Knowledge Management Is Key To Delivering A Great Customer Experience

Executive Summary

In mid-2019, Ecosystm conducted a global study of 1011 senior customer service and technology professionals to gain a deeper understanding of initiatives to improve their customer experience. The focus is on their Knowledge Management solutions. These are the major findings:

- **Improving customer experience (CX) is the number one business priority.** 51% of participating businesses listed it as the top priority – three times more than the second placed business priority. To achieve this, businesses are taking friction from the customer journey. They are also redesigning that journey for the digital world. And you need to achieve this in a way which meets your growing regulatory requirements.

- **Businesses are implementing Knowledge Management solutions to improve their customer experience.** They are also training their staff, delivering better digital self-service options and evolving their CX technology stack towards modern, cloud-based platforms. Investments in Knowledge Management (KM) solutions are showing strong returns. Over 80% of the businesses that implement KM for their customer teams and directly into their digital self-service touch points are reporting improved customer satisfaction levels.

- **The best Knowledge Management solutions provide "controlled knowledge".** In analysing the results of KM implementations, a select group of providers stand out – their customers are happiest and make the biggest impact on improving the customer experience. These solutions provide "controlled knowledge" – they give direct answers to customer questions, are a single source of truth for all knowledge, give the ability to rate knowledge articles, are easy to manage and ultimately reduce the need for training. When companies implemented KM solutions that provide "controlled knowledge" to customers they are 34% more likely improve customer satisfaction compared to those that use other KM solutions.

- **Good Knowledge Management solutions also serve customers directly across the growing number of touch points.** Omnichannel is more than a catchphrase – it is a real challenge for all businesses. 86% of respondents interact with customers across at least three channels or touchpoints – primarily voice, chat/email and self-service. Most businesses are moving away from voice and face-to-face engagements towards digital touch points - such as webchat, chatbots, websites, communities and mobile apps. In 2020 only 26% of customer interactions will be voice and 36% will be digital self-service. KM solutions need to answer customer questions in these digital channels.

Customer Experience Is Where Your Company Will Win Or Lose

Improving the customer and employee experience are the top priorities for businesses across the globe - well ahead of growing revenue or reducing costs. Smart businesses today map their customer journey - looking to take "friction" out of the journey. Others are re-imagining their customer journey - creating the ideal experience from scratch. Companies that are not focused on improving the customer experience (CX) will be left behind, as the reason a customer will choose your company again will be because you gave them an easy, effective and memorable experience.

IMPROVING CX IS THE BIGGEST BUSINESS PRIORITY IN 2019

73% Improve CX/ satisfaction

38% Improve employee experience (EX)

36% Grow revenue

31% Increase business agility

30% Innovate/ improve quality of products/ services

26% Win and retain customers

25% Reduce Cost

21% Comply with regulations

12% Improve our ability to attract / retain talent

8% Improve/ simplify our supply chain

*Question: What are your organisation's top business priorities over the next 12 months?*
N=717

> *58% of businesses have customer or employee experience as a number one priority*

We Are Moving To A Self-Service World

Today, 59% of all customer interactions are using self-service and digital touchpoints, such as chat, virtual assistants, and email. In fact, email and live chat will overtake voice interactions in 2020. Self-service will remain the most popular customer touchpoint and will increase from 31% of all customer interactions in 2019 to 36% in 2020. Of the self-service touch points, the web is the most important, followed by chatbots.

