

# THE CONTACT CENTER'S ROLE IN CUSTOMER LIFETIME VALUE

It can create or deflate your long-term customer loyalty—all within the first 90 days. Here's why.



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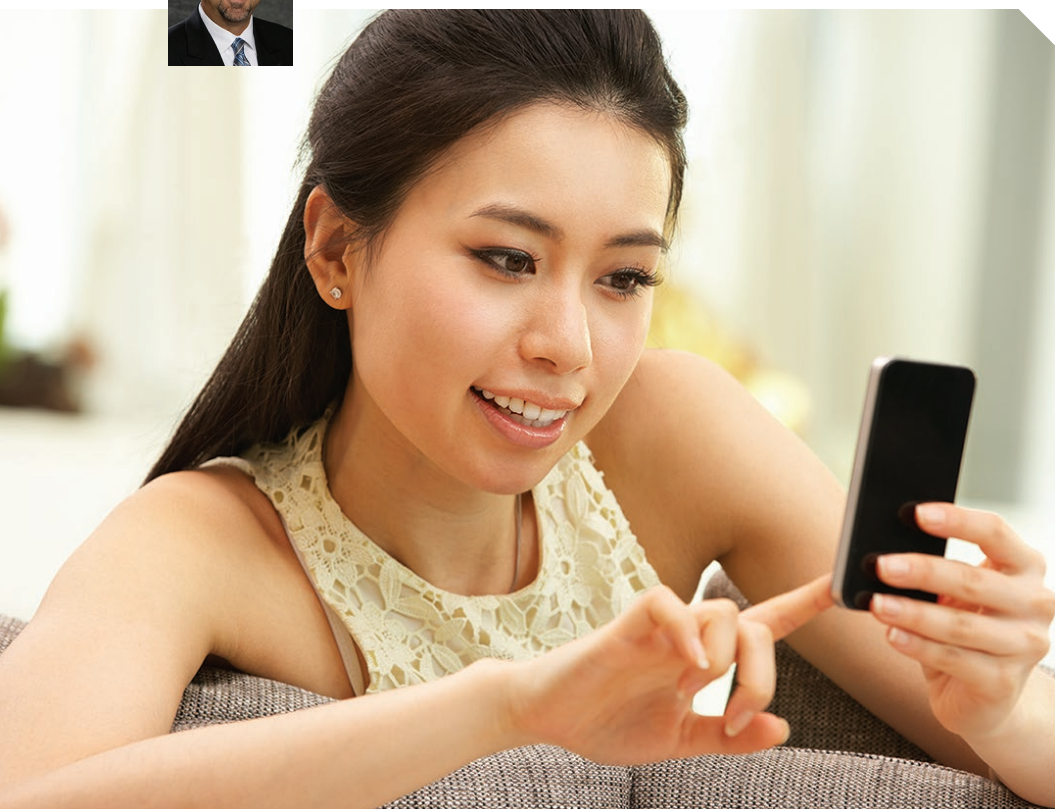


Figure 2.3: Start the Clock: It's Onboarding Time ...  
Typical Customer Inquiries



Typically speaking, your customer's profitability and lifetime value have been set in stone within the first 120 days.

**W**ith the focus on revenue and improving customer experiences, the very notion of the role of the contact center and what it is designed to do has changed dramatically.

It's not about delivering customer service or saving the company money. It's about protecting and growing assets—your customers. The growth of these assets is measured in lifetime value.

The contact center is an important participant throughout the customer journey. It is involved from the time a customer researches, selects, and buys a product or service until the customer receives it, begins using it, and requests support. Throughout the journey, the contact center pursues customer experience objectives such as retention, loyalty, and advocacy—and ultimately, customer lifetime value (CLV). This pursuit elevates its role in the business.

No step in the customer journey is as important as onboarding with regard to growing and protecting assets in both the short and long term. Though the onboarding process varies by company, product, and customer, it typically refers to the first 90 to 120 days of the ownership cycle.

During this time, the customer gets acquainted with the product or service as well as the organization. At the same time, the organization gets acquainted with the customer. As customers begin to become acclimated to the product or service and organization, questions concerning setup, billing, returns, and operation are common. (See Figure 2.3.)

Typically speaking, by the end of the initial 90- to 120-day period, customer

profitability and CLV have been set in stone. This is because the customer has experienced what it is like to be a customer of the company brand, has formed perceptions, and has made the decision either to continue or discontinue the relationship with the organization. The likelihood of defection is also highest: On average, 10 to 20 percent of customers leave during this critical bonding period. It is this onboarding phase that affects both the short- and long-term revenue stream of the business and ultimately CLV. The onboarding phase is so important in the customer journey because it represents an opportunity to solidify the emotional bond between the customer and the company. When this bond is successfully made, it positively impacts retention, loyalty, advocacy, and CLV.

The onboarding step of the customer journey is also an opportunity for the contact center to really add value to both the customer and the business. After all, the contact center is the primary custodian of onboarding, as it deals with new customers during the onboarding process every day.

That said, contact centers have traditionally focused more on improving internal efficiencies related to acquiring and supporting the customer than on the customer experience itself. However, customers want service, not business efficiency. They don't necessarily care about the business—they care about themselves. And the future of the revenue stream they represent is in the hands of the customer service agents dealing with those customers. Their value to the organization, at this point, is one →

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that can be grown or set in the right direction of growth depending upon how the contact center performs.

To this end, contact centers must become smarter. This begins by investing more—and more wisely—in contact center personnel. This may seem counterintuitive in light of the emergence of self-service options. After all, customers are more adept at helping themselves online or through integrated voice response systems. However, when they do require assistance from a live agent, their needs tend to be more complex. This requires highly trained agents with specialized skills.

The company can anticipate many of the typical customer inquiries during the onboarding phase based on experiences with other customers. Because of this predictability, the organization can proactively create satisfying and efficient customer experiences by being ready with both live customer support and self-service options such as videos and FAQs.

For example, the contact center can reach out to customers proactively, ensuring that they have answers to their questions before they even ask them. Proactive messages such as “Welcome. Register your product now” or “How to pay your bill” can be invaluable to customers who are unsure what to do, how to do it, and even who to ask. Even better, these

proactive notifications don’t need to tie up valuable agent time. Instead, many of these tasks can be fully automated, enabling customers to obtain valuable information without incurring additional staffing costs.

Another example of how the contact center can assist during the onboarding step is by carefully matching the right resource to each specific customer inquiry the first time. To do this, it is critical to use information—such as customer segment, inquiry type, customer journey phase, and more—to achieve the best possible match between the customer and the resource facilitating them during the onboarding process.

Similarly, mining the information within the contact center to get a clear view of the customer experience during this critical step enables the organization to take rapid, effective action to address shortfalls in the organization’s performance which could impact the customer relationship.

The contact center plays a vital role in both delivering the customer experience and creating real business value through efficiency, revenue, and growth. Balancing efficiency with customer satisfaction and assisting customers throughout the customer journey can result in an improved customer experience—and an improved CLV. **[A]**

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