AN INDEPENDENT RESEARCH STUDY

# One to One em@il

## How to implement an effective one-to-one email campaign

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# One to One Email

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## HANDLING THE INFOGLUT

Many companies employ dozens of agents whose sole responsibility is to answer the enormous influx of email messages that arrive by the hour. Most are using popular email clients, such as Eudora, Netscape or Outlook to handle the task of inbound email responses. However, since email mainly involves a point-to-point messaging structure, there sometimes is no centralized system in place to track the status of messages and monitor the volume of responses going out. Agents that fail to reply to emails, or even delete inquiries, risk losing a customer's loyalty or continued business relationship.

Some email outsourcers provide virtual call centers that enhance the level of interaction between the company and its customers. The call centers automatically route inbound email to the correct customer service representative and manage, track and archive the communications process. The inbound emails are categorized and distributed to representatives based on their content. The reps can then divide the emails into groups to route them to their proper destination for a more customized response. Some additional functionality to look for when considering an email outsourcer with a virtual call center includes:

- Real-time monitoring of response time and quality. Call-center supervisors can log-in and check the status of messages and the average response time rates.
- Frequently asked questions. Since more than two-thirds of the email inquiries carry commonly asked questions, an email outsourcer can provide the means to answer those questions quickly and efficiently.
- Archiving and backup. Inbound email messages received over one month should be analyzed to ensure they were handled correctly and then archived for future reference.

Inbound emails face many of the same challenges as telephone calls that come into a customer-care center:

- How should the email be routed?
- Which emails take priority over others?
- What is the message history of the customer that sent the email?
- Can the email be handled effectively with an automated response?

If a company can accommodate its inbound emails efficiently, email will eventually become more economical than the telephone for dealing with customers. Unlike a call center, however, emails often do not require human intervention to address a simple customer inquiry. The best email systems automatically respond to inbound email messages with comprehensive, customized answers. New technologies are enabling companies to respond effectively to frequently asked questions via email. These solutions enable automated email routing based on predefined criteria, such as urgency or service category.

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## TRAVELOCITY.COM

Travelocity.com (www.travelocity.com) is a leading provider of online travel services for leisure and small-business travelers. It offers one-stop shopping for airline tickets, hotel accommodations, vacation packages and car rentals and includes other travel-related news, information and merchandise. The site has more than 6.5 million registered members and logs more than 65 million page views a month. On October 4, 1999, the company announced that it would merge with competitor Preview Travel.

**Situation:** Since it was founded in March 1996, Travelocity.com's membership exploded from 1 million in 1997 to more than 3 million as of June 1998. Due to this growth, the site's email load increased tenfold from some 200 inquiries a day to more than 2,000 a day. To deal with this inflow of email, Travelocity formed a Customer Correspondence team consisting of 14 people. Led by Carol Bryan, Manager of Customer-Care Marketing, the team first used a standard Groupwise-email client and an extensive set of filters to manage and reply to emails. This system, however, proved to be burdensome. Responses to customer email were ad hoc and knowledge was difficult to share among team members. The result was inconsistent and occasionally erroneous answers to customer inquiries. Moreover, the entire email system tended to crash with increasing frequency. "It was becoming very frustrating," said Bryan.

**Response:** Travelocity needed to improve productivity and reduce response times while providing personalized customer service. The company ultimately selected the Kana Customer Messaging System (CMS) from Kana Communications because it allowed them to track and manage large volumes of incoming email and to craft personalized outgoing email responses. Travelocity learned from experience that many of its customers often ask similar questions like "How do I book a reservation," and "When will my tickets arrive?" In order to answer these questions quickly and to provide consistent responses, Travelocity's customer correspondence personnel now use Kana's template-based response system. At the click of a mouse, the contents of a message are analyzed and the appropriate response is then suggested from a series of templates. From there, the necessary information can be incorporated into a personalized email message. With its integrated database, Travelocity can retain and track all the contact information between the company and each customer. And, using Kana Customer Messaging System' reporting features, Travelocity now has easy access to vital information about customers. "We have the ability to access and analyze valuable customer metrics never before available," states Terrell B. Jones, president of Travelocity.com. "We can analyze patterns and trends in our customer base, as well as gauge the effectiveness of our programs and the efficiencies of our processes."

