Module 4 – Contributors to Customer Satisfaction

4.1 Interpreting and Leveraging Customer Feedback [Strategic]

Key Points

- **The contact center can be the primary focal point for collecting data on and improving both the overall customer experience and the satisfaction of the customer who contacts the organization.**

- **The solution to the challenges of multiple complaint rates, across multiple channels, across a range of time, is to develop a map of customer-contact behavior by type of issue.**

- **The best way to provoke action based on customer feedback is to convert the current number of problem instances into revenue lost. Quantifying the monthly revenue cost of the status quo typically accelerates the pace of corrective action.**

- **Customer satisfaction and loyalty data can help the contact center set priorities for improvements based on the return on investment for each improvement.**

- **Customer satisfaction and loyalty data can be used by the contact center to set customer-driven standards.**

Explanation

The contact center is one touch point within the overall context of the customer experience. The data derived from the contact center is a predictable portion of the total input, but there are also other sources, such as sales, operational data, Web and retail contact areas.

Contact center data is often more timely than survey data or information received from field offices or sales reps; e.g., the customer tends to contact or email at the time a problem occurs. The only touch point nearly as timely as the contact center is Web information.
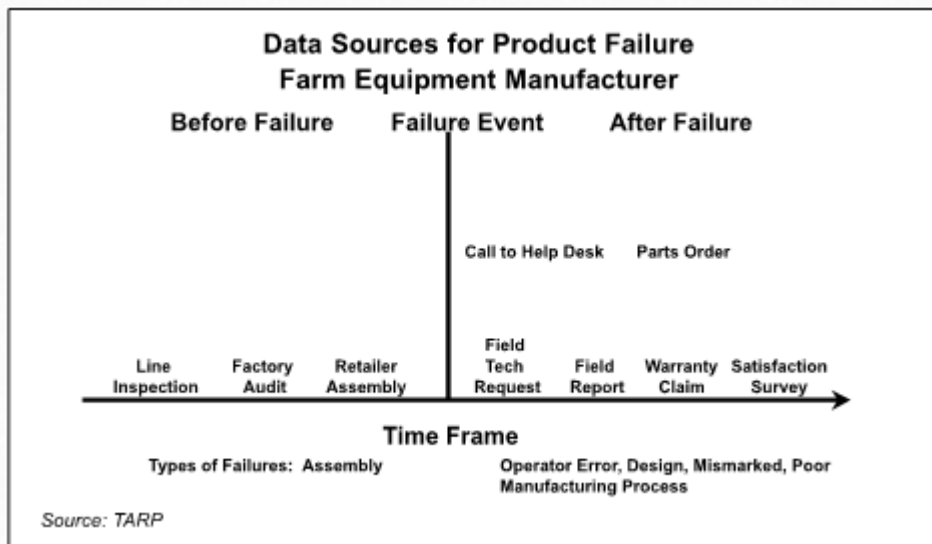
Leading organizations make use of the following sources of customer data:

- Survey data
- Employee input
- Customer complaints from the field and the contact center
- Contact quality monitoring recordings
- Customer advisory panels

Integrating Multiple Sources of Data

Data from multiple touch points can be integrated to create a single picture of quality. However, it is important to understand customer behavior to accurately integrate customer feedback data.

The following chart, which is based on a farm equipment manufacturer, illustrates the challenge of integrating customer feedback and quality data. The manufacturer and retailer both inspect the product prior to sale. Then the farmer buys the tractor and uses it in the field. When the tractor breaks down, the first contact is from the farmer to the help desk. Then a technician may contact the factory to ask for assistance in repair. Then a parts order comes in. Then a factory rep reports multiple failures. Finally, warranty claims and surveys are received. All of these data sources are describing the same set of events. However, the survey arrives many weeks after the original complaint contact and parts order.

