

CRM Analytics: Creating Competitive Advantage

The case for embedding analytics into the customer care process

Highlights

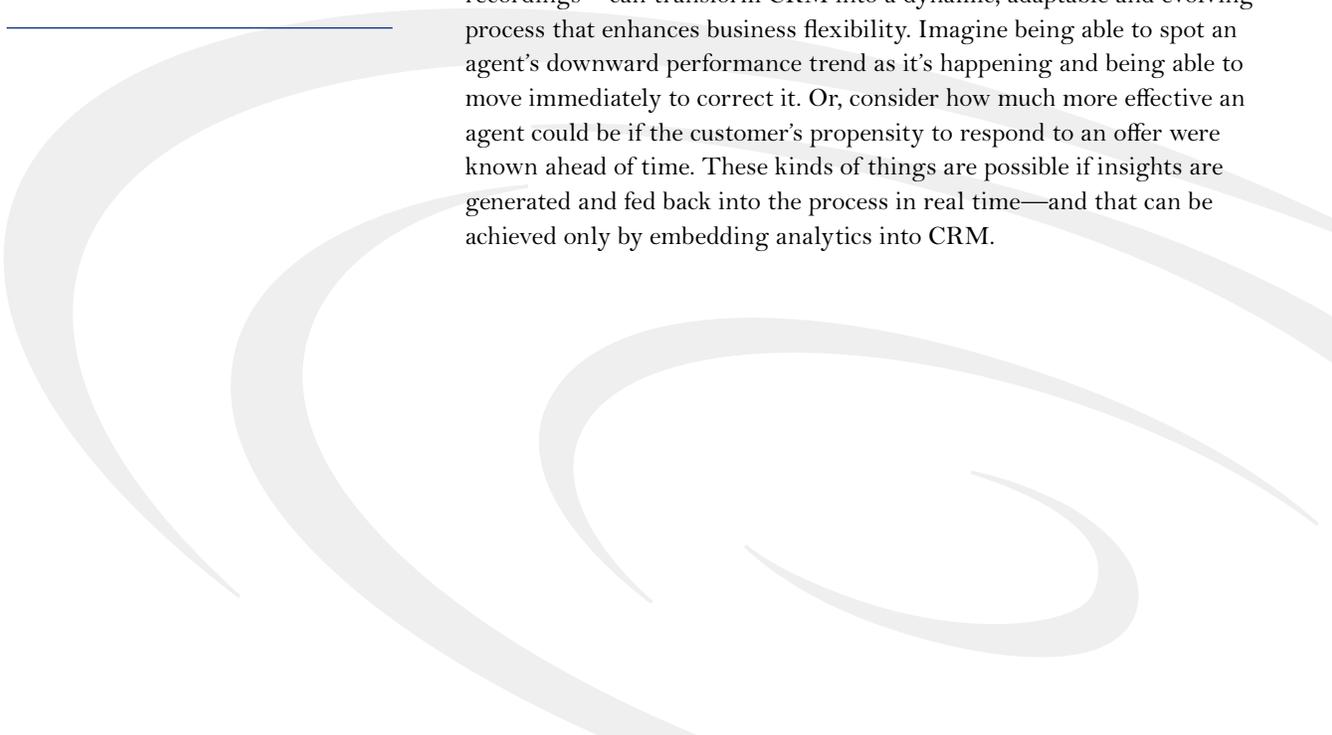
- Leverages dedicated, process-specific outsourcing expertise to uncover new opportunities not available through traditional analytics
 - Empowers the business to take action before potential problems become real issues
 - Links results to causes to enable optimization of customer-care processes
 - Enables unstructured data to be analyzed for deeper business insight
 - Establishes a continuous improvement process based on fact that drives positive business outcomes
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In today's business world, there's a great deal of interest in the potential of advanced analytics. By now, the idea that understanding customers better can drive meaningful business outcomes is a familiar concept, but what are the realities for a decision—and action-based process like customer care? Exactly how can the embedding of analytics into business processes benefit the enterprise—and who is best able to deliver on its promise?

Customer relationship management (CRM) is an area ideally suited for analytics because it can be made far more effective through deeper understanding. In the past, however, this insight was generated after the fact rather than at the point of contact. Decisions and actions were based on historical data, inferences about customer behavior, opinion and established procedure, rather than current reality. More importantly, analytics has been seen as a cost, rather than a generator of competitive advantage. It's time to change that conversation by applying CRM-specific, next-generation process outsourcing.

Insight that opens new doors

Advanced analytics—including analysis of unstructured data like voice recordings—can transform CRM into a dynamic, adaptable and evolving process that enhances business flexibility. Imagine being able to spot an agent's downward performance trend as it's happening and being able to move immediately to correct it. Or, consider how much more effective an agent could be if the customer's propensity to respond to an offer were known ahead of time. These kinds of things are possible if insights are generated and fed back into the process in real time—and that can be achieved only by embedding analytics into CRM.



