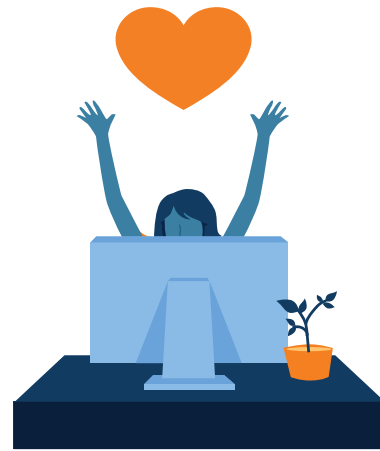**alorica**
Passion · Performance · Possibilities

Fast-track Customer Satisfaction by Reducing Customer Effort

5 Ways to Generate Happier, More Satisfied and Loyal Customers

Your customers will love you the *most* when they must do the *least* to resolve their issues.

Fast-track Customer Satisfaction by Reducing Customer Effort

Introduction

90% of customers are satisfied after an interaction that took less time or effort to resolve than expected.[i] Learn what it takes to make every interaction effortless.

We're going on the record.
Less is more.

Contrary to popular belief, customers don't want more—they want less. Less hassle. Less repeat calls. Less frustration and less time spent trying to solve their problem. When it comes to delighting your customers, start by reducing the stress they feel when trying to resolve basic issues. Succeed, and you'll experience a greater impact on customer satisfaction and loyalty than by doing almost anything else.
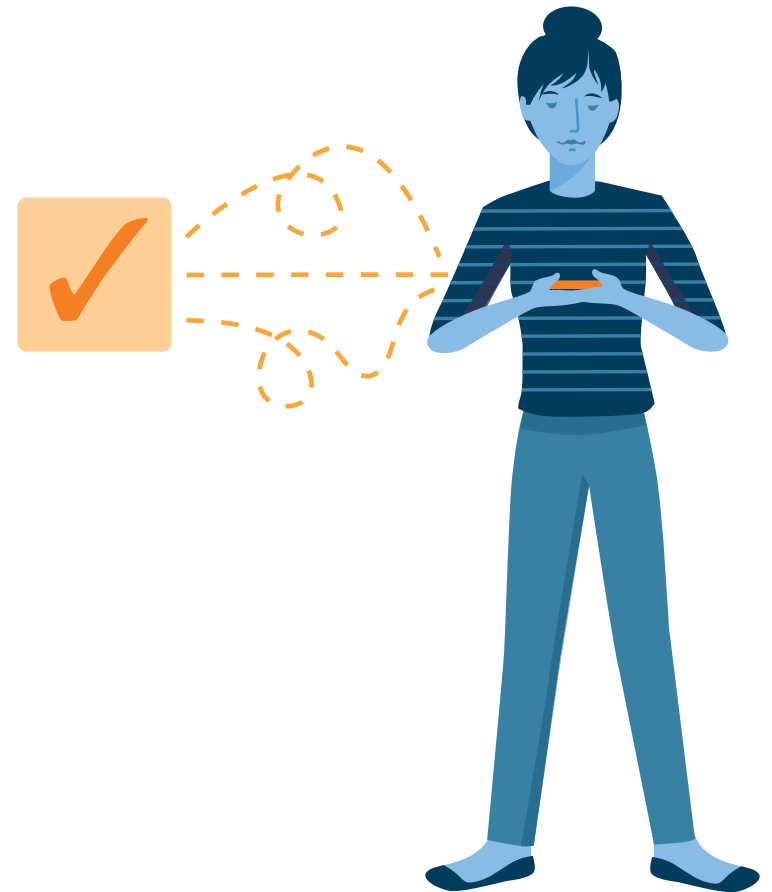
We're going on the record.
Less is more.

