

Project Dissertation

**REDUCING CUSTOMER EFFORT WHILE CONTACTING THE CUSTOMER
SERVICE INDUSTRY**

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CERTIFICATE

This is to certify that Yukti Chadha, EMBA student at Delhi School of Management, Delhi Technological University, New Delhi has completed this Project Report on “Reducing Customer effort while contacting the Customer Service Industry”, in the Fulfilment of the Requirements for the Degree of Master of Business Administration (Executive).

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DECLARATION

I, Yukti Chadha, student of EMBA 2017-2019 batch of Delhi School of Management, Delhi Technological University, New Delhi declare that (a) work presented for assessment in this project report on “Reducing Customer effort while contacting the Customer Service Industry” is my original work, that it has not previously been presented for any other assessment and that my debts (for words, data, arguments and ideas) have been appropriately acknowledged; (b) work conforms to the guidelines laid by the University. The summary of report is attached along with for reference.

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Place: New Delhi Date:

26th May, 2019

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EXECUTIVE SUMMARY

Contact Centers around the world are experiencing continual change as they work to create a superior customer experience. The traditional contact center strategies that were focused on maximizing operational efficiencies, reducing costs and contributing to revenue goals are now being expanded to consider the impact that company policies and procedures have on the customer experience. Traditional measures such as Customer Satisfaction (CSAT), Net Promoter Score (NPS) and First Contact Resolution (FCR) have long been the measures used to evaluate the customer's perception of the support they receive. Although these measures are excellent indicators of the customer experience, they fail to address an important aspect of the overall customer experience, namely customer effort. Customer Effort in its simplest terms is defined as the amount of effort that customers must expend to do business with or get support from a company. To manage this important aspect of the customer experience it is paramount that companies understand how to develop a program that measures customer effort, identifies the friction points that create customer effort, and eliminate the processes and procedures that lead to high customer effort. The importance of customer effort is further amplified in an 'always connected' world where customers have immediate access to competitive products from companies who may have simplified processes that make it easier for the customer to purchase a product or obtain support. Customer feedback is a powerful method of understanding customer behavior and provides organizations the tools and statistical data to make decisions that improve the customer experience. By adding customer effort to existing feedback programs, companies can obtain a more holistic view of the customer's experience.

CHAPTER 1: INTRODUCTION TO THE TOPIC

Reducing customer effort by controlling the number of interactions between the customer and the customer support team and by encouraging self help by user to user forums and discussion blogs, The Company here in consideration is Adobe Systems and the department is the technical support team. As consumers continue to move their conversations and business transactions online, companies must pick and choose the customer service and support tools appropriate for the customer experience. While social media support is getting a lot of attention these days, it is important to remember the more traditional service channels to connect and engage with customers. With more and more of us becoming hooked on smart devices and using interactive platforms such as Facebook, Twitter and Instant Messaging (IM), the requirement to deliver service via multiple channels has increased. Connected consumers expect consistently high service, regardless of which channel they use and when they choose to interact – something contact centers need to consider when evaluating their customer effort and multichannel strategies. Yet this is not without its challenges. As multichannel contact management expands, agents are required to handle several different communication paths. Some agents, however, may be unsuited to particular channels or multi- tasking, which could lead to increased queue lengths or an irate Tweet going viral. Whatever channel they use, customers make contact with a goal in mind. It makes sense then that making it easier to achieve this goal will help retain loyal customers and improve the likelihood of them making a repeat purchase. To address the rise in omni channel engagement, organizations should map their customers’ journeys with them to limit the effort they have to make in navigating the contact centre. This should involve a full review of all their channels of communication, taking into consideration how the number of times they make contact and the channels they use (e.g. phone, web chat,email, social media) affect their customer effort scores. To boost speed and free- up agents, low-effort channels such as automated services can be provided for straightforward transactions such as card payments. Similarly, repeat questions should be avoided for customers calling by phone where they are passed between agents, which contact centre users frequently say contributes to a negative experience.

Measurable improvements

Process improvements can be measured against a scale by asking the customer to rate each interaction. In turn, these scores will reveal if the contact centre is actually delivering answers to customer issues.

To measure the success of any changes, creating a balanced set of customer effort metrics at the outset is key at the start of any process improvement program. Here, contact centre technology can help harness processes as well as capture and evaluate key performance indicators such as First Contact Resolution, Customer Effort and Customer Lifetime Value scores.

Having mapped how individual customers interact with an organization, it may become apparent that contact management processes unwittingly create obstacles. An emphasis on reducing calling time, for example, can result in agents limiting the extent to which they respond to customers, leading to repeat calls and more customer effort

Supporting sales with successful resolutions

While some contact centers will opt for specialist teams, it can make more sense to train and equip a team of multimedia agents to handle peak demand. Using social media monitoring and engagement technology to integrate social media within the contact centre, could see agents switching seamlessly between channels during peak periods, handling web chat in real time, social media in near real time and email in between. By smoothing out the peaks and troughs, the business will be delivered as normal, whatever the situation.

The huge advantage of social media monitoring and analysis software is that it operates round-the-clock, identifying negative phrases and comments and the degree of influence exerted by the people who post them. If a complaint online turns into a voice call, then integration of systems gives the agent a rounded view of the caller and a detailed history of the issue.

This 24/7 monitoring will give an early warning should an out-of-hours social media storm threaten to blow up. In readiness for such an emergency, an organization can formulate a crisis management plan so it is never caught out. Ultimately, this is about much more than corporate image. With strong competition for business, customers are hard to win and can easily be lost. In this respect,

the contact centre has a key role to play in supporting the sales process and keeping real and potential customers on-side. In working to understand and improve every interaction, the primary objectives will be to reduce customer turnover and increase repeat purchases.



CHAPTER 2: COMPANY PROFILE

Adobe revolutionizes how the world engages with information and ideas. Founded in 1982, Adobe Systems Incorporated builds award-winning software solutions for network publishing, including web, print, video, wireless, and broadband applications. Its graphic design, imaging, dynamic media, and authoring tools enable customers to create, publish, and deliver visually rich content for various types of media. From rich images in print, video, and film to dynamic digital content for a variety of media, the impact of Adobe solutions is clear to anyone who creates, views, and interacts with information.

The company's products are used by film and video makers, web and graphic designers, creative professionals, hobbyists, professional publishers, document-intensive organizations, business users, and consumers. Adobe is the second largest PC software company in the U.S., with annual revenues exceeding \$3.15 billion. It employs over 7,000 employees worldwide and has operations in North America, Europe, the Pacific Rim, Japan, India, China and Latin America. Adobe's worldwide headquarters are in San Jose, California

History

The company name *Adobe* comes from Adobe Creek in Los Altos, California, which ran behind the houses of both of the company's founders. Adobe's corporate logo, featuring the stylized "A", was designed by Marva Warnock, wife of John Warnock, who is also a graphic designer. Adobe's first products after PostScript were digital fonts, which they released in a proprietary format called Type 1. Apple subsequently developed a competing standard, TrueType, which provided full

scalability and precise control of the pixel pattern created by the font's outlines, and licensed it to Microsoft. Adobe responded by publishing the Type 1 specification and releasing Adobe Type Manager software that allowed WYSIWYG scaling of Type 1 fonts on screen like TrueType, although without the precise pixel-level control. But these moves were too late to stop the rise of TrueType. Although Type 1 remained the standard in the graphics/publishing market, TrueType became the standard for business and the average Windows user. In 1996, Adobe and Microsoft announced the OpenType font format, and in 2003 Adobe completed converting its Type 1 font library to OpenType.

In the mid-1980s Adobe entered the consumer software market with Adobe Illustrator, a vector-based drawing program for the Apple Macintosh. Illustrator, which grew from the firm's in-house font-development software, helped popularize Postscript-enabled laser printers. Unlike MacDraw, the then standard Macintosh vector drawing program, Illustrator described shapes with more flexible Bezier curves, providing unprecedented accuracy. Font rendering in Illustrator, however, was left to the Macintosh's QuickDraw libraries and would not be superseded by a Postscript-like approach until Adobe released Adobe Type Manager.

Adobe Systems entered NASDAQ in 1986. Its revenue has grown from roughly \$1 billion in 1999 to roughly 4 billion in 2012. Adobe's fiscal years run from December to November. For example, the 2007 fiscal year ended on November 30, 2007.

In 1989, Adobe introduced what was to become its flagship product, a graphics editing program for the Macintosh called Photoshop. Stable and full-featured, Photoshop 1.0 was ably marketed by Adobe and soon dominated the market.

In 1993, Adobe introduced PDF, the Portable Document Format, and its Adobe Acrobat and Reader software. PDF is now an International Standard: ISO 32000-1:2008. The technology is adopted worldwide as a common medium for electronic documents.

In December 1991, Adobe released Adobe Premiere, which Adobe rebranded to Adobe Premiere Pro in 2003. In 1994, Adobe acquired Aldus and added Adobe PageMaker and Adobe After Effects to its product line later in the year; it also controls the TIFF file format. In 1995, Adobe added Adobe FrameMaker, the long-document DTP application, to its product line after Adobe acquired Frame Technology Corp. In 1996, Adobe Systems Inc added Ares

Software Corp. In 1999, Adobe introduced Adobe InCopy as a direct competitor to QuarkCopyDesk.

CHAPTER 3: LITERATURE REVIEW

Customer service industry seems adept at chasing new customers while watching the churn. Why else would they spend around \$500B on advertising and acquiring new customers, \$50B on CRM spend, and just \$9B on the call centre (Ovum)?

It seems that IT companies are content to pour funds into loyalty schemes, money into advertising lower cost products, and then sitting back and watching the customer churn. They set out to attract new customers with price incentives while often leaving existing customers on the receiving end of poor customer service – and the churn continues.

Most IT companies like Adobe, from big players to medium sized chains, have the technology to put in place loyalty schemes and many do. These schemes certainly enable them to gather information about customers' buying habits in order to market new offers to them and run operations more efficiently and profitably. But consumers' wallets are overflowing with an excess of loyalty cards for different companies, none of whom actually has their loyalty.

