The State of Internet Customer Service

Creating Opportunities from Challenges

A research study performed by One-to-One Service.com

one
TO **one**
service.com

Table of Contents

EXECUTIVE SUMMARY

As organizations move from using web sites that are essentially brochureware to building fully functional e-commerce sites, their ability to interact with customers online becomes increasingly important. However, after years of fine tuning their staffing approaches, business processes, and technical infrastructure for voice communications, it is difficult for organizations to effectively shift gears to deal with the Internet and text-based communications.

Although most organizations make some use of electronic media, few manage customer e-mail inquiries effectively or take full advantage of the opportunities e-mail offers. Most organizations lack personnel who are responsible and trained for Internet communication, or any system for tracking and evaluating e-mail communications. Most organizations fail to answer even the most basic e-mail messages.

The Internet offers the greatest potential for improving communication between organizations and their customers since the introduction of the telephone. Unlike telephone communication, the web offers organizations the opportunity to present large amounts of information in a variety of formats, in addition to providing relatively low-cost and targeted marketing possibilities with every customer interaction. In addition, because the web is not constrained by space or time, customers can access information or request service 24 hours a day, 7 days a week.

As the electronic marketplace grows, organizations must optimize their online communication strategies. It is clear that organizations that do not evaluate and adapt their electronic communication strategies for the 21st century will lose customer loyalty and significant business opportunities.

One-to-One Service.com has extensively researched online communication techniques in practice and will present its findings in this report. Our research identifies benchmarks for Internet customer service, evaluates how well a range of businesses perform in relation to these benchmarks, and describes the "best practices" suggested by our studies. Our research consists of the e-Survey, a survey assessing the manner in which organizations handle online customer interactions, and the e-Response Test, an evaluation of the types of responses customers receive to their e-mail.

Stated Response Time Policies vs. Actual Performance

Within most organizations, there is a wide disparity between the stated policies for responding to customer e-mail inquiries and actual performance. While 51% indicated they would respond within one business day, only 15% responded at all. Those organizations that did respond generally required 3-5 days to do so. (This figure excludes automatic responses.)

Furthermore, slow response times were uniform across market segments and organization size, indicating that large and small organizations are equally challenged by customer e-mail inquiries.

Serious Quality Issues

Most of the responses received contained some form of grammatical error or format problem, lacked information, or touched on some other issue that negatively reflected upon the organization responding. Those problems, again, were not limited by organization size or market segment. A fundamental problem organizations, and particularly large organizations, face is the lack of an extensive pool of personnel with adequate writing skills. Most customer service staff have been recruited and trained for their ability to serve customers on the telephone. Transitioning staff to e-mail therefore presents most organizations with unique challenges.

Identifying and Overcoming the Obstacles

The most common problems faced by organizations include lack of accountability among customer service staff, limited ability to measure response times and response quality, and ineffective use of technology. These organizational issues are impediments to effective customer interaction.

First, most organizations do not use web forms to accept customer e-mail. Therefore, e-mail ends up going to many different places, ranging from individual to generic accounts, and the inquiries often lack important information. This makes it difficult to control, manage, and oversee responses. In addition, most employees designated to respond to customer e-mail have other responsibilities and rarely have the time or incentive to provide carefully crafted, well-written, well-researched responses. When responding to e-mail is an afterthought, response quality is bound to suffer.

Second, the lack of effective measurement tools makes it difficult, if not impossible, to measure response times and overall quality of responses. Our survey revealed that few organizations, groups, or individuals measure response times. Yet improvement in processes is unlikely to occur until formal measurement and quality assurance procedures are adopted, implemented, and maintained.

Finally, the ineffective or nonexistent use of technology prevents customer service staff from meeting and exceeding the expectations of customers. Humans are not efficient when it comes to routing; machines are. Organizations should demand and implement the best in emerging technology. Although most organizations surveyed do not yet use real-time text chat, callback, voice over IP, or Teleweb, one third of those surveyed claim they are poised to implement these technologies within 2 years. Organizations that do not implement these technologies will suffer an erosion in their customer base as customers seek out competitors who are able to effectively and efficiently manage all dimensions of their electronic inquiries. At the same time, these new technologies are far different from traditional call centers and will present significant challenges to organizations moving from voice- to text-based communication.

IP COMMUNICATION AND CHANNEL STRATEGIES

The Questions: IP Communication Puzzle

It is clear that customer interaction in the modern world has become more than just a challenge—it has become a puzzle. How to give customers the services they want and need to keep them satisfied and loyal while keeping costs down is a constant battle. The digital age offers more possibilities to win this battle than ever before; in addition to self-service options, there are now several electronic ways to directly interact with customers, including e-mail, instant messaging or real-time chat, and voice over IP. Should low-cost self-service be abandoned in favor of higher cost, but more traditional, telephone interaction? And where does e-mail fit into the puzzle?
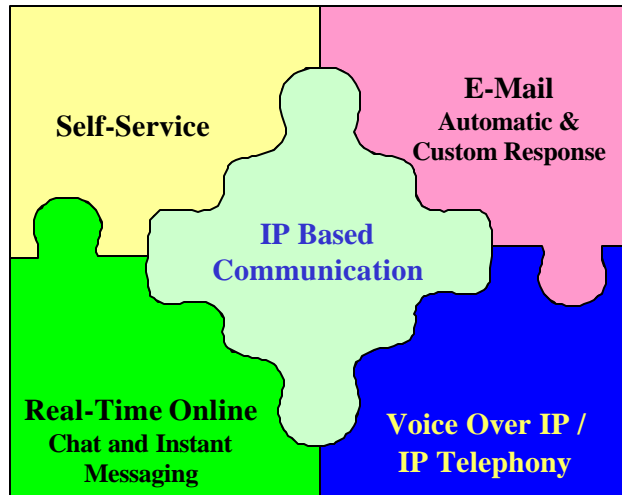
Obviously, self-service may be able to answer a site visitor's inquiry without the necessity of a written response. E-mail, instant messaging/chat, and emerging voice over IP technology are deemed progressively more responsive. At the same time, costs increase as interaction channels become more responsive. In addition, the more technologically advanced the communication channel, the less likely it is that customers will be able to support the channel's minimum requirements. It is essential that organizations recognize the potential and limitations of each channel in order to build an effective customer service strategy.

Self-Service

While the least interactive option, self-service provides an essential opportunity to attract and maintain a loyal customer base. Offering customers easily navigable, clearly explained, and extensive information on a web site allows customer to answer questions for themselves more quickly than they would receive an answer via e-mail. And, importantly, it allows organizations to keep costs down.

Providing frequently-asked-questions lists searchable by subject, in addition to a user-friendly web site design, enables customers to answer their own questions easily. This, in turn, will prevent them from requiring any direct customized interaction with the organization while still maintaining the aura of a user-friendly, customer-focused environment. More extensive database-oriented applications with natural language search capabilities, and artificial intelligence engines that allow their databases to learn from queries, can extend the value of existing FAQs and make the visitor's experience more interactive.

E-mail: Flexible and Cost-Effective

E-mail provides the most cost-effective customer service interaction solution. Not only is it more cost effective than telephone use, customers actually *want* to use it—creating a win-win situation for organizations willing to focus on the challenges it presents. E-mail is exceedingly flexible, especially when an organization uses a strategy that includes autoresponses that may sufficiently answer basic questions, a library of pre-written responses available to representatives, and responses generated by knowledgeable representatives with excellent writing skills.

