

# Omni-channel Excellence as a Competitive Differentiator

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An Ovum White Paper for EGS



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## Introduction

There can be little doubt that today's consumer expects more than ever before from the standpoint of customer service. The willingness of end users to simply use one channel for their interactions with companies from which they buy products and services has long since disappeared; rather, in the current commercial environment, it is not unreasonable to expect that a customer will use multiple channels in order to gain access to technical support or to simply ask a question. And, while this trend is an exciting one as it provides consumers with more opportunities to interact with business, it also poses multiple challenges for enterprise contact center managers, upon whom the pressure to achieve customer experience excellence has never been higher. In response to this trend, many firms are realizing that engaging with a contact center services vendor that can provide access to the technology and talent associated with high-quality, omni-channel deployments is the logical path to ensuring long-term customer satisfaction without the heavy upfront costs nor the growing pains of integrating such platforms into their existing CRM suite.

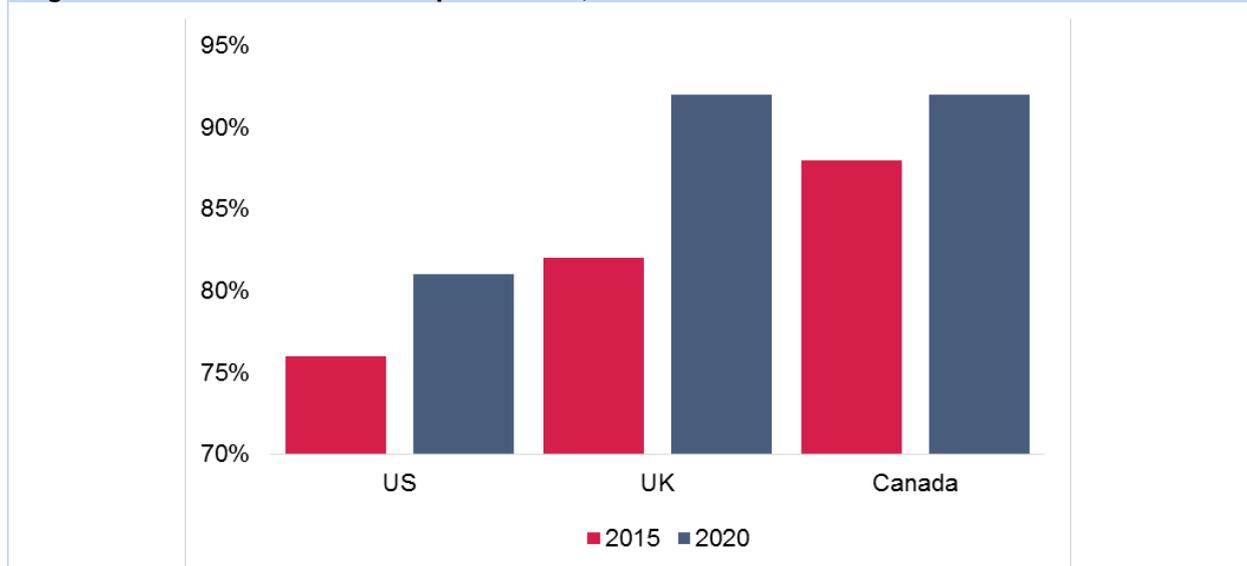
## Demand for omni-channel services is growing

### What is driving non-voice interactions?

There are many reasons for the increase in non-voice consumer activity. However, for the purposes of this white paper, Ovum has identified the following as the primary drivers:

- **Household Internet penetration** – According to a recent Ovum forecast, the percentage of households that are connected online is in excess of 75% in key consumer markets, including North America and the UK. However, enterprise contact center managers must be aware that this growth is not slowing, and by 2020, more homes will be connected to high-speed Internet than ever before. This will invariably drive more online activity, including non-voice CRM interactions. With more households than ever accessing online portals, enterprises can expect greater volumes of email, web chat, social media, and video chat from consumers of all ages.

