

Creating Intelligent Customer Service Experiences

YOUR PATH TO PROFITABLE CUSTOMER RELATIONS

Excellence



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Executive summary

As consumers, we value simple, practical support in our search for solutions. Of course, we expect to be served quickly, politely, and competently. About 84 percent of us trust other consumers' experiences, but only 17 percent of us cite marketing messages alone for triggering a purchase decision¹. Being able to access the Internet whenever and wherever we are has changed our expectations. We are no longer willing to wait on "hold" while a provider searches for answers, and we expect to have information at our fingertips. If we don't get the information or service we expect, we hang up or click over to the competition. We will readily embrace a brand that exceeds our expectations or those of other customers.

Companies today are finding it more difficult to distinguish themselves from the competition based solely on price or quality. It's the small, pleasant surprises in customer service that create loyalty and emotional commitment. Customer experience management, now more than ever, must be a top strategic business priority. Some 90 percent of decision makers think customer service management is one of the most important issues for businesses.

Customer Experience Management (CEM)

CEM is all about the creation of positive customer experiences to form an emotional bond between consumer and provider/product. The primary goal of CEM is to turn *satisfied* customers into *loyal* customers, and loyal customers into enthusiastic *advocates* of the brand or product. It not only has a direct impact

on a consumer's readiness to purchase and a company's revenue, it also has indirect effects such as word-of-mouth. To do CEM effectively, businesses should integrate as many communications channels as possible, from product development to initial contact with the vendor/provider, and from the actual purchase to use and maintenance of a product or service.

So how do you create amazing customer service experiences? By adding value to your customer's life. By enabling simple, convenient purchasing. By quickly responding to customer inquiries by e-mail, real-time chat, or social media. By directly and actively addressing any complaints. And by creating ongoing relationships that your customers not only value, but crave.

Simply implementing a software solution won't guarantee that businesses will create amazing customer service experiences. It takes a loyal team to wow customers. And a solid strategy.

At Kodak Alaris, we believe that customer loyalty is predictable and scalable. What sets the highest performers apart is that they are more capable of creating higher value, in multiple ways, than their competitors. In this whitepaper, we outline approaches that demonstrate how the best performers strategically design their communications on the Internet, by e-mail, and in social networks. We will illustrate how customer relationships can be cultivated to generate loyalty and advocacy that drives business success.

Design engaging dialogues - with adequate response times

There have been many improvements in handling customer inquiries and communications by phone. Creating and enhancing customer relationships by phone may continue to be viable in many organizations. But building customer communications and relationships via e-mail, chat and social networks is growing exponentially. The systems to optimize the processing of customer interactions must be targeted, fast, effective and inexpensive.

Many opportunities also remain for optimizing the processing of customer correspondence by digital mail or conventional physical (snail) mail. Rarely do customers find practical pointers by searching on a company's Website. Many companies have ample room to improve their social media presence. Dialogues on social media platforms are often still in a "grey area" - that is, they are not addressed as part of a multi-channel customer experience approach. Conventional letter mail produces immense unit costs and is usually not managed by an organization's customer service department, but by the company's mailroom. Often, there's no common approach for handling customer correspondence, and opportunities to build relationships go unfulfilled. Therefore, customer service remains inconsistent, which is clearly detrimental to meeting consumer expectations and delivering the kind of customer service experience that fosters loyalty and advocacy.

¹ Source: Socialnomics 2009, SOCIAL MEDIA REVOLUTION

Increasing volumes of written customer correspondence – and the lack of a strategy and system to drive fast response, enable automation and reduce costs – collectively result in ineffective and costly processing of customer inquiries. What’s needed are automation and management approaches that can be applied equitably across all popular channels between the customer and the service function. The following obstacles prevent organizations from reacting to customers quickly and efficiently:

1. Contents are not identified and need to be presorted manually.
2. Senders often are not identified until the moment an inquiry is answered.
3. Legacy systems are accessed manually. Frequent switching between media.
4. Contact contents and outcomes differ depending on the contact channel.
5. Inconsistent quality assurance measures. Different process owners.
6. Inconsistent monitoring of inquiry topics, processing status, and service levels.

