

Putting IBM Tealeaf solutions into operation

Using IBM Tealeaf solutions to transform online Customer Experience Management from an idea to an operational discipline



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Executive summary

Online Customer Experience Management (CEM) is now a top issue for e-business executives. They have recognized that providing a consistently exceptional customer experience can help increase revenues, cut costs, increase customer satisfaction, and differentiate their brands. They are assigning dedicated resources to CEM and are even giving Chief Customer Officers (CCOs) responsibility for customer experience efforts across a business unit or an entire company. And they are investing in CEM solutions such as IBM Tealeaf solutions.

However, some organizations may encounter challenges where “the rubber meets the road.” They need guidance in how best to leverage IBM Tealeaf solutions, as well as and other CEM solutions effectively with limited resources. While there is a great deal of information on the high-level benefits of online Customer Experience Management, there are scant resources for helping e-businesses to design an operational approach for deployment. To assist in this critical area, we are using the collective experience of our customers as a guide that others can follow.

Looking across over 500 of our implementations, we have seen some common paths through which customers derive early value from IBM Tealeaf solutions and subsequently use our software as a foundation for integrating online CEM into the fabric of their businesses. These paths follow three stages of maturity: 1) Reactive Problem Resolution; 2) Proactive Monitoring; and 3) Multichannel Customer Experience Optimization

As online CEM matures as an organizational discipline, it shifts from delivering tactical cost savings to strategic benefits that can truly differentiate an organization from its competition.

In this white paper, we will present a roadmap for deploying IBM Tealeaf solutions to help achieve success.. We will share a set of steps that take you through each stage of online CEM maturity to help you:

- Deliver “quick wins” early in your deployment, with a small team of users and simple processes.
- Evolve your e-business team from reactive problem solving to a proactive customer experience discipline, supported by the successes that you achieve during the first phase.
- Increase the value that IBM Tealeaf solutions deliver as you expand your usage across the organization.
- Monetize online CEM activities at each step of the way, so that you can justify expanding your CEM program and garner the resources you need to continue your site optimization efforts.
- Turn your IBM Tealeaf solution implementation into a common foundation from which you can institutionalize CEM and make your business more customer-centric.

It is time to put online Customer Experience Management into operation

Over the past year, online Customer Experience Management (CEM) has become a top priority for e-business executives. They recognize that providing an exceptional website experience is critical to their ability to meet their business goals. They have realized that a visibility gap exists for their online channels. This gap is the difference between their assumptions about the online experience they provide and what their customers actually experience. They are further aware that closing this gap can help increase revenues, cut costs, increase customer satisfaction, and differentiate their brands.

Each of these factors is driving investments in CEM solutions such as the IBM Tealeaf solutions. The challenge for many organizations is to determine how to effectively use these solutions given that their resources are already stretched thin. We have addressed this challenge by developing best practices for using our solutions to systematically improve the online customer experience.

Initially, you can derive significant value from IBM Tealeaf solutions with a small team of users and with very simple processes. Based on this model, you can justify expanding the usage of IBM Tealeaf solutions and other CEM tools to a broader group of people, for example rolling out a CEM solution to call center teams. As broader usage drives even greater value, IBM Tealeaf solutions can become a common foundation from which you can institutionalize CEM and make your business more customer-centric.

The role of online CEM best practices: An operational approach to gain visibility, insight, and answers

Since 1999, we have been helping e-businesses establish a systematic, data-driven approach to understanding the customer experience by capturing both quantitative data and qualitative experience information about each customer that interacts with their websites. Over this period of time, CEM has evolved from a “fringe” idea to an established category. More and more organizations are giving a single executive – the Chief Customer Officer – the responsibility for customer experience efforts across business units and multiple channels.

However, while there is a great deal of research available on what constitutes a good customer experience and why organizations should be investing in customer experience, we have found organizations embarking on online CEM initiatives have few resources to help them translate their ideas into an operational approach.

We have worked with our customers to develop a set of best practices for how to utilize IBM Tealeaf solutions – both independently and in conjunction with other website optimization tools – to create visibility, to gain insights about customer behavior, and most importantly, to find the right answers so that they can provide more value to their end-customers. We published a white paper on these best practices in 2008;³ since then, we have continued to work with our customers – organizations large and small – to understand how to put these best practices into operation.

A number of our customers have achieved industry recognition for their efforts in this area. This white paper takes our best practices research a bit further by organizing the deployment of IBM Tealeaf solutions along a three-stage online CEM maturity model.

It is important to note that the stages and best practices that we describe in this white paper apply equally to traditional websites and the new mobile channel. Because the mobile channel has emerged at an exceptional growth rate, many e-businesses are deploying site functionality without looking at how they should optimize it. As a result, the mobile customer experience leaves much to be desired. In a recent survey commissioned by Tealeaf (now IBM), more than 4 out of 5 mobile web users reported that they have encountered a problem while trying to transact business online; and 63 percent of these users said they would be less likely to buy from the same company via other purchase channels if they experienced a problem conducting a transaction on their mobile phones.¹

Please note that throughout the remainder of this paper “website” and “online” will refer to all online channels, including both traditional or fixed websites and mobile websites.