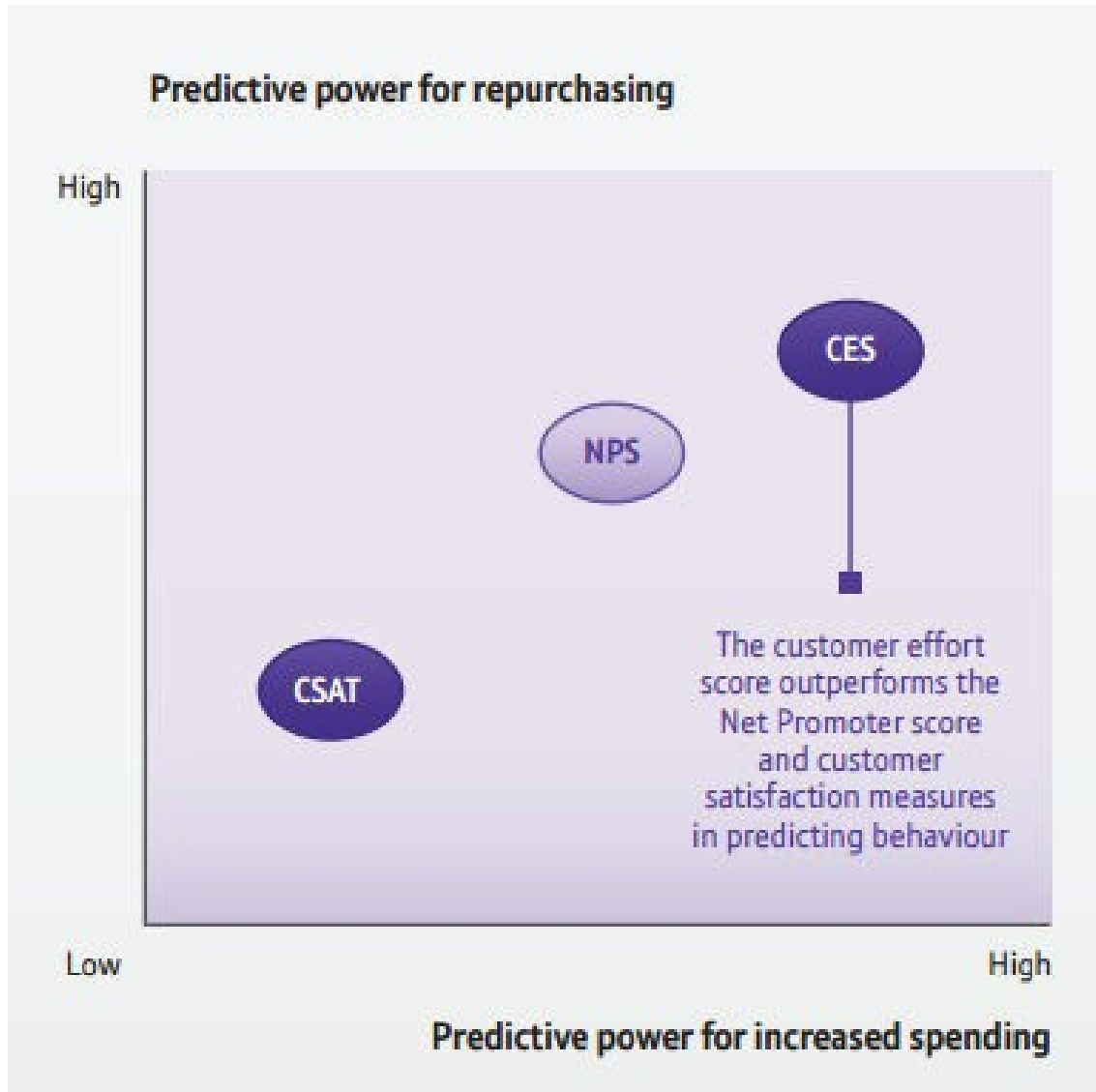
It seems that customer loyalty can't be bought, it has to be earned. The most recent research from PricewaterhouseCoopers found that consumers ranked loyalty programs last when asked to rank factors influencing purchase decisions. Furthermore, the research found that 72% of consumers are unwilling to re-purchase from companies which fail to resolve their issues. To stop the churn and nurture loyal customers who return time and again, it's great customer service that is key.

An organization's contact centre is often seen simply as a tick in the 'customer service' box, and not as a means to actively improve the customer's experience and reduce customer effort. But IT industry is a prime example of where truly great customer service can drive loyalty and generate revenue

Defining effort

‘Customer effort is a customer’s perception of the amount of time and energy that they have to

spend in an encounter with a brand/an organization. It is different from the objective amount of time and energy. It is the nonmonetary cost of consumption. An encounter with an organization includes, but is not limited to, (a) getting a product or service— purchasing, (b) getting information, (c) getting a problem solved—post-purchase, and (d) actually using the product (e.g. set top box, iPhone). Customer effort can be a global judgment or a judgment about a single encounter. Global judgment happens when a customer thinks about many encounters with a brand/ an organization'. Effort has been seen as a positive and relevant input into an exchange. In other words, if all things are equal, the more effort that an individual exerts, the more they will expect in return. Effort is effectively a cost (according to the principle of least effort and, as with any cost, there is both a trade-off and a desire to either minimize it or get 'value for effort'. This will, in turn, influence the perception of satisfaction and perceived convenience. Just as spending more money might increase perception of value, as effort cost goes up, customers may also value the product or service more. They may also evaluate the product performance more highly, and have higher levels of knowledge, satisfaction and commitment to it. The satisfaction of mastering a difficult instrument like the Uilleann pipes (the Irish bagpipe) is likely to be greater than mastering the triangle – but the effort required for the former is infinitely greater than the latter and many fall by the wayside. If you are a company that can afford having that degree of failure, effort may not be a measure you need to consider! In addition to this, research has shown that consumers believe that increased effort will increase the likelihood of making a good decision. This is likely to be because they want to compensate for the amount of effort they have invested.



Building loyalty is easier

So how can your contact centre help you keep customers coming back for more? Well, loyalty has more to do with delivering on basic promises than it does with consolation gifts. It is all about making it easier for customers to resolve their issue or query at the time; in other words, reducing the customer's effort when they have a sales query or when something goes wrong.

Increasing customer effort not only decreases customer satisfaction, but more importantly, decreases both customer loyalty and future spends. Dissatisfied customers look elsewhere for the same product.

Buyers are benefiting from the explosion of mobile and e-commerce technology that means comparisons of stock, comparison of prices, and delivery times for products, are a mere tap of the iPad screen away. Sellers need to exploit a new generation of customer service technology in order to reduce customer effort and to maintain the loyalty of the ones they have already attracted.

Tools are now available that help to measure Customer Effort, enabling organizations to identify and potentially eliminate which particular aspects of a customer's experience are causing the most problems, rather than wait until a particular service problem actually occurs.

Build your individual Customer Effort Index

Adobe has developed a Customer Effort Audit that measures a series of interaction parameters—number of extra contacts, number of channels used, interaction durations, transfers, resolution lapsed time and total conversation time. It then scores them according to the priority given to the interaction, which varies from market to market and individual to individual. It's important to not only count the events, but to also weight their impact based on how each affects the customer, as some events can have a multiplier effect in their impact.

Customer Effort Audits allow retailers to start to understand the customer experience from the customer's point of view, identify which areas in particular are requiring too much effort and address these issues. They can then generate a Customer Effort Index that can be used to assess the magnitude of the effort needed to complete a request. Understanding this enables retailers to start to eliminate frustrations from their contact centers and use them as a positive force for revenue retention – and revenue generation

Trying Too Hard

According to conventional wisdom, customers are more loyal to firms that go above and beyond. But our research shows that exceeding their expectations during service interactions (for example, by offering a refund, a free product, or a free service such as expedited shipping) makes customers only marginally more loyal than simply meeting their needs.

For leaders who cut their teeth in the service department, this is an alarming finding. What contact center doesn't have a wall plastered with letters and e-mails from customers praising the extra work that service reps went to on their behalf? Indeed, 89 of the 100 customer service heads we

surveyed said that their main strategy is to exceed expectations. But despite these Herculean- and costly- efforts, 84% of customers told us that their expectations had not been exceeded during their most recent interaction.

One reason for the focus on exceeding expectations is that fully 80% of customer service organizations use customer satisfaction (CSAT) scores as the primary metric for gauging the customer's experience. And managers often assume that the more satisfied customers are, the more loyal they will be. But, like others before us, we find little relationship between satisfaction and loyalty. Twenty percent of the "satisfied" customers in our study said they intended to leave the company in question; 28% of the "dissatisfied" customers intended to stay.

The picture gets bleaker still. Although customer service can do little to increase loyalty, it can (and typically does) do a great deal to undermine it. Customers are four times more likely to leave a service interaction disloyal than loyal.

Another way to think about the sources of customer loyalty is to imagine two pies- one containing things that drive loyalty and the other containing things that drive disloyalty. The loyalty pie consists largely of slices such as product quality and brand; the slice for service is quite small. But service accounts for most of the disloyalty pie. We buy from a company because it delivers quality products, great value, or a compelling brand. We leave one, more often than not, because it fails to deliver on customer service.

Make It Easy

Let's return to the key implication of our research: When it comes to service, companies create loyal customers primarily by helping them solve their problems quickly and easily. Armed with this understanding, we can fundamentally change the emphasis of customer service interactions. Framing the service challenge in terms of making it easy for the customer can be highly illuminating, even liberating, especially for companies that have been struggling to delight. Telling frontline reps to exceed customers' expectations is apt to yield confusion, wasted time and effort, and costly giveaways. Telling them to "make it easy" gives them a solid foundation for action.

What exactly does "make it easy" mean? Simply: Remove obstacles. We identified several recurring complaints about service interactions, including three that focus specifically on customer

effort. Customers resent having to contact the company repeatedly (or be transferred) to get an issue resolved, having to repeat information, and having to switch from one service channel to another (for instance, needing to call after trying unsuccessfully to solve a problem through the website). Well over half the customers we surveyed reported encountering difficulties of this sort. Companies can reduce these types of effort and measure the effects with a new metric, the Customer Effort Score (CES), which assigns ratings from 1 to 5, with 5 representing very high effort. (For details, see the sidebar “Introducing the Customer Effort Score.”)

Self-service strategies must take into account the effort that a customer must exert to complete a self-service transaction. Several examples of high customer effort that must be considered include the ability to:

- 1) **Navigate** through online self-service applications to complete a transaction
- 2) **Find** information that is relevant to the customers’ interaction
- 3) **Reach** a support agent and complete a transaction
- 4) **Obtain** a confirmation that the transaction was completed successfully
- 5) **Track** the delivery of a product or service

A recent study conducted by the Corporate Executive Board and published by the Harvard Business Review validates the notion that what customers really want is an efficient, satisfactory solution to their request. The study demonstrated that reducing customer effort increases the likelihood that the customer will return, increases the amount they will spend and increases their propensity to speak positively about the company – in other words they will become more loyal. With this research, there is ample proof that reducing customer effort can have a positive impact on both acquiring new customers and retaining existing customers.

Establishing a Customer Effort Program

Customer Effort Programs are a natural extension of the customer feedback programs that many companies use today. Customer feedback programs provide a measure on the quality of the customer experience as well as serving as a vehicle to collect specific input from customers that can be used to redesign or refine the processes and practices that reduce customer satisfaction.