E-mail is the most popular use of the Internet and is both low-cost and interactive. It is preferable to solutions like instant messaging, chat, or voice over IP for inquiries that can be resolved in an asynchronous manner. In addition, inquiries can be managed based on their relative priority, which is not easily done in a real-time text chat or voice communication environment. Also, predefined information can be used for recurring questions, allowing more complete and accurate service.
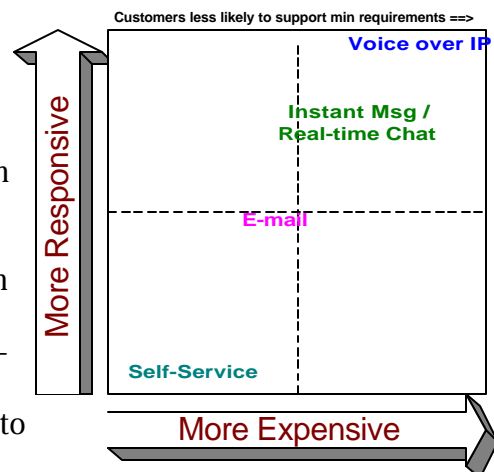
Real-Time Text-Based Chat

Some customer questions or problems may be complex enough, or valuable enough (e.g., "How do I use your shopping cart feature?") to warrant a live customer interaction. Because multiple interactions can be managed concurrently by an experienced service representative, and toll charges are avoided, online chat service can be more efficient than telephone support in many situations that require a moderate level of interaction.

Voice over IP

Although voice over IP is a sexy, highly interactive solution, far fewer customers today have the level of technology required to maximize its potential. As such, voice over IP is useful as an upper-level customer interaction medium, especially in high-technology fields whose customers are more likely to be able to support its minimum requirements. Keep in mind that the poor quality of voice communication over a dial-up modem connection *can* negatively impact the image and brand of an organization. However, the reduction in telecommunication costs and ability to interact with web site visitors while they are on the site make it attractive in some circumstances.

The Answer: Communication Channel Strategies

The answer to the puzzle is up-leveling. Rather than choosing one strategy to answer all questions, and either offering customers insufficient contact with customer service representatives or losing money on the high costs of the communication channel, using several or all of the options offered will create a cost-effective way of building relationships with customers. Up-leveling pushes customers upwards to more responsive channels only when necessary or profitable, avoiding the problem of wasting money and precious human resources on easily

Customers less likely to support min requirements ==>

Voice over IP

Instant Msg / Real-time Chat

E-mail

Self-Service

More Responsive

More Expensive

answered questions or problems.

The Bottom Line

As customers' use of e-mail grows exponentially each year, organizations with e-mail volume that is manageable today could easily be overwhelmed within the next 2 years. The strategies organizations choose to manage their e-mail today are pivotal to their future success.

RESEARCH

Scope

The Survey

The findings within the report are based on results of two interrelated studies performed by One-to-One Service.com. The first study consists of a detailed survey ("the e-Survey") of Internet policies, procedures, and technologies used by organizations in three categories: Financial Services, Retail Trade, and Other Services. Approximately 600 organizations were contacted, and surveys were completed by 87 organizations of various sizes located throughout the United States.

The e-Response Test

The e-Response Test is composed of the messages received in response to the 772 e-mail inquiries sent by One-to-One Service.com. These inquiries were sent to the generic e-mail addresses for the organizations that completed the survey, as well as those of 343 additional organizations selected from a broad range of industries. The organizations that were a part of the e-Response Test fell within the following 28 market segments:

Advertising/Graphic Design/web Design	Arts Organizations	Associations (Professional Societies)
Attorneys	Automobile	Banking
Clothing/Accessories/Dept. Stores	Communications	Computers
Consultants	Electronics	Employment Agencies
Entertainment	Financial	Food
Furniture	General Mfg.	General Retail
General Service	Hardware/Home Centers	Health
Insurance	Internet	Lodging
Municipal Gov't	Real Estate	Schools
Utilities		

Methodology

The Survey

One-to-One Service.com contacted approximately 600 organizations via telephone to identify the appropriate individual within that organization to complete the survey. Most participants were middle management level personnel with primary responsibility for the organizations' web sites, customer service, or marketing. Participants independently and anonymously completed a web-based survey that consisted of approximately 40 questions [see Appendix A].

The e-Response Test

Where e-mail addresses were available, inquiries [see Appendix B] were sent directly to those e-mail addresses via a mail distribution application. In addition to those sent via e-mail addresses, inquiries were also manually entered and submitted via web forms.

We recorded elapsed response time, as well as response tone, grammar, format, and level and clarity of information included. Each category consisted of 4-15 questions; a positive answer earned a +1, a negative answer earned a –1, and a neutral or not applicable answer earned a 0. The highest possible score was a 26. Both automated responses and personal responses were included in the grading process [see Appendix C].

IN THEORY: SURVEY SAYS…

Inbound Messages

Of the organizations surveyed, 25% indicated that they receive more than 100 e-mails a day, while 66% indicated that they receive less than 100, and 7% were unable to estimate their organizations' volume of inbound e-mail.

This incoming mail, however, rarely ends up in a centralized location. Instead, e-mail is routed to many different places including both general and individual e-mail accounts.

Routing Inbound Mail
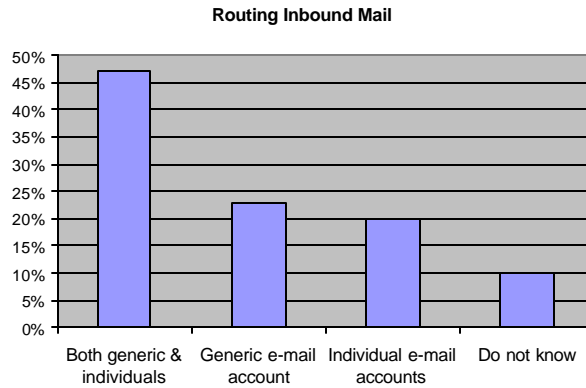
Use of Web Forms

Web forms allow organizations to more accurately route customer e-mail to appropriate representatives or departments, while capturing valuable customer information, an essential edge in the e-commerce marketplace. However, only 35% of the organizations surveyed indicated that they use web forms.

Nature of Requests

Organizations indicated that the majority of requests received via e-mail deal with products and product information--an excellent opportunity for your company to use self-service and e-mail and to take advantage of the significant marketing opportunities that electronic interactions present.

Inbound Queries
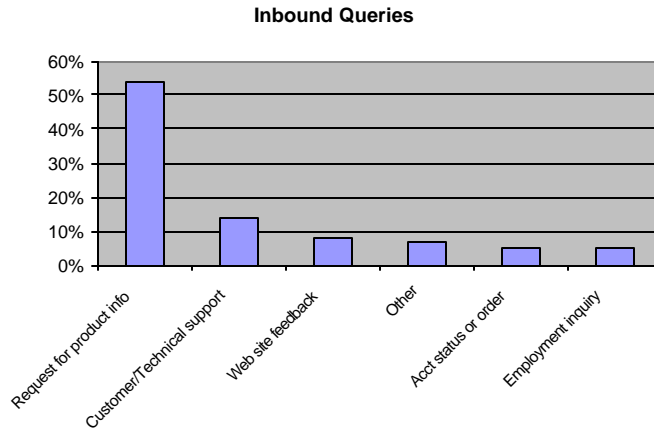
Response Goals

Although today only 7% of organizations have response goals of less than 4 hours, organizations plan on aggressively upgrading their response policies within the next two years. The majority of organizations plan on implementing response goals of one business day, and more than one-third plan to respond within 4 hours.
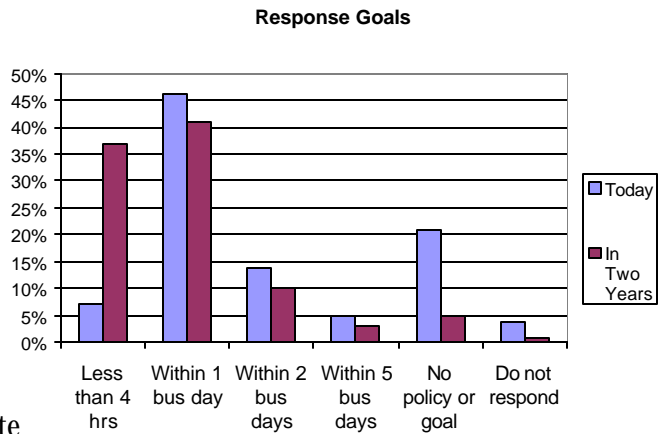
At the same time, few organizations indicate

