

DELIVERING TRUE CUSTOMER EXPERIENCE BY EMBRACING A CUSTOMER CONTACT STRATEGY

A Market Insight by Frost & Sullivan



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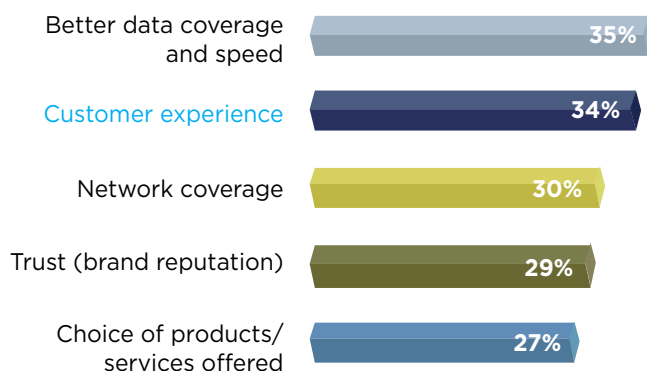
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CUSTOMER CONTACT STRATEGY: DELIVERING TRUE CUSTOMER EXPERIENCE

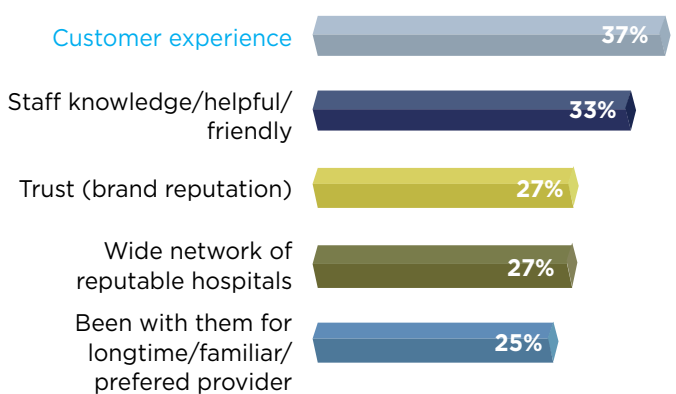
Despite many organisations continually innovating with their product and service offerings, new pricing structures and competition could inevitably lure customers away. This will occur irrespective of the nature and industry in which an organisation operates. So, what makes a customer choose one business over another? Customers and businesses understand that buying decisions are no longer based on price alone. A recent study by Frost & Sullivan indicates that customer experience is a major and consistent factor for consumers when choosing a brand (see Figure 1). Organisations are increasingly aware of the massive costs associated with influencing customers through upgrade offers and discounts. According to recent studies and analysis, customer experience is a true sustainable differentiating factor that helps reduce churn and build competitive advantage. Customer experience is defined as the accumulation of all of the customer's experiences throughout their journey with the supplier across all the touchpoints.¹

Figure 1: Top 5 Reasons for Choosing a Service Provider Across Various Industries

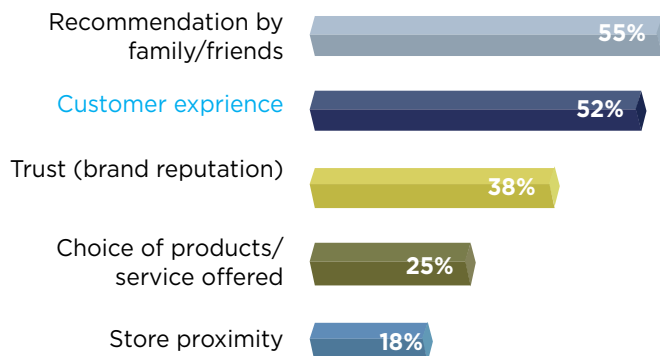
TELECOMMUNICATION SERVICE PROVIDER



PRIMARY HEALTH INSURER



RESIDENTIAL ELECTRICITY COMPANY



BANK

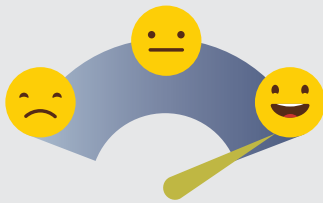


Source: Frost & Sullivan, Customer Experience Management Study, 2015

¹ Frost & Sullivan, Customer Experience Management Study, 2015



Companies often take a siloed approach towards analysing customer satisfaction at each touchpoint. This narrowed approach could create a distorted image suggesting that customers are happier than they actually are. Organisations need to recognise that managing the cumulative experiences of customers across multiple touchpoints and channels is critical to delivering a positive customer experience. A holistic approach taking into account a customer's end-to-end journey not only ensures delivery of the best experience at individual touchpoints, but also helps determine the context of the customer's requirements.



A recent study that analysed the correlation between customer experience and future spending has shown that for transaction-based businesses (i.e., running on repeat transactions), customers with positive experiences spent 140 percent more compared to customers with poor experiences.² Similarly, for subscription-based businesses, the study indicated that customers with positive experiences are likely to remain a client of the company for a longer period. Over 70 percent of Australian businesses are executing digital transformation strategies; and improving customer experience is a strong driver for investments in digital transformation.³

"Australian businesses are losing more than \$720 for every negative customer experience."

The EY Customer Experience Series™
- Cost of Complaining

Companies that fail to deliver a seamless dialogue across various touchpoints could potentially degrade their value and erode customer loyalty. Besides branding and loyalty loss, organisations that offer poor customer service could incur significant costs. For example, almost 5 million people in Australia use social media to follow brands for offers and promotions and 14 million people are active Facebook users.⁴ Dissatisfied customers typically take to social media to post negative reviews/experiences, translating to a loss of thousands of potential customers alongside churn of existing customers. Additionally, unhappy customers are likely to require more support, further pushing up the costs for organisations.

There are multiple engagements through a variety of channels between a customer and the organisation at each stage of the customer lifecycle. From awareness and purchase to retention and advocacy, a customer engages with an organisation through multiple channels such as email, voice, social media, and web chat. Moreover, different teams and departments in an enterprise such as sales, marketing, administration and HR are responsible for various parts of the customer journey. How do organisations achieve cross-functional alignment so customers do not end up with fragmented experiences? A customer-centric organisation that focuses on delivering positive customer experience must position a customer contact strategy at the heart of its business. A customer contact strategy acts as a powerful lever to create and manage customer experiences by acting as a significant source of relevant information.

² The Value of Customer Experience, Quantified, Harvard Business Review

³ 2016 Connectivity Benchmark Report, Mulesoft

⁴ Social Media Usage in Australia 2015, Sensis

Frost and Sullivan defines customer contact as the interface between businesses and their customers that enable interaction through various channels of communication. Businesses deliver customer contact services either by deploying a traditional customer contact centre (leveraging a customer contact solution) or embracing a less structured model known as an informal customer contact strategy. Unlike the agents of a contact centre, agents/dedicated employees belonging to organisations that implement an informal customer contact strategy participate in various other activities besides answering calls. Additionally, organisations operating on an informal customer contact strategy either do not have a dedicated infrastructure or use limited infrastructure and functionalities (basic routing applications) to support their customer contact activities.

Every interaction and touchpoint that influences the customer should be viewed in context and as critical components of the customer lifecycle. Reduced satisfaction at a single instance could have a cumulative effect on the customer that is decidedly negative. Organisations that skillfully manage the entire experience do so by leveraging a carefully crafted customer contact strategy.

Frost and Sullivan's customer experience study indicates the preferred customer contact touchpoints for consumers in various purchasing activities (see Table 1).

Table 1: Channel Preference for Purchasing Activities

CHANNEL PREFERENCE

TOUCHPOINTS	PRE-PURCHASE	PURCHASE	POST-PURCHASE
Online	74%	38%	23%
Contact Centre	23%	40%	72%
Store	30%	33%	25%
Mobile Applications	6%	0%	0%
Outlets	3%	2%	1%
Service Engineer/Technician	0%	0%	2%
Door-to-Door Sales Agent	3%	0%	0%

Source: Frost & Sullivan, Customer Experience Management Study, 2015

By accommodating multiple channels across lines of businesses, a well-formulated customer contact strategy can empower customer service agents to deliver guaranteed positive experiences. A focused customer contact strategy can achieve a differentiated advantage by enabling enterprises to embed the customer journey in the operating model. This is accomplished by identifying the journey they need to excel at, understanding the performance in each of those journeys, building cross-functional processes to restructure and support those journeys, and instituting cultural change and continuous improvement to sustain the initiatives at scale.

