How Hi-Tech Companies Can Optimize Product Support to Enhance Customer Satisfaction and Increase Revenue

Providing a consistently superior customer experience throughout the product lifecycle to improve customer loyalty and increase revenue is critical for manufacturers and retailers of hi-tech products. Despite an increased focus on improving operations and enhancing customer satisfaction, these enterprises continue to struggle with product support challenges. These challenges include low first call resolution rates, high support costs, fragmented processes, and lack of staffing flexibility. This white paper summarizes some of the recommended best practices that can help enhance product support operations.

Product support challenges that hi-tech organizations face

In the area of pre-sales and post-sales product and service support, business-to-consumer (B2C) high-technology companies seek to accelerate issue resolution, increase customer satisfaction, attain staffing flexibility, provide location-based services, and reduce support costs:

- Improving customer satisfaction enhances customer retention and increases the lifetime value of the customer relationship. In the realm of product support, customer satisfaction is usually a function of the effectiveness of query/issue resolution.
- Staffing flexibility is also a key issue for high-tech enterprises. The seasonality of revenues and need to ramp up and ramp down resources during frequent new product launches, product recalls, and other special events poses staffing complexities for these organizations.
- Organizations need manageability – the ability to easily reconfigure and customize applications – in anticipation of new product/new feature launches. With regard to security, organizations need to prevent intrusions that could compromise data and violate privacy regulations.
- On average, post-sales support for high-tech products costs approximately 6-9% of revenues, according to the Association of Support Professionals. This is true for software and hardware vendors, as well as technology retailers.

Key trends in product support

Shift from reactive to proactive support

In addition to these challenges, high-tech organizations are revamping the ways they provide product and service support. Hence, they need product support approaches and tools that support these processes. For example, rather than only employing reactive resolution through inbound calls, forward-thinking organizations now seek to initiate proactive relationship-based outbound calls. This requires leveraging analytics to gain insights into customer behavior and designing outreach programs to address inactive customers.
Enabling the contact center agent for smart selling

Another trend is a shift from cold calling to consultative selling through cross-selling strategies. This requires the design and execution of a cross-selling strategy aided with tools that offer real-time guidance to agents.

Leveraging web 2.0 in social customer service

The media that customers use to contact product support organizations is also changing. In addition to inbound contacts, providers are now initiating product support interactions via proactive chat, click-to-talk, SMS, web-based, and social media. To accommodate this shift, organizations need to establish multichannel contact centers and develop new channels, including online communities and social media. According to CallCentreHelper.com, this increased customer comfort level with various media will accelerate the transition to automated responses to customer inquiries, as well as use of intelligent search technology and natural language recognition for online inquiries. “Social customer service” in which customers answer their own questions is also becoming more prevalent; customers access growing libraries of answers and resolutions in ways similar to how software developers today share information in online communities.

Eliminating silos in the end-to-end customer service process

Traditionally the customer contact and service fulfillment process has operated in silos, causing poor linkages and hence longer end-to-end turnaround time and poor customer satisfaction. Leading product support organizations are also increasingly realizing the need for standardization of warranty and spare parts management processes. This involves incorporating warranty and spare parts management into a wider product support offering. Customer service management professionals will continue striving to break down communication silos within and outside of the customer service function and to standardize the resolution process and customer service experience across these communication channels.

Shift from cost center to profit center

While many organizations still focus on reducing support costs (e.g., “pay for effort” models), some organizations are now leveraging customer support to increase profit via “pay for results” models. The latter impact the top line through enhanced customer retention and cross selling/upselling.

Solving the product support challenge

The following best practices can enhance the product support function (see Figure 1):

- **Self-help tools** and resolution of non-critical issues for customers through lower cost channels such as web and social media
- Continuous refinement and updating of a knowledge base to enable quick resolution of issues through self-help and assisted support
- **Integrating technical support with service fulfillment** by including warranty management, scheduling and management of field/depot service, as well as enablement of spare parts dispatch, triaging, and back order management

