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Service with a Smile—Not a :)

Building Loyalty with High-Touch, Scalable Remote Service

Before : Inside a Large Financial Institution's Private Banking Center, Today

Mary presses the Accept Call button as she glances up at the inbound call queue. As an experienced, empathetic financial advisor, she tries to treat all of her customers as individuals, but sometimes they just feel like an endless wave of calls.

She introduces herself to her new client and asks how she can help. Apparently, the client is setting up a new company of some kind and wants to open a SEP-IRA retirement account. Mary finds it a little hard to be motivated by the details of the new company: chances are, she'll never talk with this customer again.

She sits up in her chair as she realizes she's been asked a direct question about a new investment product, systematic equity funds. She finds some training material on her computer and answers the question, but the conversation feels somehow off-kilter. Mary is not quite sure how much the client understood.

"Can you send me some written information about systematic equities? You've been very helpful, but I'm not sure I can explain it to my husband, and he'll want to know about them, too." Mary sighs and starts assembling a package to send by email, sadly certain that she or another advisor will soon be getting more questions from this client.

After : At the Same Financial Institution, with Remote Service

Mary sees that she has a new contact request in her group's special queue. She can help any of the institution's clients, of course, but she's part of a small team (one of many in the organization) that focuses on select high-value clients. This client requested a chat, so Mary accepts it and smiles, seeing that it's Gloria, an enthusiastic and successful serial entrepreneur. In her typical high-energy fashion, she quickly types "*starting new new company—very cool—need to set up SEP + interested in 'systematic equities'—pls help!*"

Mary shakes her head with a grin and quickly types back "*sounds like lots to talk about. Can we connect by video?*" (Escalating to video conferencing is an option for this special queue.) Getting quick approval from Gloria, Mary initiates a high-quality video session that works automatically with Gloria's laptop webcam. "Mary!" Gloria beams. "It's so good to see you again!"

Mary nods encouragingly as Gloria shares her plans for the new company, asking questions and reflecting Gloria's passion. Somehow, the voice and video together make the connection that much more personal. She doesn't feel like a "contact center professional;" she feels like Gloria's trusted advisor…really, almost like a friend and confidante.

Of course, they get to business, and when the conversation shifts to systematic equity instruments, Mary shares her screen with Gloria to show some information she was given in a recent training session. She also launches Gloria's portfolio model on her screen, pointing to a pie chart to show how this new product would fit into their strategy. She can see Gloria nodding and asking good questions, so Mary knows she's communicating effectively.

"Oh, one last thing. I'll need to be able to share this information with my husband now that I understand it. Can you send me that document you were showing me?"

"Sure, Gloria, and I can do one better than that. How would he like to review this conversation we just had?"

This plan sounds great to Gloria—"gets me out of the middle of things," as she puts it, so as soon as they say goodbye, Mary sends Gloria a link to the session recording.

Mary smiles, knowing that she's helped her client, and deepened Gloria's loyalty. Next time Gloria starts a new business, Mary is sure she'll be back for more chat…and more business.

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The Challenge : Meeting Increasing Customer Expectations…At Scale

Despite vendor promises, there is no technology quick fix for delivering loyalty-building service at scale. Having tried VoIP, computer-telephony integration (CTI), email, chat, instant messaging (IM), and Short Message Service (SMS), the next technology cure-all is now supposed to be social media.

We call this vain search for the next remote service technology fix "service with a :)". It results in superficial service experiences that are no replacement for relationship-based service…just as an emoticon is no replacement for a real smile.

The Bar Is Being Raised

You don't set your customers' expectations; the best companies in the market do. From Amazon to Zappos, from specialty retailers to Michelin-starred restaurants to private bankers, customer service leaders keep delivering better and better service experiences, especially for their most profitable customers. They're all raising the bar for you.

Consider technical support for the personal computer. Long hold times followed by a frustrating conversation with a short-tenure offshore agent, seemingly capable only of reading from a script, had become a joke. Apple changed all that with the Genius Bar: technical experts in each Apple Store who accept appointments, meet customers in person, and are broadly empowered to make things right. The Apple Genius isn't just a voice from the other end of the world; she's a real person, perhaps a neighbor, standing in front of you, looking you in the eye, and taking care of you.

Truly understanding your customer is critical to great service. Few of us trust even family members to go clothes shopping for us, but some Nordstrom customers rely on a Personal Stylist, a Nordstrom service professional who keeps an eye on the entire store for suitable clothes and accessories. Personal Stylists have impeccable taste, of course, but much more importantly, they've taken the time to understand each customer's style, self-image, priorities, and desires. They've taken the time to form a relationship, and that relationship creates tremendous value for the customer, and enviable profits for Nordstrom.

