The Customer Experience Effect Insight Series
Volume 1: Evolution of Contact Center Metrics

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Insight Series Executive Summary

As a premier provider of customer experience and business solutions in the contact center industry, PPT Solutions understands the complex challenges companies face today. One critical challenge businesses across the globe are facing is the shift in customers' ever-evolving expectations and the progress organizations are achieving staying ahead of those expectations. *The Customer Experience Effect* is a multi-volume insight series that details the evolution in customer experience measurement and provides insights on how today's leading customer-centric brands continue to exceed customer satisfaction standards and remain at the forefront of consumer expectations.

Volume 1: Evolution of Contact Center Metrics

The first installment of the series expounds upon the evolution of contact center metrics and how customer engagement expectations have created a shift in brand perception. In the past, contact center performance was based primarily on agent or contact center compliance. In today's hyper-competitive and shifting marketplace, the voice of the customer has emerged as the primary focus of measuring the customer journey and become a more suitable indicator in measuring the customer's experience. This installment also explores the modern-day influence of digital engagement options in meeting customer expectations and why its rapidly growing maturation will dramatically impact the landscape of Digital Customer Experience (DCX).

Volume 2: The Agent Experience

Slated for release in the Spring of 2020, *The Agent Experience* will take a deeper dive into how agent experience and agent satisfaction can also influence the overall customer experience. This installment will include insight into agent experience metrics such as Employee Engagement and Agent Effort Scores as key indicators in measuring customer engagement satisfaction and its collective impact on customer retention.

Volume 1: Evolution of Contact Center Metrics

Conventional contact center metrics have been typically linked to the measurement of operational performance, support staff behavior and interaction compliance. In recent years, contact center management key performance indicators (KPIs) have undergone a shift with customer satisfaction at the forefront of measuring success. The traditional methods of measuring performance and service are not obsolete, but technology and expanded engagement channels have created additional interaction points within the customer journey. This evolution in contact center management has guided customer service and contact center leaders to begin measuring and building their strategies around what truly matters – the customer experience.
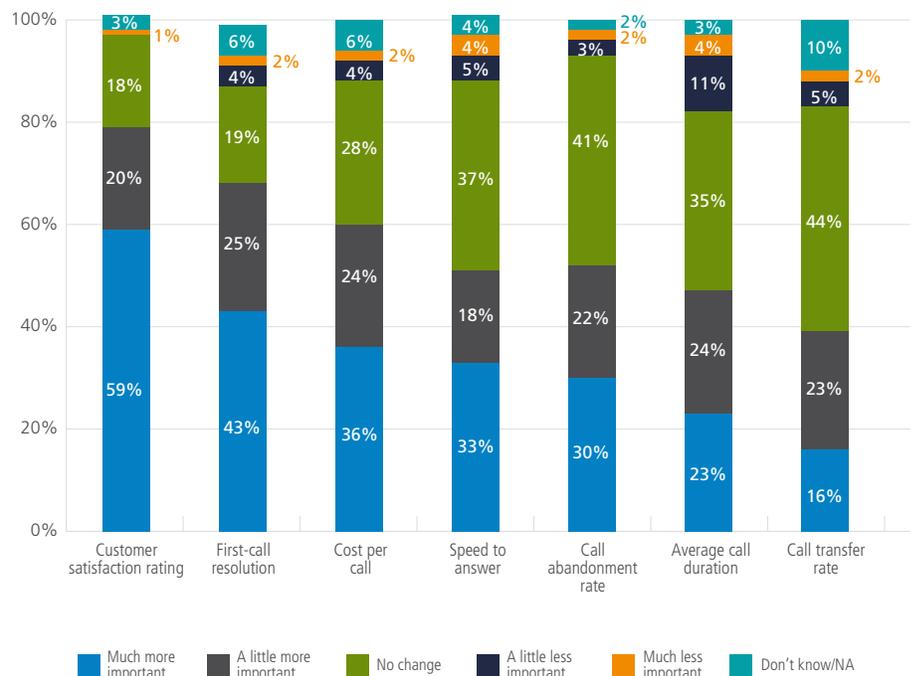
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Customer Satisfaction is Growing in Importance as a Key Metric in Call Centers

How important are these metrics compared to 2 years ago?

