How to Transform Your Mobile Customer Care Strategy

A four-stage model of mobile maturity

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SUMMARY

In a nutshell

Customers are changing in many ways: they are more tech savvy, more engaged with social networks, and have higher expectations of the businesses they deal with. But no change has been more important to the long-term provision of customer service than the migration of consumers to mobile devices. This transition forces companies to reconsider many of the underlying processes and technologies they use to connect with customers.

Ovum view

Unlike other industry disruptions that are happening simultaneously (the rise of social media; the movement to the cloud), the transition to mobility represents a make-or-break challenge to customer care professionals. The greatest success of the contact center model has been its ability to isolate replicable elements from huge volumes of interactions, and then automate the handling of most of those replicable events. Mobility sharply increases the number of variables going into each interaction, requires the preservation of context as interactions cross channels, and allows each interaction to take its own unique path. That makes it harder for businesses to mass-customize service processes.

Some of the variables that businesses have to account for include:

- Their awareness (or lack of awareness) of the location of the customer, who may be at home, in the office, on the move, at the airport, in a store, or elsewhere.
- Their potential awareness of the exact identity of the customer because of the phone's intensely personal properties (and the fact that users have to log into many apps in order to use them).
- The potential compliance issues around capturing data about the customer from the phone (including the mobile number itself).

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- The dramatically increased number of potential contact channels embedded within the device, which may or may not be managed by the customer care department.

All of these elements upend the traditional voice-to-agent mechanisms that have formed the backbone of the service delivery process for decades.

Part of the difficulty that businesses have had adapting to customer mobility is that it is hard to see the changes. Social media, for example, looks completely new – it clearly requires new thinking, tools, and metrics to adapt to it. But customer mobility arrives at the contact center looking like a normal voice-based transaction. It incorporates IVR and appears no different from any traditional landline-based call until the enterprise starts looking into the extra variables of location, context, and cross-channel contact. Most businesses have not shifted to view mobile interactions differently from old-style voice calls, and as a result are at risk of degrading the customer experience.

THE MOBILE MATURITY MODEL

Smart, connected interactions

Ovum believes that mobility is creating a new type of customer/business connection: the smart, connected interaction (SCI). An SCI occurs when a business is aware of the multiple contexts surrounding the interaction, and uses that awareness to shift processes and make decisions that improve it for both parties. For example, for a customer who has already logged in and authenticated an ID through a mobile app and then places a voice call, an SCI would occur when the company matches the ID from the app to the customer record and provides relevant data to the agent. Yet interactions with this type of preserved context almost never happen.

In SCIs the mobile device (when it is a smartphone) acts as a multichannel catch-all for bi-directional communication with the customer. In an SCI scenario, customer permissions are granted for relevant outbound notifications; these notifications (by SMS or other channel) spur actions by the customer that can take place in an app, by voice call, or by automated IVR. The term SCI implies that the interaction's context is preserved along the way, so that what the contact center sees as multiple connections the customer views as part of one seamless engagement. For more details of the definition and parameters involved in SCIs, see Ovum's report, *The Future of Customer Service in a Mobile World: Smart, Connected Interactions*. Figure 1 distills some of the essential characteristics of SCIs.

