How to Curate a
Cost-Effective
Customer Experience

Enriching High-Tech, High-Touch Interactions in an Economical Way

Includes real-world case studies and unique insights from Everest Group, Frost & Sullivan, Ryan Strategic Advisory, and HfS, as well as powerful research to help guide and enable an affordable and effective customer experience.

Teleperformance
each interaction matters

How to Curate a Cost-Effective Customer Experience:
Enriching High-Tech, High-Touch Interactions in an
Economical Way

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Introduction

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Customer experience is the new frontier for creating a competitive advantage. Many companies today are looking to automate interactions with digital technologies such as artificial intelligence (AI), chatbots, cloud-based technologies, and robotic process automation (RPA).

It takes careful planning to craft a journey that shapes a positive view of a company in the customer's mind while managing all the human and digital channels of interaction available today, along with overseeing on-demand and consistency of service, and navigation across touch points. Providing a high-tech, high-touch humanized approach enables those remarkable customer interactions that will be memorable.

An even greater challenge is managing all of these elements in a way that makes sense economically. Unfortunately, it is not uncommon for some to make investments in digital channels and resources to the detriment of CX.

"For decades, business leaders have been admonished to keep pace with the latest technologies. Although the point is well-taken, such advice can cause businesses to use technology for its own sake or, at best, to cut costs."[1]

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1. Harvard Business Review Analytic Services, "Gaining Competitive Advantage through Human Interaction," teleperformance.com, 2019.

There is obviously a need for digital service technologies. But in a world where customers expect more, it is important to have economical stability in CX and to strike the right balance between human interactions and technology in the digital age of customer experience.

The objective of this ebook is to resolve and clarify:

- What you should know about your customers before investing in digital service technologies

- Issues surrounding CX management

- How to create a CX that serves as a market differentiator while also balancing human and digital channels in a cost-effective way

Maintaining the Human Connection in the Digital Age of Customer Experience

"Nearly 60% of marketers say it's difficult to replicate person-to-person experiences with customers by using digital technologies."

How Marketers Currently Connect with Customers Digitally

86%
Social media

72%
Digital marketing

65%
Online video

58%
Webinars/ online events

44%
Chat

(Source: Harvard Business Review and Harvard Business Review Analytic Serices, 2018)

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Managing CX Economics

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Things to Know before Investing in Digital Technologies

Keeping up with customer demands, replacing legacy technology to stay up to date with capabilities, and improving efficiency are just a few of the drivers for companies to acquire new digital technologies for CX. According to Gartner, many companies are planning to invest in emerging technology opportunities (see figure 1). Adopting new technologies, however, will undoubtedly impact operations as well as the type of CX companies provide to their customers. While the current trend may be to invest in new digital technologies, it is wise to first know what your customers want so you understand the type of CX to deliver. To find out, here are two questions to ask about your customers:

- How are they currently behaving?
- What do they expect and prefer?

Once you have this information, you can start to have a better understanding of your customer journey and how to create a CX that integrates the channels that are most important to your customers.

Figure 1: Emerging Technologies Mentioned for Customer Experience-Related Projects (percentage of respondents)
(Source: Gartner, "Customer Experience 2018 Benchmarks: Turning Return on Investment into Reality")
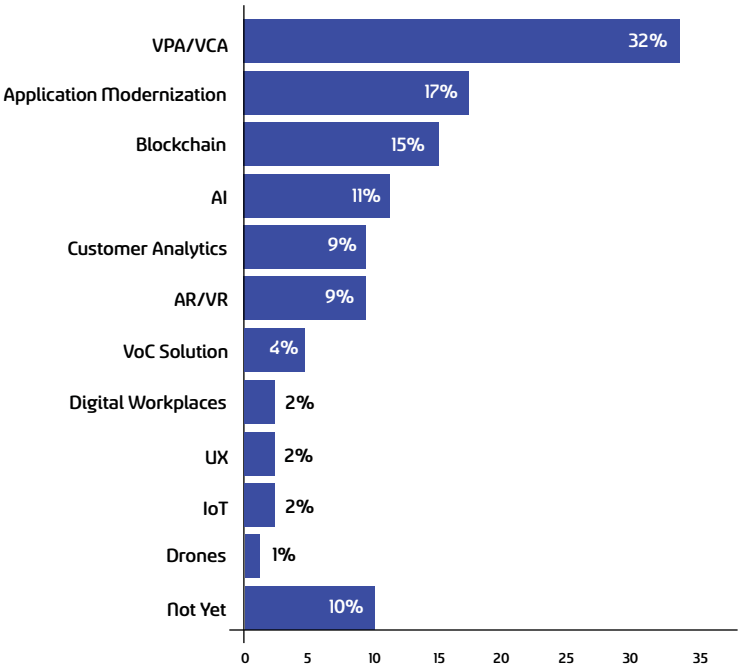
AI = artificial intelligence; AR/VR = augmented reality/virtual reality; IoT = Internet of Things; VPA = virtual personal assistants; Base: Total answering, n = 107; What are your organization's plans for implementing emerging technologies for customer experience-related projects (some examples of emerging technologies: virtual customer assistants/chatbots, deep neural networks, virtual personal assistants, augmented reality, and blockchain). Open-end response.

