

## LIVRE BLANC

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# Web Self-Service and e-mail management: a winning combination

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## CONTEXT AND METHODOLOGY

The customer relations ecosystem has been radically modified in the past five years with the development and spread of Internet. A new environment, where the maintenance of personalised contact with the customer has become the critical factor of success, has replaced the old system of undifferentiated mass production and relationships.

The issue for companies today is to combine the constraints of a personalised and real-time relationship with customers, with the cost effectiveness imperatives of any company. This new order, combined with the multiplication of customer interaction channels, this issue raises two major concerns:

- Dealing with the growing volume of demand for information** coming from various customer interaction channels, most often telephone and e-mail
- Controlling the cost of the company's relationship with its customers**, a cost primarily linked to the agents responsible for this relationship.

In March 2007, IDC questioned the Chamber of Commerce and Industry of Paris (CCIP) and MisterGooddeal.com in order to identify the initiatives they are applying today to deal with these new concerns. These two structures have developed an innovative approach to the customer relationship based on a combination of Web Self-Service — i.e. the creation of structured information on the company's web site, available in Self-Service — and e-mail management.



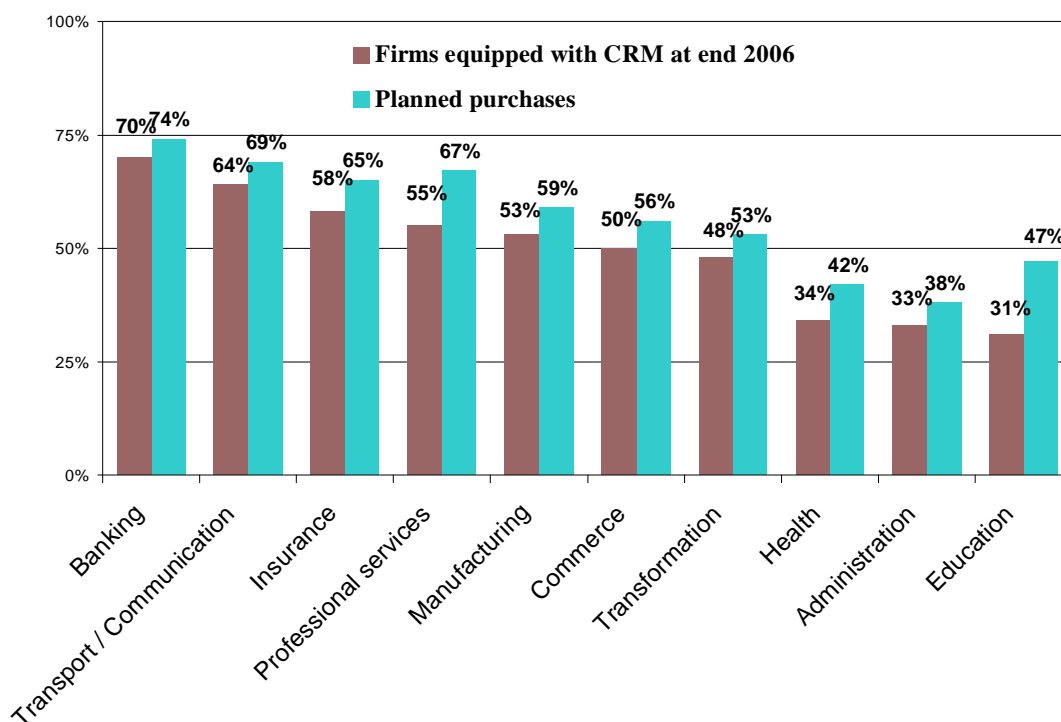
## Customer relationship management, a "new priority" for European firms

After several years of strong growth in the 1990s, firms sharply cut their investments in implementing customer relationship management (CRM) solutions. Not because customer relationships were no longer their number one priority, but rather because the imperative to rationalise computer expenses pushed them to focus their IT spending differently to renew and consolidate IT infrastructure projects rather than invest in IT projects.

The renewal of IT investments since 2005 has encouraged them to strengthen their equipment in customer relationship management solutions. For example, IT spending in France rose by 5.3% in 2005 (and +5.4% in 2006) after 3 years of decline and stagnation in 2002 (-1.9%), 2003 (-1.9%) and 2004 (+3%). Spending on customer relationship management solutions followed the same trend, they turned positive again in 2005, both in France (+4.4%) and in England (+6.5%), after several years of sharp decline (in France: -30% in 2001, -13% in 2002, -3% in 2003).

**FIGURE 1**

Equipment of European firms in customer relationship management solutions (2006), and equipment projects



Source: IDC, 2007

All sectors of activity are concerned by this strong dynamic. Obviously sectors dealing with the largest customer bases are those for which current equipment and planned investments are the greatest: banking, transport and telecommunications, and insurance. According to IDC, since 2005, this recovery in IT projects around customer relationship management solutions is based on a new reality: the development of

Internet is such that the Web has become a channel in its own right in the firm's relationship with its customers and prospects. Firms now have to include this new parameter when they implement their customer relationship management strategy.

