



The Metrics Gap

Where companies are falling short on measuring and improving customer experience—and how to fix it

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Executive Summary

Though companies have plenty of customer satisfaction and agent performance data available to them, most don't have a comprehensive strategy for customer experience (CX) analytics. In some cases, CX leaders gather customer feedback, but their efforts end there—they do no analysis or take any action based on that feedback. In other cases, they go a bit further and do some analysis, but no action ensues from what their data tells them.

Nearly three-quarters of companies are suffering from a *Metrics Gap*, meaning they are falling short on adequately measuring and using key data points that could dramatically improve the customer experience they deliver. In short, they are missing opportunities, wasting precious resources to gather unused data, and potentially damaging customer relationships.

To fully benefit from customer—and agent—data, CX leaders must adopt a lifecycle approach toward identifying metrics, gathering the data, analyzing it, and taking action. At this point, only 26.2% of companies have adopted such an approach, according to Metrigy's *Customer Experience MetriCast* study of 1,846 organizations globally.

In addition to adopting a lifecycle approach, organizations must build a strategy that encompasses both agent analytics or Key Performance Indicators (KPIs), as well as a variety of data from Voice of the Customer (VoC) tools and techniques.

State of the Market

A robust CX analysis strategy addresses two key areas: customer feedback and agent performance. Organizations should gather and act upon data in both of these areas, but to get the most powerful results they must look at the feedback and performance in relation to one another.

For example, if post-call survey scores are tanking from one particular group of agents, it's crucial to analyze what's happening with those agents. Are they poorly trained? Are they lacking technology that others have? Are turnover rates higher for that group than others? Once they've identified and addressed the issue, CX leaders then must validate that they've addressed the problem correctly by measuring customer satisfaction again.

When evaluating agent productivity vs. customer satisfaction, companies overwhelmingly say that improving customer satisfaction is more vital than boosting agent productivity. So as CX leaders evaluate their agent performance and customer feedback, decisions that improve customer satisfaction trump decisions that boost agent productivity. If agents are on a call a little longer than normal, that's acceptable in order to boost CSAT.

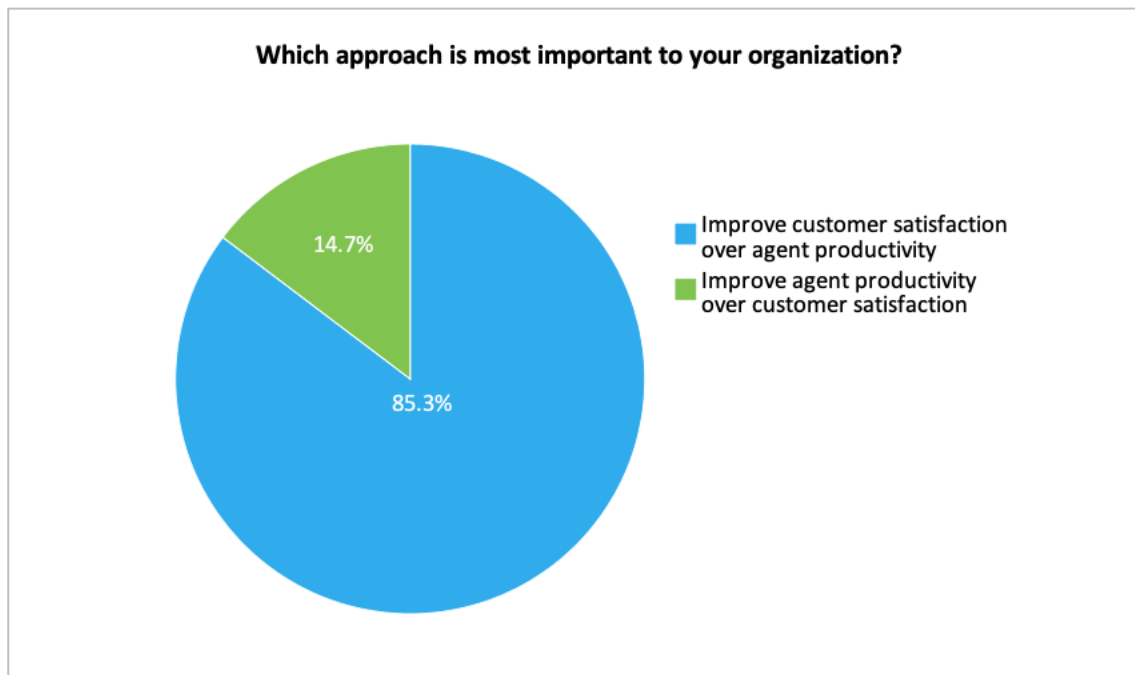


Figure 1: Which approach is most important to your organization?