"Looking to the future, more than one-third of organizations are considering using virtual assistants to improve customer experience. This includes virtual customer assistants (VCAs) — for example, for customer service automation — chatbots and virtual personal assistants (VPAs)."

There will always be pressure for companies to reduce costs and be more strategic with investments. With increased customer expectations for service and the greater expectation for companies to be more responsive and personable, there is a need to innovate and deliver an excellent CX. And they must do so while at the same time operating within budgetary limitations.

Companies that can find sophisticated and creative ways to make investments in technology to improve CX without a larger customer management budget will be better positioned to meet business goals such as driving higher ROI, shareholder value, profit, and growth.

A recent customer experience ROI study confirms the benefits that can be garnered from focusing on the satisfaction with CX. After analyzing the Top 10 and Bottom 10 Leaders and Laggards,[2] the study found that companies providing the better customer experience had stock returns that outperformed the ones that provided an inferior CX (see figure 2). This demonstrates that, "over the long-term, a great customer experience helps build business value, while a poor customer experience erodes it."[3]

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2. Analysis was based on the cumulative total stock return for equally weighted, annually readjusted model portfolios comprised of Customer Experience (CX) Leaders and Laggards. For each year covered by the study, CX Leaders and CX Laggards were identified via publicly available third-party customer experience rankings (Forrester Research's CX Index, and Temkin Group's Experience Ratings). Both of these firms' CX rankings are based on surveys of ten thousand or more U.S. consumers. The Leaders and Laggards were defined as the Top 10 and Bottom 10 publicly traded companies in these rankings. **3.** Watermark Consulting, "2019 Customer Experience ROI Study," watermarkconsult.net, 2019.

Figure 2: Customer Experience Leaders Outperform the Market
(Source: Watermark Consulting, "2019 Customer Experience ROI Study")
11-Year Stock Performance of Customer Experience (CX) Leaders vs.
Laggards (2007–2017)
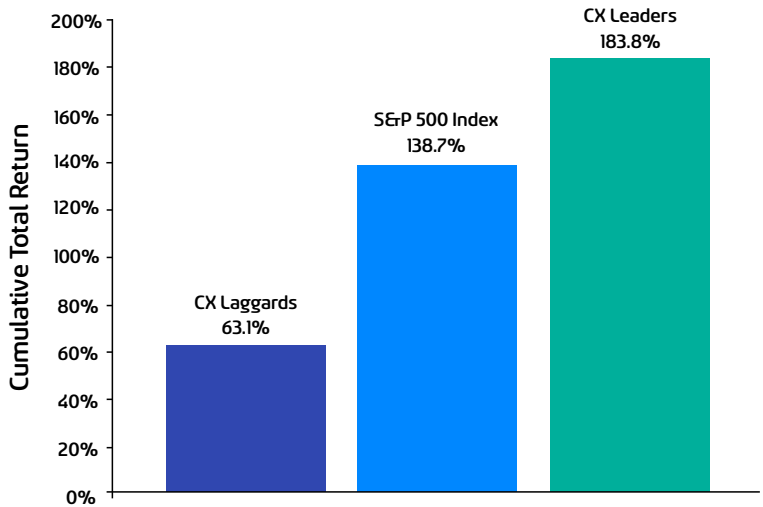
- CX Leaders outperformed the broader market, generating a total return that was *45 points higher* than the S&P 500 Index.

- CX Laggards trailed far behind, posting a total return that was *76 points lower* than that of the broader market.

