



white paper

the pre-agent caller experience
and its affects on customer behaviour



WHITE PAPER INTRODUCTION

This white paper is the result of our first academic study of customer satisfaction, frustration, and behaviour following the pre agent caller experience. The study was designed, and analysed by Golazin Ardestani a PhD researcher at University of Roehampton.

The results have provided insight into our understanding of customers frustrations, which we hope will enable organisations to improve their caller experience and help drive future operational efficiencies.

OnBrand Audio asked over 1000 customers to rate their pre agent experience on over the phone, this included the welcome, menu options, hold time and content listened to whilst holding. The results showed that 71% (strongly agree) and 29% (agree) that the pre agent telephone experience effects their overall satisfaction, impression and mood.

Following this result, OnBrand Audio decided to set up its own independent research headed by Golazin Ardestani to provide independent research on the subject.

First we will describe how emotion generates human behaviour in general, and in the context of a contact centre. Then the findings of the project will be reported and discussed.

EMOTION CAUSES BEHAVIOUR

Fehr and Russell (1984) stated that "everyone knows what an emotion is, until asked to give a definition" Scientific study of emotion dates back to nineteenth century and it is known as one of the most pervasive aspects of human existence, which affects other human behaviours namely: action, perception, decision making, learning and memory. Although emotions are brief, their affect on people's behaviour is much longer lasting.

According to direct causation, emotion directly causes behaviour (Baumemeister et al., 2007). It is therefore appropriate to mention "fight and flight" response and describe how human action is related to the way one feels.

The "fight or flight response" is our body's primitive, automatic response that sets us up to "fight" or "flee" from a perceived attack, harm or threat to our life or survival. When people experience excessive stress, either from an external situation or internal concern, a bodily reaction called the "fight or flight" response is generated (Cannon, 1932). When the "fight or flight" response is triggered, sequences of nerve cell firing occur and the hormones adrenaline, noradrenalin and cortisol are released into our bloodstream. These patterns of nerve cell firing and chemical release cause dramatic changes in the body such as: increase in respiratory rate, and blood flow into the muscles and limbs, enlarged pupils, and an increase in awareness intensity. In such circumstances, we become prepared - physically and psychologically - for fight or flight. We scan and search our environment, "looking for the enemy"; in fact we see everything as a possible threat to our survival. Consequently either we get ready to attack our enemy or we run away.

HOW DOES THE "FIGHT OR FLIGHT RESPONSE" APPLY TO A CALL CENTRE?

Customer abandonment is an important issue in call centres which can be caused by certain diverse motives (e.g. Gans et al., 2003). With the quickened pace of the modern world, people are expected to produce quality results on a tighter schedule, therefore time matters. When people call a contact centre they are expecting to be served as soon as the call is connected, and dislike having to wait. Realistically we know some time spent on hold is inevitable, however it is whilst waiting that the "fight and flight" response is activated, due both to the sense of waste and the uncertainty involved in a waiting situation (Osuna, 2004). Anxiety and stress start to build in an individual, and by its very nature, the "fight or flight" is activated. When overwhelmed with excessive stress and frustration, many of us will decide to hang up the phone or to stay and attack the possible enemy.

The interesting point here is that although there is no harm or threat to personal survival in the context of a contact center, at the time the human body still goes through the same fight or flight reaction as a result of experiencing high psychosocial stress factors, which leads to an increase in hormone levels that have a negative impact over a prolonged period. This procedure shows how a calm individual with positive emotions may actually turn to an aggressive customer, which makes the innocent call handler's job all the more difficult too.

OUR RESEARCH

Methodology

Our study was conducted online. Over one thousand participants (35% female-65% male), ranging from 20 to 50, were contacted through email and social network sites. The survey contained questions relating to the pre agent caller experience. The survey also provided participants with some open ended questions to investigate further any experiences they would like to express that had not been previously asked.

The Result

We asked respondents to indicate their preferred contact channels with the following question: "As a customer, how do you usually communicate with organisations when you have an enquiry?" The graph below (figure 1) represents that 50% of the participants rated phone as their main means of communication, email, website and store were rated 32.60%, 13%, and 4.30% respectively.

