



# Creating Better Omni-channel Customer Experiences in the Cloud

F R O S T  S U L L I V A N

A Frost & Sullivan White Paper

---

*Sponsored by 8x8*

- Executive Summary..... 3**
- Introduction ..... 3**
- Omni-channel Customer Experience – A Strategic Imperative ..... 4**
  - Shifting Customer Interaction Landscape..... 4*
  - The Omni-channel Imperative ..... 5*
  - Optimizing Agent Performance..... 6*
- Cloud as an Enabler ..... 6**
  - Companies Adopting Cloud-based Contact Center Solutions..... 7*
- Cloud Integrations and Mashups ..... 9**
- Case Study: iCruise ..... 10**
- Takeaways and Recommendations..... 11**
- About 8x8..... 12**

## EXECUTIVE SUMMARY

Omni-channel customer experience has emerged as a top strategic priority for businesses, especially as customers increasingly engage with companies and brands via digital channels—Web, mobile, and social media. Large global brands are investing heavily in digital customer engagement initiatives, to deliver richer and more personalized experiences to customers. Midsized businesses, traditionally known for their superior customer service culture, are falling behind in meeting customer expectations. Unless midsized businesses move quickly to deliver consistent and effortless customer experiences across traditional and newer channels, they risk losing customers and valuable business to competitors.

Moving to a cloud-based solution allows companies to be more agile, innovative, flexible, and responsive to customer needs and market conditions. It also helps save IT costs, and shift budget and resources from managing technology infrastructure to investing in business transformation and growth. This is especially true for midsized businesses.

Frost & Sullivan research shows that by 2016, over 90 percent of contact center organizations in North America will have moved one or more contact center applications to the cloud. The top reasons cited include: ease of deployment and use; flexible scalability and business agility; improved business continuity capabilities; reduced TCO; and cloud provider capabilities.

As businesses look to implement omni-channel customer experience capabilities, moving to the cloud can be the fastest, easiest, and most cost-effective approach for contact center organizations.

## INTRODUCTION

With the rise of mobile and social technologies, customers are now more knowledgeable, empowered, and demanding than ever. Their ability to access and share information anytime, anywhere, puts them in control of their own experience. These “always-on” connected customers expect to do business with companies on their terms, including how they choose to interact with companies for customer service and support needs.

Customers are increasingly choosing to interact with companies via digital channels—Web, chat, mobile, and social media—and escalating to phone calls for more complex or unresolved issues. Having gone through the process of exhausting other resources, they are anxious and impatient when they resort to calling in for service or support. Understandably, they will expect swift resolution from contact center agents.

Companies that are able to meet these customer expectations have an opportunity to cement long-term customer relationships and build loyalty. On the other hand, companies that fail to meet these expectations risk losing customers and valuable business to competitors.

## OMNI-CHANNEL CUSTOMER EXPERIENCE – A STRATEGIC IMPERATIVE

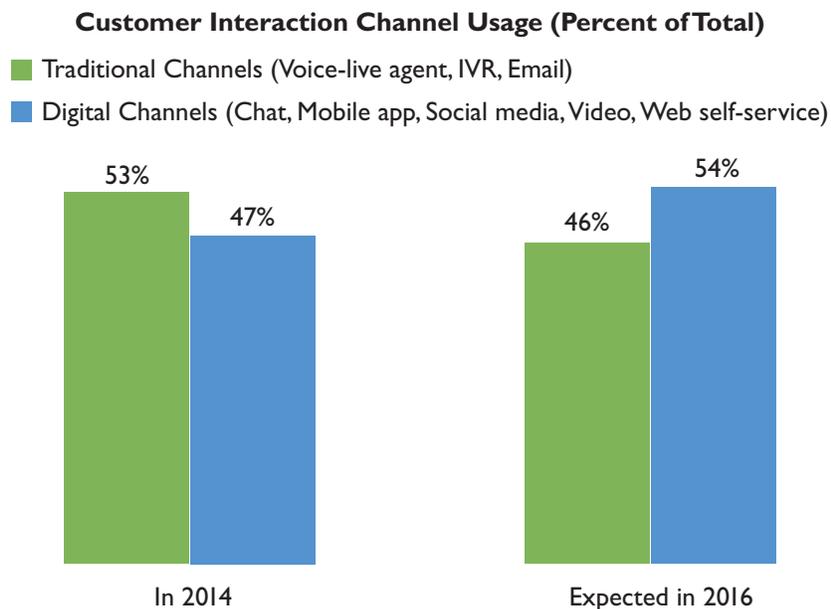
Four key challenges face contact center organizations:

