Getting it Right: Seven Steps to Right Channeling Customer Interactions

A Joint Whitepaper from IntelliResponse and Oracle

In seven simple steps, eBusiness, Customer Experience and Contact Center professionals can right channel online customer service inquiries, boosting sales and customer satisfaction while reducing customer service costs.
What is Right Channeling?

Right channeling is an integrated business process and technology strategy that enables organizations to maximize the value from each customer service inquiry while minimizing its cost. New right channeling technologies – including dynamic engagement, intelligent self-service, virtual agents, and live help – are available to help organizations automatically assess the potential value and complexity of each incoming inquiry before it is handled, choose the right communication channel on the fly, and escalate across channels to maximize ROI.

At its core, right channeling is all about delivering the right information and service to the right customer at the right time, via the channel of their preference. The benefits of a successful right channeling strategy are significant, and can be measured in increased revenue and customer satisfaction, as well as by significant reductions in many service related costs.

eBusiness, Contact Center and Customer Experience executives, may find right channel to be a daunting project. The key to getting started is to understand how to assess existing contact center inefficiencies and choose the right technology, and implement the right process changes. This introductory guide outlines the seven steps to right channeling, from analyzing your interactions, to implementing the right technology across channels, to measuring and optimizing results.
Why Right Channeling – And Why Now?

Right channeling isn’t a new term or strategy. For years, Customer Service departments have attempted to deploy right channeling strategies to optimize traditional customer service interactions (e.g. agent-assisted service vs. self-service). Today, however, right channeling is re-emerging, evolving, and re-asserting its importance as a strategy. Why? Because three significant marketplace trends are converging, creating a “perfect storm” for Contact Center and eBusiness executives.

The Growth and Proliferation of New Online Customer Service Channels

In today’s cross-channel customer interaction environments, tech-savvy customers have an array of communication options to choose from to get answers to their sales and customer service questions. They can call a toll-free number (which is, interestingly, often not their preferred communication channel). They can go online and self-serve via the next generation of self-service and Virtual Agent technologies. They can also seek out or accept a chat or Click to Call option to bypass interactive voice response (IVR) systems and menus. They can search an online community forum (company- or customer-run). They can look for an SMS short code and text a question. They can even download the company’s mobile app to access a mobile self-service answer agent, or pull up their mobile Web site and look for a mobile chat option. And, increasingly, they can just blast their question out into the social ether via Twitter or Facebook – hopeful that a friend, follower or company representative will respond. With the proliferation of intelligent options available, it is more important than ever for organizations to be able to effectively “funnel” customers into specific communication channels based on their needs and behaviors.

The Instant, Public Exposure of Bad Service Experiences (and the Resulting Impact on Sales and Satisfaction)

In today’s social, inter-connected world, a bad customer service experience is no longer limited to the impacted customer or prospective customer. Empowered customers who feel wronged by customer service today can instantly broadcast their frustrations through social networks, website forums, or bad ratings or reviews – damaging corporate brands and directly impacting sales and Net Promoter scores. The increasing adoption of mobile devices such as smart phones, tablets or even the iTouch, makes such broadcasting even easier, and more immediate. In response, many Customer Experience departments are incorporating social monitoring and engagement into their right channeling strategies, in order to identify and “move” interactions out of public forums into less visible, more personalized channels.
The Continued Pressure to Reduce Contact Center Costs Amidst Challenging Macroeconomic Conditions

In today’s challenging macro-economic environment, all lines of business in organizations are being forced to reduce costs. Yet, as the number of customer interaction channels increases, eBusiness, Customer Experience and Contact Center professionals are facing a tidal wave of inbound customer inquiries, increasing their net number of interactions and their associated cost. Learning how to reduce the volume and cost of customer interactions – in a way that doesn’t negatively impact sales or customer satisfaction, or give competitors an edge – is becoming a critical skill.

