Customer Experience
Not Gathering and Analyzing Voice of Customer Data Correctly

Peter L. Bloom
President Global Quality & Customer Experience

April 2012

My Experience

- 15 years as President and Co-founder of COPC, Inc.
  - I conducted assessments of 400 contact centers across 30 countries
  - All of which I reviewed their methodology for measuring and the performance results for the Customer Experience.

- 1 year with Aegis as President Global Quality and Customer Experience
  - 100 clients and 150 programs across 8 countries
  - Many of which I have reviewed their methodology for measuring and the performance results for the Customer Experience

The Issue

"80% of company executives surveyed believe their company was providing a 'superior experience' to their customers.

Actual customers surveyed about their perceptions, rated only 8% of those companies as 'superior' in customer experience."

2011 Aberdeen Research Survey

Why the Disconnect?

Our Focus for Today

1. **How companies measure the customer experience is often misleading**

2. **Quality process is inaccurate, reported scores are way too high**

A Common Occurrence

- Reported QA scores are very high—happens about 80% of the time

- Reported Customer Experience scores are high—happens about 50% of the time

An Aegis example

LOB 1 Calls	Target	Dec	Jan	Feb
CSAT	80%	88%	86%	89%
QA	91%	92.9%	95.5%	93.8%

LOB 2 Calls	Target	Dec	Jan	Feb
CSAT	80%	81%	84%	83%
QA	91%	90.0%	90.0%	90.5%

LOB 1 Email	Target	Dec	Jan	Feb
QA	91%	95.3%	96.1%	96.5%

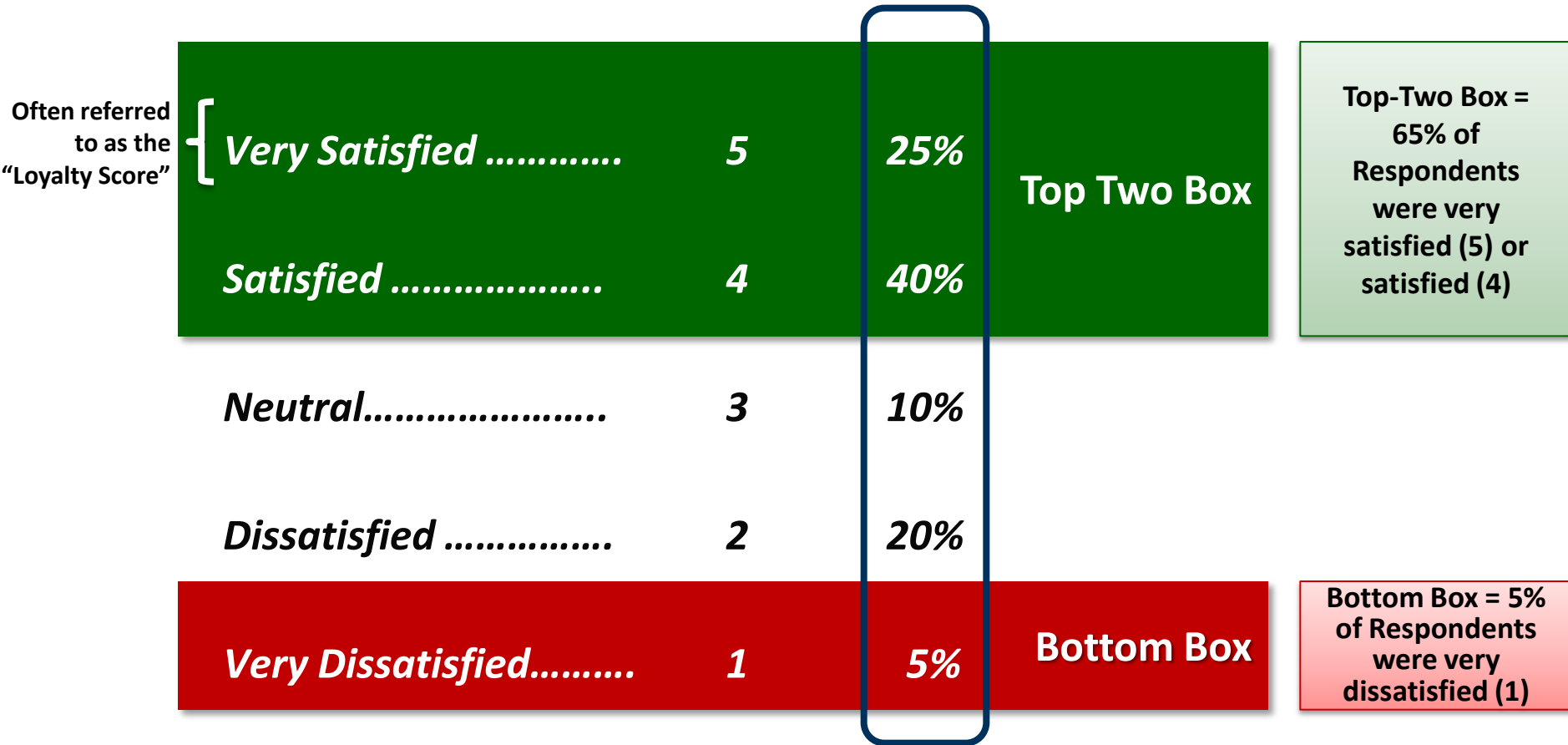# Measuring the Customer Experience— Common Pitfalls

