



Session 403:



**The ROI of Customer Care:
How to Leverage Your Contact Center as a
Competitive Weapon!**

Jeff Rumburg, Managing Partner, MetricNet


Download Today's Presentation



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**Contact Center KPIs
Definitions & Correlations**




Learn how each of the Contact Center metrics that we benchmark is defined, why it's important, and how it correlates with other metrics. We include metrics from the following six categories:

- > Cost
- > Productivity
- > Service Level
- > Quality
- > Agent
- > Contact Handling

MetricNet Performance Benchmarking
www.metricnet.com
703.992.8160
info@metricnet.com





**Contact Center KPIs
Definitions & Correlations**
for sales Contact Centers




Learn how each of the Contact Center metrics that we benchmark is defined, why it's important, and how it correlates with other metrics. We include metrics from the following seven categories:

- > Cost
- > Productivity
- > Sales Effectiveness
- > Service Level
- > Quality
- > Sales Rep
- > Contact Handling

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**Contact Center KPIs
Definitions & Correlations**
for outsourced Contact Centers



Learn how each of the Contact Center metrics that we benchmark is defined, why it's important, and how it correlates with other metrics. We include metrics from the following six categories:

- > Price
- > Productivity
- > Service Level
- > Quality
- > Agent
- > Contact Handling

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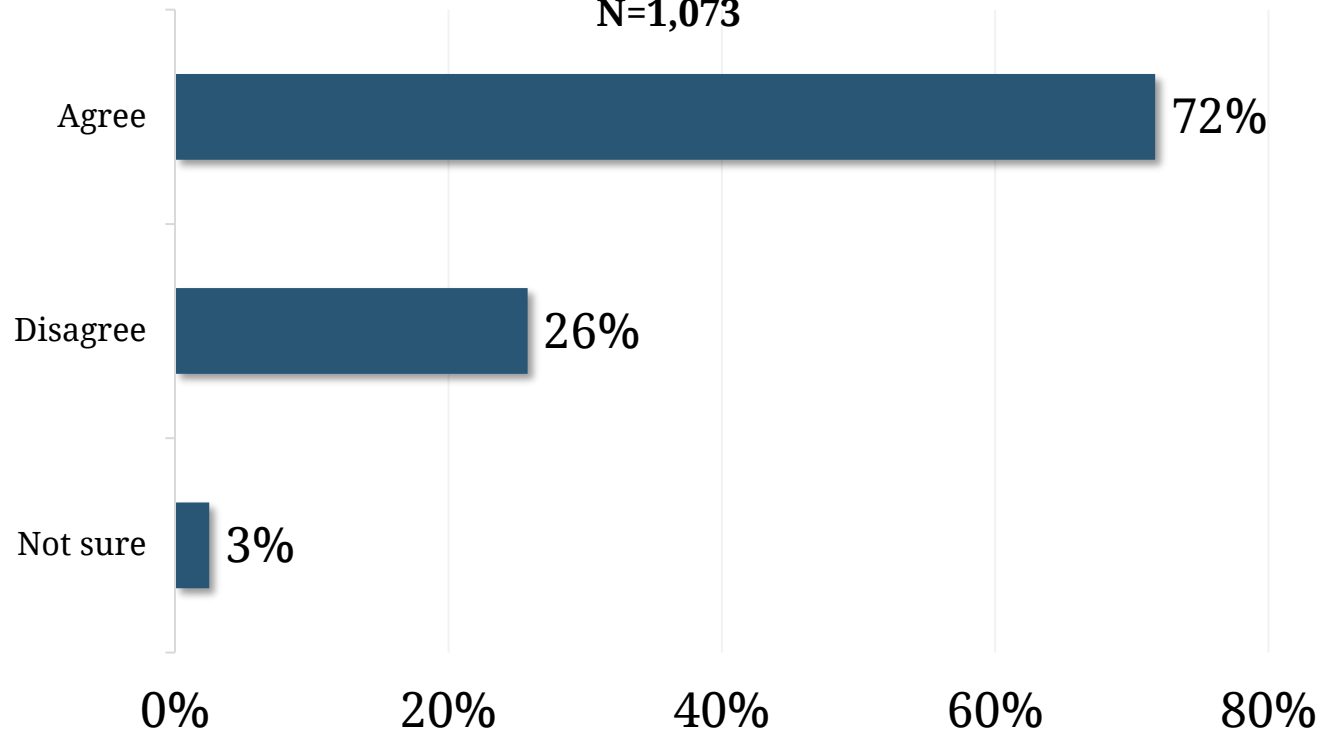
72%

Nearly three out of four respondents (72%) in a recent MetricNet survey reported going out of their way to purchase from brands with an exceptional customer experience.

Exceptional Experiences Have Real Value

Do you agree or disagree with this statement? I go out of my way to purchase from brands that have an exceptional customer experience.

N=1,073



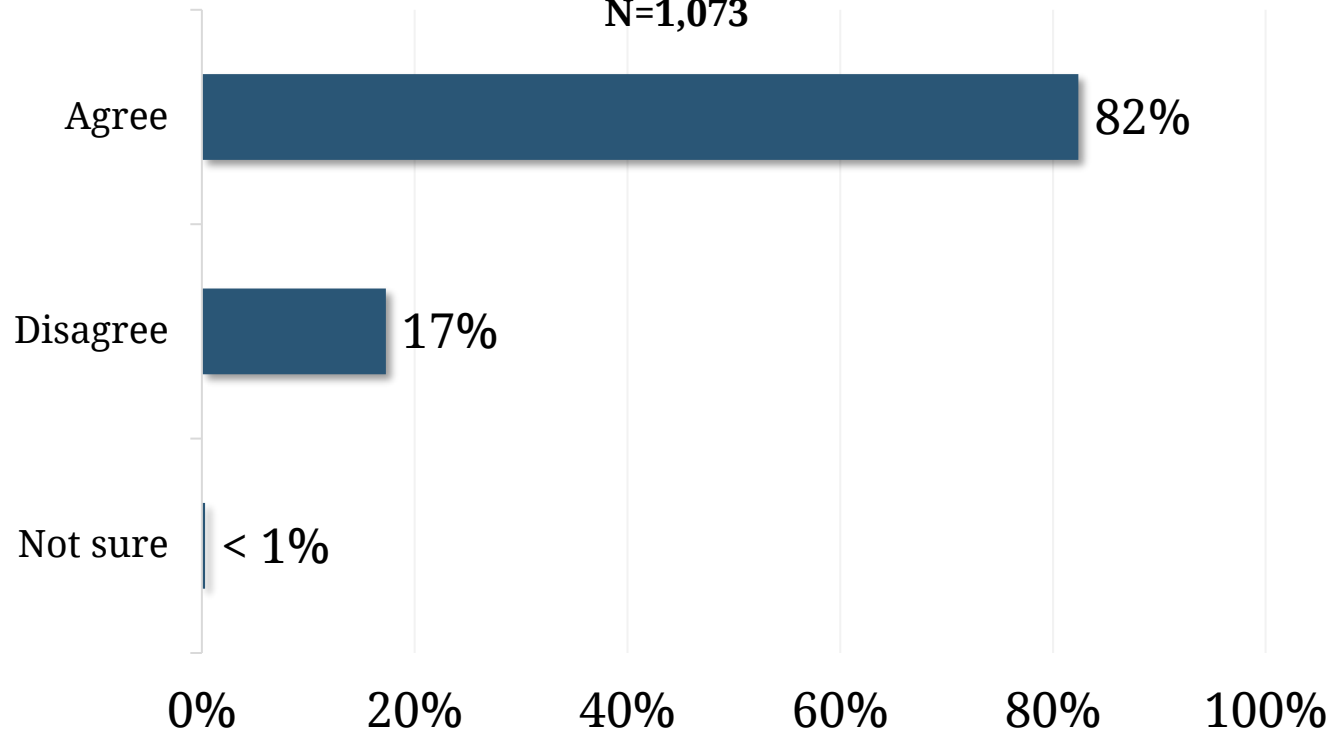
Do you agree or disagree with this statement? I go out of my way to purchase from brands that have an exceptional customer experience.