Response Goals

that they actually measure response times, a contradiction with serious consequences. Only about 10% indicated that there is a company-wide response policy, 15% indicated that individual departments or groups monitored response times, and less than 10% indicated that individuals measure response times. It is difficult to improve what one doesn't measure, a fact that undermines both organizations' stated policies for response times and their ostensible future goals.

E-mail Responsibility

Another potentially serious problem for organizations is the fact that the majority of organizations indicated that individuals who answer e-mail generally have other duties for which they are also responsible. When responding to e-mail is an afterthought, or simply tacked on to the job of a customer service representative, logically both response time and response quality suffer.

In addition, it is difficult to enforce accountability, a difficulty that interferes seriously with leveraging this medium. Because interactions are spread widely across the organization, no individual or group ends up being responsible for managing electronic customer interaction. Without responsibility, it is difficult to monitor response time and quality or whether responses are sent at all.

Employee Duties
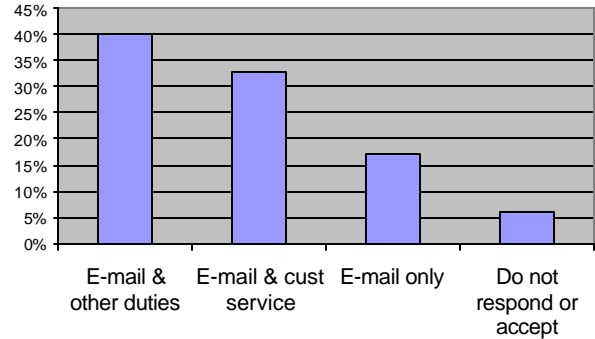
E-mail Responsibility
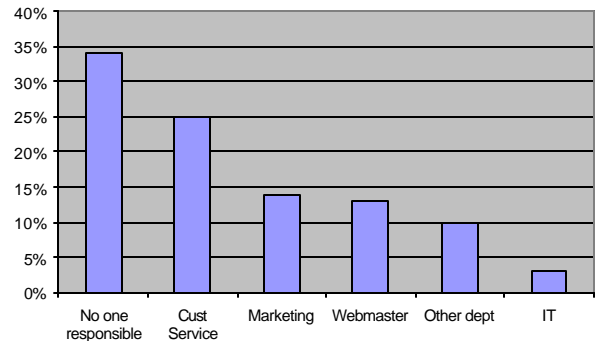
Cross-Channel Access

Despite the importance and convenience of being able to access multiple communication channels for customer information, only 25% of customer service representatives have this access. As a result, customers that call an organization when they have not received a response to their e-mail inquiry must repeat the details of their question to the company's service representative. CSRs do not have the information they need to help customers efficiently.

Limited QA Procedures

90% of organizations indicate that they do not leverage customer interactions by surveying their customers to discover the effectiveness of their customer support or the customers' satisfaction with products and services.

Use of Automation

Few organizations use automation to help ensure the effectiveness of message routing and the accuracy/promptness of responses. For large volumes of e-mail, humans are not as efficient as machines--computer routing ends up lowering the amount of human time necessary to answer basic queries. In addition, skills-based routing ensures that the correct individuals receive the e-mail, ensuring prompt and accurate responses from the appropriate individuals.

Automation

Chart showing percentages of Yes/No for Acknowledge, Auto-Route, Auto-Reply. Acknowledge: Yes ~30%, No ~66%. Auto-Route: Yes ~9%, No ~87%. Auto-Reply: Yes ~19%, No ~77%.
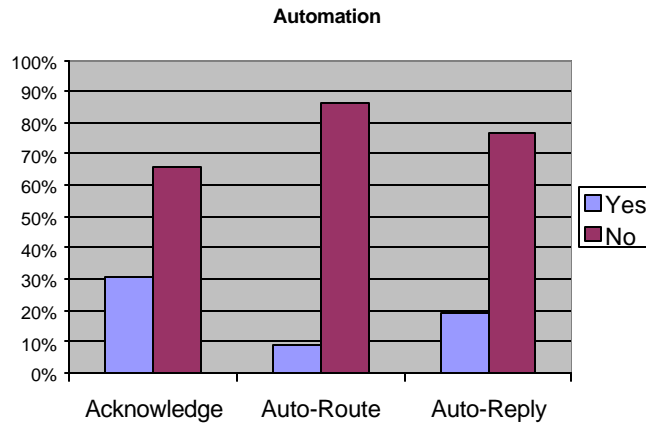
Tracking Numbers/E-mail Management Solutions

Hand in hand with a lack of automation is the limited use of tracking numbers or any type of e-mail management solutions. Only 10% of the organizations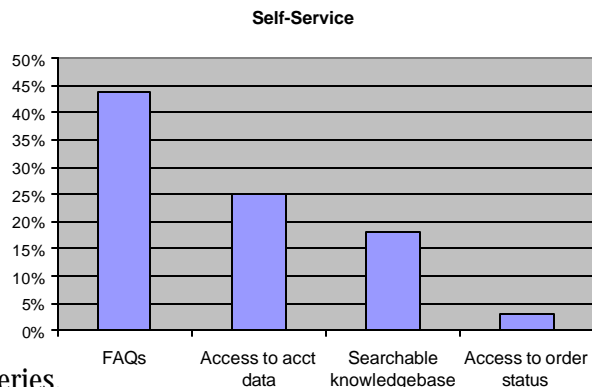 surveyed indicated that they use tracking numbers. As customer interaction becomes increasingly electronic, it will be easy for organizations to lose track of individual messages in the overwhelming influx of mail. Tracking numbers and e-mail management solutions will enable organizations to keep track of individual e-mail "conversations," as well as offer archiving and routing capabilities, which ensure that representatives have up-to-date information at their fingertips.

Self-Service Approaches

The lack of self-service options currently in place is also surprising, given the simplicity and ease of deployment. Self-service is the most cost-effective form of customer service, as well as the most potentially efficient. When customers can access information to answer their own questions, they can receive satisfaction, while enabling the organization to spend staff time on more difficult/intricate queries. However, fewer than 50% of the sites surveyed leverage self-service approaches.

Self-Service

Chart showing percentages for FAQs ~44%, Access to acct data ~25%, Searchable knowledgebase ~18%, Access to order status ~3%.

