



Designing an omnichannel strategy to delight today's multi-channel customers




The relationship between brands and customers is undergoing a significant transformation across industries. Today's savvy consumers navigate between many digital touchpoints for a single transaction.

They log service requests via chat and demand call-backs at a time and on a channel of their choice. They refill prescriptions with a click of a button on a mobile device and pick them up when they are ready, rather than wait in-store.

They use the bank's mobile app for most transactions and step into a brick and mortar location only for advisory services. Clearly, customers are no longer single-channel creatures.

Moreover, customer loyalty is hard to come by today. Easy access to an unlimited array of choices on a personal device, coupled with low switching costs, makes it a no-brainer for customers to switch to competitors who provide a more delightful experience.





Adapting to
the new normal:
Why omnichannel
should be your
top priority



As businesses compete beyond the traditional levers of price, product and promotion, providing omnichannel customer experience helps differentiate the winners from the rest of the pack. Disney understands the power of creating a delightful, omnichannel experience. Take their Magic Band program, for instance.

With a simple touch of the Magic Band, you can check in at the entrance, enter various theme parks, unlock your hotel room, and effortlessly access everything, including food and merchandise purchases. The Magic Band even unlocks special, personalized surprises for each customer at the Disney resort.



33% of consumers who ended their relationship with a company last year did so because the experience wasn't personalized enough.

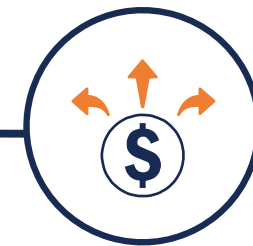


Here's why leading companies like Disney are implementing omnichannel strategies to drive revenue growth and retention:



Companies with omnichannel customer engagement strategies retain on average **89%** of their customers, compared to **33%** for companies with weak omnichannel customer engagement.

76% of consumers think companies should understand their expectations and needs.



The opportunity cost of not being omnichannel is **10%** in lost revenues.



75% of consumers are more likely to make a purchase from a company that knows their name and purchase history and recommends products based on their preferences.

How omnichannel leaders think

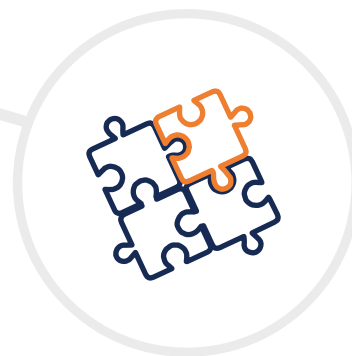
Over time, enterprises typically deploy a multitude of channels - web, mobile, contact centre, social media, direct sales, brick-and-mortar stores, distributors, partners and so on. More often than not, this leads to the deployment of different technologies that are not interoperable and disconnected, siloed channels that hamper cross-sell and upsell opportunities. The result: less than optimal customer experience.



So what sets omnichannel leaders apart from the laggards? While each company is unique, in our experience, omnichannel leaders tend to:



- 1 —————
Promote a customer obsessed culture with the customer at the heart of all operations.



- 2 —————
Adopt a multi-disciplinary approach across product, marketing and sales, customer support, etc. sponsored by executive leadership at the highest level.



