Blowing Past the Fluff: Cloud Contact Centre Total Cost of Ownership

Devising Personalized, Responsive Support to Regain Customer Trust in Retail Banking

The true financial, operational, and qualitative differences between cloud and premise-based contact centres

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Executive Overview

Retail bankers continue to find it extremely challenging to regain customer trust following the fallout resulting from the financial crisis of 2008. According to "Customer Experience in Retail Banking in 2013," a qualitative joint study of 75 global banking leaders conducted by Peppers & Rogers Group and Efma, nearly half (43 percent) of respondents believe that consumer trust in the banking industry decreased in 2012 compared to 2011 while 33 percent saw no change[1]. Moreover, banks and financial services companies continue to remain the least trusted of 11 industries among 5,800 adult consumers polled across 26 countries for the 2013 Edelman Trust Barometer.[2]

Meanwhile, regulatory reform is putting caps on key sources of revenue, placing tremendous pressure on bank margins. One proven approach to regaining customer trust and strengthening the customer relationship is to develop an end-to-end retention program which includes churn analysis, along with strategies for development, deployment, and continual monitoring.
A critical component of any retention strategy is to provide customers with personalized and relevant support tailored to products and services of interest in their preferred channel.

For example, a recent Think Finance survey reveals that while 92 percent of "Millennial" consumers (ages 18 to 34) use a bank, nearly half (45 percent) have also used external services such as prepaid cards, cheque cashing, and payday loans[3]. For these younger bank customers struggling under the weight of student loans and underemployment, banking agents can draw upon insights about their needs, behaviours, and interests to offer analogous services when they contact the bank for assistance.

Bank customers share huge volumes of information about themselves, revealing a great deal about their interests, behaviours, and needs, along with the type of support they prefer to receive. For instance, research by Google reveals that 46 percent of consumers who manage their finances online switch between devices before completing their activity[4]. Bank customers may use their smartphones to conduct research about opening a chequing account before transitioning to a PC or a

Highlights:
Supported by insights and research from TeleTech, this white paper will provide readers with a detailed categorization of cloud versus premise-based contact centre TCO for financial services companies, including hidden or obscure costs. Readers of this white paper will discover:

- The quantitative financial, functional, operational, and strategic considerations for cloud versus premise-based contact centre TCO.

- The qualitative differences between cloud and premise-based contact centre platforms, including the ease of adding new channel support along with soft benefits to the agent and consumer experience.

- The cost differences for cloud versus premise-based platforms between outsourced and hybrid contact centres.

- The impact on the consumer experience when using cloud versus premise-based contact centre platforms and its correlation to revenue protection and other business outcomes.

tablet to find more detailed information. If they require additional assistance, they may opt for a click-to-call or click-to-chat option with an agent to finish opening an account.

The Silo Factor

In order for a bank agent to assist the customer and provide a seamless experience, the agent will need to know what channel the customer was using prior to his interaction, what the customer was trying to accomplish, as well as historical transactional and support information. Unfortunately, too few banks are able to provide such seamless experiences due to the hodgepodge of siloed channel support and CRM systems preventing a 360-degree view of each customer.

The upshot for banks is that customers often have disjointed support experiences when interacting with a branch or a contact centre agent. To gain a complete view of each customer, banks need the ability to gather, analyze, and act on customer data from a variety of different sources. Cloud-based platforms allow this comprehensive view, and serve to strengthen the customer and agent experience while improving operational productivity.

Agents who are able to access a full range of customer, product, and transactional information from one centralized desktop can handle a greater number of customer calls, achieve higher first contact resolution rates, and enhance customer loyalty and business outcomes.

Ultimately, the benefits of the cloud are speed to deploy and cost. When business leaders consider the total cost of ownership (TCO) of cloud versus premise-based contact centre platforms, they need to examine the amount of time it takes to deploy a solution and the business benefits that can be obtained now without having to wait weeks or months for deployment. For instance, how much revenue will be lost if it takes three to six months to deploy a premise-based platform? A cloud solution is quickly implemented, allowing for more timely enjoyment of the cost benefits provided compared to a premise-based solution[5].

