

Efficiency and customer satisfaction – no contradiction

Positive customer experience is developing more and more to a decisive competitive advantage for all companies in the market. The awareness for it is steadily increasing. But which concrete measures help to improve customer satisfaction? The data analysis of the Service Excellence Cockpit finds evidence for the positive effects of employee satisfaction and technological support tools on both customer satisfaction and the first contact resolution. Efficiency and customer satisfaction are thus not contradictory but go hand in hand.

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Numerous key figures are collected for the management of a service center and the measurement of the customer experience. The Service Excellence Cockpit helps to identify the relevant key figures and provides comparative values from the market and from definable comparison groups. However, it is not only the individual key figures that are interesting, but also the correlations and dependencies among them. For example, an above-average number of training days for new employees is not bad per se if as a result the first contact resolution (FCR) is higher than for competitors, as this in turn improves customer satisfaction. By interpreting various key figures and comparing them with peer groups fields of action can be identified and improvement measures defined. However, it has always been difficult to estimate what impact specific measures will have on the customer experience. We can now close this gap with the data from the Service Excellence Cockpit.

By means of regression analysis, we can identify and quantify the relevant influencing factors on customer satisfaction and the first contact resolution. We use all the data collected since the start of the Service Excellence Cockpit in 2015 for this purpose. The aim is to prove the effectiveness of concrete measures and to calculate their business cases.

We will therefore discuss the following questions in this chapter:

1. What's the effect of the increasing strategic awareness of customer service?
2. How does employee satisfaction affect customer satisfaction?
3. Which factors have a positive effect on employee satisfaction?
4. Which other factors affect customer satisfaction?
5. Which factors have a positive or negative effect on the first contact resolution?

In the following presentation of the results, we specifically concentrate on those factors where statistically significant effects have been identified.

1. Strategic awareness of customer service improves customer satisfaction

In recent years, we have noticed an increasing strategic awareness of customer management. Companies increasingly understand the potential of excellent customer service. This can be explained by the

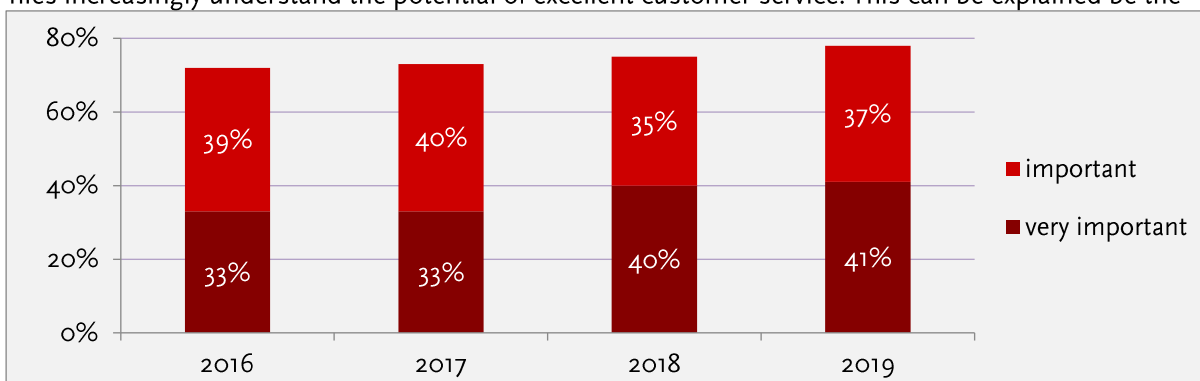


Figure 1: Increasing strategic awareness of customer service

increasing will to differentiate oneself in the market through excellent customer experiences. Today, 87 percent of the service center Management surveyed ascribe a very important or important strategic importance to the service center within the company.

This raises the question of what influence this development has on the customer experience. In our data analysis, we find evidence that a service center's strategic direction has an impact on business performance and customer experience. A more strategic awareness of customer service is positively correlated with customer satisfaction, the Net Promoter Score (NPS) and thereby the overall customer experience. In concrete terms, service centers with a higher strategic awareness of customer service (measured on a scale of 1 = very unimportant to 7 = very important) have a higher average customer satisfaction of 0.3 points (measured on a scale of 1 = very dissatisfied to 7 = very satisfied). We find consistent results for the Net Promoter Score. The NPS increases by an average of 4.2 points (scale from -100 to +100) when the strategic awareness of customer service increases by one category.

