# vht

# What's That Stat?

Full CX Metrics and Measurement Guide

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# What's That Stat? A VHT series exploring common CX Measurements

# What Is the Customer Satisfaction Score (CSAT) and Why Does It Matter?

## CSAT 101

The customer satisfaction (CSAT) score is one of the most widely used customer experience metrics. You ask customers individually to quantify how they feel about an interaction with your company.

When used well, CSAT scores provide you with two important types of information:

- Detailed impressions of individual touchpoints

- Aggregated scores of customer experience — overall, by department, and so on

You can aggregate CSAT scores in whatever way makes sense. You should be aware of your overall CSAT score, but you may also want to compare scores based on certain factors. It's often useful to compare CSAT scores at different phases of the buying cycle, for example, or by the service department if you think there are missed opportunities.

## A Singular Focus: Learn More by Measuring One Experience

The CSAT score is most useful when you ask customers about a specific experience. Each customer gets a questionnaire specifically targeted to a recent interaction. They respond with their impressions of that interaction.

You can then aggregate answers related to similar experiences — a request for support, a product return, and so on — and look for commonalities. Survey customers at as many touch points as you need, but make sure that each questionnaire focuses on that particular experience and not the customer's overall impression.

**USING CSAT SCORES TO FIND PROBLEMS**

The beauty of the CSAT score is that you can look at responses from many different situations and then compare results to find out what might be going wrong in an area.

For example, you may want to know where to focus your customer service rep training. Come up with a few hypotheses for where the problem might lie — Wait times? Rep knowledge? — and then test those theories by presenting customers with questionnaires.

Look for trends in the results, but also pay attention to outliers. You can boost your reputation by offering special thanks to very satisfied customers and smoothing things over when someone has a bad experience.

> **"The beauty of the CSAT score is that you can look at responses from many different situations..."**

## How to Create a Good CSAT Questionnaire

The best CSAT questionnaires get the information you need in as few questions as possible. [1] In many cases, you can get away with just one question:

How satisfied were you with your customer service experience?

**Give the customer a clear and intuitive framework for choosing their answer. Examples include:**

- A numerical scale ranging from 0 ("very unsatisfied") to 5 ("completely satisfied")

- A verbal scale ranging from "Very unsatisfied" to "Completely satisfied"

- A series of face emojis: angry, frowning, smiling, grinning, etc.

- An even simpler thumb scale: emojis of thumbs down, neutral, or up

Which scale you choose depends on your brand. More formal brands might prefer more formal numerical or verbal scales, while more casual brands might go with emojis or pictures.

**ADDITIONAL QUESTIONS**

If you're presenting the survey in a written format like email or via a website pop-up, you can add a free-response comment form with a prompt like:

"Tell us more about why you chose that rating."

These free-response fields are useful when you need to look at individual responses and analyze them. For example, if you use a 0 to 10 scale and most of your ratings are 6 or above, you might be curious to know the reasons behind the odd "1" or "2" ratings.

**You can also add more focused multiple-choice questions addressing elements like:**

- Amount of time on hold

- Friendliness of the representative

- Time to resolution

Be specific about what you want to know and ask as few questions as possible. When surveys get too long, more people drop out

## Achieving Satisfaction

The CSAT score is just one step toward customer happiness. Overall satisfaction requires a positive customer perception across all touchpoints — not just of how you resolve an issue.

VHT's Mindful Platform can help you create that overwhelmingly positive experience with Callback, which gets customers off hold by letting them request a call when a rep is available.

Mindful also connects the customer with automated notifications which confirm call times and remind customers when a call is coming up. Customers don't waste time on hold, and you still get to provide the stellar service you want to offer.

