

THE MULTI-CHANNEL SERVICE REVOLUTION – FROM CALL CENTRE TO PROFIT CENTRE

How to Unite Communications Channels to Deliver Superior Customer
Service and Reduce Costs



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Executive Summary

The Internet is revolutionising the way organisations provide customer service. With more and more people using the web to interact with businesses, it is becoming increasingly critical for these organisations to collectively manage all main channels of communication from their customers – whether by phone, e-mail, through the post or via their website. However, true multi-channel customer service is not just another method of passively collecting contact details, resolving problems or responding to requests, it's also about creating an active, positive dialogue between a company and its customers which provides a vehicle for both feedback and up-selling.

Increasingly, customers and prospects will make an organisation's website their first port of call for product information or other customer service enquiries. The upward trend in the numbers of people going online continues unabated and with increased access and familiarity, will come a growing expectation that the web-consumer should be properly catered for in terms of both the quality of the information available and the escalation procedures from that initial web contact. In short, the legitimacy of the web as a primary vehicle for communication will be firmly established. Those businesses who ensure their customers can effectively find the information they want online rather than having to investigate further will secure immediate advantage over their slower competitors, not simply in terms of being able to reach their audience more efficiently, but also by slashing call centre costs. The implications in terms of retaining brand loyalty by providing a superior service should also be borne in mind. Providing and managing consistent and cost-effective service and support continues to present a challenge.

This White Paper suggests how eService integration can help organisations ensure that their contact centre meets the new customer service challenge, whilst remaining cost-effective. It will address the following issues:

1. Changing a single channel strategy into a multi-channel model.
2. Transforming call centres into multi-channel service centres or ultimately 'profit centres', and exploring the business benefits that result from this.

It will illustrate how this is achieved through the integration of various components of eService, which include web self-service, e-mail response management, web chat and collaboration as well as data capture and analytics. These all enable businesses to offer proactive or reactive support to visitors, with the aim of reducing the number of costly phone enquiries handled by the service centre.

The Changing Face of Customer Service

With over 34 million people, 57% of the population, in the UK now online¹, the Internet is inevitably changing the way organisations have to think about, and provide customer service whilst at the same time presenting unprecedented opportunity for a lower ongoing cost. The 24/7, global nature of business today increasingly requires organisations to provide instant access to information and services at all times.

Research by Purdue University shows, that although the telephone is currently still the most popular method of communication, there is a marked shift towards e-mail and the web as a way of contacting businesses. The report projects that by 2005 websites will generate 25% of contacts, and e-mails will account for 20%. Telephone contact, on the other hand will drop from 85% in 2000 to a projected 45% in 2005.

The results clearly demonstrate that the modern 'Internet-savvy Customer' expects to communicate with businesses through different channels at different times. If they send an e-mail or web-enquiry, then phone to follow it up, they expect the company to respond to the overall enquiry rather than each incident separately. However, with a traditional model the call centre only handles the phone calls, an e-mail management system will handle e-mail enquiries, and a content management system handles the web content.

All too often there is no assurance or suggestion that the customer and their query are being handled cohesively or that they have a single point of contact with the supplier. A recent Gartner research note² has found that up to 75% of the information required to fully meet customer and enterprise needs is not resident in a single system or interface.

If organisations do not integrate their communication channels, then any interaction with a customer through e-mail will be kept totally separate from an interaction with the self-same customer via the telephone. The consequence is that customers become annoyed and frustrated at having to repeat information detailed in a previous communication, which in turn causes frustration, raises questions of competency speaks volumes about the perceived value to the organisation of their client base. In the worst or repeated cases the knock on consequence is that customer retention drops rapidly as consumers vote with their feet. What is really needed is an integrated solution to the handling the of enquires from multiple channels - i.e. the development of a multi-channel service centre (MSC).

