



**Ember**

# 2015 Customer Management Investment Priority survey report

Are you on track with your customer management investments?



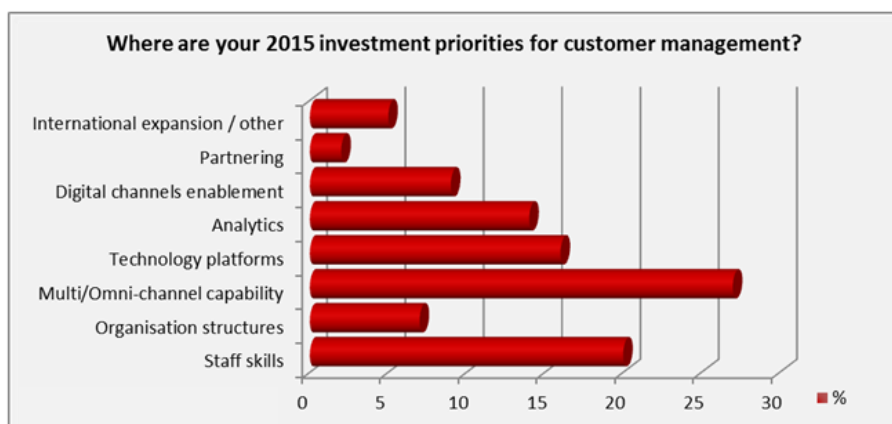


The latest results from Ember's annual Customer Management Investment Priority Survey are now out, and there are some interesting findings that may just help you shape your thinking on where the priority spending needs to be over the coming 12 months. And in keeping with Ember's recent focus on lessons from nature<sup>1</sup>, we wonder if the world of customer management has gone to the dogs?

### The past 12 months: A year for the dogs?

It seems that this past 12 months has been a year for the dogs. Literally. O<sub>2</sub> have suggested we should all be 'More Dog'. We have been inundated with dog stars on YouTube, there has been an RSPCA investigation in to Wendy the 'Talking Dog' of Britain's Got Talent, and Princess the Hynodog caused the Twitterstorm of the year so far. But it was also way back in 2012 that Pudsey the dog won Britain's Got Talent. So everything is somewhat cyclical in the world of dog fame maybe? As it is in the revolving seasons of nature and indeed in the world of customers it seems.

Ember's latest investment survey of spending priorities is showing a clear shift in where the money is going to go this coming fiscal 12 months, and we sense we have seen it all before. This is no bad thing – moods change, competition shifts, priorities need to flex – but we were not expecting quite the shift in spending priorities that we have seen with our latest survey.



In 2014 it was all about the people – and a move away from the technical and digital priorities of previous years. And we understood this – that a clear focus on the quality of interactions was then needed. That skills and learning, and the human angle, needed serious attention - to enhance the service and protect the brand from the many benign and soggy interactions planned into self-service strategies and overly-engineered yet ultimately flawed processes. And indeed our survey shows that through the next 12 months people are still very much on the agenda. But they are no longer top. They have slipped to second place, with 20% of the vote for the spending priority through the remainder of this year and beyond.

### Multi-channel and omni-channel are back

What is clear is the rise in interest and focus on multi-channel and omni-channel developments again – which sort of lost its way in 2014 and is now very much back on the main agenda for organisations. This area covers many aspects but was defined as designing and/or delivering a multi-channel digital contact centre transformation into the organisation. This is now the 'top dog' priority and received 27% of our respondents' votes – an uplift from 17% in 2014.

Interestingly the focus on organisation, structures and the breaking down of silos seems to have lulled in interest – down from 22% in 2014 to only 7% of our vote for 2015.

So what can we learn from these headlines to prepare for the days of summer and beyond? Firstly that multi-channel capabilities and digital investments remain a key priority for organisations and that they will need ongoing attention – this is not a one-and-done fix to then be side-lined. Customer and digital dynamics are fast-changing and your channel strategies need to stay with the curve to remain relevant to customers and competitive in the market.



Multi-channel must still mean multi-choice and it is at our peril that we ruthlessly seek channel shift or contact deflection without due regard to the context, need and value of customers that still want to engage in more traditional (and for this read costly) ways. As ever it is about appreciating value, not just determining and pursuing cost savings in isolation. Many companies have learnt this to their peril in recent months and the established principles of a quality, easy, consistent and reliable service experience remains key to good company finances and stakeholder value.