Ready to give your customer loyalty a boost? Try out Mindful today and see how easy it is to get started.
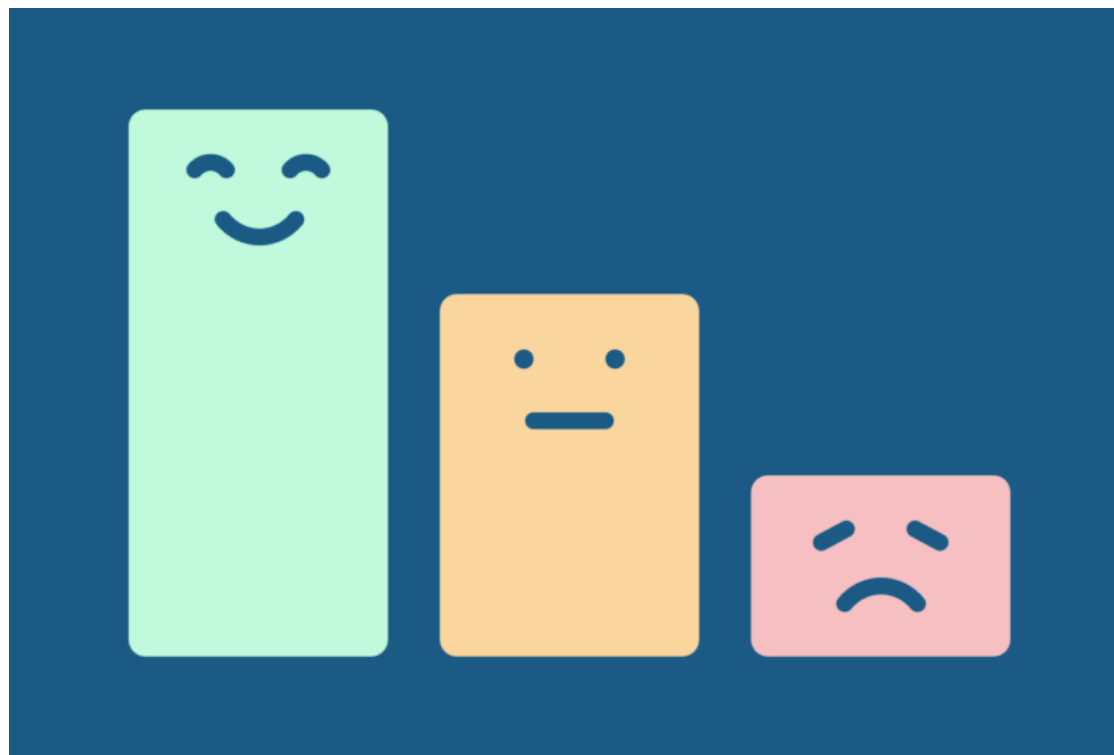
# What is the Customer Effort Score (CES) and why is it often overlooked?

## What Does CES Measure?

Customer experience (CX) is a top priority for companies, and for good reason. Close to three-quarters of all customers point to their experience with a brand as a major purchasing influence.[2] Companies that manage CX well are three times as likely to exceed their business goals [3]

To deliver the best possible customer experience, you need to track and analyze customer experience metrics. There are many out there, from the well-known Customer Satisfaction Score (CSAT) to the more obscure Customer Effort Score (CES).

**CES measures how easy or difficult it is for customers to engage with your business. It usually refers to interactions with customer service, assessing how much work customers have to do to resolve a problem.**

## WHAT DOES IT NOT MESURE?

The Customer Effort Score (CES) does not measure a customer's:

- Relationship with your brand

- Overall satisfaction

- Likelihood to stay or leave

CES also doesn't tell you why a customer had a difficult experience, so you may need to follow up with additional research. For example, if you get a few very low scores, the culprit may be a technical issue, which is easier to solve than an unhelpful representative.

## HOW IS IT MOST USEFUL?

Because it doesn't give you an overall picture of customer perception, CES is best used as a supplement to a satisfaction-focused measurement like CSAT or Net Promoter Score (NPS).

# How to Create an Effective CES Survey

When it comes to customer experience metrics, simpler is usually better. An effective CES survey often includes a single question, usually some form of:

> **"How easy was it to solve your problem today?"**

> **"According to top research firm Gartner, 96% of customers will leave a high-effort interaction with less loyalty to a brand, compared to just 9% who had a low-effort experience."**

**QUESTION FORMATS**

There are two basic ways of presenting CES survey questions to customers. You could:

- Ask a direct question: "How easy was it...?"

- Have people agree or disagree with a statement: "The representative made it easy for me to resolve my issue."

The question should be multiple choice, and the answers should be clearly labeled. Common answer formats include:

- **A numerical scale.** Always tell customers explicitly what a low or high score means. For example, if you're using a 1-10 scale, make sure customers know whether a 10 means "very easy" or "high effort."

- **Emoji faces.** These make it quick for customers to respond, and they're easy to interpret. (A happy face means a good experience, which almost always means low effort.)

- **The Likert scale.** Typically used to measure agreement or disagreement with a statement, this scale usually has five or seven points. Responses commonly range from "strongly disagree" to "strongly agree."

