Saddletree Research

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RESEARCH UPDATE

Geo-Fencing: Extending the Contact Center Boundaries

Summary

A geo-fence is a virtual perimeter that exists in a real-world geographic setting. It is typically a pre-defined set of boundaries such as a given area around a school, shopping center, secure area, etc. Geo-fencing has been in use since it was developed in 2004.

Many consumers are already familiar with the concept of geo-fencing via several commonly understood and used geolocation applications. Location-based applications such as Foursquare or the act of "checking in" on Facebook are driven by geolocation technology. Likewise, using Google Maps on a personal mobile communication device is another example of an application driven by geolocation.

Geolocation services typically require the use of the Global Positioning System (GPS), the satellite-based navigation system that provides location information anywhere on earth. Smartphones, which support GPS services, are owned by nearly 60 percent of all mobile phone owners. According to Pew Research, in 2012 over 74 percent of U.S. smartphone users actively use location based services.

Today, geo-fencing is typically associated with special offers from retail operations that can detect the presence of a smartphone user with a specified radius of the store. There is no reason to believe, however, that the use of geo-fencing is limited to retail applications. The use of geo-fencing in future customer service applications is entirely feasible.

The View from The Saddle

Saddletree Research believes that there are a number of cultural, technological, business, and industry factors at work influencing the probability of geo-fencing emerging as yet another customer service communications channel. While geo-fencing today is used primarily as a retail application, pushing personalized offers to a smartphone when a customer is in the vicinity of a particular store or restaurant, customer service applications are only a step away.

Geo-fencing today is limited to those users with location-based services activated, but even those users who choose not to opt-in to a location-based service can be identified by location under specific circumstances. For example, if a user connects to a Wi-Fi network within a given perimeter in order to access a social media application, they can be identified by location. Although the probability of identifying 100 percent of those within a geo-fenced perimeter may not be possible, the probability of identifying the majority of those within the perimeter is likely.

From a customer service perspective, geo-fencing offers the potential to provide a higher degree of service given the known location of the customer. For example, a roadside assistance contact center could more efficiently direct a customer to a repair facility within the vicinity of the customer if it knew the location of the customer rather than relying on information provided by the caller. Similarly, a retail contact center could quickly and efficiently direct a customer to a location with the desired goods or services of interest if the caller's physical location is known.

Saddletree Research believes that geo-fencing has the potential to be a reasonable precursor to the Internet of Everything (IoE) scenario. The IoE is the next logical step from the more familiar Internet of Things (IoT), which refers to equipping all objects in the world with identifiers that allow them to be inventoried and managed by computers without human intervention. The IoE takes the IoT concept and adds the human element back into the mix in order to add value to a transaction or activity that is driven by the IoT.

While we are still some years away from the time when all objects are interconnected via the Internet, geo-fencing enables that first step in which devices such as mobile phones and tablets provide valuable location information that will aid in the objective of minimizing customer effort and optimizing the customer service experience.

In this era of emerging omni-channel customer service, Saddletree Research believes it is important not to overlook prospective customer service channels such as geo-fencing location services. While we don't expect geo-fencing to have an immediate impact on the contact center industry, we believe it is a potentially important customer service opportunity that warrants attention and consideration by the contact center industry solutions provider community.