- The need to support a growing array of digital channels—Twitter, Facebook, mobile messaging platforms, mobile apps, Web collaboration, virtual agents, and more—that only seem to grow every year
- Drive consistent and seamless customer experiences across all channels and touchpoints
- Empower contact center agents and managers with the right knowledge and tools to efficiently service these omni-channel customers, while meeting operational goals
- Implement and support all of these capabilities with an IT organization that is usually resource and budget constrained

### *Shifting Customer Interaction Landscape*

The customer interaction landscape for customer service and support is shifting from the traditional channels of voice and email to newer, digital channels: mobile, social, Web, chat, and video. As shown in Figure 1, these digital channels accounted for 47 percent of customer service interactions in 2014, and are expected to represent 54 percent of customer service interactions in 2016, based on a 2014 Frost & Sullivan survey of more than 300 contact center organizations in North America.

**Figure 1: Customer Interaction Channel Usage**



Source: Frost & Sullivan 2014 Contact Center Survey; N=305 Enterprises in North America

It is therefore imperative for customer service organizations to develop new and expanded capabilities to support a growing array of digital channels.

This expansion is critical for mid-sized businesses, but poses a major challenge for them. Consumers generally expect better service from mid-sized businesses than large impersonal brands. But large global brands have invested heavily in digitizing all parts of their business, mainly in the areas of marketing and customer service. Leading large-company innovators have seen significant improvements in customer satisfaction and loyalty since implementing sophisticated digital customer engagement capabilities. **Unless mid-sized businesses move quickly to deliver these capabilities, they risk losing existing customers and new prospects to larger competitors.**

### The Omni-channel Imperative

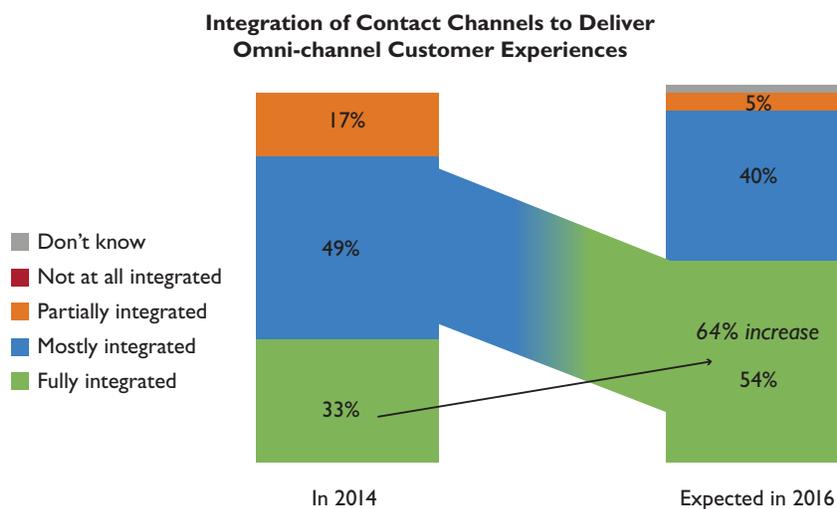
All too often, companies add these newer channels without an overarching strategy to ensure consistent and effortless customer experiences across channels. We call this the “accidental multi-channel” strategy. Most organizations fall into this category today.

When channels are siloed, the context and history of customer interactions aren’t linked, and activity on one channel remains hidden from others, fracturing the customer experience. This leads to lower customer satisfaction scores, and eventually customer attrition, as exhausted customers get tired of having to repeat their problems every time they interact with another agent or channel.

This defeats attempts at effortless customer experience, that lets customers move between channels, and have their personal context and history move with them. Although some of these capabilities, such as multi-channel routing, have been around for years, delivering truly effortless customer experiences goes far beyond that. It involves integrating tightly with CRM systems, analyzing all pertinent data in real-time, and applying insights gained from that data to improving customer interactions.

And while omni-channel capabilities are a competitive advantage for many organizations today, they will soon become a necessity just to remain competitive. As shown in Figure 2 below, 33 percent of contact center organizations stated that they have fully integrated their contact channels to deliver omni-channel customer experiences in 2014, and that proportion is expected to grow by 64 percent through 2016, a significant increase.

