

# **Kindness Is The Killer App of CRM**

By Chuck Sykes

Is there anything you won't do for your customers?

Certainly there is. The low cost air carrier, Southwest Airlines, for example, won't feed you or offer reserved seating, but at the same time they have the airline industry's best cumulative customer satisfaction record.

What are they doing right? They manage their customers' expectations and then provide fast, friendly service – all at low cost. Sounds real basic doesn't it? It seems refreshing to me that in these times when many think you need an acronym to describe customer service, one never enters Southwest's lexicon to get in the way of understanding. We could invent one: F<sup>2</sup>S (Fast, Friendly, Service). The best thing is that everyone would know what fast, friendly service means.

In all seriousness our Industry has an acronym that everyone has a definition of and yet, no one can agree on what it is, or how to successfully make it work. It's CRM (Customer Relationship Management). CRM also has a reputation of high costs.

No matter the definition, what CRM is not, is a magic bullet that takes the place of fast, friendly, effective service. Self-help solutions, what some people categorize as CRM, can be useful, but can they really create a positive relationship between the customer and the product?

At best, self-help solutions keep support costs low because your customers are helping themselves. Their effort probably engenders little loyalty toward your product – just self-confidence that they “did it”. It is also likely they will fail at helping themselves and get really upset with the product and your brand.

Other CRM solutions send automated responses using sophisticated (read expensive) technology that categorizes the customers' needs and then sends likely answers mined from a knowledge base. No humans required. These solutions can be valuable in high-volume, low complexity situations.

Businesses that opt for the niche solutions that place an emphasis on technology in place of human interaction take a chance if industry research is correct. Gartner estimates that 60 percent of all CRM implementations fail. This puts the blame on the people who integrated the software. But consider this as well, Gartner predicts that in the next few years only a hand full of the dozens of CRM software vendors will be around.

Building a strong, long-lasting relationship with your customer doesn't have to be expensive, or complicated, it just needs to be done right by people who make it their business to understand and use the best technology and train their staff to delight your customers.

To get customer service done right, there are five things your support solution needs to do:

1. Understand your customers' needs and retain them in a knowledge base
2. Develop a way to maintain their satisfaction by meeting those needs
3. Watch your costs in satisfying those needs – you don't want to go out of business leaving behind a roster of formerly happy customers
4. Ensure that your support staff is accessible and empathetic
5. Listen to your customers' concerns and opinions, as they can help you win more business

What application can do all this? We can predict with confidence that when it comes to customer satisfaction, no one has created a CRM application that can replace a highly trained, technology-enabled person.

If fast, friendly, effective service is the solution, the only question that remains is how do you deploy a high tech, high touch live-staffed solution that can respond to your customer needs for the lowest possible costs?

A Gartner study on contact center self-service costs versus live calls, shows that the cost of answering e-mail can vary widely, from \$2.50 per transaction to more than \$40 per transaction. The report advises firms to estimate costs for answering e-mail between \$5 and \$10 per transaction. Chat sessions run about \$7 per transaction. In contrast, live service by phone averages \$5.50 per call, and costs per call range from \$2 to \$12.

We know that e-mail is a great way to lower costs, but not when multiple e-mails are involved – then voice is often the lower cost. We also know how to drive cost down even further by outsourcing to offshore locations such as the Philippines and Central America where our experience is with a highly educated, English speaking work force.

Jupiter reports that outsourcing customer service operations to offshore contact centers will save companies up to 30 percent over the costs of handling the functions in-house. Additionally, their research estimates that companies with large contact center operations (200 seats or more) will save almost \$4 million annually by outsourcing to contact centers located abroad. Their research also estimates that contact centers handling 300,000 inbound calls a month will save \$2 million by outsourcing their support operations to a domestic provider.

We know there are many solid products emerging in the market that offer part of the customer service solution. The focus remains on getting the basics right the first time. Ask yourself, is your customer going to get fast, friendly, effective service? And remember, customers place no value in the fact that you are using the hottest CRM app, they just want their needs met.

Chuck Sykes is Senior Vice President and General Manager, Americas for Sykes Enterprises, Incorporated. He can be contacted at [corporate@sykes.com](mailto:corporate@sykes.com).