



WHITE PAPER

# Eliminate Customer Thrashing: A Sure Fire Way to Lower Customer Effort

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## Executive Summary

Customer Effort Score (CES) is the new hot metric for customer service. (CES) has been widely discussed since the Harvard Business Review article, *Stop Trying to Delight Your Customers* (July, 2010), where Customer Effort Score was touted as being a better predictor of customer loyalty than Net Promoter Score or Customer Satisfaction. While CES is an important metric and arguably the best metric to focus your service operation, there is no such thing as a “magic metric”. Getting results from implementing CES depends on execution and focus.

To this end, we focused this paper on providing practical guidance around the one CES strategy that we have seen deliver the fastest results—using CES to target and eliminate customer channel thrashing. We hope that you are inspired by this paper to start your own CES initiative targeting “channel thrashers.”

### Key Take-Aways:

- While there is no silver bullet metric, Customer effort score comes the closest.
- Survey-based or activity-measured customer effort CES? Use both as they complement one another. The actionable data gained from measuring effort is worth the cost.
- CES is only a metric, putting the metric into practice is where the value lies.
- Channel thrashing customers cause a surprisingly high percentage of calls, 10-30%, and provide very poor CES scores, but they are eager to adopt low effort strategies.
- Analyze the calls after a self-service attempt to pinpoint the gaps to close in your self-service channels.
- Prioritize initiatives based on ROI and ease to execute – focus on gaining quick wins versus the largest win.

Before diving into how to successfully lower channel thrashing, we will quickly summarize why CES is such an important measure and how we propose that companies track it.

## Customer Effort Score (CES) gets to the Heart of Loyalty—Is Your Company Easy to do Business With?

What we like about CES is its simplicity. Consumers can immediately relate to the question “was this interaction easy for me?” As consumers, we desire and reward easy. Our lives are busy; we want our service providers to live up to their promises so we can concentrate on other matters. We do not want to become experts in the products we purchase, the service contracts we enter into, or the problem resolution processes of every company we work with. We want that “apple moment” of opening a new iPad and it just works. This ‘wow’ experience is at the core of what the CES metric is about—measuring ease of interaction.

In reality, most companies make it far from effortless to be their customers. From cell phone carriers with their complex plans, fees, and contracts, to health insurers where most consumers are in a constant state of uncertainty about their coverage, to banks that have not consolidated their credit card, banking, and mortgage operations, and have not designed their products and services to be simple and transparent. Customer effort score exposes problems in this underlying product or service design. Unlike Net Promoter Score, which indicates a problem but does not pinpoint where, CES is directive—make your company effortless to do business with. Simple.

Will focusing on CES magically turn every product/ service interaction into an “apple moment”? No, of course not. Nevertheless, for companies that do not have an ‘easy to do business with’ operating model, measuring and focusing on customer effort is a simple first step to get on the path to improve. With measure in hand, operational managers can now be armed with the ability to address the largest drivers of customer effort.

### **The CES Payoff—More than Loyalty; Get Hard Dollar Savings.**

What is the ROI of becoming an effortless company to do business with? While there are many examples of where being the easy to do business with company drives market leadership and large gains in customer loyalty—Amazon, Zappos, USAA for example—the reality is that without hard dollar benefits, refocusing an organization on CES would never get off the ground. Fortunately, the hard dollar savings from initiating a CES program are even greater than the soft benefits. As it turns out, being effortless to do business with works both ways—companies expend less effort (and money) to service their customers. For example, can you recall when you recently disputed a phone charge, tried to return an online purchase, or tried to arrange a different delivery date/time for a package? The extra effort you expended was matched, if not exceeded, by the company. Eliminating the need for this extra effort delivers immediate bottom line savings.

Companies that become ‘low effort’ to do business with have significantly lower service cost metrics as a byproduct of their push to simplify their delivery model. The most directly impacted metrics are:

	Description	What is Measured	ROI/Savings Potential
<b>“Personal” contacts per customer/month (calls, chat)</b>	How often customers contact a company representative per month	How easy your product/service is to use and trouble shoot before having to reach out for assistance	3-5% of call volume can be avoided through CES programs
<b>Average “personal” contact time per month/customer (call, chat)</b>	How much time each customer spent interacting with your service operation over the course of a month	How fast your service team is at resolving questions, issues once a customer calls/chats	4-6% of handle time can be avoided through CES programs
<b># Self-service contacts per customer/month</b>	How often to customers choose the Web, Mobile, IVR to resolve their questions	How effective is your self-service strategy at solving customer needs	3-5% increase in self-service adoption through CES programs

As you can see from the above table, the cost reduction savings from lowering customer effort is significant and by itself would more than justify focusing on CES. The loyalty, revenue, and reputation benefits, which are arguably 5X greater than the cost savings, could be considered “gravy” being fully funded by the cost savings.