Breaking it down

To date, industry estimates on cloud contact centre ROI range from 9 percent to 27 percent[6], with IT and operational differences between cloud and premise-based contact centre platforms accounting for the wide range. The factors influencing the ROI include the size of the business, the number of IT personnel needed to support a contact centre's hardware and other IT components, whether the organization plans to undergo time-division multiplexing (TDM) conversions, as well as less obvious costs such as those associated with servers and other technologies in addition to IT personnel used to support premise-based environments.[7]

"For some banks, the TCO will be closer to 9 percent while for others it will extend to as much as 27 percent due to the breadth and intensity of these factors," says Brian Shepherd, executive vice president of customer strategy and customer technology services at TeleTech.

Indeed, the TCO can vary based on different IT and operational aspects of contact centre platforms. Proprietary research conducted by eLoyalty finds that shifting from a premise-based to a cloud platform results in as much as a **15 percent reduction in IT personnel costs** depending on the number of IT resources dedicated to supporting a premise environment.[8]

> Industry estimates a 15 percent reduction in IT personnel costs when shifting from a premise-based to a cloud-based contact centre.

Cloud Contact Centre Total Cost of Ownership

Devising Personalized, Responsive Support to

Regain Customer Trust in Retail Banking

Retail bankers continue to find it extremely challenging to regain customer trust following the fallout from the financial crisis of 2008. A critical component of attracting and retaining customers, as well as regaining their trust, is the ability for banks to provide personalized and relevant support tailored to customers' specific interests and needs. To offer this customized experience, bankers must develop a keen understanding about the products and services that customers may be interested in along with the channels preferred for different types of support.

How can I help you today?

43%
of global retail bankers
believe that customer trust in the banking industry decreased in 2012 compared to 2011 while 33 percent saw no change.*

46% of consumers
who manage their finances online **switch between devices** before completing their activity.***

10% improvement to a company's customer experience score can translate into more than **$1 billion in increased revenue** and other benefits
****

For every **1% of FCR improvement**, contact centres will see a **1% improvement in customer satisfaction** rates (CSAT) and a **1% to 5% improvement in employee satisfaction**.*******

Banks rate their single customer view capability at

4.4 on a scale of 1–7

leaving significant room for improvement.****

Banks and financial services companies **continue to remain the least trusted** of 11 industries among 5,800 international consumers polled**.

How companies are using cloud contact centres...

Companies deploying their contact centres in the cloud **spend 27% less** on their annual contact centre costs than their peers ($112.5 million versus $155 million).****

Companies adopting cloud contact centres achieve an **8% to 22% improvement** in first contact resolution (FCR) rates, depending on the size of the customer support team and the level of advanced functionality that's adopted.*****

Sources: *Peppers & Rogers Group, Efma; **Edelman; ***Google; ****Peppers & Rogers Group, Efma; *****Aberdeen Group; ******TeleTech; *******SQM Group; ********Forrester Research.

A Quantitative Assessment of Cloud versus Premise TCO

Just as there are various elements required to provide a great support experience, including ease and speed of customer service and ability to arm agents with customer data, multiple components must be considered when assessing the full TCO of a contact centre platform. Each of these factors and their weighting will vary for different banks depending on their specific requirements.

For instance, a contact centre that hasn't upgraded its PBX switch for 10 years or more may be looking to transition to the cloud to improve deployment speed, versatility, and cost. The benefits of adopting a cloud solution compared to remaining in a premise-based environment should be evaluated based on these criteria.[9]

While it's critical to focus on the discrete TCO differences between cloud and premise-based contact centres, it's also important to get the big picture. According to 2013 research by Aberdeen Group, companies deploying their contact centres in the cloud spend 27 percent less on their annual contact centre costs than their peers, averaging $112.5 versus $155 million.

OpEx versus CapEx

One of the major financial advantages of migrating to a cloud contact centre is the benefits realized by shifting from capital expenditures (CapEx) for software, servers, etc. to an operating expenditures (OpEx) model.[10] CapEx typically requires a significant one-time investment in equipment (e.g., $100,000 for software) with ongoing support costs for contact centre applications, servers and other peripheral supporting devices.[11, 12]

With cloud contact centres, companies don't have to commit CapEx as significantly as with premise-based deployments. Instead, they typically pay a monthly fee, freeing up cash — a key consideration for bankers focused on cutting costs to achieve quarterly earnings targets.

