The Case for Proactive Customer Communications

It may sound cliché, but it’s true: an ounce of prevention is worth a pound of cure. In the customer care space, particularly in the era of social media, this fact couldn’t be more pertinent. In today’s environment, a small customer issue can quickly snowball into a viral epidemic requiring monumental effort to wrestle it to the ground.

Proactive customer communications (PCC) is quickly becoming a key strategy for successfully nipping issues in the bud. For all his visionary genius, it’s unlikely that even the forward-thinking Benjamin Franklin could have imagined a world where automatic dialing technology could put that ounce of prevention so easily at our disposal. Fortunately, these technologies are giving companies and their call center managers the power and capability to reach out to customers and head off issues before they become problematic.

In its 2010 Hosted/Managed Service IVR Market Report, DMG predicted the outbound IVR (PCC) market would grow by 13% in both 2011 and 2012. So far, the market is tracking to these numbers, and additional growth of 15% is expected by 2013, as social media functionality is incorporated by more vendors. And, DMG predicts additional steady growth of 10% in both 2014 and 2015.

We already know that customer service is becoming a powerful key differentiator for the most successful companies. But, “service” doesn’t always have to mean “response.” By initiating contact with the customer in a responsible, unobtrusive way, companies of all types are able to build loyalty, grow profits and improve efficiency. Let’s look at several ways in which PCC can benefit the call center—as well as the entire company’s bottom line.

- **Build customer loyalty:** No doubt customers like the fact that you’re there when they need you. But, what if they don’t even realize they need you? Social media and outbound IVR have made customer outreach incredibly more affordable than the days of direct mail. Now, it’s fast and easy to tweet information about special customer-only offers, post coupon codes to Facebook, call customers with appointment times, and even send text messages reminding customers of upcoming payment due dates, product shipments, updates on warranty service, etc. Done right, outbound customer contact is a welcome service that keeps your customers informed and engaged with your brand and gives them a basis on which to refer your company to friends and family.

- **Grow profits:** Not only can PCC help retain existing customers and gain new ones but it can also dramatically improve the results and reduce the cost of collections efforts. A gentle reminder that a bill is due helps keep “sloppy” payers from falling into arrears. When pre-paid telephone service provider New Talk implemented an outbound dialer for payment reminders, its customer payment rate jumped 40%. In just the first quarter of use, New Talk collected $77,000 more than it would have without the automated OBD. The reminders encourage timely payment and eliminate the expense of having agents reach out to solicit payment or of turning the account over to a collections agency. With PCC, you get more money in the door quicker and easier, and spend less to do so.

- **Increase call center efficiency:** PCC optimizes workflow in a number of ways. First, proactive outreach can reduce the number of inbound calls by giving customers the opportunity to solve common problems before they even
experience them. New Talk, for example, proactively contacts those who inquire about its service to see what questions they may have and eliminate purchase barriers. With fewer inbound calls, call center staffing needs may be adjusted to refocus resources as needed and save money. PCC also reduces handling times for the remaining incoming calls. With outbound dialers offering self-service options to get customers more help with specific needs, these platforms can route calls appropriately to agents who will know exactly what the customer needs before they even take the call. Finally, PCC combined with self-service frees up available agents for customers with needs beyond the scope of self-service. This means that complex issues can be routed and handled much more quickly than before, enhancing the customer experience and reducing the cost of delivering in-depth service.

From collections to promotions, outbound proactive customer communications can be a strategic value-added initiative to grow any business. Of course, taking a proactive step to head off a problem is much less cumbersome—and much less expensive—than finding the solution after the fact. However, PCC also provides an affordable way to endear customers to your brand by anticipating their needs and delivering service beyond their expectations. With the right technology platform in place, this strategy can go a long way toward turning your customers into advocates for your company, which will pay long-term dividends in increased loyalty and referrals, all at an affordable price.

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