The Customer Experience Is Becoming Digital
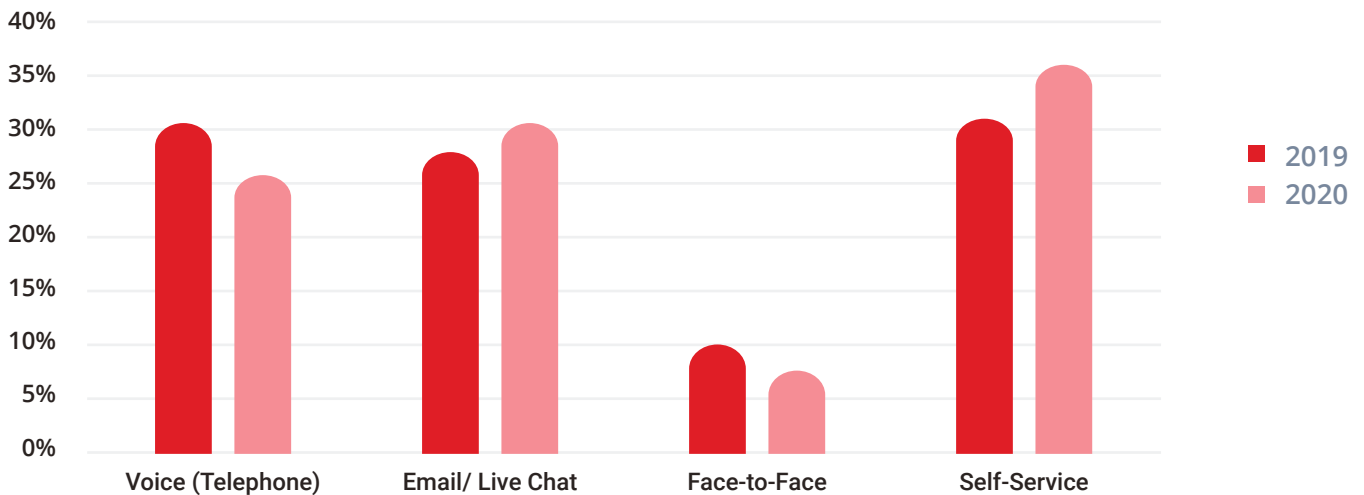
Question: Approximately what proportion of your customer interactions come through each service/touch point? Now and in 12 months?
N=717

Web Is The Dominant Self Service Touch Point

38% Web

22% Virtual Assistant/ Chatbots

18% Mobile App

15% Community Support

6% Others
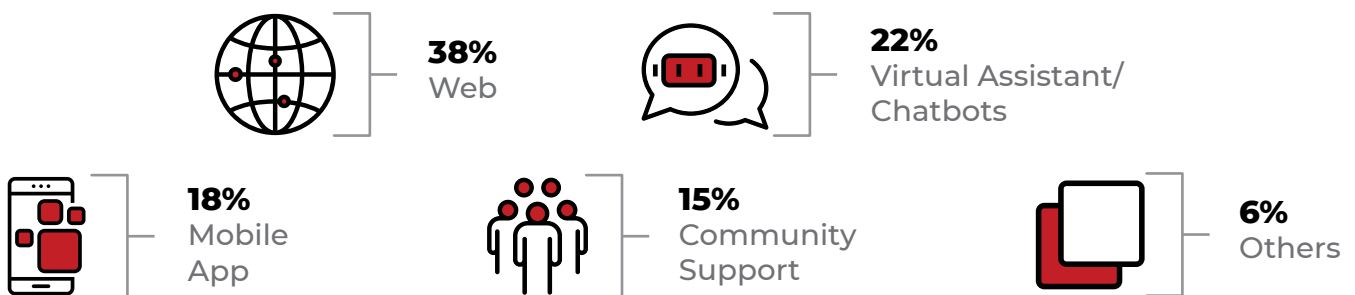
Question: Self-Service Touch-Points in the order of importance?
N=717

ORGANISATIONAL SILOS AND MULTIPLE CHANNELS DRIVE INCONSISTENT KNOWLEDGE

Great customer experiences that stem from easy, effective and memorable customer journeys can be difficult to create. A major inhibitor to consistently providing a great customer experience is that it is hard to get answers to questions. Most businesses have a complex product range and this makes it difficult for staff to effectively answer customer queries. The siloed nature of businesses means the information that

employees and customers need is often hard to find. Often the different channels and silos lead to inconsistent knowledge being recorded – for example information updated for the call centre Knowledgebase is not updated for the website or chatbot. Organisations need to centralise customer knowledge so that it is not siloed - the customer wants the same experience regardless of the touchpoint they use. They need to focus on the customer rather than their traditional silos when curating the knowledge they deliver to their customers.

