



VENTANA
RESEARCH

Customer Effort and Customer Engagement

March 6, 2014

Richard Snow

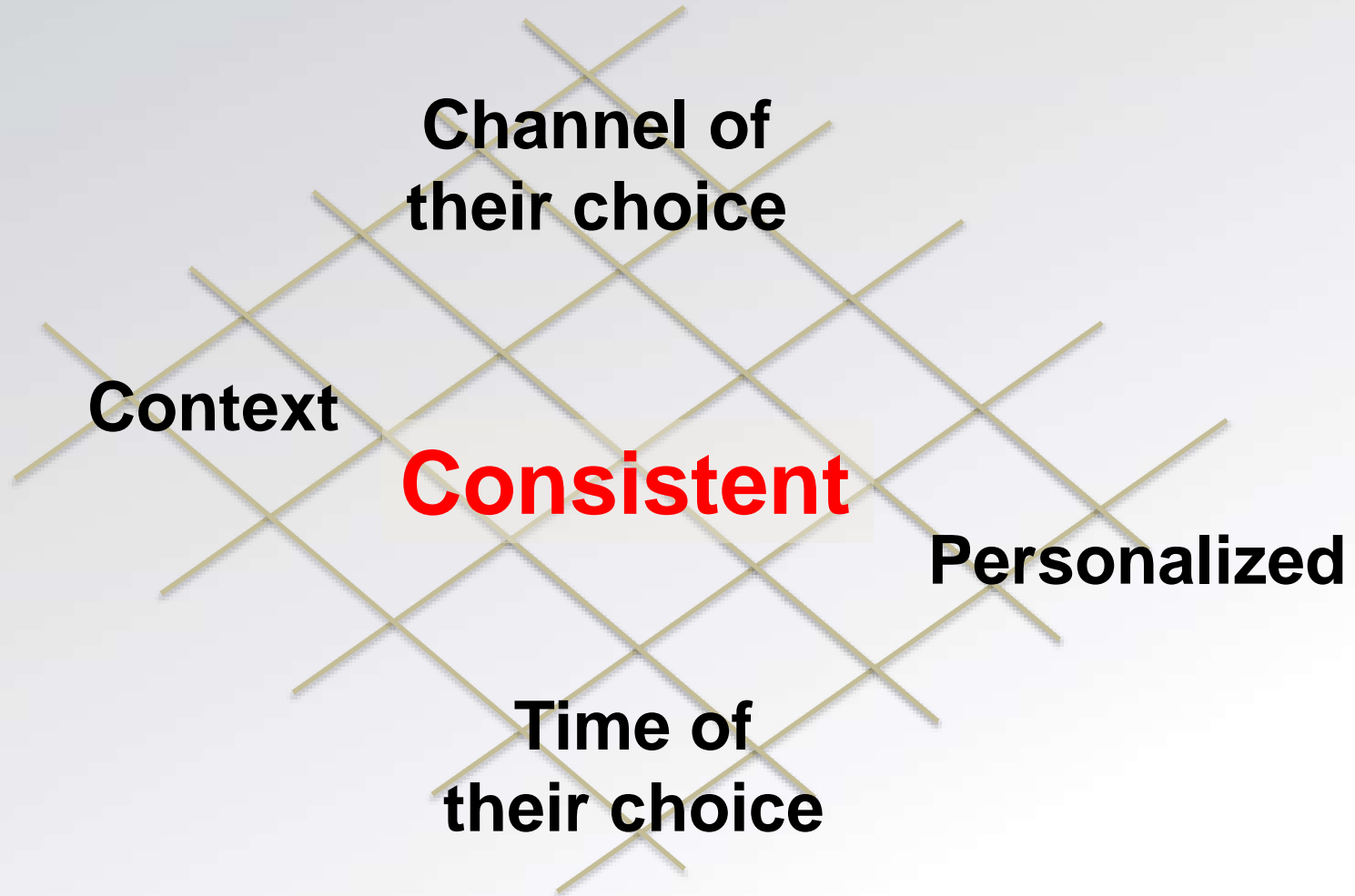
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Customer Expectations



Background to Customer Effort

- Emerged in 2008
 - The result of Corporate Executive Board 2010
 - Article in Harvard Business Review
- Challenged the notion that “delighting” customer would increase loyalty, instead claims;
 - Customers want a solution to their issue
 - With minimal effort
- More recent research shows
 - Companies gain better results when they make it “easy” for customers to engage
 - Rather than “reducing effort”



Customer Effort is a customer-related metric that measures how easy it is for customers to engage with your company