It's not just the platinum card set that benefit from this kind of relationship-based service. In ways large and small, great service experiences are created by people who take the time to know us and remember what we like: people like the barista at the local coffee shop who remembers we prefer soy milk in our latte.

These examples—the Apple Genius, the Nordstrom Personal Stylist, the thoughtful coffee server—all have something in common: they deliver great, individualized service in person, in a specific store or location. That's the service experience your customers prefer, and to which they direct precious discretionary dollars. So imagine how they feel when they hear, "Please listen closely, as our menu options have changed. Press one for…"

How can we adapt and scale a great in-person service experience to work for remote contact centers?

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The Opportunity : "Virtually There" Service

The imperative for great service has never been stronger. Great in-person customer service experiences deliver immediate revenue, as well as long-term value in the form of customer retention and brand reputation. In a "Virtually There" service model, remote service can deliver these advantages and more.

If people can videoconference with family members thousands of miles away using free services such as Skype, why can't more industrial-strength solutions provide great remote service experiences with even higher quality? Why can't careful logic and business process guide investment of service representatives' time in the most loyalty-building customer situations and for the highest-value customers? And why can't technology help capture interactions for continuous improvement and long-term business benefit?

Today's World Requires Superior Service

In the old days, sales and marketing were geared to hit-and-run interactions. Companies would make a big sale, drop the product at the curb, and then move on. Despite lip service to the "whole product" concept, most companies saw service and support as a necessary evil that had only two objectives: keep customers just satisfied enough that they'll make the next big purchase some years later, and do so at the lowest cost possible.

In contrast, in today's world of XaaS ("everything as a service"), sales and marketing is service and support—there are no big sales, only recurring revenues. And the revenues recur only if the customers see value. In part, these recurring revenues require great products, but retention and growth also require easy, confidence-building, and pleasant service experiences that allow customers to get the most value out of their products with the least hassle and friction.

And it is all the better for loyalty—and revenue—if service interactions build a bond between the business and the customer. As influential customer experience consultant Shaun Smith of smith+co points out, "Every touch in the contact centre, whether inbound or outbound, represents a unique and immediate opportunity to extend and strengthen a customer relationship."

Excellent remote service offers us the chance to build a relationship—moving from one-off transactions to rich interactions and the development of trusted "personal" relationships. Personal service relationships offer a bulwark against commoditization of our products. They create barriers to exit for the customer that allow us to capture a high share of the customer's wallet for as long as possible.

Relationships are central to brand value—and market value—as well. In a service society, the brand is created by each customer interaction: even brand-management legend Regis McKenna notes, "For marketers, the end goal changes from creating brand awareness to satisfying customers." Each interaction affects perception. And perception is reality: with Yelp, check-ins, and likes, Internet opinions travel instantly, everywhere, and they live forever.

Delivering satisfying and loyalty-building service experiences isn't just a feel-good or fuzzy value: it's money in the bank. Loyalty maven Frederick Reichheld of Bain & Company points out that acquiring a new customer can cost six to seven times more than retaining an existing customer. His research shows that businesses that boosted customer retention by as little as 5% increased their profits from 5% to a whopping 95%. This bottom-line impact of loyalty is echoed in a recent Forrester Research study that showed that the difference between delivering a good customer experience and a poor customer experience netted out to more than $242 million of revenue for a typical financial services institution.

Virtually There service isn't just an effective substitute for in-person service: it delivers advantages that in-person transactions lack. We can collect data about evolving customer needs and preferences to guide product and service evolution. We have ongoing real-world laboratories that we can use to experiment, analyze, and invent new products and services. And we can deliver high-quality service cost-effectively, at scale.

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The Service Experience Disconnect

If the value proposition for delivering great service experiences is so clear, why have most approaches to remote service so far been so uninspiring? Consider

- *Anonymous automation*. Phone trees, voice portals, and web self-service sites transfer work from the service provider to the customer. In many cases they seem designed to make customers just give up and go away.

- *Low-cost labor*. Customers feel less valued when thin staffing results in long hold times and offshore agents—accents remediated or otherwise—appear to be empowered solely to follow their script.

- *Ineffective "efficiencies*." Companies strain chat agents beyond the limits of human multitasking, manipulating four or more simultaneous chat windows. Overworked chat and email agents have no choice but to rely heavily on "hotkeys" and other canned text, which deliver the exact opposite of personal service.

