9

Design Web Sites That Build Customer Loyalty

The Web was made for customer service. Do it right and you not only create satisfied, loyal customers you also save serious money.[1]

—Ray Hurst

WHAT YOU'LL LEARN IN THIS CHAPTER

■ Internet Web sites provide a new avenue for building customer loyalty.

■ Web technologies such as e-mail, webchat, and online knowledge bases are revolutionizing customer service in the new economy.

■ Web-based customer care can be a cost-effective alternative to traditional service channels.

■ Successful e-service delivery requires attention to the Web as a communication medium.

■ In the near future, "virtual service" may replace Web self-service.

THE WAY IT IS: SERVICE AS EASY AS CHILD'S PLAY[2]

Remember Crayolas? You know, crayons. Those colored waxy sticks you used to create art masterpieces. Like most budding artists, you probably started with the basic medium of coloring books but, like many kids, soon graduated to something on a much larger scale, like creating wall murals that showed promise well beyond your years.

Speaking of walls "decorated" with love, did you ever wonder how to re-store the wall surface—be it paint, wallpaper, or marble—to its original con-dition? If so, you're not alone. Binney & Smith, best known for Crayola crayons, often receives customer inquiries about just that topic: How do I re-move crayon markings from a wall? Until recently, Binney & Smith handled those types of inquiries through a call center. In 1997, e-mail was added to handle additional volume. That helped for a little while. But by 2000, the phone and e-mail volume outpaced the 12 customer-service reps assigned. One-third of the inquiries originated from e-mail alone. The response time needed to get back to a customer exceeded three days—a lifetime in the world of electronic commerce.

Today, Binney & Smith uses the Web to allow customers to find for themselves answers to common questions. A knowledge base of over 200 frequently asked questions (FAQs) has reduced the need for personalized customer assistance to less than 2 percent of inquiries. At the same time, Binney & Smith has turned the online customer-service experience into an adventure that's fun for the whole family. Check the site out at www.crayola.com. Once you figure out how to remove the crayon mark-ings from the walls, the site offers you a virtual trip to the Crayola Factory at Easton, PA. It's all there on the Net: answers, a virtual trip, and more.

WHAT IS WEB-BASED CUSTOMER SERVICE?

Listening to World Wide Web gurus talk, you'd think the Internet was made for customer service. Not only is the Web a "perfect" sales channel, it's the per-fect channel for presale and postsale customer support. Although the Internet may have begun as a United States Defense Department experiment in computer-facilitated communication, to-day the Web is home to $33 billion in retail shopping in the United States alone.[3] According to the U.S. Depart-ment of Commerce, the Web accounts for 1 percent of all retail sales. And that's just the beginning. Experts expect that by 2004 $233 billion or 3 percent of U.S. retail - **business-to-consumer (B2C)** sales will migrate to the Web.[4] Business-to-business (B2B) sales are projected to grow even faster. According to eMarketer's "E-Commerce Trade and B2B Exchanges" report, by 2004 U.S. wholesale e-commerce will have grown from $823.4 billion in 2002 to $2.4 trillion.[5]

> *The Web is the emerging channel for delivery of customer assistance.*

Along with all those retail and wholesale sales come customer contacts. According to a Purdue University survey conducted in 2000, over 15 billion customers contacted North American businesses for some type of support. Of these contacts, 85 percent were handled by phone, 3 percent by e-mail, and 2 percent through Web sites. Other channels such as on-site service counters accounted for the remaining 10 percent. By 2005, the total number of customer contacts is expected to double to 30 billion, but the service mix will change dramatically. While the phone will still be the dominant customer-service response platform at 45 percent, Web sites are expected to handle 25 percent of all contact responses. E-mail will account for another 20 percent.[7] Clearly, Web-based customer service is on the rise.

