



PROACTIVE OUTREACH: GENERATE CUSTOMER LOYALTY & BOOST YOUR FINANCES

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Omer Minkara
Vice President & Principal Analyst

Contact Center & Customer Experience Management

[LinkedIn](#), [Twitter](#)

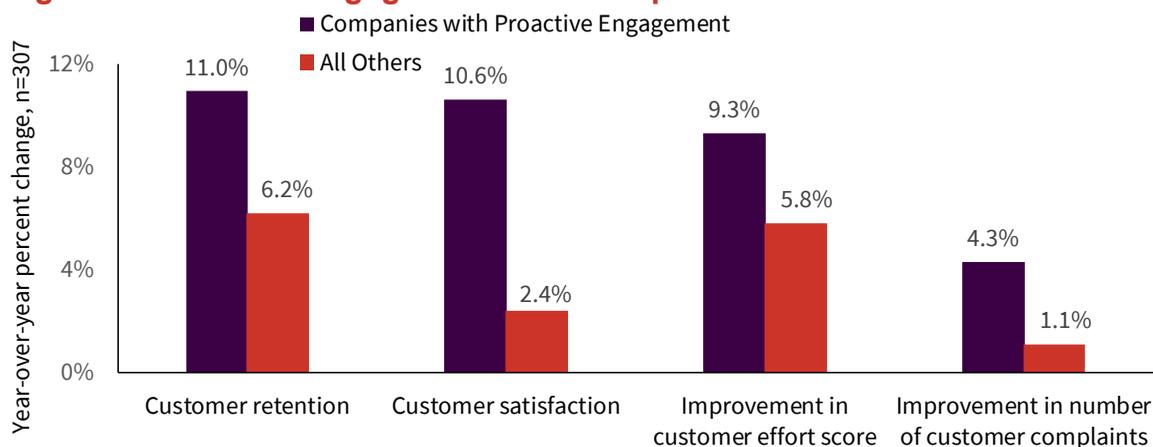
This report defines the role of proactive outreach in modern CX activities and illustrates the business impact it has on CX, operational and financial performance results.

The ‘What?’ and ‘Why?’ of Proactive Outreach

Contact center is often the first point of contact when customers seek support to address their issues. They may communicate with firms through a variety of channels (e.g., phone, email, text message) as well as use self-service to address their needs themselves through the tools and information provided by the firm. This method of engagement has been the predominant and traditional form of service delivery many decades. These activities are reactive in nature, in that businesses don't initiate contact with their clientele but rather wait for them to contact the business to deliver support.

While addressing client needs when customers seek help is still vital for the health and longevity of customer relationships, modern buyers have heightened expectations. Customers look for businesses to communicate with them in a proactive fashion to inform them of potential issues that may affect product/service experience and advise on the steps the company is taking to mitigate. Besides potential issues, modern buyers also value companies providing them with updates and alerts on relevant information impacting their experience (e.g., notification of a recent product delivery, reminder for an upcoming appointment). This method of outreach by firms can be done across all channels. In contrast to solely reacting to client needs, it represents a proactive engagement (see sidebar) designed for firms to initiate contact with customers even before they find the need to do so with the business. Aberdeen's research shows that firms with proactive engagement programs (also referred to as 'proactive engagement users from hereon) excel across three important categories of performance metrics: customer experience (CX), operations, and financial. Figure 1 illustrates the year-over-year (YoY) performance gains firms with proactive engagement activities achieve regarding boosting their CX success.

Figure 1: Proactive Engagement Drives Superior CX Success



Source: Aberdeen, November 2022

Definition: Proactive Outreach

For the purposes of this research, Aberdeen defines “**proactive outreach**” as companies communicating with current and potential customers across various channels without customers first needing to seek help. Companies using proactive outreach as part of their activities are labeled as ‘Companies with Proactive Engagement’ through this document.

These proactive engagements vary in nature, including alerts, reminders and surveys – all of which are designed and executed based on customer and operational data.

It's important to note that using proactive engagement doesn't mean replacing reactive communications with it, and that firms using proactive engagement use it in tandem with traditional activities of reactive service.