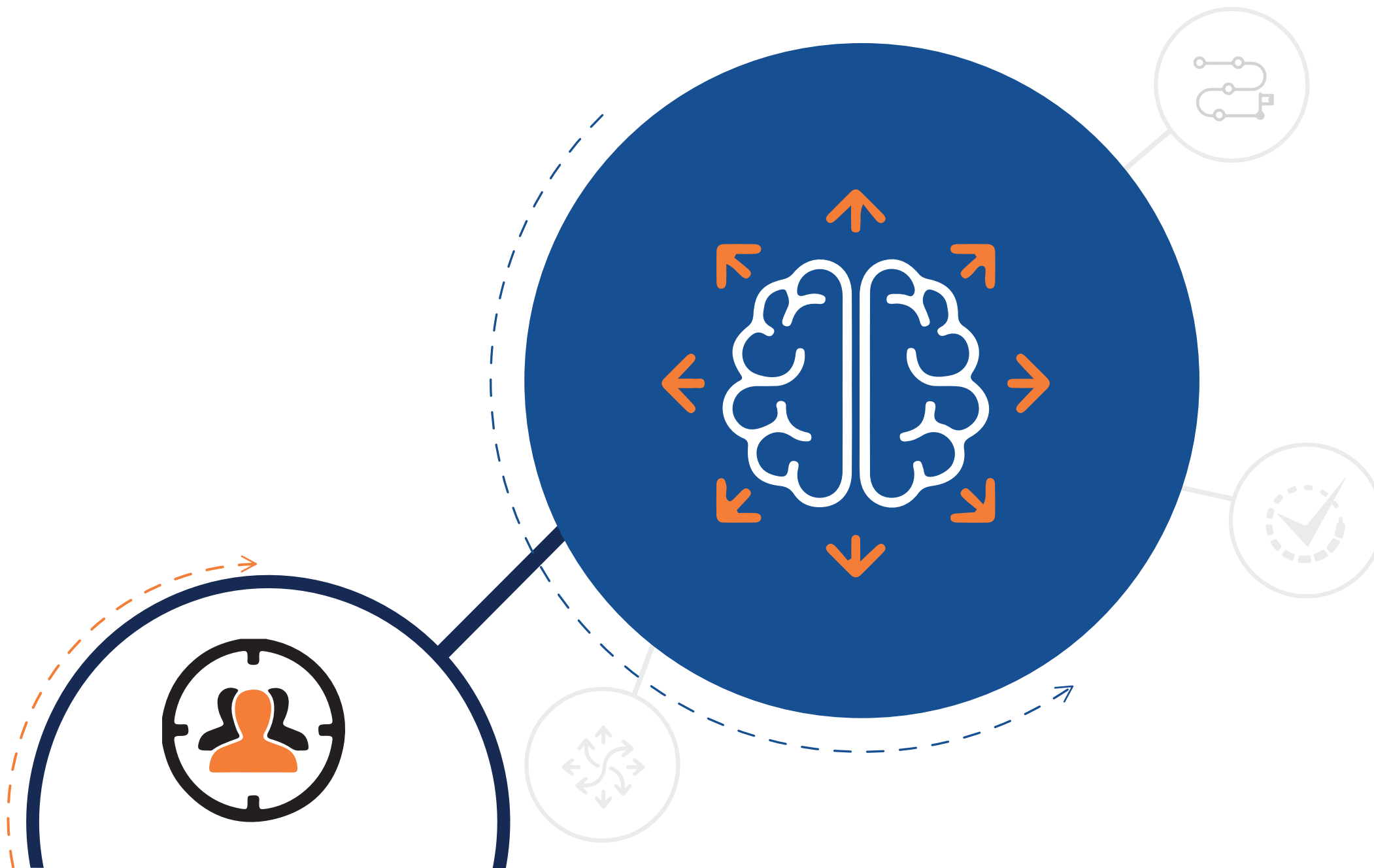
- 3 —————
Access deep talent and thought leadership in data sciences to enable a contextual, 360 degree view of the customer.

In essence, a successful omnichannel strategy requires a shift in mindset across the enterprise. From merely fulfilling a transaction to providing a delightful experience at the moment of customer need. From targeting a mass market of customers to tailoring products and services to individual needs. From

being attentive 'during the sale process' to being attentive 'before, during, and after' the sales process.

Done right, omnichannel can turn your customers into ardent fans. Getting omnichannel right requires organizations to follow three dis-

tinct steps: developing an omnichannel roadmap, assessing omnichannel capabilities across three critical pillars, and evaluating omnichannel readiness.



