

Research

State of Customer Service in North America

March 2008

Industry study conducted by eGain Communications



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With commoditization being the fate of most product innovation today, customer service has become one of the few—if not the only—sustainable differentiators and loyalty enablers for businesses around the world. As part of its ongoing effort to help businesses improve customer service, eGain Communications Corporation, a leading provider of customer service and knowledge management software, has been tracking and reporting on the state of customer service in North America and Europe over the last several years.

Previous eGain studies of leading North American businesses covered email and web self-service capabilities, analyzing the speed and quality of email responses, and the choice of web self-service options offered. Conducted and compiled during 2007 and 2008, the “2008 State of Customer Service” study is the **first of its kind** that makes a holistic assessment of the state of customer service by not only assessing email and web self-service, but also the choice of interaction channels offered and the consistency of answers and processes across and within channels. The aforementioned capabilities were measured using metrics called Email Quotient™, Self-service Quotient™, Choice Quotient™, Multichannel Quotient™ and Multiagent Quotient™ respectively. These sub-quotients were then abstracted to an overall **Service Quotient™ (SQ™)** for each of the companies and industry sectors that were assessed as well as for the overall market. Moving forward, eGain plans to track the state of customer service on an ongoing basis, while further expanding and refining the scope of the study.

In addition to key findings from the research, the 2008 report also provides a list of resources for best practices and innovations in customer interaction management within and across the interaction channels as well as related areas such as service process automation, best agent “cloning”, self-service, web collaboration and contact center knowledge management. These resources include over a decade of experience in delivering software and related services for enterprise contact center and customer service management.

I. Benchmarking methodology

Overview:

The sample of companies benchmarked included 120 leading enterprises in the US and Canada with over \$250M in annual revenue across the financial services, communications, retail, consumer electronics, insurance and travel sectors. Analysts from eGain first analyzed the choice of interaction channels including web self-service options, offered by these companies. Posing as prospective buyers of high-value products and services, they then contacted these businesses for customer service through email and phone. Using the insurance sector as an example, questions posed by analysts ranged from simple questions like, “How do I sign up for car insurance?” to more complex questions such as “I want to get life insurance for me and my wife. Can you tell me what plans you have available and if you have a discount for families?”

Based on the interaction options offered, and the speed, quality and consistency of responses, the analysts calculated the Choice, Email, Self-Service, and Multichannel Quotients. The Multiagent Quotient was calculated for the phone channel by contacting more than one phone agent. The sub-quotients were then abstracted to an overall SQ. Assessed for each company as well as the industry sectors and the overall market, the SQ was normalized to a scale of 0.0 to 10.0, with 10.0 representing the highest possible score. Scores within each sub-quotient and the overall SQ were grouped into the following categories:

Sub-quotients based on a scale of 0.0-4.0:

Score <1.0=Poor

Score ≥ 1.0 and <2.0=Below average

Score ≥ 2.0 and <3.0 = Above average

Score ≥ 3.0 and ≤ 4.0 = Exceptional

Overall SQ based on a scale of 0.0-10.0:

Score <2.5=Poor

Score ≥ 2.5 and <5.0=Below average

Score ≥ 5.0 and <7.5 = Above average

Score ≥ 7.5 and ≤ 10.0 = Exceptional

Sub-quotients:

Choice Quotient: This measured the choice of interaction channels offered and also the capability to escalate an issue from self-service to a live agent. A broader set of interaction channels meant a higher Choice Quotient.

Multichannel Quotient: The Multichannel Quotient assessed the consistency of answers as well as process across the phone and email channels by asking the same question in both channels. While consistency of answers is obvious, the consistency of process includes consistency in areas such as the nature of information obtained from the “customer”, the questions asked of the "customer", and the people or departments involved in the interaction or service fulfillment process. The scores for the consistency of answers and the consistency of process were each based on a scale of 0.0 to 2.0, and were aggregated to compute the overall Multichannel Quotient, based on a scale of 0.0 to 4.0.

Multiagent Quotient: To determine the Multiagent Quotient, analysts examined the consistency of answers and process across agents within one channel. This study focused on the phone channel for multiagent consistency, which was measured on a scale of 0.0 to 4.0.

Email Quotient: The Email Quotient was used by analysts to evaluate the response time and the quality of response (if any was received) of interactions in the email channel. The speed and quality of response were each grouped into the aforementioned four bands based on the numeric scores.

Self-service Quotient: The Self-service Quotient was used to assess businesses on the number of web self-service options offered and the escalation experience from self-service. The escalation experience score was based on the ease of escalation and the speed of response from escalated queries.

II. Key findings

- **All industry sectors performed “below average” in overall customer service with a SQ of 4.6 on a scale of 0.0-10.0.** The consumer electronics sector performed the best with a SQ of 4.9 out of 10.0, still “below average”. The travel sector performed the worst with a SQ of 4.0.
- **The overall market performed the worst in the Multichannel Quotient, a measure of consistency of answers and processes across channels, scoring only 1.3 out of 4.0.** This does not bode well for businesses given that multichannel customers spend 20 to 30 percent more money, on average, than single-channel ones do¹.
- **Although phone is the most popular interaction channel today, the overall industry score for the Multiagent Quotient (phone) was a “below average” 1.9 out of 4.0.** The financial services and insurance sectors performed the best, both scoring 2.2 out of 4.0. The travel sector performed the worst with a score of 1.5 out of 4.0.
- **Self-service performance across industries was “below average”, with an average score of 1.7 out of 4.0.** The consumer electronics sector performed the best, scoring just above the half-way mark at 2.1 out of 4.0. The financial services and insurance sectors performed the worst, both with a “below average” score of 1.3 out of 4.0.
- **A bright spot in the study, all sectors performed “above average” in the Email Quotient with a 2.3 out of 4.0 in the overall market.** In fact, out of all of the sub-quotients, the market performed the best in the Email Quotient. The communications and retail sectors were at the top, both with a score of 2.5 out of 4.0. The consumer electronics sector came in last with an average 2.0.

¹ “Steering customers to the right channels”, McKinsey & Co., 2004

III. Cross-industry findings

SQ

While industry surveys continue to show that customer service is emerging as one of the few sustainable business differentiators, the 2008 study reveals that the state of customer service in North America, as measured by the SQ, is still below the halfway mark at 4.6 out of 10.0 across sectors. The top performer was the consumer electronics sector with a “below average” score of 4.9 out of 10.0, while the travel

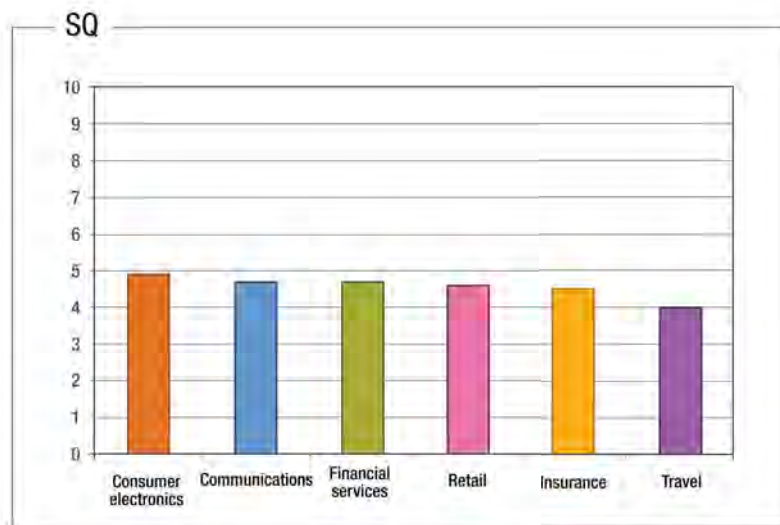


Figure 1: Cross-industry results for the Service Quotient (SQ)

sector posted the lowest performance with a score of 4.0 out of 10.0. While customer service through individual channels may have improved in some sectors, compared to previous eGain research, the overall SQ is still “below average” in all the sectors included in the study.

Choice Quotient

The Choice Quotient is a metric that measures the range of self-service and agent-assisted interaction options provided to customers and the ease of escalation from self-service to agent-assisted service. Customer communication channels are proliferating and businesses that provide more ways for customers to interact with them are better positioned for success. Yet, the Choice Quotient for the overall market was just “average” - 2.0 on a 0.0 to 4.0 scale. The consumer electronics sector

performed the best with an "above average" score of 2.4 followed closely by the communications sector with a 2.3. The worst performer was the financial services sector, which scored "below average" with a 1.6 out of 4.0. Just about half of the businesses in the study received a "poor" or "below average" score. Only 8% of them received an "exceptional" score in the Choice Quotient.

