

Case Study eBay



World's Leading Online Auction Site Keeps Up with the E-mail with KANA Response

THE COMPANY

Internet auction pioneer

Internet personal trading leader eBay counts on KANA Response to keep up with its flood of e-mail inquiries. 90% of the 125,000 to 150,000 e-mails eBay receives every week are responded to within twelve hours. eBay's CSR staff of 425 is able to keep up with this demand and has actually shrunk response time, even though the pre-KANA staff of 40 was stretched to reply to just 500-800 inquiries per week.

THE CHALLENGE

Respond to exponential growth in e-mail inquiries while keeping costs in check.

CSR productivity jumped by 50% to 75% immediately after KANA Response was introduced. KANA Response paid for itself quickly through reduced headcount requirements alone. Information determined by KANA Response analysis has proved indispensable to executives for improving business decision-making. Consistency is up and CSR training time is down.

Rapid Growth Requires Highly Scalable E-mail Response Solution

eBay, the world's largest personal online trading community, pioneered person-to-person online trading. Founded in 1995, eBay has developed an efficient and entertaining trading site on the Web that is available 24 hours a day, seven days a week. eBay has more than 10 million registered users and had more than twelve million unique visitors to www.ebay.com in March 2000. Currently, there are more than four million items listed for sale, and 600,000 new items are added daily in over 4,000 categories including antiques, coins and stamps, jewelry and gemstones, sports memorabilia and toys.

THE SRM SOLUTION

KANA Response

The burden on the shoulders of Keith Antognini, Director of Customer Support at eBay, can be inferred from the eight-word eBay mission statement: "We help people trade practically anything on earth." It is Antognini's team of Customer Support Representatives (CSRs) that is directly responsible for providing the "help" emphasized in that mission statement. With eBay's soaring popularity and the extremely diverse nature of its constituency — ranging from collectors and hobbyists to basic bargain hunters, spanning every Internet-user demographic one can imagine — Antognini and his team have a daunting challenge.

THE RESULTS

Headcount requirements vastly reduced; business decisions guided by analysis; 12 hour response time to most e-mails.

Three years ago, eBay's nascent customer support team received a volume of approximately 500-800 customer support inquiries per week. Their system was largely manual, utilizing a variety of different e-mail clients, a manual routing process and a largely ad hoc tracking mechanism. "It was very tedious," Antognini recalled. The old system also incurred a huge administrative cost. Antognini anticipated what eBay's rising success had in store for him and his group, however. Early on, he began looking for a solution that would allow the customer support function to scale effectively.

Initially, Antognini's quest was frustrating at best. Vendors tried to sell him tools built around a call center model. eBay's model centers around electronic mail as the communication medium, which lends itself much better to the online nature of eBay's business. Other vendors pitched customer self-service solutions, not the approach eBay wanted. Then, when Antognini saw what the KANA product had to offer, he knew immediately that KANA Response was the solution he had been looking for. He arranged a demo for eBay executive staff members and recalled, "They were quite impressed. The decision was really very simple."

Immediate Productivity Gains of 50 to 75%

When introduced to the eBay support team, KANA Response received a warm welcome. "We saw an immediate 50 to 75 percent improvement in productivity," reported Antognini. "After only one week of using the product, the average response time per message was cut by more than half. The KANA product

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allowed us to become more organized and efficient.” For eBay, consistency is another huge benefit KANA Response provides. Prepared response templates are maintained centrally in the KANA Response category hierarchy. With simple mouse clicks, CSRs can quickly locate and insert accurate boilerplate information into their personalized responses. The KANA Response auto-suggest feature can even suggest the appropriate response template based on message content analysis. The wealth of knowledge in the category hierarchy automates information-sharing among team members and reduces the training burden for new employees.

After less than two months of using KANA Response, the direct impact on eBay’s bottom line was already apparent. Antognini was able to reduce his headcount projections and found himself intentionally slowing the pace of hiring. “KANA definitely enabled us to lower our headcount expectations through increased efficiency. No doubt about that,” Antognini happily reported, “I knew it would pay for itself in no time.”

After a couple of months using KANA Response, eBay Customer Support Representative Dan Shire commented, “It just gets easier all the time. Each week, it’s easier to move faster and faster.” Shire is the current eBay record-holder for number of customer responses in a single day — more than 500 — five times his average daily throughput before KANA Response.

Analysis of Customer Communications Improves Business Decision-Making

Antognini regularly presents information and analysis from KANA Response reports to the eBay executive team, whose members find this information indispensable. “Our ability to closely monitor and interpret customer metrics with KANA Response is incredibly important. In today’s business environment, retaining customers through world-class service is an absolute requirement,” Antognini observed. eBay CSRs provide critical input to product teams on emerging customer needs and concerns. With KANA Response, they can do so more comprehensively, with less effort and increased validity. “The real win,” said Antognini, is this ability “to report, with real scientific evidence, the issues that are coming from the customer. We’re using that data to drive product enhancement and future product development.”

Today, about 425 CSRs comprise eBay’s 24x7 customer support operation, spanning 27 states and all four U.S. time zones. About 5% of them work remotely, a characteristic of the operation that exacerbated the problems and bottlenecks in the past but was easily facilitated by KANA Response.

Two months after adopting the system, when the e-mail volume was already at a substantial 20,000 messages per week, Antognini’s team leveraged KANA Response to attain a very respectable 24-hour turnaround on most inquiries. Two years later, with volume approaching seven times that amount — 125,000 to 150,000 each week — they have cut that response time in half. With the help of KANA Response, the team now maintains a 12-hour service level at least 90% of the time. KANA Response will play a key role as eBay continues to grow the business with new remote customer support centers around the world.

Thanks to KANA Response, Antognini is able to maintain and even increase the level at which eBay delivers on its dedication to world-class service and support. Is he happy with his decision? “Absolutely,” he said, adding, “The service and support have been really, really incredible. From A to Z. And I’m a tough customer.”

What do the users think? As KANA Response user and eBay Customer Support Supervisor Laura Gifford noted, “We don’t remember life before KANA.” Quipped team member Shari Cates, “That’s because we don’t want to.”

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