Why opening a messaging channel alone is not enough

Opening a messaging channel without a strategy or the correct technology will limit the potential benefits of the channel and negatively affect customer satisfaction.

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You're opening a messaging channel, great, but it's not enough.

Personal communication has switched dramatically from calls and emails to WhatsApp and Facebook messages.

Business to customer (B2C) communication is also starting to follow this trend. Businesses are making this switch due to customer demand - 63% of consumers would consider switching brands if they offered messaging as a communication channel. In response, many companies have opened up messaging as a contact option, however, this is a short-term response to what will be a long-term shift.

Opening up a messaging channel is a step in the right direction but it falls short of the requirements companies need to succeed in the evolving messaging environment.

Messaging will be the main B2C channel in 5 years.

If current trends continue, messaging will be the main B2C communication method in the next five years, and likely to account for 80% of all customer interactions. Therefore, messaging strategies will have a large role to play in a business's success as a whole.

The implication is that messaging channels will require more strategy, investment, and technical capabilities. The companies who fail to recognize this now will have their hand forced by the market and have to switch out technology and play catch up with their competitors.

02

Why messaging projects fail

Underestimation of volumes

When opening up the channel, many companies will receive a large surge of contact. This is because customers have low barriers to using messaging and will experiment with the channel.

However, normally teams are not prepared to handle the high volumes and end up giving customers a low-quality service. This means customers are less likely to return to that channel in the future.
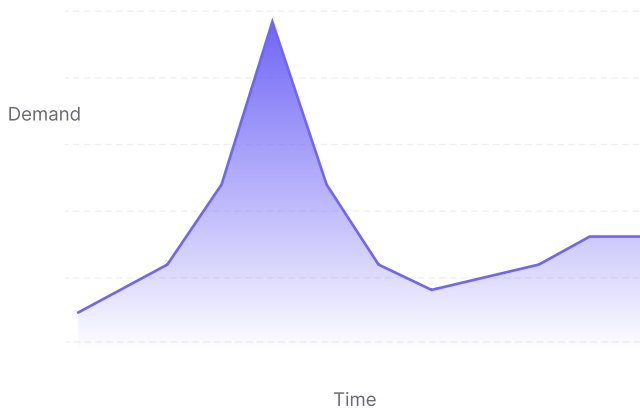
Overreliance on chatbots

Companies often turn to extensive chatbot use to manage high volumes, but this proves a short-term fix. Studies show current chatbots often frustrate customers, with 86% preferring human interaction. Recognizing these limitations is crucial for long-term customer satisfaction.

Normally, chatbots serve companies more than their clients, using this technology alone will limit the development and success of the channel.

The graph illustrates the change in demand for chatbots over the past 5 years. As chatbot's limitations became apparent, demand for the technology decreased.

Figure 1
Demand vs Time

Demand

Time

Current tech stacks are not designed for messaging

Most providers of messaging technology are not prepared for the potential of the channel. Although, 39% of U.S. companies use messaging only a fraction use the technology for two-way or end-to-end communication. The result is that many systems redirect customers to call companies or direct them back to the website.

These configurations limit the potential benefits of the channel, as messaging channels are closer to apps in their capabilities, in that they can host a variety of tools, media, and interactive options. These setups tend to fail as customers are asked to channel hop, and so they revert to telephone or email for their queries.

Using social media platforms instead of dedicated messaging tech

Another common problem that occurs is when organizations use platforms designed to manage social media to handle incoming tickets from messaging channels.

There is some logic to this assumption in the case of Facebook Messenger, given it is based on a social media site. However, most social media platforms will not allow agents to handle multiple tickets, deploy value-adding automation, or even track some basic customer service KPIs.

The result is long waiting times for customers (in some cases 24- 48 hours) and customers end up calling for more instant answers. In our experience companies that use this software quickly arrive at its limitations and have to switch to more comprehensive customer communication tools.

Not thinking beyond customer service

Currently, the majority of companies that use messaging channels tend to focus on customer service and post-purchase inquiries. However, messaging, much like websites and apps, can be used as a one-stop-shop for the entire customer journey.

Manual or text-only automation is not able to efficiently handle the range of questions that customers will have. Much like a call center, customers expect to be able to handle a range of queries when speaking to a company, those that consistently refer customers to other channels for questions outside customer service stand to frustrated users.

Providers who open the channel with this in mind will be able to develop sophisticated communication models that serve their customers better for Marketing, Sales, and Customer Service.

03

What happens if you open a messaging channel without the correct technology or processes in place

Below is a common trend that we see when companies open a messaging channel with technology not designed for messaging. Even if they have some basic automation in place then the results tend to be disappointing for customers.