A centralized communication and knowledge platform for managing all customer dialogues

From the perspective of inquiring customers, it doesn’t matter which communication channel they choose for placing an inquiry with a provider. From the provider’s perspective, however, this requires that communication contents be managed on a single centralized platform – no matter which communication medium (letter, Web, e-mail, etc.) the customer chooses. It is essential to have a centralized knowledge and workflow platform for controlling and prioritizing all incoming messages, as well as establishing a connection to existing data and content. Consider the following questions that must be addressed accurately and promptly when handling incoming customer communications:

What’s the issue?

- Identifying the business transaction and assigning it to a business process

Who is the sender?

- Identification through fuzzy search in CRM (Customer Relationship Management) or social networks to determine customer value

Which steps are necessary?

- Prioritized routing of the ticket (that is now enriched with legacy data) to an agent

Only Artificial Intelligence (AI)-based processing systems can automatically determine the optimal time for processing an inquiry. AI-based processing can identify the customer or product data that is needed before the business transaction goes to the skilled agent who is selected to respond.

Implementing a centralized input management platform is fundamental for any service organization that wants to create intelligent customer service experiences. It allows for efficient, transparent, and integrated processing of all customer relations. The platform is centrally managed and ties together all the contact management solutions that previously were implemented as “island” solutions (e-mail management, call management, mailroom, e-commerce).

The goal is to create engaging, consistent dialogues, accomplish quick responses and decrease processing costs in the course of automating business transactions. The CONTEX platform offers a technological foundation for the creation of strategic service experiences.

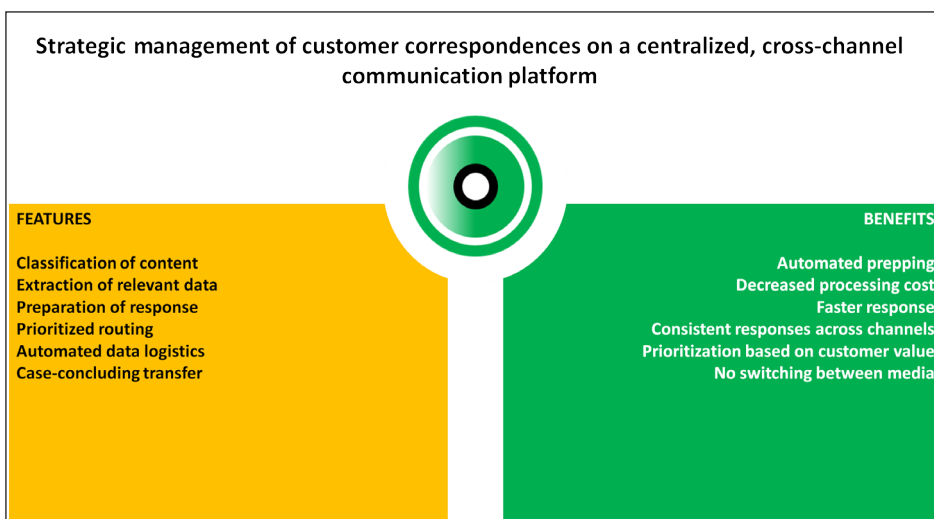


Fig. 1: Benefits of a cross-channel communication platform

Digital service strategy – making room for what’s important

As a service organization’s systemic foundation, the communication platform creates an environment in which it’s possible to create positive customer service experiences. In addition to centralized management of all business transactions, the platform should have an adaptive core where a series of methods of semantics, ontology, and AI is applied to continuously draw conclusions from processing customer inquiries. In other words, one should seek a platform that can learn how to engineer common knowledge and apply it to create effective customer responses. Only the most advanced of platforms have the AI-based environment’s ability to automatically make processing decisions by “observing” the most experienced customer service specialists or other experts. Such an environment independently recognizes coherencies between the content of inquiries and business processes. The goal is to limit manual tasks and automate frequently recurring standard tasks. This method is absolutely essential if an organization wants to optimize customer service experiences.

Engineering common knowledge: Automatic processing in a dynamic learning environment

A perfect example of this engineering process is when a company can automatically respond to a significant number of its daily customer inquiries via their Website, with intelligent FAQs, rather than static FAQs or needing to respond to e-mails from Web visitors who sought information on the company’s Website but couldn’t find it.

