

# The Insider's Guide to Next-Generation Web Customer Service

By Greg Gianforte

## **Abstract**

In today's highly competitive and global marketplace, a comprehensive Internet strategy is a business imperative. As many of the traditional influencers and differentiators are being removed, companies and organizations of all sizes must leverage the Internet's unique capabilities. As businesses move key functions and processes to the Web, a strategy that utilizes the Web for competitive advantage versus parity will be key for future success and, in many cases, survival.

Among business functions poised to benefit most from migration to the Web is customer service. Delivered in person or online, customer service has the same goal: quickly and efficiently give customers what they want, when they want it and how they want it. Online, however, both the challenge and opportunity of effective service delivery increase. Web customers' expectations for fast and accurate information increase relative to traditional media. The Web is a 24X7 medium. And, day or night, Web customers expect nothing less than superior service. Businesses and organizations that seize the Web opportunity can gain access to incredible cost savings, revenue growth, improved customer satisfaction, and ultimately competitive advantage.

This paper briefly describes some of the business changes triggered by the Internet and the resulting evolution of Web customer service. Although advanced systems for effective Web customer service are available today, most organizations rely on earlier generations of customer service — service that fails to meet rising customer expectations. Business leaders of the future must embrace today's technology, as well as strategic tools and processes that ANTICIPATE and EXCEED customer needs through personal service.

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## A Changed World

With the advent of Internet commerce, traditional business dynamics have changed forever. Traditional business influences and differentiators such as location, convenience, and switching costs are no longer relevant. For businesses and organizations around the world — from banks and mortgage companies to manufacturers, universities, and service companies — the traditional playing field has been leveled.

Online, one of the critical elements left to differentiate your business or organization from competitors is the quality of your customer service. Superior online customer service has emerged as a key and — in many cases — the *only* means for businesses to differentiate themselves from the competition. Industry analysts name Internet-based customer service, also known as *eservice*, as one of the biggest business opportunities on the Web.

## Great Expectations, Great Potential

The key in tapping the *eservice* opportunity is to meet the increased expectations of Web customers. Wanting products that are faster, better and more advanced, Web visitors expect nothing less in customer service. Service must be fast, meaningful, compelling and customer-driven:

- **FAST** – The right information and content - right now
- **MEANINGFUL** – Timely, up-to-date, relevant to each customer's needs
- **COMPELLING** – Interesting, interactive, focused
- **CUSTOMER-DRIVEN** – Content and methods of response driven by customer needs with content changing as customer needs change

Service that lacks in one or more of these qualities fails your customers. Frustrated Web visitors click elsewhere in search of good service. Service that succeeds in all areas results in increased sales, more repeat business, greater brand awareness and ultimately stronger customer relationships and loyalty.

Virtually every business and organization can benefit from superior Web customer service. In the brief history of Internet business, however, many companies have failed to embrace the latest advances and approaches to leading-edge customer service. Today, what we call third-generation Web customer service fills the bill – tapping the full power and potential of the Web. Less advanced generations of Web service are seriously flawed.

### **First Generation: Static Information, Web Infancy**

Organizations new to online customer service typically start with static information – or what we call a first-generation approach. Static content such as phone numbers, addresses, and fixed brochure text (such as online marketing brochures) are the norm. Ironically, this approach drives customers OFF the Web and back to less efficient and more expensive media such as the telephone. Customer service by telephone is expensive in terms of both staff time and lost business. Frustrated customers not willing to wait long for answers quickly go elsewhere – often to your competitors' Web sites.

### **Second Generation: Delayed Answers, the Email Black Hole**

Second-generation Web service — characterized by delayed answers — typically relies on email management and manual knowledge bases. Many of today's more advanced companies and organizations are at this stage of Web development. This stage, too, however, has shortcomings.

Although an essential element of any effective customer service solution, email inquiries are a SYMPTOM of INEFFECTIVE Web content. Large volumes of email result from customers NOT being able to find answers they need on your Web site. Waiting for a response, the potentially frustrated customer goes elsewhere. Web customers expect an 8-second response, yet many leading Web sites fail to answer email within 24 hours, if at all. When customer inquiries fall into the email black hole, business is lost and costs go up as service reps are added to handle additional email volume.

A further shortcoming of second-generation Web service is the manual knowledge base. Consisting of information gathered from your organization's internal experts, such a knowledge base — whether made available to support staff online or in hard copy — is inherently weak. Manually created, updated and maintained, the database becomes a TIME-CONSUMING and EXPENSIVE undertaking. And as customer needs change and new issues emerge, the

gathered information becomes almost immediately OBSOLETE. Further, the entire database is internally focused and not driven by what customers deem important.

### **Third Generation: Immediate Answers, What the Customer Ordered**

The third generation of online service solutions takes full advantage of the Internet, solving cost and delay problems of earlier generations while providing customers with:

- **IMMEDIATE ANSWERS**
- **ACCURATE, RELEVANT INFORMATION**
- **CONTENT CREATED BY MEANS OF A CUSTOMER-DRIVEN, SELF-LEARNING KNOWLEDGE BASE**

The result is empowered customers who find answers in the fastest most efficient means possible. Most answers are found through self-service, with escalation to email and live (online) assistance as needed.

Third-generation self-service helps most customers find answers FAST, locating information online through FAQs and keyword/phrase searches. Most customer inquiries are repetitive, with about 80% of inquiries seeking less than 20% of available information. Serving themselves, customers get answers without delay, ensuring a POSITIVE service experience and repeat visits.

When human intervention is necessary, third-generation Web service allows escalation to email or live help. However, the vast majority of customers will not require or request escalation, keeping response delays to a minimum and controlling your staff costs. When escalation does occur, workflow routing and auto-suggest functions keep service fast and effective.

Live chat provides the highest level of customer touch and can either be reserved for key customers or open to every Web visitor. It's a function best used to solve complex problems, to attend to high-priority customers, and very effective in reducing abandoned shopping carts and lost sales.

For all types of third-generation Web response — self-service, email, and live help — the dynamic, self-learning knowledge base delivers speed and efficiency. Unlike static knowledge

bases, these online information repositories learn from — and are automatically updated based on — customer questions, answers, and dialog. From seed information, the ever-changing knowledge base grows and evolves to remain current and relevant. Closed-loop mechanisms link all stored information to ongoing customer feedback. Requiring minimal human intervention, the dynamic knowledge base is inexpensive to develop, administer, and maintain.

## **What's Ahead? Service of the Future**

The future is wide open and exciting.

The Web service of tomorrow will be truly personalized, providing information, content, and updates targeted to specific customers. Customer needs will be ANTICIPATED – responses will be PROACTIVE and PERSONAL. Anytime, anywhere service will be possible, delivered on platforms ranging from wireless phones and PDAs to traditional and notebook PCs. Additional interfaces such as WAP for lower bandwidth wireless connection will be used and maximized. All elements of corporate and customer knowledge bases will be leveraged and linked to allow companies a complete service profile of the customer at every interaction.

Organizations that fail to embrace eservice and the technologies of the future do so at considerable risk. Those who rise to the challenge, remaining current and customer-focused in Web service, gain competitive advantage. In every organization — from dot.com startups to traditional brick-and-mortar operations — fortunes will be made or broken one Web customer and one Web interaction at a time.