

Why provide Customer Support?

It may seem to be an absurd question, but the answer is not evident to everyone. Originally, customer support was for the purchase of huge systems sold by large companies exclusively to other large companies. This support was limited to programming services and fixing whatever broke. When the Personal Computer entered the market in the early 1980's, customer support developed into how-to-use training supplied by the re-seller and was mandated by a simple fact – if you didn't help people learn to use the product, then they wouldn't buy it. It wasn't until the early 1990's when the PC market transitioned from mainly corporate to mainly consumer – and retail stores - that support became the job of the manufacturer. The goal changed from helping people use the product or they wouldn't buy it to helping people use the product, otherwise they would return it. Fifteen years later, customers buy products with a level of confidence that is usually not matched by their technical expertise. The result is that the purchase was easy, but so is the return if the customer can't get the product to work.

Customer support is a business expense and business expenses merit evaluation, particularly if they are of significant size relative to a company's budget. For instance, having a copier for your company is an obvious expense, but if you have a very expensive copier you may want to go all the way back to the reasons for having a copier to evaluate the expense. Customer Support is expensive and because it is a significant expense, it makes sense to examine the reasons you offer support. Beyond the simple answer that you should support the people who buy your product, there are two very good reasons to support your customers.

Reason 1

Picture someone you know and like – a friend or close relative such as a parent, spouse or child. This person has decided to buy something – it makes little difference what. Whether it is because they like it, need it, or just want it, they have bought it. Then they discover it doesn't work. The reason may be that they bought the wrong thing or they don't know how to use it or it is broken, the point is that it doesn't work. Do they feel good? They may feel angry, sad, taken, disappointed or a mixture of emotions, but they certainly don't feel good. Without customer support, perhaps they return their purchase or just throw it away. Whatever they do, they are not likely to buy another of the same item. Nor – since you know of their experience – are you.

Perhaps there is an alternate ending to this story and they call customer support for the product they purchased. The phone is answered in one or two rings. The person at the other end is polite, empathetic with them, and solves the problem with whatever product they purchased. Have you or someone close to you ever had this experience? The feeling can be close to joy. You know they feel good again and would buy again and – since you know their story – you may well buy too. At the least, you would think well of the product maker and would have a positive impression if and when you decide to buy. That's why you do Customer Support!

The first reason for Customer Support is, in a word, Reputation. The Reputation of your company - and by association your professional Reputation - is Reason 1 for Customer Support. Can you think of any “branded” company that has a reputation for bad support? There are very few and most of their customers are ex-customers waiting for some way to become ex-customers. Every business study makes the point that finding a new customer costs significantly more than sales to repeat customers and sales to customers “referred” by happy customers. ***Your Good Reputation means sales – easy sales.***

Reason 2

There are several ways to express this idea, but the simplest is that you provide Customer Support to keep sales sold. Most companies have to deal with product returns and the cost of these adds up. Virtually every business study demonstrates that one return equals the gross cost of between two and four new product sales. Worse, anyone who has returned a product to a brick and mortar retailer has experienced the salesman who will “be a friend” and “exchange” the product for another product – usually the competition’s product. Whether the sale is brick and mortar or e-store the result is the same – you have a returned product that will cost you money to make saleable again and - ***Your return often becomes a sale for your competitor.***

Returns cost you money, often cost you a sale, and probably provide your competition with a sales opportunity. The goal of Customer Support is to reduce returns. To accomplish that goal, it would seem reasonable to be as attentive as possible to your customer while they still are your customer. Since you are dealing with a disappointed customer and trying to keep them from returning your product, it is useful to be aware of your customers’ preferences and give them what they want.

- According to a large study published in August 2006 by Accenture, 85% of those surveyed were emphatic in their desire to TALK to a live person about their product problem. E-mail support is nice, but many customers find it frustrating because it often consists of a scripted form solution, which may or may not help to solve the problem and often makes the customer feel there is little empathy in the response. The question then becomes a matter of how many e-mails the customer will exchange before their patience runs out and they return the product. Since you are paying the bill for the support and the return – do you really want to test their patience? ***Provide live phone support.***
- Essentially the same argument can be made for providing 24x7 support. Customers want to call on their schedule – not yours. Again, do you really want to discover their level of frustration when the penalty is your loss and – possibly – your competitor’s gain? While providing 24x7 support may seem out of reach, there are ways to provide 24x7 support at a reasonable cost. ***Provide 24x7 support.***
- Finally, the ultimate irritant to customers is long wait times for support. Testing your customer’s patience with hold music or pitches to buy more products is no way to keep them from returning your product. ***Provide accessible support.***

Any CEO should hope for a competitor with lousy support – the resulting “gift” sales have got to make life good. Providing accessible, live, phone support 24x7 is one way to ensure you are your competition’s worst nightmare instead of their best dream.

There is no question that Customer Support is expensive. There is also no question that no Customer Support is expensive – perhaps less obvious in the immediacy of the cost – but expensive nonetheless.

The answer to providing competent, professional Customer Support that is accessible, live, and 24x7 is outsourcing. In our other white papers and case study, we provide information so that you can determine the methods of support, the cost of in-house versus outsourced support, and ways to evaluate various outsourcing solutions.