Data Sources for Product Failure
Farm Equipment Manufacturer

Before Failure	Failure Event	After Failure

Call to Help Desk   Parts Order

Line Inspection	Factory Audit	Retailer Assembly	Field Tech Request	Field Report	Warranty Claim	Satisfaction Survey

Time Frame

Types of Failures: Assembly   Operator Error, Design, Mismarked, Poor Manufacturing Process

Source: TARP

The solution to the challenges of multiple complaint rates, across multiple channels, across a range of time, is to develop a map of customer contact behavior by type of issue. The best approach is to execute a one-time survey to determine the ratio of customers who encounter the problem to customers who report the problem using different touch points. In this survey, you ask a random

sample of your entire customer base the following: Did you have problems? Which were the most serious? Did you complain? Where did you complain (i.e., using which touch point)? The result of those questions is a chart like the one below. This map addresses where people complain upon encountering a rude gate agent in an airport.
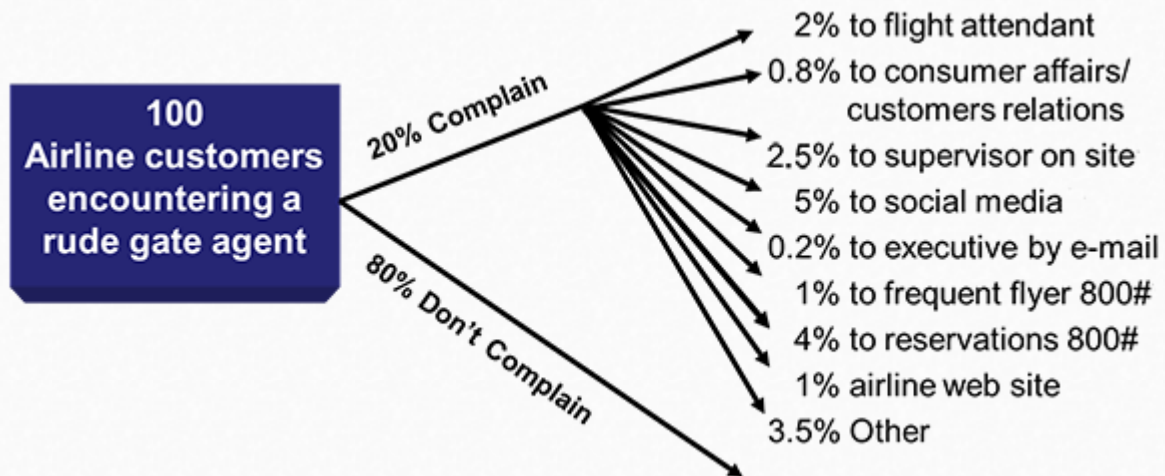
The above chart tells you that of 100 customers who encountered a rude airline gate agent, only 20 complained and that 5 of those complaining customers went to a social media site like Trip Advisor or Facebook, 4 called reservations and 1 went to the frequent flyer 800 number.

In order to use this data to determine how many total customers have a problem based on the number who complain to each touch point, a multiplier must be calculated for each touch point. To determine the multiplier for each touch point, simply divide the 100 customers who encountered a problem by the percentage of customers who complained to that touch point. For example, to determine the multiplier for the executive email touch point, divide 100 by 0.2 to get 500. Therefore, when one complaint is emailed to an executive, it can be estimated that 500 customers have experienced this problem. Likewise, for complaints to reservations, the multiplier is 25:1, that is there are 25 instances in the market for each complaint received at reservations. We can now use those multipliers to integrate data from all the touch points as well as survey and operational data, as shown in the following chart.

Source	Problem Reports	Multiplier	Total Estimated Instances	Best Estimate # Instances
Web Site	6	100	600	
Social Media & Unstructured Data	20	20	400	
Reservations	14	25	350	555
Executive Complaint	2	500	1,000	
Consumer Affairs	4	120	480	
Survey	0.5%	100,000	500	

This chart allows us to arrive at the best estimate of the instances of rudeness at this airport by applying the multiplier for each channel to the reports received by that channel. The third column of data above is the estimate of instances in the market based on feedback from each channel. Note that the estimates are not congruent; they vary from 350 to 1000 instances in the last month. This is a consequence of using multiple touch points. The recommended practice is to take an average of the six estimates of the instances of rudeness in the marketplace, in this case 555.

