

Getting the Most Out of Self-Service

Maximize Self-Service Benefits by Understanding Customer Needs

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Introduction

Self-service is emerging as a tool of choice for consumers and organizations alike. Increasing numbers of people are now selecting self-service options, such as interactive voice response (IVR), e-mail, Web, and chat, as their primary means of contact with organizations providing goods and services, and a greater number of forward-thinking organizations are increasing the emphasis they place on self-service and adopting additional customer contact channels. Organizations that are not at the forefront of self-service processes and technologies are, at best, missing opportunities for greater cost savings and improved customer satisfaction. At worst, they are losing to competitors who are already at the forefront.

To determine if self-service will benefit your organization, ask yourself these questions:

- Do you want to lower the cost per transaction while improving your customers' experiences through decreasing the number of callbacks and call transfers and handling routine queries more efficiently?
- Do you want your customers to find products and information quickly and easily while providing them with a good customer experience?
- Do you want to introduce products and offers at less cost than with traditional Agent cross- and up-selling?
- Do you want to increase the frequency and decrease the costs of delivering marketing messages through multiple channels?
- Do you want to provide your customers with deeper direct access to product and service information?
- Do you want to increase customer satisfaction by providing the convenience of more hours of coverage in the contact center?
- Do you want your customers to have their inquiries answered more quickly with shorter wait times and roadblocks?
- Do you want to increase your competitiveness by responding quicker to changes in the marketplace with real-time promotions?

The benefits of self-service, implicit in the questions above, are real. Chances are that your organization has already identified self-service channels as a requisite component to meeting your business objectives, and you are looking for ways either to implement new self-service channels, or to optimize the channels that are currently deployed. To be successful at self-service, organizations must look at these channels from a customer perspective and align resources to achieve optimal business benefits. Identifying the benefits of self-service is the easy part; turning the concept into reality is the challenge.

To help you meet this challenge, this paper will provide a view of trends that are pushing self-service to the front line of customer support, share a few customer experiences with self-service, highlight common obstacles when implementing self-service, and recommend an approach to building and/or enhancing self-service options.

Self-Service Adoption Is Growing

Not only has there been an increase in the number of organizations that have implemented self-service as a means of customer interaction, but there has also been an increase in the total number of customer-initiated interactions that organizations are predicting will occur over the next few years.

According to a Forrester 2003 Benchmark Study,¹ companies are expecting a shift over the next two years:

- Customer interactions originating in the Web channel will grow from 10.6% in 2003 to 19.1% in 2005.
- E-mail interactions to increase in usage from a current 7.1% to 11.3% in 2005.
- Web Chat interactions to grow at a slightly greater increase, from 1.4% to 4.4%.
- IVR interaction volume to either increase or decrease, depending on current traffic. For organizations with low IVR usage, volume will increase. For organizations that have heavy IVR reliance, the volume will decrease as volume is shifted to other channels.
 - > At lower IVR usage, e.g., less than 50% of interaction originations, volume will increase by 7.2%;
 - > At heavy IVR usage, e.g., over 50% of interaction originations, volume will decline by 9.8%.

A second Forrester study² reports that by 2004, organizations are expecting that between 10% and 24% of calls currently handled by Agents will move to self-service channels. In addition, Gartner is forecasting that by 2005, more than 70% of customer service interactions that are initiated by customers to obtain information or to conduct remote transactions will be automated.³ Gartner further predicts that Web interactions will grow fivefold over the next five years and that the introduction of speech recognition will increase efforts to automate customer service.

Self-Service Is Not Always Good for Customer Relationships

The upward trend in self-service usage is a positive finding, but it does not reflect the way customer expectations are changing and whether they are consistently being met.

Depending on which method of self-service the customer chooses, he or she could have a positive, negative, or inconsistent experience with an organization. Self-service options are excellent for customers who want to find information or process routine transactions on demand, in real-time, and 24x7. Self-service also allows customers to *be in charge* of their experience by going at their own pace or learning about additional products and services that are of the most interest to them. However, some customers may find their self-service experience to be impersonal, discouraging, and constrained to a limited set of activities. Some people may prefer to talk with an agent and others just may not be PC savvy. It is key for organizations to find and maintain that optimum balance.

Look at your own experience. Have you ever searched for information on a Web site and, no matter how many different approaches you took, it just wasn't there? How about when you tried shopping or filling out surveys online, and your efforts resulted with the message, "We are sorry, but we are unable to process your transaction at this time. Please try again later"?