PREFERRED COMMUNICATION METHODS

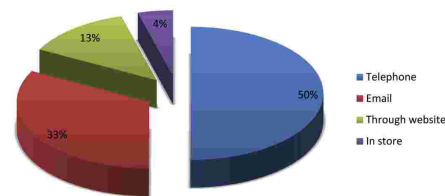


Figure 1. Preferences for communications methods

Participants were next asked to specify their preferred method of communication in the event of a more complex enquiry. It was found that not only would 50% still communicate via telephone, but 41.3% of those that would normally communicate through other channels are more likely to change their previous methods to the telephone, which makes it 91.3% in total communicating through telephone in more complex circumstances. We also found that 8.7% indicated that they would switch to email in more intricate circumstances, which can be due to the fact that our survey was conducted in UK with a great proportion

of people with English as their second language based on GLA intelligence update (Greater London Authority, 2010). Hence, they might not feel comfortable enough to communicate through the phone, preferring to exchange a few words by email in order to avoid any misunderstanding.

PREFERRED COMMUNICATION METHOD IN THE EVENT OF COMPLEX ENQUIRY

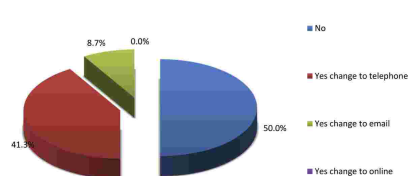


Figure 2. Contact preferences for example enquiries

The participants were then asked to rate their level of frustration to the customer experience issues as shown in Figure 3. Having to speak with multiple agents and starting over each time, along with being kept on hold for a 'long time' were rated as moderately to extremely frustrating issues (93%). This result supports the previous findings; lengthy wait times is considered as one of the key variables which can affect the customers' judgment of their experience (Kortum et al., 2008) Kortum and colleagues argue that because time is a

resource “a lengthy hold time may result in customer dissatisfaction regardless of the level of service a customer ultimately receives” (Kortum et al., 2008; p-30)

Furthermore, among the other factors “Rude or inexperienced representatives” was rated by nearly 90% of the sample as the third extremely frustrating issue. “Not getting what I need on the first try” was also chosen by 88.4% of the participants .

Although often people might be unaware of the negative influence that inappropriate messages, music, or voice quality might have on the general satisfaction of the caller experience, our results show that approximately 70% of the contestants rated Inappropriate messages for their enquiry on hold and “Poor sound quality” as extremely frustrating. In addition, nearly 55% reported the inappropriate music to be extremely annoying while being kept on hold.

PARTICIPANTS’ FRUSTRATIONS

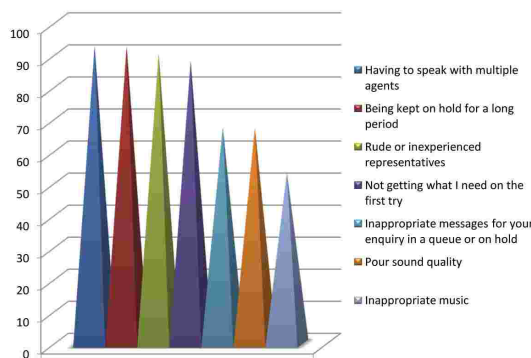


Figure 3. The most frustrating customer experience issues

Further to the question above, participants were asked to rate the following questions from “extremely unlikely” to “extremely likely”. “If you experience any of the frustrations . . . , how likely is it that you would hang up the call before your query is resolved?” and “If you do hang up the call before your query is resolved how likely is that you will ring the same company back at a later time?”. Our result shows that nearly 56% of frustrated callers are extremely likely to hang up the phone before their inquiry is resolved; this outcome is in line with the previous findings (Staino, 1994; see Kortum

et al., 2008). According to Stain and colleagues if the callers are kept on hold when they call a business, about half will hang up before the call is answered. We also found that of those who hang up, about 72% are “extremely likely” not to call the business back. This percentage is almost 20% higher than what Stain and colleagues reported, which may be due to the fast growing development of competitors and also callers’ certainty that there is always another provider who they can try.

THE CUSTOMER COST

We also asked the participants to rate the probability of their actions (shown in Figure 4). Our result demonstrates that nearly 90% of callers with a negative experience are very likely to share this experience with friends and families (each person has been shown to have 9-10 close friends and family members and approximately 13% will tell more than 20 other people) in addition to switching to another provider. This finding supports the previous studies which have shown that clients may switch service providers if they are dissatisfied (Anton, 2000).

