

Inova helps ShopNBC improve call routing and increase revenue through real-time data integration and delivery

Business Profile

ShopNBC

- 3rd largest shopping network in the United States
- Sell upscale products through multiple channels including TV, Internet, catalog and direct mail
- Owned and operated by ValueVision Media, Inc.

Industry

- Retail

Deployment Summary

- Inova LightLink middleware to integrate ACD data from four call centers
- Inova Data Scribe to write combined call statistics to database
- Inova Desktop Presenter to deliver real-time call statistics to studio monitors
- Inova Web module to publish call statistics to intranet for viewing by agents and executives

Benefits

- Balancing calls across centers based on real-time data eliminates guesswork, resulting in lower abandonment rates
- View of current call center conditions enables hosts to make better decision about show pacing, maximizing revenue opportunities

The quicker we answer the customer's call, the fewer abandoned calls we will have. We've seen a decrease of 13% in average speed to answer since implementing the Inova solution. "

— **Pam Cooper**, Director of Call Center Operations

ShopNBC is the nation's third largest shopping network, with a potential viewing audience of 60 plus million television cable and satellite households. Owned and operated by ValueVision Media, Inc (Nasdaq: VVTV), ShopNBC is an integrated direct marketing company that sells upscale products across a variety of categories, including fine jewelry and watches, consumer electronics, home, apparel and cosmetics, through multiple channels (TV, Internet, catalog, and direct mail). Through ValueVision's wholly owned subsidiary FanBuzz, the company also provides outsourced e-commerce and fulfillment solutions to sports, entertainment and media brands, such as the National Hockey League, Elvis Presley, Peanuts and the Weather Channel.

ShopNBC distinguishes itself from the competition based on its rich on-air look & feel, upscale merchandise mix, compelling values, world class customer service and affiliation with NBC. Likened to high-end retailers, ShopNBC, for instance, will sell a certified pair of one carat diamond hoop earrings for only \$299, whereas in a traditional retail outlet this product would sell for \$1000.

Moreover, the entire organization is committed to "Red Carpet Customer Care," a common bond that keeps associates thinking about the things they can do to better serve and satisfy their loyal and affluent customers.

The Challenge

Since 2000, the home shopping industry grew from \$5 billion to \$7 billion today. As part of that upward trend, ShopNBC was experiencing double-digit growth. Ensuring that contact center performance remained at Red Carpet levels during this period of growth was a key objective for Mark Germscheid, Telecommunications Manager, and Pam Cooper, Director of Call Center Operations. "One of the most important metrics at our call center operations is the abandonment rate," said Cooper. While e-commerce accounted for a rapidly growing piece of the business, 86 percent of contacts were still by phone.

“Abandoned calls mean lost business and possibly lost customers for life,” she added.

According to Germscheid, as call and email traffic dramatically grew, the number of contact centers at ShopNBC increased from one to four. What’s more, the agent population at times increased from its normal 250 to over 750. Managing call routing between the four contact centers became a real challenge, he noted. In collaboration with MCI, their long distance carrier, ShopNBC tried using percentage allocations based on historical traffic patterns. However, the estimates often turned out to be inaccurate because staffing and occupancy levels at the call centers changed. Unexpected absenteeism due to weather or other factors threw the formulas out of whack, explained Germscheid.

Another challenge, he pointed out, was “pacing” the shows. The personalities who host the shows on ShopNBC, along with the show producers, have a big job in determining when to move on to other products while at the same time squeezing in all the merchandise scheduled for their segments. They needed real-time information to make immediate decisions.

The Solution

A meeting was convened. “How can we get our phone switch to talk to these other phone switches,” asked Germscheid, “so we can decide where we should be sending our calls?” More specifically he said, “We need something in the middle to get these switches to talk to each other.” In one of those light-bulb moments, a ShopNBC engineer recalled that their Inova LightLink™ server already had the ability to collect real time performance traffic and key performance information for all the call centers, regardless of ACD used. Germscheid then decided to license Inova's ODBC output module, which allowed the remote ACD information captured by Inova LightLink to be written to a database table. This solved the communications problem.

The next step was to collaborate with MCI. They had to make sure the carrier could read the tables and route calls dynamically based on the output. Using MCI's take back and transfer feature, ShopNBC engineered its IVR to make routing decisions based on the information published by Inova LightLink. Germscheid added, “The assistance Inova Solutions gave us helped make the solution work seamlessly.”

Furthermore, Inova was essential in pacing the show. Utilizing Inova Desktop Presenter, ShopNBC pushed real-time call center statistics to monitors in the show studio. While off camera, hosts scanned the monitors for queue length, sales activity, abandonment rates, and average handle time.

The Results

With Inova LightLink feeding data from all of the call centers to MCI, load balancing was based on real-time traffic data, not guesswork. As a result, abandonment rates declined. Cooper explained, “One of the factors that contribute to high abandon rates is the ‘speed to answer.’ The quicker we answer the customer’s call, the fewer abandoned calls we will have. We’ve seen a decrease of 13% in average speed to answer since implementing the Inova solution. Orders are now processed in a timely and courteous fashion and customer service is at Red Carpet levels.”

Delivering real-time metrics to the show studio also had a major impact. According to Germscheid, the producers and hosts rely on real-time call statistics. “For example, when hosts sell a product with heavy promotion and see a surge in phone calls, they will stay on the item until the surge wanes, provided they still have available agents to take the calls. Then they can comfortably go on to another product. We really don’t want much of a queue, either. If calls back up, we will move onto another product so customers aren’t kept waiting.”

Inova real-time views are essential to making these decisions. “We rely on Inova Desktop Presenter in a major way,” said Germscheid. Underlining the importance of monitoring call flow to ShopNBC, real-time views are also shown on every PC client in the organization, giving both agents and executives real-time information on key performance metrics.

At the end of the day, it all shows up in the numbers. Consolidated net sales for the second quarter of 2004 were a record \$161.5 million, an increase of 12 percent over the prior-year period. Unit volume was up a second-quarter-record 36 percent, the best shipping quarter in the company’s history. Finally, new customer count was up over 30 percent over last year’s same period.