Creating the customer first experience

Rise of the next generation contact centres

A Frost & Sullivan Exclusive Whitepaper for

TATA COMMUNICATIONS

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DEFINING DIGITAL TRANSFORMATION

Companies around the world have been applying the concept of Digital Transformation across multiple facets of business; however, every individual enterprise defines Digital Transformation in their own possible way. Frost & Sullivan defines Digital Transformation as the strategy and execution of harnessing digital assets and information across an organization, bringing all areas of the business into alignment with the needs of all stakeholders, including employees, customers, prospects, supplies, distributors and partners. Enterprises can achieve increased customer engagement and customer satisfaction through the process of Digital Transformation.

DIGITAL TRANSFORMATION AT THE HEART OF CUSTOMER EXPERIENCE

Over the last one decade, digital transformation has remained at the center of customer experience. Overwhelmed by countless sources of information, customers want to access content that is relevant to their personal context - anytime, anywhere and through any touchpoint (online, offline). To cater to such a demand, enterprises need to realign their organizational goals, company culture, service channels and technology adoption in the spirit of delivering what the customer wants. Inevitably, digital transformation strategies and customer experience management go hand in hand as enterprises try to convince, win and retain customers by bridging the gap between users and providers.

Digital Transformation for companies leads to acquiring high value revenue numbers or superior customer satisfaction coupled with higher profit margins. While, sales will always remain an indisputable measure of success, the way to achieve this would be a differentiator among enterprises.

When the concept of Customer Experience Management (CXM) evolved around a decade back, enterprises were doubtful about the actual meaning of the term. They

weren't sure how a fool-proof CXM strategy can bring down cost, increase efficiency and improve revenue growth.

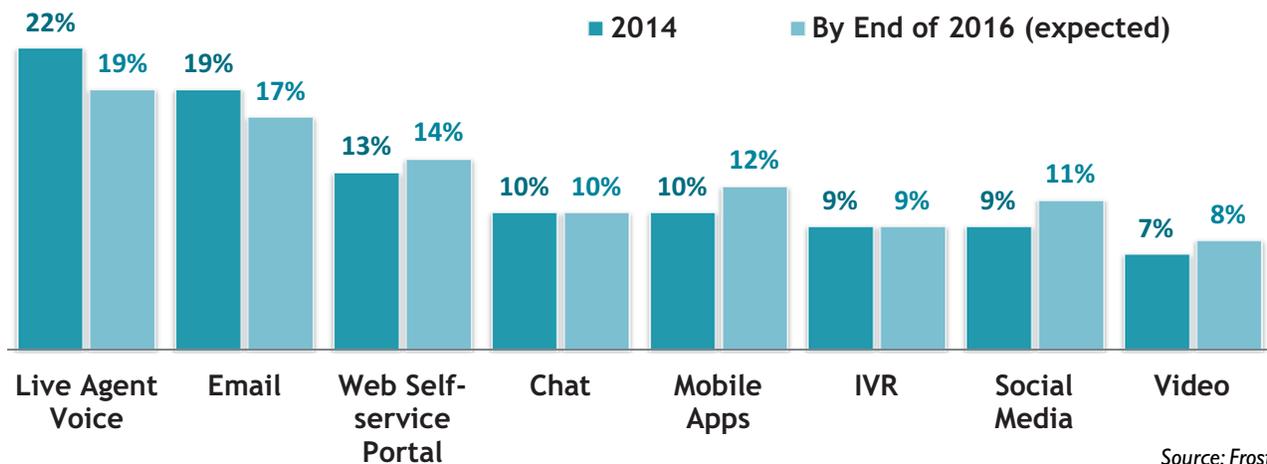**Exhibit 1: Drivers for Digital Transformation**

Source: Frost & Sullivan

Research conducted by Frost & Sullivan reveals that CXM still remains an ill-defined concept among end-users and fewer than 20% of the organizations employ a corporate definition of CXM. Enterprises have realised that *Digital transformation is the only thread that binds CXM with customers, profitability margins, efficiency and costs to create an enduring enterprise story.*