¹ CIA World Factbook 2003: www.cia.gov/cia/publications/factbook/

² Gartner Group: *Changing the Contact Centre is a Key to Customer Intimacy* 02/07/03

Better Customer Service and the Bottom Line

So why is integrated multi-channel service so important? Put simply, integrated multi-channel service means better customer service. The agent responsible for the web chat can actually see the history and content of the last interaction so the customer will waste less of their time (and yours) re-explaining the situation. The immediate benefits include:

- Increased customer satisfaction
- Improved customer loyalty
- Brand enhancement
- Word-of-mouth recommendation

Further substantiation, if required, comes from the Hewson Group³, which says improving end-to-end user experience transforms the economics of doing business online. By optimising the provision of options of self-service, e-mail communication and live communication with service agents, the foundations can be laid for improvements to customer service in the future.

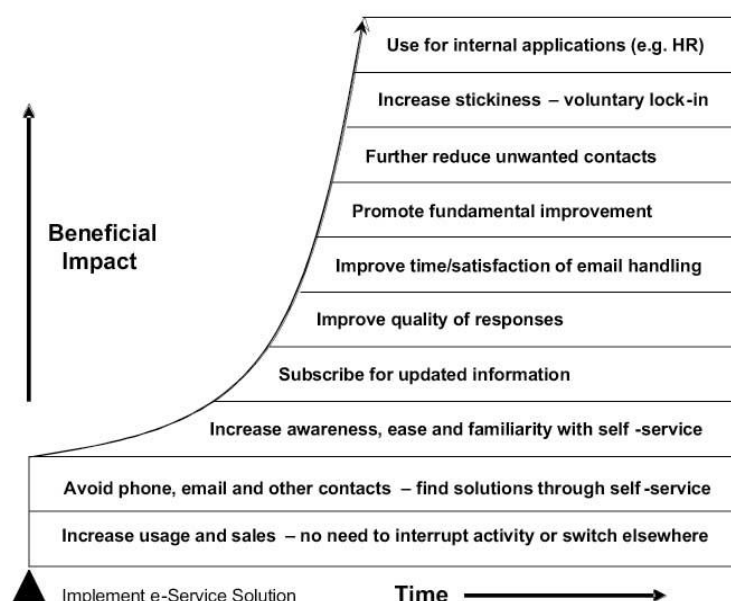


Fig.1. Layering Improvements through optimised eService. (Source: Hewson Group) – illustrating the cumulative effects of a successfully-implemented and joined-up eService strategy

Improved customer service can also have a marked positive effect on a company's brand. Businesses spend a lot of time and money developing and promoting corporate and brand identity. A positive customer experience will help reinforce these values. This in turn can lead

³ Hewson Group: *Beyond Philanthropy: How Improved Service Contributes to Efficiency and Profitability*

to improved customer satisfaction and retention, which has a direct impact on revenues and profitability. Quite simply, superior service helps to retain customers. This is infinitely more cost-effective (and profitable) than acquiring new ones, and allows your organisation to create a layer of competitive advantage that differentiates you from the competition.