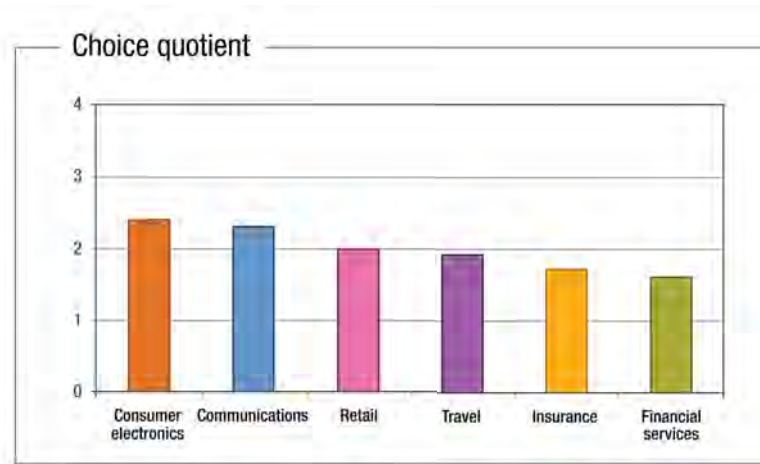


Figure 2: Cross-industry results for the Choice Quotient

Multichannel Quotient

This is the area where the overall market performed the worst. The cross-industry Multichannel Quotient was well "below average" at 1.3 out of 4.0. The retail sector performed the worst in this area with a "poor" score of 0.9 out of 4.0, while the

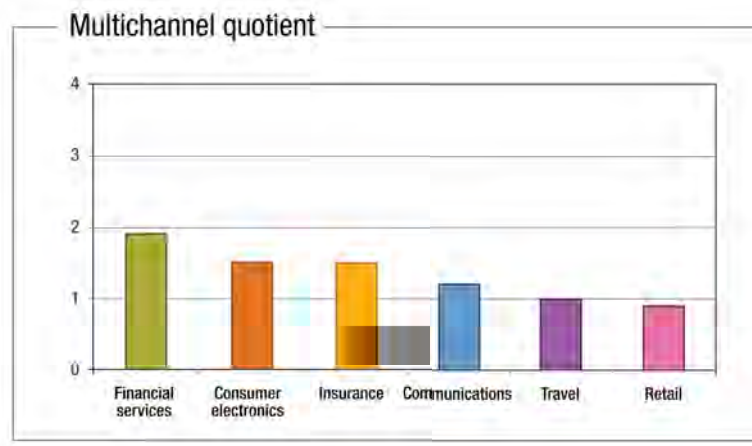


Figure 3: Cross-industry results for the Multichannel Quotient

financial services sector performed the best with only a "below average" score of 1.9 out of 4.0. A whopping 50% of the businesses surveyed received a score of 0.0,

indicating a serious lack of consistency between the phone and email channels. This inconsistency spanned both answers and process- a shocking result given the popularity of those channels and the increasing tendency of customers to use multiple channels to oftentimes complete the same transaction or resolve a query.

Multiagent Quotient

The Multiagent Quotient assessed the consistency of agent-assisted service through the phone channel by evaluating the consistency of answers and process across agents. Despite the emergence of online interaction channels like chat and email,

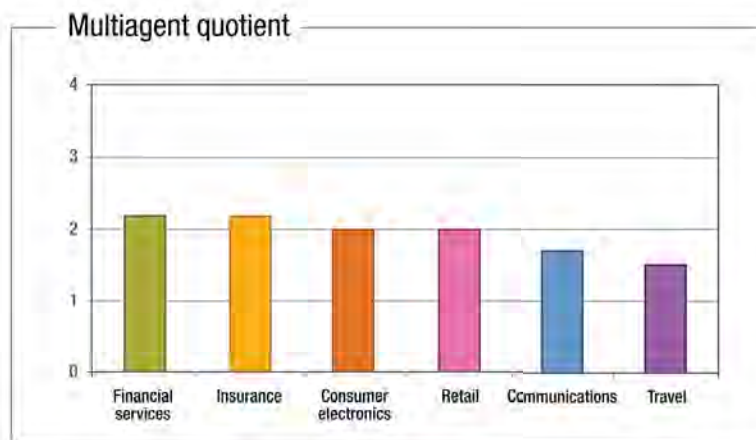


Figure 4: Cross-industry results for the Multiagent Quotient

the phone channel is still widely used. However, the results of this study revealed that phone-agent customer service was not as consistent and accurate as it should be. The Multiagent Quotient for the overall market was “below average” at 1.9 out of 4.0. The financial services sector performed the best with an “above average” 2.2 out of 4.0, and the travel sector performed the worst with a 1.5. Surprisingly, 23% of the surveyed businesses received a “poor” score of 0.0, while another 23% received “below average” scores, showing that phone agents are not providing the same answers or following the same processes. This is not a good sign in the new business environment of tight regulatory oversight on what can and cannot be said to customers and prospects. Moreover, this finding also indicates that businesses are not doing a stellar job of propagating best-practice interactions to all their agents, an area of particular concern when contact centers are often required to make in-house, outsourced and hybrid sourcing models successful.

Email Quotient

Email is the second most popular interaction channel today, second only to the phone. Thus, it is good news that email customer service has improved since eGain's previous research in this area. Across the board, the scores were "above average",

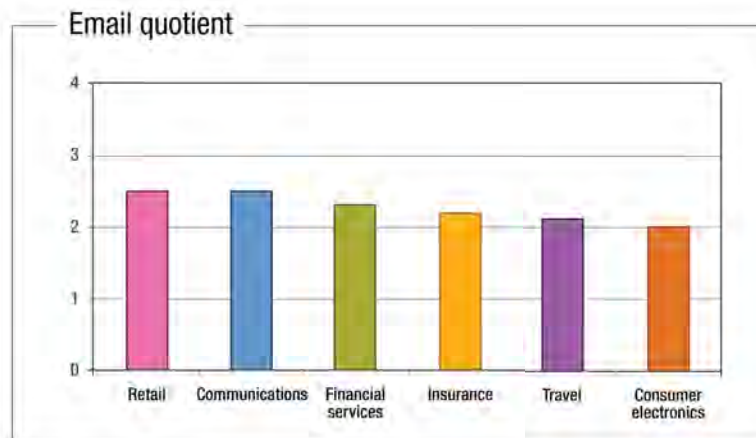


Figure 5: Cross-industry results for the Email Quotient

ranging from 2.0-2.5, the average being 2.3 out of 4.0. This puts the Email Quotient at the top in regards to sub-quotient performance. The retail and communications sectors were both at the top with scores of 2.5 out of 4.0, while the consumer electronics sector was at the bottom with an average 2.0. Emails receiving no responses have decreased from 41% to 28% versus prior research, another notable improvement achieved by the industry. That said, the quality of response did not see the same improvement. The rate of "exceptional" responses increased from 17% to 28%, but at the same time, the rate of "poor" responses increased from 2% to 7%, and the rate of "below average" responses increased from 14% to 20%.

Self-service Quotient

This study also assessed the state of web self-service, where North American businesses are falling short again. The Self-service Quotient was based upon the number of self-service options offered as well as the agent escalation experience. The Self-service Quotient for the overall market was "below average" at 1.7 on a scale of 0.0 to 4.0. This time around, the consumer electronics sector performed the best with a 2.1 out of 4.0, and the insurance and financial services sectors performed the worst, both with a "poor" score of 1.3. Moreover, about two-thirds of the businesses fell into the "poor" or "below average" ranges. With self-service usage continuing to

increase in North America, ineffective self-service can lead to web site abandonment, customer churn and lost sales. Offering multi-modal self-service through a variety of information access options such as dynamic FAQs, search, browse and guided help can help increase self-service adoption and increase sales, while driving down costs.

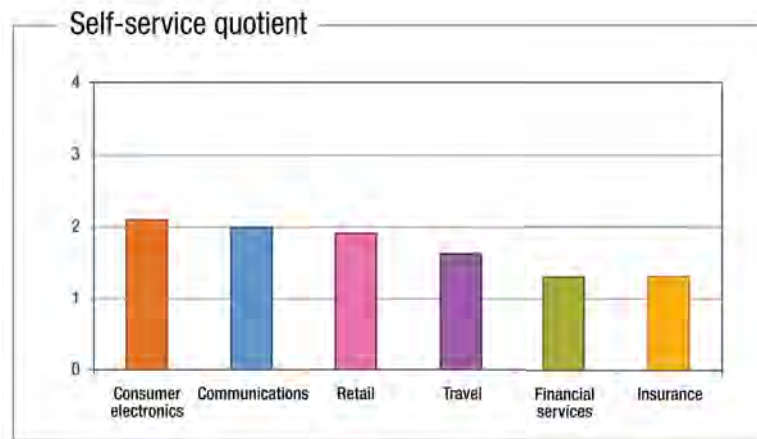


Figure 6: Cross-industry results for the Self-service Quotient

IV. Industry-specific findings

A. Financial services sector

SQ

As the results show, the financial services sector was one of the best performers especially in the area of multichannel-multiagent performance; however, its overall performance was still “below average.” The SQ for the financial services sector was

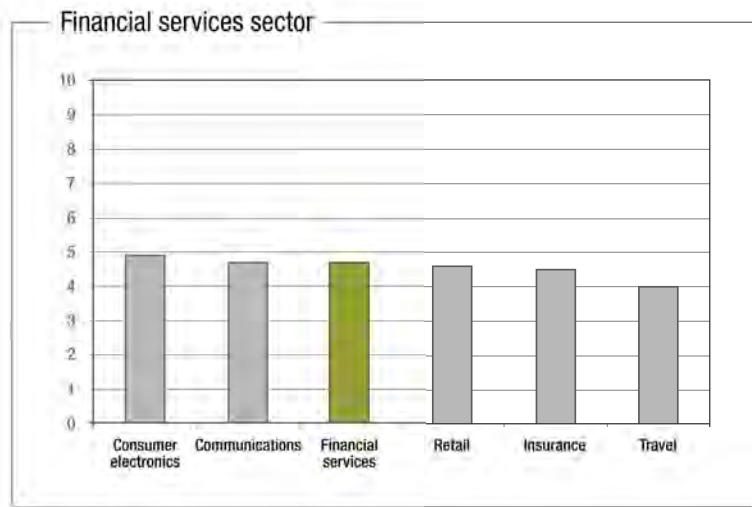


Figure 7: Cross-industry comparison of the financial services sector in SQ

4.7 on a scale of 0.0-10.0, just below that of the consumer electronics sector, which scored the highest at 4.9. 45% of the businesses in the financial services sector scored in the “poor” or “below average” ranges, and another 45% scored “above average”. Only 10% scored in the “exceptional” range. Moreover, the disparity between the best and the worst performer was very high with the lowest score at a meager 0.7 and the highest 8.5. Given the importance placed especially by high-worth consumers on customer service as a critical business differentiator for this sector, this performance should be of concern for financial services firms².