The three stages of online CEM maturity

Looking across over 500 customers, we have seen some common paths through which they have derived early value from IBM Tealeaf solutions and subsequently used our software as a foundation for integrating online CEM into the fabric of their businesses. These paths follow three stages of maturity:

- At the first stage, **Reactive Problem Resolution**, our customers are able to respond to customer problems on their websites in a truly robust way. Using the quantitative and qualitative customer experience data provided by IBM Tealeaf solutions, they are able to fix problems faster and prevent future occurrences. The tangible cost savings and increased revenue achieved at this stage are generally more than enough to pay for their initial investments in IBM Tealeaf solutions.
- Next, **Proactive Monitoring** involves putting new processes in place for CEM. These processes provide our customers with awareness of customer experience obstacles more quickly – before they can affect many customers. Instead of waiting for someone to report a problem, e-businesses at this stage of maturity are able to act as soon as they see their customers struggling and/or failing to complete transactions. This is also the stage at which a broader set of roles and teams typically adopt CEM.

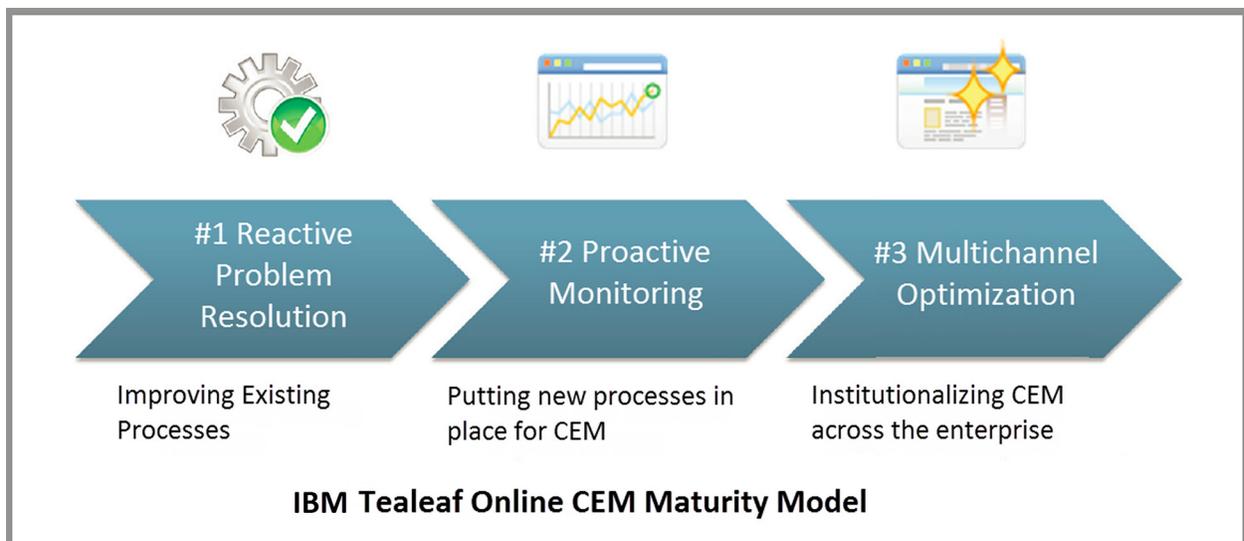


Figure 1: The 3 stages of online CEM maturity.

- Finally, our customers at the **Multichannel Customer Experience Optimization** stage have institutionalized CEM as a practice across a variety of teams. They have adopted a truly customer-centric approach to their business practices, with a deep understanding of customer needs and goals. These organizations are able to make better decisions about their websites by prioritizing optimization activities based on their revenue impact. They have also extended online visibility to their contact centers so that they can provide a higher level of quality service whenever they interact with their customers.

How to get started: reactive problem resolution

It is very difficult, if not impossible, to build and maintain a dynamic website that works flawlessly each moment of each day for each customer. Between implementing new functionality or features, changing technology, managing internal stakeholders, and designing for customers who have different objectives, backgrounds, and web experience levels, you can not produce a 100 percent error-free site that is highly usable for each visitor. With IBM Tealeaf solutions, however, you can quickly find and fix the things that cause your website visitors to struggle. Our customers report that this “low hanging fruit” yields huge improvements to the overall customer experience. You can start with just a few simple steps.

Reactive problem resolution processes

Customer listening

An IBM Tealeaf solution can serve as an ideal tool for investigating issues that customers report to your contact center. You should verify that there is a process through which your contact center tracks customer complaints, captures the information needed to recreate issues, and passes this information on to an assigned IBM Tealeaf solution analyst.

Ideally, your contact center would provide the customer’s name, e-mail address or username, stage in the transactional process, and time that the problem occurred. However, it is possible to find a session in an IBM Tealeaf solution with just basic information, like the time and page on which the error occurred. Using IBM Tealeaf solution’s visual replay (a page-by-page, browser-level recording of the actual customer experience), you can usually see where things went wrong.

Clear communications with development for faster problem resolution

Since a picture really is worth a thousand words, IBM Tealeaf solutions can serve as a very effective way to communicate problems to your development and/or production support teams. Time and again, our customers have proven that by escalating issues with demonstrative IBM Tealeaf solution sessions annotated, their development teams can reproduce and resolve them much faster and save significant time and money. In addition to these tactical benefits, the IBM Tealeaf solution creates a common language for talking about customer experience by making these issues much more concrete. Over time, this language starts to migrate from problem resolution to new business requirements.

Monitoring and alerting on known issues

Each site has a known set of error pages or error messages that indicate that a user is facing some sort of website obstacle. These include standard server errors such as a 404 or messages such as “An account already exists for this e-mail address.” IBM Tealeaf solutions come with pre-configured events that can alert you to standard error messages and basic performance issues such as slow pages. From there, you should create an inventory of the error pages and messages on your website and convert the list into additional IBM Tealeaf solution events. When you receive an alert indicating that something has occurred, beyond the desired threshold on one of these events, use IBM Tealeaf solutions to determine why.

