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The Key to Understanding the Customer Journey: What to Measure and Why

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To date, contact-center technology has mainly focused on cost and operational efficiency: automating more and more customer interactions via Interactive Voice Response (IVR) systems, Automatic Call Distribution (ACD) systems, order entry, web chat, and more. As a rule, organizations have done this well, using data to drive cost efficiency. Many businesses have successfully reduced the number of calls going to agents, enhancing those agents' productivity while controlling costs.

But what if this is the wrong approach to growing the business? What if focusing on efficiencies means that the organization is squandering its best asset—its existing customers—or failing to convert many of its best prospects? And how would you even know if this is the case?

You can't, without the right data. And to get that data, you need to measure the right things.

Unfortunately, many organizations measure the wrong things. Too often organizations focus on lower-level events, transactions and interactions. In the process, organizations reap poorer business outcomes.

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To drive strategic change you need to focus on the higher level customer journey, the sum total of your relationship with your customer.

Fortunately, you can now begin measuring the holistic, customer-centric information that enables organizations to improve performance as well as operations. With this data you can:

- Increase sales.
- Build and retain customer loyalty.
- Enhance cross-selling and up-selling.
- Provide the type of excellent service and service that delights your customers.
- And, in general, improve the overall customer experience.

But this requires looking at your data from your customer’s perspective, seeing it from the outside in, not from the inside out. Only then can you see yourself as your customers see you, which provides the most valuable insights of all.

Best-practice organizations with deep pockets are already doing it. Now you can too. But first, you have to measure the right things.

Lots of Data, Little Information, Few Insights

If you’re a call center director, direct sales manager, VP of marketing or sales, or similar executive, you know how things are today. You are faced with maintaining customer contact via all kinds of channels—phone, e-mail, social media, web chat, forums and text messages, not to mention the more traditional routes of advertising and direct mail.

So much data, yet it is hard to get a full picture of the customer experience:

- To see how he or she progresses (or not) through the various channels, sessions, and interactions.
- To get an idea of what it’s like to do business with you.
- To get a better picture of your long-term relationship with the customer.

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“So it’s time to shift our thinking and focus at the Customer Engagement Level, where we can get business benefits from the data.”

To get that picture, we need to think about transactions, interactions and engagements differently than we have been doing.

Today a single customer call to a contact center often involves several different systems, such as the IVR, ACD, order entry and Customer Relationship Management (CRM) system, as well as human agents. These systems aren’t made to share data with each other.

The result is that the typical company does not know the total customer experience. The company usually knows what the callers did in the IVR (e.g., that the callers were routed around or transferred), but the company usually does not know why callers left the IVR, or what happened in the IVR that caused them to be transferred. The dots between the systems are not being connected. As a result, the typical organization does not get a full picture of what the customer was trying to accomplish or how that process went.

With that limited information, the organization does not know how to improve the customer experience. The organization can try things out, fine-tune the IVR for example, but such activities might not help the customer and might, actually, be counter-productive. What if your best customers hate the IVR and will buy twice as much if they talk with an agent?

So it’s time to shift our thinking and focus at the Customer Engagement Level, where we can get business benefits from the data.

What If You Saw Yourself the Way Your Customers Do?

What would your business be like if you saw things from your customers’ perspective? If you could trace your customers’ actions across all channels, across multiple sessions, and even across different life stages?

With that kind of complete customer-interaction data—combined with advanced analytics—you could know what your customer has to go through in order to make a purchase, get an upgrade, or resolve a support issue. By seeing the number

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and type of steps they have to go through, you would have the information needed to streamline the experience and make things easier.

With these new insights you could:

- Streamline your processes to better serve your customers.
- Identify the customer behavior patterns that predict certain outcomes.
- Identify the “right” resource to handle a particular type of customer or issue.
- Estimate the lifetime value of a customer based on the behavior of similar customers.
- Determine specific promotional offers that would help increase conversion rates and order values.
- Proactively find customer support and service issues, so that you can deal with them quickly and satisfactorily.
- Identify the customers who are most likely to deliver positive word of mouth and, as a result, influence other customers.
- Determine the optimal time to promote a product to a particular customer.
- Understand which overall components drive customer satisfaction and which do not, so you can address issues holistically and not piecemeal.
- Alert customers to your alternative products or services that might serve them better.

