



The background image shows a person's hand in a blue sleeve holding a blue pen, pointing towards a computer monitor. The monitor displays a blurred image of a person's face. Overlaid on the image are several white line-art icons: a house shape containing a scatter plot of circles, a house shape containing a line graph with four data points, and a house shape containing a magnifying glass. The bottom half of the image is a solid purple gradient with faint, larger-scale versions of the house icons.

THE ROI OF SMART SELF-SERVICE: USING MODERN TOOLS TO DELIGHT MODERN CUSTOMERS

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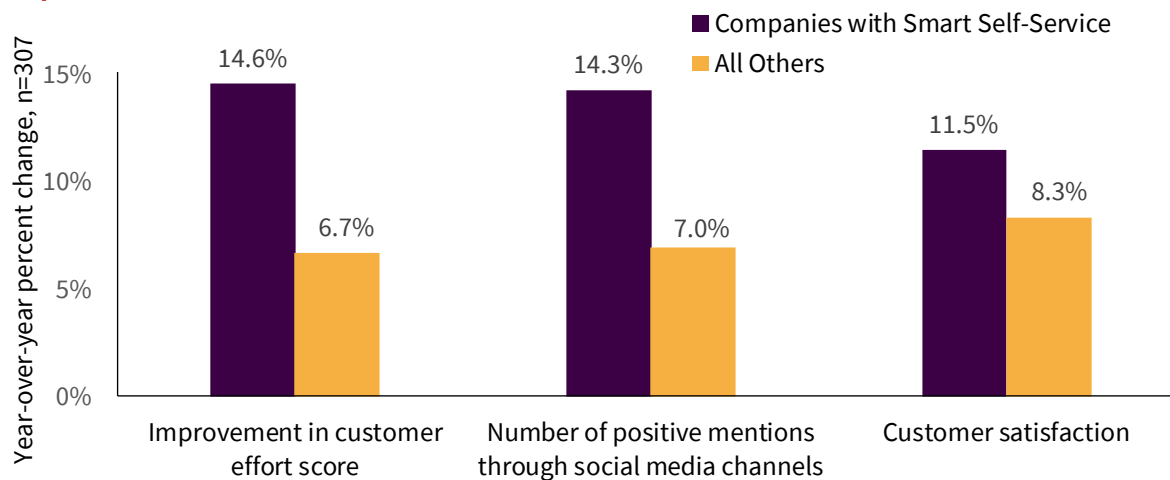
This document highlights the transformation that self-service programs have gone through and illustrates the performance benefits observed by firms leading and adapting to this transformation by building smart self-service capabilities.

Smart Self-Service Creates Happy Customers, Reduces Costs, Drives Efficiency, and Grows Revenue

Businesses around the world, across all industries are facing drastic changes in customer behavior and overall market conditions. On the customer side, buyers today are even more selective with the brands they work with, expecting firms to deliver truly effortless service across all conversation channels. As such, when customers prefer to address their needs themselves, they don't want to navigate complex interactive voice response (IVR) menus, struggle finding information on a company website, or explain their issue to a live agent and wait for resolution. Rather, buyers want firms to deliver smart self-service (see sidebar) that makes it easier for them to address their needs themselves while still delivering consistent and personalized experiences across all channels.

Aberdeen surveyed 307 contact center and customer experience (CX) leaders regarding their use of various tools, processes, and engagement channels. Findings revealed that **92% of contact centers currently use self-service within their activities**. As such, simply providing customers the option to use self-service isn't enough for firms to create happy clients. They must transform and adapt these activities to the needs of their clientele. Smart self-service programs help firms cross this chasm. Indeed, Figure 1 shows that companies with smart self-service (from hereafter also referred as 'smart self-service users') enjoy far superior annual performance gains across key CX metrics, compared to all others (other self-service users).