There Are Many Challenges In Delivering A Consistent Customer Experience

Question: What are your biggest challenges in driving a consistent customer experience (CX)?
N=717

But the good news is that these issues are not insurmountable - many businesses are making real strides to improve their customer experiences. Some are focusing on training staff more effectively to meet the customer's requirements in their moment of need – although this can be time consuming and expensive. Training also means that agents spend more of their time away from customers. Others are improving their digital self-service touch points to ensure customers can get answers to their questions even if there is no human in the interaction.

Better Knowledge And Technology Are The Focus Of Businesses In Improving Their CX

Category	Value
Improving customer self-service	~51%
Improving staff training	~51%
Improving technology stack	~50%
Focusing on Employee Experience (EX)	~44%
Using Design Thinking to improve customer processes and outcomes	~41%
Setting Metrics / KPIs to measure CX	~37%
Mapping customer journey to identify pain points	~32%
Hiring CX professionals	~32%
Devoting more budget toward CX	~31%

Question: What is your organisation doing to improve the Customer Experience (CX)?
N=717

BUSINESSES ARE PUTTING SUCCESS METRICS AROUND THEIR CX INITIATIVES

As CX has gone from a niche to a core business focus over the past five years, measures of the success of CX initiatives - such as Net Promoter Score - have seen significant interest and adoption. But traditional C-Sat scores still dominate the success metrics of businesses - particularly within their customer service and support teams. Net Promoter Score - despite its popularity as a concept - is used by only 33% of the study respondents.

Customer Satisfaction Is The Measure Of Success

73%
CUSTOMER SATISFACTION (OR SIMILAR)

57%
AVERAGE SPEED OF ANSWER / RESPONSE

57%
AVERAGE HANDLING TIME

56%
FIRST CONTACT RESOLUTION / FIRST TIME FIX

33%
NET PROMOTER SCORE (NPS)

32%
ACHIEVING SALES TARGETS

Question: What are the success metrics of the Customer Service Team?
N=717

Knowledge Management Solutions Help Businesses Improve Their Customer Experience and Stay Compliant

Many businesses have realised, or are beginning to realise, that much of the pain in their customer journeys relates directly to the inability of customers and employees to access the answers they want in their moment of need. Think of the times someone has put you on hold when speaking to customer services centres, or you've waited in queues or struggled to get answers to questions through company websites and chatbots. This is because they didn't have the answers to your questions at their fingertips. In striving to continuously improve their customer experience, businesses are implementing Knowledge Management (KM) solutions for their customer teams which provide answers to customers questions - not just information.

There is a clear link between businesses who take CX seriously and those who take Knowledge Management seriously. Customer experience is the top priority for 40% of those who take KM seriously – versus for only 25% of those who do not. Winning and retaining customers is the number two priority for businesses that take KM seriously – versus number ten for those that do not. Unsurprisingly, those who believe that KM is important also have boards (65%) and CEOs (76%) driving the customer service strategy. Those that do not believe KM is important are significantly less likely to have the board (45%) and CEO (55%) involved in CX.

> **Many businesses have realised that much of the pain in their customer journeys relates directly to the inability of customers and employees to access the answers they want in their moment of need.**

- **Your Knowledge Management solution needs to provide the 'best' consistent outcome across all channels and touchpoints.** With companies investing in many different digital touchpoints, a Knowledge Management solution needs to provide consistent answers to questions regardless of touchpoint (channel) customers use. A great KM solution that is used only by the call centre team is doing less than a third of the job – as voice calls are only 31% of customer interactions today and will fall to 26% in 2020.