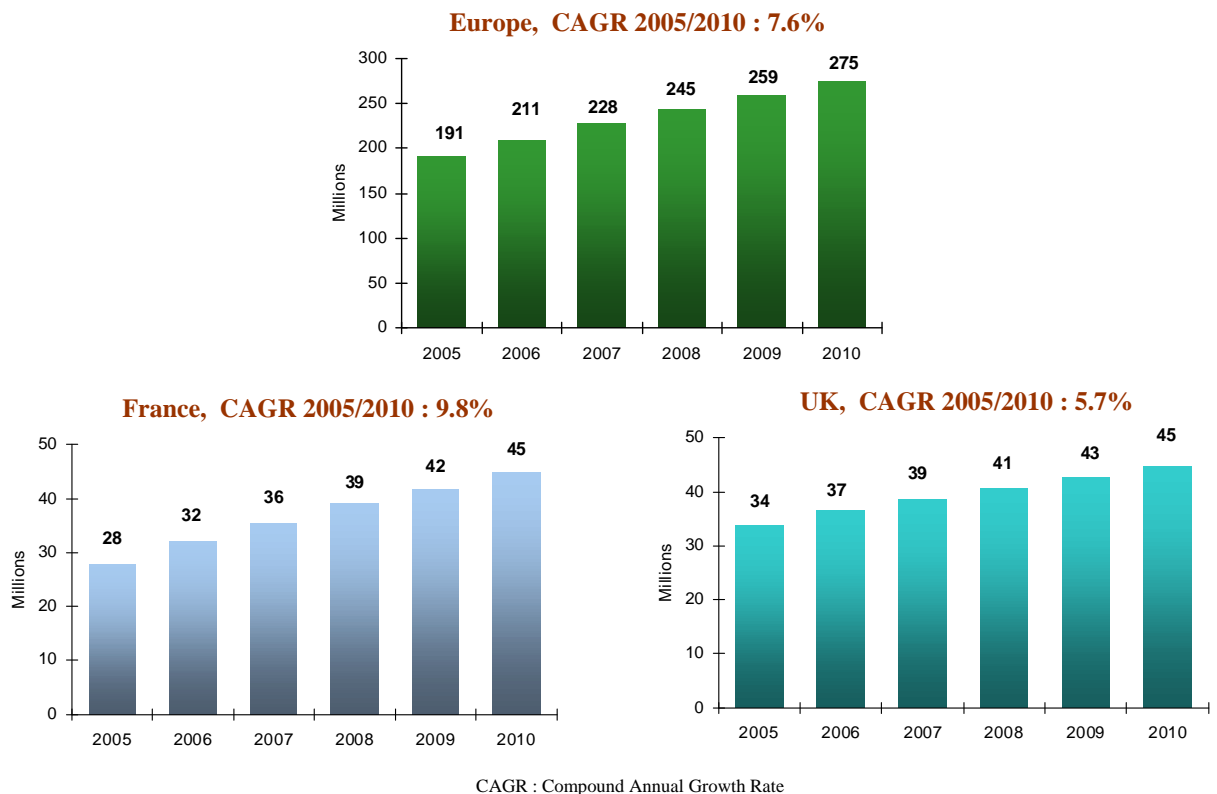
## The Web, an unavoidable customer interaction channel

### *The number of surfers grows 10% per year in France, 6% per year in the UK*

Web sites have become interactive tools allowing communication with customers and prospects, but they are also used to increase the satisfaction of visitors by offering new services: on-line purchases, reservations, personal data query and update, information search, and on-line problem resolution.

**FIGURE 2**

Number and change in the number of surfers in Europe, the UK and France (2005 to 2010)



