



## Mobile Messaging Offers New Customer Lifecycle Management Opportunities

By Neal Nolan  
President  
GOVantage, LLC

*According to Customer Care thought leader, Neal Nolan, there are three areas of opportunity that organizations should think about when exploring how mobile messaging can support their customer life cycle management ...*

Fueled by growing in user adoption, mobile text messaging, which has been traditionally reserved for friends and family, is finding a place among companies and customers with growing frequency. Businesses are getting in on the act too, and for good reason. This increasingly-popular communication channel has given rise to new opportunities to form relationships and serve customers. Companies that embrace text messaging can create valuable customer experience innovations and improve both costs and service as they attempt to find new ways to address traditional challenges in Customer Lifecycle Management (CLM).

And why not? Everyday life has gone mobile. Be it at home, work or play, people are apt to keep their mobile phones with them now more than ever. In fact, there are more mobile phones in use on the planet than PCs and televisions combined. In 2008, approximately 1 trillion text messages were sent in the United States alone. Many believe that while these numbers are impressive, text messaging is limited to only the latest generation of younger users. While volume of text messages are high among youth, a closer look reveals that all ages — from 10 to 85 — use text messaging at least once per month. There is a current Chase Bank commercial running that makes this exact point: a mother takes a break from shopping with her two children; while the children use text messaging for social networking, the mother checks her account balance over her mobile phone.

As mobile use grows, business and organization leaders are pushing their teams to scour every CLM phase for improved service, cost and revenue performance, especially in these difficult economic times. Text messaging solutions merit consideration relative to these goals given the proven comfort level of customers who use text and given the intrinsic attributes of text messaging. Text is immediate and available for action when the recipient desires. Text is an authorized communication to a privileged place that stands apart from junk mail in traditional paper or e-mail mailboxes. Research shows that text messages are likely to be opened 80% of the time. Best of all, text messaging is relatively inexpensive. Ok, it's dirt cheap on a customer interaction basis, only about 2-to-3 cents per message.

**There are three areas of opportunity that organizations should think about when considering text messaging: (1) expanding customer choice; (2) new transaction opportunities; and (3) streamlining contact center operations.**

**Expanding Customer Choice:** First and foremost, customers value choice. Customers value being able to interact with a business or organization when and how they want to using the medium of their choice. Many companies view it as a competitive advantage to establish a permission-based relationship over text before the competition does. With the implementation of text solutions that provide balance inquiry services via their mobile phone, for example, customers can now choose text as the medium to interact with their service providers, such as banks, telecoms, etc. Banking and other industries today are implementing these types of services to make themselves available when and how the customer desires (just ask Chase, who spent a lot of money to advertise this fact during prime-time TV hours).

**New Transaction Opportunities:** Second, augment or create business transactions that make sense with text messaging. Transactions that offer a coupon to prospective customers or that offer status updates on a critical issue, with a bonus offer attached, are worthwhile. The potential impacts include call deflection away from the contact centers, as well as increased revenue, customer acquisition and retention. Scheduling is another example of a high-value solution using text. Companies are rolling out services that confirm a technician's arrival via text, which allows clients to go about their business until the appointment actually arrives. Clients value this improved communication. Governments too are evaluating text as a way to improve the fulfillment of appointments for participants in public benefit programs like Medicaid.

**Streamlining Contact Center Operations:** Third, operations should always be factored into the analysis. The contact center's ability to keep call wait times low during peak call times has been a long-standing problem. Yet, lowering wait times can also mean higher operational costs since more staff are required. Organizations can use text messaging to lower call volumes during peak periods, without adding more staff. For example, text can deflect calls from contact centers by delivering proactive status updates during particularly high periods of activity, such as



during policy application renewals in the insurance industry or during storms or other events that cause damage (and thus claims). Text could also help utility, cable and phone companies in the same way — e.g., notification of service outages. Additionally, callers can be prompted via text to call back when faster service can be provided.

Implementation of text messaging solutions is relatively simple compared to other customer care technology projects. Web platforms, e-mail management systems or IVR platforms can be expensive and risky due to the scope of upfront development and potential impact to the customer base. Text, on the other hand, can be easily targeted toward select customers. Implementation costs and upfront capital requirements are low by comparison as are ongoing operational costs. And, text integration to wireless carriers is already complete, by the text messaging solution provider, and mobile providers can even offer hosted solutions that lower costs and shorten time to implementation.

Data access to backend systems can be a challenge in the mobile channel as well, although this is true for any solution relying upon enterprise data. Look for opportunities where such integration capabilities may already exist. E-mail messages going out to clients can provide opportunity to leverage existing data and integration for text. For example, many times companies find low-hanging fruit when they translate existing e-mail messages to text for delivery to customers that can leverage the original e-mail's link to enterprise application data. At points where integration does not already exist, text messaging solution providers, like Air2Web, address the challenge with pre-integrated solutions for many CRM systems and platforms. Where data access is required outside of these environments, companies can configure a hosted solution, like Air2Web's AirCARE™ offering, which integrates the text messaging system with auto-generated Web services in order to access enterprise data using a flexible data exchange toolset.

As text messaging usage and the associated solution implementation tools evolve, many new text solutions will rise to address CLM challenges. Strategically exploiting the power of the text channel to target the right customers with the right applications can improve the bottom line while also avoiding the dangers of alternative high-risk, high-cost initiatives that take longer to do the same thing.

## About

*Mr. Nolan is a customer service professional who has worked in customer care operations for some of the largest customer care organizations in the world, such as those at AT&T, Sprint/Nextel, Cisco Systems, General Motors, State of Texas, and State of Indiana, for over the past 20 years.*

*Mr. Nolan is a former Executive from IBM where he held leadership positions as a Partner in IBM Global Services' consulting and outsourcing practices. Mr. Nolan has lead global customer care initiatives for IBM's clients and has implemented enterprise customer relationship management systems while consistently growing IBM's professional services business. With his leadership, IBM developed it's \$3 billion customer care outsourcing service. Prior to IBM, he worked as a senior manager and software developer for Andersen Consulting, now Accenture.*

*He is currently President of GOVantage, LLC, an organization that helps clients develop customer care solutions for state and local government markets. His focus is in the area of Health and Human Services, IT products and services, and business process outsourcing.*