CALL CENTER
Executive Priorities Report

CALL CENTER IQ
2014 Edition
Executive Summary

A breeding ground for contradiction and hypocrisy, the customer management realm is also subject to the epitome of a corporate dilemma.

One the one hand, investing in the customer experience simply makes sense. Businesses do not exist without customers, and they do not make desirable fiscal improvements without satisfying them. Any C-level executive who wants to be in business needs to recognize the fundamental importance of customer service, and any such executive who wants to grow said business must approach it as a strategic Holy Grail.

Unfortunately, while caring about the customer experience is the only logical path for a contemporary executive, it is also a path overrun with many obstacles, many exit points, many supposed shortcuts and many mirages.

Executives might unanimously be affirming the importance of the customer experience, but their inability to understand the nature of that commitment is nearly as universal.

Believing the customer experience game to be a rhetorical one, some mistakenly believe saying the right thing is proof of customer centricity. Others, still tripped up by the “cost center” perspective, view an additional financial investment into the customer experience—no matter how strongly they value that experience in philosophy—as inherently undesirable. Some, forgetting that, by definition, only a customer can declare a customer experience successful, ignorantly and irresponsibly limit their focus to internal performance measures.

It is no surprise that executives routinely point to the customer experience as a top business priority. It was no surprise that the majority of executives interviewed for last year’s “Contact Center & Customer Management Executive Priorities Report” approved budgetary increases for various customer experience focuses, and it is equally unsurprising that executives claim to have similar plans for 2014.

But thanks to the wide gradient of options for actualizing that prioritization, consensus recognition of customer service’s importance does not guarantee any notable improvement—let alone a widespread one—in what customers actually experience.

The key, therefore, is not the extent to which businesses are actively investing in the customer experience, let alone the extent to which they simply care about customer management. The road to successful customer service is paved by investment into and attention to the perspectives, qualities and activities that produce meaningful—and positive—change for customers.

This report, the result of a comprehensive survey of call center, customer experience, marketing, IT, operational and general executive leadership, reveals how businesses plan to pave that road in 2014. After initially looking at how businesses, abstractly, are approaching the customer service question, it will then evaluate what investing into the customer experience, let alone prioritizing it, will mean for executives in 2014.

Once the report unpacks that issue, it can determine what customer service practices will mean to customers—and corporate bottom lines—in 2014.
Key Findings

Predictably, the customer experience will reign as a primary investment target in 2014. Sixty eight percent (68%) of businesses plan to increase their customer management spend in 2014; 21% plan to keep their spending constant and only 11% are planning reductions.

Objectives for Success

Of those devoting budget to customer management in 2014, 80% are committed to achieving demonstrable improvement against operational metrics. 62% of businesses call “increasing operational efficiency” a paramount concern, while an additional 26% call it an important focus.

Granted, those hoping 2014 will introduce a more positive approach to customer service are not wrong. While only 17% call “cutting costs” a top strategic concern, 74% ascribe that label to increasing revenue. Increasing customer satisfaction, another “positive” customer management outcome, earns the top priority label from an impressive 64% of organizations. And even though it is not a top objective for all businesses, a whopping 81% are committed to at least improving performance against customer satisfaction metrics as the year unfolds.

Historically a major focus for call center executives, challenges involving workforce distribution, including those related to outsourcing, are not of importance to businesses in 2014. While many focuses failed to earn majority support as top priorities, concepts like outsourcing, insourcing, nearshoring and offshoring were actually deemed unimportant by the majority of respondents.

Viewed as “not at all important” or unimportant by 64% of businesses, “consolidating operations through relocations and closures” is also absent from the 2014 radar.

Pathways to Success

Goals like increasing operational efficiency, increasing revenue and increasing customer satisfaction, though relevant barometers of where executive interest lies, are not bold comments on the state of customer management. What business would not want to focus on those things?
Reaching such a state of mind is great, but actualizing that state of mind is more important—and more challenging.

Popular strategies for achieving that actualization include people training and retention (deemed important by 72%), process improvement (85%), quality management (72%), customer service and marketing automation (64%) and workforce/workflow management (57%). Deemed unimportant by 79% of respondents, downgrading technology is a particularly unattractive strategy for 2014.

