

It's a Mad, Mad, Mad Multichannel World!

Best Practices for Engaging Customers with
Multiple Service and Support Channels

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Executive Summary

Multichannel service, the availability of several communications channels for customer interaction, is fast becoming a de facto standard in customer care. With poor service costing the U.S. economy \$83 Billion annually, the successful business finds ways to improve.¹ Customers see a company as a whole, no matter which department they deal with. If each area is not integrated with the rest, the customer becomes frustrated and leaves.

Organizations that recognize this are increasing spending for email, chat, and web self-service. When implemented correctly, the customer will be able to choose the channel he prefers and enjoy personalized, seamless transitions from channel to channel. The result is increased customer satisfaction and retention with lower support, marketing, and sales costs.

Introduction

Good customer service can increase the probability of future purchases from a customer and boost long-term loyalty. If customer service is both easy and useful customers may consider purchasing more products or services and they are much less likely to change providers.

These days, in order to fulfill the easy and useful requirement, businesses must bow to the new “digital” customer who expects to be able to interact with the business via a multitude of channels. While phone support is still the most popular, other channels are increasingly being used to let businesses know about problems with their products, services, and, yes, even (or especially) their support. Organizations that ignore this trend will fall behind.

However, it is important to realize that any multichannel initiative must be built on a foundation of appropriate technology and customer facing processes with the contact center in the central role.

Survey Findings

In 2008, most organizations in North America planned to increase spending on the customer experience:

- 80% placed more importance on improving the usability, usefulness, and “enjoyability” of their online service and support offerings.
- More than 50% determined that multichannel and cross-channel interactions, along with rich internet applications and mobile web applications, were more important than the year before.

Smart organizations are evaluating the merits of adding chat and other interactive functions on their websites to better engage the customer and potentially increase sales.

*The ROI of Interactive Chat
Forrester Research February 4, 2008*

¹ The Cost of Poor Customer Service. Genesys, October 2009.

A Purdue University survey found close to 90% of customers felt their customer service experience had influenced their decision about repeat business. The survey also found that well over half would leave a company because of a bad experience with a customer service agent; a stark picture of the cost of poor customer service execution.

Customer experience increasingly serves as a differentiator. Companies who identify the most cost effective communication channels can reduce churn, increase customer loyalty, and generate new revenue opportunities.

Multichannel Customer Service Requirements

A successful multichannel initiative must be:

- Accessible
- Seamless
- Consistent
- Reliable

Accessible

Access to multiple channels increases the likelihood that customers will request assistance, offer feedback, and complete sales. It also offers a greater chance that customer support will be able to resolve issues since the customer will be using a channel most comfortable to him.

For example, live chat provides the customer with written instructions he can refer to as he works the problem. With web-based self-service, examples and images can enhance troubleshooting efforts (*agile knowledge*). A contextually aware system can offer the appropriate level of assistance and information according to customer input.

Seamless

The multichannel support experience must be seamless to the customer. If a transition from one channel to another is necessary, customer support should be able to pick up the threads of the conversation without hesitation. Customers expect that everything that has been discussed will be documented so that he will not have to repeat the story upon calling back or when switching between channels, such as from live chat to phone, or self-service to phone (*agile channeling*).

This seamless experience begins with a single view of the customer across all channels. All customer information such as the account profile, order and billing history, and a universal history of interactions must be included in the customer record. Interaction history is extremely useful during problem escalations where the issue is transferred to a different channel or support level. Seamless multichannel service means any transfer should be transparent to the customer.

Consistent

In multichannel service consistency and seamlessness go hand in hand. All information given to the customer, no matter the channel, must match to avoid confusion and frustration. This is where it makes sense to consolidate all channels of support and to use common workflow processes and knowledgebases to assure accurate and timely information is given in every interaction. Customers perceive each contact to be with the company as a whole; inconsistency between different channels will give the impression that the entire company is disorganized and unable to provide superior support.

