Turning a service call into the perfect selling opportunity

By Gert Haanstra

Earning money on incoming telephone calls

Over the last few years the management of customer relations has changed rapidly from a low-key, service-dominated market into a competitive business. A proactive approach to inbound customer contacts is fast becoming the norm – and is proving highly profitable. In order to exploit opportunities successfully, the call centre employee must be able to convert a service call into a sales call. Today's personalised analytical Customer Relationship Management (aCRM) technology can provide just the support the employee needs. The system generates a recommendation relating to the product the employee is aiming to sell. This can optimise the decision-making process for the employee, enabling him to exploit the selling opportunities more effectively.

Recommendations assist the employee during customer interaction
From an analysis of customer data, the employee is given a recommendation with a clear message stating which product to offer. The information is available immediately during the call, and is based on the calculations by an underlying data mining model. The recommendation supports the employee in anticipating requirements of the customer during the call, enabling him to sell products which must benefit the company. The information on which the recommendation is based will relate to decisions about cross-selling, but may also concern such matters as resolving complaints or increasing the profitability of the customer.

The technical side of the recommendation
Technology plays an important part in producing a good recommendation. The required customer information must be copied very rapidly from one database to the other. This requires regular updates (for example daily or weekly) to be sent from the call centre to a central database (for example the data warehouse). The data is used for the initial rating right at the start of the call, when the customer is identified.

In order to provide a high-quality recommendation, the latest relevant changes in the customer's situation must also be recorded during the call. For example, if a customer transfers his balance, the employee will want to incorporate this information in a new (improved) recommendation. He therefore carries out an immediate recalculation based on the most up-to-date details.

Conditions for maximum return
In order to generate the maximum return from incoming calls, a number of conditions have to be met. According to Peppers & Rogers ('Enterprise one to one', 1997) incoming calls can only be exploited successfully under the following circumstances:

- each customer must be able to be approached as a unique person. This means the company must have a database with sufficient information about the customer. The information is 'linked' to the customer, for example by a customer number. This gives the call centre a better picture of the customer, for example on the basis of customer contacts in the past or the products previously purchased. The customer will have the impression that the employee knows him personally.
- the company must be able to make personalised offerings which can be differentiated across a range of areas. These may include making appointments, offering services and selling products.
- the communication between the customer and the employee must be effective. By listening well and showing empathy, an employee can find out whether the customer is satisfied with the company and its products and services, in order to take the appropriate action.
- a personalised offering must be able to be adapted to the specific wishes and requirements of the customer. By customising the offering, the employee can motivate the customer to purchase the product.

Preparing for implementation

In an ideal situation the implementation of the aCRM technology is preceded by an in-depth discussion to establish the extent to which the exploitation of customer contacts should be aligned with the overall business strategy. This involves adapting decisions concerning the organisation, the management, the internal processes and staffing in order to meet the objectives.

The optimisation of internal efficiency in the handling of customer contacts versus the development of intensive customer relations also plays an important part in the successful implementation of aCRM technology. The following points are of relevance:
- a good balance must be achieved between the costs of a customer contact and the volumes which can be handled. For example, a company which expects a million telephone calls each year can ease the pressure on employees by using Interactive Voice Response (IVR) units. This system allows relatively simple actions, such as brochure requests, to be completed quickly, easily and at low cost.
- a good balance must be achieved between efficiency in the handling of contacts and the attainment of the commercial objectives. For example, experience has shown that personal contact generates the highest number of products sold (per contact). But this channel can only process a limited number of contacts. Hence personal contact is only used if there is a relatively high chance of success and, for example, at night the Internet is used to provide information to interested parties.
- the company must control the contact with the customer in such a way that customers will respond through the required channels, taking into account the costs of the channel and the expected volumes. The aCRM technology is then deployed selectively and flexibly, so that the most promising contacts are automatically identified and, for example, put straight through to an employee who takes over the call for the purpose of cross-selling.