1. **Not measuring the customer experience at all → this still happens in a surprising number of companies**

2. **Sampling Bias,** in particular:

   – Only measuring performance of Customers. Those who do not purchase are not surveyed.

   – Call center agents impact which customers are surveyed, either because they actually send the customer to the IVR for the survey or because only customers who are dispositioned in a particular manner get surveyed

3. **Metric definition (see next slides)**

   – Including "neutrals" and/or "satisfied" in the overall satisfaction measurement

   – Unique scoring methodologies

     • Averaging the performance on all survey questions instead of just the fundamental "how satisfied are you with the experience"

     • Turning survey numbers into percentages and then recalculating, e.g., 7 = 100%, 6 = 90%, etc.

4. No visibility or separate measurement of dissatisfaction when reporting Customer Satisfaction results (see slides 8 & 9)

Measuring Customer Satisfaction

Recommended Survey Format: 5-point scale with a neutral midpoint
Common Measurements: Top Box (Loyalty Score), Top-Two Box, and Bottom Box

Often referred to as the "Loyalty Score"

Very Satisfied	5	25%	**Top Two Box**
Satisfied	4	40%	
Neutral......................	3	10%	
Dissatisfied	2	20%	
Very Dissatisfied.........	1	5%	**Bottom Box**

Top-Two Box = 65% of Respondents were very satisfied (5) or satisfied (4)

Bottom Box = 5% of Respondents were very dissatisfied (1)

COPC® High Performance Benchmarks

◆ COPC® High Performance Benchmarks for End-User Satisfaction and Dissatisfaction

	Benchmarks
Top Box (Loyalty) (5-point scale with a neutral midpoint)	60%
Top Two Box (CSAT) (5-point scale with a neutral midpoint)	85%
Bottom Box (DSAT) (5-point scale with a neutral midpoint)	2%

Top Box measures End-User Loyalty

Bottom Box sometimes referred to as "Churn"

An Aegis Example

◆ Reported performance was excellent; consistently beating the target

◆ However, Aegis Analysis shows OK, but not excellent, CSAT and poor DSAT

| CSAT Survey Results		
5s	217	40.4%
4s		21.8%
3s		22.0%
2s	41	7.6%
1s	44	8.2%
TOTAL	537	100.0%

Reported 84.2% vs. 80% target

vs. 60% TB & 85% TTB benchmarks

vs. 2% benchmark

Measuring the Customer Experience— Common Pitfalls (cont.)

1. **Not measuring the customer experience at all → this still happens in a surprising number of companies**

2. **Sampling Bias,** in particular:

   – Only measuring performance of Customers. Those who do not purchase are not surveyed.

   – Call center agents impact which customers are surveyed, either because they actually send the customer to the IVR for the survey or because only customers who are dispositioned in a particular manner get surveyed

3. **Metric definition (see next slides)**

   – Including "neutrals" and/or "satisfied" in the overall satisfaction measurement

   – Unique scoring methodologies

     • Averaging the performance on all survey questions instead of just the fundamental "how satisfied are you with the experience"

     • Turning survey numbers into percentages and then recalculating, e.g., 7 = 100%, 6 = 90%, etc.

