

Case Study: Redcats

Redcats USA Perfects Email Automation Strategy with KANA Response



THE COMPANY

Leading online retailer that offers a wide range of value and quality driven merchandise categories, including men's and women's plus-size apparel, home and lifestyle products, and sporting goods/outdoor gear.

THE CHALLENGE

Intelligently managing an ever-increasing influx of email customer service inquiries with a limited budget and small support team.

THE SOLUTION

KANA Response

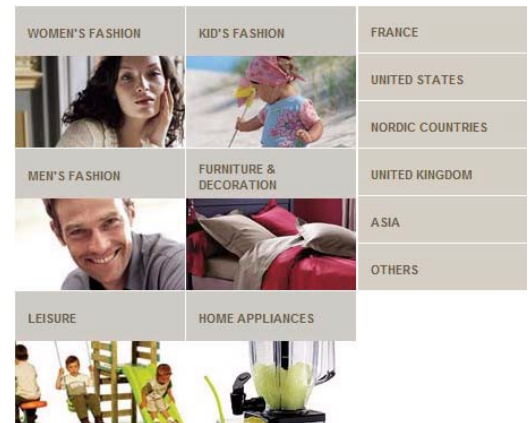
THE RESULTS

- 80% auto-suggestion rates
- Under 5% follow-up rate on auto-responses
- 2.5 hour turnaround time
- Processing time reduced from 10-15 minutes to less than three minutes

Highly Optimized Automation Capabilities in KANA Response allows Redcats USA to Run Its Entire US Operations from a Single 13-Person Call Center.

Redcats USA is a dynamic, multi-channel, web-driven home-shopping leader, with numerous well-known brands in its portfolio: AVENUE®, Woman Within®, Jessica London®, Roaman's®, KingSize®, BrylaneHome® and

BrylaneHome® Kitchen sold on OneStopPlus.com®, The Sportsman's Guide® and The Golf Warehouse®. Redcats USA offers a wide range of value and quality driven merchandise categories, including men's and women's plus-size apparel, home and lifestyle products, and sporting goods/outdoor gear. Redcats USA is a Redcats Group company.



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Supporting the ecommerce sites for Redcats USA is the customer service staff of 13 associates located at the company's contact center in El Paso, Texas. These service representatives are responsible for responding to and resolving all of the email customer service inquiries for all products and services offered in the US. Redcats USA has made it a priority to achieve high customer service ratings while keeping this pool of representatives small – even as its business in the U.S. has expanded.

Since its installation in 2003, the KANA Response email management system has helped enable the company to successfully execute a highly optimized email automation strategy.

Departmentalizing and Categorizing

Redcats USA deployed KANA Response to ensure that customer emails were accurately routed and escalated and resolved in a timely manner. The productivity automation capabilities of KANA Response allowed Redcats USA to achieve a significant decrease in both email processing time and email handle time - the time it takes to respond back to the customer. Prior to using KANA Response, Redcats USA representatives averaged 10-15 minutes to process each email received with an average handle time between two and four business days. With the KANA Response implementation, the staff now averages a one hour turnaround most days and spends less than three minutes per email due to the strategically implemented automation rules and processes. This enhanced productivity allowed Redcats USA to minimize the number of representatives dedicated to email and increase customer satisfaction by responding to emails in a more timely fashion.

Redcats USA's approach to email support is straightforward. Each department in the software is dedicated to a different brand category. Within each of these departments, different queues map to various issue types that might arise within each category. The service representatives manage email volume based upon these segmented queues. Their real-time monitoring of Service Level Agreements (SLAs) – also facilitated through KANA Response – allows for escalation of certain emails to higher priority queues and those representatives trained to deal with these types of issues.

Customers cannot send free-form emails. They must use forms on brand sites with detailed categorization, such as specifying the product and issue type, to send inquiries. Forms with categorization ensure that customer inquiries are accurately routed to the right queue, which is serviced by the appropriate group of Redcats USA representatives.

Intelligent Automation

As part of its goal to be more responsive to customers, all incoming emails either receive an immediate response or auto-acknowledged. For emails that fit into one of Redcats USA's categories of inquiries, a "virtual agent" sends an automated reply within five minutes. Redcats USA may also communicate an acknowledgment of receipt for emails that require personalized handling.

Many email inquiries are answered automatically through the KANA Response auto-response feature. Redcats USA outlined detailed rules which allow the system to automatically respond to an inquiry without the intervention of a representative. If that automated answer does not fully meet the customer's need, they are directed to the website or a customer service phone number for further support. Redcats USA is able to continually monitor the efficacy of these automated answers and fine-tune them as needed to serve customer needs.

For other types of responses, Redcats USA has configured KANA Response so that the system requires the representatives to review and approve emails before they are sent back to the

customer. These responses are known as auto-suggestions. In contrast to auto-response emails (like the auto-acknowledgements), these are suggested answers to customer questions that appear on customer service representatives' screens and require some sort of additional representative involvement – be it just review and approval or more in-depth customization. These auto-suggestions significantly reduce the amount of time Redcats USA representatives spend researching answers and writing responses, and they improve the overall accuracy and consistency of answers (which cuts down on the amount of times customers contact the support center about a particular issue).

