

Best (and Worst) Practices in Customer Communication



Introduction

You can't have great customer service without great customer communication. It's simply not possible. Resolving a customer issue often requires many separate touch points with the customer. Making those customer interactions productive and valuable is a tricky undertaking, fraught with temptations to follow lower-cost short cuts or misleading metrics. But if you can work smarter and focus on real value, you can maximize customer satisfaction and long-term customer value while actually lowering your overall cost of service. It's an amazing formula for success.



So, there's an old joke that goes something like this ... A business executive needs a break, so he takes a vacation to the Hawaiian Islands. While walking down a deserted stretch of beach, he sees an ornate bottle mostly buried in the sand. When he digs it out and uncorks it to look inside, there is a puff of smoke and a Genie appears before him.

"Thank you for freeing me," the Genie says in a powerful voice. "For doing me this service I will grant you one wish. It can be anything you choose."

"Wow," the executive says, and ponders his choices. After a minute he smiles. "I'm a simple man, so I'm not going to ask for ten million dollars. I don't think that would make me happy."

He looks around. "But I love this place, and I hate to fly, so it's really hard for me to get here. I would like for you to make a nice, stable bridge from California to Hawaii. Then I can drive here any time I want."

The Genie frowns and shakes his head. "Accchhh," he says. "That's virtually impossible, even for me. Think about the pillars that would have to extend down thousands of feet into the sea, the irregular ocean floor, and the constant erosion from the violent waves. Think about the severe hurricane-level winds that would be endlessly buffeting the pavement, and the girders, and the continuous destructive rust from the salt water, and the rain. I'm sorry, it's too difficult."

The man looks down and thinks for another minute or so. "All right," he says. "Listen, I run a call center, handling customer service issues. All I would ask is that you grant me one day, one single day, where we make every customer happy. That's it. Just satisfy them for one day."

The Genie stares back at the man, suddenly looking very tired, then says, "So ... this bridge ... did you want two lanes or four?"

Customer service is *hard*. Anyone who has spent any real time on it, from the service agent to the customer service executive, will tell you that. But what makes it so difficult? The simple answer is ... well ... the *customer*. How many times have we heard a service manager say, "You know, this job would be easy if it weren't for those pesky customers." (I may have substituted in the word "pesky" in that last sentence.)

What's the secret to great customer service? There have been thousands of books, articles, blogs and even tweets on that very subject. It would be impossible to condense these concepts and ideas in any rigorous manner into the space we have available to us here. So, we will discuss one aspect of the problem in this paper: how to *communicate well* with your customers. I think it is pretty clear that great communication is a necessary and fundamental component to great customer service.

Arguably it is the most critical component. Even the greatest computer would be useless without an input or output device. Without a way to communicate, we would have none of the thoughts of Shakespeare, Socrates, or Seinfeld available to us. (And yes, I am equating your own service work product to what those men have produced.)

So, this paper focuses on concepts and models for highly effective customer communication. We will use contrasting ideas to get key points across, specifically comparing six fundamental *worst practices* (albeit popular ones) with corresponding *best practices*. But we will remain focused on key goals and principles in the mind of every customer service owner, from VP’s of Service to Help Desk Managers: maximizing customer satisfaction (and value) and minimizing costs.

Worst Practice #1	Best Practice #1
Treat Every Customer The Same	Map Level of <u>Service</u> to <u>Value</u>

There’s a famous story that’s been circulating throughout blogs and posts about truly differentiated customer service. In August of 2011, author and business consultant Peter Shankman was getting ready to board a flight home. He knew he’d be hungry and tired when he landed, so he tweeted the following: “Hey @Mortons – can you meet me at Newark airport with a porterhouse when I land in two hours? K, thanks. :)” Even without the smiley face, we recognize this as tongue-in-cheek, yet incredibly a tuxedoed gentleman from Morton’s Steakhouse was waiting for Mr. Shankman in Newark, with a 24-oz porterhouse, shrimp, potatoes, bread, napkin, and silverware. Later writing about it, Shankman observed that someone had to notice the tweet, get approval for the idea, prepare the food, drive it over 20 miles to the airport, and figure out the flight information to meet him at the right location.

Would Morton’s have done this for everybody who tweeted hunger pains? I’m going to go way out on a limb here and say, um, probably not. But for a noted business author with the power to write about an exceptional customer service experience? Well ... there might be some significant value in making that kind of exception.