As a satisfaction data system is only as effective as the degree to which it provokes action – reports that cause no action are a waste of time. The best way to provoke action is to convert the number of instances into revenue lost.

Continuing with our example, if you know that rudeness causes 20% damage to loyalty and the average airline customer is conservatively worth $3,000 over the next two years, you can now estimate the monthly revenue damage of rudeness.

555 Customers monthly X 20% decrease in loyalty X $3,000 per customer = $330,000 revenue lost per month

You have taken the fragmentary contact data; 20 social media mentions, 25 calls to reservations, 2 executive emails and 4 complaints to consumer affairs and translated them into a third of a million dollars per month – enough to get the attention of executives and to allow you to set priorities by comparing this damage with the damage caused by other problems.

Setting Priorities for Improvements

Customer satisfaction and loyalty data can help the contact center set priorities for improvements. There are three main ways to increase the bottom-line impact of the contact center:

- The contact center can identify root causes of customer problems and unnecessary questions and thus help the organization decrease costs related to resolving customer problems.

- The organization can promote the contact center (e.g., through visibility in manuals, welcome letters, website and labels on products), thus increasing the number of contacts to the contact center and the opportunity to increase customer satisfaction and loyalty. This, of course, will also mean an increase in the costs associated with the contact center to meet the additional contacts. However, if the customer's estimated value is greater than the cost to handle the contact, it becomes immediately obvious to even skeptical CFOs that it is more profitable to encourage non-complaining customers to contact the organization.

- The contact center can capture information useful to marketing, product development and other areas of the organization.

The table below illustrates sensitivity analysis for three potential initiatives for the contact center. Initiative A is a training program that is expected to significantly increase customer satisfaction. Initiative B is a software program that will allow better logging and analysis of customer reasons for contact and thus decrease customer problem experiences. Initiative C is a comprehensive program to decrease customer problems and increase customer satisfaction.

	Baseline	Initiative A	Initiative B	Initiative C
Percent Problem Experience	70%	70%	65%	65%
Percent Complaining	50%	50%	50%	50%
Percent Satisfied	40%	45%	40%	45%
Net Loyal Customers gained due to Contact Handling	73,063	78,750	73,063	73,125
Change due to Contact Handling Improvement Initiative		5,687		2,031
Increase in Loyal Customers due to decreased Problem Experience			9,406	9,406
Value of Loyal Customers gained due to Improvement Initiative		$142,175	$235,150	$285,925
Cost of Improvement Initiative		$50,000	$150,000	$200,000
ROI of Initiative		184%	135%	43%

This type of sensitivity analysis can help prioritize proposed initiatives. Referencing the last three rows, the table demonstrates the value of the loyal customers that are gained due to each initiative, the cost of each initiative and the resulting ROI. In this example, Initiative A will result in the highest ROI.

