

2010

# What's Wrong With Customer Self-Service?

Quick Wins for Contact Centers to  
Improve Customer Satisfaction and ROI



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## The Customer Self-Service Challenge

In the early days of customer self-service, the key driver was cost efficiency — deflecting customer calls away from more expensive live agents. Today, we count an increasingly popular motivator: meeting customer demand by providing them a do-it-yourself path to successful service over the telephone (using IVR, or interactive voice response) or on the Web. The good thing is that there's no real conflict between these goals. If you offer self-service that meets customer demand for information and resolution in real time (in other words, a "good" experience) for the self-reliant customer, you'll naturally shed those repetitive and redundant calls from the live-agent queue. The question is this: Is customer self-service succeeding for customers and the contact center?

The short answer is no, according to [2010 ICMI research](#) on customer self-service. What we found is that contact center professionals all over the world and from a variety of industries gave most of their self-service channels a mediocre rating. Alarming, we know, considering the investment that so many organizations have made or plan to make in customer self-service. It's even more alarming when you consider what a critical interface between the customer and the organization self-service is.

The potential cost and loyalty benefits of customer self-service are huge. In the contact center, for instance, a typical transaction completed in an IVR system costs about 50 cents, versus five or six dollars for a typical call handled by a live agent. And when centers' self-service strategies are successful, they can result in higher morale and retention among agents, who aren't bombarded with dull, routine transactions. In some cases, centers can even decrease the number of agents needed on staff, thus cutting labor costs. On the customer side, satisfaction and loyalty can be positively affected when customers are able to complete transactions quickly (without waiting in an agent queue), when it's convenient for them (with extended business hours) and privately.

It's no surprise, then, that contact centers are aiming to drive more customers to self-service channels. What is surprising, however, is that so many centers, with so much to gain through effective self-service, are leaving themselves so exposed to failure when it comes to ensuring that systems are working efficiently and effectively and that customers are leaving those systems with a smile.

This whitepaper will explore what's wrong with customer self-service — why it's not meeting customer and contact center needs and demands — and where improvement should begin.

## What's Wrong With Customer Self-Service?

Investment in self-service technologies is on the rise. According to [Self-Service and the Multichannel Contact Center](#), a 2010 research report from ICMI, the number of contact centers planning to spend from \$100,000 to more than \$50 million is up compared to actual spends in this range during 2009 and 2010 (see figure 1).

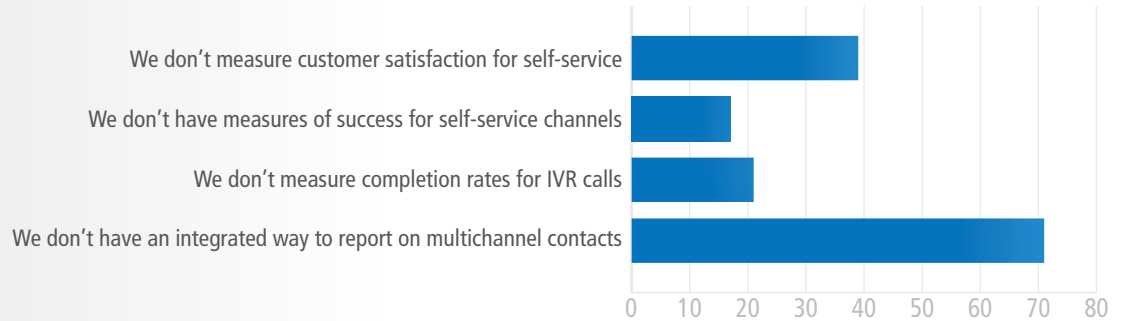
But what will be the return on that investment? Operating cost reductions and meeting customer demand were the two most-cited reasons for implementing a self-service strategy by contact center professionals in our research. Have the previous investments satisfied those needs? Will planned investments? Based on the current state of self-service in the industry, we don't think so — unless contact centers change the way they look at and integrate customer self-service.

