How to Improve the Quality of Your Customer Service with Call Recording Software

A White Paper from Versadial Solutions

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Executive Summary

If you don't take care of your customer's needs, you can be sure the competition will.

Today, more than ever before, providing a great customer service experience can mean the difference between a company that posts record profits year after year and one that struggles to survive.

That's because the growing influence of the Internet, social networks, and online peer reviews have combined to create a trust-based marketplace in which traditional marketing methods are largely ineffective, and positive word-of-mouth is the new kingmaker.

In the past, an all-out marketing blitz was often enough to cover a multitude of sins, including shoddy customer service.

Those days are over.

A recent study found that while only 19% of consumers trust direct mail, an astounding 73% trust recommendations from friends and family.

Your customers are talking.

And what they say about the way you treat them is the linchpin of your company's success. Fail to address that and the wheels will come off in a hurry.

The RightNow Customer Experience Impact Report of 2011 showed that nearly 90% of consumers have taken their business to a competitor after a bad customer service experience, and 86% of consumers said they would be willing to pay *more* for better customer service.

Given the realities of the modern market, one question you must have a good answer for is this:

How can I dramatically improve the customer service experience my company provides?

This white paper argues that call recording software is the ideal tool for improving the quality of your customer service because:

①It equips you to effectively train new employees in customer service best practices
②It ensures productive coaching sessions with your customer service representatives
③It empowers you to correct problems before they escalate

Excelling at customer service will give your company a serious edge over the competition, and will enable you to thrive in the trust-based marketplace.

The High Cost of Low Customer Satisfaction

A 2009 study by Genesys reports that U.S. enterprises lose a staggering $83 billion dollars in profit every year due to bad customer service. Where does all that money go?

> **71% of U.S. consumers have terminated a business relationship due to bad customer service.**

$50.6 billion is lost to customer churn and defections within the same industry. When you fail to get customer service right, it's like you're writing a check for the competition. The remaining $32.4 billion represents business that is abandoned and lost entirely to the industry.

The same Genesys study also states that 71% of U.S. consumers have terminated a business relationship due to bad customer service. If your company isn't providing excellent customer service, most consumers will simply walk away.

These figures make it clear that bad customer service is widespread, rampant and terribly costly. If left unchecked, it will sink your company – fast.

And yet, despite the cancerous effects of this problem, the majority of companies aren't getting customer service right. In fact, they're bombing it.

According to Forrester's Customer Experience Index for 2012, 64% of brands received a rating of "OK", "poor", or "very poor" from their customers in terms of customer experience.

Research conducted by Echo Research in 2012 reveals that when a consumer has a bad customer service experience with a company, they'll tell an average of *twenty four* people about it (up from 16 in 2011.) If your customers rank their experience with you somewhere between "OK" and "very poor", your company is in jeopardy.

Just look at the case of one U.S.-based computer giant.

Is Your Company Headed Straight to Hell?

A well-known CEO and company founder was having one hell of a retirement -- literally.

Instead of enjoying it, he watched in horror as the company he'd started in his dorm-room in 1984 and had grown into a multi-billion dollar corporation – was damned to hellfire.

The problem started in 2005, when a popular technology writer posted a single entry on his personal blog.

This tech writer had recently purchased a new computer from the company in question, and he was having a lot of problems with it. He'd repeatedly called their customer service center about the issue but he was given the runaround, transferred and ignored. Weeks went by with no help from the computer vendor. Enough was enough.

So the tech writer did what many of us have done in similar circumstances: he complained.

But instead of airing his grievances with friends and family and leaving it at that, he took to his blog, *BuzzMachine,* and posted a scathing critique of the vendor's customer service in the form of an open letter to the company founder.

This initial post struck a nerve. Comments started flooding in from people who'd had similarly bad experiences with the vendor's customer service.

The tech writer continued writing. In post after post, he chronicled his ongoing travails with the vendor's shoddy customer service. Hundreds and then thousands of comments kept the conversation going – and growing. The mainstream media picked up the story.

At the time, the company in question had an unchecked customer service crisis on its hands. They were having quality control issues with their computers and their customer service staff was unqualified, unprepared, or just plain uninterested in dealing with the problem.