² "Customer Satisfaction in the Changing Global Economy", Accenture, 2007

Choice Quotient

The Choice Quotient for the sector was “below average” at 1.6 on a scale of 0.0 to 4.0, with 80% of the businesses scoring “below average”, and only 20% scoring “above average” with a score of 2.0 or higher (See Appendix). Moreover, the financial services sector performed below the curve in regards to the overall market which averaged 2.0 out of 4.0. In fact, Forrester Research revealed that customers today in the financial services sector are using more than one interaction channel to complete transactions or resolve their issues; oftentimes, they are using all of the channels provided by a business for both pre-sales and post-sales purposes³.

Multichannel Quotient

The Multichannel Quotient for the financial services sector was a 1.9 out of 4.0. While only 20% of the businesses surveyed received a perfect score, 45% received a “below average” or “poor” score. Moreover, of that 45%, 30% received a score of 0.0. Thus, even though the financial services sector performed well in comparison to other sectors, these results showed that there is plenty of room for improvement in cross-channel consistency between the phone and email channels.

Multiagent Quotient

The Multiagent Quotient for the sector was “above average” at 2.2 out of 4.0. Again, 20% of the businesses surveyed received a perfect score; however, 25% received a “poor” score of 0.0. Despite this, when compared to the other sectors, the financial services sector was one of the better performers in the Multichannel and Multiagent Quotients. Nevertheless, the findings are disturbing given the tight regulatory restrictions in the financial services sector. Compliance laws dictate what agents can or cannot ask which requires a great degree of consistency between phone agents.

Email Quotient

For the financial services sector, the Email Quotient was “above average” at 2.3 out of 4.0, thus the sector showed noticeable improvement since prior research. About 40% of the emails received a response within 24 hours compared to a previous 24%. Compared to 59%, only 35% of emails were ignored in this study, and the quality of response significantly improved with the percentage of “exceptional” responses increasing from 20% to 45%.

³ "The Forrester Wave™: Enterprise CRM Suites For Financial Services, Q1 2007", Mary Pilecki, Forrester Research, 2007

Self-service Quotient

The Self-service Quotient for the financial services sector was “below average” at 1.3 out of 4.0. Only 5% of the businesses received “exceptional” scores, and a shocking 85% scored “below average” or “poor”. Consumers today tend to be highly web savvy, and web self-service becomes of high importance when it comes to handling their questions and issues.

B. Communications sector

SQ

Twenty leading companies in the communications sector were surveyed, and the results show that the sector was one of the top performers. The SQ was 4.7 out of 10.0; however, on a scale of 0.0-10.0, it is clear that the results were, in fact, still “below average.” For example, 65% of the businesses scored “below average” or “poor.” In addition, the lowest score was 1.5 while the highest was a near-perfect 9.3.

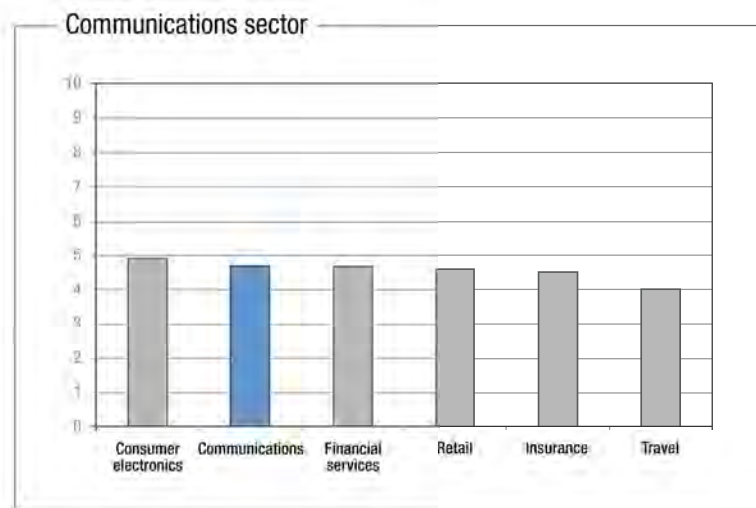


Figure 8: Cross-industry comparison of the communications sector in SQ

This gulf in scores demonstrates the sector’s enormous potential for improvement in customer service. Due to product proliferation and the age of “triple plays”, the communications sector today is plagued by customer churn and product commoditization. Customer service is one of the few remaining differentiators in this sector, and it is encouraging to note that this sector was one of the better performers. However, the “below average” score of this sector, combined with its

lack-luster performance in industry-standard customer satisfaction surveys⁴, indicates the need for continued customer service focus in this sector.

Choice Quotient

The Choice Quotient for the sector was "above average" at 2.3 out of 4.0 with 55% of the businesses scoring "above average" and 20% scoring "exceptional." When looking at the overall market, the communications sector scored above the curve with only 25% of the companies scoring "below average" or "poor."

Multichannel Quotient

The Multichannel Quotient for the communications sector was a "poor" 1.2 out of 4.0. While 30% of the businesses surveyed received an "exceptional" score, a shocking 65% received a "poor" score of 0.0 (See Appendix). The remaining 5% scored in the "above average" range. Compared to the overall market, the communications sector performed below the curve. Moreover, when compared to the other sectors, the communications sector was one of the lowest performing sectors in this area.

Multiagent Quotient

The Multiagent Quotient for the sector was 1.7 out of 4.0. Only 10% of the businesses surveyed received a perfect score while 50% received a "below average" or "poor" score. In this sub-quotient, the communications sector came out below the market curve again.

Email Quotient

For the communications sector, the Email Quotient was "above average" at 2.5 on a scale of 0.0-4.0, placing it at the top along with the retail sector. 20% of the businesses scored in the "poor" range, but 45% were "exceptional". In addition, the likelihood of an email being ignored decreased since the last study from 40% to 20%. However, the overall quality has not improved significantly since then with the rate of "poor" responses increasing from 0% to 15%.

⁴ American Customer Satisfaction Index Survey, University of Michigan, May 2007

Self-service Quotient

The Self-service Quotient for the communications sector was just average- 2.0 out of 4.0, yet it was one of the highest Self-service Quotients in the study. While 50% of the businesses scored "above average", 45% were "below average" or "poor". Only 5% were "exceptional". Despite this, the sector performed above the curve when looking at the overall market score of 1.7 out of 4.0.

C. Retail sector

SQ

The SQ for the retail sector was 4.6 out of 10.0 with scores ranging from 1.1 to 8.9. A majority (70%) of the businesses performed "poor" or "below average". Only 20% of the companies scored "above average", and just 10% were "exceptional". Compared to the overall market average of 4.6, the retail sector performed to par.

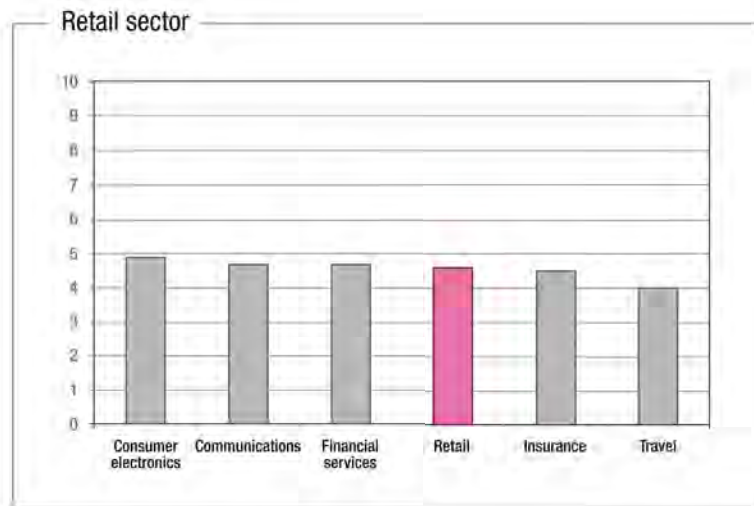


Figure 9: Cross-industry comparison of the retail sector in SQ

Choice Quotient

The Choice Quotient for the retail sector was just average at 2.0 out of 4.0 with 50% of the businesses scoring "above average" and only 10% scoring "exceptional". The remaining 40% scored "below average". As online retailing continues to take off, it is obvious that electronic communication channels, integrated with phone and retail channel kiosks, are essential. However, the results of this measurement reveal that retailers are lagging behind market demand for multiple interaction choices.

Multichannel Quotient

The Multichannel Quotient for the retail sector was a shocking 0.9 out of 4.0, placing it in the “poor” category. Only 10% of the businesses surveyed received a perfect score. Even more, 65% received a “poor” score of 0.0 out of 4.0, and 10% received a “below average” score. In fact, the retail sector was the only sector to receive a poor rating in the Multichannel Quotient. This is a matter of concern since retail customers tend to use different interaction channels across different phases of their lifecycle and oftentimes to complete a single transaction. For instance, online interactions tend to be higher before the holiday season when consumers perform research and make purchases, while inbound phone calls tend to pick up significantly after the holiday season when consumers have questions on how to use the products, how to return them, how to buy accessories, etc. Therefore, unified multichannel customer service is becoming a requirement for retail businesses.

