

Using speech analytics to analyse customer effort and predict NPS



THE HARDER CUSTOMERS WORK TO GET SOMETHING DONE, THE LESS SATISFIED AND LOYAL THEY WILL BE.

We've all had frustrating product or service experiences.

I've had problems with my Internet speed for a while now, and last week I decided to take action. As there was no troubleshooting information on my ISP's website, I took to webchat, but got canned, irrelevant responses from an automated attendant. I ended up calling customer service.

It took a good five minutes to navigate a confusing IVR, and I waited a further 30 minutes to be connected. The first agent I spoke with only handled general enquiries, so she transferred me to technical support. After a brief chat, the second agent placed me on hold for another five minutes – twice. And when he finally came back, he insisted there was nothing wrong with my service and therefore couldn't help any further. When I explained that everything worked perfectly until I moved to a new flat, he laughed at me. And when I asked to speak with his supervisor, he hung up. I called back and spoke with a third agent who wasn't able to resolve my problem but confirmed "severe congestion" due to too many subscribers in my area.

I put the phone down and, within half an hour, switched to a new ISP.

And then I wondered... In addition to frustration, what do these experiences mean for customers? In the context of my recent service experience, could the company have done anything to retain me as a customer?

This led me to think about the concept of Customer Effort and how existing speech analytics technologies can be leveraged to analyse and predict Net Promoter Score and other outcomes.

First, let me define Customer Effort. It measures how hard customers must work to purchase, understand and use products and services.

We all measure customer experiences in some way. Now thinking about those experiences in relation to the amount of "effort" customers must put into their relationship with a company helps sharpen the focus on **looking at experiences through the customers' eyes** – not the company's.

A 2011 paper published by CEB's Customer Contact Council advocated measuring – and reducing – Customer Effort in various channels to improve experiences and reduce contact volume. The Council focused on effort in relation to customer service. They conducted extensive research to understand the role of customer service in customer loyalty and concluded that companies:

1. Underestimate the value of simply meeting expectations in customer service interactions, and
2. Overestimate the change in customer loyalty resulting from exceeding customer expectations in customer service interactions.



They claimed that customer service has more influence over disloyalty as compared to loyalty, and that **customer service's role is to mitigate disloyalty by reducing Customer Effort.** (That's why it doesn't make sense to adapt a strategy of delight in customer service, but that's another topic!) This concept fits any business, and I support the idea that lowering Customer Effort will:

1. Increase service satisfaction and customer loyalty, and
2. Decrease customer churn and cost-to-serve, regardless of industry.

The harder customers work to get something done, the less satisfied and loyal they will be. It's that simple. And it starts with understanding the key factors that affect Customer Effort.

Wear your customer hat and think about frustrating activities when calling customer service. Each activity – or factor – has a cumulative effect on Customer Effort (e.g., it's more frustrating to not get your problem resolved on top of being placed on hold multiple times). Naturally, some factors have a bigger impact on Customer Effort than others (e.g., it's more frustrating to not get a problem resolved as compared to being placed on hold multiple times). Notice how these effort-adding factors can be observed in speech or obtained through existing data sources? Because they are observable, they can be measured and reported.