KM SOLUTIONS ARE HELPING BUSINESSES TO IMPROVE CUSTOMER SATISFACTION AND COMPLIANCE

74%
Improved customer satisfaction

62%
Improved employee engagement

58%
Increased business insights

49%
Improved compliance

35%
Increased sales revenue

34%
Reduced cost

Question: What are the benefits of implementing Knowledge Management Solution for your Customer Service Teams?

N=423 current users of KM solutions for CX

- **Companies that implement KM solutions are using that solution to meet the goals of the business.** The KM solution is helping businesses:
  - improve their customer experience
  - provide a better and more productive employee experience
  - grow revenue from better retention of customers
  - improve the quality of service they are offering customers
  - win and retain customers
  - reduce costs
  - help the business remain compliant with regulations

- **The good KM solution are auditable.** Changes to customer processes can be communicated, trained and tracked. In this era of increased regulation and compliance requirements, nearly 50% of businesses that use KM are seeing improved compliance. Claiming that your customer service teams didn't know about a new piece of regulation won't stand up in court. Even saying you emailed the team isn't enough as it might not have been opened or read by the customer service teams. Good KM solutions not only increase customer satisfaction but give the legal and risk teams the peace of mind in knowing that any changes which affect customer processes are tracked and actioned by the customer service team - and can be audited to prove this.

The benefits of using Knowledge Management solutions for Customer Experience teams become obvious when you ask them "What do your Customer Service Team do if they do not know the answer to the customers' questions?". For those without KM solutions, they ask colleagues, the team leader or coach, read through policy or product documentation, refer customers to specialist teams (meaning a transfer and another wait for the customer) or refer to their own notes - they waste their and the customer's time in trying to find the answer. For companies who have a KM solution, when they need answers to customer questions, they refer to that KM solution.

> **What do your Customer Service Team do if they do not know the answer to the customers' questions? For companies who have a KM solution, when they need answers to customer questions, they refer to that KM solution.**

Customer Services Teams Get Answers To Questions Immediately Through Using KM Solutions

Refer to Knowledge or Document Management Solution

Ask another team member, or the team leader/ coach

Refer to Product Documents, Policy Documents or Cheat Sheets

Refer to specialist teams to answer specific queries

Refer to personal notes/ knowledge

Refer to Training Material

Ask other Departments

Refer to Company Website

0%   10%   20%   30%   40%   50%   60%   70%   80%

■ Have KM for CX   ■ Don't have KM for CX

Question: What do your Customer Service Team do if they do not know the answer to the customers' questions? N=717

WHAT HAPPENS IN YOUR CONTACT CENTRE WHEN A CUSTOMER ASKS A QUESTION?

VS

Best Practice Knowledge Management Solutions Serve Your Customers And Help The Customer Service Team

When analysing the data for this study, it became clear that there are two types of Knowledge Management solutions – those that serve the customers and help the customer team do their jobs, and those which are little more than document repositories that allow the customer teams to search documents - and then they need to read the document to get the answer to the customer questions.

It is also clear some Customer Service teams don't know what best practice looks like, as they have never seen it in action. Some respondents claimed that they were satisfied with their KM solutions even though it did little to help the business or the customer service teams to meet their goals.

We analysed the data by those suppliers we consider "controlled knowledge providers" versus the generic KM solutions. The controlled knowledge providers are significantly more likely to be helping customers and customer service teams simply get answers to questions, and customers of these solutions report much higher customer satisfaction. We included companies like Oracle, livepro and Verint in the list of KM solutions better suited for Customer Service and CX use cases. The results are astonishing and clearly point to what best-practice looks like – and what your business should be striving towards – when it comes to selecting and implementing a Knowledge Management solution that will drive a better customer experience.

Companies using these modern "Controlled Knowledge" platforms get real benefits including:

- **Getting answers to customer questions. Over 80% of companies using controlled knowledge systems report that they can get answers to questions, versus just 44% for the rest.** Too many Knowledge Management solutions involve searching for documents, and then reading documents to find the answer. Agents give up quickly – and instead interrupt their colleagues to get the answer, or reach out to others across the business (all while the customer is on hold). On digital platforms, customers give up or call the customer service team to get an answer if they can't find it easily.