The airlines and hotels do it, treating frequent customers substantially better than the occasional traveler. That’s where the money is, so if you can’t maximize customer satisfaction for everybody, choose intelligently.

But we’re talking about customer *communications* here, not culinary service or travel comfort. If you’re running a customer contact center, how does this relate to your own concerns?

DON'T	DO
<ul style="list-style-type: none"> • Put everybody in the same queue. • Minimize talk time for everybody. • Force everybody through the same self-service options. • Be good only at inbound communications. 	<ul style="list-style-type: none"> • Put premium customers in a queue with (much) shorter wait times and more experienced agents. (... and tell them you're doing it, every time) • Make agents aware they are talking to a premium customer, and reward them for spending more time with them. • Route premium customers immediately to a live person, as soon as you identify them. (... or even better, give them a direct preferred access number) • Actively reach out regularly to premium customers, through triggered or scheduled (and blended) outbound calling. (... when you have something to tell them or even when you don't, just to see how they're doing)

The key is to determine and *track those customers that offer you greatest value*, and then offer them a significantly better experience. It could be the customer that spent more with you last year, or the customer that signed up for a premium support agreement, or the customer that is on a target list for growth opportunity. Track these factors in your customer database and use them for *inbound interaction prioritization and routing* and for *proactive outbound communication*.

Now that we've mentioned outbound communication, let's turn to the next concept.

Worst Practice #2	Best Practice #2
Wait for Your Customers to Call You	Communicate <u>Proactively</u>

OK, time for another quick story. Every auto manufacturer has had issues with recalls. But Lexus is famous for sending their technicians to impacted customers' homes to fix problems on the spot. That's pretty darn proactive. However, in 2006, with the recall of the Lexus ES 350 sedan, the company asked customers to come into the dealership. Why? Because instead of making customers sit in a waiting room, their dealership simply gave each of them a new Lexus, no questions asked.

How do proactive service concepts work in the world of contact centers and customer communications? Well, if you're always waiting for customers to call your service department, you're basically waiting until either they: (a) have a problem serious enough to call, or (b) have gotten really impatient about something they have not yet received. Either way, they are unhappy.

But suppose, just suppose, you knew about a problem they were *going to have* before they found it and called you? Or suppose you knew exactly when they should expect a fix and could let them know in advance, so there was no reason for them to check on status? Once you adopt this method of thinking, here are some key mechanisms for taking advantage of proactive outbound communication:

- Use a *universal queue*, and blend in your outbound calls. The “universal queue” is a mechanism that allows inbound and outbound interactions of various types to be blended together into the continuous workload of your agents. By not keeping the outbound load separate, these calls are guaranteed to happen, and they happen more quickly.
- Contact a customer when they are *likely* to want something you now have to offer. This requires you to know when this “likely” case occurs. A growing number of companies, like amazon.com, examine statistical correlations to see what similar individuals are likely to purchase. (A person that buys X tends to buy Y.)
- Generate a proactive notification when a reported issue changes status. If an issue goes from “reported” to “being worked on,” or from “being worked on” to “fixed,” why not let the customer know? They will greatly appreciate regular status updates, and it WILL keep them from calling you. But you must also give them expected time of delivery – they will always ask.
- Generate proactive notifications to same-situation customers. IF a known issue is found AND if it’s serious enough to require attention AND if it’s likely to occur to someone using the product or service, THEN notify everybody who owns that product or service, *along with the fix* (required to make this process work). This is the kind of thing that stands out as *exceptional service* in the customer’s mind.

By the way, outbound communications do NOT have to be calls (which are expensive). They can be automatically generated emails (which are cheap). It works as long as there is sufficient information conveyed to allow the customer to take action (if necessary).

I know what you’re thinking. Uh, about outbound communications. (I won’t tell anybody about that other thing.) You’re thinking that if you start alerting customers about issues they have not yet experienced, it will alarm them, perhaps for no reason. And it may increase your costs in agent time and communication bandwidth.

So, only do it when they are very likely to experience the issue. And here’s the interesting part, in general, outbound communications are *much cheaper* than inbound communications. Why? Because you already know exactly what to say and how to get to the end of the communication. Unlike inbound, where the issue is unknown going in and may require many subsequent communications, outbound communications can be well planned in advance. But if you’re still really worried about the cost, then at least do it for your premium customers. It’s worth it to keep them as premium customers.

