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CUSTOMER EXPERIENCE MAKEOVER

**A Practical Approach to Competitively
Differentiated Service**

A White Paper by RightNow Technologies and Genesys

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EXECUTIVE SUMMARY

A differentiated customer experience is critical for business success. Companies that consistently deliver positive customer experiences across all touchpoints maintain customer loyalty, build stronger brands, and are better able to avoid competition on price alone. They therefore grow faster and earn healthier profits than companies that don't keep their customers happy.

In fact, research indicates that great service is the top reason customers keep giving their business to companies and the top reason they recommend those companies to others. On the flipside, 80 percent of customers say that they have stopped doing business with a company because of a bad service experience—and that they will never do business with such a company ever again.

For these reasons and others, it is critical to ensure that your company delivers great service experiences. And, because the overwhelming majority of all of your company's customer interactions take place in the context of pre- and post-sales service, the overall quality of your company's customer experience will be largely defined by the quality of the interactions customers have with your service organization online and in the contact center.

This white paper offers a practical and proven approach to delivering a competitively differentiated customer experience online and in the contact center. It outlines both the multi-channel customer service capabilities necessary to achieve that differentiation and the best way to acquire those capabilities. By adopting this approach, your company can quickly and cost-effectively reap the benefits associated with great service—including both top- and bottom-line business growth.

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WHAT CONSTITUTES A GREAT CUSTOMER EXPERIENCE?

The quality of your company's customer experience is ultimately determined by the way customers feel after their last interaction. If the customer is unhappy, your company's customer experience is bad. If the customer doesn't have a feeling one way or the other, your company's customer experience is mediocre. If the customer feels good, your company's customer experience is satisfactory. But if the customer feels delighted, your company's customer experience is a substantial competitive advantage.

Research indicates that customers' feelings about their interactions with companies are actually driven by several specific factors:

Time. Most people today suffer from "time poverty." Time is the one thing that even the richest customer doesn't have enough of. So customers' perceptions about your company's customer experience are largely influenced by time. This means you have to reduce the time it takes for them to get in touch with you, the time it takes for them to communicate their problem to you, and the time it takes for you to resolve that problem.

Competency. Customers need to believe that your company's employees are good at what they do. They must perceive that the people they deal with at your company are well-informed about products, services, policies, issues, and any other relevant subject matter. So, to project a perception of competency to your customers, you have to make sure that your frontline staff is fully empowered with information that's accurate, complete, and up-to-date.

Personalization. Customers don't want to be treated like a number. They want to feel valued and understood. They believe the money they spend with your company entitles them to such treatment. The differentiation of the experience your company delivers will therefore be at least in part contingent on your ability to personalize your interactions with customers across all channels—whether that means knowing their name, their previously expressed preferences, or the particulars of their current situation.

Care. Customers like knowing that you care. This feeling of care can be projected through courteous language and empathetic tone. It can also be projected through proactive contact with the customer—including follow-up calls to check on their satisfaction and/or email alerts that give them the latest tips about how to get the most value out of a product they've already purchased. Care can also be demonstrated by doing things that make it easier for customers to solve problems or access information.

Awareness of these factors is very useful in any effort to quantifiably improve your company's customer experience. If you can respond to customers more quickly, if you can ensure your ability get them the right information at any given point of interaction, if you can make that information personal wherever necessary, and if you can do more things that let customers know you're genuinely concerned about them, then you can differentiate your company's customer experience—and reap all the business benefits associated with those improvements.

SEVEN KEY TECHNICAL CAPABILITIES FOR COMPETITIVE DIFFERENTIATION

Based on this understanding of the customer experience, companies can take concrete steps to achieve measurable improvements in time, competency, personalization, and care. It's not enough to simply say "We want to respond to customers more quickly." Specific measures must be implemented to accelerate specific types of interactions.

The best place to start making these improvements is obviously your service organization. Your service organization has the greatest number of direct interactions with the customer. It also interacts frequently with customers who are on the verge of becoming unhappy—for example, when they are having trouble getting started with a product and/or the product is apparently not working. Service thus offers the best opportunity to achieve most dramatic improvements in the customer experience.