**Figure 2: Omni-channel Capabilities**



Source: Frost & Sullivan 2014 Contact Center Survey; N=305 Enterprises in North America

## *Optimizing Agent Performance*

As important as it is to develop these omni-channel capabilities for digital channels, it is equally important to empower agents and managers with the right knowledge and tools to efficiently service these connected customers, when they call in to speak with an agent. These phone interactions are increasingly more complex, as customers are now using a lot more hi-tech products and services, and are armed with much more information at hand. This makes the job of an agent harder, and if not properly managed, can lead to higher agent attrition rates and rising costs.

Traditional agent performance optimization tools need to evolve to meet the challenges of an omni-channel strategy. Companies need more robust analytical and planning tools, coaching tools, and more intelligent agent desktop interfaces, to drive enhanced agent performance. Focusing on agent success will invariably translate to customer success.

## CLOUD AS AN ENABLER

In this rapidly changing, customer-driven business environment, moving your communications infrastructure and applications to the cloud can be the most prudent decision for most organizations. The benefits of moving IT infrastructure and applications to the cloud have been well established in the industry. Moving to the cloud gives companies the financial leeway to not just avoid upfront costs, but also align IT costs with business demand, and significantly reduce overhead associated with asset ownership. In addition to cost benefits, this enables companies to be more agile, innovative, flexible, and responsive to customer needs and market conditions.

It allows businesses to spend more time and resources on driving innovation and growth, and less time on low-value maintenance and management activities. Indeed, many organizations still spend 70-80 percent of their IT budget to “keep the lights on.” Instead, by moving your business communications and contact center systems to the cloud, organizations can free up significant budget and resources to invest in business transformation initiatives.

Contact center organizations have historically been behind other lines of business such as sales and marketing, when it comes to cloud adoption. In large part, that is because of a legacy voice/ACD infrastructure that has remained on-premises, while channels such as Web self-service, chat, and social media were supported with newer applications, some cloud-based. While this approach allowed for companies to deliver the “accidental multi-channel” strategy, it also makes it very hard for companies to move towards a fully integrated omni-channel vision.

Several reasons compel contact center organizations to move to the cloud:

- **Time to value** – Companies can be up and running with a full cloud-based contact center in a matter of weeks, if not days. Cloud providers have made the on-boarding process very easy including out-of-the-box integration with leading CRM applications such as Salesforce, NetSuite, and Zendesk. As cloud providers continuously add new features, capabilities, and integrations, these become immediately available to all subscribers—without any additional work by users or administrators. Distributed contact center organizations with multiple sites and locations, including home-agents, can be on-boarded and managed centrally from the cloud. In the past, especially for organizations with legacy infrastructure native to each site or location, this whole process often took months.
- **Ease of use** – Just as easy as it is to deploy a cloud-based contact center solution, it is as easy to manage and use these applications. Maintenance, support, and upgrades are handled entirely by the cloud

provider. The administrative management capabilities are designed to be business-user friendly, and can be handled by contact center managers. This saves the organization valuable time and costs, while allowing the business to be more responsive to changing needs.

- **Flexible scalability and business agility** – A key benefit of the cloud model is the ability to rapidly scale up or down to meet changing business demands. This lets organizations focus on their businesses, without worrying about disrupting or changing technology infrastructure to support rapid business growth or scale-backs, seasonality, new product introductions, or sales promotions.
- **Business continuity and disaster recovery** – Ensuring business continuity during outages, facility emergencies, or inclement weather is a critical requirement for companies. Leading cloud providers have multiple levels of redundancy built into their cloud infrastructure, to ensure that there are no service disruptions for customers during any of these events. Replicating these capabilities in an in-house environment can be very expensive, if not cost-prohibitive for most companies.
- **Reduced total cost of ownership (TCO)** – Frost & Sullivan research has shown that cloud-based contact center solutions deliver between 20-40 percent TCO savings, over a 5-year period, when compared to on-premises contact center solutions. Notably, cost savings increases as more applications are moved to the cloud, and as the contact center organization grows larger and more distributed. In the near-term, the cost savings are even higher, freeing up more budget for other high-value initiatives.
- **Improved security and compliance** – While cloud skeptics have traditionally cast security as a major concern to move to the cloud, the truth is that leading cloud providers have much better security capabilities than most organizations can afford or choose to implement in-house. This includes best-in-class physical security, network security, application and data security. In addition, best-in-class cloud providers meet rigorous compliance requirements such as HIPAA, PCI, FISMA, and other stringent standards, as well as take care of all associated expenses and administrative responsibilities. Moving to the cloud with a trusted and proven provider helps significantly improve the security and compliance posture for most companies.
- **Future-proofing contact center technology** – The customer interaction landscape is changing rapidly, and the rate of change will only accelerate in the future. New applications will emerge, and previous generation technologies will become obsolete. By moving to the cloud, companies can instantly gain access to the latest technologies, features, and capabilities, and stay ahead of the curve. Companies can also pilot new technologies and applications at reduced costs and risks to the business.

