



HMV trusts eGain

Worldwide media retailer utilises eGain platform to drive sales and deliver superior eService

Key results for eGain Mail

- ✓ 30% increase in service productivity while the customer base has doubled and headcount has remained stable.
- ✓ HMV currently responds to an average of 2,000 emails every week.
- ✓ Total email responses average 50,000 a month, including auto-alerts.
- ✓ A significant decrease in enquiries because of proactive notifications about order and account status, enabled by integration between eGain Mail and HMV's customer database.

Key results for eGain Campaign

- ✓ 600,000 registered HMV customers receive targeted messages (using both text and HTML) regarding sales and special offers based on the customer's musical preference.
- ✓ Over two million emails sent per month.
- ✓ As a direct result of Campaign marketing programs, repeat orders increased from 1% to 2.5%.
- ✓ 300% increase in registered users handled without additional headcount.

Company

HMV Media Group PLC owns one of the world's leading retail music chains with more than 300 stores in the UK, United States, Canada and other countries (online at www.hmv.co.uk and in the US at www.hmv.com). HMV also operates Waterstone's Online, a retail book chain with more than 200 shops in the UK, Ireland and Europe (online at www.waterstones.co.uk).

Challenge: Two-pronged eService strategy

As HMV's online business began to accelerate, email and web traffic increased significantly. In 2000, HMV executives went searching for an eService platform to manage the company's growing customer service needs. They wanted a comprehensive solution that would deliver "closed-loop" online customer service, linking inbound email management with outbound marketing.

"We devised a two-step approach to our eService strategy," explains Stuart Rowe, eCommerce Director at HMV. "We wanted to put our arms around our customers; first, from a service standpoint, then from a targeted marketing angle. Once we gained a 360-degree view of the customer, including their service issues and product preferences, we could then move forward with an aggressive outbound campaign to entice them to buy more products."

Solution

Stuart Rowe and HMV found the perfect solution by combining two applications

from eGain's suite of customer service and contact centre software. To execute its eService strategy, HMV invested in **eGain® Mail™** and **eGain® Campaign™**.

Implementation

According to Rowe, both products were implemented quickly and with a minimum of effort. "The applications are very easy to learn and the training we received was excellent," he says. "Once we became proficient, we started training ourselves." Overall, Rowe describes the delivery and maintenance of the eGain solution as "... almost invisible. We actually don't talk about eGain all that much, which is a good thing. It means everything is working and isn't causing any hassles."

Results

eGain's Mail delivers three-pronged ROI: productivity, customer satisfaction, and stabilised staff

In the fall of 1999, HMV began using eGain Mail, a feature-rich application for managing email traffic regardless of the volume, scale, or complexity of the environment. An average of 50,000 email responses are delivered each month. Using the knowledge base within Mail, HMV service agents keep customers informed about orders. Rowe explains, "We tell them when an item was shipped, whether there have been changes to the status of the order and other useful information." Rowe points out that one of the primary benefits of this process has been a reduction in the

“I feel that we now have a competitive advantage through our relationship with eGain. Our outstanding closed-loop service is the barometer for healthy, profitable long-term customer service success.”

Stuart Rowe
eCommerce Director
HMV

number of incoming customer enquiries, which has led to a higher degree of customer satisfaction. “It’s simple,” he says, “they don’t call as much because they know we’re taking care of them.”

In addition to its functional benefits, Rowe lauds Mail for another significant return on investment. “We’ve been able to stabilise the headcount despite the fact that sales had increased by over 30 percent and the customer base has been going up. Even though our customer base has nearly doubled in the past year, we’ve seen a 30 percent increase in productivity among the service team.” As he says, “All around, Mail is much quicker, much more substantial in its capabilities—and it has saved us money.”

eGain Campaign pays off from the beginning

A year after implementing Mail, HMV began using eGain Campaign, an email marketing solution for planning, targeting, and executing high-volume direct marketing programs. According to Rowe, HMV saw a spike in sales almost immediately after launching its first campaign, which was an email message distributed to some 600,000 registered customers. HMV took advantage of eGain Campaign’s features to personalise the messages and tailor them to each customer based on a previously submitted profile. By 2003, registered users increased to over 600,000. By continuing to implement more sophisticated, one-to-one, targeted campaigns, HMV looks set to adding even more users.

“HMV is famous for its monthly sales campaigns,” Rowe says. “So, there’s actually quite a bit of expectation built up among our customer base. One of the ways we use Campaign is to trigger

people’s memory that there is a sale going on.”

In 2002 HMV started sending out further tailored campaigns based on different musical genres. “We measure the response from each one, which enables us to tweak it and make it better the next time around.” Over two million outbound emails were sent each month. As HMV takes advantage of eGain’s hosted service, these large volumes are expected to grow without subsequent pressure on internal infrastructure.

Although exact sales figures are kept confidential, Rowe states that, in the first month itself, the response to HMV’s Campaign programs had exceeded the company’s expectations. “They’ve been very successful in pushing up our repeat purchase rates. We’re getting a two percent and higher order response from the emails.”

The bottom line: eGain and HMV form a winning combination

In Rowe’s opinion, the eGain solution has been an unqualified success at HMV and the combination of eGain Mail and eGain Campaign will continue to play a central role in driving revenue and customer satisfaction, even in the face of an expanding customer base and escalating expectations. “eGain Mail and Campaign have enabled us to efficiently manage the high volumes of inbound messages that are created through our outbound campaigns,” asserts Rowe. “I feel that we now have a competitive advantage through our relationship with eGain. Our outstanding closed-loop service is the barometer for healthy, profitable long-term customer service success.”

eGain[®]
Trusted by Leaders™

European Headquarters
258 Bath Road, Slough
Berkshire, England, SL1 4DX
Tel: +44 (0) 1753 46 46 46
Fax: +44 (0) 1753 46 46 47
Email: ukinfo@egain.com
Web: www.egain.com