The companies that have been most successful in achieving measurable improvement in the customer experience are those that focus on a specific set of initial multi-channel customer service capabilities. Large "boil the ocean" initiatives are rarely successful. And it's almost impossible to get the kind of budget and political support they require. That's why it's much more practical to focus on a set of readily achievable capabilities, demonstrate quantifiable successes as a result of those capabilities, and then build on that success to make additional improvements to the customer experience over time.

It's also important to make improvements in ways that enhance and unify all types of customer interactions—both those that are automated and those that are agent-assisted. This helps ensure that the quality of the customer experience is consistently excellent across all customer touchpoints.

There are, in fact, seven primary multi-channel customer service capabilities that every company must possess in order to effectively differentiate its customer experience:

Web and voice self-service

Self-service enables customers to immediately get answers to their questions 24 hours a day, seven days a week—so it definitely saves them time. An easy-to-use self-service system with helpful content also demonstrates that a company really cares about providing for its customers. Plus, above and beyond the benefits it provides to customers, self-service significantly lowers contact center costs by dramatically reducing phone and email workloads.

Online chat

Because a growing number of customers are using chat in a social context, many companies are finding that the time is right to add similar functionality to their websites. Younger customers in particular see chat as a time-saving, highly personalized form of communication. Chat can be especially useful on e-commerce sites where it's important to answer customers' questions before they abandon an online purchase. Chat also offers the advantage of allowing contact center agents to multi-task, co-browse, and/or access customers' CRM data. This further boosts their productivity, even as it improves the customer's service experience.

Callback management

Companies call their customers for a variety of reasons. Sometimes they call customers following a purchase to thank them and make sure they're happy. Some companies call customers who have abandoned a previous call, just to make sure they didn't do so out of frustration. Some companies even implement "click to callback" option on their websites for customers who can't quickly find the information they need. An effective callback management system ensures that 1) your company can make these calls in a timely manner, 2) your agents have the right information in front of them when they make these calls, and 3) that calls are made only during the times that each customer has said they should be made. Such a system therefore saves the customer time and enables a high level of personalization. It also demonstrates a high level of care and competency to customers, since it shows customers how their expressed preferences drive the company's contact center operations.

Intelligent call routing

Companies can take a variety of approaches to call routing, depending on the nature of their business and their customer service challenges. Some companies need to route calls directly to the next available agent—even if that agent is in another call center or working from home. For other companies, it's important to route calls to an agent with a particular set of skills or competencies. Many companies also provide a more personalized experience by routing calls to an agent assigned to that customer. Calls can also be routed based on specific attributes in the customer's profile, responses to an IVR pre-screening menu, and/or effective use of voice recognition. These intelligent call routing techniques drive immediate, quantifiable improvements in hold-times, first call resolution rates, perceived competence, and perceived care. They also drive down contact center costs by greatly boosting agent productivity.

Screen "pops" of customer data to the agent desktop

The automatic presentation of customer-specific data on a contact center agent's desktop is a basic requirement for great customer service. The ability to do screen "pops" improves all four dimensions of the customer experience. It speeds service, provides agents with useful customer data, and supports highly personalized interaction. It also demonstrates that the company cares enough about its customers to invest in technology that saves them time and protects their privacy.

Customer feedback and response workflows

Companies can't improve what they don't measure. So to achieve truly differentiated multi-channel customer service, it is essential to capture feedback from customers about their phone, email, and web interactions—and to take timely corrective action when necessary. A typical approach is to have customers rate the quality of the service they received on a five-point scale. Ideally, a service manager should be automatically notified if any customer replies with low score, so that appropriate remedial action can be taken. This kind of real-time feedback-and-response capability demonstrates a high level of care and competency. In fact, a prompt response to a problematic interaction can actually convert customers who are initially dissatisfied into customers who wind up even more impressed with the company than they would have been if no problem had occurred.