4. **No visibility or separate measurement of dissatisfaction when reporting Customer Satisfaction results (see slides 8 & 9)**

Satisfiers vs. Dis-satisfiers--they are different
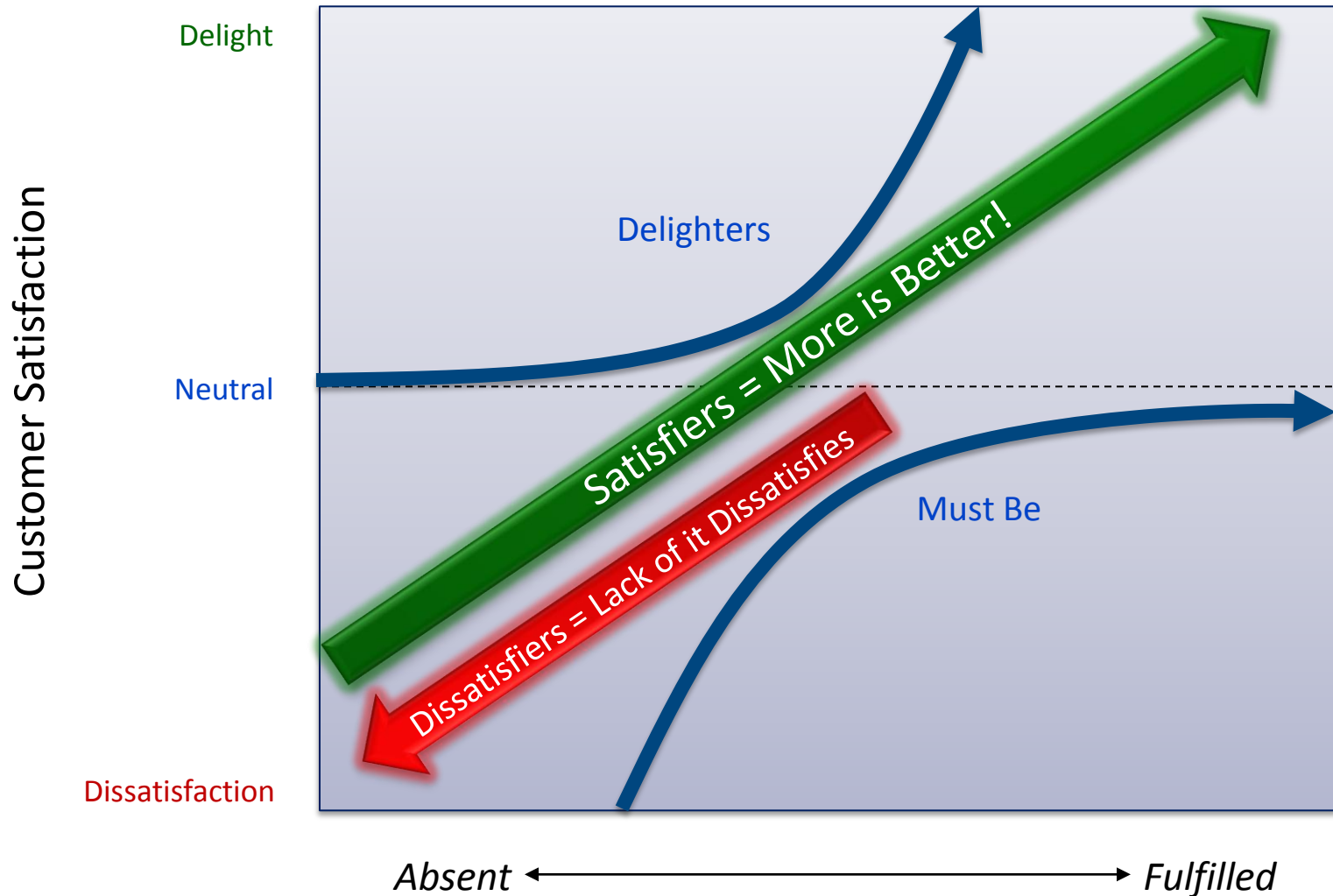
Typical Satisfiers and Dis-satisfiers

In COPC Inc.'s experience, below are key drivers that are almost always found in Customer Service and Technical Support

Satisfiers *More is Better!*	• Issue resolution (solve their problem) • Knowledge & Accuracy • Empathy/Desire to help
Dis-satisfiers *Meet Minimum Acceptable Level or "hit the sweet spot"!*	• Handle Time • Customer's ability to understand agent • Friendliness/ Courtesy i.e., an agent cannot be rude, but being nicer and nicer does not increase end user satisfaction

How we manage Satisfiers vs. Dissatisfiers should be different

- Managing Satisfiers
  - Drive Dissat out
  - Drive Sat up
  - Continuous Improvement

- Managing Dissatisfiers
  - Just Drive Dissat out
  - No need to drive Sat up
  - No Continuous Improvement beyond the Inflection Point