Establish Customer-Driven Standards

Customer satisfaction and loyalty data can also be used by the contact center to set customer-driven standards. The data can be used to help determine what most impacts customer satisfaction and loyalty. For example, in the chart below, there is a significant drop in customer satisfaction (and thus loyalty) when the contact is not given a final response on first contact and a further drop if not handled completely within two days. Therefore, the contact center should strive for immediate response with no contacts waiting longer than two days before final response.
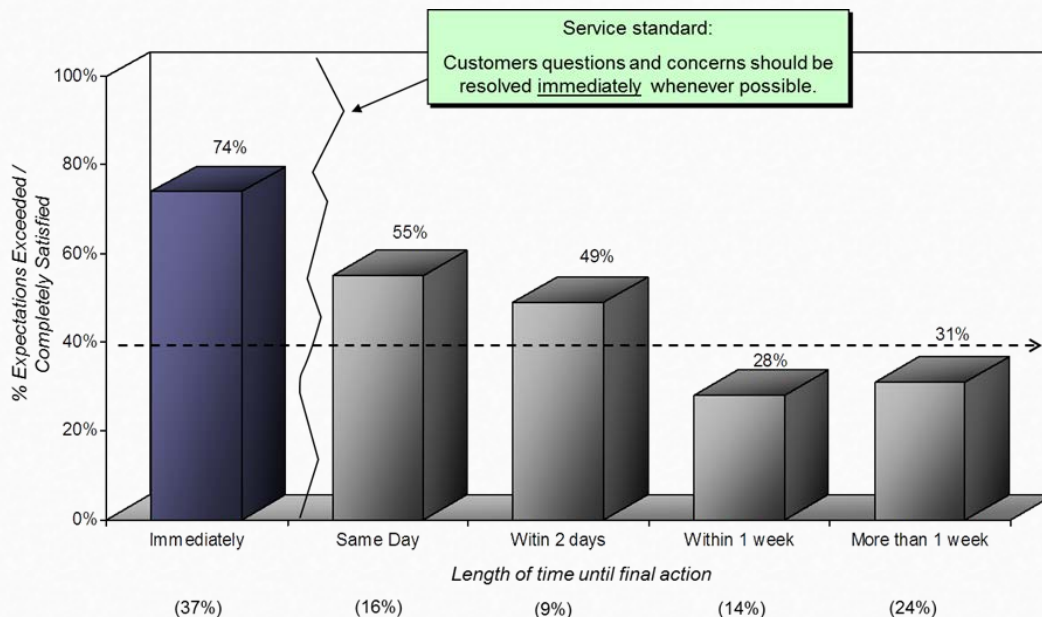
This item was developed for ICMI by John Goodman.

4.2 Identifying Contributors to Customer Satisfaction

Key Points

- **Customer satisfaction data should be analyzed, using various statistical techniques, to understand the key drivers of customer satisfaction.**

- **Key drivers of customer satisfaction within the contact center's control include:**
    - **Accessibility (a customer dissatisfier)**
    - **Resolution on first contact**
    - **Follow through on promised action**
    - **Knowledge of the agent**

Explanation

The basic formula for maximizing customer satisfaction and loyalty is to do the job right the first time (i.e., limit the number of problems customers experience across the life cycle of the customer) and effectively manage customer contacts, including the feedback loop to product and service improvement.

Formula for Maximizing Customer Satisfaction and Brand Loyalty

DOING THE JOB RIGHT THE FIRST TIME **+** EFFECTIVE CUSTOMER CONTACT MANAGEMENT **=** MAXIMUM CUSTOMER SATISFACTION & LOYALTY

Respond to Individual Customers

Improved Product & Service Quality

Identify Sources of Dissatisfaction

Conduct Root Cause Analysis

Feedback on Prevention

Customers will:
Buy again
Buy more
Tell others to buy
Buy your other products & services

Source: TARP

"Doing the job right the first time" requires effective product and service design and development, manufacturing processes, product and service delivery, and sales practices. This will ensure that, in most cases, customer needs and expectations are met.

No product or service completely meets customer needs and expectations 100 percent of the time. Customers do experience problems and they do have questions. Thus, an organization needs to have an effective system in place to handle these problems and questions when they arise.

Once customer dissatisfaction has been identified, the first step to preventing future dissatisfaction is to uncover the root causes of the dissatisfaction. Data gathered from customers with problems/questions is used to improve the quality of goods and services by identifying and correcting these root causes.

In short, the contact center plays a role in all three components of the formula for maximizing customer satisfaction and brand loyalty.