Scenario
No automation or messaging strategy

First phase

- An Initial spike in customer contact on the channel
- High waiting times result in high abandonment rates
- Zero or poor automation frustrates users
- Customer satisfaction scores from the channel are lower than average

Second phase

- Contact numbers will drop
- Referrals to agents will be high
- Calls to the standard contact system will return to normal levels
- Messenger will account for only a small percentage of contacts
- Agents will direct users to email or phone where they are more comfortable with the technology
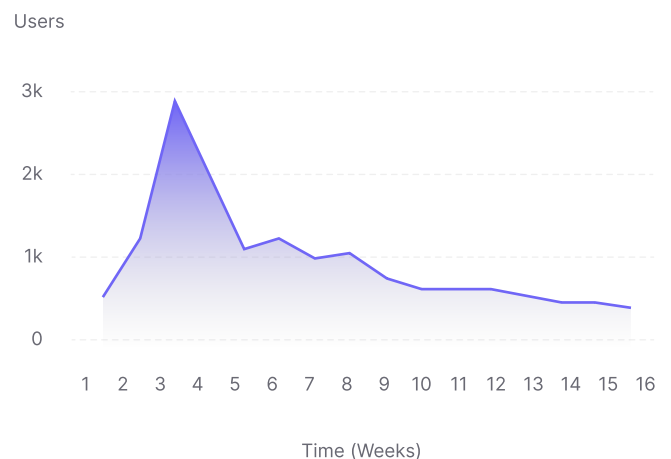
Result

- Customers don't choose the channel
- No cost savings
- No boost in NPS

Conclusion

- Messaging channel is a failure

Users vs Time

Users

0 — 3k — 2k — 1k axis; Time (Weeks) 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

Time (Weeks)

04

What do we mean by the right technology?

Picking the correct technology means choosing a system that will advance with the capabilities of the messaging channels, and that lets brands capitalize on the unique features of messaging to provide real value to the customers. We call this technology Conversational Apps.
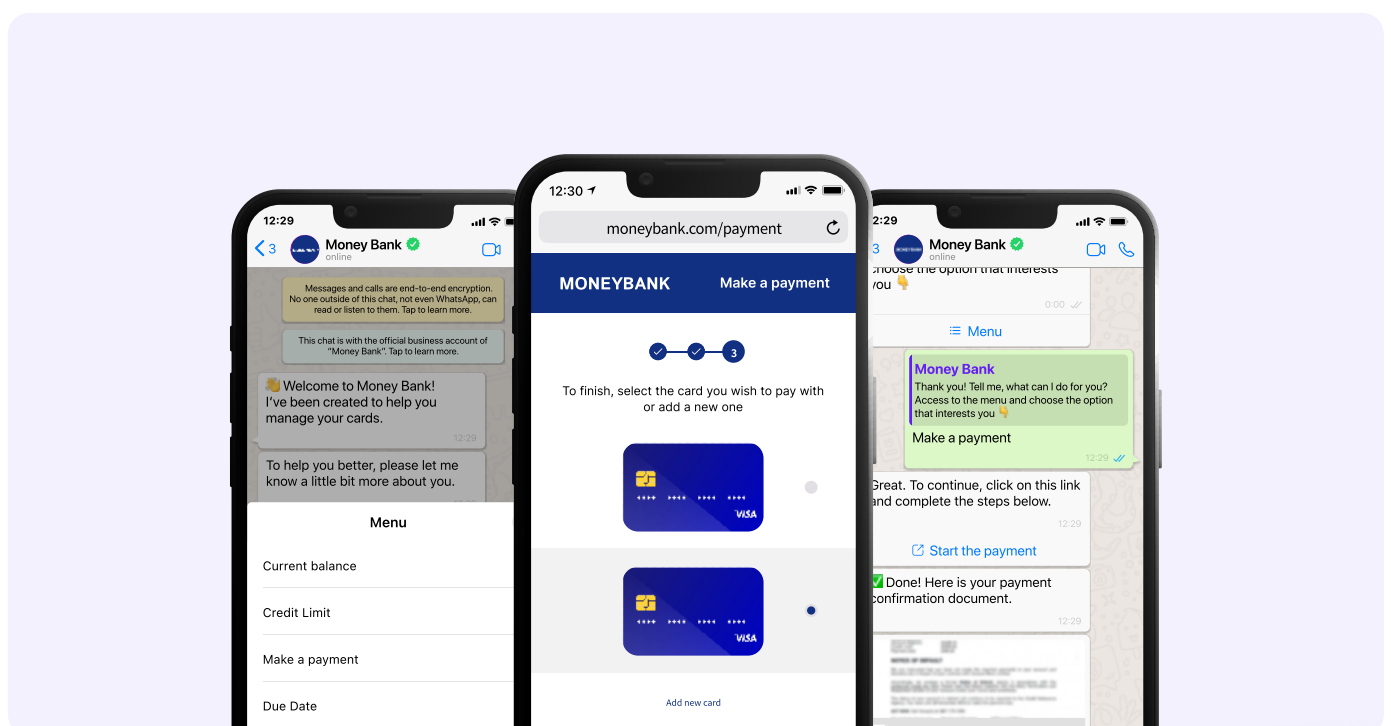
What is a conversational app?