Examining the Differences

Adoption of a cloud contact centre provides a variety of operational, functional, and financial benefits simply not available in premise-based applications. A cloud contact centre offers the potential for true agent virtualization by utilizing a single contact (ACD) queue and contact routing engine across all agent locations — including branches, retail stores, home agents, and even outsourcer locations, without the need for third-party network call routing or polling technology.[13] This uniformity in call handling gives users the ability to define routing and business logic across the enterprise from a centralized location without the limitations and complexities typically associated with multisite call routing architectures and systems.

The pooling of agents across the enterprise using a cloud solution allows companies to realize several efficiency and business advantages compared to a traditional premise multisite contact centre. A single virtual cloud contact centre leads to more accurate call routing by better matching a customer's needs with an associate's skills and attributes. As contacts are routed with increased accuracy, the following tangible benefits can be achieved:

> Companies deploying their contact centres in the cloud spend 27 percent less on their annual contact centre costs.

- Agents increase productivity or utilization with each contact handled, reducing hold and queue times

- Reduced Average Speed of Answer (ASA)

- Lower Customer Abandons as measured by the Abandonment Rate (ABA)

- Customer Service Levels (CSL) improvement.

- Increased flexibility to accommodate high and low call volumes

  - Low Volume Days — Reduces a bank's overall staffing requirements with better utilization of available agents.

Comparing Premise and Cloud Contact Centres		
FACTORS	PREMISE	CLOUD
Cost to Deploy	Costly, time-consuming	Less costly, fast
Upgrades	Labourious	Straightforward
IT Requirements	Extensive	Minimal
Expenditure Type	CapEx	OpEx
Agent Productivity	Low	High
Impact on Customer Experience	Stringent	Responsive

Source: eLoyalty[19]

– High Volume Days — Reduces queue and hold times in heavy or peak intervals by leveraging agent availability across the enterprise.

As customers are better matched with the available resource best qualified to handle their inquiries and resolve problems, chances of first contact resolution (FCR) increase dramatically. Improving the bank's ability to match each customer with the best suited agent can also help improve customer satisfaction, strengthen loyalty, and lead to longer and more profitable customer relationships.

Thirty years of empirical data assimilated through first-hand experiences gained from TeleTech managing its own 30,000 agent contact centres on premise and in the cloud, extensively corroborated by third-party research, support these cloud benefit claims. The following section highlights some of these detailed findings:

• **An 8 to 22 percent improvement in first contact resolution (FCR) rates**, depending on the size of the customer support team and the level of advanced functionality adopted.[14] In order to resolve customer issues quickly and completely, agents require access to relevant customer and product information. This includes gaining a complete view of the customer relationship, from the different banking products they use to the various channels customers prefer to receive different types of support (e.g., IVR to check account balances).

According to a study conducted by Dimension Data, the greatest contributor to low FCR rates (60 percent) is a lack of access to customer and systems data.[15] Silos of premise-based customer information distributed across various functions and channels make it harder for agents to find the needed information. Companies on the higher end of the cloud maturity model not only can use a cloud platform to overlay existing systems for customer data integration, they can also use searchable databases to locate necessary data.

FCR improvements have also been shown to have a direct positive effect on customer and employee satisfaction. According to SQM Group, for every 1 percent of FCR improvement, contact centres will see a 1 percent improvement in customer satisfaction rates (CSAT) and a 1 to 5 percent improvement in employee satisfaction.[16]

In addition, cloud contact centre platforms offer improved call routing with a virtual contact centre. With the cloud, it doesn't matter whether agents are located within a physical call centre, in a satellite contact centre, or are work-at-home agents. Intelligent call routing capabilities offered via the cloud can be used to match callers with the agents best trained and suited to meet

> FCR improvements have been shown to have a direct positive effect on customer and employee satisfaction.