Plans for Emerging Technology

In light of the findings of the survey, the claim by the majority of organizations that they will be making use of currently emerging technology in the future does not inspire confidence. Without the use of tracking numbers and e-mail systems, effective self-service options, and

the ability to measure response times, it is difficult to believe that organizations will effectively deploy new technology. In addition, if little responsibility is taken for electronic customer interactions now, who will manage these very aggressive projects in the future?

Use of Technology
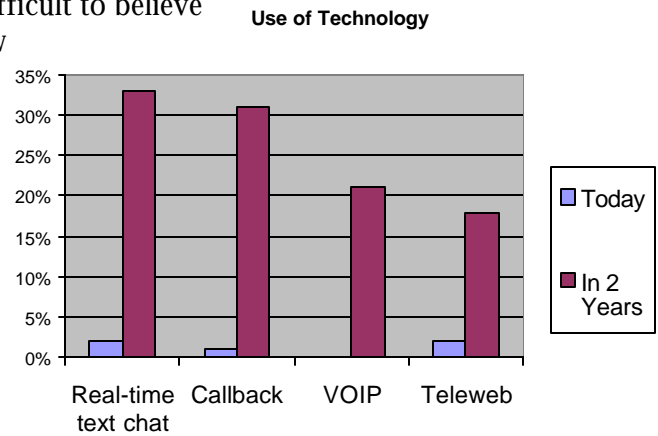
REALITY CHECK: E-RESPONSE TEST

Despite the responses of organizations to the survey, few organizations lived up to their assertions. Customers' perception of the Internet as a difficult-to-use place devoid of customer service belies the apparent ease of transacting business electronically--ensuring that organizations whose electronic interactions are not supported by excellent customer service will be left by the wayside. In the world of e-commerce, it is essential always to keep in mind that competition is only a click away.

Responses Received

Of the 772 messages that One-to-One Service.com sent out to simulate customer e-mail, only 100 responses were received. Even after four weeks, most organizations did not respond, while the majority took over three days to reply to even the simplest inquiries.
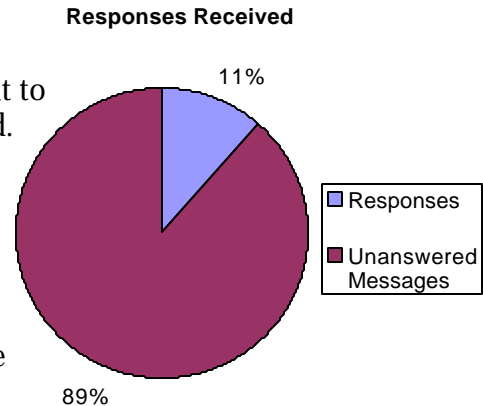
Responses Received

11%

- Responses
- Unanswered Messages

89%

Correlation?

The information gathered in the survey sheds light upon the problems seen in the response level. For example, without tracking numbers, it is likely that messages are misrouted or lost. In the same way, the lack of responsibility either by department or individual also muddies the waters, often forcing e-mail to bounce from person to person only to end up forgotten somewhere. Without an e-mail routing/management solution, it is likely that messages sent over a long weekend are often ignored because individual mailboxes are bursting with spam and other non-site related messages.

Quality: Is There an English Major in the House?

When staff have other responsibilities or are primarily hired for voice communication expertise, the e-mail messages that they *do* generate often reflect poor quality and/or carelessness.

Quality of Information

The scores the responses received ranged between -9 and 9, with the large majority of responses falling in the -1 to 2 range. The lack of information in responses seriously compromises organizations' relationships with their customers, as customers are forced to search for the answers to their questions elsewhere or find other organizations more willing to provide them with service.

Response Information

Amount of Informatic

Number of Responses in Category
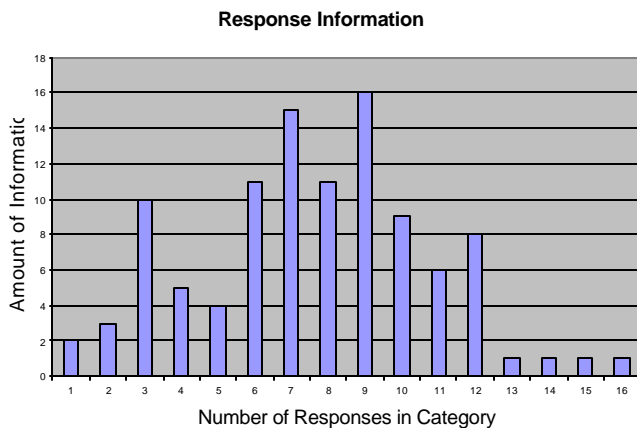
For example, repeating or referring to the initial customer inquiry in a response makes it easier for a customer to remember his/her inquiry, especially if the response time is high. Repeating the question also gives the customer the impression that the representative he/she

is working with is really listening to his/her question. Unfortunately, our research indicates that few of the responses repeated or paraphrased the initial customer inquiry.

In addition, rather than indicating that a customer should "check the web site" or "call", and ending the communication there, actually including addresses, web sites or pages, phone numbers, office hours, and other specific information makes it even easier for a customer to take advantage of all that an organization offers. In addition, offering customers different communication channels shows a concern for his/her convenience that reflects well upon the organization. Offering sufficient information for the customer to act, as well as making that information easy to read and understand, is paramount.

Grammar Problems are Serious

In addition to a lack of information, when information *is* provided it is often difficult to understand due to grammar, usage, and syntax errors. Nearly one half of the responses received had grammar problems.

Grammar, syntax, usage, and format play important roles in the creation of successful strategies. If messages contain misspellings and/or awkward or incorrect grammar or syntax the customer receives a negative impression of the organization, as well as of the priority of his/her message. In addition, ungrammatical messages often impede the very communication they are attempting to promote.

Response Grammar
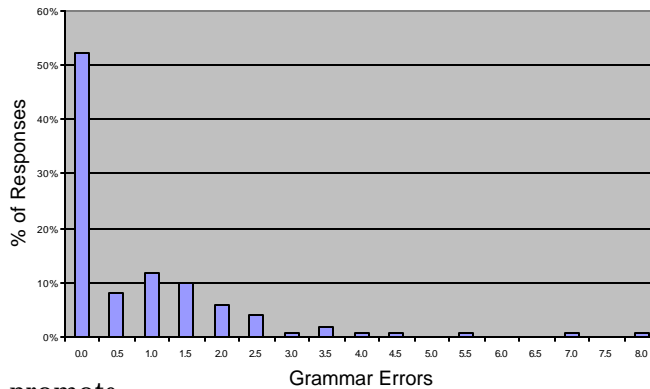
The prevalence of grammar problems indicates that templates are not used and that few if any surveys are employed to evaluate the quality of individual interactions (1%). In addition, quality control is minimal at best, with little review of outbound messages. Overall, this points to the fundamental difference in skill sets between voice-based communication and text-based communication, a dramatic difference which must be taken into account as organizations shift to online customer service.

Tone

The lack of body language or voice inflection makes it easy to misinterpret e-mail responses. Hence, it is essential that individuals who write responses are able to focus on the customer and present a friendly, positive atmosphere that encourages customers to engage in e-mail interaction. Unfortunately, when employees attempt to use voice communication strategies to answer e-mail,

Response Tone
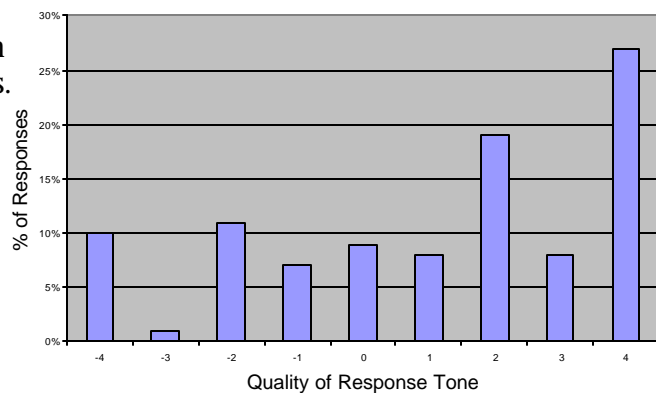
responses often come across as irritated, abrupt, or even hostile. Of the messages we received, the scores ranged from -4 to 4, with the majority of responses falling between -4 and 1.

