



Position Paper

Customer Experience 2.0

Delivering competitive differentiation in a Web 2.0 world

The Web 2.0 phenomenon

The first generation of the Internet provided a new, low-cost method of providing information to customers in a self-service environment but ultimately did not change the way that businesses operated. At the time, this was a major shift and businesses were quick to jump in and provide a new way for customers to quickly access information about their company. Customers had fairly low expectations in terms of the experience they received and the call center remained the primary customer interaction hub. In this tactical and transaction-based environment, quality and effectiveness were measured by how quickly the call ended and did not begin to address multimedia customer touch points.

Web 2.0 — the second wave of the World Wide Web — is creating a more significant shift in how people and customers interact via the Internet. It's not just a new mechanism on top of old business operations. It's customer-centric; it's immersive.

It invites customers to become a part of a community where they can be key influencers.

Customers are living Web 2.0 today. In this next generation, the Internet is a participatory platform for communications empowering customers to interact with each other and ultimately with the organizations they do business with. People are talking and collaborating via the Web — through blogs, social networks, Wikis, etc. — and because of this, customer expectations are

changing significantly. Customers now expect faster, more proactive interactions with an organization, and they want to access information from the device and method of their choice. In a Web 2.0 world, businesses can no longer expect to have direct control of their customer relationships or their carefully crafted market messages. Customers immerse themselves in communities and perceive the business through the influential lens of that entire group.



The key is to take advantage of the phenomenon created by Web 2.0 to transform the way that businesses operate. Customers are more educated and use the Web to interact and discover the information they need to make their personal and business choices. So to succeed in this new world, businesses must go further than ever to exceed the expectations of their customers. It's no longer about meeting expectations — to achieve competitive differentiation in a Web 2.0 world, businesses must consistently exceed customer expectations and work to shape the influences of the customer communities.

Customer Experience 1.0

The call center — the hub of interaction between a business and its customers through phones and agents. With Customer Experience 1.0, the call center operated in its basic form that we call the *inside-out approach*, where the business has complete control over the customer experience, which is still determined by the nature of engagement between the customer and agents. It's also very much a “wait to be contacted” approach in which businesses simply wait for the customer to call them for service, and this contact was usually initiated when the customer was experiencing issues with products or service. As we've seen the call center move to become the contact center, additional extensions for handling customer interactions are provided to create additional choice for the customer, but ultimately the business still holds delivery of its primary message. Customer satisfaction or dissatisfaction did not factor into the business message and the business continued to thrive. Call centers were measured on how many calls were processed or lost, not the customer's satisfaction quotient. The old adage is that *customers who have a bad experience*



Figure 1. Customer Experience 1.0 — Web 1.0 company controls its message

will tell 10 others about it while those who have a good experience will only tell one. While this still holds true, in a Customer Experience 1.0 environment, most businesses didn't see this as having a significant impact on their bottom line. In some businesses, managers may have thought, “Who are they going to tell?” However, as we move into a Web 2.0 world where people are talking about anything and everything through new mediums, the customer experience will truly become a key influencer in the success or failure of a business. One bad experience will proliferate through the Web like wildfire and find its way to the desktops of many with a single click.

Customer Experience 2.0

In a Web 2.0 world, the power shifts to the consumer/customer. Instant access and immediate gratification provided by the Internet are causing consumers and customers to expect the same level of speed and ease in their interactions with all businesses. This expectation, along with Web 2.0, is driving the

need for businesses to look at new and unique ways of serving customers, which results in Customer Experience 2.0. This concept will take hold as competitors in the market begin to outshine those businesses that do not offer the flexibility and interaction of choice. Demographics clearly play a role in how a customer interacts with a business — gen-Xers may want to serve themselves quickly while other generations may want to hear the comforting voice at the other end of the phone. The key is to have the technology, business processes and best practices for each individual customer segment so that you can deliver Customer Experience 2.0. Nortel's bold philosophy encapsulated in Customer Experience 2.0 delivers companies competitive differentiation by incorporating customer relationship strategies into the company's operations with applications to manage and understand customer interactions. This allows customers to do business with companies on their terms anywhere, any time and on any device.

For the business, delivering Customer Experience 2.0 enhances your ability to attract, motivate and retain customers, building the business brand by harnessing the collaborative power of Web 2.0.

Customer Experience 2.0 — How do I get there?

In the journey to achieving Customer Experience 2.0, businesses must focus on the customer relationship itself to be successful. It's no longer the "wait and see" approach. Companies must be proactive in managing their customer relationships across all of the touch points within the organization. A customer-centric business approach is at the heart of Customer Experience 2.0, creating an exceptional and unique customer experience through self-service, automation, unified communications, SOA and Web services. Also critical is analytics — understanding how and when your customers have contacted you, addressing their needs proactively and ensuring that the appropriate information is available to the customer service representatives that are serving the customer. Below are examples of how to achieve a customer-centric business that delivers Customer Experience 2.0:

➤ The contact center is and will continue to be an integral part of an organization's customer interaction strategy. Businesses that fail to integrate all of the customer communications channels (phone, web chat, email, IM, video) into their contact centers will not have a complete view of their customer interactions, which in turn could jeopardize the customer experience. To deliver Customer Experience 2.0, it is vital that front-line staff have a 360-degree view of customers, with

a view of their current and previous interactions available across multiple touch points. Customer transactions can no longer be managed within silos of each touch point, but instead must be integrated to truly manage the customer experience.

