
Convergys Customer Scorecard Research - Are You Really Listening and Understanding Your Customers?

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Convergys Customer Scorecard Overview

State of Customer Experience

The recession, demographic shifts and other factors have changed customer expectations

The Cost of Bad Experiences

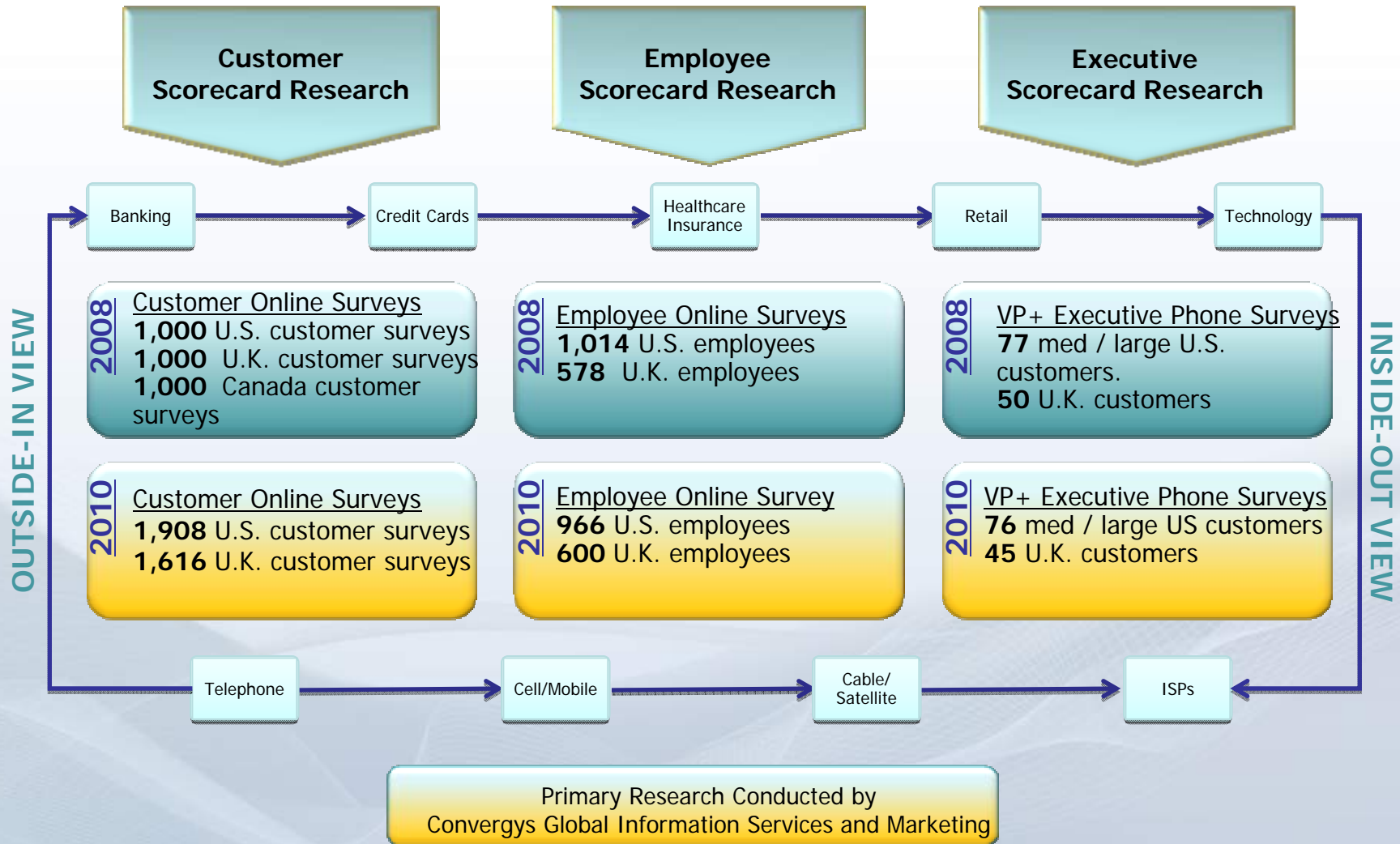
A deeper look at churn and attrition

What Companies Can Do to Drive Growth

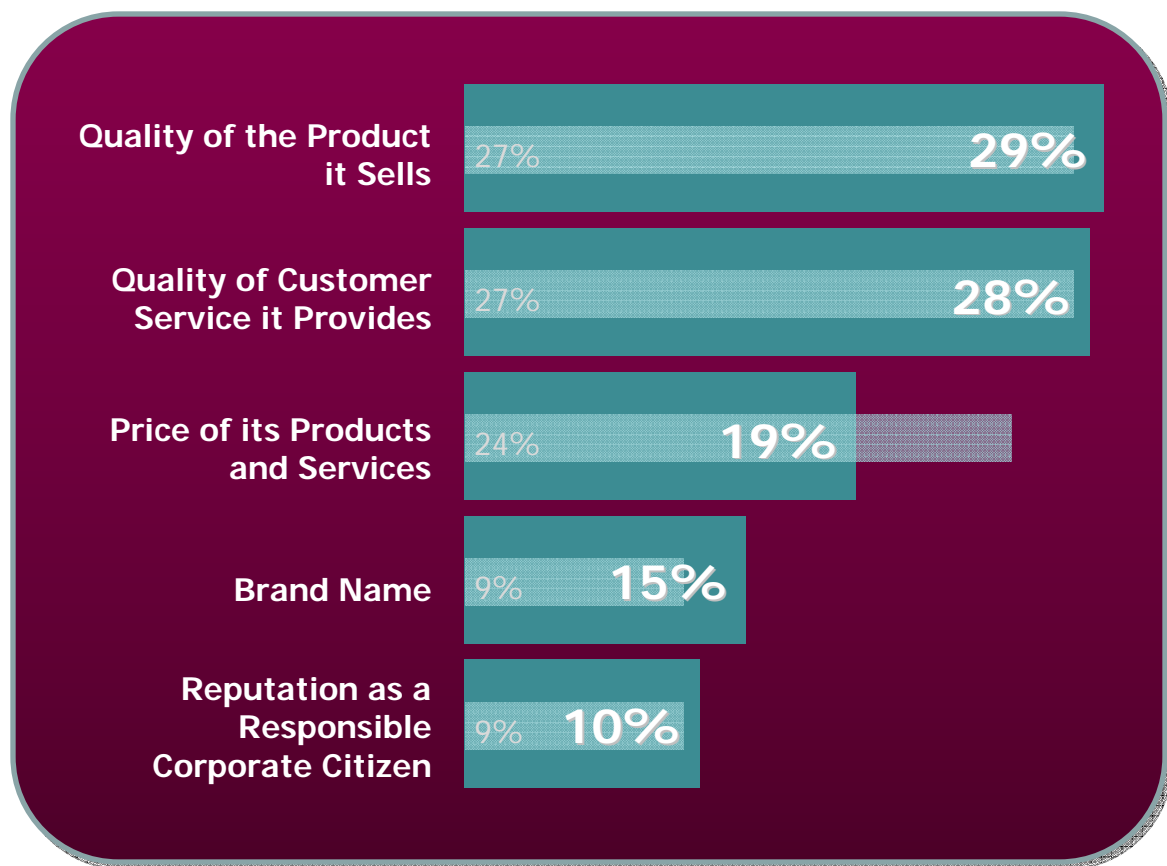
How companies can deliver superior customer experiences and drive growth



Convergys Scorecard Series Research Methodology



Customer Experience is as Important as the Product Being Sold, and More Important Than Brand or Price



2010
2008

Despite recessionary financial constraints, consumer emphasis on price has decreased since Convergys' 2008 survey.

Now consumers indicate an increased desire for value. They want the best possible combination of product & service at the "right" price – the very best customer experience.

Service is a Critical Part of the Customer Experience.

Source: 2010 Convergys Scorecard Series Research



The GFC Has Impacted Customer Experience

In general, the 45 – 64 age group are worse off, more skeptical, and less satisfied than younger generations



Under 35

35 - 44

45 - 64

Financial Situation

Better off than a year ago

Worse off than a year ago

26%

32%

19%

43%

11%

57%

Perception of Companies

Say companies don't understand

Say companies don't listen

34%

32%

44%

38%

52%

43%

Source: 2010 Convergys Scorecard Series Research



Not Listening, Not Understanding

77%

of customers say that in the past year the quality of customer service provided by companies has **stayed the same or become worse**.

