Delivering a Seamless Customer Experience with Multi-Channel Support

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~ Underwritten, in Part, by ~
Executive Summary

The ability to deliver superior customer service and support across multiple channels isn't a requirement to be Best-in-Class. It is, however, a trait of leading organizations which are leading their customers to newer media of information discovery and service interaction. What really differentiates leading organizations is investing in the consistency and effectiveness of a strong service experience, regardless of the channel being leveraged, thereby resulting in lower service costs, greater agent effectiveness and improved customer satisfaction.

Best-in-Class Performance

In October and November 2011, Aberdeen Group surveyed 180 service professionals to distinguish Best-in-Class companies from Industry Average and Laggard. Those defined as Best-in-Class exhibited the following traits:

- 89% average current performance in customer retention (vs. 70% for all others) and 87% performance in first-call resolution (vs. 59% for all others)
- 29% yearly increase in support agent utilization, compared to a 9% increase for all others.
- 12% annual decrease in total support costs, compared to a 2% increase for all others.

Competitive Maturity Assessment

Survey results show that the firms enjoying Best-in-Class performance are:

- 52% more likely (41% vs. 29%) than all others to deploy a stand-alone service organization
- 42% more likely than all others (47% vs. 33%) to leverage a common knowledge base for all support channels
- Nearly twice as likely (64% vs. 39%) to proactively seek customer feedback after a particular service session
- 16% more likely to leverage self-service/E-Service (67% vs. 58%) and 42% more likely to use social channels to deliver support

Required Actions

To achieve Best-in-Class performance, companies must:

- Make service a stand-alone business unit;
- Develop standardized escalation procedures;
- Develop a single knowledge base for use by all service channels;
- Share service information with other functional business units

Research Benchmark

Aberdeen’s Research Benchmarks provide an in-depth and comprehensive look into process, procedure, methodologies, and technologies with best practice identification and actionable recommendations

"If a customer asks a question, there is a good chance another customer will have that same question. Therefore we need to document each issue in our knowledgebase in order to easily and quickly find the answers to our customer's support issues."

~Marketing Manager, Industrial Automation Control and Information Solutions Company

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Chapter One: Benchmarking the Best-in-Class

Customer Support - Balancing Supply with Demand

While the call center still supports the core of incoming service requests, the movement towards the provision of multiple service delivery channels has picked up steam over the last 12 months. As reflected in a recent survey of 180 organizations around multi-channel support, the vast majority are currently delivering service and support across multiple channels (Figure 1; see sidebar for channels used).

Figure 1: Leveraging Multiple Channels?

Yes, 94%
No, 6%

Percentage of respondents, n=180

Source: Aberdeen Group, November 2011

In fact, during the last five years, nearly two-thirds of organizations have increased their presence on multiple support channels, with nearly 50% moving into newer arenas of support in the last 12 months (Table 1).

Table 1: More Channels Please

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Increase in Channels Supported</th>
<th>Remain the Same</th>
<th>Decrease in Channels Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous 5 Years</td>
<td>65%</td>
<td>26%</td>
<td>3%</td>
</tr>
<tr>
<td>Previous 3 Years</td>
<td>63%</td>
<td>28%</td>
<td>4%</td>
</tr>
<tr>
<td>Previous Year</td>
<td>49%</td>
<td>42%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, November 2011
While the dominance of the call center as the primary medium of support is being challenged by newer, more interactive and cost-efficient channels, Table 2 shows that the call center still has the lead with regards to handling incoming service requests, and is still the primary medium by which service requests are resolved.

Table 2: Not Giving up the Lead

<table>
<thead>
<tr>
<th>Channel</th>
<th>Proportion of Incoming Requests</th>
<th>Channel</th>
<th>Proportion of Resolutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call Center</td>
<td>40%</td>
<td>Call Center</td>
<td>32%</td>
</tr>
<tr>
<td>Email</td>
<td>18%</td>
<td>Field Support</td>
<td>17%</td>
</tr>
<tr>
<td>E-Service</td>
<td>13%</td>
<td>Email</td>
<td>12%</td>
</tr>
<tr>
<td>Customer Service Desk</td>
<td>11%</td>
<td>Customer Service Desk</td>
<td>9%</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, November 2011

A major reason for activating new service channels is that customers are seeking information and looking for service in an increasing variety of channels. Nearly 50% of survey respondents indicate that the number of channels their customers choose for service and support information has increased over the previous 12 months, with only 32% indicating no change in channel use. Indeed, more than 20% of organizations don’t know which channels their customers use, or if customers have a preference or are moving towards multiple or specific channels. These organizations have either not developed the infrastructure to monitor their customer activity, or have made a strategic decision to dictate which channels their customers must use for service and support. Either strategy is fraught with challenges; in one, the organization faces the danger of being overly reactive to customer requests, and in the other, customers begin to rely on and trust other sources for their information. In an extremely competitive service and support environment, the loss of customer trust can be a vital challenge to overcome.

Looking ahead, organizations believe that E-Service (web portals for self-service), live chat and social media (primarily Twitter, Facebook, YouTube) will see the most significant uptick in customer activity for service and support (Figure 2). The interest in these channels indicates that customers want a more real-time interactive service experience, as opposed to the more static ‘send request and wait’ experience offered by email or the traditional contact center. This is not to say that organizations should abandon the call center or email as support channels, but that newer technologies allow service and support organizations to engage in real-time discussions with their customers, and to be more proactive in the delivery of service and other information that is not as feasible on traditional support channels.

"Our customers are becoming more mobile, demanding greater flexibility, and seeking ways to get service or incident requests addressed as quickly as possible. This has led to changes in how they request and receive service and support. Our service function has pre-defined standards for delivery of support, but we must be mindful that our ability to provide flexible support requires different approaches and the use of new channels allows us to offer service functions without necessarily scaling up on human resources."