- CX Leaders generated a total cumulative return that was nearly *three times greater* than that of the CX Laggards.

"[Companies] need to assess the extent to which their own operations are ready to take on the onslaught of automation demands that will come from executives at the board level, and determine what they can do to move processes from manual ones to digital. It will be important for enterprises to be realistic in these assessments, in order to ensure that they have the right amount of resources available to make the required investments to automate tactically and strategically. If not, they will need to look for logical alternatives that will allow for these functions to be implemented."

—Peter Ryan, Principal, Ryan Strategic Advisory

CX Behavior and Emotional Connection

A 2018 survey by the Teleperformance Customer Experience Lab (CX Lab) shows that customers who are more satisfied with a brand's customer service are more likely to become advocates for the brand.[4] Humans are motivated by their feelings. For a brand to be memorable to a consumer, a company must provide an interaction that engages and impassions the consumer.[5] Therefore, customers are more likely to make purchase decisions based on emotions instead of logic. A well-managed CX is economically beneficial for a business both in terms of cost-efficiency and the potential to generate revenue.

Another reason why understanding the customer is essential in the context of an omnichannel approach to creating CX is so that potential points of engagement with customers can be identified

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4. Teleperformance CX Lab, "Global CX Survey 2018, USA." **5.** Inc., "Harvard Professor Says 95% of Purchasing Decisions Are Subconscious," inc.com, March 2018.

and leveraged to enhance CX. Identifying points of engagement to make an emotional connection also makes the whole process more efficient and cost-effective, and positions businesses and companies to capture multiple benefits that are in turn derived from the multiple mediums through which they interact with customers.

While there are methods such as customer profiling available to companies, there is really no hard-set formula to managing CX economically. However, brands and businesses must first have a solid core understanding of their customers and behaviors in order to develop a tailor-made solution for an effective and efficient strategy for creating a positive CX.

Service as a Differentiator

The on-demand world changes customer behavior. Customers know more, understand more, and expect more. This in large part is creating an environment where service is becoming a bigger differentiator for companies compared to the products they sell.

In more recent years, companies have focused on providing customers with instant access to information, whether it be via self-service or live support. However, we're leaning towards a point when providing service in real time will no longer be enough. Companies that want to remain or emerge as market leaders must find ways to anticipate what customers will need and then have a CX in place that encompasses all the ways to provide service and meet expectations throughout the customer life cycle.

3

What Customers Want

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With more options at their fingertips and higher levels of engagement, customers can express their needs more. This gives companies a better understanding of how to respond to their preferences. Effective CX curation provides organizations with the capability for sectors and applications to deliver solutions for specific customer issues.

In 2018, the Teleperformance CX Lab conducted a CX Survey with end-customers across 14 countries, including the U.S. From 2016 to 2018, the Lab conducted over 500,000 online interviews.[6]

The survey collected data on customer behavior and customer service preferences by sector, channel, and generation, and information on key drivers of loyalty, brand advocacy, and satisfaction. Then it organized the information by generation, in order to understand differences in patterns of perception and to identify factors that improve the customer service experience.

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6. U.S. number of survey respondents over the last three years: USA 2018: 15,200 respondents; 2017: 14,965 respondents; 2016: 12,847 respondents. Hotels, Mobile Devices and Online Food & Beverages were added in 2017.

Meeting Customer Expectations to Create Loyal Brand Advocates

According to CX Lab analysis, the customer service attributes with the biggest impact on customers' satisfaction in the U.S. when contacting customer service include:

- Fast resolution (24 percent): Ability to quickly solve the customers' issues

- Effective communication (16 percent): Ability of customer service to effectively communicate with customers about their request

- Agents' empathy (14 percent): Degree to which the agent/representative cares about customers' customer service need

Customer Satisfaction

Based on a specific list of attributes related to brands and their customer service, the CX Lab asked survey respondents to rank their satisfaction on a scale from 0 to 10.

- The average loyalty score for consumers who did not contact customer service for brands in the last 12 months was 8.6.

- Consumers who had a positive experience when interacting with customer service had an average loyalty score of 9.4, and presented +9 percent higher loyalty intention than consumers who did not contact customer service.

- Consumers who had a negative experience when interacting with customer service had an average loyalty score of 5.7, and presented a 33 percent lower loyalty intention than those who did not interact with customer service.