The Cost Benefits of Cloud-Based TDM to VoIP Conversions

Many companies are recognizing the increased flexibility and cost benefits of moving their voice and data traffic onto a single network. Shifting to a Voice over IP (VoIP) network offers tangible benefits to contact centres as well, including reduced overhead associated with operating separate networks during peak periods of call volume.

Perhaps the greatest advantage for companies adopting cloud contact centre platforms is the ability to skip the transition from time division multiplexing (TDM) to VoIP, immediately obtaining the cost and scalability benefits VoIP has to offer.

their needs. A report by Aventi Group found that one company using cloud-based intelligent routing capabilities was able to increase its conversion rate from 29 to 52 percent while raising the revenue per agent per minute from $4.13 to $4.67.[17] For many banks struggling to grow revenue, this represents an excellent opportunity to drive business performance improvement.

- **A 27 percent improvement in customer contact abandon rates.**[18] Banks adopting cloud platforms also enhance the customer experience by matching customers to agents best able to address their needs, resulting in increased customer satisfaction and reducing abandon rates from 6.2 to 4.5 percent compared to premise-based systems. Banks able to improve their responsiveness to customers have also been shown to generate lower customer churn, higher customer satisfaction, and increased revenue.

- **A 35 percent improvement in uptime**.[19] Cloud contact centres experience less downtime (2.4 versus 3.7 hours per year) than banks relying on heavily patched legacy systems

- **A 3 to 5 percent average reduction in IT headcount**,[20] going as high as 15 percent in organizations with disproportionate IT support. While in-house staff is no longer needed to support applications previously managed on premise, there are other factors contributing to the reduced need for IT personnel. In addition to savings realized by a decrease in the number of IT workers needed to support ancillary systems (servers, storage), expenses

associated with training IT employees on premise software certifications along with the time spent in certification classes may be redirected.

There are also cost differences between cloud and premise-based contact centre platforms that executives either overlook or intentionally skirt to avoid political backlash. "No one wants to be the decision-maker who decided to take five jobs out of the IT department," says Tina Valdez, strategic product specialist at Cisco. "Instead, what they really should do is evaluate how the five IT staffers can be transitioned into strategic development projects that can benefit the company's customers and its business," she adds.

> Significant cost savings can be seen with FTEs, training, and certifications.

Important TCO distinctions

It takes less time to deploy a cloud solution, typically a matter of weeks even with customization, whereas premise-based solutions can take 18 to 24 months or even longer if deployed by lean in-house IT staffs struggling to contend with multiple projects simultaneously.[21] It should also be noted that any time IT resources dedicate to working on a premise-based implementation is time not used to work on other projects, serving to further impact productivity.

The costs of premise-based implementations can also be viewed in terms of the operational and business benefits only available through a cloud implementation, such as

> Industry research finds that inbound multichannel contact centres have the potential to generate at least 10 percent of total revenue from the sale of new products and services.

rapid deployment and new channel support. Meanwhile, many banks shifting from premise to cloud contact centres will also be able to reduce the size of their data centres. While those cost savings may not be immediate, over time banks that have transitioned to the cloud enjoy significant expense reduction in data centre real estate and cooling/power costs.

Once a bank adopts a cloud contact centre platform, it's the provider's responsibility to refresh the platform and add new functionality and channel support as they materialize. Meanwhile, executives don't have to wrestle with build versus buy decisions each time new capabilities (i.e., chat, mobile video) emerge. If contact centre leaders decide they want to test out new channel functionality

such as chat or social media, they can easily run a pilot using a cloud platform, evaluate the results, and consider their options before making a commitment to implement the change.

Having the freedom and flexibility to test out and evaluate new functionality and support makes good business sense. Industry research finds that inbound multichannel contact centres have the potential to generate at least 10 percent of total revenue from the sale of new products and services,[22] coinciding with our own findings regarding the use of chat in the contact centre for sales support. "We find that chat provides a significantly higher close rate on sales programs than voice," says Tina Valdez.