Source: IDC, 2007

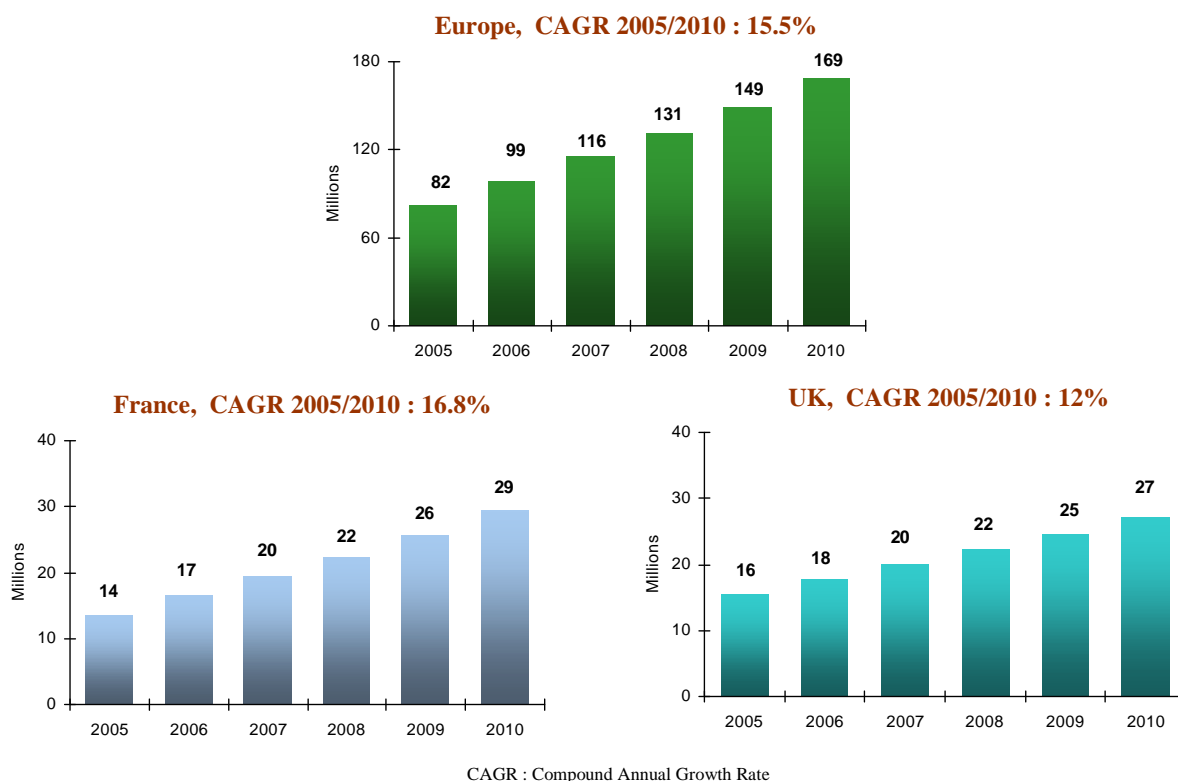
The development of new value-added services is even more critical for firms since the number of Internet users continues to grow. According to IDC, average growth in the number of European surfers should reach 7.6% over a period of five years between 2005 and 2010 (Figure 2). Consequently, to be different, it's no longer enough for a firm simply to be present on Internet, as it was just a few years ago. Now, it has to

offer new services which represent true added value for users. The dynamic of adopting Internet is particularly strong in France: the average growth in the number of surfers is supposed to reach close to 10% per year between 2005 and 2010. Furthermore, at end 2006, 53% of the French population had Internet access. So, France has seen a major catching-up effect compared to countries like the UK where 61% of the population was already equipped with Internet access at end 2006.

Another key indicator of the critical importance of Internet as a channel for interacting with customers is the continuous growth in the number of surfers who buy goods and services directly on Internet. The results of studies conducted by IDC confirm this strong trend: the number of e-consumers rose by 22% in 2006 in France — and 18% in the UK — bringing the weight of Internet consumers to 52% and 49% respectively. Internet has become a true sales channel generating €15 billion in transactions in France and €20 billion in the UK (2006, transactions on the consumer market).

**FIGURE 3**

Number and change in the number of persons purchasing goods and services on Internet in Europe, the UK and France (2005 to 2010)



Source: IDC, 2007

***Towards a new paradigm linked to mass personalisation***

In an economic environment characterised by growing competitive pressure, firms tend to implement new tools that optimise their relationship with customers. Internet is part of this economic paradigm linked to increasing customer loyalty and to diversifying customer interaction channels.

**FIGURE 4**

The change in the ecosystem of the customer relationship and the place of Web technologies

	Today	Tomorrow
<b>Vision</b>	<ul style="list-style-type: none"> <li>▪ Short term</li> <li>▪ Mass communication</li> <li>▪ Focussed on documents, products</li> </ul>	<ul style="list-style-type: none"> <li>▪ Long term</li> <li>▪ Mass personalisation, targeted communication</li> <li>▪ Focussed on the customer</li> </ul>
<b>Organisation</b>	<ul style="list-style-type: none"> <li>▪ Hierarchical</li> <li>▪ Firm focussed on its internal processes</li> <li>▪ Control of information</li> </ul>	<ul style="list-style-type: none"> <li>▪ Firm focussed on its core business</li> <li>▪ Organisation and process adapted to benefit from new technologies</li> </ul>
<b>Sales process</b>	<ul style="list-style-type: none"> <li>▪ Face-to-face sales</li> <li>▪ Poor customer knowledge</li> </ul>	<ul style="list-style-type: none"> <li>▪ Multiple and complementary channels: sales agencies, roaming agents, Internet, etc.</li> <li>▪ Varied customer interfaces</li> </ul>
<b>Customer support and services</b>	<ul style="list-style-type: none"> <li>▪ Responsive</li> <li>▪ Limited knowledge of the installed base</li> <li>▪ Separate organisation of the process</li> <li>▪ Slow</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anticipate needs</li> <li>▪ Integration of organisation and processes (users/IT)</li> <li>▪ Segment and control purchase behaviour</li> <li>▪ Personalised support</li> <li>▪ Multi-channel support</li> <li>▪ Speed / availability</li> </ul>
<b>Key points</b>	<ul style="list-style-type: none"> <li>▪ Costs</li> <li>▪ Find new customers</li> <li>▪ Quality</li> </ul>	<ul style="list-style-type: none"> <li>▪ Optimisation of internal resources</li> <li>▪ Maintain customer base</li> <li>▪ Performance costs and measurement</li> </ul>