~ Chris Howard, Manager, Planning & Optimization, Australian Utility Organization
Figure 2: Channels Expected to See the Most Significant Uptick in Customer Activity in Next 12 Months

<table>
<thead>
<tr>
<th>Channel</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Service</td>
<td>53%</td>
</tr>
<tr>
<td>Social Media</td>
<td>37%</td>
</tr>
<tr>
<td>Live Chat</td>
<td>36%</td>
</tr>
<tr>
<td>Email</td>
<td>34%</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, November 2011

**More Channels = More Challenges?**

Moving to a multi-channel support framework does not guarantee improved customer satisfaction, loyalty or retention. If customers don’t have a consistent, effective, and engaging service experience in a particular channel, they will forgo that medium altogether. In a support environment devoid of consistency and efficacy, multiple channels then become a liability. While organizations have the right intentions to move to where the customers are seeking information, they must invest in capabilities that support a consistent, effective and valid service experience across all channels.

Organizations are struggling not only to make their customers aware of available service and support channels, but also to provide them with an effective service experience across those channels. As a result, organizations are reporting sub-optimal first-touch resolution rates across channels. Survey respondents indicate an average 66% first-call resolution in the contact center and a 60% first-contact resolution across email, two of the most popular channels leveraged for service.

Moreover, organizations dabbling in environments like chat, social and e-service report low resolution or deflection rates across those channels, not only leading to dissatisfied customers, but also eliminating perceived cost savings from the use of a less labor-intensive support channel.

“Our customers are small businesses across the USA. We service our customers using inbound and outbound phone calls, web pages, email, and voice mail broadcasts. We use these channels to reach and engage our customers in a cost effective manner.”

~ Director IT, Business Services
Table 3: Multi-Channel Struggles

<table>
<thead>
<tr>
<th>Ability to:</th>
<th>Percentage of Respondents Indicating 'Poor' or 'Below Average'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make customers aware of non-traditional support</td>
<td>57%</td>
</tr>
<tr>
<td>Provide customers with sufficient self-service information</td>
<td>54%</td>
</tr>
<tr>
<td>Ensure consistency of information across channels</td>
<td>42%</td>
</tr>
<tr>
<td>Ensure accuracy of information across channels</td>
<td>34%</td>
</tr>
<tr>
<td>Direct customer to appropriate channel</td>
<td>29%</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, November 2011

These sub-par resolution levels have contributed heavily to unacceptable levels of customer retention, with the average organization reporting 75% customer retention year-over-year. Customers are not satisfied with the current level of service, and are demanding more from their suppliers or vendors, or looking to move elsewhere to receive a higher level of service (Figure 3).

Figure 3: Market Drivers for Better Support

- Customer demand for better service: 87%
- Competitive pressures: 71%
- Drop in customer loyalty: 28%
- Increasing customer churn: 21%

Source: Respondents, n=180

The Maturity Class Framework

Before discussing the steps leading service organizations take to boost service performance, it is essential to develop a valid, metrics-based framework that defines the Best-in-Class. As a result, Aberdeen’s Best-in-Class definition is tied to metrics that reveal excellence in the effective and
efficient handling of customer service requests, leading to advantages in customer-facing and financial metrics.

The leading organizations in Aberdeen's research have been able to successfully resolve 87% of call center requests on a first call, compared to a 59% first-call resolution performance for all other organizations. These organizations also reported significantly higher levels of customer retention (89% for the Best-in-Class vs. 70% for all others) and an enhanced ability to control service costs over the previous 12 months (12% decrease for the Best-in-Class vs. a 2% increase for all others).

Table 4: Best-in-Class Excel in Effectiveness and Efficiency

<table>
<thead>
<tr>
<th>Definition of Maturity Class</th>
<th>Mean Class Performance</th>
</tr>
</thead>
</table>
| Best-in-Class: Top 20% of aggregate performance scorers | ▪ 89% Customer retention  
▪ 87% First-Call resolution rate - Call Center  
▪ 29% Increase in support agent utilization over the previous 12 months  
▪ 12% Decrease in total support costs over the previous 12 months |
| Industry Average: Middle 50% of aggregate performance scorers | ▪ 82% Customer retention  
▪ 70% First-Call resolution rate - Call Center  
▪ 10% Increase in support agent utilization over the previous 12 months  
▪ 2% Increase in total support costs over the previous 12 months |
| Laggard: Bottom 30% of aggregate performance scorers | ▪ 48% Customer retention  
▪ 35% First-Call resolution rate - Call Center  
▪ 7% Increase in support agent utilization over the previous 12 months  
▪ 5% Increase in total support costs over the previous 12 months |

Source: Aberdeen Group, November 2011

The Best-in-Class were also able to drive higher first-touch resolution rates across channels such as email (85% for Best-in-Class vs. 53% for all others) and chat (68% for the Best-in-Class vs. 48% for all others). These organizations also reflected a higher first-call resolution rate for the various types of service requests (See sidebar).

From an overall customer perspective, the Best-in-Class were also much more likely to see improvements in key customer-facing metrics over the previous 12 months. As seen from table 5, these organizations were 28% more likely than all others to see an increase in customer satisfaction over the previous 12 months.
Table 5: Delighting Customers: A Trait of the Best-in-Class

<table>
<thead>
<tr>
<th>Metric</th>
<th>Percentage of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in Customer Satisfaction over previous 12 months</td>
<td>69%</td>
</tr>
<tr>
<td>Increase in Customer Retention over previous 12 months</td>
<td>44%</td>
</tr>
<tr>
<td>Increase in Customer Loyalty over previous 12 months</td>
<td>50%</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, November 2011

The Best-in-Class PACE Model

Aberdeen’s PACE framework is designed to highlight the key strategies and capabilities employed by firms that attain Best-in-Class status through their excellence in meeting and overcoming internal or market pressures. The framework serves as a roadmap for organizations to duplicate the strategies enforced and capabilities developed by Best-in-Class organizations to improve their service performance (Table 6).