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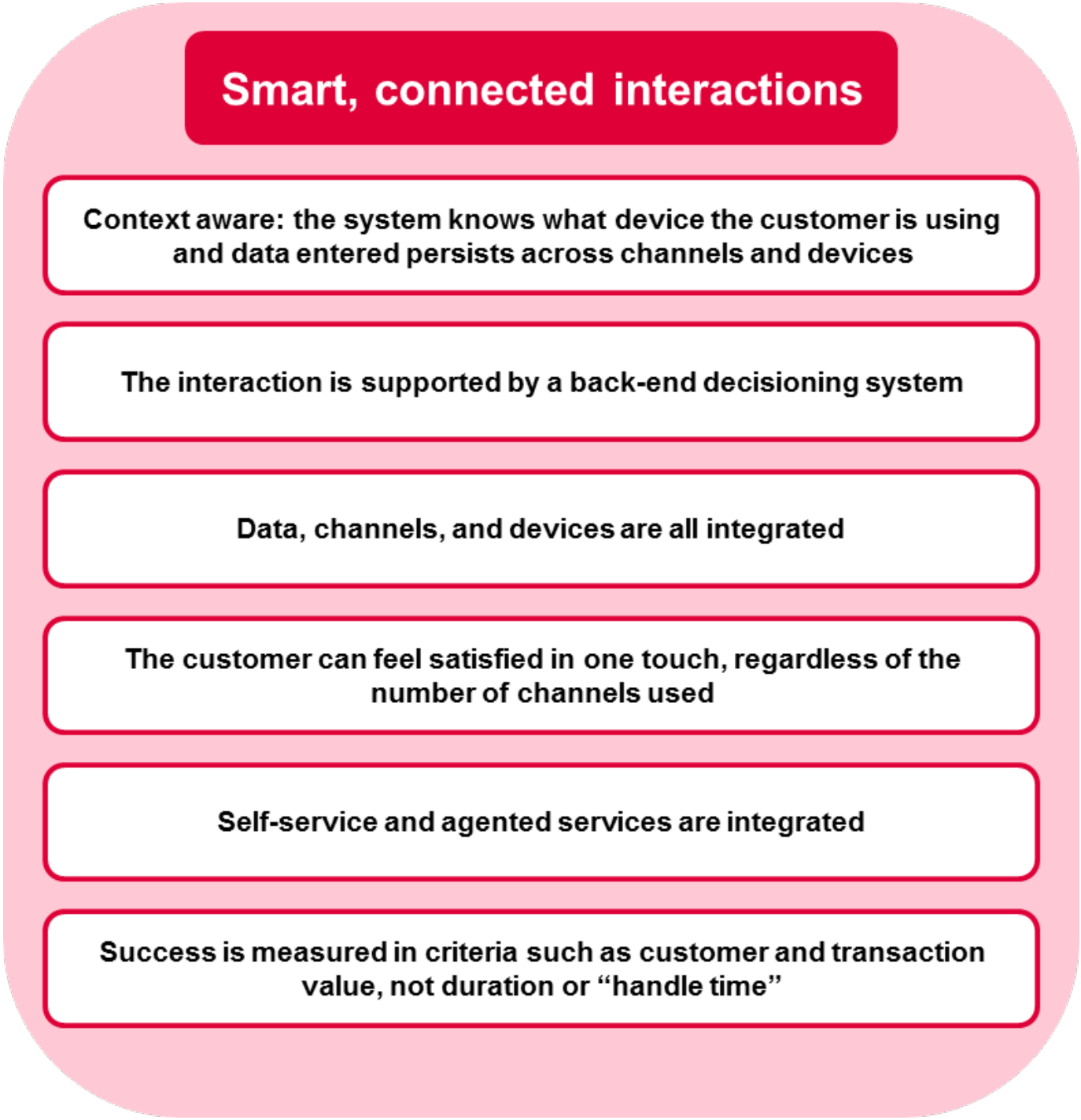
Figure 1: What goes into smart, connected interactions



Source: Ovum

The facts on the ground, however, indicate that customers have come to expect SCIs much sooner than businesses are prepared to provide them. We now believe that as many as 50% of inbound calls to centers originate from mobile phones, with up to 30% of the total inbound volume coming from

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smartphones. That enormous volume consists of customers who now wonder why they have to repeatedly enter information, and why communication channels that rub shoulders on the device are separate in real-life engagements.