### 1. What was/will be your total investment in self-service technologies 2009 - 2011?

	2009	2010	2011
Less than \$10,000	41.9%	27.9%	30.2%
\$10,001-\$25,000	32.3%	35.5%	32.3%
\$25,001-\$50,000	29.7%	40.5%	29.7%
\$50,001-\$100,000	32.4%	40.5%	27.0%
\$100,001-\$500,000	18.4%	31.6%	50.0%
\$500,001-\$1,000,000	33.3%	28.6%	38.1%
\$1,000,001-\$5,000,000	11.1%	44.4%	44.4%
\$5,000,001-\$10,000,000	40.0%	20.0%	40.0%
\$10,000,001-\$50,000,000	16.7%	33.3%	50.0%
More than \$50,000,000	28.6%	0.0%	71.4%
Don't know	7.4%	25.9%	66.7%

Why? Our research shows that contact centers don't really have a good grasp on the type of experience customers are having with self-service channels. For instance, a good number of centers don't know when customers have tried to self-serve and when or why they abandoned the process. Perhaps the most telling thing we learned about the state of customer self-service today is what contact centers aren't measuring (see figure 2).

## 2. What Contact Centers Aren't Measuring for Self-Service Success



Nearly half (43.6%) of contact center professionals said their organizations don't measure customer satisfaction for customer self-service. When we want to deliver an optimal customer experience, we must measure that experience regardless of the channel. Organizations that fail at this fundamental level are driving blind.

Note also that nearly three-quarters (70.7%) of survey participants said they don't have an integrated way to report on multichannel contacts. Without this information, centers can't track customer activities, so they can't see obstacles, can't track success and can't understand customer segmentations across and among channels.

If we look at this only in terms of cost savings for the contact center, measuring satisfaction remains a key component. If customers aren't satisfied with self-service channels, they're likely to turn to live agents (unless they defect altogether and shop among your competitors) to complete even the simplest of transactions. When this happens, customers come to your agents — the most costly contact channel you offer. And odds are, by the time they get to your agents, customers are already frustrated — handle times will likely go up, and overall satisfaction with the experience is more likely to go down.

And without measurements (for self-service and for all channels, really), we're missing out on critical controls in the design and success of self-service channels. Additionally, we can't analyze that bounty of customer intelligence that is so valuable both to the contact center and the entire organization. Getting a handle here could raise the value of the contact center in the eyes of customers and executives.

## Systems and Processes

What's keeping contact centers from collecting feedback and measuring customer satisfaction and from harvesting critical reporting data for self-service channels? It's most likely a combination of system and process failures.

For most centers that were represented in our research, IVR is the most mature channel. Years ago, when many contact centers deployed IVR, raising efficiency and lowering costs superseded customer demand as primary drivers. When we're fixated on reducing cost, we lose sight of what we're doing to the customer experience.

Many out-of-the-box IVR systems aren't designed to provide information or data on the experience delivered. Companies with these older systems may not have the capacity to measure the customer experience. And from a process standpoint, these centers may not have built processes during implementation to ensure they can effectively measure and control the customer experience with this channel.

For example, ICMI frequently works with organizations that have had the same IVR running for years and years and have never bothered to revisit or re-tune it. These organizations are usually pretty happy just knowing usage or

completion rates as long as there are no troubling fluctuations. Some contact centers are going to be struggling for a while if they continue to ignore this fundamental process.

Some of the systems issues will require more planning and, perhaps, some technology implementations or re-tuning. Let's look at some of the shorter-term process improvements that you can begin today, as well as some solutions that will require longer-term planning.

## Quick Wins (and longer-term planning) for Self-Service Success

Without reporting and customer satisfaction measurement processes in place for self-service (and other non-agent) channels, we can say that there are many contact centers that don't know if their systems are functioning properly and are user-friendly. Some of these key practices can help you more immediately buoy customer satisfaction with self-service channels, while others will require technology implementation or upgrades.