Reliable

A channel is useless if unplanned downtime occurs. Including reliability as a requirement when choosing an application or service for a channel can ameliorate such surprises. Another requirement should be scalability. As the customer base grows, each channel and the knowledgebase must be able to scale up to meet the demand both horizontally and vertically without creating silos. Not only does this keep information consistent, it also gives the system the ability to change channel distribution to match traffic.

Best in Class Statistics

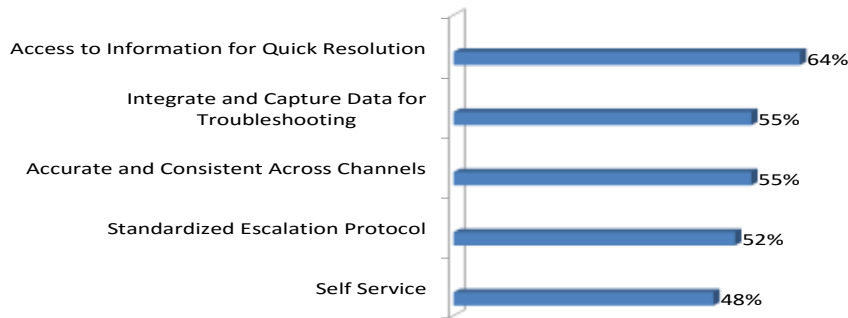
Best in class customer service and support has a significant impact on business². Best in class organizations have seen 24% service margins in comparison to all others (13%). They also show a better first call resolution rate: 75% for best in class as compared to 60% for all others.

Best in class companies provide:

- access to real time information;
- education about alternate or additional channels;
- an understanding of the impact of improved customer management; and
- the integration of all services under a service executive

² Delivering Customer Service via the Contact Center and the Web. Aberdeen Group, September 2009.

Top 5 Improvement Actions for Best In Class Service



Best in Class Performance Strategy

The Aberdeen Group published a framework of strategies for best-in-class performance using multiple channels, called **PACE**³:

- P**ressures
- A**ctions
- C**apabilities
- E**enablers

PACE is a map or system of behaviors and activities that improve customer service while keeping costs down.

Pressures come from customer demand and expectations for service. For example, customers demand a high percentage of their calls be fixed the first time (First Call Resolution). Or they expect access to issue tracking to watch the progression of an incident.

Actions include accuracy and consistency across all channels, feedback monitoring, and increased access to information through better data integration. These actions both decrease the handling time of customer contacts and increase First Call Resolution.

Capabilities for best in class service call for executive level oversight of customer service operations. It also means capturing and storing data and feedback in real time.

Additional capabilities to offer:

- A standard escalation process,
- company-wide access to searchable, online databases of customer and service information,
- and efforts to educate customers in other means of solutions that do not require interaction with the call center

³ Delivering Customer Service via the Contact Center and the Web. Aberdeen Group, September 2009.

Enablers of best in class service are often technological in nature. These are the tools used by customer support to streamline service:

- Online searchable database of information about issue resolution, escalation procedures, SLA information, and field service scheduling
- Web-based solutions databases with troubleshooting trees, videos, forums, and the ability for field service scheduling
- SMS or email customer updating
- Customer service and support solution or CRM solution
- Web-based self-service
- Knowledge management solution
- SLA management solution

Considerations Prior to Implementation

Before choosing and implementing any new channel for service, customer preferences must be determined. Another task to complete prior to new channel implementation is reviewing the current system for usability, effectiveness, and responsiveness.

Quick Checklist for Gap Analysis Review and Improvement of Current System:

- Eliminate unnecessary or inappropriate processes that block the path to resolution.
- Make certain critical customer service incidents are escalated to the correct channel for best service.
- Give customer-facing staff and the customer the right information for a fast fix.
- Evaluate each technology solution with an eye toward improving efficiency and knowledge as well as other identified business requirements.
- Mandate training and education to inform front line employees and customers of channel availability, how the channels each fit into the support structure, and which channel is best for the problem at hand.