Case Study: Online Bank Drives Growth, Operational Savings

Challenge: An online bank that quadrupled its asset base over just a few years sought a flexible contact centre platform to enable it to achieve continued growth and seamless multichannel customer support while identifying opportunities to reduce operational costs.[23]

Solution: The online bank partnered with TeleTech to build a highly secure intranet to communicate proprietary information between the bank and agent desktops. At its peak, TeleTech handled 80,000 interactions per month for the bank, including retail interactions (voice, chat, and email), mortgages, CD renewals, technical support, and back-office services. An additional priority for the online bank was to increase the number of products per customer, and TeleTech launched a pilot project to cross-sell and upsell additional products to bank customers, such as auto insurance to those applying for an auto loan.

Results: The outbound pilot project was successful, with TeleTech exceeding expectations by 15 percent in the first wave and by 4 percent in the second wave. Meanwhile, TeleTech also delivered operational enhancements and savings along with outstanding customer care. By implementing best services routing, TeleTech saved the bank approximately $300,000 per year; transitioning the bank's two North American contact centres to TeleTech's Voice over Internet Protocol (VoIP) network saved the bank an additional $600,000 per year in telecommunications charges.

Five-Year TCO of Hosted Contact Centres Versus Premise Systems

Five-Year TCO-Hosted Cost Savings Percentages Over Corresponding Premise Deployment			
	SEATS		
CONFIGURATIONS	**100**	**250**	**500**
ACD Only	9%	10%	19%
ACD+	21%	28%	39%
Full Function	23%	34%	43%
Source: Frost & Sullivan, "Premise vs. Hosted Contact Centre: Total Cost of Ownership Analysis;" 2011			

Contact centres can lower the cost of call handling and workforce optimization infrastructure by as much as 43 percent over a five-year period by adopting cloud contact centre platforms instead of installing premise-based technologies, according to a Frost & Sullivan report.[24]

The Qualitative Benefits of a Cloud Environment

In addition to the financial, productivity, and operational benefits gained from a shift to a cloud platform, banks will also realize a variety of qualitative improvements.

The flexibility of cloud-based contact centre services allows for easy adjustments to meet rising or falling call volume on the fly or to quickly add functionality such as new channel support. Also, because cloud contact centres are able to provide agents with a spoke-and-hub approach to overseeing and managing customer interactions across multiple channels, agents are able to obtain a harmonized view of all customer contacts from a single console. For instance, Aberdeen research reveals that cloud contact centres are 27 percent more likely to be integrated with CRM systems than those that are premise-based. This universal view from a single screen enables agents to identify the channel or channels a customer previously used for support along with the factors that may have triggered an escalation to speak to a live agent.

"The cloud offers agents and contact centre supervisors a much more unified view of customer data, particularly for those organizations that have not already conducted a CRM integration," says Brian Shepherd, executive vice president of customer strategy and technology services, TeleTech. When a complete view of customers is available, including recent interactions and whether issues were resolved, associates are able to provide relevant and timely support, serving to improve customer satisfaction and Net Promoter Scores™ while realizing other business benefits.

Customer satisfaction correlates to customer loyalty. Forrester Research calculates that a 10 percent improvement to a company's customer experience score can translate into more than $1 billion in increased revenue and other benefits.[25] On the flip side, poor customer service experiences can cause customers to leave a bank. Forrester survey data further reveals that roughly one-third of a company's customers have had poor experiences and could defect, resulting in millions of dollars in lost revenue.

Strengthening the agent experience

Meanwhile, providing customers with better experiences begins with improving the agent experience. Agents with difficulty accessing the right content to solve consumer issues can become frustrated, fuelling turnover, and hiring and training new agents is both costly and time-consuming.

According to ContactBabel, the average agent attrition rate for contact centres in a growing economy is roughly 25 percent.[26] Agent attrition not only adds to recruitment and training costs but also makes it difficult to meet business targets because there aren't enough experienced, highly-qualified agents available. Cloud

Dispelling Three Myths of "The Cloud"

Over the years, several myths have been circulated about the so-called hidden costs of cloud contact centres along with fables about security vulnerabilities and other "gotchas" associated with hosted environments. We address these misconceptions below:

Myth #1: Companies that transition to the cloud lose all control of the contact centre. Although organizations transitioning to the cloud effectively transfer management of software and hardware support and maintenance to the cloud provider, they don't abdicate control over their technology strategies, nor do they abandon jurisdiction over associate training. Companies shifting to a hosted environment continue to oversee the strategic direction of the contact centre and customer service; the technology partner merely provides the underlying technology and ensures that it is continually refreshed.