Establish a baseline for monitoring data

During the early stages of your IBM Tealeaf solution deployment, you are gathering valuable data – data that gives you a baseline view of how people are using your site. For example, a life sciences company used an IBM Tealeaf solution to determine its actual site availability by measuring the frequency with which customers were seeing a “site unavailable” message. Because the message was not generated by its own web server, the company previously had no way to track this key metric.

By aggregating this data in an IBM Tealeaf solution, you will be able to detect situations outside of what is “normal” when you get to the proactive monitoring stage of maturity.

Resource requirements for reactive problem resolution

During the reactive problem resolution stage, our customers typically find that one part-time IBM Tealeaf solution analyst, plus one part-time system administrator to keep the IBM Tealeaf solution up and running, provides adequate coverage to get the deployment off the ground. Usually, the analyst works in application support, production support, website development, or a business analyst function.

Virtually regardless of your potential IBM Tealeaf solution analyst’s job title, look for people who:

- Understand the website problem resolution process.
- Have adequate technical skills to understand a variety of website problems, but also bring a business perspective to their work.
- Have strong project management and communication skills. The IBM Tealeaf solution analyst must be able to drive the problem resolution process and also communicate the impact of the IBM Tealeaf solution.
- Are interested in networking across the e-business team.

It is very helpful for the IBM Tealeaf solution user to have a solid understanding of user experience and web analytics. Furthermore, he or she should be passionate about improving the customer experience.

Resource reactive problem resolution: communicating the impact

During this stage of your IBM Tealeaf solution deployment, the focus of communications is usually on counts: How frequently does a given issue occur? How many people are affected by it? How long has it been going on? This data is readily available in the IBM Tealeaf solution and it helps you to prioritize site improvements where they will have the most impact.

Case study: Online auto insurance broker

A leading online auto insurance broker was monitoring the response times of key pages and the operational availability of the underlying system infrastructure. However, lack of visibility into what customers were experiencing resulted in undetected issues that were costing the company customers and their lifetime revenue stream.

For example, the company was hearing occasional complaints about problems with its online application and wondered how many other potential customers left silently without a trace. Using the IBM Tealeaf solution, it uncovered a specific problem with the VIN form field. If a user added any spaces or hyphens to the 16 digit number, the application would not accept the entry and instead sent the user into a frustrating endless loop. The insight afforded by the IBM Tealeaf solution enabled this company to quantify the impact of the problem – 2,000 lost policies, or \$2 million in lost revenue – and to fix it by adjusting the application logic and providing more specific instructions to users.

How to expand across the enterprise: proactive monitoring

Proactive monitoring involves putting new processes in place for CEM so that you can actively look for customer experience obstacles rather than waiting for them to come to you. At this point, more people are involved with the IBM Tealeaf solution – as analysts, as active session observers, or as consumers of the IBM Tealeaf solution metrics in dashboards and reports. More importantly, your e-business is developing a new discipline as it transitions to making decisions based on the customer experience and its impact on your bottom line.

Proactive monitoring processes

Proactive customer listening

At the second stage of online CEM maturity, it is time to become proactive about customer listening. If you have a place on your site where customers can provide feedback through a voice of customer solution or even just a simple e-mail feedback form, be sure to review their sessions to understand exactly what experience preceded them sending their comments. You should have a defined process for gathering feedback that is sent into the contact center in the course of business. This process should cover not only trouble tickets, but also the complaints and obstacles that your contact center agents here about most frequently.

In addition, this is the time to implement a Voice of Customer (VOC) solution through which you ask customers for feedback during their visits to your site. With the IBM Tealeaf solution, you can connect the feedback you get from voice of customer tools to the actual experiences of the users who provided that feedback. This visibility provides the detailed context you need to make that feedback viable.

Case study: Online hotel booking company

One particularly effective way that a major online hotel booking company focuses on customers has been to embed voice of customer (VOC) into critical business processes with OpinionLab®. In one case, feedback submitted via OpinionLab indicated that visitors were struggling to complete the registration process and were unable to book reservations. This company utilized the integration with IBM Tealeaf solutions to map customer feedback to the actual sessions of those vocal customers. What the company discovered was surprising – some customers tried to access the site by re-registering for an existing account. Consequently, the system recognized a duplicate e-mail address and returned an error page that kept customers trapped in an endless loop. Based on this eye-opening qualitative information, they redesigned the page and created a “book without registering” option, a completely new feature for their site. With nearly 50 percent of all customers using the new booking option, the feature implementation was a major success.

CEM immersion: Observe customer behavior with “movie nights”

One of the simplest yet most powerful forms of proactive customer listening that our customers practice, are what they call “movie nights.” These are weekly meetings where a cross-functional team of e-business professionals gets together and watches actual customer sessions captured by the IBM Tealeaf solution (with or without popcorn). Movie nights give the entire e-business team a way to see the world from their customers’ viewpoint – giving a qualitative view to what previously was only quantitative data.

Most e-business teams have lots of ideas as to what is not working on their websites. They have metrics like lower conversion rates for a particular product or higher abandonment rates at a particular step in a process. Movie nights provide an opportunity to work through a list of hypotheses to determine which ones have merit and which do not.