**Results:** Travelocity.com has reduced the cost of processing an individual email inquiry by more than 40 percent. The Kana CMS system has helped each customer correspondence representative process an average of 270 messages per day, more than double the previous individual volume. This increase in productivity has also enabled Travelocity to reduce personnel from 14 to the current team of six.

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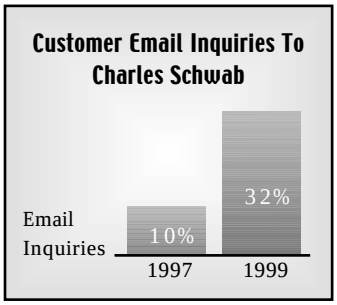
*A recent* New York Times *article noted how stockbroker Charles Schwab is trying to increase the percentage of customer inquiries handled by email instead of the telephone. Email now accounts for nearly one-third of customer inquiries to Schwab's electronic brokerage services unit, up from 10 percent in 1997. The unit receives about 15,000 emails each week and approximately 75 of the unit's 300 service agents are devoted to handling inbound emails each day.*

The goal of automation is often to generate responses for the highest percentage of inbound emails, without reducing customer service levels. When customers order from www.bokus.com (a Web-based bookstore in Scandinavia), they receive an automatically-generated reply thanking them for their request and confirming that they will receive the ordered books within five days. All follow-up communication is handled via email as well.

Companies that capitalize on the value of inbound customer emails can benefit tremendously. A recent *New York Times* article noted how stockbroker Charles Schwab is trying to increase the percentage of customer inquiries handled by email instead of the telephone. Email now accounts for nearly one-third of customer inquiries to Schwab's electronic brokerage services unit, up from 10 percent in 1997. The unit receives about 15,000 emails each week and approximately 75 of the unit's 300 service agents are devoted to handling inbound emails each day.




Empowering customers to send email from a company Web site can enhance the customer service relationship and also lead to new business. Face-To-Face Communications, a worldwide videoconferencing service, generates more than 25 percent of new business from email received through its Web site. Customers inquire about where they can find their videoconferencing sites in different countries. "We always qualify the email we receive for site inquiries by responding immediately and asking for a fax number," said Hunter Brumfield, company president. "We then send the customer a sign-up sheet, which they must fax back to us to confirm they are a new customer."

When emails arrive in a corporate inbox, several things can happen to ensure that the message is properly handled, depending on the email system and the company's email routing policies and procedures. According to e2 Software, a company will incorporate elements of all of the following to create the most effective method of handling inbound email:

- Team Organization. Companies can divide the workload of handling incoming emails by assigning teams of employees to do the job. Teams increase the efficiency of an email system because companies create areas of specialty to expedite message handling. Teams can be organized by function (e.g., support and sales), region (local, state) and customer type. Email is distributed to team members who are responsible for handling responses.
- Message Distribution. Inbound email is categorized and routed manually by a manager who determines the appropriate destination for the message, or automatically, based on key words in the subject line (such as sales, buy, order, purchase).
- Automatic Replies. Email auto-responders automatically reply to inbound messages without human intervention. According to e2 Software, auto-responders are a relatively low-cost solution to email overload and can provide 24/7 email response service. They are best used for limited purposes, such as connecting email customers to Web-based resources (e.g., a company's FAQ section, online order form, support policies).

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The bottom line is that email inquiries should be acknowledged immediately, or within an hour at the latest. The acknowledgement adds a "human touch" to the message and the customer is not forced into phoning the call center at his or her expense. Companies need to develop a process for routing messages with problematic requests, such as messages with several different questions. Beware that most automated systems answer only the *first* question and then send it off to the customer. This can only frustrate the customer, who will subsequently send another email inquiry with the unanswered questions attached.

Ultimately, the method you choose to handle incoming emails reflects your company's overall approach to one-to-one marketing. Many companies find that they can achieve a greater level of customer loyalty and satisfaction by responding to each and every email with a personal touch. By incorporating a mix of email technology with customer service employees, inbound emails can be handled with a high degree of accuracy and customization.

## CARING FOR CUSTOMERS

A sound email infrastructure will facilitate the management of large volumes of inbound emails and increase the efficiency and effectiveness of customer communications. Many companies are reacting painfully slowly – or not at all – to their customer email inquiries, and are losing out on opportunities to build trust and confidence with their customers. By improving the scalability of email servers to handle the message load, companies can enhance their ability to respond in near-real time. Another option is to create a database of frequently asked questions that customers email or phone in to customer service centers. The database can be integrated with the email system and reply automatically with an appropriate response to a frequent question that arrives, freeing up the time of customer-care reps to handle other tasks.