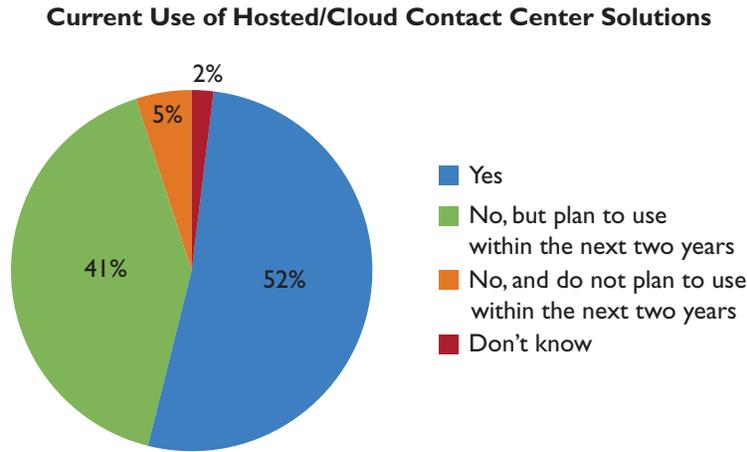
As businesses look to implement omni-channel customer experience capabilities, moving to the cloud can be the fastest, easiest, and most cost-effective approach—as well as the one that best minimizes technology and business risks.

### *Companies Adopting Cloud-based Contact Center Solutions*

We've established that omni-channel customer experience is a top strategic priority for businesses. And a significant number of contact center organizations are looking to implement these capabilities over the next two years, as shown in Figure 2. We've also discussed the major business drivers for contact center organizations to move to the cloud, and the benefits of doing so to implement omni-channel capabilities.

So, how many organizations have moved contact center applications to the cloud? What are their top reasons for doing so? How many organizations are looking to move to the cloud over the next few years? Figures 3 and 4 shown below present data from Frost & Sullivan research that answers some of these questions.

**Figure 3: Adoption of Cloud-based Contact Center Solutions**



Source: Frost & Sullivan 2014 Contact Center Survey; N=305 Enterprises in North America

Our research shows that 52 percent of the organizations surveyed have already moved one or more contact center applications to the cloud. More interestingly, another 41 percent of the respondents plan to move contact center applications to the cloud over the next two years. That means that by 2016, over 90 percent of contact center organizations in North America will have moved one or more contact center applications to the cloud.

**Figure 4: Top Reasons to Move to Cloud-based Contact Center Solutions**



Source: Frost & Sullivan 2014 Contact Center Survey; N=305 Enterprises in North America

The top reasons cited by companies to move contact center applications to the cloud reveal interesting trends. Almost all of the cloud benefits discussed earlier feature as important considerations for companies to move to the cloud. Interestingly, CAPEX avoidance is no longer a primary driver. The other key benefits—ease of deployment and use, improved business continuity, reduced TCO, flexible scalability and business agility, and cloud provider capabilities—are now driving contact center organizations to move to the cloud.

It begs the question: What's this worth to your business? Or conversely, what is the cost to your business if it doesn't embrace omni-channel cloud contact center capabilities?

How does the cloud fit into your omni-channel strategy? Of course, cloud is not the only option to implement an omni-channel strategy. But it is most likely the fastest, easiest, and most cost-effective approach for most organizations, especially midsized businesses.

## CLOUD INTEGRATIONS AND MASHUPS

An often understated-but-important benefit of picking a leading provider to help you move to the cloud, is the business value of the provider's integrations and partnerships. Leading best-of-breed SaaS providers in the industry are joining forces to provide customers with an expansive set of pre-built integrations, making it possible for customers to run their entire business from the cloud. The value to the business is far greater than the sum of the parts. Companies can now have greater visibility across their business, and a much more meaningful set of analytical capabilities to help drive better business decisions. Plus, many companies are already using cloud solutions such as Salesforce and NetSuite, so integrating these applications with cloud unified communications and contact center capabilities amplifies the benefits of each.