Contact Center Contributors to Customer Satisfaction

Using various statistical techniques, such as correlation and regression, the contact center manager can isolate those parts of the contact center process (e.g., accessibility, response timeliness, knowledge of agent, follow-through on promised action, etc.) that have the greatest impact on customer satisfaction and loyalty. The performance in these critical areas can be assessed against customer expectations and tracked to help determine overall customer satisfaction.

Customer satisfaction data collected from all sources should be gathered in such a way that will allow managers to determine the typical causes of dissatisfaction. This determination is not an exact science and many customers will be dissatisfied for multiple reasons.

Key drivers of customer satisfaction within the contact center's control include:

- **Accessibility:** Studies have found that accessibility, as measured by service level and response time, can be a significant customer dissatisfier if it is outside the customer's expectations. However, as long as the contact center provides a service level within the customer's expectations, answering the contact faster doesn't significantly contribute to higher customer satisfaction.

- **Resolution on first contact:** On the other hand, hundreds of studies have shown that "resolution on first contact" is nearly always a key driver of customer satisfaction. Increasing the percentage of contacts that are resolved to the customer's satisfaction on the first contact

will increase customer satisfaction.

- **Follow through on promised action:** A close second to "resolution on first contact" as a key driver of customer satisfaction is "follow through on promised action in the expected timeframe." Agents need to know that an overly optimistic promise to a customer can backfire if the organization is not able to meet that promise. It is better to be conservative with promises, such as shipping times, product replacement timeframes, and order processing times, and delight customers with even better actual results.

- **Knowledge of the agent:** For certain types of contact centers, "knowledge of the agent" can also be a key driver of satisfaction. In some industries, contact with an agent is the service provided to the customer. For example, customers rely on the knowledge and experience of agents in technical support centers and information desks to receive their primary deliverable – knowledge. Customers can also experience frustration if they reference marketing promotions or products, for example, of which agents are unaware. It is hard to satisfy customers that are more knowledgeable than the agent that is attempting to help them.

A good source for examining potential contributors to customer satisfaction is customer expectations. The goal is to understand the key drivers of customer satisfaction and dissatisfaction and manage to those expectations.

Identifying and Isolating Root Causes

In addition to examining key drivers of customer satisfaction, the contact center is in a position of leverage in terms of identifying and isolating root causes of customer dissatisfaction. Determining the root cause is always the first step in improving customer dissatisfaction. Root causes of dissatisfaction can occur either in the contact center or outside the contact center.

Generally, the causes of dissatisfaction with the contact center can be narrowed into the following areas:
- Actions of employees
- Processes within the contact center
- Processes that link the contact center to other parts of the organization
- An incorrect understanding of customer expectations

Causes of dissatisfaction that occur outside the contact center can come from a much broader range of possibilities. Examples include:
- Marketing promises that don't match with product or service capabilities
- Problems with products or services (e.g., malfunctions)
- Shipping delays or inaccurate order fulfillment

- Unclear or inconsistent policies and procedures

Customer satisfaction data should be analyzed by type of contact, time of day and day of week. In addition to customer satisfaction data, other sources of data (e.g., operational data, contact monitoring data) and interviews/brainstorming exercises with agents and supervisors can help identify and confirm causes of dissatisfaction and potential actions.

Isolating Root Causes

As illustrated by the figure, a contact center itself is a highly interrelated system of causes. And it is just one part of an organization wide system of causes.