Recommendations can be used in various ways

In what ways can a recommendation be used? On the basis of information in the database concerning a customer's past, present and expected future, the recommendation can be used in the following ways:

- 'event detection'. Relevant events (for example whether someone has a birthday or has recently requested information) are immediately detected and presented to the employee. The information can then be presented as:
    - a pop-up window showing a product and a scoring chance. This shows the employee which product should be offered and what chance it has of succeeding.
    - a traffic light showing a green, amber or red light, depending on whether there have been no complaints, minor complaints or serious complaints. This shows whether the customer is satisfied or dissatisfied. In the latter case a recommendation is then given for appropriate action to be taken to retain the customer.
- 'performance management'. This shows the employee how profitable the customer is. The following solutions are possible:
    - a recommendation in the form of a medal (gold, silver or bronze) which indicates how this customer has performed. This enables an employee to devote extra attention to the best customers.
    - a customer pyramid. This is useful for showing the segment in which the customer is situated. The segment gives a clue to such matters as product ownership and/or the overall (expected) value of the customer.
- 'customer profile'. In order to give the employee a more complete picture of this customer, relevant background information can be presented (at the same time as the recommendation), namely:
    - a description of the underlying data mining model,
    - a number of opening sentences which are appropriate for the offering,
    - a summary of all products,
    - graphic information on payment performance, information searching behaviour and contacts with the company.

Good aCRM technology combines customer information from various relevant sources and can process it in various ways to form a clear, easy-to-understand message for the employee.

No significant increase in employee's workload

The presentation of a recommendation must not increase the employee's workload too much. This can be achieved by:

- 'prioritising the communication'. If only one message is shown, the employee will not become confused about which product he/she should offer. Moreover, no time is lost as a result of the employee having to choose.
- 'flexibility in workflow'. Employees can decide individually whether they wish to be connected to the system, and hence whether or not to use recommendations.
- 'high-quality prediction'. An employee must be able to rely on the quality of the recommendation, both with regard to the information and the underlying prediction. This must therefore be accurate and up to the minute.

- 'timing of the recommendation'. Only relevant recommendations will be presented, at the appropriate moment.

From a technical point of view, the employee's workload is controlled as follows:
- only the recommendation with the highest score is presented. A condition is that all models must be calculated and the results compared, so that the recommendation with the greatest chance of success is presented.
- 'threshold values' are introduced which the employee can use to decide whether to take part. Moreover, the employee is presented with those recommendations with which he feels familiar and can therefore sell easily.
- business rules are implemented which enable certain customers to be excluded (temporarily) if contact with them is not permitted (for example, a maximum of one offering every six months).
- graphic presentation are used, with colours and symbols which are easy to understand.

Co-ordination with employee qualities
As well as the technical side, there is also the human side. Good co-ordination is necessary between the various skills of the individual employees and the offerings which are to be directed towards the customer. It is a question of recognising the specific qualities of the employee at an early stage and co-ordinating them with the recommendations from the database. In other words, as soon as a customer is identified for product A, this customer can be put through to somebody from the most suitable group of employees for product A. This can be achieved by means of number identification or by entering a customer and/or contract number at an early stage.

Improved results through greater interactivity
A final stage in the use of aCRM is greater interactivity. For example, specific customer requirements can be incorporated in the production of a recommendation. The information may not be available in the databases, but can be requested directly from the customer. Often just asking the right question (suggested from the database) suffices to begin a useful sales discussion. Here too the employee must be given an opportunity to listen, with guidance being given on the right questions to ask. An appropriate process of information gathering will make the customer feel he is being understood and will improve the quality of the prediction.

In short, aCRM technology in a call centre is a valuable tool for exploiting incoming customer contacts. The employee's decisions can be optimised by automatically indicating the prospects of a sale and immediately producing a recommendation with regard to the right offering. It is voluntary participation and effective co-ordination between the technology and the qualities of the employee that will give the best result.