Myth #2: Cloud contact centre platforms are not as secure as premise-based systems. Security experts contend that most breaches occur as a result of physical tampering with in-house systems. The U.S. Federal government continues to incentivize agencies to move their computing activities into the cloud under the FedRAMP program, a testament to the level of confidence that key decision-makers are placing in the security of cloud computing.

Myth #3: A shift to cloud computing results in major IT staff cuts. The number of IT staff impacted by transitioning to cloud computing isn't as dramatic as some people claim. Our research has found that the average organization migrating to the cloud experiences a 3 to 5 percent reduction in contact centre support staff.

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>
> — *Brian Shepherd,*
> *executive vice president*
> *of customer strategy and*
> *technology services, TeleTech*

contact centres can help banks boost agent retention through a number of modifications, such as improved access to information to make the job easier, or allowing agents to work from home. Providing this kind of flexibility is critical as organizations continue to ramp up their use of at-home agents. In 2000, just one in ten companies used at-home agents, according to ICM.[27] By 2010, one in four organizations utilized at-home agents, and the number continues to grow. "The quality of the agent experience is something you can't easily place a dollar figure on that's nonetheless extremely important when it comes to agent productivity, agent satisfaction, and ultimately customer satisfaction," says Brian Shepherd.

Considerations for Outsourced and Hybrid Contact Centres

One of the operational and financial benefits of cloud contact centres is the flexibility to route calls to remote agents, including at-home staff. Regardless of where agents are located – a dedicated contact centre, an outsourced facility, or working from home – a cloud model can more readily support agents than premise-based systems. These and other advantages of a cloud platform also extend to organizations relying on outsourced contact centres or a mix of in-house and outsourced contact centres.

Whether a company relies on a single contact centre or a mix of in-house and outsourced contact centres across

REGAINING CUSTOMER TRUST IN RETAIL BANKING

> **Cloud contact centre platforms also provide companies with flexible call routing options for outsourced or remote contact centres.**

different geographies, customer service leaders are able to use cloud-based workforce management tools to gain a sole, consolidated view of customer service activities. This insight includes a single view of all calls coming into the contact centre from the IVR as well as agent quality assurance reports wherever the associate may be located.

Just like in-house contact centres, outsourced contact centres can be added to a cloud contact centre platform within a matter of days instead of the weeks or months it would take to install premise-based applications. Meanwhile, companies utilizing a cloud contact centre model don't have to worry about the hassle of keeping outsourced contact centres on the same version of workforce management and agent desktop software. Each of the contact centres supporting the company is on the same platform, automatically undergoing the same refresh cycle for upgrades and enhancements.

When all outsourced and in-house agents are on the same agent desktop and telephony systems, customer service supervisors achieve a consolidated view of agent performance reporting as well as the ability to compare the performance between in-house and outsourced agents or teams. Cloud contact centre platforms also provide companies with flexible call routing options for outsourced or remote contact centres. Cloud telephony solutions enable organizations to easily configure the time of day or day of week for routing calls between an in-house contact centre and an outsourcer. In addition, cloud solutions also offer the agility to reroute calls between locations quickly and easily as demand dictates.

By providing outsourced agents with the same user interface and contact centre apps as in-house agents, companies are able to lower the cost of training by having outsourced agents use a single system for supporting customers. Contact centre leaders can also expect more consistent call handling from all associates with uniform metrics for evaluating agent performance.

Building an Adaptive Model for the Future

As Nils Bohr, a Nobel laureate in physics once said, "Prediction is very difficult, especially if it's about the future.[28] While it is challenging to forecast what may lie ahead for customer service and contact centres, it's a safe bet that we'll continue to see new channel innovations emerge.

Cloud contact centre platforms provide banks and other companies the flexibility and agility to accommodate future customer service preferences and channel behaviours. Banks developing an adaptable, multichannel approach to customer service are better able to respond to customers quickly and effectively, building trust and resulting in more efficient interactions.