Aberdeen's Contact Center Trends survey had 307 respondents from contact centers around the world and of varying sizes and in all industries. The findings revealed that 51% of companies already use proactive engagement as part of their activities. As such, proactive engagement isn't an emerging and niche trend, but rather it represents an established and growing shift in service delivery methods where firms adapt to balancing reactive service with increased proactive outreach across all relevant channels. Such a shift is largely due to changing customer expectations, and **proactive engagement users reporting 4.4x greater YoY increase in customer satisfaction rate** is a testament that adding this capability within contact center activities helps firms align their activities with evolving buyer needs (10.6% vs. 2.4%).

Data in Figure 1 also shows that **proactive engagement users enjoy 3.9x greater YoY improvement (decrease) in number of customer complaints** and 60% greater YoY improvement (decrease) in customer effort score. The latter metric isn't measured by all businesses, but for those that don't officially track it as a dedicated metric, it can be gauged by the number of contacts a customer needs to make in a relatively short span of time with the business to address an issue where more contacts for a service issue represents poor CX outcomes.

For example, a utility services provider can use proactive outreach to inform customers in a specific area of a recent outage that the company is aware of the problem, and that it's working to address it. This reduces the need for customers needing to contact the business to inquire about the outage and seek resolution. But, also, firms can keep customers updated while working on fixing the outage about changes in resolution times so if customers were promised that electricity service would resume at 6:00 p.m. and it's now 5:30 and the company expects the issue to be rather resolved by 7:00 p.m., customers can be kept informed, so they don't need to repeatedly contact the business to check on the status. While any disruption in service is frustrating, proactive communications make it a bit more tolerable and allow customers with more visibility so they can manage their relevant activities based on timely and accurate information.

By streamlining customer conversations through incorporating proactive engagement within their activities, business leaders with this capability also report **77% greater YoY increase in customer retention rates** (11.6% vs. 6.2%). Firms enjoy such CX success because users of their products/services see companies with this capability as a trusted provider that proactively monitors and addresses their needs, keeping customers informed through relevant and timely communications. Trust, in turn drives customer loyalty.

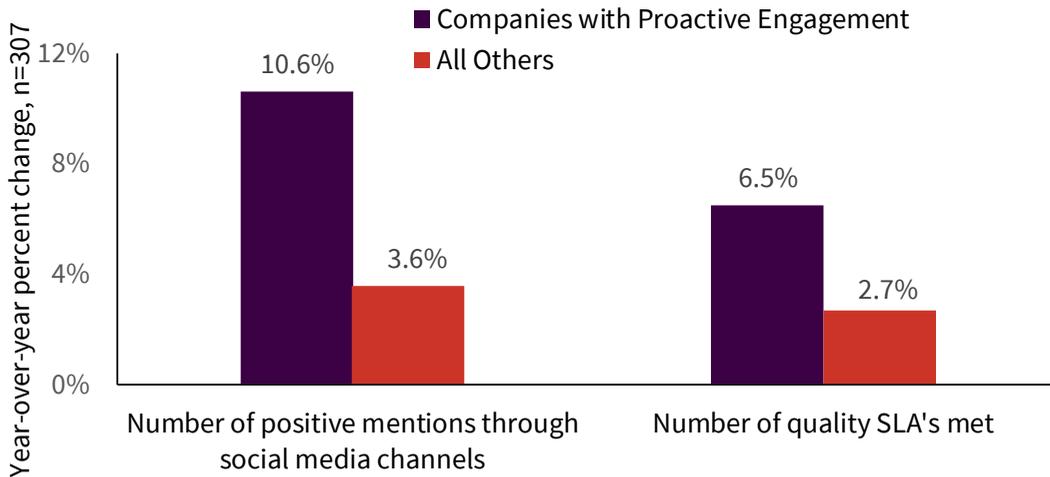
The strides proactive engagement users make in boosting customer loyalty also manifest themselves in operational outcomes of the business. One such metric is the number of positive social media mentions of the business: typically, if and when firms have inefficiencies in service delivery and CX suffers, customers are likely to share their negative experiences through platforms such as Facebook, Tik Tok, Instagram, LinkedIn, etc. In contrast, buyers are less likely to share their positive experiences interacting with a brand. Typically, customers sharing positive experiences on social media platforms means that firms have gone far beyond in meeting and exceeding

51% of businesses already use proactive engagement as part of their CX & contact center activities.

