



# Contact Center Metrics that Matter

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## Introduction

The customer service contact center thrives on performance metrics. These metrics provide operational insight into the efficiency of the customer service process, including how effectively customer service representatives are performing their duties — as well as how well customers are being served. Many performance metrics are as old as the contact center industry itself and are still in widespread use today.

As the contact center evolves with time, new performance metrics are being developed and implemented. While standard metrics such as average speed of answer (ASA), average handle time (AHT), hold time, abandon rate, and wrap-up time are still widely accepted, they are not necessarily relevant beyond the world of the telephone-based transaction. As new customer communications channels such as social media emerge, and the definition of efficient customer service evolves, new performance metrics are gaining the attention of the industry. Adoption of these newer metrics also carry the power of transforming the focus of the contact center toward results that will dramatically improve customer service levels.

The purpose of this paper is not to disparage existing contact center performance metrics or to suggest that these metrics no longer matter. The authors acknowledge that the metrics that matter to the reader's contact center are the ones that make sense in that particular situation. Rather, this paper explores some of the emerging metrics that specifically acknowledge and address the changing attitudes, objectives and definition of the contemporary contact center.

## Voice of the Customer

Probably the hottest trend in the last five years relative to contact center metrics has been the added emphasis on measuring the satisfaction of the customer and combining those scores in with other KPIs. It makes sense that instead of measuring things that we think create efficiency and improved service levels, we actually go to the source, and ask the customer how they rate their service experience. Some consultants and analysts go so far as to say that this is the only metric that really matters.

While a number of the contact centers that we talked to ranked customer satisfaction survey results very high on the list of metrics they rely on, we heard two common challenges. The first is that things like Net Promoter Score (a survey that asks the fundamental question, "How likely is it that you would recommend [company name] to a friend or colleague?" — allowing you to get a clear measure of your company's performance through your customers' eyes) are too generalized to have meaning and be actionable. This is a fair point on the surface, but the ability to slice the data more granularly is available and an important part of putting the data to good use.

The second challenge is getting enough survey responses to make the information reliable and statistically accurate. It's true that since the voice of the customer has begun playing a more prominent role in contact center KPIs, the public is, to some extent, getting surveyed to death. Because of this, companies may need to get a bit more creative and simplify the process for gathering feedback from their customers.

Our recommendation is that some type of voice of the customer metric be an essential part of a good contact center KPI set. It also probably deserves to carry a pretty significant weight. We do however feel that unless the sample size is significant (easier to get for high-transaction consumer companies) that the information is most applicable to measure overall performance, not individual agent performance.

## **First Contact Resolution**

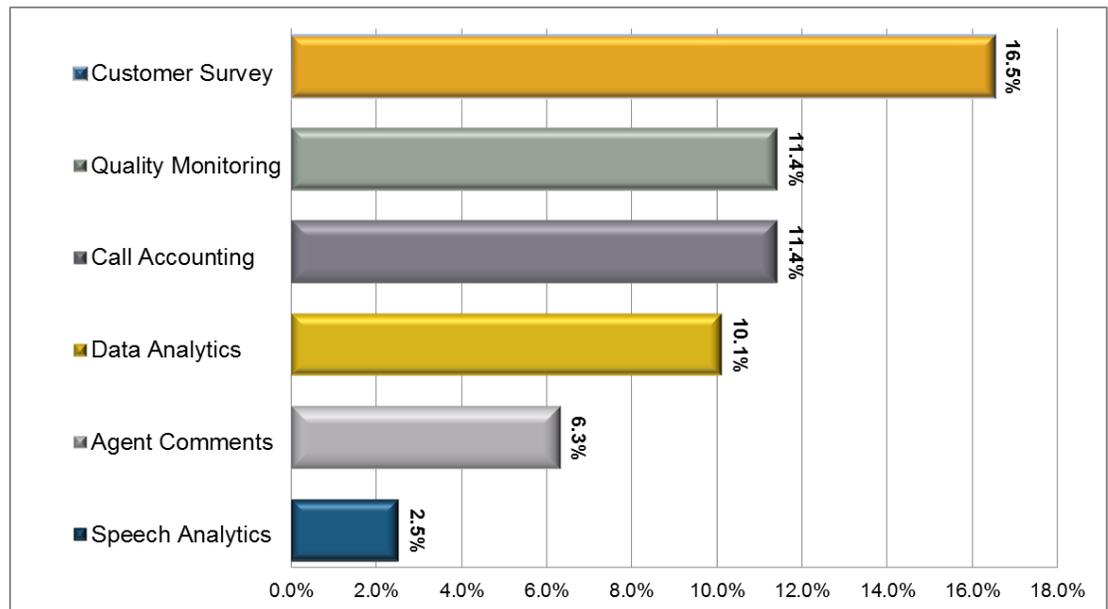
First Contact Resolution (FCR), also referred to by some customer service professionals as First Call Resolution, ranks up there with VoC/Net Promoter Score as being among the first of the new metrics to gain widespread attention and acceptance in the contact center industry. FCR reflects the industry's desire to ensure customer satisfaction with the first contact, eliminating the need for follow-up communications or costly escalations in order to satisfactorily conclude a customer contact.