As new channels emerge and customers increase their use of them, cloud contact centres can be adjusted to meet changing customer traffic between channels on the fly. Banks hoping to operate more effectively in the future will need the agility to deliver fast and knowledgeable responses to customer issues, such as a sudden uptick in demand for information about a hot new financial product being offered or to resolve customer support concerns that have gone viral in social media.

Future-proofing the contact centre isn't just about using a platform where new channels can be quickly added. To attract, engage, and retain customers, banks will need to arm agents with up-to-date insights, enabling intelligent and relevant communications based on the full spectrum of pertinent information.

"As banks strive to keep pace with customer experience expectations, they need a contact centre platform that is nimble and responsive enough to keep in stride with customers today — and tomorrow," says Brian Shepherd.

> **As banks strive to keep pace with customer experience expectations, they need a contact centre platform that is nimble and responsive enough to keep in stride with customers today — and tomorrow.**
>
> *— Brian Shepherd, executive vice president of customer strategy and technology services, TeleTech*

The Business Value Differentiation of a Cloud Contact Centre

According to Aberdeen Group, because cloud contact centres enable companies to respond more quickly and effectively while delivering better overall experiences to customers than premise-based systems, companies that opt for a cloud model are more likely to achieve better business results than their premised-based counterparts.

Figure 1: Year-over-Year Performance Improvement

Source: "Transitioning your Contact Center from On-Premise to the Cloud," Aberdeeb Group, April 2013. Base: 198 respondents
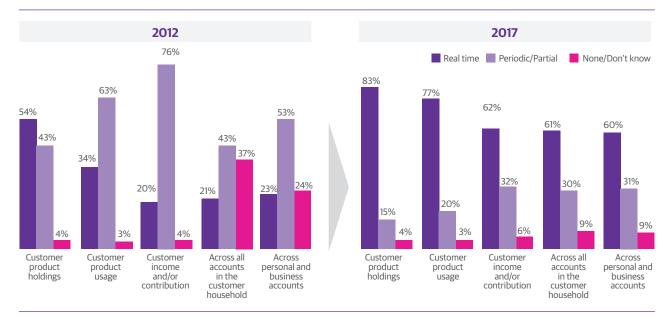
Single View of the Customer Capability

To achieve the potential of real-time, personalized engagement with customers, banks must first assess their customer data management maturity. According to the Customer Experience in Retail Banking 2013 study by Peppers & Rogers Group and Efma, banks rated their single customer view capability as 4.4 on a scale of 1 to 7, leaving significant room for improvement. A cloud contact centre platform can enable banks to provide agents and other customer-facing personnel with a unified view of each customer's product holdings, income, and channel behaviours, which can lead to more personalized, relevant customer interactions.

Source: Customer Experience in Retail Banking 2013 study, Peppers & Rogers Group and Efma.

Conclusion

When bankers compare the differences between cloud and premise-based contact centres, it's critical to identify what will be needed 18 months or even three years from now. While it's difficult to predict what the future may hold, it is possible for bank leaders to opt to place their organization on a path offering flexibility and responsiveness to customers' needs.

In evaluating different contact centre platforms, decision makers should also consider the differences offered in channel support (chat, email, social, desktop video), and determine their priorities in delivering customer support through specific channels. Perhaps most importantly, the bank must identify a partner able to help them to meet both near- and long-term contact centre goals, including the ability to achieve customer service and customer satisfaction performance targets.

Choosing the right contact centre platform has critical strategic implications. As global competition and new market entrants such as PayPal and Mint make it increasingly difficult for banks to distinguish themselves by product or price, customer support has become the cornerstone for competitive differentiation. Providing a superior customer experience will also serve as the foundation for retaining customers at a time when many banks struggle to do so.

"Companies that are able to provide customers with cohesive support experiences across all of the channels that customers use position themselves to strengthen the customer-company relationship, heighten customer satisfaction and loyalty, and to distinguish themselves in the market," says Brian Shepherd.

Understanding the true TCO of cloud versus premise-based contact centres is the first step toward preparing for the complexity and opportunities that lie ahead with customer support.

For more information, visit **www.eloyalty.com**.

Net Promoter Score is a trademark of Satmetrix Systems, Inc., Bain & Company, and Fred Reichheld.

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