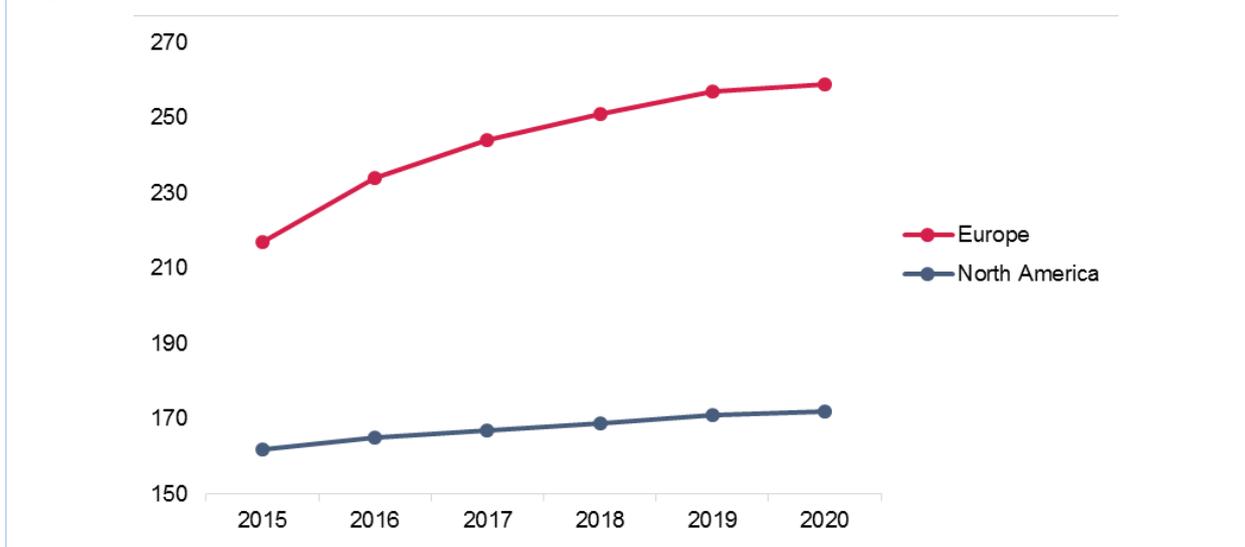
**Figure 1: Household broadband penetration, 2015–20**



Source: Ovum

- **The growth of smart mobile devices:** A second (and very compelling) reason why consumers are increasing their willingness to interact with enterprises through non-voice channels is due to the proliferation of smart mobile devices. Ovum's latest mobile connections forecast indicates that the percentage of the population in the US, UK, and Canada with access to a 4G connection (essential in facilitating robust non-voice interactions) is currently equal to or more than 50%, a level that is expected to exceed 100% (due to individual consumers owning multiple devices) in these markets by the end of 2020. This is also borne out by the graphic below, which indicates ongoing sales of smartphones in North America and Europe, effectively connecting more people to the Internet and access to multiple communications platforms. The net takeaway from these two trends is that they will add more demand for non-voice interactions among customers accustomed to leveraging Internet-enabled mobile technology; this also adds another level of complexity for enterprise CRM managers, in that end users will also be able to access multiple non-voice channels from one single device.