In short, these insights could lead you to focus your efforts on the greatest opportunities, to spend your time wisely, and to optimize the activities that really matter.

This would improve higher customer satisfaction and loyalty, it would change the focus of the contact center from cutting costs to driving top-line growth.

The Customer Engagement Hierarchy

So let’s dive deeper and explain what we mean by the different levels of the Customer Journey, as illustrated in Figure 1. At the lowest level are the events or individual points of contact, followed by transactions, interactions, and engagements. Each level encapsulates the previous one(s), leading to the Customer Journey Level, the sum total of your relationship with the customer.

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Let's look at each level in more detail.

FIGURE 1

The Customer
Engagement Hierarchy



The Event Level – Discrete Facts, Limited Value

The Event Level is the lowest level of the pyramid. An event is a discrete, individual contact between the organization and the customer. There are many customer events, most of which are short.

For example, every single key a customer presses in an IVR system menu is an event. A web-chat entry session is an event, as is each e-mail response or call routing decision by an ACD. A caller might trigger events within each of the company's systems, including the IVR, ACD, an order-entry system, and the CRM.

What can we learn from analyzing event-level data? We can learn discrete facts (e.g., the most popular menu items or auto responders). With that information, we can fine-tune the choices, reordering the menus to put the most popular items first and making them easier to select.

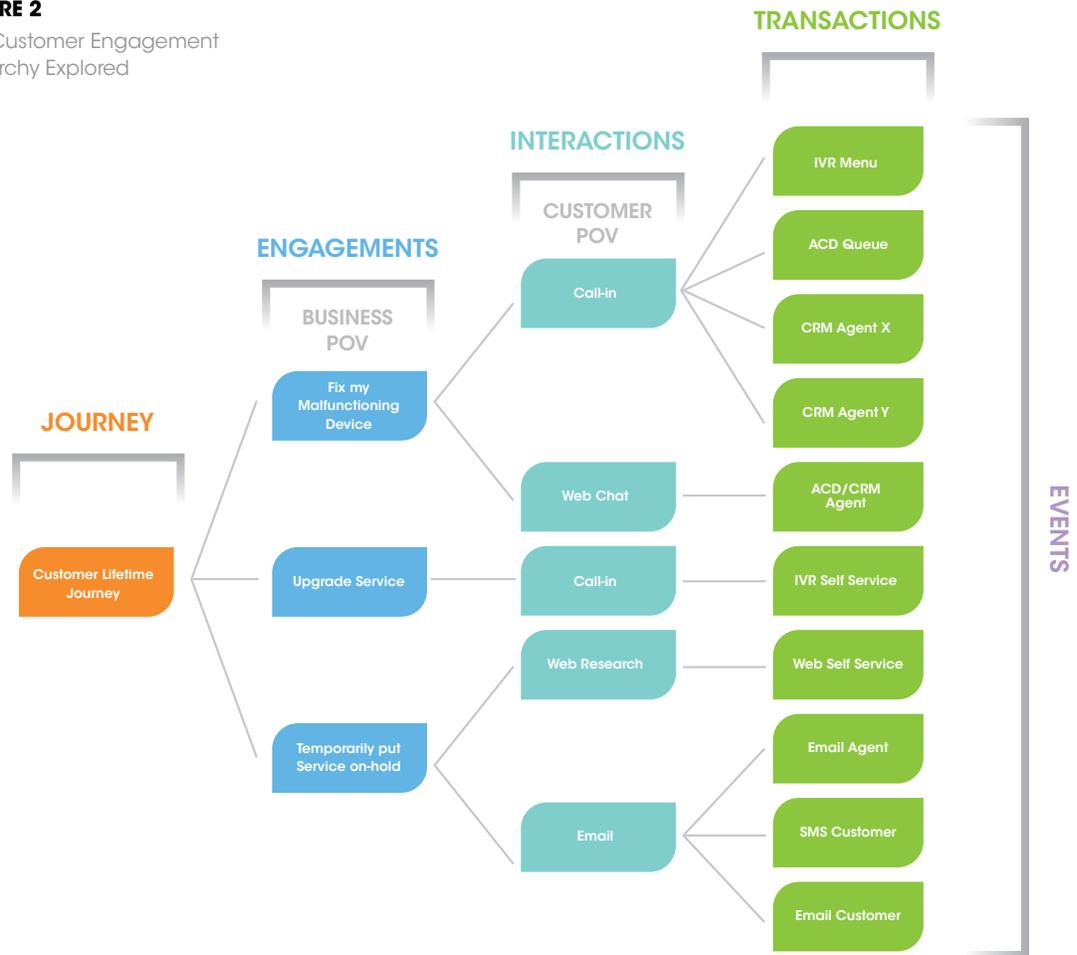
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This is good, and helps you optimize your systems. But it does not help you learn anything significant about your customers. For that, we need to look at higher levels.