LEVERAGING THE CONCEPT OF OMNICHANNEL AND CUSTOMER EXPERIENCE (CX) INTO CONTACT CENTERS

Customer loyalty has increasingly come into question in today's age. While research indicates customer loyalty has decreased, enterprises are trying hard to streamline process and customer channels through digital transformation. *What makes it even more interesting is the fact that consumers have started to associate a brand with the digital experience they undergo while making a purchase or service received once a sale is done.* As a principle, enterprises need to understand what a customer is really trying to achieve and anticipate what they might need in the near future. Hence, understanding every possible touch-point becomes necessary for delivering faster, insightful and deeper customer interaction.

Exhibit 2: Shift of Customer Service Channel Usage, North America and Europe

Legend: ■ 2014 ■ By End of 2016 (expected)

Channel	2014	By End of 2016 (expected)
Live Agent Voice	22%	19%
Email	19%	17%
Web Self-service Portal	13%	14%
Chat	10%	10%
Mobile Apps	10%	12%
IVR	9%	9%
Social Media	9%	11%
Video	7%	8%

Source: Frost & Sullivan

Taking a real life scenario, a bank customer looking to check his account balance could send across a text message to the bank while at work. He could alternatively do the same through IVR or mobile web. On seeing his bank account balance, he observes some deductions made against his credit card as late payment charges despite his paying on time. He reports this through the bank's mobile app and uploads the deduction summary on the bank's portal. Within minutes, an agent calls him up. The agent apologizes for the mistake and settles the matter without further escalation. The late charges get refunded within a couple of hours and he receives an apology email. He expresses his delight and satisfaction towards the bank by hash tagging across Twitter and Facebook.

CXM ACROSS PROMINENT INDUSTRY VERTICALS

Every enterprise designs a CXM strategy to serve specific purpose. A few consider offering new products or services, while others adapt to address aggrieved customers. Frost & Sullivan identifies key points that are addressed through CXM across prominent industry verticals.

Exhibit 3: CXM to Address Specific Needs of Industry Verticals

BANKING
- Proactive cross-channel, cross-platform communication
- Efficient and effective customer-focused complaint handling
- Fast and transparent problem solving and implementation process

INSURANCE
- Personalised product offering and customer experiences
- Automated compliance procedures for claims handling
- Integrated omnichannel communication for customers

TELECOMS
- Enhanced customer service through omnichannel integration
- Increased visibility and customer notifications for charged services
- Targeted campaigns to enhance customer's purchase experience

AVIATION
- Enhanced ticketing experience differentiated by travel frequency
- Increased customer awareness through relevant and timely notifications on every order variable
- Integrated omnichannel flight checking experience

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HEALTHCARE

- Seamless, omnichannel integration of patient information and appointment scheduling
- Patient education tools
- Integrated patient record management for easier access

RETAIL & E-COMMERCE

- Transformation of the customer buying experience
- Historical transaction-based purchase suggestions to reduce buying cycles
- Real-time price and product comparison and tactical offers   *Source: Frost & Sullivan*

Speech Recognition – An Element to the Vibrant E-commerce Industry?

When it comes to e-commerce, we hear different buzzwords every week. Of late, "voice search", "conversational commerce" and "virtual assisted shopping" are the add-ons to the online commerce industry. Companies are pushing shopping experience to a different level by using advanced technological tools like artificial intelligence, natural language processing and chatbots.

In a recent trend, customers have started using Amazon Alexa to interact with devices in a more intuitive way. Customers across e-commerce sites have started to enjoy the shopping experience by just calling out the product name, instead of keying it in.

ALIGNING TOUCHPOINTS AND CHANNELS TO THE NEED OF CONTACT CENTERS

Contact centers, which were earlier considered single stand-alone channels for customer interactions have transformed into multi-channel, multi-function touch-points for customer engagement. Today they handle in-bound calls, email transactions, web enquiries and chat conversations collected over touch-points like smartphones and channels like social media.

