



Real-time Survey Alerts: A Voice of the Customer "Must Have"

By Dr. Jodie Monger

Where within your customer experience engineering plans do you meet head-on the failed service experiences? Is it only after multiple complaints? Is it only after your company President shows up in the contact center? Is it after you are on the 5:00 news? Do ignore the ones that are not loud? Do you make an attempt to gain back loyalty points that were lost during a failed call experience?

Callers make judgments about your entire organization based on their interaction with your agents. Why is it so important to focus on the recovery of customers who had a dissatisfying service experience? Although the caller may not have been satisfied with the service experience in general, satisfaction with the service recovery experience is significantly related to their intention to repurchase (Boshoff, 1999). If there is no process for service recovery, the relationships of 15% of your customers are at risk (if not 15%, insert the percentage of your callers who would rate the experience low). Customers who have had a negative service experience or a service failure, resolved quickly by the company to the customer's satisfaction, that customer will remain loyal to the company, in spite of the failure. In fact, if a satisfactory resolution is accomplished, these customers will have higher loyalty rates to the company than customers that have had *no service failure at all*. (Blodgett, Wakefield and Barnes, 1995; Smith and Bolton, 1998; Van Bennekom, 2005). The key to success is a quick resolution. How quickly do you initiate a recovery plan after the dissatisfaction has occurred? Is there a service recovery plan in operation?

Many contact centers have inadequate processes in place to capture, never-mind address, failure of customer experiences. The process, and its timeliness, is leaving too many customer relationships exposed. Service recovery should protect the asset that was exposed during the call experience (whether that exposure was a direct result of agent behavior or caused by the organization's process). Is recovery of the relationship even possible? Unlikely if you do not know about it, as only about 5 to 10% of customers choose to complain to you (Tax and Brown, 1998). More likely is the ensuing negative word-of-mouth (market damage) and the discontinued use of your products and services by the customer. A lost customer is an easy, low-cost-to-acquire new customer for a competitor AND is customer value lost to your organization.

The approach to service recovery is enhanced by components which facilitate timely notification of dissatisfaction. Caller satisfaction surveys provide one such component. A delayed measure of the experience inherently prevents a quick initiative toward recovery, likely resulting in a lost customer, as the measure occurs a day or more after the experience. Exposed customer relationships are being lost and, with the proliferation of electronic communication tools, the impact through negative word-of-mouth can be substantial. In 1977, 67% of the public ranked word-of-mouth as an important source of information and ideas. In 2001, that number grew to 93% (RoperASW). In a marketplace where a product is a commodity and service is THE differentiator, service recovery is mission critical.

An immediate post-call measurement program is an effective component to service recovery programs. By instituting a real-time survey, the amount of saved customer relationships will increase not only customer satisfaction, but have a direct link to an increase in customer loyalty. Notification of a failed experience should not be an option, but rather a requirement. The measurement program has a built in safety net for exposed company assets. An immediate alert of a failed experience tells an important story. Is there a common issue with a particular agent? Ineffective behavior can be quickly addressed and the on-going negative impact, both for the agent and the organization, can be minimized. Is there a common process issue? The reason for caller dissatisfaction may have a root cause in a new policy or procedure. Identify and change the procedure or identify and provide an effective agent response to common aspects of customer dissatisfaction. Extrapolate the findings from the service recovery group and leverage this within your organization.

A real-time alert feature delivers significant value by proactively responding to callers who experienced difficulty with an interaction and are leaving the interaction dissatisfied. A trigger(s) is built within a post-call survey to immediately notify of failure from a low customer rating or when a problem remains unresolved. Ask the customer to provide a suggestion for improvement or an explanation of the problem and include the actual voice of the customer with the alert. Having the customers' perspective provides important information for pre-contact research by the recovery team and thus increases the success of saving the customer relationship.

Why must there be a real-time component in service recovery plans?

- Research has proven that it is much *more* expensive to acquire a new customer than to retain current customers (Hart, Heskett and Sasser, 1990).
- Research has proven in several environments that if a customer has a negative service experience or a service failure, if it is resolved quickly by the company and to the customer's satisfaction, that customer will remain loyal to the company, in spite of the failure. In fact, if a satisfactory resolution is accomplished, these customers will have higher loyalty rates to the company than customers that have had *no service failure at all*. (Blodgett, Wakefield and Barnes, 1995; Smith and Bolton, 1998; Van Bennekom, 2005).
- Customer retention has a positive, compounding impact on market value.
- Immediate notification of a failure breaks the failure loop.
- Poor contact resolution increases costs and decreases customer satisfaction.
- A competitor is one call or click away.

Formalize your recovery process. Establish clear and consistent guidelines for response to the real-time notification. Capture and document critical components of the cause of the failure in the experience. Use this information to change behavior, processes or construct more effective responses to frequently asked questions. Communicate the customer experience discoveries to the process owners (internal and external to the contact center). Track the effect of service recovery by examining the status of the relationship in three, six and twelve months. Most likely, the effects of an effective service recovery effort will be dramatic.

When it comes to failure notices, a delayed measurement technique like phone interviews, mail and even email leave you to realize that two days is too late. The recovery process is quantifiably mission-critical.

References:

Blodgett, J.G., Wakefield, K.L. and Barnes, J.H. (1995), "The effects of customer service on consumer complaining behavior", *Journal of Services Marketing*, 9 (4), 31-42.

Boshoff, C. (1999), "RECOVSAT: An instrument to measure satisfaction with transactional-specific service recovery", *Journal of Service Research*, 1(3): 236-249.

Hart, C.W.L., Heskett, J.L. and Sasser, W.E. Jr. (1990), "The profitable art of service recovery", *Harvard Business Review*, August, 148-156.

Smith, A.K. and Bolton, R.N. (1998), "An experimental investigation of customer reactions to service failure and recovery encounters", *Journal of Service Research*, 1 (1), 65-81.

Tax, S.S. and Brown, S.W. (1998), "Recovering and learning from service failure", *Sloan Management Review*, 40 (1), 75-88.

Van Bennekom, F.C. (2005) "Making the Case for Service Recovery -- Customer Retention." http://www.greatbrook.com/service_recovery.htm

Dr. Jodie Monger, is the President of Customer Relationship Metrics (www.Metrics.net), and the inventor of real-time surveying in the contact center industry. Prior to creating Metrics she was the founding Associate Director of Purdue University's Center for Customer-Driven Quality.



**For more information or to schedule an interview with Dr. Monger, please contact Jim Rembach at 336-288-8226 or Jim.Rembach@metrics.net.