Optimizing Customer Experience With Modern KM

eGain
eGain Corporation
1252 Borregas Avenue
Sunnyvale, CA 94089
PH: 1.408.636.4500, 1.888.603.4246
Web: www.egain.com

Lucidworks
Lucidworks
235 Montgomery St, Suite 500
San Francisco, CA 94104
PH: 415.329.6253
Web: https://lucidworks.com

Optimizing Customer Experience With Modern KM

By **Marydee Ojala,** Editor-in-Chief, *KMWorld*

Marydee Ojala is editor-in-chief of *KMWorld* magazine and is Conference Program Director for Information Today, Inc. She works on conferences such as Enterprise Search & Discovery, KMWorld, Data Summit, and AI & ML summit. She is a frequent speaker at U.S. and international information professional events. In addition, she moderates the popular KMWorld webinar series.

Marydee Ojala

It goes without saying that good customer experiences are central to companies' success. If it goes without saying, why say it? Because each customer judges the customer experience differently. One diner thinks that the Mexican restaurant down the street is superb while another can't stand how it makes its burritos. One airline passenger has one of those dreadful flights, marked by delays and cancellations, and swears never to fly that airline again. A different traveler has a seamless flight, arriving at the destination early. One driver buys a particular make of car and has no trouble. Yet the neighbor's vehicle from the same manufacturer seems to spend most of its time in the shop.

Individual experiences, however, shouldn't stop companies from working hard to perfect customer experiences. Even with thousands—and in many cases, millions—of customers, the goal should be for companies to provide tools to their employees that will help them present the best customer experience (CX) possible. Many of these tools rely on modern knowledge management technologies and techniques.

TRADE-OFFS BETWEEN GREAT CX AND COST CUTTING

Too often, companies face a difficult trade-off. Although no one wants to promote bad customer experiences, the drive to cut costs could have that result. Anand Subramaniam, SVP Global Marketing, eGain Corporation, is of the firm opinion that it is possible to maintain or even enhance CX while simultaneously cutting operational costs. He puts it in terms of "having your cake and eating it too," something that sounds impossible until you recognize that this isn't a traditional slice of birthday cake. Instead, it's a metaphor for KM technologies that make this seeming paradox possible.

Subramaniam is a fan of self-service. Increasingly, customers often prefer self-service as well. They are accustomed to pumping their own gas, using self-service checkout machines in retail stores, and booking their own travel arrangements. Why not extend this to other interactions? The only drawback is if the backend knowledge system lacks the specialized information required to help customers answer their individual questions. Modern KM tools provide this.

The phrase "time is money" also plays into how modern KM can both improve CX and reduce costs. The more time a human agent spends with a customer, the higher the cost.

If time spent can be reduced with a concomitant improvement in the quality of the interaction, that's a win all around. If all a customer wants to know is their bank balance, the price of a book, or how to change a hotel reservation, getting that answer quickly via an automated system without lengthy explanations to a human, is ideal.

Training and onboarding new employees is another area where time savings result in cost reductions. Using KM tools to streamline the hiring process and shorten training time while at the same time strengthening information retention on the part of new employees, improving employee satisfaction, and reducing job churn results in having your cake and eating it too.

Other areas that Subramaniam identifies as candidates for creating good CX and

> *"The phrase 'time is money' also plays into how modern KM can both improve CX and reduce costs. The more time a human agent spends with a customer, the higher the cost. If time spent can be reduced with a concomitant improvement in the quality of the interaction, that's a win all around."*

slashing costs include product returns and exchanges (reducing No Fault Found is one example) and field visits (maybe the problem can be solved without someone traveling to fix it on site). Simply making search better is another way to improve CX and decrease operational costs.

PRODUCT DISCOVERY

Best-in-class KM technology, according to Brian Land, VP Sales Engineering, Lucidworks, drives CX by personalizing what customers uncover when they are looking for products. It's axiomatic that customers now use a variety of devices in their shopping journeys. Search relevance remains the most important element. Someone interested in buying dress shoes does not want to see results for hiking boots. Yes, they both fit on your feet, but the scenarios in which you would wear them differ considerably.

Making search results relevant involves some personalization and expertise in simplifying complex search queries. A blank search bar invites any number of different ways that

a customer (or potential customer) might describe a desired item. As search veers more towards the conversational, a search engine can more easily learn exactly what the customer wants and provide more relevant results. Vocabulary can differ significantly, particularly since words can have multiple meanings. A jaguar could be an animal, an automobile, or a sports team, for example.

Deciphering intent is greatly facilitated by automated machine learning models. If it's a shopping site, it's unlikely that a user wants to buy the animal. Jaguars are not household pets like dogs and cats. Personalization comes into play. A history of car shopping versus one of buying sports memorabilia suggests which non-animal jaguar is being sought. Modern KM technology can help customers avoid the dreaded "no results" page.

