



## **NetCommerce Magazine: Customer Service Roundtable with Robert Parker**

By Andy Cohen  
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### **ROUNDTABLE**

The following individuals participated in a roundtable discussion on customer service with Publisher Andy Cohen:

**Chet Bedell, CEO of PipeLive, An Interworks Company**

**Craig Ellins, Chairman of helloNetwork.com, Inc**

**John Kennedy, President of The Order People**

**Robert Parker, President and founder of Digi-Net Technologies, Inc.**

**Stephen T. Rockwood, cofounder and CEO of Alpine Access**

**Andy Cohen:** *Do you believe that most ecommerce companies have a proper customer service solution in place?*

**Chet Bedell:** Customer Services that most e-commerce companies, well at least the ones that are still around (smiles), provide today have a direct relationship to the customers' value. The prime e-commerce business strategy was merely to capture as many customers as possible. Having succeeded in that, they failed to build satisfaction and loyalty among these customers. It was a tragically nearsighted strategy. So now we're looking at a virtual battleground littered with what remains of companies that sold goods at or below cost in their quest for market share, and once they had it, well they just couldn't hold on to it. Proper customer service would have gone a long way to keep those customers coming back, and those failed vendors in business. I feel that most e-commerce companies have not yet implemented adequate service solutions. But the success of the click-and-mortar companies this past holiday season has pretty much assured most e-business that they need to provide better customer service, among other things. The winning e-businesses will be those that bolster virtual reality with a human experience, offering at least a little mortar between those clicks . . .

**Craig Ellins:** E-commerce companies are still missing their mark. After creating tremendous demand to buy online through print, radio and television advertising, e-tailers are still losing close to 70% of all attempted sales. While some e-tailers have improved sales closure rates with better navigation and real-time inventory, many are still missing the opportunity for greater online revenues: customer service at that time when shoppers need help the most – during the purchasing phase.

**John Kennedy:** With so much attention being applied to top line growth and sales, true customer service and customer interaction may take a back seat in an e-commerce business model. Proper customer service should be a strategic business objective in order to create lifetime customer value.

**Robert Parker:** Absolutely not ... Online stores must be staffed, stocked, and cleaned just like their physical locations, and most companies on the web still believe that online customers are a distinct customer segment that cares only about convenience and not service. Statistics show most online shoppers consider good customer service to be critical when choosing a web merchant, if one site does not provide this service, their competitor is just a click away. Web customers need more attention and personalized service to overcome the innate reluctance to shop where security, accountability and post-purchase satisfaction are not always apparent. Proactive online sales and eCRM solutions are becoming not only the life-line for online companies, but the competitive advantage. By providing instant, individualized customer service before a problem even occurs dramatically improves the customer experience and increases repeat visitation and online revenue.

**Stephen Rockwood:** Yes, I believe those that are left attribute their success to the fact that they were properly resourced, they had a truly legitimate revenue model and they have found a way to truly service first-time and repeat customers. In order to do that, you need to have a proper customer service solution in place. I will say that for many, their solution is not scalable. If they continue to grow their business, they will run into some significant challenges based on a very simple precept.

These e-commerce companies have done a great job in eliminating the brick and mortar for their customers and yet dead end them in a brick and mortar service center. Obviously this is why we think our model is best because we eliminate the brick and mortar on the back end, which greatly increases the probability of providing a real one-to-one marketing and service experience for the customer. The key is to have distributed customer serviced by distributed agents.

**Andy Cohen:** *What are the keys to providing customer service online?*

**Chet Bedell:** First of all, keep it simple. Online guests are, for the most part, not expecting to find a live help option on the sites they visit . . . at least not yet. So by not intruding too much, say for example, forcing user registration or requiring an email address – things you're not required to do at your traditional brick-and-mortar retailer – we help keep the surprise a pleasant one. You can't provide customer service if your online guests are intimidated by its delivery. Secondly, offer assistance as a part of your site's total experience, not as the experience itself. Visitors appreciate the personal attention, but many would still prefer to do things in their own ways and at their own paces. Thirdly, keep the dialog moving. This has been a real challenge to vendors that are trying to support their many visitors with inadequate resources, and that refers to both product and representatives. Picking a product that maximizes your contact center

representatives' productivity can help in this area. But while all of them claim to, few truly do. Which brings us back to my first point: "keep it simple."

**Craig Ellins:** As a veteran in television sales, I learned the key to making sales is having assistance available exactly when your customers need it the most, when they are buying. Television buyers pick up the phone and place orders when the commercial flashes a 1-800 number. Motivating people to make a call is only the beginning of the sale. Whether your product becomes a household name, or receives more air time, depends a lot on who answers that call. The same holds true for selling products online, especially higher end and more complicated product sales. Without knowledgeable customer service reps readily available whom can explain a product's features and benefits, online sales will still be lost. Not only do you lose a majority of your potential sales, experience tells us you'll lost additional revenues from 30% of your buyers that would buy even more if asked.