Each of these examples is really an attempt to decrease costs, not improve the customer service experience. They provide short-term cost benefits at the expense of long-term revenue from relationships. They optimize individual interactions in independent channels—calls, chats, web forms—rather than enabling the deeper discussions and trust building required for real relationships.

What Service Providers Need to Do

Things don't have to be this way. New technology, thoughtfully applied, can make the remote service experience the next best thing to being there in person. Organizations that want to reap the benefits of Virtually There service should follow these steps.

Use the Right Channel for Each Interaction

As Bill Price and David Jaffe explain in their popular book *The Best Service Is No Service*, much of the time, customers would prefer not to interact with customer service organizations at all—they'd far rather get their answer quickly through online self-service, or better still, just have everything work as expected.

Smart remote service providers heed this message by guiding their customers to the most effective and appropriate channels. For simple transactions such as password resets or account balance lookups, most customers prefer well-designed, intuitive self-service options. For quick, clear, questions ("Is this service available in my area?"), chat may make the most sense. For more open-ended questions or discovery sessions, especially for high-value customers, full audio and videoconferencing with collaboration tools is likely to be most effective. Carefully orchestrating channel options depending on the customers and their issues allocates scarce resources to the "moments of truth," or situations in which the human touch provides the most benefit.

Of course, it's not always possible to know the best channel until you've started the customer conversation. In those cases, switch channels quickly, by inviting customers who don't seem to be making progress in self-service to launch a chat, or moving a complex issue from chat to voice and videoconference.

Take Advantage of the Power of Video

There's no substitute for looking someone in the eye. Service representatives can show active listening with a well-timed nod or smile. Customers know they have their full attention—they won't speculate that the agent is really just focusing on wrapping up the last case, doing email, or skimming Facebook.

Numerous studies have pointed to the advantage of videoconferencing as compared with a traditional voice phone call. For example, research has shown

- *Increased learning*. Attendees in a face-to-face setting learn 200% more than counterparts attending an audio-only session (University of Wisconsin)

- *Quicker uptake*. Attendees in a face-to-face situation can absorb information up to 40% more quickly than in a non-visual session (Wharton School of Business)

- *Retention*. Participants in a face-to-face meeting retain 38% more information than those in a meeting without video (Harvard and Columbia joint study)

- *Persuasiveness*. Presenters in a face-to-face meeting will be 43% more persuasive than if they hadn't used video (University of Minnesota)

- *Collaboration*. 67% of video conferencing users said it improved collaboration by helping people develop trust and rapport. (Cisco)

Foster Collaboration

In addition to the virtues of meeting face-to-face by video, sometimes other tools, such as Cisco WebEx® Web and videoconferencing solutions, can make service experiences more effective and enjoyable. It's always a welcome touch when an in-person service provider swivels her computer display so the customer can see it; in a similar way, collaboration tools improve the customer experience.

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- Co-browsing can be an especially effective way of helping users navigate a customer service website. Not only does it get them to complete their task more quickly and without frustration; it also "teaches them to fish," making them more likely to be able to effectively self-serve next time.

- Customers can benefit from viewing many different kinds of content, from presentations, to spreadsheets, and more. For example, planning documents can be adjusted collaboratively, or a specialized tool like a financial portfolio model can be shared to do what-if analyses.

In today's world, it's typical for this kind of information to be shared after the service interaction, through email. What makes these collaboration tools so powerful is that the information can be shared in real time. This doesn't simply inform the customer of the outcome, but also engages them in the process of creation—a much more loyalty-building experience.

Manage Relationship-Based Queues

Typical remote service operations are limited to a small number of queues—generally, the number of interactive voice response (IVR) options that customers can be expected to put up with. Virtually There service provides many more options.

Especially for high-value customers, with whom the service provider wants to invest in a relationship, small, semi-dedicated queues can make it more likely that they'll talk with the same people more frequently. (Of course, intelligent queuing software permits others to help out if hold or wait times grow too long.)

Also, different queues can have different escalation entitlements. Certain customer segments might have the option to proactively request videoconferencing, for example, while other less-entitled customers might be presented with chat or voice until the customer service representative makes the decision to escalate.

By setting up highly granular queues based on issue type, customer segment, and even the specific customer, service providers can strengthen relationships while focusing investment where it will do the most good.

Capture the Full Customer Experience

For most customer service centers, capturing what actually happened in each customer experience is a chimerical task. It seems that no matter how much management harangues agents to take careful case notes, the pressure to get to the next customer is too high for them to do so.