CUSTOMER CONTACT CHALLENGES

Businesses face varying challenges with their customer contact strategy depending on the model of deployment. As mentioned earlier, companies can either choose to deploy a formal or informal customer contact strategy (avoiding significant infrastructure and technology investments). To minimise the costs and complexities (i.e., deployment and operational) associated with a full-fledged customer contact centre, numerous small to mid-size organisations are embracing an informal customer contact strategy. While such businesses are continuing to deliver customer contact services, their biggest challenge is to function as a true customer contact centre and provide quality customer experiences in the absence of dedicated infrastructure and technology.

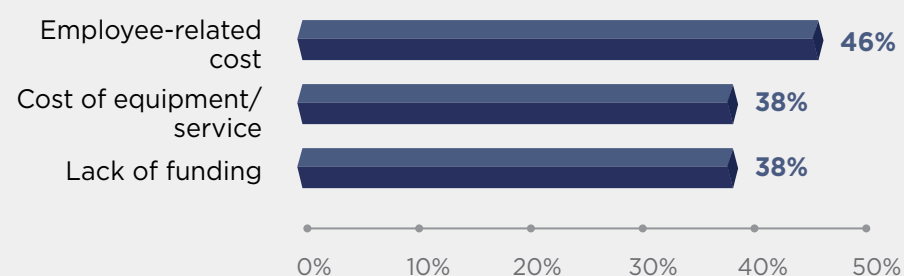
The complexities associated with deploying and operating a customer contact centre are many fold. Traditionally, a customer contact centre was overlooked as a cornerstone in a broader customer experience management initiative. This was partly due to outdated perceptions that viewed them as cost centres and not as a strategic resource. In fact, the old-school perception of the customer contact centre is that of a transaction handler. Previously, businesses failed to view customer contact centres as necessary to help detect issues and drive business growth. However, these perceptions have changed over the years, with the widely proven benefits of customer contact centres continuing to drive their uptake among businesses globally. The following section draws upon research conducted by Frost & Sullivan to examine in detail the challenges related to deploying a customer contact centre.

1

COST CONSTRAINTS

Although perceptions are changing, cost is viewed as a top pre-deployment and post-deployment challenge when it comes to customer contact centres for Australian businesses. According to Frost and Sullivan's survey, respondents rated employee-related costs as being the top barrier to deploying a customer contact centre followed by the cost of equipment/services and lack of funding (see Figure 2). Expenditure associated with infrastructure was also cited as a key deterrent to deploying a customer contact centre.

Figure 2: Top Barriers to Deploying a Customer Contact Centre

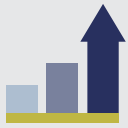


Source: Frost & Sullivan Australian Contact Centre Survey 2016

When it comes to operating costs of a customer contact centre, there are four broad categories of ongoing costs namely staff and labour, facilities/infrastructure, technology/equipment/service and maintenance, and telecommunications and networking. However, the costs vary depending on the model of deployment and the environment in which it operates. For example,

an on-premise model (CAPEX) has significant long-term infrastructure and overhead costs associated with it. Moreover, on-premise and hosted customer contact solutions do not offer businesses the flexibility to scale up and down on-demand. As a result, organisations often end up having to pay for additional seats in case a need for extra agents arises. Managing and reducing operating cost is an ongoing challenge for most customer contact centres surveyed. The costs could discourage even highly profitable businesses from deploying a contact centre or adopting the best technology to deliver the highest levels of customer contact services.

2



ROI CONCERNS

Customer retention, repeat business, a high NPS rating, new customer acquisitions, first call resolution and reduced tech support are attributes of a well-run customer contact centre. Not only do these traits reduce cost and churn, but ensure profitability and growth through strategic cross-sell and up-sell. Despite the benefits, demonstrating to business leaders that an investment in a contact centre or making enhancements to their informal contact centre is profitable is a top challenge for organisations. While the ROI benefits of a cloud customer contact model are well documented, interestingly, 43 percent of Australian businesses polled stated that demonstrating ROI is a top concern when deploying a cloud customer contact centre.⁵

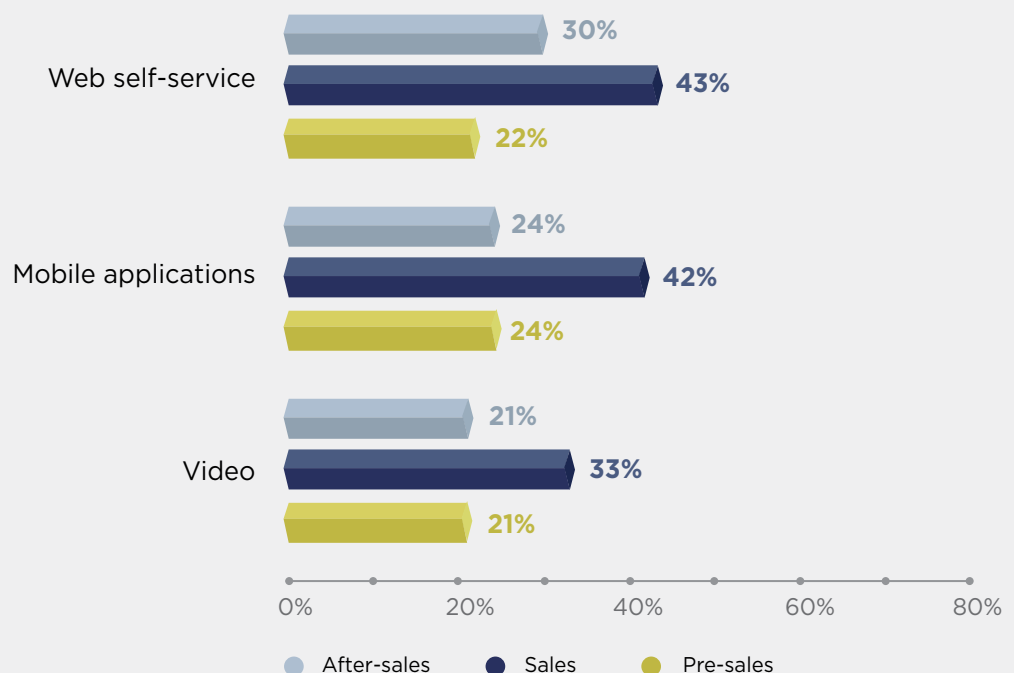
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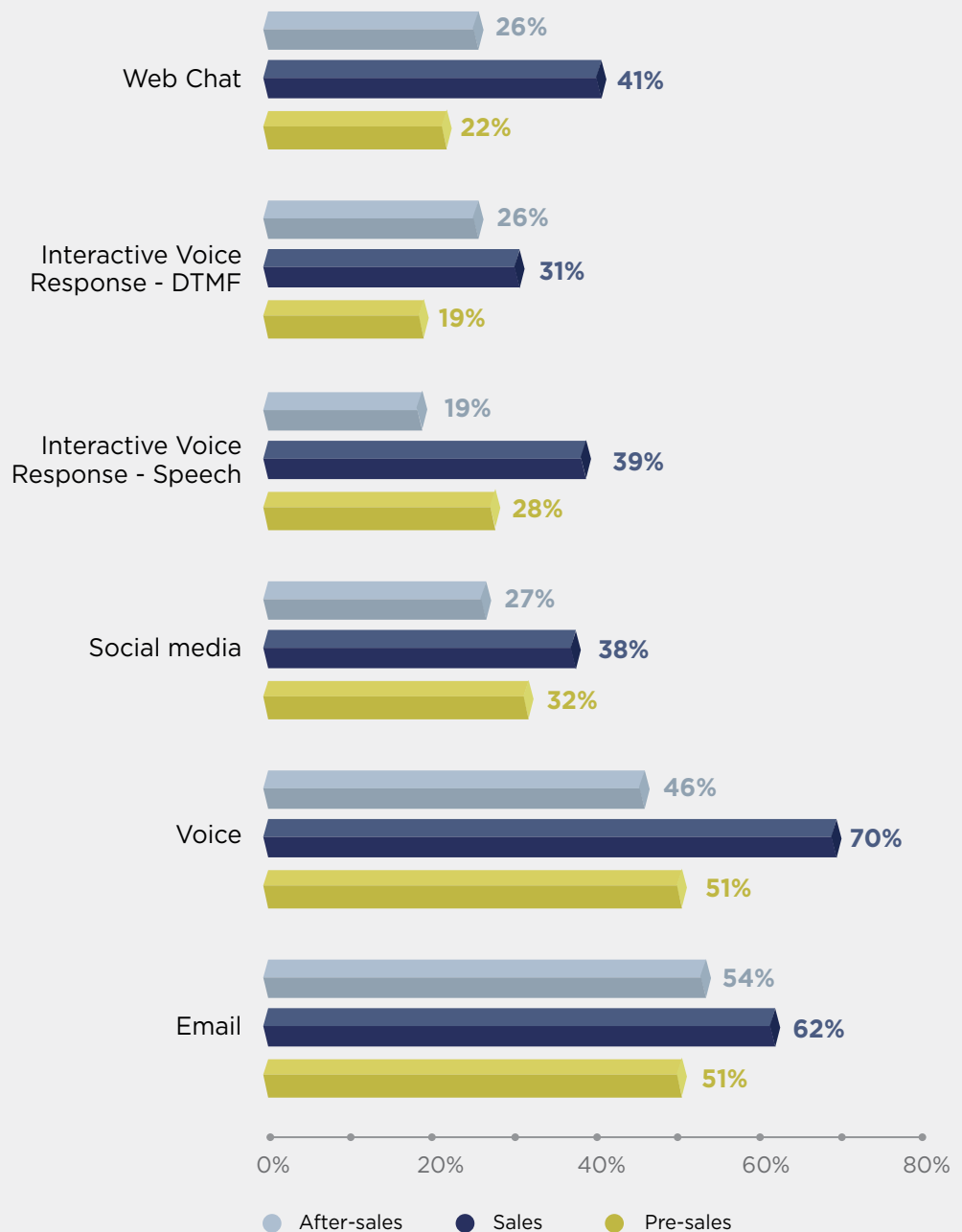
MANAGING AND PRIORITISING CHANNELS OF CUSTOMER INTERACTION