And then there are those experiences where the self-service exchange seems to vanish into thin air, such as when an online transaction is completed, and there is no acknowledgment or response to verify it. Research indicates that online service is getting worse – only 30% of organizations were successful in responding to and resolving customer inquiries within the six-hour window during which a majority of shoppers say they expect to receive a reply.⁴

In your own experience, have you ever dealt with an IVR that makes you feel like you are moving through a maze? As a "highly valued" customer, check out what you have to do to reach an agent through the sample IVR maze. To speak to a Shareholder representative, you first have to listen to option one, then to option two, then to option three, then to option four, and then to option five before reaching the first option of interest. Then after selecting "five," you still have to listen to eight more options before pressing "eight" and reaching the Shareholder representative. Of the over 6,000 customers surveyed by the Center for Client Retention, an independent research organization, 92% indicated that the option to speak to an agent was a priority. Over 50% of consumers in an independent survey said the way a company's IVR system works can affect their decision to repurchase products from that company in the future. And yet, IVRs continue to exist that make it difficult for customers to find what they are looking for.

Getting the Most Out of Self-Service

SAMPLE IVR MAZE

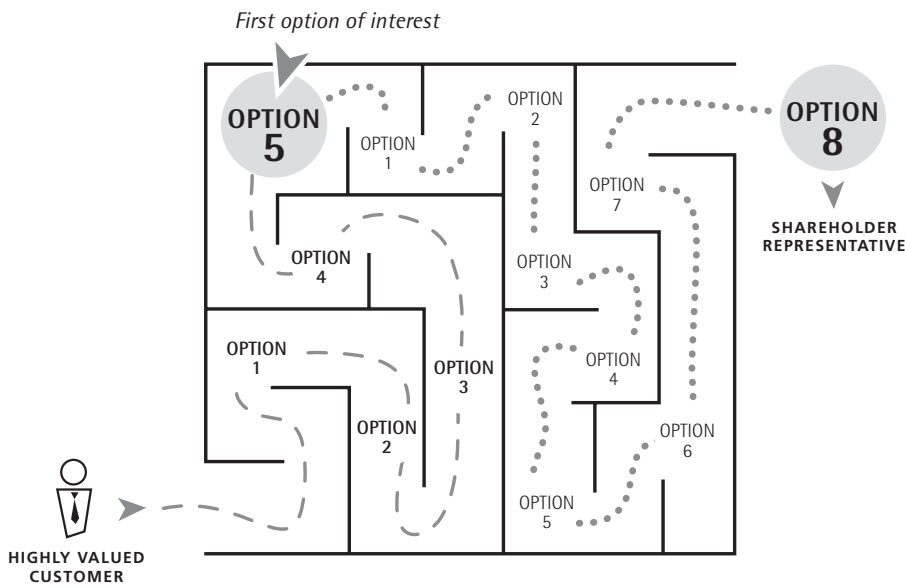
Main Phone Number
800-Main

Direct answer by the operator

Annuity Phone Number
800-Annuity

Thank you for calling The Company Annuity Strategic Business unit. If you know your party's extension please enter it now.

1. For Annuity marketing material press one
2. If you have questions regarding an existing annuity contract press two
3. If you need pre-sale annuity support press three
4. To leave a message for your regional vice president please press four now. (Then it prompts you to these prompts.)
 - 1) To leave a message for an Annuity Regional Vice President press one.
 - 2) To leave a message for a Broker Dealer or Wire House Distributor-Regional Vice President press two
5. To access Annuity unit values or guarantee rates press five. (Then it prompts you to these prompts.)
 - 1) For Annuity Premier unit value and guarantee rates press one
 - 2) For Flex Extra unit values press two
 - 3) For Foundation Annuity press three
 - 4) For Flex unit values and guarantee rates press four
 - 5) For Flex unit values press five
 - 6) For AAA window rates press six
 - 7) For separate unit values press seven
 - 8) To speak to a Shareholder representative press eight
 - 9) To repeat this menu press star



To return to main menu press star

Annuity Call Center

What Is Hindering Organizations from Creating a Consistently Good Self-Service Experience?

With an ever greater number of customers projected to rely on self-service channels in the future, organizations cannot risk customer dissatisfaction resulting from unfavorable experiences. If the customer experience with self-service is important, what hinders an organization from making self-service a consistently good experience for their customers?