➤ Self-service is key in delivering Customer Experience 2.0. Giving customers what they need and directing them to the right information at the initial contact is not only critical in driving increased customer satisfaction, but it is also an effective way of reducing operating costs through first contact resolution. Self-service is no longer being viewed as an "after-hours" approach to conducting business — the ability for the customer to "help themselves" is critical in achieving Customer Experience 2.0.

➤ Integrating applications with IT through SOA and Web services is an enabler that will help businesses achieve Customer Experience 2.0. With SOA and re-usable Web services, business processes can be modified rapidly, which can affect instantaneous change in how you serve your customers. In some markets, having the flexibility to change process on a dime is vital. Automation that removes human delay can also be an effective method of enhancing the customer experience — triggering workflows that increase the speed and efficiency of an organization. Using these enablers to quickly respond to the needs of the business will help companies save critical time and ensure that they are consistently exceeding customer expectations, which translates to



Figure 2. Customer Experience 2.0 — Web 2.0 community controls message

Nortel Multimedia Contact Center allows you to incorporate multiple modes of communication into your contact center (voice, email, IM, chat, video, etc.) so that agents can be responsive regardless of the customer's preferred access method.

increased loyalty. “Completely satisfied” customers are six times more likely to become repeat buyers over customers who were simply “satisfied”.

- ▶ Making sure that your employees and agents have the tools they need to effectively resolve customer inquiries during the first customer interaction is critical. By integrating unified communications within your business and contact center, you are empowering the customer service representatives to rally the aid of experts across the organization to assist in that customer interaction. Speed equals bottom line results, and if you cannot resolve customer inquiries during the first contact, this can be especially damaging in a Web 2.0 world.

Customer Experience 2.0 in action

A customer considering purchasing a high-definition TV uses the Web to do some research. After looking at user reviews and blogs specifically related to high-definition TVs, the customer is able to narrow his options to two manufacturers. Requiring further information, the customer visits the manufacturer's Web site and initiates a chat session with a customer service representative. While waiting for the representative, the customer is presented with a video advertisement on why this particular brand of high-definition TV is better than its competitors. When the representative is available, the chat session begins and soon after is escalated to a voice conversation with a click.

The customer is convinced to order the recommended TV and quickly receives an automated notification via email. When the TV has shipped, another email notification is automatically sent to the customer. After the customer receives the TV, he has some questions on the installation and set-up so he sends an email to the customer service department. Within seconds, he receives an automated email thanking him for his inquiry and that a customer service representative will respond to him shortly. The email inquiry is routed to the same customer service representative that served him initially and the representative quickly determines that she cannot answer the question. Using presence, she quickly identifies the right resource and initiates an instant messaging session with the high-definition TV expert. She then sends an email to the customer with the response, and the customer interaction is complete. Another happy customer and likely a return customer who is also an avid blogger that posted an excellent review of their service to several blogs.

A family out on the town decides that they would like to go see a movie. They call the nearest theater for movie listings and times. The automated system provides them with each movie listing offering the following additional options: press 1 for show times, press 2 to see the movie preview. They narrow their movie choices down to three based upon the show times and preferences. All are indecisive as to which movie to see, so they decide to view each of the movie previews via their video-enabled

mobile device. This movie theater clearly offered an exceptional customer experience and will likely attract and retain customers with their unique approach to customer service.

A business traveler in an airport misplaces his briefcase with his wallet and credit cards. He calls the credit card company and receives the automated speech self-service system. The system asks him to naturally speak his question or inquiry. He responds by saying, “Uh, yes, I lost my briefcase and my wallet was in it. How do I get a new credit card?” The system's natural language understanding and the application design intelligently interprets key words such as ‘lost’ and ‘new credit card’ to understand the caller is an existing customer and that he needs a replacement card. Based on this understanding, the system responds, “You want to get a replacement card? Sure, I can help you with that.” Natural speech interpretation is not only a great way to ensure quality service and customer loyalty, but it's also extremely effective in maximizing contact center efficiency and reducing costs.

Solutions that extend Customer Experience 2.0

- ▶ Nortel Multimedia Contact Center allows you to incorporate multiple modes of communication into your contact center (voice, email, IM, chat, video, etc.) so that agents can be responsive regardless of the customer's preferred access method. By incorporating multimedia and giving customers the flexibility of

choice, the customer experience and perception of the service they received is heightened.

