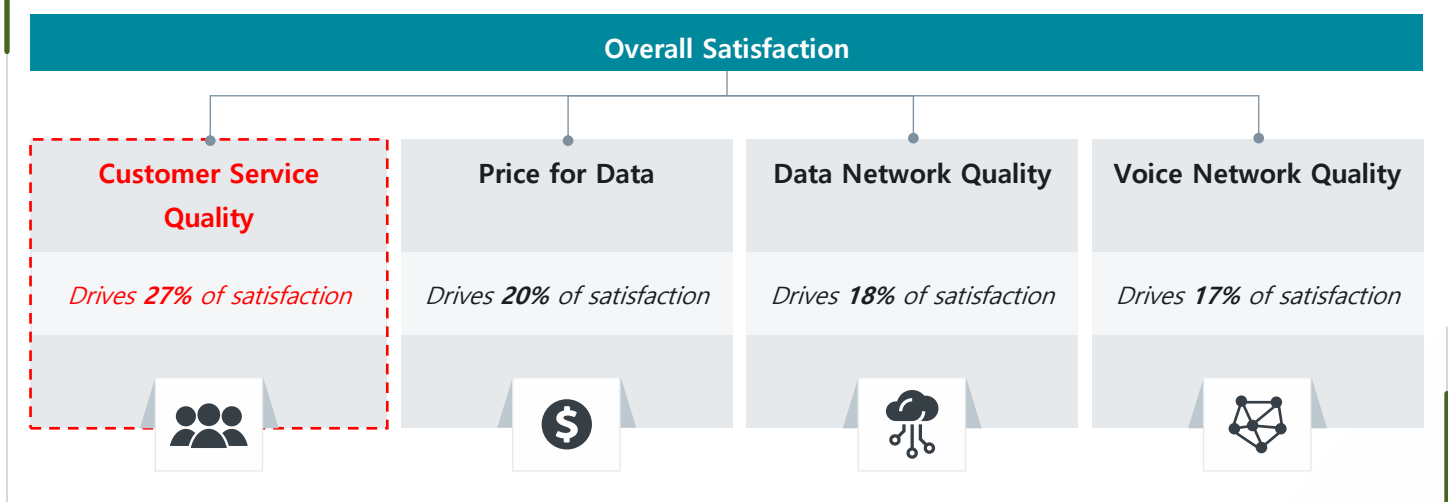


Analyzing Customer Service flows and Impact on Customer Satisfaction

Executive Summary

Customer Service plays a critical role in the customer lifecycle and overall satisfaction with a company. Our data shows that once a customer contacts the customer service of a wireless provider, satisfaction with *that* customer service interaction becomes the biggest driver of overall satisfaction (Figure 1). It even supersedes network satisfaction and satisfaction with price paid for services – typically two of the highest drivers of overall satisfaction.

Figure 1: Drivers model showing contribution of various satisfaction KPIs towards overall satisfaction.



Wireless carriers are keenly aware of the importance of customer service for their subscribers. The wireless industry has been making enhancements to improve and digitize customer service. Verizon and T-Mobile have been especially aggressive – [Verizon recently acquired Moment](#) to design more personalized digital customer service experiences and T-Mobile is [planning a customer service](#) overhaul to drive subscribers to texting and their mobile app to solve issues. However, our data shows that First Contact Resolution (FCR) is key in improving overall customer service satisfaction (Figure 2). As many as 1 in 3 wireless subscribers say they must contact their provider’s customer service more than once to resolve a customer service issue. These percentages are slightly varied by carriers with Verizon being most effective at resolving customer inquiries in one contact. Meanwhile, Sprint has 40% of their subscribers saying they are contacting customer service more than one time for the same issue (Figure 3).

Figure 2: Customer Service Satisfaction by Channels used for contact for those with One Contact versus multiple contacts to resolve the same issue (Top 3 Box %).

