

The Linksys ROI Story

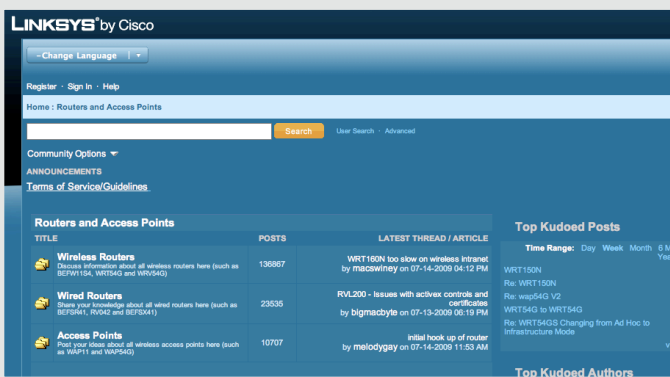
Support Community Delivers Significant Savings From Call Deflection



LINKSYS® by Cisco

Linksys, a Lithium customer since 2006,

is a division of Cisco that offers a wide variety of consumer and small office VoIP and networking solutions such as routers, switches, and storage systems.



Four million users visit Linksys' support community each month to exchange ideas, tips, and information.

Linksys Community Background

Linksys has long held a reputation for excellent technical support and has developed a number of innovative approaches to contain support costs while still offering responsive service. One key initiative was the introduction of an online customer support community, powered by Lithium. Linksys maintains the forums on its community in six languages: English, German, Spanish, French, Italian, and Portuguese.

An online community is just one part of Linksys' comprehensive set of support offerings that include: self-support knowledge base "Ask Linksys;" online automatic setup and diagnostic tools for selected products; and online chat for assisted support. Integration of the various support channels gives unique power and success to self-service. For instance, live feeds from the Lithium-powered forums are visible to customers once they enter the product page for their products. Linksys has received a number of industry awards for its support including Best Customer Commitment from the SSPA in May, 2008.

How Does Linksys Run Its Support Community?

The enormous size of the Linksys customer base is evident when you take a look at its community statistics: over 4 million user-sessions each month with over 3,000 new threads. Linksys encourages community use through a hands-on strategy. While it hopes that users themselves will answer many of the questions on the community forums (and they do), a dedicated staff monitors the forums and ensures that most questions are answered within 24 hours. The moderators also ensure that forum etiquette is respected.

Note that the cadre of moderators has not expanded since the birth of the community: while traffic has increased tremendously, the number of unanswered questions that need answers from moderators has not increased proportionally - good news indeed for companies that are considering support communities. Once critical mass is reached, the investments can stay in check while benefits mount, as we will see for Linksys.

Where Do Savings Come From?

For Linksys the measurable benefits overwhelmingly come from call deflections: that is, many users find answers by visiting the community and therefore do not need (costly) assisted support. Before we delve into these savings, it's worth pointing out a number of other areas where Linksys is seeing positive results from its community initiative:

- **Decreased Support Costs.** Let's just cite two examples. A year after Linksys deployed its support community the company was able to discontinue email support entirely, with no negative reaction from customers, no increase in phone calls, and an increase in forum usage that almost matched email use.

Another example is business continuity. On Christmas of 2006 (a typically busy season for Linksys support), call center operations were interrupted temporarily due to an earthquake in the Asia Pacific region. Support traffic on the community went up 50 percent overnight to help compensate by minimizing the effects of the natural disaster.

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- **Better Analytics.** The community moderators provide reports on what they see in the forums and much relevant and actionable product information can be gleaned from the reports, especially for newer products.
- **Increased Customer Engagement.** In 2008 Linksys launched a customer satisfaction survey for online usage, including the community. Over 25% of the support site visitors use Linksys Community Forums.

Based on the number of browsing visits and the success rate, we can estimate that the indirect deflection for Linksys is close to 120,000 cases per month - vastly more than direct deflection and creating a bounty of savings.



Call Deflection Savings

At Linksys the key hard-dollar measure of its community success is the savings generated by call deflection. Call deflection is best analyzed by separating:

- **Direct Deflection**, which occurs when a user who would normally place a request for assisted support instead posts a question and gets an answer; and
- **Indirect Deflection**, which occurs when a user obtains an answer from the forum without having to post a question. In other words, the question had been posed and answered already and the customer can use the answer immediately.

Direct Deflection

There is a handy Lithium feature that allows posters to mark a thread they started as answered. Naturally it undercounts successful posts since many users do not bother marking the thread as answered. Nevertheless, it's a reliable and conservative indicator. At Linksys, the average proportion of threads marked as answered is 35%, which we know is very conservative since Linksys monitoring helps to ensure that most, if not all, threads are answered. With over 3,000 new threads per month direct deflection runs over 1,000 cases per month for Linksys. Not bad!

Indirect Deflection

Now for the fun part: the Linksys user base is gigantic, so much of the savings occur not with direct deflection but with indirect deflection (or "savings through search" as some call it: users who visit the community forums and find an answer without having to start a new thread.)

Linksys counts four million user-sessions each month. A session is a beginning-to-end interaction with the community, not a page view. Linksys sets a cookie on users so a user who visits the community again within four hours of the initial session is counted only once. Even with these precautions we conservatively "normalized" the number of sessions by ruthlessly halving that four million.

We then subtracted the threads: clearly users who post a question did not find their answer via searching (although the answer may have been there.)

Now how about rating success? Since Linksys does not require registration for users who browse the community, and in any case does not track customers across support channels, there's no easy way to measure how many customers avail themselves of the support community instead of using assisted support. So Linksys instead uses an online survey with random popups that simply asks users whether they found what they needed in the forums. As we know such surveys drastically undercount successful visits since satisfied users may not take the time to respond. For Linksys the percentage of successful answers is 6%.

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So What's the Outcome?

The costs of supporting a community include full-time moderators who administer and manage the community forums. There are also IT costs and Lithium fees as well. But with all these costs considered, Linksys still saves millions of dollars in overall support costs; a great investment return!

About Lithium Technologies

Lithium is the leading provider of Social CRM solutions to power the customer network. Working with market leaders such as Best Buy, Sony, AT&T, Research In Motion Limited (RIM), Univision, and PayPal, Lithium is delivering the next generation of customer relationships by unlocking the value of the social customer network. Lithium solutions combine the power of online customer communities with the broader social web and traditional CRM business processes to inspire customers to innovate, promote, and support on the company's behalf. As a result, businesses measurably improve their marketing and sales, accelerate innovation, and increase customer satisfaction. Lithium's platform is proven in high-volume, growth environments and provides the security, analytics, APIs, and multi-language support that enterprises demand. For more information, visit www.lithium.com.

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