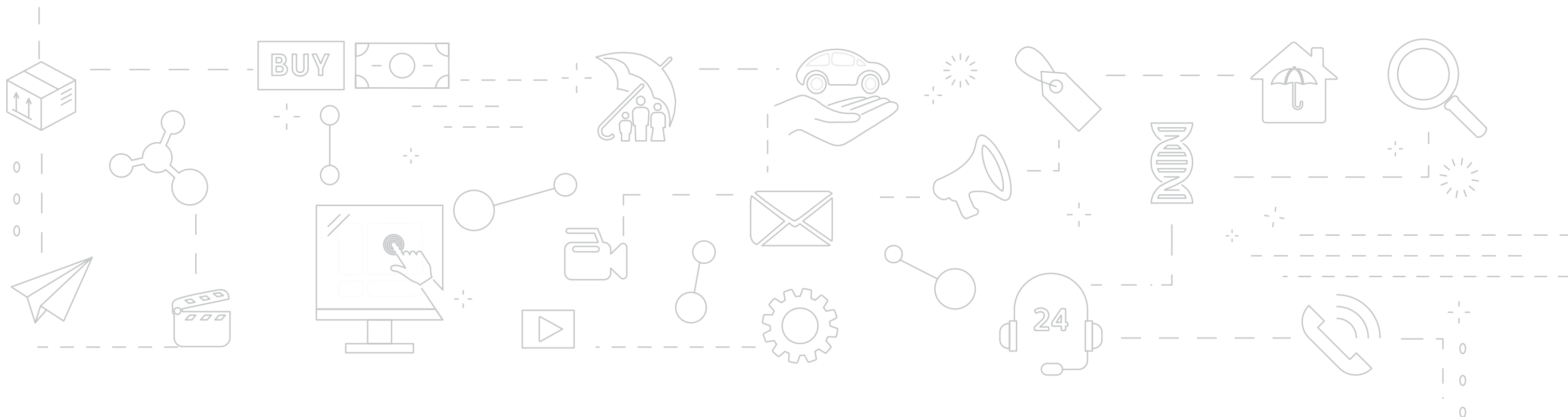


STEP 1

Developing an omnichannel roadmap

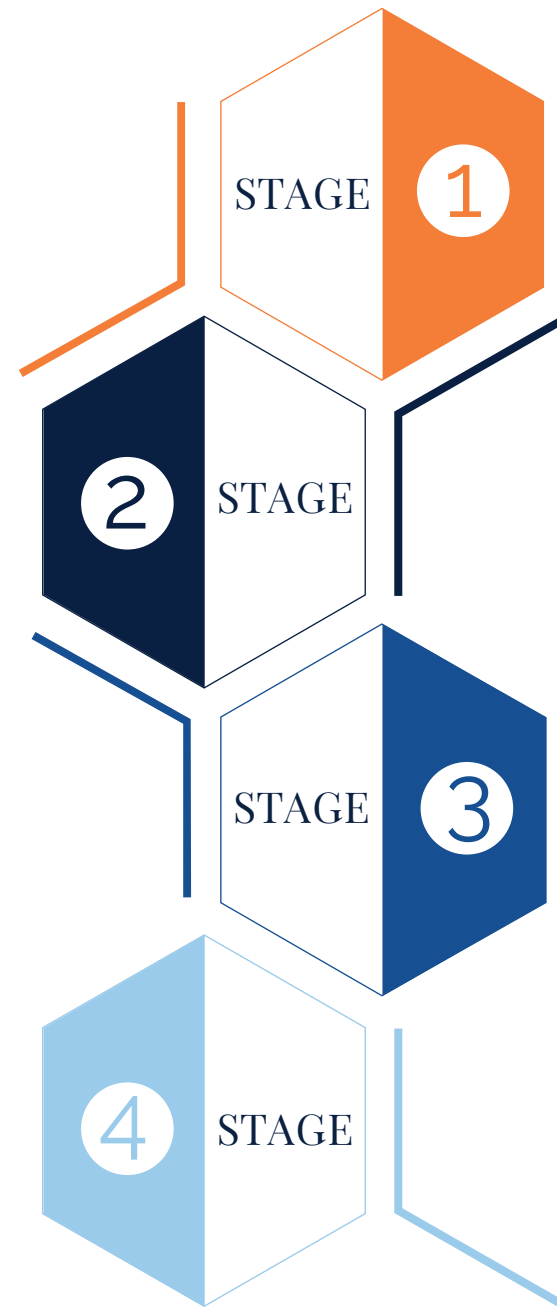
While the omnichannel journey can seem daunting at first, a logical place to start is to assess where your organization stands in the continuum of customer experience.

Using a simplified version of an Omnichannel Maturity Framework, like the one shown in Figure 1, can help you kick start the discussion internally. It can also help you drive objective, informed discussions with omnichannel subject matter experts outside your organization.



- The brand offers multiple touch points. However, each touch point operates in a silo.
- Customers experience multiple touchpoints. They can also materially perceive the disjointedness in the overall experience

- The brand offers multiple touch-points. Customers experience the brand rather than the specific channel.
- Customers are able to transition across channels seamlessly.
- The brand not only has a single view of the customer but a unified view of the customer across channels.
- Functional departments are able to leverage this unified view of the customer across channels in meaningful, strategic ways.