An end-to-end customer experience strategy goes beyond the contact center. It encompasses the entire customer lifecycle or journey—from brand awareness to consideration to purchase, and then customer retention, growth, and advocacy. To fully execute on an omni-channel customer experience vision and strategy, contact center applications need to integrate with other business applications that manage various stages of the customer lifecycle or journey. In most cases, that includes the sales, marketing, and customer service CRM applications, and in many cases some back-office applications.

Today, large global brands, with substantial budget, resources, and commitment to digital customer engagement are moving forward at full speed to build end-to-end omni-channel capabilities. What is the best way forward for a midsized business then, to acquire these capabilities, and level the playing field? The answer lies in partnering with the right cloud providers that have the right integrations for your business. This substantially reduces your cost and time to integrate various applications, while improving the customer experience. For a contact center, this also presents an opportunity to drive greater agent satisfaction and productivity.

In most areas today, consumer technology has outpaced business technology. This is particularly true in the area of user experience. Popular consumer applications and services such as Facebook, Twitter, Yelp, and others commonly use mashups to deliver superior user experiences. Businesses are trying to implement similar capabilities for employee-facing applications. This is particularly invaluable for contact center agents, where even small gains in agent productivity and operational efficiency can result in substantial cost savings, and improved customer experiences.

Historically, large enterprises, particularly telecom service providers, were early adopters of “unified agent desktop” interfaces. These interfaces were usually custom built, and in some cases reduced the number of agent desktop applications from as many as 10 to 15 to just three or four. As a result, companies realized significant cost savings and improvements in operational KPIs, agent satisfaction, and customer satisfaction.

Today, mid-sized businesses can take advantage of these capabilities easily via cloud application mashups. Contact centers may be able to blend relevant data from various systems—ACD, CRM, case management, knowledge bases—and integrate unified communications and collaboration features into a single powerful agent interface. At the contact center manager level, cloud application mashups could provide unified reporting and analytics capabilities, driving greater strategic value to the business.

Again, the key is to partner with the right cloud providers that integrate with the solutions you already use in your business.

### **Case Study: iCruise**

#### **The Company**

iCruise.com is a leading seller of cruises in the US, and serves over 80,000 passengers a year. The brand is a division of WMPH Vacations, a leading travel agency specializing in cruises and resort vacations. Since its founding, iCruise.com has grown from five to more than 120 employees. About half of the employees work remotely; the other half work mainly out of the company’s headquarters in Delray, Florida.

#### **The Problem**

While most customers find the travel company online, only 20 percent complete their booking online. The other 80 percent call the company’s call center to speak with an agent. iCruise.com needed a complete unified communications and contact center solution. Another critical business need was that of business continuity, especially being located in a hurricane prone area in the country. Having experienced several instances of power outages during hurricanes resulting in lost business iCruise no longer wanted to rely on its on-premises PBX system.

#### **The Solution**

After researching and vetting a number of solution providers, iCruise.com decided to select 8x8’s cloud-based unified communications and contact center solution. Management wanted an omni-channel contact center solution to support: inbound and outbound calls, email, chat, and online contact. At the same time, management wanted standard PBX functionality and features for its business. 8x8’s solution met all of the company’s needs. A complete cloud-based solution ensured that the travel company was fully covered for business continuity in the event of power outages or other emergencies.

#### **The Results**

iCruise’s customers are now able to communicate with the company via any channel of their choice. All relevant information is captured and routed to the agent, enabling consistent and effortless customer experiences.

With 8x8’s presence features, managers can instantly see which agents are on calls, and for how long, and if necessary reassign the agent to another call. Managers can also route voicemails to available agents, for quick response. The 8x8 solution also includes call recording features, for quality assurance and training purposes. This also allows the company to better handle customer disputes, and save more money.

iCruise.com was able to easily integrate the 8x8 Virtual Contact Center with their internally developed CRM system. When customers contact iCruise.com, call details such as the city, phone number and the ad that spurred the customer to call—identifiable from the virtual number listed in each ad—are captured and passed to the CRM system. Likewise, the solution also allows iCruise.com to enhance the customer experience by enabling agents to deliver brand-specific customer experiences.

The 8x8 application allows managers to run various custom reports to see agent performance, product performance, campaign performance, and other relevant business and operational data. These capabilities ultimately allow the company to better track and manage its marketing and ad campaign ROI.

A cloud-based solution also allows the company to ramp up and down easily, in response to changing business demand.