These customer feedback programs can be supplemented with customer effort data that will add another important dimension to the overall customer experience. Advanced organizations not only measure their customer satisfaction, they also use the feedback to identify the root causes that detract from satisfaction and ultimately reduce customer loyalty. The process of identifying and addressing business processes that cause dissatisfaction can also be used to address processes that are identified as ‘high-effort’ by customers

Step 1: Review Existing Feedback

The first step in establishing a customer effort program is to review your existing feedback program to ensure that it is designed to obtain feedback on customer effort as one of the attributes of the overall feedback survey

The following example is a customer effort feedback question that has been used within existing feedback surveys by leading companies:

“On a scale of 1 to 5, with 5 being the highest effort, please indicate the total effort that was required by you to complete your transaction or resolve your issue?”

Variations on the wording are acceptable; however, you want to ensure that the customer understands that you are looking for a rating on the effort required by the process, rather than the effort required by an agent to complete the transaction. Customer effort is best used as a measure that indicates how easy it is to do business with your company, rather than yet another measure of agent efficiency. Although agent efficiency can have an impact on the overall effort, it is generally the business process that creates the lion’s share of the effort to conduct a transaction or obtain support. This is particularly true in online transactions where there are no agents engaged in the process of completing a transaction.

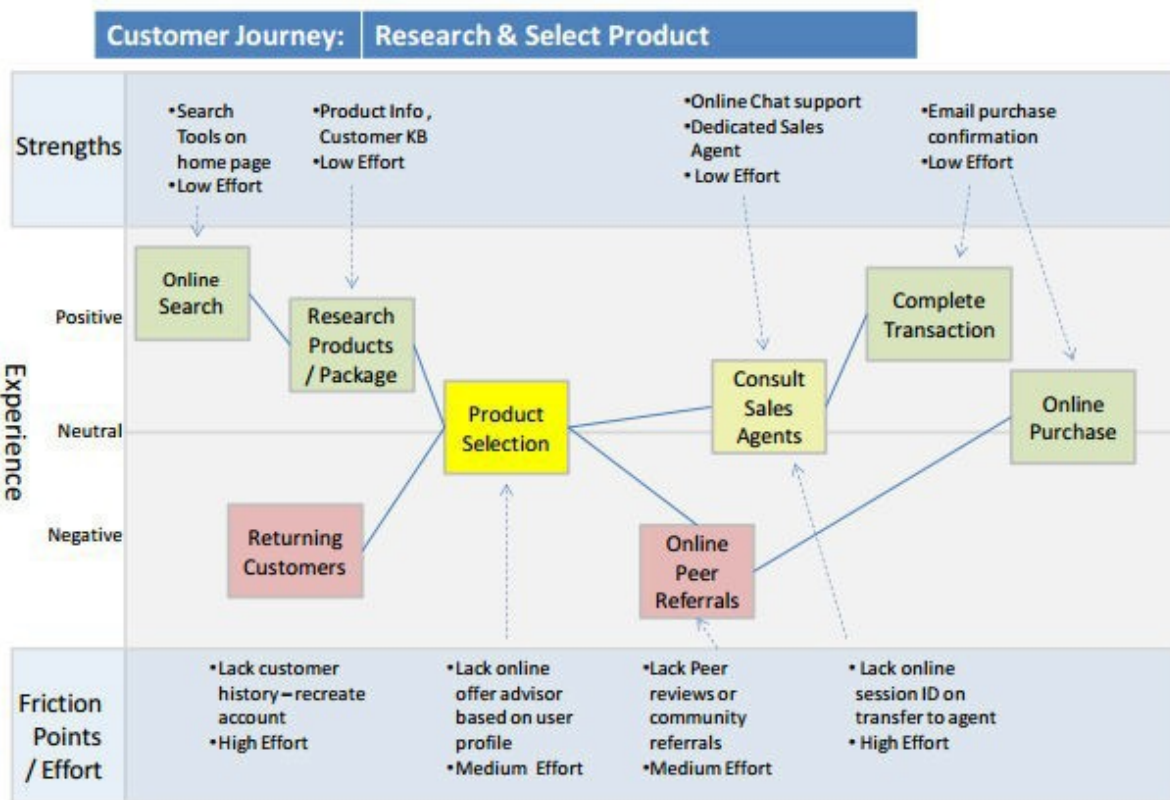
Step 2: Ensure feedback can be correlated to the transaction

The second step is to ensure that feedback on customer effort can be correlated to the self-service or agent-assisted transaction type that the customer conducted. This requires that you either ask the customer the type of transaction that they conducted or that the feedback received is automatically tied to the interaction so that the interaction reason and the customer effort score can be correlated. It is always desirable to automate the correlation of the feedback to the customer

interaction record whenever possible so that the feedback can be analyzed against the customer’s situation. By correlating the effort score and the interaction reason you will quickly identify the interaction types and the associated business processes that create the highest customer effort. This will provide the business team a list of processes that are rated by customers as high effort which should be addressed as high priority

Step 3: Identify friction points

The third step is the process of identifying the high effort points (friction points) in the major processes that make customer actions overly complex or difficult to complete. Friction point maps can be used to develop a customer interaction diagram that identifies the key actions required to complete a task and the effort required to complete each action. An example of a friction point map is provided in below figure to help visualize the concept.



Interpreting the diagram

The diagram visualizes the customer interaction points (decision points) for researching and selecting a product. Each decision point or customer interaction point is identified in a functional

block.

The tools and processes provided by the company to support each functional block are identified in the top (Strengths) and bottom (Friction Points) layers of the diagram. Where there are tools and low effort processes in place to support the decision point they are noted in the ‘strengths’ row at the top of the diagram. For example; the customer journey point of ‘online search’ is supported by ‘search tools on the home page’. This reduces customer effort and ensures that the customer has a positive experience as they search the site for information. Conversely, where tools and processes do not exist to support the interaction point, they are noted at the bottom of the diagram as ‘Friction Points’. For example; the ‘Product Selection’ functional block illustrates that the lack of an online tool increases the customers effort required to select the right product. Each functional block is then moved up and down within the customer experience range to visualize those functions that create a positive experience and those that create a negative experience. This enables the process manager to see which functional blocks are contributing to and which are detracting from a superior customer experience. By addressing the high effort (friction points) at the bottom of the diagram the company can significantly reduce customer effort and increase customer acquisition and loyalty. A Customer Journey Map should be developed for all of the key aspects of the customer journey. A diagram that highlights the typical customer journey points is provided in Figure 2 as a reference.



By building a customer journey map that identifies the customer effort (friction points) at every point in the customer lifecycle, companies can identify and develop action plans to address the processes and tools that create high customer effort.

Analyzing Customer Effort Feedback

In the preceding section one can see the customer's perception of the effort that was required to complete a transaction is the culmination of all the individual efforts required at each step of the customer journey. However, in order to make meaningful change that will address the customer effort, the organization must break the customer effort down into manageable pieces. To achieve the level of focus required, the company should use the following steps to identify and break the effort into manageable actions.

First: Collect Internal Insights

Internal insights can be gathered by interviewing each functional area to understand where customers have expressed frustration over current processes and where customers spend the most amount of time working with the client to complete transactions or obtain support for issues. One example that is common in many organizations is invoicing or billing. Invoices that are overly complex or contain cryptic explanations of charges cause high customer effort to interpret the invoice and understand the charges contained within the invoice. Many Telecom and Cable companies have spent numerous hours redesigning their invoices to make them easier to understand and clearer to the customer. The process of talking to the billing department, understanding what customers frequently call about and then re-designing the invoice is an example of process re-engineering designed to reduce customer effort. Additional insight can be gained from call center records that indicate the most common call reasons. These existing reports are indicators of customer journey points that require additional assistance to complete transactions. When mapped up against web statistics they can also be a powerful indicator of friction points online that customers must overcome by calling into a call center to complete an online transaction.

Second: Develop a Hypothesis

After collecting all of the insights gained from internal interviews a hypothesis can be developed that outlines the areas that are likely causing the greatest amount of customer effort.

Third: Research the current processes used to support customers

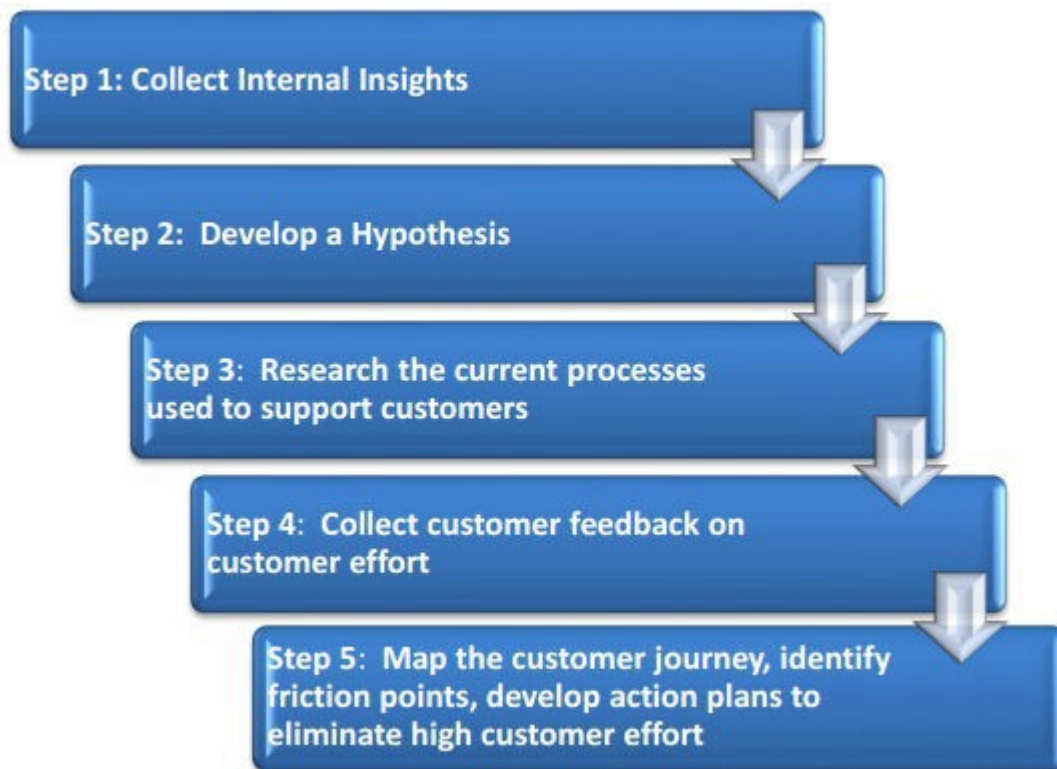
The hypothesis developed in the second step will indicate which processes create the greatest amount of customer effort. The process diagrams can be used to highlight specific process steps that likely cause high customer effort.