To gauge the degree to which businesses are capable of adapting to this new state of affairs, Ovum has created an SCI maturity model to assess where a company is in the journey towards smart, connected interactions. This model benchmarks a company's technology and processes through four levels of development. The SCI model is incremental: an organization generally must first achieve Level 1 in a specific domain before moving up to Level 2, and so on. An organization at a specific overall level may exhibit some characteristics from higher or lower levels in some areas, and the domains are presented as roadmaps or guides, not as dictates. Figure 2 illustrates the four steps of the model across eight domains. Four domains relate to the characteristics of a business's mobile applications, and four relate to the organization's ability to knit the threads of complex interactions together into a seamless experience.

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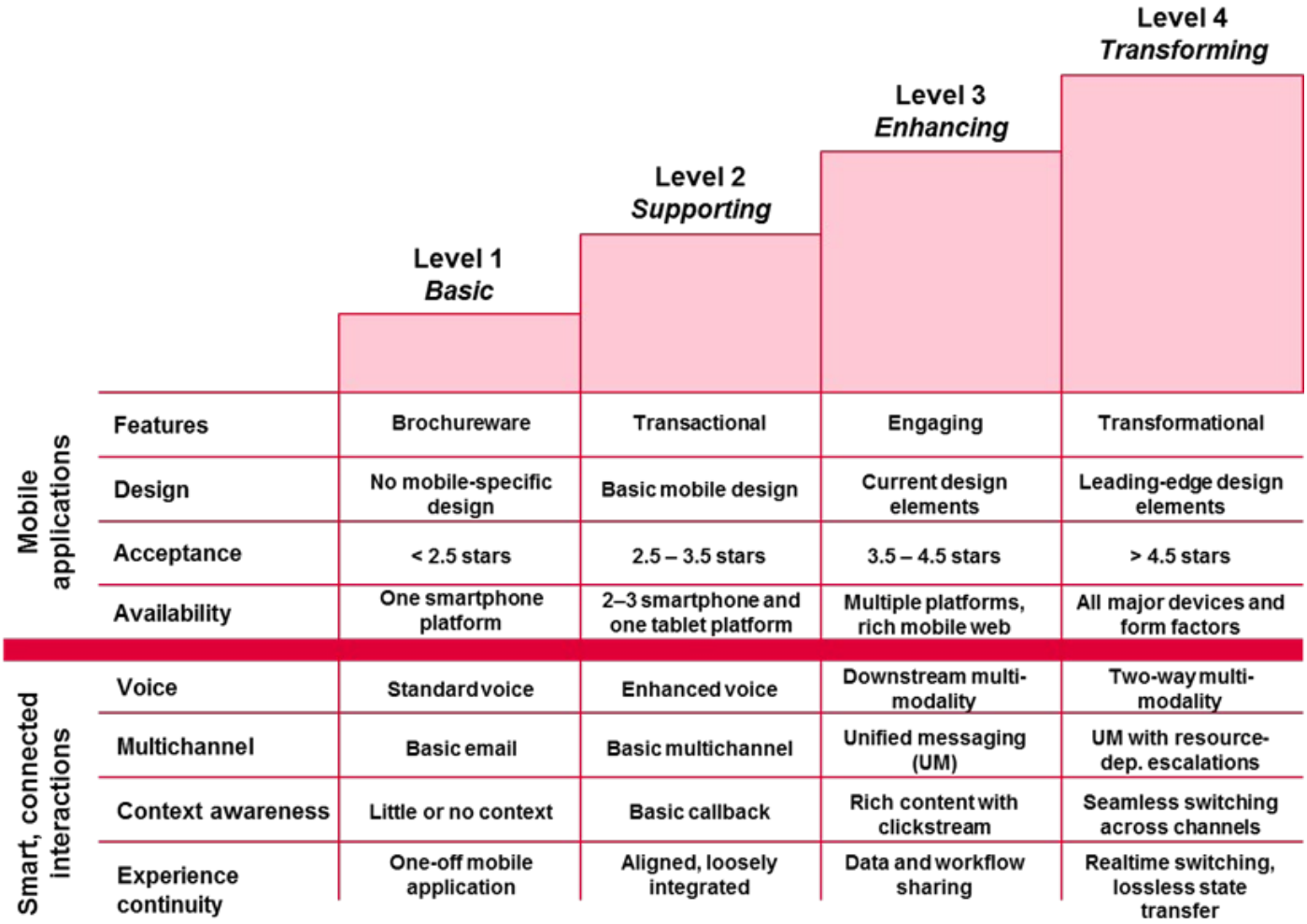
Figure 2: Ovum's SCI mobile maturity model for enterprises