Multiagent Quotient

The Multiagent Quotient for the sector was just average at 2.0 out of 4.0. 15% scored a perfect 4.0 while another 15% scored 0.0. When compared to the other sectors, the retail sector was one of the worst performers in the Multichannel and Multiagent quotients. This is a very shocking trend given the phenomenon that plagues the retail sector called “dialing for dollars” where prospective customers repeatedly call in order to get a better deal. Retailers with low Multiagent Quotients may leave money on the table when agents are not being consistent and current on pricing, promotions, shipping and return policies, as well as their knowledge of SKU’s they carry.

Email Quotient

Along with the communications sector, the retail sector scored the highest in the Email Quotient with an “above average” 2.5 out of 4.0. Only 25% of the businesses performed “poorly” and the remaining 75% were “above average” or “exceptional” (See Appendix). About 25% of the emails were ignored which was about the same in previous studies. 65% of the emails were answered within 24 hours compared to 54% in prior research. Despite these improvements in email responsiveness, the quality of response worsened since the last study. The rate of “exceptional” responses decreased from 35% to 30%, and the rate of “poor” responses increased from 2% to 10%.

Self-service Quotient

The Self-service Quotient for the sector was 1.9 out of 4.0. About 35% of the businesses received “above average” scores while only 10% received “exceptional” scores. The remaining 55% scored “below average” or “poor”. Despite its near-average performance, the retail sector performed above the overall market in self-service. However, the score is still shocking given the fact that self-service is such a key requirement for today’s web-savvy consumers. A recent Internet Retailer survey revealed that almost all of the businesses in their study made interactive online customer service a standard component of their e-commerce operations⁵.

D. Consumer electronics sector

SQ

The consumer electronics sector posted the highest overall performance with a SQ of 4.9 out of 10.0. The lowest single score was 1.7 while the highest was a whopping 8.1. 45% of the businesses surveyed scored in the lower half of the scale; however,

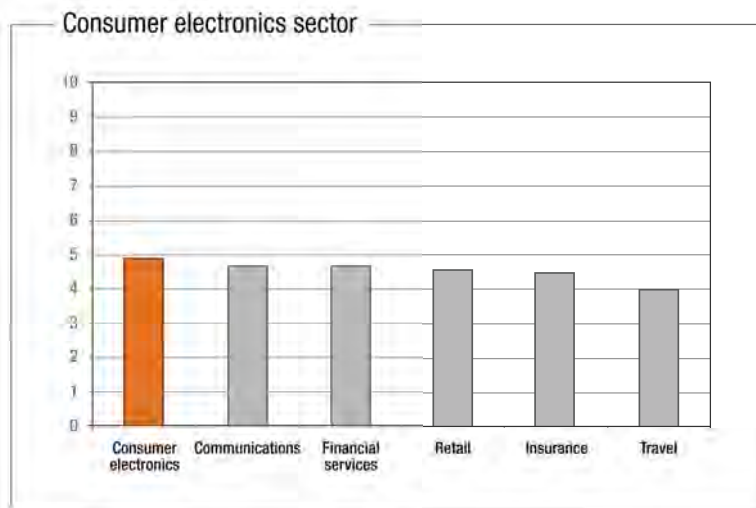


Figure 10: Cross-industry comparison of the consumer electronics sector in SQ

50% performed “above average”. Furthermore, the sector performed above the curve of the overall market which was at 4.6. This is an encouraging trend, given that customer service is starting to emerge as the only differentiator in this sector due to commoditization, relentless innovation and global competition.

⁵ “Serving the customer”, Internet Retailer, 2007

Choice Quotient

The Choice Quotient for the sector was "above average" at 2.4 out of 4.0 with 25% of the businesses scoring "exceptionally". In addition, 50% of the companies were "above average", and the remaining 25% were "below average". This performance put the sector ahead of the curve of the overall market which was just average at 2.0.

Multichannel Quotient

The Multichannel Quotient for the sector was "below average" at 1.5 out of 4.0. Despite its comparatively high overall performance, 40% of the businesses in the sector received a score of 0.0 in the Multichannel Quotient. Still, the consumer electronics sector performed better than most of the others in the Multichannel Quotient.

Multiagent Quotient

The Multiagent Quotient for the sector was just average at 2.0 on a scale of 0.0-4.0. 50% of the businesses in the study received a "poor" or "below average" score. Considering this performance, the consumer electronics sector performed on the same level as most of the other sectors in the Multiagent Quotient. In the overall market, the sector scored right around the curve which was at 1.9.

Email Quotient

For the consumer electronics sector, the Email Quotient was also just average at 2.0 out of 4.0. A majority (60%) of the businesses were "above average" or "exceptional". Regarding email responsiveness, about 40% of the emails received a response within 24 hours, but 30% did not receive a response at all. In fact, the consumer electronics sector performed the weakest in the market for email customer service. Lastly, email quality did not reflect the responsiveness. Only 15% of the emails received an "exceptional" quality rating while 35% received a "below average" rating (See Appendix).

Self-service Quotient

The Self-service Quotient for the consumer electronics sector was 2.1 out of 4.0, above the overall market score of 1.7. About 45% of the businesses were "above average," and only 15% were exceptional. The remaining 40% scored "below

average” or “poor”. This sector had the highest Self-service Quotient, a positive development, given that consumers in this sector are tech-savvy and are inclined to using self-service, where possible. Although the sector performed well in self-service and interaction choice, it was lacking in phone and email customer service.

E. Insurance sector

SQ

As the results show, the insurance sector was “below average”, falling short in certain areas. The sector came in second to last with a SQ of 4.5 out of 10.0. The majority (65%) of the businesses surveyed scored in the lower half of the scale, but the remaining 35% performed “above average” or “exceptional”. In addition, the lowest score was a 2.2 while the highest was 7.5.

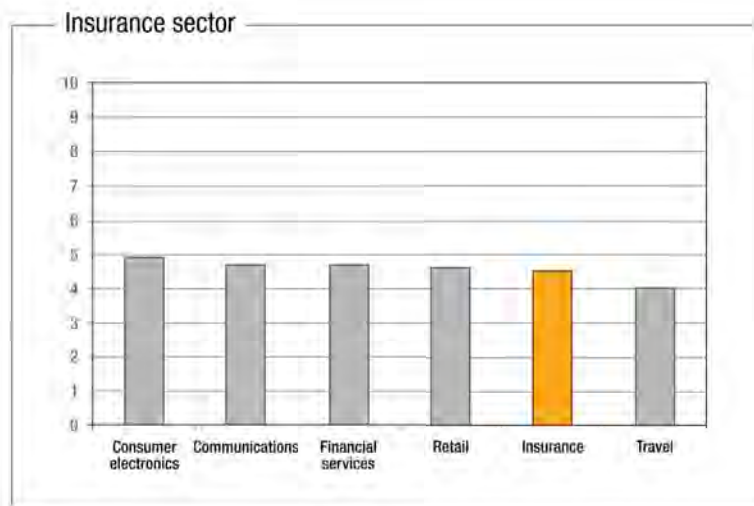


Figure 11: Cross-industry comparison of the insurance sector in SQ

Choice Quotient

In comparison to the overall market, the insurance sector scored below the curve in the Choice Quotient. The overall market scored 2.0 out of 4.0 while the insurance sector only scored a 1.7. When compared to the other sectors, the insurance sector had one of the lowest scores in the Choice Quotient. 75% of the businesses in the sector scored “below average” while the remaining 25% scored “above average” (See Appendix). None of the companies performed “exceptionally” or “poorly”.

Multichannel Quotient

The Multichannel Quotient for the insurance sector was a "poor" 1.5 out of 4.0. A whopping 60% received a "below average" or "poor" score. In fact, of that 60%, 45% received a score of 0.0. The sector was just above the market curve, and it performed better than most of the other sectors in this quotient.

Multiagent Quotient

The Multiagent Quotient for the sector was "above average" at 2.2 on a scale of 0.0-4.0. 30% of the businesses received a score of 0.0, but 60% received "exceptional" scores. When compared to the other sectors, the insurance sector along with the financial services sector was the top performer in the Multichannel and Multiagent Quotients. Moreover, the insurance sector was ahead of the curve of the overall market which was at a 1.9 out of 4.0.

Email Quotient

For the insurance sector, the Email Quotient was "above average" at 2.2 out of 4.0. Only 35% of the businesses received "poor" or "below average" scores, while a whopping 55% received "exceptional" scores. About 50% of the emails received a response within 24 hours, but 25% of emails never received a response. The quality of response, however, did not reflect the speediness of response. Although half of the emails received a response within 24 hours, a shocking 45% of the emails received a "below average" or "poor" rating in quality, while only 20% received an "exceptional" rating. Overall though, the sector's email performance was just below the overall market.

Self-service Quotient

The Self-service Quotient for the sector was a "poor" 1.3 out of 4.0, with a whopping 85% of the businesses scoring "below average" or "poor." Moreover, the insurance sector was below the overall market curve which averaged 1.7 in the Self-service Quotient. In fact, the insurance sector posted one of the weakest performances in this area.