CUSTOMER CONCERN

Providing good CX hinges on understanding the customer. AI technologies such as machine learning that help personalize search results and prioritize solutions to customer concerns and bots that draw heavily on well-curated knowledge bases lead to excellent CX. But what about when things go wrong and the customer has a bad experience? Dealing with disgruntled customers requires patience and tact. Airlines can make apologies for delayed and cancelled flights. Car manufacturers can offer a deal on a different car when the original one suffers multiple problems. The Mexican restaurant probably won't change its burrito recipe but can suggest the diner choose a taco instead. Maybe with extra cheese. ■

Improve CX and Slash Operational Costs: Have Your Cake *and* Eat it Too!

By **Anand Subramaniam,** SVP Global Marketing, eGain Corporation

You got the directive from the C-suite: Cut operational costs yesterday but CX better not drop! How do you walk and chew this gum at the same time? Premier IT analyst firm Gartner has the answer. According to them, knowledge management (KM) is the #1 technology that simultaneously improves operational performance, customer experience, and employee experience, and we agree. **Here are a few examples from our blue-chip clientele of how KM helps slash costs while improving CX.**

1. Call Deflection

Self-service is a win-win for customers and the business. Backed by accurate knowledge, it can create a good customer experience while reducing service costs for the business.

- Media and legal services giant deflected 70% of requests for email and chat customer service with knowledge-backed self-service.
- Hypergrowth digital-only retailer deflected up to 90% of their incoming requests for human-assisted digital service with knowledge-guided digital self-service, including virtual assistance, across multiple brands.

2. First-Contact Resolution and Average Handle Time

Consistent knowledge, delivered in the flow of customer conversations from a centralized omnichannel hub of trusted knowledge and knowhow, reduces repeat calls and improves the seemingly conflicting metrics of First-Contact Resolution (FCR) and Average Handle Time (AHT). The increased effectiveness and efficiency reduces the need to hire new agents, helping control or even reduce service costs while improving CX.

- A leading global bank increased FCR by 36% and reduced AHT by 67% by arming frontline agents with agent assist technology, powered by the eGain Knowledge and AI hub, in their B2B contact center.
- A leading telco improved FCR by 37% across more than 10,000 agents while boosting NPS (Net Promoter Score) by 30 points, with AI-backed agent assist technology. They also used eGain's flexible guidance capabilities by providing conversational paths personalized to the agent's experience level and past performance, taking efficiency and cost

control to the next level without compromising service quality.

3. Training Time Reduction

Training new employees is not cheap, with U.S. companies alone spending as much as $92.3B in 2021. Moreover, it is a big challenge to train millennials and Gen Z, who constitute the majority of the contact center agent workforce. They have very short attention spans (12 and 8 seconds respectively), and they hate traditional classroom training. Moreover, humans forget 75% of new information they learn just after two days, according to the forgetting curve theory of German psychologist Hermann Ebbinghaus. Clearly, the solution to this challenge is knowledge and AI-enabled guidance delivered contextually to agents (and other employees) in the flow of their work.

- Leading health insurance client reduced agent training time by 33% and sustained agent performance and CX quality even when their 2000+ agents had to go remote overnight when COVID hit.
- Miscellaneous professional services client reduced new employee training time for frontline services from 7 weeks to 1 week!

4. Hiring and Onboarding Costs

According to industry experts, the true cost of hiring new employees that includes not only the hard costs of placing ads and/or referral fees but also the cost of scanning resumes, interviewing, and selecting candidates, can be three to four times the position's salary. (Source: SHRM) The average salary of a contact center agent in the U.S. is $33,000, per Glassdoor. That means the true cost of hiring an agent is close to $100,000! When agents are armed with modern knowledge, they are happier and more confident, resulting in lower churn and lower hiring and onboarding costs.

- With the eGain Knowledge and AI hub, a hypergrowth B2B software company was able to speed up time to answer by 67%, thereby improving CX, while boosting agent confidence by 60%.
- Mammoth government agency improved agent engagement to 92% versus their

industry benchmark of 67% with agent assist from eGain Knowledge.

5. Product Returns and Exchanges

No-charge product returns or exchanges has become standard policy in many branded manufacturing firms, retailers, and telecoms due to customer expectations and competitive pressures. Called No Fault Found (NFF), many of these returns and exchanges are unwarranted where the products were not defective, but the contact center could not solve the customers' problems. NFF costs organizations tens of millions of dollars each year, but KM and AI can address this issue head on.

- Leading telco reduced unwarranted 'No Fault Found' handset exchanges and returns by 38% through knowledge-guided problem resolution in the contact center.

6. Field Visit Reduction

Field service is common in industries such as utilities, manufacturing, and communications service providers. Oftentimes, these field visits can be avoided through more effective problem resolution by contact center agents with knowledge guidance.

- With the eGain Knowledge and AI hub deployed in the contact center and on the website, a water utilities client saved ~$5M per year by reducing unnecessary engineer call-outs, while improving FCR by 30%.
- Premier manufacturer of household appliances saved $50M a year by reducing unwarranted truck rolls through knowledge-enabled problem resolution in the contact center.