THE CONTACT CENTER PROCESS
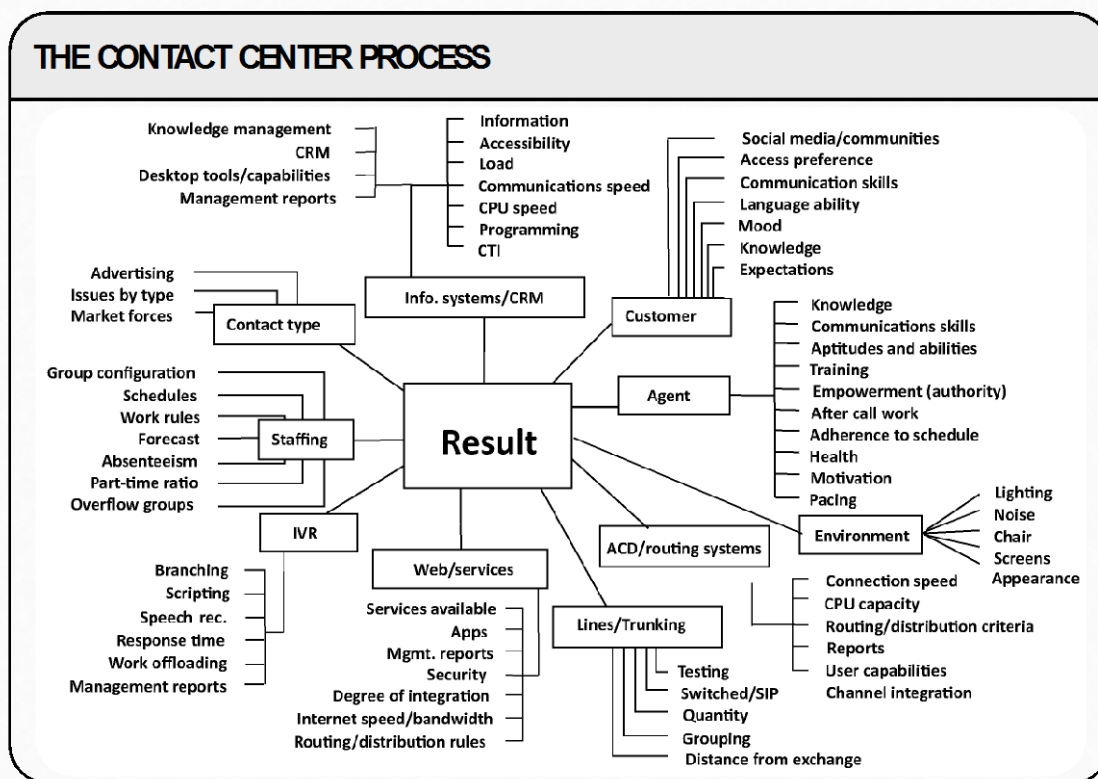
The central focus of the process can be any desired result or high level measurement. Since just about everything is interrelated, the causes of performance problems are often difficult to isolate and measure. There is little use exhorting agents (or individuals in other positions) to improve quality and fix causes of dissatisfaction without also making improvements to the system of causes (the processes).

Without the appropriate methodology and tools, identifying the root causes of problems in a contact center is a significant challenge. Consider a recurring problem, such as providing incomplete

information to customers. Maybe the cause is insufficient information in the database, or a need for more training, or maybe a lack of coordination with marketing, or carelessness, or agent stress from a chronically high occupancy rate, or a combination of any of these factors coupled with many other things. To make improvements and leverage opportunities, you need to have a systematic approach for improving quality, such as the one illustrated in the following graphic.