**Figure 2: Smartphone sales volumes (millions), 2015–20**



Source: Ovum

## Which channels are consumers using?

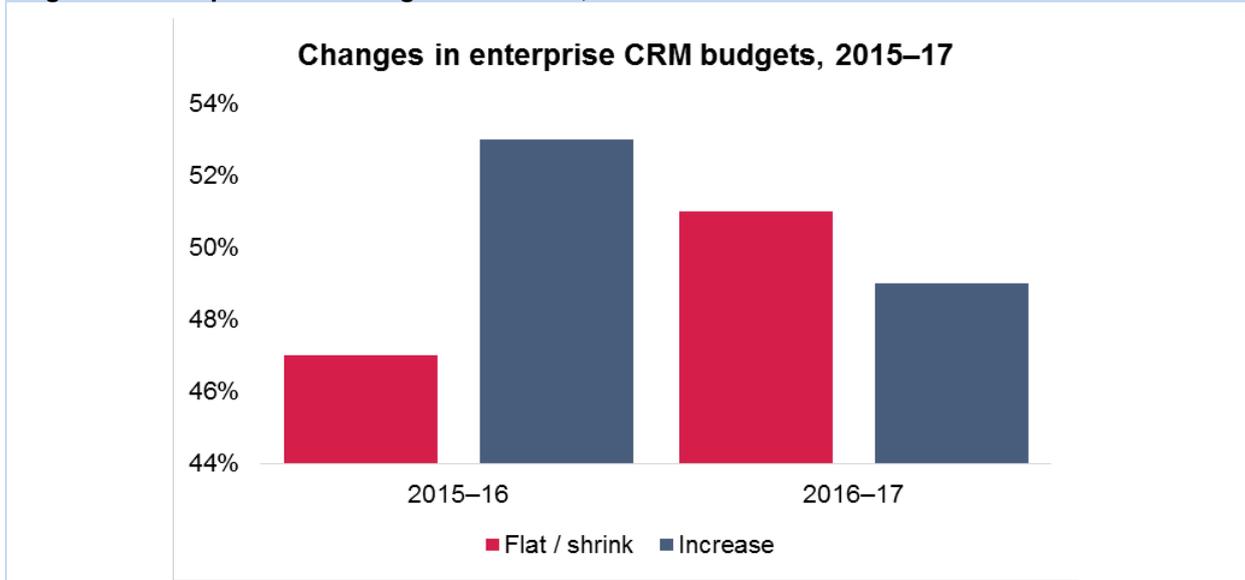
Consumers are choosing to use more CRM channels than ever before when contacting enterprises from which they purchase goods and services. Ovum's *2015 CRM Outsourcing Business Trends Survey* indicates that while there is still a great deal of traction for the traditional voice channel (which is used holistically by companies across verticals), there has also been significant adoption among enterprises for non-voice platforms. These include channels that are considered mature (such as email), coupled with emerging ones that are rapidly gaining more interest with wired-in consumers; among the most notable levels of penetration include social media (66%), SMS / instant messaging (50%), and web chat (40%). As touchpoints, each of these is extremely valuable to the enterprise given that they provide consumers with additional interaction possibilities with enterprises, and allow the enterprise to mine more customer information to develop a more robust view of the end user. However, the pressure on the enterprise contact center manager to facilitate the technology and personnel needed to service these channels will only grow as more consumers find themselves online.

## In-house challenges leveraging omni-channel

### Tight enterprise CRM budgets

As discussed above, the channels that consumers are choosing to leverage for non-voice interactions are both varied and growing. Thus, in order to remain competitive, enterprise contact center managers must ensure that they are supporting each specific channel that is relevant to their customer base. However, the cost of such initiatives is very high, when considering the investment in hardware, software, and data management tools required for one or more non-voice channels. In addition, the need to purchase these technologies could not come at a worse time for in-house contact center managers; according to Ovum's research, enterprise CRM budgets are tighter than ever, with over 50% expected to shrink or stay flat for 2015–17. How then can enterprise CRM managers be expected to take on the technology required for supporting the various non-voice channels that consumers continue to demand?