Conversational apps are a combination of graphical elements, text-based messaging, and human hand-off. They rely on the conversational messaging interfaces that we use every day - like apps and websites.

The result is an experience that mixes the benefits of websites, messaging apps, and contact centers rolled into one.

Example of a conversational app

Here is an example of a basic conversational app, set up by one of our clients. It has the following elements that add value to the experience:

1. The customer can select the topic they want to discuss.
2. They can use tools that are already available on the website without having to leave the channel.
3. They can connect with an agent when they want and switch to call if they desire.

05

Why are conversational apps better than standard chatbots?

Making automation into a value-adding experience

Conversational apps provide "value-adding automation"; this means that requests that would require several steps via text-only automation or require a phone call can be moved to a frictionless, self-serve option.

An example would be changing a date, with a calendar webview, this is a simple and quick experience for the customer.

Keeping communication where customers spend most of their time

Conversational apps don't require the user to channel hop. Customers can see previous conversations, they can use web tools like payment calculators, speak to agents, and make account adjustments all within the messaging apps they use daily.

Full integration with existing systems

The main advantage of simply implementing a connector is that it simplifies the process of adding the channel to existing technology. However, conversation apps have this capability also, while giving companies the added advantage that comes with the more advanced technology.
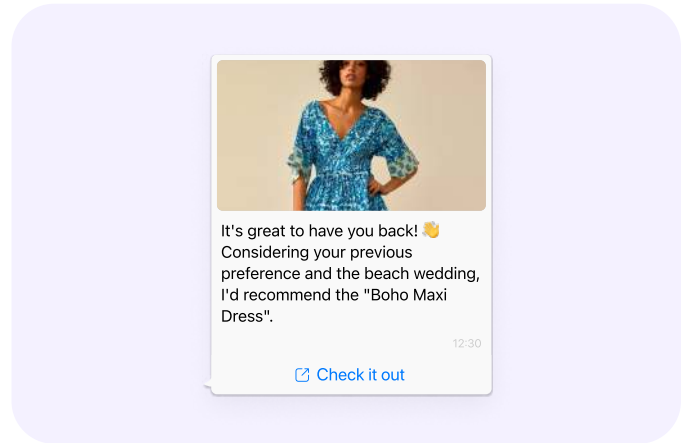
Graphical elements are easier to understand

Humans process images and symbols faster than they can language and text, about 60k times faster in fact. This gives messaging services a huge customer experience advantage. Features like photo sharing mean quicker and better communication for both agents and customers.

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Customer experience continuity

Conversational apps also deliver a "create once, deploy everywhere" feature. Given the regional variations in messaging apps (e.g. WhatsApp, Telegram, FB messenger), most companies need a technology that allows them to create their experiences then deploy them across all relevant messaging channels.

This ability allows companies to maintain consistency for customers using different channels and eliminates the need to write channel-specific experiences.

It's great to have you back! 👋 Considering your previous preference and the beach wedding, I'd recommend the "Boho Maxi Dress".

12:30

⧉ Check it out

06
What are the results of using conversational apps?

Here are the results from one of our retail clients who opened a messaging channel with meaningful automation and human hand-over. By the end of 2020, the channel accounted for around one-third of their B2C communication.

Messaging volumes by channel

B2C channel	2019	2020
Email	50%	39%
Telephone	42%	30%
Social	8%	2%
WhatsApp	-	29%

Here are the results from one of our retail clients who opened a messaging channel with meaningful automation and human hand-over. By the end of 2020, the channel accounted for around one-third of their B2C communication.

Messaging CSAT by channel

	Email	Telephone	WhatsApp
Av. CSAT	5.2	4.7	7.0

Conclusion

Opening the channel is a step in the right direction, most organizations are doing this because they have recognized the importance of the channel in B2C communication. However, in opening the channel with no or poor automation they are laying sub-optimal foundations for the inevitable expansion of the channel.

Also, they are creating an environment where they will not get the best results from the channel. Setting up the channel properly is a step-by-step process that requires forward planning and most importantly the correct technological structure to build upon.

Some of our clients

Allianz ZURICH RACC Bankia

MICHAEL KORS DECATHLON Levi's GUESS MANGO