The best movie nights have cross-functional involvement, so that the discussion includes both business and technical goals and requirements. The movie night leader should prepare beforehand, with:

- Specific sessions to review.
- A specific hypothesis or part of the customer experience to analyze.
- Probing questions to ask the team of observers.

In addition, the leader should assign action items and owners at the end of each movie night.

Case study: Online mortgage lender

Once a week, this US company's marketing, IT and e-business teams get together for IBM Tealeaf solution movie nights. Using IBM Tealeaf solution's replay capability, they review actual online customer sessions to identify site flaws and uncover usability issues in order to prioritize site improvements. The cross-organization visibility into how customers use the site helps determine where to focus improvement efforts. IBM Tealeaf solution movie nights have helped this company unearth a number of hidden usability and site issues that would have otherwise gone unnoticed. Based on key insights provided by the IBM Tealeaf solution, the company has created a more user-friendly site, which, in turn, has improved customer satisfaction and retention.

Movie nights are the online analog to long-established practices in the offline world, such as listening into a sample of calls in the call center or deploying "mystery shoppers" in stores. Just as in the call center or the store, you can get a tremendous amount of value from reviewing a limited number of online customer sessions. If a problem is big enough to affect your business in a meaningful way, it will emerge even if no one has reported it.

How many sessions should I replay?

For most sites, it is impossible to look at each session where a problem might have occurred. After all, you may have tens of thousands of visitors abandoning at a specific step in just hours. Fortunately, the laws of statistics dictate that something that is affecting your business in a significant way will become apparent by reviewing a limited number of sessions in an IBM Tealeaf solution.

If an issue is large enough to have a significant impact on your business, then that issue will affect a significant number of your customers. For example, a retail site would not see its order rate drop significantly if only a few customers had experienced an issue. In fact, an issue that lowers your order rate by just 5 percent must affect at least one in twenty customers. By reviewing a sample of only 15 to 30 sessions, the probability of identifying this issue is extremely high (almost 80 percent). If the change in order or conversion rates is higher still, then even fewer sessions need to be reviewed.

The chart below illustrates the probability of uncovering issues at various levels of conversion rate change.

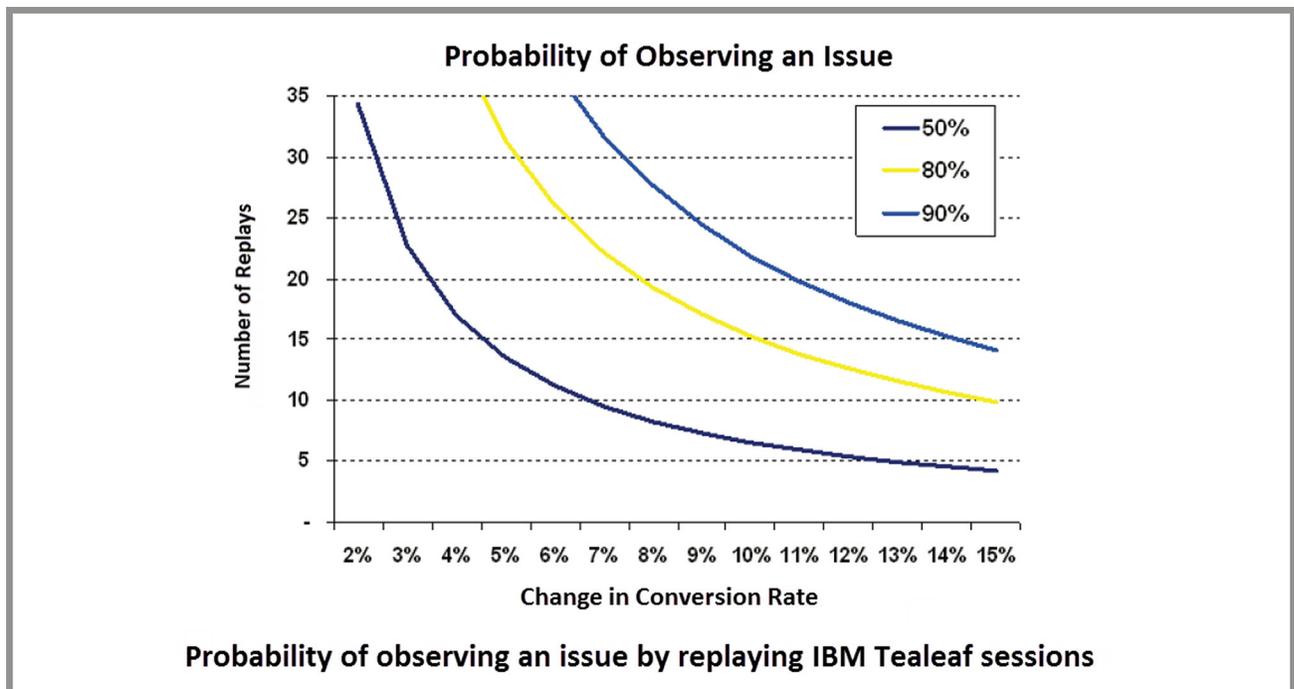


Figure 2: Illustration of the probability of uncovering issues at various levels of conversion rate change.

Put systems in place to identify customer struggle

Noted customer experience thought leader Bruce Temkin, founder of Temkin Group, defines customer struggle as, “experiences that obstruct a user’s path to accomplishing her goals.”² Identifying and tracking customer struggle is where people move beyond technical problems to take a broader view of online customer experience.

