

Lesson 6:

Customer Relationship Management (CRM) and E-Services

Objectives

By the end of this lesson, you will be able to:

- ✦ 1.6.1: Define the function of a knowledge base.
- ✦ 3.1.5: Use appropriate procedures to reduce costs of e-commerce sites (includes Web-based conferencing, telecommuting, video monitoring).
- ✦ 3.3.5: Use surveys to determine customer preferences.
- ✦ 3.4.1: Create a customer service plan.
- ✦ 3.4.2: Use frequently asked questions (FAQ) and e-mail to improve customer service.
- ✦ 3.4.3: Apply synchronous and asynchronous customer service methods.

Pre-Assessment Questions

1. Which of the following statements about e-service is correct?
 - a. E-service is designed as a complete replacement for traditional customer service methods.
 - b. E-service is designed to work in concert with traditional customer service methods.
 - c. E-service should be used only when traditional customer service methods are not available.
 - d. There is no relationship between e-service and traditional customer service methods.
 2. Sarah works as a customer care representative for an online business. A customer is having problems buying an item. Sarah walks this customer through the checkout process by controlling the customer's view during a live session. Which type of e-service method does this session demonstrate?
 - a. Web form
 - b. Chat
 - c. Remote control desktop
 - d. Co-browsing
 3. What is the most common form of asynchronous e-service?
-

**customer
relationship
management**

The process of
managing a
business's
relationship with its
customers as a
business resource.

Managing the Customer

Managing the customer is a vital part of any business, whether business-to-business (B2B) or business-to-consumer (B2C). You must be concerned about **customer relationship management (CRM)** — also known as customer resource management — and customer service. CRM focuses on managing the customer (and your relationship with existing customers) as a business resource, both as a source of ongoing sales and as a potential source for new customers and new sales. Customer service focuses on providing the assistance and services that customers need, such as answering questions, handling any problems that might arise, and so forth. Although neither CRM nor customer service is unique to e-commerce, each has its own special concerns and requirements in the electronic marketplace.

CRM and customer service work together to establish and build a loyal customer base, but each has its own role and addresses the customer from a different perspective. A simple and clear way of looking at these roles is as follows:

- CRM deals with the customer base as an entity and as a business resource.
- Customer service deals with each customer as an individual.

Online customer service, also known as e-service, is the one aspect of e-commerce that can set your business apart from other businesses in customers' minds. With all the options that consumers have, many people feel they no longer need to tolerate poor (or even mediocre) customer service, because they realize how easy it is to take their business elsewhere. In the online world, customers expect and even demand good customer service.

Customer management, in all its various forms, has always been an important component in a business's survival. As competition continues to grow on the Internet, customer management activities relating to e-commerce will become increasingly important. However, many of the issues are the same for all businesses, traditional and e-commerce. Businesses must know how to identify potential customers. They must offer more than just products or services; they must provide additional services that make them stand out in customers' minds.

An Internet presence can enhance customer service for both e-businesses and traditional brick-and-mortar stores. The Internet is key to customer service because it offers businesses and customers additional ways to do business better or faster, to provide more options and to develop customer relationships.

It is important to realize, however, that online customer support is not without its own special concerns. Online customer service can be a more complex task than traditional direct-contact customer service because the advantages of body language and tone of voice are not available in online interactions.

Customer Relationship Management

CRM is different from customer service because it deals with the management of customers from a business process viewpoint rather than through direct customer interaction. A business that uses CRM is concerned with how it manages its customer service information and how to better serve those customers based on that information. This service helps tighten the relationships with customers, and may improve customer retention, which is a key goal of CRM. Selling to existing customers is typically more cost-effective than locating, qualifying and selling to new customers.

CRM looks at a company's customers as a business resource to be evaluated and managed. Treating customers as a resource is not a new concept and is not unique to e-commerce. The concepts developed and tools used apply to both online businesses and traditional brick-and-mortar businesses.

Another primary difference is that the e-business typically has less direct contact with the customer and must find other ways to manage and maintain the customer relationship. Data collected and maintained on customers becomes critical, going beyond a simple record of purchases of products and services.

Improving value to existing customers

After a customer relationship has been established, resources must be maximized to yield maximum value. Adding customer value does not mean that services must be free of charge. However, customers do expect and appreciate extras. For example, customers would not expect to pay an additional charge to be notified of new products or services. They may, however, pay for a membership that provides additional savings when making purchases, similar to membership-style retailers.

Value additions can help reinforce and build on customer expectations, as well as create brand loyalty amid competing business. Depending on the business, several steps can be taken to add value online at minimal cost. These steps include the following:

- Make product documentation available for download.
- Issue alerts and product reports.
- Issue upgrade and revision announcements.
- Provide "how to" information.

For businesses that deal with durable goods or more expensive products and services, you might consider a "loyal customer" price discount as improving value to the customer. Software companies commonly do this, charging less when selling a newly released software package at an upgrade price to existing customers.

Generating repeat business

The cost of developing a new customer is much higher than the cost of retaining one. One way of keeping down the cost of sales is to serve existing customers through repeat business. Failing to provide sufficient focus on existing customers can directly affect profits and could contribute to the failure of the business.

Customer retention should be the goal of any business. The higher the cost of the product or service offered, the more important it is to resell to existing customers. High-value-item purchases tend to be made after a long period of evaluation, consideration, and, possibly, negotiation. A business cannot depend on the "impulse buy" purchases generated for less expensive items.

Developing new customers is often a daunting task. Converting a new customer into a repeat customer can have its challenges, but can be more rewarding. Consider the difference in marketing to an existing customer. The customer is already qualified — that is, you know that the customer has a need for your product or service. You also have a way of directly contacting the customer, so you know that any marketing efforts are directly focused on a potential buyer. The difficulty is convincing customers that they have a reason to buy from you again.

The total customer experience will be the critical factor in whether that customer will return. Developing repeat customers is not a final step in the customer transaction, but is part of every step along the way. A customer who has an unsatisfactory experience is unlikely to buy from you again. Customer satisfaction can be negatively influenced by the following factors:

- Difficulty in finding the desired item
- Out-of-stock or otherwise temporarily unavailable item
- Long delivery time for item
- Item damaged in transit
- Wrong item shipped
- Billing errors
- Difficult return procedure for item

Notice the last item in the previous list. A problem with an item purchased does not necessarily mean that you will not have repeat business with that customer in the future, assuming that the problem is resolved quickly and with a minimum of effort on the customer's part. Even if the problem is the customer's fault, such as ordering the wrong size or wrong color, the customer's experience is going to be directly related to the ease with which the item can be returned or replaced.

Data mining

data mining

The use of existing customer data to identify customer trends and relationships.

Data mining refers to the use of customer data to improve CRM. Data mining attempts to increase the number of qualified prospects for a given target, thus increasing the number of qualified responses, in hopes of improving the Return On Investment (ROI). Marketing and sales departments use data mining in the following ways:

- Identifying opportunities to cross-sell related items
- Identifying opportunities to **up-sell** higher-valued items
- Identifying relationships between customer demographics and item sales

up-sell

A sales technique designed to have the customer purchase a more expensive version of a product.

The careful use of data mining techniques makes it possible to identify like-minded customers. Being able to predict what customers will be interested in or how they will react to a given set of circumstances allows marketing teams to better predict the target audience.

One of the benefits of data mining is that businesses can often discover what were previously unknown and often unsuspected relationships. Data mining is designed to identify patterns that are often too subtle or too hidden by layers of information to be identified through less-sophisticated analysis.

A potential problem with data analysis is that the outcome is only as good as the source data. If the source data is incomplete or inaccurate, the results obtained will be misleading and could lead to expensive marketing mistakes. Errors can be introduced through data collection (obtaining inaccurate or incomplete data) and data entry (errors introduced when entering the data).

Microsoft SQL Server 2000 ships with a set of data-mining and data analysis tools. SQL Server 2005, when it is released, is expected to include enhanced analysis tools that are not only more powerful but easier to use. Microsoft also provides formal training and less-formal self-paced learning activities on data analysis and the use of available tools.

Establishing new customers

Establishing new customers is a major goal of most businesses, whether traditional, online or hybrid. Earlier in the course, we discussed issues related to attracting customers. To attract new customers, the business must:

- **Locate and identify potential customers** — including qualifying and focusing marketing efforts on the most likely customers in the target population.
- **Identify ways to address potential customers** — including finding the best marketing strategy for informing potential customers about the product or service.
- **Understand customer needs** — including matching products or services to customer requirements, filling or creating a need.

Again, existing customers are one of a business's key resources. Many businesses rely heavily on customer referrals and word-of-mouth advertising as a major part of their marketing strategy. This is another reason that customer satisfaction and well-designed and executed customer service are critical. Although customer referrals can bring new customers to your Web site, negative customer reaction can drive them away and keep them away.

In addition, the information collected from existing customers can be used to identify and locate new customers. Customer demographics help to identify the target population. This information can then be fine-tuned through data mining to better identify the most likely customers.

CRM initiatives

One way of putting customer data to work is through a CRM initiative. A CRM initiative is a general term that can refer to any marketing program that uses customer data and CRM analysis techniques to retain existing customers and identify new potential customers.

A CRM initiative may encounter some roadblocks that slow the deployment. For many businesses, the first requirement is justifying the cost. Businesses have limited funds available for retaining existing customers and marketing to new customers. It is necessary to project an ROI to establish a CRM initiative's budget, and then validate that return in order to continue or expand the initiative.

It is also necessary to identify the place CRM should hold in an overall business plan. It does no good to identify potential customers, or even existing customers, if no plan for marketing to those customers exists. The best marketing efforts will fail if a business does not offer a product or service that customers need.