Channels of Communication



Source: Ventana Research Next Generation Customer Engagement Benchmark Research

Channels of Communication



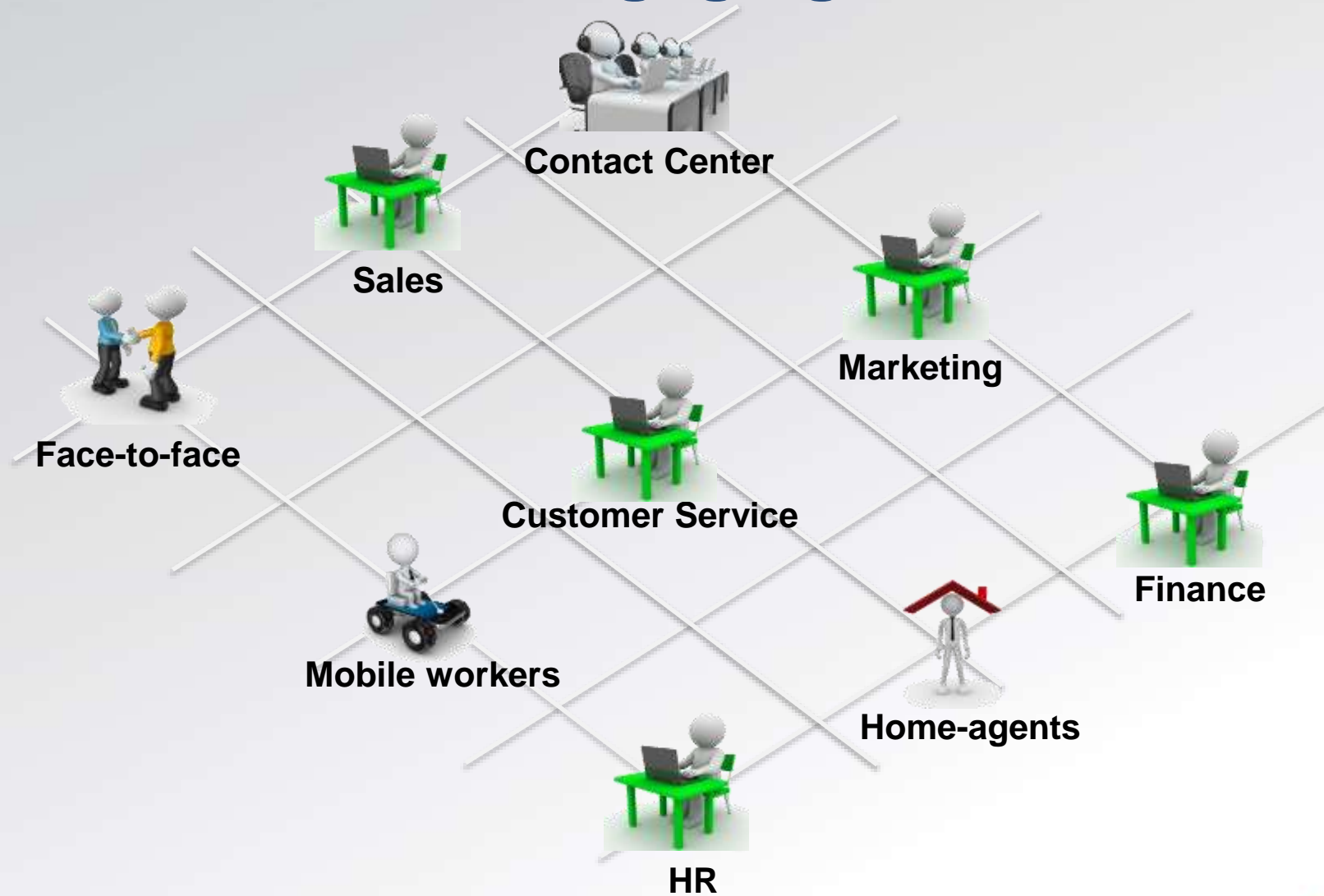
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Channels of Communication



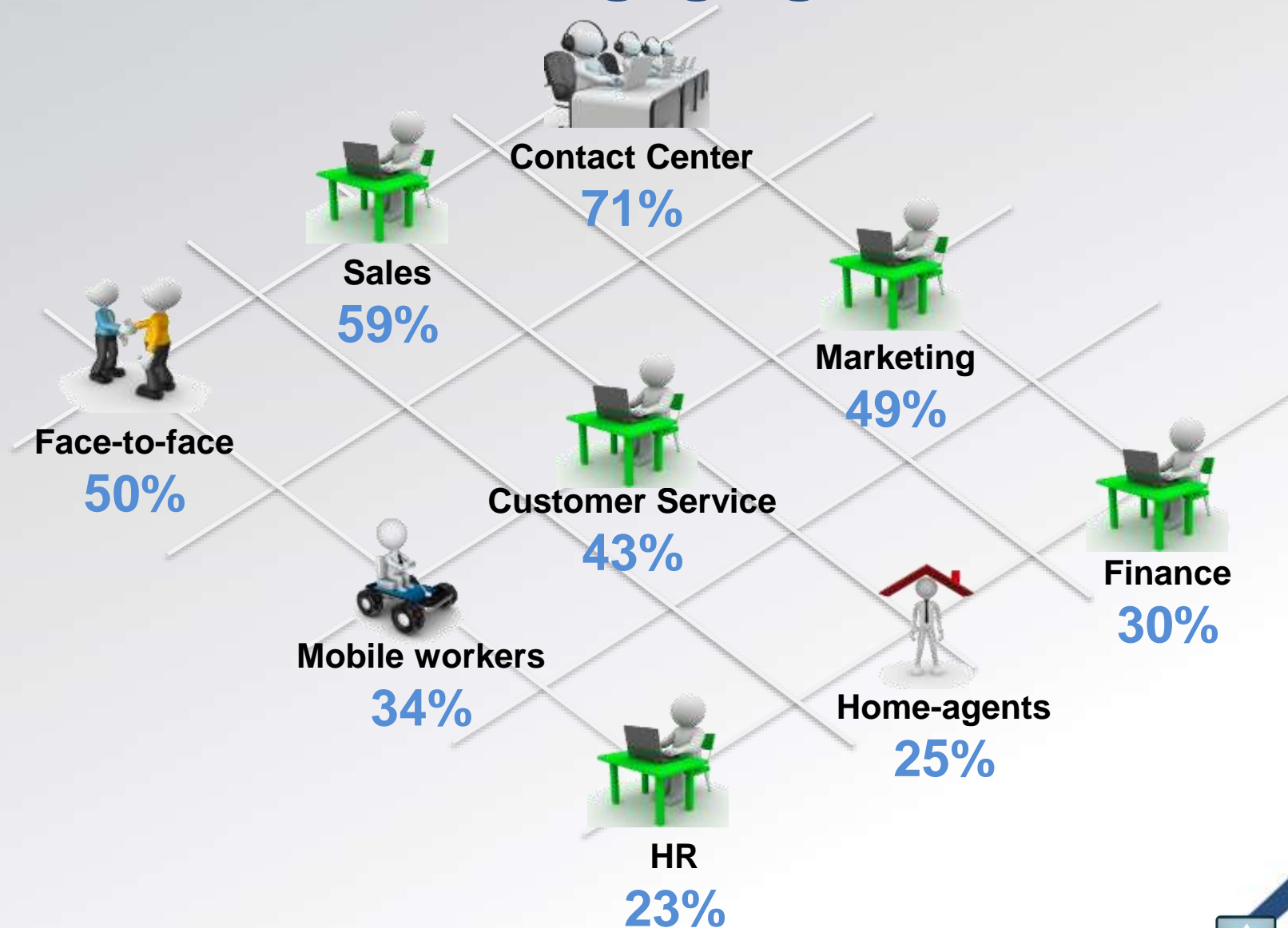
Source: Ventana Research Next Generation Customer Engagement Benchmark Research