Since process improvement is considered the most important strategy for call centers in 2014, it is no surprise that it will also attract budget increases. 77% of businesses will increase spending on process improvement and optimization in 2014; 28% consider an absolute top priority. Other popular spending areas include social customer support (increases from 60% of businesses), mobile customer support (62%), digital/social marketing (55%), customer analytics and intelligence (66%) and quality assurance (53%).

Methodology, Demographics & Background

In November and December of 2013, Call Center IQ conducted this research with collaboration from an audience of customer service, customer experience and contact center professionals. Representing buy-side organizations, vendor organizations and independent consultancies, respondents contributed insights via a web survey and/or targeted, one-on-one interviews.

Requests to participate were issued irrespective of company size, call center size or region, assuring that the sample represented a global customer management audience.

Respondent Profile

If there were a skew to actual participation, however, it were in favor of larger organizations. 22% of respondent organizations employ at least 5,000 individuals, while 47.4% have at least 4,000 employees on their payroll. Only 29% of respondent organizations employ less than 250 workers.

Though many respondents confirmed they manage large customer service teams, the skew towards a specific call center size was less pronounced. 14% of respondent organizations employ at least 1000 agents in their customer service functions (and 39% employ at least 100 agents), but 36% seat less than 50 agents in their contact centers.

Example respondent job titles included “President and CEO,” “Director, Customer Interaction,” “COO,” “Operational Director – Call Center,” “VP, Marketing & Customer Care,” “Head of Customer Experience,” “Vice President, Customer Service,” “Manager, Customer Strategy” and “Director of Pre-Sales.” 21% of respondents identified themselves as either presidents or C-level executives, while an additional 38% operate on either the VP or director level. An additional 35% fit into the managerial rank, while 5% identified themselves as analysts and 1% are at the agent level.
level or below.

More than 20% of respondents personally manage at least 100 employees.

Though industry representation was not concentrated—twenty eight distinct industries were identified by respondents—it did skew slightly in favor of computer and telecom manufacturing, consulting and insurance. 11.6%, 11.6% and 10.3% represent those respective sectors.

Service Status

Call Center IQ does not share individual response data with readers or report underwriters (sponsors), but 19.2% still declined to provide insight into their annual customer management budget. Of those who did reveal their total annual budgets, 26% confirmed a budget in the $100K-1M range. 21% are spending between $1M-$10M, while 11% have a budget of at least $10M.

While the term “call center” is often used synonymously with the customer service function, live telephone support was not the most popular communication channel for respondents. That honor instead belongs to e-mail support, which is used by 85% of respondents. 81% offer telephone support (with live agents), while 60% provide in-person service. A majority of organizations also engage customers via Facebook (53%) and telephone IVR systems (50%). With representation in 7.7%, 18% and 19% of organizations, respectively, Google Plus, “other social networks” (not Google, LinkedIn, Twitter or Facebook) and live mobile support are the least popular customer engagement options.

The New Customer Service

“People have always been vocal in expressing frustration with customer service but the rise of more social channels has given them a greater sense of empowerment to not only voice their frustrations and praise in very public forums, but to take greater control of those relationships by conducting them whenever and wherever they choose.”

- Jim Freeze, Senior Vice President and Chief Marketing Officer, Aspect

Central to the relationship that literally defines the success or failure of a business, customer service has never been meaningless to customers. It has never been irrelevant to a business’ strategic planning. It has never been anything less than pivotal.

Unfortunately, essentiality cannot independently breed success. Customer service investment might have been unavoidable, but without accompanying, significant motivation for optimization, evidence of success absolutely was elusive. As a result, the compulsion to deliver a sufficient level of customer care was non-existent.

To customers, customer service was not something they defined but something they received. Absent a direct voice in the decision-making process or a compelling alternative to the experiences they were enduring, they simply could not drive change. Wholly empowered to set the course of customer service, businesses opted to use their power to maintain the status quo.

Customer service therefore became a concept synonymous with disappointment rather than a differentiator between those looking to delight and those willing to
disappoint. One could—and often did—complain privately about customer service, but he could do little to actually transform it.

Until he could. Though a clichéd sentiment, the notion that the Internet—and particularly social media—initiated a shift in the customer management power dynamic is an undoubtedly accurate one.

For the first time ever, customers could address customer service issues in a public forum. For the first time ever, they could evaluate—and document—a business’ customer service in the same way trade critics have long addressed issues with the product. For the first time ever, the quality of customer service became a meaningful criterion in the pre-purchase process.