Customer struggle includes things that are not “broken” according to development teams. It includes issues where users are able to complete their transactions, but the frustration that they experience in doing so lowers their confidence and loyalty. Customer struggle may sound a bit intangible and ill-defined, but an IBM Tealeaf solution offers ways to surface it across your site.

Use the IBM Tealeaf solution top movers and drivers

The IBM Tealeaf solution top movers and drivers dashboards use algorithmic discovery to track thousands of site and customer behaviors and automatically surface the places in your web applications where customers are struggling the most or experiencing other abnormalities. Using these dashboards, you can direct attention to what are potentially the most important issues at any given moment. For example, you would be able to surface:

- Customers going through a process such as payment information entry multiple times.
- Multiple receipts of a form field validation message.
- Increases in navigation to the help or feedback pages on the site.

In addition to capturing the generic behaviors that indicate struggle, an IBM Tealeaf solution provides its customers with templates for detecting struggle in industry-specific web applications such as financial services sites or e-commerce applications.

Proactively monitor key site processes

Each site has a key set of processes – the ones that have the highest impact to the business. For example, on a retail site, the key processes include search, add to cart, purchase, and checkout. By creating real-time awareness into abandonment within these key processes, you can take rapid action to improve success rates.

For each key process, you should know: How many steps are in the process? How are the steps differentiated in the web application? Are any steps optional? Are there alternate flows?

Establish Key Performance Indicators (KPIs)

KPIs help you to measure the incidence of customer struggle and to identify changes or trends. Once you determine what the right KPIs should be for your e-business, the IBM Tealeaf solution business process and KPI scorecards will automatically grade your site on business processes, usability indicators, and application health metrics based on your defined business goals. By knowing what is “normal,” you can take faster action when changes occur and prioritize activities based on the impact on your e-business.

Case study: Online retailer

One leading Swedish online music and entertainment retailer, often utilizes e-mail marketing campaigns to drive site traffic. Recently, the company offered a deep discount on top merchandise in one such campaign, but noticed that sales had not increased as anticipated. Because they use an IBM Tealeaf solution to monitor key performance indicators, it was notified that a site error had caused customers to abandon their transactions. By replaying sessions in their IBM Tealeaf solutions, the e-business team noticed that the error originated from the discount code field. It turned out that the code had not been activated, and thus, customers were unable to receive the discount promised in the e-mail campaign. Using proactive Customer Experience Management, this retailer was able to limit the impact of the coupon error. Out of 100,000 coupon codes distributed for the marketing campaign, only 20 customers were unable to complete their transactions.

Monitoring: Track changes observed in web analytics

The majority of our customers have already invested in web analytics tools to track conversion rates and task success metrics on a continuous basis. Web analytics tools do a great job of providing a top-level view of the health of e-businesses and tracking changes in these metrics over time. They also do a great job of “slicing-and-dicing” – enabling the e-business to find the customer segment that is most representative of a change. However, web analytics tools do not tell you why customers in these segments behave differently.

Whenever you see a sudden change in conversion rates or other success rates, you should use an IBM Tealeaf solution to quickly investigate why. Integrations between an IBM Tealeaf solution and common web analytics and business intelligence solutions provide a straightforward process for isolating a problem to a specific customer segment and then viewing session replays that correlate with that segment.

Case study: Automotive retailer

A major automotive retailer noticed a high number of abandonments on the last step of its checkout process, but had no way to determine what was causing the problem with its existing site tools. After deploying an IBM Tealeaf solution and using it to replay a select group of users who abandoned on the last step, they recognized a pattern: no debit card user was able to complete a transaction. Upon further analysis via the IBM Tealeaf solution the company discovered that its application was not built to handle debit cards and their requisite PINs. Because debit cards were accepted in the company’s stores, they were automatically added to the list of payment options on the site. However, a form field and logic to accept PIN numbers had been overlooked. The company was able to save over \$4,000 of lost sales per day by identifying and resolving this one site experience problem.

Incorporate an IBM Tealeaf solution throughout the site redesign lifecycle

E-businesses invest in site redesign projects for one simple reason: when done properly, these projects can drive huge improvements in conversion rates, incremental sales, and customer satisfaction. They have also learned that these projects are packed with unexpected issues and problems. Trying to launch a site that is 100 percent issue-free typically leads to budget overruns and project failure. That is why smart e-businesses set more realistic launch goals, backed by a system that finds problems quickly and makes the post-launch stabilization period as short as possible. As discussed in the first stage of maturity, an IBM Tealeaf solution makes this type of post-launch reactive problem resolution much easier and more efficient.

As they reach the proactive monitoring stage of online CEM maturity, customers typically bring an IBM Tealeaf solution into earlier phases of the site redesign lifecycle. Rather than waiting for a new site to launch, they use IBM Tealeaf solutions to:

- Gather requirements for the site redesign, using qualitative customer experience data gathered through “movie nights” and other customer observation processes.
- Prioritize the focus areas for site redesign, using the quantitative data that an IBM Tealeaf solution provides about business impact.
- Benchmark their old sites, creating a set of KPIs that set a baseline for measuring the impact of the new site.

In addition, they can monitor the success of the new site once it goes live.