Delivery of consistent cross-channel service was found to be a barrier to success for 97% of the firms studied by Forrester Research.² This is usually a result of the lack of one executive sponsor providing direction while building/enhancing self-service (e.g., IVR, e-mail, Web, chat). The reality for many organizations is that self-service is not acknowledged as a growing *channel* that can deliver many business benefits if implemented and managed in a way that maximizes its potential. For many organizations, self-service is frequently initiated as a series of stand-alone projects, owned by different groups, without consideration of how all the channels can work together, and without a deep understanding of their current customer contact environment *enterprise-wide*. This lack of a cohesive view results in an inconsistent customer experience as well as an inefficient overinvestment in self-service infrastructure.

Challenges to use and acceptance of self-service by both employees and customers are often the result of Information Technology (IT) being the driver of the self-service solution. Cross-functional teams are often not involved in the development and/or enhancement of self-service options. As a result, little attention is paid to developing the processes needed to prepare employees who will support the channel. Unfortunately, a technology orientation occurs at the expense of people and processes.

Inadequate resources and funding often restrict teams involved in planning of self-service initiatives to assess the effectiveness of existing self-service options and/or to prepare a plan for improving or developing the options available. Organizations want to achieve a competitive advantage, improve the customer experience, retain customers, reduce contact costs, and increase revenue. And they do agree that these goals are in alignment with the benefits that self-service can deliver, and yet, organizations struggle to secure resources and funding.

Customer needs are not accurately represented or understood because organizations do not leverage the experiences of employees who are involved directly with the customer interaction to gain the insight into the customer perspective. Although organizations invest heavily in getting to know their customers through programs in marketing, sales, and the contact center, these findings (e.g., customer and call center data, market research, and benchmarking findings) are rarely leveraged to build or enhance self-service options, and ultimately, the customer experience.

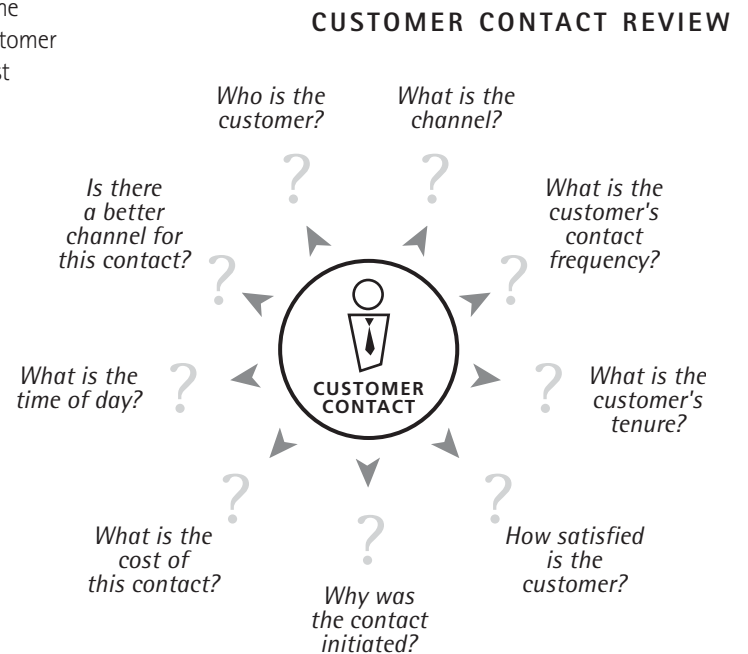
Approach to Improve the Self-Service Experience

If your organization has not realized the benefits expected from adoption of self-service, there is an approach you can take to close the gap between the self-service value expectation and the self-service reality. Success comes from:

- Gaining executive buy-in (allocation of funds and resources),
- Leveraging one executive sponsor to provide leadership,
- Utilizing cross-functional teams to develop and implement self-service options, and
- Leveraging customer information.

Review of the Current State

Before starting to build or enhance existing self-service options, it is important to understand the current state, specifically, the pain points and opportunity around the customer experience. It is recommended that a current state analysis be initiated, a review of your current customer contact environment *enterprise-wide* – a baseline from which success will be measured. You must determine which options should be developed or enhanced, and determine if your customers' needs are currently being met with what you already have in place. During this exercise, the customer contact is explored by asking questions such as who is the contact, what is the frequency of contact, when is the contact, why is the customer contacting the organization, what is the effectiveness/cost of interaction?



The review identifies opportunities where the customer experience could be improved, how *delivery of consistent cross-channel service could be achieved*, and where other business goals such as reduced service delivery costs and enhanced sales potential could also be achieved. It estimates the impact on people, process, and technology and includes benefits to the organization and to the customer.