Research shows that people are likely to make choices based on their need to avoid negative experiences, rather than their *desire* for positive experiences.[ii] In truth, even a single negative experience can turn customers away. Case in point—70% of customers have ended a relationship with a business due to poor customer service.[iii]

So yeah. The stakes are high.
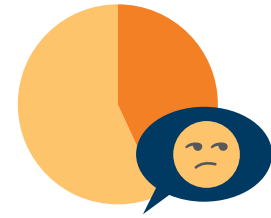
43% *of customers say they spent too much effort resolving their most recent customer service issue.*[iv]

The Viral Power of High-Effort Experiences

When customers encounter a high-effort/high-stress scenario, the impact goes beyond their individual experience. Your customers will not only drop you, they'll spread the word to others via social media and word-of-mouth that your company isn't to be trusted. And yet, even the most amazing experiences— the ones where you wow the socks right off your customers—have a hard time getting the same level of publicity.

The sobering reality is that dissatisfied customers are twice as likely as satisfied customers to tell others about their experience.[v]

The Viral Power of High-Effort Experiences

Did you know? *It takes 12 positive customer experiences to negate the poor impression left behind from just one unresolved, bad experience.[vi]*

The High Impact of Negative Experiences

Almost half (48%) of customers who had a negative experience told 10 or more people about it. Overall, 65% of customers are likely to say something negative about their customer service experience.

The Less Revealed Positive Experiences

Only 23% of customers who had a positive service interaction told 10 or more people about it. Overall, 23% of customers are likely to say something positive about their customer service experience.

Source: Harvard Business Review[vi]

Lower Effort Drives Higher Satisfaction

The internet gives people a super convenient platform for complaining—so how can you keep the negative chatter at bay? It's best to begin by making every experience as effortless as possible. In this eBook, we'll examine five proven approaches that help to eliminate frustration and increase customer satisfaction. They include:

- Caring for emotions up front
- Using predictive problem solving
- Increasing self-service channel success
- Measuring the right things
- Using technology to enhance the experience

Ready? Are you in your comfy chair? Cause we're gonna get started.

Fast-track Customer Satisfaction by Reducing Customer Effort

Understanding Customer Effort

Lower the Effort to Raise the Satisfaction

Customer effort is the amount of time and attention a customer must expend when interacting with a business. The less time and attention involved in solving an issue, the lower the customer effort and the greater the customer experience and satisfaction.

Lower the Effort to Raise the Satisfaction

To determine the effort your customers are expending, try to determine the time it takes the customer to resolve their issue—from the start of the journey to the end. For most customers, time is the biggest "effort" factor. However, how much attention or "brain power" an interaction requires also impacts the level of customer effort involved. For example, when your customers get to your website, how many clicks will it take to get to the right place? Will they encounter dead links along the way? The more clicks, links, or other bumps in the experience, the more attention and time—aka effort—is required of your customer.

How Much Effort Is Too Much?

It all depends on the complexity of the issue—and your customers' willingness to expend effort to resolve it.

Simple Issues
Resetting a password or updating personal information
- 53% of customers were willing to spend up to 5 minutes
- 28% would spend up to 10 minutes

Moderate Issues
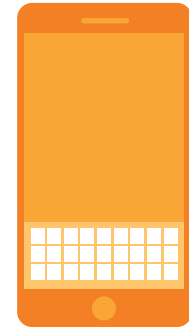Changing a reservation or making a return
- 17% of respondents were willing to spend up to 5 minutes
- 49% would spend up to 10 minutes

Complex Issues
Canceling and rebooking a flight
- 25% of respondents were willing to spend up to 10 minutes
- 36% would spend up to 20 minutes

Source: Interactions[i]