## How do you Calculate CES? We suggest tracking two ways—Survey and Operational Metric

There are two methods for calculating CES. First, by putting the following survey question in your existing customer surveys—*how much effort did you personally have to put forward to have your issue resolved?* This is a very straightforward approach and the one that most companies adopt. In all cases, we recommend you survey your customers for their perceived effort. Second, CES may be calculating by measuring the actual effort of a customer to get their inquiry resolved. This approach in its simplest form requires tracking each customer interactions and the effort (time) spent by the customer. The cumulative effort for each customer is then mapped to an effort index (1-10 scale) or left as a raw effort amount in weighted minutes (with self-service time reduced by ~50% to adjust for self-service’s lower effort).

We are proponents of measuring CES using both methods. Individually, they each provide a different view into how “effortless” your organization is to do business with—one from the customer point of view (perception), and one from an actual customer activity basis. Both methods provide valuable insight into CES, but to make an operational impact it is critical to have actionable data to back up your initiatives. Measuring the customer activities provides far more actionable data in the form of tracking the components of their effort such as:

- # of contacts—are repeat contacts driving high effort scores?
- Contact channel—are customers contacting via high or low effort channels?
- Time with agents—how much time is spent with customer reps?
- # of channel switches—is channel thrashing causing high effort scores?

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- # of transfers—are high transfer rates causing high effort scores?
- # of times on hold—is hold time driving up effort scores?
- Effort by contact type— do certain contact types have higher effort scores?

Armed with this granular data, your organization will be able to quickly pinpoint the causes of high effort and launch initiatives without listening to thousands of phone calls.

#### Comparison of CES Approaches

	Survey CES	Measured Customer Effort	Using Both Survey & Measured Effort
<b>Pros</b>	<ul style="list-style-type: none"> <li>• Easy to collect</li> <li>• Tracks customer's perception</li> <li>• Easy to benchmark against industry norms</li> </ul>	<ul style="list-style-type: none"> <li>• Large sample sizes</li> <li>• Granular details into what and why effort was high or low</li> <li>• Fast to find CES improvement initiatives</li> <li>• Operational improvements easy to track</li> </ul>	<ul style="list-style-type: none"> <li>• Tracks voice of the customer and operational details</li> <li>• More actionable information</li> <li>• Higher CES improvement success rates</li> </ul>
<b>Cons</b>	<ul style="list-style-type: none"> <li>• Low sample sizes</li> <li>• No insight into why effort was perceived high or low</li> </ul>	<ul style="list-style-type: none"> <li>• Moderate effort to collect</li> <li>• Does not capture perceived effort</li> </ul>	<ul style="list-style-type: none"> <li>• Additional cost / effort to implement both measures</li> </ul>

## Achieving Results with Your CES Program

Based on our 10 years of experience working with customers to lower customer effort, we have found three sure-fire strategies to use CES to generate immediate cost savings and greater loyalty. They are:

- 1. Eliminate Channel Thrashing.** If a customer is already using your website or mobile app, *do not* force them to spend the effort to call you
- 2. Eliminate Customer Restarts and Call Backs.** Resolve customer questions/ issues the first time
- 3. Eliminate unnecessary work by agents and customers.** Make sure that the time you spend with customers is well spent

While all three strategies deliver significant CES results, we have found that focusing on one strategy is the best way to ensure you attain the fastest results. In addition, the first strategy, “eliminating channel thrashing”, typically has the most potential upside and is the easiest to operationally execute. Let us look more deeply then into how to execute strategy #1.

## Strategy #1: Eliminate Channel Thrashing.

Today's consumer is web-enabled and wants to resolve their questions/ issues more and more by the web or mobile applications. In our research, we found that over 50%<sup>1</sup> of calls to a contact center are preceded by a visit to a company's website or mobile application. Eliminating calls after a web or mobile application visit holds a significant opportunity to both lower customer effort and improve the customer experience.