Digital communication methods such as social media, web chat, email, and self-service channels have emerged as popular engagement tools. Customers are moving away from using voice (phone calls) to communicate with organisations (see Figure 3).

Figure 3: Customer Contact Centre Interaction Channels



⁵Frost & Sullivan Australian Contact Centre Survey 2016



Source: Frost & Sullivan Australian Contact Centre Survey 2016

Frost and Sullivan's studies suggest that due to customer demands, voice is anticipated to become less prevalent over the next few years. Hence, if organisations fail to integrate digital channels in their customer contact strategy, they are likely to fall behind. Web Chat, Web Self Service, Mobile Applications and Social Media are several interaction channels preferred by customers today. Organisations using outdated customer contact technologies could fail in delivering an omnichannel experience to their customers due to channel integration complexities.

4



SCALABILITY AND FLEXIBILITY

One of the main challenges of a customer contact centre strategy is determining the customer interaction traffic and allocating resources to manage it effectively. Unpredictable customer traffic is impacting the way customer contact centres operate and address customer needs. Poor allocation could result in high call dropout percentages, and in turn, lead to poor customer experience. Seasonal fluctuations in business are common as well. Under such circumstances, pricing plays a significant role. On-premise and hosted customer contact models do not support fluctuations in customer demands. As a result, businesses are forced to either carry the expenses due to excess allocation of seats (for future increase in demand) or encounter call dropouts due to poor allocation. Furthermore, on-premise and hosted customer contact models require the involvement of the IT department to oversee both technical and non-technical changes needed in a customer contact centre. Their participation is both capital and resource intensive which is seen as a challenge by customer contact managers.

5



COMPLEXITIES DUE TO MAINTENANCE AND UPGRADES

Customer contact centres require regular maintenance and latest feature upgrades to deliver the best customer experience. However, maintenance and upgrades for on-premise and hosted customer contact models are resource- and capital-intensive. For example, typical fees for on-premise system upgrades and maintenance are between 15 percent and 20 percent per year and for hosted configurations, upgrades and maintenance costs are included in the monthly fees. Furthermore, the complexities associated with maintenance and upgrades require the involvement of the IT department. Customer contact centres undergoing maintenance and upgrades experience downtime. Also, the updates for on-premise and hosted customer contact solutions are usually rolled out in batches, and as a result, the latest features and functionalities will not be made available to all customer services agents at once.

6



CONCERNS OVER CLOUD MIGRATION

The uptake of cloud customer contact solutions is on the rise in Australia. However, concerns around security continue to discourage many organisations from adopting the cloud model. Frost and Sullivan's survey indicates data sovereignty and security as the top concerns cited by 57% of businesses deploying a cloud customer contact solution. Integration-related issues are also key concerns for businesses because more often than not, existing legacy systems do not support modern-day cloud customer contact technologies. Integrating with collaboration tools, social media, and CRM tools, all of which empower customer contact agents is critical in a customer contact environment.

7



SYSTEM
AVAILABILITY
AND UPTIME

Since today's organisations are data dependent, systems failures and power outages can have detrimental impacts on businesses. In the case of an emergency or crisis, customer service agents should be able to log into the system from any location. However, if the physical location of the customer contact centre is inaccessible during a disaster, certain types of customer contact models (on-premise and hosted) may not be able to offer business continuity. Although mirroring of critical applications to another site can act as a recovery option, it is relatively capital intensive. Offering remote login capabilities to the customer service agents to access the applications becomes a challenge.

PLUGGING THE GAPS: BENEFITS OF AN INTEGRATED CUSTOMER CONTACT STRATEGY

Customers are often affected by businesses that have poorly integrated systems. The examples below illustrate some of the issues associated with applications and data systems that are not adequately integrated.

POSSIBLE SCENARIOS	OUTCOME
Lack of integration between channels of communication	Customer sends an email for an enquiry, and the agent does not know the history and the context. Similar cases can be seen with web chats.
CRM systems are not integrated with the financial systems	Contact information on the CRM and billing systems do not match.
Customer portal and customer contact centre are not integrated	Online account does not reflect the changes requested through the client's contact centre (upgrade or downgrade a service).

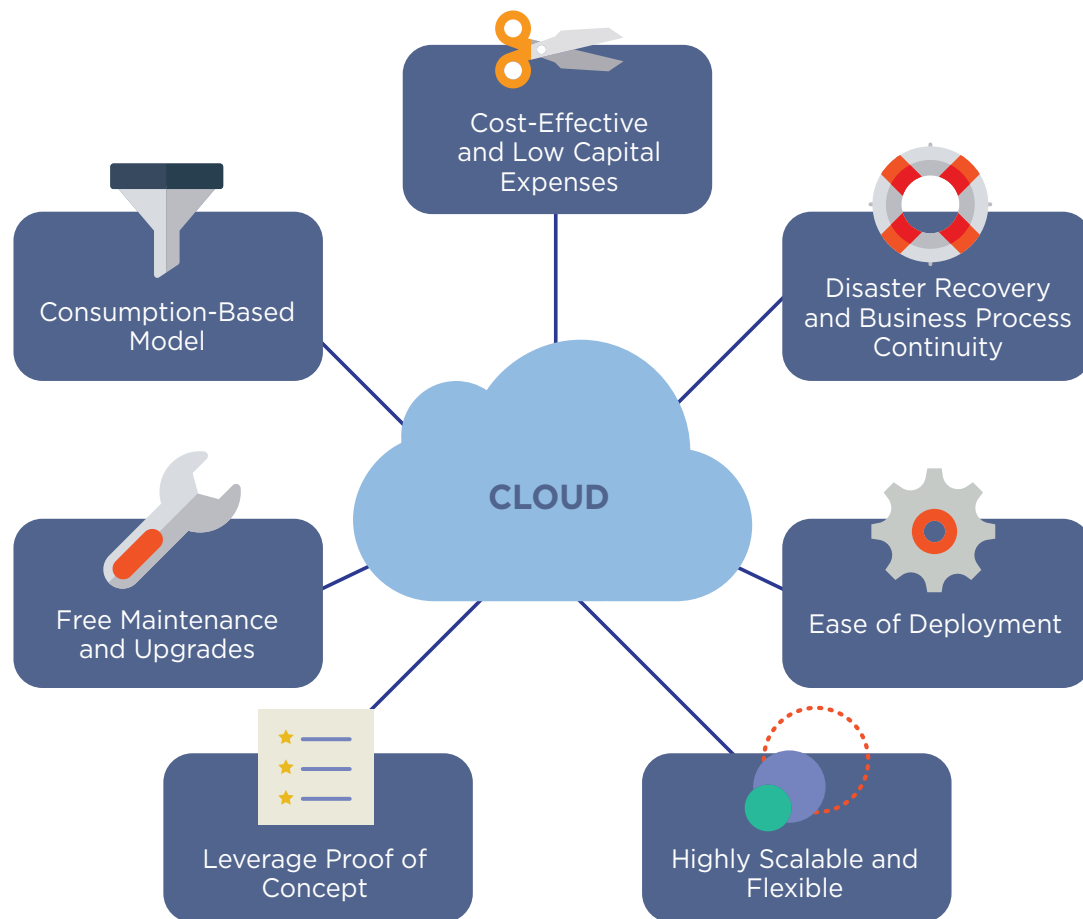
Source: Frost & Sullivan

With consumers interacting with businesses across a vast number of devices and channels, it is more important than ever for these channels and touchpoints be tightly integrated. The integration allows context to flow across the diverse functions of a business more efficiently. Moreover, integration enables companies to have a single-pane view of the customer, which is vital to delivering an integrated customer experience. To provide an integrated experience, a customer contact solution must offer a robust set of pre-configured ready-to-use integrations alongside APIs and connectors for linking with other applications.