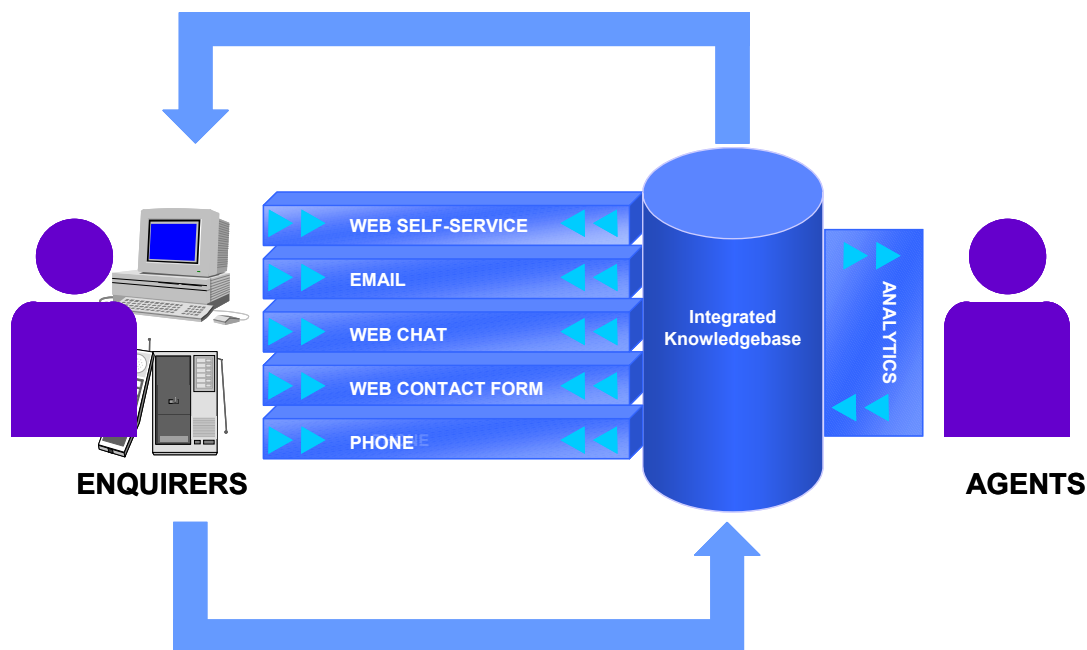
Multi-channel Service Centre

So what is a multi-channel service centre and what does it look like? Essentially, a multi-channel service centre (MSC) is a unified customer interaction hub that provides a real-time, complete and transparent view of the customer across all channels to all customer-facing employees. In the web-enabled MSC concept, the hub will allow an enterprise to identify the enquiry from the client and determine the best method for answering or handling that enquiry (whether it be by phone, e-mail or self-service etc). In the MSC concept, the many channels of customer communication are closely integrated with each other with a view to providing an efficient and effective customer enquiry handling service. The integration of the channels takes place on two levels; firstly tracking and reporting each contact and providing histories of these, and secondly, providing a common knowledgebase to underpin the whole system.

In a multi-channel service system there is the capacity to track each time a customer makes a contact with an organisation – whether by phone, e-mail, web self-service or web chat – and record this information to a central knowledgebase. The service agent can quickly view the details of all previous communications to provide a complete and accurate picture of the current situation and any previous incidents. This ensures that a customer query is never left unanswered, and supervisors can monitor the account and follow audit trails to maintain high levels of service provision.

An added benefit of this model is that common queries that require escalation can be routinely added to the knowledgebase, which means that over time as the knowledgebase evolves, fewer queries will require escalation or human interaction, since they will be answered at the first point of contact – on the website. Furthermore, the collection of vital customer information/feedback into a central database means that various data analysis tools can be employed, allowing each site to better understand the interactions or buying patterns of their customers. This analysis of customer information ultimately helps companies to provide a better more 'personalised' service to their customers with a view to maximising the possibilities for up-selling, cross-selling and effectively approaching future prospects.

Fig. 2. The Multi-channel Service Centre



Moving to Multi-channel Service

Making the transition to a multi-channel service centre need not be a difficult process or disrupt the customer service operations in any material way. Businesses that currently employ service agents can be reassured that the process of integration should prove relatively smooth and seamless. In the MSC system, agents can still answer calls, reply to correspondence and (if the service is available) launch web 'chat' sessions requested by visitors to the site. The difference as noted earlier lies in the fact that the data from these multiple customer contact points is integrated into a central knowledgebase, which acts as the keystone for the whole system, providing agents with a complete '360 degree' view of customers, and their behaviour. Of course, this can contrast sharply with the current reality in many instances for although most call centres have some type of monitoring and tracking process, this is more often than not isolated from the e-mail system altogether. This separation means that slow response times or unanswered e-mails prove all too common. This reality is reflected in research published by ContactBabel, which suggests that only 57% of contact centres deal with the e-mail channels themselves⁴ – a surprising fact given its increasing popularity as a communication method.

⁴ Steve Morrell, ContactBabel: *UK Contact Centres in 2002*

Do you deal with customer e-mails within your contact centre?	Yes	No
10-50	60%	40%
50-100	59%	41%
100-150	59%	41%
150-200	53%	47%
200-250	42%	58%
250-500	48%	52%
500-1000	51%	49%
1000-3000	51%	54%
Average	57%	43%