Voice of the Customer

Clearly, as shown in Figure 1, regularly and effectively measuring customer satisfaction is an imperative. Voice of the Customer (VoC) programs do just that, by gathering customer opinions, activity, and expectations and, as a best practice, using the information to improve customer experience and business metrics.

As Figure 2, below, illustrates, companies have many ways to gather VoC data. These include real-time, interactive interviews or focus groups; a variety of asynchronous survey types; and passive data from website visits or artificial-intelligence (AI) applications. Technologies that assist in this data gathering include:

- Video conferencing, for virtual interviews or focus groups
- Live chat, for interactive, textual discussions with an individual or a group of people
- Survey design and analytics tools, for the creation and analysis of customer surveys
- Social media applications, for interaction with customers
- Online review portals and associated analytics tools, to scan, gather, and analyze customer ratings on third-party sites
- Email, for electronic follow-up or proactive outreach
- SMS, for quick snap polls or interactions
- Physical kiosks, to gather ratings of an experience
- Web analytics tools, to track statistics of website traffic
- AI-enabled analytics tools, to track call data or sentiment and record calls or screens

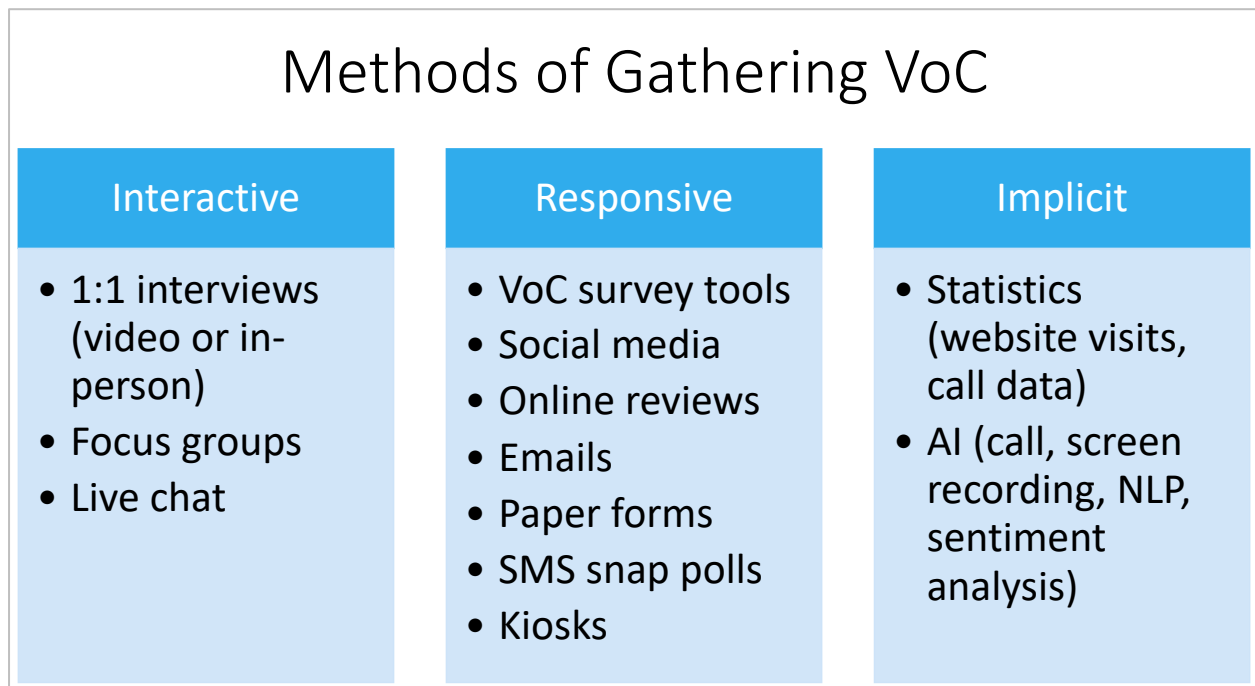


Figure 2: Methods of Gathering VoC

Globally, 36.3% of companies have a VoC strategy in place, with another 27.7% planning to implement one in 2022. Larger companies, with more than 10,000 employees, are 41% more likely to have a VoC strategy than smaller companies, with fewer than 50 employees. And geographically, 47.3% of companies in Asia-Pacific have VoC strategies, vs. 36.2% in North America and 25.9% in Europe.