50% of employees and executives agree, and 50% think service has improved.

45%

of customers think that companies **do not have good understanding** of what customers really experience in dealing with them.

20% of employees and executives agree, and 80% think their company understands.

45%

2008

39%

of customers think that companies **do not listen** to or act on customer feedback.

13% of employees and executives agree, and 87% think their company listens.

37%

2008

Source: 2010 Convergys Scorecard Series Research



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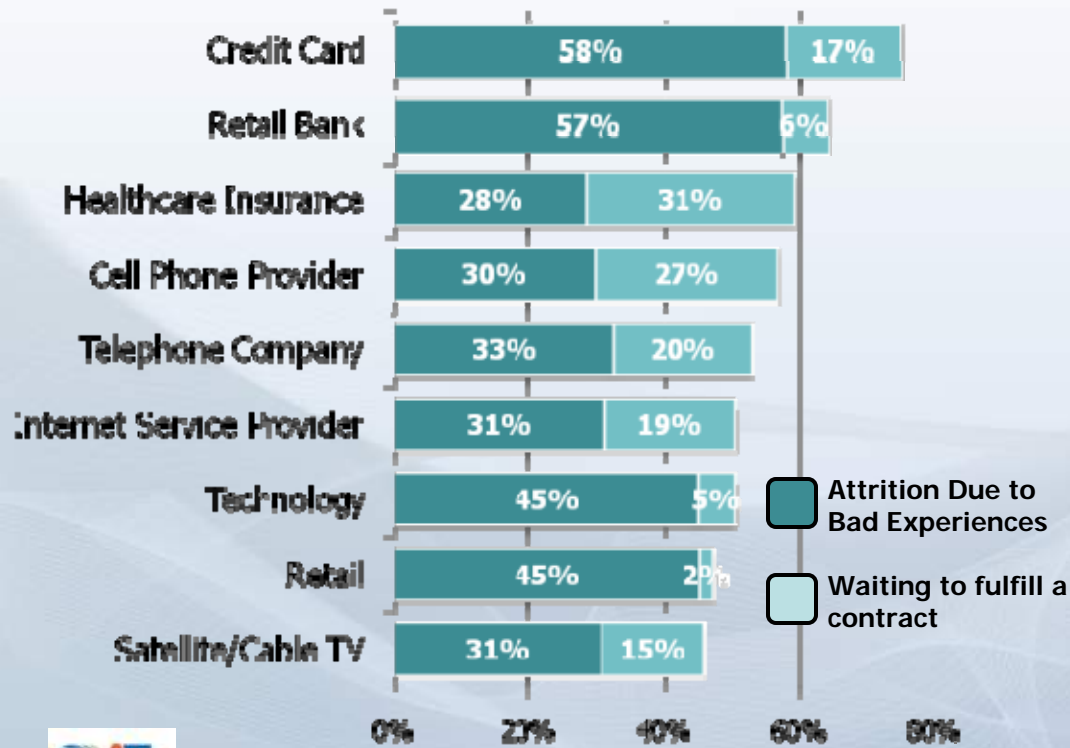


Bad Customer Experiences and Reporting Have Increased

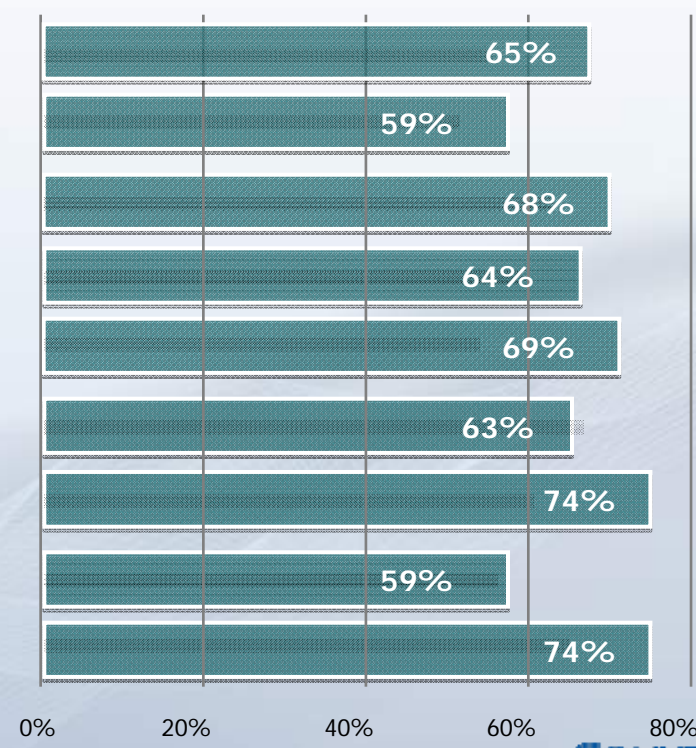
57% of customers had a bad experience with a company. **56%** 2008