Further delving into the findings show that when you also consider wider digital investments (such as social customer service capabilities, web chat, smart device applications, etc.) then the broader channels investment is a priority for over one third of respondents at 36%, which supports our notion that organisations need to invest heavily – whether to catch up, keep up or step ahead.

### **In our experience...**

Our own experience in Ember supports this, with multi-channel reviews of customer demand and how to optimise customer journeys and value being a key theme through our work this last year, along with specific engagements focusing on social customer service capabilities and web chat, supported by more agile analytics approaches to insight and action taking. This appears to be happening across all sectors – but led by those most exposed or at risk to rapidly shifting market conditions – Retail, Travel, Public Sector, Telecoms/Media and Insurance in particular.

And if the multi-channel and digital investments are considered as components of wider technology application and infrastructure investments, which they almost certainly usually are, then over half (52%) of all customer management prioritised spending is expected to be in these areas. This is up from 37% last year. Technology vendors, system integrators and advisors on multi-channel innovations clearly seem to be the winners this coming year. And Ember too is investing here to support its clients – including the Ember Innovations Day scheduled for September 25<sup>th</sup> 2015 to showcase emerging tools and technologies in customer management in an inspiring and innovative event in its own right.

34% of investment priorities are spread across the people agenda, as well as wider organisational change and transformation, partnering and location initiatives – but overall down from 52% in our last survey.



### **A practitioner's view**

***Puneet Gupta, Director, Customer Complaints & Insight, BT***

Puneet was the lucky winner of our prize draw when casting his vote for this survey. His was one of the 14% that considered Analytics to be his key spending priority in the coming 12 months. Here he explains why.

“At BT we have an incredible amount of data about customer issues and the causes of dissatisfaction. It is vital for our customers and our brand that we work quickly and rigorously to understand this data and help prevent further recurrences by addressing the root causes of complaints and potential issues. Our issue has been that we have always looked through different divisional lenses when doing this rather than in a business-wide and holistic way. We waste a lot of time, effort and resources in correcting and pacifying rather than preventing.

I believe that improving our analytics resources and capabilities over the coming year will be significant for us to improve our service reputation and position. Already we have seen a 25% reduction in complaints but this is not enough - we need to invest to go further and faster - in this reduction.

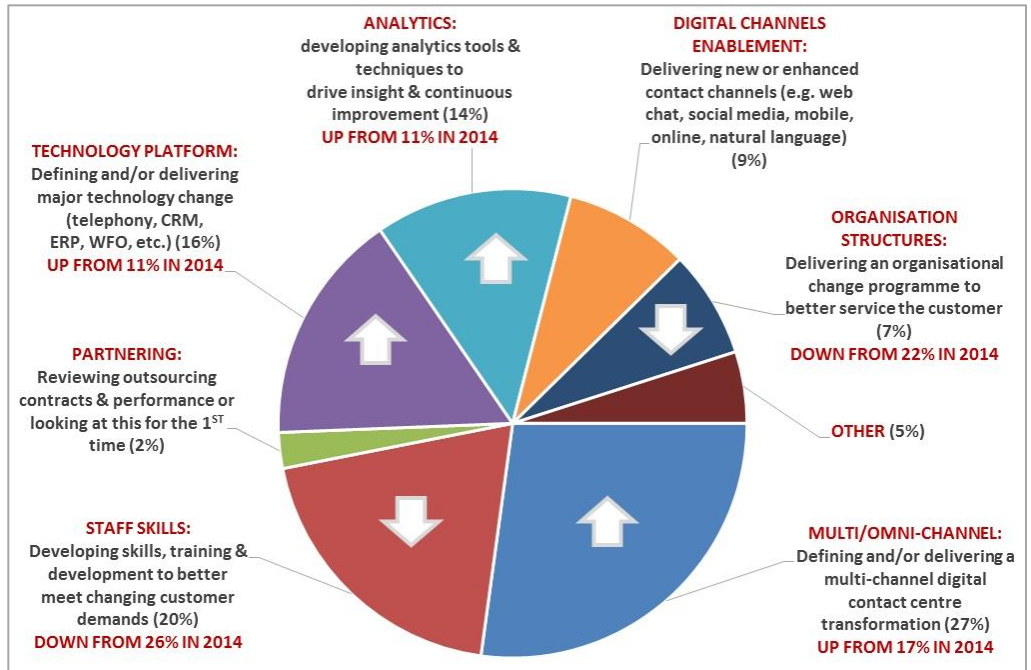
The challenge is that the customer issues that remain are complex and cut across the business. And we have many different stages of maturity and cultures in BT – from our established, mature network services to our nascent BT Sport business – growing rapidly from start-up just a few years ago. How we get more savvy in addressing these issues across the organisation is a key question. We are looking at analytics in many forms – capabilities that provide real-time diagnosis of performance – helping us anticipate and predict issues, through to social, voice and text analytics to support and improve our customer engagements. Shaping these capabilities into an increasing and competitive business asset is why analytics got my vote for the investment priority in BT.”