Once the gap analysis is complete, determine the channels or methods that offer the best opportunity for a quick win. Prioritize these choices according to *need* not *want*. Live chat may seem to be the coolest channel to offer, but it may not be one most desired by customers and/or it may not lend itself to a quick improvement in service.

The phone is still the most preferred method of interaction with 55% of customers choosing this contact method, but of those nearly half reported poor experiences. This makes phone support a viable candidate for first improvements. Phone support already exists, it is easily studied, and there are many choices of solutions to help streamline, update, and improve service. In addition, there are any number of training programs for phone support already in place that have proven track records.

The most efficient method of introducing new channels is to concentrate on *pairs* of channels. Implement two channels at a time more easily ensures the cross-channel experience maintains

consistency and continuity between those two channels regardless of when channel switches occur during an interaction.

Focusing on pairs of channels can create immediate value, help define appropriate metrics, and help build internal relationships between agents that serve the various channels. It also simplifies channel implementation. Trying to implement all channels at once could be confusing, lengthy, and counterproductive. Implementing one channel at a time risks inconsistency.

Faster, smoother implementations also help generate support from upper management who can more easily see how the customer experience and the bottom line will be impacted by these changes.

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Order and Infrastructure of Implementation

There are several steps to determining the order channels will be added as well as the needed infrastructure changes to support each channel. As mentioned earlier, the best bet for first implementation is the one the customer wants most that also answers a business need.

Mapping channels to customers offers insights into channel preferences and the type of support preferred for each channel. Studies have shown customers choose channels based on accessibility and the nature of the inquiry. While there are some generational differences in channel choice, the process of preference analysis will likely determine which channels work best for a particular business.

In addition to customer preference, an organization may wish to further map channels according to the *value* of the customer. A word of caution: if customers are mapped according to value, it is imperative to keep the difference as unnoticeable as possible so lower value customers do not perceive a lesser experience.

One scenario is to offer multiple channels with a tiered service strategy. The higher cost channels, such as phone and chat, are reserved for high value customers while lower value customers are limited to self-service and email.

A second scenario is to immediately route high value customers to more highly experienced staff and to offer them more extensive and tighter SLAs while lower value customers must wait in queue longer and be more frequently connected with less experienced staff.

Mapping channels to the business provides insight into the best channels for the specific type of inquiries received and best fit for current customer support operations, available staffing, and budgeting restraints. The channel that best matches both requirements receives first priority for implementation. When assigning channels, time sensitivity must be considered. Urgent inquires need real time channels for best service.

The following are some common channel distributions for various inquiry types:

Self-Service and Auto-Email	These channels are best for uncomplicated informational queries, balances, product features, and coverage areas.
Chat	This channel is best for more complicated informational queries, complex products, high value customers, or to reduce shopping cart abandonment.
Email	This channel is best suited for moderately complex queries about back end systems requirements such as requirements for returned merchandise.

Aligning channels with operations ensures that compliance requirements are met. There may be requirements for encrypted data, secure data transmission according to standards, and building audit trails among other things. Keep in mind that not all types of processes work well for all channels. For example, chat generally does not work well with manual processes requiring a wait-time such as research or the need for a specialized agent.

Self-service channels require access to a searchable knowledge base that will provide consistent information from any touch-point. Inconsistent information causes customers to distrust the automated channels, and they then will contact a more expensive, higher touch channel. This increases operational costs and decreases savings for the support center.

If the self-service channel is not operated by customer service, customer service leadership must create a pathway to notify the self-service manager about usage problems so root cause analysis and reduction of calls can be pursued. However, this type of arrangement introduces a bottleneck which will increase the probability of a service failure.

Infrastructure requirements must be broad enough to include future expansion and changes. Planning

Voice → Email → Self-Service → Agent Knowledgebase → Chat

Typical Order of Implementation

***Knowledge Centered Support Best Practice:** Deploy all knowledge internally before using it in self-service to improve the information and its presentation.*

for the immediate needs only will result in costly and less-workable changes for future channels.