A Process for Quality Improvement
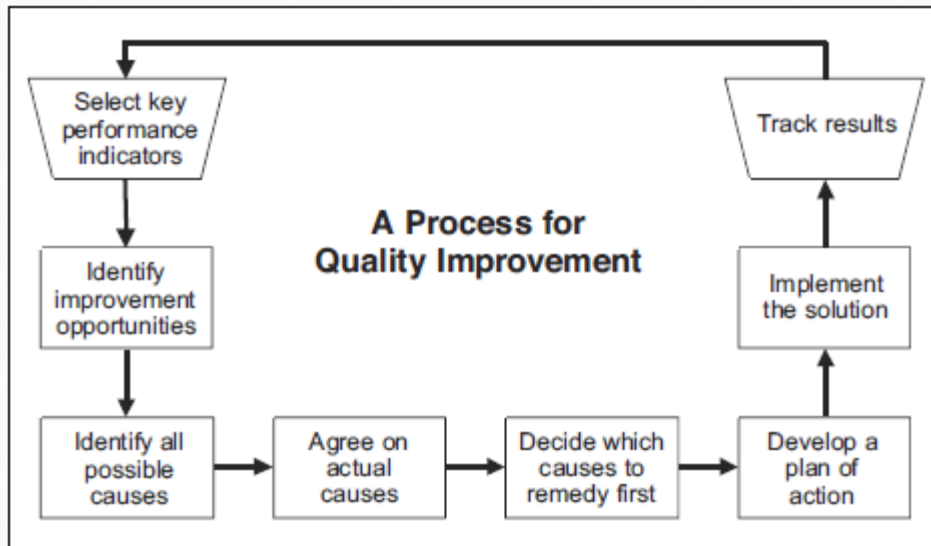
Case Studies

Several case-study examples illustrate how customer satisfaction data, in concert with other operational data, can be used to isolate the root cause of customer dissatisfaction.

Case Study One: Customer satisfaction data for a packaged goods manufacturer's customer relations contact center showed a sudden drop in customer satisfaction in one month, especially satisfaction with responsiveness and follow-up (two specific attributes the contact center tracked). Analysis by type of contact and type of response showed that the largest drop in customer satisfaction was for contacts requiring a follow-up mailing of a catalog/promotional item from another department within the organization. Review of contact data also showed an increase in contacts from customers who had requested and not received certain promotional items in a timely manner.

Further investigation showed that, in fact, the other department had fallen behind in its delivery times for catalogs/promotional items due to an increase in customer requests and the inability to justify more staff to cover the increased volume. By using the customer satisfaction data, translated into impact on customer loyalty, revenue and costs to the organization, the contact center manager was able to help the fulfillment department justify increased staff and restore fulfillment times to an acceptable level.

Case Study Two: A financial services contact center found that customer satisfaction was significantly lower for evening/night contacts than during the day. Further analysis found that there was little difference in the type of contacts, type of response or accessibility of the contact center during these times. The data also showed that customer satisfaction with agent knowledge, clarity and professionalism to be particularly low for the evening/night time periods.

Upon further investigation, the contact center manager found that the evening/night shifts were staffed entirely by new agents with limited supervision or assistance by senior agents. Working with the agents and supervisors, the contact center worked out a system for more experienced agents to work on a rotating basis with small groups of new agents in the evening hours, thus increasing their knowledge and confidence.

This item was developed for ICMI by John Goodman.

4.3   Barriers to Serving Customers Effectively

Key Points

- **Key barriers to serving customers effectively include:**
  - **Lack of shared vision**
  - **Lack of a supporting strategy**
  - **Lack of investment in building skills, knowledge and leadership**
  - **Lack of supporting operational plans and processes**
  - **Lack of enabling technologies**
  - **Lack of required investments**
  - **Lack of processes for ongoing innovation and alignment**

Explanation

Today's customers demand user-friendly, self-service processes and systems as well as the means to reach capable and knowledgeable contact center agents, when and if they need them. Delivering on these expectations takes more than luck. It requires a solid plan, for today and beyond.

Unfortunately, for many organizations, transitioning systems and processes to meet the needs and expectations of today's fast-paced environment have been less than successful. Pick up almost any business, sales or technical publication today and it is easy to see that barriers to serving customers effectively continue to plague many organizations.

Some of the key barriers include:
- Lack of shared vision
- Lack of a supporting strategy
- Lack of investment in building skills, knowledge and leadership
- Lack of supporting operational plans and processes
- Lack of enabling technologies
- Lack of required investments
- Lack of processes for ongoing innovation and alignment

Lack of shared vision: Overall, your vision is your organization's purpose or reason for being, both today and in the future. A business's "identity" is a function of how faithfully it pursues its vision. The vision can help guide everyone from senior management to frontline employees when they are faced with decisions. Every decision from whether to buy new technology, hire more agents, make an account adjustment or add a new product or service can be "tested" against the vision to decide what action to take.