Combine subpar customer service with a trust-based marketplace that is increasingly driven by word-of-mouth, and you've got the makings of a disaster.

The company's market share shriveled, their stock prices fell, and the founder came out of retirement to pull his company from the flames.

In the end, the company was saved, but even today, eight years and hundreds of millions spent in advertising later, the company's image is tarnished and they maintain a reputation, despite their best efforts, for poor customer service.

It's no exaggeration to say that customer service is one of the thorniest problems facing companies today. Get it wrong and the damage could be catastrophic.

However, every problem is also an opportunity and, as we'll see in the following two examples, companies that excel at customer service reap big benefits for it.

The $50,000 Dollar Gamble with a $5 Million Dollar Payout

A lousy customer service experience is a costly mistake for the company that drops the ball...and a huge opportunity for the company that scoops up the ball and runs with it.

An example of this is Zappos, a very popular online shoes and apparel store. Tony Hsieh, Zappos's CEO, decided to scrap his company's marketing budget and focus entirely on providing a high-quality customer service experience.

This unorthodox decision expanded Zappos's customer base by the millions, 75% of whom are return customers. Sales and profits went through the roof, and Zappos became the poster child for how to achieve success in the trust-based marketplace.

Another example can be found in a case study (Fixing the Bugs in His Business – Workdev Feb 2012) where a business owner wanted to put Tony Hsieh's method to the test, and invested $50,000 into his customer service training. The result of this $50,000 dollar gamble? A sales increase of over five million dollars. The moral of these stories: Great customer service gets results.

Why, then, aren't more companies prioritizing effective training methods and ongoing support to ensure that their customer service representatives provide outstanding service to all customers, all the time? Remember, nearly two-thirds of all brands deliver customer service that consumers are dissatisfied with or indifferent to, at best.

The fact is, if improving the quality of customer service was easy, every company would do it. The risks are far too dangerous and the rewards too rich for any company not to. But it's a complex problem, and because of this complexity, few companies know where to start.

Incredibly, a 2011 report by Econsultancy revealed that only 26% of companies have a well-developed strategy in place for improving customer experience. Three out of four companies are doing *nothing* to better the customer service experience they provide and this presents an enormous opportunity to the proactive company.

If your company incorporates call centers in your customer service strategy, call recording software can be an invaluable tool in overcoming the most problematic service failings call centers face today. Before explaining how call recording software can be used to correct those failings, let's look closely at what exactly those failings are.

How Your Customer Service Representatives Cost You Business

To the frustrated or irate person on the other end of the line, your customer service rep does more than just represent your company – she *is* your company. If your customer service rep doesn't get it right the first time, your company may not have another opportunity to win this customer's loyalty.

What, then, are the main service errors customer service reps commit that drive customers from one brand or company to a competitor? Echo Research conducted a survey of 1,000 consumers in 2012 to answer this question and found that:

- 33% leave due to rude customer service people.
- 26% get tired of being shuffled between departments.
- 10% get tired of waiting to have issues resolved.
- 10% get tired of having to follow up on an inquiry.
- 6% are tired of being pressured to purchase something.

Let's take a deeper look at these numbers. Is it possible that 33% of all active customer service reps are rude and unhelpful people? Not likely. Although there are rotten apples

in every bunch, it's more likely that the 33% of consumers did not have a problem with rude service reps; rather, the service rep merely lacked the skills to effectively meet the needs of an upset customer. This may be due to low-quality or insufficient initial training, or because the reps are not receiving enough support on the floor in the form of additional training.

> ...improving FCR by even a single percentage point could save a company as much as a quarter million dollars in operating costs.

Customers being shuffled around departments (26%) and forced to follow up on an inquiry (10%) tells us that over a third of the people surveyed indicated a lack of first call resolution (FCR) as the sole reason they took their business to a competitor. To further underscore the importance of FCR, a study published by SQM found that improving FCR by even a single percentage point could save a company as much as a quarter million dollars in operating costs.

Finally, the same survey revealed that over half (55%) of consumers who intended to do business with a company decided **not to** because of a poor customer service experience.

