

Self-Service: Curse Or Competitive Advantage?



by Joan Adams

➤ Unless you have been living on a desert island or under a rock, there is no way you could have missed the trend toward self-service.

I would hate to tabulate the number of times I have called an 800 number in search of a human — only to be given numerous options (press one if you hate the music, press two if you are bored, press three if your cell phone is just about to run out of juice) — each of which sends you to another set of options — resulting in more waiting, more terrible music and often ending with the dreaded “Thank you! Good bye.”

Credit card companies and the airlines are notoriously bad at self-service. Microsoft and Apple excel at being unhelpful. As a New Yorker, I must add Con Edison into the mix of companies that don’t get it.

Yet, I like do-it-yourself customer service. I bank with E*Trade. I haven’t been inside a bank or seen a teller in 15 years — and I haven’t missed them one bit. Everything I

Your customers will love you for it.

want to do with my accounts, IRAs, brokerage accounts, savings, etc., I can do online, 24/7. I can put money into my IRA, move money from one account to another, order checks and/or deposit slips, get tax info — at 2 AM if I want, all in a matter of a few clicks. I don’t have to listen to bad music, I don’t wait, I don’t run the gauntlet of bewildering “press one if you are clueless,” “press two if you are ready to scream” options. I stay with E*Trade because I like their self-service and switching costs are just too high.

I advocate user-friendly Web sites. Smart Web sites tie your customer to you more strongly for their purchasing needs. Many orders are fairly simple. The items are in stock, and the order doesn’t require a human. Some customers purchase the same things over and over again. Why not have a Web site that allows them to place these orders using self-service? Allow them to see past orders (to remind them of what has been purchased before), to make online payments, to select delivery options and schedules online, even to see inventory levels of the top 300 items (ranked by order frequency). This will free up a lot of sales time. And it will bring and keep your customers closer. After the initial investment, this is going to save you heaps of money.



This is no longer just my opinion. Here are some compelling reasons to move in this direction, from the July 4th issue of *The Economist*:

- “Retailing, hospitality and healthcare firms spent \$2.8 billion on self-serve technology in 2008.”
- Gartner estimates that nearly 60% of customers prefer to check whether an item is in stock via mobile phone or in-store kiosk, rather than relying on an employee.
- According to NCR, 85% of customers prefer brands that offer several forms of self-service (online, kiosk, mobile phone).
- Transactions performed on kiosk cost 1/10 of an employee-handled transaction, according to Summit Research.
- Comverse says it costs \$7 to answer a query on the phone, 10 cents to deal with one online.
- Comverse also states that one of its clients diverts 200,000 calls a week to its online self-service — saving around \$52 million a year.”

In short, self-service is here and it is here to stay. Customers prefer it. The transactions are cheaper, faster and take up less of your salespeople’s time. And your customers will love you for it. <<

Joan S. Adams (adams@pierian.net) has consulted for industrial clients for more than 15 years. She headed DITT and was a managing consultant at A.T. Kearney before starting Pierian (www.pierian.net), a consultancy that brings sustained, measurable success through operational excellence, customer focus and competitive market strategy. She has engineering degrees from the University of Wisconsin-Madison and MIT, and an MBA from the Wharton School.