Source: Ovum

In 2012 Ovum conducted an evaluation of mobile applications and customer care integration for 30 large US and European enterprises across multiple vertical industries. We found that the average score for SCI capabilities was just 1.6 (out of 4). We noted then that in all 30 mobile apps we evaluated, when the phone number was accessed the call reached an IVR and there was no context passed between the smartphone and the contact center.

Technology is changing quickly, forcing some movement among enterprises to reevaluate the platforms and processes that they have in place for mobile care. Technology moves much more slowly than business practices, however, and the allocation of scarce resources pits mobility against tools such as social media management in an unfortunate zero-sum competition.

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TRANSITIONING TO LEVEL 1

First steps: from nowhere to somewhere

The majority of enterprises are just embarking on the journey that takes them to the transformation stage of mobile maturity. For most, the first steps are the most difficult because they are often taken in the dark, with little understanding of the long-term ramifications of their decisions.

For many businesses, the first steps toward addressing mobile customers have nothing to do with "care" at all. Instead, primary initiatives are often led by marketing departments and are designed to support brands. Mobile apps are built to push messaging to the customers' home screen and provide a controlled mechanism for brand engagement – akin to targeted advertising. Those first-generation apps do not usually support the existing care infrastructure through integration with IVR, contact centers, or CRM data collection.

One company Ovum interviewed, a US-based financial services firm ("Company A"), indicated that its first steps into mobile fell into this pattern. It introduced a branded mobile app in 2012, created by external development partners under the auspices of the marketing department. The goal was to put a minimally functional application in the hands of customers who wanted to have simple, informational encounters with their bank – balance inquiries and alerts about account thresholds, for example.

The key challenges for this company were the diluted ownership of the mobile plan and the need to fortify the existing service infrastructure before integrating with new contact channels. A new call routing system had taken it from TDM to IP, and it was still working to roll out the new contact center features that came from that upgrade, preventing the care team from spending time and resources on mobile issues. As a result, though it expressed interest in having SCI capabilities, it acknowledged that they were not part of its immediate roadmap. Care capabilities were limited to including a callback number in the mobile app, but not making the number active (i.e. clickable) from within it.

These challenges bedevil companies at all stages of development, but stand out in Level 1 because solving them here prevents costly backtracking and app-retrofitting later on.

From the point of view of the care professional, it is important to get out in front of the enterprise's project planning and investment priorities. Evidence shows that when contact center managers fail to see or articulate the value of integrating care processes with mobile development, it can take years before the enterprise is ready to backfill and pursue those connections. Meanwhile, the contact center will remain the first point of contact for customers from mobile devices that provide a less-than-optimal service experience.

The first stage of development – going from "nothing" to "something" in mobile care – requires awareness, collaboration, and planning. Later stages call for active investment and integration, but to get started down this road it is an acceptable first step to include placeholders and "escape routes" in

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mobile apps. This can take the form of including links to the company's service numbers in the app, or modifications to an IVR system to identify people calling from a mobile device. It is just as important in the early stages to establish lines of communication between executives in marketing and customer care. At the very least, marketing must be made aware of the effects that stem from mobile branding efforts that leak over into the realm of care. Apps (and other mobile-facing marketing efforts such as outbound SMS) create follow-on inbound volume that affects staffing and KPI measurement. Even if marketing is the de facto owner of the mobile experience, it is critical that, in the early stages of development, planners are at least made aware of the contingencies that may invoke a customer care response.