Business Units Engaging Customers



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Customer Metrics

Financial Metrics

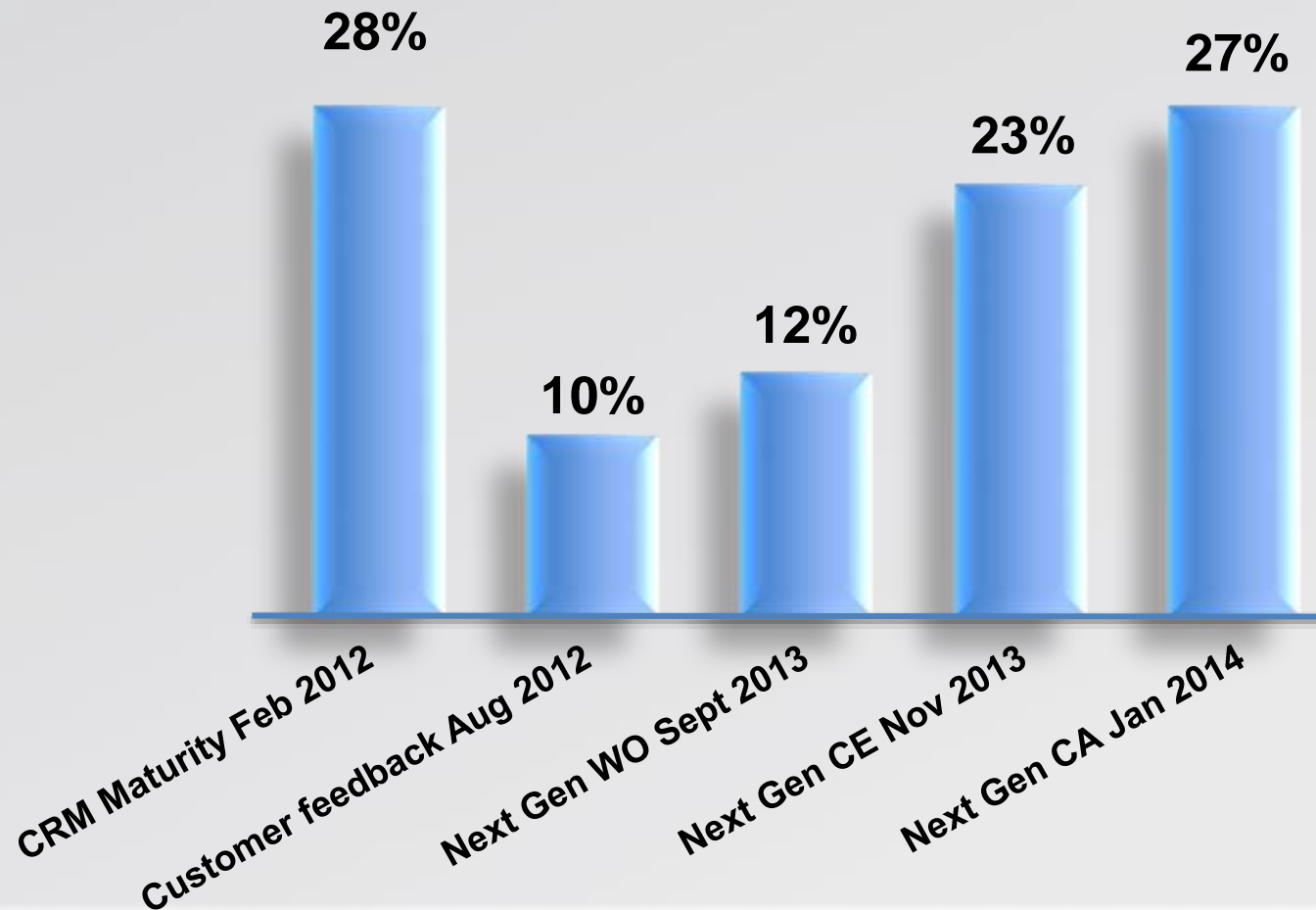
Cost to serve per customer
Acquisition costs
Customer Satisfaction
Customer effort scores Net promoter scores
Customer lifetime value
Net order value
Gross order value
Social media influencer score