Companies use a variety of measurements to track customer success, as noted in Figure 3. Ultimately, they measure how satisfied customers are with their experience (not to be confused with the explicit “CSAT” metric).

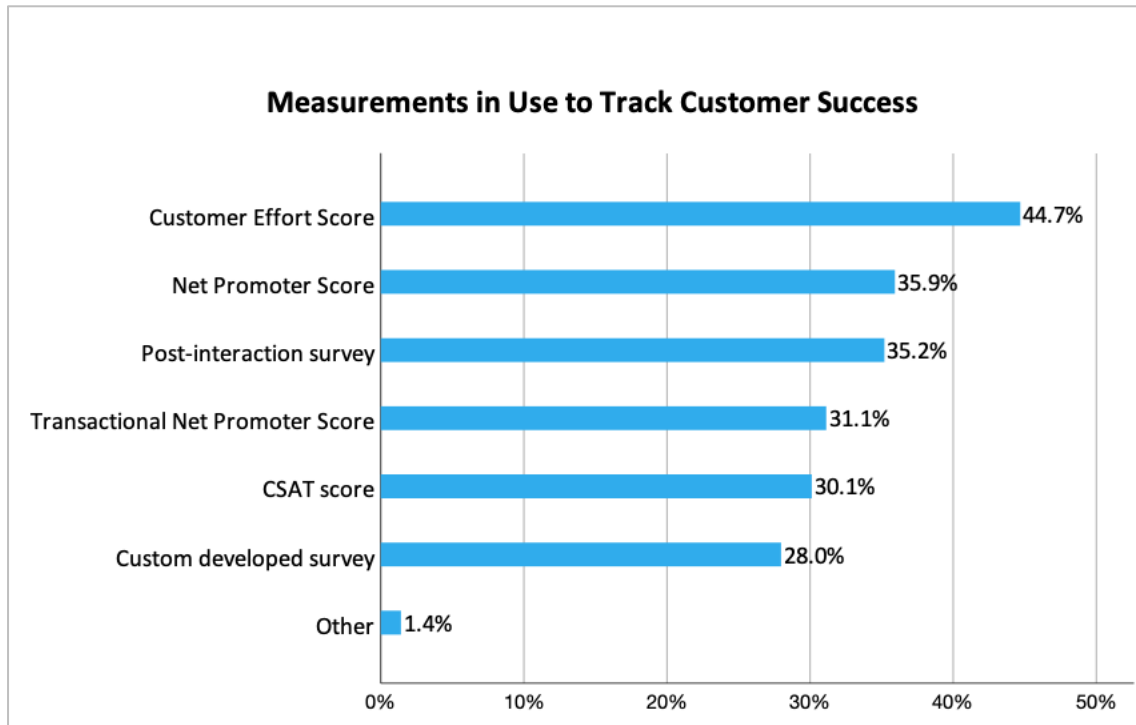


Figure 3: Measurements in Use to Track Customer Success

The metrics are as follows:

- **Customer Effort Score** – Measures how much effort was required for customers to interact with a business, using a numeric scale. Companies typically divide the number of customers who rated the interaction easy (a 5, 6, or 7 on a 7-point scale) by the number of responses.
- **Net Promoter Score** – Measures the likelihood a customer will recommend products and services, on a 0-to-10 scale. Promoters select 9 or 10; passives select 7 or 8; detractors select 0 to 6. NPS subtracts the percentage of detractors from the percentage of promoters.
- **Post-interaction survey** – Measures feedback from customers after a specific interaction, about that interaction, vs. their overall satisfaction with the company. These are typically short surveys that are custom-written and measured using a 5-star type of rating.
- **Transactional Net Promoter Score** – Same as the Net Promoter Score except in relation to a specific transaction.
- **CSAT score** – Measures the extent to which customers feel expectations have been met by a company’s products or services. It’s measured as the percentage of customers who are satisfied (often a 4 or 5, on a 5-point scale).

- **Custom developed survey** – Company-specific surveys that are custom-written to gather both quantitative and qualitative feedback.

Agent Analytics and KPIs

CX leaders have long used agent KPIs such as Call Handle Time (CHT), First Contact Resolution (FCR), and time in queue to measure statistics in the contact center—primarily to keep costs down and agent efficiency up. Though companies continue to use KPIs, successful ones now view them with a different focus. In some cases, they are adding new types of KPIs and in others, they are using the same KPIs but correlating the results with customer success metrics.