This is perhaps one of the best examples of the process of human conscious emotion which operates decision making and behavior regulation by influencing the cognitive process (Baumeister et al., 2011). To be more precise, not only does emotion have its primary function which is to effect behavior directly (e.g. hanging up the phone or going through an unpleasant conversation with an agent in the context of call centre), but it may affect individuals’ future decision making and actions (e.g. choosing a different company as a result of going through negative emotions). Therefore, this is possibly why customers are happy to pay a 10% premium for excellent customer service rather than experiencing frustrations and negative emotions (American Express, July 2011). The main question raised here is, can these customers not be replaced? The answer is yes, however, according to Peters (1987) the cost is five times as much to acquire a new customer as it does to keep one. 84% of respondents reported that they are very likely to cease doing business with the company; additionally, 64% rated that they are highly likely to post comments on social network websites after a negative experience. Among the social network websites, facebook with more than 800 million

active users is perhaps one of the most popular options. According to facebook stats more than 350 million active users currently access the website through their mobile phones, and an average user has 130 friends. In light of these statistics, it could be said that word can spread very quickly about a negative experience.

PARTICIPANTS' REACTIONS TO FRUSTRATING EXPERIENCES

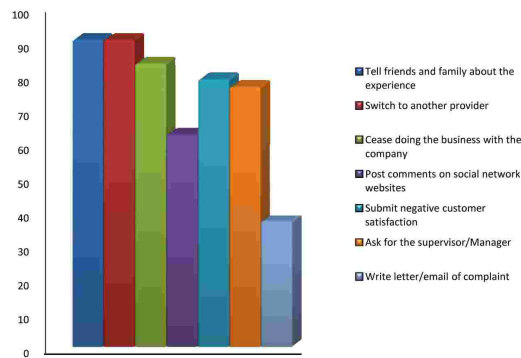


Figure 4. How do people usually react to a bad experience?

In the next question participants were asked to rate their preferences of what they would like to hear while being on hold or in the queue. We found that 'length of the expected wait' and their 'position in the queue' is the highest priority, rated by 86% and 69% of the sample respectively. Moreover, 'relevant messages' and 'appropriate music' were rated as highly preferred by 60% and 36% of the participants correspondingly (Figure 5). As we've heard, time is a valuable resource and that's why knowing the estimated queue time of queue position is highly important to callers.

Managing customer perceptions during hold times is far different than in a physical environment (Whiting and Donthu, 2006). As for music and messages, research illustrates (Bailey and Areni, 2006) that music or a task can affect time perception via so-called intentional models, by distracting people from their attempts to actively check the time. In fact, processing the related music or messages requires brain involvement and this procedure will distract a caller's attention from the passage of time, or reduce their ability to monitor time precisely. As a result, perceived duration is shortened for individuals when listening to music, related messages or a task (Gueguen and Jacob, 2002). Furthermore, in a recent research conducted by Centre radio (2011) nearly 74% of the participants reported that music can give a clear image of a brand. Consequently, using the right music for on-hold will help reinforce brand identity.

Some suggestions made by our participants:

"Get the IVR's short and make sure there are options to talk to a person"

"I hate silence, especially after I have talked to someone as I never know if they have accidentally hung up or not"

"Reduce queue times. My time is valuable and a company that does not realise that does not deserve my business"

PARTICIPANTS' PREFERENCES TO ON HOLD CONTENT

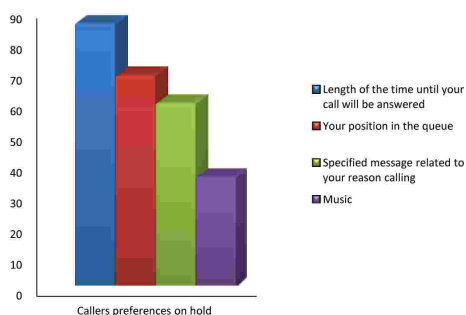


Figure 5. Participants' preference on hold

We also asked our sample to share their worst (Appendix 1) and best (Appendix 2) customer experiences with us in order to have better understanding of callers underlying drivers of satisfaction and dissatisfaction.

Getting it Right

Part of our interest was to investigate the outcome of a positive experience. To achieve this, participants were requested to rate the following statement from "not probable" to "very probable": "How do you typically react to a bad customer service experience? And please rate the level of probability of taking the following actions after a positive experience".

POSITIVE FEEDBACK

As demonstrated in Figure 6, 84% gave the highest priority to “Give immediate feedback to the person who resolved the problem”. The great advantage of this behavior is that it puts the agent in a positive mood, which leads the employee to communicate more effectively with the next caller as a positive mood helps individuals to concentrate better. Also according to research, contact centre representatives often experience hostile and aggressive interactions with callers that over a long period of time, can potentially result in depression (Grandey et al., 2004) and emotion regulation (suppression) a process which has a very negative effect on their well-being (Totterdel et al, 2003). This process is positively associated with the intention to resign (Grebner et al., 2003), psychosocial stress factors and absenteeism (Lewing and Dollard, 2003); and is negatively correlated with job satisfaction (Grebner et al., 2003), and commitment to an organisation (Grebner et al., 2003). However, positive feedback from the callers helps the agents to overcome the emotional exhaustion they may go through which consequently will increase their job satisfaction, and commitment to the organistaion as well as reducing the percentage of absenteeism and intention to resign (Grebner et al., 2003).