- **A single source of truth for knowledge.** 72% of businesses using a controlled knowledge system see this as their single source of truth, versus 34% of those using generic KM solutions. The Knowledge Management solution SHOULD be a single source of truth – that is its very reason for existence! But too often it is not.

>80%

of companies using controlled knowledge solutions report that they can get answers to questions

72%

of businesses using a controlled knowledge solutions see this as their single source of truth

75%

of businesses using controlled knowledge solutions have the capability to give feedback on knowledge articles

75%

of businesses using controlled knowledge solutions say that it is easy for the customer service team to update the system

- **Ability to rate and give feedback on knowledge articles.** 75% of businesses using controlled knowledge solutions have the capability to give feedback on knowledge articles versus only 44% of those using generic KM solutions. A good solution lets the customer service teams – or the customers themselves – rate and give feedback on knowledge articles – constantly improving the knowledgebase.

- **Easy to manage.** 75% of businesses using controlled knowledge solutions say that it is easy for the customer service team to update the system – versus 44% of those using generic KM solutions. The ability for the customer service team to easily update and manage the system helps keep it up-to-date and relevant. But again, too often this capability doesn't exist in the generic KM solutions.

- **Reduce the need for training.** Companies using modern KM solutions that provide answers to customer questions will also save money on staff training. Instead of the need to constantly pull customer service agents off calls to train them on new products, new processes or new business capabilities, a solution that provides answers to questions means the agent has the information they need at their fingertips – without the need for any extra training.

> *Companies using modern KM solutions that provide answers to customer questions will also save money on staff training*

CONTROLLED KNOWLEDGE SOLUTIONS DELIVER BETTER BUSINESS OUTCOMES

The focus of your Knowledge Management implementation for CX should be aligned to business priorities – improving the customer and employee experience, reducing costs, increasing revenue and improving compliance. Better Knowledge management solutions are significantly more likely to deliver these outcomes. 91% of businesses which use the better, controlled knowledge solutions said that KM improved customer satisfaction versus only 72% of businesses who used other KM solutions. 79% of controlled knowledge solutions users reported improved compliance versus 46% of users of other solution.