Metric	Much more important	A little more important	No change	A little less important	Much less important	Don't know/NA
Customer satisfaction rating	59%	20%	18%	3%	1%	3%
First-call resolution	43%	25%	19%	4%	2%	6%
Cost per call	36%	24%	28%	4%	2%	6%
Speed to answer	33%	18%	37%	5%	4%	4%
Call abandonment rate	30%	22%	41%	3%	2%	3%/2%
Average call duration	23%	24%	35%	11%	4%	3%
Call transfer rate	16%	23%	44%	5%	2%	10%

Source: Contact Center Decision-Maker's Guide 2012 (5th edition), ContactBabel

The CX Effect of Contact Center Service Delivery: Metrics Then and Now

Traditional contact center metrics like Average Handle Time, Average Speed of Answer and Service Level have long been the core components of measuring how the operations handles day-to-day processes. However, these traditional KPIs do not account for the modern-age nuances embedded within a customer's overall engagement journey with a brand – also known as customer experience. Customer experience (CX) can be defined in many ways, but at its core, it's a customer's interaction with a brand and all of the engagement elements that influence the customer's perception of their experiences. While traditional contact center metrics rely on internal feedback and operational processes to support the measurement, CX has influenced what are now modern metrics that measure the external-facing voice of the customer. Both modern KPIs and traditional performance metrics enable organizations to take a broader approach to understanding the customer experience at every point within the engagement journey.

> ### The right combination of traditional and modern metrics empowers organizations to better understand and enhance the overall customer journey.

Traditional Metrics (Compliance – Internal Feedback)	**Modern Metrics** (Voice of the Customer – External Feedback)
Average Handle Time	Customer Satisfaction
Average Speed of Answer	Net Promoter Score
Service Level	Customer Effort Score
Call Transfer Rate	Self Service Completion Rates
Quality	Specialty Routing Score
First Call Resolution	First Contact Resolution

In the last 5 – 7 years, the digital customer experience (DCX) has become a key factor in how contact centers measure performance.

Omni-channel experiences, social media, artificial intelligence-driven self-service and mobile apps continue to not only provide customers with more channel engagement options, but also represent a sense of brand and CX maturity. Companies that have embraced DCX and implemented these support options are experiencing lower customer churn as customer friction is minimized – adding value to the overall customer experience.

In a 2017 study conducted by Capgemini's Digital Transformation Institute, organizations across 80 different digital-experience attributes were evaluated – ranging from the ability to view and edit personal data to personalizing products and services on mobile devices – to create a DCX Index. The more digital attributes an organization has deployed and the more advanced those digital attributes are, the higher its DCX Index score. Capgemini discovered that each single point increase in the DCX Index score increased consumer willingness to spend 0.6% more with an organization. In addition to the increased spend, the company's Net Promoter Score (NPS) increased by nearly five points – indicating that a company's DCX Index is strongly correlated to their NPS.[1]

What Do Customers Really Care About?