This way, more than 50 percent of customer inquiries can be brought to conclusion on integrated Websites – without any person-to-person interaction. The concept: implicit responses from the centralized knowledge base the system “learned” from e-mail dialogues are offered as suggestive responses in the Website’s FAQ section (“Are you looking for this information?”). Studies show that Internet-friendly consumers value FAQ self-service on the Web. However, the applications have to deliver results through intelligent user guidance.

At least 15 percent of inquiries are trivial and can be accurately responded to by systems

Previously, technology could only automate the processing of general inquiries – the kind of messages that do not refer to a customer-specific case. But state-of-the-art solutions now can be true “automation machines,” even when it comes to processing individualized issues. One example: an insurance provider who receives e-mail inquiries from customers about their personalized rate information can respond automatically with customized information, even when external legacy systems are involved. How? The solution positively associates a customer inquiry with a particular business process, extracts process-relevant data, and automatically transfers it to third-party systems by acting as a “virtual agent,” mimicking all of the (often repetitive) steps a human agent would undertake to complete the process. Upon completion, the solution then delivers the appropriate rate information from the third-party system back to the business process. The end result: the customer receives individualized rate information without the need for employees to intervene.

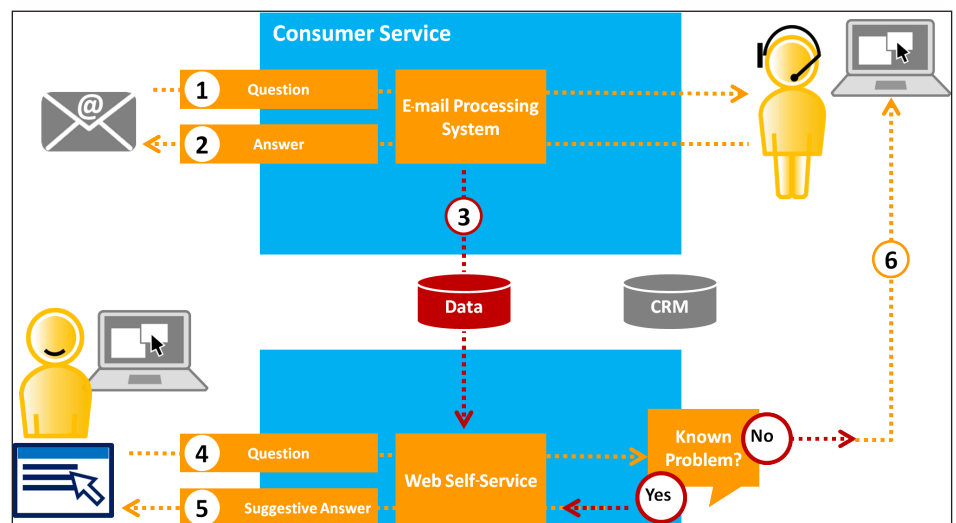


Fig. 2: In the self-service model, automatic responses are provided based on system “learnings” from previous customer inquiries.

Building proactive communications – producing service experiences in the virtual world of the Web

According to the approach in this whitepaper, the foundation is laid for a service organization that can meet the higher expectations in today's customer service environment:

- Choose a platform that allows for leading-edge, cross-channel management of integrated customer messages – coming from a centralized knowledge base
- With a system's ability to adapt, the analysis of contents and identification of consumers becomes the basis for targeted, relevant, and effective communication

Because the majority of customer service transactions occur online, the way customers are addressed online needs to promote the building of customer relationships and loyalty. Ideally, this happens at a time when customers can see additional benefit for themselves – during their visit to the Website.

Proactive online chat is the only way to carry service experiences into the virtual world of the Website

The Internet is a customer service vacuum. Service organizations' efforts to turn customer visits into experiences are limited to trying to design appealing user guidance.

In reality, company Websites are often an ideal space where opportunities for dialogues are being created – but remain under utilized. While marketing is working to create campaigns that entice new prospects to visit the company's Website, strategies are lacking to turn that visit into an effective customer service experience.

