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Why your call center is only getting noisier

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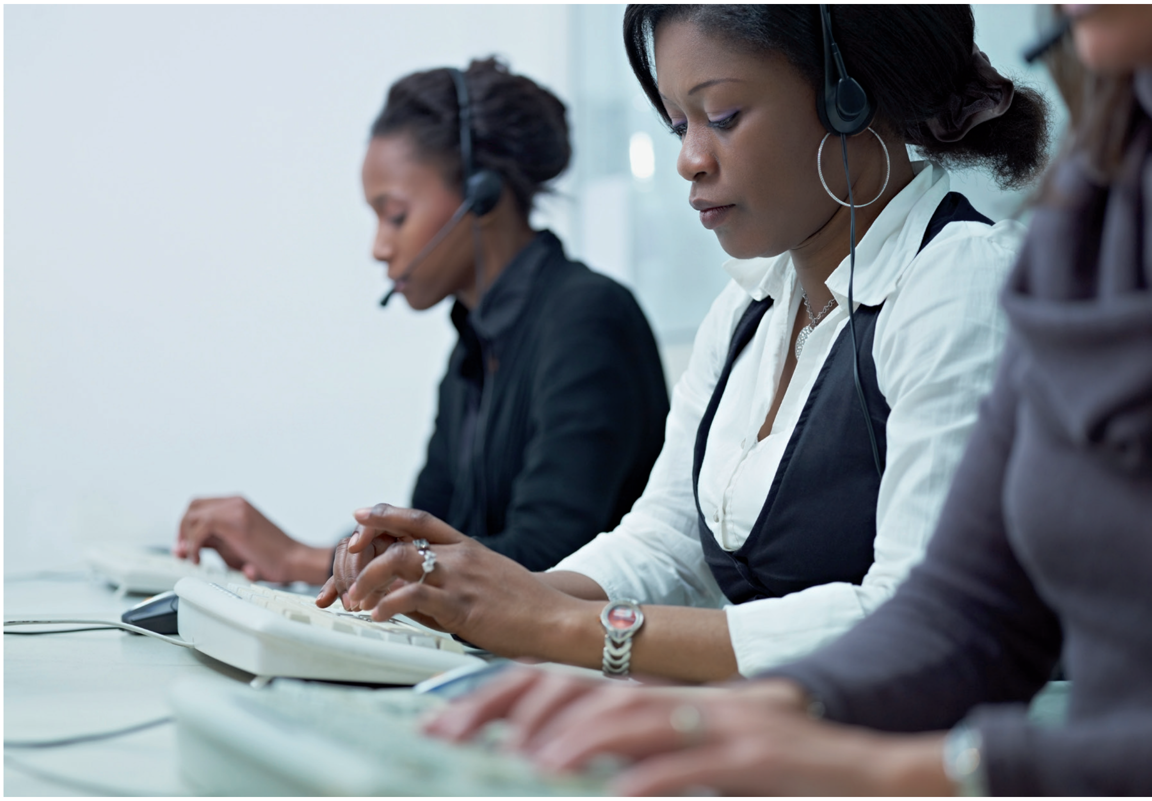

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Investing in digital solutions to reduce call volumes and costs may not pay off if customer experience isn't central to the effort.

Across the customer-care sector today, less means more. Driven by a desire to reduce costs through operational efficiencies and provide a better customer experience to an increasingly digital customer base, executives are making reduction of volumes into call centers a key strategic goal. In a recent survey[1] of customer-care executives we conducted, 57 percent of executives consider call reduction their number-one priority for the next five years.

It's not surprising, then, that organizations have been investing in all manner of customer-facing technology solutions to replace live calls. Of all operational call-center technologies, digital solutions were ranked as one of the most important over the next five years by four out of five executives. Only agent desktop tools ranked higher. These technologies begin with websites, chat bots, and apps and extend to artificial-intelligence robots that simulate human conversations—redefining the way organizations interact with customers—as well as more tried-and-tested functionalities such as improved web, app, or self-service capabilities in interactive voice-response (IVR) systems.

And yet, despite this plethora of technology solutions, we see that calls are not going away and instead are catching call-center executives off guard in their efforts to reduce volumes. It's not that a spike in call volumes is necessarily a bad thing. On the contrary, the proliferation of digital tools can awaken previously dormant customers, sparking new inquiries from an engaged customer base. But in many instances, we've also observed that the volumes of unwanted calls exceed what would be expected during a learning period, or remain constant or rise over time, defeating strategic goals and leaving managers bewildered and unable to tie tech investments to improved operational outcomes.

Why are so many organizations struggling with reaping the full benefits from these investments? In our experience, the answer often lies in two core areas. First, as companies turn to technology to address call-center volumes, they allow customer experience to take a back seat to digital technology in their operations, creating dissonance in direct customer interaction, where the objective is harmony and efficiency. Second, by counting on technology to solve their call-center issues, executives lose focus on core operations and upset the balance between human interaction and automation in an era of evolved customer service.