Why Customers Reach Out

Customers seek help to deal with technical support issues, return a product, make changes to a purchase, deal with warranty issues and a host of other reasons. But one of the main reasons they are calling your contact center is because other methods of resolution have already failed. In fact, 64% of customers regularly use at least one method to try to resolve their issue *before* contacting a company.[vii]
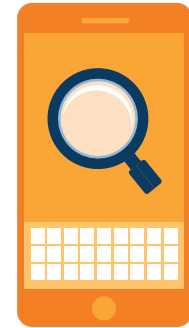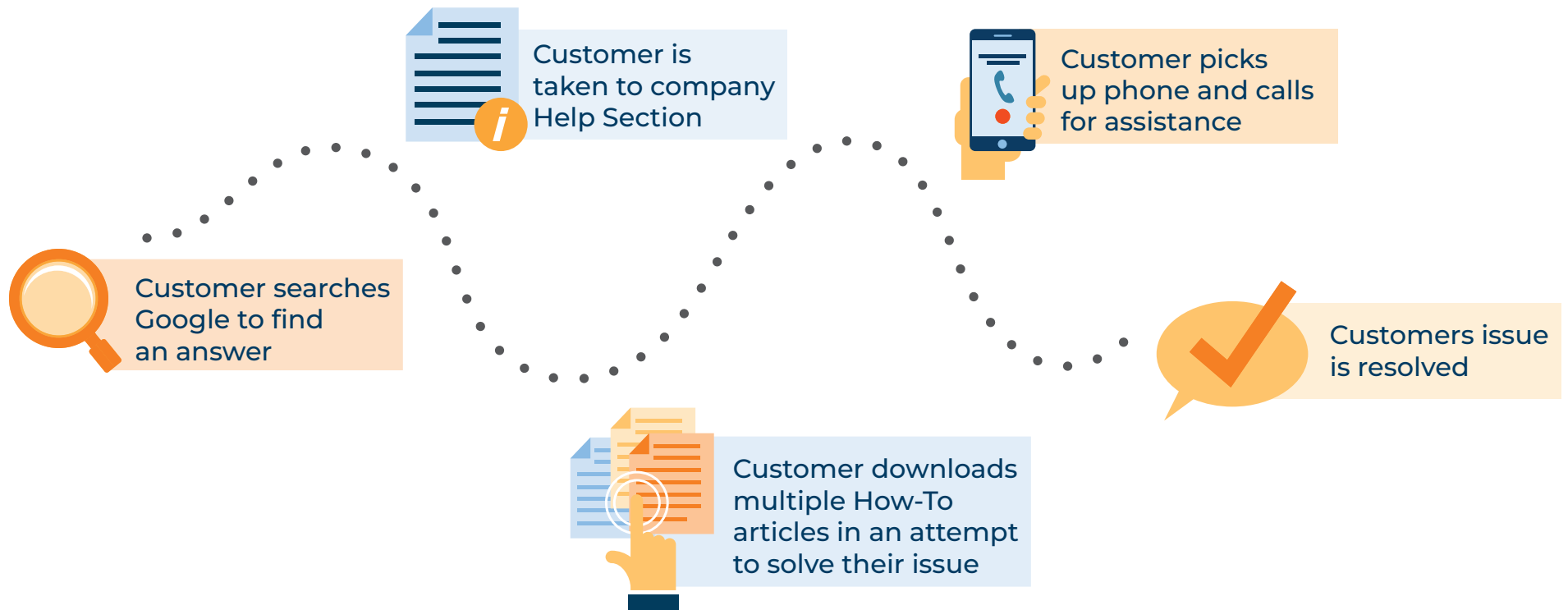
Why Customers Reach Out

Given that the majority of customers have already expended effort prior to picking up the phone, it's not surprising that as many as 40% of customers are frustrated or annoyed before even reaching out.[viii] **Reducing customer effort isn't only about improving the experience once they're on the phone—it's about optimizing the entire journey.** This includes not only self-service channels and contact center processes, but looking down the road to proactively address future issues.