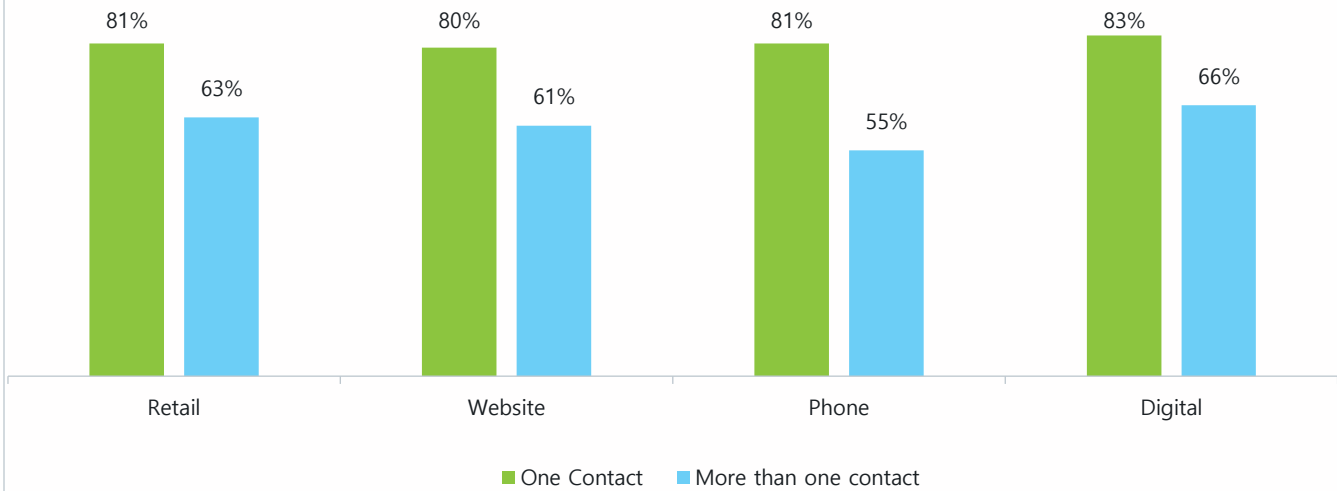
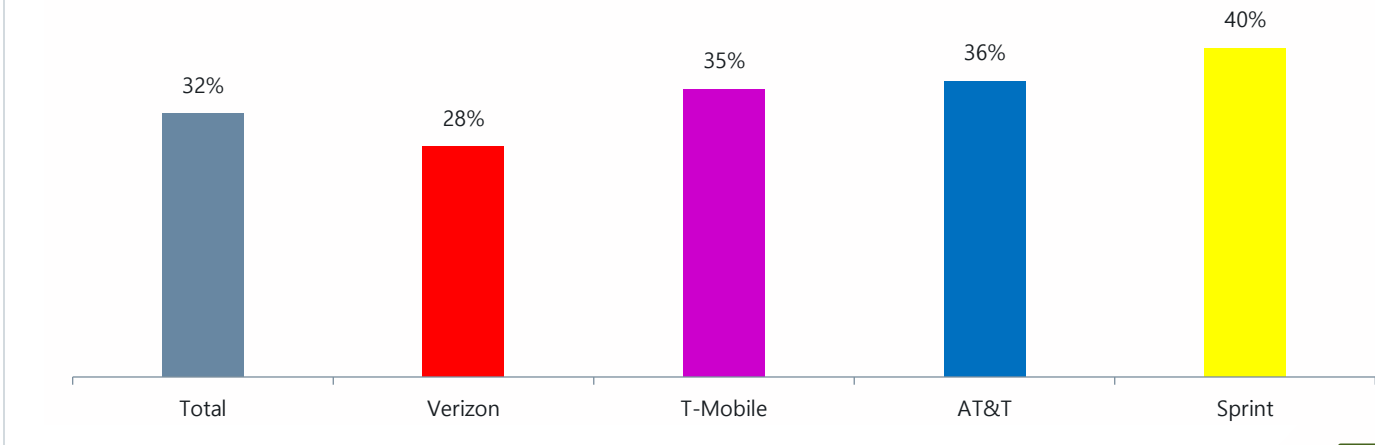


Figure 3: Percentage of those contacting Wireless Providers' Customer service for the same issue more than once.



In this paper, we leverage the [HarrisX Retail and Customer Service Survey](#) data to explore the flow of customer service contacts across various channels.