FIGURE 2
The Customer Engagement
Hierarchy Explored



A customer journey consists of multiple engagements. Each engagement is an issue the customer is trying to solve, and consists of one or more customer interactions. A customer interaction is, from the customer's point of view, a block of time the customer spent working on the issue. Each customer interaction typically consists of multiple transactions—that is, it touches multiple systems within the contact center.

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The Customer “Transaction” Level: Internally Focused Information

As we know, any customer contact (be it a call, e-mail, web form or social media entry) will typically touch multiple systems. Each system, within a single session, counts as a customer transaction.

For example, going through the IVR system and then talking with an agent on the phone count as two individual transactions, even though the contacts resulted from a single call.

Put another way, a transaction consists of all the events that a customer triggered within a single system in one session. So all the keys a customer punched in the IVR system during that 3:05 p.m. call represent a single transaction.

Plenty of data is collected at this level, and many vendors (especially providers of point solutions) focus their reporting and analytics at this level because that is all the data they have. However, because the information maps to the internal systems, it does not give us insight into the customer experience, and can't help us make strategic business decisions.

Because this type of data might encourage us to focus on automating more calls, we might decide to incorporate a self-service cancellation path in our IVR. But if we focused instead on lowering cancellation rates, we might find that good agents “salvaged” 30% of cancellation requests, and we would definitely NOT want to automate cancellation.

The Customer Interaction Level: More than the Sum of its Parts

More information is available at the Customer Interaction level. A customer interaction is a time block the customer dedicates to solving his/her issue (a “session”). The interaction includes all the “transactions” the customer had with each internal system during that time period. When a customer calls into a contact center, he/she views that as one call or one interaction, regardless of how many internal systems the call touched.

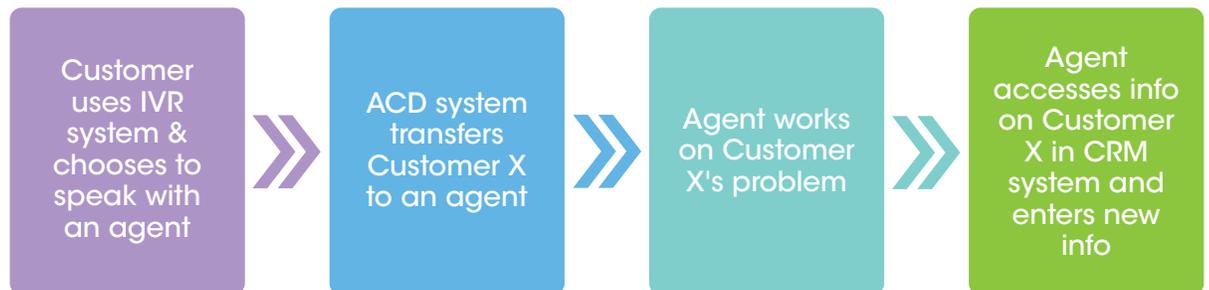
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For example, Customer "X" calls into a contact center and starts through the IVR menu tree, but then decides to be transferred to an agent via an ACD. The agent solves a problem or makes the sale and enters the information into the CRM. Figure 3 illustrates these multiple steps. The call touched several different internal systems, but the customer doesn't know or care. She thinks of this sequence as a single interaction.

FIGURE 3

Multi-System Interactions



A closer look at Customer X's recent call to the contact center. Customer X views this call as a single customer interaction or session, even though it comprised four transactions, one with each distinct system that was touched to service the call.