Fig 3. Use of e-mail by size of contact centre. Source: ContactBabel

eService - The Key Component in Multi-channel Service

A key component in the realisation of the MSC concept is the integration of eService within the telephony enquiry handling services provided by a traditional call centre. eService is essentially a range of online customer service software products which can include applications for web self-service, e-mail response management, web chat and collaboration, and service analytics as well as data capture. Such products are now beginning to have a real impact on the success of certain vertical industries, particularly where customer service is seen as a primary weapon for developing competitive advantage (for example Financial Services, Telecommunications, Retail and Utilities). In particular organisations that have invested heavily in web self-service and web chat applications are beginning to show the strongest figures for ROI, increased productivity and increased levels of customer satisfaction.

eService Dramatically Reduces Costs

In addition to the central idea of 'integrated multi-channel service handling' outlined earlier, one should also highlight the cost advantage rationale as one of the most compelling reasons to implement an eService solution. As we can see from the table in Fig.4, which compares the differing types of customer interactions, the intrinsic cost per interaction for handling telephony enquiries is significantly higher than other channels. It makes obvious sense therefore not to bog down call centre service agents with the handling repetitive low value calls, but rather let other more cost-effective channels like web self-service handle them instead provided this is possible without any unwanted effects.

Type of Interaction	Average cost per transaction
Telephone	£20.46
Web collaboration	£4.87
E-mail	£6.24
Web self-service	£0.52

Fig. 4. Average costs of customer inaction methods. Source: Forrester Research

The savings that can be made by migrating from a high cost channel to lower one are substantial. According to Datamonitor, “web-based self-service offers the greatest cost savings over any other interaction. As two-thirds of annualised expenditure in call centres goes on labour, self-service solutions offer a way to offset this overhead by reducing numbers of personnel that would otherwise be required to handle other, more labour intensive, interactions⁵.”

Reducing costs also means that service centres have the time, manpower and opportunity to expand operations, for example by making outbound sales and marketing calls, to become ‘profit centres’ rather than an expensive overhead. Furthermore because service centre agents can be freed from the handling of many mundane, low value enquiries agent attrition can also be reduced, since one of the primary causes of agent churn is sheer boredom.

Benefits of Efficiency, Flexibility and Scalability

Increased efficiency, flexibility and scalability are still further benefits that eService integration brings to customer enquiry handling. With an eService facility integrated into the service centre environment, capacity can be quickly scaled to meet peaks and troughs in demand, resulting in a more efficient customer service overall. This is because all channels are integrated and handled by the same pool of agents, who are now able to manage greater numbers of enquiries from different channels via the MSC system.

For those external suppliers of contact centre services, any increase in the core competences of efficiency and flexibility are also important factors in maintaining competitiveness in a crowded market. In recent times, much has been written in the press about the shift of call centre work from high cost bases like the UK to low cost ones like India. Some critics have strongly argued that for UK contact centres to survive in this hostile environment, they must invest in new technologies like eService and web-enable their call centres to not only reduce costs but also to add perceived value to their portfolio.

Choosing an eService Solution

Pedigree, product flexibility, functionality and multi-language support, are all factors that require close scrutiny in the selection of an eService solution. It is of paramount importance that a common database underpins each part of the suite to provide both the customer and agent with consistent and accurate information. There is little point in capturing and analysing information from the web self-service, web collaboration and e-mail modules if this information is not available to and shared with the customer service agents.

⁵ Datamonitor: *The Future of Customer Service Software*

Solutions such as Atmyside's own eService suite are serviced through a single intuitive interface, drawing information from a central self-learning knowledgebase. Agents are supported by a comprehensive knowledgebase tool, which is shared with the web self-service application. With a single click, agents can access a library of pre-formatted responses, which can consist of text, images, video clips, web-pages or indeed any other multi-media tool that can be delivered over the web. In this way, agents are empowered with a comprehensive knowledgebase to ensure customers experience a fuller, faster and more consistent response to their enquiry.

When determining how to structure and actually implement the eService programme, it is important to consider the market itself and the customers. If a company is selling relatively straightforward goods such as compact disks, it may not be necessary to implement the more expensive modules like web chat and collaboration. On the other hand a more complex application may well demand a wider range of response mechanisms or options. Whatever the complexity of the application however there is one important principle to bear in mind In each and every case is absolutely essential to make the customer service mechanisms as prominent as possible on every page of the website. If customers cannot see that further help and interaction is available, they simply won't use it and the service is wasted. Furthermore if third party participation is required, proper integration is absolutely critical. The solution must easily integrate with third party call centre and CRM systems to truly provide multi-channel service management in the contact centre.

