getting organization alignment and coordinating goals, objectives, and interests between LOBs using CRM infrastructure	55%
Breaking the technology improvement initiative down into simplistic, achievable goals (i.e., taking a phased approach)	39%
Defining a customer interaction/experience strategy	38%
Building a business case to justify the required investment	38%
Involving frontline personnel throughout the life of the initiative to ensure new tools support the way they work	32%
Dedicating enough time to training	27%
Having/obtaining executive buy-in/sponsorship	26%
Defining goals and objectives	24%
Defining the business problem and need	21%

Base: 157 global decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco Systems, August 2010

Appendix A: Methodology And Respondent Demographics

In this study, Forrester conducted two online surveys.

Consumer Survey

Forrester conducted an online survey of 1,384 consumers in the United States, Western Europe, Asia Pacific, Mexico and Brazil to understand their satisfaction with their experience in interacting with organizations in various industries across the steps of the pre-purchase research, purchase, and post-purchase support cycle.

- Respondents were drawn from a cross-section of regions, with 38% coming from the US, 16% from Mexico and Brazil, and 15% from Western Europe (UK) and Asia Pacific (China).

- Respondents were of all different generations, with 45% from Gen Y (ages 19 to 33); 27% from Gen X (ages 34 to 44); 17% from the Younger Boomer generation (ages 45 to 54); and 11% from the Older Boomer generation (ages 55 to 63).

- Fifty-nine percent of respondents were male, and 41% were female.

- The combined annual income of all respondents was above the median income of their country.

- Questions provided to participants asked about their product/service researching, purchasing, and customer service behaviors.

Customer Contact Center Decision-Maker Survey

Forrester conducted an online survey of business and IT decision-makers at 157 global companies to understand their goals, current investment priorities, and capability gaps for their contact centers.

 In this survey:

- All respondents were primary decision-makers within their enterprise company (1,000 or more employees and $1 billion or more in revenue).

- Respondents were drawn from a cross-section of regions, with 50% coming from the US, 17% from the United Kingdom and China, 9% from Brazil, and 8% from Mexico.

- Respondents were drawn from a broad cross-section of industries, with the largest number from financial services (49%) and insurance (17%).

- Sixty-two percent of the respondents were executives and managers working in business management roles, and 38% worked in IT management roles.

- Respondents typically held important decision-making roles in implementing enabling-technology solutions (82%), choosing solutions (81%), authorizing purchases (76%), setting strategy (74%), defining requirements (70%), and setting budgets (33%).

- About half of respondents (54%) worked in large organizations with more than 20,000 employees, and about half were from with fewer than 20,000 employees.

- Over 75% of the organizations managed contact centers with more than 250 seats.

- Questions provided to the participants asked about their goals, current investment priorities, desired outcomes, and current capabilities/gaps in capabilities.

The studies began in July 2010 and were completed in August 2010.

Appendix B: Business Capability Definitions

Contact center business and IT decision-makers were asked to evaluate the importance of the following business capabilities to the long-term success of customer interactions and relationships and how proficient they were with regard to these capabilities, defined as:

- **Cloud-based services (AKA, CaaS).** Supporting network-based software solutions that bundle multiple customer relationship and interaction applications into a single suite and offer services through a subscription model, which allows customer to pay a per-use fee and avoid large capital expenses.

- **Mobile integration.** Services that give customers access to a number of functions using their mobile device. This includes activities such as making payments, accessing account information, purchasing tickets, and receiving text message responses and web content.

- **Media-rich solutions.** Solutions that provide users with a rich media interface for a full range of self-service or assisted service solutions, including voice portals, web support, chat and co-browse, and click-to-call, and allow customers to transfer to a live agent as needed.

- **Nontraditional agents.** The use external subject matter experts to take calls for faster problem resolution. This requires software or a programmatic interface for collaboration and presence and may even support multiparty conferencing for high-value customers**.**

- **Online search.** Mining information across nontraditional information sources, such as search and blogs, to pinpoint relevant information for a specific topic, resulting in faster service and reduced transaction handling time.

- **Outbound communications.** One-to-one communications such as outbound messages to landline phone, mobile device, SMS, or email to notify customers of time-sensitive matters of interest.

- **Personalized interactions.** Deploying personalized content based on the customer's log-in information or account number, aggregate content from past account activity, and current actions to provide actionable suggestions or individual response over multiple channels.

