Competition is fierce in today's economy and customers know this. They can easily search the Internet to find companies that sell similar products or services at competitive prices. That's why companies need to differentiate themselves by providing personalized and rewarding service that leverages the unique value of all customer touch points.

If done well, an organization can transform customer service into a competitive advantage, to use it to turn a buyer into a customer for life. With the right strategy, this opportunity is just around the corner.

While the type of service provided may vary across industries and B2B requirements may differ from B2C needs, the fundamental basics behind exceptional service that result in positive experiences remain the same. Take, for example, the automotive industry, which has turned into one of the most competitive businesses anywhere. The industry has traditionally been structured around product as opposed to service; however, there is a growing opportunity for both product and service-oriented businesses to differentiate their service offering.

Imagine the car buyer of the future is automatically provided a five-year full maintenance contract that puts the onus for all service activities on the car dealer. That is, it will be the vendor's responsibility to manage the contract and...
warranties and to proactively contact the customer via the channel of the customer’s choice (email, phone, or SMS text) when a particular service is required—say, an oil change or tire rotation.

Every three months, the customer gets an email reminding him of his next maintenance activity. The customer can easily click on the “schedule appointment” link provided in the email and select a day and time that works best for him. The day before his appointment, the customer receives an automated voicemail asking him to confirm or reschedule his appointment. When the customer brings in his car, the vendor greets him by name and the car is quickly serviced.

The quarterly maintenance email notifications also include relevant and meaningful offers for that new car owner. One such communicé consists of an alert informing the owner of the new hands-free mobile phone law going into effect in his state the next month. The vendor includes a few product recommendations about wireless phone options that are well-suited to the customer’s specific car.

The customer clicks on the links provided in the email and starts doing online research. When he realizes he has a few questions, he calls the number listed on the Web page (bypassing an online chat option) and is greeted by name by an agent who has extensive knowledge of the product category the customer has been researching.

The car company’s concept of great service might go even farther than that. It might extend to allowing the customer to elect to have the installation of his new phone adapter done at his own home—and if it does, the window given for the field service visit will be a mere hour (from 9:00 a.m.–10:00 a.m., say), instead of the more standard four-hour window.

Beyond plain-old, good service—the beginning of “wow”—the field representative arrives on time for the installation work. In addition, he provides the customer and his 15-year-old daughter with a demonstration of how to use the new wireless system. When the daughter is out of earshot, the representative mentions that the dealer offers a “beginner defensive driving course” that may be of interest. Afterward, the promotion of the driver training course is included in that customer’s next quarterly maintenance email as a reminder.

With valuable personalized service like this, where do you think the customer will go when he is ready to buy his daughter a car?

**EXCEEDING EXPECTATIONS**

Parts of this example may seem too good to be true. In fact, in a world where the products companies offer may not be highly differentiated, the services that companies wrap around those products may become the most significant selling points. “Customers know they can buy similar products from other companies, pretty much at the same price point and

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6 TIPS FOR STELLAR CUSTOMER SERVICE

1. Understand that the vendor, not the customer, is responsible for the service.

2. Make it easy for the customer.

3. Add value and relevance at every interaction.

4. Ensure a consistent and seamless experience, regardless of channel.

5. Provide faster, better, and more responsive service.

6. Know your customer and provide personalized service.
The increasing expectations that customers have of vendors means vendors may have to make a bigger dollar investment in the service part of their offering. But this is not an outlay with no hope of a return. For one thing, a company with a powerful CRM implementation is often able to leverage that technology to generate incremental revenue. A good CRM solution will have enough actionable information and built-in intelligence to help an agent make a cross-sell recommendation within the window of a service call or chat. Or it may protect at-risk revenues, for instance by alerting the agent to convert expired warranties into new service contracts.

A good CRM solution will also improve your operational excellence. To start with, it enables you to monitor and refine your business processes, eliminating waste. And the relevance, timeliness, and quality of the customer data in the CRM system will make your agents more productive, which in turn results in faster service and higher customer satisfaction.

Finally, a good CRM solution can become a critical piece of infrastructure for improving the overall customer experience. It will allow you to provision service no matter how the customer wants to interact with you—via phone, chat, email, or Web self-service. And, it will allow you to resolve problems quickly. For those vendors that exceed these expectations, their customers can become advocates, “raving fans,” who buy more and more from them and whose testimonials draw new customers.

**MEASURABLE RESULTS**

That there is a correlation between customer satisfaction and vendor success can be shown by several different measures. In a January 2009 report titled “The Economic Necessity of Customer Service,” Forrester Research noted that the customers of many service businesses were more inclined to buy additional products if they felt the vendor had provided a high level of customer experience. Forrester also noted that the same kinds of service companies were less in danger of losing customers to competitors if they were providing a high level of customer experience.