Fourth: Collect customer feedback on customer effort

The feedback surveys that are completed by customers will identify the level of customer effort for the interaction type to determine which processes or transactions are rated as high customer effort. Feedback results can also be correlated to customer satisfaction or loyalty ratings to determine which high effort interactions are the greatest risk to customer acquisition and customer loyalty

Fifth: Map the customer journey and identify friction points

By mapping the customer journey and using the internal interview data and the customer feedback data the friction points can be identified. Once identified an internal process review will determine how to reduce or potentially eliminate the customer effort required in key steps of the process. This phase requires an open mind, as the root cause may be a company policy that needs revisions to determine if the policy should be reconsidered if it negatively impacts customer loyalty. By following the steps outlined above a company can quickly identify, validate and develop action plans to remove the friction points that increase customer effort and reduce customer loyalty.



Reducing customer effort with next call resolution

Handling complaints is no easy task for even the most experienced contact centre agent, but is inevitability. Creating a good customer experience, as well as driving loyalty and customer retention remain high priorities for all organizations, and as such, the complaints department is an area that must handle its customer contacts effectively and efficiently. However, it's not the dealing with the complaints that has become an issue – it's reducing the number of complaints in the first place

The benefit of the doubt

More often than not, customer complaints stem from bad service, rather than something actually going wrong. Customers expect glitches or problems to occur from time to time and companies often get the benefit of the doubt – the complaints arise when companies do not deal with those problems effectively

and communicate with the customers. A recent report, Handle with the care: complaints culture grows, from The Institute of Customer Service supports this, finding that 'employee behavior

causes the majority of customer complaints.’

For example, if a utilities company experiences delivery issues, it will dramatically reduce its complaints if it informs customers before they are even aware of the problem, with explanatory and helpful details, thus reducing the effort required of the customer. If the company does not inform its customers, they will notice the setback and the contact centre will be flooded with contacts.

Next call resolution

Pre-emptive contact is a key weapon in the contact centre’s arsenal for reducing customer effort. Using the data it holds about its customers, organizations are able to personalize each interaction, making their experiences highly relevant and tailored to what is happening to them and their service. For example, if a customer calls in the day after their bill has been issued, the agent can be made aware of this through their desktop which automatically highlights that the customer may be ringing about said bill. The agent can then be better equipped to deal with the customer, since the bill will automatically appear on the agent screen, perhaps even with information on previous contact with that customer, predicting the section of the bill they are likely to be calling about along with some recommended solutions. This ensures that the customer’s problem is understood quickly, the customer does not have to take time to explain the problem and a solution can be identified which will ensure the customer leaves the interaction feeling positive about the experience. Through the effective use of technology we can pre-empt the interaction, streamlining the conversation and leaving behind a happy customer.

Whilst some contact centers favor certain key performance indicators (KPIs) over others, there’s a strong argument that in order to improve the customer experience first foremost, first call resolution beats call duration, average hold time and others to the post. However, the newest kid on the block, next call resolution, could be gunning for the pole position. Using a combination of data analytics and repeat patterns, a contact centre agent can be prompted with information *prior* to contact for a holistic customer experience. Although this does involve extensive IT integration, and thus not particularly widespread at the moment, with technical developments it will become more accessible for contact centers and is a view of what is to come. All in all, it is another step to improving the customer experience through reduced effort and higher rates of first call resolution,

which in turn promotes loyalty

Multi-channel options for reducing customer effort

Arguably, it is the retail sector (including banking) that has best understood the concept of reducing customer effort to date. With functions such as ‘click to chat’ and extensive take up of social media, customer effort has been dramatically reduced to the point where we often don’t need to pick up a phone anymore. This has become reality through effective multi-channel strategies that seamlessly link all channels into one, integrated view of the customer. The choices on offer to customers today present a situation whereby we can contact an organization through our preferred channel, at our preferred time of day. There need not be any restrictions due to the technologies available which aid the contact centre agents to do their job.

While pre-emptive measures such as those outlined in this article may sound like science fiction, forward-thinking contact centers are working towards making it a reality. Ultimately, less customer effort equals fewer customer complaints, and contact centers should maximize the tools they have available now and in the future to ensure that ‘lifting the phone’ is a breeze

Customer Prefer Manned

Contacts Another myth that has been perpetuated is that customers prefer manned contact to self service. The media likes to portray that customers are being bullied into using self service by evil cost cutting corporate. However, there is a whole body of research that shows that many customers (and in some industries most customers) prefer well designed self service for many tasks. Of course badly designed self service is high effort for customers. They get frustrated if web sites or IVR’s are confusing or take them down blind alleys. There is a science to usability and self service design that unfortunately not all organizations understand. They create high effort self service where customers have to spend time and effort getting access to the self service e.g. getting ID’s, passwords etc. They also create designs that break usability rules such as supporting failure or making navigation nontransparent. When organizations get it right, research shows that customers don’t mind the effort associated with using self service. This is because it puts them in control of when they do interactions and how. The take up of the first ATM’s and then internet banking showed that customers will actually expend more effort of this type because they consider it lower effort. Internet banking customers, for example, monitor their accounts more than they did prior

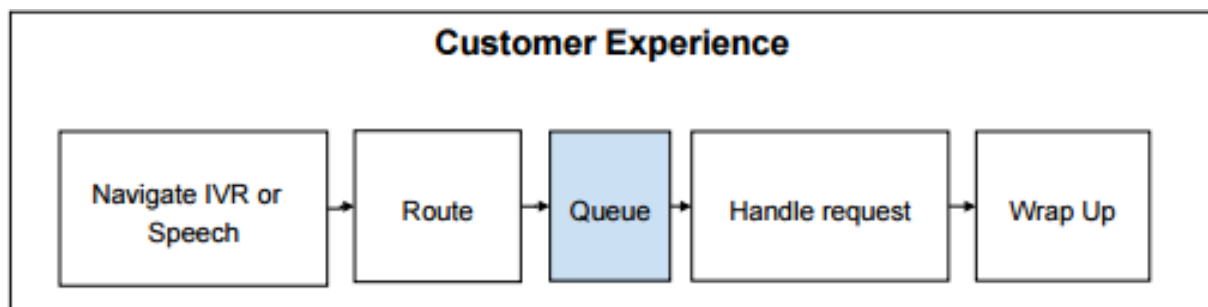
to this form of service being available. Clearly customers don't consider all forms of effort to be equally hard!

End to end effort

Unfortunately many organizations today track very limited elements of the customer experience and their effort. For example, measurement of how long a customer waits in a call queue is a standard across most industries. Some regulators even insist on measuring it. But we find it odd that there is such a focus on such a small part of the experience. For example, while a company may measure how long it takes to respond to a letter, the real customer effort includes:

- How long it took them to write the letter
- Their effort in sending it
- How long before they received a response (of which the company's turnaround time is a portion)
- And how long it took them to understand or process the response

In a call centre, measurement of "grade of service" or queue wait time is only a proportion of the customer's effort:



Often the customer will spend far longer inputting account numbers and navigating menus than they will spend queuing. So to understand effort, organizations need to add up the time spent across the customer experience. Often that data exists but isn't being accessed. For example, the telephony vendor may know the average time in the IVR but it isn't published nor added to queue and handle time to measure the true effort

The size of the effort prize

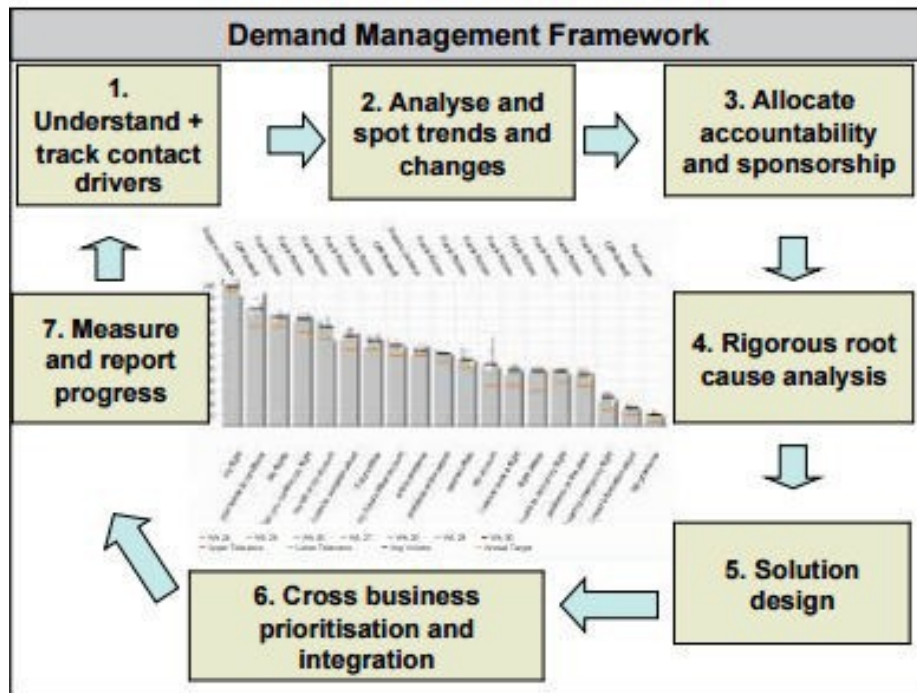
It's only when an organization starts to use the effort data they already have, assess the end to end experience and consider the amount of wasted effort that they realize how big the opportunity is. Unfortunately many customer service improvements get knocked back because the full extent of the wasted work for the company and customer is not quantified. Secondly, only when they include all these measures do the true flaws in the current operations become clear. So there is good reason to gather all the data that does exist and use it better

Customer service owns customer effort

In the Executive Board paper they conclude that measuring repeat contacts is critical to measuring customer effort as it is the effort that customers dislike most of all. The unfortunate implication of this is that the Customer Service departments become the key owner of effort (repeat contacts) and are often the only department tasked to tackle the problem.

Other business areas are more accountable for Customer Effort

Going beyond repeat contacts to consider all contacts such as a contact rate or C per X, starts to change the focus of who is accountable. What we have found at every company we have worked with is that customer service can only be held accountable for a small portion of contacts such as the repeat contacts. It is other areas of the business who own the processes that drive most of the contacts. So the billing department drives contact reasons like "where's my bill" or "I don't understand my bill" and sales drive calls where a product or service is not explained well up front such as "Why doesn't it do X" or "why have I been charged Y". So to reduce this kind of effort, companies need to find ways of making different areas of the business accountable for contact types that they create. Usually that means re-thinking how contact drivers are captured and reported and creating measures and targets that span right across the business. We call that process demand management and have a range of tools and techniques to drive the process which looks like this:



Daisy Chains

The other horror transfer experience is the “daisy chain”, that is when the customer gets transferred at least once. Now that really is an effort if each encounter involves identification and re-explanation of the problem and each transfer raises the customers hopes only to dash them on the rocks of misrouting. We don’t dispute that all customers hate that!