### Revisit Your Self-Service Strategy

Inventors know that when an invention isn't working right or isn't flying off the shelves it's best to go back to the drawing board. The same applies to customer self-service. Ask yourself (or better yet, put together a team and invite group input) these questions:

- Why do we offer customer-self service?
- Why should we offer customer self-service?
- Do we know if our current self-service strategy is meeting customer and contact center needs and demands?
- What do we know?
- What don't we know?
- How can we use what we know?
- How can we find out what we don't know?
- Who runs customer self-service in our organization? If it's not the contact center, what department owns it? And how can the contact center take ownership of or work with that department to make sure it's meeting both contact center and customer needs.

Whether your self-service strategy is succeeding or failing, asking these simple questions will be helpful in getting a faster turnaround for self-service success.

### Conduct Frequent Internal Testing

Testing self-service applications is critical, not just before and during implementation, but also during regular intervals after they are up and running and over their entire life cycle. Constant change in contact center strategies, company products and services and customer demands mean frequent testing — and even changes — of self-service channels is a necessity. The good thing is that you can do a good amount of testing without additional technology or the help of external vendors.

Testing prior to deploying an IVR typically entails duplicating actual call volumes that the center experiences and identifying any system glitches or snags that could impact the customer experience and create system bottlenecks.

If your IVR's already live, frequently dial into the system, just as a customer would, and evaluate such things as menu logic, awkward silences, speech recognition performance and — to gauge the experience of callers who choose to opt out of the IVR — hold times and call-routing precision. You can also ask some of your agents to do this and report their experiences back to you.

Web self-service testing is similar. Carefully check site and account security, the accuracy and relevance of FAQ responses, the performance of search engines, knowledge bases and automated agent bots as well as evaluate how easy it will be for customers to access personal accounts online and complete transactions.

As with IVR testing, such things are meticulously examined both prior to application deployment and after the Web self-service initiative is up and running.

For enhanced IVR and online self-service testing results, you can even purchase products that automate the testing process. For instance, powerful end-to-end IVR monitoring and diagnostic tools can dial in and navigate through an IVR transaction just as a real caller would and can track and report on key quality and efficiency issues. There are also third-party vendors that specialize in testing voice and Web self-service systems.

No matter how you do it, whether automated or manual or tested by your own staff or a third party, the frequency with which you test your systems is key. You want to identify and correct problems before your customers encounter them.

## Measure Completion Rates

The top key performance indicator (KPI) for self-service is completion rates. When you don't measure completion rates and transfer-out rates, agents are left without critical information needed to support the customer who couldn't use self-service. And customer frustration will be higher, too — when they abandon your IVR or your shopping cart or your knowledge base, they're likely coming to your agents with a less-than-sunny attitude (if they're attempting to complete their transaction with your organization at all).

When you don't measure completion and transfer-out rates, you also can't measure the ROI of your self-service technologies. This is a large investment for many organizations, so it doesn't pay not to know how many customers can't successfully use these channels.

If you're looking for a quick route to upgrading technology and/or increasing completion rates (which will have a definite impact on cost), focus on tuning and improving and on preparing agents for service recovery.

## Monitor Customer Self-Service Sessions in Detail

In addition to internal testing, you've got to monitor actual customer interactions with self-service channels. It's as important as monitoring live-agent contacts.

All major quality monitoring vendors now provide customer interaction recording applications that capture exactly what each customer experiences from the moment they reach the contact center until the time they end the transaction.

Whereas we often use quality monitoring to see how our agents handle calls, this vital process can also let us know how easy it is for customers to navigate the IVR and complete transactions without agent assistance, as well as how effectively such front-end systems route each call when a live agent is requested or required.

In addition to enabling quality monitoring specialists to clearly view a random sample of IVR calls, today's advanced recording systems can be programmed to alert specialists about callers who get entangled in the IVR, or who seem to get confused during the transaction. This enables the contact center to fix any glitches and to contact the customer immediately after the interaction, before their frustration leads to defection.