Cloud customer contact solutions are a viable alternative to the existing legacy customer contact solutions that are expensive and inflexible. Not only do cloud customer contact solutions offer significant financial


benefits such as consumption-based pricing and low costs, but offer other advantages such as agility, flexibility, scalability and mobility. The following figure outlines the key benefits of a cloud customer contact solution.

Figure 4: Benefits of a Cloud Customer Contact Solution



Source: Frost and Sullivan













Several benefits of a cloud customer contact solution are highlighted below.

<p>1</p>  <p>COST-EFFECTIVE AND LOW CAPITAL EXPENSES</p>	<p>Cost was cited as the top reason for considering another customer contact solutions vendor/provider by over a third of survey respondents.⁶ By shifting from an on-premise and/or hosted model to a cloud model, savings accrue due to the transition from a CAPEX to an OPEX model. On-premise and hosted customer contact models burn through CAPEX as the full costs of technology and infrastructure are imposed immediately because these models require infrastructure, hardware and software investments. On the other hand, organisations can deploy a cloud customer contact model for a low upfront fee which usually ranges between \$15,000 and \$20,000; up to 30 times less than premise-based models. Furthermore, savings accrue because upgrades</p>
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⁶ Frost & Sullivan Australian Contact Centre Survey 2016

and data back-up are offered free or at a low cost in a cloud model. As a result, cloud-based solutions can deliver quantifiable ROI quicker than the other models.

Figure 5: Cost Comparison of On-Premise, Hosted, and Cloud Customer Contact Models

	ON-PREMISE	HOSTED	CLOUD
Hardware and related			Included
IT Overheads			
Software			Included
Implementation			
Maintenance & Support			Included

2



HIGHLY
SCALABLE &
FLEXIBLE

Seasonal needs force on-premise and hosted customer contact models to retain extra agents and the underlying equipment to meet fluctuations in customer demand. As a result, businesses carry the additional expenses over a period when it is not actually required. Since cloud customer contact solutions are delivered as a “per-user” expense, businesses have the opportunity to increase and decrease capacity (in turn costs) with seasonality and growth, ensuring zero call dropouts during capacity limitations.

A cloud customer contact solution offers a customer contact supervisor the flexibility to add/remove/reallocate agents through a self-service web portal within minutes. This saves time and costs associated with professional services. Moreover, supervisors can change dialer settings, amend scripts and update/change IVR through the self-service web portal. Furthermore, a cloud model enables remote working by allowing remote agents to log into the customer contact platform from any location.

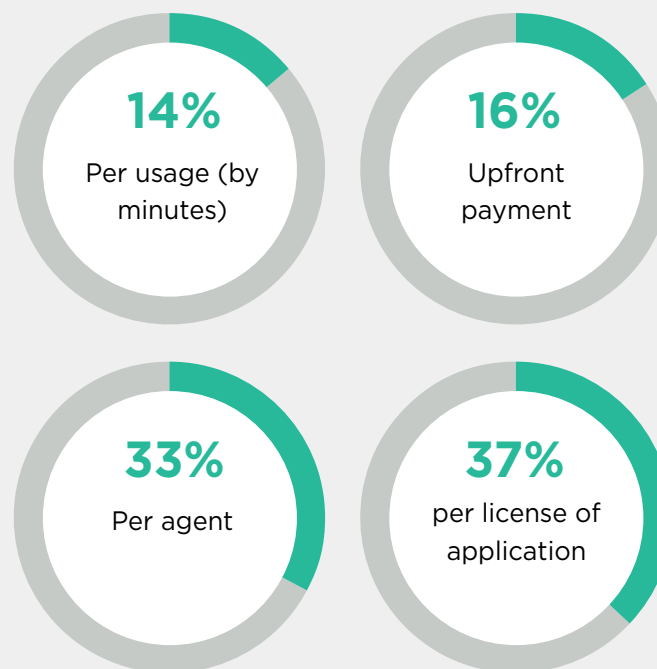
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CONSUMPTION-BASED MODEL

A certain degree of capital expenditure is associated with the “pay-by-the-glass” model that can be avoided with the cloud model which is solely consumption based. This is enabled by the multi-tenancy architecture of the cloud model which translates into significant cost savings. Over a third of survey respondents indicated that per agent and per licence of application are the preferred payment structures for their customer contact centres.

Figure 6: Preferred Payment Structure



4



DISASTER RECOVERY AND BUSINESS PROCESS CONTINUITY

Natural disasters or extreme weather conditions can inevitably bring down telecoms and data lines, significantly disrupting the functioning of a customer contact centre, potentially translating to lost revenue and customers. One of the most vital yet least appreciated benefits of a cloud model is ensuring the operability of a customer contact centre during disaster situations. Disaster Recovery is offered as a standard solution in a cloud model. The customer contact centre will continue to operate at its full capacity while providing full functionality and accessibility to the agents and supervisors.

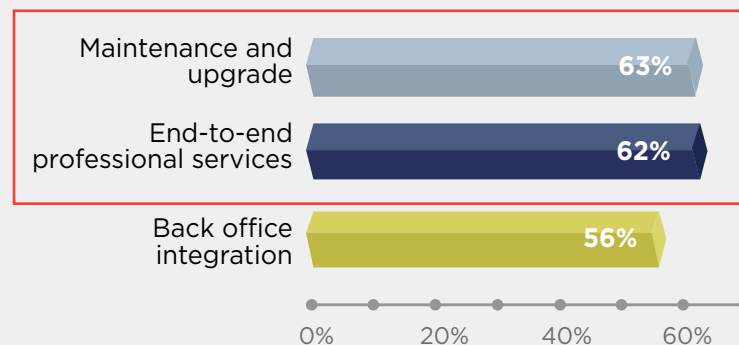
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FREE MAINTENANCE AND UPGRADES

Maintenance and upgrades were rated as being the most essential services required for the customer contact centre, closely followed by end-to-end professional services. A service provider is responsible for all maintenance and upgrades with a cloud customer contact model. Organisations also benefit because the maintenance and upgrades are offered free or at a low cost. By simply logging out and signing back into the system, the new features and updates are made available to the agents almost immediately.

Figure 7: Services Required for a Customer Contact Centre



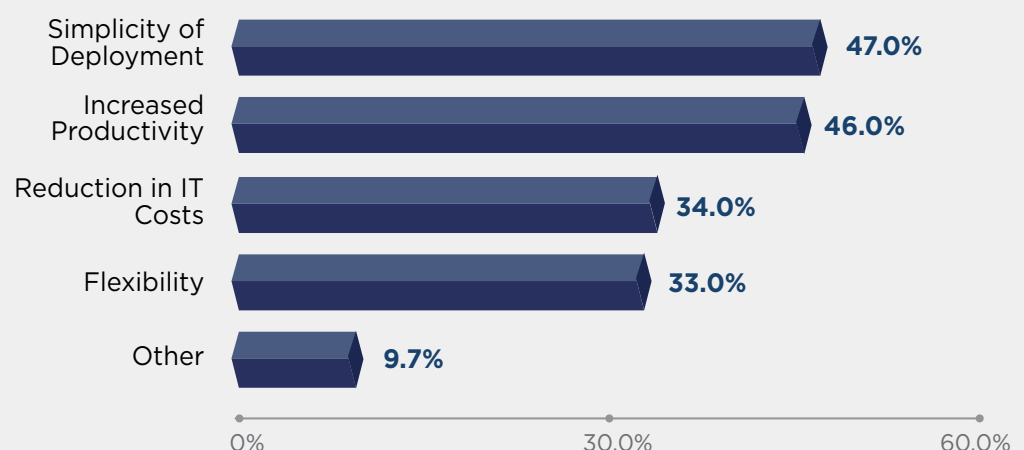
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EASE OF DEPLOYMENT

The process of deploying an on-premise and hosted customer contact model is time-consuming. These models require complete IT infrastructure installation such as hardware, software, and telephony. On the other hand, a cloud customer contact model can be deployed within three to four weeks.