66% of the time customers reported the bad experience. **58%** 2008

Attrition Due to Bad Experiences



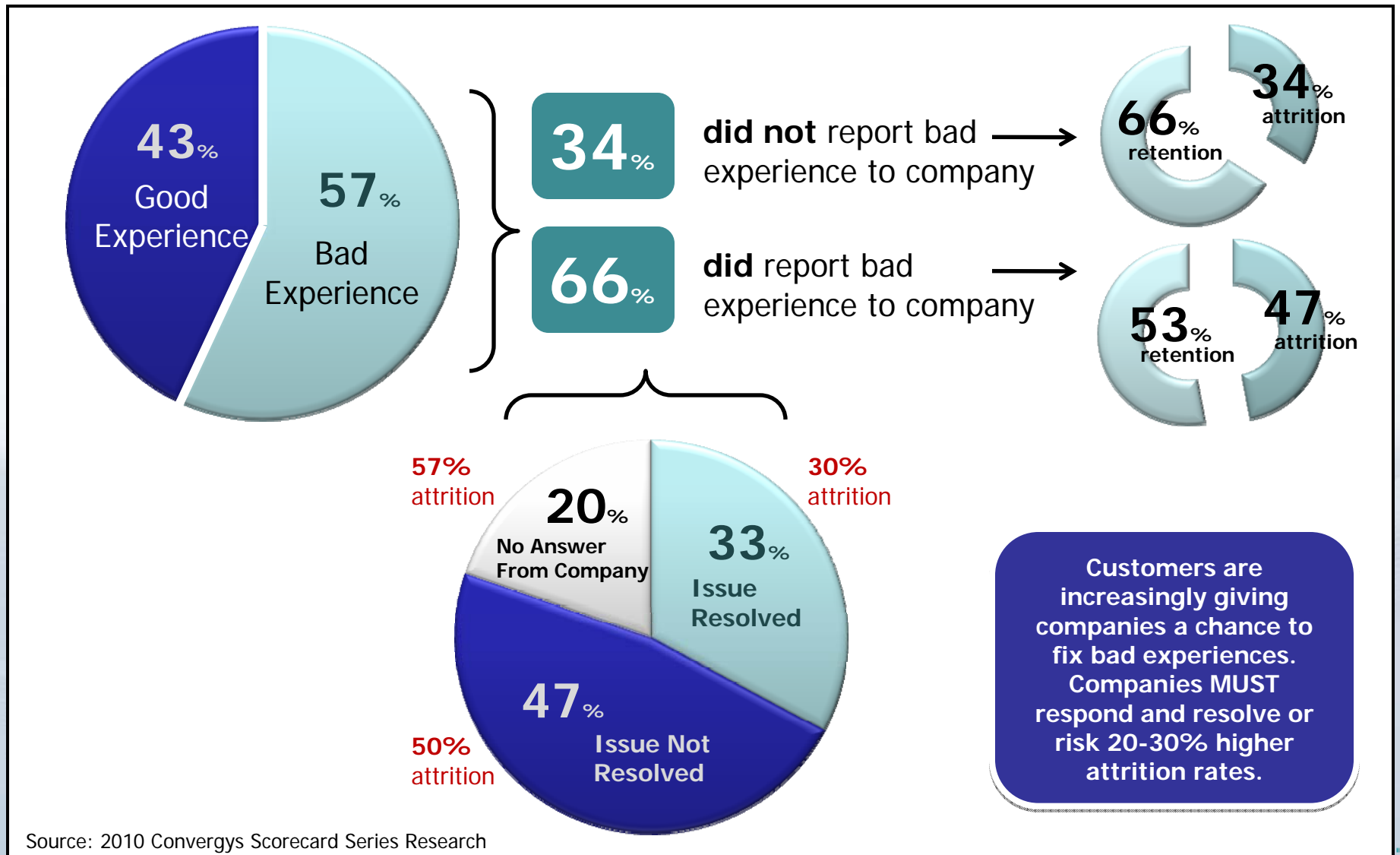
Reporting of Bad Experiences



Source: 2010 Convergys Scorecard Series Research



Customers Are More Likely to Continue Doing Business With Companies That Respond To and Resolve Their Issues