And though social media is typically considered a forum for negativity, the opportunity to share positive experiences was equally beneficial to customer management. If businesses that disappointed customers risked reputational damage and those that satisfied them enjoyed reputational benefit, businesses had a far more compelling reason to act. Creating an excellent customer experience was not simply a way of keeping up with the Joneses; it was a means of upstaging them.

By transcending into a role as a positive value driver, customer service finally began garnering the type of attention it deserved. It was no longer a priority because businesses were forced to spend money on communicating with customers; it was a priority because businesses knew that if they managed such interactions correctly, they would thrive.

The introduction of stakes has not, however, rid the world of dissatisfying customer experiences.

Long an important investment target, customer service has spent the past few years as a top business priority. That businesses have yet to find a magic pill for overcoming customer service woes is both well-documented and irrefutable proof of the fact that change will not happen overnight. It is a lengthy process—and one that requires effective strategy at every turn.

Offered countless potential mindsets, strategic options, countless technologies and countless success measures, businesses are not inherently positioned to instantly overcome their customer service woes. That customer profiles and expectations are evolving at a rapid pace only adds to the difficulty of unlocking one of the business world’s greatest challenges.

“The majority of businesses are playing catch up to support consumer adoption of communication channels and devices, which is occurring at an unprecedented pace,” says Jim Freeze, Aspect. “Consumer expectations are higher. Word of mouth travels faster. Consumers are empowered like never before and all of this puts increased importance on the customer experience.”

Safe in their complacency for so many years, businesses were already behind the curve when it came to meeting customer demand. As customers become more empowered and begin to demand service of greater complexity and magnitude, businesses will not only need to plug existing service gaps but find a way to get in front of a rapidly moving marketplace.

With significant dollars and resources at stake, businesses cannot afford to misfire. They must invest in the kind of service that creates value rather than the kind that produces more cost.
2014 Results: The State of Customer Service

In order to assure businesses take the right actions in 2014, it is imperative to look at the current state of customer management.

Performance

Insofar as call centers serve customers, it is logical that customer-driven metrics, including those like Customer Satisfaction Score, Customer Effort and Net Promoter Score receive at least as much attention as internal measures of efficiency. Businesses should never strive for inefficient operations, but if a well-oiled call center routinely fails to keep customers happy, it does not warrant a stamp of executive approval.

Optimistically, today’s businesses are at least conscious of that reality. They know that no matter how efficient a call center, it is not effective unless it can create satisfying customer experiences.

According to respondents, 74% of businesses measure customer management performance “in terms of customer satisfaction/advocacy/loyalty.” While that does mean 26% of businesses have no idea how customers feel about their service, it also means more of today’s businesses value customer-driven metrics than efficiency ones.

Only 72% of businesses evaluate performance in terms of “agent/operational efficiency.”

Of course, as is the case with customer management on the whole, caring about something is not the same as achieving it.

While more businesses are measuring customer satisfaction than operational efficiency, fewer businesses are happy with their performance in that realm. Asked to rate their performance against customer-driven metrics on a scale of 0-5, respondents produced an average score of 3.06. Only 4% awarded their performance a 5/5; 6%, meanwhile, condemned their businesses with a 0/5 rating.

Though not superb, performance within the confines of efficiency was stronger. Respondents, on average, rated their call center efficiency a 3.26/5. Only 11% graded themselves below a 3/5 (compared to 26% for customer satisfaction), and no respondents selected a 0/5.

Channels

Forget the context of customer service. Even when asked the broad question about which channels they use for any sort of customer engagement, respondents still revealed a strong preference towards the most traditional call center channels.

Relied upon by 85% and 81% of businesses, e-mail and live telephone communication remain the clear channel preferences for businesses. They might endure endless hype about social, mobile and live chat, but when it comes to building their contact centers, their guts say to stick with tradition.
Used by 61%, in-person engagement, also a traditional contact option, is the next most prominent channel.

With 25% utilization as a live communication tool and 21% utilization as a self-service application, mobile has not yet emerged as a common channel option. Social has gained far more traction, but with only one network in use by more than half of businesses (Facebook at 53%), it is certainly not ubiquitous.

Save for Facebook climbing above the 50% mark and web self-service, interestingly, slipping below 50% penetration (to 45%), there were no significant changes to the channel offerings identified in the 2013 Executive Priorities Report.