- The brand offers a single touch point and customers experience the brand through the single touchpoint.

- The brand offers multiple touch-points. Customers recognize these touch points as part of the same brand.
- The brand now has a single view of the customer but continues to operate across functional departments in a siloed manner.

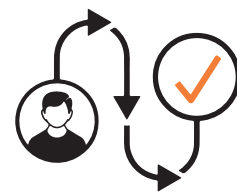
Figure 1: Omni-channel maturity framework



STEP 2

Assessing omnichannel capabilities across three critical pillars

In order to integrate all channels in a seamless manner, it is first important to assess existing capabilities across systems, processes and data. Begin with an assessment of these three important pillars.



Pillar #1:

Understand the customer journey



Pillar #2:

Ensure your data platforms are ready for omnichannel lift-off



Pillar #3:

Develop customer-centric, omnichannel KPIs





Pillar #1:

Understand the customer journey

Given that omnichannel is essentially about providing a unified, seamless experience across channels, it is imperative to understand how your customers navigate multiple channels for a single transaction. Therefore, start by putting the customer at the heart of your customer experience design process and map the existing channel experience, identify existing bottlenecks and envision your future state. To be effective, this must be a multidisciplinary exercise.

The framework in Figure 2 depicts a simplified customer journey across the most important stages - pre-sale stage, during-sale stage and post-sale. This framework can be contextualized to your enterprise to help with the mapping process. All discrete points in the overall journey must be bucketed into one of these stages.





Pillar #1:

Understand the customer journey

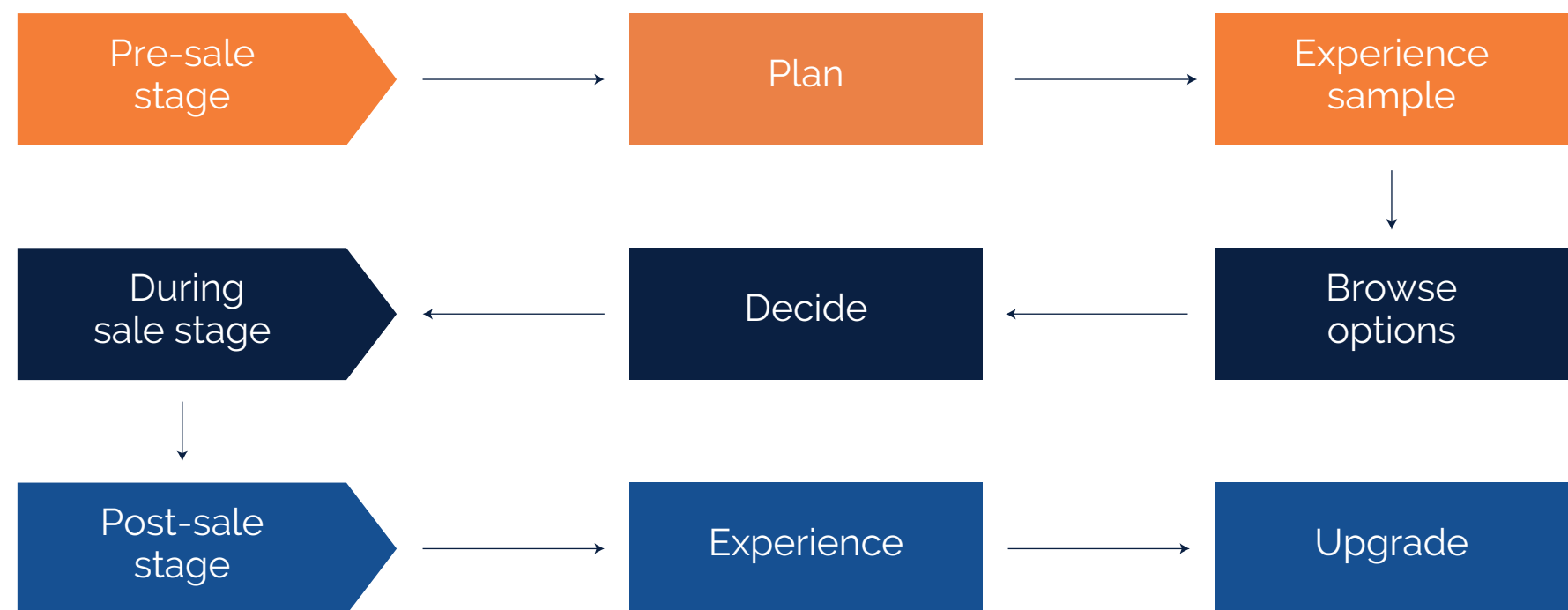


Figure 2: Customer journey across different stages

This step should ideally involve a comprehensive channel assessment to identify channels bottlenecks, discover new functions that can elevate the customer experience, and understand the strengths of various channels.



Pillar #2:

Ensure your data platforms are ready for omni-channel lift-off

To develop a meaningful omnichannel strategy, enterprises must be able to utilize data from all channels and develop a Customer Data Platform. Without this pivotal ability, customer experience will continue to be disjointed and impersonal.

Laying an integrated enterprise-wide data foundation enables the creation of a single source of truth for all stakeholders. The data foundation team must be tasked with acquiring, standardizing, enriching, managing and pub-

lishing data for all stakeholders to consume. By consuming data from a reliable foundation, it is possible to develop a roadmap and capabilities to consistently deliver actionable descriptive, predictive and prescriptive insights based on which business and operational leaders can continue to raise the bar on omnichannel strategy.

The framework in Table 1 can help you map your internal team's capabilities and structures and perform a quick analysis of your data.





Pillar #2:

Ensure your data platforms are ready for omni-channel lift-off

Data Foundation	Analytics and Insights Delivery
<p>Data Management Enables data management - across acquiring, standardizing, enriching, managing and publishing data for all stakeholders to consume.</p>	<p>Business Intelligence Delivers insights leveraging descriptive analytics.</p> <p>Data Science Delivers algorithms leveraging predictive and prescriptive analytics.</p>

Table 1: Suggested team structure for a unified customer data platform

Once you have built the strategy and execution capability around the Customer Data Platform, you will be able to segment customers, offer differential services, predict churn, increase customer lifetime value (CLV), optimize handling times, suggest next best action to frontline personnel in real-time and much more.



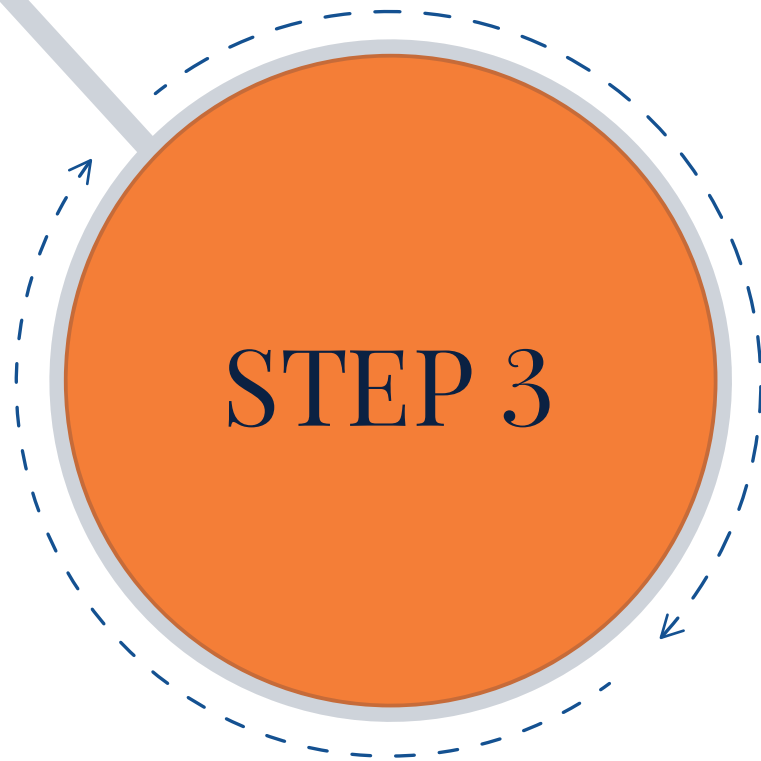
Pillar #3:

Develop customer-centric, omnichannel KPIs

To institutionalize the omnichannel mindset across the enterprise, new customer-centric KPIs must be developed. These KPIs augment traditional KPIs to measure success (see non-exhaustive list in Table 2).