Although timeliness is often the first consideration that springs to mind when building a successful e-mail response strategy, there are many other elements that are equally important. A solid customer-focus has come to be both cliched and taken for granted; however, studies indicate that representatives and organizations who are supposedly looking at customers actually tend to see *themselves*, regardless of their stated strategies. For example, a bank executive will see his/her customers as other business executives, projecting his/her own levels of knowledge and experience onto customers who are, in fact, diverse in their needs and levels of understanding. When this happens, customers' concerns remain unaddressed and their needs are unfulfilled.

It is *essential* in electronic customer interactions that the representative who answers the customer's e-mail takes the customer's point of view into account, rather than solely focusing upon the organization's goals, desires, or interests.

Format

Although e-mail tends to be less formal than hardcopy communication, formatting responses indicates the importance of the communication and also aids in creating a positive, customer-focused atmosphere.

Once communication is established, personalizing and customizing messages buttresses the customer/organization relationship. "Personalization" indicates that a customer is referred to specifically by name or e-mail address in a response. "Customized" messages go even further and are written specifically in response to the customer's question, referencing that question and specific elements from the initial message as well as addressing the customer directly.

Customization helps avoid the sense of distance and dehumanization that can easily pervade the Internet. In this age of increasingly electronic and digital communication, personal interaction has become an increasingly important commodity, one for which customers are often willing to pay extra. Providing personalization and customization, therefore, helps to create the loyal customer base that is one of the fundamental goals of a customer service strategy.

Something as small as including a customer's name in a response will personalize a message, creating a relationship between the customer and the organization. Polite openings and closings also demonstrate a respect and

Response Format

% of Responses / Quality of Format
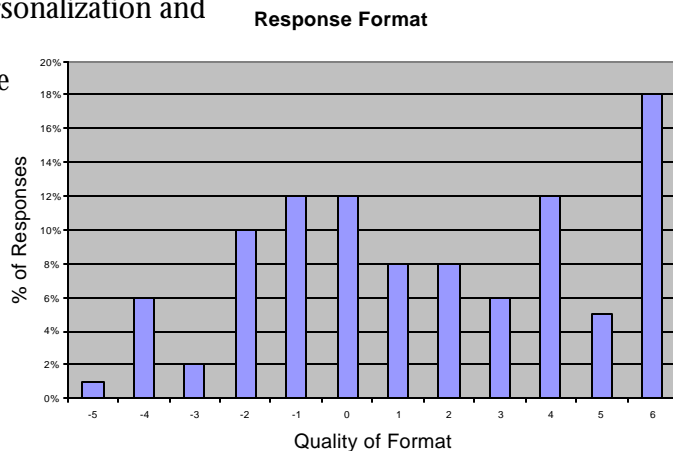
interest in the customer's inquiry. Without these elements, responses fail to engage customers and companies end up missing essential opportunities to create lasting and lucrative relationships.

However, the scores from the e-Response test ranged from -6 to 6, with the majority of responses earning a zero or below. Only 47% of the responses had polite openings, 51% used the customer's name, and 46% did both.

Impact on Brand

If each electronic interaction is viewed with marketing potential in mind, it is easy to see why mentioning organizations' names and brand names becomes essential. In addition to creating customer focus by letting the customer know who it is that is responding to him/her, mentioning names allows the customer to become familiar with the products/services offered by a given organization. That familiarity often helps to determine a customer's choice between organizations.

Yet many responses do not contain standard headers or footers identifying the organization, and very few reinforce the company brands at all.

Branding
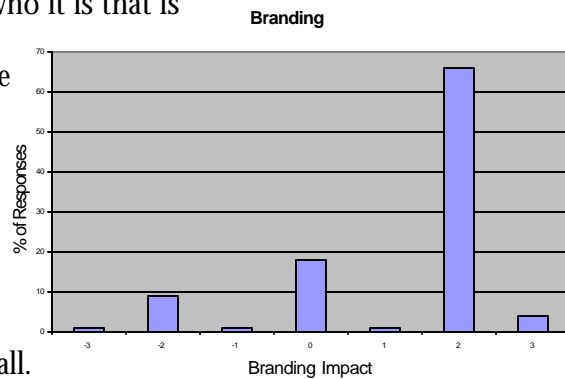
Up-Selling/Cross-Selling

In addition, e-mail provides a consistently effective way of reaching customers because it is *they* who have initiated contact. However, only 7% of the responses received attempt any type of up-selling or cross-selling, losing this effective opportunity for boosting revenue.

Each time a customer sends e-mail, he/she presents a golden opportunity for individualized targeted marketing. Thus, every time a customer e-mails, an organization's response to that e-mail can be considered a direct showcase for the organization's customer service/marketing principles, demonstrating goodwill, customer-focus, and positive attitude, while also practicing effective up-selling techniques.

But few organizations offer any type of up-selling in their messages, despite the opportunity offered. Providing answers to the customers' specific questions as well as information about other products and services that the organization offers gives customers additional opportunities to interact with a company. At the same time, doing so demonstrates an interest in the customer's potential needs and wants, and leads to higher revenues for the organization when customers take advantage of these opportunities.

Total Scores

The majority of responses received earned a 9 or less out of a possible 26 on the e-Response test. This leads one to believe that quality control and response monitoring are seriously lacking--and points to worrisome disparities between organizations' stated policies and the reality that customers encounter.

Total Response Scores
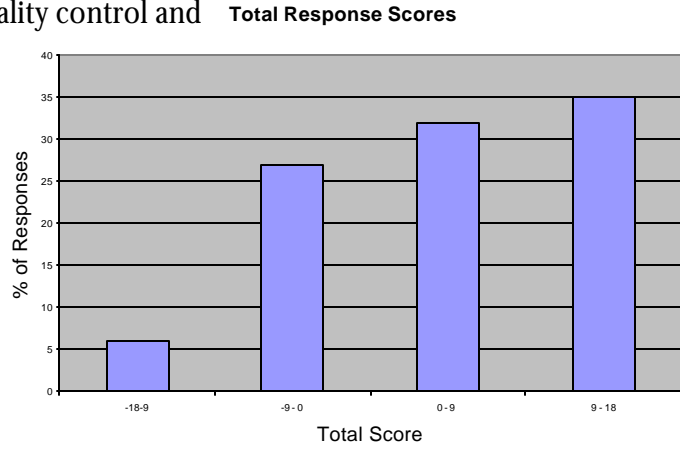
BEST PRACTICES

Creating the Atmosphere

In order to reach the customer, an organization must create an electronic forum that not only allows, but also *encourages* customer interaction, making it a thoroughly integrated part of an overall customer service philosophy and strategy. Whether or not the customers actually communicate with a representative of the organization is almost beside the point as long as the customers' needs have been satisfied and they feel as if they have been helped in a personalized and welcoming environment.