This means that if a customer gets escalated to a specialist, or calls back after a dropped call, or were simply unsatisfied with the last service experience, he often has to start from the beginning again, explaining his situation again to the agent. This can quickly take a situation from bad to worse, leading to customer dissatisfaction and churn.

It's far better to capture everything the service representative says and does, including video. That way, if there's a question or problem, all the information is available to management, or to anyone who needs to jump in to help.

An additional benefit of session recording is that it gives management the ability to do both quality assurance (by spot-checking session recordings), and to provide fact-based feedback and coaching to continually improve service representative performance. Coaches of professional sports teams spend lots of time watching video with their players; now service center managers will have the same powerful tool at their disposal.

Finally, session recording and audit trails help ensure compliance with regulatory frameworks such as Sarbanes-Oxley, HIPAA, PCI-DSS, and others.

The Right Technology

The principles of Virtually There service are a mindset and a new way of engaging with customers. But to deliver it successfully, companies will need to take advantage of a new class of sophisticated cloud-based software and services. When considering remote service solutions, here are some requirements to consider:

- *High-quality video designed for the Internet*. As webcams become ubiquitous, and consumers rapidly adopt Skype and other low-resolution point-to-point video chat services, it's tempting to think that adding video to the mix is easy. Unfortunately, many of these benefits accrue only when the video is relatively high resolution—when you really can look the other participant in the eye. And, video has to work in the real world of the Internet, with spotty bandwidth, dropped packets, no quality of service (QoS) prioritization, and unpredictable routing. Look for a vendor like Cisco that has really invested in industrial-strength Internet video.

- *Easy cross-channel transitions*. Often, multi-channel service centers are built on a hodgepodge of point tools: one for chat, one for IM, one for email, and so on. It may seem like the path of least resistance to just add a new tool for videoconferencing. Resist this temptation! It's only when a single platform integrates multiple channels that organizations can make it easy to route customers and their issues into the right channel, and to quickly transition a service experience from one channel to another when required.

- *Fine-grained queue management*. Many legacy systems were designed to implement a very small number of generic queues. Accordingly, adding a queue can be a big task, and scaling to the kind of fine-grained customer-centric queue management strategy discussed previously can be impractical. Look for technology that's designed to manage many queues, assign service representatives to multiple queues, and allow for queue roll-over to handle spikey volumes in one queue or another.

- *Collaboration tools.* Video is important, but collaborative capabilities such as sharing screens, browsers, whiteboards, and applications are equally essential. "Screen sharing" sounds simple, but as anyone who has tried to use a Brand X web collaboration environment can attest, because of the intricacies of multiple operating systems, browsers, and application environments, it's hard to get right. Select a vendor that has lots of experience sweating the details.

- *Complete session recording*. It's important to get not only chat transcripts, but also video, audio, and other shared content. Plan on storing session recording information securely in the cloud to avoid unpleasant and expensive conversations with the IT department.

- *Secure cloud-based infrastructure.* Although the cloud is an essential enabler of Virtually There service, it also presents potential risks: malware, release of proprietary or personally identifiable information, and regulatory noncompliance. Make sure your vendor has provides well-designed security defense in depth. Require end-to-end strong encryption, no point-to-point connections between corporate and user computers, and certifications from independent industry authorities such as WebTrust.

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Acknowledging Cisco

DB Kay & Associates gratefully acknowledges the financial support and technical information provided by Cisco for this white paper. Cisco is a leading provider of web-based remote customer service, technical support, and collaboration solutions.

We recommend that service and support organizations that are considering remote service solutions for all the reasons discussed in this paper consider the Cisco WebEx Support Center solution. For more information about Cisco WebEx Support Center for Customer Service, visit:

http://www.webex.com/webex-for-support.html or call 1 877 469 3239 and select Option 3

About DB Kay & Associates

DB Kay & Associates is a consultancy that focuses on high-leverage initiatives for service and support, including knowledge management, self-service, collaboration, and remote service.

DB Kay provides :
- Assessments
- Training
- Technology selection
- Adoption consulting services

for market-leading service and support organizations.

DB Kay's customers include Microsoft, Research In Motion, IBM, Symantec, Tektronix, Yahoo!, Riverbed, and Intuit.

David Kay, principal of DB Kay & Associates, has been a leader in applying technology to knowledge-intensive business processes like customer service since 1984. He is a frequent industry speaker, and has been recognized as a customer service Innovator by the Consortium for Service Innovation.

Kay holds five patents covering the use of next-generation technology in customer service and support. He is co-author of *Collective Wisdom: Transforming Support with Knowledge,* available on Amazon.com

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