HarrisX Retail and Customer Service Survey (RCS) Overview

The HarrisX Retail and Customer Service Survey is a self-administered online survey taken via a computer, tablet, or mobile device. The survey samples approximately 2,500+ people in the U.S. monthly (7,500+ people ever quarter), aged 13+. All respondents must have a wireless cell phone subscription and have contacted their provider's customer service or visited their provider's retail store in the past 3 months. RCS employs convenience sampling and a weighting algorithm to ensure that the data is nationally representative.

Key insights derived from RCS include:

- Reasons for contacting customer service
- Customer service flows between channels
- Customer service satisfaction by channel
- Best channels for resolving different customer issues
- Channel intent for future uses
- Deep analysis of social media customer service

Sample Inclusion, Yield, & Analysis Methodology

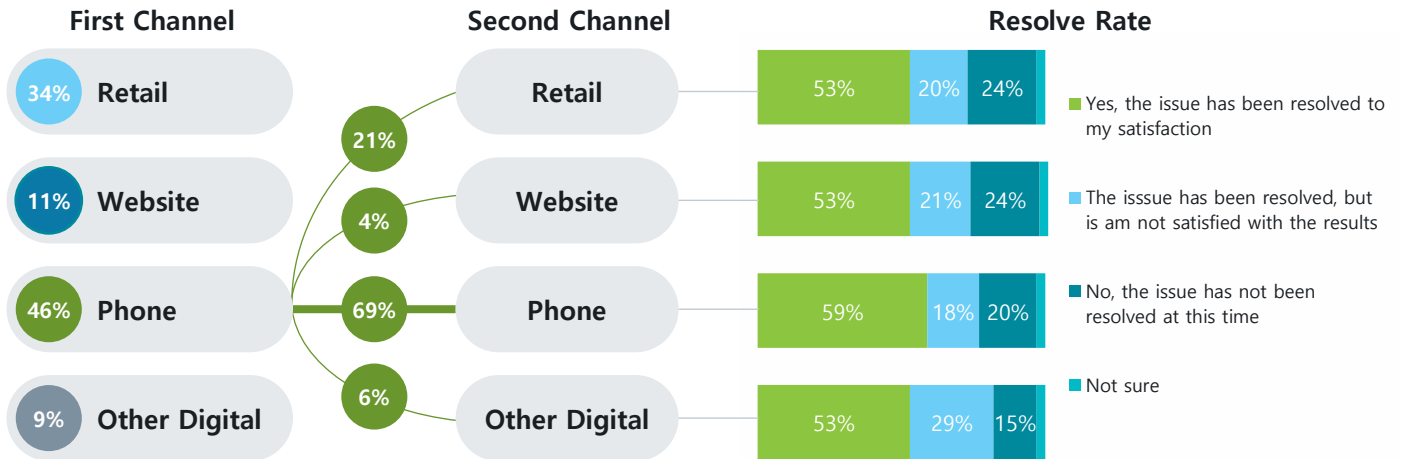
RCS data from April 2017 to June 2018 were included in the analysis. The total sample size of respondents who contacted their wireless service carrier for a customer service contact was n=42,042. Of those who contacted their wireless service carrier's customer contact, n=13,610 identified as having to contact their carrier more than one time to resolve a single issue/problem or to ask a question. A subset of those subscribers not only contacted their carrier more than one time to resolve a single issue, but also contacted using multi-channels or modes of customer care (n=9,092).

The analysis focuses on n=9,092 customers ("multi-contactors") who contacted their carrier more than one time to resolve a single issue/problem/question through more than one customer service channel/mode. The analysis tracks the flow of the multi-contactor's customer care journey through interactions with two of four possible customer service channels: retail store, website, phone, and other digital (a composite of email, social media, online chat via a carrier's website, and a carrier's mobile app).

Analysis

Phone is the most popular customer service contact channel. Approximately 46% of multi-contactors start their customer service journey via phone (Figure 4). An overwhelming 70% of those who start at phone for their first contact, leverage phone for their second contact as well. A phone to phone handoff drives the highest satisfactory resolution rates among those starting their customer service flow with the Phone channel. However, those starting at Phone are least likely to have their issue resolved even after two channel interactions.