Case study: Moving and storage company

This major moving and storage company has been serving do-it-yourself movers and their households. Before rolling out a recent site redesign project, the company analyzed customer behavior in their IBM Tealeaf solution to determine where and how to focus its efforts. The company discovered that several customers had attempted to order services and product pairings that the site structure did not support. Specifically, customers were forced to make more than one order to receive virtually everything that they wanted from the site. This did not raise red flags in other reporting tools, but their IBM Tealeaf solution was able to show the company that requiring multiple orders from a single customer is not necessarily a good thing. With these insights, they realized that its redesign project had to center around a new shopping cart model, rather than the linear step process that had been in place. Their IBM Tealeaf solution's ability to enhance the redesign process has become a critical step in their International's optimization approach.

Conduct fraud forensics

While fraud detection is not part of the core value proposition of online CEM, some customers find that it can generate significant business value with a limited investment in time. As a result, they tend to implement fraud forensic processes relatively early, as they are beginning to expand their deployments to new stakeholders. For example, a large airline created a set of IBM Tealeaf solution events that identified customer behavior that looked "questionable" (e.g., multiple ticket purchases using the same credit card). When one of these events occurred, the e-business team forwarded information to the fraud team for follow-up. As a result, the airline's fraud rate dropped significantly within a two-month period.

Additional resources required for proactive monitoring

Typically, our customers add 2 to 3 analysts across different teams and functions as they move into the proactive monitoring stage of maturity. These new users may work in production support and usability, or they may be business analysts who focus on site conversion. They might even be in the fraud department. Look for the same personal qualities that make the first IBM Tealeaf solution user successful: a data analysis mindset, project management and communications skills, cross-functional relationships, and a passion for site improvements.

We have found that usability analyst make good IBM Tealeaf solution analysts because these professionals tend to have a strong mindset for web functionality and data analysis – one of the most important qualities for understanding the power of an IBM Tealeaf solution. In addition, usability analysts tend to keep an eye on both technical factors and human factors. Because they have existing relationships with business leaders as well as development and quality assurance, they are in a good position to communicate the language of online CEM and accelerate the expansion of an IBM Tealeaf solution into the business.

Most of our customers start by using their IBM Tealeaf solution on a single business-critical website. In subsequent phases, they expand usage to other sites. For example, an insurance provider may start with its customer portal and move on to its agent and provider portals once its processes have been established.

Communicating results in terms of business impact

As you expand your IBM Tealeaf solution usage, you may implement a variety of new processes. However, no process change is more critical than how you modify your communications with your key stakeholders. Instead of just focusing on a count of issues, you communicate customer experience obstacles and successes in terms of business impact.

Determining the business impact of a particular obstacle is a relatively simple exercise in opportunity cost analysis. You ask:

- How many people were affected by the issue in a given period of time?
- How frequently did the issue affect their purchase conversion (or task success rate)?
- What is the average conversion rate for each customer at this step in the conversion process?
- What is the average transaction value for the customers affected?

With the answers to these questions, you can determine the financial impact of each site issue. In doing so, your e-business can become very effective at prioritizing site issues – even across different sites.

Simple opportunity cost analysis formula: $(N_i * (C_c - C_i)) * R$

N_i = Number of customers affected by an issue

C_c = Conversion rate of a “control group” from the step in the process where the issue occurred

C_i = Conversion rate of the people experiencing the issue, from that step in the process forward

R = Average transaction value for users going through the affected process

It is not enough to determine the business impact of customer experience issues; it is also important to **communicate** these issues to your key stakeholders. In fact, we have found that it is the communications step – done in monthly and quarterly summaries sent to executives responsible for the online business – that truly drives organizations to move up the CEM maturity curve. These communications serve a number of important functions, for example:

- They demonstrate the return on investment (ROI) of investing resources in site optimization.
- They convert each site optimization discussion into the common language of money.
- They help put small and large projects on the same footing. Many e-businesses tend to think in terms of big projects, even though the small ones are important, too. With virtually everything in monetary terms, these small projects gain much-needed visibility.
- They help to create a focus on what it really means to be customer-centric.

Our customers have told us that it is important to communicate failures in addition to successes because you must be able to have open, honest communication channels across the key website stakeholders in order to operate in a customer-centric way.

Case study: Online travel provider

In 2009 a large online travel provider, reorganized its business from a decentralized, regionally based model to a single global organization. As part of this reorganization, they created a global analytics and optimization group that reported directly to their president. This group contained a site conversion team made up of analysts and developers focused on a common goal of improving site conversion. Working together and using a variety of tools including their IBM Tealeaf solution, this new group found more than 150 ways that Expedia could drive more revenue from its site.

The team used opportunity cost analysis similar to the approach described above to recommend priorities for site improvements and publicized the results of these improvements (both good and bad) across the business on a regular basis. The results of its efforts were substantial increases in conversion that paid for the dedicated team hundreds of times over. However, even more importantly, the team's data-driven approach has generated a cultural change in the company. Now, virtually everyone has a common focus on listening to customers and on leveraging analytics to take action. Today, this online travel provider's IBM Tealeaf solution implementation includes more than 100 dashboards delivering KPIs to more than 400 individuals across the organization.

The end goal: Multichannel customer experience optimization

Multichannel customer experience optimization is the stage where your e-business has institutionalized CEM as a practice across a variety of teams. Because this requires involvement from multiple functions and business units, this level of maturity means that executives are deeply committed to online CEM. That is why the communications framework discussed in the previous section is a prerequisite – each of the key stakeholders need to be thinking in terms of customer experience KPIs and the monetary value of site optimization activities.