IMPROVING FROM LEVEL 1 TO LEVEL 2

Ending isolation and creating integration

Level 2 is still a preliminary step, but it is one in which a company is aware of the need to develop platforms for future growth and customer engagement. Companies usually start grappling with mobile customers in haphazard ways. Marketing may throw together a mobile app for one or two device platforms, but those apps tend to have limited functionality. What customers cannot do via mobile is less important at this level than preparing the ground internally for integrations and new processes.

There are several important differences between companies at Level 1 and those at Level 2:

- At Level 2, mobile apps start to become more transactional than static – they begin to require user authentication and an informational exchange of data, rather than being pure branding exercises or wrappers for a mobile website.
- The service infrastructure itself (quite apart from the question of mobility) is more sophisticated at Level 2, with companies experimenting with multichannel offerings. Along the way, the issues that arise from multichannel operation force the company to implement context-awareness features. For example, it becomes important to the customer experience to preserve any information the user might have entered on a web page and pass that data to an agent. Failure to do so is frustrating to the customer.
- Internally, companies are typically aware of the challenges ahead at this point (when they are between Level 1 and Level 2), but have not yet put into place the planning and ROI models to determine where they should spend their technology investments. The reasons for this vary, and can include cost constraints, company culture, interdepartmental rivalries, and lack of executive buy-in. Delay in the face of an uncertain future is very common early in the process.

Process issues remain a hurdle en route to Level 2

One US insurance firm that Ovum classified as being on the road from Level 1 to Level 2 ("Company B") epitomized these characteristics. The company has a large and relatively sophisticated voice-based contact center infrastructure, with tools from those vendors that are innovative and current. Yet at the

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same time, the firm's contact center leadership has had very little incentive to expand its service offerings into other channels. Nor has it taken steps to position service as a competitive differentiator – for this firm service is a necessary burden, though one that it takes seriously and invests in.

This insurance company has little insight into the origin of calls (i.e. landline or mobile device), and has no ability to track the journey a customer makes from a mobile app or web channel to a voice call. At present all context is lost when a customer crosses channels. Nevertheless, the company has become more aware of both the possibilities inherent in cross-channel mobile contact, and the changes it needs to make internally to realize those possibilities.

As a Level 1 company, Company B has no process for coordinating the planning of cross-channel or mobile development. An IT executive noted that if a line-of-business executive does not ask for something, his team would not push for it or deliver it. No one speaks for the business's overall agenda in boosting the customer experience.

But the firm is pushing ahead, albeit slowly. It has formed a working group to focus on the full spectrum of mobile strategies that could be developed. This team is interdisciplinary, with members from several departments, and is charged with building a more innovative culture, including pressuring the contact center to support more channels over time. The working group is looking at features such as agent/customer co-browsing and click-to-call with preserved context, using either the mobile web or a dedicated app.

Ovum believes that this is a very typical scenario, especially in mature industries. The next step for a firm such as Company B would likely be to use the mobile working group as a springboard to plan for gradually adding features to its mobile app and mobile website. Such features could process claims and route customers based on contextual information about their particular situations and their urgency. To get to the next level of development, companies would have to add significantly to the communications and transactional capabilities of their mobile offerings, and tie them into the existing routing and processing processes in the contact center. Moving up requires a heavy lift in training agents to handle more complex inquiries using data from multiple sources. It also requires a much higher degree of collaboration between the development teams (which are under the control of the line-of-business managers) and the service teams.

Centralized accountability for mobile care is a hallmark of Level 2

Another US-based financial firm ("Company C") sits on the other side of the divide, squarely at Level 2. This company also has a sophisticated contact center infrastructure supporting more than 11,000 voice agents and many other agents dedicated to alternative channels (chat and email). One striking difference between Company C at Level 2 and Company B at Level 1 is that the Level 2 financial firm knows quite a bit about where calls are coming from.