Figure 4: Customer Service flows for multiple channel contacts initiated at Phone channel



Retail is not as popular as Phone for customer service among multi-contactors with 34% of subscribers starting with retail for their customer service needs (Figure 5). Surprisingly however a fairly high percentage, almost 60% of those who started at retail went back to retail to resolve the same issue. About 28% of those requiring multiple contacts and starting at retail, went to phone, but reported the lowest resolution rate of all the flows initiated at the Retail channel, with 1 in 4 reporting that their issue was not resolved, and they aborted the process.

Figure 5: Customer Service flows for multiple channel contacts initiated at retail store

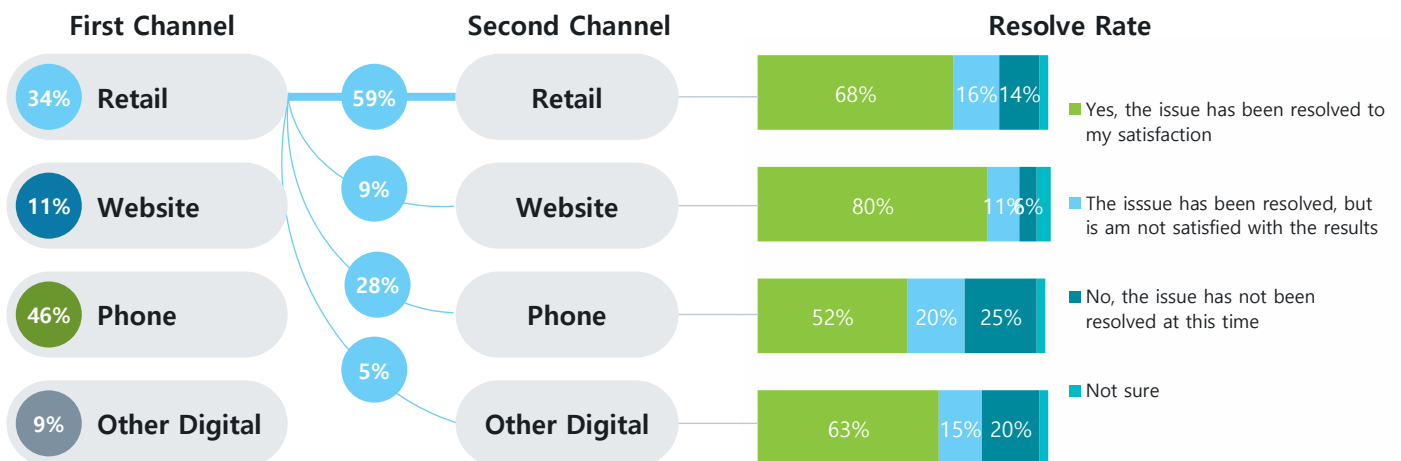
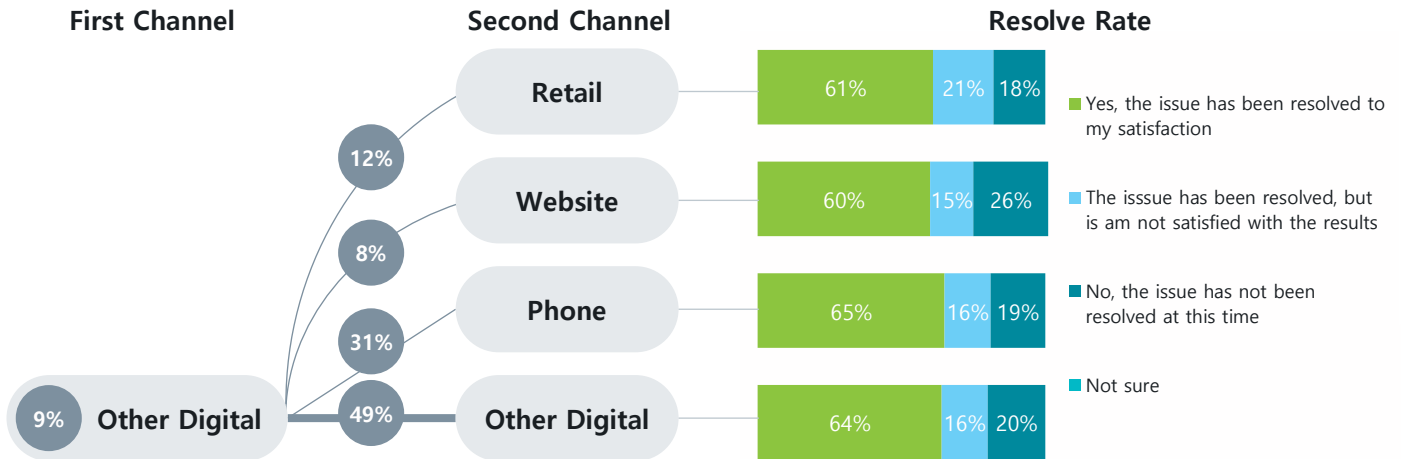
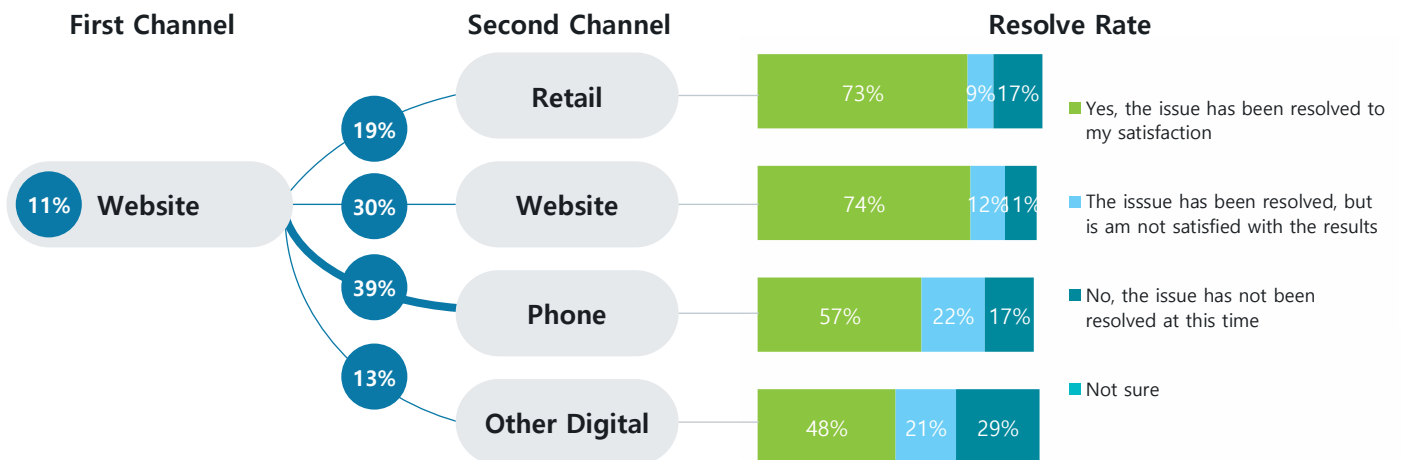