The redundancy reveals that despite constant advocacy for creating an “omni-channel” customer experience let alone a multi-channel one, businesses remain in a state of inertia on the channel issue. And though that could mean businesses are thinking deeply about their channel investments and assuring they do not begin venturing into new channels for the sake of doing so, it also means businesses remain unable to flexibly communicate wherever their customers want to communicate.

Aspect’s Freeze explains that in an ideal world, “consumers [would be] engaging the companies they do business with through an increasing number of interaction points including voice, web, text and social among others...many companies are failing to engage and service their customers ‘where the customers are.’”

That many businesses remain unable to offer Freeze’s version of an ideal customer experience, which is the same one touted universally by customer management speakers, bloggers and consultants, is undeniable. While many factors, including organizational bottlenecks, resource limitations and cultural stagnation, contribute to the failure, the inertia also stems from a gap in mindset.

Despite intellectual advocacy for a channel-neutral world in which customers would receive the same experience, resolution and satisfaction in any channel at any given time, many executives still believe different contact channels possess different intrinsic value.

47% of organizations, for instance, view “telephone support” as the preferred channel for most interactions. Only 23% possess that view regarding “web/email/chat support,” and a drastically smaller percentage applies it to the mobile (9%) and social (6%) channels.

Even when given the option of selecting channels like mobile and social as preferred only for simple, transactional issues, which would still allow them to recognize the telephone as optimal for high-touch conversations, only a respective 13% and 4% bestowed the honor of preference on mobile and social.

Today’s businesses, which do not consider all channels equal, simply do not value social and mobile the way they do phone and e-mail.

**Organizational Challenges**

That an impressive 47% of customer management functions represent their own corporate division (compared to 36% that fall under operations, 13% that report to sales and 4% that answer to marketing) is not reason to ignore the possibility that organizational issues inhibit performance.

Whether or not it exists within a contemporary organizational, the traditional
dismissal of customer service as a value driver is not without present day impact. If the “cost center” approach resulted in fewer resource allocations or a budgetary approach that provides little leeway for overhaul, it will cripple even those call centers run by the most forward-thinking, customer-centric managers.

Of those who identified inhibitors to their customer management objectives, a whopping 52% blamed their stagnation on time, money, staff or other resource limitations.

Proving that not all organizations have entered the “age of the customer,” an additional 22% view organizational mentality as their biggest inhibitor to success. 11% view process and complexity issues as their biggest bumps in the road.

**The Evolution of Priorities: From Spending to Investing**

Knowing the need and believing in the value, businesses will continue ramping up their customer service investments in 2014. 68% of businesses will increase their customer management spend in 2014, and only 11% are planning cutbacks.

But when one considers how much money has historically been poured into ineffective customer service, all the aforementioned figure really proves is that businesses understand the abstract importance of customer service. When judged in the context of the actual customer experience, dumping more money into the wrong practices and wrong technology is a far less desirable strategy than trimming overall spend but routing funds to the proper locations.

If the call center is to cement its reputation as an enabler of value rather than as an imposer of cost, businesses must assure they are approaching their customer service spends as investments. They must clearly define their objectives and select the strategic pathways that will unequivocally lead them to those desired ends.

**Fundamental Objectives for 2014**

Presently more inclined to focus on customer satisfaction measurements than operational ones, businesses will continue prioritizing the voice of the customer in 2014.

Asked to rate their organizations' commitment to improving performance against customer-driven metrics in 2014 on a 0-5 scale, respondents expressed an average commitment of 4.32. 57% expressed their commitment as a 5/5, while only 2% of respondents rated their commitment less than 3/5.

Businesses are also very committed to improving operational efficiency, but in revealing an average commitment of 4.21 (with 45% rating their commitment as a
5/5), respondents confirmed that it is not quite as pivotal as customer satisfaction in 2014.

Granted, insofar as operational performance is presently stronger than customer satisfaction, one can certainly argue that executives are using 2014 as a catch-up year for the customer-driven suite of metrics rather than as a platform for proving such metrics are more important.

On a more granular, actualized level, business’ biggest 2014 objective is increasing revenue. Respondents rated the objective, which speaks to business’ focus on actual growth rather than merely on profitability, a 4.5s/5. 75% of companies will approach revenue growth as an absolute top priority in 2014.

