customer relations
trends to watch in 2013

How is the Customer Relations Industry responding to the new economy?
Ten trends and ten priorities that matter

Through multiple waves of changing consumer behavior, what did 2012 teach us about how contact centers are changing? More importantly, where will 2013 take the contact center and customer service industries?

While some 2012 predictions have proven more fiction than fact, the commoditization of contact centers, the rise of multi-channel, multi-device demand, home agent rise, social media and others have conspired to increase the importance of the contact center. Still, “Customer Experience,” “Voice of the Customer” or “Customer Relationship Management” has lagged for many industries in effectively establishing the contact center at the forefront of its delivery strategy.

Ten trends bringing contact centers to the strategic forefront

This report is the result of collaboration between Sitel’s employees and stakeholders from around the globe. The question we try to address in this report is: How is the Customer Relations Industry responding in 2013 to continued pressure on cost, expectation for higher quality, rising complexity and decreasing cycle-time to answer to clients?

Sitel points out in this report that these 10 trends are simultaneously making contact centers more strategic and impactful:

1. Contact centers are at an organizational inflection point
2. Contact centers will sell more than ever
3. Customer experience is moving to recentralization
4. Increased customer control
5. Mobile customers are “on the grow”
6. Social media is being legitimized as a customer service channel
7. The email channel for customer interaction is dying
8. On-demand infrastructure: Contact centers migrating to the Cloud
9. Home-based agents complete the solution
10. Globalization is not slowing: Mixed-shore strategies are on the rise
Contact centers are at an organizational inflection point

In an era when products and services rapidly commoditize, the customer experience has become the point of brand differentiation. It matters more than ever before - as evidenced by an increasing number of businesses adding a Chief Customer Officer to their executive leadership team. A good experience has the power to unlock a lifetime of loyalty and advocacy. A bad one can be relayed across the world with just the click of a mouse. More than 86% percent of customers say they will simply stop using a brand after one bad experience and 82% percent of customers will communicate their bad service experience with others. The quality of a customer interaction is becoming one of the top reasons for recommending a company.

The new role of the contact center is connecting the dots to deliver customers the experience they want, when they want it, in the channel of their choosing. This ever-increasing demand for personalized services and more caller-friendly services is driving companies worldwide to invest in solutions that gain access to the full history of a customer’s past activities and prior interactions over important communication channels. Also as important, the new contact center must demonstrate the ability to truthfully engage with customers, valuing their opinions, and demonstrating they are prepared to adapt products and services to the needs of a new consumer that is emerging.

Sitel Answer

In today’s omni-channel environment, competing means enterprises must be at the right place, at the right time, with the right offer. This is pushing marketing to play its biggest role ever in customer care operations: to optimize touchpoints with granular understanding of customers’ preferences

Sitel was recently recognized as an innovation leader by Frost & Sullivan. As part of this ongoing innovation, Sitel is continuing to design new social media approaches and solutions for service, developing omni-channel approaches to engage the customer meaningfully in their chosen channel of interaction and improving selling strategies and operating models that leverage the best virtual talent in the world.

While technologies and Sitel best practices are enabling our customers to make strides in improving customer retention, increasing revenues and helping to optimize total operating costs, it is our people that are making the biggest impact. Every day, our people tactically execute as close to flawlessly as possible, while strategically they are thinking about ways to build continuous improvement. Sitel’s aim is to be the #1 partner for every company we support by adding measureable value to the businesses we serve, establishing long-term partnerships and consistently delivering each day.

Sitel has many capabilities and approaches to address the rising importance of the contact center; however, the most important in the coming year may be Total Cost of Ownership - which enables smarter business decisions that account for all the moving parts and variables when making important choices that will impact your customers.

82

The percent of customers that communicate after a bad experience

Contact Centers will sell more than ever

Well beyond traditional outbound telemarketing campaigns, 2013 will see many businesses transforming core support processes to optimize them for creating revenue. Each positive contact resolution will be linked to a value-add offering for additional services, warranties, refills, peripherals and enhancements. 69 percent of business-to-consumer (B2C) organizations surveyed consider contact centers to be critical to revenue generation.

Consumers have amazing options at their fingertips: information, services and the ability to shop from anywhere via any number of personal technology devices. According to Forrester Research, Inc., more than 40 percent of Western Europeans purchase goods online. Germany, Switzerland and France all report more than 50 percent of consumers doing so. In the US, 67 percent of consumers currently shop online, using four or five web outlets.