Figure 8: Benefits of Cloud Services



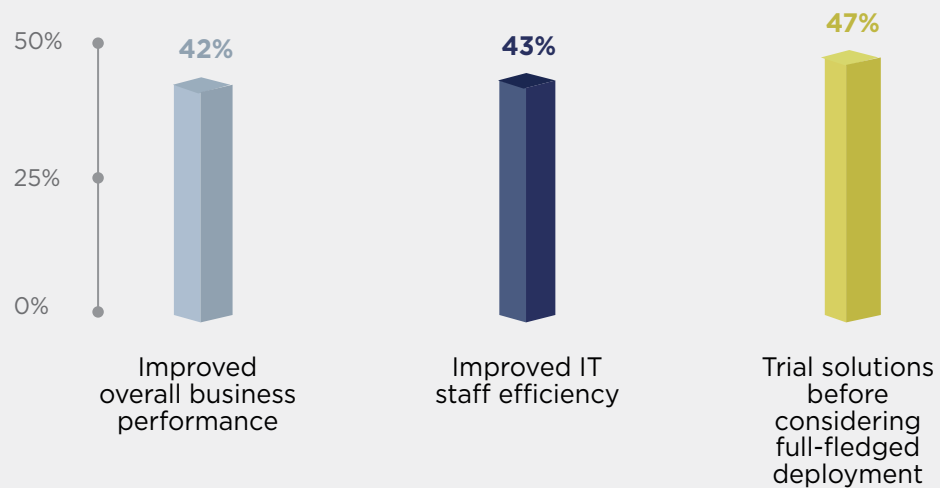
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LEVERAGE PROOF OF CONCEPT

There are possible risks and drawbacks with cloud migration; therefore, cloud migration might not be the appropriate choice for all organisations. However, the cloud allows organisations to leverage the “proof of concept” at a significantly lower cost compared to on-premise and hosted models. Not only are organisations able to trial the solution for a nominal upfront cost, but they are also able to retain the functionalities for no additional charge. Trialling solutions before considering full-fledged deployment was rated as the top benefit of adopting a cloud customer contact model. Moreover, organisations can recommission the service if and when needed without intervention from the IT department.

Figure 9: Top Benefits of Adopting a Cloud Customer Contact Model

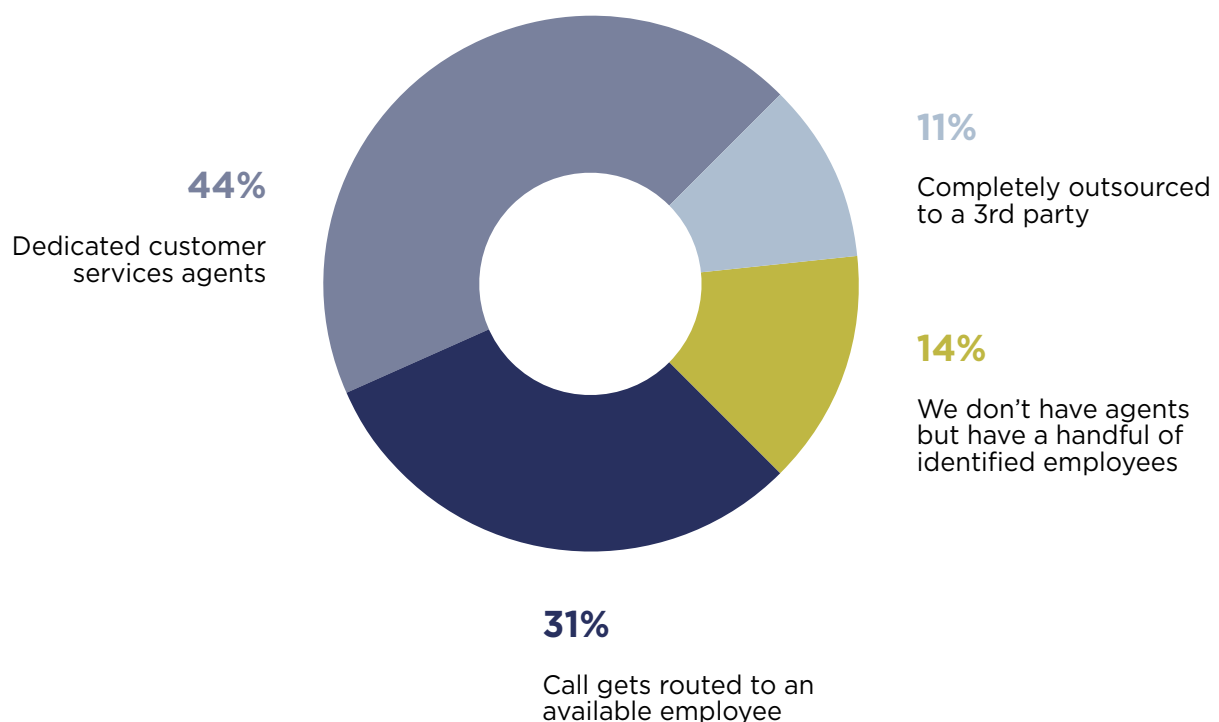


LEVERAGING TECHNOLOGY TO DELIVER CUSTOMER CONTACT SERVICES

Businesses fully understand and appreciate the importance of a customer contact strategy and the strong value proposition it offers in delivering quality interaction and experiences. However, not all businesses are equipped to deploy a full-fledged customer contact centre, as there are numerous barriers to deploying them. Several organisations (predominantly small businesses), currently do not have dedicated infrastructure and resources (e.g., office space, agents, hardware, software) for their customer contact requirements. For example, Frost and Sullivan’s survey shows that 45% of the businesses surveyed handle customer interactions through a handful of identified employees or available employees. These businesses do not have dedicated customer services agents handling customer interactions. Many such companies also do not utilise a customer contact solution to deliver customer contact services due to cost constraints. As a result, offering an integrated experience to customers is often a challenge. Despite these challenges, businesses can provide quality customer contact services simply by leveraging the functionalities offered by a robust yet affordable

cloud customer contact technology. In the above scenario, the use of customer contact technology enables businesses to simply route the calls to an identified or available employee, eliminating the need for dedicated agents. Moreover, the technology supports remote working, eliminating the need for a dedicated office space. Modern day customer contact technology does not demand dedicated infrastructure to deliver customer contact centre functionalities, enabling businesses to act like customer contact centres in the absence of dedicated infrastructure and resources. Cloud customer contact solutions are well equipped to deliver virtual or informal customer contact solutions for such businesses.

Figure 10: Handling of Customer Interactions across All Segments



CUSTOMER CONTACT: TRENDS AND INSIGHTS

Recent research by Frost and Sullivan shows that adoption of cloud services/IT consolidation is the top IT priority for 2016. The use of cloud services has grown quickly, particularly in the past three years, with over 70 percent of Australian businesses now using cloud services (including free services, such as cloud-based e-mail or storage solutions, or paid services, such as software and paid storage). Approximately 40 percent of large businesses (200+ employees) and about 20 percent of small businesses in Australia currently use paid cloud services.⁷ Due to the high adoption rate, Frost & Sullivan projects cloud expenditure in Australia to grow at a CAGR of over 25 percent from 2015 to 2018 with the total market forecast to reach \$4.55 billion by 2018.⁸

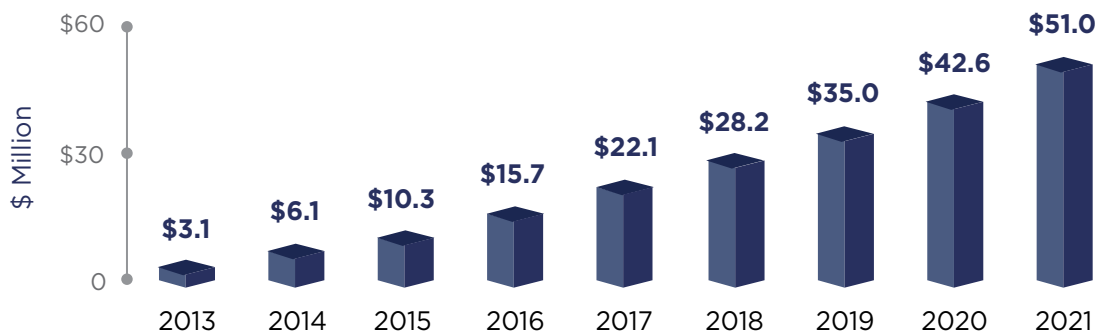
The adoption of cloud customer contact solutions has been strong among businesses in Australia, primarily