**Figure 3: Enterprise CRM budget evolutions, 2015–17**

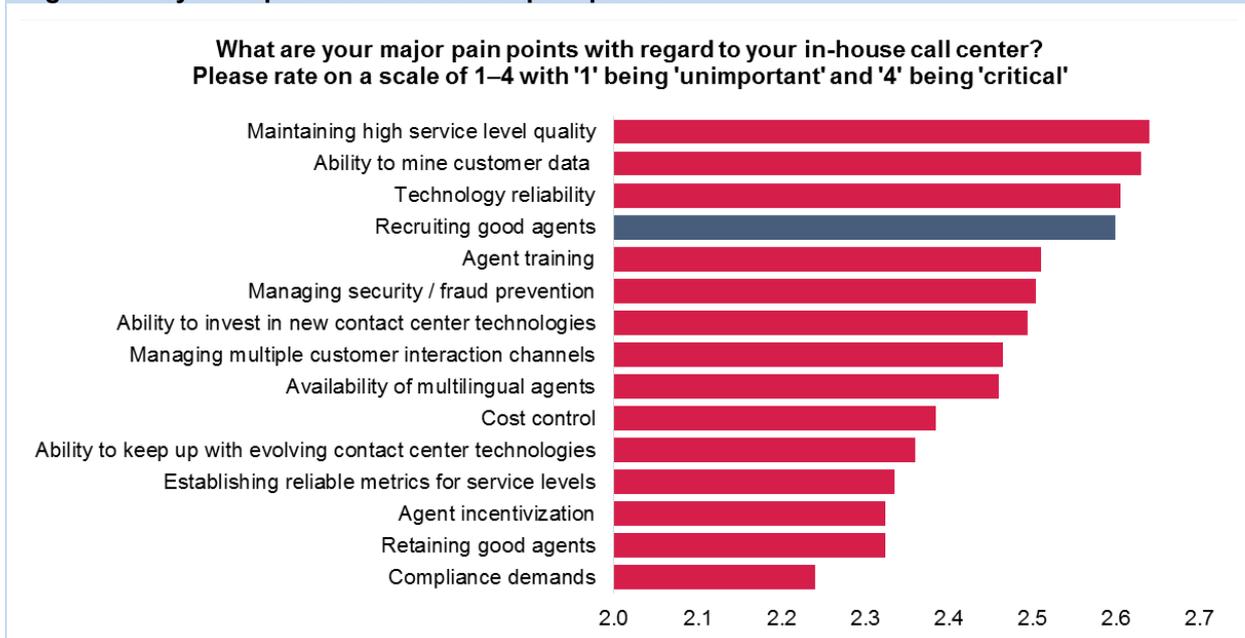


Source: Ovum

## Finding the right expertise

Another major pain point for in-house contact center managers is locating the talent required to support an omni-channel platform. Ovum's research indicates that, broadly speaking, agent recruitment is among the key challenges for enterprise CRM operators (as per the graphic below). This will almost certainly be compounded when taking into account the nuances of finding people to handle non-voice support, given that the agent demographic by channel can be heavily dependent on age group, education, and personality, which will be both time-consuming and costly. In addition, being able to develop the training and incentive programs to retain these same individuals will only add cost to the enterprise contact center manager's already-stretched resources.

**Figure 4: Key enterprise contact center pain points**



Source: Ovum

## Keeping up with the latest trends

Finally, enterprise contact center managers need to consider their capacity to not only supply access to the different channels that their consumers currently require, but also those that are likely to be in demand over the coming months (and possibly years). Not only is getting ahead of the upcoming trends essential in maintaining customer satisfaction, it is resource-consuming. However, this is a strategic requirement for firms across vertical markets, given the agnostic nature of consumer channel usage. And, should the enterprise contact center manager fail to anticipate the trends related to the channel preferences of their customer base, consumer loyalty will erode and revenues will be lost.

## Omni-channel's impact on customer experience

Customer experience has truly emerged as the key priority for enterprises, regardless of vertical market. In fact, Ovum's research indicates that going into 2016, more firms are making this their primary strategic focus. This has not been lost on in-house CRM managers, who are facing more pressure than ever from their executives to ensure that the contact center is one of the key elements in ensuring that customers not only receive a top-notch interaction that generates loyalty, but one that encourages more frequent (and larger) purchases. The emergence of omni-channel delivery has complicated this equation for many enterprises; effectively, the trend of tightening CRM budgets has meant a lack of capacity to

- purchase the needed technology for the delivery of a true omni-channel platform
- recruit, train, and retain the right team of agents and supervisors to run an omni-channel platform
- invest in the development of a long-term, omni-channel strategy, one that would provide the enterprise with an idea of where this trend is going in terms of both technologies and consumer expectations.