Table 6: The Best-in-Class PACE Framework

<table>
<thead>
<tr>
<th>Pressures</th>
<th>Actions</th>
<th>Capabilities</th>
<th>Enablers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Customer demand for better service issue resolution</td>
<td>• Increase access to customer and service-specific information across the organization • Invest in technology to enable a true multi-channel support environment</td>
<td>• Independent service and support organization • Standardized escalation and call management protocols • Sharing of service and customer information with other customer-facing business units • Defined knowledge capture, sharing and management processes • Established customer feedback management program</td>
<td>• Delivery of service across the following channels: - E-Service - Social - SMS/Text - Live Chat • Knowledge Management • Unified Desktop • Call Center Analytics • Screen Sharing • Web Analytics</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, November 2011

Best-in-Class Strategies

A presence on multiple channels is not an absolute requirement for Best-in-Class performance. While these leading organizations are more likely to deploy newer support channels, the real secret lies in the strict attention they pay to the availability, accuracy, consistency and validity of information across these channels. This ensures that a customer service interaction is
Consistent and effective regardless of the channel selected. As seen from figure 4, nearly 40% of leading organizations are keenly focused on improving information quality across all service channels.

**Figure 4: Strategic Plans for the Best-in-Class**

- **Increase access to customer information across the organization**: 69% Best-in-Class, 53% All Others
- **Invest in technology solutions**: 53% Best-in-Class, 47% All Others
- **Ensure accuracy and consistency of information across all channels**: 39% Best-in-Class, 33% All Others
- **Increase visibility into performance across all support channels**: 36% Best-in-Class, 33% All Others

Percentage of respondents, n = 180

Source: Aberdeen Group, November 2011

Nearly 70% are also looking to increase access to customer information across the entire organization, especially for other business functions that directly interact with the customer. This aligns with data collected at Aberdeen’s 2011 Chief Service Officer (CSO) Summit, in which 80% of organizations indicated that the level of collaboration between service and other teams (primarily through the sharing of customer and product-specific information) had increased over the previous 12 months. Companies are not only "talking the talk" around improving the broader customer experience, but are making investments to ensure a 'unified view' for all business functions touching the final customer.

To support greater information access and exchange, and the eventual delivery of service across multiple channels, more than half of the Best-in-Class are looking to strengthen their technology infrastructure, especially around key knowledge and performance management capabilities (see Chapter 2). With the aid of these tools, leading organizations can cast a wider net for service and support, and acquire deeper insight into channel-specific performance. As a result they are able to make individual channel-specific adjustments to meet tactical performance goals, while improving alignment with the overall strategic goals of the entire service and support organization.
Aberdeen Insights — Multi-Channel Goals

Often, it is assumed that the main reason for a multi-channel service structure is to reduce the cost of delivering service by moving service requests to the least expensive channel available. While cost savings are a vital consideration, they are balanced with need to improve service agent performance, while ensuring that customer requests are resolved in a timely and effective manner (Figure 5). A service strategy based solely on cost-cutting can backfire (and lead to higher costs down the road) if it doesn’t consider the needs of: a) the service agents who must be trained and prepared to deliver service across multiple channels, and b) the customers who ultimately decide the success and usefulness of a channel by their continued use of that channel for service information.

Figure 5: The Goals of a Multi-Channel Support Endeavor

- Increase service agent effectiveness: 38%
- Reduce resolution times: 34%
- Cut service cost: 34%
- Improve productivity: 31%

Percentage of respondents, n=180
Source: Aberdeen Group, November 2011

“We need to be at the forefront of change within the contact industry and also to provide continued ease of access to our customers and candidates.”

~ Peter Congalton, Global Shared Service Director, SHL Group
Chapter Two: Benchmarking Requirements for Success

The success of a multi-channel service and support initiative depends on the supporting cast of organizational capabilities and processes in place. Identifying these vital capabilities, specifically tied to the information available at all customer interaction points, and discovering organizational gaps that must be overcome to adopt these capabilities will help service organizations ascend to the status of Best-in-Class.

Case Study — An Industrial Automation Control and Information Solutions Company

In 2000, a global industrial automation control and information solutions company managed its support operations mainly via the phone. The company had no form of centralized documentation for customer interactions. Also, due to its customers' work environment, often a manufacturing shop floor, the call center proved to be a difficult channel to support, service and resolve issues as they occurred. The company also focused on email as a channel of service support at this time. Unfortunately email was often too slow, and without a knowledge database there was no way to store email communications for future needs.

In 2005, the company found that with increased call volumes and further delays in response time, they needed to change in order to provide their customers with needed service. The company understood that it couldn’t solve this issue solely through headcount increases, as this would increase costs without necessarily fixing the problem of an inefficient process. Therefore, the company deployed a new knowledge base that could store and document each customer interaction centrally for use by both internal staff and customers themselves. Along with investing in a centralized knowledge base, in 2008 the company rolled out chat functionality for customer support. Linked back to the knowledge base, chat conversations allowed not only for faster interaction (as opposed to the delay inherent in email), but for each chat transcript to be recorded, stored and finally sent directly to the customer after the interaction. This ability to send the customer a transcript of their conversation (and solution) allowed the customer to ‘digest’ the entire response, reducing the chance they would need to contact the support team again for this same issue because something was missed or forgotten.

continued.
Case Study — An Industrial Automation Control and Information Solutions Company

Not only did the company transform its technology capabilities by adopting a new knowledge base, the company also assessed how its support team could improve the customer service experience. In its early days, the company looked for all of its support team to have the same skills and expertise, and required them to handle service issues equally well via any support channel (i.e., phone, chat, email). However, the company quickly found that some engineers and techs were better suited for certain support channels than others. Therefore the company adjusted its support coverage to allow its team to focus on channels that fit their particular skill set. The company found that this approach improved both customer metrics (i.e., resolution times) and the support team's engagement. By aligning technology advances (i.e., centralized knowledge base) with a workforce that played to its strengths in delivering support, the company has dramatically improved in a number of key metrics. The company now responds to all inbound email requests well within its 24 hour SLA, and has seen an increase in customer satisfaction across all channels, even as response times have decreased.