Web site design, coupled with the ease of navigation and the accessibility of contact links, initially engages customers' interest and draws them into electronic communication. The next challenge is to provide help and information with speed, professionalism, and friendliness that will lead to customer loyalty.

Understand Your Organization's Strategy

When choosing Internet customer service strategies that can achieve customer satisfaction and loyalty, it is necessary to analyze both the electronic resources already available to customers and the needs and financial considerations of the organization. Extensive one-on-one interaction between the organization and the consumer is possible via the Internet, but may not be a reasonable choice for the organization. Most important is that customers be able to find the information they need and be able to contact the organization. Organizations must therefore choose the level of interaction that is appropriate for different levels of customer inquiry.

Research from both studies demonstrates that the majority of organizations lack comprehensive or long-term policies and procedures on Internet customer service. From our research, we conclude that the following "best practices," if implemented, will help organizations maximize the potential of Internet customer service.

E-mail Response Systems

Despite the allure of customization, it is neither cost-effective nor necessary to customize each and every electronic interaction. Many customer inquiries will be on the same subject, or will consist of comments or feedback that do not require answers. In order to maximize the potential for building relationships, while at the same time keeping costs down, a category *between* self-service and customized e-mail is necessary.

E-mail response systems, or systems which use both an initial automated response and a customized representative-generated response, are the answers. Keyword searches of customer messages route the messages into appropriate subject pools. These messages can then be instantly answered with automatic template responses, which include basic information about the subject, as well as web site and e-mail addresses. Both automatic responses and customized responses can be personalized, with the customer's name or e-mail address appearing in a polite opening at the beginning of the response.

Automatic and Customized Responses

Instant automatic responses demonstrate customer-focus while weeding out lower priority messages that do not require the personal attention of representatives. Some messages are higher-priority or more difficult, requiring more attention from customer service personnel. In this case, the initial automatic response followed by a customized response from a representative will further emphasize an organization's focus on its customers.

Templates

Common and recurring questions can be quickly and efficiently answered through an automatic response, pre-written template, or link back to an exact URL of a web site. The Pareto Principle applies to most e-mail inquiries received at today's web sites, in that 80% of their inbound e-mail is related to the same 20% of information.

Nearly 50% of survey participants indicated that production information was the most common request received via their web sites. Templates can offer basic information, raise customer awareness of an organization's products and services, and provide a user-friendly atmosphere that draws them back to the organization's web site. Templates can also quickly be converted into FAQs or records within the site's knowledge base.

Even answers to difficult questions need not be fully customized. The best Internet customer service system should include banks of template answers for FAQs that can be personalized and sent without change, or customized and adapted to the customers' needs. Templates help ensure quick, consistent, and accurate responses.

Routing and Access

In order for electronic interactions to be effective, they must offer customers the ability to get the information they need over the channels that they choose. In addition, it is essential that messages reach the appropriate individuals to ensure quick and accurate responses to customer inquiries.

Up-leveling

Because the web is not constrained by time or space, customers must be able to access information or request service 24 x 7. An organization needs to provide levels of service – beginning with web site based FAQs, searchable databases, and account information that customers can access first, and then offering two-tiered e-mail systems, chat, or voice over IP as questions become increasingly specialized or difficult. In this manner, the most costly channels are those used the least, and then only for inquiries which warrant them.

Web Forms

The availability of web forms will ensure that inquiries are routed to the correct individual, group, or department at the outset of the interaction. In addition, customer information and preferences will be easier to capture with a web form, becoming part of an integrated marketing strategy.

Avoid Redirection

E-mail and other types of electronic interaction present unique, cost-effective opportunities for customer interaction. Redirecting electronic interaction to phone or self-service undermines these opportunities, raising costs and forcing customers to work harder to complete an interaction and find information. Offering complete information in an electronic format makes the interaction fast, uncomplicated, and easy to track.

Cross-Channel Access

Customer service representatives should be able to view the history of any interaction by accessing information from all available communication channels (e-mail, telephone, voice over IP, etc.) This accessibility gives representatives the context of the inquiry as well as its history, saves time, and allows representatives to offer up-to-the-minute information to customers.

Marketing

Automatic responses followed by customized responses provide not one but two opportunities to reach an audience, and consequently, represent double the marketing potential. Automatic responses that offer basic information can easily serve to raise the customer's awareness of an organization's products and services in addition to answering his/her questions or demonstrating the organization's customer focus. And, when appropriate, customized responses can respond to customers' specific needs with targeted information about offerings.

Branding

E-mail offers a unique opportunity for up-selling or cross-selling, making the customer aware of products and service, and creating familiarity with an organization's name or brands. Both automatic and customized responses can help increase brand and organization name recognition by repeating organization and brand names in the address *and* body of the correspondence.

Surveys

Surveys attached to responses will enable organizations to capture invaluable feedback about their sites and provide an immediate way for customers to evaluate service representatives, their responses, and products.

Personalization of Openings and Polite Closings

The personalization of a response, regardless of whether it is a template or customized, representative-generated response, serves to contribute to the user-friendly, customer-focused atmosphere necessary to engage customers and encourage them to return to an organization again and again.

Polite openings and closings are possible and desirable in every correspondence with customers. Like personalization, these help to create a customer-centric environment, even when contact between customers and representatives is minimal.

Tracking Numbers

Although ensuring that responses are grammatical, positive, customer-focused, and personalized/customized is an essential step in building customer loyalty, recognizing the marketing potential inherent in each instance of customer/organization interaction is essential to leverage this loyalty. The ability to track customers' messages and, even more importantly, to track message exchanges (i.e.,, when a customer and an organization engage in ongoing communication on a particular subject), enables an organization to respond to them effectively and efficiently.

Even more importantly, however, by recording the specific information for which a customer asks, the customer's preferences, interests, and requests are available to closer scrutiny, and, subsequently, targeted marketing. For example, if a customer contacts an organization repeatedly inquiring about business loan information, that organization could easily tailor responses to include information about business accounts, new loan options, or even personal accounts that would potentially fit into the lifestyle of a small-business executive.

Staffing

The demands of text-based communication differ widely from those of voice communication; hence individuals must be hired for writing ability, rather than telephone skills. Carefully evaluating potential employees for grammatical and linguistic knowledge in addition to customer service skills is essential in creating an employee base to support effective online communication.

APPENDIX A: E-SURVEY QUESTIONS

Internet Customer Service Survey

1. Please enter your e-mail address below.

2. In what geographic region is your company located?
- New England Region -- Connecticut, Maine, New Hampshire, Rhode Island, and Vermont
- Mid Atlantic -- New Jersey, New York, and Pennsylvania
- Southern -- Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia
- Midwest -- Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin
- Pacific Coast -- California, Oregon, and Washington
- Southwest -- Arizona, New Mexico, Oklahoma, and Texas
- Rocky Mountain -- Colorado, Idaho, Montana, New Mexico, Utah, and Wyoming
- Pacific -- Alaska and Hawaii

3. What is the approximate number of employees in your company?
- Less than 100
- 100 - 999
- 1000 - 5000
- 5000 - 9999
- Greater than 10,000

4. What is your company's primary industry focus?
- Finance, Insurance and Real Estate
- Depository Institutions
- Non-Depository Credit Institutions
- Security and Commodity Brokers
- Insurance Carriers
- Insurance Agent, Brokers and Services
- Real Estate
- Holding and Other Investment Offices
- Retail Trade
- Bldg. Materials and Hardware
- General Merchandise Stores
- Food Stores
- Automotive Dealers and Service Stations
- Apparel and Accessory Stores