Executives across the enterprise are recognizing that every customer touchpoint must first retain a customer and then turn positive experiences into improvements to the bottom line. In recent research, it was noted that companies need to become far more innovative, rebooting their strategy to emphasize quality and customer experience, not pricing. In a fast-moving and ultra-competitive marketplace, the customer service agents who are listening and engaging are the part of the business creating meaningful value at moments of truth that matter.

Sitel Answer

Tipping the value equation starts with listening to your customers and intelligently offering solutions that meet their needs and reduce their effort

Sitel intelligent engagement solutions identify, target and engage the right customers in the right channels at the right moments. Connecting all the dots via omni-channel strategies and getting socially connected with your customers optimizes revenues, customer satisfaction and operational efficiency.

Sitel’s sales chat solution is designed to track the behavior of visitors and to identify those with a higher propensity to buy or those who are least likely to seek a self-service solution, in order to engage only with the right type of customer at the right time. Our Proactive Sales Chat Solution, for instance, is improving acquisition of new consumers with proven lift in e-commerce conversion performance (5% percent to 20 percent Incremental Contribution). Sitel has more than 24 chat centers of excellence distributed in 14 countries supporting chat services to a wide range of top-tier companies in different vertical markets.

Sitel’s premium support offers customers a solution when they are out of warranty or cannot find qualified support. Sitel Premium Technical Support (PTS) is the first-class option to support any product, any time, with troubleshooting and resolving customer’s hardware, software and networking challenges without contacting multiple sources just to have them pointing the finger at the other guy. Sitel PTS is a one stop shop for mobile customers first contact resolution.

The percent of B2C organizations that consider contact centers vital to revenue

69


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Customer experience is moving to Recentralization

Multi-channel is quickly becoming passé as omni-channel gives way to the power of the customer to drive interactions. For 10 years, businesses have aggressively been chasing new channels and layering them on operationally, trying to engineer to the lowest cost to serve. Logic has dictated that the more calls we push to IVR, web self-service and automation the lower our cost and the better our business. This logical approach, however, has been flipped on its head with the new customer experience pressure that now exists. In a recent research, 86 percent of customers said that they will pay MORE for a better customer experience. This means that each interaction across channels and over time must be consistent, positive and on target with a company’s brand promise.

Social customer communities, multichannel knowledge management, mobile virtual agents and natural language processing will have the biggest impact on the customer service experience in the following years. Brands that don’t innovate around these trends—and that fail to serve customers where, when, and how they want to be served—will suffer. The winners will be the businesses that learn to run a thread through all channels and experiences by re-centralizing with omni-channel strategies.

Sitel Answer

A properly constructed self-service approach starts with the customer in mind and positions itself in front of the customer’s desired channels of choice

In an increasingly competitive marketplace, offering multi-channel customer service is a must for the modern contact center. Sitel offers the most complete customer experience solutions in the industry, enabling our clients to differentiate themselves across both emerging and traditional channels and through all customer touchpoints and interactions. Sitel’s industry leading approach is built upon 30 years of best-in-class customer care experience, online sales and developing industry specific solutions.

Sitel’s omni-channel approach allows our clients to handle this new and challenging scenario by providing the tools, processes and methods to offer customers a seamless way to obtain support in their chosen channel, in as close to real time as possible, without having to explain their problem over and over again at every step in the escalation.

Frost & Sullivan recognized Sitel as an innovation leader for continuing to design new social media approaches and solutions for service, developing omni-channel approaches to address the evolving customer experience, and improving selling strategies and operating models that leverage the best virtual talent in the world.

The percent of customers who would pay MORE for a better experience

86


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Increased customer control

One of the biggest changes to affect the contact center industry has been the shift in control from organization to consumer, with regard to how interactions are handled, and increased reach and influence of the voice of the customer. Empowered by the increased number of faster and more dynamic web and mobile channels, consumers are more interconnected and freely sharing their experiences with businesses than ever before. The increase in customers’ control of their experience will continue to challenge the processes, organizational structures and systems that companies have put in place to communicate with customers and will require a change in corporate mindsets, as well.

Consumers prefer word-of-mouth and distrust corporate communications; more than 70 percent trust online reviews, less than 14 percent trust advertising. This communications evolution has served to not only increase consumer expectation, but contact management complexity as well. Since customers expect a consistent level of service from an organization at any given time, regardless of their initial point of entry, companies need to provide a holistic view of the customer across all divisions, business areas and even branches. Companies must be at the right place, at the right time, on the right channel.

Sitel Answer

Consumers are increasingly turning to their fellow customers for advice about services and products, as trust in traditional advertisement is low and the advancement of technology and social networks makes this quick and easy.

Sitel Intelligent Web Engagement offers point solutions to meet specific online conversion objectives to turnkey-hosted platforms that manage the full 360-degree customer experience. Sitel has a suite of tools designed to build incremental return on customer investment (RoCI) by creating value, focusing on efficiency and diverting non-value add contacts.

Customers contacting a business are interested in getting tangible value, suggesting businesses may be confusing their own desire for customer intimacy with consumers’ motivations for engaging. In this new scenario, social media holds unprecedented potential for companies to get closer to customers and, by doing so, facilitates increased revenue, cost reduction and efficiencies.

>70

The percent of consumers that trust online reviews

Mobile Customers are “on the Grow”

According to a leading research firm, the incremental amount of traffic being added to the mobile Internet by 2016 alone is approximately three times the estimated size of the entire mobile Internet in 2012. Today, +50 percent of U.S., U.K. and Japan Internet users access the web via mobile devices and just four years from now, one billion consumers will have smartphones.

The proliferation of smartphones and mobile devices will continue to super-charge customers’ expectations for anytime, anywhere, on-demand support for any problem. The first one to solve a customer’s problem will win. Mobile will also present some new and unique opportunities to marketers to take advantage of location data to provide timely and compelling offers. This should provide for proactive service notifications based on proximity as well to improve customer experience by reducing effort. Businesses must be prepared to both support and innovate as mobile customer expectations grow.

With more than half of users adopting smartphones around the world, customers are gravitating to mobile web and custom applications (apps) as their primary portal for services and the main method of communication. Interestingly, new challenges spring up around integration of the devices with other systems, carrier issues, hardware and software issues, point-of-sale issues, etc. All of these new issues are increasingly complex and in many cases cross-ownership between device manufacturer, carrier, app designer or reseller. It is still unclear who will own the resolution for technical issues.

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Sitel Answer

Mobile and Social are top priorities for our clients and their customers, and contact center outsourcers are at the heart of this developing evolution. Sitel is helping clients to use our mobile interaction technologies, services and expertise to help them deliver meaningful value only now possible from innovative and well constituted mobile and social solutions

Sitel Premium Technical Support (PTS) offers customers a better level of service in a world where products and services are converging and overlapping. Sitel PTS is the paid technical support solution to support any product, any time with troubleshooting and resolving customers’ hardware, software and networking challenges without contacting multiple sources just to have them pointing the finger at the other guy. Sitel PTS is a one-stop shop for mobile customers first contact resolution.

The Sitel mobile survey solution is the most comprehensive and powerful platform available in the market for creating, deploying and managing customer satisfaction. Leveraging the instant access of mobile engagement with your consumers, mobile web surveys can collect a previously unimaginable volume of responses available for real time agent performance feedback and immediate trend analysis.

The data collected is of much higher quality and accuracy as it is sourced from the broadest possible base of customers, and captures entire segments of the user base that would traditionally be missed in their entirety due to customer apathy for engaging in traditional IVR based feedback solutions.

3x

The estimated size of the entire mobile Internet in 2012

Social media being legitimized as customer service channel

One of the most significant trends over the last three years is the rise of social media outside marketing and inside customer service. Social media is moving beyond contacts and interactions to a culture of community and collaboration for the most progressive companies. More than 23 percent of consumers from the age of 18-32 prefer social media when learning about products. Actually, more than 90 percent of consumers trust peer reviews and 70 percent trust online reviews, while less than 14 percent trust advertising. Consumers are no longer relying solely on the traditional channels of phone and email. They are interacting online with peers over sponsored communities and over the public cloud via Facebook, Twitter, Instagram and Pinterest.

Consumers and consumer groups are setting up social media and other online advice services themselves. Approximately 83 percent of consumers tell their friends if they get a good deal, demonstrating that the demand for advice from fellow customers is present and strong enough for consumers to act to enable this type of advice.

In the financial sector, for instance, 54 percent of consumers are using friends and family as a resource for financial advice. More than 12 percent of consumers turn to blogs and almost 7 percent use other forms of social media as a resource for financial advice.

Social media is becoming the answer for crossing functional and departmental barriers and for collaborating as one business. Social media is the answer to getting that one contact who comes in once a year connected to the one person in the company who has the experience and insight to provide the right insight at the right time.

Sitel Answer

As today’s companies integrate social media as a part of their overall customer experience strategy, Sitel is leading the way with a building-block approach to intelligent online engagement

Organizations that fail to monitor the millions of conversations unfolding on Twitter, Facebook, YouTube and countless other social networks are missing critical opportunities to connect with consumers, address their concerns and turn criticism into advocacy.