Worst Practice #3	Best Practice #3
Give Them a Lot of Interactive Voice Response (IVR) Options to Maximize Self-Service	Make Communications Simple and Flexible

Does this sentence sound familiar? Please listen closely as our menu items have changed ...

We all cringe when we know we are in for a long session with an automated IVR, especially when there is no way out. Don't take this the wrong way – easily accessible self-service options can be quite valuable. Customers like them because they don't have to talk to someone to get the answer or perform the transaction. Contact center managers like them because they lower costs by eliminating agent involvement in unnecessary, repetitive interactions.

What kinds of interactions lend themselves to self-service? Some are obvious: account balance, automated bill payment, flight status, service renewal, news/weather/sports access, and so on. What characterizes these? Typically they require minimal customer input, they involve limited choices, and they report back something simple and expected.

An ever increasing number of people now expect to go to the Internet for self-service options. Internet-based self-service has a distinct advantage over IVR-based self-service; it can enable much more customer input (forms, etc.) without the customer giving up on the transaction. This may be through a website or a mobile app, via any number of devices, but it is a data-driven interaction.

So when they call, chances are they have considered the Internet and rejected it. They need to talk to someone. Otherwise they would not have chosen that mechanism of communication.

And here's the other amazing fact, customers are not idiots. More often than not, they will find the optimal way to get the information or transaction they require, especially if it is their second or third interaction with your company. They know when the access they need falls into the "self-service" category, and they prefer it. When they finally do need a live person, they call, email or chat. If you thwart them by forcing them down an exhausting self-service tree with no "live" option, they will lose faith.

So, what are the best practices for simple, flexible communications?

- Put self-service options requiring more input or more choices on the Internet; put self-service options requiring very limited input and choice *both* on the Internet and on your IVR.
- When a customer decides to wait for an available agent, offer **Callback** options to eliminate the need to wait on the phone. The best contact center technologies allow customers to select an option that enables them to simply hang up the phone, but *retain their position in queue*. When their time comes, the technology automatically calls them back and connects them to a live agent.

This works great when the caller is on a mobile phone. And it is a *great differentiator* – customers perceive this as exceptional service.

- Give customers *many choices* to contact you, and stay abreast of trends in communication and service access technologies. Let's look at what this means:
 - **Email** is now ubiquitous, available from PCs, smartphones, tablets, etc. According to a 2012 survey of 210 contact center managers, although email only makes up about 11% of overall customer interactions, **over 88%** of contact centers allow their customers to communicate via email¹. You must allow customers to communicate via this mechanism (and it can also increase first-interaction resolution - more on this below).
 - **Web Chat** and **Instant Messaging** are great live communication options with many advantages. First, as Internet-based textual communications, they are low-bandwidth and inexpensive. Second, if customers know these options are available, they will be more likely to use your Internet-based self-service (because live help is always available). And third, agents can typically handle *more than one chat session at a time*, thereby doubling or tripling your agents' overall efficiency.
 - **Apps** for Apple or Android mobile devices (smartphones, tablets) are also rapidly gaining popularity as service-enablement vehicles, offering numerous services for travel, retail, entertainment, and many other markets. An option to request live contact through Chat or Callback is a natural extension of this access method.
 - **Skype**[®] and other **Voice-over-Internet** technologies are increasing their presence every year. In October of 2012, Skype reached a peak of over 45 million concurrent users online, representing 70% growth in usage over 2011². With Skype and Lync[®] now a part of the same Microsoft[®] business unit, and with the two technologies *federated* (Skype users can connect with Lync users and vice-versa), there is an emerging trend for customers to expect businesses to expose Internet-voice options to contact customer service. Other technologies, such as Google Talk[™], Jabber[®], Yahoo Messenger[®], etc. offer their own federation options in an ever-growing online communication fabric that contact centers must eventually address.
 - **Social Media** offers a rich source of information of what people are saying about your company's products and services. You may have people in your organization monitor various

¹ The US Contact Center Decision Makers' Guide, 5th Edition 2012. Contact Babel.

² As quoted on <http://techcrunch.com/2012/10/14/skype-reaches-a-45m-concurrent-user-peak-and-what-looks-like-a-new-stage-of-momentum/>

channels (Facebook®, LinkedIn®, Twitter®, etc.) manually, but a growing trend is to use an *aggregator* to look for your name to be mentioned and even to detect *tone* (positive or negative) in the reference. This provides an opportunity to respond immediately to criticism or praise on the network, or even to call individuals directly if contact information is available.