Figure 3: Relevance of the Attributes on Advocacy and Loyalty, U.S.
(Source: Teleperformance CX Lab, "Global CX Survey 2018, USA")

Impact on ADVOCACY

Impact on LOYALTY

57% 43%

54% 46%

● Customer Service ● Brand Attributes
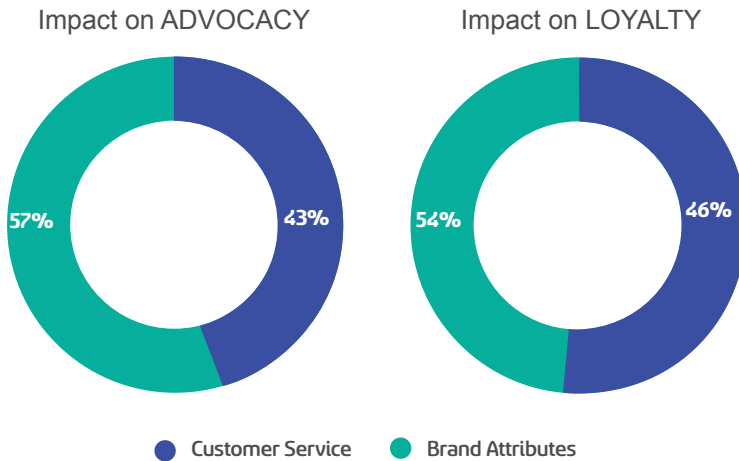
The CX Lab used a proprietary statistical model[7] to identify what may motivate survey respondents to recommend and remain customers of a brand. The results showed that by grouping the attributes according to two main categories—customer service attributes and brand attributes—customer service weighs 43 percent (advocacy) and 46 percent (loyalty) on a customer's intention to recommend and stay loyal to a brand (see figure 3).

When looking at the impact of customer service on loyalty[8] intention, it is clear that the quality of a brand's customer service is very important.
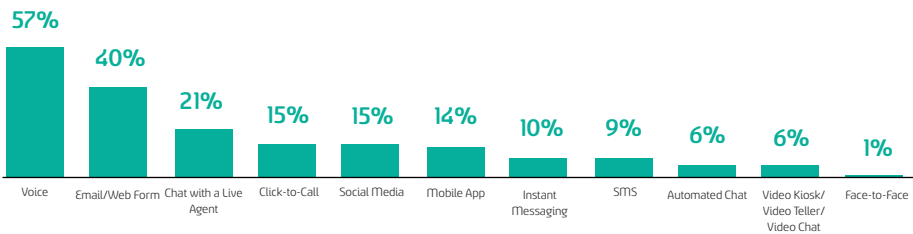
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7. TPXS is the acronym of Teleperformance eXperience Score, a proprietary approach to measure customers' experience combining different dimensions of consumers' perceptions across their journey. **8.** TPXS Loyalty: Scale from 0 to 10 — 0 meaning definitely won't keep doing business with the brand, and 10 meaning definitely will remain a customer for the next year.

Customer Channels of Choice

In the U.S., during the last 12 months, 57 percent of respondents reported that they interacted with the customer service of their main brand in the sector analyzed. Out of these respondents, the majority used the voice channel—57 percent (see figure 4). Email/web form came in at 40 percent and 21 percent used chat with a live agent.
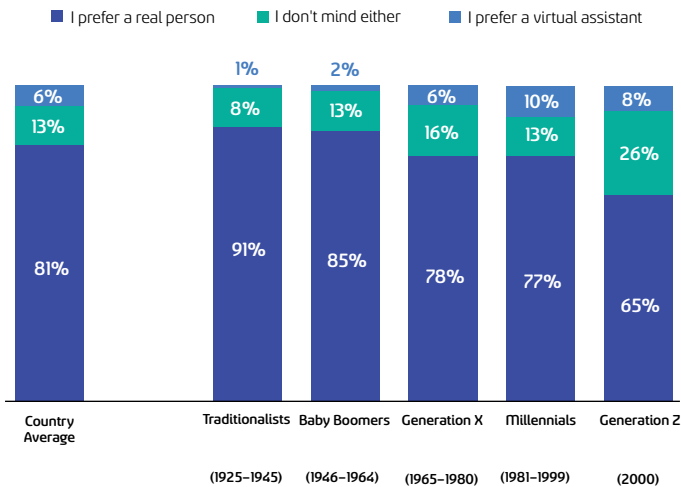
On the other hand, is there a different channel customers prefer? The CX Lab research shows that the survey respondents most used and most preferred the voice channel at 48 percent. Email/web form and chat with a live agent rounded out the top three most preferred channels for customers at 19 percent and 15 percent, respectively.