To analyze at the Interaction Level, you need to "follow" the customer as he/she moves from system to system, and join all those transactions together.

Today this type of analysis is rare or is limited to just a few transactions within an interaction. Many interactions are not even tracked today or, if they are, that information is not available to the contact center staff.

At this point, we have reached a level of analysis and measurement that will tell us what our customers are trying to do, and what they are experiencing. This information will help us drive business outcomes. We can determine how the activity within this interaction impacts the result. For example, we can calculate the customer's likely frustration level from the length of time of the interaction and the total number of events.

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At the Interaction Level, you can also gain some good insights. For example, you can:

- Get a better idea of what the customer wanted to do in the first place, and adjust your systems appropriately.
- Learn why a customer opted out of an IVR system to speak to an agent. Was it frustration? A question? Or a desire to get help quickly?
- Track what your higher-value customers do, and begin to provide that route as their default.
- Determine which agents are the best at selling (or otherwise helping) particular types of customers, or in dealing with particular types of issues, and route calls appropriately.
- Learn what percentage of service calls are completely handled within one transaction, and maximize your staff accordingly.
- Find out how the customer’s frustration level within a single interaction might contribute to his/her likelihood to “opt out” of a current or potential sale.

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The Customer Engagement Level (“workflow”) can consist of multiple customer interactions, which a customer undertakes to handle a particular issue.

Often, there are multiple interactions with the same intent per engagement, especially if customers are unable to accomplish their tasks easily. The engagements might be separated by time, and might include several methods of getting in touch with the company.

For example, a customer might do “progressive research,” first reading information on the web, then contacting the company via a web form or e-mail, and then calling an agent (perhaps several times) about a single issue.

Or a customer might call in, go through the IVR and ACD to an agent, only to get disconnected, and start over again.

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Analyzing the Custom Engagement Level could potentially yield some valuable insights, which are not available at lower levels. For example, we could learn:

- How many actions it takes for customers to do what they want to do in the first place.
- The path people typically take to resolve issues: what they do first, next, and last. You could then reorganize your systems so that people find the solution closer to their “first” step.
- The preferred channels for various types of interactions. For example, do people call to get support? Do they prefer to order products online?
- How to identify the relative value of particular touch points that contribute to a sale or other positive interaction with a customer. Normally, the last touch point gets the credit, even when prior calls or web chats might have been more important to the customer. Determining the relative value of the various touch points can help maximize effectiveness of your sales, service and support operations.
- How to measure the relative performance of agents, when multiple people help a customer.
- The potential value of a customer with a particular type of issue, based on the customer’s previous sessions and demographic data.
- Which agent would be best for this particular customer given his/her recent history. For example, if a high-value customer has had several poor interactions lately, immediate escalation to a top-tier agent is probably in order.
- How to streamline workflows for the best prospects and most valuable customers.
- How to identify customers with a low probability of buying or becoming satisfied, in order to allocate resources appropriately.

The Customer Journey (Customer Lifecycle)

Which brings us to the final stage, the Customer Journey Level. This is the collection of all the customer engagements a customer and the company have over the course of their relationship. A customer journey can take place over many years.

Analyzing at this level, you could determine valuable information, such as:

- The estimated lifetime value of each customer, via predictive analytic models from similar customers.
- How to provide better service and support.
- How to improve the customer experience and satisfaction throughout the journey.
- How to become an easier company to do business with.

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- How to significantly improve your Net Promoter Scores and customer satisfaction survey results.
- Which customers are likely to upgrade to premium offerings.
- Which customers are considering switching, now and in the near future. What types of offers would likely keep them loyal.