Continuing down the path of a truly multi-channel support organization, the company looks to use the newer technologies of video tutorials and social media to deliver service and support in the coming months and year. The company will continue to empower both customer and support staff to resolve issues efficiently via all available support channels.

Competitive Assessment

Best-in-Class service firms, as determined by their performance in key indicators, exhibit several of the capabilities highlighted in Table 7 that fall into the five categories of Aberdeen's Competitive Framework: (1) process (tied to the handling of incoming requests and post-interaction feedback); (2) organization (customer-oriented leadership that can deliver the necessary resources and facilities to deliver multi-channels support ); (3) knowledge management (making service data available to stakeholders that can act on the information to impact profitability); (4) technology (the selection of appropriate tools and the intelligent deployment of those tools); and (5) performance management (the ability of the organization to track / measure performance, and to make service delivery process changes with the aid of enhanced performance information).

Table 7: The Competitive Framework

<table>
<thead>
<tr>
<th>Process</th>
<th>Best-in-Class</th>
<th>Average</th>
<th>Laggards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standardized escalation procedures:</td>
<td>72%</td>
<td>71%</td>
<td>43%</td>
</tr>
<tr>
<td>Category</td>
<td>Best-in-Class</td>
<td>Average</td>
<td>Laggards</td>
</tr>
<tr>
<td>-------------------</td>
<td>---------------</td>
<td>---------</td>
<td>----------</td>
</tr>
<tr>
<td><strong>Organization</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Immediate capture of customer feedback following service session:</td>
<td>64%</td>
<td>46%</td>
<td>27%</td>
</tr>
<tr>
<td>Dedicated team to ensure accuracy and consistency of information available on channels:</td>
<td>69%</td>
<td>66%</td>
<td>48%</td>
</tr>
<tr>
<td>Frequent and periodic training of customer service representatives on diagnosis, escalation, and resolution procedures:</td>
<td>67%</td>
<td>55%</td>
<td>48%</td>
</tr>
<tr>
<td>Service organization functions as an independent entity:</td>
<td>44%</td>
<td>29%</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Knowledge</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization-wide access to online database of captured service, product and customer information:</td>
<td>58%</td>
<td>46%</td>
<td>30%</td>
</tr>
<tr>
<td>Single knowledgebase to support all service delivery channels:</td>
<td>47%</td>
<td>37%</td>
<td>27%</td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delivering Support on:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 67% E-Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 44% social media</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 36% SMS/Text</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>- 32% Live Chat</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 62% E-Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 30% social media</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 17% SMS/Text</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>- 32% Live Chat</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 52% E-Service</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>- 32% social media</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 25% SMS/Text</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>- 25% Live Chat</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tools in Place:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 61% Knowledge Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 53% Unified Agent Desktop</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>- 44% Screen Sharing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 39% Web Analytics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 55% Knowledge Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 28% Unified Agent Desktop</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 38% Screen Sharing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 30% Web Analytics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 30% Knowledge Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 18% Unified Agent Desktop</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 25% Screen Sharing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 13% Web Analytics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real-time Measurement of KPIs tied to the delivery of customer service:</td>
<td>67%</td>
<td>58%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, November 2011

**Capabilities and Enablers**

The Competitive Framework (Table 7) shows that Best-in-Class performance isn’t predicated on excellence in any one support category, but...

“[The critical capabilities that need to be in place to ensure success across multiple channels are] clarity of strategy and expectations, simplistic entry points and availability of resource to respond.”

~ Peter Congalton, Global Shared Service Director, SHL Group
around a comprehensive focus across the organization to support planned strategic actions (Figure 4) In the case of Multi-Channel Support, as seen in Aberdeen’s 2011 Customer Support Contact Center research (The Contact Center in a Profit-Centric Service Organization, May 2011), Aberdeen’s five capability types loosely correspond to:

- Service request management
- Workforce management
- Knowledge sharing and management
- Automation management
- Performance management

**Process**

The Best-in-Class have well laid-out processes across the entire service request lifecycle. At the initial stages of a service request, leading organizations equip service workers with clearly defined parameters for service request escalation (72% vs. 61% for all others). While Best-in-Class organizations hope to provide all agents with the necessary information to resolve a service request on their own, they realize that not all requests can be managed by front-line agents, therefore raising the importance of a well-defined escalation map. Such a map can serve as a guide for customer service representatives to select the ideal agent or channel for resolving a particular service request. Without these guidelines, front-line service agents are forced to rely on guesswork about appropriate resolution steps, thereby resulting in a higher number of request transfers, lower agent productivity, and higher overall costs (Table 8).