For dot.coms fielding email through their Web sites, the situation is more complex. Online merchants that handle thousands of transaction-based emails daily, such as order confirmations, purchase receipts, shipment and renewal notices and credit-card validations, require more sophisticated email integration with databases and other back-office systems. Information must often be fed from one system to another before an appropriate email response is formulated.

Dot.coms are capable of tracking click-through rates from their emails to their Web sites. They can use the click-through data to improve customer relationships by creating more relevant messages to customers who receive a promotional email, click through to the Web site, place an order, receive an email confirmation, and then reply to inquire about their order status. The email might wind its way through many different facets of the value chain, such as a materials supplier, fulfillment house, package distributor or customer service before it makes its way back to the customer with a personal response. The more integrated the email system is with the rest of the business processes that drive the company, the faster and more efficient the response.

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Analyzing data becomes a key issue in every one-to-one email program, and companies need to track responses to outbound emails. A third-party, log-analysis tool provides a useful way to sort and interpret data collected by a one-to-one email campaign after transactions with customers are completed. By gathering data channeled through the email server, the tools can determine how many purchases resulted from email click-throughs.

Email-service companies have software that can scan the text of an incoming email message and respond to it intelligently – without the need of a human. The ability of computers to comprehend written sentences, – known as natural language understanding, – is advancing rapidly in email applications. Many email-management software vendors have created email routing programs that analyze messages for keywords and route or filter the messages to appropriate destinations. Some service bureaus are capable of generating immediate responses to customer queries on a Web site. The messages are so personalized that they appear to be written by a human, but aren't.

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## XEROX

Based in Stamford, Connecticut, Xerox is a leading global provider in the digital document market, offering a wide assortment of digital publishing, printing and copying equipment to customers in more than 150 countries. In addition to these services, it also offers consulting, network, document management and outsourcing services.

**Situation:** Since 1995, Xerox has been inundated with emails, often receiving up to 800 customer inquiries a day. To address this problem, Xerox posted an extensive "Frequently Answered Questions" area on its Web site, covering a wide variety of common questions. Although this section helped many customers serve themselves, Xerox realized that many people overlooked the information and emailed their questions anyway. According to Bill McLain, Webmaster at Xerox, "We needed something much better, a method that would let us answer a hundred or more messages an hour, or about 20 to 25 messages per hour per person."

**Response:** To manage the flow of email effectively, and to answer customer inquiries in a timely and personalized manner, Xerox developed an in-house solution that involves a high degree of human intervention as well as its legacy email system. Under McLain's direction, Xerox archives every inbound email using a standard email server. When a new email arrives, McLain routes it to one of his three other staff members. With an alphabetized file of approximately 500 responses to FAQs, a staff member can quickly find the appropriate response and paste it into the outbound email. The staff member then adds a personalized message. For example, if Xerox receives a message that says, "I'm in the 7th grade and I'm doing a science project on how photocopiers work. Can you help?," a staff member first finds the standardized answer within the file. He then incorporates it in the outgoing email and adds a personalized message to the beginning of the response such as, "We're impressed that you are going to tell your class how a copier works. We're pleased to answer your question and wish you the best of luck on your science project." If there is an email that they can't answer immediately, McLain and his staff depend on an internal customer service Web site. Linked to a database, the Web site contains approximately 300 pages of detailed contact information about Xerox personnel from around the world. "If a customer has a unique question about one of our projects, we can access the site to call the person most knowledgeable about that problem," McLain said. "This site has proved invaluable in obtaining fast answers so we can respond to customer messages promptly." After obtaining the appropriate answer, McLain and his staff add personalized finishing touches to each email. For instance, many of their international customers receive a thank-you in their native language. In addition, McLain ensures that all emails are written in a standard writing style and that for every answer sent, whether it is from McLain or one of his staff, the message simply says that it comes from the Xerox Webmaster. This ensures that customers feel like they are building a relationship with the company rather than, with any one individual.

**Results:** Xerox is highly revered in the media as one of the leading companies providing email customer service, according to McLain. He added that all emails are answered personally and promptly. Nearly 300 responses to rudimentary customer service emails can be handled in only one hour, while 98 percent of all messages are answered within 24 hours. "We want to treat people the way we'd like to be treated," McLain said. "Using this system, we are succeeding in building one-to-one relationships through email."

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