Source: IDC, 2007

The development of Web technologies encourages firms to reconsider how they use their interaction channels to manage their customer relationship. Internet use tends to optimise the quality of the customer relationship and improves the firms' ability to respond in a personalised way to customers' demands with a higher level of service: customer loyalty and retention are improved.

Consequently, the ecosystem of the customer relationship has been radically modified in the past five years with the development and spread of Internet. A new environment, where maintaining personalised contact with the customer has become

the critical factor of success, has replaced the old system of undifferentiated mass production and relationships.

Still, this new customer relationship paradigm is becoming increasingly complex to manage. The necessary adaptation of increasingly numerous specific needs leads to a significant increase in the volume of exchanges to the target. We understand that the issue for firms now is to combine the constraints of a personalised, real-time relationship with its customers with the cost effectiveness imperatives of any firm. This new order, combined with the multiplication of customer interaction channels, raises two major concerns:

- ☒ ***Dealing with the growing volume of demands for information coming from the various customer interaction channels:*** customers use the customer relationship channels available to them, most often the telephone and e-mail, to contact the firm. The concern for the firm is to respond in a precise and personal way to all customer queries within a reasonable time frame. A survey conducted by IDC for EPTICA in 2004 showed that 30% of corporations (having over 2 000 employees) did not answer all queries received from their customers and prospects due to a lack of sufficient human resources or suitable tools. So many commercial opportunities are lost, so many opportunities to damage a customer relationship which is so difficult and costly to build.
  
- ☒ ***Controlling the cost of the firm's relationship with its customers:*** These customer relationship channels have a cost linked primarily to the agents who are responsible for the relationship. It is crucial for the firm to control the cost of the customer relationship so that the excess cost of the activity (sales development) is not directly absorbed by the increase in costs inherent to the customer relationship. Customer service and support, usually considered as a cost centre, thus becomes a source of savings for the firm through the gains in productivity it can generate.

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## **Web Self-Service, a tool rationalising the firm's costs**

### ***Reducing costs and improving customer satisfaction, two priorities for general management***

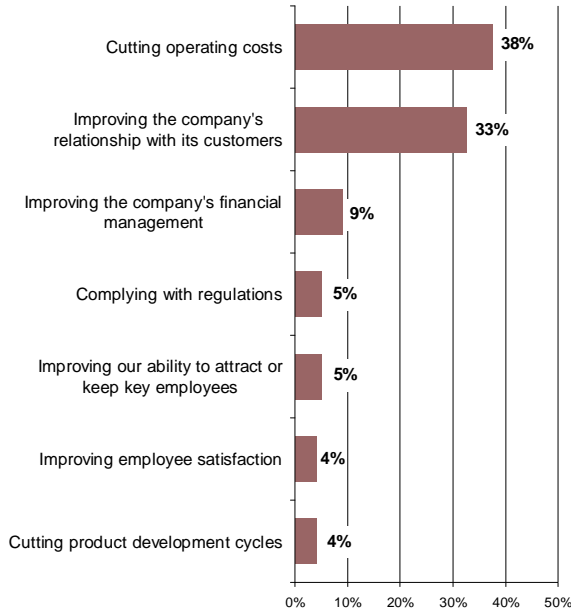
A web site not only offers value-added services to its users, but also becomes a tool for rationalising the firm's costs. In this context, the firm's Web strategy is perfectly in line with the priorities that are being set by the general managements of European firms today. Indeed, the results of our survey of 100 European firms show that the customer relationship and rationalising operating costs are at the heart of general managements' concerns (Figure 5). This is a fundamental change over previous years where increased revenues, associated with controlled costs, were of primary concern over other priorities.

Firms are therefore confronted with a major paradox: how to improve the quality of the relationship with customers and prospects in a context where reducing operating costs is a fundamental priority.