As we’ve discussed, the use of a *Universal Queue* allows all of the above communication channels to be blended into the workload of your service people. With this approach, you can track and manage service levels and response times on every single form of communication your customers choose.

Worst Practice #4	Best Practice #4
Minimize Talk Time	Maximize First-Interaction Resolution

OK, so this one is a bit controversial. Many contact center managers and service executives would probably argue that the right amount of time on the phone depends on the type of contact center, and on the nature of the delivered service. Many would say that getting agents off the phone as quickly as possible cuts costs and increases service levels, since they can more quickly get to the next customer. So these same managers may be tracking talk time and driving agents to be as efficient as possible, to get that customer interaction time down.

Certainly no one in their right mind, or even this author, is going to argue against efficiency. We should surely give agents tools to let them address the customer need as quickly as possible, tools like knowledge bases, customer issue tracking, and customer interaction history. And undoubtedly the best possible tool for efficiency is *skills-based routing*, to make sure the call is directed intelligently to the best person to address the issue (last person the customer talked to and/or most skilled group).

But in many cases, those tools are simply not enough. Often, resolving the customer’s request requires *research*, either on the part of the agent or on the part of other “knowledge experts” within the organization. So in these cases, there really is no choice, right? You’ve got to get the information, hang up the call, and move on to other calls. Hopefully you or your associates can find the time later to do the research and get back to the customer.

Is there a better answer? I would argue that the answer is not to find the perfect way to handle *every* request; it is to find the right formula to maximize *satisfaction* for as many customers as possible, and at an *acceptable cost*. Here is one such formula:

1. Move the *really easy* ones to Internet-based self-service. We’ve talked about this at length, but here’s what we haven’t yet discussed. When an agent ends up handling a request that could’ve been resolved through self-service, *point that out to the customer*. But you have to do it in a way that benefits them, not you. Tell them how much time they will save, how all the information is available at their fingertips. Even offer to walk them through it while you’re on the phone. It might

take a little more time now, but it will save a lot of time later. Keep doing it, customer after customer.

2. Move as many customers as you can to an Internet-based service request system, either via email or via web forms and attachments. When sending in the request electronically, most customers are naturally more thorough, more likely to include everything the agent might need to diagnose and resolve the issue, which should speed up resolution time. If the agent needs more, additional information can be requested and received electronically.

And here's an incredible side-benefit to agents handling email or web requests – the customer expects *some* delay in the response. The key is to *acknowledge* the request immediately (auto-acknowledgment) and give the customer a reasonable expected time window for a real response. This has the effect of *flattening the agent workload* across the day, improving overall agent utilization.

3. Provide *real-time collaboration tools* to the agents and back-office knowledge workers (experts). OK, here's the controversial part. Items #1 and #2 above are meant as *gates*, as a way to filter out customers who are willing to utilize, and satisfied with, Internet-based options. But Abraham Lincoln would point out that you can't please all the people all the time. (I think he was talking about contact center Internet-options, wasn't he?)

So this third step in the formula is to do whatever you can possibly do to get the customer's request resolved on the first call. Make your agents aware who in the organization has the best knowledge for particular issue categories. Adopt a "we're all in the business of customer service" mentality across the organization. And then let them use great collaboration tools: conferencing, screen sharing, online white-boarding, shared knowledge bases, etc. to communicate effectively. If their goal is to get the issue resolved during this first interaction, it will make them think and act efficiently. Reward those who are better at this key first-interaction resolution metric.

These collaboration tools can also be used to more effectively engage experts to resolve non-call (email or web-based) requests as well. In that sense, it's about *first-interaction resolution*, not just first-call resolution.

I told you it was controversial. But this is what sets apart the organizations that put customer service *first*, ahead of per-call efficiency metrics and minimized talk times. It won't work 100% of the time, but any gains are highly visible to your customers.

We're in the home stretch now, in the realm of truly differentiated customer service. That leads us to our next topic.

Worst Practice #5	Best Practice #5
Manage Agents as Dispensable Commodities	Treat Agents as Customer Ambassadors

There's a classic customer service story that happened at retailer Nordstrom some years ago. A customer came into the store to pick up several suits he had purchased, which were being altered. As occasionally happens, the suits were not ready and the customer had to go on an overseas business trip that afternoon.