Figure 4: Channels Used to Interact, U.S.
8,715 respondents who interacted—multiple answer
(Source: Teleperformance CX Lab, "Global CX Survey 2018, USA")

Voice	Email/Web Form	Chat with a Live Agent	Click-to-Call	Social Media	Mobile App	Instant Messaging	SMS	Automated Chat	Video Kiosk/ Video Teller/ Video Chat	Face-to-Face
57%	40%	21%	15%	15%	14%	10%	9%	6%	6%	1%

If we look at these results in the context of omnichannel customer experience, some may mistakenly think that omnichannel exclusively equals digital. However, the CX Lab shows that voice overwhelmingly remains the most used and most preferred channel. In addition, when asked whether they prefer to be assisted by a real person or a virtual assistant, on average, 81 percent of respondents reported a preference for assistance from a real person (see figure 6). And this strong preference for live assistance is present across all generations.

Figure 6: Do You Prefer to Be Assisted by a Real Person or a Virtual Assistant?
(Source: Teleperformance CX Lab "Global CX Survey 2018, USA")

■ I prefer a real person ■ I don't mind either ■ I prefer a virtual assistant

	Country Average	Traditionalists (1925–1945)	Baby Boomers (1946–1964)	Generation X (1965–1980)	Millennials (1981–1999)	Generation Z (2000)
I prefer a virtual assistant	6%	1%	2%	6%	10%	8%
I don't mind either	13%	8%	13%	16%	13%	26%
I prefer a real person	81%	91%	85%	78%	77%	65%

Some may mistakenly think that omnichannel exclusively equals digital. However, the CX Lab shows that voice overwhelmingly remains the most used and most preferred channel (48 percent).

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Three Ways to Bridge the Gap in Drawing Companies and Customers Closer Together

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People are interacting with brands more than ever before. While voice remains to be customers' preferred channel, customers today are also engaging and interacting with brands more using email and web forms, live chats with customer service agents, click-to-call, social media. mobile applications, and instant messaging.[9] Understanding which touch points are most efficient, relative, and effective to your customers is paramount—note that a customer isn't necessarily limited to utilizing one touch point to help address a single issue. Factoring in that digital technologies have driven an exponential increase in interactions between customers and brands, it makes sense to find out what the right balance is between traditional and digital channels.

Likewise, this exponential growth of interactions and digital adoption has driven the need for contact centers to provide an omnichannel service. The use of digital containment, where low-effort, easier transactional interactions are managed using digital channels, has created a change in mix in the contact

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9. Teleperformance CX Lab, "Global CX Survey 2018, USA."

center. Now, agents with higher-level skill sets are channeled to help customers in more complex interactions. This change is already happening within contact center environments where agent training is becoming more complex, agent handling skills are becoming more complex, and the need for robust knowledge bases is increasing, because of the increased complexity of transactions that agents are handling.

It therefore follows that in an average contact center there will be fewer Tier 1 agents, or Tier 1 will be defined with more complex skills requiring a higher-skilled agent. Likewise, there will be more Tier 2-type transactions happening in a contact center. Therefore, the average skill set and corresponding starting compensation and wage rates will increase, on average, within an agent-based contact center.

With this in mind, here are three approaches to create a CX that serves as a differentiator, and balances the human and digital channels in a cost-effective manner.

1. Balanced Omnichannel and Technology Temptation

As mentioned earlier, some companies think omnichannel exclusively means digital technology. Although technology is an important component to omnichannel, excellent CX is achieved through a balanced high-tech, high-touch approach that combines both digital and human interactions. This results in the creation of an ecosystem that is comprised of traditional and digital channels, quality assurance, people, and processes.

Technology is not the be-all and end-all solution. It enables the process but is essentially incomplete without the human component. It can be tempting to chase the latest and greatest technology trends with the hope that the

technology will create business improvement. However, a broader view of your customer life cycle will likely show that a variety of channels is necessary to successfully support your customers before, during, and after purchasing products and services. Since live telephone support is still the preferred way that customers want to interact with companies, people are a crucial component of your overall CX strategy. The technology component can then enhance the improvements that people can achieve.