Channel thrashing: when a customer goes back and forth between self-service and personal interactions at least two times

Customers that channel thrash are seeking a low effort experience but do not get one. Their expectation was that they should have been able to avoid calling the contact center or using chat or visiting a retail store. Because of this failure to meet expectations, channel thrashers provide the worst CES survey results.

Besides having very low CES survey results, channel thrashers are an important customer segment for three other reasons. First, they are a large segment. Surprisingly, we have found that anywhere from 10-25% of contact center calls are from channel thrasher customers. The ROI from addressing this segment is therefore very large. Second, these customers are motivated to self-serve. They wanted to avoid calling the contact center or use chat in the first place. They will actively seek out self-service resolutions once offered. Third, the path to identify how to eliminate channel thrashing is straightforward. By analyzing the activities done in the contact center that were not done in the web or mobile application, you can get a clear picture of what gaps exist to eliminate follow-on calls.

### How to Identify Channel Thrashers

Channel thrashers are easy to identify but it requires that you are measuring CES by tracking actual customer activities. There are three steps you must take if you are preparing this analysis manually versus using an analytics tool:

- 1) Unite 30 days of web, IVR, mobile, and call data to identify where a customer used web, IVR, mobile and the call center (where logins are required in self-service)
  - a) Select one week of web, IVR, mobile data
  - b) Match the web, IVR, mobile data against call data for same over the next 3 weeks
- 2) Calculate CES by counting time spent in the web, IVR, mobile, and call center channels, adjusting self-service time down by ~50%. If you are mapping your CES to a scale incorporating transfers, hold time, channels visited, etc. do this now as well.
- 3) Identify cases using filtering logic where customers started in low effort channels (web, IVR, mobile) and subsequently moved back and forth with the call center at least two times.
  - a) Flag these customer IDs and contacts as your thrasher segment

Once you have identified and quantified your thrasher segment, we suspect you will be surprised by how large this population is—you are now ready to mine this data to find initiatives.

<sup>1</sup> Source: Enkata analysis of customer data from the telecommunications, financial services, insurance, retail industries

### **Finding Initiatives to Eliminate Channel Thrashing**

Once you identify the channel thrashing segment, the next step is to analyze their effort by looking at their contact pattern, contact reasons, products/services used, and customer characteristics. Before you dig in, one tip that we have learned helps. We suggest you fist ground yourself by listening to ten customer experiences end-to-end. This will give you an appreciation for the data and expose any data issues early in your analysis.

We suggest you focus on answering the following three questions as a guide to your analysis:

1. **What did the customer try to get done when they called the call center the first, second... Time?** This should be done by choosing the most common contact reason(s) for the thrasher segment, such as “recent purchase question” and profiling these customers to understand what is similar about them. Do they share the same product/ service, same customer tenure, same location, etc.? Once you believe you understand this segment, listen to a sample of calls, 10-20 max, to validate and inform your thinking. Document any insights the customers provide about any gaps in the website, IVR that led them to call.
2. **What was lacking in the self-service channel that led to the call?** This should be done by analyzing the “feeder” website area paths to the call reason being analyzed. Based on what you understand that the customers did when they called the call center, where did the self-service path fall short? Did it have:
  - Missing or incomplete features or information on web, IVR, mobile
  - Features/ functions hard to find
  - Unclear or hard to execute steps to complete an action
  - Policy roadblocks forcing a phone call

Document what you believe to be the resolution(s) that would best eliminate the customer’s need to engage with a representative.

3. **What is the cost/benefit of fixing this issue?** Once you have identified root causes and fixes that you believe will eliminate the need for a call or chat, the next step is to stack rank them in order of priority for action. We suggest a simple cost/benefit matrix where you select the initiatives with the highest impact and lowest cost/time to deploy. In many cases, this will mean that your middle of the road ROI projects will be your highest priority. Start with these to get a quick win and then tackle the largest ROI projects.

After you have your list of CES improvement initiatives, including their potential ROI and costs, you are well armed to get them approved and executed.

### **How to Track Initiative Success**

For each initiative that you launch, put in place a mechanism to track if you are meeting your effort reduction targets. Without this additional step, you will be unable to monitor and verify that your fix had the intended impact. Customer behavior is hard to predict so you should expect and plan that your first attempt at an initiative will need refining. Ideally, companies should introduce fixes in a test mode for a subset of customers before making these changes widely available, but this capability may be rare with many organizations.