F. Travel sector

SQ

Twenty leading companies in the travel and hospitality sector were surveyed. As the results show, the sector was the weakest performer in the entire study especially in the area of multichannel-multiagent performance. The SQ for the sector was "below average" at only 4.0 out of 10.0 when the overall market average was 4.6. In addition, 70% of the businesses scored in the lower half of the scale. The lowest single score was 1.3 while the highest was 8.2.

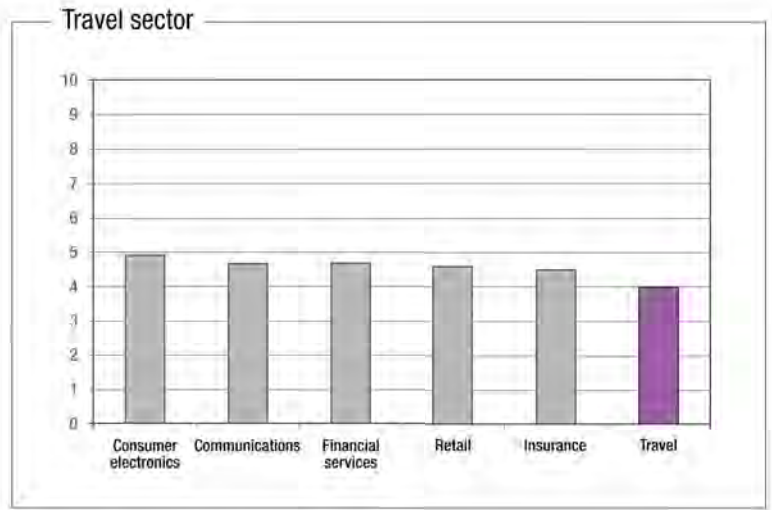


Figure 12: Cross-industry comparison of the travel sector in SQ

Choice Quotient

The Choice Quotient for the travel sector was 1.9 out of 4.0 with 45% of the companies scoring "below average", and the remaining 55% scoring "above average." Compared to the other quotients, the Choice Quotient was the highest for the travel sector, but overall, the sector still performed the poorest out of the whole market.

Multichannel Quotient

The Multichannel Quotient for the travel sector was a "poor" 1.0 out of 4.0. 70% of the companies received a "below average" or "poor" score, and of that, 55% received a score of 0.0. The sector was well below the curve of the overall market and almost came in dead last on the sector level.

Multiagent Quotient

The Multiagent Quotient for the sector was 1.5 on a scale of 0.0-4.0. The majority, 60%, scored “below average” or “poor”. In addition, the sector had one of the worst performances in the area of multichannel-multiagent customer service. The sector also scored below the overall market average in the Multiagent Quotient, which was at a 1.9 out of 4.0. This does not bode well for the travel sector which is also plagued by the phenomenon of “dialing for dollars”. Prospective customers call multiple times in hopes of getting a lower price or better deal. Without agent consistency, businesses lose money and may even lose customers who find these inconsistencies frustrating.

Email Quotient

For the travel sector, the Email Quotient was just above the halfway mark at 2.1 out of 4.0. 30% of the businesses received "poor" scores, but 40% received "exceptional" scores. About 50% of the emails received a response within 24 hours, but 30% of emails were ignored. In past research, 27% of the emails were ignored and 40% of them received a response within 24 hours. Thus, the travel sector saw a slight improvement in responsiveness but still has ways to go, given the time-sensitive nature of customer queries. In regards to quality of responses, the sector saw some improvement. The rate of “exceptional” responses increased from 16% to 20%, while the rate of “below average” responses decreased from 16% to only 5%. Despite its notable improvements, the travel sector performed below the market curve and the other sectors in this area, posting the weakest sector performance in the overall study.

Self-service Quotient

The Self-service Quotient for the sector was 1.6 out of 4.0. About 70% of the businesses scored “below average” or “poor.” The remaining 30% scored “above average”. No businesses fell into the "exceptional" category (See Appendix). Although the travel sector performed the worst overall, it performed better in self-service than some of the other sectors such as financial services and insurance, which both scored 1.3 out of 4.0 in the Self-service Quotient.

V. Next step: BPAS

Survey after survey of consumers and business customers confirms that “me-too” customer service is no longer enough to create customer loyalty. Today’s leaders dominate their markets by out-innovating and out-doing competitors in customer service, while adding to topline growth through point-of-service sales and marketing. Is your customer service organization using contact center best practices, leveraged by the Global 2000?

Find out by requesting a Best Practice Assessment Study (BPAS) from eGain, a recognized leader in customer service and knowledge management software. Our most successful clients had one thing in common – they started with a BPAS, when they launched their customer service transformation initiatives. You can play a vital role in reinforcing your company’s competitive position and boost your visibility in the executive suite by taking this proactive approach and leveraging the secrets and best practices used by these leaders. Unlike traditional assessment studies from the Big Four that can cost upwards of \$20K, our BPAS will cost you nothing and there’s no obligation to buy anything from us. You will receive advice based on the industry’s most comprehensive body of innovations, best practices and domain expertise that we have built up by serving world-class companies for over 10 years. Register now at www.egain.com/bpas to qualify.

VI. Best practice recommendations

eGain is a pioneer in the area of customer service and knowledge management, and has been delivering trusted solutions since the 1990s. Our white papers reflect expertise we have gained from helping hundreds of enterprises set up world-class contact center and customer service systems.

You can download our best practice white papers at: www.egain.com/best_practices/library.asp and visit www.egain.com today to learn more about our solutions!

About eGain

eGain is a leading provider of multichannel customer service and knowledge management software for in-house or on-demand deployment. For more than a decade, the world's largest companies have relied on eGain to transform their traditional call centers, help desks, and web customer service operations into multichannel customer interaction hubs. Based on the Power of One™, the concept of one unified platform for multichannel customer interaction and knowledge management, these hubs enable dramatically improved customer experience, end-to-end service process efficiencies, increased sales, and enhanced contact center performance.

Headquartered in Mountain View, California, eGain has an operating presence in 18 countries and serves more than 800 enterprise customers worldwide. To find out more about eGain, visit www.egain.com or call the company's offices: 800-821-4358 (US headquarters), 1753-464646 (UK and Continental Europe).