For the Web self-service environment, multimedia customer interaction recording tools can capture the complete online customer experience. Such monitoring applications can tell you much about the interaction, including:

- How well customers navigate the Web site
- What information they are looking for and how easy it is to find
- Whether the right content is housed in the right place
- How easy it is to receive service, locate and update information, fill out an application or form or make a payment
- How well the checkout process works — e.g., when, where and why error messages occur
- What actions or issues lead most online customers to abandon their shopping carts
- What causes customers to call, email or request a chat session with an agent, rather than continue to serve themselves?

It's important to note here that we realize that many self-service strategies aren't born in the contact center; rather, they come from marketing and sales. This is where it's critical for the center to be a real partner in the organization's business unit structure. If the contact center isn't running self-service, who is? And what critical information does that unit have that can help you guide improvement in the customer experience and in the efficiency of your contact center?

## Gather Direct Customer Feedback — And Act on It

As important as testing and monitoring are in determining how well self-service apps are working, what really matters in the end is how the customer feels about the experience. And there is no better way to determine that than to ask them directly.

Take advantage of the power of IVR and the Web to enhance their customer feedback collection efforts.

Think about fully automated post-call surveys, where callers — just before beginning a transaction — are asked if they would like to participate in a survey where they can rate their experience following the call. Those callers who accept (such as by pressing/saying "1") are routed to a concise automated survey — which typically features between six and eight focused questions — after they've completed their transaction.

There are great solutions for point-of-interaction survey transactions, too. Web users who've just completed a transaction (whether checking a balance, setting up an account, making a purchase or just searching your knowledge base) can be surveyed with pop-up windows or, on the less-technical (but slower) side, outbound email surveys. One of the draws of email surveys, however, is that no special systems are required, and, because it is an inherently text-based method, no customer comments need to be transcribed.

Unlike traditional post-call surveys for live-agent contacts, self-service surveys target the caller's experience with and opinion of his or her self-service channel interaction. Consider, too, including a question on contact resolution; first-call resolution has a huge impact on customer satisfaction, as well as the center's operating costs.

Today's advanced automated survey apps can evaluate and report on key trends and can be programmed to recognize when a caller gives an abnormally low overall rating (and send an alert to the center manager or quality assurance team). The system can also capture — via CTI — the caller's identity and link it to the actual recording of the interaction in question for complete analysis of what went wrong. After reviewing the survey responses and the call, the manager can quickly call the customer to repair damage and hopefully restore trust and loyalty.

Where automated phone surveys are ideal to gauge IVR users' self-service experience, online surveys are perfectly suited for customers who complete — or at least try to complete — transactions via the company's Web site. The online survey method typically entails the contact center randomly selecting a sample of customers who have recently (within the last few hours) interacted with the center's Web self-service application and sending them a concise survey via email.

As with effective post-call surveys, solid email surveys typically feature no more than six to eight focused questions, with at least one of the questions aimed at determining whether or not the customer's issue was completely resolved during the online contact.

## Manage the Data for the Customer and the Agent Experience

Incredibly, 64% of the respondents in our research said they don't even know when customers have tried to self-serve and then opted for a live agent. Self-service transactions that break away to live-agent transactions typically have longer handle times, increasing workload forecasting complexity.

For centers that don't have this information, the likely cause is that they don't have the CTI systems in place to ensure that transactional data is being passed from self-service channels back to the agent. This dramatically impacts the customer experience — frustrating them when they feel like they're starting the whole transaction over again — and the agent experience, putting them in the very stressful damage control mode.

## Design Thoughtfully

If you want customers to use self-service instead of calling, emailing or chatting with your live agents, design channels with them in mind. Use customer feedback and customer data to make customer-centric self-service and multichannel experiences. Begin by breaking down your customer relationship strategy. Understanding who your customers are — their segments, preferences and expectations — must be a part of your design.

Improve self-service customer retention by making it easy for the customer. Better technology, workflows and interfaces will help your center resolve customer queries and gather data for analysis.

