

CUSTOMER EFFORT? WHAT IS



- The July–August 2010 issue of the Harvard Business Review featured an article, by Dixon et al, entitled Stop Trying to Delight Your Customers.
- Over a three year period, the authors had conducted research, with 75,000 B2B and B2C customers about their recent interactions with staff and self-service contact centres. Based on the research, the authors made some interesting assertions about the link between being easy to deal with and loyalty.
- The authors discovered, through their research, that delighting customers doesn't build loyalty. However, reducing the effort that customers need to put into getting their requests handled and problems solved does increase loyalty. This is understandable.
- There is little point in organisations attempting to delight a customer by making an extravagant gesture if they fail to get the basics right. And, it's fair to say, most organisations do not consistently deliver on the basics. It's even fairer to say that, when things go wrong, most organisations do not handle problems and complaints well.
- Think of it like this, free deliveries would not work well for Amazon if the books that you ordered were continually out of stock or delivered late. In a nutshell, what the research shows is that there is nothing to be gained from making over the top gestures if you are not satisfying your customers when it comes to the basics.
- Based on their findings, the authors developed a new metric: the Customer Effort Score. The authors claim that the Customer Effort Score is a better predictor of loyalty than the Net Promoter Score.
- There is some debate over the best wording for the Customer Effort question but at TLF we believe that you should adopt a flexible approach depending on factors such as industry or type of transaction if it is a transactional survey. However, as a generalisation a good question for a simple transaction would be:
On a scale of 1 –10 how much effort did you have to put into getting your query resolved with Company X, where 1 means a lot of effort and 10 means no effort at all?
- The study uncovered three primary reasons customers have to expend extra effort/work hard to get their problem or question resolved. These are having to:
 - Place multiple calls to address the same issue.
 - Repeat the same information to multiple contact points.
 - Switch from one service channel to another.

“making it easy for customers to resolve questions and problems is a key way to enhance customer loyalty”

- The authors went on to identify five loyalty building tactics that they believed every organisation should adopt:
 - Reduce the need for repeat calls by anticipating and dealing with issues.
 - Provide staff with the tools to deal with the emotional side of customer interactions.
 - Reduce the need for customers to switch service channels.
 - Gather feedback from disgruntled customers and use it.
 - Focus on problem solving and not speed.
- There were some other interesting observations made in the article:
 - Consumers are drawn to companies that offer quality products at a good value. Most often, customers defect when the company fails to deliver on customer service.
 - When customers reported that a “very low effort” was required to have their problem resolved: 94% intended to repurchase and 88% said they would increase their spending.
 - When the customer considered the effort to resolve the problem as “very high,” a whopping 81% intended to spread negative word of mouth.
- The findings indicate that “making it easy” for customers to interact with customer service departments to resolve questions and problems is a key way to enhance customer loyalty. When staff are properly trained and possess the information, tools and authority this takes away the need for customers to make multiple calls and makes it faster for customers to deal with the organisation.



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