7. Search Costs

The knowledge deficit extends beyond the contact center. For example, did you know that workers across the enterprise spend 19%-35% of their time looking for information during their workday? (Source: McKinsey and APQC) Imagine cutting even a fraction of that wasted time and money with modern knowledge. The search costs saved and the business value generated will be nothing short of transformational!

Conclusion

When it is time to cut costs without compromising CX, it is a no-brainer to deploy modern knowledge. Are you then ready to have the cake, eat it, and become a knowledge-enabled hero in your organization?! ∎

Best Practices for Ecommerce Product Discovery

Brian Land is the field leader for Lucidworks Solutions Engineering team. Based in Austin TX, Brian brings over 20 years of enterprise software technical experience with companies like Endeca, Siebel, Ariba, and NCR.

Brian Land, VP Sales Engineering, Lucidworks

By **Brian Land,** VP Sales Engineering, Lucidworks

Customers search, browse, shop, and learn using many different channels. They leave behind rich behavioral data including search history, clicks, and browse activity that reveal their preferences and goals. In a highly competitive market, delivering accurate and relevant search results keep customers on your site for longer. That means more opportunities to increase average order value and the ability to deliver what they want, when they want it so that they'll come back the next time.

A recent international survey revealed that nearly 100% of shoppers say that the search bar is important to their online shopping experience, and 40% get a negative impression of a retailer if what they're searching for doesn't give them the results they want.

The core to a great digital experience starts with the search bar—it's the place where consumers act with the most intent. Utilizing that customer intent data to get to your organization's goal—customer satisfaction, sales, and loyalty—takes serious technology and expertise. In a recent survey of search practitioners, 100% ranked search relevance as highly important, while 96% said it is difficult to deliver. Complexity is inherent due to the data and signals required, the analytics needed, and the actions and triggers that occur to support large commerce search programs.

Personalization in Ecommerce

Unfortunately, there isn't an "easy button" to deliver relevant results. In the same survey, practitioners said that the challenges of delivering relevant searches included too many stakeholders, a lot of signal data to collect, and other miscellaneous factors influencing relevance. Search is already extremely complex and now technologies such as ChatGPT and Bard are setting new expectations for how websites respond to complex search queries. In order to respond to these expectations with minimal human oversight, organizations have to invest in the right technologies.

1. Smart Searchandising

To personalize shopper experiences at scale, merchandisers need technology that augments their intelligence. Traditional ecommerce platforms require merchandisers to manually curate results, adjust page layouts, and update business rules. With machine learning, retailers can operationalize their strategy to rerank facets based on shopper behaviors, promotions, and other relevant contexts. Retailers can apply this strategy across the site and focus on the few pages that benefit from the teams' expertise.

2. Relevant Recommendations

Less than one-third of shoppers plan to make a purchase on their first visit. Many are comparing prices, scanning the inventory to get ideas, or online browsing for later in-store purchases. Seventy-three percent of those same shoppers say that they're very open to recommendations while they browse.

Retailers can nudge them in the right direction with relevant suggestions for what to add to their shopping carts.

> *"With natural language processing, ecommerce platforms can interpret queries to populate results pages with the perfect product assortment of precise and similar items."*

Similar to the dynamic faceting strategy mentioned above, dynamic recommendations are used to suggest products that are similar to those that the user has already viewed or purchased, or that are popular among users with similar preferences. As the customer continues to interact with the website, the dynamic recommendations adapt and change to reflect new behavior and preferences.

3. No "No Results" Pages

Misspelled queries, out-of-stock items, and product variations can take customers to a "no results" page. That's an abrupt ending to the customer experience. This challenge is exacerbated for retailers with a wide selection of different products but, limited varieties of each product type. Typical search, driven by simple keyword matching, results in copious queries that don't return any products. Some of the query types that are challenging for these types of retailers include:

- Searches for a specific brand where a similar product from a different brand is available but not showing up
- Items in high demand whose stock availability fluctuates frequently
- Items available in store only
- Mismatched vocabulary where search queries don't appear in product titles or descriptions

Automated machine learning models can detect low-performing queries and map them to high-scoring results that shoppers love. With natural language processing, ecommerce platforms can interpret queries to populate results pages with the perfect product assortment of precise and similar items. By broadening fields searched, relevant product assortment in search results expands, driving increased engagement, conversions, and average order value (AOV).

4. AI Based Search

Artificial intelligence technologies can help orchestrate and optimize search and discovery experiences. More specifically, semantic vector search or neural search, can analyze not just the keywords in the query but also the meaning associated with them to provide more accurate and relevant results. Machine learning algorithms can automatically index and analyze large volumes of data from various sources, such as structured and unstructured data, product views or catalogs, and customer interactions. This allows the platform to understand the context, intent, and relevance of the data, improving the accuracy and speed of search results.

What's Next in Ecommerce Product Discovery

There's a throughline to all of these best practices: best-in-class technology. And search practitioners agree. Eighty-eight percent claim that AI is very or extremely important in the future of search. While AI will not solve all search issues, harnessing what it does best—complex processes at scale—is a natural application to the immense datas sets and models that help make search and browse more relevant for your most valuable customers. ∎