Satisfiers and Dissatisfiers should be evaluated and managed differently

Rating	Dissatisfier		Satisfier		Satisfier		Dissatisfier	
	Communication		Knowledge		Expertise		Courtesy	
5s	61	11.2%	61	11.3%	61	13.4%	87	16.0%
4s	193	35.4%	219	40.4%	173	37.9%	303	55.6%
3s	231	42.4%	194	35.8%	159	34.9%	141	25.9%
2s	43	7.9%	42	7.7%	33	7.2%	10	1.8%
1s	17	3.1%	26	4.8%	30	6.6%	4	0.7%
TOTAL	545	100.0%	542	100.0%	456	100.0%	545	100.0%

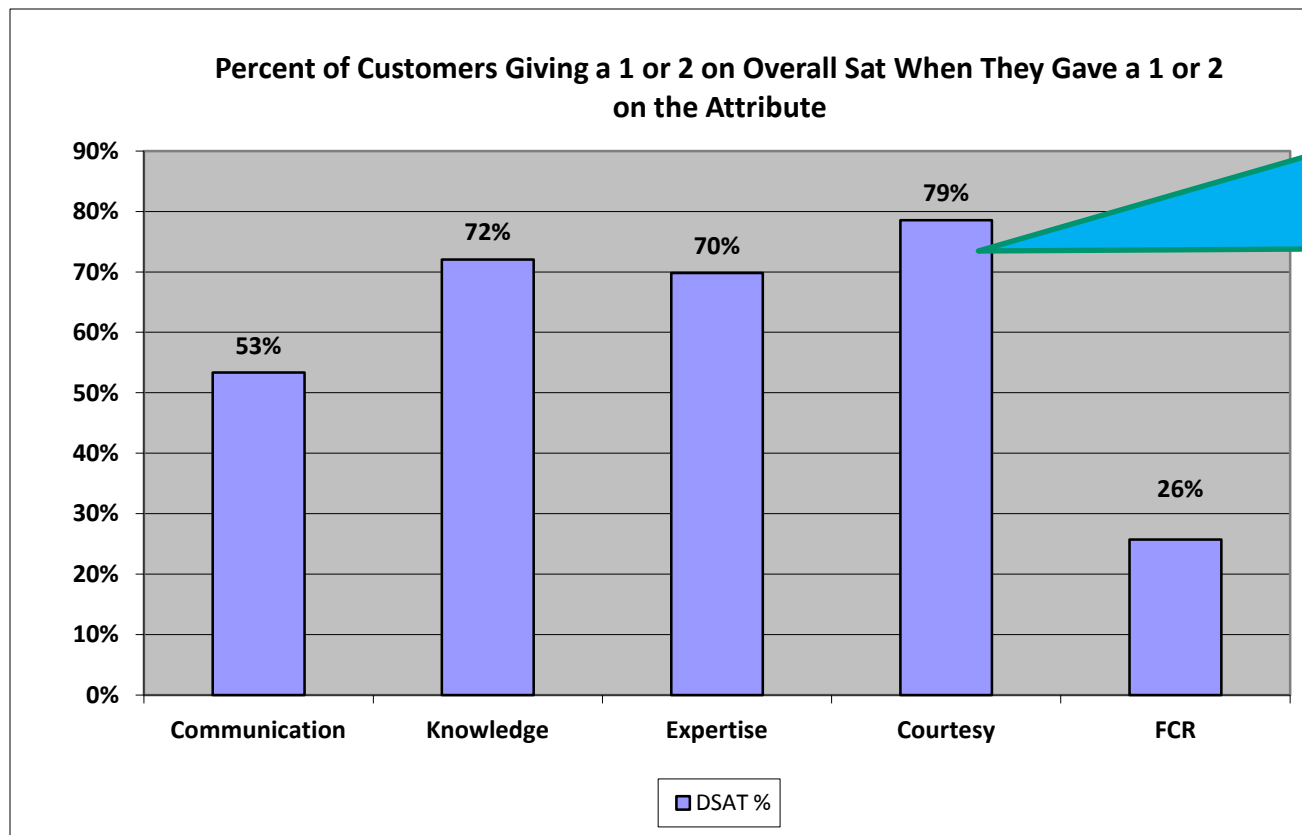**Needs Some Work**

Needs Work

Needs Work

Ok

An Aegis example