Answer	Count	Percent
Agree	769	71.7%
Disagree	277	25.8%
Not sure	27	2.5%

Service Significantly Influences Loyalty

Do you agree or disagree with this statement? I am loyal to a particular brand or company based on the level of service I receive.

N=1,073



Do you agree or disagree with this statement? I am loyal to a particular brand or company based on the level of service I receive.

Answer	Count	Percent
Agree	884	82.4%
Disagree	186	17.3%
Not sure	3	0.3%

Today's Agenda

- Customer Service as a Business
- Cost Center vs. Value Center
- Case Studies and Benchmarking Data
- Measuring the ROI of Customer Care
- Building a Sustainable Competitive Advantage!

Empirical Observations from Our Global Database



- Global Database
- More Than 4,000 Contact Center Benchmarks
 - 70+ Key Performance Indicators
 - Nearly 120 Industry Best Practices
- 30 Years of Contact Center Benchmarking Data

Characteristics of a World-Class Contact Center

- Contact center consistently exceeds customer expectations – regardless of the transaction type
 - Result is high levels of customer satisfaction
 - Call quality is consistently high
- Business value is managed at or above industry average levels
 - Cost per contact is below industry average levels
 - Revenue generated is above industry average levels
 - Telemarketing and Telesales
 - Debt collections
- Contact Center follows industry best practices
 - Industry best practices are defined and documented
 - Contact Center follows industry best practices
- Every transaction adds value
 - A positive customer experience
 - Improves customer loyalty
 - Creates positive brand awareness and switching costs

The Maturity Continuum In Customer Care

Reactive Stage



- Newer and less evolved contact centers are in this category
- A reactive “fire-fighting” culture prevails
- Focus tends to be almost exclusively on service levels
- The goal is mere Customer Satisfaction

Growth Stage



- Heavy investments in training, tools, and metrics characterize this stage
- A comprehensive knowledge base is typically established
- An expert network of problem solvers is developed within the contact center

Strategic Stage



- The primary purpose of a strategic customer service center is to Create Economic Value
- A preventive, proactive culture prevails
- Customer enthusiasm and value creation is the goal!

Customer Service as a Business



Cost Center Vs. Value Center

Cost Center

- Responsible for cost control
- Not responsible for...
 - Revenue generation
 - Profits
 - Investment decisions

Value Center

- Creates value
- Demonstrates value
 - Cost savings
 - Cost benefit analysis
 - ROI analysis

- The vast majority of Customer Care organizations operate as cost centers
 - They are expected to control costs, but are not expected to make any explicit financial contribution to the enterprise
- The focus in a Cost Center is on minimizing costs
- The focus in a Value Center is on maximizing value!

Creating Economic Value In Customer Care

- Repeat Business – Customer Loyalty
- Greater Customer Lifetime Value
- Higher Product Count per Customer
- Price Premiums Through Product Differentiation
- Upselling and Cross Selling – Sales at the Point of Service (SPOS)
- Positive Word-of-Mouth Referrals

