

June 2013

Real-Time Unified Customer Engagement: How to Delight Empowered Customers

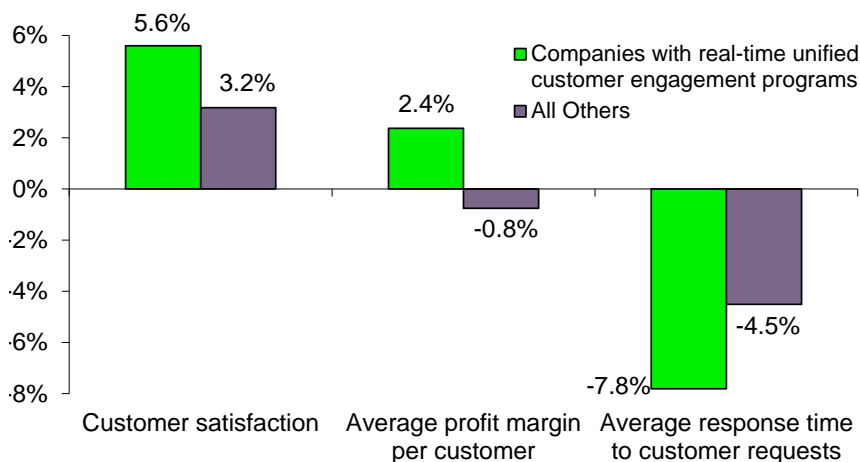
The dynamics of contemporary buyer and seller relationships have dramatically changed over the past several years. With a growing ability to access and share information that impacts purchase decisions, today's customers command greater control in their interactions with businesses — a notion defined as “empowered customers.” Succeeding in this environment requires companies to be laser-focused on the needs of each client, and address them in a timely and relevant fashion.

In January and February of 2013, Aberdeen surveyed 374 organizations regarding their customer experience management (see definition in sidebar) activities. Seventy-nine (79) of these businesses indicated using customer behavioral and feedback data to support real-time unified customer engagement (RUCE) activities. This Aberdeen Research Brief will demonstrate the value-add RUCE programs (see definition in sidebar) bring to businesses as well as outline several best practices that help companies successfully implement this initiative to differentiate against competitors.

Relevancy and Timeliness in CEM Unlocks Success

Figure I below demonstrates the year-over-year performance improvements companies with RUCE programs enjoy, in comparison to those that lack such initiatives.

Figure I: Year-over-year Performance Improvements



Percent of respondents, n=374

Source: Aberdeen Group, February 2013

Research Brief

Aberdeen's Research Briefs provide a detailed exploration of a key finding from a primary research study, including key performance indicators, Best-in-Class insight, and vendor insight.

Definition: Customer Experience Management (CEM)

Aberdeen defines CEM as a continuum of cross- and multi-channel business activities that are executed on an enterprise-level to manage business activities across the entire customer lifecycle.

Definition: Real-time Unified Customer Engagement (RUCE)

Aberdeen defines real-time unified customer engagement as an enterprise-level initiative where numerous organizational stakeholders (e.g., sales, marketing, and customer service) work together to deliver consistent messages that address each buyer's needs through multi-channel and multi-touch interactions aimed at engaging buyers in a relevant and timely fashion.

Findings from Aberdeen’s March 2013 [Next-Generation Customer Experience Management](#) study (details provided in the sidebar) revealed that the top challenge companies face in managing their multi-channel and multi-touch buyer interactions is delivering consistent and timely messages to their customers. As depicted in the above figure, adopting a RUCE program helps businesses reduce or eliminate this challenge — a finding validated through their strong performance in customer satisfaction and profitability.

In addition to the above findings affirming the value of RUCE programs, research reveals RUCE users’ financial gains go beyond improving customer profitability. As reflected in the above table, these businesses also enjoy 33% greater (64% vs. 48%) sales team attainment of quota, compared to companies that lack the ability to engage customers with relevant and timely interactions. This is indicative that empowering the line-of-business stakeholders (e.g., sales and contact center) with the ability to address the needs of each unique buyer helps to increase top-line revenue results.