### Table 8: Making a Case for Escalation Protocols

<table>
<thead>
<tr>
<th>Metric</th>
<th>Standard Escalation Protocols In Place</th>
<th>Standard Escalation Protocols Not in Place</th>
<th>Best-in-Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-Touch Resolution</td>
<td>70%</td>
<td>59%</td>
<td>87%</td>
</tr>
<tr>
<td>12-Month Change in Utilization</td>
<td>14%</td>
<td>11%</td>
<td>29%</td>
</tr>
<tr>
<td>12-Month Change in Service Costs</td>
<td>-1%</td>
<td>1%</td>
<td>-12%</td>
</tr>
<tr>
<td>Avg. Number of transfers</td>
<td>1.2</td>
<td>1.5</td>
<td>1.1</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, November 2011

Once a service request is resolved, the Best-in-Class are quick to seek customer feedback about the overall service experience, regardless of the channel used. Sixty-four percent (64%) of these leading organizations
immediately seek customer feedback after a service session, compared to 39% of all other companies. Nearly 50% of the Best-in-Class are also proactively tracking and monitoring customer feedback and sentiment on the web, versus 28% of all other organizations. Whether solicited or unsolicited, the Best-in-Class are eager to tap into customer feedback to evaluate the effectiveness of their customer support strategy.

**Organization**

Best-in-Class organizations are much more likely to rely on a dedicated (and autonomous) service and support organization that balances the operational, financial, and customer-facing objectives of a service strategy. While most organizations polled still indicate their service and support organizations sit under and report directly to operations (see sidebar), the Best-in-Class are approximately 50% more likely than all others (44% vs. 29%) to have independent service and support organizations.

In addition to having well-defined processes for escalation and customer feedback management, this independent focus manifests itself in:

- **Investments in information accuracy across all channels:** Best-in-Class organizations are more likely (69% vs. 59% of others) to have a dedicated team in place to monitor and manage the accuracy, consistency and validity of information consistently across all channels, resulting in effective customer service resolution rates regardless of channel.

- **Investments in training:** Best-in-Class organizations are much likely (67% vs. 53% for all others) to train service agents frequently and periodically in accurate diagnostic, resolution and escalation procedures to improve resolution rates and reduce overall support costs. Of organizations polled, nearly 70% indicate that the improvement of agent effectiveness through training and information is the number-one action that must be taken to reduce service and support costs.

- **Investments in marketing around non-contact center channels:** Forty percent (40%) of survey respondents believe that service costs can be greatly reduced via improved education and marketing around the existence of non-contact center service delivery channels. If customers aren't made aware of these channels, they are unlikely to use them, regardless of the investments made to improve their efficacy. Best-in-Class organizations are nearly two times as likely as all others (44% vs. 23%) to invest in outreach or education campaigns to make their customers aware of available service and support channels.
As with most organizations, more than half (56% vs. 61% of all other organizations) of the Best-in-Class have a tiered agent structure in their support organization. Front-line agents field most requests, which are escalated to higher-level support experts when and if necessary.

When considering a multi-channel service environment, the Best-in-Class are less in favor (when compared to others) of using cross-channel agents and more in support of leveraging dedicated channel-specific agents (Table 9).

### Table 9: Workforce Management Preferences

<table>
<thead>
<tr>
<th>Structure</th>
<th>Percentage of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-Channel Agents</td>
<td>58%</td>
</tr>
<tr>
<td>Dedicated Agents</td>
<td>39%</td>
</tr>
<tr>
<td>All Others</td>
<td>73%</td>
</tr>
<tr>
<td>All Others</td>
<td>27%</td>
</tr>
</tbody>
</table>

As per Aberdeen's survey results, channel-specific specialization has a minor impact on efficiency, cost and productivity metrics.

- **First-call resolution (Contact Center) - 66% for dedicated vs. 65% for cross-channel**
- **12-Month change in productivity - 14% increase for dedicated vs. 12% increase for cross-channel**
- **12-Month change in cost - 2% reduction for dedicated vs. no change for cross-channel**

Once a service request is created, 44% of the Best-in-Class tab the same agent to oversee the request even if it is escalated or transferred across multiple channels, while 36% support handing the request off to a channel-specific agent.

### Knowledge Management

As seen from Figure 4 in Chapter 1, the Best-in-Class continue to invest in improving access to data and customer information not only across all support channels, but also across various business functions in the organization.

That's not to say these leading organizations haven't already taken steps to ensure that service and customer information is captured in real-time and made available to all pertinent parties in a convenient and timely manner. Nearly 80% of Best-in-Class organizations, compared to 56% of all others, focus on the real-time capture and storage of customer, asset and service
information. This information is then made available to all support channels to ensure that service agents have a complete picture of customer history and interactions to boost the service experience. Beyond access to customer information, Best-in-Class organizations are 42% more likely (47% vs. 33% for all others) to provide all support channels with a common knowledgebase that contains resolution information and actions that drive service resolution. As seen from Aberdeen’s 2011 Contact Center research, organizations that provided their agents with access to a searchable knowledgebase during service interactions reported 27% fewer unresolved calls compared to those that didn’t provide that access.

In addition to making customer information available across all service channels, Best-in-Class organizations are more likely (58% vs. 40% for all others) to share service and customer information with other business units, such as sales and marketing. This information insight allows for better collaboration between customer-facing business functions and ultimately improves customer experience. In fact, organizations that openly share customer information across the organization see significantly higher customer loyalty (57 average Net Promoter Score vs. 47 for those who don’t share information) and retention results (79% retention vs. 72% for those who don’t share information).

**Technology and Performance Management**

To support multi-channel service intentions and drive better retention and loyalty results, the Best-in-Class have invested in knowledge management technology and solutions.