Process Metrics

Customer Metrics



Customer Effort Trend

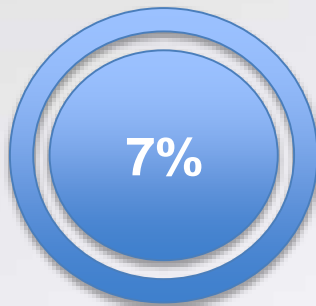


Maturity and Customer Effort

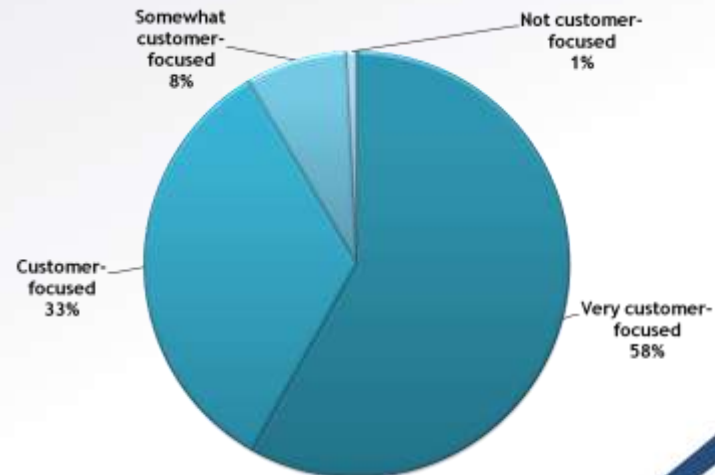


of **very** customer focused organizations use customer effort scores

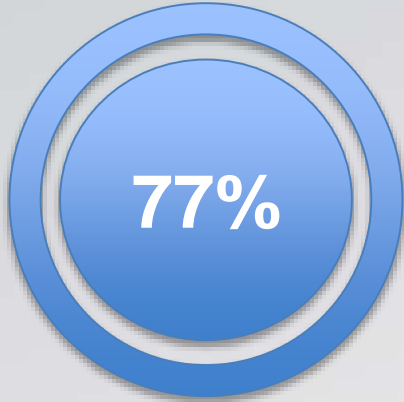
BUT ONLY.....



of customer focused organizations use customer effort scores

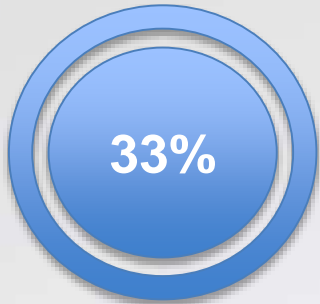


Customer Engagement Needs to Improve



of organizations say it is important to improve the way they engage with customers.

- 21% say it is important
- 1% say it somewhat or not important

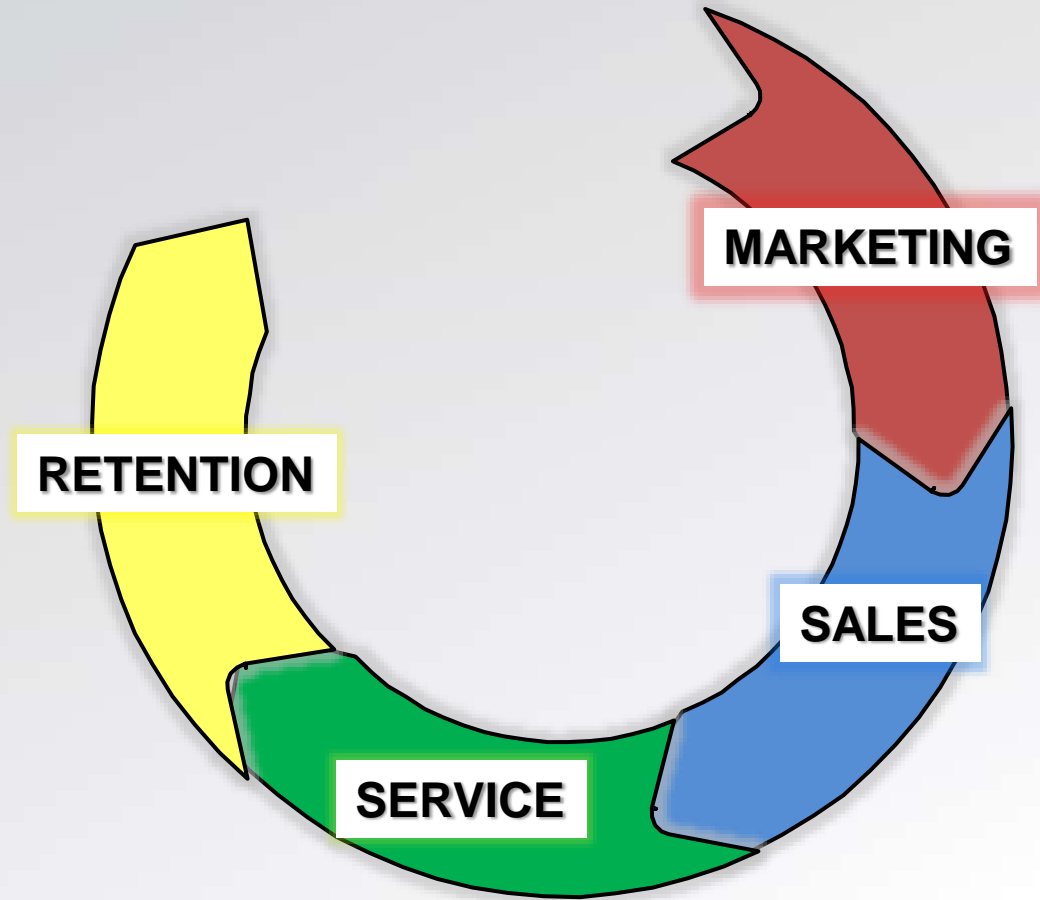


of organizations believe they provide excellent customer experiences.