**WHO TO ASK**

CES surveys are most useful after a potentially complex interaction. For your company, that might be:

- A customer service call or email exchange

- A free trial signup

- Onboarding or a service upgrade

You want the experience to be fresh in a customer's mind, so send the survey as soon as possible after the exchange.

**HOW TO INTERPRET RESULTS**

Numerical answer choices are easiest to interpret. One of the most straightforward methods is to use a simple average: add all of the scores you get and divide by the number of responses. For example, if you ask 100 customers to rate you on a scale of 1 to 10 and the total score you receive is 800, your CES is 8 (800 divided by 100).

You can do the same with a verbal or emoji score. You'll just need to assign a numerical value to each rating before you do your calculations.

Another method for calculating CES is to compare negative responses to positive. Positive responses are any that fall above the middle of the scale. You can do this one of two ways:

- Calculate the percentage of positive and negative responses, then subtract the latter from the former

- Find out how many people gave you a positive rating, then divide that number by your total number of responses

## How to Improve CES

Effort has a direct and strong connection with customer loyalty. According to top research firm Gartner, 96% of customers will leave a high-effort interaction with less loyalty to the company in question, compared to just 9% who had a low-effort experience.

One of the easiest ways to decrease customer effort and improve CES is to get them off hold faster. That's where Mindful's Digital Callback can have a big impact.

After receiving information about wait times, the customer has the option to accept an ASAP callback — as soon as an agent is available — or a scheduled callback at a specific time. They keep their place in "line," but they don't have to put their life on hold.

Mindful sends automated text reminders when a callback is on its way. Customers don't have to stress about missing a call. They don't even have to set up their own reminders. It's a great way to reduce effort and, in turn, improve CES.

# What is The Peak-End Rule and why does it matter for Contact Center CX?

**In some ways, the peak-end rule is a fascinating, often overlooked customer experience (CX) metric. Learn more about how this customer perception metric can help you improve overall customer service experience for both customers and agents.**

## What is the Peak-End Rule?

What do you remember from a previous experience when you were a customer? At a basic level, determining what made an interaction memorable is the goal of measuring the peak-end rule [4] We're left with a core impression of virtually every experience we have—good, bad or indifferent.

Calculating this metric requires that we apply a bit of psychological analysis to these experiences. "Peaks" refer to intense positive or negative moments. "Ends" are the final moments of an interaction.

Apart from your experiences as a customer, you've no doubt been on the receiving end of a strategically applied peak-end rule approach. When a

director makes use of a tantalizing cliffhanger at the end of a TV series season, they're employing this tactic. You'll be left waiting in suspense for months wanting to find out what happens next. Likewise, when they fail to end a series well, sometimes the poor ending is all viewers remember about the show.

## The Peak-End Rule as a CX Metric

Applied to CX, the peak-end rule focuses on the emotional experience callers go through during an interaction with a contact center agent and how their issue was resolved.

Peak-end, like all customer experiences, can be:

- Positive or Negative

- Unpleasant or Pleasant

- Frustrating or Satisfying

Essentially, the peak-end rule says that we tend to remember the lowest or highest points of an experience and how it turned out. For example, a bad breakup can color your impression of the whole relationship, no matter how peaceful the relationship generally was. That's because we tend to focus on the highly emotional events that occurred during a relationship and how it ended when forming our impressions of it.

The same is true for customer experience interactions. If a customer reaches out several times for service and has satisfying encounters most of those times but a truly terrible experience the last time, they are much more likely to remember the terrible experience. It's human nature.

Thankfully, the reverse is also true. When a customer has a notably pleasant experience, they'll develop a more positive viewpoint of your company and its services. By looking for opportunities to create positive peaks in your CX, you can affect your customers' overall impressions of your brand.

**CONTACT CENTER HOLD TIMES IMPACT PEAK-END METRICS**

For many customers, waiting on hold triggers the emotional peak of a customer experience (and not a good one). By the time a customer has remained on hold for several minutes, they are likely frustrated and in a hurry to resolve their issue. The agent is forced to start the call with a stressed customer, significantly increasing the challenge of ending the call on a high note.

Worse, even when the agent goes above and beyond to deliver fantastic service, the caller will still perceive the interaction negatively because the long hold time was the negative peak of the experience for them.

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**CREATE POSITIVE IMPRESSIONS WITH MINDFUL CALLBACK FROM VHT**

You can transform hold experiences into positive peaks using tools like VHT's Mindful Callback technology. As your queues fill up during busy periods, Mindful Callback offers customers the option to receive a call back, either ASAP or at a scheduled time, instead of waiting around on hold. They can get back to what they were doing before they called and your agents can work under less pressure to speed through calls that need extra attention. Negative peak avoided.