Other key objectives include improving customer satisfaction/C-Sat score (4.49/5, top priority for 64%), increasing operating efficiency (4.49/5, top priority for 62%), improving customer feedback programs (3.81/5, top priority for 43%), increasing selling/cross-selling/up-selling (3.81/5, top priority for 40%) and reducing complexity (3.81/5, top priority for 30%).

While support for goals like increasing revenue/sales, increasing customer satisfaction and increasing operating efficiency are fundamental objectives expected of any business climate, that “improving customer feedback programs” and “reducing complexity” emerged as top priorities offers a unique commentary for the current “age of the customer.”

As with increased emphasis on customer-driven metrics, the growing desire to improve customer feedback illustrates the changing power dynamic of customer management. Once entirely at the whim of the business and its internal considerations, the customer experience is now the product of a fluid relationship between brand and consumer. Businesses are beginning to realize that the customer service they offer should not be governed by their previous mentalities and resource allocations but by the manner in which the customer wants to engage with the business.

The rising aim to reduce complexity, meanwhile, corresponds to the broadening concept of customer engagement. No longer merely a hub for offering singular, transactional, retroactive responses to customers, the current call center conception, according to Aspect’s Freeze, “consists of being front and center for consumers, managing multiple communication platforms, analyzing customer activity, customer sentiment, analyzing data, connecting the dots between customer relations and departments like product development, marketing, and finance, and delivering an informed and prompt response that has customers leaving happy and satisfied.”

In shifting from a transactional customer service approach to a relationship one, businesses will not only burden themselves with more customer data but with a greater need to access that data in new, unexpected and immediate ways. Since few call centers were even equipped to handle complexity levels in the traditional conception of the call center, the escalated processes associated with a fluid, 24/7/365, omni-channel customer management function appear understandably daunting.

Insofar as that is true, any call center looking to adapt to the current conception of customer service must view complexity reduction as a pivotal focus in 2014.
While systems and technology will play an enormous role in accommodating the evolving customer service mindset, structural focuses will garner minimal attention this year.

On the same 0-5 scale, with 0 referring to something “not at all important,” respondents rated the “near-shoring” objective at a paltry 0.81/5. For 66% of companies, its rating is a 0/5.

Other objectives that scored below a 2/5 included offshoring (.91/5, completely unimportant for 62%), home-shoring (1.23/5, completely unimportant for 55%), consolidating operations through relocations and closures (1.38/5, completely unimportant for 48%), outsourcing (1.62/5, completely unimportant for 51%) and insourcing (1.69/5, completely unimportant for 47%).

Other structural issues, including consolidating operations through administrative or management restructuring (2.34/5), consolidating operations through hosted technologies (2.49/5) and consolidating operations through cloud technologies (2.49/5) also scored poorly.

The Channel Question

In not only revealing a status quo preponderance of traditional channels but that they prefer media like live phone support and e-mail support for primary contact issues, respondents confirmed that 2014 will not be the year in which omni-channel becomes a universal reality rather than a desirable ideal.

They did, however, give indication that some channels and communication options will gain considerable ground in 2014.

Though only a small percentage of businesses view social and mobile as absolute priority investments for 2014, the majority will be increasing accompanying spend.

According to respondents, 62% of businesses will increase investment into mobile customer support. 13% plan no spend whatsoever. For social media customer support, those respective numbers change to 60% and 9%.

Organizations’ perspectives on mobile and social customer care provide further reason to believe the channels will gain ground in this year (and in future years).

Asked how they perceive mobile, only 13% said it is not offered due to irrelevance for the customer base. 20% do not offer it but believe they need to do so, while an additional 11% plan to debut mobile customer care in 2014.

Since mobile is relevant to 87% of customers but only offered by roughly 20% of organizations, delayed implementation is clearly not due to a value question. Businesses clearly know their customers want it.

Social was deemed irrelevant by 29% of organizations; 4% believe they need to start offering it, and an additional 9% have plans to do so this year.

Since social is relevant to 81% of customers but offered by roughly half of them, hesitation in its implementation, too, cannot be attributed to concerns over value. Businesses clearly know their customers want it.
The Realization of Priorities: Plans for Succeeding in 2014

If ambitions come to fruition, 2014 will be a year not only of more call center efficiency but of more customer centricity. Businesses are almost universally looking to improve customer satisfaction, gain more vivid windows into their audiences, reduce complexity associated with serving today’s complex customers and expand into new channels.

But the realization of that list of customer-friendly ideas hinges on the contents of the executive to-do list. Businesses have spent centuries investing in customer service and many years publicly treating it as a priority with little to show for their labor. This is a game of action rather than intent.