> *Studies show that 67 percent of customers who stop doing business with a company do so because of poor access to service and information.[6]*

CATEGORIES OF WEB-ENABLED CUSTOMER CARE

Let's look at some key characteristics of Web-based customer service. For one thing, the customer isn't physically present. And second, there's usually some kind of Internet communication software between the company and the customer. As we explore this service setting and consider its characteristics, we see several combinations as illustrated in Figure 9.1, the customer contact matrix.
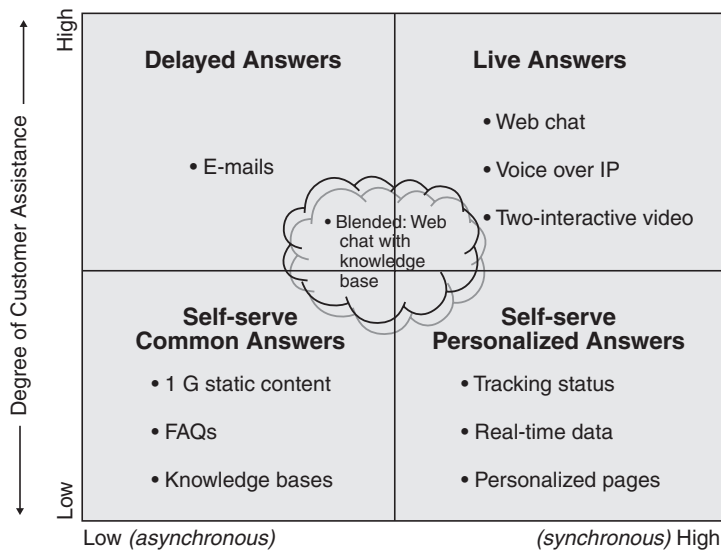

FIGURE 9.1   Customer contact matrix.

In this matrix, Web-based customer-service options are divided into four quadrants along two dimensions—customer assistance level and communication synchronicity. Synchronicity refers to the timing of the interaction between customer and company. For example, talking face to face in so-called "real time" is a synchronous medium of communication, while sending an e-mail and waiting for the company to send one back is asynchronous. There is a time lag between messages.

Self-Serve Common Answers

From the company's perspective, "low assistance, delayed communication" (illustrated by the lower, left quadrant) is the nirvana of online customer service. Here customers take care of themselves using knowledge bases, databases of answers to common questions.

Knowledge bases may be structured or unstructured. Structured knowledge bases are organized into a question-and-answer format, or **frequently asked questions (FAQs).** Unstructured knowledge bases are repositories of customer interaction such as e-mail correspondence with customer service or postings on an electronic bulletin board. Such repositories are indexed by keyword.

The lower, left quadrant of the customer contact matrix is often the starting point for organizations moving some of their customer support to the Web. Typically, the organization will create and host some sort of static (unchanging) Web page, similar to an electronic version of a marketing brochure. Information usually includes organizational contact information such as company name, address, phone, and little more. This kind of Web presence usually generates more questions than it answers. Self-serve, common-answer Web pages are very easy to create but not very effective.

A much better approach is to have some kind of information base of common questions and answers. Early forms included FAQs, which characteristically included key product questions with short answers: Are your coffee-flavored ice creams caffeine free? What can I do about wind noise from my mountain bike rack accessory? How do I use my personal digital assistant (PDA) to read my e-mail? Often the questions were listed at the top of the Web page and hyperlinked to the answers further down the page. (Hyperlinks are those words or phrases that you can click on to get to another place.) Questions would be sorted alphabetically or by the frequency they are asked. For common questions, FAQs were both efficient and effective. And for many sites, FAQs are still the norm.

The problem with such static Web pages is that, in order to get an answer, customers have to wade through a list of the top 100 or so questions hoping to find one that matches or comes close. This is kind of like forcing them to read an encyclopedia from beginning to end to satisfy their query. Again, this is relatively easy for the organization hosting the FAQs but not efficient for self-serve customers, except computer-savvy "Web-heads" who know the tricks. For example, Web-heads know that you can do a keyword

search on any Web page just by holding down the "control" key while pressing the letter "F" on the keyboard. This brings up the "Find" dialogue offering the option to search up or down by whole word. This is useful if the essence of your question can be distilled into a single keyword.

But wouldn't it be nice if, as a customer, I could do a multi-word search on the frequently asked questions or even the entire corporate Web site? Some organizations are offering that option. The latest in the self-serve common-answer category is a searchable, self-learning knowledge base. Let's break this concept down one term at a time, starting with "knowledge base."

Knowledge base is short for knowledge database, which is an online repository of information. It's the collective wisdom regarding the product or service. And unlike static FAQs, modern knowledge bases are dynamic, ever-changing, and self-learning. This means that they are automatically updated based on customer inquiries. In this way, the repository evolves with each new question. Customers can search knowledge bases not just by single keywords, but by phrases.