Mindful Callback offers several features to bring relief and results to your contact center. For example, you can improve customer contact CX with tools like SMS notifications that send callers confirmation texts or reminders of upcoming callbacks.

**In addition to enhancing call interactions with a better opportunity for a positive peak-end experience, callbacks can help companies measurably increase net promoter scores (NPS) and customer satisfaction (CSAT) scores.**

# Using the Peak-End Rule to Improve CX

When you put control of the experience back in the hands of customers and avoid wasting their time on hold, your customers will experience less frustration. This leaves more room for your employees to create a positive experience likely to make a lasting impression. Plus, your employees will enjoy their jobs more, leading to better customer perception, and ultimately, better NPS.

Learn more about how VHT's Mindful platform, including Digital Callback services, can boost your CX metrics by turning negative peak pitfalls into positive impressions that become lasting memories of your brand.

# What is the Net Promoter Score (NPS) and how can good customer service experiences improve it?

**The Net Promoter Score (NPS) is widely used by many of the world's global market leaders to measure where they stand with their customers. At first glance, NPS is relatively straightforward — customers are either satisfied or they aren't. But examined closely alongside other customer experience metrics, NPS can unlock significant actionable insight.**

and companies can easily track and understand their responses. Brands that use NPS often use it to establish benchmarks, create employee incentives, predict future gains or losses, and hone strategies like word-of-mouth marketing.

## What is NPS?

In the simplest terms, NPS shows a company the percentage of customers who would recommend the company to people they know. You've no doubt responded to some NPS surveys yourself.

Typically, these queries include variations of the question, "How likely are you to recommend this company (or product or service) to a friend (or coworker or family member)?" Usually, marketing analytics collects NPS responses using a scale of 0 to 10 at various points in the customer journey. [5] Low scores equate with poor CX and high scores signal exceptional CX.

NPS is popular partly because of its simplicity. Customers can answer quickly

## Calculating NPS categorizes respondents into three groups:

**Promoters (score 9-10)**

**Passives (score 7-8**

**Detractors (score 0-6)**

**THE THREE GROUPS IN DETAIL:**

**Promoters (score 9-10)**
Loyal brand enthusiasts most likely to return and refer new leads. These customers aren't just satisfied; they're delighted.

**Passives (score 7-8)**
Customers who feel "ok" about a brand, but who are somewhat vulnerable to competitive messaging. Their experience was likely satisfactory, but did not engender any loyalty.

**Detractors (score 0-6)**
Unsatisfied customers. They are not only vulnerable to competitor offerings but may actually damage your brand through harmful word-of-mouth activities like creating poor online reviews or making negative social media posts.

**To determine NPS, you'll need to calculate each category's percentages by dividing the number of responses in each category by the total number of responses you received. You can then subtract the percentage of detractors from the percentage of promoters. The result is your NPS score.**

Worse, even when the agent goes above and beyond to deliver fantastic service, the caller will still perceive the interaction negatively because the long hold time was the negative peak of the experience for them.

## The Limitations of NPS

NPS helps measure overall customer perception, but it's important to understand the limitations of this metric.

Often, companies zero in on NPS and focus only on how the metric moves up and down. This is not surprising. Research, such as this London School of Economics study, indicates that an average NPS increase of 7 percent correlates with roughly one percent growth in revenue.

Sometimes, companies have an outsized response to a falling NPS, establishing committees to get to the bottom of the issue and holding emergency meetings. Panic can set in. However, considering NPS in a vacuum does not offer much in the way of usable insight.

While NPS is powerful in its simplicity, it is, in fact, a simple metric. You're gaining information about how a customer felt at a precise moment in time, but little information about why they felt that way.

To this end, it's vital to examine NPS in relation to other key CX metrics. It can be especially insightful to consider NPS in the context of Customer Satisfaction (CSAT), Customer Effort Score (CES), and Average Time Resolution (ATR).

Here's a quick refresher on what these metrics measure, taken from other articles in our "What's That Stat?" series:

- **CSAT** measures how products, services and customer experiences meet or exceed customer expectations.

- **CES** is a CX survey metric that allows companies to analyze the ease of customer interactions and resolutions during a request.