⁷ ABS, Business use of Information Technology, 2013-14

⁸ Frost and Sullivan, State of Cloud Computing in Australia, 2014

driven by the SMB segment. Costs associated with consulting, implementation, maintenance and services are high for the on-premise and hosted models for many SMBs. Cloud customer contact models are also gaining traction among enterprise customers. The cloud customer contact market generated a growth rate of 99.1 percent in 2014, generating revenues of \$6.1 million. The market is forecast to achieve a CAGR of 35.4 percent between 2014 and 2021.⁹

Figure 11: Cloud Customer Contact Market, Australia



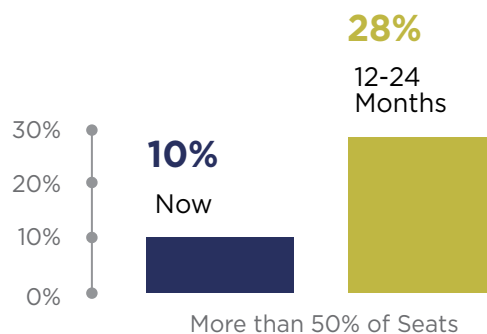
Source: Frost & Sullivan Australian Contact Centre Report, 2016

Factors indicating the shift towards a cloud customer contact strategy are mentioned below.

● SEATS AND APPLICATIONS MIGRATING TO THE CLOUD

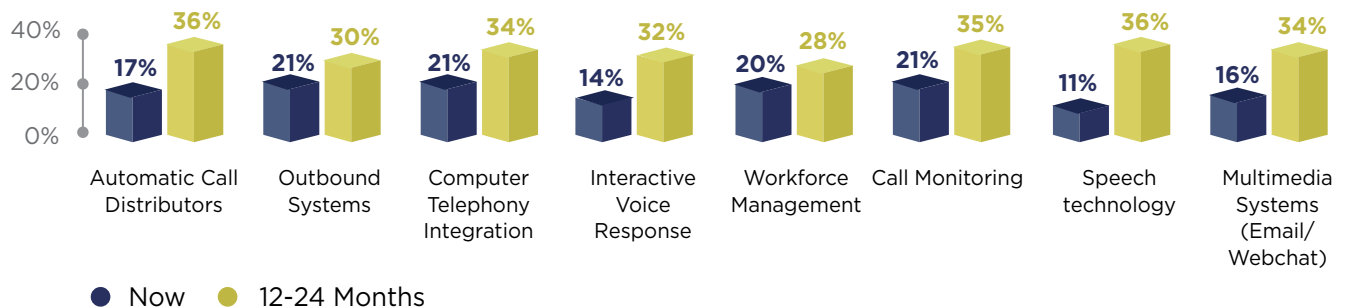
The Frost and Sullivan survey reports that only 10 percent of respondents currently have more than 50 percent of their total seats in the cloud. However, this number is expected to almost triple in the next 12 to 24 months with 28 percent of respondents stating that more than 50 percent of their total seats will migrate to the cloud.

Figure 12: Seats in the Cloud/Migrating to the Cloud



⁹ Frost & Sullivan Australian Contact Centre Report, 2016

Figure 13: Applications in the Cloud/Migrating to the Cloud



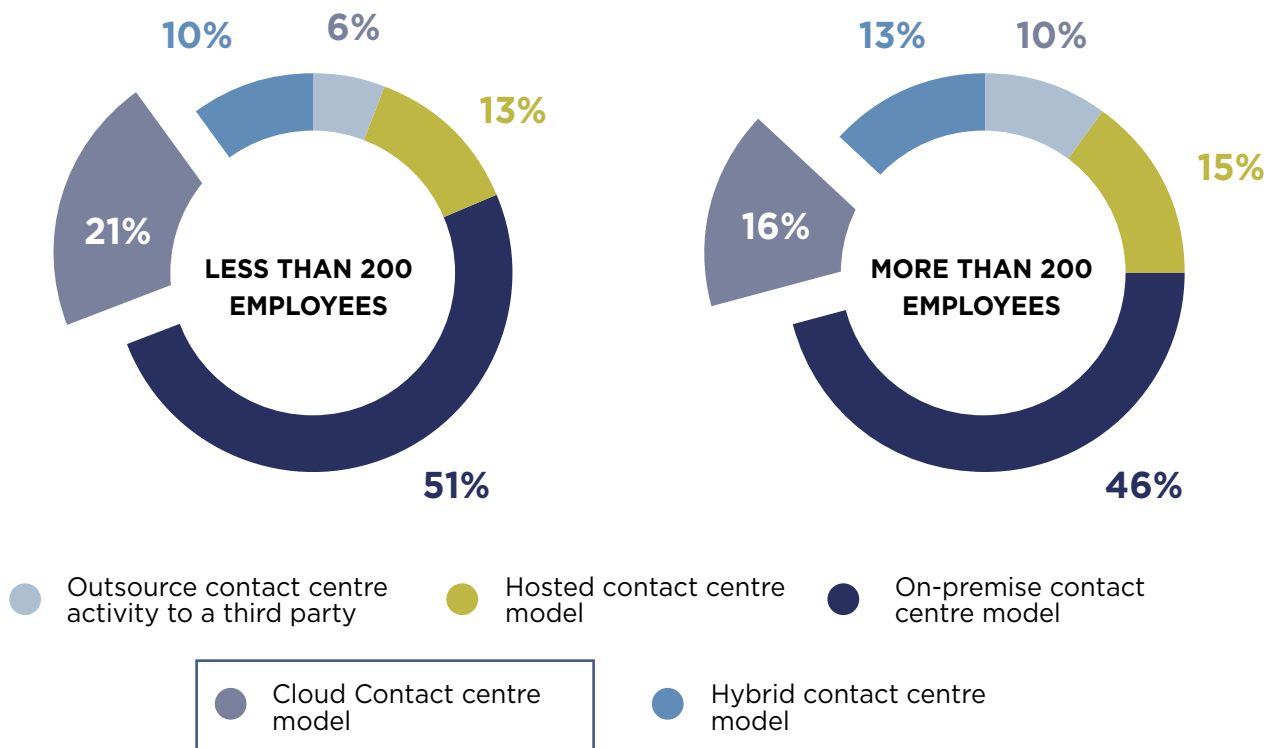
Source: Frost & Sullivan Australian Contact Centre Survey 2016

Similarly, respondents are looking to migrate their customer contact applications to the cloud in the next 12 to 24 months (see Figure 13).

● CLOUD ADOPTION IS THE NORM

As mentioned previously, an increasing number of organisations are embracing a cloud customer contact strategy. While on-premise remains the dominant model, the survey suggests that the adoption of cloud customer contact solutions is increasingly gaining prominence (see Figure 14).