To get started, a meeting is held with representation from Customer Service, Strategic Planning, Marketing, Sales, Finance, and IT to determine the scope of the review that will be conducted; in other words, to identify the customer types, touch points, and contact reasons that should be the priority for the effort. A third-party advisor specialized in optimizing customer interactions is valuable at this stage, as the advisor's experience can be used to help leverage the knowledge from the cross-functional teams. Throughout the project, the advisor can also add value by managing the overall project, facilitating the executive buy-in, and knowing where best to leverage customer insights.

Depending on the scope of the assessment effort, a team with the same representatives is engaged to gather data via a mix of interviews, request for information (RFI) forms, and live contact observations. It is here that customer research and call center statistics are reviewed, along with how the organization promotes its current self-service options. The data that is collected must be statistically significant, be gathered at the right level to make decisions, and reviewed and confirmed with those who work with and own that data.

Once the data is collected, a matrix of information is created that includes: customer type, frequency of contact, when the contact is occurring, estimated cost of the contact, effectiveness of the interaction, whether the contact is self-service or assisted by a CSR, and if it is self-service, the type of self-service used.

During the analysis, the information collected might reveal surprising call usage patterns and/or confirm the suspected reasons for contact (e.g., confusion about bills). The data is then consolidated to identify opportunities including:

- Increasing effectiveness of current self-service options
- Enabling existing self-service options to other customer types or touch points
- Development of new self-service capabilities for customer types and touch points
- Type of self-service that is being recommended, with estimated benefits

Once the opportunities are identified, it is important to provide details including:

- A description of each opportunity with its supporting data
- The target customer (type and segment, if applicable)
- Estimated benefit of the opportunity (value to customer/value from customer)
- Estimated impact of the opportunity on the customer experience
- Estimated impact on the organization (e.g., operations, marketing, and IT) to deliver the customer experience
- Estimated impact on partners to deliver the customer experience
- Estimated impact on people (the organization) to deliver the customer experience
- Defined or potential barriers to successful delivery of the customer experience
- Impact on other channels (e.g., branch, field sales, and contact center)

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The opportunities should then be detailed out; they must be prioritized based on the ability to implement, potential benefit (e.g., one contact resolution, cost savings, ROI, and customer satisfaction), estimated cost and duration of the project, and type of self-service opportunity identified. Prioritization is needed to gain organizational support when there may be other strategic initiatives competing for the business' time and resources.

Typically, the review is presented to a leadership group/executive steering committee to secure the *necessary resources and funding*. They should be able to readily discern how the recommendations align with the long-term business vision and how they demonstrate value.

BUILD/ENHANCE THE SELF-SERVICE EXPERIENCE

Once the recommendations are approved, there are four actions to consider when building/enhancing self-service options:

- Analyze your customer needs
- Create a customer/business design
- Build and test the technical solution
- Deployment

To support the actions above, there must be one executive sponsor, a steering committee, and a cross-functional team (e.g., at least one representative from Customer Service, Strategic Planning, Marketing, Sales, Finance, Human Resources, and IT).

The executive sponsors' role is to provide direction. The executive steering committee will provide overall vision, direction, and support to the team, serve in an oversight capacity during progress updates, resolve conflicts and/or issues that may arise, and make final decisions on business and technical recommendations.

It is important that the cross-functional team include "do-ers," those who actually work directly with the customer on a daily basis and those who can design a Web site, develop IVR menus, as well as perform the more difficult tasks of integrating solutions and determining how they will impact the customer experience.

ANALYZE YOUR CUSTOMER NEEDS

In an effort to ensure that customer needs are accurately represented or understood, it is key to facilitate a "customer needs" workshop.

The goal of the workshop is to look at a process from the customer's perspective by putting yourself in the customer's shoes (e.g., navigating through the IVR) to identify opportunities to add value by improving the overall customer self-service experience. The interactive workshop is facilitated and involves customer experts in discovering value drivers, opportunities, data needs, and process and organizational implications for activities designed to meet a customer's need. During the workshops, the participants confirm the customer's process and deconstruct each step to identify:

- Customer goals and needs – At each step in the process, what are the customer's goals and needs?
- Opportunities to drive value – From the customer's point of view, what can the organization do to improve the interaction with the customer and/or help the customer reach his or her self-service goal more quickly or easily, thereby adding value to the experience?