- Home Furniture and Furnishings Stores
- Eating and Drinking Places
- Miscellaneous Retail
- Services
- Hotels, Rooming Houses and Camps
- Personal Services
- Business Services
- Auto Repair Services
- Misc. Repair Services
- Motion Pictures
- Amusement and Recreation Services
- Health Services
- Legal Services
- Educational Services
- Social Services
- Museums, Art Galleries and Gardens
- Membership Organizations
- Engineering / Accounting / Mgt. Svcs.
- Misc. Services

5. Today, what is your company policy or goal regarding response time to e-mail inquiries?
- Less than 4 hours
- Within 1 business day
- Within 2 business days
- Within 5 business days
- Greater than 5 business days
- We do not have a company policy or goal regarding responding to e-mail
- We do not respond to / accept consumer e-mail at our web site

6. 2 years from now, what do you project your company policy or goal will be regarding response time to e-mail inquiries?
- Less than 4 hours
- Within 1 business day
- Within 2 business days
- Within 5 business days
- Greater than 5 business days
- We do not have a company policy or goal regarding responding to e-mail
- We do not respond to / accept consumer e-mail at our web site

7. What are the primary responsibilities of employees who prepare e-mail responses?
- Respond to e-mail only (go to the next question)
- Respond to e-mail and provide telephone customer service (go to #9)

- Respond to e-mail and perform other functional duties not related to customer service (go to #9)
- We do not respond to / accept consumer e-mail at our web site (go to #10)

8. Approximately how many employees are required to prepare e-mail responses for your company?
- 1 - 2
- 3 - 4
- 5 - 10
- 10 - 20
- 20 - 100
- More than 100
- Cannot estimate the number of employees required to respond to e-mail (go to #10)
- Do not respond to e-mail or publish public e-mail account information (go to #10)

9. Approximately how many full-time equivalent employees are required to prepare e-mail responses for your company?
- 1 - 2
- 3 - 4
- 5 - 10
- 10 - 20
- 20 - 100
- More than 100
- Cannot estimate the number of employees required to respond to e-mail
- Do not respond to e-mail or publish public e-mail account information

10. Which department is accountable for ensuring that e-mail inquiries receive a response?
- Customer service department
- Marketing department
- Information technology department
- Webmaster or e-commerce department
- No individual department has responsibility for ensuring that e-mail inquiries receive a response
- Other department

11. If you answered "Other" above, please provide the department here:
Other department:

12. Approximately how many e-mail messages are received by your company per day through its web site or a generic e-mail account (e.g., info@, support@)?
- Less than 100 messages per day
- 100 - 200 messages per day
- 200 - 500 messages per day

- 500 - 1,000 messages per day
- 1,000 - 5,000 messages per day
- Greater than 5,000 messages per day
- Cannot estimate the number of messages received
- Do not publish public e-mail account information

13. Are in-bound customer inquiries routed to:
- Generic e-mail accounts
- Individual e-mail accounts within your company
- Both generic and individual e-mail accounts
- Do not know

14. How many generic e-mail addresses are listed on your web site?
- 1
- 2 - 5
- 6 - 10
- More than 10

15. Do you provide the following e-mail addresses on your web site (check all that apply)?
- General (no specific function listed - e.g., info@)
- Sales prospects
- Customer service
- Jobs
- Technical support
- Order status
- Web site feedback
- Other
- Do not provide e-mail addresses on our web site

16. If you answered "Other" above, please specify other functions listed on your web site here:
Other e-mail address:

17. Do employees preparing e-mail responses have online access to details of previous customer interactions that took place through other service channels (e.g., telephone call center)?
- Yes
- No (go to #19)

18. If Yes, how long is customer information available online?
- Less than 30 days
- 30 - 90 days
- 6 months

- More than 6 months

19. Do you measure average e-mail response time for (check all that apply):
- The company in total
- Groups of employees (departments) within the company
- Individual service representatives
- Do not measure average e-mail response time
- Do not know

20. Is a tracking number assigned to every message received by your web site that can be used for future investigation and status?
- Yes
- No

21. Are all e-mail messages stored within a central database and accessible by representatives and management?
- Yes
- No

22. Does your organization have the ability to monitor the queue of inbound e-mail messages in real-time?
- Yes
- No

23. Do supervisors review e-mail responses to determine their quality?
- Yes
- No

24. Do you utilize surveys to evaluate the quality of e-mail responses?
- Yes
- No

25. What is the most common topic of e-mail inquiry?
- Account or order status
- Employment inquiry
- Request for information about products or services
- Technical support
- Web site feedback
- Other
- Do not know

26. If you answered "Other" above, please fill in the most common topic of your e-mail inquiries here:
E-mail inquiry topic:

27. Are visitors required to submit inquiries through a web form?
- Yes
- No

28. Is a blind response sent to your customer indicating the inquiry was received?
- Yes
- No

29. Is software used to analyze the content of inquiries and automatically provide a response?
- Yes
- No

30. Is software used to automatically route messages to the appropriate individual or message pool for personalized responses?
- Yes
- No

31. Which of the following forms of self-service are available through your web site (check all that apply)?
- Frequently Asked Questions (FAQ) listing
- Searchable knowledgebase of possible solutions to customer inquiries
- Direct access to customer account information
- Direct access to order status information
- Other
- None are available

32. If "Other," please enter the customer self-service form you use.
Self-Service:

33. Today, which of the following technologies have been deployed within your company web site (check all that apply)?
- Real-time text chat with a service representative
- Callback button requesting an off-line returned phone call
- Connection to live operator using voice over IP
- Teleweb services whereby customer service representatives send web pages to the visitor's browser
- Other
- Have not deployed any of these technologies within our web site

34. If you answered "Other" above, what technologies do you use?
Technology:

35. 2 years from now, which of the following technologies do you expect to implement within your company web site (check all that apply)?

- Real-time text chat with a service representative
- Callback button requesting an off-line returned phone call
- Connection to live operator using voice over IP
- Teleweb services whereby customer service representatives send web pages to the visitor's browser
- Other
- Do not intend to deploy any of these technologies within our web site

36. If you answered "Other" above, what technologies do you use?
Technology:

APPENDIX B: E-RESPONSE TEST QUESTIONS

Advertising/Graphic Design/Web site design
1. Does your company have offices in Illinois?
2. How do I get more information about your services?
3. Who do I contact to get information about becoming one of your clients?

Arts organizations
1. Where are you located?
2. Whom do I contact if I want to make a donation?
3. Do you rent your facilities for private functions?

Associations (professional societies)
1. How do I become a member?
2. When is your next annual convention?
3. Whom do I contact about advertising in your journal?

Attorneys
1. Where is your firm located?
2. Does your firm accept out-of-state clients?
3. In what does your firm specialize?

Automobile (repair shops, dealers, rentals, etc.)
1. Where are you located?
2. Do you work on and/or deal in imports?
3. Can I get a cost estimate online?

Banking (credit unions, savings and loans, holding companies)
1. Where is your bank located?
2. I'm from out of state. Could I still get a business loan with your bank?
3. Do you offer a free checking account?

Clothing/Accessories/Dept. Stores
1. Do you have a location in Illinois?
2. Do you have a mail-order catalog?
3. Do you carry silk scarves and/or ties?

Communications (telephone companies, cellular services)
1. Do you provide service in Illinois?
2. Do you have a package for small-business service?
3. What are your international calling rates?

Computer software, equipment, systems development
1. Where is your company located?
2. Do your products work with Macintosh systems?
3. Do you have special rates or packages for small businesses?