Sitel Cloud Monitor is a value-add solution for social web monitoring, work queue building and real-time response, exclusively available to Sitel customers. Sitel’s next generation Cloud Monitor goes beyond listening to measuring and managing the social work queue like any traditional channel; enabling skills-based routing, escalations and resolutions to be executed and tracked.

Sitel offers alternatives to sharing personal details over the web in a multi-channel environment including a chat session, web self-service page, community forum, email or phone conversation providing real-time measurement of operational efficiency and effectiveness through a centralized dashboard view of overall social activity.

83

The percent of consumers that tell their friends when they get a good deal

The email channel for customer interaction is dying

Consumers do not want to wait when seeking information or advice, meaning that they do not want to be left on hold on the phone or to wait for an email response. While most customer care operations offer a range of resolution options online, peer-based channels will often win out if consumers want to receive a response to a more situational question.

These channels can be accessed at the convenience of the consumer, which makes them even more appealing. In the future, consumers will expect information to come to them rather than needing to seek it out, and email doesn’t fit into this scenario.

Email as a primary channel of support has passed its pinnacle and no longer meets the expectation of customers for immediate resolution. IDC forecasts over the next two to three years that email will decrease 4-5 percent, while self-service, chat and social channels will all show growth of double-digit percentages. The 4-5 back-and-forth interactions over an extended period of time are impractical when compared to the immediate gratification of chat, or the social nature of community support.

Sitel Answer

In order to establish a positive and fruitful relation with customers, it is crucial to keep the pulse on their favored avenues of interaction and to develop effective forms of communication through them to exploit their potential to the maximum

Sitel’s Intelligent Chat solution is designed to resolve queries or requests in real time and upon first call. It provides increased Customer Satisfaction, customer retention and lower cost per contact.

Detailed activity monitoring, multi-channeled interaction, careful rules of engagement, active analytic tools and comprehensive reporting are some of the features that, together with the company’s vast knowledge and expertise in the field, guarantee significant improvements in customer satisfaction, cost efficiencies and also, conversion rates.

Our chat solution is an important component of how we deliver meaningful support in the customers chosen channel of interaction - specifically empowering the ability for a public social interaction to be escalated to a secure private communication with the same agent, without navigating an IVR or exiting the text channel of interaction.

Email services will decrease ...

4-5 Percent next 2-3 years

On-demand infrastructure

Contact centers migrating to the Cloud

Gartner Says Worldwide Cloud Services Market surpassed $109 Billion in 2012 and the demand for Cloud based managed services is growing significantly, outpacing the traditional deployment model of purchasing and managing unified communications and collaboration technology on site. A growing number of companies are choosing hosted services, letting providers host dedicated equipment for their use, or paying a monthly subscription fee for services delivered by a Cloud centric service provider.

The key to taking advantage of this growth will be understanding the nuances of the opportunity within service segments and geographic regions, and then prioritizing investments in line with the opportunities.

The ability to dynamically provision, pay and scale on-demand is changing how most businesses will deploy technology in the future. Cloud computing will make it possible to deliver services when they’re needed most and shut them down when they’re not.

Sitel Answer

The key growth drivers for Cloud based services within the contact center are: speed to market for new services, ability to rapidly scale on demand, and efficiencies in leveraging off-shore contact centers for multi-channel client interactions.

With 30 years of industry knowledge and experience, Sitel has built an impressive portfolio of innovative applications and client-facing solutions that deliver a high quality of service at a competitive price point. These solutions are unique to Sitel and emphasize our ability to completely customize our technology platforms to adapt to the requirements of our global client base.

Today, a majority of our technology solutions are Cloud enabled allowing for our clients to take advantage of the flexible pricing, demand driven scalability, resource pooling and global presence of Sitel’s Cloud Services offerings.

Worldwide Cloud Services Market surpassed ...

$109 Billion dollars in 2012
Home Based Agents complete the solution

The time is right for home-based virtual agents to massively take off and reach a new level of maturity. Technologies have addressed bandwidth, security and reliability concerns. It is becoming common for home agent positions to meet or exceed the security standards of a bricks-and-mortar site. The adoption curve has reached a critical mass and work-at-home agents will exceed 100,000 in 2013. Added pressure to bring higher value service back from offshore locations is also a major driver for adding home agents.

As transformation initiatives take shape in 2013, many will include home-based agents to fill in the complex parts of a complete solution. Home agents will fill in the peak staffing requirements with part-time labor and will provide specialty agents with unique training and language capabilities. The more complicated the role to staff, the more likely home agents will fit the bill and fill the role.