Figure 14: Customer Contact Model Deployed by Organisation Size

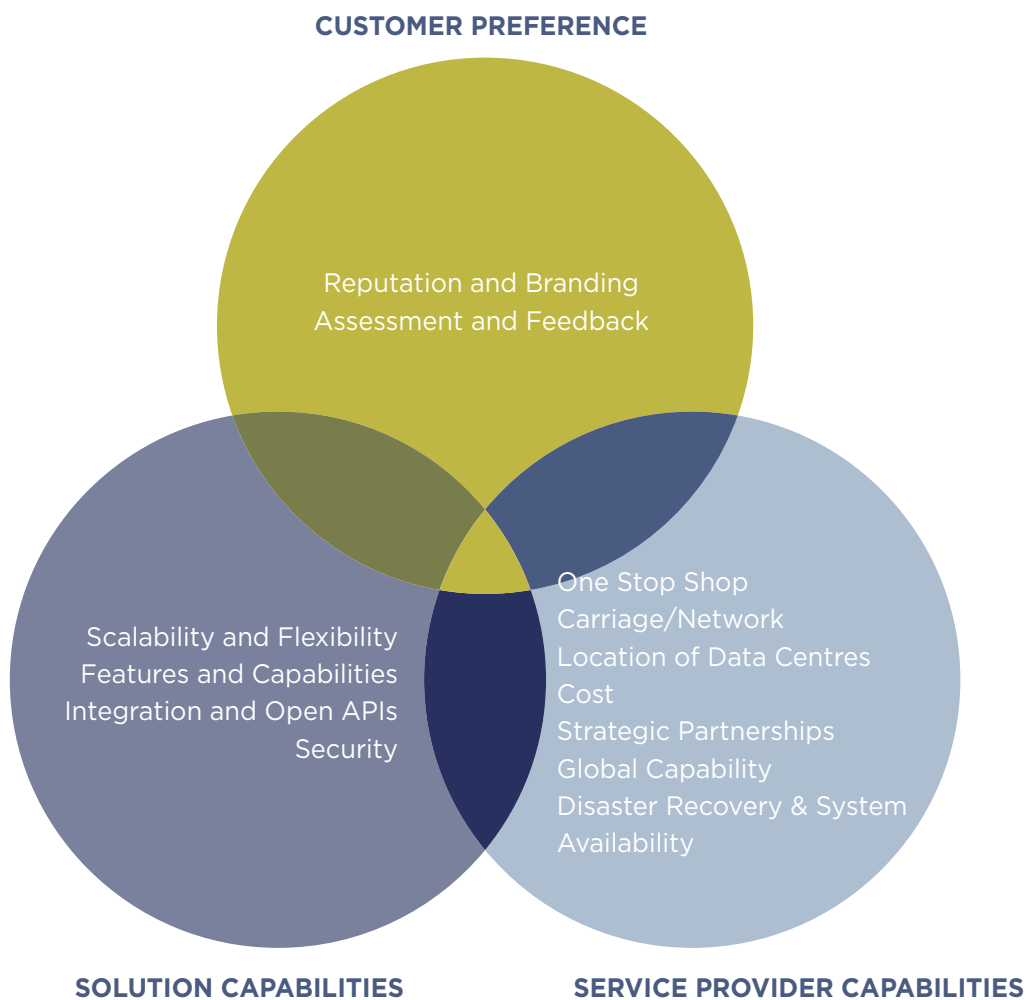


Source: Frost & Sullivan Australian Contact Centre Survey 2016

KEY SUCCESS FACTORS IN DELIVERING A SOLUTION THAT OPTIMISES CUSTOMER EXPERIENCE

When evaluating a cloud customer contact solution, there are various factors businesses should assess. Irrespective of the delivery model, costs followed by services/capabilities were chosen as the top two factors considered by businesses when selecting a customer contact solutions provider.¹⁰ The following section outlines these criteria in detail.

Figure 15: Factors in Selecting a Cloud Customer Contact Vendor/Service Provider



Source: Frost and Sullivan

¹⁰ Frost and Sullivan, Customer Contact Survey

SOLUTION CAPABILITIES

Prior to choosing a solutions provider, organisations must evaluate the requirements of their customer contact strategy. A needs assessment will help determine the requirements from a technology and personnel standpoint. Based on the needs, the organisation needs to assess the technical capabilities of the solutions available in the market. Businesses looking for a cloud model should choose a solution that offers a multi-tenant architecture that can accommodate workloads depending on the demand and where functionalities are made available to supervisors through a self-service portal. The solution must provide features such as automatic call distributor, interactive voice response, outbound systems, workforce management, call monitoring, speech technology, multimedia systems, computer telephony integration, email, and web chat. Additionally, the solution should include open APIs to integrate with hardware (phones, computers) and software such as enterprise and CRM applications, and operating systems. In terms of security, the solution needs to cover endpoint security, application security, interaction and transaction security (PCI compliance, IVR masking through random DTMF tones) and data centre security. A cloud customer contact model might not be the right fit for all businesses. For such organisations, a solutions provider should offer a hybrid, on-premise or a hosted option as well.

SOLUTION PROVIDERS' CAPABILITIES

Choosing a solutions provider purely based on the technical capabilities of its solution is not the right strategy. A business should strategically partner with a solutions provider that offers not only a robust customer contact solution, but also provides a solution that aligns with its strategic priorities. Some factors mentioned include:

COST	The service provider must offer a concurrent licencing model, and provide implementation and training, maintenance and upgrades, backup and recovery at no or a low cost.
SERVICE CAPABILITIES	Should encompass end-to-end professional services, multi-site integration, customised applications development and integration, back office integration, maintenance and upgrades.
LOCATION OF DATA CENTRES	Businesses are looking to partner with service providers with local hosting capabilities. Regional and global presence are important for firms seeking to expand geographically.
STRATEGIC PARTNERSHIPS	The partner ecosystem of the service provider across solutions and services is a critical success factor.
DISASTER RECOVERY AND BUSINESS PROCESS CONTINUITY	It is essential to check for a proven track record of reliability and uptime. Hosting solutions from multiple geo-resilient data centres are imperative as well.

ONE-STOP SHOP	The Frost and Sullivan survey indicates that businesses want to engage with a solutions provider that can offer an end-to-end enterprise communications strategy which includes customer contact solutions. Additionally, being vendor-agnostic is an important success factor.
CARRIAGE/ NETWORK	Strong network connectivity is critical to a customer contact strategy. Businesses must choose a telecommunications service provider with a proven track record in delivering high-quality services.

CUSTOMER PREFERENCES

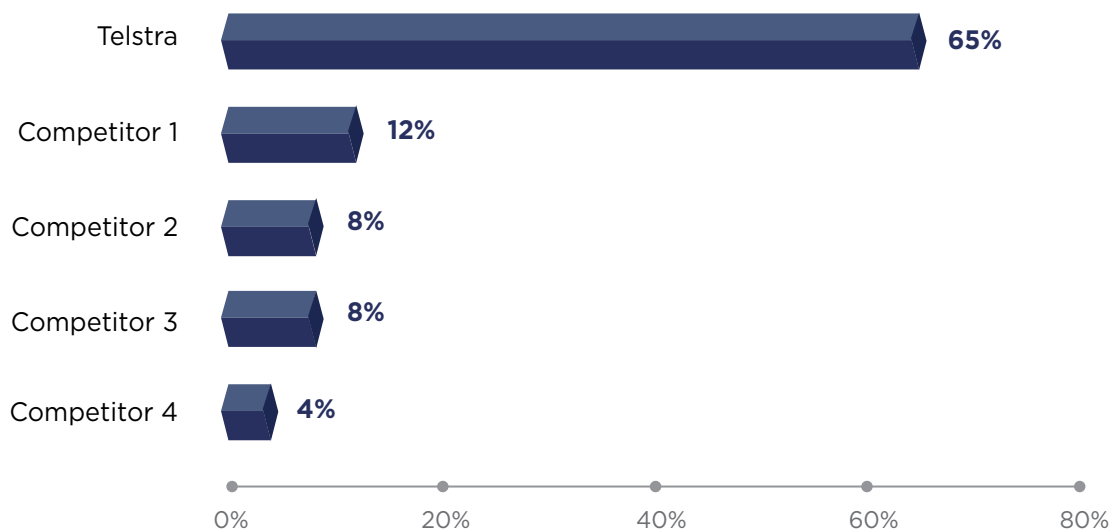
The solutions provider should have a proven track record with users. Customer references are helpful in making informed decisions on a solutions provider's capabilities. Moreover, businesses prefer engaging with a solutions provider that can offer the solutions, services, and strong network connectivity.

ASSESSMENT AND FEEDBACK	This entails the feedback, opinions and assessment of the solution offering and the brand.
REPUTATION AND BRANDING	Businesses often want to be associated with brands that have a good reputation. The perception is that a bigger brand name translates to better service.

EMBARK ON A JOURNEY TO IMPROVE CUSTOMER EXPERIENCE WITH TELSTRA

Organisations are looking to engage with service providers that can offer a robust customer contact strategy that includes three major pillars: connectivity, capabilities, and partnerships. The following section discusses Telstra's customer contact solutions strategy and its competencies across the three pillars.

Connectivity is the foundation that brings the technology and business strategy together to deliver an integrated customer experience. Telstra has strong network capabilities and extensive reach as a telco across key industry verticals as well as across remote and rural areas in Australia. Moreover, massive investments in network upgrades over the past couple of years has resulted in its superior network performance. As a result, Telstra has grown to be the largest network service provider by market share in the country. According to the Frost and Sullivan survey, over two-thirds of respondents revealed that they engage Telstra for their organisations' carrier-related requirements.

Figure 16: Top Australian Telecommunications Service Providers

Telstra addresses the customer contact market through its network applications services (NAS) portfolio which grew at 23.2 percent last year. Although the overall customer contact market in Australia in 2014 increased at 12.2 percent, Telstra's revenue expanded well ahead of the market. Telstra's dominant position in the hosted customer contact market can be attributed to its strong brand awareness, network and integrating capabilities. The Frost and Sullivan survey highlights that almost a third of the respondents perceive Telstra to be an end-to-end customer contact solutions provider, and 41 percent recognise Telstra's branding as demonstrating quality and reliability. Additionally, respondents rated Telstra highly for its product strength and security and privacy standards. Due to these factors, Telstra was ranked the top customer contact solutions provider in Australia (see Figure 19).