**Table 10: Building the Infrastructure: Tools for the Best**

<table>
<thead>
<tr>
<th>Tools</th>
<th>Percentage of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Best-in-Class</td>
</tr>
<tr>
<td>Call Routing</td>
<td>72%</td>
</tr>
<tr>
<td>Knowledge Management</td>
<td>61%</td>
</tr>
<tr>
<td>Unified Agent Desktop</td>
<td>53%</td>
</tr>
<tr>
<td>Contact Center Analytics</td>
<td>46%</td>
</tr>
<tr>
<td>Screen Sharing</td>
<td>44%</td>
</tr>
<tr>
<td>Remote Diagnostics</td>
<td>42%</td>
</tr>
<tr>
<td>Web Analytics</td>
<td>39%</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, November 2011

Best-in-Class technology infrastructure investments fall into the following three major categories:

- **Information Consolidation and Knowledge Management** - In addition to knowledge management solutions, the Best-in-Class are more than two times as likely to provide their service agents with a
unified view of customer interactions and exchanges, regardless of the channel leveraged. This feeds better overall resolution rates and ties into the provision of an enhanced customer experience.

- **Internal and External Collaboration** - A little more than 40% of the Best-in-Class use screen-sharing or remote diagnostic technologies aimed at directly connecting and collaborating with customers to support issue resolution. Screen-sharing and other social collaborative tools (leveraged by 28% of the Best-in-Class) can also be used internally to allow service agents to connect with experts to expedite a customer service request. While current adoption numbers are still low, the functionality afforded by these tools support the Best-in-Class movement toward greater collaboration. The tipping point for their adoption will occur when the use of these tools becomes part of the daily operating culture of the customer service workforce.

- **Analytics** - Table 10 highlights how Best-in-Class organizations are investing in cross-channel analytics to gain better visibility into service performance and greater insight into customer usage preferences. These tools become increasingly vital to ensuring customers have access to service and support information, whether they are searching for it on the web or on the phone with a contact center agent.

Further diving into performance management, Aberdeen’s research reveals that the key metrics tracked and monitored to determine customer service success are consistent across all channels. Customer satisfaction, first-touch resolution, and response time were the top three performance metrics tracked for the call center, email, and email. There were minor exceptions with metrics deemed important for other channels. For instance, time-to-resolution was deemed more important than response time for the remote support channel, while usage and community size metrics were considered paramount (in addition to customer satisfaction) for social media and web forums. In the case of self-service, there was a heightened interest in usage and deflection rates. Regardless of the channel or forum used, two-thirds of the Best-in-Class, in comparison to 49% of all others, were focused on the real-time or daily measurement of customer-facing performance metrics in order to ensure the continued delivery of a differentiated and enhanced customer experience.

With the aid of these investments in request management processes, workforce management structures, knowledge management protocols and performance management tools, the Best-in-Class are more likely to use more channels of service and support in comparison to their Industry Average and Laggard counterparts. While the use of the call center and email is consistent across the board, the Best-in-Class are much more likely to field customer requests and provide support across:

- **E-Service / Web Portals (67% vs. 58% for all others)**
- **Social Media (44% vs. 31% for all others)**
• Web Queries (42% vs. 40% for all others)
• SMS / Text Messaging (36% vs. 20% for all others)
• Live Chat (31% vs. 29% for all others)
• Web Forums (28% vs. 20% for all others)

Aberdeen Insights — Social Media

While the Best-in-Class are more likely to deliver service and support via social channels, only 31% (vs. 24% of all others) indicate having a dedicated social support strategy. In fact, an even smaller percentage (23%) indicates having a dedicated team for delivering support via social media. These results are similar to those seen in Aberdeen’s 2010 Multi-Channel research, wherein only 25% of organizations reported having a dedicated social support strategy in place.

At this stage, most companies use social channels for reactive response to customer requests and feedback, with some promotion of products and services or overall customer sentiment monitoring.

Figure 6: Social Support Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respond to direct customer inquiry</td>
<td>49%</td>
</tr>
<tr>
<td>Promote upcoming services</td>
<td>41%</td>
</tr>
<tr>
<td>Respond to feedback</td>
<td>31%</td>
</tr>
<tr>
<td>Monitor customer sentiment</td>
<td>26%</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, November 2011

Organizations with a social strategy in place also indicate that their social support plan is similar to the one set for sales and marketing. This isn't surprising, since the social media channel is much more likely to be owned and managed by the marketing team, as in 57% of respondents (in comparison to 5% who indicate that social is owned by service).
Chapter Three: Required Actions

Whether a company is trying to move its performance in customer service and support from Laggard to Industry Average, or Industry Average to Best-in-Class, the following summarized actions will help spur the necessary performance improvements:

Laggard Steps to Success

Before planning an all-out channel expansion strategy, Laggard organizations need to shore up resolution times and first-touch fix rates across the channels in which they operate. These organizations trail their Industry Average counterparts by a significant amount in areas of efficiency, cost, productivity, and customer retention, and can take the following steps to improve their performance:

- **Capture and store service information at the point-of-service.** Effective knowledge sharing can only begin once customer and service information is captured, managed and made available to all stakeholders. Currently, only 45% of Laggards capture and store service results at the point-of-service, compared to 62% of Industry Average organizations. Outdated information can lead to inconsistent customer request handling by service agents, thereby harming resolution rates and customer satisfaction.

- **Develop standardized escalation procedures.** As seen in Table 8, standardized escalation protocols can have a significant impact on resolution, productivity and cost metrics. Yet only 43% of Laggards, compared to 71% of Industry Average organizations, have these protocols in place. Laggards with standardized protocols in place have seen an advantage in cost management over the previous 12-months (4% increase in total cost) in comparison to those that don’t have them in place (6% increase in total service cost).

- **Consider providing self-service scenarios to customers.** As Laggards struggle to keep their service costs under control (5% increase over previous 12 months vs. no change for the Industry Average) they should consider increasing the amount of self-service information available to their customers. Currently, 52% of Laggards leverage self-service portals, in comparison to 62% of the Industry Average. Self-service information, while not applicable to all kinds of service requests, can minimize the burden on voice and email-based support channels.

