

Now More Than Ever...

5 Reasons Why Focusing on Web Self-Service in a Downturn Pays Off

83% of consumers use company websites as their primary source of customer service information and up to **60%** of email volume is caused by customers who cannot get answers online.

Budget Truck Rental addressed these issues and decrease daily email inquiry volumes by **74%** and telephone call volumes by **28%**.

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Amidst a very real economic downturn, companies face tough decisions on how to best spend resources to weather the storm.

Forrester Research offers their advice, firmly extolling the virtue of that familiar refrain, “Your customer is your biggest asset.” In their recent Customer Experience Index Report, the analyst firm warns, “While most firms are dealing with rough economic times, they can’t let customer experience fall on the back burner.”

With “service” now the number one reason (ahead of price) why customers purchase from a company⁽¹⁾, investing in the customer experience has never been more important. In this paper, we present five reasons why leveraging web self-service to enhance the customer experience makes sense now more than ever.

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1. The current psychological state of consumers makes it harder to win new customers.

Smart businesses see the value in “taking the psychological temperature” of the marketplace when considering optimal revenue-generating tactics. They must recognise the psychological state change that occurs in the minds of consumers when a recession looms. Skepticism, fear, uncertainty and anxiety are the emotions of the day. In a turbulent economy, consumers are less willing to try new things and explore the unknown, preferring instead to take comfort in the familiar.

This hesitancy can be emotional or, when real financial constraints limit one’s ability to explore new options, purely practical. Whatever the reasons, consumers in a recession tend to prefer what is “known” generally over what is “new.” As a business, this means the climate is not ideal for trying to convince new consumers to take a leap of faith and test your company’s offerings. Instead, focus on growth from your existing customers. They’re looking to you for familiarity and support; leverage this.

2. Wooing current customers is cheaper

As Frederick F. Reichold declares in *The Loyalty Effect: The Hidden Force Behind Growth, Profits, and Lasting Value* (Harvard Business School Press) companies cannot afford to lose customers in an shaky economy, largely because of the high costs of trying to replace those who defect.

Marketers know this. Selling to your existing customer base is far more cost effective than trying to acquire new customers. Therefore, give your customers reasons to continue spending with you by engaging in activities that enhance their experience with your company.

One surefire way to elevate their experience is to provide innovative, world-class customer service.

Case Study Snapshot: Budget Truck Rental Takes Customer Web Self-Service To New Heights

Budget Truck Rental took the customer experience a quantum step forward by adding the instant answer agent technology from IntelliResponse to their web site.

IntelliResponse is a question-and-answer software platform that allows web site visitors to ask questions in natural language, and get the “One Right Answer”, regardless of the hundreds of ways the question may be asked.

When needing to rent a truck, customers typically ask many questions before deciding to make a reservation. A customer’s experience throughout this question-asking period has a big impact on whether or not he or she will ultimately rent from Budget.

By adding the IntelliResponse feature to the Budget.com web site, Budget gave customers the opportunity to key-in their questions, in plain language, and receive an instant response. It offered customers a much faster means of getting answers versus contacting the company by phone or email.

After adding the instant answer feature, Budget’s online bookings increased a remarkable 35% in just 45 days – proof of how quickly and significantly a high-value enhancement like adding web self-service to the customer experience can pay off.

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3. Investment in the customer experience can bring new customer insights

Big gains in enhancing the customer experience through web self-service come when you truly understand your customers. This requires that you look beyond your traditional customer data, and find ways to gain deeper insights into what's going on inside their minds.

According to Forrester, "In many companies, key decisions are made based on a very limited (and sometimes inaccurate) view of customers." Don't let this be your company.

Instead, look closely at the type of questions your customers are asking when they interact with your organisation, either via live agents, over email support and/or through instant answer technology like that employed by Budget.

What kind of insights can be gained?

When Budget examined the types of questions they were being asked via the IntelliResponse instant answer feature, they discovered the vast majority of customer questions related to 52 specific topics. They also discovered that customers in general were put off by the use of industry terminology, preferring to communicate in plain language.