## TAKEAWAYS AND RECOMMENDATIONS

Today's mobile and social customers are redefining customer engagement strategies and priorities for companies. Delivering consistent and effortless customer experiences across traditional and newer channels has emerged as a top strategic priority for businesses. We call this the omni-channel customer experience. Frost & Sullivan research shows that by 2016, 54 percent of contact center organizations in North America will have fully integrated their contact channels to deliver omni-channel customer experiences.

Companies that are able to move quickly to implement these capabilities have an opportunity to drive greater customer satisfaction, retention, and revenue growth. Conversely, companies that fail to meet these customer expectations risk losing customers and valuable business to competitors.

Moving communications infrastructure and applications to the cloud gives companies the flexibility to adapt quickly to technical innovation, while staying focused on business transformation, innovation, and growth, and spend less time on low-value IT maintenance and management activities.

Moving to the cloud can be the fastest, easiest, and most cost-effective approach, especially for midsized businesses, to implement omni-channel contact center capabilities. Indeed, contact center organizations that traditionally lagged behind other lines of business in the area of cloud adoption, are now moving to the cloud at an unprecedented rate. Frost & Sullivan research shows that 52 percent of contact center organizations in North America have already moved one or more contact center applications to the cloud, with another 41 percent planning to over the next two years. To fully execute an omni-channel customer experience vision and strategy, contact center applications need to integrate with other business applications that manage various stages of the customer lifecycle or journey. In most cases, that includes the sales, marketing, and customer service CRM applications, and in many cases some back-office applications. It is therefore critical to partner with the right cloud providers that have the right integrations for your business.

Cloud integrations and mashups can provide significant strategic and operational benefits for a contact center. The right set of integrations and mashups can drive meaningful gains in agent productivity, and deliver substantial cost savings and improvements in operational KPIs, agent satisfaction, and customer satisfaction.

## ABOUT 8X8

---

8x8, Inc. is the trusted provider of secure and reliable cloud-based unified communications and virtual contact center solutions to more than 40,000 businesses operating in over 40 countries across six continents. 8x8's out-of-the-box cloud solutions replace traditional on-premises PBX hardware and software-based systems with a flexible and scalable Software as a Service (SaaS) alternative, encompassing cloud business phone service, contact center solutions, and web conferencing. 8x8 software integrates with leading ERP, CRM, HCM and other third-party applications suites, such as Salesforce, NetSuite and Zendesk, to provide organizations with a completely integrated business communications and collaboration experience. [www.8x8.com](http://www.8x8.com)

Auckland  
Bahrain  
Bangkok  
Beijing  
Bengaluru  
Buenos Aires  
Cape Town  
Chennai  
Colombo  
Delhi/NCR  
Detroit

Dubai  
Frankfurt  
Houston  
Iskander Malaysia/Johor Bahru  
Istanbul  
Jakarta  
Kolkata  
Kuala Lumpur  
London  
Manhattan  
Miami

Milan  
Mumbai  
Moscow  
Oxford  
Paris  
Pune  
Rockville Centre  
San Antonio  
São Paulo  
Seoul  
Shanghai

Shenzhen  
Silicon Valley  
Singapore  
Sophia Antipolis  
Sydney  
Taipei  
Tel Aviv  
Tokyo  
Toronto  
Warsaw

### Silicon Valley

331 E. Evelyn Ave., Suite 100  
Mountain View, CA 94041  
Tel 650.475.4500  
Fax 650.475.1570

### San Antonio

7550 West Interstate 10,  
Suite 400  
San Antonio, TX 78229  
Tel 210.348.1000  
Fax 210.348.1003

### London

4 Grosvenor Gardens  
London SW1W 0DH  
Tel +44 (0)20 7343 8383  
Fax +44 (0)20 7730 3343

877.GoFrost  
myfrost@frost.com  
www.frost.com

Frost & Sullivan, the Growth Partnership Company, works in collaboration with clients to leverage visionary innovation that addresses the global challenges and related growth opportunities that will make or break today's market participants. For more than 50 years, we have been developing growth strategies for the Global 1000, emerging businesses, the public sector and the investment community. Is your organization prepared for the next profound wave of industry convergence, disruptive technologies, increasing competitive intensity, Mega Trends, breakthrough best practices, changing customer dynamics and emerging economies?

*For information regarding permission, write:*

Frost & Sullivan  
331 E. Evelyn Ave., Suite 100  
Mountain View, CA 94041