To illustrate, while AI technologies for mobile banking like Siri from Apple or Erica from Bank of America certainly make things much easier for users and customers, they cannot completely remove the human part of the service chain. So, while investing in digital containment strategies does promise better customer service for less in the long run, it can only do so much—especially when faced with more complex customer interactions.

"Striking the right balance between humans and machines starts with understanding the company's strategy and creating a customer experience that fits like a glove. Achieving the balance increasingly involves technology in support of frontline employees."[10] The right balance of human with technology is what creates successful and meaningful interactions. It will not work with the same level of success without the necessary link of human support. Companies must have that link between the brick-and-mortar and digital worlds not only to succeed but also to create a CX that is a competitive advantage.

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10. Harvard Business Review Analytic Services, "Gaining Competitive Advantage through Human Interaction," teleperformance.com, 2019.

2. Using a Partner as a Curator

It is well known that many companies decide to work with a third-party contact center service partner to lower costs. Because of the growing complexity with adding more channels to meet customer expectations, and the drive to transition to an omnichannel CX, more companies are interested in using a customer management partner to curate their CX. The service provider is the enabler for brands on their journey to achieving true omnichannel customer experience and its benefits. As curators of the necessary interaction channels, infrastructure, solutions, partnerships, networks, and process methodologies required, a service provider can offer flexibility and scalability underpinned by rigorous governance and resilient infrastructure. As such, the CX partner curates an ecosystem of customer interaction modalities, technologies, agent performance management, and workforce management. Fully integrated, the partner can remove the friction to achieve a true omnichannel single view of the customer.

One possible approach as a curator is to be like a careful guide, one who is knowledgeable about service resolution, and has profound insights regarding industries and customers. By curating the right mix of components—channels, solutions, processes, infrastructure, networks, and more—a partner should be able to provide increased flexibility, quality, security, and scalability strengthened by an infrastructure with standardized processes and methodologies for managing people and operations.

> *"BPO providers, as a partner, are in a great position to deploy a complex blend of communications and collaboration technologies / tools in order to help companies in their quest to be relevant, stay competitive and be profitable. The goal is to connect and communicate with the customer at the touch point of their choice."*
>
> **—Michael DeSalles, Principal Analyst, Frost & Sullivan**

3. Selecting the Best Shoring Options

Contact center providers don't simply pick a spot on the map when choosing where to build a site. A lot of thought and planning goes into choosing site location long before ground is broken. Factors such as proximity to the United States, time-zone difference, stability of infrastructure, the skills and availability of the labor pool, and affinity to U.S. culture are among the considerations providers take into account when they choose site location.

In addition to this, providers also have an understanding of the work that should be offshored in order to optimize business operations. They look at the dynamics of the type of work that will be done, the kind of skill set an agent needs, and what relevance the agent has to the products and services provided to customers. This helps the contact center provider to correctly match agent profiles to customer profiles.

It follows then, that the more diverse the geographies a contact center provider has a presence in, the more shoring options that provider will be able to offer a company, whether onshore, nearshore, offshore, or any combination of the three. Geographically diverse and large-scale operations also mean that contact center providers service multiple industries and will be able to draw multiple best practices and modify them for application in other industries—an option usually unavailable to traditional single-industry companies.

5

A Tale of Two Case Studies: Real-World Implementation of CX Strategies

Here's a look at two case studies where Teleperformance served as a partner in developing an effective CX strategy. By implementing a balanced approach to CX that combines both digital and human interactions in a cost-effective way, Teleperformance helped reap measurable and quantifiable rewards for the clients involved.
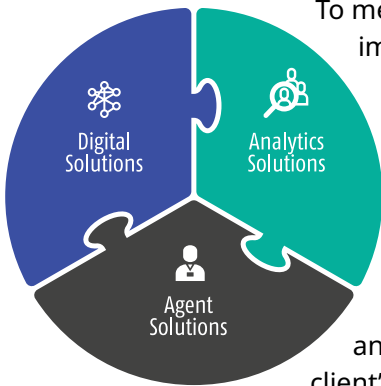
Case Study A: High-Tech, High-Touch Approach to CX Sees Insurance Company Recapture $1.9M in Lost Revenue

*Note that the company name has been withheld for confidentiality.