Figure 1: Smart Self-Service Users Enjoy Superior CX Performance Improvements



Source: Aberdeen, September 2021

Definitions

For the purposes of this research, Aberdeen makes the following definitions:

-Self-Service: Capabilities that allow customers to help themselves. These capabilities are accessible through phone (IVR), company website, voice and text-based intelligent virtual agents (IVA), mobile application, etc.

-Smart Self-Service: Firms who use self-service in combination with analytics and AI to continuously fine-tune activities for better resolution and user experiences. These firms will also find opportunities to automate repeat conversations for seamless customer experiences.

A comparison of smart self-service users and all others shows that 8% of contact centers with self-service capabilities currently have already transformed their activities to include smart self-service. Transforming from traditional to smart self-service requires firms to establish the following building blocks:

- Analyze assisted service conversations to reveal common issues that can be addressed without human critical-thinking and empathy, and use automation capabilities to address these issues through self-service options such as IVA, company website, IVR, etc.
- Use analytics to analyze self-service activity data to reveal issues where self-service doesn't address customer needs or does so in a poor fashion
- Leverage machine learning, predictive analytics, and artificial intelligence capabilities to automatically monitor self-service activities and make relevant adjustments to adapt to changing customer and market needs

Figure 1 shows how smart self-service users who incorporated the above capabilities within their activities enjoy 2.2-times greater annual improvement (decrease) in customer effort scores (14.6% vs. 6.7%). In the context of self-service, effort can be gauged by observing the number of repeat contacts taking place that a customer has with the business that are associated with the same issue (tracked through data in CRM, automated call distribution (ACD), IVR, etc.).

Findings from Aberdeen's research show that the number one reason why customers need to contact the business for assisted service after using self-service is because the customer needs were too complex to be addressed via self-service. The second top reason why is because they weren't aware of self-service capabilities. As such, optimizing routing activities and enriching self-service functionality such that customers can easily guide themselves through the self-service experience are vital to minimize unnecessary effort customers may incur when using self-service. This, in turn, allows smart self-service users to enjoy the aforementioned gains in making it easier for customers to help themselves.

Making it easier to address customers' needs through self-service helps smart self-service users enjoy 39% greater year-over-year (YoY) increase in customer satisfaction rates (11.5% vs. 8.3%). Happy customers are also more likely to share their experiences. As such, savvy users of self-service also report 2.0-times greater YoY increase in number of positive mentions through social media channels (e.g., Facebook, Instagram, LinkedIn, and Pinterest). This is important because it shows that by transforming traditional self-service activities into smart self-service, firms don't just create happy customers but also raise brand awareness and perception which helps them with client loyalty and earning new customers.

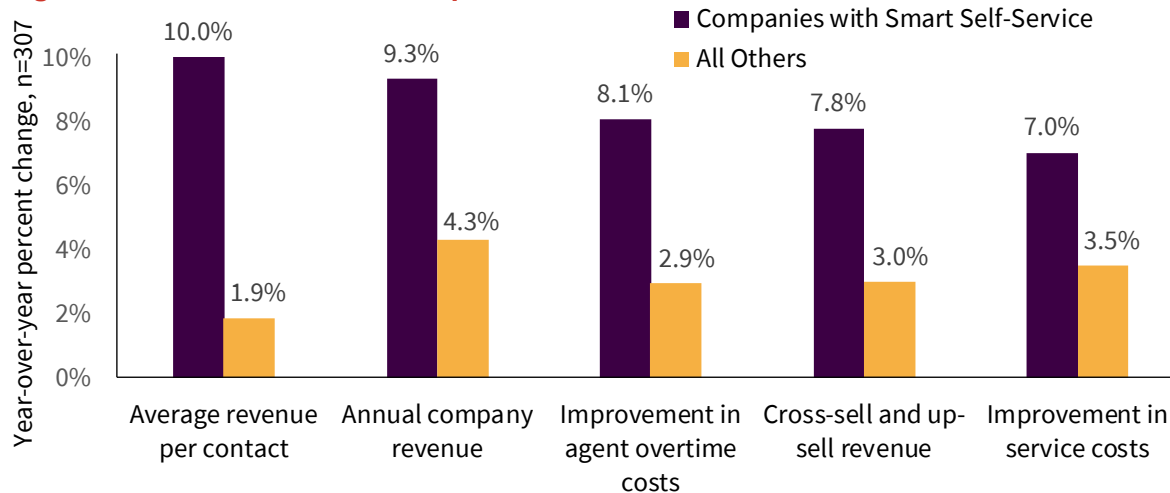
Figure 2 validates the above assertion. It shows that smart self-service users report 2.2-times greater YoY growth in annual revenue (9.3% vs. 4.3%). A closer look at the findings in the chart provides more perspective. It shows that these savvy firms also observe 2.6-times greater YoY increase in cross-sell / up-sell revenue (7.8% vs. 3.0%)