Multichannel customer experience optimization processes

Expand beyond the website

One of the critical next steps in mature online CEM is, in fact, to expand it beyond the website into other key interaction channels. Today, many customers who interact with the contact center start their interactions online—and they expect to be able to move seamlessly to another channel if they encounter a problem or need additional help. Unfortunately, many businesses do not have visibility or context outside of a single interaction channel. Customers may feel like they are dealing with a completely separate company when they call in!

The IBM Tealeaf solution gives your contact center agents a way to see exactly what their callers saw and did online, how they interacted with your website, or where things might have gone wrong. Contact center agents can enter a conversation with detailed context of what has occurred before, and without asking the annoying question, “What did you just do on the site?”

Contact center agents typically do not have the technical experience of an IBM Tealeaf solution power user, so IBM Tealeaf solutions provide them with a streamlined interface. They can step through a complete session after the fact, “shadow browse” to help customers in real-time, and get a quick read on what customers looked at (e.g., products, pricing, and special offers), what services they used (e.g., product comparisons, order checking, or payment confirmation), and where they might have struggled.

Case study: American loan provider

An American loan provider gives its contact center agents visibility into the online customer experience. When someone calls the provider about a loan for which he or she applied online, the agent is able to pull up the applicant's web session and help with completing the loan. This type of online visibility is particularly important to this provider because the loan recipients tend to be new to the loan process and frequently need assistance. Online visibility and context for the contact center have increased the loan provider's first-call resolution rates significantly and have also decreased average handle time by 50 percent.

In addition to servicing inbound calls, the loan provider set up a dedicated outbound calling team that follows up with virtually anyone who starts a loan application on the website, but abandons somewhere in the process. The team uses the applicant's web session to understand the history and then follows the applicant through the process. This proactive calling initiative has resulted in 25 percent of customers with incomplete loan applications ultimately completing their applications after being contacted.

With the revenue gains from outbound calls and improved handle times for inbound calls, the provider now allocates a higher proportion of new hires to its outbound calling team.

Conduct advanced site optimization

At the third stage of maturity, you are ready to integrate an IBM Tealeaf solution into the activities that you do to optimize your site. Whenever you are looking at data that tells you "what," you have a way to get to "why."

At the previous stage of maturity, you may have integrated an IBM Tealeaf solution with web analytics and VOC data. Now you might extract data from the IBM Tealeaf solution and incorporate it into other systems. For example, a financial services company uses their IBM Tealeaf solution data for lead recovery; whenever it discovers a temporary site glitch, it extracts data from their IBM Tealeaf solution to populate its CRM system with the lost lead data. You may also integrate with multivariate testing systems so that you always understand, not only which variable performed best, but also why a particular variable worked well or poorly.

At this stage, you take a disciplined approach to your site enhancements, with your IBM Tealeaf solution data at the core. You can plan more effectively and measure results with pre-and post-change data.

Engage in customer recovery or remarketing efforts

Once you have systems and processes in place to detect customer struggle, you are in a position to verify that each customer who wants to do business with you can do so successfully. A mature online CEM function includes customer recovery and remarketing initiatives to drive revenues and save sales that might otherwise be lost. These initiatives typically involve expanding usage for outbound calling by the contact center and data extracts into CRM systems for e-mail marketing. The IBM Tealeaf solution also provides valuable information that can be used for highly targeted cross-selling and up-selling campaigns.

Case study: Internet travel company

A well known internet travel company in the UK uses their IBM Tealeaf solution to set up alerts for customers who have certain basket values and who drop-off for a particular reason (e.g., credit card failure or being stuck in a loop). The company then passes the customers' session information to an outbound team in the contact center – all within a matter of seconds. The outbound agents contact the customers rapidly in order to attempt to complete the sales. With online visibility, the outbound team now delivers more revenue per hour than virtually any other reservation group in the company and generates nearly \$24M annually, a 340 percent increase over the prior year. This order recovery revenue represents approximately 20 percent of revenues received through this internet travel company.

Additional resources required for multichannel customer experience optimization

At the Multichannel customer experience optimization phase, the IBM Tealeaf solution is usually deployed throughout the e-business team as a foundation for institutionalizing a customer-centric view of the world. A number of analysts and power users work across the development, QA, production support, usability, and product management/business analyst functions; executives and other key stakeholders have access to dashboards and reports and participate in movie nights. The contact center is engaged and actively using IBM Tealeaf solutions to offer differentiated customer service, increase customer satisfaction and retention, and drive higher value from your most important customers. Virtually everyone has adopted a common language around customer needs, customer struggle, and making decisions based on data and business impact.

Maintaining momentum for CEM

Throughout this paper, we have discussed a lot of different IBM Tealeaf solution-related processes – so many that it may seem like an overwhelming task to deploy an IBM Tealeaf solution. However, these processes build on each other, following a natural progression from a company-centric to a customer-centric business. IBM Tealeaf solutions helps your organization think in terms of your customers and their experiences. Once your key stakeholders make the transition to this new mindset, the IBM Tealeaf solutions become part of the fabric of how you continuously improve your site. And customer experience sits at the core of how you differentiate from your competition.

As your organization's online CEM mindset matures, it is more important than ever to keep up and even expand IBM Tealeaf-related solution communications and reviews. They reinforce the common language of customer experience and keep the customer front and center in each decision-making process.

IBM Tealeaf solutions can deliver impact at each phase of maturity

The benefits that an IBM Tealeaf solution can deliver at higher levels of the maturity curve evolve from tactical cost savings to strategic differentiation and revenue generation. At each phase, the IBM Tealeaf solution has a tangible impact on both site optimization and customer experience.