If you're not yet using proactive engagement, you should start considering using it now to narrow the performance gap users enjoy in CX, operational and financial results.

their expectations which requires tight alignment and execution of all business activities that affect the customer experience. Figure 2 shows that **proactive engagement users enjoy 2.9x greater YoY increase in number of positive social media mentions** which validates that implementing a proactive outreach approach facilitates firms' ability to exceed customer expectations (10.6% vs. 3.6%).

Figure 2: Firms with Proactive Engagement Enjoy Greater Customer Advocacy



Source: Aberdeen, November 2022

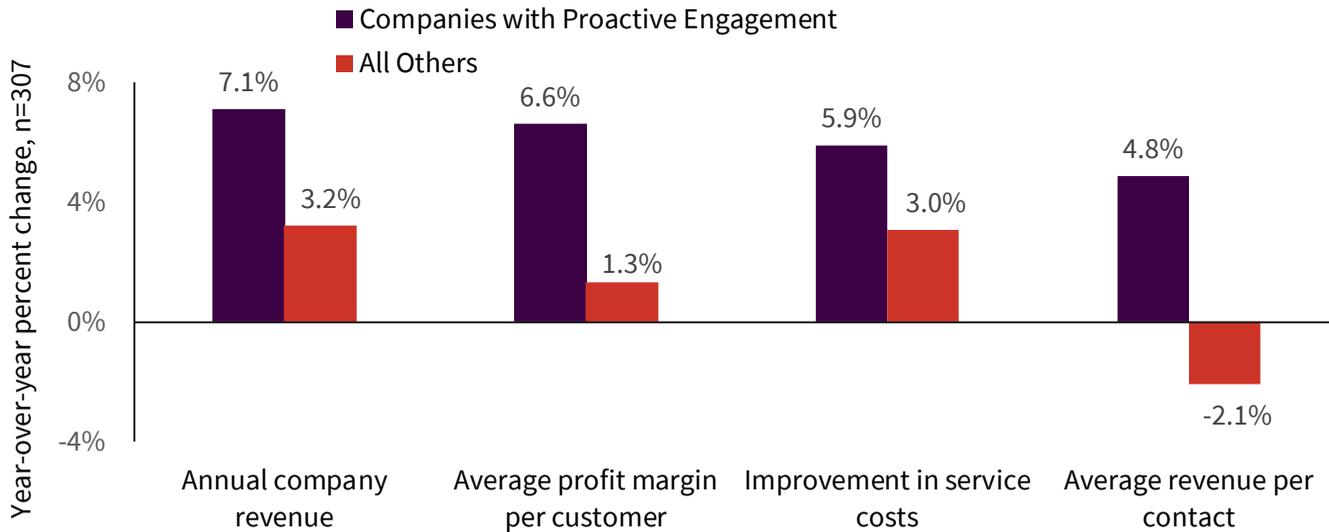
Another important operational metric that's often near and dear to many contact center leaders' hearts and minds is the number of quality service-level agreements (SLAs) met. Figure 2 shows that **proactive engagement users achieve 2.4x greater YoY increase in number SLAs** they attain (6.5% vs. 2.4%). These SLAs vary in each business and are influenced by internal goals as well as external standards such as industry regulation and industry best practices and standards. Proactive engagement helps attain SLAs in numerous ways. For example, for medical service providers an SLA can be customer wait times of no more than 15 minutes for scheduled appointments. By providing patients with proactive reminders through automated phone calls, emails, or text messages, medical service providers can reduce the likelihood of patients running late or missing their appointments, which in turn allows them to be more likely to attain their SLAs.