Comparing The Benefits of KM Solutions Deployed By Customer Teams vs Non-Customer Teams
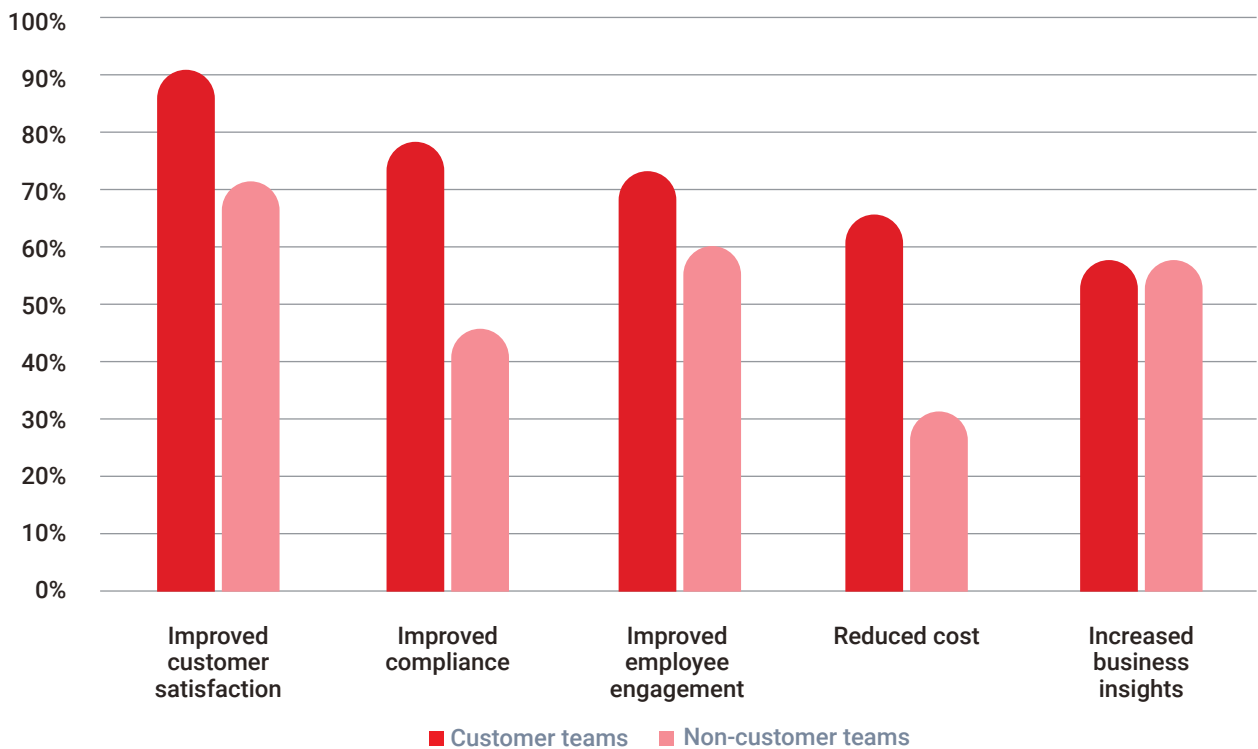
■ Customer teams ■ Non-customer teams

Question: What are the benefits of implementing Knowledge Management Solution for your Customer Service Teams? N=423 users of KM solutions

YOUR BEST PRACTICE KM FOR CX CHECKLIST:

Best practice Customer teams use Knowledge Management Solutions that:

- ☑ Provides easy access to answers **81%**
- ☑ Fast reliable searches which gives the answer **78%**
- ☑ Easy for Customer Service to manage updates **75%**
- ☑ Users can provide feedback and rate knowledge articles **75%**
- ☑ On demand reporting/ Analytics on Knowledge usage by consultants and team **72%**
- ☑ Single source of truth for all knowledge **72%**
- ☑ Ability to test/ quiz agents and managers **69%**
- ☑ Ability to simplify complex processes to a small number of questions **66%**
- ☑ Process guidance/ work instruction feature **63%**
- ☑ Ability to save favourites for frequently used searches **59%**
- ☑ Eliminates emails for all urgent updates or changes **59%**
- ☑ Workflow process to enable control over the authoring, editing, reviewing, approval and publishing **56%**

They select software partners and systems integrators based on:

- ☑ Ease of engagement **88%**
- ☑ Data governance capabilities **85%**
- ☑ Industry experience **85%**
- ☑ Guidance on best practices in knowledge management **82%**
- ☑ Solution Deployment Time **76%**
- ☑ Experience with similar size organisations **74%**
- ☑ Cloud-based solution offerings **71%**
- ☑ Consulting services **71%**
- ☑ Competitive Pricing **71%**
- ☑ Ability for Vendor to integrate software to other systems **59%**
- ☑ 24/7 service and help desk **59%**

Knowledge Management Implementations Don't Have To be Lengthy Or Expensive

The biggest concern for those implementing Knowledge Management solutions to improve their CX is about the potential ROI - 57% of respondents state this. 35% refer to the cost of the implementation as a major blocker. Many businesses have been scarred by unsuccessful KM and content management implementations outside their customer teams. They have spent a lot of money and time on content and document management systems such as SharePoint, HP TRIM and Documentum.

These systems often didn't deliver on their promise, so companies are cautious to take this path again. The data proves this – 83% of Knowledge Management for CX implementations take longer than six months to implement - with 55% taking longer than a year. And on average, businesses are spending US$676K to buy and implement the software.