For example, it has good insight into the way that its own outbound campaigns drive subsequent inbound. It has seen a 30-second increase in overall talk time in the last two years. It also knows that

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the portion of inbound calls coming from mobile phones is in the 20% range and climbing. What it does not have is direct data about the caller from the mobile phone or the company-branded app it offers.

For Company C, most of mobile development is driven from the retail marketing department. It focuses its apps at high-value customers, and therefore spends a lot of resources on segmentation and data analysis. What it has only recently developed is a strategy for using mobile apps to capture and deflect a lot of the call volume that would otherwise hit the contact center. Company C has also designated a chief mobility officer, who is focused on the external customer experience. One lesson that the company learned from its early efforts was that a strategy of separation between the contact center and the mobile app was misguided. It initially hid its phone number, deliberately making it hard for the customer to find it in the app. Now it has realized that this is counterproductive to the overall experience.

Differences between Level-1 and Level-2 companies

The difference between these two firms' approaches is twofold. First, the Level-1 company has a reactive approach to service (including mobile service) and has not coordinated the activities of the contact center with the developers of mobile strategy. The Level-2 company has attacked the problem consistently, with mixed results but increasing experience in what works and what does not.

Second, the Level-2 company has gone much further down the road of integrating internal decision-making. There is a big difference between having a mobile working group (Level 1) and having a C-level executive with budgetary and planning responsibility (Level 2). The latter strategy has allowed the financial firm to move past internal turf battles over ownership of the app and the customer strategy to be more collaborative and experimental. There is less stigma attached to trying something and failing at it, and more tolerance for small-scale piloting and innovation. Figure 3 describes the four companies mentioned in this report and identifies some of the characteristics that allow us to classify their operations by level achieved.

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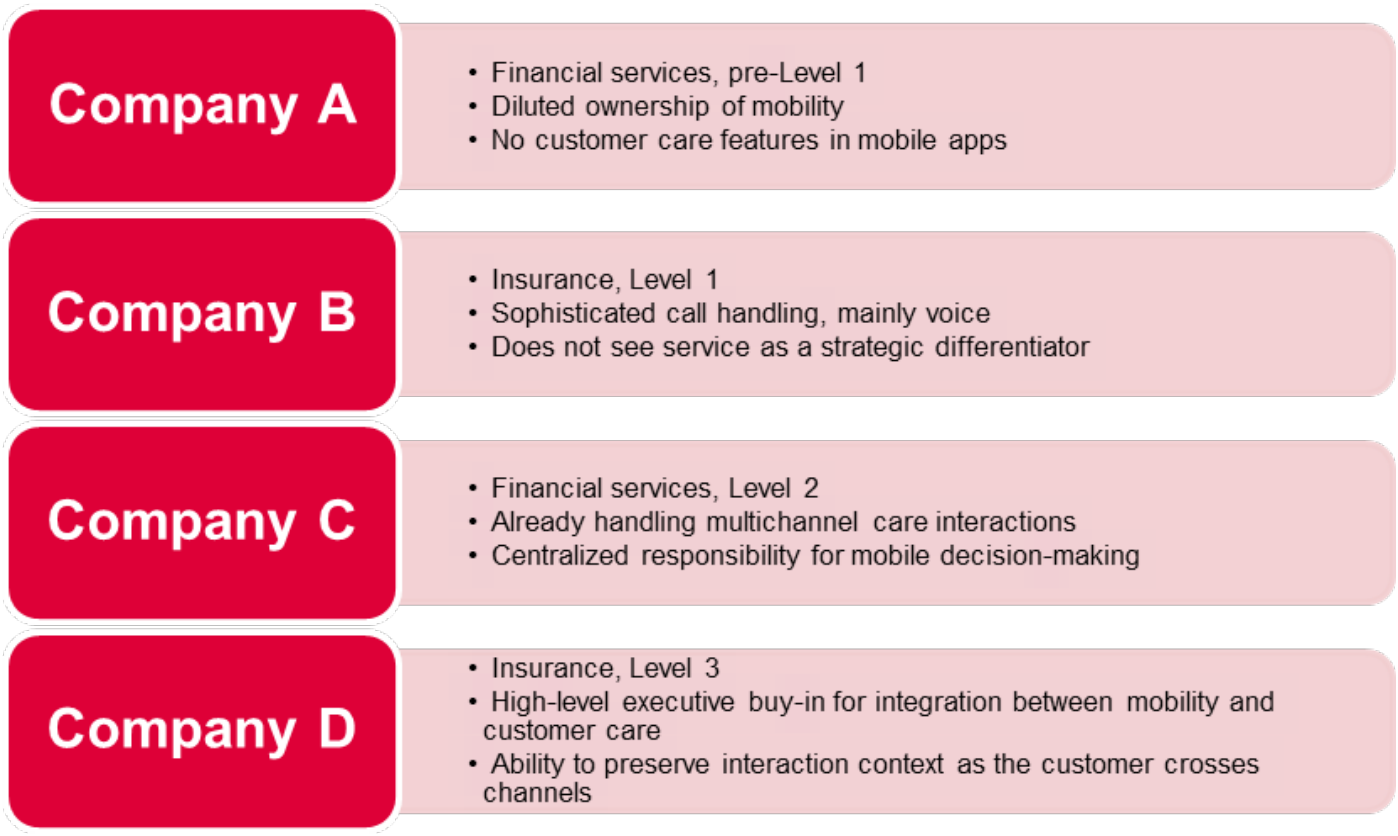
Figure 3: Characteristics of profiled companies