> *Online knowledge bases make it possible for customers to answer their own questions. Self-learning knowledge bases constantly update themselves based on customer inquiries.*

Delayed Answers

The upper, left quadrant of Figure 9.1 illustrates the asynchronous, high-assistance form of service. When customers can't get the answers they need from self-serve sites, they often turn to e-mail. Using manual knowledge bases and e-mail management software, customer assistance reps take turns responding to customer-initiated inquiries. Most Web customers expect a 24-hour turnaround, but all too often the response time is no better than snail mail, if there is a response at all. And because e-mail relies on one-way communication, the possibility of miscues and misunderstanding is high. The "high assistance, delayed communication" quadrant is neither very effective nor efficient, to the point that some experts discourage customers from even going there in the first place. According to leading customer-service consultants, "large volumes of e-mail result from customers NOT being able to find answers they need on your Web site."[8] Rather than being an effective customer care solution, e-mail is a symptom of ineffective first-line self-serve help.

> *High-volume e-mail usually indicates that customers logging on to your service site are having trouble finding answers on their own.*

Live Answers

The upper, right quadrant of Figure 9.1 illustrates synchronous, high-assistance service. This can be provided by such things as **Web chat** or live chat, a relative newcomer on the customer-service scene. When customers began to complain about the slow response times of e-mail queries, several companies responded with online chat. This is an adaptation of the "chat

> *Web chat allows two or more people to carry on a two-way conversation using text.*

rooms" popular for years with online services such as AOL (America Online). With live chat, the customer-service representative communicates live (in real time) with the customer who needs assistance. All messaging is text-based—both parties type questions and responses. Often, a complete transcript of the chat session is available to the customer for review.

A few companies offer a better service using two-way interactive video or **voice-over Internet protocol (VOIP)**. This option is especially attractive for people who are not totally comfortable with computer keyboards. Two-way interactive video requires that both the representative and the customer have special hardware and software. Hardware requirements include microphone, video camera, and a high-speed Internet connection; software requirements include an application to handle the network meeting, such as Microsoft's NetMeeting. Like interactive video, VOIP also requires special hardware and software. Since such hardware and software infrastructure is not common to most computer desktops, these requirements limit the use of such technology to assist customers. As video cams, mikes, and digital broadband become more commonplace, look for two-way interactive video to replace Web chat as the preferred mode for interactive, real-time assistance.

Self-Serve Personalized Answers

The lower, right quadrant of figure 9.1 represents synchronous, personalized service—customized real-time data about the customer's specific problem. Example: You just ordered the perfect gift for your mom three days before Mother's Day. You received multiple assurances that the gift would arrive before that special Sunday morning. Now you want to know where your order stands. Has it been filled? If so, where is it? Has it left the loading dock? Is it on a UPS or FedEx truck? These kinds of customer inquiries are simple for Web-enabled tracking systems. The customer enters the tracking number and seconds later knows just where the package is.

Personalized self-serve solutions rely on real-time tailoring of Web content to the customer's individual needs. Web pages are dynamically adjusted (frequently changed) based on the customer profile. For instance, when a Platinum-level frequent flyer checks her itinerary on the Web, she'll see flight status, the in-flight meal menu, and an airport map showing her the location of the Platinum Club lounge in relation to her arriving gate. Economy-class flyers, on the other hand, would see only flight status. Such personal-

> *Personalized service information exceeds customer expectations, providing an A-plus experience.*

ization provides A-plus information for frequent flyers, engendering an al-most religious loyalty among valuable business travelers.

Blended Service

In addition to the four quadrants, you'll notice a cloud hovering in the middle of the matrix in figure 9.1. Some organizations use blended Web-service approaches that combine technologies from multiple quadrants. A prime example is Microsoft's use of live Web chat with the customer-service representative who provides real-time Web links to knowledge databases.