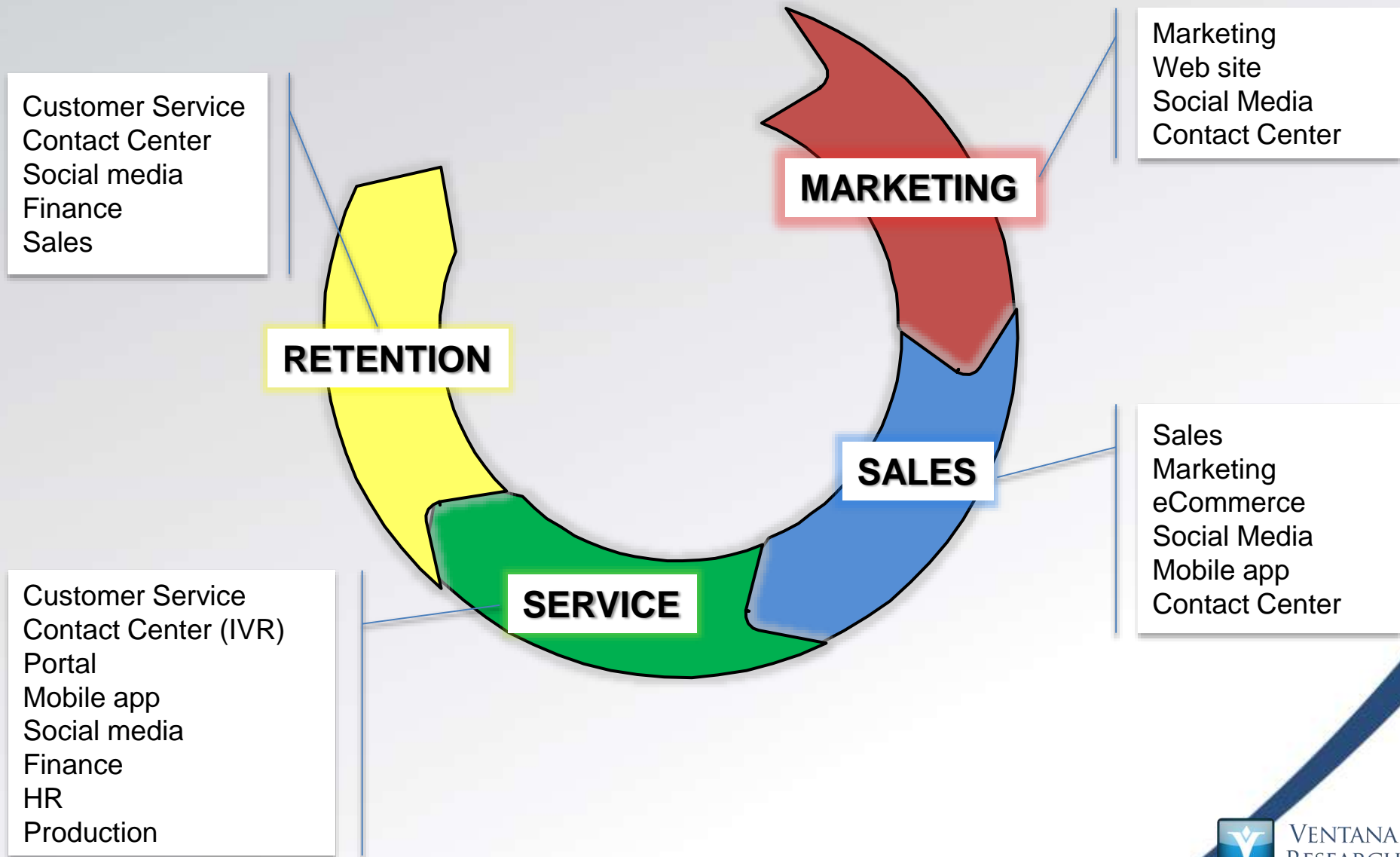
- 59% believe they are good
- 8% believe they are mediocre or poor