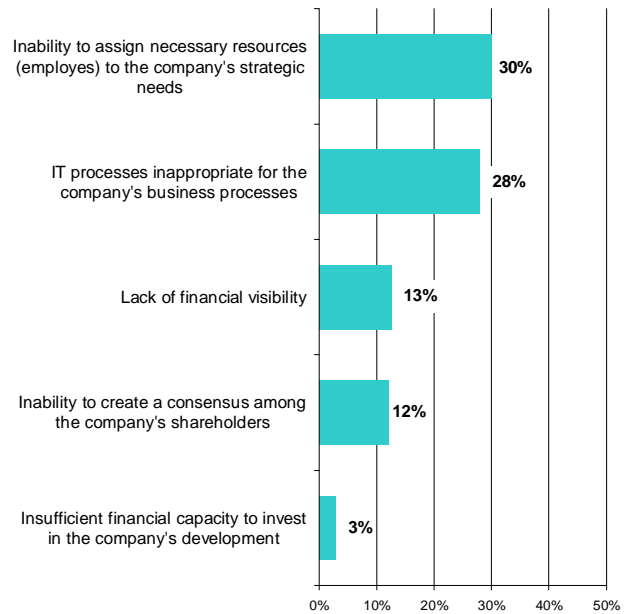
**FIGURE 5**

The priorities of European firms in 2007

**Question:** What are your company's imperatives for the next 12 to 18 months?



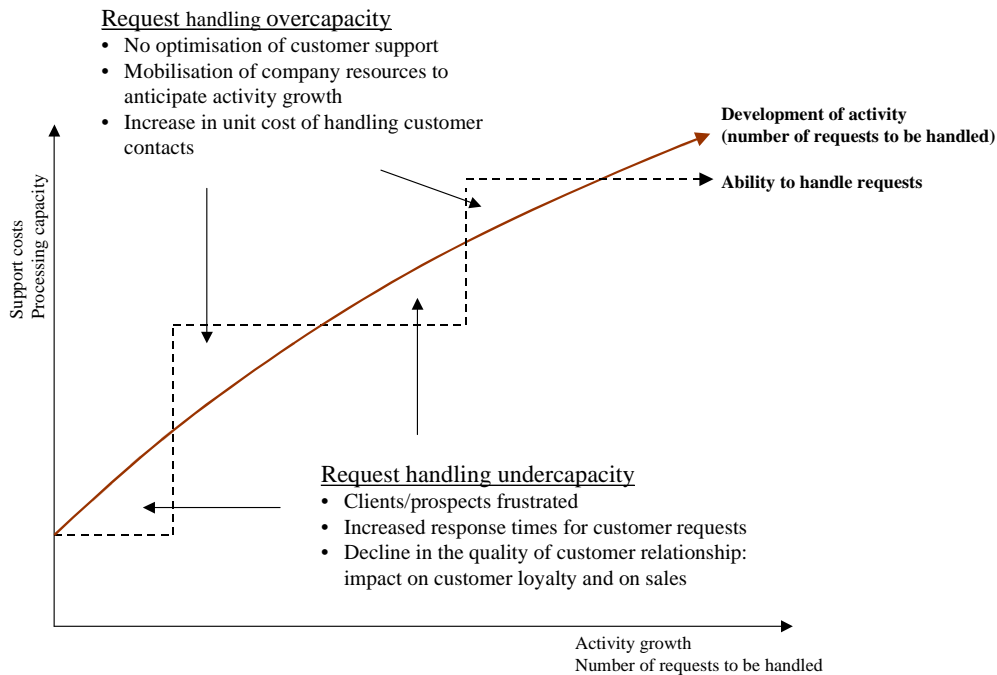
**Question:** What are the three main challenges which will influence your ability to implement your corporate strategy?



Source: IDC, survey conducted in June 2006 of 100 European firms

**FIGURE 6**

The balance of the customer relationship remains to be defined



Source: IDC, 2007

This paradoxical situation is often difficult to deal with for those responsible for the customer relationship, since they have to improve customer satisfaction while their budget does not grow, rather the contrary. They have a significant problem (30% of firms questioned, Figure 5): to precisely and dynamically adjust internal resources responsible for customer support (agents) with the firm's real needs. Figure 6 summarises all the complexity firms face in finding this balance that would allow them to optimise assigning resources depending on the workload — a difficulty that is all the greater since this balance is unstable, as the firm's communication cycles change with its customers and prospects (promotions, sales periods, holiday periods).

### ***Web Self-Service, an answer to the need to rationalise costs in the customer relationship***

The paths explored by firms are often based on outsourcing customer support to specialised contact centres, most of which are located off shore in countries having low labour costs (Morocco, India, Tunisia, Bulgaria, etc.). This is an appropriate solution in some cases, but it always generates many hidden costs for management and in overseeing the outsourced operations. Indeed, given the strategic nature of a direct relationship that the service provider can have with the firm's customers (wait times, quality of reception, ability to meet customer expectations, monitoring the customer relationship), it is obviously necessary to establish processes to check the quality of the services proposed by the provider.