## And the business benefits of analytics are becoming clear

And the remainder? Well the focus is clearly on analytics, perhaps hound-like – sniffing out and pointing to the opportunities in our organisations. The investment focus here is up from 11% last year to 14% - a significant focus for a still emerging and niche area of customer management.

In our experience, having launched our Ember Managed Analytics services over 3 years ago, there remains little common regard or clear appreciation of the real value that flexible, agile, deep-dive and operational analytics can offer to service excellence programmes.



How investment priorities have changed over 2014

The leaders really are pulling away with their intelligence and insight into what is really happening, and at the same time rest easier knowing they have the quality and compliance risks effectively monitored and under control. These may well include some of the 6% of leaders polled who stated that business analytics was the 'single most important project they were working on right now' in a recent Computerworld study<sup>2</sup>.

## Investing in employee engagement

At Ember we remain *dogged* in our determination to ensure that the people engagement agenda is optimised effectively for our clients and not lost sight of in the pursuit of technological and digital innovation. To this end we extended our 2015 survey to ask senior leaders in HR, L&D and employee engagement to consider where their priority investment will be over the coming 12 months. And this was highly insightful. The vast majority, at 27% believed that their focus would be on culture, values and brand engagement across the employee base. In tied second place, at 15% each, were 'Leadership' and the combined investment areas of skills, learning and people development. Arguably, the culture, values and brand challenge is also a leadership issue. So our take is that over 40% of senior HR and people leaders in UK businesses are saying that they need to be doing much more in getting the staff of the organisation better *aligned* with the business objectives as aspired to by the leadership. And to support this alignment, new skills and capabilities will be required. If we combine the scores for both the skills and learning investment category and the investment category for engaging and connecting staff as digital communities – as a form of knowledge asset – then the overall investment in skills and knowledge of employees is recognised as a priority by over a quarter (26%) of survey respondents.

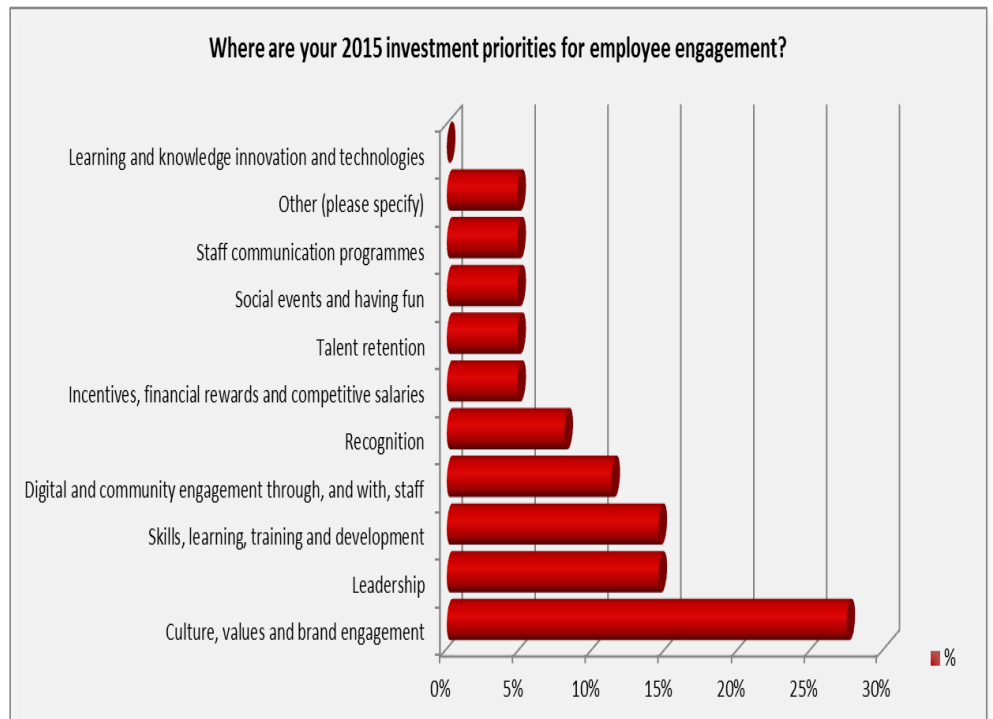
Much lower down the priority order come some of the other traditional fundamentals of engagement, such as staff communication programmes, social events and financial rewards – necessary it seems, but not high as a priority for many – just 5% for each of these areas.



