Pay for Support: What works and what doesn't

Many companies in the world of technology are seeing margins decline and the cost of providing Customer Support having an increasing impact on the bottom line. The idea of charging for support is becoming necessary in today's marketplace. Whether you are considering a Pay for Support program to merely reduce the cost of providing support or to create a profit center, there are several things you should evaluate:

- **Cost of the method used** – A major factor in implementing Pay for Support is the cost both to the customer and to you for processing a support call. The cost of processing can amount to as much as $10 or more per call. To recover that cost, the resulting price charged to the customer can become a major impediment to the use of support and even hinder product purchase.

- **Flexibility of application** – Several methods used to charge customers for support make it difficult – if not impossible – to provide support for certain customers, to provide a "free" period after product purchase, or to offer multiple call or period purchase options.

- **Ease of customer use** – There are customers who cannot call certain numbers and there are customers who cannot purchase support with a credit card – corporate and government customers are examples. While "retail" customers can purchase support with a credit card, they may be hesitant to provide a credit card to a live agent.

Pay for Support Methods

900 number - The use of a 900 number for support is often the first method of charging for support that comes to mind.

Good	Bad
Cost	
	• The setup cost includes the creation and approval of a legally acceptable automated script to identify and define the purpose of the number and all associated charges. • The actual rate charged to process calls is moderate, but the legally required grace period at the start of the call has to be included which increases the cost. • Phone companies will automatically reverse protested charges. The cost of as many as 45% of all charges reversed makes the actual cost very high. • Various states have laws regarding the maximum charge per minute and maximum charge per call which can make cost recovery virtually impossible.

Good	Bad
Flexibility	
	• The only supported billing methods are per minute or per call. Both are limited to a fixed charge barring multiple pricing programs. • Does not allow free calls.
Ease of Use	
• What could be easier for a customer than picking up the phone and calling with the charge billed to their phone?	• Only about 5% of the phones in the United States can actually dial a 900 number. Virtually no business phones and few residential phones have this option available.

In the final analysis, very few customers can call a 900 number, the cost of providing and processing is very high, and many charges to customers are uncollectible.

Automated Credit Card Processing – This method is generally implemented as a toll free number that terminates at an Interactive Voice Response (IVR) unit that prompts the caller to enter a credit card and validates the card number before connecting the caller to a live agent for support. The equipment also tracks charges to the credit card during the call.

Good	Bad
Cost	
	• The cost of the equipment is prohibitive for any but the biggest companies. In lieu of your own equipment, there are companies that will provide the front end service for a fee. The setup costs can be quite high. • The actual rate charged to process calls is expensive ranging from $5 to $10 per call plus a per minute connect charge. • The machines don't collect caller identification so charge backs are frequent.
Flexibility	
	• The only supported billing methods are per minute or per call. Both are limited to a fixed charge barring multiple pricing programs. • Does not allow free calls.
Ease of Use	
• Customer only needs to call with their credit card in hand.	• Not all customers can pay with a credit card – large corporations and government customers are examples. • Some customers are reluctant to provide their credit card to these machines. • Users cannot use debit cards.

Automated Credit Card Processing is the polite alternative to 900 numbers. Although easy to use, the costs involved mandate a high charge - $3 to $6 per minute are typical - to recover expenses. That can make the support a negative to product sales.

Web purchase – By far the most flexible pay for support method is the purchase of support through an e-store on the web.

Good	Bad
Cost	
• Setup cost is merely the cost of setting up another item on your e-store. • Call cost is limited to the normal e-store purchase processing cost.	
Flexibility	
• Allows multiple support programs – single call/incident, multiple call/incident packages, and multiple support periods.	• Does not support per minute charge. • Does not support retail brick and mortar sales or non-company e-store sales. • Requires that agents have access to e-store purchase records to verify customer purchase.
Ease of Use	
• Customer only needs to call with their purchase information.	Not all customers can pay with a credit card – large corporations and government users are examples.

This is a simple, low cost method. The biggest drawback is the requirement that agents have to be able to access the e-store purchase records to verify the customer purchase of support. A security risk even with in-house agents and a significant security risk if the support is outsourced. Also, it can be time consuming to check that a purchase was made and is still valid. In addition, the requirement to verify purchases limits the purchase of support to sales only on your e-store.

The SAI Cyber Cipher – SAI has developed a program that allows for the efficient use of web purchase support, which is the most flexible of all of the methods used to implement pay for support. It also allows for the purchase of support through non-company e-stores and brick and mortar sales.

The SAI Cyber Cipher is a number created through a proprietary mathematical process that can be provided to a customer to cover single or multiple support calls/incidents. The number(s) are created in blocks and each number is unique. When the customer purchases support, a unique number is provided to the customer from the block by whatever process you use to sell the support and is removed from inventory. When the customer calls, the SAI agent merely enters the number provided and our software "deconstructs" the number for validation. No access to sales records is necessary. Our software also tracks the use of the number(s) so the number can only be used to provide the amount of support you authorize/sold – single call/incident, multiple call/incidents, periods of support, even free post purchase support.

Good	Bad
Cost	
• Setup cost is merely the cost of setting up another item on your e-store. • Call cost is limited to the normal e-store purchase processing cost.	
Flexibility	
• Allows multiple support programs – single call/incident, multiple call/incident packages, and multiple support periods. • Allows sales through brick and mortar and non-company e-stores. • Allows you to give free support calls to new purchases or other special circumstances. • Allows sales to non credit card users that you permit to buy with Purchase Order or Purchase Letter.	• Does not support per minute charge.
Ease of Use	
• Customer only needs to call with their Cyber Cipher Number.	

Cyber Cipher is simple to implement – just get a block of numbers from SAI and sell them for whatever price you choose. When a customer calls, we will charge you according to our contract with you. If a customer never calls after purchasing, you keep the money. SAI's Cyber Cipher program is easy for you and your customers, and is simply the best way to implement a pay for support program!