Traditional, Channel-based metrics	Customer-centric, omnichannel KPIs
Revenue	Customer sentiment
Traffic	Online, offline Net Promoter Scores
Conversions of different types	Community engagement
Churn	Cross channel engagement
Marketing Rol	Customer life time value





Evaluating omnichannel readiness

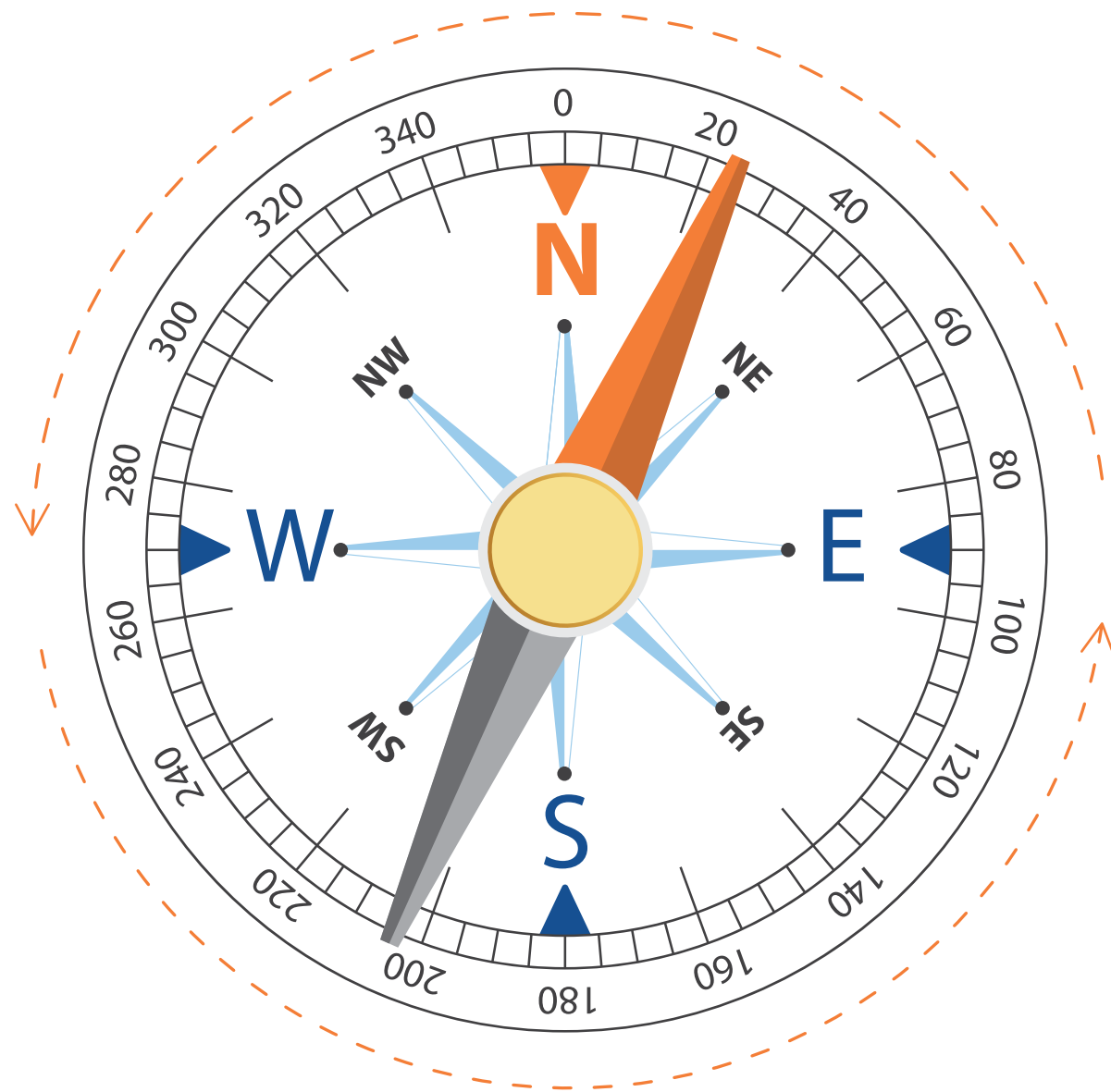
Use the questionnaire in Figure 3 to evaluate your organization's omnichannel readiness. Give yourself a "1" if you "Strongly Disagree", a "5" if you "Strongly Agree", or any other value in the continuum based on your best judgement. You can also share the results with a Firstsource Omnichannel Subject Matter Expert (SME) for an interactive, diagnostic discussion about your organization's omnichannel readiness.