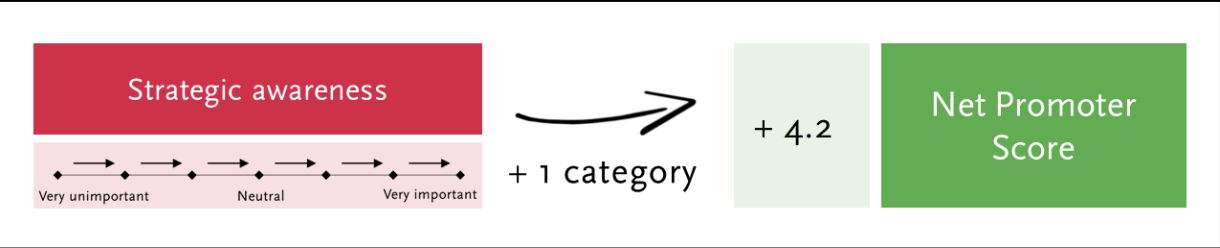


Figure 2: Effect of strategic awareness on NPS

2. Satisfied employees for satisfied customers

The analysis also confirms the common hypothesis that satisfied employees lead to more satisfied customers. Satisfied employees make a significant contribution to the success of a company. On one hand, the external fluctuation rate is decreasing with an increasing employee satisfaction (measured on a scale of 1 = very dissatisfied to 7 = very satisfied). But first and foremost, customer satisfaction (scale of 1 = very dissatisfied to 7 = very satisfied) significantly increases with more satisfied employees. Service centers are therefore required to maintain a positive corporate culture and should carefully consider any measures with a positive impact on employee satisfaction.

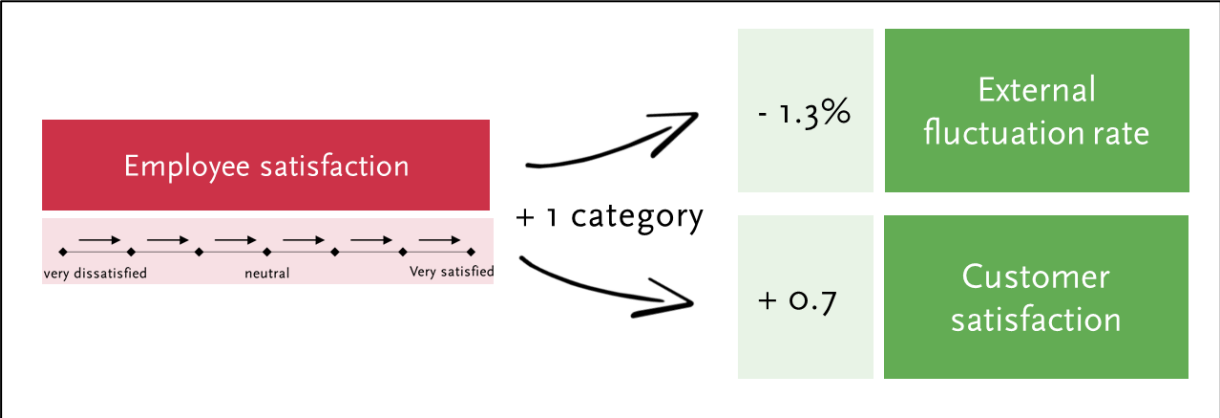


Figure 3: Effect of employee satisfaction on fluctuation rate and customer satisfaction

3. Flexible work hours improve employee satisfaction

Satisfied employees thus positively effect customer satisfaction. But which concrete measures improve employee satisfaction? First of all: Money alone does not make employees happy. In fact, we don't find a significant effect of the average gross salary on employee satisfaction. On the other hand, bonus payments for employees seem to have a positive effect on employee satisfaction.