Figure 1. Activities in Product Support

<table>
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<tr>
<th>Self-Help Tools</th>
<th>Assisted Support</th>
<th>Cross-sell and Up-sell</th>
<th>Integrated Technical Support and Service Fulfillment</th>
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<td><strong>Pre-Sales queries</strong></td>
<td><strong>L1 Support</strong></td>
<td><strong>Run campaigns to cross-sell and up-sell complementary products and services</strong></td>
<td><strong>Warranty Management</strong></td>
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<tr>
<td>Answer pre-sales queries using multiple channels (web 2.0 forum, phone, chat, e-mail etc.)</td>
<td></td>
<td>• Warranty entitlement checks</td>
<td>• Warranty processing triage, i.e. send product into the warranty process</td>
</tr>
<tr>
<td><strong>Post-Sales: Issue resolution</strong></td>
<td><strong>L2 Support (Post-Sales only)</strong></td>
<td></td>
<td>• Warranty processing triage, i.e. send product into the warranty process</td>
</tr>
<tr>
<td>Answer post-sales queries using multiple channels (web 2.0 forum, phone, chat, e-mail etc.) and recommend fixes from knowledge base or escalate to L2 Support</td>
<td>• Leverage skilled staff and knowledge mgmt system to answer complex, technical post-sales queries, perform troubleshooting etc.</td>
<td>• Determine need for a field/depot service</td>
<td>• Schedule and manage the field/depot service</td>
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<td></td>
<td></td>
<td>• Manage debrief from service and escalate if the problem is not resolved</td>
<td>• Manage back orders for spare parts, i.e. parts replenishment</td>
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<tr>
<td><strong>Technology to setup, host and run the Web 2.0 Forum</strong></td>
<td></td>
<td></td>
<td>• Enablement of spare parts triaging, i.e. movement of spare parts across warehouses</td>
</tr>
<tr>
<td><strong>Populate answers to common queries (self-help) in Web 2.0 Forum</strong></td>
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Analytics

- Root cause analysis of underperformance, monitor and understand customers’ product usage and update of knowledge base
- Customer behavioral analysis, loyalty, lifetime value analysis, web and social media analytics

• Leveraging advanced analytical models to cross-sell and up-sell complementary products and services

Examination of each of these best practices in more detail provides insights into optimal product support.

Maximizing usage self-help tools

As teams dedicated to phone conversations increase the cost to serve, automation is no longer a choice but a standard. Today’s customer is increasingly comfortable with immediate access to self-help tools delivered through electronic channels such as web, mobile, and social media rather than waiting to speak to an agent. Migrating many inbound customer calls to a self-service web 2.0 forum, for example, provides a cost-effective channel for resolving pre-sales and minor post-sales issues quickly, thus reducing support costs. Analytics on forum usage can help improve understanding of product usage and pain points, determine the causes of product underperformance, and identify new cases for product usage and customer behavior.

One recommended step is to populate a web 2.0 forum with answers to common customer issues, tips, and tricks in a self-help section. If there is an existing forum, it should be assessed in terms of its capabilities in tracking/monitoring, prioritization of issues, solution fit, technical expertise, and measurement of service performance. The forum can then be continuously improved using web analytics to increase usage of the self-help functionality. In order to harness the true value of web 2.0 forums, organizations should listen across social media, focusing on the organization’s key areas of concern.

Social media analytics should be used in the following ways:

• Moderation of the content in the forums by using text analytics to flag abuse, spam, and derogatory contents
• Identification of the most qualified customers/expert users who can provide credible solutions of the issues to other users
• Identification of the key influencers based on their social media clout who can then be provided with differentiated levels of service
• Negative alerts identified through sentiment analytics on conversations to take proactive action
• Determination of pain areas related to customer service for subsequent improvement

• Identification of the most important feature attributes for meeting and exceeding customer expectations
• Competition benchmarking to identify ideas to enhance the end-customer experience

Measurement systems must be used to monitor the quality of customer support services using metrics such as number of queries/complaints per customer per year, average turnaround time for a query/complaint, number of repeat queries/complaints, and number of escalations per customer per year. Human analysis and tools should be coordinated in this phase to ensure accurate understanding and reporting of media content and context. To learn more about channel-agnostic customer service platforms, refer to the Genpact white paper on this topic.

Improving assisted support

As customers seek greater alignment of service, sales, marketing, and brand so they can interact with a company in an unfragmented manner, the performance measures of the contact center agent needs to go beyond average handle time (AHT) and utilization. L1 and L2 support practices such as effective knowledge management systems, use of analytics, and workforce management can reduce AHT, improve first call resolution (FCR), and enhance customer satisfaction (CSAT). Use of Lean Six Sigma principles can help to determine the root causes of product underperformance and focus on incident elimination to help reduce the number of calls. In order to attain a defined target state, a continuous improvement roadmap should be defined. This roadmap begins with base-lining the current process parameters and benchmarking with the best-in-class to identify improvement areas. A plan needs to be put in place to remediate the current gaps and implement improvements. The roadmap for improvement of the L1 and L2 support process flows from process management to continuous improvement, process entitlement, and ultimately to best-in-class service.