- **Dedicate a team to monitoring information available across all channels.** Compared to 66% of the Industry Average, only 48% of Laggards have a dedicated team to ensure the accuracy and consistency of information across all channels. Those that have such a team see improved resolution / deflection rates especially across their e-service (38% vs. 33% for those without a dedicated team).

Fast Facts

- Top capabilities planned for the next 12-24 months (percentage of all organizations)
  - Single knowledgebase to support all delivery channels (40%)
  - Proactive sharing of service knowledge with other business functions (37%)
  - Real-time or daily measurement of KPIs (35%)

How Does Your Performance Compare to the Best-in-Class?

- Compare your processes
- Receive a free, personal PDF scorecard
- Benefit from custom recommendations to improve your performance, based on the research

Take the Assessment

Receive Your Free Scorecard
team) and live chat channels (31% vs. 25% for those without a dedicated team).

**Industry Average Steps to Success**

While the Industry Average are seeing reasonable success in retaining customers, they still need to make significant strides to match the Best-in-Class in improving resolution rates at lower overall service costs. As a result, they need to:

- **Make service a stand-alone business unit.** Compared to 41% of the Best-in-Class, only 29% of Industry Average organizations have a stand-alone service business unit. Most of the Industry Average have service reporting directly to operations. Industry Average organizations with an independent service business unit saw better customer retention (87% vs. 80%) and cost management (1% decrease in 12 months vs. 1% increase) results compared to those where service reported to operations or other business functions. An autonomous business unit, with profit and loss responsibility, will look to understand and improve cost, operational and customer-focused performance with its strategic initiatives.

- **Develop a single knowledge base for use by all service channels.** While Industry Average organizations are further down the path of leveraging social, chat and other self-service support models than Laggards, these organizations trail the Best-in-Class in providing support agents with a single knowledge base to aid resolution. As a result, these organizations trail the Best-in-Class in resolution rates across voice (70% vs. 87% for the Best-in-Class), email (62% vs. 86% for the Best-in-Class), chat (64% vs. 67% for the Best-in-Class) and self-service channels (58% vs. 60% for the Best-in-Class). In the next 12 months, 43% of these organizations are looking to invest in a single knowledgebase for all support channels.

- **Don’t discount training programs in the new multi-channel support model.** Training of service agents around diagnostic, resolution, and escalation practices in a single channel environment such as the call center is vital, as seen in Aberdeen’s May 2011 Contact Center research, wherein leading organizations were 29% more likely than all others to have a periodic training regime. In a multi-channel environment, training can become even more vital to ensure the consistency of service experience and identify the best resolution path if multiple channels are required. Compared to 67% of the Best-in-Class, only 55% of Industry Average organizations focus on frequent and consistent training programs for their service agents.

- **Focus on customer feedback management.** Soliciting customer feedback after a service session may seem reactive, but really can boost a proactive service culture by revealing changes that must be made to improve service request handling. Best-in-

"We must mature our channel delivery methods and services and continue to aim for the target state where regardless of the channel, the service or incident requests are funneled through a focused service desk function that can ensure a consistent and standardized delivery. This is one of the components of our journey that we are on, but have not yet achieved our outcome."

Chris Howard, Manager, Planning & Optimization, Australian Utility Organization
Class organizations are 39% more likely (64% vs. 46%) than Industry Average firms to seek feedback after a service session. In addition, Best-in-Class organizations are 47% more likely than their Average counterparts to monitor customer sentiment and feedback proactively across the web.

As Table 11 shows, organizations with disciplined customer feedback programs were much more likely to improve customer satisfaction, retention and loyalty year-over-year, compared to those with ad-hoc feedback programs.

### Table 11: Feedback into Customer Success

<table>
<thead>
<tr>
<th>Metric</th>
<th>Feedback Process in Place</th>
<th>Feedback Process Not in Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in Customer Satisfaction over previous 12 months</td>
<td>68%</td>
<td>42%</td>
</tr>
<tr>
<td>Increase in Customer Retention over previous 12 months</td>
<td>36%</td>
<td>23%</td>
</tr>
<tr>
<td>Increase in Customer Loyalty over previous 12 months</td>
<td>45%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, November 2011

### Best-in-Class Steps to Success

For the Best-in-Class, the focus remains on improving efficiency and resolution rates while promoting the use and awareness of non-traditional service and support channels.

- **Continue to share information across the organization.** In search of a differentiated customer experience across all touchpoints, the Best-in-Class need to share service and customer information with other functional units within the business. A third of the Best-in-Class are looking to improve data sharing and collaboration in the next 12 months. Organizations that were already sharing information across their organization were much more likely to improve loyalty (46% more likely) and satisfaction (30% more likely) over the previous 12 months.

- **Continue to expand non-traditional channel usage.** While 39% of the Best-in-Class indicate their customers are using more channels of support compared to 12 months ago, 50% would like their customers to continue to expand their use of multiple channels in the next 12 months. This can be accomplished by:

  Spreading knowledge of non-traditional channels via marketing / outreach programs; this capability is being prioritized by a third of the Best-in-Class.
A move to more proactive information delivery across service and support channels; while newer service channels offer a more cost-efficient medium to deliver service and support, they also offer more opportunities to capture and annex customer attention around proactive service and support information. A strategic shift around the use of community-based and social channels for proactive information delivery will not only enable greater channel adoption and adherence, but can also support proactive service issue resolution.

**Aberdeen Insights — Summary**

Nearly all the organizations polled by Aberdeen for this research project deliver service on multiple channels to meet and support their customers' information needs. The Best-in-Class are further down the path in using newer service delivery media such as chat, social, and e-service, but continue to focus on the delivery of effective and valid service experiences, regardless of channel.