The sum of the service options provided is your Internet **customer-service contact portfolio.** The more options, the more valuable and useful the "portfolio." Expect the portfolio to change over time, both in terms of the sup-port offered and the level of offering. Increasing num-bers of organizations are migrating (moving) customer care features and services to the Web. E-business leader Michael Dell, CEO of Dell computers, explains why

> *The customer-service contact portfolio is the mix of assistance options for delivering customer care.*

this is important: "Within Dell, for example, a third of our technical-support activities, about 75 percent of order status transactions, and al-most 50 percent of sales are enabled by the Web. We are moving these transactions online because customers told us they want faster, more ef-ficient support for routine interactions. Over the phone, these transac-tions cost between $3 and $10 each, but the Internet lowers the cost to zero in most cases."[9]

THE BUSINESS CASE FOR "WEBIFYING" CUSTOMER SERVICE

Zero cost? It may be true for Dell, but it seems too good to believe. What companies can achieve is a per-transaction cost close enough to zero to warrant serious attention. Based on a May 2001 study by Gartner the average **cost per transaction** for self-service Web assistance was just 24 cents (see Figure 9.2). Compare this with telephone customer care ($5.50 per incident), and it's easy to make a case for moving the customer-service function

> *Web self-service has the lowest average cost per transaction of all customer-service contact options.*

to the Web. Of course, as we've discussed earlier, Web self-service is only one component in a customer-service contact portfolio. A complete Internet-based customer-service strategy would ordinarily include e-mail ($5 per incident) and possibly Web chat ($7 per incident). Nevertheless, the economics of self-serve Web are so dramatically superior that early

Service Channel	Average Cost Per Transaction
Web self-service	$ 0.24
Interactive voice response (IVR) self-service	$ 0.45
E-mail	$ 5.00
Telephone	$ 5.50
Web chat	$ 7.00

Source: Data from Read, B. (2001, Nov. 5).[10]

FIGURE 9.2   Cost per customer service channel.

adopters such as Dell will eventually be joined by others in the near future. As we said earlier, some experts predict that the percentage of customer contact through the Web will rise from 2 percent today to 25 percent by 2005.

Advantages of Web-Based E-Service

Aside from cost savings, are there other benefits to migrating Web-based customer self-service from traditional channels? Definitely. For one, self-service is often faster than representative-assisted service. Rather than having to hop in the car to drive to the customer-service counter or wade through levels and levels of telephone voice-response menus only to be put on hold, customers with access to the Web can get immediate answers to the most frequently asked questions. Quick answers often translate into increased customer satisfaction. Better yet, a satisfying Web experience builds customer bonds. Increasingly, the customer comes to view your site as a "window" into a shared community.

For instance, TIAA-CREF, a leading pension and mutual fund manager for educators, not only provides customer account access via the Web but also offers daily financial market updates and news. Initially, customers use the site to view their fund balances or make portfolio changes. Soon, however, they find their relationship with TIAA-CREF expanding beyond customer service. Before long, customers are accessing the site regularly to check the stock market or read financial news analyses of particular interest to them. What started out as a customer-service site has become a **portal** for additional services and products.

Web portals provide a centralized access point for a broad array of Internet resources and services.
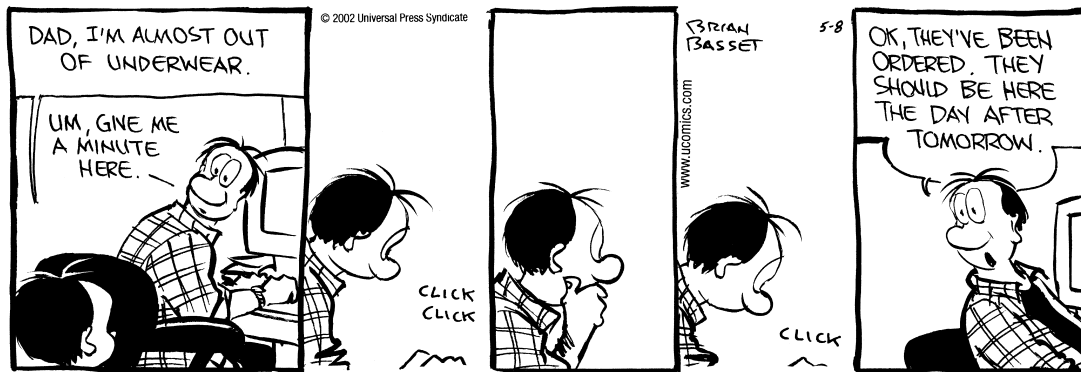
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One last benefit of Web-based service is global coverage. In a world increasingly attuned to the demands of a **24/7** economy spanning across nations and time zones, a self-service Web presence provides some form of assistance anytime, anywhere. For unique customer needs, people will always have e-mail. With e-service the customer never has to wait to begin the inquiry process and may find most answers immediately.

The key benefits of e-service are quicker answers, increased customer bonding, and global 24/7 assistance.