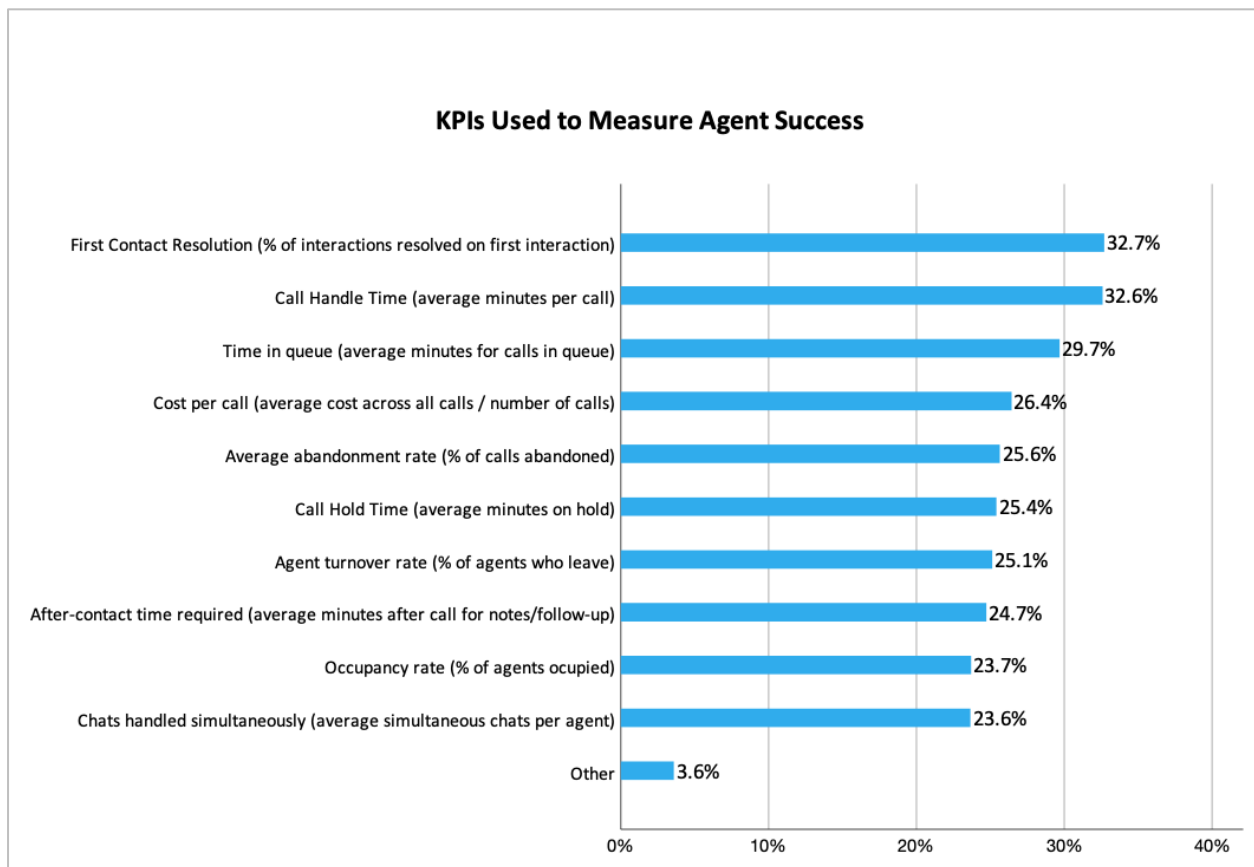


Figure 4: KPIs Used to Measure Agent Success

So, for example, if CHT has declined (meaning agents are being efficient at getting on and off customer calls), but customer success scores also have dropped, the business must make some decisions. Would it rather focus on agent efficiency and keep costs down, or focus on customer success and let agents spend more time on calls to address their issues—even though the costs would, by definition, increase? As noted above, most organizations (85.3%) are more interested in keeping customer satisfaction high, regardless of whether it costs them more to do so.

The top two agent KPIs are somewhat at odds with one another. FCR (32.7%) focuses on making sure the customer’s issue is handled on the first interaction, while CHT (32.6%) focuses on how quickly agents get off one call and onto another. Ideally, experience and empowered agents can hit both metrics—efficiently handling customer issues on the first interaction.

Figure 4, above, shows a bevy of additional KPIs that companies measure, with time in queue, cost per call, and average abandonment rate being the next-highest KPIs.

