

## CUSTOMER SERVICE-THE FUTURE

### **A note from publishers**

We are glad to inform you that Inza CRMTech Ltd has taken over publishing the India CRM Newsletter.

Inza has been started to provide end to end CRM solutions.

In case you would like to receive this Newsletter by e-mail, please send a mail to [inzacrmtech@email.com](mailto:inzacrmtech@email.com).

Publisher

### **Think About it**

Do you know! 50% of satisfied customers are likely to buy from your competitors.

Would you prefer a loyal and happy customer or a satisfied customer.

Companies the world over are getting out of the obsession with cost cutting, re-engineering, ERP etc. (internal focus) and focussing on customers' (external focus). Meanwhile competition has increased and customers have become more smarter and demanding. Where does all this lead to? Customer service! In this issue we focus on the evolving trends with regard to customer service.

#### **1. Call Centres are passe, Customer Interaction Centres are the future:**

A typical call centre operation was to take care of customer service. Today to make effective use of resources, the call centres have to be transformed to interaction centres. The major difference being the transition from a cost centre to a revenue centre. The interaction centres will have to be multifunction, multimedia capable. With the latest technology the interaction centres can cross sell and up sell many other products and services and become relationship building centres.

Fortunately in India we can start without the past baggage of call centres which is a major problem in the developed countries. A beginning has been made by a few companies in India. This trend is likely to gather momentum in the next 12 to 18 months.

#### **2. Segmentation of customer based on profitability:**

Life time value and profitability of customers will be the buzz words. To, optimize ROI on customer investments, customers will have to be segmented based on profitability and offerings will have to be tailored for each segment. Though it sounds simple, Gartner group predicts that only about 15% of companies will be successful in this effort.

#### **3. Top Management driven:**

True customer service will happen only if top management owns and drives the programme. In the west, companies have failed to realise the benefits of CRM after spending millions of dollars due to low involvement of top management and a technology approach. CRM is about "ATTITUDE" and not technology. To foster right attitude, right culture, right policies, and right processes are required. This can only happen if it is driven by the top people.

#### **4. Personalised service:**

Customers have always wanted personal touch, more so in this technology era. Don't entrust relationship building to dumb terminals. It can happen only if companies invest in smart, caring staff.

#### **5. Complex technologies:**

Technology is becoming more and more complex. The total cost of CRM project may range from US \$ 5 million to US \$50 million. Technology to enhance customer service is important and necessary. However investments should be done judiciously, particularly because customer service technology is still evolving. In India where customer service is still primitive, realigning strategy, structure, people and business processes with reasonable investments in technology can still produce good results.

#### **6. Data Integration:**

Customer data from all sources needs to be integrated and made accessible to all employees, who have to interface with customers. This will enable data mining for intelligent use of data to build relationships, improve life time value and profitability of customers.

#### **7. Increasing use of web:**

The web will play an increasingly important role. Many companies are rushing to invest in web based customer services because it is cheaper. It is the right trend but the wrong reason. Companies need to build web based customer service solutions, because some customers will prefer to interact that way. The choice to use the mode of interaction will have to be given to customers. This is particularly true in India where the Internet usage is still low at one million subscribers. Hence the web has to be integrated with other modes like telephony etc.

#### **8. Customer Metrics:**

Start building customer loyalty measurement parameters to track progress and reward employees. Tools like Balanced Score Card, which facilitate measurement of customer parameters are becoming popular for evaluating employee and performance. About 25% of Fortune 500 companies use the Balanced Score Card and this is expected to go upto 60%.

**Act now, before it is too late.**