Smartphones Customers in the today's world are armed with mobile devices look to connect with contact centers on the fly. To address this, enterprises need to integrate mobility with advanced call-center capabilities. Mobile apps need to be developed for multiple operating systems like Android, Windows, iOS and Bada. These apps would provide contact center agents with real time contextual information like contact details of the customer, current location, purchase history and transactional attributes.

Exhibit 4: An example to suggest the Role of Smartphones for CX
Offering Customer Experience through Omnichannel Interaction in Context of Contact Centers

| Joe drives his car and suddenly his car breaks down | Raises complaint through his mobile app | CC agent contacts Joe over his smartphone, Joe uploads car photo through mobile app | Agent connects live on video with Joe, gauges the situation and reaches Joe's car following his mobile's exact location | Joe's car is rightly fixed, okays the car status on the company's web portal, pays through mobile wallet | Joe reaches home delighted, shares his positive experience across various social media platforms |

Source: Frost & Sullivan

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Social Contact Center Facebook, Twitter, Instagram and YouTube – all have become an important part of our daily lives. And when social media becomes an integral element to our connected lifestyle, enterprises need to extract the best from it through targeted social media connects. To build a social contact center model, enterprises need to plan and deploy a well-chalked social media initiative as a part of their customer support channel, in-line with the company's Omnichannel experience. This as a result would help businesses rethink on the collected information and help improvise on the product and service offerings.

CREATING NEXT GENERATION INTELLIGENT CONTACT CENTERS

In a next generation contact center scenario where enterprises have embraced change, the future of the contact center industry looks bright as businesses tend to build a relationship with customers based on advanced technological success. Frost & Sullivan expects a next generation contact center to enable itself with cloud hosting models capable of interacting with enterprises over mobile devices through social media. It is also anticipated to include video linked calls while taking advantage of technological advancements like speech recognition, data and content analytics, natural language processing and social media integration. Mentioned below are few of the latest technology elements that would define a Next Generation Contact Center.

Intelligent Callback

Intelligent callback is a contact center feature that enterprises are thinking to implement fast. It reduces operational costs across contact centers without compromising on customer service quality. There are three major types of intelligent callbacks available today – web, voice and mobile; each offering advanced features like intelligent routing, dynamic menu option and personalized reporting.

Exhibit 5: Technology Elements within Next Generation Contact Centers
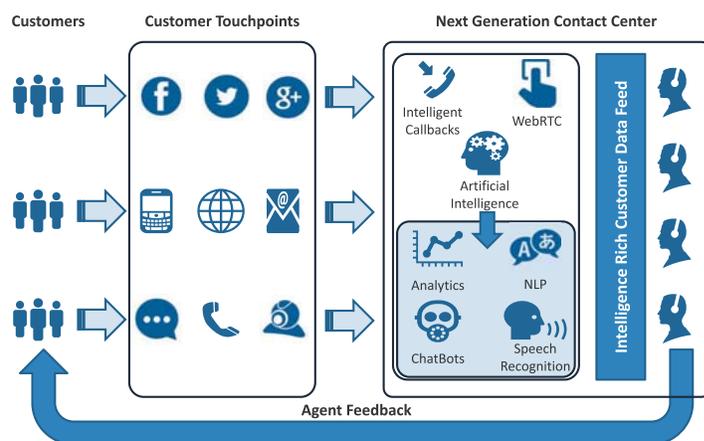
Source: Frost & Sullivan

WebRTC

In the context of the contact center industry, Web Real-time Communications (WebRTC) is a disruptive cutting age technology that helps customers to connect with contact center agents through computer desktops or mobile phones just by adding a set of plugin-free APIs in their web browsers.