The most important factor for employee satisfaction is therefore not salary, but flexibility for the employee. This is a clear indication of what is important in today's society. Accordingly, we find positive effects of both the share of home office workplaces and personnel deployment planning tools on employee satisfaction. Employees also appreciate the possibility of rotation to other departments and the freedom of movement with wireless headphones. An acoustically optimized workplace is also positively correlated with employee satisfaction.

Employee satisfaction	Effect
Gross salary	○
Bonus payments	+
Home office	+
Personnel deployment planning tools	+
Wireless headphones at the workplace	+
Rotation to other departments	+
Acoustically optimized workplace	+

Figure 4: Influencing factors of employee satisfaction

4. FCR, channel offer and technological support improve customer satisfaction

We already discussed the significant effects of the Service Center's strategic perception and employee satisfaction on customer satisfaction. Of course, many other factors play an important role to ensure customer satisfaction as well.

For example, the first contact resolution (FCR) contributes significantly to customer satisfaction. Customers also value a wide range of channels and a customer community. Finally, we find evidence that cross-channel technological support tools such as skill-based routing or a trouble ticket system can have positive effects on the customer experience.

Customer satisfaction	Effect
Employee satisfaction	+
Strategic awareness of customer service	+
First contact resolution (FCR)	+
Channel offer	+
Customer community	+
Trouble ticket system	+
Skill-based routing	+

Figure 5: Influencing factors of customer satisfaction

5. Satisfied employees and technological support improve first contact resolution

On the one hand, a first contact resolution (FCR) is desirable for reasons of efficiency. But above all it has, as shown before, a significant effect on customer satisfaction. It's people who primarily determine the first contact resolution. In concrete terms, it's the satisfied and motivated employees who do everything in their power to solve the customer's concerns directly.

It comes as no surprise that access to the necessary knowledge is crucial for rapid problem-solving. Central to this is the use of suitable technologies such as a knowledge database or skill-based routing. More training and further education also seems to have a positive effect, but the correlation is not very significant. Certification according to ISO 18295 (formerly EN 15838) has a clearly positive effect on the first contact resolution as well. The certification raises awareness of the importance of the FCR. Certified companies therefore consciously align their processes accordingly.

In this context, the outsourcing of business areas must be viewed critically. According to the analysis, outsourcing is on average negatively correlated with the FCR.

First contact resolution (FCR)	Effect
Employee satisfaction	+
Further education	+
Operative CRM	+
Knowledge database	+
Trouble ticket system	+
Certificate ISO 18295	+
Outsourcing	-

Figure 6: Influencing factors of FCR

Conclusion

Today, a positive customer experience is an important differentiating factor in the market. The evaluated data from the Service Excellence Cockpit provide important information on which measures can be used to optimize the customer experience. The following recommendations for action can be derived from the analysis:

1. Strategic approach to customer service
 Net promoter score and customer satisfaction are positively correlated with a strategic awareness of customer management. A strategic approach to customer management is therefore a prerequisite.
2. Employee empowerment
 Employee satisfaction has a clear effect on both customer satisfaction and the FCR. Flexible working models help to ensure high employee satisfaction.
3. Processes and channel offer
 Besides employee satisfaction, a high first contact resolution as well as a broad range of channels have a positive effect on customer experience.
4. Technological support
 The use of appropriate technological support tools can help to increase the first contact resolution which in turn has a positive effect on customer satisfaction.

The customer experience is linked to many factors and depends not least on the individual case. Nevertheless, the data analysis of the Service Excellence Cockpit can shed some light on the situation. Process-related, technological and human factors all influence the customer experience. Service centers are therefore well advised to increase efficiency through technological progress but should thereby never forget the great importance of the human factor. Because in the end it's satisfied employees who work more efficient and make customers happy.

The Service Excellence Cockpit

With the Service Excellence Cockpit, we initiated a steadily growing network between service center managers, consultants and European marketing & call-center associations. The Service Excellence Cockpit offers a holistic benchmarking tool for customer management. It's based on the data of more than 225 European Service Center and has been developed with the main goal of providing objective benchmarking figures which are necessary for continuous monitoring and improvement of service quality. The market report for the business year 2019 is now available. The survey for 2020 will start in December.