Continuous feedback and optimization represents a fundamental change in how CRM is done. Traditional postmortem analytics could spot a problem like long average handling times (AHTs) or poor first-call resolution rates, but not provide any insight as to the cause. Alternatively, an important signal—such as a high defection rate—might be identified but information that could point to the right course of action would be unavailable.

Embedded analytics can do both simultaneously by combining insights derived from multiple sources. For example, a long AHT at a communications service provider might be due to a localized technical issue. Knowing it exists is not enough. With insight into its nature and what action is being taken, agents can give customers more useful information. This kind of nuanced understanding is vitally important when deciding what action to take.

The true value of embedded analytics is that they can help generate near real-time, actionable insights to solve some of the toughest business challenges, while also creating financial benefit. When the business has the information it needs to act faster and with greater confidence, costs go down and new opportunities open up. An investment in embedded analytics can generate a positive return—outsourced adoption can actually cost less in the long run because of savings and increased revenue.

New technologies for new kinds of information

Today, companies process more than 1,000 times as much data every year than they did a decade ago.¹ Much of that data is in the form of voice, video and text. This unstructured information represents a wealth of knowledge, but only if it can be accessed and analyzed effectively. Traditional analytics are not able to deal with this kind of data.

An increasing number of businesses are adopting new technologies that can generate insight from unstructured data. In the process, they're realizing impressive results. In 2010, for example, nearly two-thirds of companies reported that they achieved competitive advantage through advanced analytics.² That figure represented a 70 percent increase in just two years.

These new technologies do not replace traditional analytics. Rather, they represent major enhancements that combine to take CRM to a new level of responsiveness, effectiveness and agility. There are four key areas:

- **Voice analytics.** Even today, phone calls remain at the heart of most customer care interactions. Before advanced analytics, what happened on the phone was largely lost. A supervisor might listen in or an agent could take notes, but the actual information was not accessible. Today, that phone conversation is data that can be analyzed. Technology can convert voice to text, identify key words or phrases, analyze patterns and more. The result is useful information that can point to pervasive issues needing to be addressed, or trends that uncover new opportunities.
- **Text analytics.** Similar to voice analytics, text analytics can help to provide a new level of insight into customer interaction. This might come from email or web form submissions, or by monitoring external information such as social media postings, user ratings or news media reports. Useful data can also come from call logs or text transcripts. Analyzing this information can lead to more effective root cause analysis that uncovers the reasons for customer dissatisfaction.
- **Process analytics.** Understanding what's going on throughout the customer care process—and why—is the key to optimizing CRM. Voice and text analytics help to uncover what's happening, while process analytics helps the business understand the structural and procedural factors that might be causing the issue. It's the combination of all three that enables the business to develop a clear understanding.
- **Next-best action.** Voice, text and process analytics lay a foundation of insight and understanding that can help rectify issues and control costs. Next-best action analytics is different. It looks outward, enabling the business to predict outcomes and by so doing, choose the proper course—the next best action to take to achieve the desired result. This is where analytics can pay off in the form of greater sales, increased revenue per user and greater customer loyalty.

What's needed to unlock the potential of advanced analytics

Embedding analytics into customer care is not as simple as installing new software; the new capabilities must be carefully integrated into existing systems and business processes. With outsourcing, this is the responsibility of the vendor. The result is a lower level of direct risk and faster time-to-market.

When choosing an outsourcing vendor, some key capabilities should be considered:

- A formal CRM strategy that lays out specific goals and how they will be achieved.
- The ability to embed analytics throughout CRM processes to maximize effectiveness and return-on-investment.
- A suite of modern analytical tools that include voice, text, process and next-best-action solutions, as well as traditional structured analytics.
- Understanding of data architecture and governance, along with the infrastructure to handle massive amounts of data effectively.
- Technical and business process transformation expertise and experience.

These CRM-specific capabilities are a core attribute of CONCENTRIX™ next-generation outsourcing. Concentrix has a well-established and respected global strategic outsourcing capability. Coupled with unmatched investment in analytics technologies and research, Concentrix is ideally positioned to deliver the benefits of embedded analytics to your business.

Why adopt advanced analytics now

The traditional view of analytics as a necessary, but undesirable, cost is a losing game in today's business environment. The fundamental goal is cost reduction. In pursuit of efficiencies that will drive savings, however, businesses often impose limits that hamper quality of service. For example, focusing on a historical metric like average handling time prompts the business to shorten calls. The real cause—an inability to resolve issues quickly—is never addressed.

Advanced analytics reverses the traditional view. By using what's learned to be proactive and assertive, the business fosters predictability and confidence in managerial decision making—while also achieving the immediate goals of both efficiency and cost reduction.

For more information

To learn more, please contact us at inquiry@concentrix.com or visit www.concentrix.com



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