Five Industries, and Five Measures of Success

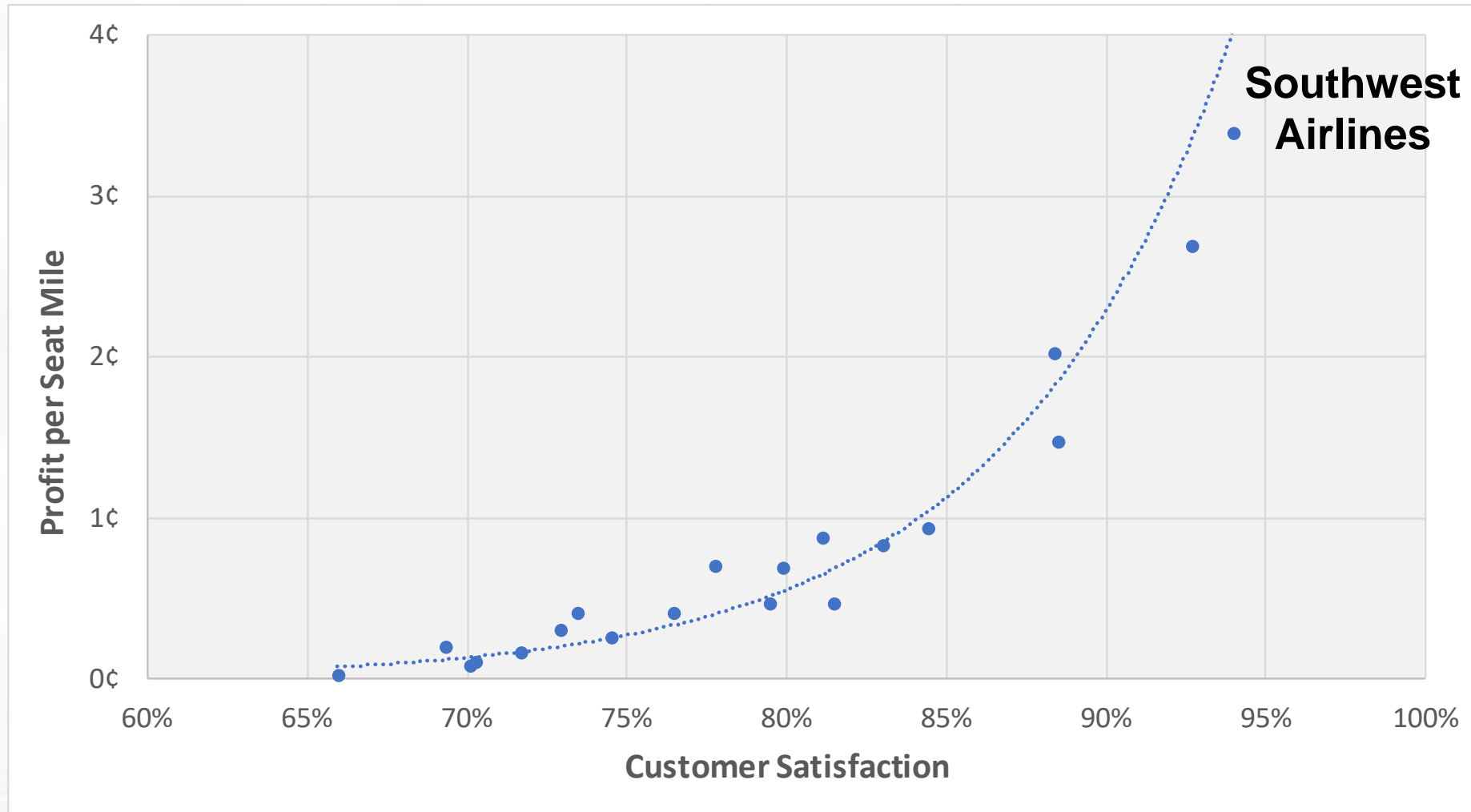
Industries

- Airlines
- Wireless Telco
- Cable and Internet
- Credit Card
- Retail Banks

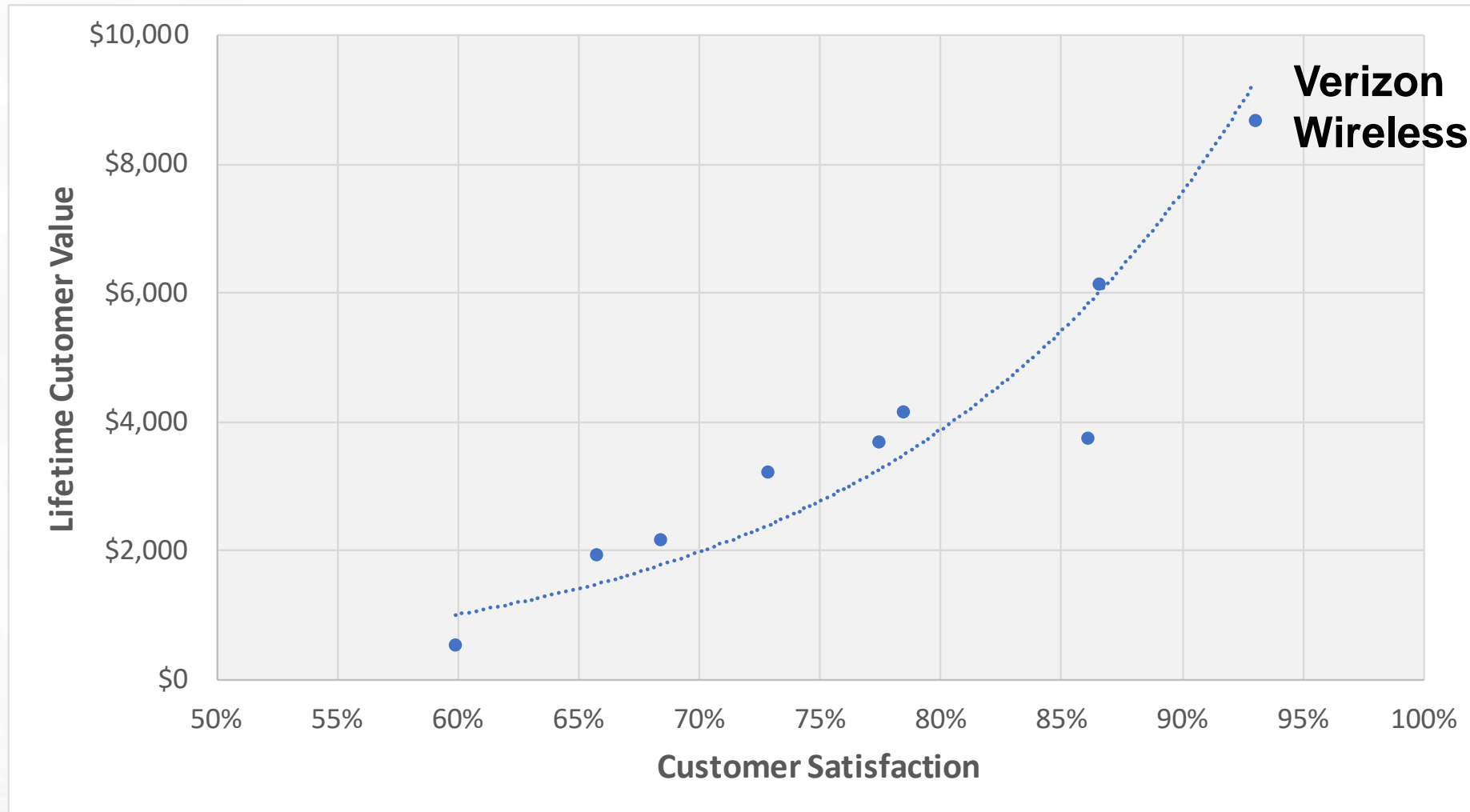
Success Metric

- Profit per Seat Mile
- Lifetime Customer Value
- Product Count per Customer
- Monthly Customer Spend
- 5 Year Stock Return