Again: to avoid inconsistencies, a unified database or knowledgebase should be available for access by all channels. However, the knowledge must be formatted for each channel. Chat will require a more abbreviated form than email.

Other infrastructure requirements include connections to back office information and interactions:

- Access for agents
- Integration with channels
- Knowledgebase, ordering, and filling systems
- Accounting database
- A unified agent desktop with the ability to aggregate the data in real time from multiple sources

Once the infrastructure is in place, a plan must be made for continuous improvement:

- Constant benchmarking and analysis to meet customer needs, deliver productivity and cost-efficiency improvements
- Performance analysis for each channel to find trends, gaps in delivery, quality, efficiency
- Channel specific metrics (example: real-time monitoring of email, average handle time for chat)⁴

Best Practices for Multichannel Deployment

The first and foremost best practice for any change is that *cost should not be a determining factor in and of itself*. Some inexpensive solutions may be a good fit, but others may not be worth the savings. Well defined business rules can determine which is best for a particular purpose in an individual organization.

When implementing new service channels, volume may increase as customers find new ways to make contact. Enough agents with the correct skills must be available to handle the new volume. It is also important to identify the level and type of support staff needed for the new channel volume such as subject matter experts (SMEs) and knowledgebase editors.

Consistency and continuity along with choice are the most desired attributes as shown by customer survey. The best opportunities for improving customer experience come from proactive support, personalization, and cross channel integration. All of these impact the consistency and continuity of service. In fact, 83% of customers want a more proactive approach to self-service where live interaction is quickly offered when it becomes apparent the customer is having difficulties, and before that customer is forced to call or request live contact himself.

Customers must also have the ability to perform complete transactions in any appropriate channel. If the customer chooses to change channels during an interaction, she must remain in control of the interaction. For example, if the customer requests an email with a transcription of the voice interaction she just had, there should be a process to accomplish that efficiently and effectively. Tailor the options by segmenting and prioritizing call types to improve the perception of customer control.

⁴ Guidelines for a Successful Multichannel Service Strategy. KANA, October 2008.

Common Problems

It is perhaps most telling that more than three-quarters of customers say their most satisfying experience occurred because they worked with a capable, competent customer agent. This explains the following statistics:

- Most customer service problems and failures are due to poor service strategy (not people issues).
- The biggest communications gaps are with Voice Self Service (IVR systems) and Web Self Service, at -35% and -50% respectively.
- Most cross channel experiences are poor with 19 of 53 companies being judged as “very poor” in cross channel reviews by Forrester Research. None were found to be “very good”, 31 were “good”, and the rest (19) were “OK”.
- Paper mail is actually preferred over poorly implemented voice self-service (IVR) because voice response systems don’t recognize customer value, lack context, and do not understand customer needs. (Those trapped in an IVR system spent an average of over 9 minutes trying to reach a human.)

With close to 75% of consumers going from the web to another channel to research, buy, or obtain service, statistics like these do not bode well for companies that cannot smoothly integrate multiple channels.

Many companies still operate in silos of communications channels such as a “web team”, a “contact center”, and “sales”, each with their own method of dealing with the customer and their own pool of information. Another type of silo structure involves fragmentation of information needed by customer support into numerous databases to which they have little to no access. If they do have access the interaction is slowed by the need to access more than one database for all needed information.

The most common causes of customers defecting are the need to repeat themselves, being trapped in an automated system, being forced to wait too long for service, representatives being unfamiliar with customer history or value, and the difficulty of switching between channels.

Summary

The need for multiple channels for interacting with business can be ignored no longer. Channels outside of the phone are now standard for the customer experience. The customer expects these channels to be integrated, with the same information available to each channel. She expects personalized information to be accessible to all channels, and for each channel to provide the same information as every other. Poor multichannel strategy is responsible for most customer frustrations and each company must determine which channels are used by their particular customers, and choose those that are appropriate for their industry and the type of queries they receive. Both the channel type and the needed infrastructure must be considered, not just for the current integration but for future integrations and channels.

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