But it doesn't need to be this way. Today there are a growing number of KM for CX providers that can implement for less than US$200K. Those using the modern, customer-focused controlled knowledge solutions spent US$101K on average and implemented in less than six months. Challenge your potential KM providers to help you solve the implementation issues - and to get it done quickly. Ask to speak to their existing customers about how they accelerated their implementation and what slowed them down. Make a plan to retrain employees on the software as this is one of the biggest challenges for 53% of study respondents. Again, ask your supplier for their help - or at least for their best practice for this process.

> " *Challenge your potential KM providers to help you solve the integration issues.*

KM solutions have come a long way since those frustrating deployments from the last decade. Today, smart businesses are using KM to help them achieve their ultimate goals of creating an easy, effective and memorable customer experience. They want customers to return to their businesses time and time again.

Methodology

This White Paper presents the results of the global Ecosystm Knowledge Management for CX Study, 2019, which is live and ongoing on the Ecosystm research platform. It is based on the inputs of 1011 decision makers from IT and other Lines of Business, from small, medium and large enterprises, across 25 industries.

The study explores the business priorities of organisations around customer experience management, and their current and planned deployments of Knowledge Management solutions for better customer experience. For more information about the Knowledge Management for CX Study and other research topics, visit www.ecosystm360.com.

About
live pro

livepro are experts in Customer Experience Knowledge Management and have provided their feature-rich yet easy-to-use solution to customer service teams in all major industries since 2001.

livepro focuses on delivering outcomes to agents - not long complex documents. This is made possible by livepro's powerful features like search and easy to follow process guidance. livepro requires next to no training and turns your agents into experts meaning staff confidence, customer satisfaction and First Contact Resolution go up while costs go down.

As the one central source of truth, livepro delivers knowledge to any digital channel through a simple API – meaning the same information is being accessed no matter where the question is asked.

Learn more: www.livepro.com

About the Author

Tim Sheedy
Lead Analyst

Tim brings more than 20 years of experience in designing and implementing Cloud, AI, CX and Automation strategies to the Ecosystm network, to support businesses in their IT decisions.

In his previous role, Tim spent 12 years at Forrester Research, most recently as a Principal Analyst, helping IT leaders improve their digital capabilities. Prior to this, he was Research Director for IT Solutions at IDC in Australia, where he assisted IT vendors in designing solutions to better fit market requirements, and IT buyers in improving the effectiveness of their IT functions.

Beyond the office, Tim boasts an international reputation as an entertaining and informative public speaker on the key trends in the IT market.

Tim graduated from University of Technology Sydney with a BA majoring in Marketing and Research. In his free time, Tim enjoys playing football (badly!) and tennis, and watching rugby. But while he may enjoy that, he spends most of his time driving his two children to various sporting and social activities.

About Ecosystm

ecosystm

Ecosystm is a private equity backed Digital Research and Advisory Platform with global headquarters in Singapore.

As a global first, Ecosystm brings together tech buyers, tech vendors and analysts into one integrated platform to enable the best decision making in the evolving digital economy. The firm moves away from the highly inefficient business models of traditional research firms and instead focuses on research democratisation, with an emphasis on accessibility, transparency and autonomy.

Ecosystm's research originates from its custom designed "Peer-2-Peer" platform which allows Tech Buyers to benchmark their organisation in "real-time" against their industry or market.

This bold new research paradigm enables Ecosystm to provide Tech Vendors access to ongoing and real time Market Insights in an affordable "as-a-Service" subscription model.

FOR FURTHER ENQUIRIES, PLEASE CONTACT:

AMIT GUPTA
CEO
(65) 8488 0548
amit.gupta@ecosystm360.com

ULLRICH LOEFFLER
Chief Operating Officer
(65) 8184 0741
ullrich.loeffler@ecosystm360.com

Ecosystm Advisory
www.ecosystm360.com | info@ecosystm360.com