KPIs themselves are changing because of new digital channels. For example, 23.6% of organizations are now measuring chats handled simultaneously. We expect organizations to adopt additional KPIs and correlate KPIs to success as they continue using digital channels. One such correlation is the amount of time saved when using visual engagement applications, such as video or screen sharing, vs. just a voice call or webchat. Another example is measurements specific to success with social media applications and proactive outreach, for functions such as appointment reminders.

As Figure 5 shows, 47.1% of organizations are using the same KPIs with the same goals, regardless of channel. Slightly fewer, 41.2%, are using the same KPIs, but with different goals. And 11.5% of companies use different KPIs entirely.

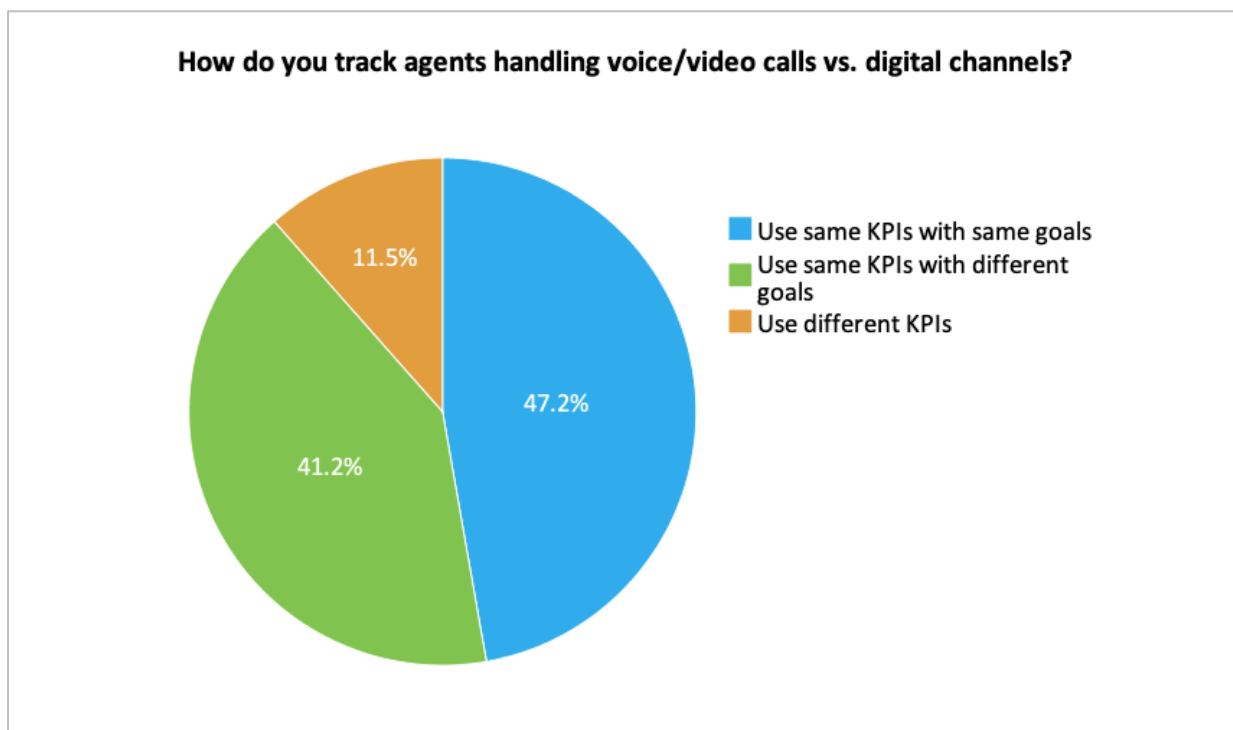



Figure 5: How do you track agents handling voice/video calls vs. digital channels?

More broadly, organizations are using other types of agent analytics to help them improve overall agent performance, which translates to customer success. Indeed, happier agents equal

happier customers. Our research found that when agent turnover rates are less than 15% per year, customer satisfaction increases by 26%.



When agent turnover rates are <15%, CSAT increases by 26%

Many of the applications that are part of Workforce Optimization (WFO) address agent performance, training, and rewards. WFO suites comprise applications for measuring quality and performance management, as well as a variety of different types of analytics (agent, desktop, predictive, sentiment, and speech). Globally, 34.5% of organizations use WFO suites, with another 28.5% planning to use them in 2022. At the same time, tools in the Workforce Engagement Management (WEM) space provide for gamification (which often translates to bonuses), as well as interactive training.