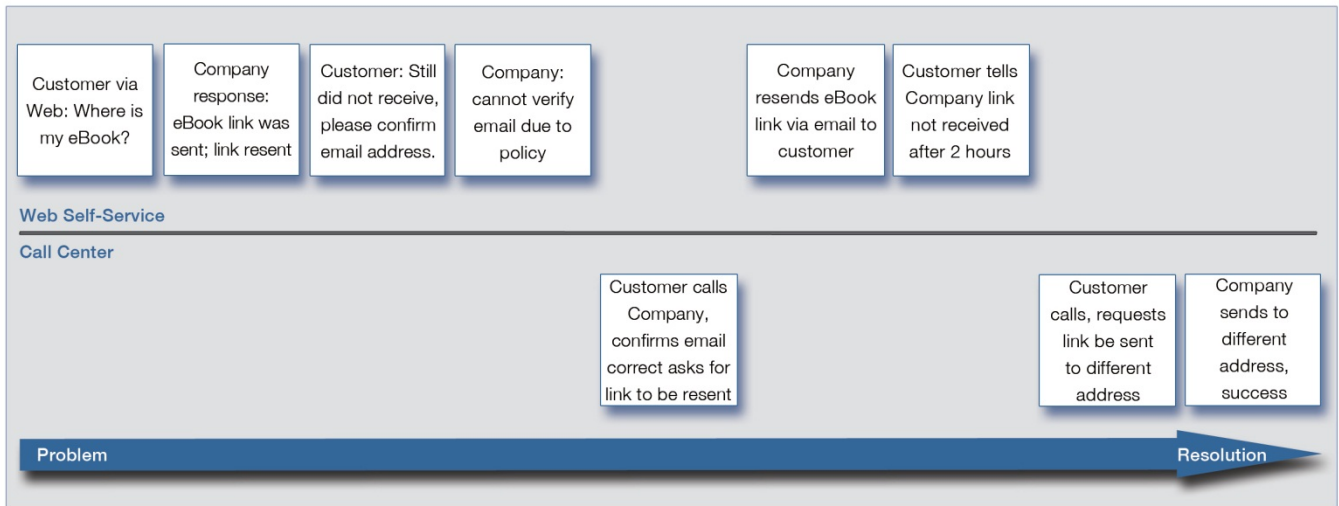
For example, if you made an update to your website functionality to lower the number of follow-on calls, identify which call reason would benefit from this fix and track the number of web contacts that lead to this particular call reason. If your initiative is successful, you will see a decrease in the number of calls for this call reason that were preceded by a web contact. If the number of calls does not decrease as expected, conduct further analysis and call listening to understand what refinements are necessary.

## Case Example—Spam Filter Thrashing at e-Retailer

This e-retailing company did not have a low effort process in place to resolve e-book deliveries that were caught in a customer’s spam filters—a common occurrence. This particular case was responsible for 1% of all calls to the contact center. By a few simple changes to their website and processes, they were able to reduce customer effort, increase customer loyalty, and boost future buying intent.

### Situation

Customer A purchased an e-book from an e-retailer. Below is the interaction sequence that took two days, nine interactions, and three channels switches to resolve.



### Resolution

What did this company do to reduce customer effort and channel thrashing? The company made one simple change. They now send a separate email to confirm receipt of the e-book. This email also includes alternative instructions with a download website and book code if the customer suspects a spam filter is blocking their e-book download email. Importantly, the company did not ask the customer to 1) look in their spam email box (some % of customers would not know where this is), 2) add the company’s email to the “ok” email sender list (again, customers may not know how to do this). In short, they sent a simple workaround that any customer could execute.

## Conclusion/Summary

We hope you are more enthusiastic about reducing customer effort and are excited about addressing your “channel thrashers” from reading this paper. In conclusion, the key points to take away are:

- While there is no silver bullet metric, Customer effort score comes the closest.
- Survey-based or activity-measured customer effort CES? Use both as they complement one another. The actionable data gained from measuring effort is worth the cost.
- CES is only a metric, putting the metric into practice is where the value lies.
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## About Enkata

Enkata is a leader and innovator in cloud-based workforce analytics and workforce optimization. Customers achieve impressive gains in functional areas ranging from the contact center to back office operations to sales while reducing customer effort and transaction processing costs. Enkata's solutions capture big data from a wide variety of operational and customer facing sources to improve operational process and employee performance. Fortune 100 companies trust Enkata to examine millions of customer and employee interactions each day ensuring that each is delivering value to the organization and to the customer.



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