Redcats USA is able to support a large volume of email with a small team because they use these automation techniques intelligently. The Texas contact center reports that KANA Response helps them auto-respond to a significant portion of incoming emails each day/week/month/year; and for support emails that aren't automatically generated, 80% are prompted by autosuggestions. While these numbers exceed industry average, Redcats USA's careful monitoring and measurement of its automation successes over time allows service managers to determine exactly where automation works well with their customer base and then use this knowledge to their advantage. The contact center is able to adjust its system for the balance between maximum automation and customer satisfaction.

Playing By the Rules

The Redcats USA team is able to achieve such extraordinary automation results with KANA Response because of the close attention they pay to writing content and rules, measuring their success, understanding what does not work and changing their processes accordingly. The company initially set up rules to gain a better understanding of common questions and to write answers to those questions. These answers are now made available as auto-responses and auto-suggestions for representatives to leverage in each customer interaction.

Redcats USA continually monitors usage of these answers. Their contact center team regularly tests and refines its automation with customers to ensure positive experiences. Specifically, managers do a root cause analysis on any customer question that is generated after the answer is received. They use the findings from this analysis to modify and optimize the answers to questions and look at the ways that routing rules are written to ensure they are capturing and routing questions to the right queue.

One example of how they apply this technique is in examining the way customers might communicate that they want to return an item. These various terms and phrases are identified as strings in KANA Response, and the strings match with specific criteria outlined by administrators in the rules. Right now, Redcats USA has numerous strings that match to "return an item." The company can designate one representative to deal exclusively with returns for customers who have a gift receipt or for a particular brand and, through highly developed string recognition, have confidence that the inquiry will be routed appropriately and trigger the correct customized auto-acknowledgement. "The cost of auto-response incidents is typically listed as less than \$1, and

email response management systems, like KANA Response, offer excellent ROI potential in resolving issues with no representative involvement. Company representatives using auto-suggest capabilities can effectively process and respond to customer inquiries much faster than those who do not have access to automated support.”

This feedback loop based on monitoring what auto- responses and auto-suggestions do not resonate with the customer, doing a cause analysis for why they don't (for example, missing content or due to an incorrectly written rule) and addressing the root of the problem helps Redcats USA provide customers with the answers that they are looking for in a timeframe that meets their expectations. This approach is integral to achieving intelligent automation. Through this type of testing, the company is able to determine which types of inquiries are more sensitive or complex, and therefore, merit review or further customization of auto-suggestions. This ongoing maintenance of rules ensures that the system remains highly configured, effectively addressing changing customer needs and marketplace demand.

A Little Goes a Long Way

With KANA Response, Redcats USA is able to automate an impressive amount of its incoming customer emails. “Redcats USA has the highest percentage of auto-responses and auto-suggestions that I have ever seen in a KANA Response customer knowledge base,” noted Kate Leggett, Director of Product Marketing at KANA Software.

Such automation cuts handling time and cost for email interactions significantly. In a report¹, TSIA analyst John Ragsdale points out that the cost of auto-response incidents are typically listed as less than \$1 and that email response management systems, like KANA Response, offer excellent ROI potential in resolving issues without representative involvement. Further, he notes that representatives using auto-suggest capabilities can effectively process and respond to customer inquiries much faster than those who do not have access to automated support.

Since customers are becoming increasingly comfortable with email as a customer service channel – it now represents 19% of all customer interactions, according to Aberdeen Group analyst Sumair Dutta – it's vitally important that companies begin to realize all the advantages of email response management systems, as Redcats USA has done with KANA Response. Redcats USA is able to move huge volumes of emails through relatively few representatives in a cost-effective and service-oriented way. By customizing its KANA Response knowledge base and making it more efficient, the company delivers the same high level of customer service even as demand grows.

Redcats USA continues to use KANA Response thoughtfully and intelligently to improve email automation, including daily content and rules maintenance. Through this hard work and diligence, Redcats USA has dramatically boosted representative productivity and accuracy and ensured greater customer satisfaction. Industry reports make mention that average email response times for most retail companies are at 24 hours or more. With average email response times at more than 24 hours, Redcats USA is proud of its annual average of just 2.5 hours per email.

“Some in the industry take issue with the accuracy of auto- response answers,” said Emma Escalante, Redcats USA Customer Relations Manager. “We were meticulous in the way we crafted both the content and the rules for our system, and we continually measure the results to understand what works best and make continual refinements to our processes as a result.” Because of this finely tuned process through KANA Response, Redcats USA has seen less than 5% of customers emailing a follow up question.

To learn more about how the KANA Service Experience Management solutions can help you take control of the service experience call **1-800-737-8738**.

¹ TSIA (SSPA) June 2007, “Deflecting Routine Customer Emails”