Firms are now exploring other, complementary, means to improve customer satisfaction while cutting the operating costs they support.

- Implementing tools which can monitor and automate the relations the firm maintains with its customers via e-mails
- Having customers updating their own data, directly on Internet
- Proposing customer support solutions on the web site in order to avoid systematic use of telephone support and to reduce the flow of e-mails
- Automating the customer interaction process by deploying a knowledge base that can automatically provide answers to customers' frequently asked questions

**Web Self-Service** uses these various elements and structures them around a fundamental principle: letting customers/prospects control their relationship with the firm by offering them access to all the information they may need in an intuitive and structured way on the firm's web site. This principle appears simple but requires a suitable approach (structured knowledge base) and tools (management and monitoring solution).

The financial benefits of a Web Self-Service approach are based on reducing the volume of queries made by visitors, whether by e-mail or by telephone. In other words, the availability of clear, precise and structured information directly on the Web avoids that visitors systematically contact after-sales support agents. The financial

gains of such an initiative can be substantial. The experiences of certain American firms having used a Web Self-Service solution provide proof.

- ☒ For example, **a major American firm (\$2.138 billion in sales in 2005)** providing electricity (7<sup>th</sup> on the American market) and gas distribution (10<sup>th</sup> on the American market) estimates that it saved an annual \$1.3 million in 2005 thanks to all the phone calls it avoided since using Web Self-Service.
- ☒ **A major product and service company providing energy for households, businesses, industry and municipalities (USA)** estimates that the cost of customer contact falls from \$5.50 when the relationship is by telephone, to \$0.24 when the relationship is provided by Web Self-Service. That's a non-negligible savings of \$5.26 for every phone call avoided.
- ☒ **A third example of an American cooperative also specialising in energy distribution:** the creation of Self Service accessible on its web site reduced the number of telephone queries by 15%. Customers can now find some information directly on the cooperative's web site, without having to call the phone centre.

#### ***From optimising user satisfaction to improving customer knowledge***

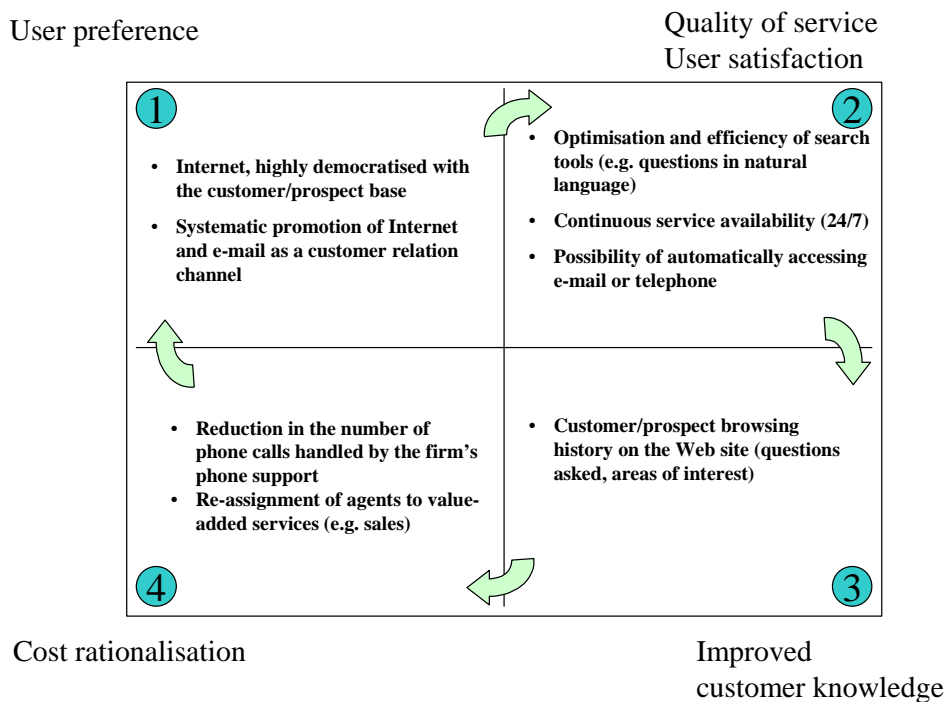
Obviously, cost rationalisation is an important element when firms decide to set up a Web Self-Service. But costs cannot be reduced or controlled to the detriment of service quality — on the contrary. According to IDC, **the true proposed value of a Web Self-Service solution is to improve the level of service provided to customers or prospects, while cutting the costs** linked to handling relations with them. Figure 7 summarises the benefits that firms can draw from implementing a Web Self-Service solution.

