

Insider's Guide to Delighting the Internet Age Customer
How Today's Most Successful Marketing Managers Out-Service
Their Competition Online

By Greg Gianforte, RightNow® Technologies

Contents

The Business Case: Why Customer Delight is so Important in the Internet Age

Reality Check: How the Internet is Impacting Customer Service

Five Proven Ways to Achieve Customer Delight in the Internet Age

The Real Secret: Combining Knowledge with Action

THE BUSINESS CASE: WHY CUSTOMER DELIGHT IS SO IMPORTANT IN THE INTERNET AGE

Customer satisfaction has always been important. After all, as any marketing manager can tell you, it's less expensive and more profitable to sell to your existing customers than it is to go out and find new ones. So, if you can keep those customers happy, your business will certainly thrive.

But times have changed. In the Internet Age, customer retention has become more difficult. It's easier than ever for customers who don't receive good service to switch to a competitor. All it takes is a click of the mouse.

It's important to understand the ease with which the Web enables customers to switch suppliers. In the past, it took effort to find, select and use another supplier. This effort provided "glue" to business relationships. If you serviced a customer effectively several years, chances are they wouldn't go to the trouble of finding someone else just because of a single problem.

Now, that glue has been removed. If a customer isn't happy with something you've done – or haven't done – they can take their business elsewhere with almost no effort. You simply can't afford to make mistakes when it comes to customer service.

With the competition just a mouse-click away, Internet Age businesses must excel at customer service...

It's important to realize the Internet removes traditional forms of vendor differentiation. The online marketplace quickly brings competitors' pricing in line with each other. Store location is increasingly irrelevant. Even advertising is less significant as shoppers quickly scan entire market categories using search engines and shopping portals.

The quality of customer service is one of a small set of competitive differentiators not diminished by the Internet. In fact, with the disappearance of many other factors, quality customer service is one of the few remaining factors businesses can count on to beat their competition.

These new marketing truths don't just apply to "dotcoms" that focus exclusively on sales via the Web. They're true for all businesses that

communicate via the Web and/or use the Web as part of their overall sales/marketing strategy. In other words, they're true for everyone.

In the Internet Age, customer service that is "good enough" isn't good enough any more. To retain customers – and grab as many as possible from the competition – Internet Age businesses need to excel at providing customer service. More than just hoping to achieve customer satisfaction, today's marketing manager must think in terms of true customer delight. Only by building and maintaining strong relationships with their customers can companies hope to retain them.

REALITY CHECK: HOW THE INTERNET IS IMPACTING CUSTOMER SERVICE

In addition to making excellent customer service more important than ever from a competitive point-of-view, the Web is impacting how that service is demanded and delivered.

Here are some of the primary ways the Web affects customer service operations on a daily basis.

The Internet Radically Increases the Volume and Scope of Customer Inquiries

It's much easier for customers to contact suppliers and potential suppliers on the Web than on the phone. Dialing a number, wading through a bunch of voice prompts, sitting on hold – all act as inhibitors to initiating or completing a phone call. And fewer and fewer people have the patience to use the mail. The Internet allows customers to ask questions or submit complaints with just a few keystrokes – 24 hours per day. As more customers become comfortable with Web forms, email and other online communications, they use them with increasing frequency.

The result? Companies experience significant increases in customer inquiries. Many service departments are swamped with such a flood of incoming communications they can no longer respond effectively. Companies that can't cope with increasing volumes of customer inquiries won't be able to sustain the superior levels of customer service necessary to survive and thrive in the Internet economy.

Internet Customers Have Very High Service Expectations

The Internet feeds a basic human desire for instant gratification. Many people now go to the Web to check the show times at their local movie theater rather than call the theater's recorded message simply because it's 20-30 seconds faster. They'll abandon a site that takes more than a few seconds to load, even though a year or two ago it would take them five to ten minutes to get the information from a call center operator.

This "I-want-it-now" mentality means companies that can't respond quickly to customer needs are perceived as customer-hostile, rather than just under-staffed. Companies need to develop effective ways of responding to their customers with real immediacy – or they will lose those customers to competitors who can.

The "I-want-it-now" mentality of the Web means companies must respond to customers immediately – or risk losing them to the competition.

Internet Customers Expect Very Timely Information

In addition to expecting fast responses to their inquiries, customers also have high expectations about the timeliness of the information on your site. They get the latest news headlines on their home page. They get up-to-the-minute stock quotes from their online brokerage. They expect nothing less when it comes to product information or company news on your site.

If you don't meet these expectations, customers become skeptical about the information you post on your site. They might even become skeptical about your company as a whole, since one of the ways they judge your operational effectiveness is how you manage your Web content. They also become skeptical about how much you value their business, since you're not giving them what they need when they need it.

Internet Customers Have Little Patience for Weak Navigation

Answers that are hard to find are just as bad as answers that aren't there at all. Because Web users are exposed to sites that are easy to navigate, they have less and less tolerance for those that aren't. In fact, according to a recent Jupiter Research study, a remarkable 58% of Web users said the inability to quickly locate needed information was a primary reason they

abandoned Web sites. That made it the #2 reason behind slow-loading links. (Out-of-date FAQs also made it to the Top Ten).

To keep customers happy, companies must pay close attention to providing useful, timely, easy to find information. Customers have better things to do than hunt around Web sites looking for answers. They expect companies to understand and respond accordingly.



People's behaviors and expectations constantly change through technological and business innovations. Phone, fax, and overnight delivery have been both a blessing and a burden – easing and accelerating business processes while raising the bar for what constitutes "responsive" service.

The Internet is no different. As much as Web browsing and email are making it easier than ever to communicate with customers, they're also creating enormous challenges in customer service as expectations rise exponentially. Organizations that understand the new rules for customer service quickly differentiate themselves from those that don't. That differentiation ultimately helps determine who wins in the new digital economy and who loses.

Five Proven Ways to Achieve Customer Delight in the Internet Age

What are the new rules of customer service? How can marketing managers, customer support supervisors, and other participants in the customer service process ensure their companies' success in the Internet Age?

While customer service strategies vary, companies that leverage the Web to achieve customer delight have many things in common. The following five principles draw from the marketing and support practices of these Web-savvy organizations. By adopting these ideas, any company can quickly meet the service expectations of today's demanding online customer.

1) Let Customers Drive Content

Effective customer service teams don't rely on their own thinking to determine Web content. They know this approach is guesswork – and customer service is too important to be left to guesswork. They also know their assessment of what's important to customers always lags slightly behind reality because information needs always change.

That's why they closely monitor customer behaviors and allow those behaviors to drive both content and placement of content. In other words,

they use customers' inquiries to determine what content needs to be on their site and to make certain the answers to the most frequently asked questions are the easiest ones to find. And they never stop updating content and content placement to reflect their customers' ever-changing needs.

2) Use Self-Service to Ensure Immediate Answers

Every email represents a customer who couldn't find what he or she was looking for at your site. The clock started ticking the moment they hit the "send" button – if not before. And for every customer who takes the trouble to send an email, there are several more who didn't bother and are now either unhappy with you or happy with a competitor. So, while it's important to have good email response procedures in place, that's not all it takes to achieve true customer delight.

Effective managers find with the proper approach to content generation and placement, 70%-90% of customers quickly find their own answers right on the Web site. This focus on content not only increases the immediacy with which customers get their questions resolved, but also reduces the strain on support/help desk staff – which means lower overall and per-incident costs. Consumer electronic giant Sanyo, for example, reduced incoming customer service calls by almost 30% within 40 days of implementing self-service on the Web. And Air Canada achieved a 60% reduction in its daily email volume.

With the proper approach to content generation and placement, 70%-90% of customers can quickly find their own answers right on the Web site.

3) Make Escalation Easy

While it's important to focus on providing as much self-help content on your Web site as possible, it's critical to provide customers who don't find what they need quick and easy access to a human being via email, text chat, or their preferred medium. What you don't want is for them to call you on the phone – because once they learn that's the best way to get answers, they'll go to the phone next time. You want to "train" your customers to use your Web site. It's less expensive for you and faster for them if they make a habit of using your Web site.

Escalation should be a seamless extension of any site search a customer is engaged in. Connecting to your live operators via the Web – whether in a real-time chat or email – should be easy and take place in the context of their search. In other words, you want to sense what the customer has looked for and where they started looking for help. This accelerates problem resolution and gives the customer a strong sense that you value them and their time.