- Opportunities to destroy value – What should the organization avoid doing that would have a negative impact on the interaction with the customer?
- Organizational and process impacts – What policies, business rules, or organizational models are driving behaviors of the organization?
- Information needs – What types of information will the organization need to drive customer value?
- Expected benefits – What are the benefits to and from the customer?
- It is important to leverage the data used in the review for the workshop. The outputs from the workshops can be used to develop new or enhanced work processes, supporting technologies and/or organizational restructuring recommendations, each with the goal of realizing the benefits of self-service. The focus of these workshops should be on:
 - > The events that drive the customer to interact with the organization
 - > The questions the customer will ask
 - > The activities customers will need to perform
 - > The processes customers will have to follow

To ensure adequate customer representation, it is a good idea to invite additional participants who are usually the organization's subject matter experts who deal with customers on a daily basis. These individuals confirm the thoughts and intents of customers. While utilization of internal resources is the most cost-effective approach for determining customer needs, it is sometimes necessary to invite customers to the workshops to obtain their perspective and validate their needs. To ensure that the workshop is non-threatening and one that is a forum for open discussion, it is recommended that an experienced external facilitator be used to lead the workshops.

Because this is such an important part of the approach, the following discussion details how to prepare for the workshop. High-level process diagrams must be developed for each of the prioritized "events." Specifically, steps must be detailed out that customers take during their interactions with the organization in order to achieve their ultimate goal. When reviewing the events involved in this high-level customer process, it is important to discuss and capture the larger context in which the activity occurs. This discussion should address the type of customer who goes through the process as well as the context in which each event occurs.

For example, for the customer who initiates a "Balance Request":

Example: Balance Request

Customer 1 wants balance information to make a bill payment.

Customer 2 wants balance information to use for dispute resolution.

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In each case, the customer's actual goal is not to obtain the balance data for information only, but to obtain the balance data as a step that will help that customer reach his or her ultimate goal. It is important to determine what is required to meet the customer's real need because, in each case, the opportunities to drive or the threats to erode value are completely different. A customer who is requesting balance information in order to pay a bill may want to complete the payment process as quickly and easily as possible. The opportunity to add value in that case is to ensure a capability in each channel to accept a payment and credit the account. Another customer may want to discuss optional rate plans to reduce costs or transfer to a better plan.

The output from the workshop will consist of:

- An understanding of key steps from a customer perspective
- Opportunities to change from a people, process, and technology perspective
- Recommendations with sign-off from participants for organizational, people, process, and technology changes to improve the customer's self-service experience with customer evidence supporting the requested change
- Prioritized list of customer situations/scenarios with starting and ending points supported by research findings
- Executive summary of the types of self-service options available to satisfy specific customer needs, which can include FAQs, automated e-mail, online statements, chat, instant messaging, or account-based or status alerts. The participants of the workshop might suggest different ways that self-service can be promoted (e.g., direct mail, financial incentives, or on-hold messages). For example, specific Web services can be promoted to customers waiting to speak to a CSR such as reviewing statements or paying bills, checking the status of a flight arrival or departure, or tracking a shipment from a retailer

It is recommended that the executive summary be shared with the executive steering committee that will review the output and assign resources needed for further work.

CUSTOMER AND BUSINESS DESIGN

Leveraging the work from the "customer needs" workshop, a customer/business design document is then created to:

- Define the desired customer experience/behavior that will deliver the financial results identified
- Detail the process changes across operations, technology, people, and partners that will deliver the desired customer experience
- Identify specific customer incentives to change channel behavior
- Define business requirements
- As required, develop RFIs, conduct vendor evaluations
- Define a deployment (change management) plan

As input into the design, it is again recommended that workshops be held with a cross-functional team. Specific to process changes, it is suggested that workshop participants examine and challenge the way things "have always been done" – to review "as-is" process flows (e.g., Balance Request on the IVR).

The outcome of the workshops should identify new and/or changed processes, policies, or organizational improvements – all toward the goal of delighting the customer while in the self-service channel. While some process and policy changes will be driven by new technology, the opportunity to streamline existing inefficient workflows can be a solution. Improvements in interdepartmental and cross-functional processes can not only yield time and cost savings, but also have a positive impact on the customer experience and employee job satisfaction. Once the new/enhanced processes and policies are defined, the organizational structure must be examined to ensure that it will effectively support these changes. Organizations should be planned for deployment activities (change management).