ARTIFICIAL INTELLIGENCE: THE FACE OF A MODERN DAY CONTACT CENTER

The idea of Artificial Intelligence (AI) evolved when the need of a human touch increased among machines. It was not just about automating things but also to put an "intelligence" factor within. *Machines needed to mimic the "cognitive" functions of the human brain like learning and problem solving.* With years of intensive research carried out by scientists, AI finally gained shape by the middle of 2000s. In the current state of the technology, AI has a place in all industry verticals, including in contact centers.

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Speech Recognition

Speech recognition is the ability of the computer software to identify words in the spoken language and natural speech irrespective of the individual who is actually speaking. In the modern day contact center scenario, customers are no longer asked to press keys when on a call; instead they speak to interact with the system. A few advanced contact centers have even started to integrate a self-service environment with a list of frequently asked questions to reduce the effort to speak to an agent and increase operational efficiency.

Natural Language Processing (NLP)

With customer call recording becoming a standard operating procedure, next generation contact centers have started to use recorded calls to develop NLP algorithms. Data collected over multiple channels of interaction is used to develop statistical models to understand several important factors of business like competition, product reviews, customer sentiments, and worries.

Data, Content and Predictive Analytics

Customer data collected over touch-points is maintained in a single database. Enterprises adopt mega trends like big data and analytics into these databases to figure out customer reviews and behavior. Similarly, companies use predictive analytics to understand customer needs and demand depending on history and earlier interactions. This help agents provide personalized services thereby turning a basic customer synergy into an enhanced experience.

Chatbots

Chatbots came into existence almost the same time as did AI in the contact center industry. A messaging application, which is designed to simplify complex predefined tasks. Commonly used chatbots like Apple Siri, Google Allo and Alexa interact with customers on a daily

basis to either assist them with their buying experience or to answer customer queries.

Delivering through the Cloud: The Role of Telecom Service Providers

The cloud model of delivering services has revolutionized the business world. At a time where everything comes at an added cost, cloud services have helped companies keep a check on operating costs. *And when it comes to contact centers, Telecom Service Providers (TSPs) play a significant role.* So, what benefits do the TSPs add to the Hosted Contact Center (HCC) model over traditional on-premise deployments? The benefits are more prominent to explain in the real context.

Exhibit 6: Advantages of using Hosted Contact Center Solution from TSPs

World-class Technology Platform

Scalable Solutions

Proactive Monitoring and Resource Management

Integrated Service Grade SLA

Global Reach & Support

Security Standards

Source: Frost & Sullivan

Trends in HCC

A shift from traditional to hosted/cloud contact center models is being observed globally. The global HCC market is expected to grow at CAGR of 12.3% from 2015 to 2020. On-premise adoption of contact center facilities would go down as the hosted model of deployment rises.

Exhibit 7: HCC Market Growth Rates across Geographies from 2015 to 2020

North America
9.9%

EMEA
15.3%

APAC
14.1%

LATAM
28.6%

Source: Frost & Sullivan

HOSTED CONTACT CENTER: THE TATA COMMUNICATIONS WAY

A leading global service provider, Tata Communications has always been a leader in the Communications business in the global arena. The company has been successful in offering a wide portfolio of distributed yet interconnected cloud offerings in most markets. Tata Communications' experience in dealing with complex business scenarios across industry verticals through its operational models has created a brand within the HCC market. *The company's trademarked HCC solution, InstaCC Global™, focuses on the 4Cs of global contact centers:*

Exhibit 8: 4Cs of Global Contact Centers

CONSISTENT CUSTOMER EXPERIENCE
across all channels from social media and email to video, chat and more

CUSTOMER SEGMENTATION
automatic prioritisation of HNI and loyal consumers - routing calls to best qualified agents

CONSOLIDATION
an integrated solution, running across geographies - deployed on a single end-to-end SLA

CONTROL
complete visibility across every communication channel – all in one place

Source: Tata Communications

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The solution has been appreciated by customers both in the India as well as international markets.