Table 1: RUCE Users Outperform their Peers

Current Performance Results	RUCE Users	All Others
Customer retention rate	72%	58%
Overall sales team attainment of quota	64%	48%

Source: Aberdeen Group, February 2013

Another impact RUCE has on business results is in the area of brand management. Ensuring delivery of a consistent customer experience is paramount to delighting today’s empowered buyers. Indeed, 69% of all the companies participating in Aberdeen’s March 2013 [Next-Generation Customer Experience Management](#) research indicated that customer service activities have a direct and heavy influence on their brand image and value.

Sixty-nine percent (69%) of companies indicate that customer service activities have a direct and heavy influence on their brand image and value.

Companies with RUCE initiatives are well-positioned to align the activities of multiple organizational stakeholders to ensure delivering consistent messages across numerous touch-points. As it will be observed in further detail in this paper, these companies are 58% more likely (60% vs. 38%) than their peers to facilitate collaboration among numerous organizational stakeholders. This helps them reduce or eliminate the probability of confusing customers with conflicting messages which would ultimately hinder the brand value.

To this point, 78% of RUCE users indicate improving brand value as a top goal driving their CEM programs, while they also achieve an average of 7.1% year-over-year increase in the number of positive social media posts related their company brand — a strong indicator of successfully increasing brand awareness and value within the marketplace.

Best-in-Class Criteria

The following Key Performance Indicators (KPIs) were used to determine the Best-in-Class within the March 2013 [Next-Generation Customer Experience Management](#) study:

- √ Current customer retention rate – Best-in-Class: 88%, Industry Average: 66%, Laggards: 35%
- √ Year-over-year improvement in customer satisfaction rate – Best-in-Class: 23.0%, Industry Average: 4.8%, Laggards: 4.6% decrease
- √ Year-over-year improvement (decrease) in average response time to customer requests – Best-in-Class: 16.3%, Industry Average: 6.7%, Laggards: 2.2% increase

Best-in-Class, top 20% of aggregate performance scorers

Industry Average, middle 50% of aggregate performance scorers

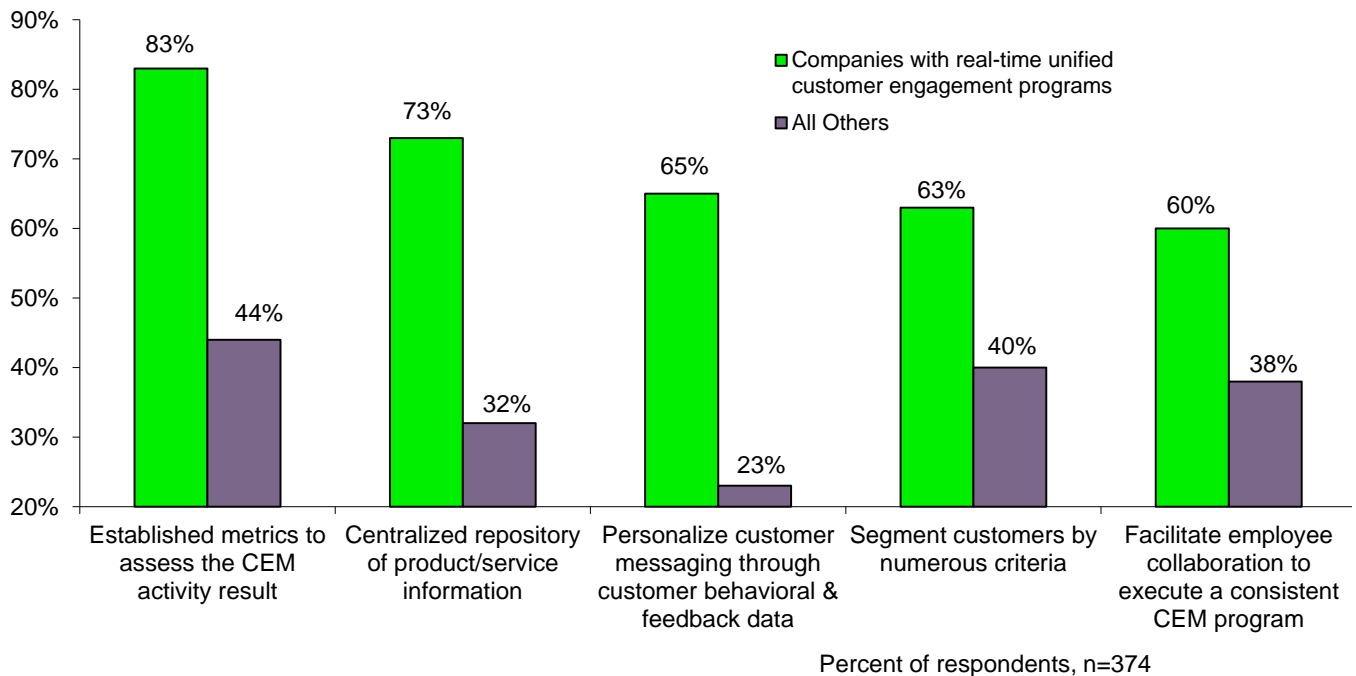
Laggards, bottom 30% of aggregate performance scorers