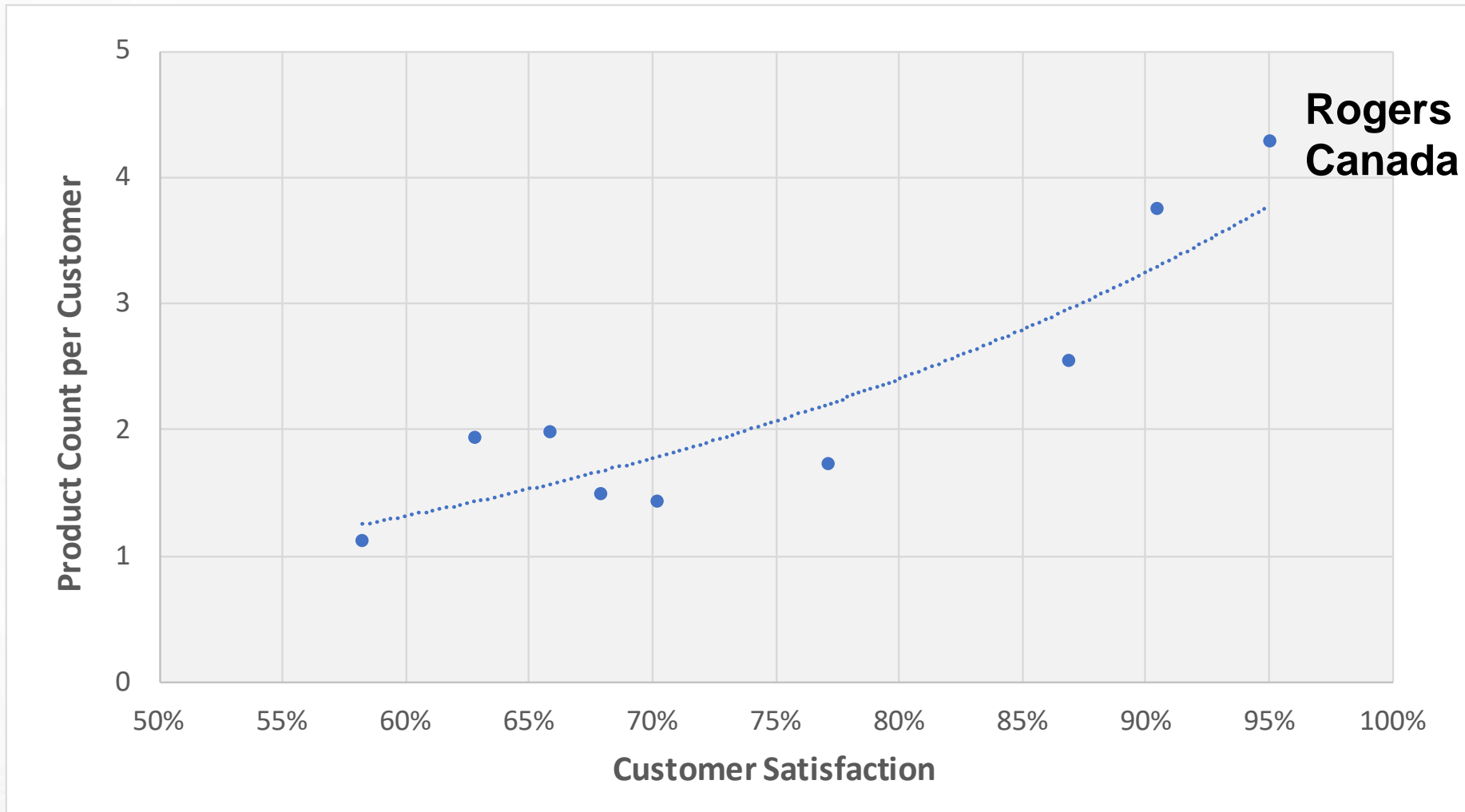
Airlines – Profit per Seat Mile



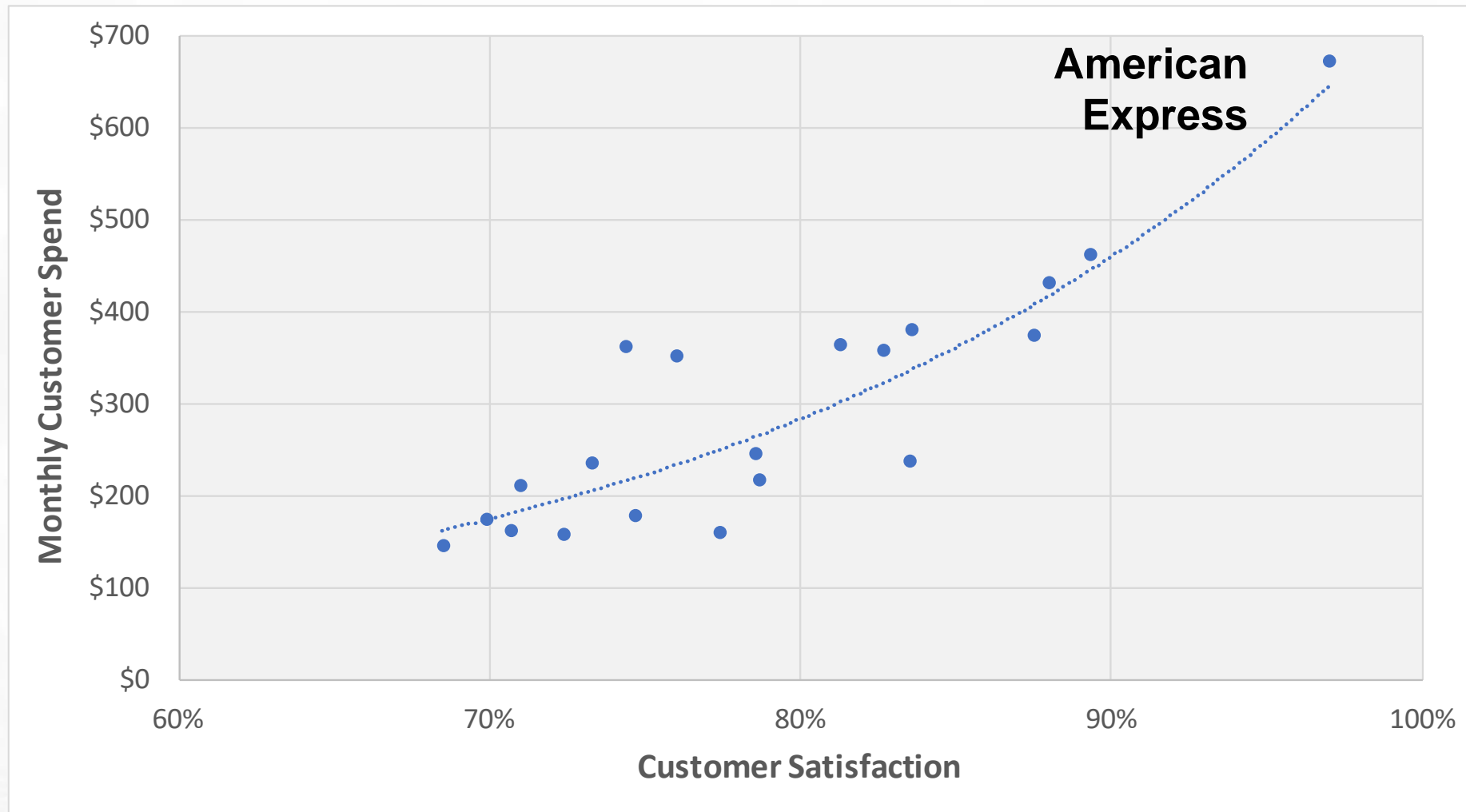
Wireless Telco – Lifetime Customer Value