As online CEM matures as an organizational discipline, it can:

- Help you expose virtually all of the things that cause your e-business to lose money, so that you can take faster corrective actions.
- Help differentiate you from the competition. A customer-centric e-business makes it easier for customers to conduct business across multiple channels – helping reduce customer churn, increasing loyalty, and increasing lifetime customer value.

Case study: Travel group

One of Europe's largest education, leisure and activity travel groups is committed to unifying user experience across each touch point and brand to help ensure each customer receives the best possible level of service.

The company's transactional websites are a substantial source of revenue, delivering over 50 percent of total bookings. With their IBM Tealeaf solution in place, the company is continually finding areas for improvements. After leveraging their IBM Tealeaf solution for less than a month, they identified enough previously unknown issues to decrease their 10 percent error rate to less than 1 percent, a 90 percent improvement. They received a substantial return on its IBM Tealeaf solution investment in only 3 months. More importantly, their IBM Tealeaf solution has changed the way they manage their online business. According to one company manager, "the IBM Tealeaf solution allows us to place the customer at the heart of our online business. By resolving problems we didn't previously know existed, we have increased online revenue, improved the online experience, and almost entirely eliminated website errors."

Conclusion

While moving to a customer-centric organization is a company-wide transformation, it does not mandate a huge budget commitment or cross-functional involvement from the start. Rather, you can establish stages for CEM adoption, achieve incremental success, and then extend to additional departments and disciplines over time. Some e-businesses can progress to the highest level of maturity in a matter of months; others may move more slowly. However, the important thing is to get started and take on one set of steps at a time.

The steps we described at the **reactive problem resolution** stage of maturity set your company up for the “quick wins” that you can use to justify additional investments in CEM. You can respond to problems faster and fix them in a robust way. The tangible cost savings and increased revenue achieved at this stage are generally more than large enough to pay for your initial investment in an IBM Tealeaf solution.

At the **proactive monitoring** stage, the new CEM processes that you put in place expand your usage of your IBM Tealeaf solution systematically – and also expand the value you get. Your view moves beyond fixing problems to acting, as soon as you see your customers struggling and/or failing, to complete transactions. And you begin to build a new mindset around what matters most. You will gauge the bottom-line impact of responsiveness to customer problems, understanding customer experience, and optimizing the business around customer success.

When you reach the **Multichannel customer experience optimization** stage, you have institutionalized CEM as a practice across a variety of teams. You have adopted a truly customer-centric approach to doing business, and so you can make better decisions about your sites by prioritizing optimization activities based on their monetary impact. You have extended online visibility across multiple channels and are truly in a position to differentiate your business based on the quality and consistency of the experiences you provide.

IBM Tealeaf solutions provide a number of resources to help you get started and move your organization up the maturity model:

- **The IBM Tealeaf solution community** provides our customers numerous ways to engage with each other and collaborate as well as self-service tools and product documentation.
- **IBM Tealeaf solution Regional User Groups**, held annually, give our customers an opportunity to learn best practices from their peers, keep up-to-date on IBM Tealeaf products, and discover new tools. Conference sessions include customer-presented use cases and informative “how to” sessions targeted to organizations at different stages of maturity.
- **IBM Tealeaf solution Professional Services** provides best practices consulting services, conducted on site and customized to your specific needs. We work together with you to take your online CEM practices to the next level.

Are you ready to get started? Let us know how we can help.

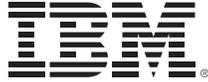
About IBM Enterprise Marketing Management

The IBM Enterprise Marketing Management (EMM) Suite is an end-to-end, integrated set of capabilities designed exclusively for the needs of marketing organizations. Integrating and streamlining all aspects of marketing, IBM's EMM Suite empowers organizations and individuals to turn their passion for marketing into valuable customer relationships and more profitable, efficient, timely, and measurable business outcomes.

Delivered on premises or in the Cloud, the IBM EMM Suite of software solutions gives marketers the tools and insight they need to create individual customer value at every touch. The IBM EMM Suite helps marketers to understand customer wants and needs and leverage that understanding to engage buyers in highly relevant, interactive dialogs across digital, social, and traditional marketing channels.

Designed to address the specific needs of particular marketing and merchandising users, the IBM EMM Suite is comprised of five individual solutions. Digital Marketing Optimization enables digital marketers to orchestrate relevant digital interactions to attract and retain new visitors and grow revenue throughout the customer's lifecycle. With Customer Experience Optimization eCommerce professionals can turn visitors into repeat customers and loyal advocates by improving the digital experience of every customer. With Cross-Channel Marketing Optimization customer relationship marketers can engage customers in a one-to-one dialogue across channels to grow revenue throughout the customer's lifecycle. Price, Promotion and Product Mix Optimization allows merchandisers and sales planners to make price, promotion and product mix decisions that maximize profit and inventory utilization. And with Marketing Performance Optimization, marketing leaders, planners and decision-makers can model and assess mix, and manage marketing operations to maximize ROI.

Over 2,500 organizations around the world use IBM EMM solutions to help manage the pressures of increasing marketing complexity while delivering improved revenue and measurable results. IBM's time-tested and comprehensive offerings are giving companies such as Dannon, E*TRADE, ING, Orvis, PETCO, Telefonica | Vivo, United Airlines and wehkamp.nl <<http://wehkamp.nl>> the power and flexibility required to provide their customers and prospects with what they expect today – a more consistent and relevant experience across all channels.



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