InstaCC Global™: A quick look into the Solution

The InstaCC Global™ Cloud Contact Center solution provides businesses with superior end-to-end customer experience. It is powered by Cisco Hosted Collaboration Solution (HCS) framework and offers fast and secure control from a range of latest pre-installed application modules much to the specific needs of customers from anywhere in the world. This Omnichannel solution includes valuable next gen features such as in-app voice & video communication, co-browsing, live document sharing along with traditional outbound communications, automatic call distribution, predictive dialling, real time and historical reports, call recording and quality monitoring systems. With the objective to help enterprises control costs, InstaCC Global™ uses a pay-as-you-use model that helps optimize operating costs with an easy scaling feature.

Why Tata Communications?

Tata Communications has been offering Hosted Contact Center solutions to enterprises in a much different way. Given below are some distinct differentiators that make Tata Communications a unique service provider:
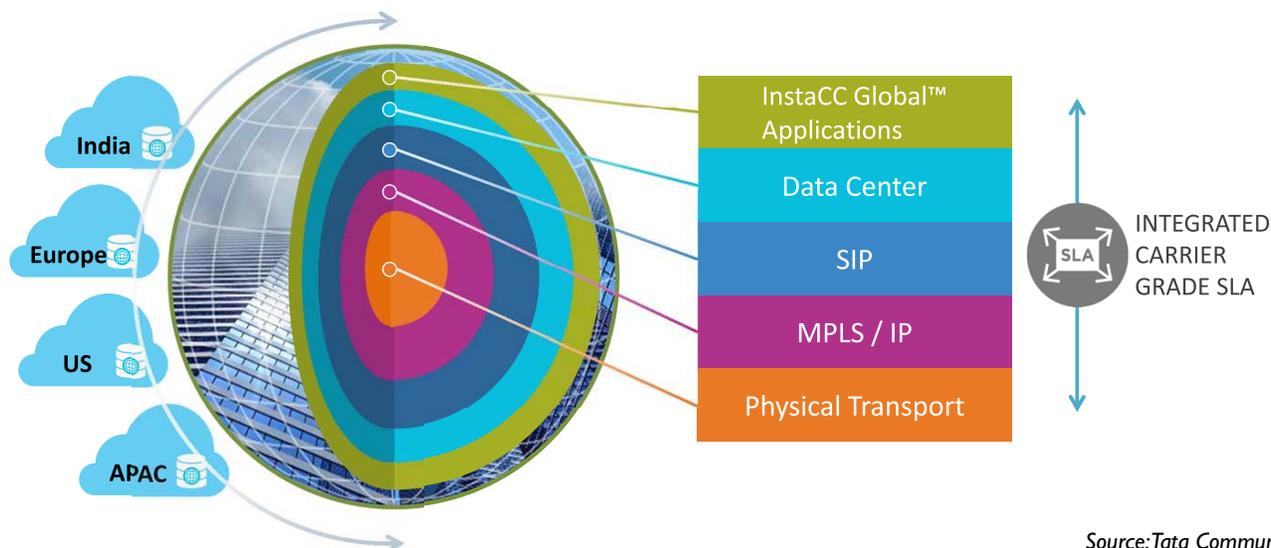
- **Unified Integrated end-to-end Service Level Agreement**

Integrated end-to-end SLA remains a key differentiator for Tata Communications. The company provides unified carrier grade SLA for physical transport, network, voice, data center services, and contact center infrastructure. Other providers offer SLA on specific services and not a single unified service level agreement. Tata Communications believes this to be a simple and cost effective way of doing business where companies need not focus on their contact center requirements.

- **Extensive Outreach**

Being a well know brand in the telecom space, Tata Communications has penetrated into all major geographies. Numbers suggest that Tata Communications carries 53+ million minutes of international wholesale voice traffic a year through 1600+ global carriers and runs the world's largest and wholly owned submarine fibre network which carries 25% of the world's internet routes. It offers HCC services to global customers through its datacenters present in North America, APAC, Europe and South Asia.