Disadvantages of Web-Based E-Service

Although some vendors would have you believe e-service is a complete solution to customer assistance, it isn't. E-service is not a 100 percent, surefire strategy. It is a helpful platform for several cost-effective channels—self-service Web, message boards, e-mail, and live chat. But e-service is not a substitute for voice-response telephony (old-fashioned phone calls) and direct contact with customer care representatives. These personal-assistance channels will continue to comprise a significant proportion of the customer contact mix. **E-service,** then, is "in addition"—another set of channels for communicating with customers. As such, e-service is just one more assistance delivery infrastructure that must be designed, implemented, and maintained. Installing an e-service solution is no small undertaking. It is costly and highly dependent on available technology.

The Internet, like most information technologies, is a moving target. Hardware has a life cycle averaging five years before it becomes obsolete. Software life cycles are even shorter, with minor product updates appearing every few months and major updates every 18 months. As some experts caution, "the leading edge can often be the bleeding edge." The

> *Poorly managed e-service systems can cost more than they were expected to save and often result in a reputation for bad service.*

wrong technology can end up "bleeding" a company's human resources and capital.

Finally, the rush to migrate customer service to the Web has produced its share of failed sites and frustrated customers, prompting a not necessarily undeserved reputation akin to the voice-response runaround, where the customer sits on hold listening to tinny elevator music. Poor e-service delivery can substitute one negative stereotype for another. Ignoring the human side of customer service can turn what looks like a low-cost service alternative into a costly mistake. It doesn't have to be that way. Let's look at a hypothetical case.

Mini Case: Where in the Web Did I Go Wrong?

You're excited. After nearly a year-long wait, the information technology department has sent over an Internet consultant to **Webify** your customer assistance process. Finally, you will be able to off-load a big portion of those customer inquiries that have begun to swamp your call center.

Although you're not quite up on the Web jargon, you've read enough to know that **HTML** is supposed to be good. The consultant claims he can hack together enough hypertext markup language (HTML) in two days that you will be able to "go live" by the start of next week. "O frabjous day!" as Lewis Carroll, author of *Alice's Adventures in Wonderland,* would say.

Monday comes, and your Web site is up. So far, so good. The Web pages are colorful and informative. Most of the links work. But before long your call center is logging twice as many calls as before. Something's surely amiss. Moving customer assistance to the Web was supposed to reduce your call volume. Where in the Web did you go wrong?

USING THE WEB TO BUILD CUSTOMER LOYALTY

Migrating customer service to the Internet is more than a simple exercise in HTML coding. Far from it! The Internet introduces a whole series of operating issues, from the fact that the customer is not physically present to the expectation that online means anytime, anywhere satisfaction with less than two-second delays. Failed expectations are common—even for the big guys. More than one major retailer has had to bring down its site after a failed Web launch. Here's a top ten list of strategies for avoiding e-service implosion. By putting these strategies into practice, you'll be well on your way to establishing an A-plus presence on the Web. We'll describe each strategy in more detail in the following pages.

1. Be there and be quick.

2. Make site navigation simple.
3. Respond quickly.
4. Provide communication alternatives.
5. Pay attention to form *and* function.
6. Track customer traffic.
7. Benchmark service levels.
8. Teach your site to learn.
9. Build an ongoing e-relationship.
10. End high.

Be There and Be Quick

Did you ever log on to your favorite bank or credit union site to do a little online banking only to find the site down? It's like showing up at the bank during business hours and discovering the doors are locked. For **e-tailers** (electronic retailers, including online banks), when your site's down you're closed for business. And to make matters worse, your competitor is only a click away. Instead of customers being able to help themselves online, the situation usually escalates. Now you have to deal with three problems: a downed site, a frazzled customer, and the customer's original concern.

Or, have you ever found yourself frustrated because a Web site seemed to take forever to open pages? Keynote Systems, an organization that measures Internet speed and reliability for Web site clients, claims that your business has eight seconds to load a page. "If a page takes longer than that to load," say Chen and Lindsay, "most visitors won't stick around."[11]

Therefore, the first rule of successful e-service is be there and be quick. When the customer hits your Web page, make sure you're up. Lobby for stable, redundant Web servers. (Redundant means having backup to be sure that if one aspect of the service goes down, others take over to keep it running.) Shoot for 99.999 percent uptime and rapid page-loading times.