Closing the Metrics Gap

Far too many organizations are suffering from a metrics deficiency—and many don't even realize the potential they have to improve CX by analyzing their data properly. Figure 6 highlights the issue:

- 37.6% of organizations gather customer feedback. That's excellent on the surface, but probably the worst of all worlds. They are spending time and money to gather feedback, and it sits untouched. So they spend money with zero return.
- 36.2% of organizations go one step further. They gather feedback *and* analyze it. So, perhaps it provides some internal indicators of problem areas. But, they don't act upon that information. Again, they're spending time and money, with no or little return.
- 26.2% of organizations are doing it right. They gather and analyze customer feedback—and *act upon the results!* Now there is a bang for the buck, and also the potential for a competitive advantage.

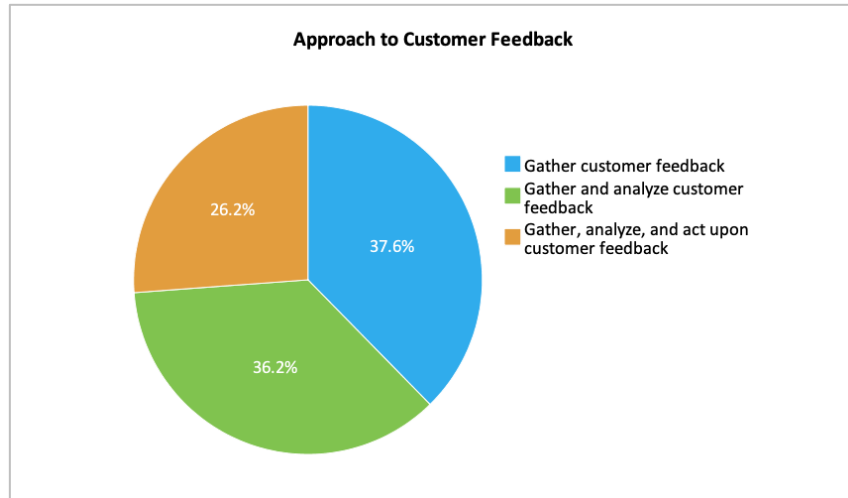


Figure 6: Approach to Customer Feedback

Identifying the Right Metrics

The right combination of metrics is both industry- and company-specific. But there is a lowest common denominator that all companies should be tracking. It's imperative to operationalize analytics around driving business metrics, and that requires looking both outside-in (VoC), and inside-out (agent analytics).

Five Key Metrics: VoC

Organizations with successful CX analytics strategies track the following metrics with their customers:

1. Customer Effort Score – As efforts become more cumbersome, correlate what changed and address/resolve.
2. Post-call survey – Allows supervisors to take quick action for low scores, based on topic, agent, regions, and circumstances.
3. CSAT – As customer satisfaction rises, supervisors can reward agents for their performance; as it falls, they can identify and address issues.
4. Net Promoter Score (NPS) – Higher NPS can assist with financial reporting and many companies include changes in NPS in their annual reports as it's a broadly recognized metric.
5. Channels in use – By regularly tracking channels in use, organizations can help CX leaders expand or reduce staffing on specific channels or suggest investment in self-service and conversational AI.

Five Key Metrics: Agent Analytics

Agent KPIs and analytics are very customized to the organization and the specific function of the agents. Here are key metrics successful organizations use:

1. First interaction resolution – Customers' time is valuable; measuring how long it takes to bring an issue to resolution addresses a known concern for customers and addresses agent efficiency.
2. Sales vs. sales quotas – Contact center sales helps the overall business revenue. When done right, customers are happy with the recommendations and complementary products. Even service reps increasingly have sales quotas.
3. Chats handled simultaneously – Chat can be helpful to customers who can't talk live, those who are multitasking, or those who want a paper trail. The problem is that many contact centers overload agents responsible for customer chats, which sinks CSAT scores. By tracking how many chats agents are handling simultaneously and correlating that to post-interaction surveys, supervisors can see at what point CSAT suffers and set limits on the number of simultaneous chats an agent can handle.
4. Self-service completion rate and deflection – By tracking deflection, machine learning can detect where self-service knowledge bases need content reinforcement. Resolving helps customers get their answers quicker.

5. Agent turnover rate – By tracking turnover, supervisors can identify problems early in order to address problems and keep experienced agents, who are typically better equipped to deliver a better customer experience.