Figure 6: Customer Service flows for multiple channel contacts initiated at Other Digital



Website and Other Digital channels (Social Media, Online Chat, Carrier’s App, Email) are less often used for customer service issues (Figure 6 and Figure 7). Only 11% of all contacts use the Website and only 9% use “Other” Digital channels. “Other” Digital are more likely to draw a repeat contact via the same channel (49%) versus Website where only 30% go back to the website to have their issue resolved. As a result, Website is pushing a significantly higher percentage of customers to the phone than “Other” Digital channels. Most alarming is that while Website is driving 13% of its repeat contacts to “Other” Digital channels, resolve rates are the lowest we have seen. Almost 30% walk away before achieving a resolution and only 48% saying the issue was resolved to their satisfaction.

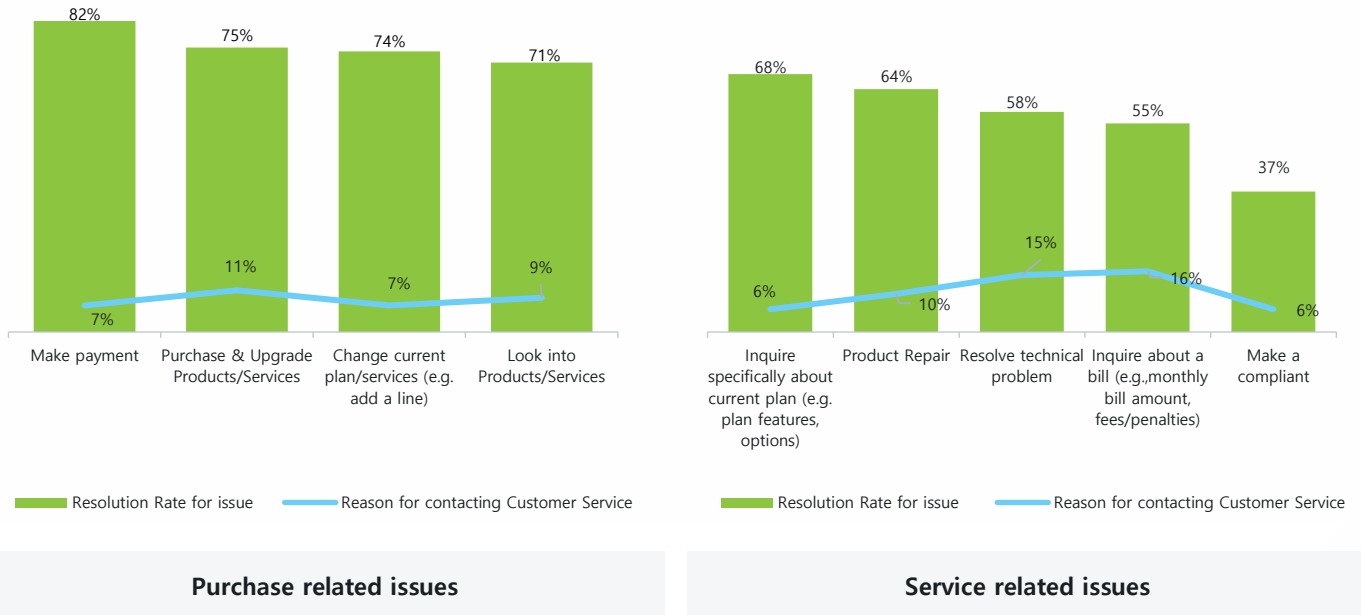
Figure 7: Customer Service flows for multiple channel contacts initiated at Website



While resolution rates by channel are an important part of the customer service story, not all channels are created equal. In fact, customers contact customer service for many reasons and prefer specific channels for certain issues.

Clear themes emerge for reasons for contacting customer service. For customers that have the highest satisfaction, the customers are most likely purchasing new products, inquiring about new products and services or making a payment. Those with lowest satisfaction are likely asking about billing related queries or technical issues (Figure 8).

Figure 8: Resolve Rates by Reasons for Contacting Customer Service



Tying together flows and reasons for contacting customer service

As we look across the resolve rates and satisfaction by customer service flows, the top performers are:

1. Retail to Website
2. Website to Retail
3. Website to Website

In the three flows above, the most popular reason for contacting are purchase or payment related – inquire about products/services, purchase products/services and make a payment respectively.

Whereas for the worst performing flows in terms of satisfaction and resolve rate were:

1. Retail to Phone
2. Website to Digital

Not surprisingly, the top reasons in the poor-performing flows are servicing related – such as inquiring about bill or resolving technical issues.

Implications for wireless carriers

1. **Prioritize the hand off between retail and phone and vice versa:** While customers are coming to these channels for more difficult to resolve issues, these are also the most likely hand offs between channels. Minor adjustments in terms of setting up appointments at retail stores for follow ups, or personalization across channels can go a long way in improving customer satisfaction.
2. **Don't overlook the linkage between website and "Other" Digital channels:** Opportunity exists to increase the usage of social media and online chat post as the initial contact via Website. This can help reduce the impact on phone and increase the digitization of customer service that in turn can reduce cost. There is significant room for improvement in hand off between these channels as well as this flow is causing one of the lowest resolution rates across flows analyzed.
3. **Incentivize representatives based on servicing as well as sales:** Customers are feeling like their issues are resolved when it comes to purchasing new products or upgrading; however, for existing customers when they want to make changes to those plans and services, we are seeing lower resolution rates. Incentivizing reps to ensure customer resolution despite revenue to the carrier can drive higher satisfaction and resolution rates.