Not on the Docket

Like hollow New Year’s Resolutions involving cutting out swear words or junk food, promises one does not truly intend to fill are better left unpromised. Businesses will attempt to increase and improving their customer-related offerings in 2014, but as entities governed by the laws of practicality and will, they are also being upfront about the things that will not happen.

Despite surely encountering the hype over Amazon’s “Mayday Button,” in which users of the brand’s Kindle Fire device can press a button to be connected to a live support agent, few businesses intend to offer a similar service in 2014. Only 4% of businesses plan to start providing one in the coming year. 11% hope to start using one but cannot make any promises, while 74% outright promise they will not be letting their customers directly connect to a support representative.

The concept of 24/7/365 live support, sadly, will remain a pipe dream for customers in 2014. Only 2% of businesses will start offering around-the-clock service in 2014. 7% hope to, and 54% outright admit it is not going to happen this year.

All day support will, however, gain footing with those already offering it to customers. 17% of respondents say they are using it and will increase their investment into the practice.

The virtual agent system, one of customer management’s most buzzed about technologies, will interestingly not gain much ground in 2014. Only 13% will deploy virtual agent technology in 2014, while 11% limit their intended use to a “hope” and 50% are ruling its implementation out for 2014.

Those who do rely on virtual agent systems, however, seem very content: 11% of all businesses will increase investment into the technology, while 11% will maintain existing spending levels. Only 4% will trim their virtual agent budgets.

Like virtual agent systems, speech analytics applications will also struggle to escalate from hype into implementation in 2014. 49% of businesses outright refuse to implement speech analytics in 2014; only 13% of those not using it are committed to changing that reality in the coming year.
45% of businesses will refrain from starting a separate social media account for customer support in 2014, while 43% will avoid investing in any online customer community. Only 4% and 6% of businesses, respectively, plan to pursue the opposite paths in 2014.

Despite showing limited enthusiasm for key technology like virtual agents and speech analytics, businesses have not fallen out of love with customer management technology on the whole. Downgrading technology is the least popular option for businesses in 2014; 66% afford no priority to the strategy, while only 4% consider it important.

With complexity and customer needs growing, businesses’ continued affinity for technology is far from unexpected.

“Businesses can make a real impact by using enabling technology to reduce complexity,” says Aspect’s Freeze. “For example, delivering cohesive self-service options will help companies efficiently meet the expectations mobile consumers have for immediate, anywhere service. Cloud solutions further ease the adoption of new channels and the latest functionality, and enable businesses to focus on delivering great service rather than worrying about the underlying infrastructure.”

Sure enough, 45% of businesses consider the purchasing of technology an important 2014 priority, while only 9% dismiss the strategy. Interest in upgrading technology is identical.

Outside of their opposition to downgrading technology, executives are far less united in dismissing other strategic action plans. 21%, for instance, dismiss an emphasis on specific contact channels as an important priority, but an opposing 19% consider it an absolute top priority. 15% do not see management education or buy-in as worthwhile, but 17% consider it a centerpiece for 2014 (and insofar as 22% consider organizational mindset their top inhibitor, it is hard to believe many businesses will outright ignore the need to education the executive rank).

The same polarity is evidenced on the question of budget. 26% will not be spending money on outsourcing and 9% will be reducing their outsourcing investments, but an oppositional 21% will increase spend. 4%, meanwhile, consider it a top budgetary priority.

21% will refrain from investing into IVR systems, but 23% will increase their phone self-service and IVR budgets. An additional 11% will make it a top priority in 2014.

15% will direct no money to live agent call center support and digital media sales, but 40% view the practices worthy of increased spending or priority statuses.

Ready for Action

Executives surely have their oppositions in 2014, but as decision makers for organizations that are increasingly accepting the importance of customer management, they are no longer held prisoner by the word no. More than two-thirds of businesses will increase their customer service budgets in 2014, and that means more than two-thirds of businesses will be looking for opportunities to improve the way they connect with customers.

With the voice of the customer integral not only in philosophy but by specific virtue of business’ desire to focus on customer-driven metrics, customer feedback tools will unsurprisingly be the most popular investment target for organizations. A whopping
55% of businesses will increase their utilization of customer feedback and survey tools, while 9% will initiate use for the first time in 2014.