Developing a Sound Strategy

Besides identifying the right metrics, closing that metrics gap requires a commitment to develop a CX Metrics Strategy, for both VoC and agent performance. The commitment requires buy-in from the executive team, as well as sales, marketing, customer service, and even product development. Why? Because the analysis may result in some controversial changes in any one of those departments. And with that buy-in comes budget because companies not only must buy the tools, but also have the staff to make efficient use of them.

Here are some tips for developing a solid strategy, based on our research of companies with documented success:

- **Develop an operational lifecycle:** Gathering metrics is great, but analyzing the results and acting upon them is what helps close the gap. First, determine which metrics are important to measure for your organization. It’s acceptable to start slowly and build as the analytics infrastructure and teams are in place. Second, measure the baseline so you have a basis for comparisons. Third, determine the intervals for evaluation of the data gathered, and the metrics used. Whether customer feedback or agent performance, the most common frequency is weekly. But successful organizations tend to use a combination of short- and long-term intervals, as shown in Figure 7.

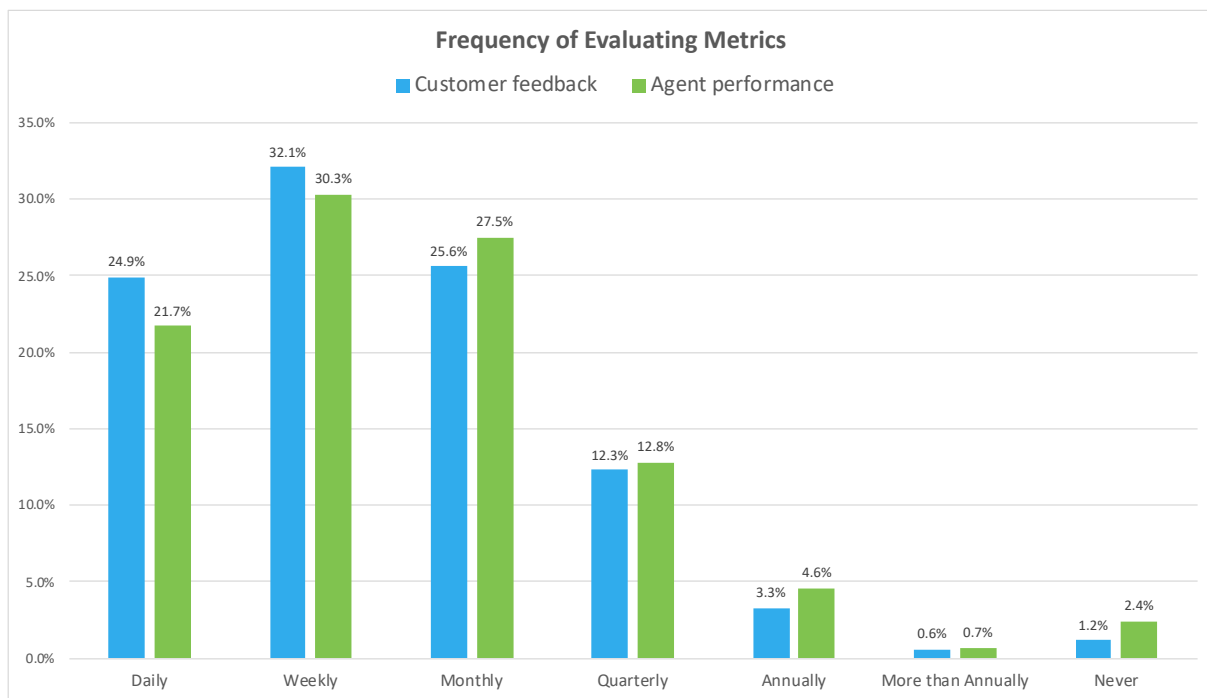


Figure 7: Frequency of Evaluating Metrics

- Automate functions.** Leverage AI and machine learning as part of the metrics strategy. For example, use AI to analyze and categorize open-ended customer comments, as 35.4% of companies were doing in 2021. Over time, machine learning can take customer feedback and make recommendations to agents in screen pops. For example, if customer feedback shows specific agents sounded rushed, screen pops can convey that information to those agents with the recommendation to slow down.
- Link business metrics to CX metrics.** Ultimately, business leaders focus on core business metrics, including revenue generation, operational costs, profitability, employee efficiency, and employee satisfaction. By correlating KPIs and customer feedback with changes in select business metrics, organizations can identify which technologies and operational practices are most effective to meeting overall company goals. As Figure 8 shows, simply having a VoC strategy in place results in better business metric improvement in almost all areas, according to Metrigy’s *CX and Workforce Optimization: 2021-22* research study of 534 organizations globally.