The very foundation of RUCE users' ability to accomplish the results noted thus far is based on their ability to successfully capture, analyze, and use customer data within their buyer-and-seller interactions that impact the overall customer experience. The next section will observe the specific capabilities that help businesses optimize their use of customer data to improve the relevancy and personalization of each customer interaction across numerous touch-points.

Building Blocks of Real-time Unified Customer Engagement

Figure 2 below illustrates the key capabilities that companies use to establish and maintain successful RUCE programs. It's no surprise that 83% of RUCE users have formally defined performance metrics to gauge the effectiveness of their customer engagement efforts via key performance indicators (KPIs). Best-in-Class companies within the March 2013 *Next-Generation Customer Experience Management* study are 46% more likely (70% vs. 48%) than their counterparts to have established metrics used to regularly assess their performance results. This supports their ability to accomplish superior results in key measures such as customer satisfaction and annual company revenue.

Figure 2: Key Capabilities for RUCE Programs



Source: Aberdeen Group, February 2013

Replicating the Best-in-Class characteristic noted above requires RUCE users to incorporate this capability as a part of their business activities by determining the most relevant KPIs that reflect their success in attaining

their CEM and broader business goals. The use of customer relationship management (CRM) tools is a key enabler in tracking customer engagement activity results, as it provides a centralized system that captures the customer engagement activities of multiple organizational stakeholders. As illustrated within the sidebar, RUCE users are 69% more likely (81% vs. 48%) to deploy CRM to manage their customer interactions, compared to their peers.

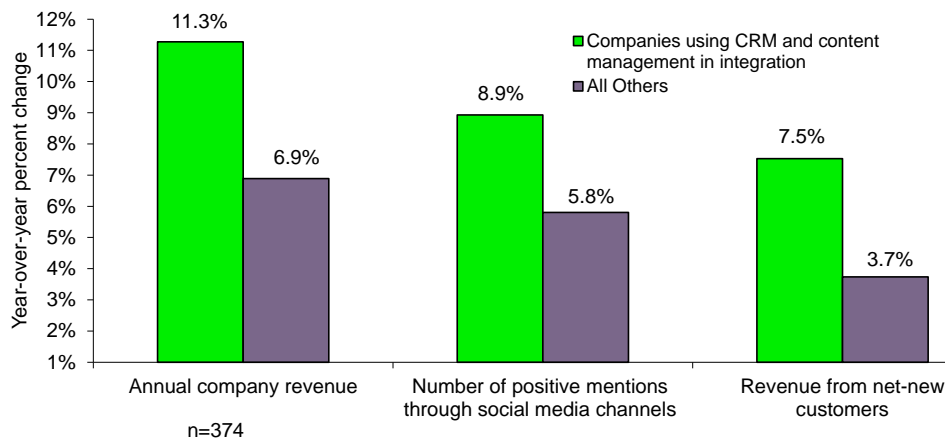
While establishing visibility into overall performance results is a step in the right direction, it needs to be complemented with other capabilities to build a successful RUCE program. One of these activities is customer segmentation. By using business processes and technology tools to segment customer behavioral and feedback data, companies can glean crucial insights on the specific needs of multiple customer segments. This segmentation can be done based on numerous criteria such as demographics, historical purchase, and satisfaction scores. RUCE users are 58% more likely (63% vs. 40%) than their peers to have this activity in place. Another benefit of using the customer data stored in CRM system and segmenting it based on different factors is the ability to further customize the content used to engage buyers across numerous touch-points. Figure 3 below illustrates that companies integrating their CRM system with such personalized content management efforts outperform their peers in growing their top-line revenue by 64% more year-over-year (11.3% vs. 6.9%).