Transfers as a positive

There is another way. Some transfers can be positive for the customer and create positive experiences. This happens when they don’t waste effort in the process and, in one well planned and managed transfer, reach a well qualified agent who can solve their problem. The other key element of this design is that customers don’t have to repeat value destroying effort like identification. Customer research of these models shows that many customers don’t even perceive this as a transfer. They see it as positive progress in their query particularly if they reach a real expert or specialist who gives them confidence.

This process mirrors the old “maitre d’s” who helped customers find the right specialist in the store. They “transferred” the customer but this was seen as good service not bad because it prevented the customer navigating the business. One particular insurance company has the highest

NPS in Australia, and “transfers” 100% of their customers – so how can the ‘bad transfer’ theory be correct. Excellence in Practice, not theoretical research, is the answer.

More than meet and greet

We have taken these practical, evidence based models to another level. In our “pebble and boulder” models the first person you speak to (after minimised or no navigation through menus or IVRs) not only routes you to a specialist if you need one but answers 70-80% of simple enquiries as well. So yes, transfers occur, but they are there by effective design not by accident. They also ensure that customers get the most important thing of all: confident resolution of their request on that contact. Of course we make it a rule to avoid wasted effort like double identification. So it isn’t always the case that all transfers are high effort; only those that happen by accident rather than design.

Cognitive effort

Cognitive effort is simply the amount of mental energy required to process information. If things aren’t simple, there is too much uncertainty or there is simply too much choice, and cognitive effort can be high. Cognitive or mental effort has been extensively researched in economic, psychology, marketing and decision theory. Consumers are consistently described as having limited cognitive resources and are ‘cognitive misers’ who strive to reduce the amount of cognitive effort associated with decision making. For example, research has shown that individuals are willing to settle for imperfect decision accuracy in return for a reduction in effort – in other words, they don’t necessarily want the best answer, they often want the one that incurs the least decision cost and works. This is particularly true when complexity is high, where there are numerous alternatives and/or where things are difficult to compare. It is this point that advice seeking occurs – whether this takes the form of ‘people like me like’ decision tools, comparison tools or simply asking an expert or a knowledgeable friend (or similar stranger, if social media are used).

Time effort

Time effort is concerned with the amount of time that consumers think that it will take to do something (i.e. it is a perception rather than a reality – studies have shown that consumers significantly overestimate the time they spend waiting. Queuing is one of the things that commonly

come up as a major issue where time effort is concerned. This is often a design issue, with studies on the factors that influence consumers' reactions to waiting showing that service, physical environment, distractions, perceived fairness, customer state of mind and availability of information can all be used to influence consumer perceptions of time. This means that understanding time effort is not just about measuring the number of minutes taken to answer – it's about perception.

Effort, involvement and risk

Research has also shown a relationship between effort and involvement. The majority of purchases are low value and involvement and high frequency and familiarity. The decision process, therefore, is usually very simple and straightforward demanding very little in terms of time and effort. However, if customers are attempting to get to a goal that really matters to them and they have a high level of identification with that particular brand, they have both a higher level of involvement and are also likely to have a higher perception of risk, especially if the product or service is complex, e.g. buying a car or getting a mortgage, or time dependent e.g. buying presents, going on holiday. It is important to mention that expense is not directly related to the amount of perceived risk. Choosing the correct toothpaste can represent a risk as huge as choosing a new television to some consumers. An individual's propensity to take or avoid risks can influence how much effort consumers are willing to invest and how satisfied they are.

Customer effort: in practice

There are an increasing number of articles on the merits and application of customer effort (CE). These primarily relate CE to established customer service measures such as customer satisfaction (CSat) and net promoter score (NPS) and are largely opinions or thought pieces rather than objective research. Rather than include these, the approach taken in this paper was to interview companies who have practical experience of implementing CE within their organization. These companies were interviewed using a semi-structured questionnaire and the results analyzed to assess key learning points and to also provide insight and advice to companies considering adopting CE. BT was one of these companies and has elected to be identified in this study. However, the other companies involved have asked to remain anonymous. All the companies under study are listed in below table

Company	Business Sector	Model	Location
B1	FMCG manufacturing	B2B	Europe
B2	Technology	B2B	Europe
BT (C1)	Retail telecoms	B2C	UK
C2	Holiday company	B2C	UK
C3	Financial services	B2C	UK

Table 1. List of companies interviewed by business sector

Service Quality Improvement Strategies:

If we now turn our attention to quality improvement, particularly from an operations perspective, we immediately see that our choice is one of addressing how we and deliver the service better, so as to increase the perceptions of the customer. Examining the service literature reveals this choice reflected in four primary themes, pacifically, culture-based, design-based, variation-based, and failure-based improvement strategies.

Culture-based Improvement:

One of the earliest approaches seen for improving quality in services was based n the soft side of the total quality management movement. One of the greatest sources f positive, or negative, perceptions of the service is derived from the interaction between he service provider and the customer during the service encounter. The providers’ ability and willingness to be flexible according to customers’ needs, and to resolve any problems which occur promptly and without hassle, is a function of their training and the generational culture in which they operate. Hostage identified the importance of a service’s employees and culture as early as in his analysis of the success of Marriott Corporation. These thoughts are echoed fifteen years later by Albrecht who asserts that relative to standards-based approaches, culture-based approaches will ultimately emerge as more effective for the management of service.” Schneider addresses improving service culture through a focus on individual and group psychology. Berry, Zenithal, and Paraguayan ; and Schneider and Chung ; add the importance of employee selection and training; Schlesinger and Hackett ; and Roth and Jackson elaborate on this importance of investing in people, since even though generic operations capabilities effect service quality, the employee’s ability to exploit

technology and market insight moderates this effect. Harrington and Akehurst confirm the importance of employee resourcefulness as well as senior management commitment to quality implementation. Hartline, Mayhem and McKee discuss how a customer-oriented strategy from senior management can be disseminated to the front-line employees through specific control mechanisms. Ingman-Brundage emphasizes the need to provide technology to support the service culture. One notable assertion made by Kingman-Brundage is the importance of the service logic being consistent with the service policies, so as not to induce customer frustration. In a separate work, they develop a system dynamics model to explain the feedback relationships between organizational variables that cause our service culture and result in service failures. The system dynamics model indicates that poor culture is the result of two positive feedback loops, meaning that it will get worse at an increasing rate.

Linking Design to Perceptions:

Instead of linking the design to the needs of the customer, another approach in the literature seeks to link the design to the ultimate perceptions the customer has of the service delivery process. They use LISREL to develop their service/quality process maps. The maps are a series of causal relationships between design variables (in the form of process performance measures) and perceptual variables (such as customer satisfaction). The relationships are either direct, or through some intermediary variables. The validity and strengths of any anticipated relationships can be empirically derived from company data, and then used to guide quality improvement. Armstrong investigated linking customers' perception of service quality with service system design variables through linear models, neural nets, and multivariate adaptive regression splines. In addition to demonstrating the usefulness of linking design to perceptions, the author found that simple linear models provided better fit than the more advanced techniques. Later work by Steroid and Chase builds on this search, and provides more convincing empirical support of the methodology.

Direct Manipulation of Satisfaction:

A final design approach to improving quality is through direct manipulation of satisfaction. They suggest that it might be possible to increase customer satisfaction independently of the confirmation of perceptions relative to expectations. They suggest that producing pleasure for the customer can have direct effect on customer satisfaction. The design of the service setting is one

means of reducing such an effect. They assert that this second approach will be advantageous, since it would prevent inflation of expectations as superior service receptions increase the expectations for the following encounter. It is not clear; however that such an effect exists. According to the original GAP model by them, the expectations are derived not from the experience with the particular service firm, but rather from a broad exposure to similar service firms. Under his context, the effect could easily be considered part of perceptions. Regardless of hath or not this effect is distinct from perceptions, one author promotes the use of fun nod random rewards to alter perceptions of the service experience. Gross suggests hat what he refers to as random “outrageous service” will build regular desirable Bitner addresses the tangible characteristics of the service setting, which he refers to as the services cape. In addition to impacting the ability to perform service asks, the services cape can affect customers’ attitude towards the service. This attitude manipulated to elicit appropriate behavior, prompt favorable social interaction, and shape expectations for the service. In a later work, they provide a strategy or identifying the important physical evidence of the services cape, and how to integrate his with the goals of the service delivery system. Behavior, and improve customers’ long term perceptions of the service delivery.

Variation-based Improvement:

Our third theme builds on the success of statistical process control (SPC) in manufacturing, as people attempted to apply SPC to services. Where meaningful numerical data can be obtained, the approach has shown its expected success. Wyckoff 1984) discusses the successful use of SPC at Midway Airline. Midway tracks the percentage of flights departing on time with control charts, and can quickly identify when hangs in the system have occurred. Negative changes elicit corrective action, and positive changes indicate opportunities for improving the system on a long-term basis. Unfortunately, other than monitoring time, demand and satisfaction scores, there re not many meaningful statistical variables to measure in services. A 1993 special sue of *Quality Progress* emphasized customer service, provided many articles which seed SPC to track service quality issues, but the scope of the different types of variables considered is, sadly, rather narrow. The applications seen were: the waiting time to emplace a battery; the waiting time on hold for a service representative; the time to return a call or resolve a technical support problem; the time to process and order and the time to pick up an order he percentage of insurance claims processed

within 48 hours and the American Society for Quality Control tracks simply the time until notification of certification test results. Kinden, neither SPC approach taken is variance reduction through parameter design. Parameter design was developed by Taguchi, and involves adjusting the parameters of the design so that the variation of the inputs produces a minimal variation in the outputs. His logic is that as the output deviates from its targeted level, the costs would increase at quadratic rate. He applies this approach to a service setting evaluating two recess designs to determine which provides the more consistent service in terms of time spent in the system. The author concludes that although one system produces a slightly longer average time, its smaller variation makes it the best choice. The larger variation system is shown to cost customers sufficiently more in waiting time than the system with the longer average waiting time. Once again, the approach is limited only to the subset of variables that are meaningful to the quality of the service, which can actually be measured. Sneer discusses conceptually how robust work processes might be produced without the need for measurement, such as through simplifying work processes, mistake-proofing, clear communication, training and automation. In suggesting this approach, Sneer begins to depart from the statistically based approach, and begins to look towards failure-based improvement.