- Nortel Self-Service and Advanced Speech Solutions are designed to give customers personalized, convenient access to information — any time from anywhere through automated services. It simplifies access around the clock but goes even further to add services that securely verify a customer's identity, collect information, send out automated notifications and provide video self-service capabilities. Natural speech interfaces simplify access and make it easier for mobile users to complete their transactions without an agent's assistance. The customer experience is enhanced through convenience and intuition of speech-enabled interaction.
- Unified communications within the business and contact center allows even greater widening of the contact center walls. Skilled employees can be accessed — no matter what their location. Nortel Unified Messaging solutions empower Customer Experience 2.0 by accessing all messages through a single interface, allowing employees — in the office, on the road, working from home — to be more responsive.

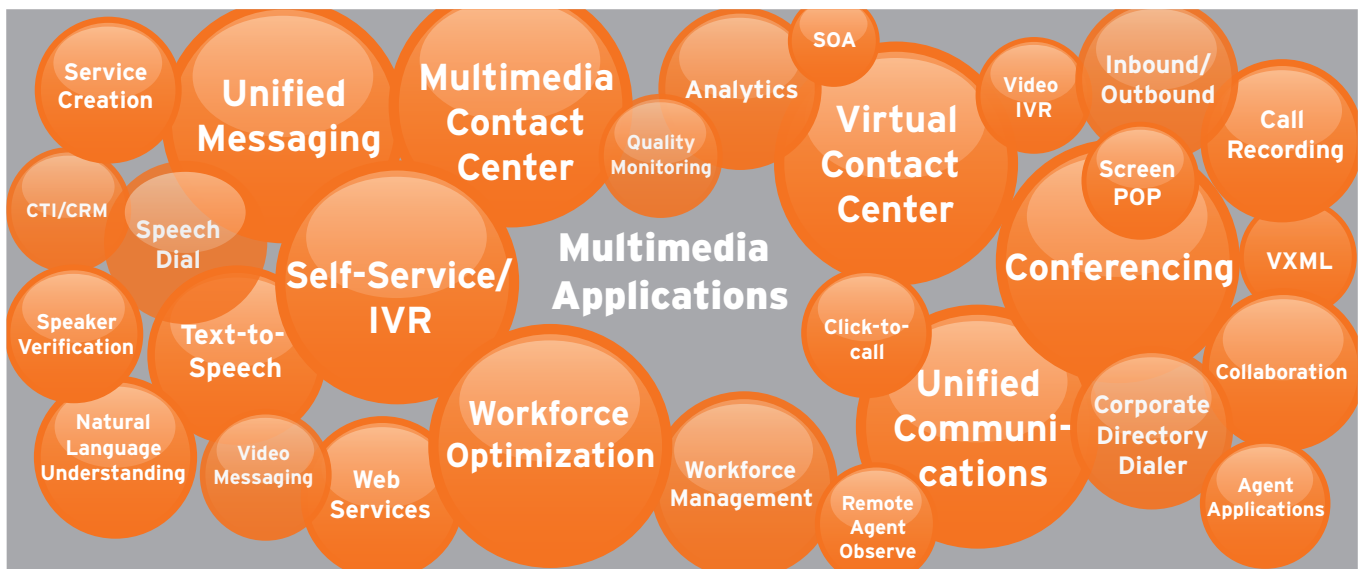
Nortel Multimedia Conferencing is a powerful collaboration tool that speeds decision-making, reduces travel, boosts productivity and lowers costs. Unified communications allows companies to collaborate with all of their eco-systems in a fast, low-cost alternative — thereby improving first contact resolution.

- Nortel's Virtual Contact Center solution removes the boundaries of previously disparate contact centers, creating a single virtual contact center that is easier to deploy and manage. Regardless of the location, whether it is from a home office or in a physical contact center, agents can work and operate as a single unit. And by having immediate access to customer data, customer service representatives are provided with a 360-degree view of customer interactions.
- Managing contact center performance is critical in ensuring the effectiveness of your customer interactions. Nortel offers applications such as call recording, quality monitoring and workforce management so that businesses can proactively manage their performance and create an optimized contact center that delivers on the promise of Customer Experience 2.0.

Nortel experience — We can help you achieve Customer Experience 2.0

Nortel has the experience to help businesses continue to thrive and offer differentiation in a Web 2.0 world. We understand the customer contact solutions market better than no other, with more than 60,000 contact centers and over 9,000 self-service solutions sold globally. With market accolades in unified communications, contact center, and self-service and speech, Nortel multimedia applications are deployed at 87 of the Fortune 100 businesses. Nortel offers a variety of services and a wide ecosystem of partners to help businesses achieve their customer operation goals.

The impact of Web 2.0 is here and now — creating differentiation through the customer experience is vital. Nortel is at the forefront of recognizing and understanding this market dynamic and its potential to positively influence your business. Rely on Nortel as your trusted advisor in helping you achieve Customer Experience 2.0.



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For more information, contact your Nortel representative, or call 1-800-4 NORTEL or 1-800-466-7835 from anywhere in North America.

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