You'll gain much more helpful, actionable insight when you pair NPS with these other metrics to get a better understanding of why customers fell into detractor, passive, or promoter NPS categories.

### IMPROVING NPS WITH POSITIVE CUSTOMER EXPERIENCES

Each of these metrics (NPS, CSAT, and CES can be boosted through positive customer experiences. Investments in enhancing client relations, improving contact center operations, and reducing customer journey frustrations all lead to better CX and improved NPS.

### BOOST NPS WITH CALLBACK SERVICES

Long hold times are frustrating for callers and call center agents. They can drive down NPS and affect agent performance and job satisfaction. Learn more about how **VHT's Mindful platform**, including Text Notification services, can boost CX metrics and improve NPS in as little as a few days.

# What is the Customer Retention Rate (CRR) and how can it work for you?

**If you want to optimize your bottom line, you have to build customer loyalty. It's a numbers game — repeat buyers spend more than new customers, according to research published by Bain & Company, and they're less costly to pursue. [6]**

**In fact, says Bain, it's almost impossible to break even with one-time shoppers. The cost of customer acquisition is too high. To get the most from your marketing investment, you need to get customers coming back again and again.**

## Measuring Customer Retention Rate

Measuring your CRR is simple and straightforward. You need three data points, which are:

- How many customers you have at the beginning of the period you plan to measure

- How many you have at the end

- How many customers you acquired during the period in question

**HOW TO CALCULATE CCR**

Count the number of customers who purchased during the measurement period. Then do the following:

1. Subtract your number of customers acquired from your ending number

2. Divide that total by your starting number of customers

3. Multiply the result by 100 to get a percentage

Once you have that number, you can use it as a baseline and work on improving your retention. The first thing to understand is why customers come back and buy again.

# What Prompts Customers to Return?

According to research reported in the Harvard Business Review, three factors indicate that a customer is likely to return and shop again. Those factors are:

- Having referred other people

- Having never filed a complaint

- Having successful resolutions to any complaints

The last group is often the most loyal, says Qualtrics XM scientist Leonie Brown. It's about customer perception — their trust in the company has been tested and the company has proven itself worthy of that trust.[7]

### THE IMPORTANCE OF ISSUE RESOLUTION

The happier people are with the way you resolve their complaints, the more likely they'll be to do business with you again. This relationship has shown up time and time again in customer studies.

In 2010, Forrester found that 81% of people who were satisfied with a company's issue resolution will work with that company again, compared to 5% who were unsatisfied. Customers' levels of satisfaction correlated directly with their willingness to return.[8]

In 2018, Harvard Business Review reported a study showing that when companies resolve a complaint effectively, the complaining customer is willing to pay more for service from that company in the future. Spending thresholds are highest when a company responds in five minutes or less. [9]

It's natural to think of unhappy customers as something to avoid, but these statistics tell a different story. Consumers who have issues are candidates for strong long-term loyalty, assuming that you can resolve their issues as well as or better than they expected.

### THE ROLE OF CUSTOMER AGENCY

Customers feel more satisfied with an issue's resolution when they have some agency and control over the process. It makes sense — needing to contact customer service can make a person feel helpless. How long will they have to wait on hold? If they have to hang up, will they lose their chance to resolve the issue?

It's important to give customers as much choice as possible during the resolution process. That's why VHT offers Callback. Customers don't have to wait on hold unless they prefer that option, so they're in the driver's seat from the very beginning of the resolution process.

VHT also offers SMS text messaging, which is an increasingly attractive option in the customer service world. Around 89% of customers say that they want the option to communicate with brands using text, and 56% have already used text to reply to a missed call from a business.

Mindful lets customers and service representatives text using the same phone numbers that client companies use for voice. The technology features seamless text-to-talk transitions so that the resolution can go forward using whatever channel the customer prefers. It's another powerful way of adding choice to the dispute resolution process.

# The Takeaway

CRR isn't a customer experience metric that your company can afford to ignore. Fortunately, it's easy to measure and straightforward to improve using a process you already have in place — dispute resolution.

Try it out for yourself. Experience Callback from VHT, or just get in touch and let us tell you how you can implement these technologies in your company. It's easier than you think and can have a real impact on your customer service experience.

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**More than 25 years ago VHT invented Callback technology and has been a leading provider ever since.**

Today VHT continues to improve the customer experience with its Mindful Platform. Mindful is a cloud-based SaaS platform created to integrate Callback technology with other voice, text, chatbot, and additional platforms to allow seamless transitions between talk and text with your customers.

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