

Getting the Most Out of Your Customer-Service Metrics

A high customer satisfaction score doesn't always reflect a superior customer experience. In this white paper we discuss the gaps left by popular customer-service metrics — and provide expert insights on addressing them.

In 1905, French psychologist Alfred Binet invented the first practical intelligence test, the Binet-Simon scale, a standardized test designed to assess children's mental capacity relative to their peers. The basis for most modern intelligence tests, it catalyzed a decades-long debate that continues today: Does scoring high on an IQ test mean you're smart? Or merely that you did well on a single test at a single point in time?

Although the answer isn't clear, the question is worth asking — not only in classrooms, but also in contact centers, where organizations increasingly leverage metrics to determine whether they're "smart" or "stupid" when it comes to customer service.

"In the industries I serve, I'm seeing a lot more interest in customer service," says Lynn Daniel, CEO of The Daniel Group, a customer service consultancy based in Charlotte, N.C. "The customer experience is becoming exceedingly important, and metrics can help companies improve it."

And yet, customer-service metrics, like IQ tests, are only a snapshot of one agent's performance, in one area, at a single point in time. To truly assess their customer-service intellect — and, ultimately, improve it — companies must learn to read not just a chapter in the customer experience, but rather the whole book. Doing so requires a holistic approach to customer-service measurement that considers metrics' limitations and deploys strategies to overcome them.

Metrics: Pros and Cons

At their best, metrics are like a weather vane: When there's wind, they tell you in what direction it's blowing.

"Metrics tell you where to look," says Daniel, whose clients include more than 75 percent of the Caterpillar dealers in North America. "For example, a Caterpillar dealer of ours recently noticed that the ease-of-contact score for their parks business was consistently going down. That prompted the company to investigate. They had installed a new phone system, and what they realized by reading customer comments and talking to customers at various locations is they had not done a great job setting it up. It was very confusing, and customers couldn't reach whom they wanted to reach. It was a change in its ease-of-contact score that pointed them in the direction of that problem."

Wayfinding is one benefit of metrics. Another is benchmarking, according to Scott Sachs, president of SJS Solutions LLC, a contact center consultancy based in Malvern, Pa. "Whether you

like a certain metric or not, it's objective, it's quantitative and there's no debate about what goes into it," Sachs says. "Everyone in the contact-center business can measure it, and that means you have industry benchmarks that you can compare yourself against, which is really useful."

Although metrics are useful for diagnosing problems, their principal shortcoming is their inability to explain them.

"We need the numbers, but we also need to understand what's behind the numbers," continues Daniel, who likens customer-service metrics to income statements. "An income statement will tell you whether you made or lost money, but until you actually dig into it you won't know why. Likewise, you've got to have some kind of metric to tell you where you stand on customer service, but unless you dig into the number it's really nothing more than a score, like the score of a football game. The score tells you whether the Chicago Bears won or lost, but it doesn't tell you how they played the game."

There's the rub. Although most customer-service metrics can tell you what, they typically don't tell you why. Consider, for instance, some of the most common customer-service metrics tracked by contact centers:

- **Average Speed to Answer (ASA):** ASA is the average time a customer waits for a response to their customer-service inquiry. It could be the speed at which emails are returned or the speed at which phone calls are answered. Either way, a low ASA doesn't always translate into a positive customer experience; knowing their call was answered quickly, for instance, tells you nothing about whether the customer's problem was actually solved.

- **Average Call Duration (ACD):** ACD is the average time a customer-service agent spends on the phone with a customer. Again, fast and good aren't always synonymous. On the one hand, a low ACD suggests a more efficient and cost-effective call. On the other hand, it could reflect that customer-service reps are rushing through calls and failing to establish emotional connections with customers. The metric alone won't tell you which is

the case.

- **First Contact Resolution (FCR):** FCR tracks how often a customer-service issue is resolved on the first contact, by one customer-service rep, versus multiple contacts and multiple reps. Although a low FCR is good for both the company and the customer — the former benefits from increased efficiency and lower costs, the latter from faster resolutions — it tells you nothing about why customers are calling in the first place. In other words, it helps you be more reactive to customers' issues, but does nothing to help you be proactive in preventing them.

- **Customer Satisfaction Score (CSAT):** After a customer-service interaction, many companies ask their customers to rate how satisfied they are with them on a scale of one (i.e., very dissatisfied) to five (i.e., very satisfied). The resulting number, the company's CSAT score, is indicative of how well the company met or exceeded the customer's expectations. Because CSAT is typically assessed after a discrete event, however, it's often unclear whether it reflects the customer's problem — a defective

product, for instance — or the actual customer-service experience.