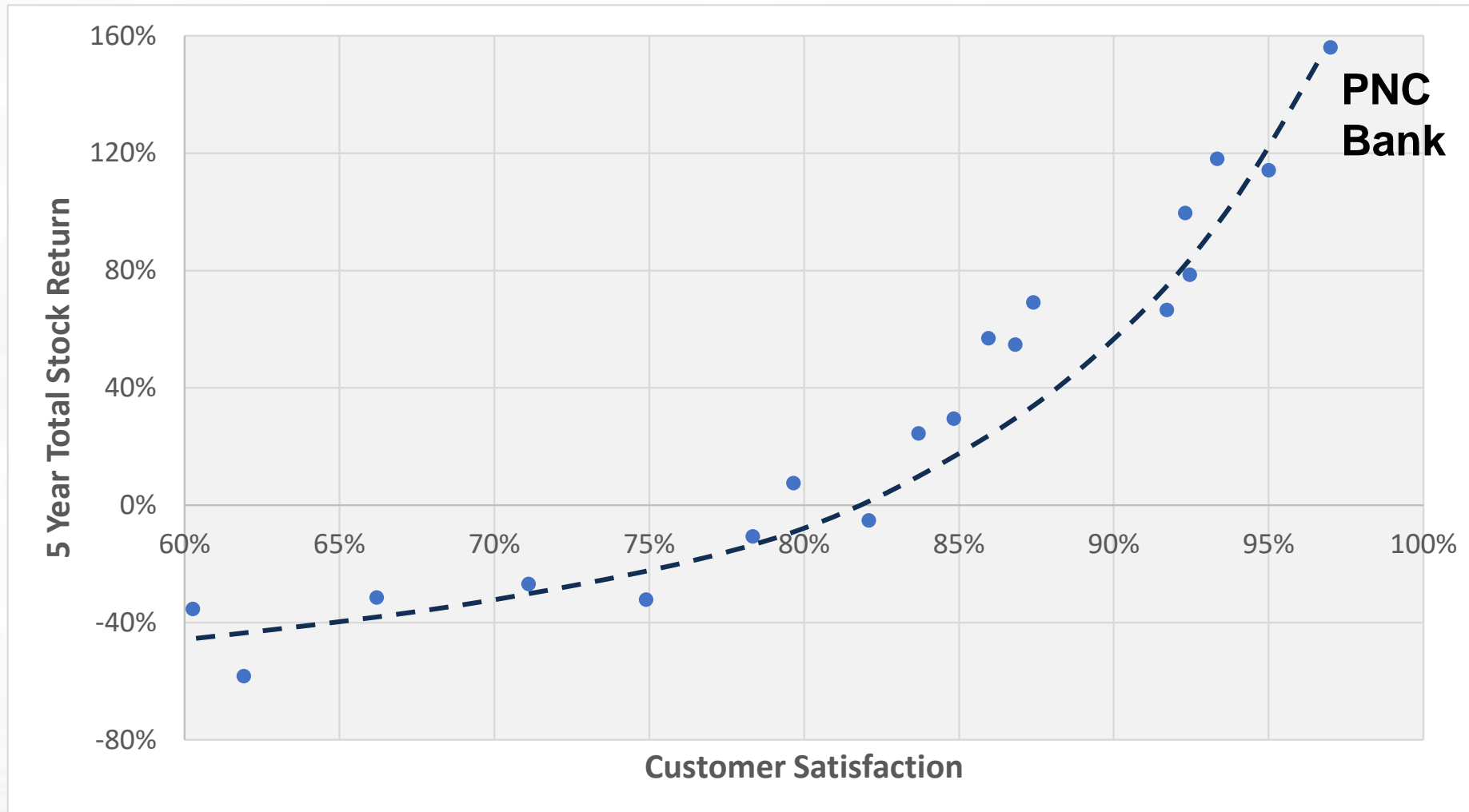
Cable and Internet – Product Count per Customer



Credit Card – Monthly Customer Spend



Retail Banks – 5 Year Stock Returns



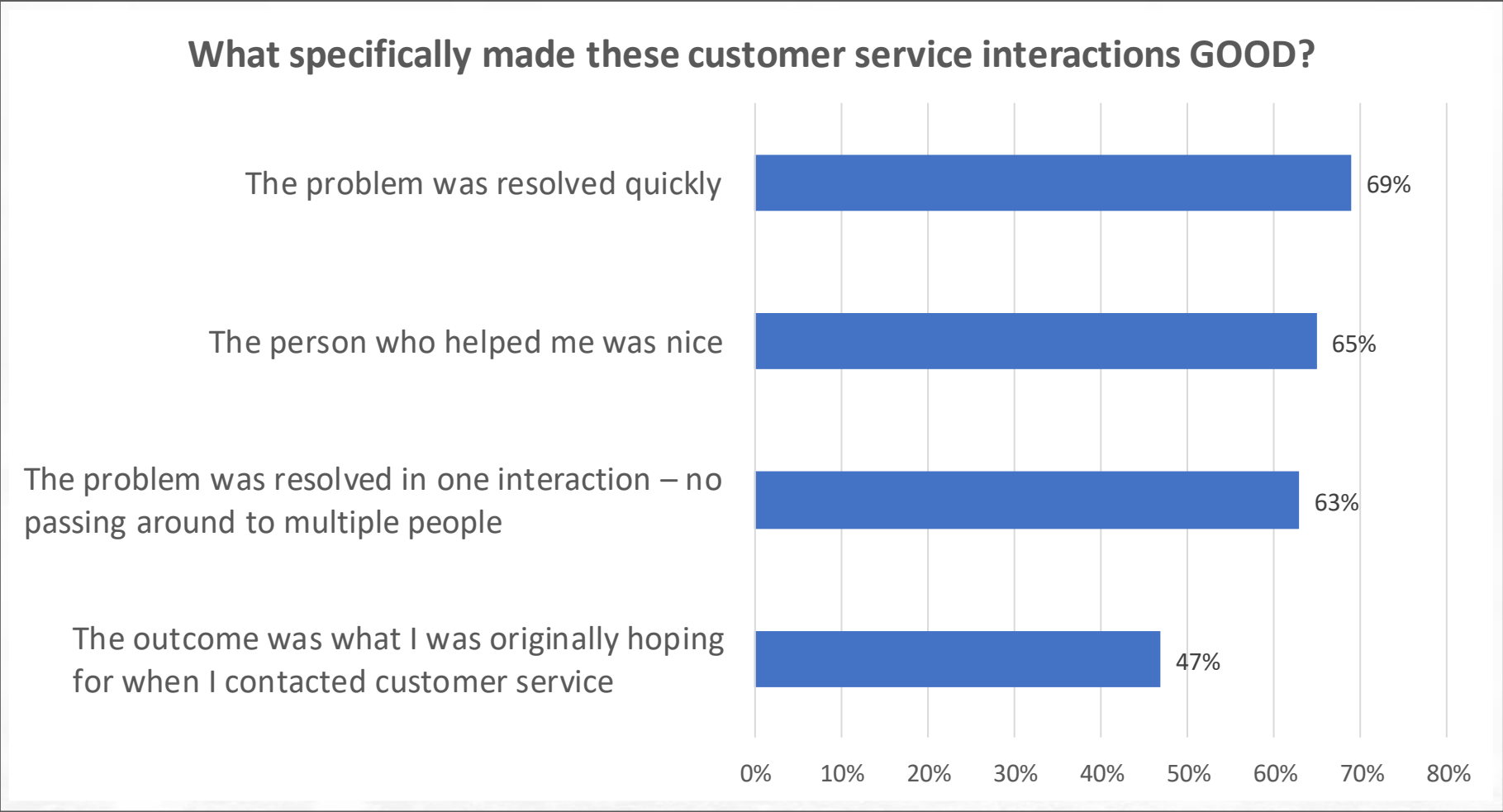
Customer Satisfaction Scores By Industry