- ☒ **The first of these is based on the fact that this service meets a real user demand:** the high democratisation of Internet — as a channel for the purchase of goods and services, a channel for accessing information, or as a channel for exchanging information — has fundamentally changed the consumption habits of the general public. **The immediate availability of services and information has become a major differentiating element.**
  - ☐ In other words, the firm's ability to provide services available at all times — outside business hours, on weekends and holidays — optimises customers and prospects satisfaction.
- ☒ **Another major factor is the improvement of customer knowledge through better management of the history of the firm's relationships** with its customers and prospects.
  - ☐ User browsing among the various items proposed by the Web Self-Service is an opportunity for the firm to **identify the main problems which customers face** (need for technical information, lack of clarity of certain processes). Browsing information is stored in a log that gives the firm an overview of customers' expectations.

- ❑ The firm can also obtain an individualised view of the needs expressed by each customer, immensely improving customer knowledge and allowing the implementation of personalised marketing actions. **Mass personalisation is on the move.**
  
- ❑ **Customer knowledge can be refined even further by combining a Web Self-Service solution with an electronic message management solution** which lets the firm follow over time all exchanges between the contact centre and the customer, whether through an electronic form available directly on the firm's web site, or more simply by e-mail.

**FIGURE 7**

The benefits of Web Self-Service



Source: IDC, 2007

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## **Combining incoming e-mail management and Web Self-Service to rationalise costs without altering the quality of customer service**

### ***Customer service and support must no longer be "solely" a cost centre***

To be effective, a Web Self-Service solution must solve the paradox mentioned earlier: to rationalise the cost of the customer relationship without altering its quality. According to IDC, service quality is at the heart of the issue.

☒ The combination of an e-mail management strategy and the implementation of Web Self-Service lets agents gain productivity while rationalising the number of interactions needed to answer customers' and prospects' questions.

☐ **Reducing the number of customers' questions:** by providing a structured knowledge base that is accessible in an intuitive manner, the number of questions (by telephone or e-mail) for the contact centre can be reduced.

☐ **Incoming e-mail management is a factor that improves agent productivity.** Through an automated solution, they can clearly identify customer questions and the history of the relationship with them. They can provide a suitable answer within the established time frame, and monitor the relationship with the customer over time.

☒ The quality of the customer relationship is at the heart of the issue, it influences the firm's ability to attract new customers and to keep those it already has. The combination of Web Self-Service and e-mail management helps improve the firm's relationship with its customers.

☐ **The Web Self-Service solution helps initiate the firm's relationship with customers.** Users who do not find an answer to their question on the firm's site can contact an agent at any time, using **an electronic form or an e-mail address available on the firm's Web pages.**

The e-mail management solution then takes over: it identifies and follows the history of all interactions between the agents and customers. Each customer can then consult the history of questions asked (and answers given) as well as the advancement of the questions in progress, from his or her personal environment available on the firm's site.

☐ **Customers are no longer dependent on a single agent because the relationship is shared by all agents.** The formalisation of knowledge bases — used in Self-Service items, and as a model for answering electronic messages — provides uniform content for answers to customers and harmonises their quality.

## **MisterGooddeal.com**

*Created in 2000, MisterGooddeal.com (a subsidiary of Groupe M6) is one of the biggest French Internet sales firm, specialized in finding the good deal. It has 240 employees, and sales of about €100 million in 2006.*

**Concern:** *How to reduce customer/prospect relations management costs while improving efficiency?*

- MisterGooddeal.com's activity has seen strong growth: sales rose by close to 50% between 2005 and 2006. This dynamic has had a direct impact on the customer contact centre which has had to hire agents every year (+20% in 2006) in order to handle customer queries. The contact centre is composed of 50 people, of which 25 are responsible for after-sales service (18 people in full-time equivalent).
- At the same time, in order to remain competitive, MisterGooddeal.com has to constantly improve the quality of service the contact centre provides, through its ability to quickly and precisely answer the questions customers ask.

In 2005, the contact centre handled an average of 500 e-mails every day. The response time was between 24 and 48 hours, depending on the type and volume of queries. At the time, the contact centre agents used a "simple" electronic messaging solution that did not allow them to follow the history of their relationship with customers, or to create statistics to improve their knowledge of their customer base.

**Solution:** *MisterGooddeal.com implements an EPTICA e-mail management solution (May 2005), completed in November 2006 by a Web Self-Service solution*

**Feedback:** *Improved agent productivity and improved quality of service to customers and prospects*

- **e-mail management:** the implementation of a structured incoming e-mail management solution radically changed relations between the MisterGooddeal.com contact centre and customers.

Response times are now under control, within 4 hours for simple problems (such as order taking) and within 10 hours for the most complex queries. In January 2007, 80% of queries were handled in within 10 hours, a much more reasonable time than the previous 24 to 48 hours.