Customer-obsessed companies like Amazon and Uber have conditioned customers to expect frictionless experiences. Customers want the option to engage with brands on-demand and with minimal effort. Using the modern Customer Effort Score (CES) metric enables companies to understand the ease, or otherwise, of the customer interaction with the company on a particular occasion. More importantly, CES helps companies identify customer friction in order to address specific points of interaction that are causing dissatisfaction.
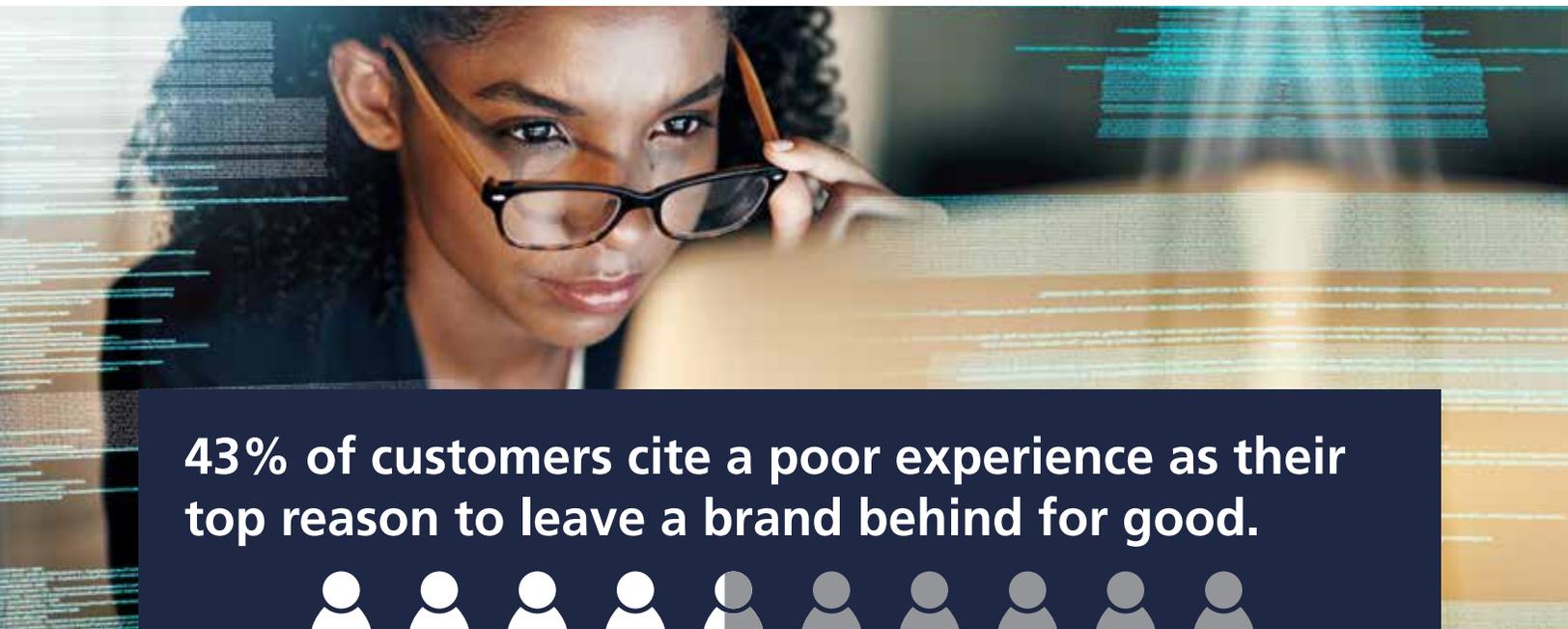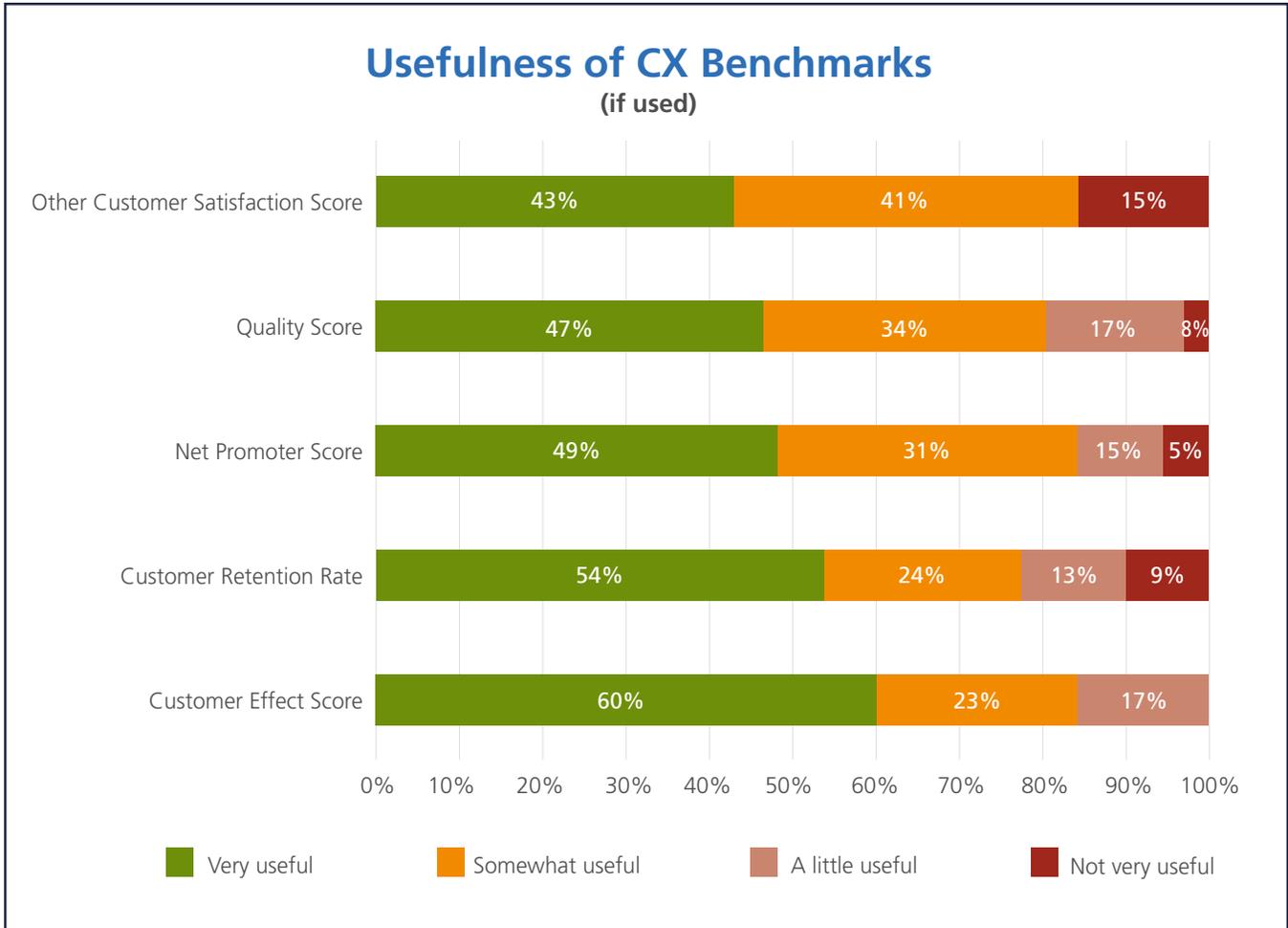
43% of customers cite a poor experience as their top reason to leave a brand behind for good.