Industry	Average CSAT	Top Performer CSAT	Δ
Airlines	78%	94%	16%
Wireless Telco	76%	93%	17%
Cable and Internet	76%	93%	17%
Credit Card	79%	97%	18%
Retail Banking	80%	97%	17%

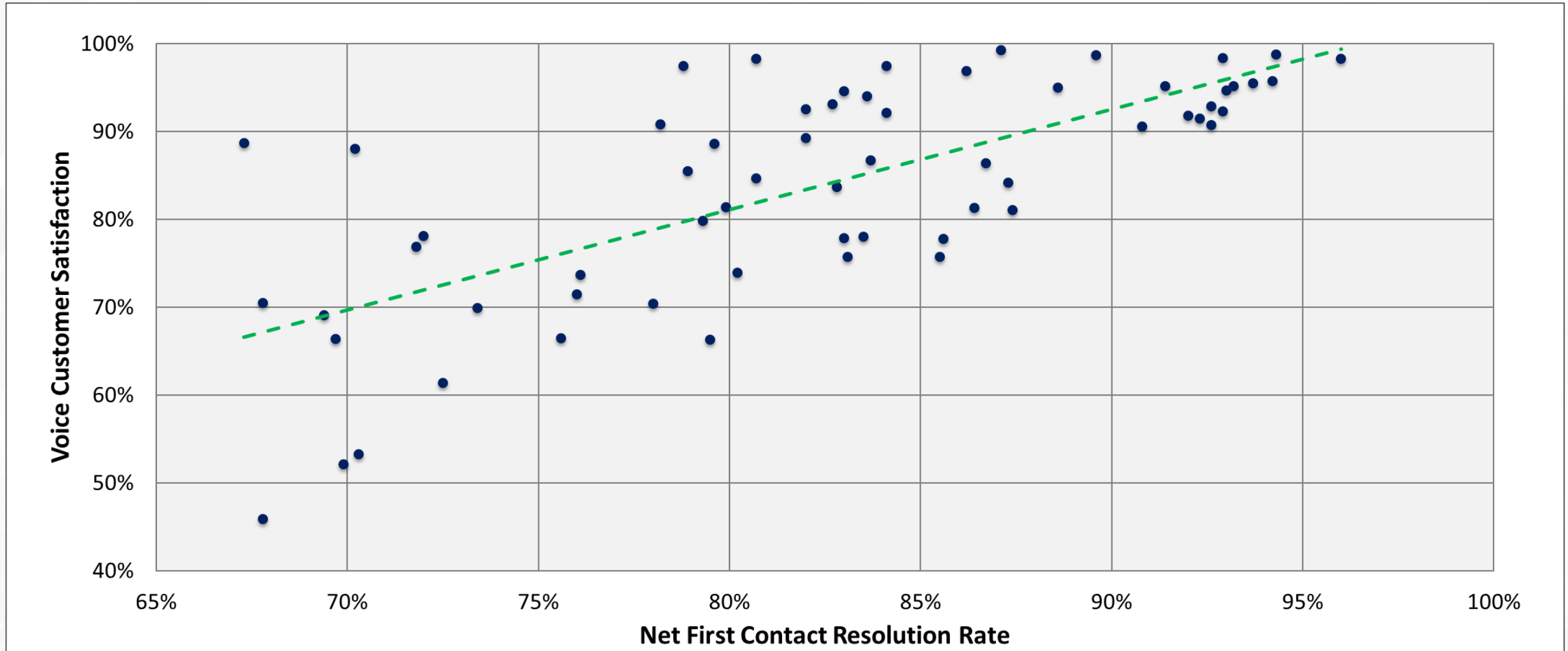
The Financial Benefit For The Top Performers

Company	Financial Benefit vs. Industry Average
Southwest Airlines	\$2.6 billion greater profitability
Verizon Wireless	\$13 billion greater profitability
Rogers Canada	\$3.1 billion greater profitability
American Express	\$1.9 billion greater profitability
PNC Bank	\$36.3 billion increase in market value over 5 years