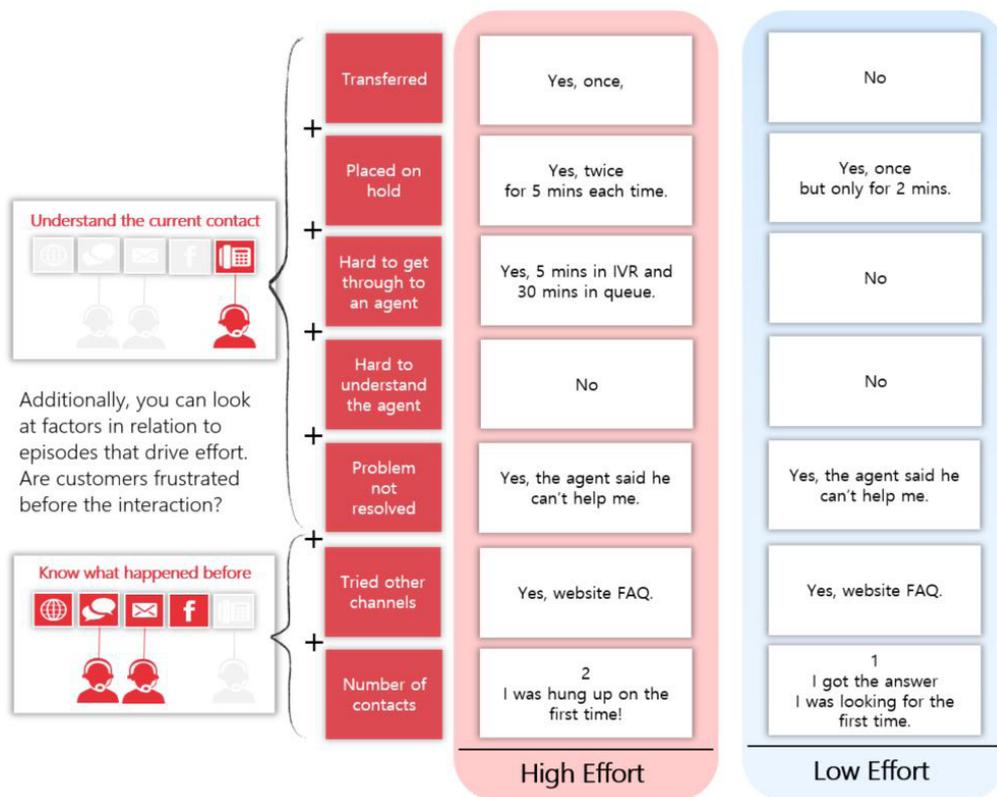
Customer Effort Key Factors



To illustrate further, let's look at the factors overlaid with my recent service experience (red) and a what-if scenario (blue).

Mine was a textbook example of a service experience with high customer effort. It ultimately resulted in me taking my business elsewhere. Was I satisfied? Not at all. Will I recommend the ISP? Not likely.

There are a number of things the ISP could have done better, and they jump out in the what-if scenario. Now I'm not under any illusion that an agent could have resolved my problem – there's only so much one can do in my situation. But I could have gotten answers from the website FAQ. I could have not waited 30 minutes to be connected to an agent. I could have been routed to the right agent the first time. I could have been placed on hold for less than two minutes. Heck, I could have not been placed on hold at all! And the cherry on top – I could have not been hung up on. Would I have been satisfied with the service experience if these things didn't happen? Absolutely. Would I have still recommended the ISP? You bet.



Customer service leaders can leverage speech analytics to analyse – and manage – Customer Effort. Here's how:

(1) In the speech analytics software, develop searches that identify the key factors of Customer Effort. Some factors are better measured using “hard” data (e.g., measuring transfers using information from ACD reports as opposed to identifying transfer language in speech), but you can always turn to speech if that’s not available. I’ve listed some examples of agent [A] and customer [C] language for each factor. The list is by no means exhaustive, but gives you a flavour of what to look for:

- Transferred – [A] I need to transfer you to... [A] Let me pop you through to... [C] I've been transferred X times already
- Placed on hold – [A] I need to put you on hold... [A] Can you hold for X minutes...
- Hard to get through an agent – [C] I've waited an hour just so I could reach you! [C] Your automated system is confusing...
- Hard to understand the agent – [C] I don't understand... [C] Can you repeat that
- Problem not resolved – [A] I can't... [A] We don't... [C] You can't...
- Tried other channels – [C] I've tried online but... [C] I sent you an e-mail on...
- Number of contacts – [C] I've called you twice in the last three days... [C] I already called earlier...

(2) Develop a dashboard that allows you to monitor each key factor and its frequency. Most speech analytics

software already has this functionality built in. Point is you must be empowered to monitor performance on each factor at a glance without having to refer to multiple, often disparate, sources.

(3) Benchmark performance against each key factor.

You need to have a consistent yardstick when measuring performance through time. A rise in the frequency of a factor should raise flags and prompt you to investigate. Are transfers increasing? Are more customers complaining about repeats? Do other channels drive more calls? A hallmark of managing Customer Effort is that it allows you to isolate factors that cause pain and act on them, instead of taking on a scattergun approach in managing customer loyalty.

(4) You want to manage a single KPI, so consider deriving a Customer Effort Score (CES) and incorporate this into your dashboard. You can assign weights to each factor and add the frequencies. The weights can be statistically derived using OLS regression based on each factor's relative contribution in predicting overall experience scores. Therefore, it is possible to predict customer experience and financial outcomes! A decrease in CES is likely to result to an increase in Net Promoter Score and Overall Satisfaction, and a decrease in Cost-to-Serve and Customer Churn.

Adapting a Customer Effort strategy empowers customer service leaders and the frontline to positively impact KPIs by allowing them to **act on key factors that are within their control**. After all, nothing can be more frustrating than trying to manage something that you can't control from the very beginning.

About the Author



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