Only 4% will reduce or eliminate consumption, while 6% will persist in their opposition to gathering customer feedback.

38% of businesses will increase reliance on FAQ and knowledge base platforms. Only 2% will reduce or eliminate consumption.

Support for FAQ platforms is not, however, as universal as it is for customer feedback tools. While the solution category is a popular one, a sizable 21% maintain they will continue rejecting its implementation in 2014. 9%, however, will use FAQ and knowledge base platforms for the first time.

The findings are similar for telephone IVR platforms. While 36% will increase reliance on IVRs and 4% will use the phone-based self-service platform for the first time in 2014, a noteworthy 21% maintain they will continue rejecting its implementation.

Though many companies will more heavily utilize tools like mobile support applications and live chat (24% and 21%, respectively), they will remain unused by 35% and 38% of businesses, respectively. That finding provides further reason to dismiss the notion that 2014 will be the year in which mobile becomes a ubiquitous support option.

On a strategic level, businesses will universally be turning to process improvement to achieve their 2014 customer management goals. With an overall priority score of 4.13/5, “process improvement” will be a key priority for 85% of businesses. 40% outright call it their absolute top priority.

Insofar as existing—and newly recruited—call center staff will be tasked with carrying out the business’ more ambitious 2014 customer management vision, the people themselves will receive priority focus from most businesses. Rated a 3.83/5 on the priority scale, “people (training/retention)” will receive significant attention from 73% of businesses and be a top priority for 34%.

Quality management (3.79/5), customer service and marketing automation and self-service (3.66/5) and workforce/workflow management (3.45/5) will also be top strategic priorities in 2014.

Like the interest in people training and retention, support for workforce/workflow management is consistent with the philosophy that “happy agents yield happy customers.”

*Happy agents are more likely to result in happy customers,* notes Aspect’s Freeze. *“More companies are realizing the impact that workforce and performance management tools have on the contact center – and hence the customer experience.”*

Given its status as a top strategic action, process improvement and optimization will naturally be the top spending priority for 2014. 28% businesses outright call it an absolute priority, while 49% are committed to at least increasing their process improvement investments. Given the ongoing concern for call center efficiency and the need to keep the wheels turning in the face of growing customer complexity, the overwhelming support for an operational investment is as suitable as it is predictable.

As customer service shifts from a transactional conception into one driven by relationships, CRM spending will naturally improve. 23% consider spending on CRM systems an absolute priority; another 30% will at least increase their CRM
investments.

Hoping to humanize their brands in the “age of the customer,” 19% will spend a priority share of their customer management budgets on “live person sales.” An additional 19% are planning an increase of some sort.

Subject to constant hype about “Big Data” and needing to navigate the seas of customer insights they will be developing in 2014, 17% will prioritize their investments into customer analytics and intelligence. A whopping 48% are planning some sort of increase, which means customer analytics will technically be second only to process improvement when it comes to commanding increased customer management investments.

Top priorities for 13% of businesses each, quality assurance and live agent call center support will elicit spending increases from an additional 40% and 28% of businesses, respectively.

**Portrait of Customer Centricity: Will 2014 Transform Customer Service?**

The introduction to this report raised a pivotal question for executives: insofar as customer service has always been an annual investment priority and nearly as frequently been a haven for disappointment, what will be different about 2014? That businesses are committing more money to customer service, though great on a binary scale, is not proof that the state of customer management will be dramatically better on December 31, 2014 than it was on December 31, 2013.

No one can know exactly how the year will materialize. Executives notoriously say the “right things” at the start of the year and then defend the wrong results at the end of the year. Plans change. Customer behavior changes. Investments materialize in unexpected ways.

But by painting a picture into how businesses perceive their customer service departments, how they define their most aggressive spending priorities and how they will almost certainly not invest their 2014 budgets, the 2014 Call Center Executive Priorities Report does provide a basis for understanding how customer management will evolve this year.

**The Voice of the Customer will Get Louder** – Businesses have begun realizing that customers make for the most qualified and astute customer experience judges. It is their level of satisfaction—not an internal assessment of productivity—that determines whether a call center can be lauded as a success or condemned as a failure.

Businesses will surely not break free of the tendency to consider the internal, operational ramifications of their customer service functions, but they will finally begin qualifying that data with real insight into the customer base. Customer feedback tools will be a top spending focus in 2014. Customer satisfaction metrics will be the key performance barometers in 2014.