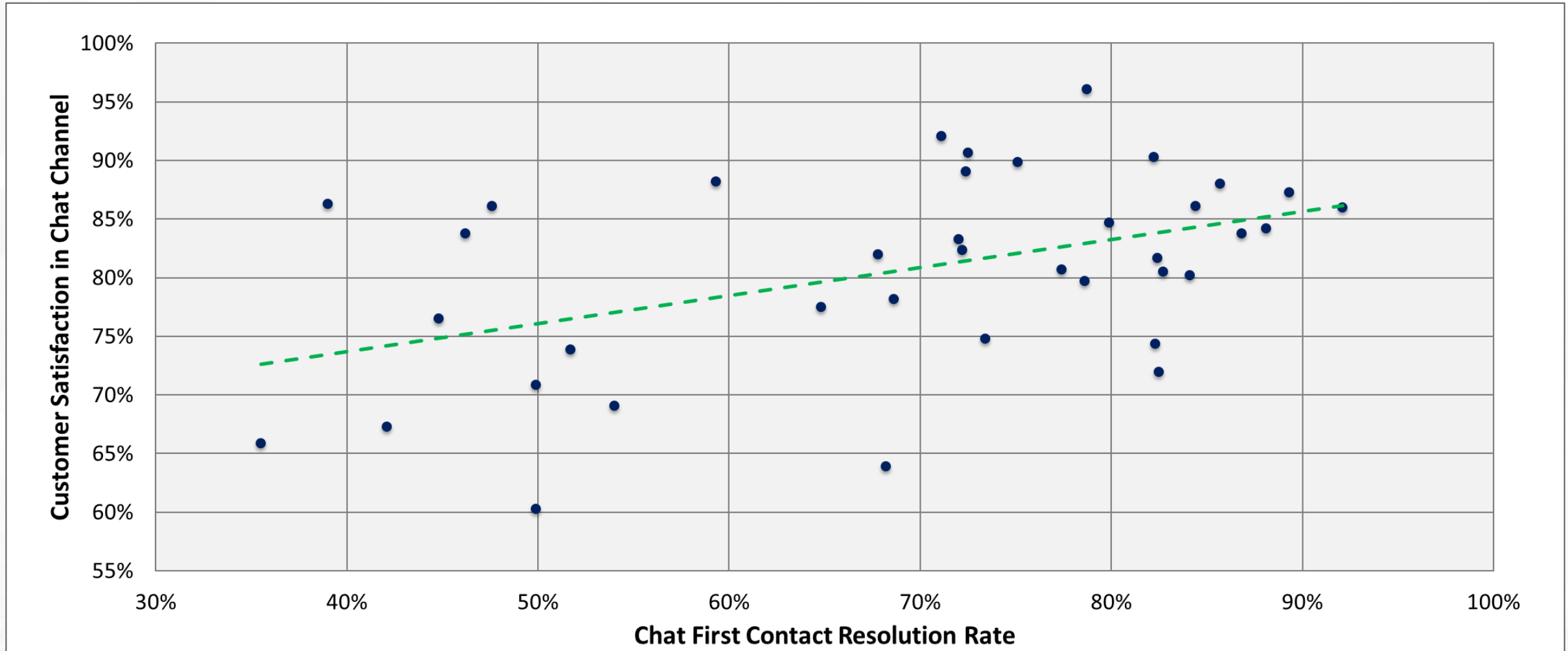
Competency + Courtesy = Customer Satisfaction



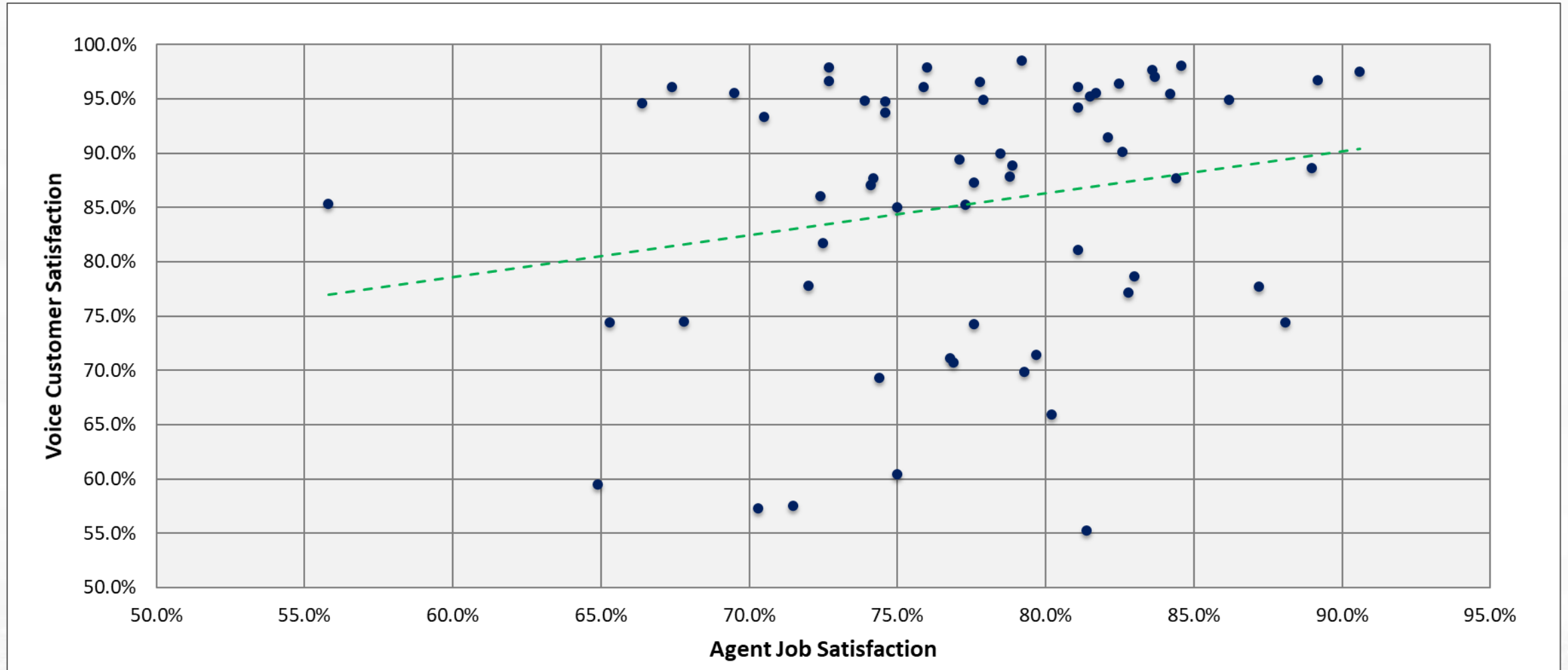
Correlation Between FCR and Quality (Voice)