For many contact centers, FCR is the new AHT. Rather than encouraging agents to bring a customer contact to conclusion as soon as possible in order to address the next incoming call, as AHT does, FCR encourages agents to ensure contact resolution in the first customer contact. Although this first contact may take more time, the payoff is in the fact that FCR typically eliminates the costly duplication of effort that occurs if a customer service matter isn't resolved in the first contact.

Saddletree Research has been tracking the acceptance of FCR in the U.S. contact center industry for the past two years. Working in conjunction with the National Association of Call Centers (NACC) at The University of Southern Mississippi, the two organizations survey contact center end-users in order to track and forecast important industry trends, including metrics such as FCR. All surveys are representative of the industry population as a whole with a 95 percent confidence level.

The results of the year-end 2011 survey revealed that 51 percent of respondents were tracking FCR. The majority of these respondents were using customer surveys or quality management recordings to determine FCR.

In 2012 the survey objective was to capture in more detail how FCR was being measured in the contact center. The survey results revealed that by year-end 2012, 58 percent of respondents were tracking FCR. Figure 1 illustrates how those tracking FCR were capturing information for their metric.



**Figure 1: Measurement methods for FCR performance metric**

Source: Saddletree Research, July 2013

Like other new metrics, Figure 1 shows that there are not yet any generally accepted standards for performance measurement relative to FCR. While customer survey is the most popular method of measurement, it is also the most difficult to attain. Generally speaking, the percentage of customers who will take the time to complete a post-transaction survey is low. On the other hand, speech analytics offers a means of capturing FCR via the analysis of every call taken by every agent. While speech analytics can't capture data from non-voice transactions, emerging solutions such as text analytics will be able to fill that gap.

## Sales per Contact/per Hour

For some contact centers the sale of products comprise the entire objective of the center, or at least some portion of its purpose. The trap that many of these contact centers fall into is over-simplifying the metric and just measuring total sales and sales per agent. In reality, agents are often pulled in multiple directions, including training, follow up, product resolution, and so on. So a more appropriate metric is "sales per contact/per hour." This more refined metric gives management a better look at how good a job the agent is at selling product during each conversation. It removes the ambiguity that can be introduced by the non-selling activities. When coupled with a total sales per agent metric, it can give the level of detailed information that is actionable by management.

## Transactions per Headcount

Transactions per Headcount (TPH) is a relatively new metric that for many contact centers is replacing the standard sales performance metrics. TPH is reflective of two distinct characteristics of today's contact center that weren't necessarily true just a few years ago.

First, transactions in today's contact center take all forms, including:

- Telephone calls
- Emails
- Chat
- Faxes
- Snail mail

Second, the entire customer service group is responsible for the success of customer contacts and transactions, not just the agents. Just as the contact center is becoming a more integral part of the enterprise, the entire contact center staff is being held accountable for successful customer service or sales transactions.

With the variety of media available for customer transactions today, the metric for measuring transaction productivity needs to be more inclusive of these media. Agents are still responsible for their areas of assignment such as telephone, email, e-commerce, chat, and others, but the transactions are not measured on an hourly basis as are calls per representative. Rather, they are rolled into monthly averages, then into sales or transactions per head. Success is measured at the contact center level instead of at the individual representative level.

## Associate Satisfaction

For some non-forward-thinking contact centers, the satisfaction of the associates, or agents, isn't relative. For these centers, it is all about efficiency, productivity, and customer satisfaction. What we've found is that the best producing contact centers also look at the satisfaction level of the associates or agents. This metric is based on the premise that more satisfied agents will offer a better service experience to the customer, and that more satisfied agents will lead to reduced turnover and in turn create a more experienced workforce delivering a higher level of service.

So what does this metric look like? Best practices would suggest the combining of four factors. The first are results gained from agent satisfaction scores. This is measured on a regular basis through a brief survey completed by the agents.

Second is availability — measured in customer time/staff time. This allows management to better see how well agents are engaged. In order for this to operate, the degree of schedule flexibility for agents typically needs to be increased. This metric is often being used in place of, or to augment, a schedule adherence metric.

Third is to evaluate the agent's satisfaction through the eyes of the customer. Questions to customers about the agent's engagement/helpfulness/friendliness can help indicate the level of agent satisfaction.