> *In an Internet world, your competitor is only a click away. If your site is inaccessible or if pages load too slowly, customers let their mouse do the walking.*

Make Site Navigation Simple

Your Web customer service should be one click away. Once customers connect to your home page, they should be able to get to the customer assistance page with a single click. And they shouldn't have to scour your home page to find the button, tab, or hyperlink. There should be one easy-to-spot click. Web traversal is too often an exercise in navigating a maze. Only the hardy find what they are looking for. Customers usually aren't this patient.

In addition, site navigation should be simple and obvious. Use a consistent scheme for people to go from page to page. Avoid dead ends. Always give the customer a way to get back to a specific page. Finally, avoid the temptation to keep your customers hostage in your site. Allow them to press the back button on their browser to escape. Forcing the customer to stay in your site doesn't build loyalty, especially since, for most computer users, the only way out is to shut down the browser and relaunch it.

> *Navigating your Web site should not be like going through a maze.*

Respond Quickly

Today's Nintendo generation expects immediate response from their game consoles, desktop computers, and sports cars. Waiting more than two to three seconds for a computer screen to refresh is unacceptable. Your e-service Web server needs to be able, most of the time, to handle the kind of performance today's consumers expect. Unfortunately, not all your customers will have the computer or communication line needed to support such speeds. Savvy Web designers create sites that adjust the content levels to suit the platform speed of the end user. Customers with high-bandwidth connections get high-resolution images, and those with low-speed modems (28.8 KB) are fed low-resolution graphics or text only.

> *Web users have a need for speed. Successful customer-service sites respond quickly to each inquiry.*

Web site performance is only one dimension of quick response. Even more important is quick turnaround on customer questions. Average response times should be tied to your customer contact profile. For e-mail, we suggest a response time of 24 hours or less. For something as dynamic as Web chat, the communication should have the pace of a live conversation. Long pauses on the order of five minutes or more may confuse the customer into thinking the chat has been abandoned. Before long, the customer is typing, "Are you still there?" in the chat window.

Provide Communication Alternatives

According to futurist John Naisbett, author of the *Megatrends* book series, "The more high tech the world becomes, the more people crave *high touch* service." In the realm of customer care, the Internet is almost a synonym for high tech. Unfortunately, except for the kind of automated personalization discussed earlier, today's Internet is anything but "high touch." At some point, your customer may become frustrated with the various self-serve options and seek human contact. The solution is to provide several communication alternatives, such as e-mail, Web chat, or two-way interactive video. Even something as low tech as the telephone works. Some customers just need the human touch. Give them easy options.

Consider this example: Erika Wilde runs a Web site selling floor mats to businesses. Her site, StopDirt.com, is easily available for people needing a wide variety of industrial mats and matting products. When a customer contacts Erika for information or with a problem, she momentarily calls them back on the phone. This pro-

> *For low-tech customers, good service is personalized, synchronous hand-holding.*

vides immediate, synchronous, and very personalized service. It also helps create hand-holding relationships with her customers, who are invariably impressed by the level of personal service they receive.

Pay Attention to Form and Function

Every time we give our students an assignment to design a Web page, we get midnight-black backgrounds, raging purple prompts, oscillating smiley faces, and "submit," "cancel," and "clear" buttons in the oddest of places. Just because technology supports animation, 256 type fonts, and 16 million colors doesn't mean your Web site has to use them all. Customer care sites should be functional and visually pleasing. They need not be elaborate or incorporate every possible bell and whistle.

Successful sites, like modern video games, are a team effort. Graphic designers, usability engineers, database administrators, content experts, and programmers all play a part. Form should support function. Avoid jazzy technology for technology's sake. This rarely satisfies the customer. Instead, unclutter; keep it simple and functional.

> *Web users want substance and form. Don't distract them with technology just for technology's sake.*

Track Customer Traffic

The best thing about the Web is that you can track anything using available software. You can determine the "click path" the customer took to get to your site and whether the customer is a first-time visitor. You can track service resolution and abandonment rates, average site connect time, and frequent requests. If you want to know where to spend your time to better serve your customers, track those patterns and then use the data to systematically improve your content, your site, and your contact portfolio.