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and 5.3-times greater YoY growth in revenue per contact (10.0% vs. 1.9%). Smart self-service users enjoy such success because (besides delighting their clientele) the data-driven and adaptive approach they build into their self-service activities allows them to better identify the needs of each client. Pairing this information with analysis of positioning the right products / services for cross-sell / up-sell opportunities in customer conversations enables firms to fuel revenue growth – in effect, transforming self-service from a cost-containment exercise to a value-add exercise pivotal to support business growth.

Figure 2: Smart Self-Service Helps Reduce Costs & Grow Revenue



Source: Aberdeen, September 2021

Although savvy firms have transformed their approach to self-service from cost containment through deflections to delivering superior CX results, controlling and reducing costs is still an important objective for many contact centers. When used effectively, self-service indeed helps firms accomplish this goal. To this point, Figure 2 shows that firms with smart self-service programs enjoy 2x greater YoY improvement (decrease) in service costs (7.0% vs. 3.5%). Such cost reduction is achieved by keeping up with changes in buyer behavior and adjusting self-service activities to seamlessly address these changes which, in turn, reduces the need for assisted service and cost of customer churn.

Using technologies such as automation to automate the service delivery process for less complex client issues helps shift traffic from more costly assisted service channels to less costly self-service as it helps reduce costs such as labor costs, telephony, etc. In fact, data shows that **by leveraging self-service to support less complex issues and using human agents to address more complex ones, firms improve agent utilization and reduce the need for agent overtime** – in effect, reducing related overtimes costs while boosting employee morale and engagement.

Smart self-service means transforming (self-service) activities from a cost-containment exercise to a value-add exercise pivotal to support business growth.

Key Takeaways

Self-service programs have transformed drastically over the past decade. Customer knowledge of self-service and willingness to use related capabilities for self-help has increased while more firms have incorporated it within their activities to keep-up with these changing expectations. Yet, **there's still a gap in what buyers expect from self-service and what businesses deliver.** That is, customers want effortless experiences through self-service channels of their preferences and business provide them with capabilities designed to primarily deflect conversations to reduce traffic and cost. Firms still operating with this traditional self-service delivery model are falling behind.

There is a new breed of self-service savvy contact centers that use these capabilities to create happy customers, boost agent utilization, and improve issue resolution – all the while reducing costs and growing revenue. Those firms are **smart self-service users** that **transformed their activities from traditional to the modern ways of doing business by using analytics and AI to optimize their current activities while leveraging automation to expand and improve the use of self-service.**

If your firm hasn't yet made the transition from traditional self-service to smart self-service, we highly recommend considering doing so as this will help align your performance with that of the leading contact centers whose performance was illustrated in this report. This will also help adjust your activities to be more adaptive by making it easier to keep-up with rapidly changing customer needs – a necessity for building and managing a thriving modern contact center across all industries.

About Aberdeen Group

Since 1988, Aberdeen Group has published research that helps businesses worldwide to improve their performance. Our analysts derive fact-based, vendor-neutral insights from a proprietary analytical framework, which identifies Best-in-Class organizations from primary research conducted with industry practitioners. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision-making and improve business strategies. Aberdeen Group is headquartered in Waltham, Massachusetts, USA.

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