Key Technology Enablers Supporting RUCE Initiatives

Research shows that RUCE users support their CEM efforts through deploying a set of technology enablers noted below:

- √ **Customer relationship management (CRM)** – RUCE Users: 81% vs. 48%
- √ **Customer database management** (tools used to scrub and cleanse customer data) – RUCE Users: 71% vs. 33%
- √ **Customer communications management** (tools used to synchronize multi-channel customer messaging activities) – RUCE Users: 60% vs. 27%

Figure 3: The Value of Integrating CRM with Content Management Efforts



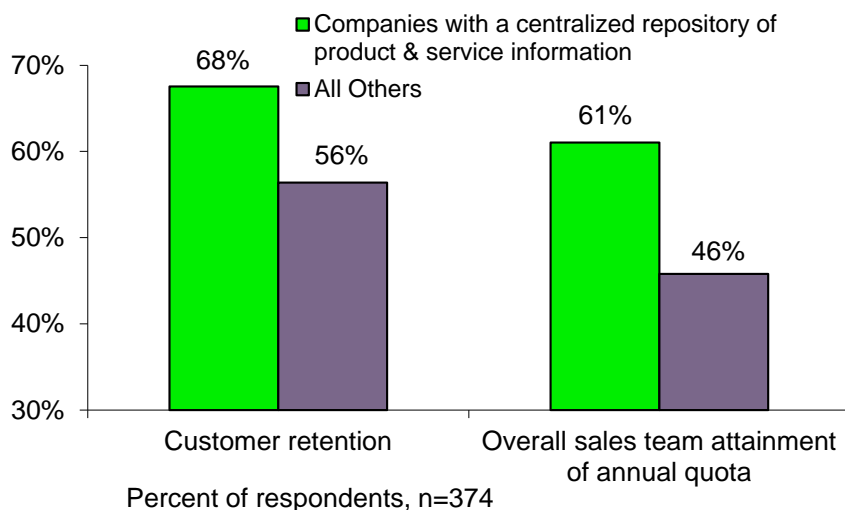
Source: Aberdeen Group, February 2013

Capturing information on the unique needs of each customer has a far-reaching impact. In addition to developing a better understanding of the existing and potential buyer-base, companies can use intelligence captured through customer segmentation tools to develop precision customer targeting activities across multiple channels (e.g., web, social media, phone, email, and live chat). Indeed, RUCE users realize these potential benefits and are far more likely (65% vs. 23%) than All Others to add this capability

within their business efforts. It's important to note that these businesses not only deliver personalized messages but also engage clients in a proactive manner — addressing customer needs before a client engages the company to seek information or support. Building a proactive customer engagement program helps businesses reduce potential customer issues before they arise as well as reduce the customer effort required to engage with organizations for information they might need to make purchase decisions. For example, if a utility company knows that a specific region will experience a power outage it can proactively send a message (e.g., email or text) to its customers informing them of the upcoming outage to reduce the number of inbound requests for information.

Another building block of RUCE programs is a centralized repository of product and service information, which is also referred to as a knowledgebase. Building a resource center that provides organizational stakeholders with the information they need to do their jobs better ultimately helps drive a superior customer experience. For example, an inside sales representative might be on the phone discussing a specific company product with a prospect. If the prospect wants specific technical information that the inside sales representative might not know, providing the representative with the ability to access a knowledgebase that contains this information would both satisfy the information needs of the customer and increase the likelihood of generating a sale. In fact, data shows that knowledgebase users achieve 33% greater (61% vs. 46%) sales team attainment of quota, compared to non-users (Figure 4).