Source: Ovum

REACHING LEVEL 3 BY ENHANCING THE CUSTOMER EXPERIENCE

Seeking out excellence and SCIs

In Ovum's examination of business behavior in the mobile space, we found one company that stood out as most advanced in the mobile maturity model. That firm ("Company D") is a European insurance company.

The maturity model measures both the specific features that a company has put in place, and the capabilities it has available to it for moving forward – essentially a measure of its flexibility to quickly adapt to new circumstances in the customer base. What it cannot fully measure is intention and culture – the factors that enable a company to make the decisions necessary to move forward.

Ovum believes that the qualities that propel a company along the path have more to do with those less tangible attributes than they do with having particular technologies in place. In comparing companies with similar goals (in similar industries), we find that culture is the defining characteristic that determines how quickly a company will move forward.

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In Company D's case, the teams responsible for creating mobile capabilities had sufficient access to resources to innovate and experiment, and they had executive buy-in for their efforts. Compared to other firms (including the US insurance firm Company B), Company D and other leading-edge companies have clearer lines of ownership and accountability for programs that integrate customer care and mobility. It appears that executive buy-in may be a more decisive factor in achieving progress than any other variable studied, especially at the later stages of development.

Level 3 is characterized by an ability to measure success and show ROI from mobile care

Company D's efforts to build customer-facing mobile tools were also very tightly focused on solving specific business problems, rather than generic branding. For example, one application was built for claims processing. The company took pains to understand the underlying processes that impact customer behavior during that process, and built the app in tune with the contact center's ability to handle customer claims. In effect, every time a call came from the app, it was a known quantity – a claim that had to be processed, from an identified customer. With context already established, there is no reason or excuse to abandon any calls from this source, and first-contact resolution is notably higher. The overall quality of the service metrics is improved without the company having to add more employees. Company D has managed to use the mobile front end as a qualification and preemption tool that funnels only appropriate calls to a live agent.

One way Company D is measuring the success of its mobile program is through improved first-contact resolution. It is telling agents that it is not judging them based on their total number of calls per shift, instead allowing them to spend the time that is necessary so that the customer does not have to call again. This ties the success of the mobile program directly into the measurement of agent KPIs.