Question	Self appraisal score				
	1	2	3	4	5
1. Customer value propositions of omnichannel services are operationalized and monitored					
2. Omnichannel services are managed in an agile fashion					
3. Strategic objectives of omnichannel management are aligned with company's business strategy and supported by top management					
4. Omnichannel management in your organization is well planned and coordinated across the entire company					
5. Business processes are reconfigured in order to exploit the business potential of omnichannel services					



Question	Self appraisal score				
	1	2	3	4	5
6. Privacy Data transparency and privacy is fully enabled					
7. An integrated customer experience is provided through a coordination and flexible design of customer-centric systems and offline channels					
8. A customer analytics infrastructure fully enables the exploitation of customer analytics scenarios					
9. Roles, tasks, and responsibilities for managing omnichannel services are clearly defined, documented, and communicated					
10. Collaboration Cross-functional and cross-disciplinary collaboration is fully enabled					
11. Knowledge and competencies for managing omnichannel services and thereby exploiting customer information in decision making are fully acquired and developed					
12. Personalization Omnichannel services are tailored to personal context based on customer information					
13. The business impact of omnichannel services is operationalized and monitored with suitable metrics					
14. The business potential of customer data is continuously evaluated and acted upon					
15. Methods and architectures for managing customer data fully enable data exploitation					
16. The management of omnichannel services incorporates a thorough analysis of market and technology developments					

Source: Development of an AHP hierarchy for managing omnichannel capabilities: a design science research approach by Jochen Wulf. Creative Commons Attribution 4.0 International License



Navigating omnichannel can be hard:

Team up with the right partner for successful outcomes

A seamless omnichannel strategy can be challenging to achieve both during and after implementation. Firstsource industry insights reveal that while new age e-commerce leaders are leading the pack, most enterprises across verticals such as banking, financial services, media, telecom are lagging.

Our insights also show that omnichannel leaders consistently implement foundational bedrock of technology that lends itself to multiple integrations, much like lego blocks, improving agility. In addition to making the right technology investments, partnering with a proven expert can help you avoid typical pitfalls

and accelerate the omnichannel journey. Here are two companies that leveraged Firstsource's omnichannel capabilities to drive successful outcomes.

Client profile:

Leading bank in Asia

Business challenge

The bank was in the throes of a large scale expansion across multiple cities and new products. This resulted in the establishment of multiple contact centers to cater to the local population in 10 different languages. The bank's disparate systems operated in siloes, leading to a limited understanding of customers, poor customer experience and rising costs.

Solution

The Firstsource team designed a holistic service strategy across channels and consolidated the contact centers into two locations. Firstsource also developed a comprehensive omnichannel strategy to integrate IVR, inbound voice, email, webchat, outbound voice, and developed a knowledge management portal. The solution offered a 360-degree view of the customer across all channels. In addition, the team deployed a forward-looking strategy to leverage data and analyze customer life time value, segments, spend patterns, sentiments and emotions. Firstsource also developed protocols for next-best-actions on the bank's products, interactions based on customer sentiment, location inference, and self-help education.

Value delivered:

- Improved customer experience by enabling agents to view the IVR traverse path and anticipate customer issues.
- Reduced AHT by **15%** to **20%** with limited navigation to other systems.
- Improved customer context by integrating interaction history across channels.
- Enabled next best actions such as escalation alerts for agents handling interactions

Client profile:

A leading entertainment company headquartered in the UK

Business challenge

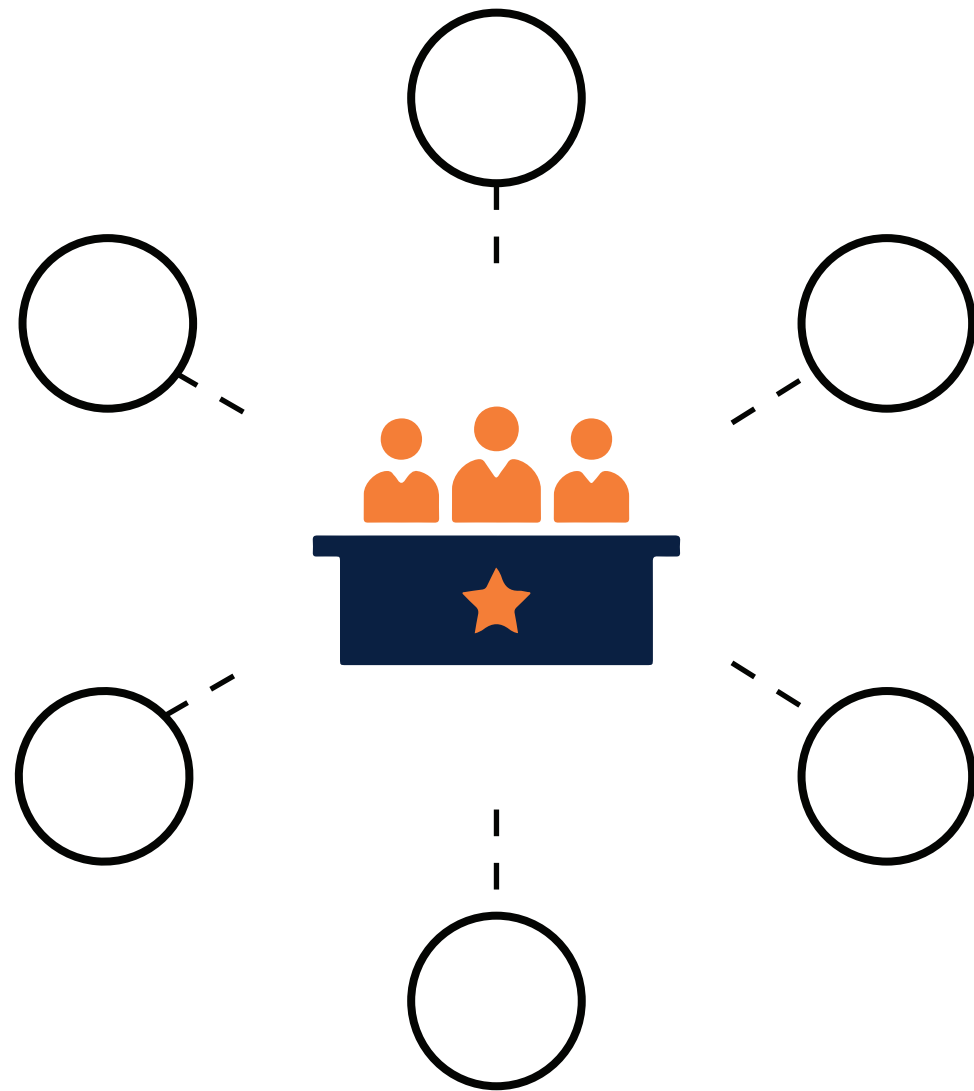
'Voice' as a channel was becoming expensive and inadequate in addressing end customer needs. For instance, customers typically waited nearly ten minutes when using the Interactive Voice Response (IVR) system to obtain simple information such as a specific charge for an account or general plan features. The long wait times adversely impacted customer experience. The client wanted to deflect customers using IVR to more appropriate channels in order to reduce customer friction and enhance experience.

Solution

Firstsource analyzed all inbound calls on the client's IVR to identify customers that were a good match for messaging channels - based on the nature of their requests. This segment was then offered the simple option of using SMS or Facebook Messenger (FBM) to interact with agents, instead of being put on hold. To address authentication and security concerns, Firstsource deployed a verification process that allowed customers to authenticate themselves, creating a secure connection with the customer service team.

Value delivered:

- **200%** increase in customer channel efficiency.
- **30%** of calls on IVR successfully diverted to messaging.
- **87%** customer satisfaction



Firstsource's omnichannel experts can help you deploy a time-boxed pilot, specifically designed to deliver business outcomes that matter to you. Our pilots are aligned with your business goals to ensure measurable outcomes and lay the foundation for long term ROI. To schedule a complimentary consultation with Firstsource experts please contact marketing@firstsource.com

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