

A FROST & SULLIVAN EXECUTIVE SUMMARY

Using Effort Analytics to Improve the Agent and Customer Experience



in Collaboration with:

Customer Relationship
METRICS® 

 **CICERO**®

Customer experience management has been with us for more than 10 years, but has lately been getting even more attention. According to Frost & Sullivan Contact Center Principal Analyst Joe Outlaw, traditional and primarily transactional approaches to customer service are giving way to more sophisticated approaches for an increasing number of enterprises. *How* customers are supported has become as important as the fact that they are supported.

Customers still want answers to their questions, but they are increasingly sensitive about how much effort it takes to get them and how they're treated in the process.

Studies have found linkages between positive customer experiences and increased customer loyalty, improved customer retention and revenues with that customer and others they influence.



In the following Executive Summary, we outline what currently counts in call center contact, and how companies are measuring and optimizing their services for more profitable interactions and better customer experiences.

THE CUSTOMER EXPERIENCE MANAGEMENT (CEM) IMPERATIVE

I. **Customer experiences, both positive and negative, affect future revenues.**

Customers want to be treated as individuals; they don't feel they should have to tell agents over and over again who they are or what products/services they have purchased. They expect companies to keep track of this information—and to provide efficient and effective service and to make relevant sales offers.

II. **The objective of customer experience management is to deliver positive branded experiences over every customer interaction channel.** These channels have the following characteristics:

- a. Always provide correct answers to customer questions
- b. Resolve customer problems quickly
- c. Deliver consistent service
- d. Provide channel-appropriate service
- e. Make services easy and intuitive to use
- f. Deliver fast service
- g. Assure services are always available
- h. Deliver personalized services, where possible

III. There are several typical obstacles to providing positive customer experiences. They include:

- a. **Lack of customer interaction visibility**—the majority of contact centers don't have a good handle on the levels of service they are delivering or how these services are perceived by their customers—even on a channel-by-channel basis and for companies supporting multiple customer interaction channels.
- b. **Lack of metrics**—most call centers don't have their interaction channels integrated, and thus cannot track multi-modal interactions. When contacts that cross channel—i.e., a customer begins on a website, then calls the center, is greeted by an IVR, and finally speaks with an agent—the agent is often unaware of what that customer has experienced in the hour before the call.
- c. **Agents don't have ready access to the customer and product information necessary to answer questions and solve problems quickly**—Agents, historically, are hired/trained/evaluated for performance efficiency, not for how well they support customers or met their expectations. When call centers are aware of this and begin to shift their agents' priorities, change in results will follow.



STREAMLINING THE PROCESS

- I. **Deming's 80/20 Rule of Management**
80 percent of the issues navigated by both the customer and the agent are typically company issues, holistic and global in nature. When problems arise in product and process, effort needs to be put in the right place—i.e., not with the customer, but solved before he or she calls.
- II. **Business Visibility**
If you can't measure something, you also can't manage it. In a call center, there are many different data sources, platforms and applications, and visibility into all areas is responsible crucial. This build on the 80/20 rule.

III. Dial to Disconnect Analytics

Within a particular contact, customers may have many interactions: an automated system, a conversation with a wrong department, or an agent who can't answer a particular question. If a company can see all these things occurring, it can remove or reduce the effort. Make sure the customer is understood and can be routed correctly.

USING EFFORT ANALYTICS: THREE METRICS THAT MATTER

I. **Employee Engagement.** If employees are happy at their jobs, positive statistics rise substantially. They include: 18 percent higher productivity rate; 27 percent less absenteeism; and 260 percent more revenue growth. There are four main factors determining the potential engagement of employees:



- a. Do employees know what they can takeaway (re: get) from their jobs? These variables include their pay, role at the company and ability to obtain the tools they need to do the job.
- b. Do employees know what they can contribute? These are terms like revenue, customer experience and ability to promote the company's brand.
- c. Employees want to know that they belong; they have friends at their place of business and someone else cares.
- d. Employees should feel that they can grow together with the company; has there been a development discussion in the last six months? How can they both help the company and see themselves grow with it?