Fourth is to measure the attrition rate. There are some anomalies that can influence the attrition rate, such as someone moving out of state to accompany a spouse with a job change, but those can be treated as exceptions and can be removed from the metric. The attrition rate is a good measurement of agent satisfaction.

The bottom line for this metric is that it matters! Look after the agents, making sure that they are satisfied, and that will translate into improved service levels and increased sales.

### **Contact Reason/Cost of Service**

For contact centers tasked with servicing customers who are initiating an interaction due to a problem (order errors, damaged product, billing issues, technical difficulties, and so on), the metric of “contact reason” may be the most important measurement of all. This goes to the point that if you can identify the reason for the problem, you can then work to eliminate the problem vs. simply trying to resolve the single issue for that one caller.

Best practices use a combination of customer response surveys, QA scores and social media and escalation data, tied back into wrap-up codes in order to do root cause analysis and determine what processes are causing people to initiate an interaction with the contact center. This then allows the center to determine if a process is broken and how it can be redesigned to provide a better customer service experience from the beginning — reducing the need for service requests into the contact center.

Associated with this is a focus on metrics which can measure the cost of service in order to identify and measure process changes and improvements against a tangible business metric and provide the rationale for change.

### **Social Media**

This is arguably the most interesting new category of metrics-that-matter in that social media as a customer service tool is defining itself in real-time, and it seems that the rules of engagement are being established on the fly. Although there are several social media performance metrics that were interesting, we whittled the list down to three metrics that were unique enough to qualify as metrics-that-matter in this rapidly growing market segment.

Please rate the value of each of the following being available for you to use when you are interacting with that company's customer service or support:

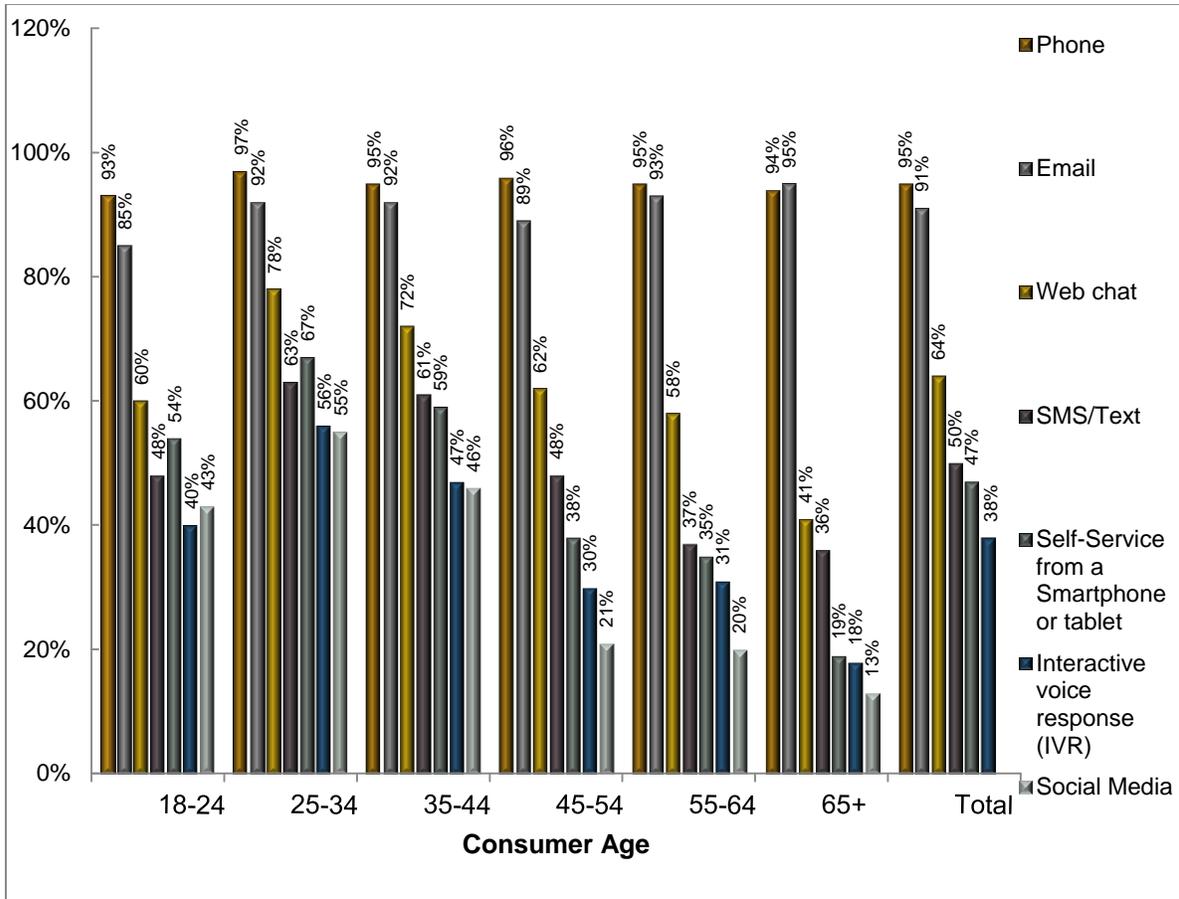


Figure 2. Survey results, social media as a widely-used communications channel (results by Consumer Age)

Figure 2 shows the results of a survey conducted by Interactive Intelligence that highlights how, for some age groups, social media is a widely-used communications channel. The ability for contact centers to effectively measure how well they monitor and respond to social media interactions is critical to success.