Source: Ventana Research Next Generation Customer Engagement Benchmark Research

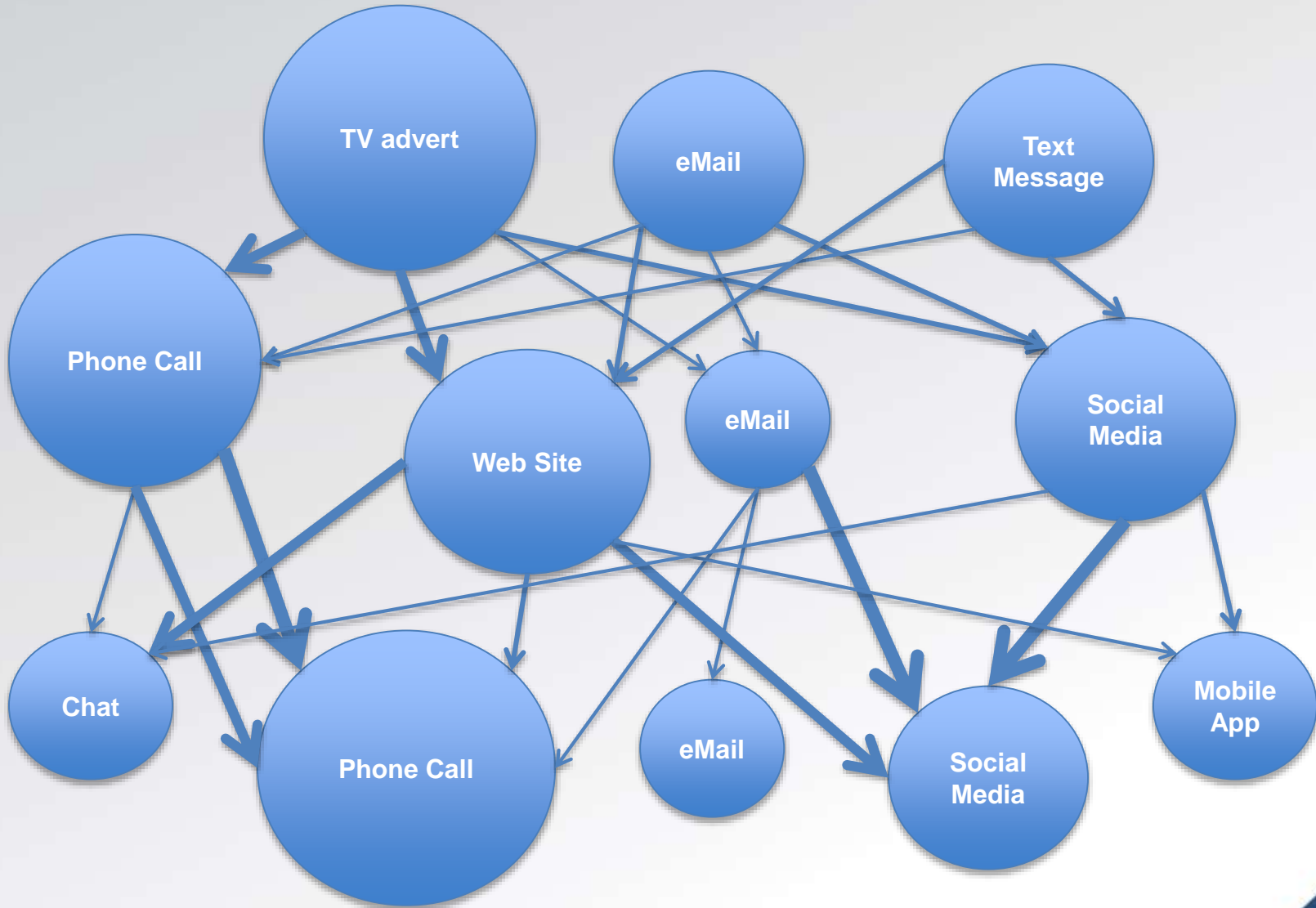
Customer Lifecycle



Customer Lifecycle



Customer Journey



How to Measure Customer Effort

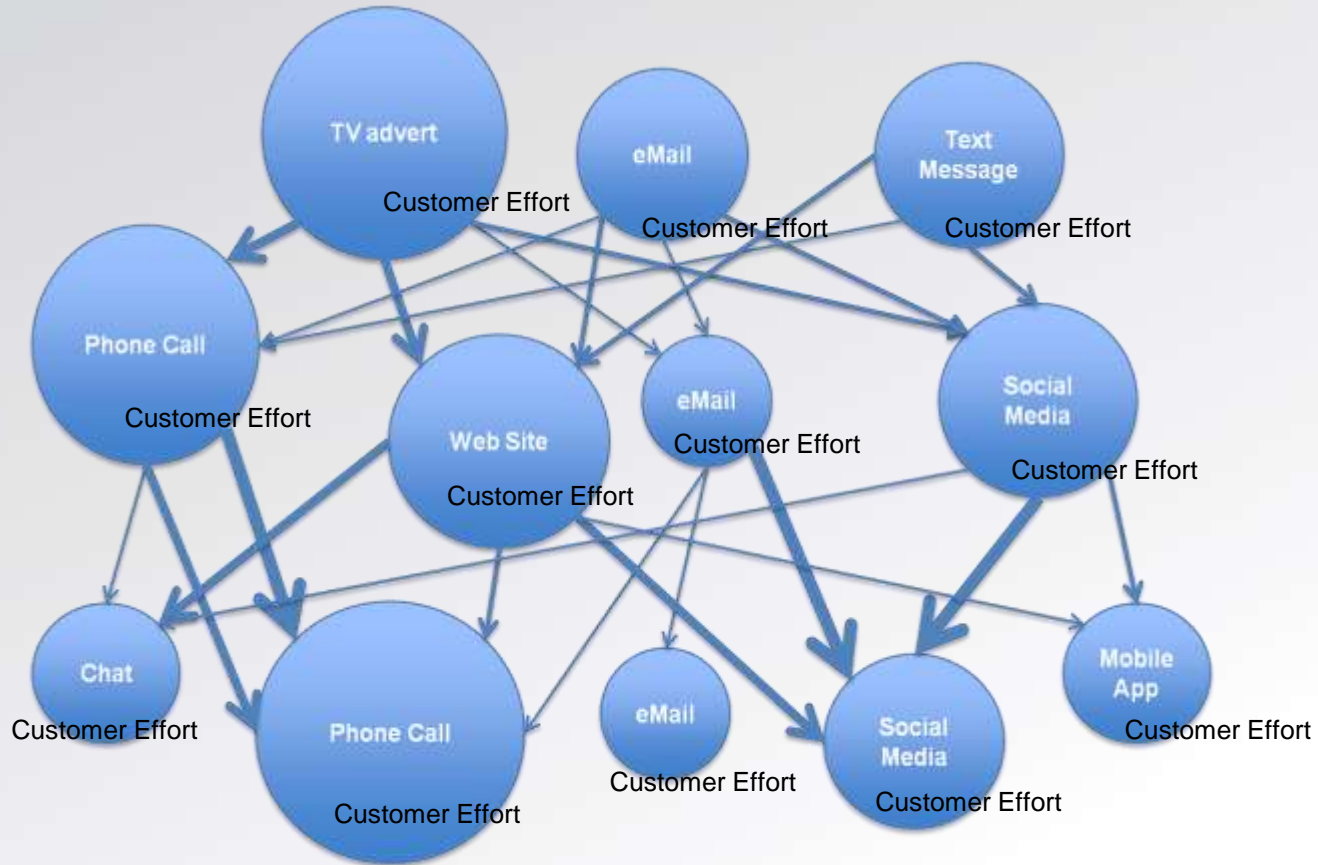
To what extent do you agree or disagree with the following statement:

The company made it easy for me to handle my issue

- 1. Strongly Disagree
- 2. Disagree
- 3. Somewhat Disagree
- 4. Neither Agree nor Disagree
- 5. Somewhat agree
- 6. Agree
- 7. Strong Agree

Based on the latest findings from CEB

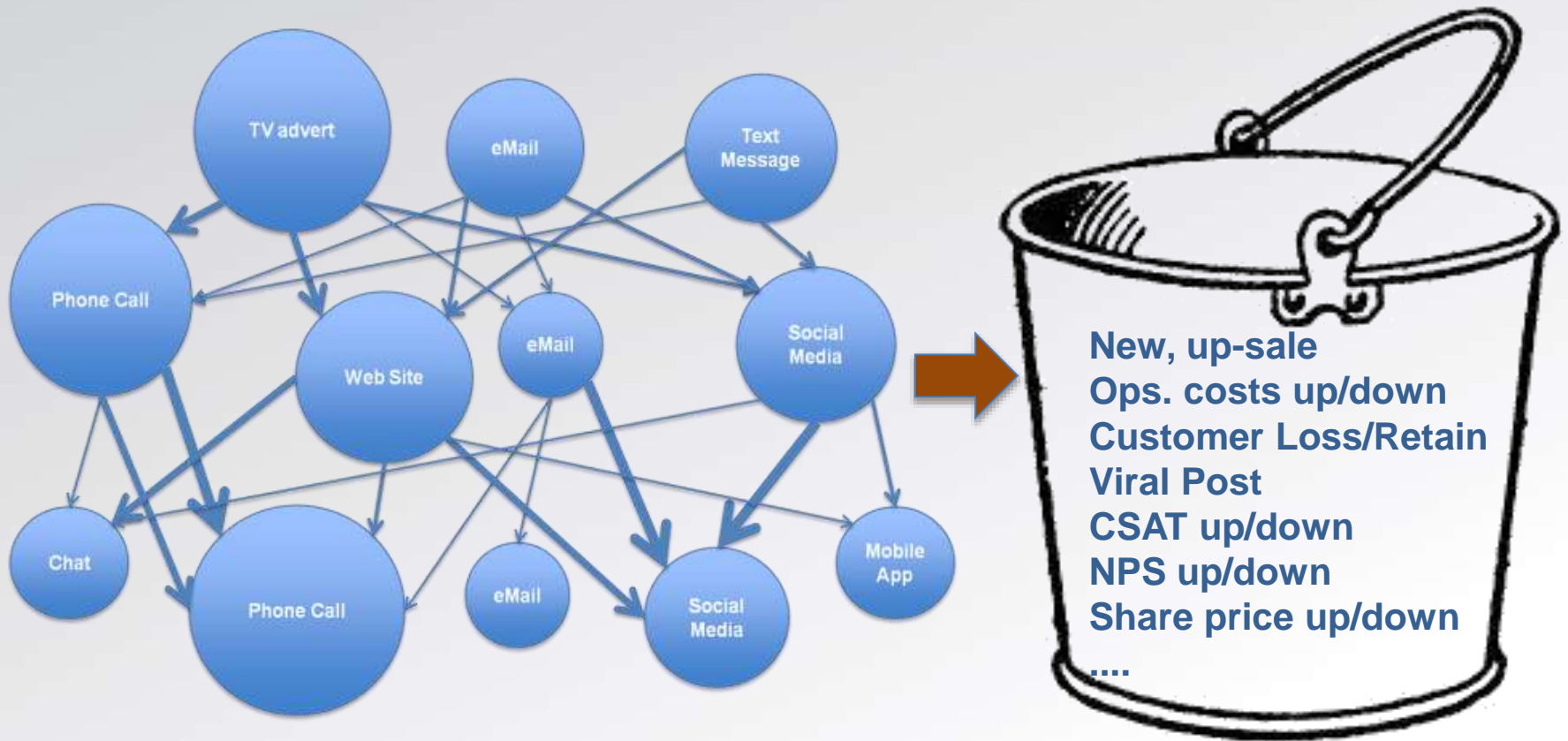
Measuring Customer Effort



Measuring Customer Effort

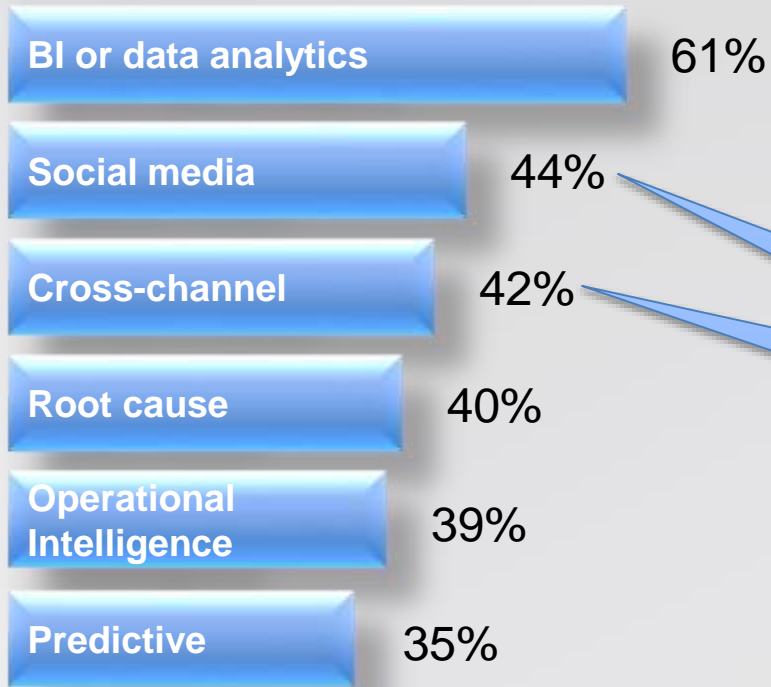


Outcomes are Key



Analytics to Improve Customer Engagement

What type of analytics systems would improve customer engagement?:



Source: Ventana Research Next Generation Customer Engagement Benchmark Research