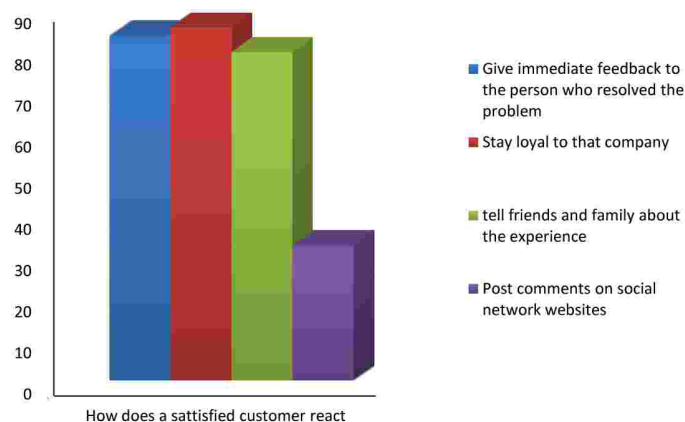
LOYALTY

Figure 6 illustrates that almost 86% stated they would stay loyal to the company that is in line with previous findings; positive experience with the brand increases interaction and emotional attachment to the brand (e.g. Jones & Kim, 2011). Thus, this emotional attachment increases the consumer loyalty (Chaudhuri & Holbrook, 2001). There are two schools of thought when it comes to identifying brand loyalty; Attitudinal loyalty, referring to the customer’s attitudes towards a product and service, focused on the cognitive basis of loyalty and Behavioral loyalty, consisting of repeated purchases of the brand products (Day, 1969; Neman, 1966).

Attitudinal loyalty usually results in positive behaviors towards the brand such as: positive word of mouth and increased willingness to recommend the brand to others (our result in figure 6, also supports this statement; 80% of the sample indicated that they would share the positive experience with their friends and family; in addition approximately 33% rated that they would post comments on social networks), this also has a positive effect on willingness to pay more, and encourages others to use the products; it is also negatively related to an increase in returning the product.

According to previous research this type of loyalty Influences the processing of behavioural loyalty development (Evanschitzky et al., 2006) which means customers will go back to the brand again. This is the reason is why having loyal customers who can be considered as fans of a brand or company, is one of the most important goals a business may have. A loyal customer does more than any advert can for a business, they become promoters – someone who would answer ‘yes’ to the ultimate question - would you recommend us to a friend.

PARTICIPANTS’ REACTIONS TO A GOOD EXPERIENCE



CONCLUSION

The results suggest that there is a correlation between a positive pre agent experience and the successful or unsuccessful outcome of that call. As it was indicated above, what happens to callers in the welcome, menu options and in queue or on hold experience - generates emotional reactions and subsequent behavioral changes.

According to our result, the telephone is the main method of communication used by every 5 out of 10 people which increases to nearly 9 out of 10 in the event of a more complex enquiry. Factors such as; length of the call, complicated IVR menus, getting through the wrong person, inappropriate music and unrelated messages, were among the highly rated reasons why individuals might have a negative telephone experience. Based on the results, experiencing the above frustrations will lead 56% to hang up the phone before their enquiry is resolved, of those 73% are extremely likely not to call back. Moreover, our result shows that 9 out of 10 will switch to another provider as well as sharing the negative experience with their friends and families. 64% of which reported they would consider sharing their experiences on social networks.

SUMMARY

Understanding the above underlying frustration, and crucially, the behaviours they cause, will help us to design and produce a branded caller experience that generates desirable behaviours from both a customer experience and operational perspective. These two aspects are sometimes seen as mutually exclusive and this study shows that they are in fact complementary. For example, every caller who reaches the right place first time is rated as a positive experience by the customer, and a more efficient call to handle operationally.

In summary, the pre-agent experience can easily affect the overall perception and satisfaction of the caller as well as the agent's performance in the call centre.



ABOUT ONBRAND AUDIO

A brand is "the emotional and psychological connection you have with your customers" (Jay Ehret, The Marketing Spot). This definition applies to all organisations whether public, private or third sector.