The Customer Effort Journey

Customer is taken to company Help Section

Customer picks up phone and calls for assistance

Customer searches Google to find an answer

Customer downloads multiple How-To articles in an attempt to solve their issue

Customers issue is resolved

Fast-track Customer Satisfaction by Reducing Customer Effort

5 Proven Approaches to Reduce Customer Effort
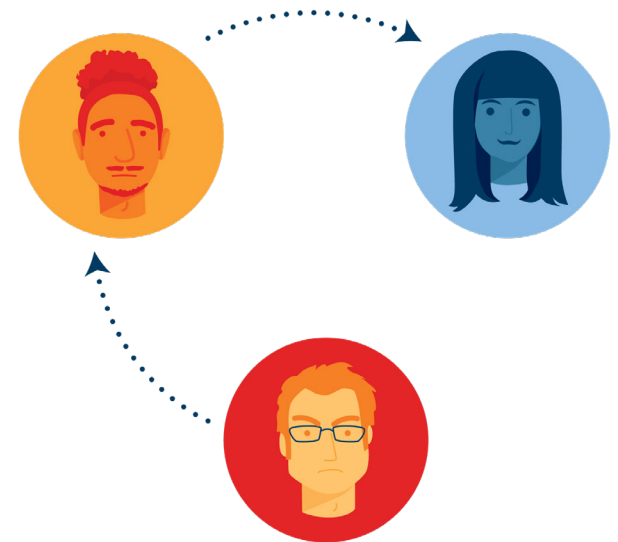
1. Caring for Emotions Up Front

In a study published in *Harvard Business Review*, 24% of repeat calls stemmed from emotional disconnects between customers and agents. Using the right kind of language, problem solving and workflows can diffuse tense emotions; at a minimum, they can help to contain frustration and prevent stress from reaching even higher levels.
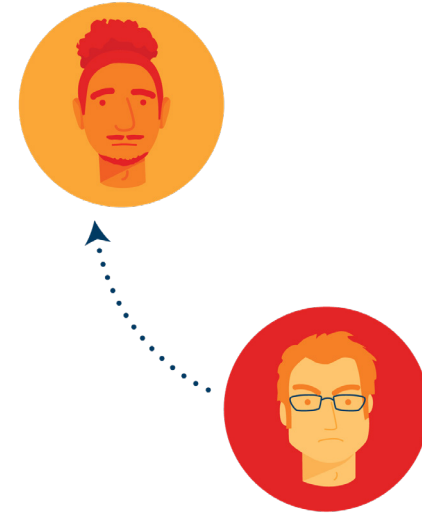
1. Caring for Emotions Up Front

Train and educate agents to clearly communicate with and reassure customers that, now that they are speaking with an agent, their issue will be resolved with minimal effort. When agents clearly communicate, saying, "I am going to get to the bottom of this issue for you," customers who began the interaction agitated feel better understood. Hello resolution, goodbye frustration.

1. Caring for Emotions Up Front

Additionally, training agents to eliminate words that trigger negative emotional responses—*no, can't, won't*—can make a big impact on customer effort scores. Consider the Osram Sylvania lighting company; their customer effort score dropped 18.5% below the average for B2B companies when they had agents reframe negative situations positively. Instead of saying, "We don't have that item in stock," their agents now say, "We'll have stock availability for

1. Caring for Emotions Up Front

that item in two weeks."

Improving workflow can also reduce customer effort or frustration. Often when a call comes into the contact center, it can take several minutes of verification before a customer can state their issue and feel like they are getting the help they need. By reducing or eliminating cumbersome verification protocols, agents can more quickly get to the heart of the matter—thereby minimizing customer frustration and lowering the effort of the interaction.

40% *of customers say they are frustrated before they even pick up a phone or open a chat window.[x]*

2. Using Predictive Problem Solving

As a company, you want to proactively find areas of friction in the customer journey— and then eliminate them. Predictive analytics gives you the tools to determine where customers will need to expend extra effort so that you can anticipate future issues.

2. Using Predictive Problem Solving

At Alorica, we have used predictive analytics to help identify future call drivers, and have then proactively reached out to customers beforehand. For one of our healthcare clients, we understood that new Medicare enrollees typically generate a high volume of contacts within the first six months. Using predictive analytics, we were able to identify and predict what many of these future contacts would be about. Using email, SMS texts or phone calls, our agents reached out to these customers *before* they needed additional help.

2. Using Predictive Problem Solving

Not only does this approach reduce customer effort—and in some cases resolve issues before they arise—it also delivers cost savings to the contact center. By being proactive, we reduce overall call volume and maintain optimal staffing by prompting customers to call at a specific time.