The third category of performance metrics where proactive engagement influences business results is financials. Using proactive outreach in a strategic fashion enables firms to reduce service costs such that alerting customers to current and future issues helps decrease inbound traffic into the contact center, which in turn helps firms decrease associated telephony and labor costs. It also helps minimize lost business opportunities and income where in the case of the above medical services example, providers can minimize the risk of losing income due to appointment no-shows by patients. To this point, Figure 3 shows that **proactive engagement users enjoy 94% greater YoY improvement (decrease) in service costs** (5.9% vs. 3.0%). This is particularly important because although firms can aim to optimize reactive service activities as best as they can, by nature they'll still need to reply to each inquiry and

Simply adding proactive outreach by itself isn't enough for firms to maximize success. These activities must allow customers to respond to the business, and must be hyper-personalized in order to deliver true convenience.

address each issue. On the other hand, using proactive engagement and decreasing the number of inbound support inquiries by informing clients that the company is aware of the issue and advising on how and when it expects to resolve, helps decrease inbound traffic volume which influences not just cost but also resource availability.

Figure 3: Proactive Engagement Users Reduce Costs & Grow Revenue



Source: Aberdeen, November 2022

Data also shows that using proactive engagement allows firms to achieve 2.2x greater YoY increase in overall annual revenue (7.1% vs. 3.2%) with firms using this capability enjoying 4.8% YoY growth in revenue per contact versus others observing 2.1% decline in that metric. Together, these top-line revenue figures are important as it reveals that proactive engagement isn't just an enabler for firms to use in service delivery. It's also a capability that can be used to cross-sell / up-sell as well as support outbound programs such as telemarketing, if and where applicable.

For firms to truly maximize the benefits from proactive engagement in driving revenue growth and cost reduction, CX and contact center leaders must build and maintain a truly contextual view of customer insights as well as design and execute automated workflows that allow sending the right message to the right customer at the right time through the preferred and most relevant channel. Furthermore, these programs must also be designed such that they're not one-way communications where the firm updates its clientele but rather two-way communications where customers can click-to-call or click-to-chat with the firm to continue a conversation prompted by proactive outreach by the firm. This helps make the process of proactive engagement more customer-friendly and in turn allows firms to drive significant performance results depicted in this report such as the 5.1x greater YoY growth in profit margin per customer facilitated by users of this capability delighting their clientele, streamlining operations, reducing costs, and fueling revenue growth.

Controlling costs at times of economic uncertainty such as today is vital. Proactive engagement users enjoy 94% greater YoY decrease in service costs.

Key Takeaways

The role of the contact center has changed. Gone are the days when it was seen as a necessary but low value-add function designed to address support needs of clientele to minimize churn risk and keep customers happy. While customer satisfaction and retention are still top objectives for modern business leaders, contact center is no longer confined to reactive management of buyer relationships. Rather, Aberdeen's research shows that 51% of firms have already incorporated proactive outreach within their activities. These proactive engagement programs are broad in scope, including sending alerts, reminders, post-interaction surveys, etc. – all designed such that customers don't need to expend added effort to get their needs addressed. Rather, the business monitors operational and overall conditions that affect individual clients, and engages each buyer through the right channel at the right time through tailored messages.

Proactive engagement programs designed and executed with fundamental building blocks highlighted in this report allow businesses to boost their performance across three key categories: CX, operations, and financials. Specifically, firms with proactive engagement have happier and more loyal clientele, they enjoy greater operational efficiency, and drive superior revenue growth while decreasing their service costs. Attaining these goals together is no easy endeavor, yet they're at the top of every business leader's agenda as firms aim to manage increasing economic uncertainty and a competitive business landscape.

Aberdeen suggests that if you're not currently using proactive engagement programs as part of your contact center and CX activities, that you prioritize adding them within your CX toolbox. If you're currently using proactive engagement but not yet seeing performance results depicted in this report, we highly recommend evaluating *how* you utilize the program while ascertaining that you have a complete and contextual view of CX and operational data, using AI to build and execute intelligent and automated workflows designed to hyper-personalize each proactive engagement.

About Aberdeen Strategy & Research

Aberdeen Strategy & Research, a division of Spiceworks Ziff Davis, with over three decades of experience in independent, credible market research, helps **illuminate** market realities and inform business strategies. Our fact-based, unbiased, and outcome-centric research approach provides insights on technology, customer management, and business operations, to **inspire** critical thinking and **ignite** data-driven business actions.

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