The paradigm for in-house CRM managers is clear. Without the right omni-channel tools, people, and strategy in place, enterprises across verticals are severely jeopardizing the loyalty of their consumer base. If firms cannot provide the access to the channels that their end users want to use, the result will be customer churn, lost loyalty, and a drop in revenues. These are clearly circumstances that no enterprise wants to face, and is one reason why many are looking to work with contact center services vendors as a means of guaranteeing a strong omni-channel offering, without the headaches of the associated technology investments.

It is also noted that by working with a third-party vendor, enterprises also reduce their exposure to the risks associated with a new omni-channel offering. With every new initiative, there is an understandable element of trepidation for the enterprise CRM manager. By engaging with an experienced contact center outsourcer, enterprises can take advantage of that vendor partner's cross-channel experience across vertical markets, in terms of best practices and how to avoid potential pitfalls in both implementation and throughout the entire customer lifecycle. This provides the enterprise client with a sense of omni-channel confidence that they would not have otherwise were such a solution deployed within the scope of their in-house CRM operations.

# EGS as a provider of omni-channel services

Leading global contact center services provider EGS has made a priority of developing a robust omni-channel offering for its clients across vertical markets. The basis for the EGS omni-channel offering is threefold, taking into account:

- brand-preference development
- revenue growth
- security and compliance focus.

With that in mind, EGS has ensured that its omni-channel offering, known as Customer Experience Management Portal (CxMP), is well rounded, and is capable of handling interactions across platforms that range from the mature (including voice, email, IVR) to those that can be considered emerging (such as SMS/instant message, social media, and web chat). By providing this range of options, EGS enables enterprises across verticals to leverage one or several channels, depending on the mix that their consumer base is accustomed to using.

EGS has styled its approach to deploying its omni-channel capabilities around ensuring that not only is the full picture of the individual customer applied to each interaction based on ongoing profile development across channels, but that the data collected is accessible in one central interface for agents to leverage as needed, as well as for the purposes of the enterprise developing strategies designed to target specific products and services for the consumer. This process is also designed to determine the consumer's channel preferences, based over the relationship's timeline and evolution. In addition, the EGS omni-channel offering has also been designed to ensure maximum end-user deflection to self-service alternatives, so as to reduce wait times and keep costs down.

EGS has been able to achieve a number of impressive results using its omni-channel approach in a number of real-world examples. For instance, it helped a global multimedia firm improve its customer satisfaction scores by 10%. Equally, a large telecommunications player was able to deflect roughly 25% of its call volumes to self-service, meaning another circumstance in which customer satisfaction improved by 10%. Finally, an electronics manufacturer was able to reduce its contact minutes by 21% using the EGS CxMP solution.

## Conclusions

Contact channels are rapidly evolving, as are the preferences of consumers with regard to how they choose to interact with the enterprises from which they purchase products and services. As has been identified in this white paper, this is placing a significant amount of pressure on in-house contact center managers, who are being asked to provide robust omni-channel interactions with consumers (and to collect valuable data from each interaction); but, with many in a position of tightening CRM budgets, this is simply unrealistic, meaning a potential drop in customer satisfaction and the opportunity cost of information that could drive greater end-user satisfaction and loyalty, which equates to long-term revenues.

However, for enterprise contact center managers, there is an alternative. Working with a contact center services vendor that has developed a robust omni-channel offering that focuses on platform diversity, hiring the best possible workforce, and having the right technologies in place that can help develop the fullest possible profile of the end user can mean the difference between lost business from unsatisfied consumers and winning loyalty and a lifetime of revenues. However, what is key in

this dynamic for enterprises is to find a CRM services vendor that will focus on a long-term strategic partnership, and will work to accommodate the client's vertical channel nuances and corporate culture when developing, in tandem, the right omni-channel strategy.

## Appendix

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