4) Establish Feedback Loops and Continually Measure Performance

It's a basic management truism that you can't improve what you can't measure. It's also true that without measurement you can also wind up oblivious to how badly a job you're doing. That's why successful service and marketing managers religiously track their performance and use that information to adjust their service delivery processes.

Feedback should take two forms: objective metrics and subjective evaluations. Objective metrics include statistics such as total volume of inquiries, the categories they fall into, the percentage of inquiries handled successfully on the first contact, site visits that end (presumably successfully) after one or two FAQ page hits, average and longest response times, etc. Subjective evaluations include comments and survey responses elicited from your customers. These subjective evaluations verify the validity of the metrics and pinpoint specific and/or chronic service shortfalls your objective metrics don't pick up.

5) Automate, Automate, Automate

Without effective automation, implementing the four previous principles is an expensive and time-consuming proposition. Introducing a lot of human effort into processes such as site content management and performance monitoring create an unacceptable "lag" between changing conditions and changed content or processes. Tools that automate online service are critical to achieving true customer delight.

Fortunately, these tools exist and can be purchased for less than the annual cost of a single customer service representative. And they can be more economical when implemented on a hosted application service provider (ASP) basis. More importantly, the cost of these tools can quickly be recouped – often within 60-90 days – because of the operational costs savings.

The Real Secret: Combining Knowledge with Action

It's not simply enough to understand these five key principles for achieving customer delight in the Internet Age. For them to work for you and your organization, you have to put them into practice. One of the most powerful lessons of the New Economy is that delay is often loss. Managers who delay implementing automated online customer service lose customers to competitors who get a system up and running and continue improving it.

Delay is loss. For these principles to work for you and your organization, you have to put them into practice.

Customers and potential customers are looking for help online now. Don't frustrate them and send them to your competition. Implement an automated, customer-driven service solution on your site as soon as possible. Join the ranks of the successful managers using the new rules of online service to cut operational costs, build market share, and achieve true customer delight.

About the Writer

Greg Gianforte is founder and CEO of RightNow Technologies, a Bozeman-based provider of web customer service systems. Greg, his wife, Susan and their four children have called Bozeman home since 1995. They moved to Montana to achieve a balance between work and family. Greg believes the Internet eliminates geographic boundaries, and a high tech company can flourish in a non-traditional location like Montana.

RightNow's flagship product, RightNow Web, integrates customer self-service, email management, live chat, and an automated survey tool to maintain a complete closed-loop dialog. Customers include Ben & Jerry's Ice Cream, Xerox, eTour.com, Motorola, Specialized Bicycles, and Air Canada.

Greg holds a BE in Electrical Engineering and an MS in Computer Science from Stevens Institute of Technology. He has taught Computer Science at Montana State University as an adjunct professor. Greg co-authored *Reducing the Cost of LAN Ownership* and *The Business of Running a Network* published by Von Nostram.

Prior to RightNow Technologies, Greg was founder and CEO of Brightwork Development, a LAN Management software pioneer acquired by McAfee (now Network Associates) in 1994.

About RightNow Technologies

Founded in 1997, RightNow Technologies, Inc. is a privately held software company headquartered in Bozeman, Montana. The company's award-winning software, RightNow Web™, provides a closed-loop customer service tool that builds a dialog with customers, delivering information and automatically asking for feedback. Engaging in real-time customer dialog, our 900+ customers fine-tune their customer service organization to increase customer delight and build loyalty. RightNow Technologies is headquartered at 77 Discovery Drive, PO Box 9300, Bozeman, Montana 59718, and can be reached via the Web at <http://www.rightnow.com>, by email at info@rightnow.com, by phone toll free at 877-363-5678, or by fax at 406-522-4227.

RightNow Technologies, Inc.
77 Discovery Drive
PO Box 9300
Bozeman, Montana 59718-9300
phone +1-406-522-4200
toll free 1-877-363-5678
fax +1-406-522-4227

North American Sales –West
phone +1-406-522-4200
toll free 1-877-363-5678
fax +1-406-522-4208

North American Sales –East
phone +1-972-323-5600
toll free 1-877-277-3898
fax +1-972-247-4055

UK–International Sales
phone +44 (0)1753 722 160
fax +44 (0)1753 722 161

Germany–International Sales
phone +49 (0)89 99 21 60
fax +49 (0)89 99 21 6200