Note: This company surveys for 3 of the Key Drivers, but is missing Resolution, Empathy, and Handle Time
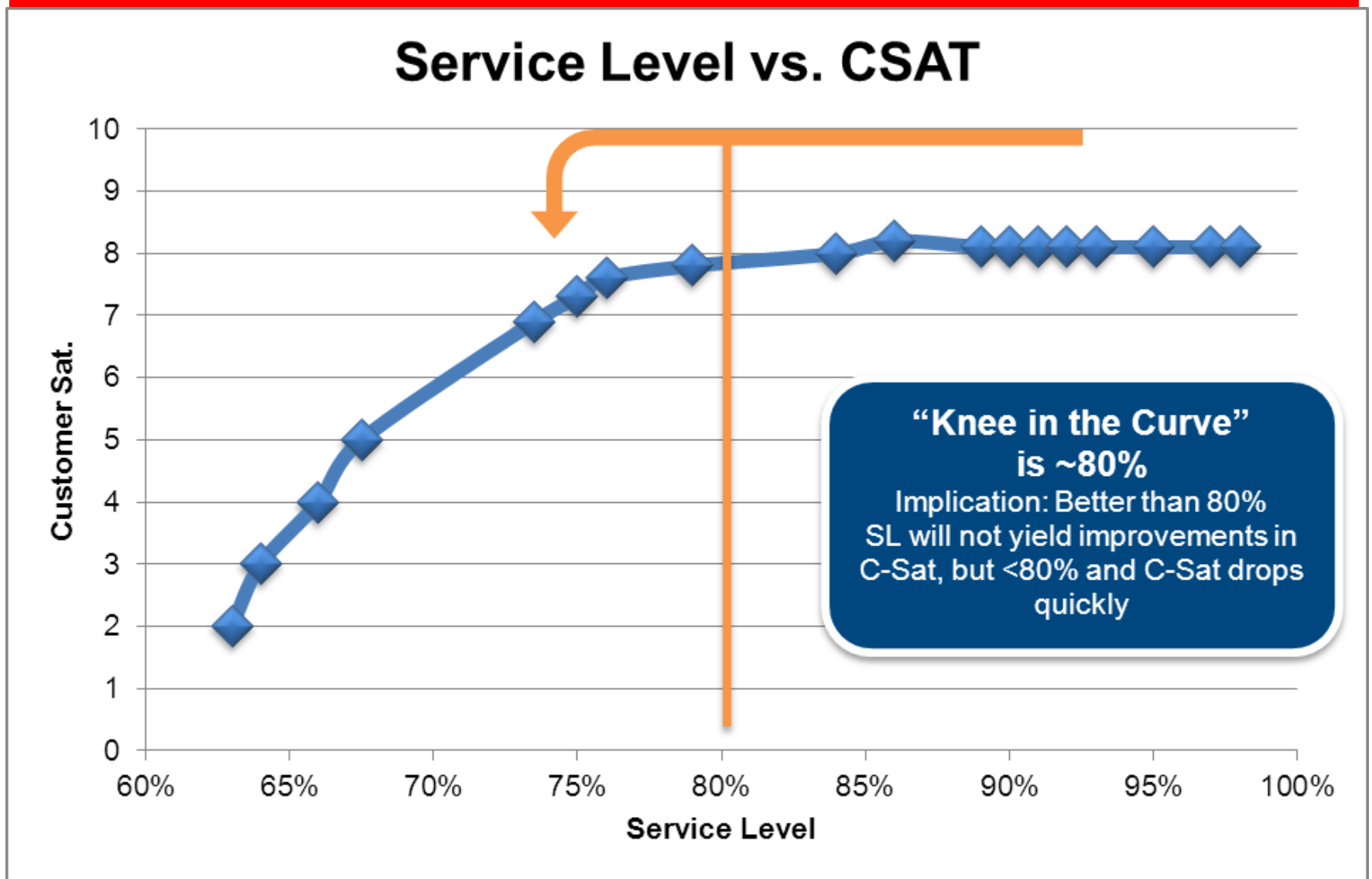
Analysis of Dissat

- Courtesy, Knowledge, and Expertise are big drivers of overall DSAT
- Note: Empathy and Handle Time are Key Driver attributes that are not evaluated in the survey

An Aegis example

Percent of Customers Giving a 1 or 2 on Overall Sat When They Gave a 1 or 2 on the Attribute

Attribute	DSAT %
Communication	53%
Knowledge	72%
Expertise	70%
Courtesy	79%
FCR	26%

When a customer gives a 1 or a 2 on Courtesy, 79% of the time they give a 1 or a 2 on Overall Satisfaction

