Best Practices

Break the Rules to Win in Customer Service

10 Contrarian Ways to Out-Innovate the Competition
“Contrarian wisdom” has often proved to be the winning approach in many walks of life, including business success. Setting aside conventional wisdom and avoiding groupthink have led to the emergence of groundbreaking philosophy, scientific breakthroughs, and business innovation that have changed the world for the better. This holds true for customer service and contact center innovation, too!

Customer interactions are the new battleground for competitive differentiation. In an environment of product commoditization, product proliferation, global competition, increasing government regulations, and rampant consolidation, businesses are refocusing on the customer. A survey by The Economist found that global CxOs plan to use customer service and knowledge management as two of the top three tools to overcome competitive pressures, their #1 concern.

Breaking rules to break out from the pack has emerged as the only sustainable way to maintain differentiation and reinforce brand equity in customer interactions. Drawn from the winning ways of our leading Global 2000 clients and our own domain expertise built over two decades, this white paper outlines 10 contrarian ways that you can adopt to deliver “stand-out” customer service.

- 1. If it ain’t broke, fix it
- 2. All customers are not equal, when it comes to service
- 3. Leap before you look!
- 4. Your older customers may not need walking sticks
- 6. Use agents to increase self-service adoption
- 7. One self-service method does not fit all
- 8. Adopt chat and web collaboration aggressively
- 9. Don’t mix Wal-Mart metrics with Nordstrom intent
- 10. Farmers can be hunters (Service agents can sell, but only with the right tools)
Strategy

1. If it ain't broke, fix it

Complacence has often led to the downfall of empires and businesses. Even if you think your contact center or customer service organization is doing well, you need to be proactive and forward-thinking to stay ahead. An effective approach world-class contact centers take is to constantly experiment and innovate in order to dominate and set new rules. Benchmark yourself against not only other companies in your industry but also other industries and even other countries in this era of global competition! Once you are sure you are on par with competitors in your industry and customer-focused leaders in other sectors, it’s then time to set new rules by exploiting next-generation strategies in technology, process, and people management.

As an example, some of our major financial services clients have emulated the success of virtual agent or chat bot self-service across geographies and across target customer segments. We have clients in the US and Japan offering virtual agent self-service in business-to-business as well as business-to-consumer segments!

In another example, a high-tech client, impressed by the popularity of chat bots for web self-service in the financial services and government sectors, deployed a chat bot on their website. It worked for them, too, enabling them to significantly increase adoption of self-service among less tech savvy customers, who were having a difficult time wading through hundreds of “search hits” to find answers to questions. Automated chat bots seem “human” and provide intuitive dialogue to guides customers to answers in pre-sales and post-sales areas such as research, information collection, product selection, and problem diagnosis and resolution.

2. All customers are not equal, when it comes to service

Businesses have to address the needs of multiple stakeholders including customers, employees and shareholders. It is, therefore, incumbent upon them to excel in customer service while not compromising profitability.
Smart companies do this by providing service based on the customer’s value. For instance, they often nudge low-value customers to self-service, while making it easy for high-value customers to get easy access to any kind of service they need, including assistance from agents. That said, businesses have to go through a robust process to define customer value and match customers to the appropriate service levels. Customer value could be based on strategic variables such as customer lifetime value or tactical factors such as the value of goods in an online shopping cart! It’s also important that your customer service management system is able to easily integrate with back-office data systems that house customer value information.

3. Leap before you look!

Deploy robust management of interaction channels before your customers start using them!

The “look before you leap” approach entails waiting for interaction volumes to hit a certain threshold before implementing robust interaction management systems. Service innovators preempt fires before they start. First-mover advantage in delivering exceptional customer service experience and building brand equity is often sustainable and irreversible. Look at Amazon.com!

4. Your older customers may not need walking sticks

According to the US Census Bureau, 40 percent of the United States population is 50 or older, and this group holds 75 percent of the nation’s financial assets and accounted for 55 percent of all consumer spending. Conventional wisdom has it that older adults are not comfortable with computers or the web, and prefer to speak with agents. On the contrary, we’ve heard from some clients that older adults often prefer self-paced web self-service since they do not feel comfortable exposing their self-perceived lack of knowledge while speaking to agents! Moreover, baby boomers approaching retirement age are comfortable with computers and the web. The best approach here is to look beyond conventional wisdom and talk to customers to learn more about their habits and preferences.
5. There’s no customer experience without agent experience

“Customer experience management” is making a comeback. Many companies are starting to create customer experience management roles but often ignore agent experience. Frontline agents are the portal to your company besides your website. They play a critical and often thankless role. In an environment of product proliferation, M&As, and tightening government regulations, agents are often required to comply with policies, business rules and best practices, while assisting customers and prospects effectively and efficiently across their life cycle. “Any-shore” outsourcing has added yet another wrinkle to this issue.

The bottomline is that your customers’ experience is only as good as your agents’ experience. Are your agents able to quickly find the information they need to answer customer questions or trigger follow-on problem resolution and fulfillment tasks, without violating service levels or best practices? Do you have a multichannel interaction hub in place that centralizes customer communications across channels and integrates with existing infrastructure and information assets, which makes it easy for agents (and your customers) to collaborate across channels and easily find information for quick resolution? Do you have robust routing capabilities that put the right agent on the right service inquiry at the right time so you position them for success? Focusing exclusively on customer experience management without paying attention to agent experience is conventional wisdom that puts the cart before the horse.