In order to ensure availability of resources in a flexible, scalable manner across the support lifecycle, a systematic process of forecasting, planning, short-term scheduling, real-time service management, and reporting needs to be followed continually. Trend analytics play a pivotal role in forecasting the volume accurately to ensure adequate provision of resources.
Analytics play a vital role in managing and improving the process in the following ways:

- Analytics drive continuous technology improvements (e.g., in interactive voice response, self-help usage etc.)
- Analytics contribute to end customer satisfaction via actionable feedback and recommendations to agent training and performance measurement
- Analytics are a key part of a continuous process of measurement and improvement through tracking key performance indicators at a granular level and publishing relevant insights on a near real-time basis
- Analytics, in the form of developing multisource customer profiles, help customize service delivery based on individual risk scoring, loyalty, and customer lifetime value analysis
- Analytics help drive product improvement and elimination of defects by providing inputs to the product engineering teams based on root cause analysis of frequently occurring issues

Integrating technical support and service fulfillment

To provide rapid service decision making and close the loop on customer repair requests, the process should include:

- Warranty management
- Field/depot support
- Spare parts management

Case Study

Genpact analyzed the correlation between customer satisfaction scores and variables such as handling time, hold time, query type, day of the week, and nature of the query. Genpact observed that customer satisfaction trends up as handling time on specific query types increases. By scientifically realigning handling time targets to customer service agents, Genpact achieved a 4% improvement in customer satisfaction scores.

Effective warranty entitlement checks and warranty processing triage can reduce warranty processing costs and reduce the percentage of erroneous claims accepted. Key performance measures that can be improved include number of warranty claims per customer per year, percent of warranty claims accepted per customer per year, and average processing time for warranty claim per customer.

With regard to field/depot support, methodologies are needed for determining the need for field/depot service, scheduling and managing this service, and managing the debriefing of service personnel and escalation if the problem remains unresolved. Successful implementation can provide rapid response to customer complaints through optimal service scheduling, thus enhancing customer satisfaction.

To provide accurate and timely dispatch of parts and reduce fulfillment time for spare parts, effective spare parts management should consist of enabling spare parts triaging and dispatch, as well as managing back orders for spare parts. Effective spare parts management also includes establishing and maintaining a knowledge base of common product failures, customer complaints, and products by customer, as well as using analytical capabilities to help determine the quantity and timing of spare parts replenishment. This enables organizations to improve service levels, reduce response time in spare parts fulfillment, improve the accuracy of inventory records, and optimize the cost of spare parts inventory. Key performance measures can include average processing time for parts order and percent incidence of failure in parts triaging.

Cross-selling and up-selling

The goal of designing and conducting cross-selling and up-selling campaigns is to improve sales of complementary...
products and assess demand for upcoming features/products. Instead of launching a cross-sell or up-sell campaign using a list of contacts, a critical step is to first identify the target customer and value proposition for each new feature or new product. The overall approach includes:

- Developing detailed **customer profiles** using multiple sources like social media attributes, demographic data, product purchase history, incident history, and segment history
- Developing the **solution concept** (value proposition)
- Defining the product’s **unique strengths** to map to appropriate customer segments

Implementation of these approaches can grow sales of additional features and new products to the existing customer base and quantify the value (e.g., annual profit, lifetime value) of each customer based on their response to campaigns. Key performance measures can include number of cross-sell and up-sell campaigns executed per customer, average planning and execution time per campaign, and uptake rate by cross-sell and up-sell campaign.

**Conclusions**

As the customer experience becomes core to the business goals and strategy of manufacturers and retailers of hi-tech products, product support organizations need to assess if they are delivering the quality of service needed to retain customers. Integrating and implementing the best practices described in this paper can **reduce support costs by 5-8% annually**. For example, use of best practices when implementing a self-help forum can reduce the number of customer inquiries, the number of full-time equivalent (FTE) staff, and operating costs. Moreover, implementing all of the practices discussed in this paper end-to-end can lead to a multiplying effect on the overall benefits. For example, enhanced L1 and L2 support can reduce the number of queries, which can lead to more efficient and effective issue resolution and warranty entitlement checks. This in turn enhances customer satisfaction. Implementing these practices in this way can **increase customer satisfaction by 5-15%**.

Genpact works with many enterprises worldwide to enhance their product support organization’s efficiency and effectiveness. Genpact’s proprietary methodology brings science to the management of business processes and helps make the product support function more “intelligent.” Contact Genpact specialists to identify ways to make product support operations “best in class.”

### Case Study

*By applying several of the best practices described in this paper, Genpact helped a global manufacturer of printers and other imaging solutions to increase customer satisfaction by 8%, which contributed to a USD 15 million increase in revenue in less than six months.*
About Genpact

Genpact Limited (NYSE: G), a global leader in business process management and technology services, leverages the power of smarter processes, smarter analytics and smarter technology to help its clients drive intelligence across the enterprise. Genpact’s Smart Enterprise Processes (SEP™) framework, its unique science of process combined with deep domain expertise in multiple industry verticals, leads to superior business outcomes. Genpact’s Smart Decision Services deliver valuable business insights to its clients through targeted analytics, reengineering expertise, and advanced risk management. Making technology more intelligent by embedding it with process and data insights, Genpact also offers a wide variety of technology solutions for better business outcomes.

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