Consultants
1. Where is your company located?
2. How do I contact your human resources department?
3. How do I get more information about becoming a client?

Electronics
1. Where is your company located?
2. Do you have bulk rates for your products?
3. I live in central Illinois. Who is my district sales representative?

Employment Agencies
1. Where is your company located?
2. How much does it cost to post job openings with your company?
3. Do you accept postings for temporary positions?

Entertainment (broadcasting, online media, gaming, etc.)
1. Where is your company located?
2. I live in central Illinois. Do you have a sales representative in my area?
3. Do you offer summer internships?

Financial (brokers, stock/commodity exchanges, consultants)
1. Where are you located?
2. How do I find out about current job opportunities with your company?
3. Do you offer tours of your facilities?

Food (incl. restaurants, grocers, food service)
1. Do you have locations in Illinois?
2. How do I find out about job opportunities with your company?
3. Do you have franchises? How do I found out about starting one?

Furniture
1. Where are you located?
2. Do you have a repair service?
3. Do you carry chaise lounges?

General Mfg.
1. Where are you located?
2. Can I order your products online?
3. What kind(s) of warranty(warranties) do you offer with your products?

General Retail
1. Do you have a location in Illinois?
2. Can I order your products online?
3. Do you offer discounts on large orders?

General Service

1. Do you provide service in Illinois?
2. I have a small business, and I'm interested in using your service. Who do I contact?
3. How do I find out about your company's current job openings?

Hardware/Home centers
1. Do you have a location in central Illinois?
2. Can I order items from your web site?
3. What types of insulation do you carry?

Health (hospitals, doctors, drug treatment centers, etc.)
1. Where are you located?
2. Do you accept Medicare?
3. How do I find out about job openings with your company?

Insurance
1. Do you accept out-of-state clients?
2. What kind of group plans do you offer?
3. Who do I contact about setting up a group plan for my employees?

Internet
1. Where is your company located?
2. I have a small business. Whom do I contact to get more information about working with your company?
3. Do you have a sales representative for my area (central Illinois?)

Lodging (hotels, motels, campgrounds, resorts)
1. Where are you located?
2. Can I make reservations online?
3. Whom do I contact if I want to discuss the use of your facility for my company's annual meeting?

Municipal Govt.
1. Where do I go to pay parking tickets?
2. How do I get information about working for the city (including current job openings)?
3. Is the city currently accepting bids for construction work?

Real Estate (apt. rentals, builders, online apt. directories)
1. Where are you located?
2. Whom do I contact if I'm interested in one of your properties?
3. How do I find information about current job openings with your company?

Schools
1. Do you offer continuing education courses?
2. How do I find out about employment opportunities with you?
3. What percentage of your students are non-traditional students?

Utilities

1. Do you provide service out of state?
2. Do you offer summer internships?
3. Whom do I contact about a mistake on my bill?

APPENDIX C: GRADING CRITERIA

AutoResponse

Tone

- Is the response customer-focused, i.e., focused on the customer's needs/wants/interests?
- Is the response positive, i.e., uses words and language that emphasize what a customer CAN do rather than can NOT do?
- Is the response professional, i.e., appropriately formal and respectful? Does the choice of language suggest a caring, service-oriented posture?

Grammar

Check one box for each large mistake

- typos
- spelling errors
- large punctuation errors (missing end punctuation, punctuation that obscures meaning)
- run-on sentences
- fragments
- incorrect abbreviations
- incorrect or missing articles
- seriously incorrect or missing prepositions
- missing words
- subject/verb agreement
- other

Check one box for each small mistake

- small punctuation errors (comma placement)
- minor preposition problems
- awkward syntax
- other

Format

- Did the message have a polite opening (i.e., Good Morning, Dear, etc.)?
- Did the message address the customer by name or e-mail address?
- Did the message have a polite closing (i.e., Thank you, Sincerely, etc.)?
- Was the overall message easy to read in terms of format?
- Did the message use text blocks (which obscure meaning by combining separate ideas and are difficult to read)?

Information

- Did the response include the initial query/message in some form (repeated

or paraphrased)?
- Did the autoresponse include a time frame for a personal reply?
- Did the autoresponse include the date?
- Did the autoresponse include the time?
- Was a tracking number included somewhere in the e-mail?
- Was the information easy to understand?
- Was the information included sufficient to answer the customer's question?
- Did the response push the reader towards self-service, when the question could have been answered?
- If no information was included in the response, did the response ask for clarification?
- Was the organization's e-mail address included in the text of the message?
- Was the organization's e-mail address included anywhere (From line, Subject line, after the closing, etc)?
- Was the organization's web site address included in the text of the message?
- Was the organization's web address given anywhere (From line, Subject line, after the closing, etc.)?
- Was a specific web page address given or directions for navigation included (if necessary)?
- Was a phone number the only contact information included in the text?
- Was a phone number included in the text of the response?
- Was a phone number included anywhere else (From line, Subject line, after the closing, etc.)?

Branding

- Does the response include branding anywhere?

Up-selling

- Does the response include up-selling?

Comments:

Custom Response

Tone

- Is the response customer-focused, i.e., focused on the customer's needs/wants/interests?
- Is the response positive, i.e., uses words and language that emphasize what a customer CAN do rather than can NOT do?
- Is the response professional, i.e., appropriately formal and respectful?
- Does the choice of language suggest a caring, service-oriented posture?

Grammar

Check one box for each large mistake
- typos
- spelling errors
- large punctuation errors (missing end punctuation, punctuation that obscures meaning)
- run-on sentences
- fragments
- incorrect abbreviations
- incorrect or missing articles
- seriously incorrect or missing prepositions
- missing words
- subject/verb agreement
- other

Check one box for each small mistake
- small punctuation errors (comma placement)
- minor preposition problems
- awkward syntax
- other

Format

- Did the message have a polite opening (i.e., Good Morning, Dear, etc.)?
- Did the message address the customer by name or e-mail address?
- Did the message have a polite closing (i.e., Thank you, Sincerely, etc.)?
- Was the overall message easy to read in terms of format?
- Was the message from the company (as opposed to an individual personal account with no company affiliation, i.e., bob@aol.com)?
- Did the message use text blocks (which obscure meaning by combining separate ideas and are difficult to read)?

Information

- Did the response include the initial query/message in some form (repeated or paraphrased)?
- If the initial query/message was not repeated or paraphrased, could the initial query be deduced from the context of the response?
- Was the information easy to understand?
- Was the information included sufficient to answer the customer's question?
- Did the response push the reader towards self-service, when the question could have been answered?
- If no information was included in the response, did the response ask for clarification?
- Was the organization's e-mail address included in the text of the message?

- Was the organization's e-mail address included anywhere (From line, Subject line, after the closing, etc)?
- Was the organization's web site address included in the text of the message?
- Was the organization's web address given anywhere (From line, Subject line, after the closing, etc.)?
- Was a specific web page address given or directions for navigation included (if necessary)?
- Was a phone number the only contact information included in the text?
- Was a phone number included in the text of the response?
- Was a phone number included anywhere else (From line, Subject line, after the closing, etc.)?

Branding

- Does the response include the company name anywhere (From line, Subject line, after the closing, etc.)?
- Does the response include the company name in the text?

IF APPLICABLE:

- Does the response include the brand name anywhere (From line, Subject line, after the closing, etc.)?
- Does the response include the brand name in the text?

Up-selling

- Does the response include up-selling?

Comments: