

CAPTURING UNTAPPED REVENUE:

How Customer Experience Insights Improve Remarketing
and Customer Recovery Efforts

Hilary Salazar, Product Marketing Manager, Tealeaf

TABLE OF CONTENTS

Executive Summary1
What Is Remarketing?2
Customer Experience Data: The Key To Remarketing.....2
Two Customer Recovery Techniques Afforded By CEM5
Customer Recovery: Expected or Intrusive?.....8
Conclusion8
About Tealeaf.....8

EXECUTIVE SUMMARY

Imagine that a customer comes to your web site with the intention of completing a transaction. Whether it's purchasing a product, opening up a new bank account, or making a travel reservation, they've come to your site with the intention of transacting with you. However, on one of the last steps of the transaction the customer encounters a problem and is unable to complete the process, even after multiple attempts.

This is the moment of truth.

Do you let the customer abandon and hope they have a better experience the next time they visit your site (assuming they return)? Or do you have a strategy in place that will enable you to turn this "bad" customer experience into good one—for both your customer and for your business?

Leading ebusinesses have chosen the latter and their strategy is to invest in Customer Experience Management (CEM) solutions. CEM solutions, such as Tealeaf, afford unprecedented visibility into your customers' online behavior. Unlike web analytics and specific remarketing tools, which can only tell you *when* customers abandon your site, CEM solutions tell you exactly *why* they abandon. And, knowing *why* is the key—the actionable data required to fully re-engage lost customers.

In this white paper, we'll describe the two main techniques companies utilize to incorporate customer recovery into their overall Customer Experience Management strategy—namely, **Immediate Issue Resolution & Follow-up** and **Real-time Customer Recovery**.

1. **Immediate Issue Resolution & Follow-up.** With this technique, companies utilize their CEM solution to determine the root cause of abandonment for any given customer segment, such as an invalid coupon code. Armed with this information, the company can then remedy the problem itself, before more customers are negatively impacted, as well as design a customized remarketing program for the affected customer base.
2. **Real-time Customer Recovery.** With this technique, companies leverage the real-time insight afforded by CEM solutions to monitor live sessions and reach out to customers at the first sign of struggle—before they even have a chance to abandon.

Organizations that commit to going the extra mile to recovering abandoned or struggling customers—customer-centric organizations—will have a leg up on their competition. Not only will they demonstrate a higher-level of service, which will translate into improved customer satisfaction and retention, but they will also realize significant improvements in conversion and capture untapped revenue as a result.

This is the moment of truth. What are you going to do?

WHAT IS REMARKETING?

There are many reasons people visit and abandon a web site. Sometimes the customer is just browsing. Sometimes the customer is conducting research and not prepared to purchase. Other times the customer fully intends to transact with you—he adds items to the shopping cart, fills out his shipping information, perhaps even his billing information—but for whatever reason he does not hit the “submit” button.

Now, if you were managing a grocery store and watched a customer leave a half-empty cart at the register, you would beeline over to that customer and try to address his concerns in the hopes of recapturing the sale, right? The same is true in the online world. Even though most ebusinesses are challenged by a lack of visibility into why customers abandon, remarketing is the method used to go after these “intenders” in the hopes of closing the sale after all.

HOW REMARKETING TOOLS WORK

Most remarketing tools leverage cookies to capture and report on specific customer information. These tools capture some key demographic information about your site visitors, such as their email addresses and their shopping cart contents. But most importantly, these tools generate a list of customers with incomplete transactions, as defined by you. For example, an incomplete transaction might be any customer who added something to his cart but then didn't complete the purchase within 30 minutes. Once armed with this list of customers, ebusiness teams can then follow-up with these “intenders” via email in an attempt to recover their business.

Although remarketing tools provide a list of customers who abandoned your site, including insight into what products they were looking at or had in their shipping cart, these data points are just fragments of the insight needed to fully re-engage a lost customer. What these tools cannot tell you is whether or not the customer had an issue before he abandoned. Did the customer struggle to enter acceptable payment information? Did the customer encounter a usability issue, such as poor navigation or inaccurate instructions? Or, did the customer receive an error message? The only way to pinpoint the exact cause of abandonment, and thereby make more informed remarketing decisions, is via a Customer Experience Management solution.

CUSTOMER EXPERIENCE DATA: THE KEY TO REMARKETING

Customer Experience Management (CEM) solutions provide unprecedented visibility into your customers' online behavior. Unlike remarketing tools, which can only tell you *when* customers abandon your site, CEM solutions tell you exactly *why* they abandon. Moreover, CEM solutions offer this insight in **real-time**. You no longer have to wait overnight while data is synched; instead, you get immediate visibility into customer abandonment.

Before we go any further, let's take a moment to explain exactly how a CEM solution like Tealeaf works.

HOW TEALEAF WORKS

Using groundbreaking-patented technology, Tealeaf captures every customer interaction on your web site, every time—right down to the page-by-page, browser-level experience. This rich customer experience dataset is then fully organized and indexed and used by ebusiness teams to analyze, investigate and respond to the issues preventing customer success on the web.

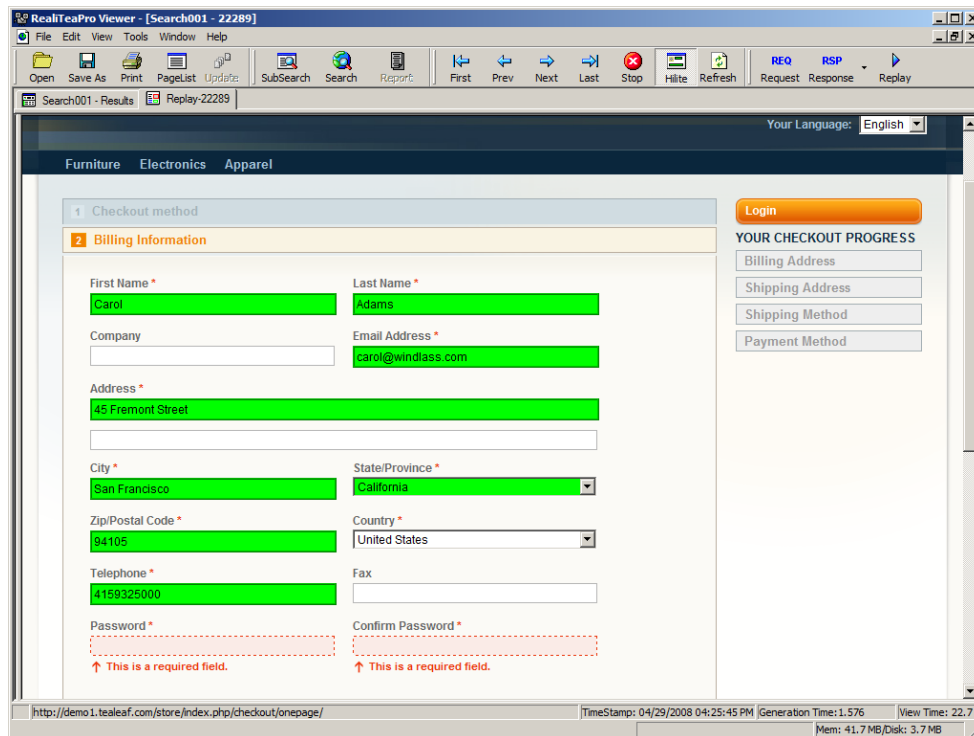


Figure 1: Tealeaf's replay capabilities allow you to see all customer actions and interactions on your site, including any site experience problems.

Tealeaf's visual replay capabilities are what take you past just knowing there is a customer experience problem to understanding exactly what that problem is. Further, because Tealeaf captures the entire supporting HTTP request and response information behind each session, technical teams can quickly diagnose and fix the problems causing poor customer experiences and abandonment on the site.

In addition, with Tealeaf's search capability, ebusiness teams can quickly quantify the business impact of any given site issue by searching and retrieving all customer sessions where that given issue appeared. For example, you can search Tealeaf to find all sessions (and thereby all customers) that saw the error message, "Invalid Coupon Code."

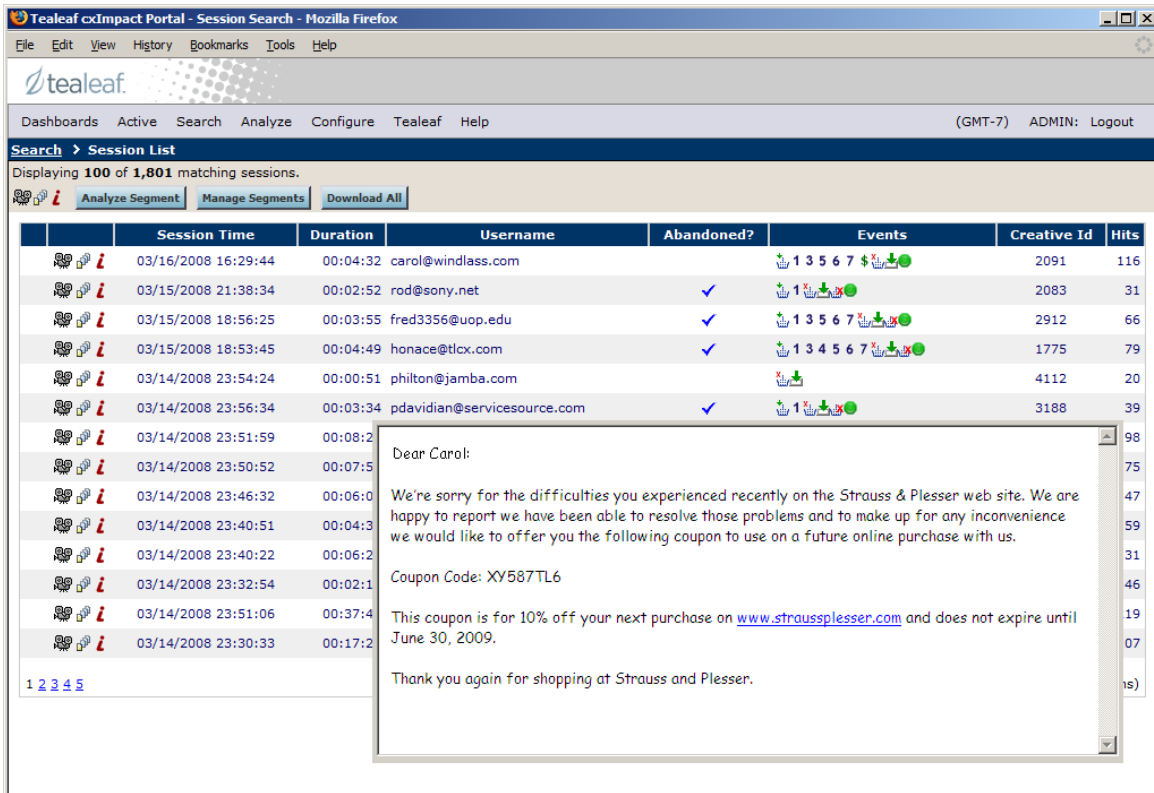


Figure 2: Tealeaf allows ebusiness teams to find all customers who saw the error message “Invalid Coupon Code” in order to quantify the impact of the problem and design a personalized remarketing campaign.

Finally, all captured data in Tealeaf is analyzed in real-time against a set of user-defined rules—events—to provide immediate awareness into business process health, customer activity, errors, and response time problems. Alerts are then triggered when acceptable thresholds for events are exceeded. Many companies use Tealeaf to monitor the rate of abandonment on their site, for example. When abandonment spikes, the alert warns a business analyst to the fact that there are unforeseen issues occurring on the site. From the alert, the analyst can quickly drill-down to the exact users affected, replay their sessions as desired, and determine the root cause of the problem.

Across all online business stakeholders—from marketing and ebusiness to development and customer service, the customer experience insights afforded by a solution like Tealeaf can be leveraged to not only optimize the web site, but also to recover struggling or lost customers and recoup valuable revenue.

TWO CUSTOMER RECOVERY TECHNIQUES AFFORDED BY CEM

The majority of ebusinesses who use CEM solutions to inform their customer recovery initiatives leverage two specific techniques:

1. Immediate Issue Resolution & Follow-up; and,
2. Real-time Customer Recovery

IMMEDIATE ISSUE RESOLUTION & FOLLOW-UP

With this technique, companies utilize their CEM solution to determine the root cause of unexpected issues and obstacles that have forced customers to abandon, such as an invalid coupon code. Armed with this information, the company can then remedy the problem itself, before more customers are negatively affected, as well as design a customized remarketing program geared to re-engage the affected customer base.

Outlined below are two examples of how companies have embraced specific “moments of truth” and converted a situation that might otherwise negatively impact customer satisfaction into a positive one—positive for both their customers and for their business.

CUSTOMER CASE STUDY: ART.COM

Art.com, a global online provider of wall décor, emailed a new coupon to their most loyal customers, but on the back end failed to properly activate the coupon code within the purchase processing system. As a result, customers who tried to enter the coupon during checkout saw an “invalid coupon” message, which caused a majority of them to abandon their purchases.

Leveraging Tealeaf’s real-time alerting capability, Art.com was immediately notified about the drop in checkout conversion. At the same time, the customer service center had recognized a pattern among callers with recent order problems—many had been attempting to use a coupon. With this information in hand, Art.com searched Tealeaf to uncover all customer sessions where the error message, “invalid coupon” appeared.

With the help of Tealeaf, Art.com quickly resolved the coupon activation issue, which halted the loss of \$25,000 in potential revenue per day. In addition, because Tealeaf uniquely captures all customers sessions, Art.com was able to identify 300 “lost” customers who abandoned their orders due to this error and emailed these customers with a new purchase incentive. Not only did the company recover lost revenue, but they used the opportunity to turn a negative customer experience into a positive one.

CUSTOMER CASE STUDY: HOLIDAYBREAK

On one particular day, Holidaybreak, Europe's largest provider of leisure and activity vacations, was alerted by Tealeaf that site errors and abandonment were on the rise. Holidaybreak immediately leveraged Tealeaf's replay capability to analyze representative customer sessions. What Holidaybreak discovered was the fact that their third-party vendor, who managed the site's credit card transactions, was experiencing an outage, resulting in forced customer abandonments.

Within minutes of the discovery, the ecommerce team was able to put up a notification on their web site about the technical problem, which reduced unnecessary calls into the contact center. Further, given Tealeaf captures all of the details about each customer session, Holidaybreak was able to generate a list of affected visitors. Because Holidaybreak had discovered the problem so quickly, they decided to have their customer service agents proactively phone the affected customers, apologize for the inconvenience, and offer to complete the transactions on the customers' behalf.

Remarkably, Holidaybreak's customer service team was able to convert more than 85% of contacted customers, recovering hundreds of lost orders and thousands of dollars in revenue. Moreover, Holidaybreak customers were incredibly impressed by the company's high-level of service and happily continued to do business with them.

As you can see, identifying and fixing the obstacles that prevent customers from completing transactions will not only improve your overall conversion rate immediately, it will also provide you with insight into how best to reach out to the customers who were unsuccessful. Rather than allowing these non-converting customers to slip through the cracks, a CEM solution will provide the key information needed to successfully remarket to them, thereby, creating more satisfied customers, as well as recovering otherwise lost revenue.

REAL-TIME CUSTOMER RECOVERY

While timely issue resolution can recover many customers who have already abandoned, companies are also using Tealeaf's real-time insights to reach out to customers at the first sign of struggle—before they even have a chance to abandon. Although this approach may seem aggressive to some businesses, organizations in “higher-touch” industries, or those trying to convert their service center into a profit center, believe strongly in this approach.