Amazon.com and Apple are evidence of this; the two companies, which, according to The American Customer Satisfaction Index, consistently receive customer satisfaction scores at or near the top of their respective categories (personal computers for Apple, Internet retail for Amazon), have fared far better than their peers during the economic turmoil of the past few years. From mid-November 2008 to mid-November 2009, Apple’s stock was up 116 percent amid rising sales of iPhones and Macintosh laptops. Amazon shares rose 185 percent in the same period.

There is no one script for what constitutes a great customer experience. A consumer interacting with his utility company during a power outage is looking for something different than a consumer looking to buy a rice cooker online. And both of them are looking for something different from a luxury hotel chain dealing with its numerous suppliers, or the Fortune 500 company looking to upgrade the laptop computers for its sales department.

**HIDDEN BENEFITS**

If great customer service comes in many guises, poor customer service is more easily spotted. “It’s waiting in a queue,” says Denis Pombriant, managing principal of Beagle Research Group, a CRM research and consulting firm. “It’s having to repeat your basic information. It’s having to start the service process over because you got disconnected. These are all things that create friction.”

When the service issues go beyond these common irritants, customers sometimes go viral with their dissatisfaction, using blogs or Internet videos and creating public relations problems for the offending companies. That is happening with increasing frequency nowadays, most notably with some recent YouTube videos that have singled out airlines, cable television providers, and credit-card companies (one video, called “Debtors revolt begins now!,” has already been streamed around half a million times) for their callous treatment of customers. “Customers have shorter fuses,” Pombriant says.

What’s the answer? It goes well beyond making sure that every agent “is saying have a nice day at the end” of phone calls, Pombriant says. What’s important is that the interaction be fast and simple and (from the customer’s perspective) that it adds value. This means, among other things, that the customer can find what she wants, and solve her problem quickly, with no trouble by visiting the service section of a vendor’s Web site or by using the vendor’s interactive voice response system. In cases where the customer chooses to move from self-service to assisted service, it means that the agent on the other end of the line (or the chat session, or the email exchange) is the right agent to resolve the situation and already knows the customer’s history and the reason for her inquiry. It means that any additional product the customer gets offered during the service transaction has a high likelihood of appealing to her, based on an analysis of her past purchases.
and a comparison with the order history of similar customers. And it means that if the customer does a lot of business with the company, the agent knows that, and has a wider set of options for ensuring that the customer goes away happy.

CREATE RAVING FANS
One Amazon.com customer reported being thrilled at the response he got when he complained about having paid full price for two Kindle e-book readers—only to see Amazon lower the product’s price. “I sent them a note that said, ‘Hey, I think it’s kind of lame that you lowered the price right after I purchased one,’” the customer recalled. “They’re like, ‘You’re right, that is lame. Here’s your money back.’”

These everyday testimonials are what companies should try to earn from customers. “That’s the fundamental thing, creating an emotional connection with the customer,” says Richard Caballero, vice president of service products at CRM vendor Oracle. “You want the customer to say, ‘That was so easy,’ or ‘Wow—that was great.’ You want the experience to be so amazing that the customer ends up tweeting about it.”

While providing a twitter-worthy customer service experience depends on many things—including the processes that companies have in place and the level of training they provide to their service agents—it can’t be done without technology. Few companies have assembled a more powerful technology offering than Oracle. With its service and contact center solutions, its loyalty management applications, and its self-service and e-billing applications, the company is the closest thing there is to a one-stop CRM shop.

“There’s a lot of complicated and specialized technology that a call center needs to make the necessary things happen,” Caballero says. “Usually they have to go to a lot of different vendors. We say: ‘No—better to have one throat to choke. We’ve already got all the software, it’s already pre-integrated, it works better, and it’s going to be cheaper for you that way as well.’”

Deployment alternatives are a second advantage of Oracle’s, Caballero says. Because Oracle has both on-premise and on-demand CRM products, an enterprise can mix and match, opting for the on-premise offering in one location (say, where security is the priority) and for the on-demand offering in another (where speed of set-up is the priority).

Another advantage is the quality of the analytics built into Oracle’s CRM systems. Consultant Pombriant says the widgets and gadgets that come with Oracle’s CRM solutions do a good job of gathering customer feedback and aggregating it in ways that Oracle’s CRM clients can use. “Oracle’s clients have a clear idea of what their customers deem to be most important,” Pombriant says. “That inbound information can and often does help vendors create better outbound information, which can help with service or marketing, or become part of the sales process.”

ABOUT ORACLE
Oracle Corporation (NASDAQ: ORCL) is the #1 global CRM provider, with the widest range of on-premise and on-demand applications—all backed by single-vendor hosting and management capabilities, plus the domain and industry expertise that comes with deploying more than 4.6 million live CRM users. With more than 30 years of experience and innovation in enterprise software, customers trust Oracle for their technology, middleware, and applications needs. To learn more, visit http://www.oracle.com/crm.