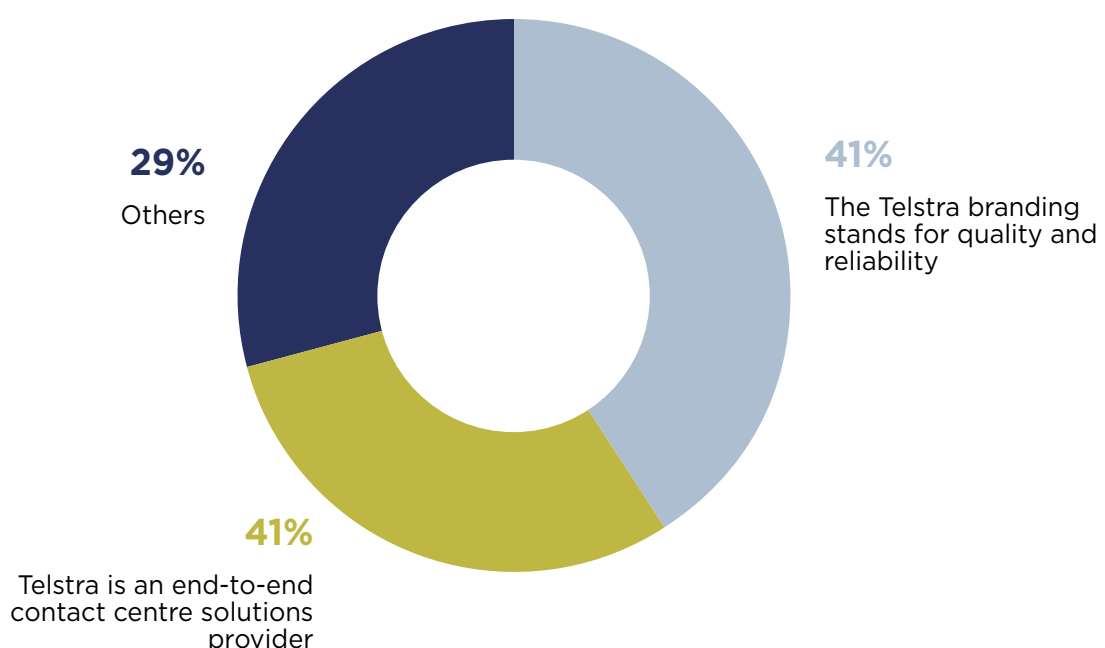
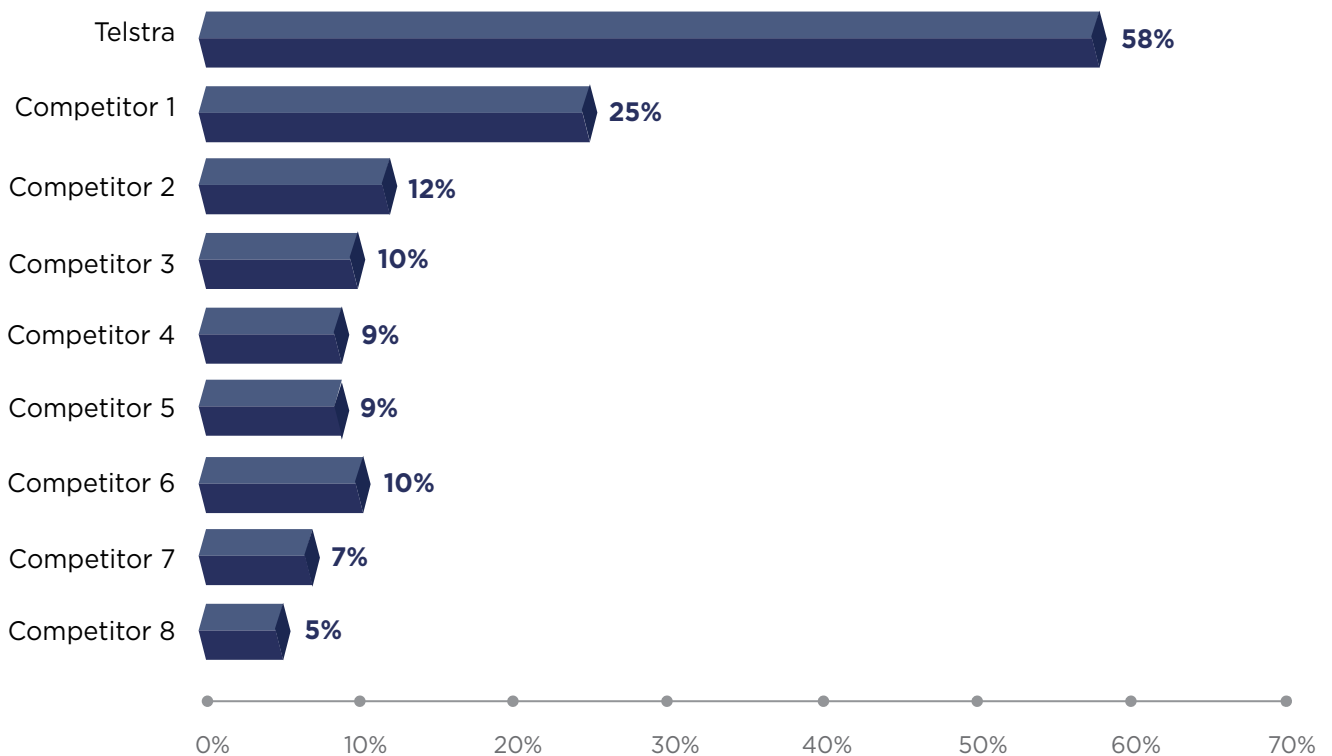
Figure 17: Perception of Telstra in the Customer Contact Market

Figure 18: Top Australian Customer Contact Solutions Providers

The market continues to witness a sharp shift towards cloud solutions delivering a customer contact strategy. Recent Frost and Sullivan research shows that “improved productivity, agility and enhanced internal process efficiency” was rated as the top business priority and “cloud services/IT consolidation” was ranked as the top IT priority for 2016. In response to the growing market demand for cloud customer contact solutions, Telstra is ramping up its cloud customer contact capabilities, offering solutions targeted at both large and smaller customers.

Telstra’s base cloud offering targets businesses with 5-50 seat requirement. The features include inbound routing/queuing of communications, call recording, agent desktop, supervisor desktop, historical reporting, security and compliance, high availability, network connectivity and subscription-based pricing. Add-ons include IVR, web chat and email, CRM integration and real-time analytics. A second offering targets businesses with large seat requirements (50-1000) and more complex routing and integration requirements such as digital channel integration and workforce management. Additionally, Telstra offers a cloud-based self-service IVR, which allows businesses to automate incoming customer calls. The features include web-based management tools, automatic speech recognition, text-to-speech, call routing integration, management, and analytics. Telstra also offers professional and training services to businesses that require them.

The requirements of businesses vary significantly depending on the industry in which they operate. The concept of a one-size-fits-all (solution) does not apply in a customer contact business. Telstra offers a choice of on-premise, hosted, and cloud customer contact solutions to its customers. A robust offering incorporating three different deployment models showcases Telstra’s strong solutions capabilities in the customer contact market. Telstra also maintains strong partnerships with leading customer contact vendors such as Genesys,

Cisco, Avaya, Shoretel, and Aspect to offer a myriad customer contact solutions. Being vendor-agnostic allows Telstra to support a solution that is customised to meet the specific needs of customers. This enables Telstra to cater to all businesses irrespective of their size, requirement, and industry.

The Frost and Sullivan survey also suggests that an increasing number of customers are looking to engage with a solutions provider that can offer a full gamut of related solutions and services such as unified communications, enterprise mobility, security, network and service capabilities. Backed by its strong capabilities and vendor partnerships across the abovementioned solutions, Telstra is able to cater to the growing market demand for a one-stop shop solutions provider. Furthermore, Telstra's significant global footprint, offering its services across 22 countries outside Australia, enables the company to deliver projects ranging from consulting services, single domain integration to complex transition and transformation projects across diverse geographies, technologies and industries.

Telstra's capabilities also incorporate end-to-end professional services, multisite integration, customised applications development and integration, back office integration, maintenance and upgrades that are vital to the success of a customer contact service provider. Telstra's competencies across the three key pillars; connectivity, capabilities, and partnerships indicate that its customer contact solutions offer a unique value proposition for businesses looking to deliver an improved customer experience.

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