Source: 2010 Convergys Scorecard Series Research



Silent Attrition Continues to be an Obstacle to Retention and Growth

34%

of the time customers **did not report** their bad experience to the company

34%

that did not report their bad experience **stopped doing business** with the company

Reasons Not Reported

Didn't think they would take action

74%

No convenient way to report

41%

Didn't think they wanted feedback

17%

Source: 2010 Convergys Scorecard Series Research

Companies Need to Bring Self-Service Systems Up To Customer Standards

Customer Satisfaction With Self-Service Channels

Speech-based
Phone Systems



Problem Areas: Speed of Resolving Issue (31%), Ability to Resolve Issues (33%), Ability to Address All Questions (34%)

Touch-tone (IVR)
Phone Systems



Problem Areas: Ability to Resolve All Questions (34%), Speed of Resolving Issue (35%), Helpfulness (35%)

Self-Service
Website

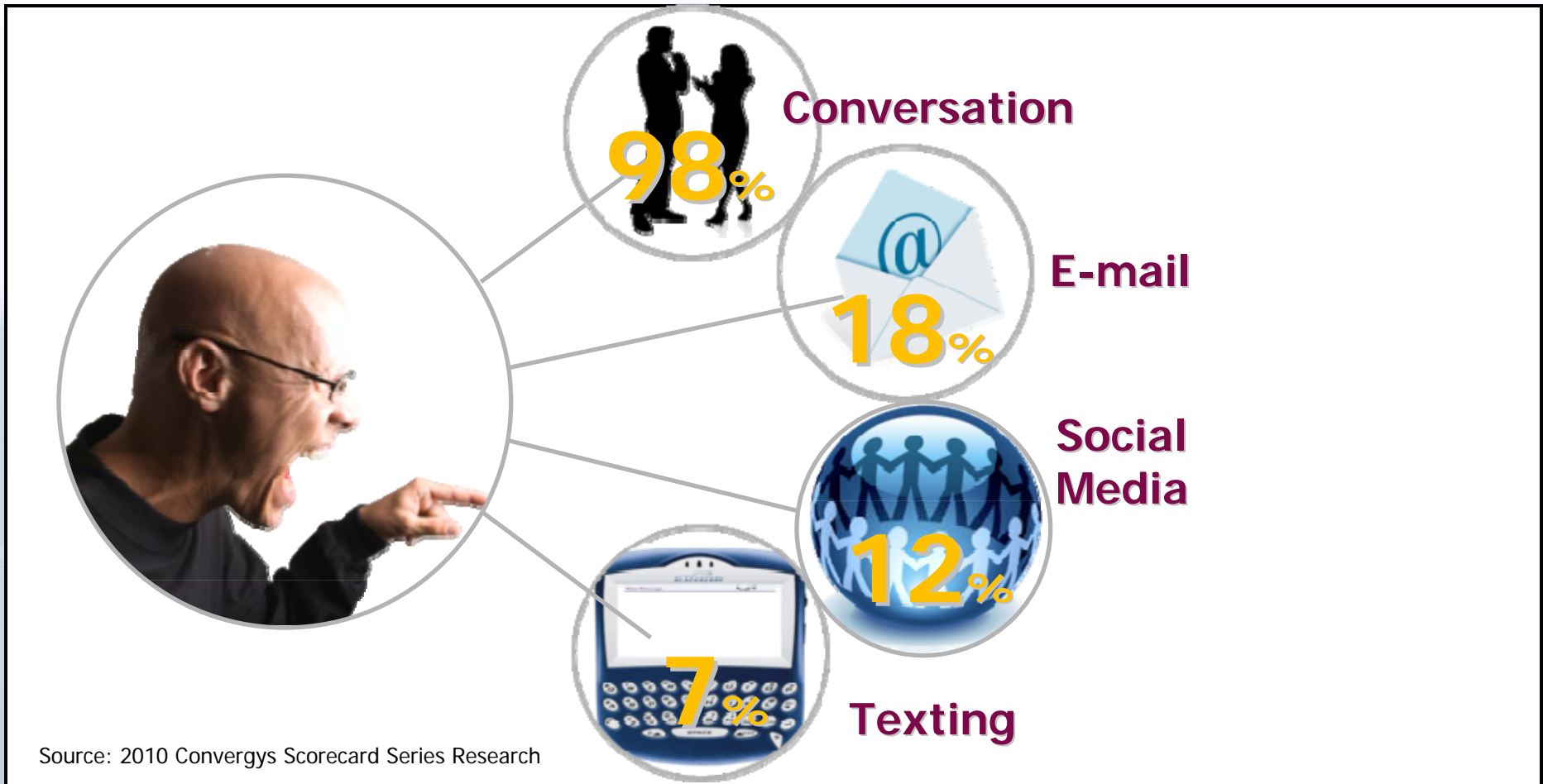


Problem Areas: Speed of Resolving Issue (48%), Ability to Address All Questions (48%), Helpfulness (48%)

 Overall Satisfaction  Dissatisfaction

More Customers Are Broadcasting Bad Experiences Through Multiple Channels and Damaging Company Reputations

