

The following article, from a past issue of *Customer Service Newsletter*, examines potential cost savings resulting from Web-based customer self-service, as well as critical issues to consider.

— **Editor**
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The authority
on managing
the customer
contact center

Customer Service

NEWSLETTER

Web self-service improves support, cuts costs

Here's a win-win situation: customer self-service on the Web. If you haven't considered it, here are some statistics.

1. According to the Giga Information Group, delivering an answer to a customer inquiry by a live Web interaction costs, on average, 50 percent less than the cost of a phone call. Email is even less at only 30 percent of the cost, and self-service can deliver answers at 10 percent or less.

2. A recent paper published by Gartner says that 15 to 40 percent of call volume will move to the Internet as consistent, less-complex problems are solved by self-service at the company's website.

3. Tom Tobin, senior business analyst with ServiceWare's Decision Integrity Team, says that in the coming 18 to 24 months, Web-based customer service and support will represent almost 60 percent of all communication a customer has with an organization.

The key to customer self-service, Tobin says, is to move mundane questions to the Web. In essence, customer service self-help is a call avoidance issue. "Do you really need a live agent available to answer questions such as, 'What are your hours of operation?'"

Keeping live agents available to answer more complex questions will help keep your customer service center support costs down as well, he says.

A typical scenario

Tobin suggests customer service managers look at a hypothetical example to get a feel for the magnitude of the types of savings that can be obtained by self-service call avoidance on the Web. In looking at Figure A, the following assumptions are made:

1. Assume that due to the nature of your business

you can only offset 10 percent of your monthly call and email volumes to self-service.

2. Assume that 10 percent of your customer base is willing and able to use your Web-based self-service.

In the Figure A example, the hypothetical customer service center can recognize \$74,000 in savings per month by diverting just 10 percent of its monthly call and email volume to online self-service.

Can small companies benefit, too?

Tobin says all companies, regardless of size, can reap significant benefits for a self-service implementation, especially small companies that only have limited

Figure A. Example of potential savings from self-service.

Cost/call			\$15
Cost/email			\$5
Cost/online query			\$1
Current scenario:			
Monthly contacts:			
Calls	50,000	\$15	\$750,000
Emails	10,000	\$5	\$50,000
Monthly contact support cost			\$800,000
Self-service scenario: 10% call avoidance			
Monthly contacts:			
Calls	45,000	\$15	\$675,000
Emails	9,000	\$5	\$45,000
Online self-service	6,000	\$1	\$6,000
Monthly contact support cost			\$726,000
Monthly savings from self-service			\$74,000

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resources to address customer service and support.

“Online self-service,” he says, “will enable live agents to work on more detailed issues that will give them the opportunity to cross-sell and up-sell customers. This will increase the revenue per call and company profitability.”

Critical issues

Mitchell Nitzan, director of product marketing at ServiceWare, suggests cost savings won't be realized unless you:

1. Make sure you offer your customers the channels they want to use to contact you.
2. Understand what customer service and support applications are currently in place for integration.
3. Allow for escalation to a live agent at any time during a self-service session.
4. Are absolutely sure that the CSRs currently in place will now be able to provide superior service and support to your high-value customers for the more complex issues that they will now have to address. ■

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