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VII. Appendix

Performance by sector

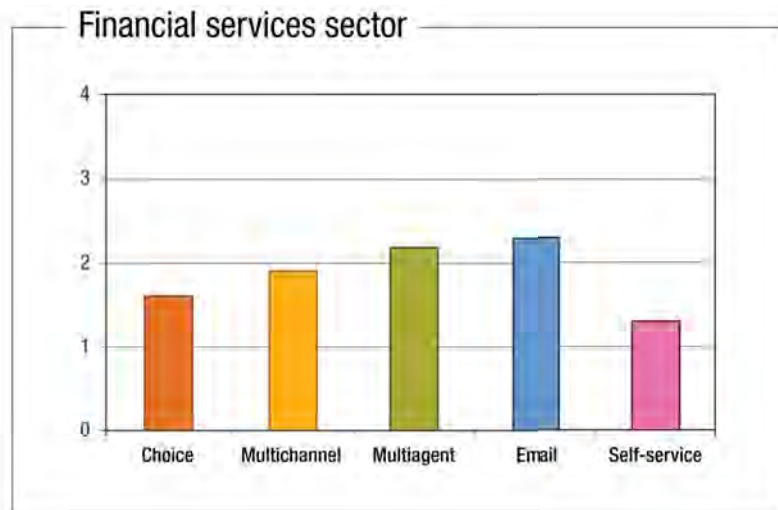


Figure 13: Performance of the financial services sector in all sub-quotient

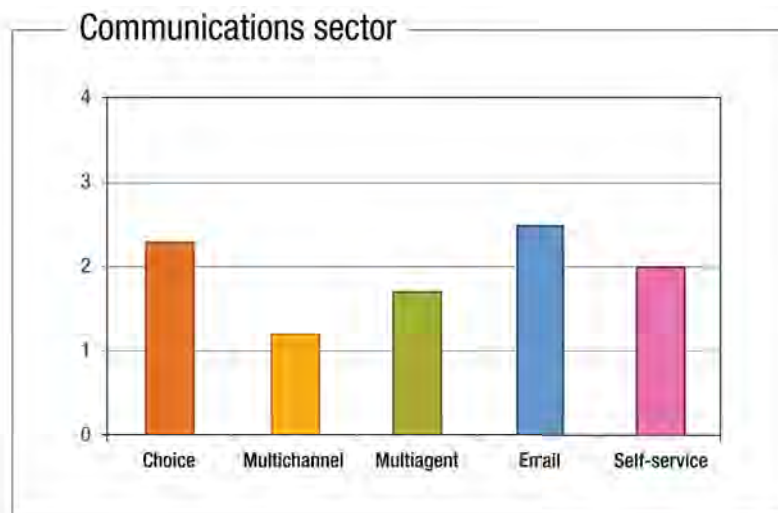


Figure 14: Performance of the communications sector in all sub-quotients

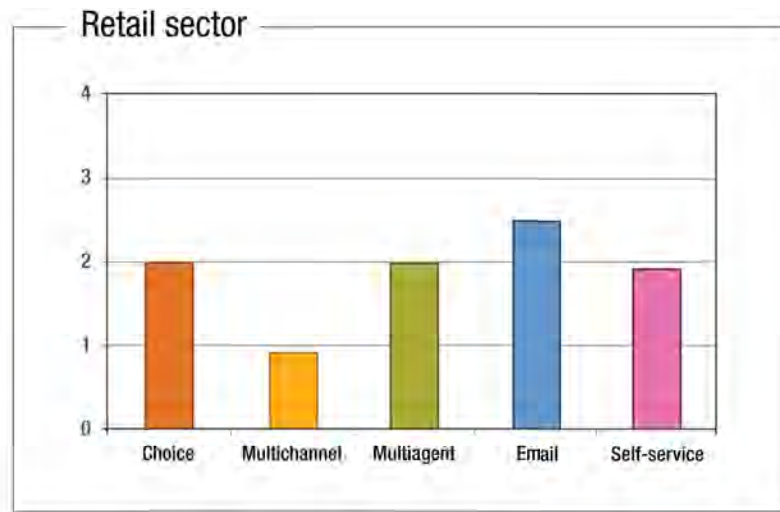


Figure 15: Performance of the retail sector in all sub-quotients

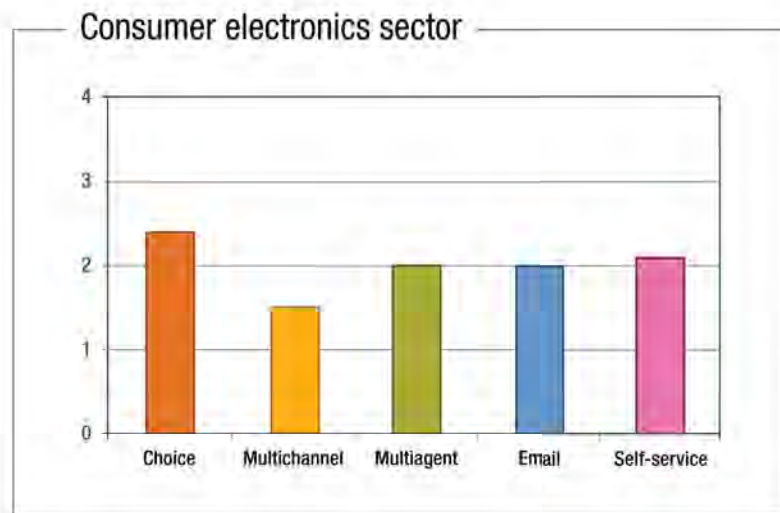


Figure 16: Performance of the consumer electronics sector in all sub-quotients

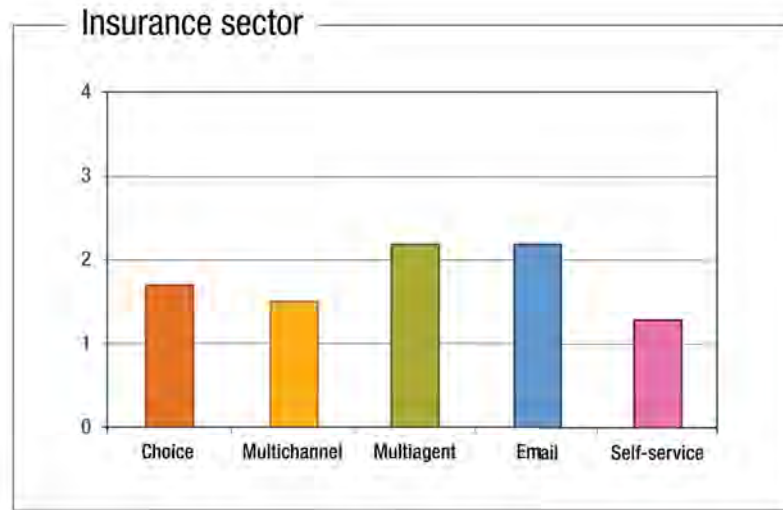


Figure 17: Performance of the insurance sector in all sub-quotients

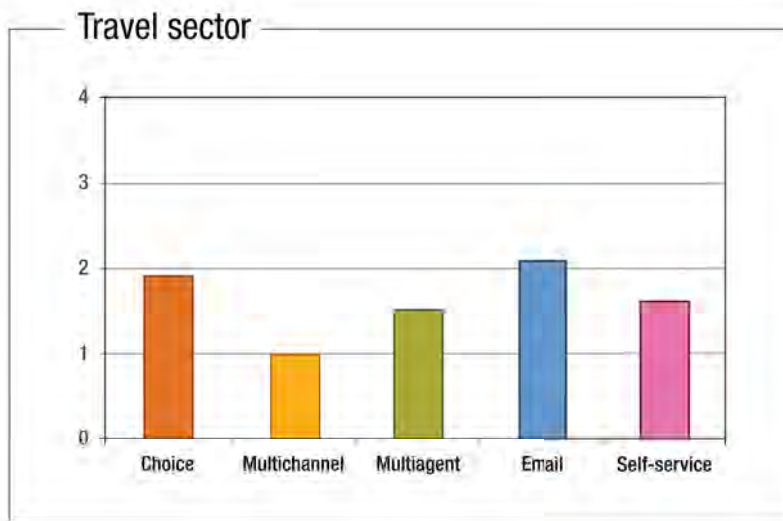


Figure 18: Performance of the travel sector in all sub-quotients

Financial Services

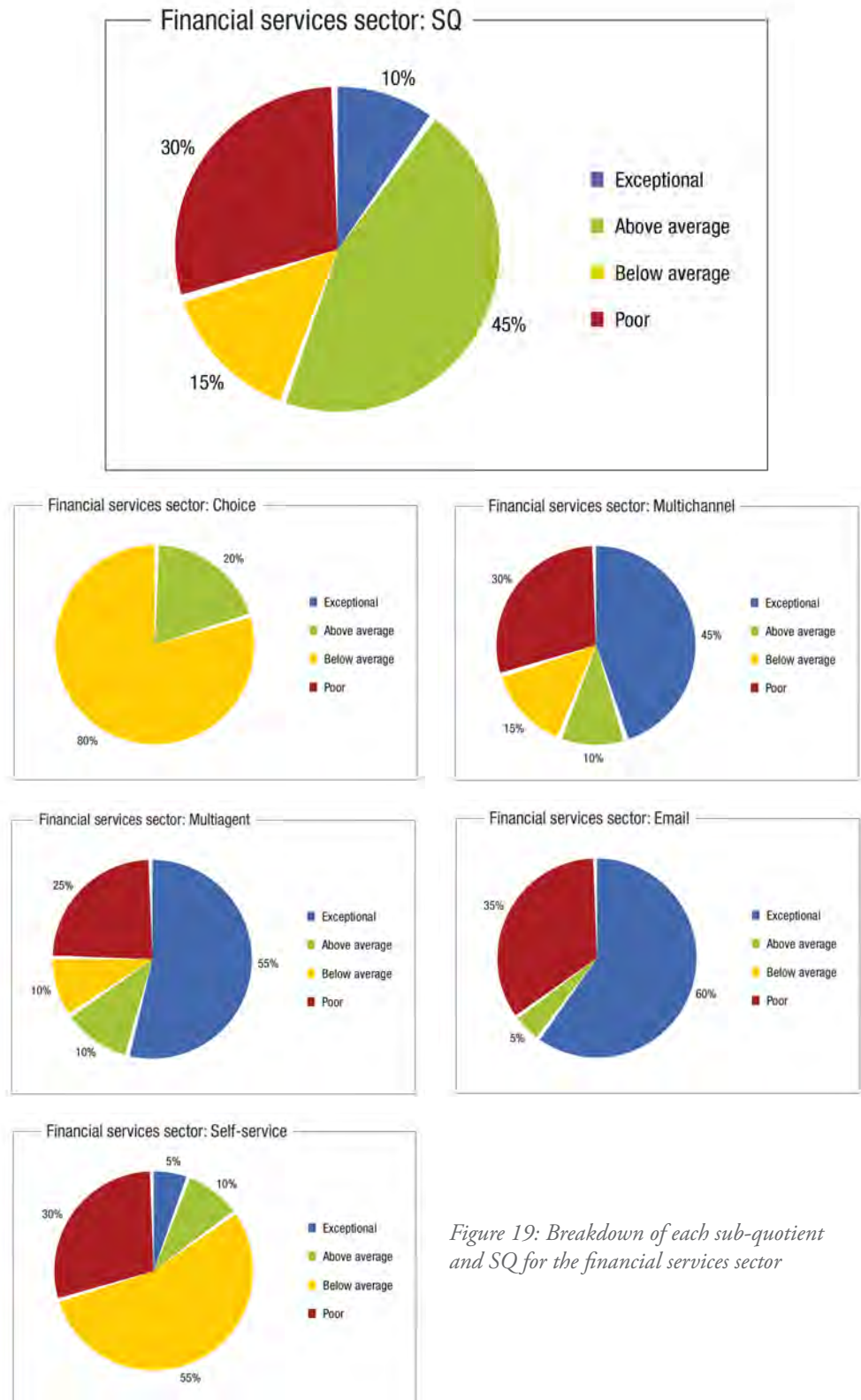


Figure 19: Breakdown of each sub-quotient and SQ for the financial services sector