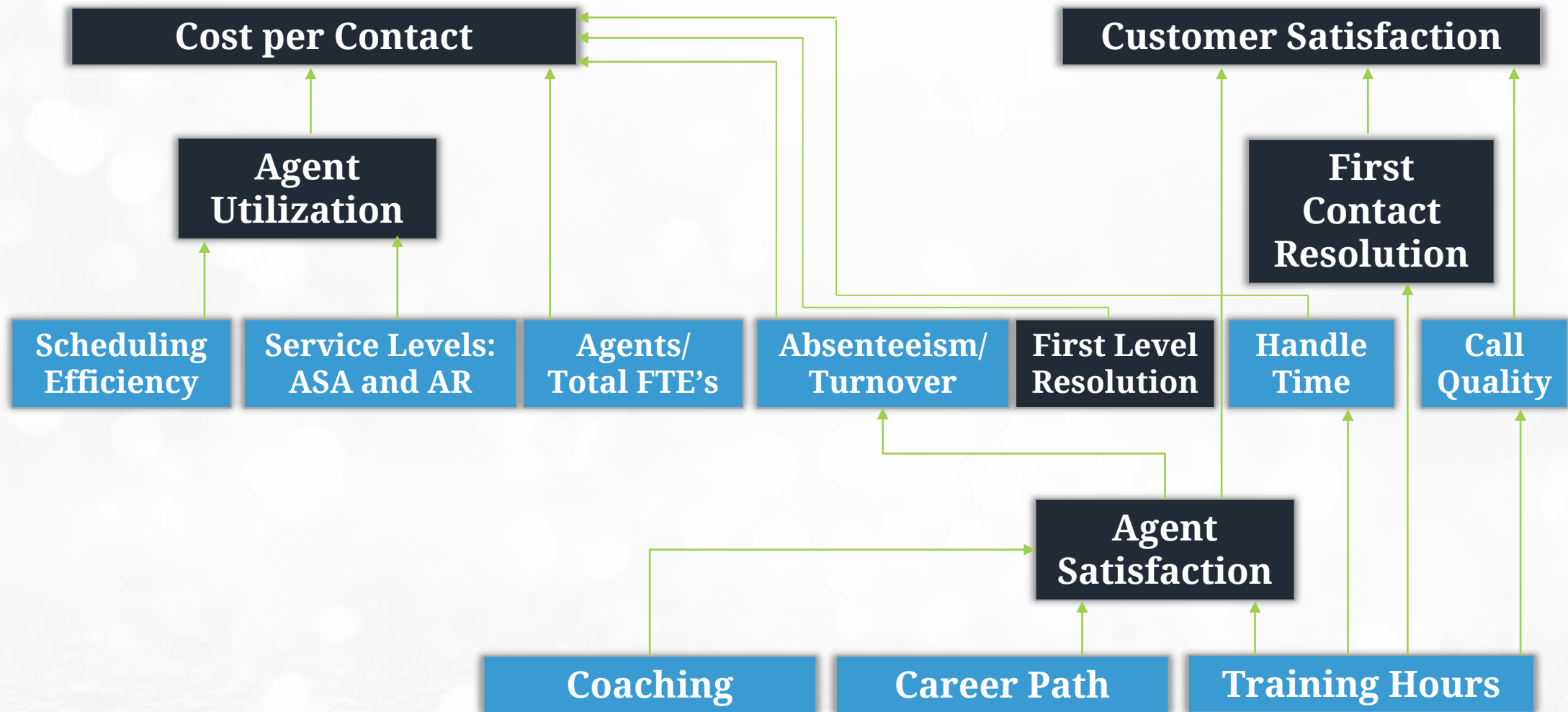
Correlation Between FCR and Quality (Chat)



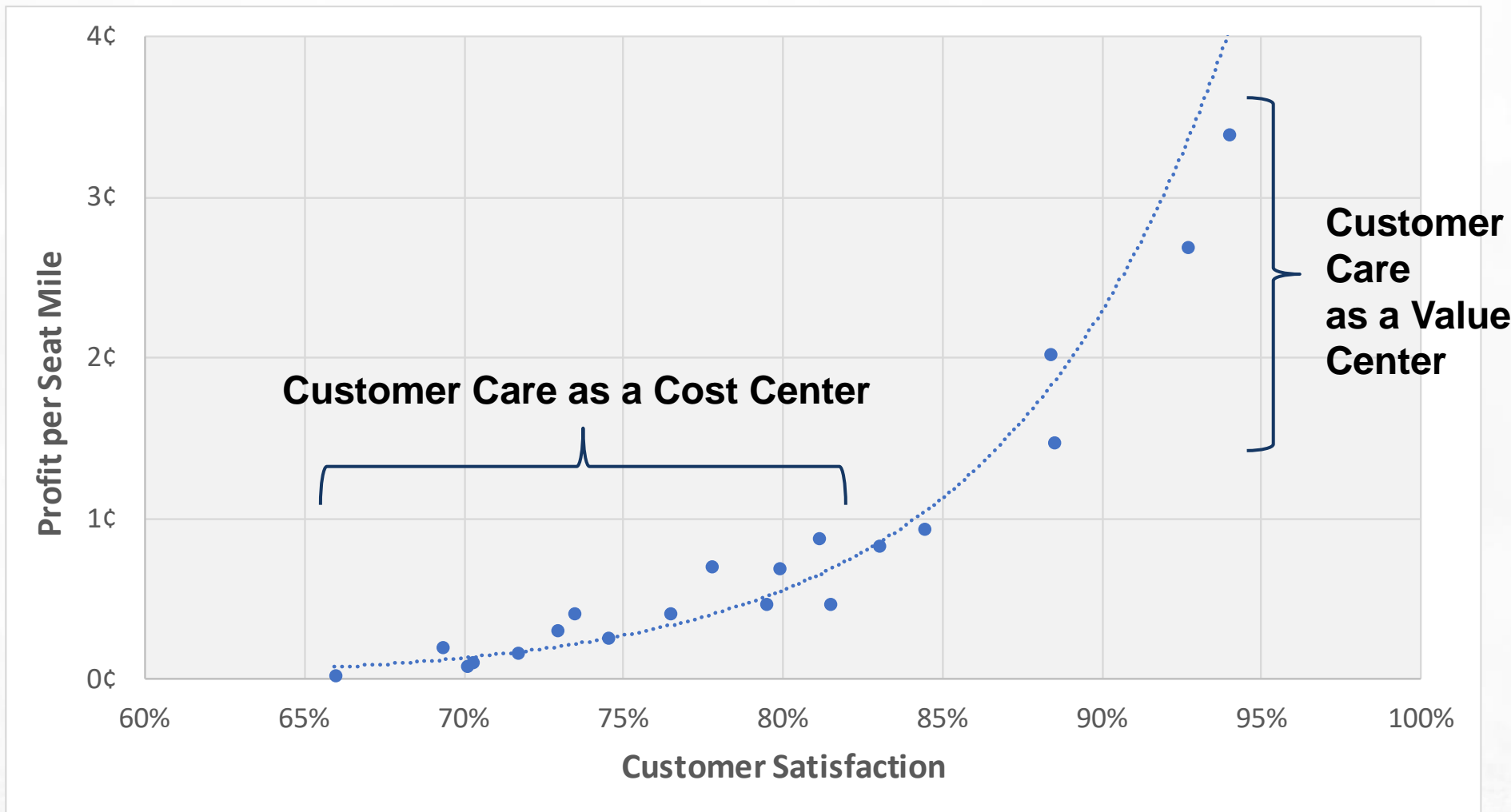
Correlation Between Agent Job Sat and CSAT



KPI Cause-and-Effect



Airlines – Profit per Seat Mile



Summary

- Customer Care as a Business
- A Good Business Creates Economic Value
- Customer Satisfaction Has a Direct Impact on Economic Value
- Customer Satisfaction is Driven by FCR and Agent Courtesy
- Higher CSAT is Rewarded Disproportionately by Customers
- Customer Care is an Investable Asset – A Value Center!

QUESTIONS?



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THANK YOU!