Customer service reporting and analytics

In addition to having visibility into each customer's specific interactions, companies need insight into larger issues and trends in their service operations. This insight can be used to improve all four factors that impact the customer experience. Email response times, for example, can be tracked to see if individual agents are performing more slowly than others. If certain agents are having trouble with a particular type of issue, there may simply be a competency deficit that needs to be addressed with additional training. Reporting and analytics can even provide insight into a problem with a product or an instruction manual. This insight can then be passed along to the product management team, so that it can take appropriate action. By addressing the root-cause of the problem, companies can even further improve customer satisfaction and reduce contact center workloads.

Of course, different companies have different short- and long-term goals. They also have different deficits when it comes time, competency, personalization, and care. So they may prioritize different aspects of multi-channel customer service. For example, a company that is taking 48 hours or more to respond to emails may make it an initial priority to bring that turnaround time down to 24 hours. Companies may also prioritize areas where current performance isn't that bad—but where significant gains can be achieved with relatively small effort and/or cost.

Regardless of their particular strategic roadmaps, however, every company must acquire the above multi-channel customer service capabilities to successfully engineer a customer experience “makeover.” By focusing on these capabilities, even a company with relatively limited resources can rapidly, substantially, and tangibly improve the service it provides to its customers.

A PRACTICAL APPROACH TO ACQUIRING ESSENTIAL TECHNICAL CAPABILITIES

Once you understand the four specific attributes that differentiate one company's customer experience from another's—and once you understand the seven technical capabilities that optimize those attributes—the next issue to resolve is how to best acquire those capabilities. No company has infinite resources to invest in the acquisition of differentiating capabilities, so it's essential to adopt an approach that enables your company to fulfill its technical requirements as efficiently as possible.

It's also essential to adopt a strategy that works for the long term, as well as meeting near-term project requirements. Otherwise, your contact center won't be able to evolve as your company's needs evolve.

Here, then, are some key principles to bear in mind when launching a strategic customer experience initiative:

Create a phased plan. Just because you're going after the “low-hanging fruit” first, that doesn't mean you don't have to have any idea where you're going after that. For a variety of technical and political reasons, it's best to lay out your customer experience improvement

plan in multiple phases. A phased plan will keep you from biting off more than you can chew and give you the flexibility to modify your plan if other priorities emerge. But it's still important to let all project stakeholders—including upper management—understand and buy into your long-term roadmap.

Pick the right vendor(s). The best way to make sure that all the individual deliverables you acquire over time will fit together well is to acquire them from the fewest possible vendors—and to make sure that those vendors have strong working relationships with each other. The ideal vendor or vendors will therefore have a very broad range of available capabilities, but will allow you to implement those capabilities on a highly modular basis.

Ensure integration with existing resources. To get the right information to the right people at the right time, all the pieces of your infrastructure will have to work together seamlessly—including those that are already in place. That's why it's important to consider how future deliverables will integrate with your existing applications, databases, PBX and telephony environment, desktop applications (such as Microsoft Outlook), and outside service providers (such as FedEx).

Leverage software-as-a-service. Software-as-a-service (SaaS) solutions enable your company to acquire critical capabilities more quickly and with less effort than is possible with conventional, internally deployed software and hardware. With SaaS, you can avoid both up-front capital investments in infrastructure and ongoing technology ownership costs. You can also more flexibly acquire the specific functionality you need for each stage of your initiative—without sacrificing integration or configurability.

A phased approach with the right SaaS partners will enable you to get started sooner and start delivering tangible results more quickly. It will also boost your overall ROI by keeping your “I” low even as your “R” grows. These early ROI wins are important for building and sustaining political support for your customer experience initiative. By showing measurable results early, you can continue to expand your efforts as necessary to not only keep your customers happy—but to ultimately exceed their expectations and further extend your competitive differentiation.