Similar to most contact center metrics, there is software required in order to measure social media performance metrics. For example, there is software available today that codes and tracks social media posts in order to follow what happens over a period of time. This is the type of software required to support the social media performance metrics described below.

### Recovery

This metric was developed as a means of justifying a social media engagement and measuring the impact the engagement has on customer relations. The objective of this metric is to track when a social media engagement changes from negative to positive.

This metric requires agreement to the concept that every post starts with a sentiment, whether positive, negative or neutral. Once a negative post is identified, regardless of the social media application upon which it was posted, the contact center social media agent engages with that customer until a neutral or positive sentiment is posted by the customer in response.

This metric is not designed to measure changes in customer behavior, but rather to let the customer know that the contact center is listening to them. That's the primary reason a neutral customer post such as "I'll take another look" is considered to be a satisfactory outcome.

### ***Tweets to Resolution***

As the name of this metric implies, the objective of this measurement is to track the number of tweets that are exchanged in the course of a customer care conversation. The goal, however, is not to track the number of tweets to resolution. Instead, the goal is to track the number of tweets exchanged to a pre-determined limit before changing the customer communication strategy employed.

This metric assumes that the user agrees with the premise that a high number of tweets between the customer and the customer service representative are not optimal. Tweets should be as limited in function as they are in the number of characters that can be included in a single tweet. Twitter is not ideal for solving complex problems, and a high number of tweets to address a single problem can be more frustrating than the problem itself. Therefore, the use of Twitter as a customer service tool needs to be carefully managed.

Contact center social media managers we spoke with agreed that each situation will be different with Tweets to Resolution. For example, customers tweeting to address an airline problem that might involve flight arrangements should not be attended to on Twitter unless the problem can be brought to resolution in a set number of tweets. Most managers agreed that more than two or three tweets without resolution require a different tact on the part of the customer service function.

When a problem can't be solved within the pre-determined number of Twitter exchanges, the contact center will typically initialize a phone call or a Facebook private message to the customer in order to get the problem resolved. Once the problem is resolved, the resolution is confirmed on social media.

### ***First Social Contact Resolution***

At first glance, First Social Contact Resolution (FSCR) might seem very similar to First Contact Resolution (FCR) as previously discussed in this paper. In some ways it is, but in other ways FSCR is very different, starting with the types of customers who use social media as opposed to the type of customer who contacts the customer care center via traditional telephone or email channels.

There are essentially two types of customers who use social media as a customer communications channel. One is the customer who won't communicate with any organization except on social media. The other is the customer who has a service issue, has exhausted every other contact center communications channel, and is typically annoyed by the time they make their first social media post. The former is less challenging than the latter.

For those customers who insist on communications via social media, the objective is similar as it is with FCR and voice customers: Ensure that the customer is satisfied with the result of this initial contact, and that no follow-up conversations will be necessary.

The number of social media posts to resolution isn't as important as making sure that the issue is resolved.

For those customers who are annoyed by the time they make their first social media post, the objective is different. Some contact center social media managers we spoke with recommend finding a way to allow the customer to relieve the burden of their frustration, whether that entails the exchange of several social media posts or requires the contact center to proactively pick up the phone and contact the customer.

In any case, social media agents should look at this contact without regard to past communications. The objective is to solve the issue with the initial exchange of social media posts. Although the measurement of success for this metric is not as clear-cut as it is with other social media metrics, the outcome is equally important.

## Conclusion

While still relying on traditional performance metrics to measure contact center performance and customer service productivity, today's customer service professionals are aware of the industry changes that will require new ways of thinking of customer care. Different ways of defining customer satisfaction today are gentle persuaders in defining the next generation performance metrics, while new communications channels such as social media are forcing new performance metrics at an unprecedented pace.

Additionally, the trend toward making the delivery of great service experiences a competitive differentiator has caused customer care management to adapt metrics to better align with their goals of customer satisfaction.

As previously stated, the authors agree that the metrics that matter are the metrics that make the most sense in each individual contact center. The reader knows which metrics these are. We submit, however, that the circumstances of change in today's contact center industry are broadening the definition of metrics-that-matter.

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