Upon arriving at his hotel in London, he found a Federal Express package waiting for him. Inside was a letter of apology from the salesman at Nordstrom along with the altered suits he had purchased, a selection of shirts and ties to match, and even a leather suitcase to carry his suits. The salesman had called the man's home, spoken to his wife, and found out the size and style of the shirts the customer liked and the hotel where he would be staying.

Business management author Tom Peters, famous for books like *In Search of Excellence*, often cites Nordstrom as being known for *employee empowerment*; they encourage their people to “use their best judgment” with a goal of customer satisfaction and loyalty. Companies like Nordstrom, Disney, and Zappos (with their slogan, “Powered by Service”), and a few other notable companies have focused over the years on doing virtually whatever it takes to please the customer.

A key aspect of this formula is *trust*, relying on the people you hire to do the right thing. It takes a willingness to spend more money on one transaction if it means ultimately gaining so much more. If done well, the end result is not just one very loyal customer; it could mean great PR (the Nordstrom story has been told thousands of times in hundreds of business publications) or, at the very least, great word-of-mouth among like-minded customers.

There are a lot of worrisome statistics about churn in the world of contact center agents. According to the above-mentioned survey of 210 contact centers³, the 2011 overall annual attrition rate for agents was 27%, with certain verticals significantly higher (outsourcing centers average 42% attrition, entertainment and leisure average 38%). The top four reasons cited for losing people are the wrong type of person for the job, excessive pressure or stress, lack of promotion or development opportunity, and repetitive work.

Based on the above, it is not surprising that when surveyed on the best methods for motivating and retaining agents, the top four techniques cited are:

1. Opportunities to progress in the company
2. Empowering agents to make their own decisions

³ The US Contact Center Decision Makers' Guide, 5th Edition 2012. Contact Babel.

- 3. Bonuses tied to performance targets
- 4. Peer-level recognition

Incredibly, if you do the things that maximize *customer* satisfaction and loyalty, you can also maximize *agent* satisfaction and loyalty. Here are some key areas that map to specific actions in the realm of customer communications:

- Let agents spend time with customers. If the agent does not feel rushed to get off the phone or chat, and if he/she has the time to complete the request, the likelihood of a positive experience is dramatically increased on both sides of the interaction.
- Coach agents continuously. Agents won't mind being recorded if they believe the information is being used to make them better, so use a good *recording and evaluation tool* that works across all channels of communication. And I'll bet you know exactly who your best customer reps are; use them as mentors for others, allowing the best to listen in and coach those who are learning and growing. It's a never-ending process.
- Encourage teamwork. Your first-interaction resolution goal requires that people work together, so you're part of the way there. But go one step farther. Create teams with common goals, and measure each team's progress against those goals. Create a friendly competition among the teams. Put up big, graphical charts showing the results. Celebrate success.
- Measure the right things and truly reward agents (with bonuses, career opportunities, and peer recognition) who are good at those things.

That last bullet item is a bit vague, which leads us to the final area of our discussion ...

Worst Practice #6	Best Practice #6
Report On and Optimize Basic Call Center Metrics, and Stop There	Report On and Optimize Customer Value

Consider this scenario: You've worked hard to manage your staff on a rigid schedule that ensures they are very well-staffed when peak call loads hit. You've put up a number of big wallboard screens that flash red when calls are waiting in queue too long and you push your agents to get to them faster so that doesn't happen. You've extended your IVR to include three more self-service options and, sure enough, your queued call volumes are down. You've run all the quality metrics on your agents, from talk time to making sure they follow the right script in their recorded calls – and you've just cut the dead weight, the ones that simply can't measure up.

Sure enough, the metrics just came off the printer, and they're great. Service level is at 96% of calls answered in 2 minutes or less, an all-time high. Abandoned calls in queue are down to 3.5% -

amazing. Talk time is low, 2.5 minutes. And all with reduced staff, so your agent salaries and overall costs are down 8%. You rush in to show your manager.

But he doesn't look happy. He pushes all of your charts and graphs aside and slaps down a single number on the desk. "It's our Net Promoter Score," he says, "the comparison of people who would recommend our service to a friend or colleague vs. those who would not. We measured it in a customer survey. And it's negative. Very negative."

"Did you ask why they wouldn't recommend us?" you ask.