OnBrand Audio's methodology is based on the belief that all the elements of a good caller experience also drive operational efficiency. For example, every caller that reaches the right place first time is one less call transfer; every customer who uses a quick and easy self serve option on their mobile is happy because it took little effort.

Caller experience matters. Experiences affect feelings and emotions, feelings and emotions drive behaviour. OnBrand Audio uses telephone and digital IVR to influence caller behaviour.

Firstly we make sure we understand your business, your customers and what you want them to do when they contact you. We then put ourselves in the place of the customer and gain a clear idea of how we want them to feel when they interact with you. We then design an end-to-end experience from the welcome, menu options and queue & hold scenarios, which deliver callers to your teams in the best possible frame of mind through telephone and digital channels.

Our Specialties:

- Untangling IVR's
- Right first time routing
- Reduced abandonment
- Improved Customer Satisfaction Ratings and Net Promoter Scores
- Call deflection to other channels
- Consistency across all touch points
- Audio Tone of Voice Design
- Contact Centre Consultancy
- Professional Voices Messages
- Music Profiling
- Call Flow Design & Scripting
- Customer Feedback Surveys
- Queue & Hold Management

To discuss any aspect of your caller experience you can reach the team on 03333 220022, or visit www.onbrandgroup.co.uk

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APPENDIX 1 | WORST EXPERIENCES

"It was when I was calling a bank and I was on hold forever trying to get a hold of someone. There was no queue counter and music."

"I was put on hold for at least fifteen minutes when I shouldn't have been put on hold in the first place..."

"I had to wait on hold for an hour then was transferred 3 times. The automated lady could not understand me at all.. I could not get the right department because they kept saying it was not the right one every time i did get someone. so after 3 different calls and call backs i finally got the issue not resolved..."

"Any where a problem is not solved quickly and efficiently, and dealt with by incompetent staff"

"I call a TV company and it asked me to press 1 if I was a new customer 2 if I was an existing customer 3 for billing, 4 for e.t.c. there were no options to get to the technical team or customer service. So I selected that for billing and it took me to the same process all over again which had nothing to do with technical department. All numbers called first takes me to the sales departments. It is very frustrating after dialling a 0845 number and wait for 15 mins just looking for the correct department"

"Sales messages and company blurb are extremely irritating. I don't want to know how marvellous the company is whilst they are failing to deal with my enquiry"

"On hold for 20 minutes while a recorded message told me how important my call was but there were high call volumes. Why do they all say that every time? Not credible anymore. Anyway then got cut off by rude operator and had to start again. Total of over an hour to report a phone problem"

"Called contact centre with a complaint about billing error. They put me through to the store where a delivery driver picked up the phone. The contact centre should have dealt with my query and liaised with the store on my behalf. I was put through to a driver -- someone with no clue of my error or access to my query. The agent in the contact centre was lazy and unhelpful. Terrible service"

Calling up ... Contract team and asking to speak to a Supervisor, I had my call terminated by the agent"

APPENDIX 2 | BEST EXPERIENCES

"It was when I was calling a mobile phone company and they had a queue counter and how many minutes it would take for me to reach someone. There was also music"

"Someone polite and cheerful sounding answers the phone and is able to answer all of my questions/reasons for calling in a polite and quick way"

"Any where my reason for calling is resolved quickly and efficiently, and by helpful and friendly staff"

"I called my bank to enquire about getting a new card, I had the direct number to my branch which is a 0208 number, it only took 5 seconds and I was through and spoke to a member of staff. She was very polite and I got a new card in 3 working days as promised"

"I called a credit card company to work though a fraudulent charge and my issues were solved quickly and effectively. What I learned from this is that if the company has some skin in the game they will figure out how to solve the problem"

"I called John Lewis regarding a Price Match on a TV and had got excellent service..."

"When they talk to me like a human, use my name and ask me questions. they can then reply by giving me accurate information as I expect if I'm paying for a product or service that the person I speak with had the expert knowledge to resolve my issues"

"My query handled first time very quickly"

"A well handled enquiry with a helpful polite agent with well spoken English"

"Fully automated systems are very useful and quick and voice recognition software is now very accurate. Any call where I am not waiting for over 10 minutes for an answer"

"Any that is resolved quickly and efficiently with minimum fuss and dealt with by friendly, knowledgeable, and competent staff"



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Additional research by Golazin Ardestan:
Psychology of wait and behavior
Emotional and physiological responses to music
Musical preferences and personality
Mood regulation through music
Commercial use of music
Daily experiences of music listening

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