The good news is that it is possible to deconstruct the ways in which such problems emerge and to create responses to put call centers and their volumes in better balance. Our experience suggests three common and interrelated challenges and how to approach them.

1. Take a holistic, cross-functional view of the customer and his or her experience that transcends organizational siloes

The call center is often the main branch through which customers interact with an organization. But it's not the only one.

Organizations often overlook the reason a customer is calling in the first place; the root cause may reside somewhere outside the call center. For instance, at a large federal agency, customers were calling in because they received information in the mail that contradicted what a call-center agent had recently conveyed. At a transportation company, customers were calling in because the sales department that brought them on board overpromised “white glove” service, encouraging them to call in for mundane adjustments to product tracking and billing matters. Meanwhile, the company had already invested in highly capable functionalities to handle all these inquiries online. At a logistics company, a backlog in the scanning department led to increased calls from customers wondering why they hadn’t heard back about the status of their claim four weeks after they properly submitted all required paperwork.

In each of these instances, the organization had made recent customer-facing technology investments but saw calls continue to pour in. What was missing was cross-functional coordination. Individual units worked to optimize their own processes, with limited regard to the impact on other units and, more important, on the customer’s overall interaction. This often left customers dissatisfied and with no recourse but to call. With business siloes firmly established, the call center had no authority or established forum through which to address upstream or downstream customer issues.

Sometimes the outcome can be severe. For example, one healthcare payor faced a surge of repeat callers inquiring about adverse credit-score outcomes they had experienced from delayed payments to providers. Both the customers and the call center were following stated policies, but a recurring glitch downstream in the claims-processing department led to a significant delay in processing. As a result, medical providers were not paid on time, and customers suffered the brunt of the impact in the form of negative effects on their credit scores. And the calls kept coming.

Our experience suggests that organizations ought to begin with a customer perspective driven by the customer’s wants, not an organization’s traditional organizational structure. The solution begins with a comprehensive view of the customer that transcends these siloes.

To isolate major failures, first examine the top reasons customers call. This is not a tall order. It is often the case that just a handful of reasons generate the majority of calls. Identifying these reasons through analytics and customer surveys allows for the focus to generate quick wins. Once the three to five main reasons are identified, the customer journey can be mapped out for each. For instance, what information is being conveyed to customers well before they call? This could be through a visit to a local branch, an email, a letter they receive in the mail, or interaction with an app or website. Subsequently, after their call-center interaction, how are customer issues being handled downstream? Exploring these questions can uncover and address inconsistencies, bottlenecks, or failures that consistently yield callbacks. The payoff comes from connecting the call-center touchpoint with upstream communication and interactions and a targeted downstream response.

Advanced customer analytics can help identify why customers are calling and inform where failures lie and how to address them. Seventy-seven percent of customer-care executives we surveyed felt that building their capabilities in customer-journey analytics is critical for the next five years. Many big data solutions can help companies understand patterns of how customers interact across channels to find the right mix. A large US bank recently deployed a journey-analytics platform that allowed it to form a holistic view of its customers across touchpoints and channels. This assisted the bank in thinking strategically about digital interventions, improving customer interactions, and eventually reducing call volume.

Analytics capabilities can also help organizations look ahead to managing customer interactions. For instance, in the healthcare example mentioned previously, journey analytics could have pointed to the break point in claims processing—and allowed agents to manage customer expectations proactively in their first call, by explaining the duration of claims processing and steps customers could take to minimize impact on credit scores. Such steps could have reduced repeat calls and eliminated the severe effects some customers suffered.

2. Segment customers as you move them to digital channels and ensure that any new technology is seamlessly integrated

Call centers can fall into the "build it and they will come" trap. Executives often invest in digital solutions with little regard to whom they'll serve. We've observed three common flaws when companies try to integrate technology into their core operations. First, there is often an unrealistic catchall attempt to migrate all customers—without discriminating by customer segments, such as those who are more or less likely to adopt digital channels, or by call types, such as those more suited to digitizing. Second, we often see incomplete functionality or poor user experience put in place, which results in customers being unable to complete transactions or find relevant content. Finally, traditional call centers often provide suboptimal customer education and reinforcement of digital functionalities.

The first step in developing a digital strategy closely linked to the customer journey is to understand how customers interact with various channels and to choose which customers and which call-center situations to focus on.

For example, a media company segmented its customers by their propensity to use digital channels. With the help of customer personas that the company built, executives focused digital efforts on customers with the highest likelihood to migrate because they were the most comfortable in digital channels. The company then designed specific solutions and user interfaces to maximize appeal and usability. For instance, the company upgraded its mobile app to have a trendy interface that offered one-click results so fast-moving millennials could execute transactions in less than a minute.