Customers from all generational groups expect great service. If brands don't deliver, customers will take their business elsewhere.

While metrics like Net Promoter Score (NPS) and Customer Satisfaction rates are still widely used customer experience benchmarks, the rise in CES measurement is due to brands becoming more focused on digital engagement strategies. An annual survey conducted by ContactBabel, a leading contact center analyst firm, indicated that 100% of senior CX professionals find this metric useful in measuring their customers' experience journey. Also notable, over 60% of respondents believe customer effort scores are "very useful," which is a 22% increase from the previous year.

Usefulness of CX Benchmarks
(if used)

Benchmark	Very useful	Somewhat useful	A little useful	Not very useful
Other Customer Satisfaction Score	43%	41%		15%
Quality Score	47%	34%	17%	8%
Net Promoter Score	49%	31%	15%	5%
Customer Retention Rate	54%	24%	13%	9%
Customer Effect Score	60%	23%	17%	

Legend: ■ Very useful ■ Somewhat useful ■ A little useful ■ Not very useful

Much like the evolution of contact center metrics, the term "frictionless" has also evolved. In the past, customers defined the term as "ease and less hassle." Advances in technology and digital engagement options like digital receipts, one-click shopping and self-service capabilities have reshaped the meaning of frictionless to today's customers. Now, a frictionless experience means greater speed, personalization and wow experiences. Recently, a study conducted by Alliance Data revealed that customers from all generational groups expect great service and an ideal shopping experience. If brands don't deliver, customers will take their business elsewhere.[2] In fact, 43% of customers cite a poor experience as their top reason to leave a brand behind for good.