Without a clear vision decisions may achieve objectives, but they will not be aligned with the reason for being. For example, a contact center may decide to buy new technology that will reduce handle time and automate transactions. But if its mission is to "get closer to our customers by providing a human touch," this technology may not be the right priority.

Disconnects between what the organization states as their mission and the strategies it deploys for its people, processes, technologies and resources will ultimately lead to confusion among both customers and employees. The fallout will be retention and loyalty issues because you have stated what your purpose is and you have failed to fulfill it. On the other hand, a clear mission that is supported by top management, well communicated, understood and fulfilled can lead to loyal customers and employees.

Lack of a supporting strategy: If the vision is where the organization is and where it is going, then the strategy is how it is going to get there. The development of a customer access strategy is essential to being able to fulfill the contact center's vision. This strategy must establish clear responsibilities, include the necessary resources and provide a foundation for operational changes and improvements. The strategy must be aligned with the contact center's vision.

Lack of investment in building skills, knowledge and leadership: The rise of the Internet and the latest technological developments may seem to have changed everything about the way organizations do business. However, the reality is that in today's competitive world it is not just about the excellence of the product. It is increasingly about the excellence of the service delivery, of relationship building and branding. And these require people – dedicated, committed and knowledgeable individuals. Organizations that lose sight of this will quickly find themselves with dissatisfied customers, or worse, no customers.

Organizations must understand the value of contact center agents. These positions can no longer be perceived as low paying and entry-level if the contact center expects to create and deliver customer value. Organizations must assess the impact and demands they are placing on agents and provide the necessary tools and training. Without this, significant barriers to serving customers will occur because agents will be ill-equipped to:

- Deal with the increasing level of customer sophistication and knowledge
- Adjust to rapid changes in products, services and technologies
- Operate in a time-sensitive, rapid-paced, multifaceted environment

Lack of supporting operational plans and processes: Organizations that fail to implement key operating plans and processes that support their strategy will create any number of customer service barriers. While there are literally hundreds of processes in a contact center, they can generally be grouped into five main categories.

- Resource planning and management
- Content provisioning
- Reporting/communication
- Organization structure and design
- Quality improvement

Lack of enabling technologies: While technology can provide support, streamline complex processes and make it easier for both your employees and your customers to interact, all too often, organizations create barriers to serving their customers through one or more of the following:

- Viewing technology as a "quick fix."

- Not establishing a customer access strategy first. Lack of an access strategy means that the technology selected will not be focused on customer segments, contact types, process improvements and so on.

- Not getting buy-in from the top.

- Trying to fix management problems with technology.

- Not identifying and addressing the challenges that new technologies create. New technologies must be viewed in light of the impact they will have on existing people, processes and customers. For example, agent-assisted

- Web browsing is great for customers; however, agents will need to understand the basics of browsing technology and be ready for associated technical questions.

Lack of required investments: Building the business case for funding requires a look beyond satisfying the expectations of customers today. It requires a look into the future, as well. Organizations that continue to view budgets for the contact center in terms of plus/minus last year's budget will find they may be compromising their ability to serve their customers.

Lack of processes for ongoing innovation and alignment: While it is true that the basic premise of customer expectations has not changed much, the definition of those expectations has. What this implies is that organizations must have processes that allow them to capture and analyze data and turn it into the knowledge they need to create services around these evolving customer expectations, which, in turn, will mean revisiting all aspects of the strategic planning process from our vision to skills, training, technology, investments and processes.

By eliminating the barriers to serving customers effectively, you are likely to experience increased customer satisfaction, lower costs over the long-term, more satisfied employees and increased profitability. When customers are served effectively and efficiently, it benefits everyone involved.