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## Conclusion

As we refer to in our 'Walk on the Wild Side' white paper, business leaders should think like the Rüppell's Griffon Vulture – the highest flying bird known, reaching altitudes of over 39,000 feet. This higher perspective gives it the competitive edge for food and attack efficiency. Taking the higher, longer view of customer management developments and trends will help your investments stay better on track. In a market now rife with wolves – the social, communal yet vicious and unforgiving customer, you need to ensure that your investments are addressing the real issues and opportunities rather than being led by fashion and the whim of the week. But before you start thinking that your customers have turned into mindless predators thirsty for your blood, relax. Like most wolves, most of the time, they'll only attack if threatened or abused. Treat them with respect and they'll more likely lick than bite.

The Ember Customer Management Investment Priority survey results reinforce our wider market and client experience – that there is an increasing recognition for more effective *alignment* - a key watch word. Alignment between an organisation's service delivery processes and infrastructure, and the rapidly changing needs and expectations of its customers. And alignment between the aspirations and business objectives of the organisation and the activities, motives and personal needs of its employees. More generally we also see increasing recognition and appetite for partners and the supply chain to be better aligned – perhaps through more creative and effective contracts and commercial structures, or just through a more open and collaborative working approach to the partnership and governance mechanisms. This is an area where Ember has significant insight and experience and we would expect to see this reflected more in future investment priority studies that we undertake.

It is true that investment can only follow recognition and acceptance of an opportunity or problem, and to have clarity on the solution design in which you need to invest. In all these areas Ember is ready to support you, and our clients: from strategic assessment of the customer management opportunities in your market and for your organisation, through to making operational performance impacts and making a positive difference for your customers and their value to you. We hope that you can consider Ember as one of your investment priorities through into 2016. And not feel like you are in the doghouse.

**Mike Havard**  
Director, Ember Services

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## The definitions

The following table describes the definitions used in the survey.

Staff skills	<i>Developing skills, training and development to better meet changing customer demands</i>
Organisation structures	<i>Delivering an organisational change programme to better service the customer</i>
Multi/Omni-channel capability	<i>Defining and/or delivering a multi-channel digital contact centre transformation</i>
Technology platforms	<i>Defining and/or delivering major technology change (telephony, CRM, ERP, WFO, etc.)</i>
Analytics	<i>Developing analytics tools and techniques to drive insight and continuous improvement</i>
Digital channels enablement	<i>Delivering new or enhanced contact channels (e.g. web chat, social media, mobile, online, natural language, etc.)</i>
Partnering	<i>Reviewing outsourcing contracts and performance or looking at this for the first time</i>
International expansion	<i>Extending the reach, capability and service proposition overseas</i>

<sup>1</sup> 'Walk on the Wild Side – Customer Management Priorities – 10 Lessons from Nature' - an Ember white paper available from <http://bit.ly/1bQfMrN> or [www.emberservices.com](http://www.emberservices.com)

<sup>2</sup> Computerworld 2015 Forecast Study



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### Choose Ember. Know what better is.

Ember is a customer management consultancy that knows how to secure value for its clients. Our Digital Transformation services are designed to identify the optimum mix of contact channels and approaches that will allow you to deliver a compelling customer experience, boost profitability and realise the cost benefits that accrue when customers can find what they need easily, with or without recourse to their contact centre agents.