Another aspect of Company D's successful deployment is that team leaders understand the need to educate customers on how to best use mobility to access care capabilities. Many companies – especially those that rely on marketing to develop and deploy mobile features – fail to draw customers into using the mobile apps specifically for service-related queries. Company D's approach specifically includes formal training for the sales team in how to raise customer awareness of the mobile application.

Both Company B and Company D (which Ovum places at Level 3) are in the insurance industry, which is a price-sensitive commodity market. Both firms need to differentiate themselves in order to gain and retain customers, but only the Level-3 firm has made a definitive commitment to differentiate based on service. For Company D, having an active mobile program sets it apart and therefore mobility becomes a strategic asset to the company.

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RECOMMENDATIONS

Recommendations for enterprises

Ovum's interviews with enterprises indicate that most companies have only just begun to explore the logistics of integrating customer care with mobile technologies. There are many opening steps, but the ones that appear to have the most beneficial effects are those that tie together separate stakeholders and technology strands to position the company for smoother transitions in the later stages.

For companies in the earliest stages of making this transition, Ovum recommends the following:

- In any mobile app or customer-facing mobile website, always include instructions for the customer to reach a support line. Even if the number is not clickable, or if context is not preserved, make sure the number is at least readily accessible. This is important even if – especially if – the care organization is absent from the planning process.
- Create a team, comprised of manager-level stakeholders, to coordinate the investment priorities and share information on relevant metrics. Ideally a company would appoint a czar with responsibility for the mobility/care integration process at the earliest stages. If that does not happen, a knowledge sharing team will at least pave the way for more intense collaboration at later stages.
- Prepare the contact center infrastructure for changes in processes and customer expectations that stem from those customers' increased mobility. That includes capturing mobile numbers in CRM systems and establishing guidelines for opt-in to mobile communications. It also includes auditing and streamlining of IVR and other self-service tools. At this stage it is also useful to start identifying the source of inbound calls (mobile phone, landline, PC, etc.).

For companies that have already begun moving down this road (Level 1 and Level 2) we recommend the following steps:

- Centralize the lines of authority over mobile/care integration projects, preferably with a strong executive mandate to invest in features that have demonstrable ROI.
- When making investments in multichannel contact center technologies, use the opportunity to specifically plan for incorporating mobility features. From the customer care point of view, multichannel contact handling should always be mobility-minded.
- Consider moving to a multi-platform or platform-agnostic development environment. It can damage the overall experience when one group of customers (e.g. iOS users) can access features that another group (e.g. Android or BlackBerry users) cannot.
- Above all else, ensure that feature development emphasizes the preservation of context and the continuity of the customer's experience as they switch among available information and communication sources on the mobile device.

Companies in the advanced stages (Level 3) should:

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- Prioritize projects that streamline and integrate business processes, especially those that connect to back-end enterprise systems such as CRM, billing, and customer analytics tools.
- Identify specific problems or friction points in the customer's journey (presumably using those connected analytics tools) and target investment in mobile to features that specifically address those pain points. By concentrating on specific problems, you tie mobile investment more directly to known KPIs and ROI measurements.
- Expand beyond the core features of the mobile device to exploit more sophisticated capabilities such as location awareness, and build customer-friendly processes around them. An example might be an airline application that pushes relevant information to a customer's phone when they are in an airport terminal.

APPENDIX

Methodology

This report was written using a combination of primary and secondary data sources. Primary research included over 30 interviews with customer service, marketing, and IT executives from leading enterprises across the globe in various stages of deployment of mobile and customer care technologies.

The author also included information from Ovum's existing internal knowledge base of consumer surveys, financial data, and vendor product information.

Further reading

The Future of Customer Service in a Mobile World: Smart, Connected Interactions, TE001-000543 (July 2012)

Redefining the Customer Experience, TE007-000614 (June 2012)

The Customer as the Contact Center Agent, TE001-000402 (January 2012)

Understanding Consumer Challenges in Emerging Versus Developed Economies, TE001-000397 (January 2012)

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