Customer friction points will continue to change with the release of new technologies and services. So, what can brands do to ensure that customers are fully satisfied with their experience? Simply put, brands will need to stay ahead of customer friction – not just react to it.

Rallying Your Company Around the Right Metrics

While altering a contact center organization's mindset and approach to KPI management can be daunting, it is critical to providing a customer-centric service delivery model in today's CX landscape. According to the study conducted by Capgemini, 75% of organizations believe themselves to be customer-centric, while only 30% of customers agree. The difference in perception between the organization and the customer is critical, as 81% of customers are willing to increase their spend with an organization in return for a better experience. In the meantime, customer satisfaction remains the focal point in service delivery and a driver in increased revenues but many companies are missing the mark.[3]

It's important to note that organizations should measure what really matters and use the data to identify actionable areas of improvement. Dashboards, reports, KPIs and metrics are all part of contact center operations. However, it is challenging to assemble all of that data in context in order to use it effectively. According to a 2017 ICMI survey, interpretation of contact center data is one of the top 10 challenges for contact center leaders.[4] This can be problematic as contact center journey mapping and addressing customer engagement preferences is essential in determining an organization's best approach to modern metrics benchmarking.

75% of organizations believe themselves to be customer-centric

only 30% of customers agree

One often overlooked yet critical component of the customer experience relationship is the Agent Experience. The next installment of *The Customer Experience Effect Series* will further examine agent satisfaction as a customer experience metric and its direct impact on Customer Lifetime Value (CLV).

Journey Mapping in the Contact Center

While customer experience may look different to management as compared to the front-line agent, it cannot be effectively determined unless the entire engagement journey has been mapped and defined. A customer journey mapping exercise would reveal the best way to measure CX in the context of each specific engagement touchpoint.

Establishing metrics are vital and there is no way to train and coach on customer experience if you're not measuring for it; and it's important to understand how the KPIs align with the customer journey. It is also critical for employees be empowered to employ strategic problem solving and decision making and that customers feel their preferred engagement channels are available to them.

The Cloud's Influence on CX

As organizations engage in customer journey mapping exercises, they are armed with the insight to explore technology solutions to meet today's customer engagement preferences. Cloud delivery service models such as UCaaS (Unified Communications as a Service) and CCaaS (Contact Center as a Service) are redefining how businesses operate and measure customer experience. A cloud-based infrastructure offers a diverse set of tools that streamline the process of providing modern and more personalized experiences, ultimately empowering companies to accurately measure DCX.

Companies that embrace cloud technology are reaping the benefits. Nemertes Research, a global advisory and research consulting firm that measures the business value of emerging technologies, conducted a study of DCX initiatives and success metrics of 697 organizations and reported the following:

65% increase in customers won

50% improvement in customer satisfaction ratings

37% growth in digital sales

31% increase in overall sales

31% decrease in contact center agent turnover

15% reduction in operational costs

14% decrease in customers lost (churn)

There is a heightened awareness and urgency around the cloud and DCX as companies realize the power customers have through social media, reviews and referrals. Companies that are not already considering a digital strategy will find themselves at a competitive disadvantage.

Customer Experience Is the Metric

As famously stated by Einstein, the definition of insanity is doing the same thing over and over again and expecting different results. Customer service and contact center leaders understand that it is time to ensure they are evolving with their customers and effectively evaluating the way they measure service delivery. It is vital that organizations shift traditional performance measurements to align with the concept that contact center metrics are CX metrics. In addition, the combination of traditional metrics and modern (customer-centric) metrics will drive the right performance, increase customer loyalty and the overall perception of an organization's brand.

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Since 2013, PPT Solutions has served as a premier provider of client-centric, performance-based Customer Experience and Business Optimization Solutions. Whether a Fortune 50 company or an emerging business, we passionately deliver a broad range of people, process and technology solutions customized to increase customer advocacy, enhance revenue and optimize operational efficiency. With an extensive portfolio of Management Consulting, Managed Services and Cloud Solution Services capabilities, our clients rely on us for advanced insights, adaptive business processes and innovative growth strategies.

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Sources

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