The team also harmonized the look and feel across both the website and app, drastically decluttered and simplified information on both, and built in robust data capabilities that provided call-center agents with quick insights on in-app and web-browsing history that allowed a more omnichannel experience when the customer called in. Before rolling out these solutions, the company conducted agile testing with a target customer base. As part of a broader customer-journey approach that included digital interventions, the company eliminated 11 million calls while also raising its customer-satisfaction score by seven percentage points.

Once new digital functionalities are built, call centers have a role in educating customers about the new options and the ways in which they can better meet customer demands, as well as in reinforcing desired behaviors. A healthcare company trained call-center agents to educate customers, and it launched automated emails to customers with online tutorials after every live call. To reinforce desired behaviors, it created favorable payment terms for transactions conducted online. When these changes were incorporated into a broader campaign that also improved digital functionalities, the result was a 36 percent reduction in calls within six months in the call type that the company targeted.

Customer-education efforts can also include mass marketing, such as advertising campaigns to drive app and web usage, and tailored IVR messaging that guides customers through self-serve options. To further nudge customers to engage with digital channels, some companies have even adjusted service levels so they're superior in digital channels.

3. Maintain a focus on core call-center operations; the importance of human interactions requires continued investment in frontline talent

Call centers are beehives of activity that can take operations to ever-higher levels of efficiency and quality. But manager fatigue runs high, as many find themselves having already undertaken multiple efforts, over the years, to go from good to great in areas such as workforce management, performance management, or improved core processes through application of lean principles. As such, investing in technology can be seen as a way to unlock the next frontier of performance by galvanizing managers, making them excited about trying something new and different.

Our research indicates, however, that the human factor in the call center remains vital on three dimensions, underscoring the importance of choosing the right balance between human interaction and automation and the need for continued focus on core call-center operations.

First, as transactional calls move to digital channels, interactions that are more complex will account for the largest share of volume in traditional call centers. Complex calls have a higher average handling time, which creates pressure on call-center capacity and can offset the gains made by the elimination of simpler calls.

Second, the call center may be dealing with new volume it didn't handle before. As organizations look for new efficiency frontiers, many are shifting in-person interactions to lower-cost call-center channels. For example, for many customers, securing a mortgage used to necessitate an in-person visit to a branch, but now it can be done by phone. In addition, as call centers take advantage of digital channels to reduce certain call types, they free up capacity to take calls that were previously abandoned.

Third, customers are expecting ever-more personalized, immediate, and convenient service, which may require a balance between human and digital interactions.

As such, live-human interactions are not going away, at least in the medium term. It is no surprise, then, that more than 60 percent of customer-care leaders we surveyed are skeptical about eliminating inbound voice calls in the next ten years. Call abatement is likely to be more successful through a dual track that leverages the best of technology while improving performance on human-based interactions that remain in the call center. Some of these calls are just too critical. They wield great influence over customer satisfaction and often over the purchase of goods and services.

Taking the emphasis off core call-center operations can have undesired consequences. For example, at an insurance company, despite recent web- and app-functionality investments, call volumes increased 26 percent. Dismayed by this trend, management discovered that this was due to a variety of reasons—some linked to the technology itself in the form of glitches but many emanating from core aspects of the call-center operation. Specifically, the call center had reinforced performance-management practices that celebrated only low average times to handle calls, with no regard to resolving customer problems on the first call. Supervisors were also burdened by additional administrative work behind a computer instead of walking the floors supporting frontline workers with real-time support. These poor practices resulted in an unanticipated increase in repeat callers. Similarly, one public-sector agency that had recently rolled out an online virtual customer-service agent was baffled by a doubledigit percentage point increase in call volume, despite the avatar handling millions of queries in a few months since its launch.

As the nature of customer interaction evolves, a parallel focus on core call-center operations will prove particularly important. In our survey, nine out of ten executives see a shift in talent required in their call centers through a mix of training and acquiring new talent. Investments in human resources will be required to improve capabilities of customer-care workers to meet more complex consumer needs and call types. More of the front line is working from home and on flexible shifts or part-time models. Security requirements to protect personal information are increasing. Service-level requirements such as language offerings continue to add a layer of complexity. These changes require managers to continue focusing on their call-center operations as they define the operating model of the modern call center, of which technology is a critical but by no means the only solution. What matters more than perfecting the process of running daily interactions with the front line is ensuring that these interactions are run the right way, cover the right elements, and enable the right behaviors.

The strategic imperative of abating undesired calls in customer-care centers through digital tools cannot rely on technology alone. It will require a concerted effort centered on a more connected customer. The keys are understanding the customers' end-to-end journey and why they call, taking a segmented approach to migrating customers to digital channels with the right functionalities and user experience, and maintaining a focus on core call-center operations in a way that recognizes the importance of balancing human interactions and automation.

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[1] Jeff Berg, Keith Gilson, and Greg Phalin, "Winning the expectations game in customer care," September 2016, McKinsey.com. The online survey was conducted in 2016 with approximately 50 customer-care executives from multiple industries and geographies, and complemented by in-person interviews.

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