Outlined below are two examples of how companies have embraced the real-time power of Tealeaf and realized big gains as a result.

CUSTOMER CASE STUDY: GOLD MEDAL TRAVEL

Gold Medal Travel, one of the UK's leading independent travel firms, originally purchased Tealeaf to improve online conversion and bookings for their netflights.com web site. But once deployed, the company realized they could further leverage Tealeaf to transform their call center into a vehicle for customer recovery and a source of profit.

From their team of 220 support representatives, the company allocated 6 individuals for dedicated outbound revenue recovery. Tealeaf is now used to pass alerts to this outbound team anytime a customer with a certain basket value is on the site. The outbound agents then use Tealeaf's "shadow browse" capability to monitor these live customer sessions, and at the first sign of struggle, these agents follow up with a prompt call—usually within a minute or less—in order to attempt to complete the sale.

By harnessing the power of Tealeaf, this small, proactive team now delivers more revenue per hour than any other reservation group within the company and generates over £16m annually, up 340% year-over-year.

CUSTOMER CASE STUDY: U.S. BANK

This U.S. bank requires different account opening processes for various types of deposit accounts. For example, in order to open the highest-level deposit account—the platinum account—customers are required to call the bank to verify their identity, before completing their initial online deposit.

Using Tealeaf, the bank noticed that conversion for the platinum account was dramatically lower than the other types of accounts. By watching numerous sessions, the bank saw that most of these customers did in fact get to the final step of the process, where they were instructed to call the bank, but instead of calling the customers simply gave up.

Armed with this information, and at risk of losing its most valuable patrons, the bank decided to enable Tealeaf to pass alerts to their high net worth service team anytime a customer began the platinum account opening process. Similar to the Gold Medal example, this group of agents then uses Tealeaf's "shadow browse" capability to monitor these live customer sessions, and at the first sign of struggle, follow up with a prompt call in order to ensure account activation.

By taking this approach, the bank has improved the online conversion rate of the platinum deposit account by nearly 50%. Moreover, the bank's customers are incredibly impressed by the high-touch level of service they have received.

As these customer stories illustrate, savvy, customer-driven companies are capitalizing on these "moments of truth." And, by simply integrating the valuable information afforded by Customer Experience Management solutions into their enterprise-wide customer recovery processes, these organizations are realizing significant business benefits as a result.

CUSTOMER RECOVERY: EXPECTED OR INTRUSIVE?

From the reactive and low-touch, email recovery effort of Art.com to the proactive and high-touch, phone sales of Gold Medal, the examples cited in this paper run the gambit of customer recovery strategies. Yet they all have one thing in common—they are all taking action to re-engage a potentially lost customer and repair an otherwise negative customer experience.

The approach your organization endeavors should be consistent with your company's privacy policy, applicable privacy laws and industry regulations, and most importantly, your customers' level of tolerance and expectations. Just remember, timing is everything, and the window for re-engaging customers is short, as competition is just a click away.

CONCLUSION

No company can afford to risk frustrating customers or losing them altogether—especially when the tools and best practices exist to help you mitigate such issues. Organizations that commit to going the extra mile to recover abandoned or struggling customers—customer-centric organizations—will have a leg up on their competition. Not only will they demonstrate a higher-level of service, which will translate into improved customer satisfaction and retention, they will also realize significant improvements in conversion and capture untapped revenue as a result.

ABOUT TEALEAF

Tealeaf provides online Customer Experience Management solutions and is the unchallenged leader in customer behavior analysis. Tealeaf's CEM solutions include both a customer behavior analysis suite and customer service optimization suite. For organizations that are making customer experience a top priority, these solutions provide unprecedented enterprise-wide visibility into every visitor's unique online interactions for ongoing analysis and web site optimization. Online executive stakeholders from ebusiness and IT to customer service and compliance are leveraging Tealeaf to build a customer experience management competency across the organization. Founded in 1999, Tealeaf is headquartered in San Francisco, California, and is privately held. For more information, visit www.tealeaf.com .