These numbers paint a dour picture of the current state of customer service among U.S. companies, but they also shed light on what areas are most ripe for improvement. By providing higher quality initial training, as well as ongoing training and support, your customer service reps will be better equipped to meet your customer's needs, improve first call resolution, and generate more business. How can call recording software help your company accomplish this?

Three Ways Call Recording Software Can Improve the Quality of Your Customer Service

Call recording software is a tool that can radically improve the customer service experience your company provides. Here are three of the main ways it can do so:

1. **Effectively Train New Employees**
   To ensure that the newest members of your customer service team are on the same page as the rest of your staff, they'll need lots of standard and personalized training.

   Call recording software allows you to effectively train new employees because it gives them an opportunity to listen in on how current reps are handling calls – good, bad or ugly.

   - What to avoid: When a new employee listens to a recording of a situation that wasn't handled well, you have an opportunity to teach both the new employee and current rep correct methods.

   - Getting off script: It's not easy to go off script and still remain successful with customers. By playing back recordings of some of your most skilled reps, you can show trainees what is proper to say in these situations,

while remaining true to the company's values and branding.

● Transferring calls between departments: There will be times when transferring a call to another department are unavoidable. Allowing new employees the opportunity to hear transferred calls helps them understand what situations warrant a transfer, and how to handle it when it occurs.

2. **Productively Coach Your Staff**
   Your established CS reps are the lifeblood of the customer service experience your company provides. A vital part of improving your company is taking the time and effort to improve your staff, and productive coaching sessions are one of the best ways of doing this.

   The most productive coaching sessions marry advice and instruction with opportunities for the CS rep to be personally invested in improving her performance.

   When a CS rep can hear in her own voice and words how she handled a particular call, she is more likely to modify her behavior, simply because she's hearing the modifiable issues in *her own* voice and words. When instruction is personalized, it is far more effective than general easily ignored advice.

3. **Eliminate Problems Before They Escalate**
   An ounce of prevention is worth a pound of cure, and rooting out small problems before they escalate into major nightmares can save your company millions in profit loss and operating costs.

   Call recording software allows coaches to pinpoint specific problems and fix them immediately, thus preventing an isolated issue from becoming an ingrained bad habit.

   Call recording software is one of the smartest and most cost-effective ways to train employees to become world-class customer service representatives; it enriches initial and ongoing training, enables highly productive coaching sessions, and allows you to eliminate problems as they appear. If you see call recording software as the solution to your company's customer service problems, the next step is deciding on a software provider.

What to Look For in Call Recording Software

In this white paper, we've examined the high cost of low customer satisfaction and have determined that it's a problem no success-minded company can afford to ignore.

We've also outlined three ways in which call recording software can improve the quality of your customer service by correcting three of the most crippling problems plaguing call centers today.

Taking advantage of call recording software can allow you to dramatically improve the customer service experience your company provides and, as the data we've looked at in this white paper proves, doing so will give you a serious advantage over your competition.

When deciding on a call recording software provider to do business with, make sure the product they offer allows you to:

- Monitor live calls
- Capture PC screen activity
- Record all calls (inbound, outbound, and internal)
- Run multiple reports on agent and call center activities
- Run customized quality control tests
- Share recordings easily for review and analysis
- Easily retrieve phone recordings and data via robust filters
- Have browser-based functionality for easy access by all personnel

A hammer is just a tool; it can't build a house on its own. Similarly, your call recording software is a tool, and if it's too complex to use or lacks key features, you won't be able to use it to build an incredible customer service experience.

About Versadial Solutions

Founded in 1994, Versadial Solutions began as a software development consultant firm. After successfully developing software for multi-channel voice recorders manufactured for the U.S. government, they shifted their focus to the multi-channel voice recording industry.

In 1998, VSLogger was launched commercially. This call recording software allowed businesses to easily and seamlessly integrate call recording solutions with their computer and telephone systems.

In 2011, Versadial Solutions released Adutante, an easy to access web application platform that merges voice recording, screen capture and desktop analytics.

Today, Versadial Solutions serves a worldwide customer base in a variety of different industries, such as call centers, government, manufacturing, and security, and takes pride in their ability to offer cost saving call recording software at a great value.

For more information, call 1-877-723-4252 or visit www.versadial.com