- **Net Promoter Score (NPS):**

Companies that measure NPS ask customers to rate, on a scale of zero to 10, how likely they are to recommend them to others. Calculated by subtracting the percentage of detractors from the percentage of promoters, NPS assumes that happy customers will recommend the company, and that unhappy customers won't. However, it fails to capture whether customers do, in fact, make referrals, and gives no information about why they will or won't.

Driving Meaningful Change

Clearly, a knowledge gap exists: Although they know whether their customers are happy and whether their problems are being solved, organizations that monitor customer-service metrics don't typically know why they're happy or what they can do to keep them happy.

"A lot of times, customer service is about recovery, but just because a customer had a great recovery

experience doesn't mean that at the end of the day they're thrilled with your product or service," Sachs explains. "Think about cable TV service. You can have a customer service rep who is dynamite in fixing your billing issues, but you're still going to be ticked off that you had billing issues to begin with."

Because preventing customer issues is just as important as resolving them, companies that fill the customer-service knowledge gap are best positioned to drive meaningful change in the customer experience. Despite their imperfections, doing so doesn't mean abandoning metrics; rather, it means mining them for additional, deeper insights by:

- **Balancing quantitative with qualitative data:** "It is really important to use metrics like the CSAT only in conjunction with qualitative measures," says Andy Morris, vice president of global operations at TaskUs. In addition to quantitative criteria such as speed, for example, companies should evaluate customer-service reps using qualitative criteria such as rep knowledge or rep courtesy. Doing so, Morris says, helps

organizations determine whether unhappy customers are upset with the company in general or with a specific customer-service interaction.

- **Collecting anecdotal feedback:** Traditional customer-satisfaction surveys should include not only multiple choice and rating-based questions, but also follow-up questions that give customers the chance to communicate their feelings in their own words. "For example, when you ask for a CSAT rating, you should ask anyone giving the company a one, two or three to tell you why by asking, 'Why are you dissatisfied?' or, 'What did you like the least about this experience?'" says TaskUs CEO Bryce Maddock. "You're asking the customer to categorize what their complaint or dissatisfaction is really about. Is it about your product, for instance, or your policies, or the service they received from a representative? A negative CSAT should only count against a representative if the customer identifies that it's him or her that made them dissatisfied." Although anecdotal comments are difficult to screen, natural language processing (NLP) software can help.

• **Comparing like data:** Metrics are most useful when they're compared against internal and external benchmarks. With that in mind, it's important to make sure you're comparing apples with apples, not oranges. "A customer who's calling in to get help with a very big-ticket purchase will likely have a lower first contact resolution than a customer who is calling in for help with a password reset," Morris says. "If you try to compare metrics across the two you'll be doing yourself a disservice because you'll be looking at differences across two different call intents rather than in the performance across two different agents."

• **Taking a holistic approach:** An entire team is responsible for creating, selling, marketing and delivering your product or service. Therefore, customer satisfaction shouldn't hinge on the performance of a single customer-service rep. "It's important to look at the entire life cycle of customers' experience so you can pinpoint where the pain points are that the customer becomes dissatisfied, frustrated or angry," Maddock says. "Customers usually are

only given customer-service surveys after they have a customer-service interaction; I think it would be useful to learn how they feel the rest of the time by looking at customer service more holistically."

• **Tracking trends:** The more data you have, the more insights you can gather, according to Sachs, who says customer-service metrics yield the best insights when they are large and longitudinal. "A one-time survey is very dangerous," he stresses. "But if you get large enough sample sizes, and track metrics over time, you can pick up on trends and themes that help you set better goals."

• **Modernizing your metrics:** Like technology, customer-service metrics are constantly evolving. Measures like CSAT and NPS are therefore becoming dated. For that reason, companies that want to create a better customer experience should consider more contemporary metrics, according to Daniel. For example, Customer Effort Score (CES), which measures how easily customers move through the customer-service pipeline by asking them to rate on a scale of one (i.e., very low effort) to five (i.e.,

very high effort) how much effort they had to put forth to get their issue resolved. "Think about it," Daniel says. "I spend a lot of money at Amazon.com. Why do I spend so much money there? Because they make it so bloody easy to do business with them."

Their IQ can tell you whether someone's a logical thinker, but not whether they possess the emotional intelligence needed to build social capital, or the street smarts needed to make good life choices. Likewise, a customer-service score can tell you whether a customer is happy, but not what motivated them to do business with you in the first place. In both cases, the metric isn't the destination; rather, it's the starting point.

"The numbers will tell you where to look," Daniel concludes, "but they can't tell you what you'll find when you start digging."