☐ DSAT %

Dissatisfiers have Inflection Points

AEGIS

Service Level vs. CSAT

"Knee in the Curve" is ~80%
Implication: Better than 80% SL will not yield improvements in C-Sat, but <80% and C-Sat drops quickly

Finding the Inflection Point

- Analysis shows that customer satisfaction is not negatively impacted until customers have to wait over ~4 minutes

- **This suggests a D-Sat improvement opportunity if we can reduce the 12% of the time that customers have long waits**

Customer Satisfaction with Queue Time

CSAT (y-axis): 0% to 90%

Overall Satisfaction line:
- 0 to 60: 68.9%
- 61 to 270: 67.8%
- 271 or more: 50.0%

Respondent Percent bars:
- 0 to 60: 68.5%
- 61 to 270: 19.2%
- 271 or more: 12.3%

Queue Time (in secs)

12% of samples had extremely long wait times
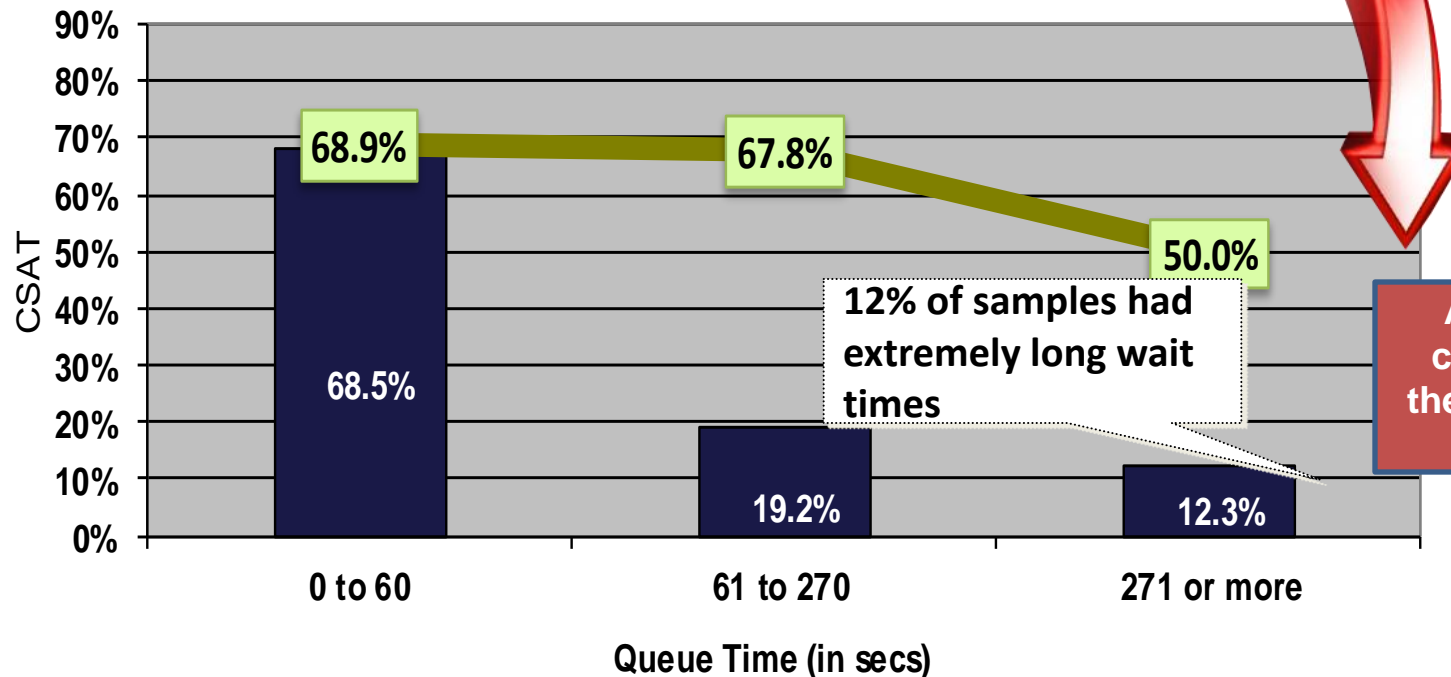
At Aegis, we have the capability to determine these inflection points for our clients

Legend: ■ Respondent Percent — Overall Satisfaction

Proper Measurement and Analysis, <u>along with Operational Focus and Actions</u> works to improve the Customer Experience

CSAT/DSAT Results

- Top Box QPO Inc. Benchmark = 60%
- TOP BOX - Up is Good
- BOTTOM BOX - Down is Good
- Bottom Box QPO Inc. Benchmark = 2%