Failure-based Improvement:

With the absence of sufficient meaningful data to allow statistical process control, service researchers are turning to failure prevention, analysis, and recovery as our final 4 theme in service quality improvement. They assert that “Most service failures are not failures: they have been designed into the system.” And, as recently as, Johns and Teas have confirmed that service incidents play the most significant part in perception formation, although they also find some evidence of an effect from mythologies (generalizations of reality shared by a group of individuals). New approach taken by Hart is the unconditional service guarantee. As a service quality improvement tool, a service guarantee is best seen as a means of generating reliable data about important service failures. The guarantee focuses on what is important to the customer, provides an incentive to the customers to provide information about service failures, and provides a measure of these failures in an easy to understand form (guarantee payouts). Hart has also gone on to link guarantees to business performance through customer defections. His link to customer defections leads us to a slightly broader concept promoted by them— that of service recovery. The

essence of service recovery is to identify when a service failure has occurred, and then to correct the problem and make amends to the customer. This has a wow-fold effect. First, you are able to retain the customer's business, and second you void the negative word of mouth associated with a service failure. They explore the cost associated with customers' efforts to increase their own satisfaction through recovery activities.

A Framework for Understanding Service Quality:

Although we have identified four distinct themes in the service quality literature, we require some framework as to how to apply these diverse themes in a coordinated fashion, particularly in the context of the service encounter. While some individual authors have indicated how their work may also impact other areas of the firm (service guarantees also may promote a better service culture), coordinated application of this literature to improving service quality will demand such an integrating framework. This framework should indicate how the various techniques within each theme act to influence the satisfaction derived by the customer from the service experience. First, let us consider that what distinguishes the four themes discussed above are commonality of the underlying techniques and the subset of the literature from which they are derived, rather than any explicit statement about how these approaches impact the service delivery and quality. Service quality is simply too challenging and important to rely on a piecemeal approach. We must be able to draw from all of our existing knowledge in a coordinated fashion. From an operations perspective, what is needed is an understanding of the broad facets of a service that must be addressed in the encounter in order to ensure that it meets or exceeds expectations, and how the existing literature aligns with these aspects. The dimensions of service quality are inherently psychological constructs of how the typical customer classifies different elements of his or her **perceptions** of the just completed service encounter. Influencing the customer's perceptions along the dimensions defined by them and this is the ultimate objective of the service encounter. These dimensions, being derived psychological constructs, are one step removed from the elements of the service encounter that could be directly influenced by the service designer or manager. In order to provide a perspective that is more closely aligned to the actual decision-making and manipulation of the operations manager, we instead suggest three critical aspects that a service must be managed to ensure high quality service, the *task* (what must be done), the *treatment* (the emotional/social content of the encounter) and the *tangibles* (or physical surroundings) and

facilitating goods). They refer to these as the 3 Ts, and it is through manipulation of those 3 Ts that perceptions along the various dimensions of service quality are influenced. In the following sections we will elaborate on the 3 Ts, more carefully defining each, discussing the physical, psychological, temporal and customer contact differences between them. And, following the approach used by Clark in manufacturing strategy we will support our framework with examples drawn from a familiar series of published service operations cases – those based on Southwest Airlines. These examples are intended to show how successful service managers tend to view their services along the same three dimensions.

Task:

The task is the means by which inputs to the service are transformed into the desired outputs, and is primarily active rather than physical in nature. Often task is deferred to as the process, procedures, scripts, algorithms or decision-making activities. Our understanding of the task is represented as techniques or technology. Because there is a beginning state and a transformed state, there is a clearly specified start and finish to the task, making it temporal in nature. Evaluation of the task is somewhat more objective than evaluation of tangibles, and usually involves observing some closure of the gap between some initial state and some desired concluding state, usually resulting in time-based metrics. The task may be planned ahead of time, but is more reactive in that it must be performed in time to resolve the service encounter, and often requires some interim inputs from the customer either as information or items. As such tasks may be even as front or back office activities depending on the amount of customer input required. Task or process management has been a traditional focus of operations, and the skills to develop and manage tasks are well known to the competent operations manager. In fact, formal study in operations typically includes, process mapping, scheduling, and capacity planning among other relevant techniques. Managers at Southwest Airlines also paid specific attention to the task elements of their service offering from the onset. “Whereas the competition used traditional, handwritten airline tickets, southwest counter staff shortened ticket purchases, using a machine to print out tickets and a pedal-operated tape recorder to enter names on the passenger list as they checked in. And this emphasis on task continues to the present-day. The Company recognizes the one task essential towards eating their frequent on-time departures is turning around the plane (making it ready for the next flight) as fast as possible. Southwest manages to do this in less than 15 minutes for two-thirds of their flights, compared to

an industry average of 55 minutes. They do this by focusing all available people on the task at hand. “Pilots help flight attendants pick-up the plane between flights, ramp service agents (baggage handlers) notice the condition of the planes, and pilots sometimes carry luggage, especially if it means achieving an onetime takeoff.” Southwest Airlines will also not transfer bags to other airlines, because they recognize that they cannot perform this task according to their own high standards if it they must coordinate their task with that of these airlines.

Discussion of the 3Ts:

We have described the 3 Ts, the theory behind these attributes, and evidence of management decision-making aligning with this framework. In this subsection we will discuss the benefits of the framework as well as some concerns that might be raised in the reader’s mind. Here are several benefits to using the 3T framework. First, it clearly separates the physical, process and interpersonal issues inherent in service operations and design, so that they may be addressed more clearly. Second, distinguished as such, each of the three is clearly associated with a relatively well-established body of knowledge, although the relevant knowledge is not in all cases part of our formal operations education and literature. And third, it reflects how successful practicing managers disaggregate the encounter design and management problem. One point that may be raised about the 3Ts is the failure to mention technology, particularly in our increasingly computer driven world. We take the view that technology is already incorporated within this framework. For many of us, technology means software, and as such is actually means tasks performed by a computer rather than a human service provider. All other definitions of technology, including but not limited to hardware, databases, network and internet connections, and automated equipment, fall under tangibles as forms of facilitating goods or elements of the service experience. By not including technology as the fourth T, we in no means are trying to trivialize its obviously important role in modern service management. Rather, we are simply saying that technology in and of itself is not one of the critical deliverables of a service. It is also important to understand how 3Ts framework relates back to the established dimensions of service quality and associated literature. He recalls that the dimensions of service quality were those dimensions that were important to the customer when assessing the quality of a service. These are primarily psychologically derived constructs of the resulting satisfaction with the service. Reliability is primarily driven by the task. Assurance and empathy are primarily the result of treatment efforts. And, tangibles quite simply result from

tangibles. Responsiveness, one of the most important dimensions of service quality is the only dimension whose driver within the 3Ts is not clear. They define responsiveness as “Willingness to help customers and provide prompt service”. As such, responsiveness is in part an attitude of willingness, which results from efforts at providing better treatment, and in part an execution issue, which results from better task structure.

Customer retention integrating life time value:

Everyone wants to retain their existing customers. Few companies, however, are implementing positive strategies aimed at retention. Most companies are organized for acquisition. Their advertising and sales programs are designed to find and promote their products and services to new customers. The companies are organized on a product or brand basis, not on a customer segment basis. While they all have customer service departments, and most have a customer service toll free number, they lack an integrated marketing strategy that is directed at retention, and that defines retention as the measurement of success. In this article, we will explore the meaning of a retention strategy, showing how it can be set up, and how lifetime value can be used to measure it.

You have often heard it said that "It is five times more profitable to spend your marketing dollars to retain the customers that you have than to use the dollars to beat the bushes for new customers." Most people would agree with this statement, even though they have no way of proving it. Indeed, the majority of large American and Canadian firms today are experimenting with database marketing programs aimed, in large part, at retention. Most of these companies are not yet sure whether their experiments will be successful. A significant number of the programs will fail and ultimately be scrapped. How do such programs work? Let's look at the theory.

I like to go back to the old corner grocer. Prior to 1950, most groceries in the US and Canada were sold in small grocery stores. The proprietor would meet you at the door. He knew you by name. He knew your preferences. He would put things aside for you. He built his business through recognizing his customers and doing favors for them. Customers were loyal to these stores because of the recognition and personal attention they received. These small stores have been virtually wiped out through the advent of supermarkets.

Supermarkets have a much wider variety of goods. The average grocery store had 800 SKUs on their shelves. Supermarkets today have 30,000 SKUs. Mass marketing took over. Prices came down.

Variety increased. Food purchases fell from 31% of the average family budget in 1950 to about 10% today; yet the food we buy with that 10% is better in quality and quantity to what we bought with 31% in 1950. We have all gained.

At the same time, we have lost something valuable. Companies today have tens of thousands— in some cases millions-- of customers. We do not know who they are. We cannot recognize them and talk to them as the old corner grocers did. Loyalty has disappeared. Customers are loyal until tomorrow's newspaper, when they see a coupon for something at another store and – whoosh, they are gone. What is true of grocery stores is also true of department stores, drug stores, hardware stores, office supply stores, banks, movie theatres – virtually every sales organization today.

What has begun to change this picture has been the advent of computers. In the past 15 years, computers have become so sophisticated and powerful, and their prices have become so inexpensive, that it is possible to keep in a computer today the kind of information that the old corner grocer kept in his head, and to use that information to recognize and do favors for our customers. By setting up a customer database, and using it to start a dialog with their customers, some companies have been able to reestablish contact with their customers designed to build loyalty, referrals and repeat sales. Retention building is possible.

There is one key principle at work here, however. *Database marketing only works to build retention if the customer benefits from the retention strategies.* It works if the customer says to herself, "I'm glad that I'm on that database, because..." The company running the database has to complete the sentence by designing and running programs that capture the loyalty of their customers.

If the customer does not see some value to herself in the database activities, she will chuck out your newsletters unread. She will ignore your communications. She will leave your gold cards in her top bureau drawer. For the database program to be successful, the marketer must design the program from the customer's point of view. If you can come up with a strategy that makes customers happy, then they will reward you with something that you want, but which costs them next to nothing: loyalty.