Smart businesses recognize this opportunity and use a solutions platform that allows them to initiate targeted contact with their Web visitors and create motivations for dialogue. This strategy is especially profitable at the point where customer hesitation to purchase causes them to abandon their online shopping carts or simply leave a Website. Research shows that as much as 75 percent of all online shopping carts are abandoned by customers, leaving businesses with just a 25 percent order completion rate.² Providing the consumer with an online chat option alone does not always help because the decision to make contact is left up to the visitor. But intelligent solutions can actively initiate contact with Web visitors who show purchase interest, by “observing” Website users during their visit, and inviting them to an interactive consultation based on their click-through behaviors.

Visitor and agent can then exchange online chat or callback information during a contact. With co-browsing functionality that allows for side-by-side browsing, businesses and customers can achieve mutual benefits:

1. The human-to-human contact helps break down barriers to making a purchasing decision.
2. A service experience is induced (“Can we help you find the right product?”).
3. Conversion rates for online offerings improve.
4. Your customer service bridges the virtual nature of the Internet.

Summary

Service experiences can wow consumers. They increase a user's loyalty to the company or brand. If the experiences are negative though, they can be devastating. Opinion leaders spread negative experiences around the Internet and their opinions can gain relevance to the extent that it causes lasting damage to an organization.

Many activities within service organizations can create customer service experiences. Not all approaches outlined here are a good fit for every business. This is especially true for industries in markets that are close to saturation and that target audiences with a high affinity for the Internet. For these industries, the transition to a largely automated, value-oriented customer service model is imperative. Consumer electronics and telecommunications industries, Internet providers, and retail will feel the most impact.

Creating appropriate capacities for your communication strategy will be a challenge. Interconnected modules are required for IT support. Island solutions will no longer suffice to fulfill consumers' heightened expectations and meet their growing needs.

² Source: SaleCycle, Q2 Cart Abandonment Stats, August 2013

Five key recommendations for creating amazing customer experiences

1 *Social CRM: build the foundation for customer value orientation*

Previously the guidance was “concentrate on the 20 percent of your customers who generate 80 percent of your revenue.” Today, it has evolved to “concentrate on the 20 percent of your customers whose experience and opinions can sway 80 percent of your potential prospects.” In order to control strategic interactions with your customers, your organization must gather details about the customer’s relevance on the Web (social customer score) in real time based on fuzzy customer data. If this approach is not part of your strategy, your customer experiences will only be mentioned positively “by chance” rather than by going viral.

2 *Centralized knowledge base: adaptive, AI-based, across all contact channels*

Every positive customer service experience is dependent on the availability of knowledge. Not only knowledge about the customer at the time of contact (all data needed to bring issues to successful conclusion must be available), but also knowledge about products and services. An effective knowledge base is auto-adaptive – meaning it can self-optimize through daily observation. Its content is subject to rules and permissions. And it is used centrally: for incoming mail, inquiries via e-mail or social media, and for suggestive responses through the FAQ system on your Website.

3 *Multi-channel management: free choice of contact channels; cross-channel customer histories*

An important driver of positive customer service experiences is being able to seamlessly switch between communication channels without losing the content of a contact. Depending on inquiry content and customer priority, you must be able to guide consumers to favorable contact channels (e.g. suggestive FAQ in the self-service section on your Website) to reduce costs. Furthermore, your customers should get consistent responses and encounter team members who are informed about the customer’s status – no matter which means of interaction the customer has chosen: e-mail, online chat, Website inquiry, social media, etc.

4 *Voice of the customer: listen and actively solicit feedback*

Actively preventing customer service disasters is as vitally important as creating impressive customer service experiences. Feedback management has become easy via the Internet. Social media applications allow you to onboard opinions quickly and constantly. Actively offer your customers the opportunity to exchange uncensored information and messages on your social media outlets. Shifting support processes to the Internet represents a critical measure for your customer service. Begin or enhance this process now in an integrated manner.

5 *Proactive customer service: take initiative during and after a contact*

Up to now, proactive customer service was limited to direct marketing activities. The benefit was mostly on the side of the company – not your customer. An automatic feedback process facilitated by your e-mail response solution doesn’t tie up any resources but engages and values the recipient (“Were you happy with your purchase?”). It helps prevent or mitigate negative customer experiences. Actively initiating contact by offering online consultation via chat while a visitor is on your Website (“Can we help you?”) can create positive and powerful experiences that your customer will want to share with others. Any value-adding activity you start during or after a contact has the potential to delight your customer, further the relationship, and help foster loyalty and advocacy.

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