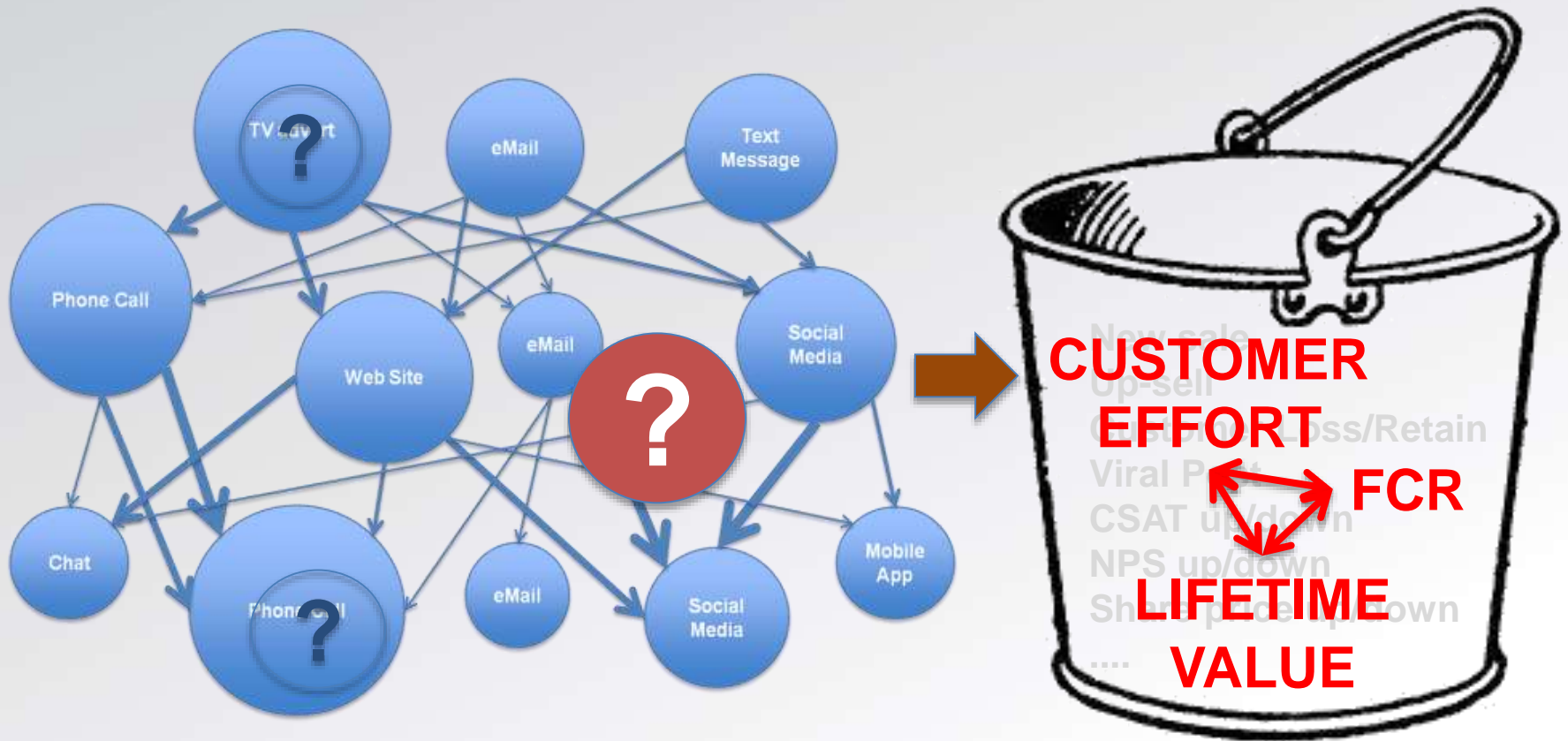
Related research facts:

Early stage of adoption:

- Desktop 29%
- Speech 21%
- Text 15%

Overall Customer Effort

Possible Future Trends



Key Takeaways

1

If you are not using Customer Effort, consider adopting it as part of a balanced set of metrics

2

Introduce processes and technology to capture it

3

Introduce training to gain acceptance and use; put in place process improvement program

4

Consider adopting technology to map the customer journey



Questions?



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