Moving forward, organizations (all polled) are looking to invest in more real-time support delivery methods (Table 12) to enhance their core email and call center capabilities. As organizations investigate these new tools, they should consider the following rules:

- Consistency of information and experience across channels is key.
- The benefit of supporting a new channel should not be solely based on cost savings.
- Channel adoption should support a proactive and even predictive service strategy.

**Table 12: Channels of the Future**

<table>
<thead>
<tr>
<th>Channels</th>
<th>Percentage of respondents, n=180</th>
<th>Start Support in Next 12 Months</th>
<th>Increase Support in Next 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live Chat</td>
<td>21%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Social Media</td>
<td>20%</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>E-Service</td>
<td>17%</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>Contact Center</td>
<td>4%</td>
<td>44%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, November 2011

"We plan to look at chat development for those searching our web documentation. We want to be proactive in helping our customers before they become frustrated."

~ Jeremy Stephens, Manager Customer Support, Corptax
Appendix A: Research Methodology

Between October and November 2011, Aberdeen examined the experiences and intentions of 180 service and manufacturing enterprises in the use and selection of non-field based service delivery channels.

Aberdeen supplemented this online survey effort with interviews with select survey respondents, gathering additional information on best practices in customer request and relationship management, identifying desired contact center and other support functionalities, and in understanding the resulting benefits of investments in improved customer management capabilities through a variety of service delivery channels.

Responding enterprises included the following:

- **Job title / function:** The research sample included respondents with the following job titles: C-Level executive (15%); Vice-President or Director (33%); and Manager (30%).

- **Industry:** The following industries had the largest representation in the study: Software (13%); Manufacturing (13%); Computer Equipment and Consumer Electronics (12%); and Financial Services (9%).

- **Geography:** The majority of respondents (62%) were from North America. Remaining respondents were mostly from Europe (19%) and the Asia-Pacific region (12%).

- **Company size:** Thirty-seven percent (37%) of respondents were from large enterprises (annual revenues above US $1 billion); 25% were from midsize enterprises (annual revenues between $50 million and $1 billion); and 38% of respondents were from small businesses (annual revenues of $50 million or less).

- **Support Agent Headcount:** Twenty-six percent (26%) of respondents were from large service enterprises (support agent headcount greater than 400); 24% were from midsize service enterprises (support agent headcount between 50 and 400); and 50% of respondents were from small businesses (support agent headcount less than 50).

**Study Focus**

Responding service executives completed an online survey that included questions designed to determine the following:

- The degree to which various support channels are leveraged and the financial implications of reliance on these channels

- The structure and effectiveness of existing customer support technology implementations

- Current and planned use of tools, functionalities and applications to aid service processes

- The benefits, if any, that have been derived improved customer service and customer management initiatives.

The study aimed to identify emerging best practices in support of customer service in a multi-channel delivery environment, and to provide a framework by which readers could assess and map their own customer service management capabilities.
Table 13: The PACE Framework Key

| Pressures — | external forces that impact an organization’s market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive) |
| Actions — | the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product / service strategy, target markets, financial strategy, go-to-market, and sales strategy) |
| Capabilities — | the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products / services, ecosystem partners, financing) |
| Enablers — | the key functionality of technology solutions required to support the organization’s enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management) |

Source: Aberdeen Group, November 2011

Table 14: The Competitive Framework Key

| Best-in-Class (20%) — Practices that are the best currently being employed and are significantly superior to the Industry Average, and result in the top industry performance. |
| Industry Average (50%) — Practices that represent the average or norm, and result in average industry performance. |
| Laggards (30%) — Practices that are significantly behind the average of the industry, and result in below average performance. |

In the following categories:

| Process — | What is the scope of process standardization? What is the efficiency and effectiveness of this process? |
| Organization — | How is your company currently organized to manage and optimize this particular process? |
| Knowledge — | What visibility do you have into key data and intelligence required to manage this process? |
| Technology — | What level of automation have you used to support this process? How is this automation integrated and aligned? |
| Performance — | What do you measure? How frequently? What’s your actual performance? |

Source: Aberdeen Group, November 2011

Table 15: The Relationship Between PACE and the Competitive Framework

Aberdeen research indicates that companies that identify the most influential pressures and take the most transformational and effective actions are most likely to achieve superior performance. The level of competitive performance that a company achieves is strongly determined by the PACE choices that they make and how well they execute those decisions.

Source: Aberdeen Group, November 2011
Appendix B: Related Aberdeen Research

Related Aberdeen research that forms a companion or reference to this report includes:

- *The Contact Center in a Profit-Centric Service Organization*; May 2011
- *Multi-Channel Service Delivery: Getting Customers the Service They Want, Where and When They Want It*; June 2010

Information on these and any other Aberdeen publications can be found at [www.aberdeen.com](http://www.aberdeen.com).

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SysAid’s Helpdesk empowers organizations, from small firms to large corporations, with feature-rich software that enables professionals to manage their companies efficiently. Our comprehensive ticket management tools includes self-service for customers, advanced customization, and mobile apps.

Designed with an intuitive multi-channel support system equipped with Live Chat, Self Service Portal for customers to submit service requests 24/7, and integrated FAQs—SysAid CSS ensures a seamless customer experience.

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KANA makes every customer experience a good experience. As the leader in Service Experience Management (SEM), KANA gives managers total control over the customer service process, so they can take care of their brand while taking care of their customers. By unifying and adapting customer journeys across the contact center, web site and social community, KANA’s solutions have reduced handling time, increased resolution rates and improved Net Promoter Score (NPS) at more than 600 enterprises, including half of the Global 100 and more than 200 government agencies. KANA is based in Silicon Valley and has office worldwide. More information is available at www.kana.com.

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