Several vendors offer CRM applications that provide the tools you need for a successful CRM initiative. The tools available vary in sophistication and cost. It is important to match CRM product features to your needs so that you:

- Ensure that the CRM application provides the functionality you need.
- Ensure that you are not paying for features that you do not want or need.

CRM applications include the following:

- Oracle/PeopleSoft (www.peoplesoft.com)
- Microsoft SQL Server (www.microsoft.com/sql)
- MicroStrategy 8 (www.microstrategy.com)

Data collection requirements

You must also keep in mind that a CRM application is only one requirement. The best application is worthless if you do not have the source data for analysis. The information collected during a sale is a good start and typically includes, at the very least, the product purchases and the customer's geographic location.

Collecting additional information can be difficult. Many businesses use product registration as a way of gathering customer information. However, many customers choose not to complete a product registration, either considering it too much effort or finding the questions too intrusive. Keeping the effort required minimal and offering the customer a perceived value for registration can improve response rate on registrations. For example, some software companies promise free updates and bug fixes or reduced cost for future upgrades as an incentive for registration.

A well-managed customer service operation is another potential source for customer data. Customer service representatives need to understand the importance of the data collected to make them more likely to be willing and active participants in the process. This can also help to motivate customer service representatives to be careful about accuracy and completeness when collecting customer data. Some businesses offer incentives, such as cash bonuses, to customer service representatives for successful data-collection activities.

In the following lab, you will investigate features offered by a representative CRM application suite. Suppose that you are proposing a CRM initiative as a way of increasing sales for a retail Web site. The two key components are the source data for analysis and an appropriate data analysis tool. MicroStrategy is one company offering data analysis solutions.



Lab 6-1: Evaluating a CRM application suite

In this lab, you will visit the MicroStrategy Web site to review available analysis-software solutions.

1. **Browser:** Navigate to ***www.microstrategy.com***.
2. Point to **Software**, point to **CPM Starter Kits**, then click **Overview** (see Figure 6-1).

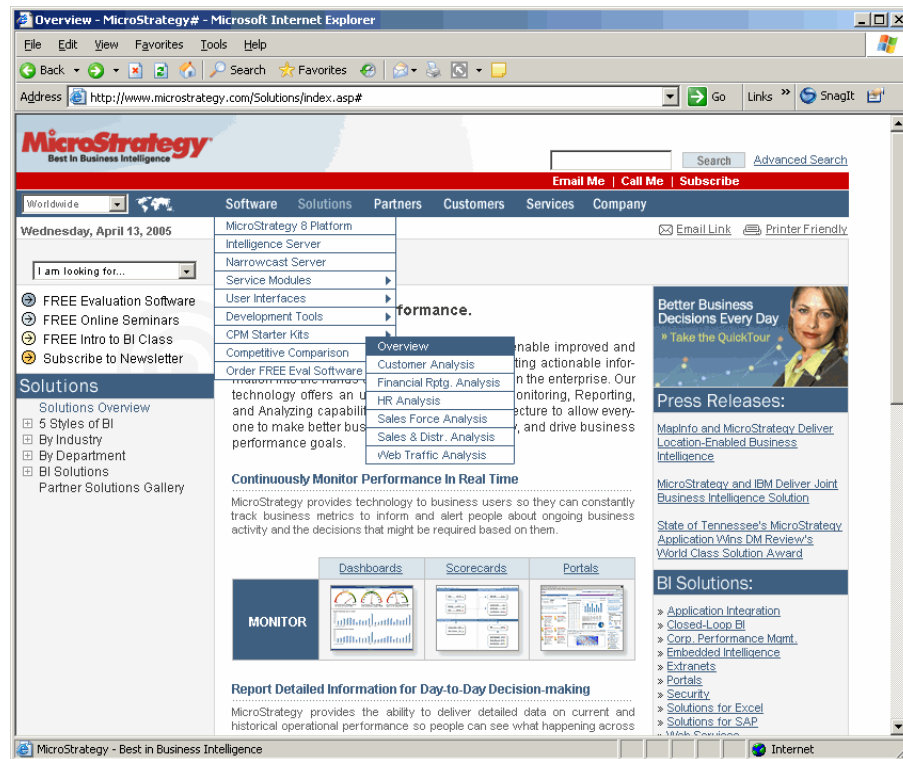


Figure 6-1: MicroStrategy Web site

3. Under the **CPM Starter Kits** heading in the left pane, click **Customer Analysis** (see Figure 6-2).



Figure 6-2: MicroStrategy 8 Customer Analysis Starter Kit

4. Review the general description of the Customer Analysis Starter Kit. Under the **Related Information** heading in the left pane, click **CRM Reporting & Analysis** (see Figure 6-3).

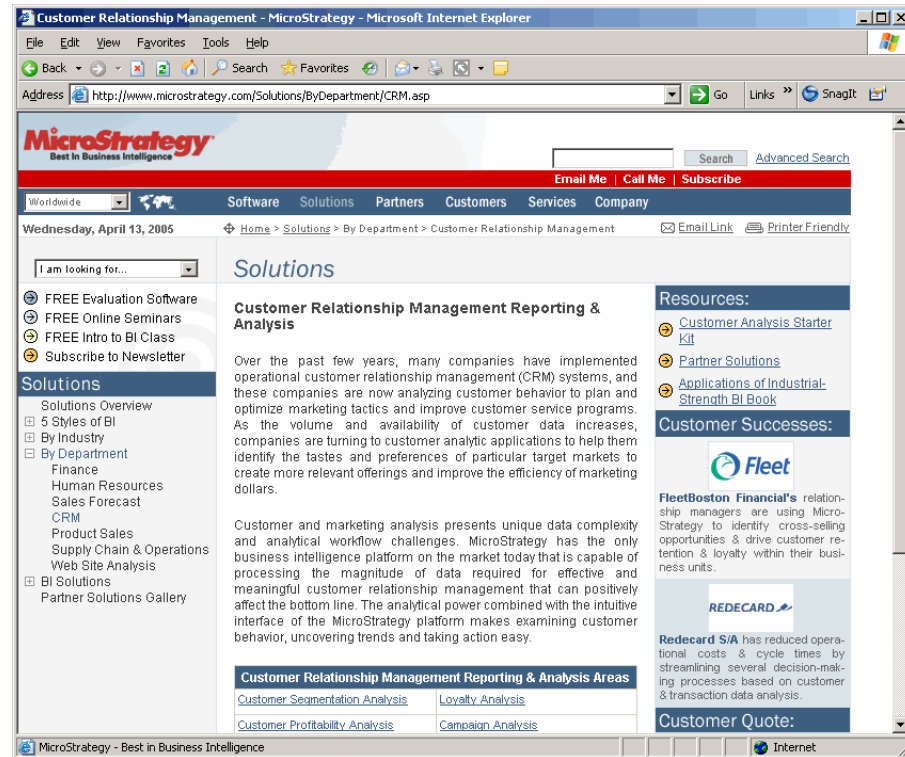


Figure 6-3: Reporting and analysis solution

5. Scroll down and review the CRM reporting and analysis areas supported by the analysis module.
6. To show a sample analysis, click **Loyalty Analysis**. The file Customer_Loyalty.pdf will open automatically in Adobe Acrobat Reader (see Figure 6-4).

Tech Note: Your computer should have Adobe Acrobat Reader installed. If not, you will be prompted to search the Web for an appropriate program or select a program to open the file from a list. If necessary, download and install Adobe Acrobat Reader. The download and installation will require several minutes.

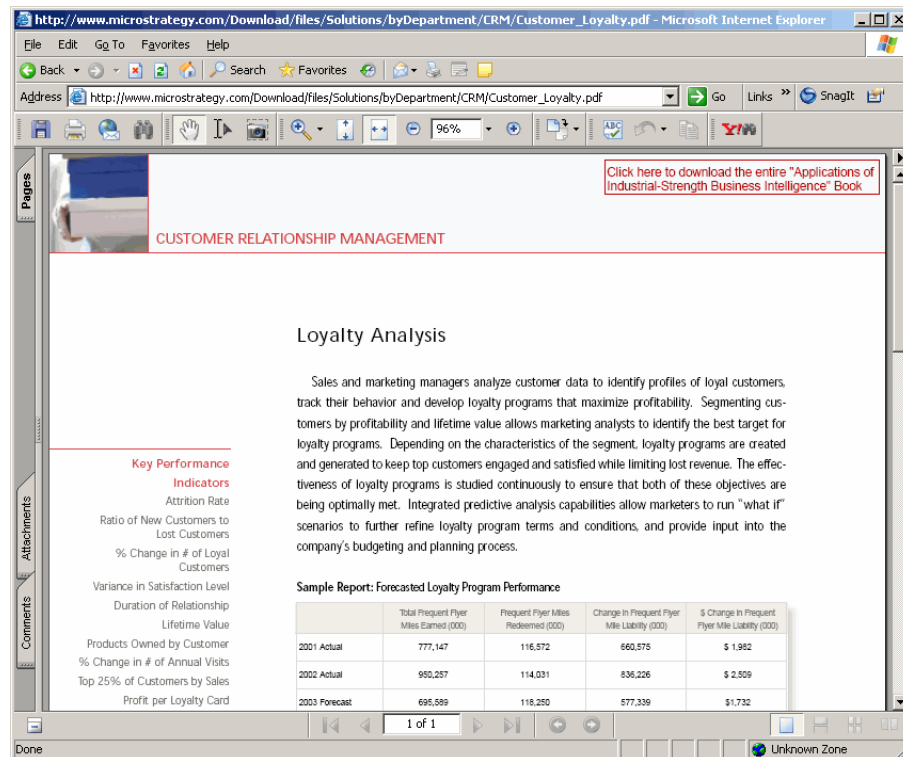


Figure 6-4: Sample Loyalty Analysis report

- Review the contents of the Loyalty Analysis report. If time allows, review additional sample reports.

In this lab, you were introduced to a CRM analysis software provider. It is important to carefully evaluate and compare your options when selecting CRM software. CRM applications vary widely in cost, requirements and features supported. Make sure the application or application suite supports the features you need.

Customer Service Concepts

As you have learned, customer service is a critical part of most businesses. Customers realize that, occasionally, they will purchase the wrong service or product or have problems. Although a wrong shipment or a defective product or service may be an annoyance, most customers place more importance on how they are treated when they try to get the problem corrected. The quality of customer service will help determine whether customers will continue to buy from your business or recommend the business to others.

Poor customer service can be the downfall of any e-commerce business. Customers know what they want and how they want it, and they believe that "the customer is always right." The Internet has evolved into a buyer's market and the most successful online businesses have set high standards that other businesses must meet or exceed. The speed of communication on the Internet means that word of substandard service can, and will, spread quickly.

With this in mind, you should realize that e-service is rapidly changing relationships for B2B and B2C firms. The Internet brings new dynamics to customer service activities. In

the traditional brick-and-mortar world, an increase in service features usually meant that a business had to increase costs, thereby reducing profits. Even with increased services, consumers often were not served effectively.

OBJECTIVE:
3.4.1: Customer
service plan

The effective use of Internet-based technologies means that e-service can allow both the business and the consumer to save time and money. The business will still incur an added expense to develop and deploy a customer service system, but such expenditures would be expected with any business model improvement. With many e-service systems, after initial deployment expenses, the cost of providing consumer support can decline over time. At the same time, the quality of the customer service will often begin to rise as more and better information is made available to the customer.

E-service is an expected part of any e-commerce site, but it also makes good business sense. Today a consumer can switch vendors with the click of a mouse. The market has already demonstrated that businesses that do not develop strategies to offer consistent, high-quality customer support will suffer. However, customers who are connected to the business through quality e-service after the initial transaction will probably be motivated to return.

E-service can also help to drive CRM activities. A well-designed e-service plan enables business owners to learn about their customers through information exchange. Not only does this provide for an efficient way of collecting data, the exchange creates working relationships and allows the business to better understand the customer. A well-run business can then use what it learns to provide more personalized service to individual customers.



Movie Time!

Go to CIW Online to view a movie about this topic.

A brief look at Chat (approx. playing time: 05:00)

All movie clips are © 2011 LearnKey, Inc.

Customer Service Tools and Methodology

OBJECTIVE:
3.1.5: Reducing
costs of e-
commerce sites

Traditional customer service usually referred to the salesperson's or customer service desk's treatment of the customer in the store. As times changed and customer expectations of service began to rise, service standards began to increase correspondingly. Products and services began to carry guarantees and warranties to assure consumers that problems would be addressed.

As the emphasis on customer service and support grew, a new service concept called personalization began to evolve. Now the Internet economy has expanded the ability to further customize and increase customer services. Customer support can be any assistance or technical support given before, during or after a transaction.

E-service methods are based on communication tools. Specific details vary; this lesson examines the most common forms with their advantages and drawbacks. No one method is appropriate for all businesses or all situations, or meets all your customer service requirements. You need to understand what is available so that you can make suitable selections for your business when developing your service plan. Software packages designed specifically to meet customer service needs can help you design and implement e-service components.

Customer service tools can be characterized as any one of the following:

- Synchronous
- Asynchronous
- Self-service

Key differences between the categories are immediacy and level of direct interaction. When reviewing specific e-service methods and tools, focus on how the technologies might meet your customer service needs and how your customers are likely to react to the tools.

Synchronous customer service methods

OBJECTIVE:
3.4.3: Synchronous
and asynchronous
customer service

Synchronous service allows the customer to communicate in real time with a service representative. The benefit to the customer is that service is highly personal and immediate. The most obvious advantage to the business is the improved customer satisfaction because issues can be resolved more quickly and because customers often respond well to the direct contact.

One of the most common types of synchronous support is telephone calls between customers and customer support or technical support. However, in today's complex business environment, this type of support is only one option among many. Depending on its implementation, synchronous service might require a synchronous communication application, such as a chat or voice chat application.

Disadvantages to the customer include the possibility of a learning curve required to use the service method and the possibility that the user's computer might not be compatible with additional hardware or software requirements. Most methods are designed for use at any bandwidth, including dial-up, but some work better with higher bandwidth connections. The biggest disadvantage to the business is cost. Perceived convenience can be easily lost if the customer has to wait long in order to communicate with a customer service representative, so the number of customer support representatives is often increased beyond what is needed for less-immediate support methods. More personnel available more often means more costs. It is also necessary to review and evaluate customer service representative performance. If there is a problem (for example, a representative that tends to annoy rather than assist customers), it must be corrected as quickly as possible.

Chat

Chat is a useful tool that allows immediate and specific information to be exchanged in real time. With chat, the customer can type questions to and read answers from the customer service representative in real time. Many users are familiar with chatting, either through Internet chat rooms or through messaging systems such as MSN Messenger and AOL Messenger.

Internet Relay Chat (IRC)

A protocol that allows Internet users to communicate in real time.

client

A system or application that requests a service from another computer (the server), and is used to access files or documents (such as a Web browser or user agent).

Request for Comments (RFC)

A published document that details information about standardized Internet protocols and those in various development stages.

Chat can use software that is based on **Internet Relay Chat (IRC)** technology, a proprietary messenger system (such as MSN Messenger) or a third-party software package. Often, IRC is used as the underlying technology for third-party software packages. A customer service solution sometimes used by Web sites operating on a very limited budget is to set up an IRC server and have the customer download a freeware or shareware IRC **client** (such as mIRC) to communicate.

IRC is a popular choice because it is a defined part of the Internet, as discussed in **Request for Comments (RFC)** 1459. This means that the technology is part of the public domain and can be used by anyone. For information about IRC and its developer, refer to www.mirc.co.uk/help/jarkko1.html.

Most chat programs require some type of chat client. Chat clients come in several forms, including stand-alone applications, browser add-ons (often requiring ActiveX components) and Web-based applications (sometimes requiring a Java applet).

Rather than having chat technology as their only support product, many companies offer chat as part of a suite of solution products. The following companies offer chat technology:

- LiveAssistance (www.liveassistant.com)
- LivePerson (www.liveperson.com)
- Live2Support (www.live2support.com)

On a related note, you can see an example of an advertising portal that contains links to support software companies at www.liveassist.com. This portal uses a common Web marketing trick by having a URL that is very similar to a popular product or destination — a practice that is often regarded as questionable. The site advertises using pop-up windows, so some ads will not be seen if pop-up windows are disabled on the client computer.

The most effective chat support is integrated into the business Web site and requires little if any direct action by the customer, other than clicking a support link. A less desirable solution is to have the customer download and install a chat application. The more effort required by the customer, the less likely it is that the customer will use the support option. If a selected support method does require the user to download a component, be sure to provide the customer with detailed, step-by-step instructions and automate the process for the customer as much as possible.

Following are several advantages to chat support:

- Relatively low-cost support option
- Familiar communication method
- Established, stable technology
- Easy to track and manage customer support representative performance
- Ability to save a record of the session for later reference

Possible disadvantages may affect the customer. One drawback is that some users might not feel comfortable downloading and installing a chat client. Another is that many people are not comfortable with their typing skills. A possible disadvantage to the business is the need to have customer support representatives ready to handle the online chat sessions.

Telephone (callback)

With telephone (callback) methods, the support is not online, but the method for requesting support is automated through the business Web site. Customers communicate with customer service representatives by way of a standard telephone. Third-party technology allows customers to click a hyperlink, type their phone number and click a button to initiate a call to the merchant's customer service center. When the customer initiates the call by clicking the call button, a central calling hub places two calls, one to the customer and another to the merchant. The hub then puts them on the line together. Because the call is placed to the customer, he or she is not billed and the business pays for the call. Of course, many companies offer telephone customer support through a toll-free number, with the business paying for the call.

A well-designed callback system does not force the customer to wait on hold, often listening to a stream of prerecorded advertising messages, while waiting for an available customer service representative. An advantage to the business is that it controls when calls are initiated rather than having to respond to live incoming calls.

Do not underestimate the frustration that long wait times can create in customers. If the wait becomes too long, the customer often hangs up, and may eventually give up on trying to get support and on using that business as a source for products or services. Information about the relationship between telephone-based service and customer satisfaction can be found at the Incoming Calls Management Institute (ICMI) at www.incoming.com.

Callback is not a commonly used support method. It is unfamiliar, and therefore not fully trusted, by many customers. A technical limitation to this method is that the customer needs simultaneous Internet connectivity and telephone access. For office users, this is usually not a limiting factor, but for home users with dial-up Internet access, it remains a problem because many users do not have secondary phone lines.

Companies offering the callback type of service include the following:

- LivePerson (www.liveperson.com)
- GlobalPhone WebCallback (www.webcallback.com)
- NetCall Telecom (www.netcall.com)

Each of these companies also offers traditional call-center solutions for managing live incoming support calls. Call-center solutions include analysis components that help you identify performance problems and track call activity. This can provide the information you need to minimize wait times and customers hanging up.

Voice over IP (VoIP)
A technology that transmits voice in digital form as packets of data using Internet Protocol.

Voice chat (computer telephony)

Voice chat (computer telephony) technology transmits voice over the Internet. As the practice becomes more common, the original term "computer telephony" is being replaced by the term "voice chat" (or "chat"). Computer telephony is now used more often to describe companies that offer the equivalent of dial-up telephone service through the Internet, replacing standard phone service and phone lines. Technically, this technology is known as **Voice over IP (VoIP)**. The basic technology is similar to that of a modem. The analog signal, your voice, is digitized and sent over the Internet using TCP/IP. On the other end, the signal is either converted back into analog or it remains digital, depending on the recipient's output device.

Although computer telephony has existed for some time, its growth was limited because of the audio quality of low-bandwidth connections and early sound cards. As more users

connect with higher bandwidth and as sound cards have improved, voice chat has become common, with some companies relaying many of their interoffice telecommunications over the Internet to reduce costs. Messaging programs like MSN Messenger and AOL Messenger include both audio and video chat options.

From an e-support standpoint, voice chat plays the same role as the telephone for connecting to the business customer-service center. The user can click a button and establish a toll-free connection via the Internet. Advantages to the user include ease of use and direct contact with another human voice.

Incoming requests are routed internally by the customer support center. Advantages to the business are similar to those for chat support: improved customer support and extensive tracking and management tools.

A possible drawback is that users' computers must meet basic hardware requirements, typically a sound card (standard with most computers) and a microphone. Though not required, a high-bandwidth connection is recommended to prevent poor voice quality or disconnection.

One disadvantage to the business is one common to all synchronous support methods: the need for live support personnel. Another problem that can affect both the customer and the support representative is that language differences and regional accents can make communication difficult.

Companies that offer this type of service include the following:

- eGain (www.egain.com)
- Teleglobe (www.itxc.com)
- InterCall (www.intercall.com)

Following the model of providing related services through a single source, many companies that provide voice-chat software and systems also provide related software and services, such as the following:

- Internet dial-up telephone service
- Audio and video conferencing services
- Outsourced call management services
- E-mail management systems
- Call-center management and tracking

An advantage that a single source provides is that you can often realize cost savings over selecting multiple vendors, each providing a separate service.

Co-browsing/remote control

Co-browsing allows a customer assistance center to control a customer's browser during a live session. This tool can be used for both support and on-demand training. Many customers do not complete purchase transactions either because they do not understand the procedures or because they have questions that they are not able to get answered.

A related technology is remote desktop control. It is provided in Windows-family operating systems, such as Windows XP, as a troubleshooting and support tool. It is also supported by several Help desk and technical/user support applications. Some software companies regularly use remote desktop and co-browsing as customer support and training tools.

Co-browsing and remote desktop control can help solve problems by walking the customer through processes as diverse as completing an online purchase or configuring a business application. The advantage to both the customer and the support representative is that the direct control and interaction reduce the possibility of errors in communication and understanding. It is often more effective to demonstrate a procedure rather than just describe the procedure.

This support method carries with it a number of concerns for both the customer and the business providing support, such as the following:

- **Bandwidth requirements** — Depending on how the shared session is managed internally, it might require a higher-bandwidth connection.
- **Security** — Opening a system to co-browsing and remote connectivity creates the possibility of unauthorized access that could lead to sensitive data being lost or stolen.
- **Special requirements** — The computer must be configured to support remote access and, in some cases, shared sessions require additional software.

Cost is generally a major issue for the business. This type of support often requires a higher level of expertise, which requires taking greater care in selecting support personnel and providing appropriate training. Shared session support is also very time-intensive, making it more expensive. The support representative must remain focused on one session to the exclusion of other sessions or tasks.

In addition to the remote desktop support that can be installed and enabled through Windows, some vendors offer co-browsing tools. The number and variety of products offered is gradually increasing. Vendors include the following:

- Linktivity (WebInteractive) (www.linktivity.com)
- Kolabora (www.kolabora.com)
- Cisco Systems® (www.cisco.com)

A related technology sometimes used for retail support and online training is Web push. Consider a situation in which a customer wants to make an order but cannot find the time. The support representative can "push" the appropriate Web page to the customer's browser. One company providing this technology is 24-7 INtouch (www.24-7intouch.com) as part of its application suite of online support services.

Few businesses have opted to provide shared sessions as a customer support option, but are using it as a business tool for activities such as:

- Internal user support.
- Web-based conferencing.
- Remote training.

Many of the companies providing co-browsing tools also offer extensive Web conferencing tools and related support services, such as renting time on Web conference servers. Most providers use scheduled live demos using their products as a marketing tool.

Asynchronous customer service methods

OBJECTIVE:
3.4.3: Synchronous
and asynchronous
customer service

Asynchronous customer service is more commonly seen in practical support applications because asynchronous methods are:

- Typically easier and less expensive to implement.
- Less resource-intensive (both human and hardware).
- Easier to track and maintain.
- More cost-effective with a significantly better ROI.

Unlike synchronous support methods, the steps involved in the asynchronous support process do not have to occur at the same time. One of the most commonly used asynchronous support methods is e-mail. It is an asynchronous method because the customer sends an e-mail message and waits for a response. The user has an expectation for a timely response, but not necessarily an immediate response, from the support representative.

One general advantage to the customer is that asynchronous support methods typically rely on familiar technologies, so there is little (if any) learning curve involved. Also, the support resources are always available and the customer can make a support request any time of day or night. The biggest advantage for most businesses is low cost. Also, many asynchronous support methods are fully automated, often requiring little more than periodic updates.

A possible disadvantage to the customer is the potential delay between leaving a support request and receiving a response from the customer support representative. If an immediate response is needed, a synchronous support method will be required. A possible disadvantage to the business is that asynchronous support isolates the customer from the business on a certain level. Asynchronous support methods can make it harder to give customers a personalized response. Some customers find asynchronous support methods too impersonal, which leads to lower customer satisfaction.

Businesses often try to direct customers toward asynchronous support methods because these methods are less expensive for the business to maintain and they provide a better ROI. For example, it is common to see an e-service plan in which asynchronous service is provided at no cost, but customers might have to pay a subscription (or per-incident) fee to access synchronous support methods.

E-mail

OBJECTIVE:
3.4.2: FAQ and e-mail

E-mail is the most common form of asynchronous service, though not always the most effective. E-mail allows the customer to send a question or comment to the business at his or her convenience. Most businesses have a direct link to support on each Web page that generates a pre-addressed "form" support letter. E-mail messages vary widely, from short requests to long letters of explanation.

Many businesses have taken this process a step further. When the customers click the support link, they are prompted with a series of questions to help them create a clear query message. This tool helps to focus the customer's attention on the problem (or problems) at hand. It also generates somewhat standardized incident messages, making it easier for support personnel to understand the requests and respond appropriately. Prompts might include the following information requests:

- Specific product or service
- Other identifying information (serial numbers, product numbers, etc.)
- Type of problem
- Customer contact information

Because problems often do not fit into easily defined categories, the prompts will also include a general comment section in which customers can include any additional information or questions they might consider important.

E-mail support has advantages to the customer and the business, often the same advantages to both. The method is typically more convenient than other methods, with everything the user needs usually available. There are cost benefits to both customers and businesses, too. Businesses seldom charge for e-mail support, and e-mail responses are less expensive than time-critical synchronous responses.

E-mail has another potential advantage to the business when managed properly. Tracking and analyzing customer e-mail messages can provide insight into customer wants and needs, such as suggestions for product improvements. The subjects addressed in customer e-mail can help identify customer and market segment trends. They can also help a business recognize a potential product failure early enough to take timely corrective measures.

Perhaps the biggest drawback to e-mail consumer service is that it is not effective for urgent matters. Most businesses make an effort to provide timely responses, but "timely" is a relative term and varies from business to business. Some businesses use a two-stage response method. The first response is generated automatically and informs the customer that the e-mail request has been received. Sometimes it will include a projected response time — for example, "Expect a response within two business days." The second response is from the customer support representative and typically includes either an answer to the customer's question or a request for more information. Because of the volume of e-mail received, some businesses outsource support for e-mail processing.

Another disadvantage is that e-mail is sometimes not an efficient method for describing a problem or delivering a solution. The customer support representative might not understand, or might incorrectly understand, the customer's question. The customer might not understand the support representative's response or instructions.

An especially difficult or complicated problem might require sending multiple e-mail messages back and forth between the customer and the support representative. Even if the customer's issue is eventually resolved, the customer's satisfaction with the process is likely to drop with each mail cycle.

Web forms

Asking a question via a Web form is similar to e-mail support. Whereas e-mail is a more open format, Web forms are more structured, making it easier to enter information from the form in a database for tracking and analysis. Forms also allow for relatively easy distribution of the inquiries when consumer service centers are geographically dispersed.

With Web forms, the business has control over the information requested, making it possible to prompt the user for specific information for use in CRM analysis. Service requests are more standardized, making it easier for support representatives to respond to common questions and concerns, which allows for a more efficient use of support representative time and effort.

Many Web development applications include the tools for developing your own Web forms. Creating the Web form, however, is only part of the challenge. A business needs a way to route and store Web forms efficiently, enter form information in a database or other tracking method, and respond to user requests. To this end, several businesses provide Web form development tools, including the following:

- FormRouter.NET (www.formrouter.com)
- Vanguard Vista (www.vista-survey.com)
- FormSite.com (www.formsite.com)

Most of these products are designed to be easy to use, requiring little or no programming experience. Some businesses, such as FormMail.com (www.formmail.com), take the process one step further for you by collecting the form data and sending you the totals and analysis results via e-mail.

Advantages to customers include convenience and ease of use. The form is embedded in the Web page and the majority of the processing is accomplished on the server side, so there is usually no need for the customer to download or install any additional software. The ease of development and use are advantages to the business, as are the probable reduced support costs. Probably more important to most businesses, however, is the value of the data collected.

Sometimes an advantage can also be a disadvantage. The tightly structured format of Web forms can sometimes be too restrictive, forcing customers to use a different means to make a service request. One possible disadvantage to the business is the quality of the data collected, because there is often no system in place to verify data accuracy, other than simply trusting the user input.

User forums

User forums have provided a way of painlessly outsourcing user support and reducing support costs. You can often have someone else provide at least some of the support for you. A forum is like a set of ongoing conversations. A customer starts a conversation thread by posting a question or comment. Others can then respond with answers, comments, additional questions or anything else that might be of value. Some forums have a moderator, who reviews and sometimes edits the forum contents, whereas other forums are unmoderated.

A business can include one or more forums as part of its Web site. Larger businesses often establish some of their more popular forums as public or private **Usenet (User Network)** newsgroups propagated through news servers. In that case, customers will need a news client (such as Microsoft Outlook Express) to be able to access the forum (or group).

Forums promote open-ended conversation, which is one of their advantages. They provide an easy way to get answers, but also to get suggestions and ideas. Businesses will often have representatives monitor forums, at least on an intermittent basis, but seldom take direct control over the forum content. The open-ended structure can be an advantage to the business as well, giving the business a way to see unedited and unfiltered user opinions.

From the standpoint of a business, this open-ended and free-flowing structure is also a potential disadvantage. Even in a moderated forum, disgruntled customers or even competitors masquerading as disgruntled customers can post leading questions and derogatory comments. Even if quickly deleted by the moderator, information of this type has a tendency to spread quickly across the Internet.

The biggest potential disadvantage to the customer is also the lack of controls, especially in forums that are unmoderated. In addition, no one is available to validate the accuracy of the information provided except for other users and occasional visits by support

Usenet (User Network)

A collection of thousands of Internet computers, newsgroups and newsgroup members using Network News Transfer Protocol (NNTP) to exchange information.

personnel. Users can get outdated or inaccurate information and be left with a bigger problem than when they started.

Personalizing asynchronous support

Because of the added layer of isolation between the customer and the business, the business should do what it can to personalize the experience. This personalizing should begin with the customer's first contact with the support Web pages. By asking the user to register, a business can collect critical business intelligence and gather the information needed to personalize the support page for the user. For example, the page can greet the customer by name and offer support options specific to products and services the customer has purchased and registered.

In the following lab, you will visit a company that provides tools to implement support methods, along with other business support services. Suppose you are weighing your customer service options in hopes of developing a support plan. You would want to gather all the information you can about support methods and how they are implemented.



Lab 6-2: Using synchronous and asynchronous support tools

In this lab, you will visit the 24-7 INtouch Web site to view available support options.

- 1. Browser:** Navigate to ***www.24-7intouch.com***.
- In the space provided, list the online customer support services that are supported. Identify the services discussed in this lesson and identify the services as synchronous or asynchronous support methods.

- In the Online Customer Support section, click **Live Chat** (see Figure 6-5).

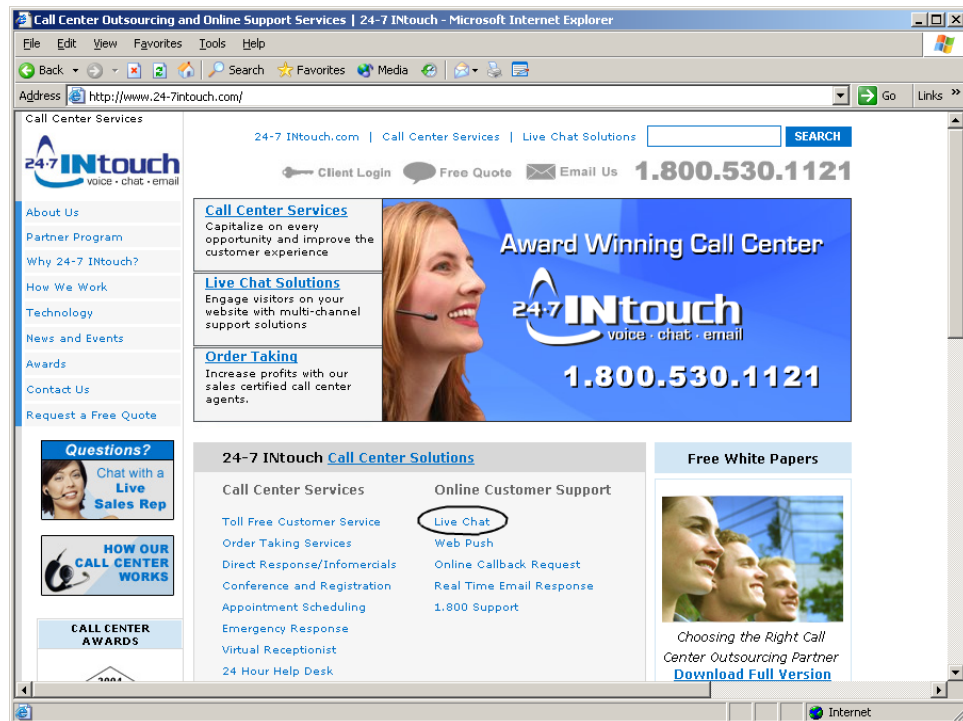


Figure 6-5: 24-7 Intouch Web site

4. Scroll through the Live Chat description and locate and click **Key Features And Benefits** (see Figure 6-6).

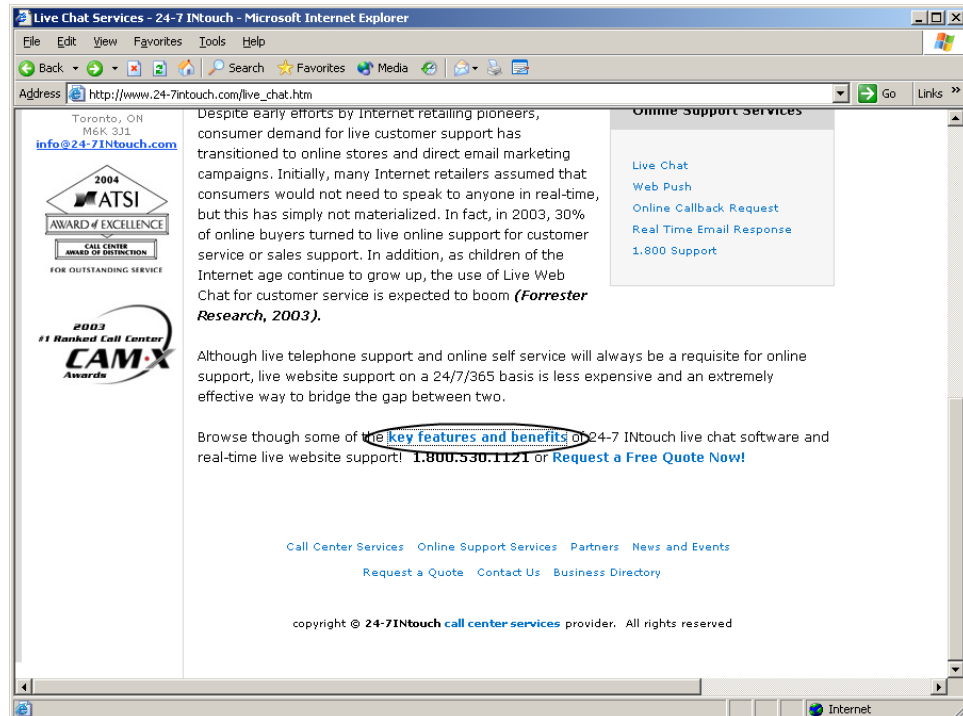


Figure 6-6: Key Features And Benefits

5. Review the list of key features and their descriptions. Identify three features you would consider primary justifications for implementing live chat for the Habitat For Humanity Gift Shop Web site. Write your answers in the space provided.

6. In the Online Support Services section, click **Online Callback Request**.
7. Review the description of online callback request support.
8. Click **Chat With A Live Sales Rep** (see Figure 6-7).

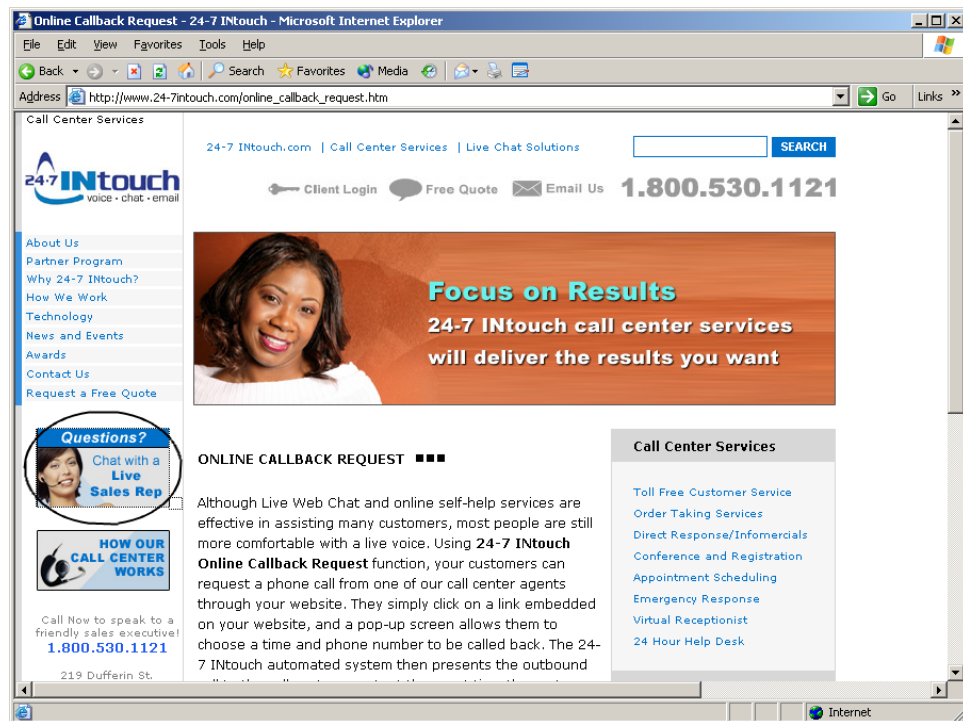
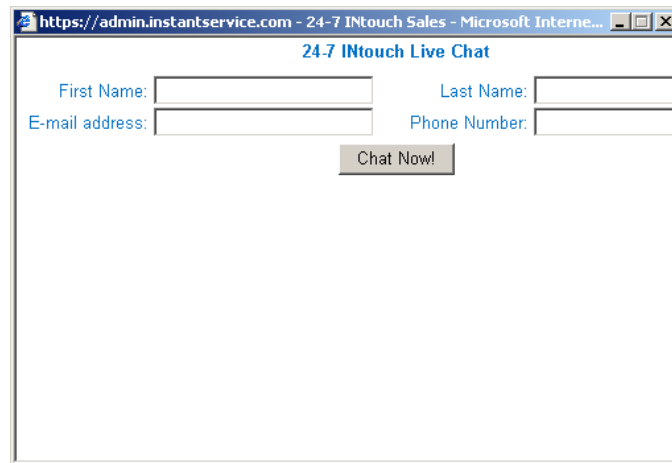


Figure 6-7: Live service request link

9. A live chat window similar to Figure 6-8 will open. Review the qualifying information requested.



The screenshot shows a web browser window with the address bar displaying "https://admin.instant-service.com - 24-7 INtouch Sales - Microsoft Internet Explorer". The page title is "24-7 INtouch Live Chat". The form contains four input fields: "First Name:", "Last Name:", "E-mail address:", and "Phone Number:". Below these fields is a button labeled "Chat Now!".

Figure 6-8: Live chat request

- 10.** What additional information might you include in a live chat request for the Habitat For Humanity Gift Shop Web site?

- 11.** Close the live chat window without initiating a chat session.

In this lab, you reviewed selected synchronous and asynchronous support options. As you saw on the 24-7 INtouch Web site, companies often offer several related support services rather than focus on a single solution. One of the most effective ways to view a demonstration of a company's support products is to request customer service support.

Self-service customer service methods

Self-service customer service methods can also be thought of as automated service methods. Response to customer queries is faster than asynchronous service and can be faster than synchronous service, because the customer finds his or her own answers.

The faster a consumer can get the answer, the more likely he or she is to remain at the Web site to conduct business. Users who do not need or do not want to have direct (or even indirect) contact with support personnel find self-service well-suited to their preferences.

Because such services are automated and typically require little more than periodic updates, businesses consider self-service methods to be cost-effective solutions. The initial cost for preparing the automated applications and reference resources may be somewhat higher, but this increase is offset by reduced costs over time.

The biggest drawback to self-service customer service methods is that the customer's choices are limited to what the business has made available. In general, customer satisfaction will be directly related to:

- Ease of use and the intuitiveness of the interface.
- The amount of information available.
- The accuracy of the information available.

Many businesses will find a place for self-service methods in their service plan mix. However, it is unlikely that any business will be able to rely solely on self-service methods. Businesses will still need to provide access to service representatives through either synchronous or asynchronous methods.

Client accounts and profiles

The customer account and profile information stored depends on the type of business. Some basic information, such as customer name and contact information, is common. Other information is site-specific. Consider the following examples:

- An online broker might track stock portfolio and purchasing information.
- A bank or credit card company might provide access to account balance and payment information.
- A retail site might track preferences such as a wish list or wedding registry.

In most cases, the best way to manage customer accounts and profile information is to make that information directly available to the customer. The speed and ease with which customers can access this information directly influences customer satisfaction. These qualities are an advantage to customers because they can check and modify account and profile information any time without having to contact a support representative. Making account information available to the customer is also an advantage to the business.

Security is a major concern to the customer and the business when access to information of this type is provided, particularly if financial or medical information is involved. The customer does not want anyone else to have access to confidential information for obvious reasons. The business is responsible for keeping the information secure and validating the user's identity before allowing access to the information.

Frequently asked questions (FAQ)

FAQ pages are one of the most common types of unattended customer service. A listing of frequently asked questions (along with their answers) can have an immediate effect on customer service calls. Many businesses will direct customers toward a FAQ page as the first step in customer service queries.

Advantages to the customer include ease of access and the appropriateness of the information. The ability to get a quick answer with limited effort usually results in a positive customer experience.

OBJECTIVE:
3.4.2: FAQ and e-mail

Cost is the most obvious advantage to the business. FAQ pages can be the most cost-effective form of customer service. After the questions and answers are posted to the Web, all that is necessary is to ensure that the customer has access to the information. Ongoing maintenance is typically limited to little more than periodic review and updates. Often, the only tools required are a simple text or Web editor. FAQ Manager Professional (www.FAQ-Manager-Pro.com) offers a product that lets you develop more sophisticated FAQ solutions.

One possible disadvantage to the customer is that by its nature, a FAQ page answers the most commonly asked questions. The customer will often find the answer he or she is looking for, but sometimes will not find that answer, and may consider the time spent reviewing the FAQ as wasted. The fact that contact with the customer is kept to a minimum might be considered somewhat of a disadvantage to the business because FAQ pages are an impersonal form of support. In addition, the information in the FAQ might raise questions in the customer's mind that he or she might not have considered otherwise.

OBJECTIVE:
1.6.1: Knowledge
base functions

Knowledge base

The general concept of a knowledge base is similar to that of a FAQ page, but a knowledge base is much more extensive. A knowledge base is an organized collection of information. The specific type of information stored in the knowledge base depends on the support needs of the business. For example, a knowledge base might include:

- Product or service specifications.
- Guidelines and instructions.
- Known problems and corrective actions.

The real strength of a knowledge base is that it is designed to enable the user to search for the information needed. The user enters search keywords, much like using a Web search engine to locate qualifying Web sites. Qualifying information is returned from the knowledge base, usually sorted with the closest matches listed first.

Several products are available that help you create and manage your own knowledge base, including the following:

- Talisma KnowledgeBase.net (www.knowledgebase.net)
- Novo Solutions (www.novosolutions.com)
- InfoStreet StreetSmart (www.infostreet.com)
- LivePerson (www.liveperson.com)

These vendors also offer related support solutions, such as document management and e-mail management solutions. You can also purchase turn-key (ready-to-run) knowledge base solutions for many technical subjects. One vendor of pre-built knowledge bases is RightAnswers (www.rightanswers.com).

search string

A set of related words used to locate information in a data store such as a knowledge base.

Advantages to the customer include availability and immediacy. A disadvantage is that a customer's satisfaction will be related to the knowledge base content and the customer's proficiency at writing good **search strings**. Many Web sites include a brief tutorial on writing search strings.

Many businesses see the ease of implementation and maintenance as an advantage. However, there is an expectation of ongoing updates to keep the knowledge base complete and accurate. Finally, some knowledge base solutions require a specialized database server and other customer software.

HTML/Web-based help

HTML/Web-based help falls in the same general category with FAQ pages and knowledge bases. Neither their contents nor their support goals are unique, but they are unique in terms of how those goals are accomplished. The information is structured as a Help file, so it supports browsing through a table-of-contents structure, indexed content and content searches. One of the best-known HTML Help solutions is RoboHelp, which is now part of the Adobe product family (www.adobe.com/products/robohelp/). RoboHelp is designed to convert text source documents into HTML Help files.

Web-based help has several advantages to the customer. One advantage is that HTML-based help is commonly used by many manufacturers for their locally installed Help functions, so customers are already familiar with its use. The integration of local and Web-based help is often so seamless that the user might not realize that he or she is accessing Web-based Help files. The flexibility built into the Help systems enables customers to use the method with which they are most comfortable in order to locate

information. The disadvantages are similar to those for other self-service solutions: lack of contact with a support representative and the possibility that the customer might not find the needed information.

Advantages to the business include a good ROI and the ability to provide the customer with full-featured Help content. The biggest disadvantage is that the complexity of this solution makes it more difficult and expensive to implement.

Online communities

Similar in concept to the user forums discussed earlier in this lesson, online communities allow customers to develop relationships with one another. Communities can be based on bulletin boards or message boards, informal chats, and newsgroups in which consumers can exchange ideas and gather information. A key point is that the business does not moderate or control the content of the online community. Instead, the community is implemented and maintained by consumers and other users, often growing out of user groups and other informal organizations.

Technologies used to support the online community include technologies already discussed earlier in this lesson. Given the nature of online communities, low-cost and easy-to-manage solutions are generally preferred.

Even though a business does not have direct control over an online community, it is important that the business take an active interest. Online communities often welcome businesses related to the community as informal partners and a source of content and other resources. By taking part in the community, a business helps ensure that the community views it in a favorable manner.

In the following lab, you will investigate self-service support options. Suppose you are designing a service plan for a shareware application company. The company wants to provide support to its customer base but cannot afford to invest a lot of money in hiring and training customer support representatives. You would want to investigate self-service methods as a support option.



Lab 6-3: Examining self-service support methods

In this lab, you will visit a vendor whose software offerings include a product that builds help files.

1. **Browser:** Navigate to www.adobe.com/products/robohelp/. You will see the screen shown in Figure 6-9.

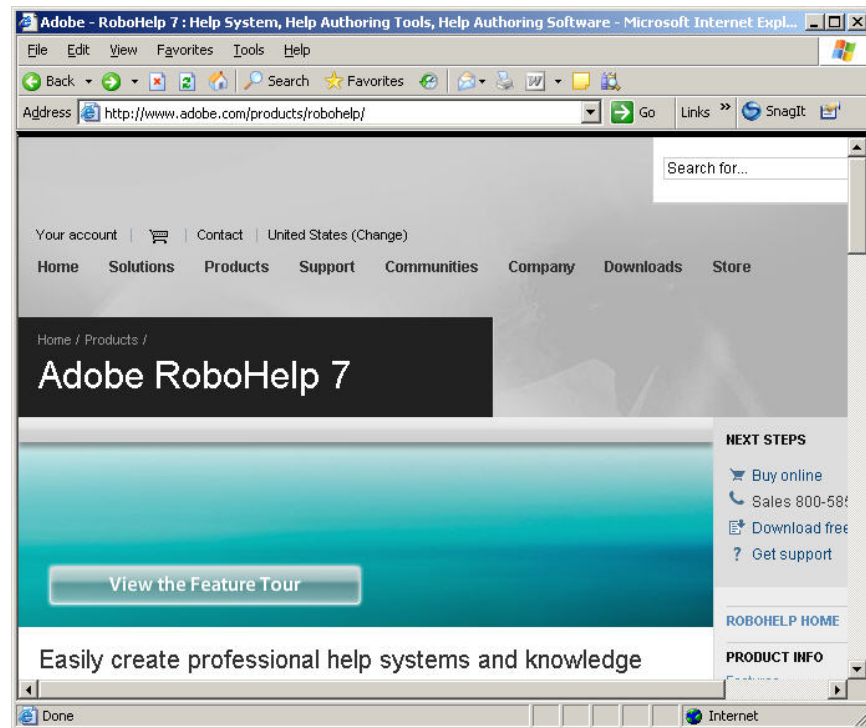


Figure 6-9: RoboHelp 7

2. Review the product features on the product home screen. Click **Features** under Product Info in the menu to the right to view a discussion of product features (see Figure 6-10).

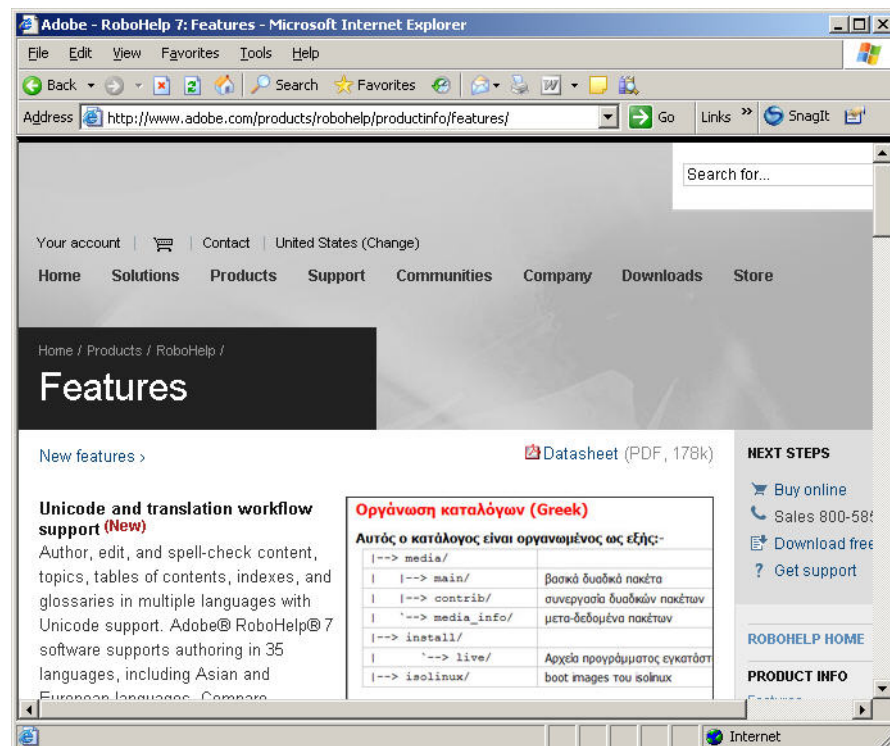


Figure 6-10: RoboHelp Features

3. Review the types of Help systems you can create using RoboHelp. Identify the features that require RoboHelp Pro. Write your answers in the space provided.

4. Click **FAQ** in the menu at the right to review the frequently asked questions shown in Figure 6-11.

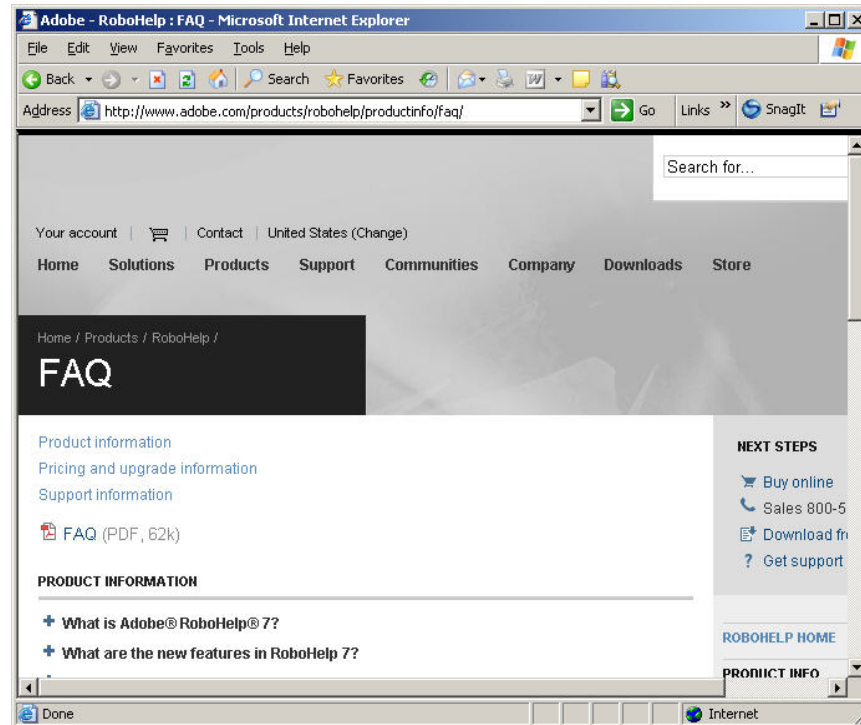


Figure 6-11: RoboHelp Features

In this lab, you explored RoboHelp and examined options for creating Help files.

E-Service Action Plan

OBJECTIVE:
3.4.1: Customer service plan

Information Technology (IT) department

An in-house computer and network systems department entrusted with the setup, operation and maintenance of all computer systems within an organization.

All too often customer service is provided as an afterthought when it should be an integrated part of the business plan. Developing an effective e-service plan requires input from throughout the organization. Although creating (or selecting) and implementing the service components is often the responsibility of the **Information Technology (IT) department**, component type and content decisions must include input from other departments within the organization. In the development of an e-service plan for what has traditionally been a brick-and-mortar business, existing customer service personnel will be key participants.

Service plan development

Many of the decisions and processes involved in service plan development are the same as the general guidelines for e-commerce site development. These guidelines include the following:

- **Know your customer.** Identify your target customer and collect customer demographic information. The better you know your customer, the better the level of service you can provide.
- **Know your product.** Gather all the existing information available about your products and services. This information is the base for support personnel references and self-service support content.
- **Know your vendors.** You do not necessarily need to bear all the weight of customer support by yourself. Your vendor has a vested interest in product sales and often offers support to the final customer — that is, to your customer.
- **Know your options.** Research available support options and support tools so you can determine what best meets your (and your customer's) support requirements and expectations. Final support decisions are often a compromise between what you want and what you can actually afford.
- **Know your requirements.** Match your service solutions to your needs and your customer's expectations. With some businesses, there is an expectation of synchronous support, whereas other business needs are easily met by less-immediate (and less-expensive) service methods.

When choosing support tools and deciding on support options, focus on established, reliable technologies. When moving into an online environment, you may be tempted to fall in love with the technology and try to implement solutions that are more expensive and more complicated than you need. Usually, you will have no reason to implement an interactive video-based chat system when a simple text chat would meet your customers' needs.

You also need to match your solution to your customers. Even though some of them might conduct much of their business online, other customers might not feel comfortable relying solely on the Internet. You can increase your customer's comfort level by providing a postal mail ("snail" mail) address and telephone number.

Even though customer support is an important part of your business, some support areas are more important than others. You might need to implement your customer support plan in phases, implementing the most critical support components first and then gradually adding the remaining components.

Ongoing customer service management

Designing and implementing a support plan is the beginning of the process. You will need to evaluate customer support performance continually to ensure that customer needs are being met in a cost-effective manner. As you have learned, the overall goal of customer service is customer satisfaction. The reason is that a satisfied customer is more likely to become a repeat customer and recommend others to your business.

As we have seen, one of the keys to customer satisfaction is building a relationship with your customers. When you think of building a relationship, synchronous support is what often comes to mind first, but you can build a solid relationship through other support methods as well. A level of personalization can be implemented automatically, strengthening the impression that you are taking a personal interest in the customer.

Review customer service performance through tracking, customer feedback and customer surveys. When concerns are identified, do what you can to make sure they are resolved. If they negatively affect customer satisfaction, they become a customer service issue.

For example, there are ongoing concerns about privacy and security when shopping online. Customers want assurance that shopping online is safe and that you are protecting their personal information. Even something as simple as a link to a written privacy policy or to a non-technical explanation of secure Internet communications can relieve these concerns.

Customer service feedback

You need to know how you are doing. If there is a problem with your customer service, you cannot fix it unless you are aware of it. You must make it easy for customers to provide you with feedback about the entire contact experience, including customer support. When concerns or shortcomings are identified, they must be addressed. If customers provide feedback but never see any result, they will eventually stop making the effort.

Allowing customers to provide immediate feedback is usually the best option. The more immediate the feedback, the more it is likely to accurately reflect the customer's impression of his or her experience. Keep in mind that the customer's impression might not always be completely correct. Feedback must be evaluated in the context of the situation and of other customer feedback you receive.

Two of the most common ways of implementing feedback are immediate Web forms and follow-up e-mail messages. The feedback forms must be easy to understand and complete with a minimum of time or effort. The more questions you ask when trying to get feedback, the less likely the customer is to answer the questions. Another method is follow-up telephone calls, but some customers see this as an intrusion, especially if the initial contact was through an asynchronous or self-service support method.

You may find that it is more cost-effective and a better use of time to have another company handle your feedback for you. Companies such as Intelliseek (www.intelliseek.com) collect feedback information for you and provide you with analysis of that feedback. Some feedback companies specialize in specific market segments, such as online retailers.

Surveys as customer support

OBJECTIVE:
3.3.5: Customer
preference surveys

Surveys are another way to collect customer data and help gauge how customers perceive your business and its customer service offerings. The problem is that getting customers to complete and return surveys is sometimes difficult. You can often boost customer response rates by offering an incentive, but to be effective, the incentive must have some value to your customers. For example, offering free access to an online video seminar will not have much value if most of your customers do not have sufficient bandwidth to view the video content.

What to ask in the survey is also a critical issue. A survey is only as effective as the questions it asks. Not only do you need to be careful with the questions you ask, but if you use a multiple-choice survey form, you must provide answer choices that do not unduly influence your customers. Figure 6-12 shows a sample survey form showing you some of the question-and-answer types you might see.

6. What three things do you like most about our product?
(Provide up to three responses.)

7. What factors motivated you to purchase our product?
(Select all that apply.)

☐ Price
☐ Value
☐ Brand Name
☐ Recommendation
☐ Readily Available
☐ Other:

8. How likely are you to buy from us again?

☐ Very Unlikely
☐ Unlikely
☐ Neither
☐ Likely

Figure 6-12: Sample survey form

Companies offering survey development software include the following:

- CustomerSat (www.customersat.com)
- Inquisite Web Survey System (www.inquisite.com)
- Golden Hills Software (SurveyGold) (www.surveymgold.com)

There is an added value to customer surveys: The data collected through customer surveys should be included in your CRM efforts. Having more and better data will mean more accurate CRM results.

Customer service by doing your job

Every time a customer visits your Web site, your business is being judged. You must always be aware of this fact and strive to ensure that each visit is, as much as possible, a positive experience. You can do a lot to improve the customer's impression of your business through a few simple steps that make the customer feel as if you are taking a personal interest. The following steps have already been addressed, but are worth repeating:

- Respond immediately (or as quickly as possible) to customer concerns (real or perceived).
- Send a "thank you" e-mail message as immediate feedback after a sale.
- Send an immediate response, such as a follow-up e-mail message, to synchronous and asynchronous support contacts.
- Provide the user with the tools and information you would want when visiting your site.
- Protect the user's personal information, and let the user know you are protecting the information.

Personalizing the Web site will be discussed shortly. This method is another way of making the customer feel as if you were taking a personal interest, even though the process (from the standpoint of the Web site) is fully automated.

Be careful not to neglect the importance of a well-designed and well-managed Web site to a customer's overall experience of your site. Optimizing Web site performance, providing a well-designed and intuitive interface, and maximizing availability go a long way toward ensuring customer satisfaction.

Ongoing monitoring and analysis of user traffic patterns and Web site performance are critical. Information-gathering efforts will help you plan future development and direction.

Integrating CRM and Customer Service

Now that you understand how CRM and customer service work individually, we will examine how they work together. Quality customer service helps to drive CRM through:

- Increased repeat sales to existing customers.
- Referrals to new customers.
- Better matching of customers to products and services.
- Improved data collection activities.
- Improved and enhanced data analysis.

One area in which you can see customer service and CRM working together in an online business is personalization.

Personalized Web sites

You typically see personalization used for Web portals and retail sites. Although this personalization is valuable to the customer, it is often even more valuable to the business.

First, consider Web portal personalization. Most Web portals ask you to register, collecting basic identifying information. The site then asks you to identify your interests and to specify what you want displayed on your personal Web-portal page. From your standpoint, as a visitor, the benefit is that you obtain the information and Web tools you want without having to search through content that does not interest you. Part of the registration process for the Netscape Web portal is shown in Figure 6-13.

Figure 6-13: Netscape Network registration

The value to the portal is in the information collected. The Web site is able to better target the banner ads that are displayed on your personal Web page based on your expressed interests. Because the ads will probably be related to your interests, you are more likely to click through to the advertising site. As the portal's click rate increases, so can its advertising rates.

You can see this to an even greater extent at many retail sites, such as Amazon.com. As with a portal site, you are requested to register with the Web site and log on when you visit. This step enables Amazon to track not only your purchases but your product searches, and to use that activity to recommend items. This time, there is an additional reason to register, because the Amazon site will not let you complete your purchase until you log on. If your Web browser supports cookies, most retail sites will log you on automatically. These sites emphasize security, protecting you against online fraud or identity theft, while collecting demographic data

The business is collecting additional information during your visit. Not only is each purchase recorded, so is each item search you conduct and every item you view. The Web site uses automated CRM software to analyze this activity and suggest items that might interest you.

Several companies have designed their product suite to meet the needs of online businesses by providing hybrid tools. One example is SAP Global (www.sap.com).

Companies like SAP Global provide complete tool suites addressing business requirements such as data collection, data analysis and sales support. Many of the solutions target businesses according to size and type. This feature is important because there are common concerns among businesses of a particular size or within a business category. A targeted solution is a more effective initial fit for the business, so it can be implemented more quickly and efficiently.

Case Study

Molding a Support Plan

The Carpenter's Nook is a family-owned business. Sam is the third-generation owner and operator. Joshua, his grandfather, founded the business. Barry, his father, expanded into mail-order sales. Sam has taken the next logical step and recently launched an e-commerce retail site.

The Carpenter's Nook sells top-quality hand and power woodworking tools. Its customer base includes custom cabinet and furniture makers around the world. Recently, serious hobbyists have made up a gradually increasing percentage of the company's online customers.

Most of Sam's support requirements are relatively basic. Customers need to be able to place orders online or by phone. They need to be able to check order and shipment status. In addition, customers are requesting more detailed specification sheets for some of the power tools, as well as setup and maintenance instructions. Some requests are for product research and others are for replacing product documentation that has been lost.

Success has brought its own problems. Sam has relied on telephone calls and occasional mailings to meet his customer support needs. Now Sam's support staff is barely able to keep up with service requests, and telephone hold times are steadily increasing. Catalog sales seem to be dropping faster than online sales are growing. Walk-in sales remain steady.

Sam knows he needs to improve his customer support, but he is not sure what he needs to do or even where to start. He also needs a better understanding of why he is losing catalog business. He wants to find ways to both keep his current customers and find new customers. He decides to gather certain types of information in order to use CRM analysis to determine the reasons for his decreasing catalog sales. He also decides to hire additional support staff to take phone calls from customers, but he is worried about the associated costs.

* * *

As a class, discuss the following issues with regard to the Carpenter's Nook.

- Can the drop in catalog sales be attributed in part to Sam's customer support problems? Why or why not?
- What kinds of information would Sam gather to use CRM analysis to determine why catalog sales are lagging? Which customers should be involved?
- How can Sam better use his existing telephone support personnel?
- How could asynchronous customer support methods be used to help improve Sam's customer support?
- Explain how self-service support methods could be used to meet Sam's documentation support requirements for online customers. How would you justify the cost of your solutions?

Lesson Summary



Application project

For most businesses, customers are their most valuable asset. Retaining existing customers and building on these customer relationships help to ensure business longevity. As online customers become more savvy, they will not only use the Web more for personal and business activities, but they will also expect (and demand) better service. Effective e-services will help attract and retain customers.

Take a moment to think back on a transaction you have conducted on the Web. This transaction could be a purchase, a request for a quote or even an appointment scheduling. Did you feel more empowered by using the Web? During the transaction, did you have access to help, chat, computer telephony or co-browsing with the merchant? If not, would it have made the transaction better if you had? Did the transaction require any follow-up with the customer service department of the merchant? If so, what forms of e-service were available? Were these services effective or did you find yourself frustrated with the process? Will you use these merchants again? How would you have applied some of the topics of this lesson to provide a better transaction for you as the customer?



Skills review

In this lesson, you studied various types of customer support, including synchronous and asynchronous services. You saw examples of these services in action and learned how they can add value to the services you offer. You also reviewed a customer service action plan to help evaluate and implement an effective model. In addition, you learned about CRM and its components and how they are used to effectively address customer needs.

Now that you have completed this lesson, you should be able to:

- ✓ 1.6.1: Define the function of a knowledge base.
 - ✓ 3.1.5: Use appropriate procedures to reduce costs of e-commerce sites (includes Web-based conferencing, telecommuting, video monitoring).
 - ✓ 3.3.5: Use surveys to determine customer preferences.
 - ✓ 3.4.1: Create a customer service plan.
 - ✓ 3.4.2: Use frequently asked questions (FAQ) and e-mail to improve customer service.
 - ✓ 3.4.3: Apply synchronous and asynchronous customer service methods.
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Lesson 6 Review

1. How does e-mail help an online merchant provide good customer service?

2. What drawbacks are associated with using e-mail for customer service?

3. How do e-mail customer service and Web forms for customer service differ?

4. How is chat used for online customer service?

5. What kind of information is displayed on a FAQ page?

6. What self-service methods let users perform keyword searches to locate qualifying information?