While the prioritization of customer satisfaction measures is promising, truly customer-centric businesses will stop classifying metrics altogether. Instead of
looking at efficiency and satisfaction as different tasks, they will simply evaluate how operational performance is translating into customer satisfaction, loyalty, advocacy and, ultimately, revenue.

Metrics that can speak to the holistic experience are the ones that will empower businesses to excel at customer management.

*It’s Time to Get Serious* – Customer service interactions are not isolated transactions; they are phases of a long-term (ideally infinite) relationship between a business and a customer. As businesses adapt their customer service function to this mindset, their focus will turn to specific instruments.

CRM systems, which will receive significant investment in 2014, are one such instrument. By enabling businesses to create and build profiles for customers, improved CRM technology will ensure organizations are empowered to treat customers the way they want to be treated: as valued, unique partners rather than numbers.

Customer intelligence will also be pivotal. Using the myriad of potential touch points, businesses will need to collect customer data and then assure it is accurately driving operations. Showing an impressive degree of foresight, businesses are not only committed to investing in customer feedback and intelligence solutions for 2014 but also the tools that will help reduce complexity. They know that despite wanting experiences driven by more detailed data, customers also want to minimize the hassle and difficulty previously inherent to support interactions.

Part of truly knowing a customer, after all, is minimizing the time and effort required to interpret the customer’s issue and find a relevant solution.

*The Power of the People, The Importance of the Process* – Largely content with their organizational structures, businesses will not spend 2014 transforming their outsourcing strategies or drastically shifting personnel.

People, however, will still be centerpieces of the year’s customer management strategies.

Counting on agents to carry out ambitious objectives related to process improvement, customer satisfaction and revenue growth, organizations will value talent as a pivotal instrument for success in 2014.

Through investment into training and workforce management systems, businesses will assure agents are positioned to parlay interactions with customers into positive business outcomes. From delivering superior service in new channels, to preemptively recognizing customer needs, to offering compelling resolutions in efficient manners, agents will be asked to prove that the call center is, indeed, a value center.

To give them a fighting chance of succeeding, businesses will spend 2014 empowering agents to accept and thrive in that new positive vision of the customer service function. They will need to provide the knowledge, processes and technology required for customer service empowerment.

*Not All the Way Omni* – While 2014 will bring a greater emphasis on the customer experience and more attention to the voice of the customer, it will not usher in the era of omni-channel customer engagement.

Businesses will continue foraying into social and mobile customer care, but they will not help it become a customer management obligation. And insofar as businesses
continue to value traditional channels like phone and email as preferred channels, even those organizations that do invest in mobile and social will not necessarily treat them as priority engagement lanes.

Because a truly omni-channel organization does not simply engage customers in every conceivable channel but assures the flow of information is so seamless that it can serve customers regardless of channel preference, business’ hesitance to immediately jump into every channel is not inherently negative.

Hesitance driven by generic resource concerns or believe that some channels are fundamentally less important than others (without rooting in the voice of the customer) is, however, quite negative. After all, even if a business is not ready to excel with an omni-channel customer experience by the end of 2014, it should be setting the long-term stage for such an offering.

Only then will businesses be able to align service offerings with customers.

About the Report Developers

CALL CENTER IQ

Formed through the union of Call Center Week, the world’s largest and most influential customer service event, and Customer Management IQ, the world’s largest and most influential customer service online platform, Call Center IQ instantly becomes the most significant community, resource hub and advisory for call center professionals. Join the community at CallCenter-IQ.com.

CCIQ members receive:

☐ Networking: Connect with 50,000+ qualified professionals who care as much about the customer as you do.

☐ Research: Receive our quarterly executive research reports valued at $2,000/year. CCIQ members will get access to these reports at zero cost.

☐ Access: Members will receive exclusive access to our top presentations and product demos along with exclusive speaker podcasts, event research reports and live blogs.

☐ Product Matchmaking: Benefit from our vendor directory and allow us to match you with the solution providers who meet your needs.

☐ Event Discounts: Members of CCIQ will receive a 10% discount on any of our events. Member attendees will also benefit from VIP functions at our big annual events.

Aspect's fully-integrated solution unifies the three most important facets of modern contact center management: customer interaction management, workforce optimization, and back-office. We help the world's most demanding contact centers seamlessly align their people, processes and touch points to deliver remarkable customer experiences. For more information, visit www.aspect.com