The value of this insight in creating a better customer experience is clear. Armed with this type of detailed knowledge of customer preferences and top concerns, Budget can take steps to minimise the use of industry jargon in their customer communications, and ensure that the answers related to these 52 topics feature prominently in everything from web site content to marketing campaigns to employee training materials.

What could your company do with such insight into your customer base?

4. Your customer's preferred interaction channel is also the most cost effective one

Consider these research findings:

- 1) Over 90% of all consumer purchasing decisions begin online,⁽²⁾ and
- 2) 83% of consumers indicate that their primary source for nontechnical customer service information are company web sites.⁽³⁾

Chances are your customers would prefer to find the answers to their questions online – the most cost effective communication medium – without ever having to engage in long conversations with your customer service staff.

In other words, when customers are looking at your web site online, they want answers to questions accessible immediately online, not later over the phone or email. These findings expose the folly of phone support, where most companies incur maximum costs to deliver what is actually a non-preferred service.

The cost effectiveness of the web as the interactive medium of choice is good news, and should make it enticing for businesses to follow Forrester's recommended strategy to "seek usability improvements to key customer touch points like web sites" during the current downturn.

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5. When done right, as customer experience goes up, costs come down

Enhancing the customer experience in terms of delivering service typically involves the streamlining or resolution of some inefficiency that is causing customer pain. By and large, the pain caused to the customer is typically a byproduct of the pain experienced by the company.

A deluge of customer service requests into an understaffed customer response centre, for example, creates costly wait times on the phone and longer-than-desirable response times over email. The “simple” solution of adding more staff to alleviate the customer pain is also the most expensive for the company and, as such, least desirable in challenging economic times.

Is there a more cost effective way to eliminate these pains? Yes, according to Johan Jacobs from Gartner Research, who tells us to, “Migrate mundane service requests (for example, account balance and password resets) away from the contact centre to a self-service channel. This will increase the operational efficiency of contact centre personnel, as well as increase customer satisfaction, due to the speed of answers.”

But does a self-service feature really enhance the customer experience? Absolutely, according to these recent research findings by Forrester and Jupiter Research:

- 1) Up to 60% of email volume is caused by customers who cannot get answers online.⁽⁴⁾
- 2) “Frustrated web-site visitors are more likely to opt for an alternative site (45% would do so) than they are to bother contacting customer service, or end up flooding customer service with questions, driving up support costs.”⁽⁵⁾

What kind of efficiencies are really attainable?

Let’s take one more look at the Budget Truck Rental experience. After introducing self-service to their web site in the form of IntelliResponse’s instant answer agent, Budget’s daily email inquiry volumes decreased 74% and telephone call volumes dropped 28%.

Coupled with the increased online revenue gains that the highly efficient self-service enhancement spawned, the net positive impact has been \$875,000 USD.



one customer. one goal. one answer.

For More Information

For more information on cost effective ways to enhance the customer experience at your organization contact:

Mike Hennessy
IntelliResponse
mike.hennessy@intelliresponse.com

About IntelliResponse

IntelliResponse enhances the multi-channel customer experience for businesses and educational institutions via its Instant Answer Agent, a question-and-answer software platform that allows web site visitors to ask questions in natural language, and get the “One Right Answer”, regardless of the hundreds of ways the question may be asked.

This industry leading On Demand software platform is used by both consumers and contact center agents. With more than 200 live, customer-facing implementations answering 50 million+ questions with one right answer, IntelliResponse is the gold standard in first line customer experience management.

Some of the world’s most recognized corporate brands and higher education institutions trust their customer experience management needs to IntelliResponse - including ING Direct, TD Canada Trust, Scotiabank, Penn State University, The Ohio State University, University of British Columbia and Harvard University Extension School.

⁽¹⁾ Harris Interactive, Customer Experience Report, March 2006

⁽²⁾ Forrester Research - Avenue A Razorfish, September 2008

⁽³⁾ Influencing the Online Experience - Service Excellence Research Group - 2008

⁽⁴⁾ Forrester Research, September 2008

⁽⁵⁾ Peter Sargent, Jupiter Research