> *Web user traffic patterns can help you provide continuous quality improvement in customer care.*

Benchmark Service Levels

It's hard to know if you're getting better without establishing **benchmarks.** Successful customer care Web sites benchmark and compare against themselves and against their best competitors. They collect data on existing serv-

> *You can't expect unless you inspect. As with most things, with e-service you get what you measure.*

ice levels, and they set targets for the future. Typical services monitored include site uptime, average response rate per page request, average time to respond to e-mail inquiries, average time to respond to Web chat inquiries, and number of resolved and unresolved inquiries per day. Remember the old adage: "You get what you measure!"

Teach Your Site to Learn

To avoid extinction, life adapts and evolves. Customer assistance sites should do the same. If the content of your site is the same today as it was last week, chances are you will be able to satisfy only last week's customers. Successful e-service requires learning such things as:

- What doesn't work and what content is missing
- What click paths end in dissatisfied customers
- What new questions your customers are asking

> *A learning customer-service site, like a learning organization, readily adapts to the challenges of a dynamic world.*

Your Web infrastructure should include mechanisms for identifying fruitless Web paths and for discovering new concerns. Some commercial software scours your Web activity and automatically updates your knowledge base with new content. Whether you choose to have your site "learn" via such software or to have the content updated by staff, adaptive sites let your customers know you are listening and responding to their needs.

Build an Ongoing E-Relationship

Successful human relationships are usually two-sided. Sometimes you initiate communication or behaviors that build the relationship; sometimes you reciprocate to others. Traditional customer service, however, tends to be 100 percent customer initiated and 100 percent reactive. E-service of-

> *Use technology to make the customer's e-mailbox an extension of your Web site.*

fers you the chance to take the initiative once in a while—to be proactive. To build an e-relationship, simply offer e-mail notifications to your customer. "Notify-on-change" allows you to put your customer's e-mailbox to use. With each product change, catalog change, or content change, you can automatically fire off an appropriate e-mail to your customer base. Of course, be sure to get permission from your customers first. "Spamming," the practice of sending unwanted e-mail, can do more to damage your relationship than enhance it. If your customers do agree to accept your notifications, always give

them the option with each e-mail to have their name removed from the notification list.

End High

One common model for providing traditional in-person customer service suggests that companies should apologize for any inconvenience (caring), solve the problem (competence), and offer a peace token (comfort) such as additional points in a customer loyalty program. This last step is designed to leave the customer on a high note, thinking positively (or at least neutrally) about the company. With Web-based customer service, even though the focus is on helping the customer help him- or herself, it still makes sense to make peace. Before your customers log off from your site, you should always thank them for their interest in your product or service. To rebuild the goodwill, offer some kind of to-ken—a discount on their next purchase, free shipping, or some kind of additional service coverage.

> *Peace tokens work just as well online as they do off-line.*

Another Look	What's Your Company's Service Quotient (SQ)?

Now that you've had a chance to explore the role of the Internet in building customer loyalty, it's time to see how well your organization is doing. E-service guru Greg Gianforte has developed a short "SQ" test for assessing the health of an organization's Web-mediated customer service. If you are currently working in an organization with a Web site, take a minute and complete the following customer service quotient survey. If you do not work in such an organization, select the Web site of a company you have visited; put yourself in the role of one of that company's leaders, and answer as many of these questions as you can.

SQ Test	Yes	No	Don't Know
Can your customers quickly find answers to their most frequently asked questions on your Web site?			
Can they easily check the status of a response they previously requested?			
Do you respond to all customer e-mails within one business day?			

Another Look   What's Your Company's SQ?   *continued*

SQ Test	Yes	No	Don't Know
Does the content on your site change automatically based on customer input?			
Are the most useful and/or commonly requested knowledge items presented first?			
Do customers have an easy way to get to a human support staffer?			
Do your customers consistently return to your site to get information? Do you have any way of determining whether or not they do?			
Are you tracking the activity that has taken place on your site on a week-by-week basis? Do those reports help you determine the return on investment (ROI) of the site?			
Do you give visitors the option to have updates sent to them automatically by e-mail?			
Are you consistently using your Web site to capture and publish useful information that's currently only in the heads of your best staff?			
Does your call center only handle queries that couldn't be handled automatically on your Web site?			
Do customers ever praise your company because they found your site especially helpful?			
Can customers find local retailers or distributors on your site—complete with maps and/or directions?			
Can you view both the email and call history of any given incident from a single interface?			
Are the answers you give your customers on the phone the same as the ones you give them on your web site?[12]			

SCORING

According to Gianforte, a "yes" answer on 10 or more items indicates your organization's service quotient is excellent. Anything less should prompt you to reexamine some of your online customer-service strategies.