Communications

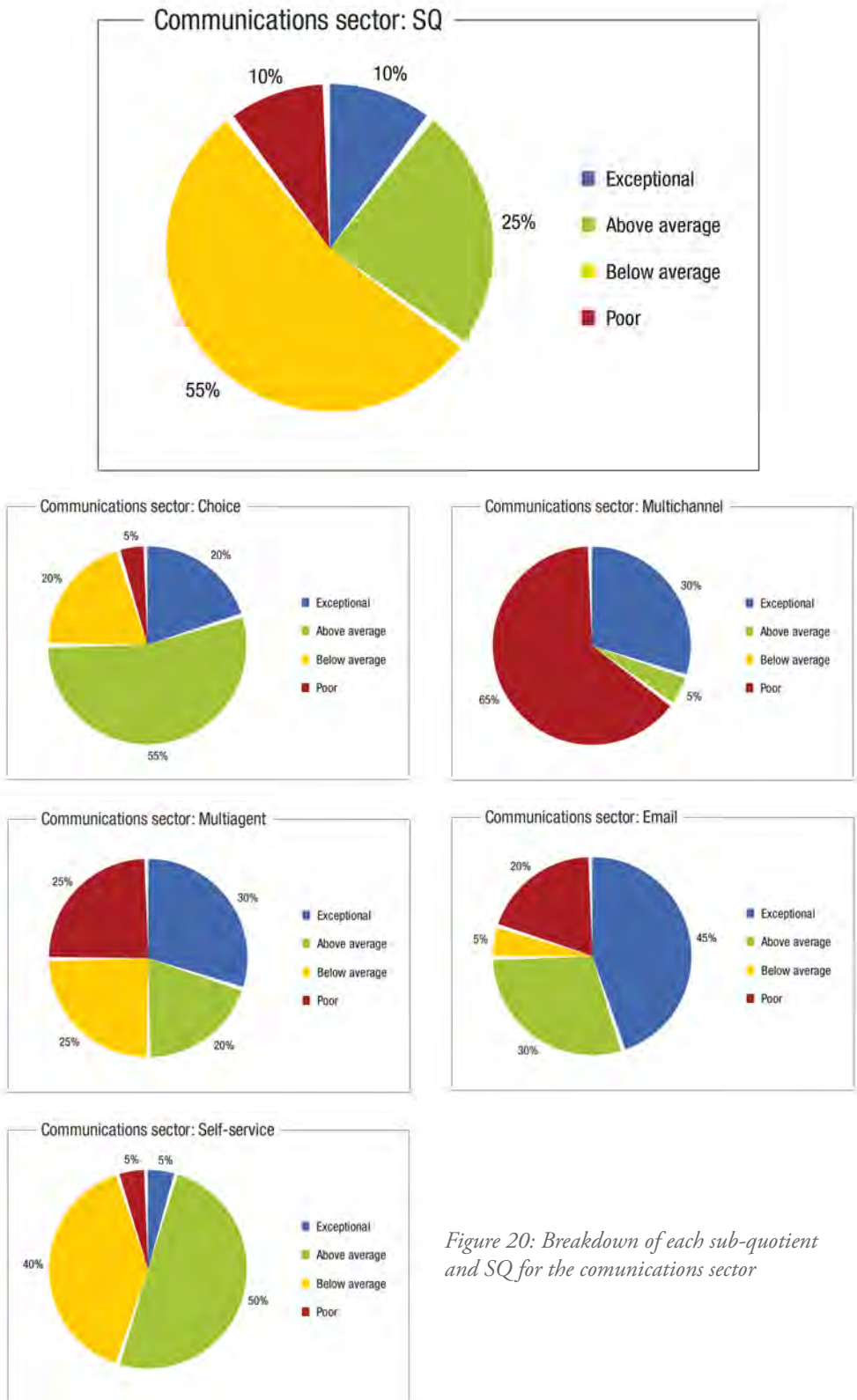


Figure 20: Breakdown of each sub-quotient and SQ for the communications sector

Retail

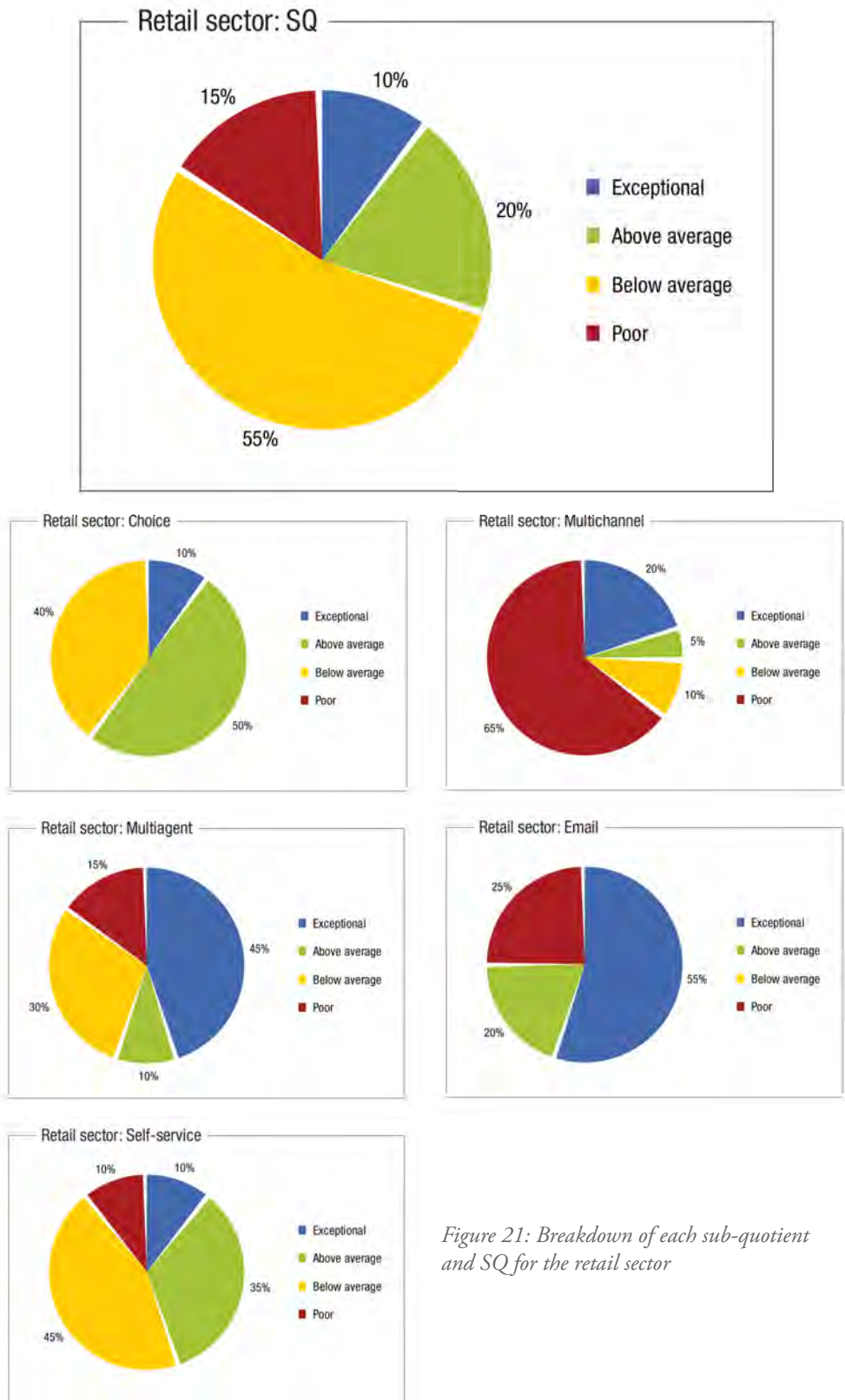


Figure 21: Breakdown of each sub-quotient and SQ for the retail sector

Consumer Electronics

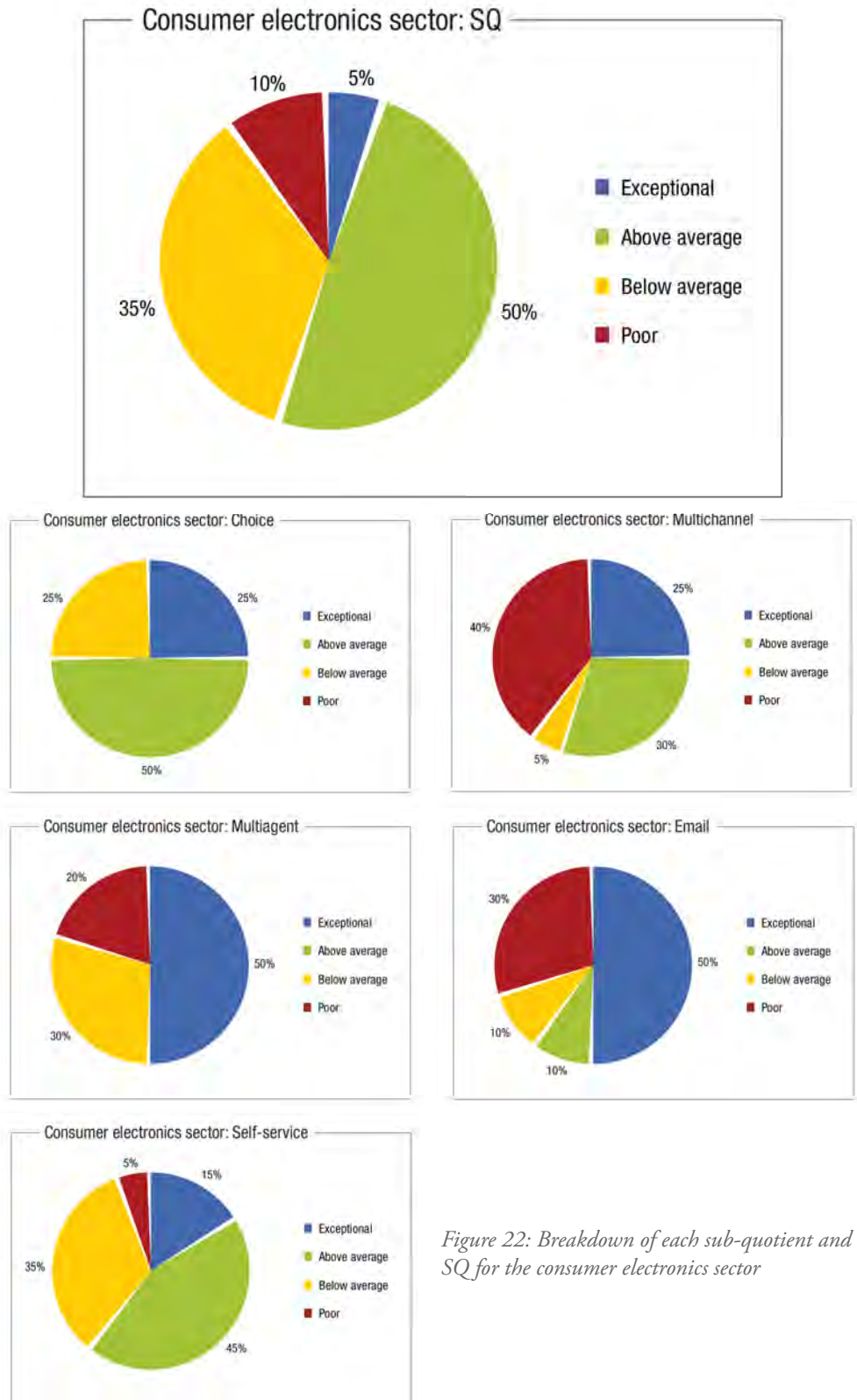