The Power of Predictive Analytics on Customer Effort

- 91% greater annual improvement (decrease) in customer effort scores
- 74% greater annual improvement in first-contact resolution rates
- 58% greater annual improvement (decrease) in average handle times
- 98% greater annual improvement in customer lifetime value
- 22% greater annual improvement in Net Promoter Scores®

Source: Aberdeen Group/IBM [xi]

3. Increasing Self-Service Channel Success

Many organizations see omnichannel solutions as a Holy Grail for delivering improved customer service experiences. However, reducing customer effort means making sure that you guide your customers down a self-service channel that *actually works and solves the issue!* Offering choice in channels is useless if those channels tend to yield a dead end and force your customers to pick up the phone anyway.

3. Increasing Self-Service Channel Success

*Fragmentation of customer service channels is leading to a **decrease** in CSAT scores.[xii]*

To understand how a guided experience can reduce customer effort, let's take a look at an online retailer's customer who wants to return a product. He or she isn't given a menu of choices, but is guided through a series of simple online steps. As the customer moves through this experience, the company gathers data about what the customer is trying to do so it can resolve the issue in the most efficient and effortless manner possible. In the case of returning a product, the site decision tree may either guide the customer to a screen to print a return label for a product, or it may determine that it's more cost-effective to issue the customer a refund but not have the item returned.

3. Increasing Self-Service Channel Success

In both instances, the experience is low-effort for the customer, resulting in more self-service channel stickiness while also producing the best business decision possible for the retailer.

Win for the customer, win for the company. That's how it's done.

57% *of customers believe there are too many steps involved in resolving their issue.[xiii]*
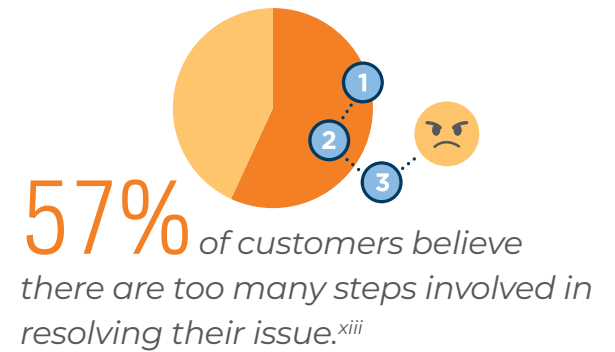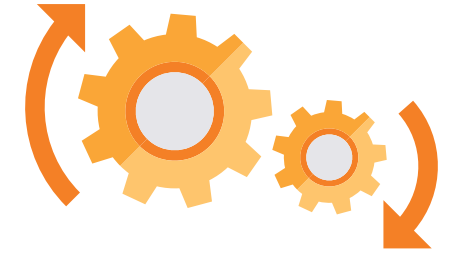
Fixing Self-Service Roadblocks

At Alorica, we recently helped a major consumer electronics manufacturer identify the root cause for a high volume of technical support calls. We took a close look at the customer effort that led up to the calls, and through our research discovered:

- **17% of customers were attempting to self-serve prior to calling the support line.** Of those who did attempt self-service, none had successfully completed a diagnostic test prior to calling.

- **82% of the issues resolved by phone were basic how-to instructions or a technical support process** involving fewer than five steps, for which public-facing content already existed.
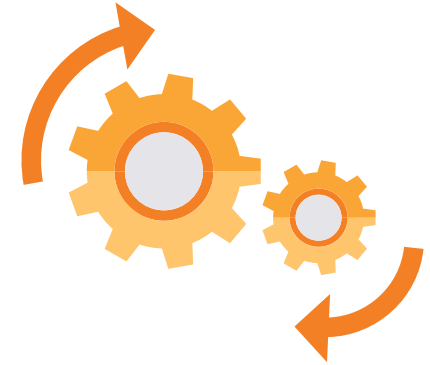
Fixing Self-Service Roadblocks

We concluded that a more effective self-service journey would reduce call volume, and immediately began helping the client with restructuring the general support webpage to address top inquiries and allow users to read forums without logging in. Additionally, we helped fix the registration process so it was not a barrier to the diagnostic tool, and improved the diagnostic tool flow by providing a "time remaining" status so fewer customers would abandon the process before it was complete.