Productivity gains have made it possible to stabilise the number of agents (4 to 5 agents in full-time equivalents) to handle an increasing volume of customer queries. Thus, MisterGooddeal.com can deal with its strong growth and continue its activity without having to constantly hire new agents for its contact centre.

- **Web Self-Service:** The second stage was to put in place a solution allowing customers to find the answer to their queries on their own without having to systematically ask the contact centre. This was a structuring initiative for MisterGooddeal.com because it required the creation of a detailed knowledge base upstream. Users have a personal space containing the history of their relationship with MisterGooddeal.com and answers to their questions. In this space, they can make queries via a pre-loaded electronic form that is sent to the contact centre.

Despite the strong and continuous growth in sales, the number of queries by e-mail has fallen by 30% since the implementation of the Web Self-Service solution. **The rate of e-mail contacts (percentage of sales which involved a customer query by e-mail) has fallen from 25% to 17%.**

### ***Knowledge of customer problems, a factor for improving the firm's processes***

The combination of Web Self-Service and an e-mail management solution helps to improve customer knowledge. The browsing history in the Self Service items, and customer queries via e-mail or via an electronic form help to identify the problems customers and prospects face.

Analysing browsing statistics and the frequency of questions on the same topic are significant indicators, which the firm must take into account in order to improve its service to its customers. They can be used to revamp certain processes considered to be unsuitable (e.g. logistical processes, sales processes, technical support).

- ☒ This was the case at MisterGooddeal.com: the high number of questions on parcel pickup processes — a full 25% of all queries — led MisterGooddeal.com to change its processes. Customers will soon no longer have to make an appointment with the contact centre to pick up their parcels.

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#### **Chamber of Commerce and Industry of Paris (CCIP)**

*Serving 310 000 firms in Paris, and the Hauts-de-Seine, Seine-Saint-Denis and Val-de-Marne districts, the Chamber of Commerce and Industry of Paris (CCIP) is a public organisation run by 80 elected business leaders from all corporate sectors. It operates in many areas touching on economic development and corporate life.*

#### **Concerns: Improving the quality of service to clients**

- Before implementing a client contact centre dedicated to CCIP's relations with its clients in January 2007, the telephone switchboard handled 1 000 requests every day which were then directed to the "appropriate" office.
- The diversity and the sheer number of services proposed by the CCIP (training and education, support to firms, international development, company creation, etc.) made this exercise very difficult: orienting clients to the right contact was becoming guesswork, thus reducing the quality of service and the level of client satisfaction.

**Solution:**                    **In January 2007, the CCIP deployed the EPTICA e-mail management and Web Self-Service solutions**

**CCIP Feedback:**        ***Formalising a knowledge base to provide optimal quality of service, regardless of the contact***

- The CCIP decided to structure its client approach by opening its client contact centre on 9 January 2007. The client contact centre is composed of 20 agents "responsible for the client

relationship" (32 possible positions) who have received specific training in the CCIP's various areas of competence, so they are able to identify the type of queries. They respond to queries by phone or e-mail.

- One of the essential stages of the project was the formalisation of a knowledge base using the EPTICA solution and containing 1,200 records, which lists the main answers which can be provided by the agents. These records cannot be consulted directly by clients, but allow agents to answer client questions precisely by phone or e-mail.
- If necessary, the contact centre agents (level 1) can pass a client's query up to business experts (level 2) via an electronic form using the EPTICA e-mail management solution. The experts can then contact the client by e-mail or phone. The interest of this type of solution is that it offers a precise and complete history of all relations via e-mail between the agents, the experts and the clients. This enables a better relationship with the clients. Visitors to the CCIP web site can also send in their query directly by e-mail using a form available on the site. The CCIP now handles a daily volume of queries of about 50 e-mails.
- The combination of e-mail management and the Web Self-Service solution lets the CCIP improve the quality of service for its clients: today, 60% to 70% of client queries are immediately handled at level 1 (by the client contact centre) without the need to ask any expert. The same knowledge base is used to answer queries by telephone and e-mail. Consequently, the quality of responses to clients is now homogenous, regardless the agent or the channel used.

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## **Conclusions**

Cost rationalisation is at the heart of firms' concerns. However, it must not decrease the quality of service for customers, since this counterproductive effect would irremediably weigh on the firm's ability to remain competitive. The whole problem relies on identifying the methods, processes, organisations and tools that help to solve this paradox.

The combination of Web Self-Service and e-mail management is one link in the chain. The implementation of such a solution must be examined in a broader framework in which the firm considers its customer relationship processes (identification, improving knowledge, satisfaction, customer loyalty). This structuring reflection will help the firm to formalise a detailed knowledge base, which is a factor for improving the firm's efficiency and user satisfaction, whether inside or outside the firm.

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