A FINAL THOUGHT

Today's Web-mediated customer service offers a low-cost approach for run-of-the-mill customer transactions. Getting answers to frequently asked questions, checking the status of an order, or even researching the details of an invoice are easy tasks for Internet users seeking customer service. The Web has made building and maintaining customer relationships simpler for organizations and companies. You would expect that of technology. But there's also a downside—some Web sites are more complicated and difficult to navigate than a video arcade game.

In the near future, customers will abandon the mouse and keyboard as input devices and will turn to voice recognition. Getting to a customer care site will require nothing more than speaking commands. Problem resolution will involve speaking with an "avatar," a digital, on-screen representation of a live customer-service agent. Using artificial intelligence, Web avatars will guide the customer through the Internet experience, displaying appropriate Web pages and making necessary customer account adjustments. In such a scenario, virtual service replaces self-service, providing a personalized solution to every customer concern.

Summary of Key Ideas

- The Internet has provided a new avenue for delivering customer assistance.
- Migration of the customer-service process to the Web is still in its infancy. By 2005, we can expect the Web to handle almost half of all customer contacts.
- Web-enabled customer care can be categorized along two dimensions: customer assistance level and communication synchronicity. The customer assistance level addresses how much help must be provided to resolve a customer concern. Communication synchronicity refers to whether customer communication is asynchronous (one-way) or synchronous (two-way).
- Online knowledge bases make it possible for customers to answer their own questions.
- E-mail provides delayed answers to customer inquiries. A rule of thumb for A-plus customer service is to acknowledge all customer e-mail and respond to it within 24 hours.
- Web chat is an adaptation of Internet chat room technology that allows customers and service representatives to carry on synchronous, text-based two-way communication.
- Personalized self-service involves customer profiles that provide information tailored to the individual's needs.

- Web self-service has a significant cost advantage over traditional customer-service channels such as talking to a live agent on the telephone.
- E-services are not only cost effective, they often provide additional benefits such as improved customer relationships. However, poorly managed e-services can eliminate any potential cost savings and result in lost customers.
- Successful e-service delivery requires attention to several factors: Web site uptime, navigation ease, server speed, personal touch, appropriate site design, benchmarking, traffic monitoring, adaptive knowledge bases, proactive communication, and customer loyalty programs.
- Future customer-service delivery may involve the use of virtual customer assistance representatives.

Key Terms and Concepts

24/7
business-to-consumer (B2C)
benchmark
cost per transaction
customer-service contact portfolio
e-service
e-tailer

frequently asked questions (FAQs)
HTML (hypertext markup language)
knowledge base
portal
voice-over Internet protocol (VOIP)
Web chat
Webify

Application Activities

1. Pick three of your favorite companies or organizations. Locate the home page for each of these organizations, and investigate the online customer service they provide. Do they include most e-service channels such as FAQs, e-mail, and chat? What additional online services are provided?

2. Imagine that you have purchased a new scanner for your computer. You take it home, hook it up, and find you can't get any of your photos to scan properly. Select a major scanner vendor, and connect to its customer-service Web site. Perform a navigation analysis of the site. How many links did you have to follow to get your problem resolved? Were you able to "serve yourself," or did you have to contact a customer assistance representative? If you had to be assisted, was it

easy to contact customer service? Did you use e-mail? Web chat? Telephone?

3. If you currently work in a company that uses Web-based e-service, review the e-service quotient survey (pages 157–158), and perform an EQ test on your company's site. What was your score? What service areas do you need to reexamine? What suggestions would you make to management in order to improve your EQ?

4. Log on to the customer-service site of an established Internet retail company (e.g., Amazon.com, Overstock.com, Proflowers.com) and then that of a relative newcomer to the Web (e.g., a local business such as a martial arts studio or an auto repair shop). Record how long it takes to move from Web page to Web page. Send an e-mail, and see how long before it is answered. Compare the performance (speed) of the two e-service providers. Did these organizations meet your need for speed?

5. Find a business or an organization that doesn't have a customer-service Web presence. Develop a plan to create Web-assisted e-service capability, outlining what steps would be necessary. You need not flesh out every detail, just the major decisions and steps required for the organization to move some of its customer assistance processes to the Internet.

Notes

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