Thanks to these changes, the manufacturer saw a 15% decrease in call volume.[vix]

4. Measuring the Right Things
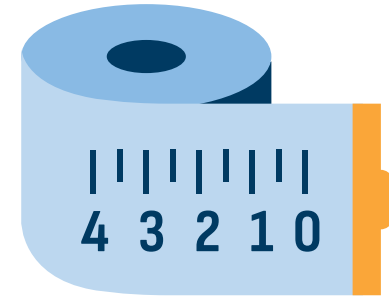
It's easy to fall into the trap of measuring first-call resolution as a proxy for customer effort. However, first-call resolution metrics do not tell the whole story. Frustration can happen before a customer ever picks up the phone—and it can continue after they hang up.

Our own research with a well-known retailer has shown that while 75% of calls were resolved on the first contact, 35% of customers said that there was a *high* or *very high* effort involved in getting their issue resolved. When our Customer Experience Consulting (CXC) team of analysts dug deeper, we learned that customers were expending effort in self-service channels before ever phoning the contact center.

4. Measuring the Right Things
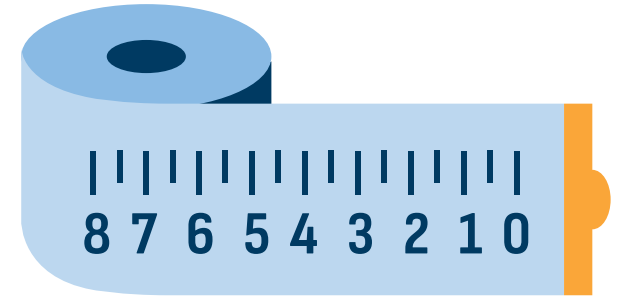
First-call resolution, average handle time and customer satisfaction scores are all important metrics. But to avoid customer effort blind spots, you should also collect data on the following metrics as well:

1. **Was the customer's issue resolved?** Agents and the quality team should serve as a proxy to the customer. If an interaction was negative, this fact should be captured in the CRM so that you can get to the root of the problem and understand why the issue wasn't resolved or the interaction was negative.

2. **Was this contact necessary?** Understanding whether an issue could have been solved in a self-service channel—and why it wasn't—provides useful information about the integration of self-service solutions with customers.

48% of customers who started their contact center journey in a frustrated state of mind remained frustrated even after the interaction.[xvi]

5. Using Technology to Enhance the Experience

Technology offers some great ways to enhance the customer experience, but it's only one part of the solution. Using certain technologies can improve the customer experience, but if the customer has to make three calls to resolve their issue, they will still perceive the experience as high-effort and poor-service.

Keeping this in mind, here are four opportunities to consider:

Send Customers to the Last Agent They Talked With

Implement Wireless Technology

Reduce Background Noise

Streamline Verification Protocols

5. Using Technology to Enhance the Experience

Send customers to the last agent they talked with.
Use a telephony system that can recognize the phone number and direct customers to the last agent they spoke with. This will improve continuity and efficiency.

Implement wireless technology.
Wireless technology can empower agents to move around their environment, enabling them to better collaborate with peers and managers and resolve issues more efficiently.

5. Using Technology to Enhance the Experience

Reduce background noise.

Headsets with noise-cancelling technology can eliminate background noise and improve the customer experience. Combined with wireless technology, these headsets can also allow agents to move around their environment as needed.

Streamline verification protocols.

If customers are already in the website or a smartphone app when they reach out to contact an agent, the data collected can be pushed through to the agent, creating a more seamless experience for the customer.

5. Using Technology to Enhance the Experience

Customer experience leaders not only use technology to reduce customer effort, but are early identifiers of technology trends that can be applied to the customer experience to reduce effort. For example, a major retailer identified the high popularity of consumer messaging apps such as Whatsapp and Viber. The company determined the differences between these new technologies and standard chat, and created a new messenger channel that offers a similar, user-friendly experience.