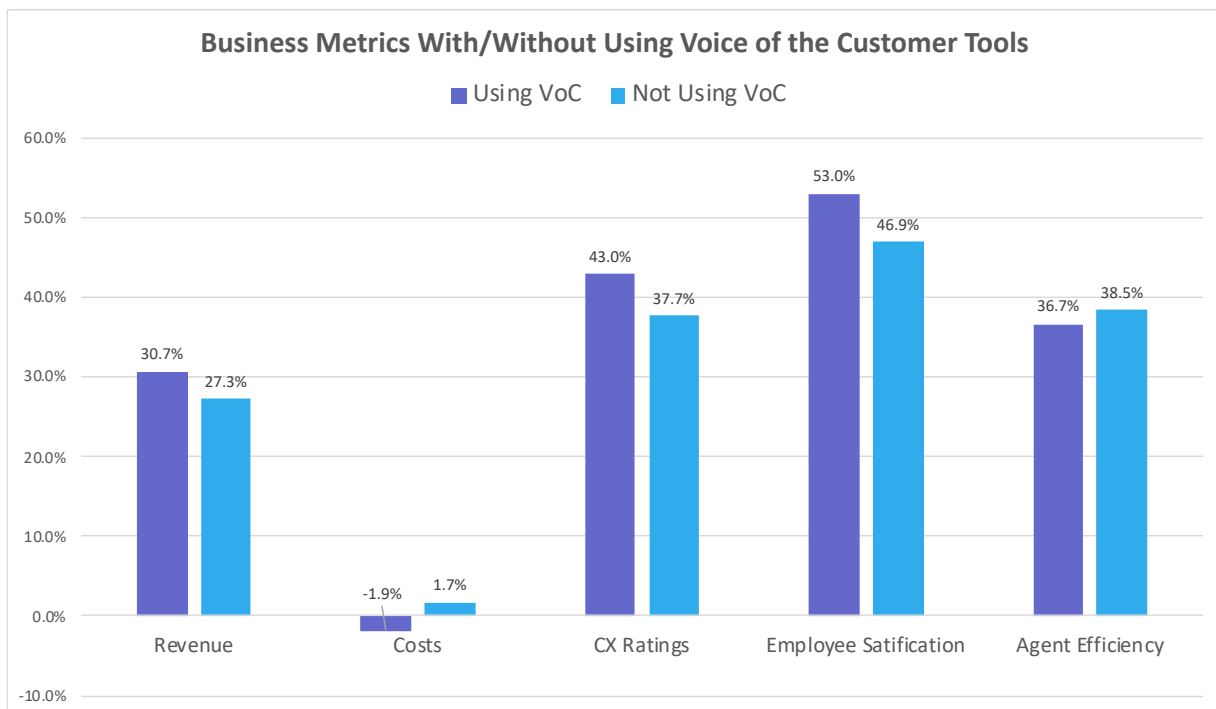


Figure 8: Business Metrics With/Without Using VoC Tools

- Connect the dots between employee/agent happiness and customer success.** As stated previously, happy agents equal happy customers. Regularly analyze both structured (5-star, 1-to-10 ratings) and unstructured (open-ended) feedback and correlate with agent performance and technology adoption. Then, adjust accordingly. Employee experience and customer experience are definitely linked. Also, consider feeding VoC data into

WFO/WEM tools to correlate customer feedback with agent KPIs, as 48% of organizations were doing in 2021.

Conclusion and Recommendations

The last thing CX leaders should do is make changes based on their “gut sense” when they can gather real-world data, use technology to quickly analyze that data, and make changes based on actual customer feedback and agent performance. Key takeaways for organizations, regardless of their stage of a CX analytics program, include the following five steps:

- Commit to developing or regularly revising a CX analytics strategy.
- Adopt a lifecycle approach to gathering, analyzing, and acting upon metrics, making changes to the metrics themselves as conditions dictate.
- Weave in advanced technologies, such as AI and machine learning, to speed up the analysis (particularly on open-ended customer feedback), to assist agents and customers, and to automate changes based on the AI analysis.
- Correlate KPIs and customer feedback with overall business goals to see how the contact center is moving the needle on business success.
- Focus on customer success over agent efficiency. When customers are happy, they spend more, give good ratings, and refer friends and family—all resulting in higher revenue.

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