## Look Beyond Your Current Technology

Though not widely adopted yet, there are many tools that are just this side of the horizon for analyzing the customer experience from end to end. And there are other tools that, although mostly seen in more progressive contact centers, can make the customer self-service experience more personal and more relevant.

**Issue Tracking:** This technology allows us to gain voice-of-the-customer intelligence and find out what's driving calls to agents.

**Knowledge Management:** This technology, growing more common, allows us to provide continuity in the customer experience — customers get the same answer online as they get in the IVR or when they talk with a live agent. Knowledge-centered service increases self-service effectiveness and empowers customers and agents alike.

**Hosted and Cloud Technologies:** Today, avoiding the costs of on-premise technologies is a top priority at many centers. However, there are additional benefits to be gained from hosted and cloud environments. Rapid revisions to customer-facing processes is one of those — it's a lot easier to reprogram IVRs and/or update knowledge bases based on customer feedback in these environments. Of course, you'll need to examine the features and benefits of each and weigh them against cost savings potential for your center.

**Natural Language Search Engines:** Just as natural language processing is key to successful speech-enabled IVR, it also drives some of the best Web-based self-service applications. Natural language engines enable customers to type in complete phrases or sentences describing what they are looking for. The search engine instantly analyzes the query, searches the knowledge base and quickly delivers appropriate content.

**Dynamic FAQ:** Considering the sheer volume of contacts that call centers and Web sites receive, keeping FAQs fresh and relevant can be a challenge without a little help from automation. Dynamic FAQ applications evaluate past knowledge base queries and responses, as well as content from past email and chat transactions with customers, then provide lists of potential FAQs to include on the Web site.

**Personalized Customer Portals:** The lack of interaction with a live person shouldn't mean a lack of personalization. Personalized Web pages allow customers to access and view their detailed account information (e.g., balances, past transactions/purchases; pending orders, etc.) by simply entering their username and/or password.

Such applications (used extensively and expertly by financial institutions, as well as by retailers) use intelligent and customer-centric technology to track all customer activity and apply that information to each customer's private portal. Customers can be remembered and greeted by name upon arrival at the company's Web site. They can also be given access to a multitude of personalized options, including product recommendations — even process recommendations, such as online-only statements and alerts — based on past purchases and searches.

**Agent Avatars:** Numerous organizations have started using intelligent, automated avatars — digital characters that reside on corporate Web sites and serve as customer service, technical support and sales assistants — to add a more interactive, human touch to the Web self-service environment. Agent avatars interact directly with customers, just as a live agent would, listening to customers' spoken or written requests and comments and communicating — via voice (or chat) — often complex information through text-to-speech technology.

## Conclusion

Perhaps the most important thing to keep in mind about customer self-service and the contact center is that it requires a good amount of intelligence, in its design and in its operation. Self-service channels can't do everything for the customer (and they never will be able to), but they can do a lot more in most organizations than they're doing today.

If you're putting self-service channels in front of your customers today, stop and take a hard look at what you know and what you don't know about the customer's experience with them. And take a look from the contact center's perspective, as well: Do you know how self-service is performing for the contact center? Do you even know how to measure? Find ways to collect data and intelligence that you're missing, and find ways to leverage the data and intelligence that you have.

And if you're considering launching customer self-service or upgrading or replacing your current technology, make sure you design it from the outside in to make sure it meets both contact center and customer demands.

## About this Whitepaper

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## About ICMI

The International Customer Management Institute (ICMI), celebrating its 25th anniversary in 2010, is the leading global provider of comprehensive resources for customer management professionals—from frontline agents to executives—who wish to improve contact center operations, empower contact center employees and enhance customer loyalty. ICMI's experienced and dedicated team of industry insiders, analysts and consultants are committed to providing uncompromised objectivity and results-oriented vision through the organization's respected lineup of professional services including training and certification, consulting, events and informational resources. Founded in 1985, ICMI continues to serve as one of the most established and respected organizations in the call center industry.

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