"Yep. A lot of reasons. Our IVR is too hard to get through. Our agents rush them off the phone before they solve the problem, claiming they have to get to another call. We don't call them back fast enough, or at all. And many are saying we've actually fired our best agents, the ones that actually try to come up with creative ways to help them on the phone. We're starting to lose customers to our competitors. Turns out our competitors are actually hiring those agents we let go."

"*What went wrong?*" you ask yourself, but intuitively you already know the answer. Basic call center metrics, by themselves, do not tell the whole story. They are one piece of a much larger puzzle. So managing the contact center to optimize only those metrics, and no others, is doing your company a great disservice.



So what should you measure? Well, certainly cost is one side of the equation. You cannot achieve great customer service by running up unlimited expenditures. And there are many factors contributing to cost, each one of which you need to measure and control. But by far, the highest cost of managing a contact center is the cost of labor (salaries and benefits). In the survey we've been quoting here, labor amounts to almost 70% of overall contact center cost⁴. So you're right to pay attention to this, *within reason*.

If cost is on one side, what is on the other side? What is the real benefit you're trying to achieve with the contact center? Is it simply about *customer satisfaction*, or some variation of that which represents your customers' willingness to promote you to their friends, as the boss is touting? That does seem important because it should be an indicator of *retention*, of how successful you are at keeping your customers. But is it the only thing you are trying to optimize? What if every one of your customers is absolutely thrilled with your service, but they've only spent one dollar each with your company?

⁴ The US Contact Center Decision Makers' Guide, 5th Edition 2012. Contact Babel.

So is it *revenue* then, the amount your customers have paid you? Hmm, seems right, but that only takes into account what they've *already* paid you, not what you *expect* them to pay you in the future. And what if they do recommend you to others? Then they are worth more to you, because they are directly responsible for future revenue from referral customers as well.

Overall, each of your customers has an *expected value* to your organization, something that represents the total revenue impact they will have, minus the total amount that providing them with service is costing you. Effectively, it's your overall P&L for that customer. When you add up all the individual P&L's, you have a number that represents where you currently stand.

Again, countless books have been written on the subject of customer service metrics. And many authors are sure they've captured that one key set of metrics, or even that one single metric that is the most important. We won't debate the merit of those arguments here. But I will say that for your business, there are a number of contributing factors on the cost side, and a number of contributing factors on the customer value side. Assuming you want to decrease one and increase the other, you need to find out what those correlating factors are ... and control them.

How do you find out what has the greatest influence on customer value? Here's an idea: *Ask your customers*. Ask them why (or why not) they stay with you, why (or why not) they purchase more from you, why (or why not) they refer you to others. You can ask them in the context of the stuff you can measure and control. Is it about how fast we answer the phone, how much time we spend with you, how many times we reach out to you, whether we resolve your issue on the first call, when we offer you new products you might like, or what?

And here's the second idea: *Segment your customers by their value to you*. As we've discussed, don't treat every customer the same. Maybe your segments are easy: premium, standard, and basic. Or maybe it takes more thought. But create your groupings, track them separately, and (where it makes sense) manage them separately.

Once you know what influencing factors have the greatest influence, you can focus on them in a cost-effective manner. Here are some candidates for your time and attention:

- **The Basics: Service Level, Abandonment Rate, Talk/Interaction Time, Issue Resolution Time.** These can be measured by segment. For each of these, it's not going to be about just maxing out the number. It's going to be about finding the sweet spot, the range of values where the cost-benefit balance is obtained. Too low and customers are unhappy; too high and you're passed a point of diminishing return.
- **Customer Satisfaction.** This is a tough one. It is useful to measure this per-interaction with simple surveys (e.g., automated post-call survey) and by having agents ask directly if the customer has had a successful experience. But you must be careful to not introduce biases – for example, is it more likely that an upset customer would take the survey so they can express their displeasure? So you have to find a way to conduct surveys in a neutral, impartial manner. Good surveys also

allow you to measure the likelihood they will promote you to a colleague, whether this is the basic NPS or some related value.

- Note that there is another benefit to measuring customer satisfaction *just after the live communication*. Not only is the interaction fresh in the customer's mind, but in the event the result is negative, you can immediately *call the customer back*. Having a negative automated survey result trigger an outbound call from one of your best agents can disarm the customer; maybe even turn a negative perception into a positive one.
- Retention Rate. Once customers are segmented properly, measuring how long you keep customers in each segment is easy, but can be extremely enlightening. And you can map it to the basic metrics you've measured above to see if there is correlation. Plus you can map it to the agents they've interacted with. This may provide a lot of insight.
- Up-sell Potential. We haven't talked a lot about revenue because we've been focused on service, but if you have empowered agents who are aware of the state of the customer, then proactive outbound selling and/or up-selling of a premium service becomes increasingly achievable. If a customer is "up-sellable," their overall value is increased dramatically.