- **Social networking support.** Engaging Web 2.0 tools to check customer conversations on social media websites and proactively reach out to customers in two-way online conversations to address issues.

- **Video support.** Allows callers to engage with agents over their video phone and provides video content to a customer's smartphone or PC or a video-enabled kiosk.

Appendix C: Contact Center Infrastructure Investment Definitions

Contact center business and IT decision-makers were asked about their plans to invest in upgrades for their CRM infrastructure during the next 12 to 24 months, defined as:

- **Add speech recognition to interactive voice response (IVR).** Converts spoken words to text.

- **Automatic contact distribution (ACD).** Intelligently routes inbound contacts to customer service representatives, with a goal of matching the properly skilled customer service representative with the customer in the shortest amount of time.

- **Collaborative browsing.** A software-enabled technique that allows someone in an enterprise contact center to interact with a customer by using the customer's web browser to show them something.

- **Computer telephony integration (CTI).** CTI is technology that allows interactions on a telephone and a computer to be integrated or coordinated.

- **Customer feedback surveys.** Customer feedback surveys can help an organization establish a dialogue with employees, partners, and customers regarding key issues and concerns and potentially make customer-specific, real-time interventions.

- **Interactive voice response.** IVR is an automated telephony system that interacts with callers, gathers information, and routes calls to the appropriate recipient.

- **IP telephony.** A general term for the technologies that use IP's packet-switched connections to exchange voice, fax, and other forms of information that have traditionally been carried over the dedicated circuit-switched connections of the public switched telephone network (PSTN).

- **Knowledge management (KM).** Identify, create, represent, distribute, and enable adoption of insights and experiences to allow front-line personnel or customers to answer questions quickly and accurately.

- **Mobile support.** Integration and use of mobile SMS and video.

- **Multichannel integration.** The ability to manage diverse customer interaction channels, such as phone, email, website, fax, and chat, in an integrated fashion.

- **Outbound contact center/automatic dialer.** Database-driven, automated outbound dialing for telemarketing and/or collections.

- **Personalization.** The process of tailoring information and/or interactions to individual users' characteristics or preferences.

- **Presence/expert integration.** Enabling customer service representatives to engage with subject matter experts within the organization in order to solve a customer problem.

- **Social media monitoring and sentiment analysis.** Monitoring and analyzing the content of consumer comments in social media such as web communities, microblogging sites, etc.

- **Speech analytics.** Automatic methods of analyzing speech to extract useful information about the speech content or the speakers.

- **Text messaging/chat.** An Internet service included as part of a company's website that allows the user to communicate in real time with a customer service agent by using an instant messaging (IM) application.

- **Unified messaging.** The handling of voice, fax, and regular text messages as objects in a single mailbox that a user can access either with a regular email client or by telephone.

- **Use of contact center managed services.** When using a managed care option, the end user hires a third party to manage all aspects of an application that is typically based at the end user's site. The third party is generally an outsourcer or a consulting firm.

- **Video contact center.** Enabling customers to interact with the contact center via online video, kiosks, or mobile devices.

- **Virtual call center.** A call center in which the organization's representatives are geographically dispersed, rather than being situated at work stations in a single building operated by the organization.

- **Web self-servicing.** A version of electronic support (e-support) that allows customers and employees to access information and perform routine tasks over the Internet without requiring any interaction with a representative of an enterprise.

- **Workforce optimization (WFO).** A WFO suite typically includes tools for workforce management, quality monitoring, liability recording, coaching, and eLearning.

Appendix D: Endnotes

[1] Source: "Next-Generation Contact Centers," Forrester Research, Inc., November 11, 2009.

[2] Source: "Market Overview: Customer Service Specialty Solutions," Forrester Research, Inc., December 10, 2010.

[3] Source: "The ROI Of Online Customer Service Communities," Forrester Research, Inc., June 30, 2009.

[4] Source: "Trends 2011: Customer Service," Forrester, Research, Inc., January, 25, 2011.

[5] Source: "Extend Business Process Management To The Front Office To Transform Customer Service," Forrester Research, Inc., October 5, 2010.

[6] Source: "Forrester's Mobile Maturity Model," Forrester Research, Inc., December 6, 2010.

[7] Source: "What Is The Right Customer Experience Strategy," Forrester Research, Inc., September 28, 2010.