Figure 4: Use of Knowledgebase Improves Performance



Source: Aberdeen Group, February 2013

As outlined in Aberdeen's March 2013 [Next-Generation Customer Experience Management](#) research, CEM is not an initiative that can or should be handled in silos within a business. Success in delivering customer delight is linked to aligning the activities and objectives of multiple organizational stakeholders

that interact with customers, from sales and marketing to the contact center and billing. Individuals or teams leading RUCE initiatives should be well aware of the objectives and nuances of different business units within the organization and work with each unit to ensure delivering an optimal *and* consistent customer experience. Companies actively deploying a RUCE program are 58% more likely (60% vs. 38%) than their peers to have formal processes established to facilitate numerous organizational stakeholders to collaborate with each other and ensure consistency in customer interactions — a top challenge impacting CEM activity results. As illustrated within the sidebar on the previous page, RUCE users deploy a series of technologies such as CRM and customer communications management to provide organizational stakeholders with the technology tools needed to streamline delivering a better customer experience through collaboration.

Key Insights

With the customer role rapidly evolving in today's buyer and seller relationships, businesses are constantly seeking ways to differentiate themselves as well as maintain and improve their financial strength. Findings from Aberdeen's March 2013 [*Next-Generation Customer Experience Management*](#) study reveal that only 21% of businesses adopt a RUCE initiative that enables them to convert the wealth of information that lies in customer feedback and behavioral data into relevant and timely customer interactions across numerous touch-points.

As noted within this document, companies that adopt the capabilities required to successfully build and maintain a RUCE program outperform all other businesses across numerous key performance measures indicating excellence in CEM efforts. Aberdeen recommends companies looking to survive and thrive in the "new normal" of empowered customers to incorporate RUCE as a strategic part of their overall business efforts. When implemented in conjunction with the differentiating factors noted within this document, this will help companies truly delight their buyers while enjoying quantifiable business results.

For more information on this or other contact center and CEM research topics, please visit http://www.aberdeen.com/_aberdeen/services-management/SMAV/practice.aspx.

Related Research	
<u>Next-Generation Customer Experience Management</u> ; March 2013	<u>Multi-Channel Digital Marketing: Addressing the Why's and How's to Achieve Success in the New Era of Customer Engagement</u> ; February 2012
<u>Multi-Channel Contact Center: Delight Customers where they Live</u> ; November 2012	<u>Social Compliance: Protect Brand Equity and Ensure Governance</u> ; February 2012
<u>Customer Analytics: Leveraging Big Customer Data to Achieve Big Results</u> ; June 2012	<u>Customer Experience Management: Using the Power of Analytics to Optimize Customer Delight</u> ; January 2012
<u>Customer Feedback Management: Leveraging the Voice of the Customer to Amplify Business Results</u> ; April 2012	<u>Web Analytics: Marketing Beyond Online Customer Data</u> ; January 2012
<u>The ROI of Best-in-Class CEM Programs</u> ; March 2012	<u>Customer Relevancy Drives Precision Marketing in the Mobile Channel</u> ; January 2012
<p>Author: Omer Minkara, Research Analyst, Contact Center, Customer Experience & Service Management (omer.minkara@aberdeen.com), LinkedIn, Twitter</p>	

For more than two decades, Aberdeen's research has been helping corporations worldwide become Best-in-Class. Having benchmarked the performance of more than 644,000 companies, Aberdeen is uniquely positioned to provide organizations with the facts that matter — the facts that enable companies to get ahead and drive results. That's why our research is relied on by more than 2.5 million readers in over 40 countries, 90% of the Fortune 1,000, and 93% of the Technology 500.

As a Harte-Hanks Company, Aberdeen's research provides insight and analysis to the Harte-Hanks community of local, regional, national and international marketing executives. Combined, we help our customers leverage the power of insight to deliver innovative multichannel marketing programs that drive business-changing results. For additional information, visit Aberdeen <http://www.aberdeen.com> or call (617) 854-5200, or to learn more about Harte-Hanks, call (800) 456-9748 or go to <http://www.harte-hanks.com>.

This document is the result of primary research performed by Aberdeen Group. Aberdeen Group's methodologies provide for objective fact-based research and represent the best analysis available at the time of publication. Unless otherwise noted, the entire contents of this publication are copyrighted by Aberdeen Group, Inc. and may not be reproduced, distributed, archived, or transmitted in any form or by any means without prior written consent by Aberdeen Group, Inc. (2013a)