BUILD AND TEST THE TECHNICAL SOLUTION

Once the customer and business requirements are defined, technical solutions are built and tested. Recommended technical solutions may include speech recognition or voice XML applications, or natural language search on your Web site. In a recent study, 17% of companies surveyed had implemented basic speech recognition, and another 16% report that they are rolling it out or piloting it this year.¹

Addressed in this phase of the approach are the application, the supporting application infrastructure and interfaces such as data needs, legacy interface architecture, interface to Customer Relationship Management (CRM) and/or other Web applications, ordering of equipment, functional integration, and acceptance testing. Extensive user (customer) testing must be done to ensure that the channel(s) will support growing customer interaction volumes.

DEPLOYMENT

The final element that should be considered in the plan to achieve successful self-service is the execution of the deployment strategy. This includes internal and customer communications, training, and people and process changes. It is especially important that Customer Service employees be able to see the change and articulate what it is, and understand why it is so critical to the customer and to the success of the organization. Deployment also includes the cutover plan if technology is introduced or enhanced. Monitoring and reporting of success measures are key elements of this plan in an effort to compare against the baseline and to justify the business case.

Conclusion

The movement toward a greater reliance on self-service options by customers and organizations alike is increasing awareness of the benefits of this channel if designed and implemented according to an accurate understanding of customer needs. Executing leading-edge self-service practices is a win-win for the organization because it provides convenience to customers and delivers the benefits of efficiency, effectiveness, and opportunity to the organization. Among the tangible benefits are:

- Effectiveness – Increased frequency of marketing messages through use of multiple channels
- Efficiency
 - > Lower cost to cross- and up-sell products and offers
 - > Lower costs per transaction by decreasing the number of callbacks, call transfers, and routine queries
- Convenience – Quicker answers to inquiries with shorter wait times
- Opportunity – Greater competitive advantage by having the capability to quickly respond to changes in the marketplace with real-time promotions
- Convenience and Revenue Enhancement Opportunity
 - > Customer access to more thorough and complete product and service information
 - > Increased customer satisfaction through the greater convenience of more hours of coverage

To realize the benefits of self-service, organizations are encouraged to take a new approach in undertaking enhancements or additions to self-service options. This approach shifts the focus to the customer and leverages people, process, and technology to deliver a robust solution. It requires the support of an executive sponsor who appreciates the value of self-service as a channel and the involvement of a cross-functional team to develop and manage that channel. Self-service will truly benefit both the Customer and the Organization only when it receives the appropriate prioritization, and when adequate resources, budget, experience, and technology are committed to optimizing the channel.

Self-Service Optimization Checklist

- √ Ensure executive sponsorship, resources, and funding for the initiatives.
- √ Understand the current environment. Evaluate how customer needs are currently being met by the various channels and determine which channels should be enhanced or developed. Understand the areas of opportunity and of friction. Summarize the opportunities and benefits available to your organization and present to your executive sponsor in a business-case format. This presentation can be used to justify further development or enhancement-related work.
- √ Put yourself in your customers' shoes and identify their needs. What questions do they have? What will they need to do to get answers? And what processes will they have to follow to reach their goal? Look for opportunities to drive value. From the customer's perspective, what can the company do to improve the interaction with the customer and/or help the customer reach their goal more quickly and easily, thereby adding value to the experience? Look for threats to erode value. What should the company avoid doing that would have a negative impact on the interaction with the customer? Leverage customer and call center data and research.
- √ Leverage a team of cross-functional representatives (from Customer Service, Strategic Planning, Marketing, Human Resources, Sales, Finance, and IT) to understand the current self-service environment and to propose development and/or enhancements needed.
- √ Make sure that your plan delivers self-service experience that is as good or better than the current, traditional customer channels.
- √ Test, test, and test. Ensure that the system designed is robust enough to support the anticipated load.

End Notes

¹ 2003 Forrester Benchmark Study, "CRM Status: Customer Service Channels Benchmark"

² 2002 Forrester Report, "Online Service: The Next Generation"

³ 2002 Gartner, "Is Self-Service the Panacea?"

⁴ 2002, Jupiter Media Metrix

About the Author

ALYSON AYLETT

Alyson is a Senior Principal (Solution Architect) of eLoyalty's Management Consulting practice with over 20 years of diversified management experience in customer service, marketing, and business process design. She has helped numerous companies develop and execute customer service and marketing strategies, re-engineer complex service operations and develop/implement business solutions. She has experience in industries including wireless, health care, banking, transportation, automotive aftermarket, and municipal government.



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