One of the largest personal insurance companies in the United States* wanted Teleperformance to help in recapturing lost sales from its website due to shopping cart abandonment. Insurance and financial service companies typically see an abandon rate of 79.3 percent, leaving a very large and expensive group of leads that never convert to a customer. The client needed a cost-effective way to recapture those online cart abandons, qualify the leads, and send them to the company's field sales team.

The partnership had to face a number of challenges in the process, among which were transitioning from a captive

contact center model to a third-party contact center model, and improving agent productivity in the sales support contact center. There was also the need to stay aligned with changing regulations that increased the cost and complexity of monitoring and ensuring compliance with the Telephone Consumer Protection Act (TCPA) and other rules that differ for field agents and contact centers.

Digital Solutions

Analytics Solutions

Agent Solutions

To meet the client's needs, Teleperformance implemented a high-tech, high-touch approach incorporating digital, analytics, and agent solutions, including customized customer relationship management (CRM) technologies. Teleperformance also utilized its exclusive methodologies for operations and people management, and sourced, hired, and trained licensed and non-licensed agents in order to meet the client's requirements.

This approach and Teleperformance's solutions came together to deliver impressive results. After launching the Lead-Generation Program, the Teleperformance team increased handling of sales-lead calls from 3,200 hours to 9,000 hours over a 10-month period. Teleperformance outperformed the client's internal contact center sales team and became the sole partner on this program.

50%+
recapture of lost sales opportunities

54%+
conversion of abandoned leads to qualified leads

$1.9M+
sales revenue in one year

In addition, 54 percent of abandoned leads have also been converted into qualified leads, recapturing more than 50 percent of the lost sales opportunities, which translates into an approximate recapturing of $1.9 million in lost revenue in a 12-month period.
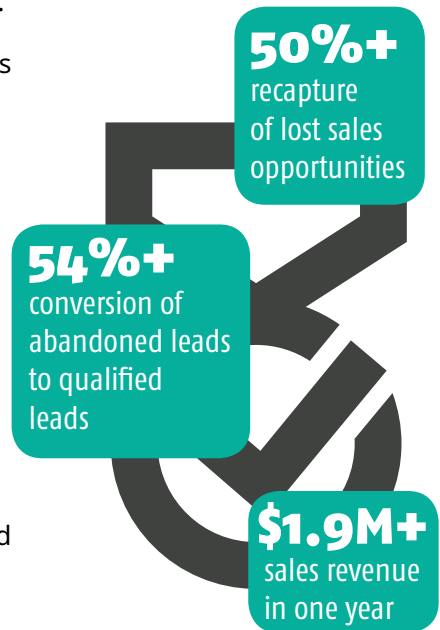
Case Study B: Government Agency Delivers Significantly Improved CX through Partnership with Contact Center

Teleperformance's success is not limited to corporate and private clients only; here, a government agency wanted to improve its online system, where taxpayers were provided a faster and more convenient means to make payments. However, the agency was facing issues related to call abandonment, as its previous capabilities rendered it unable to respond to a significant percentage of taxpayers who called in with inquiries.

Among other requirements, the agency also wanted its partner to provide single-source end-to-end contact center technology; uninterrupted, reliable customer service; faster marketing of its (agency's) new capabilities; and high resiliency while keeping incidents low.


The A-B-C of Digital Transformation
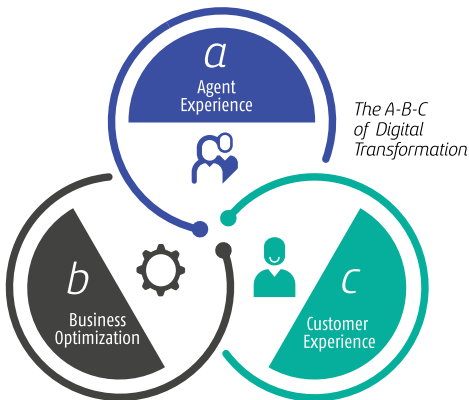
To meet these requirements, Teleperformance implemented a number of key technology items such as agent desktop modernization, which transformed the agent experience, as well as scripting and knowledgebase tool installation. A new training regimen for agents was also developed, along with the related knowledgebase content and articles, with existing knowledgebase content migrated whenever applicable. Teleperformance also created new processes and procedures for call handling, and established a contact center reporting suite and distribution process, which further helped to optimize the business. All of these components worked in concert to help deliver an excellent CX.