All of the above measures that contribute to satisfaction and value may then be contrasted against the cost to protect them and improve them over time. It's a balancing act, so the key is to *continuously measure* and to *continuously improve*. Try a longer talk time for your best agents, improve first-interaction resolution, and see where that gets you in benefit vs. cost. Remove the harder self-service options from your IVR and see where that gets you. Create a team-based up-sell goal and see where that gets you. It's a practical use of the scientific method: hypothesize, experiment, measure. And keep what works.

One important part of customer communication is to recognize that customer touch points are opportunities, not pain points. Take the following service scenario:

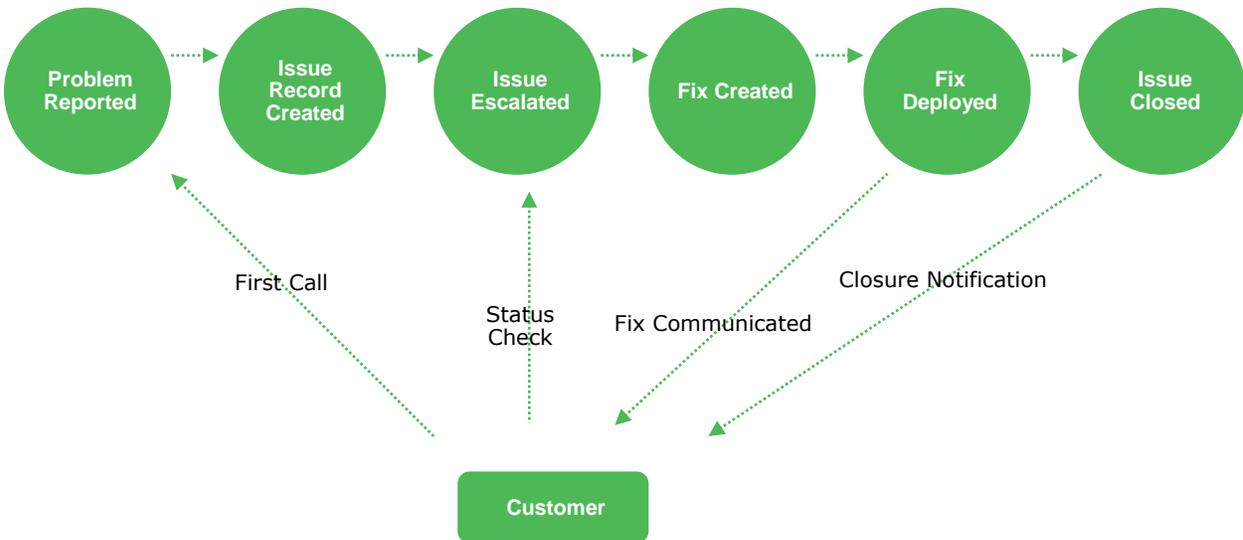


Figure 1. Sample Service Scenario

There are four separate customer touch points here. Each one gives you the opportunity to be viewed as a necessary, but painful experience, or to be viewed as the hero. Each one gives you the opportunity to lose revenue or to increase it, or at least increase the customer's long-term value to your business. It's up to you how you handle those communications.

In the mid-1990's film, *Mr. Holland's Opus*, Richard Dreyfuss plays a musician and composer who takes a job as a high school music teacher just to pay the bills until his career takes off. But as his family grows and he has bills to pay, he has to keep his teaching job – just one more year, year after year. Turns out though, he's really good at it. As the film progresses, it becomes clear that his role as a teacher has much more impact than his work as a composer. *Mr. Holland's Opus*, his life's work, is as mentor to thousands of students who cross his path, as a key positive influence in their lives.

So it is with exceptional customer service. It's not the home run in the bottom of the ninth, not the winning lottery ticket, not any single event that makes the difference. It's delivering great service in a cost-effective manner across hundreds or thousands of customers, and across thousands or millions of customer contacts. Service is a sheer numbers game. Improvements in cost containment, customer satisfaction, revenue generation, and overall customer value can have an incredible multiplier effect. That's the true payoff.

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