**John Kennedy:** 1) Information 2) Information 3) Information. Information allows customers to feel like they are in control. Companies must push as much information back to customers as possible. 4) Utilize a well-based CRM package that lets you capture all interactions with customers. 5) Use this information for one-to-one marketing programs.

**Robert Parker:** First, you must remember that all customers are people. The fact that they enter your store through a web interface does not make them less so. The trick, however, is to make interaction with your online staff as intuitive and friendly as it would hopefully be in a real world retail setting. The customer needs to feel comfortable that the layout of the store, the training of your people and the convenience of transactions are for their benefit, not the merchant's. Many would-be web shoppers are hampered by the feeling that in order to interact online they must engage in conversation with someone who is infinitely more techno-savvy than themselves. A customer should not be intimidated in "walking up to" a web rep and explaining their needs. If they are intimidated, they will go elsewhere to get their answers and their products. It's that simple.

**Stephen Rockwood:** I believe the most important thing is to have a very well defined website. You can tell which websites are consumer driven versus IT driven or product driven. The good companies don't concentrate on hits instead they concentrate on experiences and they pay attention to the unbelievable details in regards to the customer experience. The best companies have designed their sites so well that it truly is a self-service device.

I come from the ATM industry and our goal was to make sure an ATM machine was so easy and user-friendly customers would never need help or training to use the machine. In fact, some banks installed telephones next to the ATMs that were there just in case people needed help. It was going the extra mile to provide that assistance, however, it was also evident that perhaps their machines were not as intuitive as they could be. ATMs were by definition a self-service device.

Websites are trying to become self-service, however the best sites recognize that different customers may need additional help and will want to ask for that help using different means of communication the customer might need. This includes an 800-telephone call, an e-mail, a web chat session and ultimately, a voice over IP connection. The best companies offer all those means of communication and then segment their customer base by these means.

When I was in the ATM business, many businesses thought ATMs would replace the bank teller. I knew that was not the case just as many people thought e-commerce would replace regular retailing. Clearly it's just another channel, an innovative channel, but yet just another channel.

**Andy Cohen:** *In your opinion what is the most cost-effective way to provide customer service online?*

**Chet Bedell:** By using the tools that support the existing environment, and that includes desktop PC's, Web and database servers, bandwidth availability on both sides of the conversation, Internet browsers, even the Website itself, e-commerce businesses will quickly recognize a return on their online service investment. If you need to significantly upgrade your current infrastructure, then you're already spending without seeing so much as a single desired result you're spending towards. Hosted solutions can go a long way to reduce these obstacles, provided your bandwidth supports them. Otherwise, customer service products that aren't tied to a specific operating system or other requirement are a fine place to start. And thin client products just about eliminate the desktop and compatibility issues for both the vendor and the visitor. Once such a solution is in place, the second most valuable asset in the online service equation is a courteous, professional, knowledgeable and efficient representative ... the most important ingredient is the customer, who keeps coming back because of the pleasant experiences they had of course.

**Craig Ellins:** Just like television, it is imperative to have someone online available to answer questions when your customer is ready to buy. Whether you offer customer service via email, anonymous text chat, or use a more personal video solution, depends on our online purpose. Are you offering visitors a place to make a flat purchase, like an airline ticket? Or are they looking to purchase a higher end item that merits a knowledgeable customer service representative, such as a vacation. In other words, are your visitors coming to your site to make a purchase, or do you have the opportunity to sell items to them during their visit. For the latter, you want a video solution that transmits video of a knowledgeable representative whom the buyer can see, hear and interact with easily online.

**John Kennedy:** Outsourcing is a cost-effective solution. Businesses have the benefit of partnering with a company that is already an expert in Customer Service and experienced in CRM to enhance the customer experience. Other benefits to outsourcing include shared operational costs, minimal start-up costs, no technology upgrade costs and no infrastructure costs.

**Robert Parker:** Cross-train your telephone and physical sales floor reps to double as web site reps. These are the people who already have a heads-up on addressing your customers' concerns and closing more sales. These reps, equipped with a proactive customer support software, could take their existing product knowledge and skill to the web. The merchant could effectively extend the value of their sales and support reps with minimal additional training, staff another storefront without the need for incremental staff, and provide their web customers with an intelligent and natural point of contact to direct questions.

**Stephen Rockwood:** Once again, the most cost effective way is to design the site appropriately so that you are following a request avoidance strategy. This way you can at least minimize the number of live, interactive requests. Obviously, I believe that the most cost effective way, then, to provide those interactive requests is by using a very efficient model, the model created by Alpine Access. Outsourcing this function to experts and specifically to experts with the most efficient model can provide tremendous cost benefit for start-ups, fast growing companies and large, established industry leaders.