Since the migration of the agency's contact center operations to Teleperformance, service levels have consistently been at or above 99 percent, and 100 percent of customer inquiries are responded to in a timely manner. The team has also achieved significant improvement in increasing the resolution/containment rate, reaching as high as 95 percent in channel containment.

The agency also set a goal of 85 percent score in customer satisfaction surveys, and Teleperformance has steadily attained 89 percent or higher. Morale among agents has also seen significant improvement due to the new staffing model and their use of more efficient technology to complete tasks.

99%+
service level performance

95%
channel containment

89%+
VOC/customer satisfaction surveys
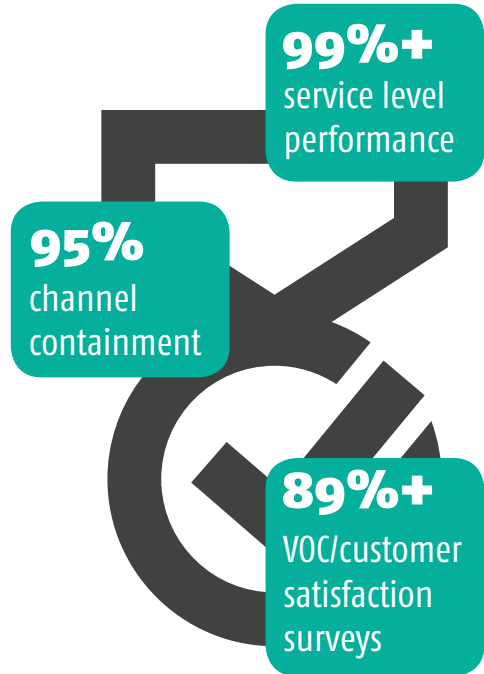
"Teleperformance's people truly make a difference in the work they provide to us, and this is evident in the focus they place on individuals within the program. The agent / operations staff truly care about employees and workplace culture. Account management staff is easy to work with and responsive. This helps translate into a strong client-vendor relationship that makes it easier to navigate complex issues / escalations while working together to provide excellent customer service to our end client and customers."

—Client Testimonial

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Conclusion

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> *"[L]ooking to find the right balance between digital and traditional, human-focused interaction is the cornerstone of preparing for competing in an omnichannel world."*
>
> **—Melissa O'Brien, Research Director, Contact Center and Omnichannel Operations and BPO, HfS**

While there is a great need to invest in digital technology to help facilitate a better, smoother, and more efficient CX, companies should also keep in mind that the human factor of the equation is still very much needed. It takes a good understanding of all the forces in play to help create a CX that works—one that is cost-effective and helps build customer satisfaction and loyalty. To achieve that balance, it is essential to partner with the right curator and provider that knows the ins and outs of facilitating efficient, effective, and economical CX strategies.

As the global leader of customer experience outsourcing, Teleperformance provides customer interactions management that is easier, simpler, faster, safer, better, and more cost-effective than any other provider. Teleperformance's formula is a balanced mix of high tech (uptime, omnichannel, digital transformation, and data security) and high touch (interactions specialists, managed with a purpose, working in a GPTW environment) driven by Six Sigma management discipline and geo-strategy.

Leveraging its experience, processes, and technology, Teleperformance serves as a means where companies can link both the digital and human experience for consumers, resulting in a richer and more genuine customer experience.

> *To learn more about creating a cost-effective CX and bridging the gaps between digital technology, human interaction and customer behavior, please visit our library of on-demand TP Talks webinars:* **https://www.teleperformance.com/en-us/resource-center/.**
>
> *You will learn from best practices, big trends, innovations and real-world success stories for managing ever-changing customer expectations from industry leaders and analysts from Caesars Entertainment, Mastercard, Michael Kors, Redbubble, T-Mobile, UnitedHealth Group, USAA, Everest Group, Frost & Sullivan, HfS Research, and more.*

About Teleperformance

Worldwide Leader in Omnichannel Customer Experience

We are the worldwide leader in outsourced omnichannel customer experience management. Teleperformance connects the biggest and most respected brands on the planet with their customers by providing customer care, technical support, customer acquisition, digital solutions, analytics, back-office, and other specialized services to ensure consistently positive customer interactions.

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