Exhibit 9: Tata Communications' End-to-End Solution for Customer Needs

India

Europe

US

APAC

InstaCC Global™ Applications

Data Center

SIP

MPLS / IP

Physical Transport

SLA

INTEGRATED CARRIER GRADE SLA

Source: Tata Communications

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- *Reduced TCO*
  Using the InstaCC Global™ solution, enterprises can cut down total cost of ownership (TCO) by up to 45%. With pay-as-you-go, monthly costs are predictable, manageable, and lower across the board. This is certainly an easy way to create contact centers economically with minimum investment and no maintenance costs.

- *Next Generation Experience*
  InstaCC Global™ delivers a consistent omnichannel experience to customers across multiple touch-points and integrates channels like video, voice, web, SMS and contact center applications on a single platform. Its customers have the advantage of shifting across channels as and when required without losing the context.

Use Case: The Banking, Financial Services and Insurance Industry

Industry Overview and Challenge: This industry has benefitted the most from digital transformation. Disruption has overhauled the existing mode of operations as customers tend to take advantage of trending technologies. For instance, High Net Income (HNI) customers that use banking services while on the move demand exceptional treatment. This set of customers would need a contact center where they could easily connect with agents without the need for caller authentication.

The Tata Communications Solution

- Catered to customers with anytime-anywhere-any-channel offerings
- Delivered secure omnichannel experience through WebRTC video, voice, instant messaging (IM), mobility, real time-speech analytics & co-browsing options in 90 days
- Integrated seamlessly with customer's multiple internal systems and enabled voice and screen recording of all communications
- Provided 365x24x7 managed service with 100% continuity across channels

The Final Outcome

- A complete customer experience suite on cloud available on the go
- Beyond being a conventional contact centre model, these interactions enabled customers to execute end-to-end investment transactions online
- Improved online sales and support with access to remote video experts

Using Tata Communications, businesses

- Optimize on cost and reduce average handling time (AHT)
- Streamline and optimize banking operations with digital solutions
- Ensure growth and retention of HNI customers with a "WoW!" experience
- Up-sell and cross-sell through online real time support via more convenient and customer friendly ecommerce

THE LAST WORD: HOSTED CONTACT CENTER IS THE MODERN SOLUTION PARADIGM

In the context of a modern HCC solution, enterprises need to find answers to a few fundamental questions. Are companies providing seamless customer experience across channels? Is the business "customer centric"? Is the enterprise posting better revenue numbers with a digitally transformed omnichannel contact center strategy?

Frost & Sullivan strongly believes that businesses with a contact center framework that is customer centric, encourage omnichannel experience, cost effective and digitally transformed are likely to offer a delightful customer journey thereby drawing a healthy relationship. All these could be achieved by opting for a cloud model of Contact Center delivery without shelling out more on capital expenditure or feeling the pressure for managing an in-house technical team. Enterprises need to have visionary contact center managers that can visualize customer apprehensions well in advance and mould their workforce accordingly.

DISCLAIMER

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ABOUT TATA COMMUNICATIONS

Tata Communications Limited (CIN no: L64200MH1986PLC039266) along with its subsidiaries (Tata Communications) is a leading global provider of A New World of Communications™. With a leadership position in emerging markets, Tata Communications leverages its advanced solutions capabilities and domain expertise across its global and pan-India network to deliver managed solutions to multi-national enterprises, service providers and Indian consumers. The Tata Communications global network includes one of the most advanced and largest submarine cable networks and a Tier-1 IP network with connectivity to over 240 countries and territories across 400 PoPs, as well as nearly 1 million square feet of data centre and collocation space worldwide. Tata Communications' depth and breadth of reach in emerging markets includes leadership in Indian enterprise data services and leadership in global international voice. Tata Communications Limited is listed on the Bombay Stock Exchange and the National Stock Exchange of India.

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