CHAPTER 4: RESEARCH METHODOLOGY

Collecting customer satisfaction data via feedback survey to understand, if the number of iterations took to resolve this issue was higher than their expectation

Sample Size: 50

Area of Study: Noida

Research Instrument: Questionnaire

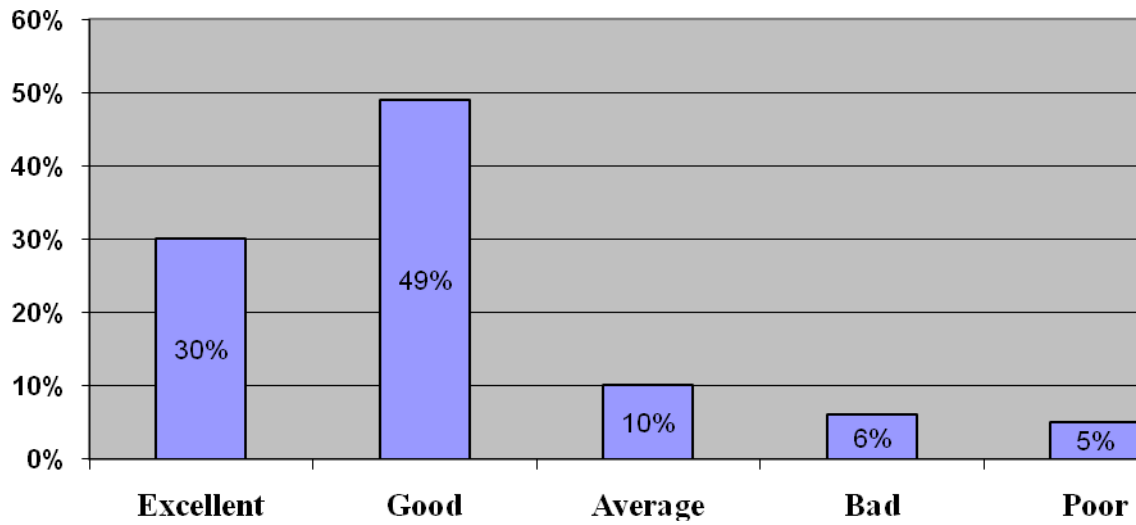
Questionnaire Method, Open Ended Questions, Closed Ended Questions, Likert Scale Method

CHAPTER 5: RESEARCH OBJECTIVES

To collect and analyze customer feedback on the cases where number of interactions are more than expected. Trying to reduce the number of interactions they need to make with the customer support to get their queries resolved and in the best possible way.

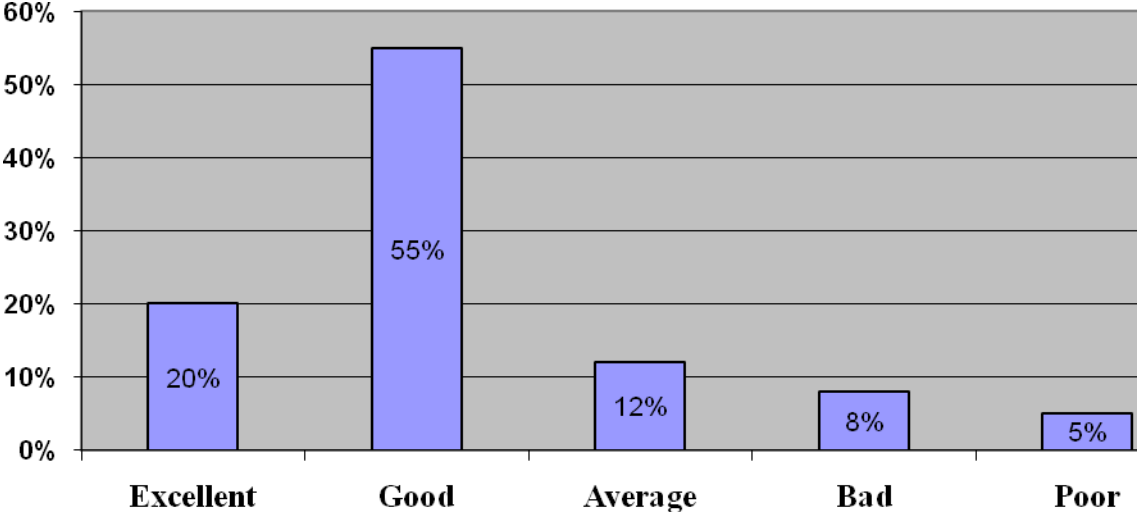
CHAPTER 6: FINDINGS AND ANALYSIS

1) How would you rate the reputation of the company in the market?



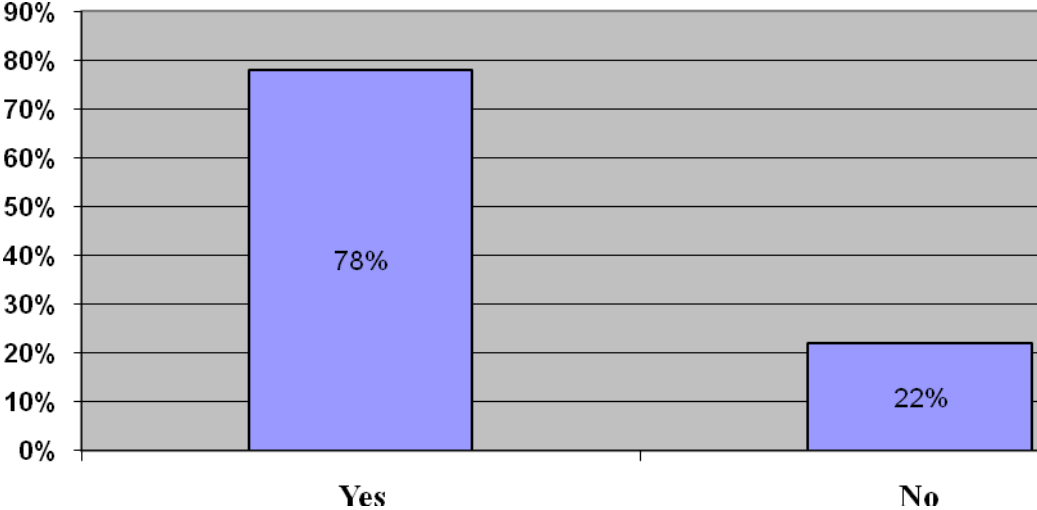
30% respondents replied that the reputation of the company is excellent however 49% respondents replied that the company has good reputation

2) How would you rate the quality of customer service being provided?



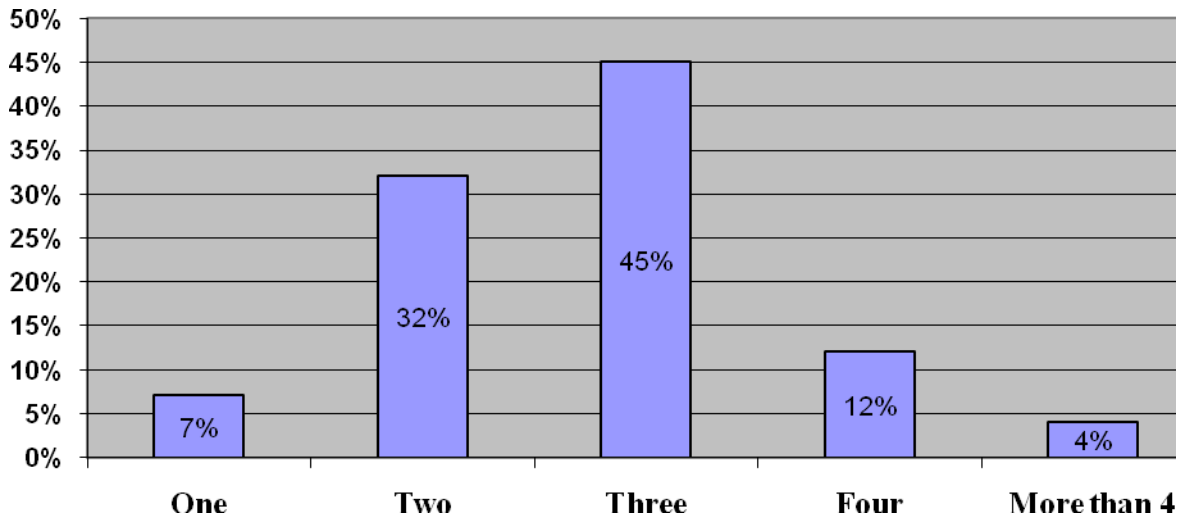
55% respondents replied that the quality of service is good at Adobe system however 8% respondents replied that quality of service is bad Adobe system

3) Was the customer support team able to resolve the issue?



78% respondents replied yes that the customer support team was able to resolve the issue

4) The average number of interactions required to resolve the issue



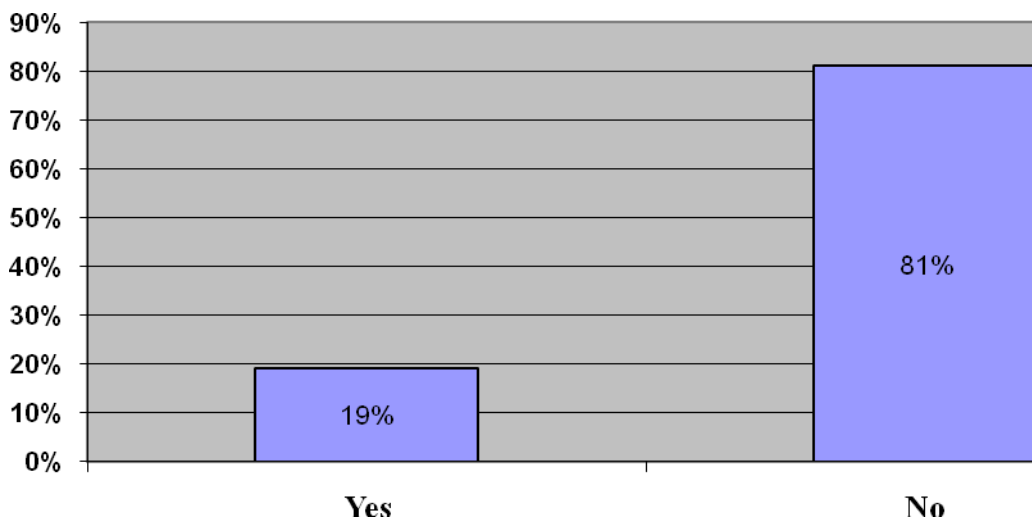
45% respondents replied that three interactions were required to resolve the issue however 32% respondents replied that two interactions were required to resolve the issue

5) What can be done to reduce the number of interactions per case?

Some respondents replied that consumers are sending an increasing number of questions to companies, across more and more channels. This rising volume of customer interactions, covering everything from questions about products and post-sales queries, to complaints and positive feedback, threatens to overwhelm many organizations. Some other respondents suggested that many customers don't have complex questions and just want to find out key information before they make a purchase. The majority of these answers can be provided successfully through intelligent self-service systems on company websites. Adobe System should also analyze the questions that customers are asking and use the results to improve their processes and content. For example, if there is a spike in queries at particular parts of the customer journey, companies can look at how they re-engineer the process to make it simpler, reducing the need for support and improving the experience. Helping agents to deliver a better, more consistent service is central to increasing their productivity and morale, and consequently deepening engagement with customers.