Pitfalls of a Poor Choice

One apparent consequence of poor eService implementation is repetition - both for your business and for the customer. Unnecessary duplication of work and effort will cost money and may eventually persuade the customer to go elsewhere.

Specific hazards to avoid include:

- Loose and ineffectual web chat: poor advice or poorly expressed advice and the customer will never take you seriously again. This will deprive you of up-sell opportunities, perhaps immediately.
- Bad e-mail management: A customer calls to follow up an e-mail and your representative can't find the e-mail. All of the details must be repeated again. Or a customer is kept waiting for a response and has time to or is encouraged to consider competitors.
- Poor data capture: This will result in the population of a database or knowledgebase with inaccurate contact information.

- Poor analytics: A combination of this and the above will result in poor understanding of the customer. If the customer profile is misunderstood, opportunities for complimentary sales will be missed or worse still, botched altogether!

Conclusion

It's important to keep in mind the premise that new technologies like eService are not only a cost-effective way of satisfying customer service needs, but also a tool for achieving competitive advantage. Organisations around the world are now realising the potential benefits associated with online real-time customer service and support, and are using it to deliver high-quality service and customer experience. The early adopters are already demonstrating tangible benefits, such as cost reduction and revenue growth. It is therefore essential that this integration of all communication channels be forced to the top of the agenda.

eService delivers substantially improved customer satisfaction, significantly lower operating costs and a greater insight into customer behaviour. As more and more organisations understand these benefits, multi-channel service centres will become the norm across every market, and those who fail to integrate will in the medium term lose customers and be unable to maintain competitiveness.

Appendix: independent substantiation

Gartner: "To gain competitive advantage differentiation during the next five years, leading will invest in building a customer interaction hub that enables the business to learn and meet or exceed customer expectations across all channels⁶."

Hewson Group: "by improving online experience to match the best competitor, the average grocer, for example, can increase online sales by a minimum of 54%.⁷"

Dr Tim Snaith of Cape Consulting wrote in January 2003, "There is a common perception, particularly in contact centres, that improving the quality of customer experience compromises productivity." This is a common belief

Steve Morrell, Senior Analyst at ContactBabel states, "Web self-service, along with e-mail management, is the most important new channel support application for businesses in general, and is widely regarded as having one of the lowest costs per transaction."⁸

⁶ M.Maoz & E.Kolsky, Gartner Group: *Changing the Contact Center is a Key to Customer Intimacy*

⁷ Hewson Group: *Profit or Pain from Your User Experience*

⁸ Steve Morrell, ContactBabel: *UK Contact Centres in 2002*

About the Author

Terry Hiles is Managing Director of Atmyside. Graduating with an L.L.B (Hons) in 1981, Hiles was a Senior Lecturer in law for eight years at University College, Northampton. He gained further commercial experience with Price Waterhouse and Bell & Howell Limited. Before joining the Scandex Group, Hiles was Commercial Director of QAS Systems Limited where he gained first hand experience of the address management industry and geo-demographic software modelling.

About Atmyside Ltd

Atmyside Ltd is a leading provider of eService solutions that deliver real-time customer service and support, and tangible ROI business benefits. Its award-winning solutions help organisations overcome escalating costs of servicing enquiries while increasing customer loyalty and satisfaction. Atmyside's comprehensive service solutions include robust, scalable applications for web self-service, e-mail response management, live chat and collaboration, service analytics as well as online data capture. Its cost-effective eService suite is a true multi-lingual system and unlike other Web interaction tools, is delivered only via HTML – with no downloads, and minimal bandwidth required for both the visitor and agent. For further information visit: www.atmyside.com.

About Scandex Ltd

Atmyside Ltd is also part of the Scandex Group, the principal focus of which is Scandex Ltd. Scandex acts as a holding company providing finance and support to the various software development companies in the Group. Scandex has been in business now since 1969 and under current ownership since 1973. The Scandex Group is made up of the following entities: Travel Information Systems Ltd, Capscan Ltd, Context Ltd, Syntalex Ltd, Atmyside Ltd and Noetica Ltd.