Right Channeling

Market Drivers:

The Benefits of Right Channeling

The emergence of new technologies and business strategies is helping organizations deal with the customer “interaction storm” created by today’s increasingly connected, social marketplace. A right channeling formula for success has been adopted and perfected by a number of innovative organizations. This formula – requiring seven simple steps – can help organizations respond to every customer inquiry across channels in a way that maximizes value yet minimizes cost.
Seven Steps to Right Channeling

Customers simply want a quick answer to their question or solution to their problem. More than just reducing costs, right channeling customer interactions can help you handle customer inquiries faster, reduce average wait times, lower response times, lift first contact resolution, increase sales and customer acquisition, and increase customer satisfaction levels.

Step 1: Quantify the Volume of Customer Interactions

Start by estimating the number of inquiries you receive in each communication channel:

1. How many customer service-related emails do you receive?
2. How many phone calls does your website generate to your Contact Center?
3. If you have an FAQ on your website, a virtual agent solution, or live chat, how many searches, queries or inbound chats are you generating through each channel?

Right Channeling Tip: Average annual customer interaction channel totals vs. multiplying weekly or monthly totals to account for seasonal fluctuations that will skew your analysis.

Step 2: Quantify the Cost of Customer Interactions

Estimate the total human and technology cost attributable to each communication channel. Include:

1. Fully burdened agent costs
2. Software and hardware costs
3. Indirect costs such as training, IT and general and administrative maintenance.

If you do not know the cost associated to each channel, use the market averages in Figure 1 and multiply them by the amount of inquiries or requests you receive.

Step 3: Classify the Value of Customer Interactions

Classify all types of customer interactions you receive (for example a sales inquiry, a billing inquiry, a change of address, a password reset request, an order tracking inquiry, a technical support question, or a request to renew a service subscription) in terms of the value of those interactions. Classify each interaction type as one of three “value buckets” (low value, medium value and high value) relative to how valuable these interactions are to your business. Here are some key questions to consider as you classify interaction value:

1. Which inquiries require an immediate response, versus those that can wait?
2. How many are informational in nature? (i.e. could be handled by web self-service or an intelligent answer agent?)
3. Which inquiries are critical to building and maintaining a profitable customer relationship, versus those that are not?
Step 4: Classify the Complexity of Customer Interactions

Classify all types of customer interactions you receive in terms of the complexity of those interactions. Put each interaction type into one of three “complexity buckets” (low complexity, medium complexity and high complexity). Here are some key questions to consider as you classify interaction complexity:

1. How many sources of information are required to address the question? Is it a simple, single right answer, or multiple sources or answers?
2. What level and depth of agent expertise is required to address each inquiry?
3. What level of customer information – both from prior interactions and customer history as well as the customer’s current context – is required?
4. What level of interaction is required? Is it simple text information sharing, or is real-time communication and interaction required?

Figure 2 can help suggest the right channels for different levels of complexity.

Step 5: Create Your Right Channeling Strategy

Once you’ve determined the cost of different channels, and classified interaction types by value and complexity, you’re ready to right channel. Based on your analysis, decide which customer inquiries to direct to which channel using cost estimates in Figure 1 and recommended channels in Figure 2. Here are some good rules of thumb:

- Low value and low complexity customer inquiries are best handled by low cost interaction channels such as Smart FAQs, self service tools and virtual agents.
- Medium value and medium complexity inquiries are best handled by medium cost interaction channels such as online community forums, virtual agents, email response and live chat.
- High value or high complexity interactions should be handled by more interactive and personal communication channels such as proactive chat, Click to Call and Co-browse.
Step 6: Implement Your Right Channeling Strategy

To effectively right channel all online customer service interactions, you should implement your strategy across both traditional and emerging channels of interaction.

1. Start with your website – which is likely the biggest driver of customer interactions. Using Web analytics, call recordings, email/chat transcripts and survey responses, identify the specific web pages, Web behavior, and referring traffic sources that drive a given level or type of customer interaction.