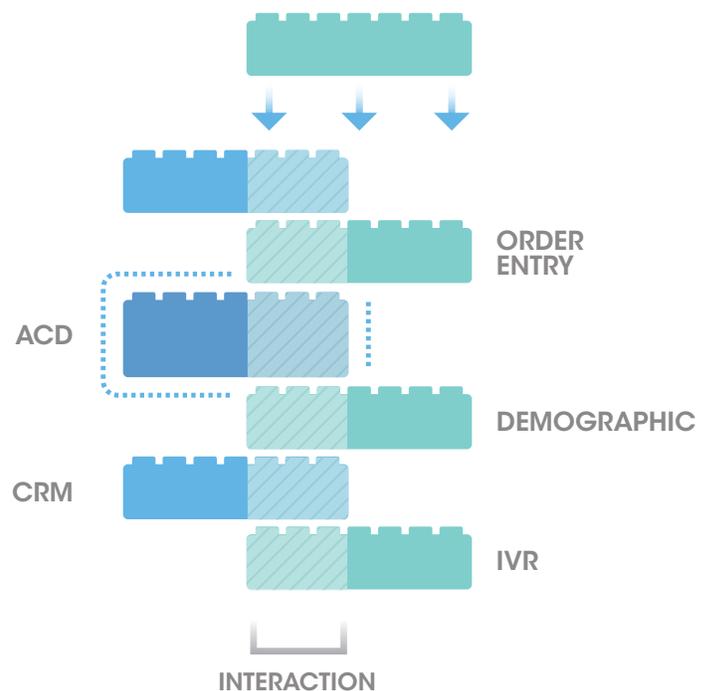
What You Need in Order to Track Customer Engagements & Journey

But it's not easy to measure at the Engagement and Journey Levels. You need to identify:

- Which events are part of a given transaction.
- Which transactions, across multiple disparate systems from different vendors, are part of the same customer interaction.
- Which interactions, across multiple systems and possibly separated by time, are part of the same customer engagement.

FIGURE 4
Multi-System Attribute Linking

By linking the common variables between different contact center systems, the concepts of a customer interaction and engagement can emerge.



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“Organizations of any size and budget can gain dramatic insights into customer behavior, at a realistic price point for the contact center budget.”

You need to map the relationship between the transactions, interactions and all the events and data that make them up. This is complicated by the facts that the diverse systems don't talk to each other, that multiple interactions can be separated by time, and that call centers are often geographically dispersed and outsourced.

Until recently, such mapping has been restricted to big organizations with the time and resources needed to build and maintain complex data warehouses, and keep them up-to-date as technology advances and business changes.

Fortunately, things are different now. We now have the technologies we need to fundamentally change the contact center by making analysis at the Customer Engagement Level possible, no matter what the size of the business.

These technologies include:

- The Big Data technologies derived from the work of Google, Facebook, Yahoo!, LinkedIn and others
- Data-analysis and visualization techniques coming out of universities and open source communities
- NoSQL databases
- Predictive analytics
- And last, but not least, cloud-based infrastructures.

The result is that, today, organizations of any size and budget can gain dramatic insights into customer behavior, at a realistic price point for the contact-center budget. We can analyze the historical view to improve our customer interactions and relationships, to truly trace the customer journey and learn what works, what doesn't, and what we can improve.

Conclusion

In summary, customers go through several stages—events, transactions, interactions, and engagements—which together comprise the customer journey. For purposes of analysis, the higher levels are more important; they let you see things from the customer perspective and better understand the customer intent.

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“You can change the focus of your call center from promoting efficiencies and cutting costs to making your customers happier, becoming easier to do business with, and driving better business outcomes.”

Today, most analysis is done at the Events and Transactions Levels because that what's mostly available. Unfortunately, these levels focus on internal systems, not on the customer experience. If you are measuring this way, you are missing the opportunity to truly understand your customers. You can drive efficiencies from those levels, nothing else.

To really gain business results, you need to see what it is like to do business with you as your customers does. This requires viewing data at higher levels: at the Interaction, Engagement and Journey Levels. With the information gleaned at those levels, you can improve the customer experience and increase your value to your customer.

The good news is that you probably have all the needed data already. And, with the new technologies coming out of social-networking and Internet-content firms, you can use that data to measure customer engagements. Those technologies enable multi-transaction linking without complicated data warehousing, data extraction, transformation or load processes. The result is quicker and easier visibility into the customer engagement. And, with the cloud, this is possible to do and maintain without large IT budgets or staff.

So we recommend you focus on the Customer Engagement Level as we have defined it here. In this way, you can change the focus of your call center from promoting efficiencies and cutting costs to making your customers happier, becoming easier to do business with, and driving better business outcomes. By approaching your analysis at this level, you can get a full picture of the customer experience, information that can help you improve your business, increase sales, and enhance the overall customer journey.

This is possible today. And a great opportunity for those who capitalize on it.