A recent benchmark report shows that currently 12 percent of contact centers with formal workforce management programs are utilizing home-based agents. As contact centers are looking to do more with fewer resources, we expect home-based agents to attract more attention by contact centers over the next months.

Sitel Answer

Sitel Work@Home Solutions™ represents a best-in-class work-at-home agent model, built upon Sitel’s 27 years of outsourced care experience backed by proven industry research

Sitel Work@Home Solutions™ provides clients with a secure customer focused solution that delivers the highest performance standards and the best qualified talent across diverse geographies.

By performing stringent criminal and background checks as well as rigorous and proactive audits of the Work@Home Associates, Sitel delivers PCI-certified virtualization technologies, encapsulated desktops deployed on thin client devices, utilizes multi-factor authentication while employing tools to remove the risk of fraud with credit card transactions and actively monitors the remote activity while ensuring enculturation and adoption of Sitel defined best practices.

Our clients benefit from Sitel’s Global Operating System (GOS) methodology, which leverages some of the best operational talent within the industry. Sitel’s GOS guarantees consistency in the work-at-home environment and allows home-based agents to be a nice complement to center-based counterparts on a single program. Having both home and center-based agents provides substantial business continuity, benchmarking and career-path development benefits.

In 2013 at home agents will exceed ...

100,000
Globalization is not slowing
Mixed shore strategies are on the rise

Global offshoring (services) is expected to grow to a $500 billion industry by 2020. Despite the political pressure, the popularity of offshore outsourcing is still growing rapidly, spurring innovative relationship models with blended domestic, nearshore and offshore support. Companies that understand and embrace the research and investment required for successful offshore sourcing will reap great rewards, while minimizing risk.

The annual Offshoring Network Survey results show increasing demand for engineering, product development and research and development activities. Consequently, there will be a significant shift in the volume of service functions from developed to developing countries that have socioeconomic and political stability, access to a competent human resource base and rock-solid infrastructure. However, to most successful companies, outsourcing is not only about offshoring to one low-cost location, it’s about blending onsite, home-based, offshore and nearshore capabilities, supported by a proven global operations model.

Sitel Answer

Sitel helps clients minimize the risks and maximize the rewards of offshore and nearshore contact centers with one of the most reliable operational approaches for serving customers worldwide

Sitel’s award-winning solutions combine global delivery capabilities, proven business process methodology and deep industry expertise to transform our clients’ customer relations services that benefit from competitive advantage through improved quality of services and greater control over their core business operations. Sitel’s solutions span 120+ domestic, nearshore, and offshore centers in 25 countries across North America, South America, Europe, Africa and Asia Pacific.

- Sitel Philippines: Supports global English requirements
- Sitel India: Supports global English requirements
- Sitel Morocco: Supports global French requirements
- Sitel Portugal: Supports global Portuguese requirements
- Sitel Eastern Europe: Supports pan-European language requirements, particularly well aligned to support German at scale
- Sitel LATAM: Supports English and Spanish bilingual requirements and is particularly well aligned to support North America

Offshore services industry is expected to grow to …

$500 Billion dollars in 2020

The report is the result of collaboration between Sitel’s employees and stakeholders from around the globe. Our company is now providing services through more than 60,000 employees in 25 countries, for more than 270 clients.

The question we answer in this report is how are the Customer Relations Industry responding to the new economy and what we can expect for 2013.

In an effort to increase the return on investment of our clients, Sitel is continuously working on developing very near business adjacencies which are supplemental and complementary to our core contact center business. In addition to providing world class customer care and technical support across a broad range of industries, Sitel’s value-add product portfolio extends to include:

### Sitel Value-Add Solutions Portfolio

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#### Natural Line of Business Extensions

Sitel boasts a natural line of business extensions such as Sitel Premium Technical Support (PTS) designed to enhance customer experience while increasing new revenue on the existing customer base.

#### Alternative Operating Models

Sitel encourages companies to take advantage of alternative operating models such as Sitel Work@Home Solutions™. This model utilizes virtual agents who are remotely managed by a center of excellence to drive best practice development and sharing.

#### World-Class Technology

Explore Sitel’s technology-enabled customer experience management capabilities such as Proactive Web Engagement and Cloud Monitor Solutions, Service & Sales Chat and Analytics-driven Customer Experience solutions.
To continue the conversation...

For more information about this report and to learn more about the solutions mentioned on this study, see sitel.com/solutions

Notes
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