80% of customers that had a bad experience told friends or colleagues **87%** 2009



Source: 2010 Convergys Scorecard Series Research

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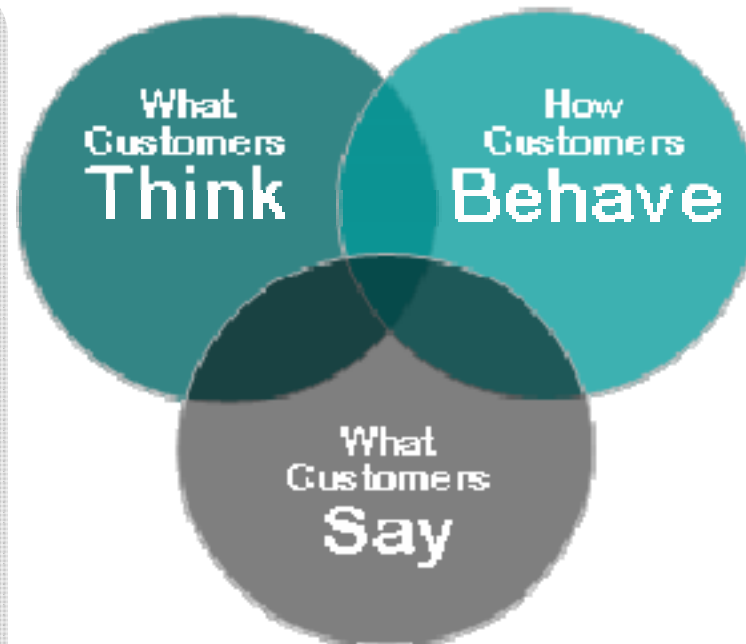
How companies can deliver superior customer experiences and drive growth



Companies Must Employ Analytics - A Data-Driven Outside-In Approach



- **Buying Propensities**
- **Churn Variables**
- **Identify Bad Process**
- **Competitive Threats**
- **Quality Calibration**
- **Product Issues**
- **Competitive Intelligence**
- **Program Roadmap**
- **Breakeven & ROI Map**
- **Complexity to Implement**
- **System Improvements**
- **Process Design**
- **Policy Design**
- **Training Design**



What Companies Can Do to Drive Growth

Analytics



Employ Analytics To...

Design customer experiences that meet each segment's needs

Adjust segment experiences as requirements change

Adjust individual experiences dynamically to improve outcomes

Agents



Prepare Your Front Line

Train, equip and empower your agents

Make sure they are fully engaged

Develop "multi-channel agents" with the ability to respond in the channel(s) of the customer's choice