Implementation

6. Use agents to increase self-service adoption

Counterintuitive as it may seem, providing the safety net of easily escalating to agents without losing context almost always increases self-service adoption. Savvy companies take this one step further by providing customer value-based or situational escalation options, a point that was covered earlier in this paper.
Another powerful but not widely known approach to increasing self-service adoption is the use of web cobrowsing with simultaneous phone conversation to show customers how to use web self-service. This is akin to training a kid on how to ride a bicycle, initially with training wheels. Some of our most innovative clients including a major financial services asset management and brokerage company, have used this method to achieve quantum improvement in self-service adoption.

7. One self-service method does not fit all

Self-service is self-service is self-service. This is like saying that all your customers are the same. Most large companies have elaborate ways of segmenting their customer base into categories based on demographics, psychographics, and other characteristics. The same segmentation approach to self-service yields interesting results.

We have, in the course of helping many companies with self-service strategy and implementation, learnt that customers want different access methods to self-service depending on their skill level and where they are in the customer life cycle. Based on these experiences, we have broken down a typical customer life cycle into five stages, with appropriate access methods for each stage.

**Stage 1: Introduction—virtual assistant**

When customers visit a company’s website for the first time with a view to learning more about the company, they are not looking to spend lots of time researching. A chatbot that provides personalized self-service through a natural-language conversation and guides the customer through the website, pushing relevant content, can be a great tool to implement. It provides a friendly meet-and-greet capability that brands the company favorably in the mind of a prospect.

**Stage 2: Information gathering—natural language search or browse**

When prospects are looking to gather information about the company’s products, they are open to spending more time on the website. They are also
willing to browse through options and search through segments of the website. Natural language search combined with intelligent browsing capability (content personalized and categorized by preference or relevance a la Amazon) can be relevant self-service offerings at this stage.

Stage 3: Product comparison—guided Q&A with collaboration

Very often the prospect is confused at this stage if there are lots of possibilities to choose from and compare across different companies. A product recommendation capability can be offered through guided dialogue built using artificial intelligence technologies such as Case Based Reasoning (CBR) that allow the company to capture an expert sales person’s techniques into self-service.

The value of the potential transaction, the probability of conversion (can be historically calculated), and the cost of collaboration should influence your choice of escalation options during the product recommendation phase. Remember, seamless escalation to assisted service is like a set of “training wheels” on a bicycle—customers will rarely use the option, but they will be more comfortable with the self-service option if they have the choice to escalate.

Stage 4: Transaction—webforms with live chat assistance

In the transaction phase, we see innovative companies moving more and more towards some form of in-band escalation (either through web chat or cobrowsing). One of our enterprise customers, a top 10 online retail presence in the US, saw shopping cart abandonment rate drop by 20% after it implemented web chat and cobrowsing escalation in the shopping areas on its website.

Stage 5: Problem resolution—FAQ, search, browse, guided Q&A

Finally, problem resolution in the product support phase should be handled differently depending on the type of product and demographics of the customers. The best approach is to offer multiple access methods (FAQ, search, browse, guided Q&A) to the same underlying knowledge base. You can let customers decide what access method they want to use, or provide
fewer options to novice customers and direct them to more structured forms of problem resolution like guided Q&A. A leading global technology manufacturer that we worked with discovered that customers got satisfactory solutions from the knowledge base 30% more often through guided Q&A access rather than FAQ access! This fact underlines the need to let customers choose from multiple knowledge base access options, depending on their sophistication and needs.

8. Adopt chat and web collaboration aggressively

One of the common contact center myths is that chat and web collaboration are more expensive than phone interactions, and customer service organizations should try their best to avoid offering these interaction options. In reality, you may not have a choice. Live web interaction volumes have continued to increase in the last few years, as confirmed by many analyst projections including an article by Jupiter Research (“Customer Service Through Text Chat: Balancing Availability and Value for Customers”). Moreover, exploiting capabilities such as concurrent multi-chat and robust, proxy-based cobrowsing, customer service organizations can drive down chat interaction costs, increase self-service adoption, and help close web-based sales transactions, adding directly to the topline and the bottomline.

9. Don’t mix Wal-Mart metrics with Nordstrom intent

If the strategic intent of your company is to be a Nordstrom and you are running your contact center based exclusively on throughput metrics, there’s a clear misalignment that will defeat corporate intent. For instance, you may want to provide great customer experience through effective resolution, and minimization or elimination of repeat contacts, or you may want to maximize the value of interactions through sales in a service context. In these instances, focusing on metrics such as the number of calls or e-channel interactions handled by agents will seriously undermine your goals. Agents will rush through calls to meet their throughput goals without going through robust support or sales conversations. Make sure that your agent metrics are tied to the objectives of your contact center or helpdesk as well as the strategic intent of your company.
10. Farmers can be hunters (Service agents can sell, but only with the right tools)

Another prevalent fallacy is that service agents cannot sell. If your company’s overarching philosophy is not to mix service with sales, you may want to stay away from sales. However, if your contact center or customer service and support organization is facing the same pressure to generate revenue as many others are, the fastest way to get there is to sell when a service resolution is completed and a great customer experience delivered. That said, it is true that agents have different strengths and weaknesses. A reasoning-based conversation engine, supported by content and workflow, can guide agents through a best-practice based dialogue for sales as well as problem resolution, while triggering fulfillment tasks that can be tracked and managed to meet service levels. The same engine can guide customers through such interactions in the self-service mode as well.

Conclusion

Companies are winning in customer service by breaking traditional rules and defying conventional wisdom. We have only scratched the surface of fallacies and myths in these 10 rule-breaking best practices, and encourage you to uncover and break other rules that are slowing down your innovation. This approach will position you well to outsmart and out-innovate your competitors in customer interactions, the new battleground for competitive advantage!

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