Fast-track Customer Satisfaction by Reducing Customer Effort

Conclusion

Deliver Effortless Experiences

Trust us, we know—the customer journey is complex. Making it effortless can only happen when all touchpoints are well-planned and integrated. But first, you must walk in your customers' shoes to understand how they attempt to solve their issues and where they hit bumps in the road. You must also collect and analyze multiple points of data on the journey to get the full story. This will allow you to not only resolve current issues, but eliminate future points of friction. By reducing effort, you'll not only gain loyal customers and increase revenue, you'll decrease call volume and operational costs.
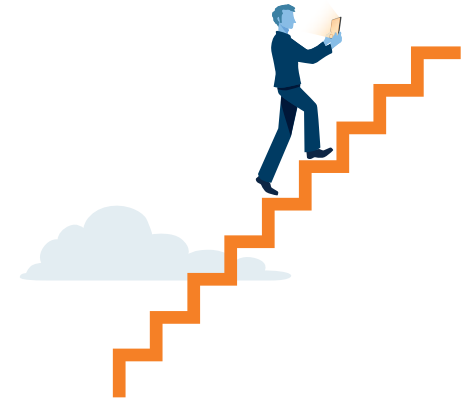
Deliver Effortless Experiences

At Alorica, we only do one thing. We make lives better...one interaction at a time. We're in it to win it—so let us help you reduce customer effort and win over customers for life.

94% *of customers who report low effort say they will repurchase, and 88% say they will increase their spending window.*[xvii]

Reducing Customer Effort:
A Takeaway Cheat Sheet

1. Train agents to communicate empathy and their willingness to help resolve their issue, and to use positive language rather than negative language.

2. Adjust workflows to reduce the verification process and speed up getting to the crux of the customer's issue.

3. Identify places in the self-service journey where customers may need additional support—and proactively offer it through chat, videos, etc.

4. Guide your customers to the channel that will best solve their issue.

5. Measure customer effort through a suite of metrics, not just first-call resolution.

6. Direct your customers back to the last agent they spoke with to streamline communication.

7. Eliminate background noise.

8. Use web form and smartphone apps to pre-fill customer credentials for the agent.

9. Implement wireless technology to empower agents to resolve issues more efficiently.

So now you know. Less is more. Except when it comes to ice cream. But that's just common sense.

For more information—and to get started on creating happier, more loyal customers—call 866-ALORICA or email sales@alorica.com.

Fast-track Customer Satisfaction by Reducing Customer Effort

About Alorica

Alorica

Alorica is a leading provider of Business Process Outsourcing solutions that span the entire customer lifecycle. Good, glad we got that out of the way. Here's the deal —we think serving customers is awesome. And that's why, when it comes down to it, we really only do one thing—we make lives better...one interaction at a time.

PASSION • PERFORMANCE • POSSIBILITIES

These are the principles that guide us in helping others make better choices and informed decisions. They're more than words. They're our rally cry.

PASSION

Everything starts with conviction. A desire to obliterate the status quo, and the audacity to believe that we will. We're problem solvers. Question answerers.

Strategic dreamers. We see every interaction as an opportunity to create opportunities—for our customers, our clients, our colleagues and our communities.

PERFORMANCE

We're 110% committed to the end result. Onward and upward, it's all about taking our clients to the next level. We stay engaged. We mine new sources of inspiration. And we give it our all, no matter the challenge. They say go big or go home. We don't believe in the latter.

POSSIBILITIES

100,000 employees. Operations in 15 countries. Over 70% of our business is with Fortune 500 companies. So where do we go from here? Anywhere. Everywhere.

We're always innovating, evolving, imagining new ways to continuously improve. Some see the sky as the limit. We see the sky as a stepping stone.

WHAT'S IN OUR SECRET SAUCE?

A spoonful of customer care. A dash of technical support. A pinch of revenue generation. Equal parts receivables management, customer retention and reverse logistics. Fulfillment and B2B solutions, for sweetness. And finally, hosted contact center solutions, direct response and back office processing for that added kick.
Guess it's not so secret anymore, huh...

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