Automation



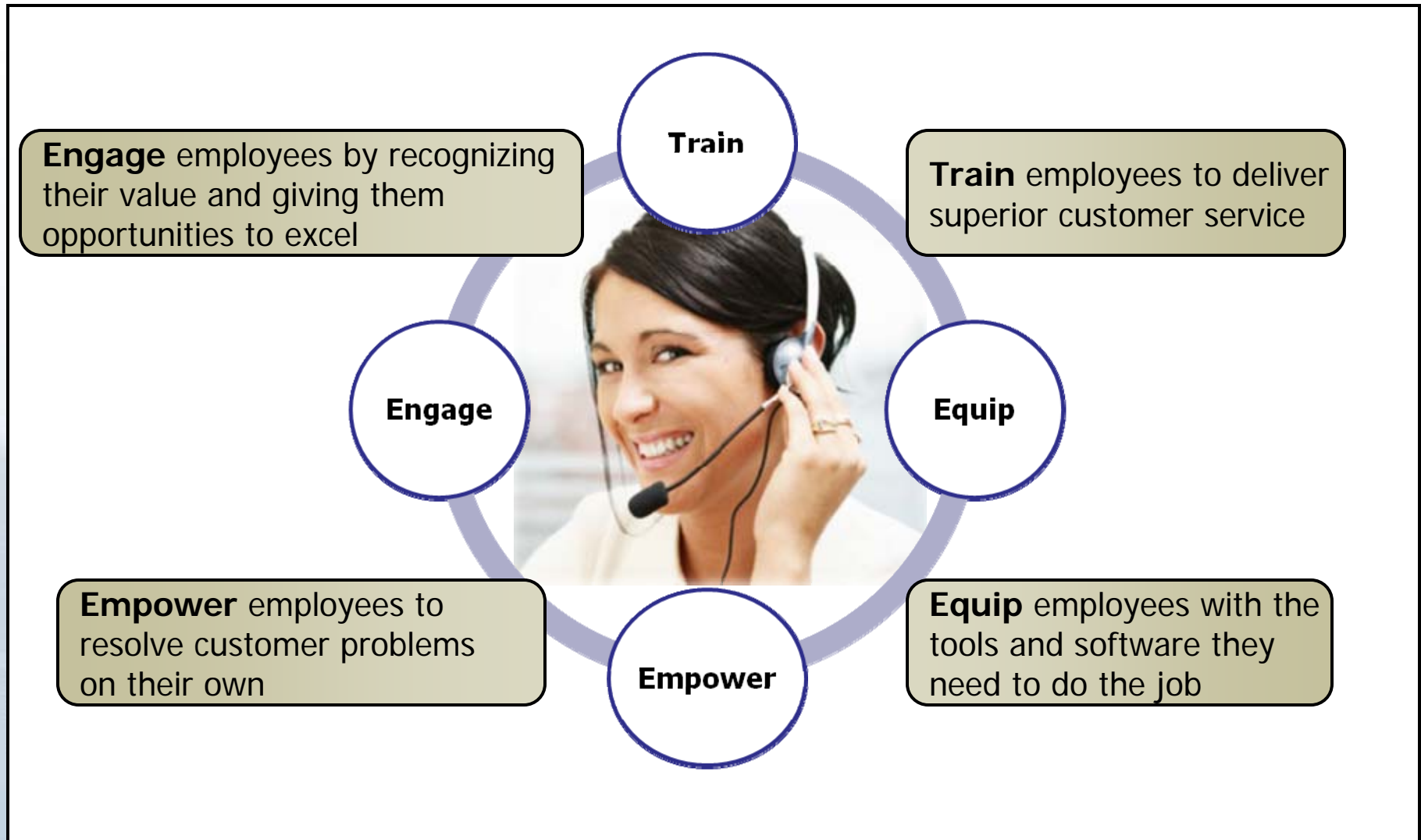
Open Up the Lines of Communication

Open many channels for customer feedback (not just agents)

Design response mechanisms based on segment preferences

Invest in blended high-tech/ human-touch channels

Agents: Companies Must Prepare the Front Line to Deliver Better Customer Experiences



Companies Must Improve Feedback and Response Channels

Customer Experience Touch Points

Intelligent Automation / Dynamic Decisioning

Enabling intelligent interactions across all channels and modes of communication to increase customer satisfaction while also managing costs

Assisted Service

Table stakes for an enterprise customer service solution. Includes DTMF/basic call routing.

Self-Service

Includes more sophisticated technologies such as automation, speech recognition, and an IP contact center.

Proactive Service

Includes outbound IVR that sends notifications through voice and SMS or email channels.

Increase Revenue

Retain Customers

Reduce Cost