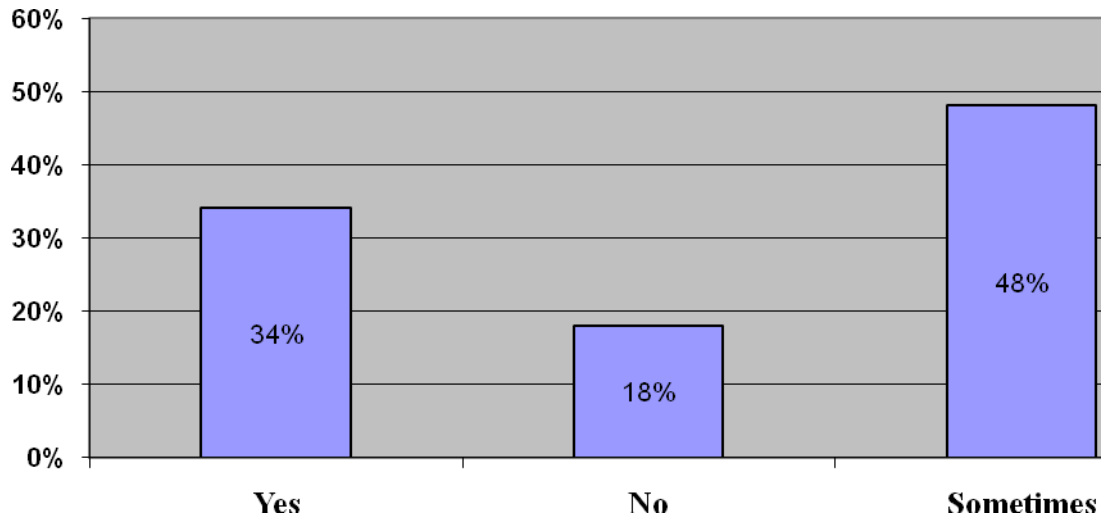
It is therefore vital to empower them with the tools they need to get their job done efficiently. Providing access to a centralized knowledge base that is constantly updated with the latest answers to questions should give them the information they need to respond confidently to customers over the phone. We all know that customers are unwilling to wait a long time for a reply. This means that if they don't hear back concerning a question they have emailed to you, they may well email again, or switch to other channels such as Twitter or Facebook. There are two consequences of this – customers become more and more annoyed and contact centers are overwhelmed by even more queries, many of which are simply duplicates. To avoid this, companies need to be clear that they have received incoming queries, provide a realistic timeframe for an answer, and of course deliver fast responses wherever possible.

6) Have we lost any customers due to poor customer service?



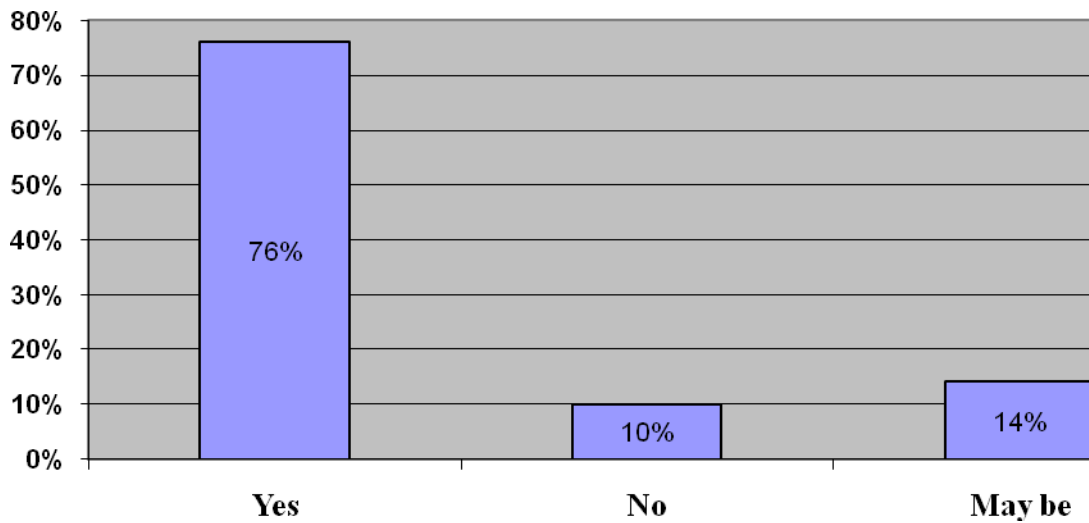
81% respondents replied no that they have not lost any customer due to poor customer service

7) Does the quality of customer service provided meet the expected standard



34% respondents replied yes that the quality of customer service provided meet the expected standard

8) Does better customer service lead to growth of organization?



76% respondents replied yes that better customer service always leads towards the growth of the company

9) What do our customers expect from us?

Customers expect service basis – there is a perceived expectation that every customer has when going into a business relationship.

The service process is the key to exceeding expectations – companies are supposed to be accurate and dependable and provide the service they promised. It's unlikely for a hotel to exceed customer expectations if they only just have the customers room ready. The opportunity lies in the ability to surprise the customer with an uncommon *swiftness, face, courtesy, competence, commitment, or understanding*.

Customer expectations are dual-leveled – The study found that customers' expectations had two levels: desired and sufficient. The desired level is the service the customer hopes to obtain while the sufficient level is the service which the customer finds acceptable.

Customers want relationships – relationships are important to customers. Many of the customers

interviewed want to be ‘relationship customers’, they want ongoing, personalized relationship with the same representative from the company. They want a company representative to contact them, rather than always having to initiate contact themselves.

Manage promises – to manage expectations, companies can first start managing their promises. The study found that some observers recommended deliberately under-promising the service to increase the likelihood of exceeding customer expectations.

It is essential for businesses to manage customer satisfaction. To be able to do this, firms need a reliable way to measure satisfaction. A customer's expectation is that metric.

10) What can be done to improve the current scenario to reduce customer efforts?

As per respondents company should follow below practices:-

1. Strengthen customer service skills. ...
2. Look at every touchpoint. ...
3. Improve customer interactions. ...
4. Enhance customer service strategy. ...
5. Make sure its reps are engaged. ...
6. Give its customers a way to provide feedback

11) How does poor customer service lead to growth of organizations?

Poor customer service can negatively impact the business of Adobe System in a variety of ways. This is especially true for IT businesses that rely on repeat business and positive word-of-mouth advertising for its success. In addition to running the risk of alienating current customers with sub-standard service levels, chronically poor service can impact the business' potential for attracting new customers as well. Poor customer service has the potential to cost your business customers before they even buy a thing. When new patrons walk into a business and find themselves ignored, talked down to or subjected to long lines and uneducated employees, they might head for the door before they even reach for their wallets. A reputation for poor service can be hard to shake. It can keep other businesses from partnering or working with Adobe System. It also can turn away good

employment candidates who might assume that if customers are treated poorly, employees are treated badly as well. Even poor- performing employees don't like to be yelled at or scorned by unpleased customers, which can result in high turnover among Adobe System's workforce. it is costly and time consuming to constantly have to advertise for new workers, then screen and train them

12) How can we deal with irate customers?

As per respondents company should follow below steps:-

1. Remain calm ...
2. Don't take it personally. ...
3. Use best listening skills. ...
4. Actively sympathize. ...
5. Apologize gracefully. ...
6. Find solution. ...
7. Provide solution to customer

CONCLUSION

Customer experience used to be about many separate, individual touchpoints with a customer. Now the customer's overall experience, and how all those interactions fit together, is most important. Technology, process and strategy are important, but a customer experience is great only if customers can interact with a company in a simple, consistent way. Measuring, monitoring and reducing customer effort is an excellent tool to assist in the journey towards great customer experience. Focus improvements on the high effort, high value interactions, but don't forget about the low hanging fruit! For instance, if there is a simple solution to a reoccurring issue, make the change quickly to begin realizing the benefits of reduced customer effort. By capturing expectations, Adobe System can understand how well they are doing compared to customer expectations.

RECOMMENDATION

By implementing below mentioned five strategies, **Adobe System** will be able to reduce customer effort during service interactions, improving the way customers feel and thereby increasing customer loyalty and ROI for the enterprise

1. Lead customers to low-effort resolution paths by promoting self-service “stickiness”

Building on customers’ “stickiness” to self-service channels is a very effective way to reduce customer effort, providing the channel’s ability to fully resolve customer issues. This is especially true when customers prefer self-service, but switch to the phone channel after finding unclear information, not finding the answer or feeling unsure of the answer, or experiencing technical failure

2. Be proactive and work on preventing the next issue

Metrics such as First Call Resolution (FCR) can be insufficient when trying to resolve the customer’s stated issues. Full resolution only happens when the implicit issues that go beyond the stated needs of the customer are also resolved to reduce both effort and cost. Implicit issues, which might be overlooked during an initial first phone interaction, most often are logically related to the customer’s explicitly stated problem and frequently lead to repeat customer contact when not proactively taken care of, resulting in higher costs for the enterprise and higher customer effort. For example, when a customer purchases a new phone, his stated need is to buy the phone and set it up. Yet, if the provider foresees the implicit need to transfer contacts to the new phone and proactively offers a solution, then future customer contact is prevented and the customer effort for this phone activation is reduced.

3. Enable agents with “experience engineering” to guide customer interactions

Customer effort is more about how customers feel during service interactions than what they do in them. To be precise, it is the customer’s interpretation of the interaction, also called the “feel factor,” that contributes most to customer loyalty. The strategy, therefore, should be to actively guide customer interactions by anticipating emotional responses and offering solutions proactively to create a mutually beneficial outcome through the resolution.

4. Enable frontline staff to deliver low-effort experiences

Organizations must create an environment that encourages frontline staff to take control of customer interactions in order to deliver a low-effort customer experience. Beyond agents' IQ, and supporting their EQ, it is the Control Quotient (CQ) that provides the largest boost to performance and is a vital attribute for assuring low-effort interactions. Agents with high CQ are found to be resilient and have an innate ability to perform under high pressure situations. They are proven to apply constructive criticism and take responsibility for their actions.

5. Proactively solicit and listen to customer feedback on high-effort experiences

The real Transition to a customer-oriented service organization happens only when enterprises implement corrective actions and improvements based on feedback they receive from customers following high-effort interactions. Companies can get to the root cause by proactively seeking feedback from frustrated customers who have had a high-effort experience. Speech and text mining technology available today enables quick root cause analysis (RCA) to drive meaningful improvements in customer experience

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ANNEXURE - QUESTIONNAIRE

- 1) How would you rate the reputation of the company in the market
1. Excellent 2. Good 3. Average 4. Bad 5. Poor
- 2) How would you rate the quality of customer service being provided
1. Excellent 2. Good 3. Average 4. Bad 5. Poor
- 3) Was the customer support team able to resolve the issue
1. Yes 2. No
- 4) The average number of interactions required to resolve the issue
-1 - 2 - 3 - 4 or more
- 5) What can be done to reduce the number of interactions per case?
- 6) Have we lost any customers due to poor customer service?
- 7) Does the quality of customer service provided meet the expected standard
1. Yes 2. No 3. Sometimes
- 8) Does better customer service lead to growth of organization
1. Yes 2. No 3. Maybe
- 9) What do our customers expect from us?
- 10) What can be done to improve the current scenario to reduce customer efforts
- 11) How does poor customer service lead to growth of organizations?
- 12) How can we deal with irate customers?
- 13) What steps can we take to improve the service to reduce the customer efforts?