BENEFITS FOR THE BUSINESS

Of course, no customer experience initiative is going to get off the ground unless it has the necessary political support from everyone involved. That's why it's important to clearly understand and articulate the proven benefits of an improved customer experience. Why should your company make a concerted effort to provide better multi-channel customer service than your competitors? How will more prompt and/or more personalized interactions with your customers impact your company's bottom line? Does it really matter whether your customers think you “care” or not? Aren't they just looking for the best product at lowest price?

The experiences of market leaders make the answers to these questions abundantly clear. Customer experience matters. In fact, there are numerous benefits that companies consistently gain by investing in the quality of their customer experience. These benefits include:

Greater business growth

Your business won't grow as fast as it could if it "leaks" existing customers at the same time as it wins new ones. So by improving customer retention, a great customer experience drives greater revenue growth. It also results in increased profitability, because selling to existing customers is always less expensive than selling to new ones.

Stronger branding and price support

The added value of a superior customer experience also translates into a stronger brand and the ability to maintain healthier margins. After all, if you can beat the competition on service and overall value, you won't have to beat them on price. A differentiated customer experience therefore enables your company to avoid discounting and maximize profitability.

More market "buzz"

Happy customers spread the news about your company across their social networks and across the internet. This viral, word-of-mouth marketing is vastly more efficient than traditional media advertising—which is generally declining in its efficiency.

Deeper market insight

When you maintain a close ongoing "conversation" with your customers, you can find out what they really want and what they really don't. This insight is a substantial competitive advantage, since it allows product managers, marketers, and upper management to stay on top of customers' ever-changing needs and preferences.

Better execution of business strategies

When your customers like you, you have a better chance of taking them where you want them to go—whether you want to migrate them to a new generation of product, sell them new value-added services, or ensure that they stay engaged with you as you go through a merger. A great customer experience is thus critical for maintaining customer loyalty through periods of business transition.

Cost savings

When you handle customers' issues more efficiently across all service channels, you reduce your contact center costs. You can offload more questions to low-cost web and phone self-service. Your contact center staff becomes much more productive. You solve problems with a single interaction instead of several. All of these capabilities enable your company to grow without incurring proportional increases in contact center overhead.

These are just some of the ways a differentiated customer experience can drive improved business performance. The ultimate motivation for investing in the customer experience, however, may be the consequences of not doing so. A failure to get proactive about the customer experience invariably leads to high customer churn, downward pressure on pricing, negative market "buzz," and growing contact center costs.

The way to avoid these adverse outcomes is to do things that make customers feel like they're spending their money in the right place. That's why investments in the customer experience are so worthwhile—especially if you make those investments in a way that delivers maximum concrete results.

The partnership between RightNow and Genesys offers a uniquely complete and cost-effective way for your company to improve its customer experience across all of its phone, email, web, and chat touchpoints. Our combined solutions deliver all of the foundational multi-channel customer service capabilities your company needs under an easy-to-implement and efficient-to-operate SaaS model. By taking advantage of our partnership, your company can rapidly transform your customer experience and gain all the benefits associated with that transformation—including stronger customer relationships, better bottom-line business performance, and greater differentiation from your competitors.

ABOUT RIGHTNOW

RightNow (NASDAQ: RNOW) delivers the high-impact technology solutions and services organizations need to cost-efficiently deliver a consistently superior customer experience across their frontline service, sales, and marketing touchpoints. Approximately 1,900 corporations and government agencies worldwide depend on RightNow to achieve their strategic objectives and better meet the needs of those they serve. RightNow is headquartered in Bozeman, Montana.

For more information, please visit www.rightnow.com.

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ABOUT GENESYS TELECOMMUNICATIONS LABORATORIES, INC.

Genesys, an Alcatel-Lucent company, offers a software suite that dynamically connects customers with the right resources—self-service or assisted-service—to fulfill customer requests, optimize customer care goals and efficiently use resources. Genesys integrated contact center solutions direct more than 100 million customer interactions every day for 4,000 companies and government agencies in 80 countries. These organizations can leverage their entire organization, from the contact center to the back office, to improve the overall customer experience. For more information, go to www.genesyslab.com.