2. Deploy the right communication technology for each interaction based on your value and complexity classifications.

3. Ideally choose a right channeling solution that enables self-service business rules management and the ability to escalate across channels without losing the continuity of the interaction.

Step 7: Optimize Your Right Channeling Strategy

Right channeling is not a one-time project – it requires ongoing measurement and optimization to drive continuous improvement. With the interaction analysis you completed in Steps 1-4, you have a benchmark from which to measure the impact of right channeling. After right channeling for three to six months, complete these steps again. Pay close attention to usage and analytics from your live help provider, and analyze transcripts from each channel. Here are some good questions to ask to ensure an optimal right channel strategy.

1. Are you diverting the right types of inquiries to lower cost channels?

2. Has your overall cost-per-contact been reduced?

3. How has the volume of inquiries and associated cost in each communication channel changed?

4. Have your sales increased, remained flat, or decreased?

5. Have first-contact resolution rates increased or decreased?

6. Has customer satisfaction in each channel increased, remained flat, or decreased?

Right Channeling Tip: Optimizing your right channeling strategy requires evaluating both the cost and value of interactions. Evaluate sales metrics (e.g. conversion rates and transaction values) satisfaction metrics (i.e. CSAT and Net Promoter score), as well as cost-per-interaction to ensure you’re optimizing the return on investment from each customer interaction.
Conclusion:
Right channeling is a simple strategy – it’s all about offering the right customer service channel at the right time to maximize revenue and satisfaction while minimizing cost. Yet implementing this strategy correctly requires a dedicated crossfunctional business case – across marketing, customer experience, and contact center teams – to ensure the right business processes and technology are put in place and the right reporting and analytics are available to measure success across multiple KPIs.

Oracle and IntelliResponse: Right Channeling Done Right

Oracle and IntelliResponse have helped more than 1,000 enterprise customers right channel their interactions across Retail, Financial Services, Travel, Consumer Products, Business & Consumer Services, High Tech, and Education. Our integrated solution – which includes Oracle ATG Live Help On Demand, and Next Generation Multi-Channel Self Service powered by an intelligent tracking & targeting engine – provides everything you need to right channel your interactions. Our service teams will work with you to provide the business consulting, training, implementation and optimization services to help you drive continuous improvement. When you’re ready to right channel, get in touch with your ORACLE or IntelliResponse account representative to learn more about how to get started and build the business case for right channeling.
**Figure 1 - The Right Channel for the Right Interaction**

**Average Cost Per Contact**

*Source: Forrester Research - Selecting Online Customer Service Channels to Satisfy Customers and Reduce Costs, June 2010*

*On average, a non-technical telephone contact costs between $6-$12. A technical telephone contact **source: Oracle ATG client Data (20% AHT reduction and labor component corresponds to 70% of total costs) costs between $12-$25.*

**Figure 2 – Aligning Technology Choices With Customer Interaction Complexity Levels**

Align Technology Choices With Customer Interaction Complexity Levels

<table>
<thead>
<tr>
<th>Right Channel</th>
<th>Low Complexity</th>
<th>Medium Complexity</th>
<th>High Complexity</th>
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<tbody>
<tr>
<td></td>
<td>Self-service</td>
<td>Virtual agent</td>
<td>Click-to-call</td>
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<td>FAQs</td>
<td>Email</td>
<td>Reactive or proactive chat</td>
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<td>Site search</td>
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<td>Virtual agent</td>
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<td></td>
<td></td>
<td>Community forums</td>
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</tbody>
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(source: Diane Clarkson, Selecting Online Customer Service Channels to Satisfy Customers and Reduce Costs, Forrester Research, June 2010)
Figure 3 - Right Channeling Technology: ATG and IntelliResponse
For More Information
For more information on cost effective ways to enhance the customer experience at your organization contact:
Mike Hennessy
IntelliResponse
mike.hennessy@intelliresponse.com

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

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

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

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