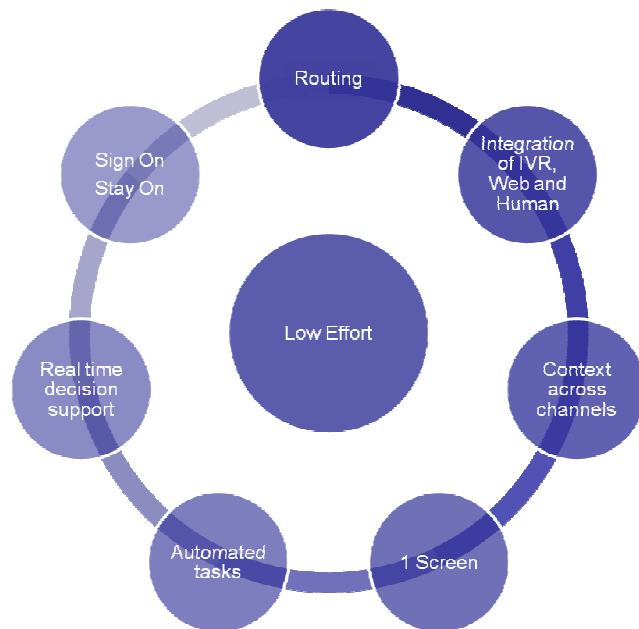
II. **Customer Engagement.** Engagement is different than satisfaction; satisfaction is a rational response, but engagement comes from an emotional response. It's how people feel about your company, not how they think. There are four ways to test for engagement.

- a. Does the customer have confidence in the company's ability to deliver?
- b. Do customers feel like the company will treat them fairly if there's a disagreement or confusion?

- c. Pride; is the company asking questions relating to whether customers are proud to call themselves customers. This leads to positive word of mouth, etc.
- d. Passionate advocacy. When customers can't through the day without a company's product or service (e.g. Starbucks, Apple's iPhone). This metric leads to a 22 percent lift in revenue per customer; a company can charge more money for its product or service if it's been proven to give people what they want.

III. **Effort Analytics.** To get a problem resolved, the goal is for a customer's personal level of effort to be very low, and for the overall transaction to be very easy. If customers have to go to a company website, call its IVR center only to be routed to the right person and then start over again, customer loyalty decreases.

- a. When effort goes up, loyalty goes down.
- b. "Effort" has been proven to be more highly predictive of revenue growth and customer loyalty than net promoter score or customer satisfaction score.



Levers to consider when reducing employee and customer effort

IN CONCLUSION

Accelerated and sustained revenue growth comes from having engaged employees and customers feeling that getting things done with your company comes easy. The business case for doing the right thing has never been more linked to financial health than today.

To learn more about what to measure, how to measure and ultimately, what you can do to improve engagement and reduce effort, look to the Corporate Executive Board, the book Human Sigma, Frost & Sullivan, Customer Relationship Metrics and Cicero.

ABOUT CUSTOMER RELATIONSHIP METRICS

Founded in 1993 at Purdue University by consumer scientist, Dr. Jodie Monger, Customer Relationship Metrics (CRM) is an applied Business Intelligence Service Firm which specializes in Service, Sales, and Metrics Optimization. CRM's managed services focus on Customer Experience Analytics, Speech Analytics, and Operational Analytics using hosted data collection and reporting systems. Over the past 20 years, companies have outsourced their complex analytics needs to CRM due to their expertise in enabling their business partners to exceed their goals, plans, and objectives, faster and cheaper by improving human capital and organizational performance. More details on CRM's managed services are found at www.metrics.net.

ABOUT CICERO, INC.

Cicero Inc. provides solutions that enable business transformation of enterprise interactions across companies and government organizations. Cicero XM technology delivers this capability via an innovative combination of desktop integration, automation, presentation and analytics capabilities, built to transform customer interaction into the most powerful marketing and branding asset a company can own. Cicero stands out among other software solutions for its ease of configuration and change control eliminating up to 90% of the change control costs and time, providing the ability to deliver actionable intelligence through efficient combination of telephony and interaction data, and delivering immediate benefits with an ROI in less than 6 months. Learn more at www.ciceroinc.com.

ABOUT FROST & SULLIVAN

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DISCLAIMER

This Executive Summary discusses key insights and excerpts from a live presentation and panel discussion by Frost & Sullivan, Cicero and Customer Relationship Metrics on March 3, 2011. This research summary presents industry insights, best practices, and case studies discussed by the presenters, in the context of the live presentation and panel discussion. Frost & Sullivan is not responsible for the loss of original context or the accuracy of the information presented by the participating companies.