Figure 22: Breakdown of each sub-quotient and SQ for the consumer electronics sector

Insurance

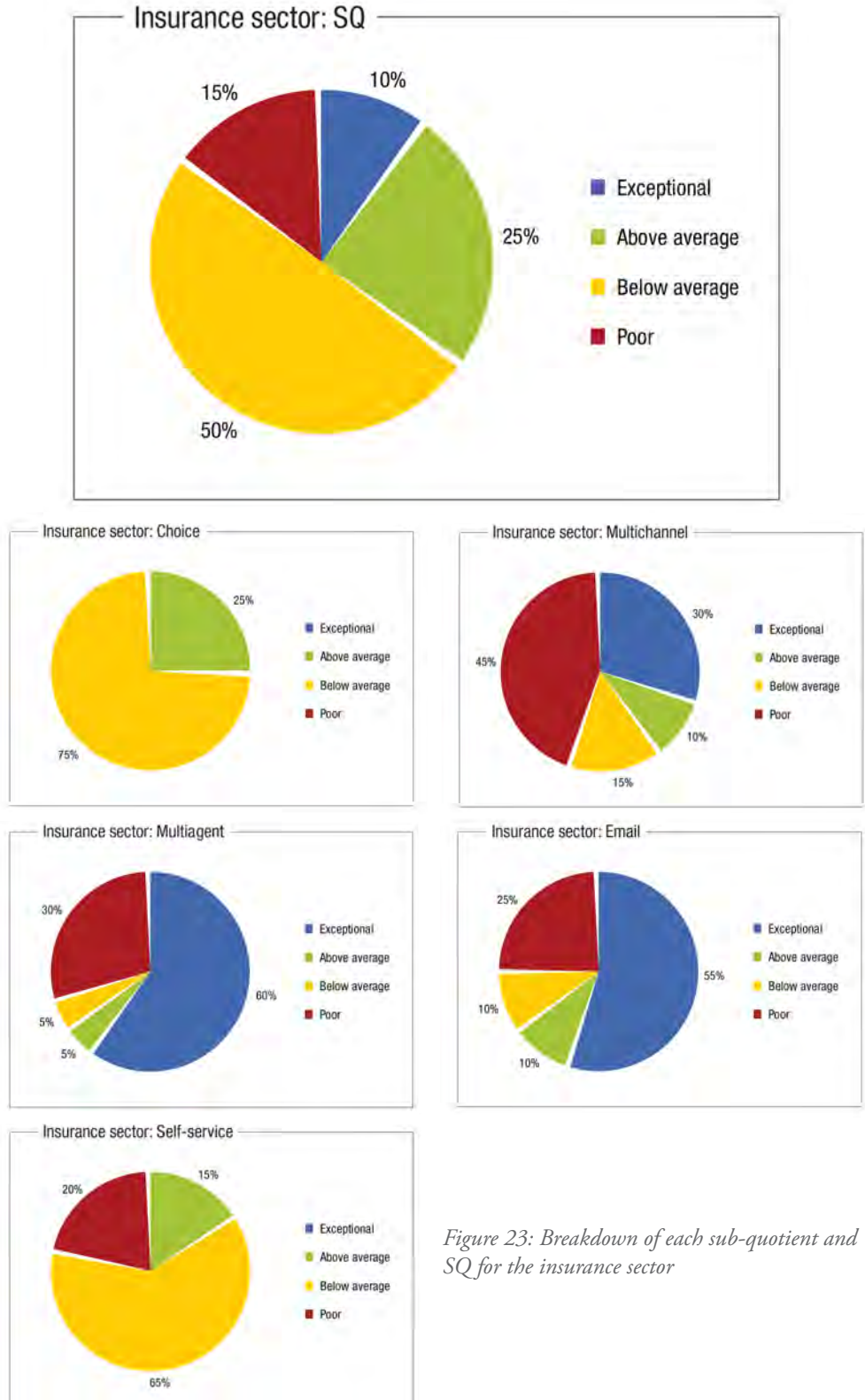


Figure 23: Breakdown of each sub-quotient and SQ for the insurance sector

Travel

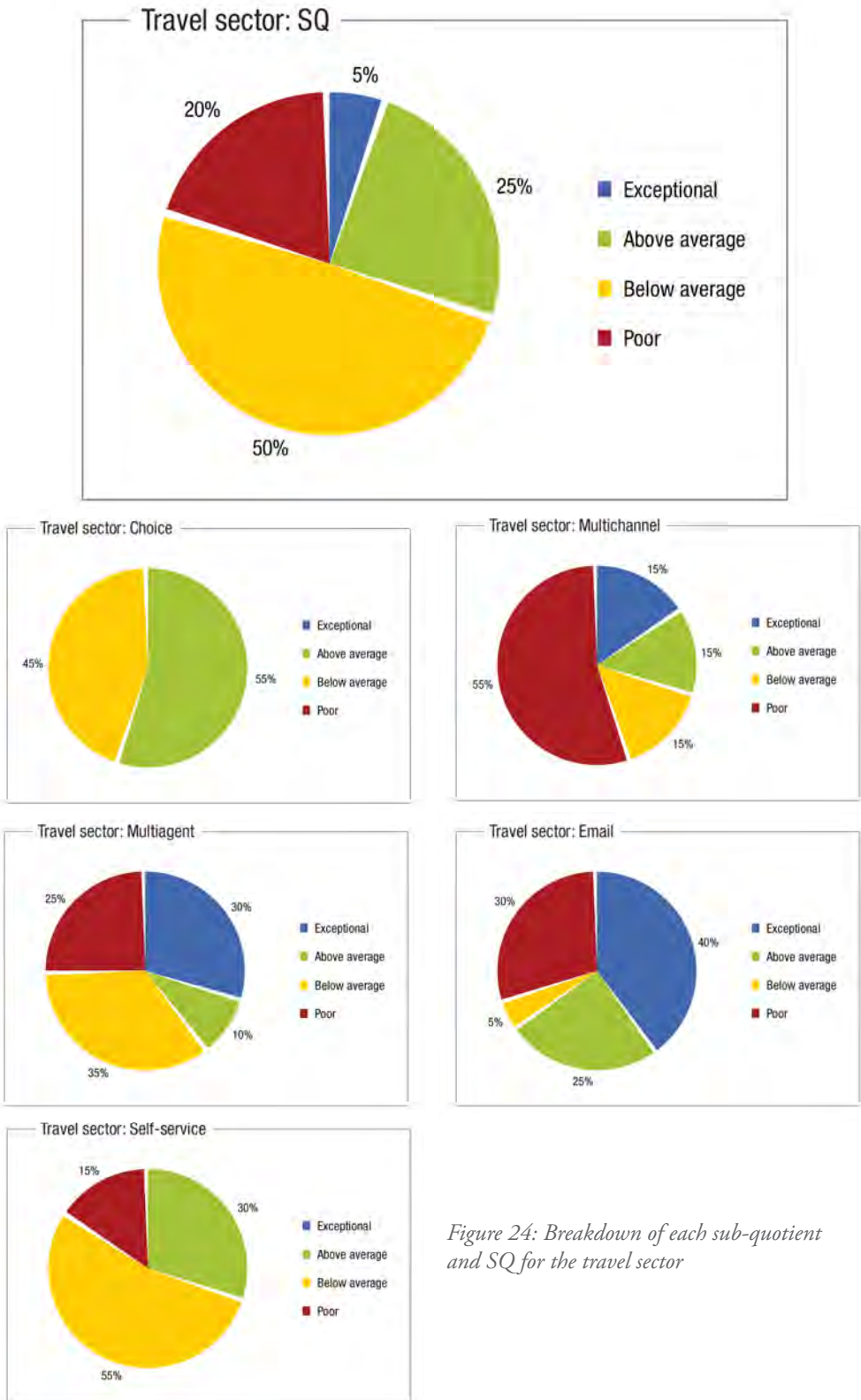


Figure 24: Breakdown of each sub-quotient and SQ for the travel sector