



One Contact Resolution

The Metric that Matters the Most for Improving
Multi-Channel Customer Experience



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The vast majority of SQM client senior executives would agree that delivering a world class customer experience for contact channel usage is critical to their organization’s success. Many North American CEOs are seeking the improvement of customer experience and, in many cases, it is the number one priority for their organization. Based on measures our clients use for determining their customer experience success and SQM’s research on the impact of those measures on organizations’ performance, the business case for improving contact channel customer experience for resolving an inquiry or problem is as follows:

Improve Customer Satisfaction – When the same contact channel is used, Csat (top box response) drops by 15% for each additional contact the customer used to resolve their inquiry or problem. When a customer has to use multiple contact channels to resolve their initial inquiry or problem, Csat drops, on average, by 19% for each additional contact channel used. Customers want to be able to choose their contact channel and to resolve their inquiry or problem on the first contact channel they used. Given that at least 20% of customers use two or more contact channels to resolve the same inquiry or problem, improving Csat represents a huge opportunity for contact centers to improve customer experience.

Reduce Customers Defections – If the contact was unresolved, 23% of customers expressed their intent to not continue to use the organization’s products and services because of their contact channel experience. The cost of customer defections as a result of their contact channel experience tends not to be understood by contact centers because it is not often measured. For many contact centers, retaining customers represents the biggest opportunity to add true value to their organization. Resolving contacts, preferably on the first contact, on any contact channel used is the key to reducing customer defections. In fact, only 2% of customers who have their contact resolved on the first contact expressed their intent to not continue to use the organization’s products and services as a result of their contact channel experience.

Given the huge impact a customer’s contact channel experience has on customer satisfaction and retention, organizations must invest in measuring the customer’s experience when using a contact channel or multiple contact channels to resolve an inquiry or problem, in order to ensure an

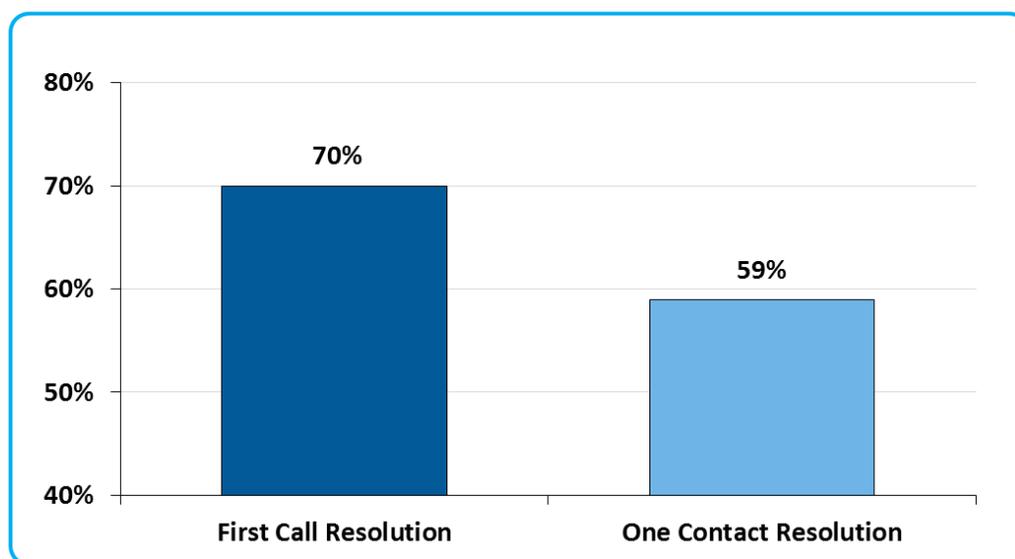
organization's success in improving customer experience. Delivering a world class customer experience for contact channel usage is critical to an organization's success and therefore, SQM announces a new metric to measure this experience – One Contact Resolution.

Introducing One Contact Resolution Metric

SQM is proud to introduce the new One Contact Resolution (OCR) metric. OCR is based on customers resolving their inquiry on the first call and not using another contact channel prior to, or after calling the call center. Given that a typical call center, on average, is responsible for six or more contact channels, and that 20% of customers who used a call center also used another contact channel trying to resolve the same inquiry or problem, **OCR will become the metric that matters the most for improving customer experience in the new multi-channel world.** Most contact centers are completely unaware of how many customers try to resolve their inquiry or problem prior to, or after, calling the call center using other contact channels. Also, they are not aware of the negative impact that the use of two or more contact channels has on customer satisfaction and retention. Given that so many customers are using self-service and the call center to resolve the same inquiry and problem, contact centers should measure both **FCR and OCR metrics.**

Figure 1 shows the difference between First Call Resolution (FCR) and OCR performance when a call center was one of the contact channels used. The data reveals that OCR is 11% lower than FCR. The reason for this difference is because OCR factors in the customer being able to resolve their inquiry on the first call and not having to use another contact channel prior to, or after calling the call center. **For the average call center, an alarming 41% of customers are not able to resolve their inquiry or problem on the first contact.** Given that only 59% of customers have an OCR experience, it should be viewed as a huge wake-up call for the contact center industry to start measuring the customer's entire experience (i.e., all contact channels used) when trying to resolve the same inquiry or problem.

Figure 1: First call resolution and one contact resolution metrics difference



SQM truly believes that of all the contact center metrics, FCR and OCR are the metrics that matter the most, which is the reason why SQM focuses on both FCR and OCR. These metrics drive world class customer satisfaction and retention. The FCR metric should not be confused with the OCR metric. Again, FCR is based on customers resolving their inquiry on the first call and considers only the usage with the call center contact channel; FCR does not take into consideration whether or not other contact channels were used. On the other hand, although OCR is also based on customers resolving their inquiry on the first call, it does factor in whether or not other contact channels were used. In short, the distinction between FCR and OCR is that FCR only considers the usage in an individual contact channel and OCR factors in all contact channels used for resolving an inquiry or problem.

Note:

FCR is based on customers resolving their inquiry on the first call and only considers the usage with the call center contact channel. OCR is based on customers resolving their inquiry on the first call and not using another contact channel prior to, or after, calling the call center.

Most contact center managers tend to struggle with defining and measuring FCR and OCR. The most common reason for this struggle is that contact centers do not have a clear definition for FCR or OCR. Also, they do not have an effective way of properly measuring these two metrics from the organization's or the customer's point of view. Internal FCR and OCR measurement methods, such as QA and FCR callback technology, may be used and can be good practices. However, these methods are not a best practice for defining and measuring FCR and OCR because they are not VoC FCR or OCR. Internal FCR and OCR measurements overinflate performance by 10% to 20% for the average contact center because they do not factor in customers who do not call back or customers who use another contact channel. OCR is more difficult to measure because it requires an understanding of whether or not the customer used more than one contact channel to resolve their inquiry or problem. Internal FCR and OCR measurement methods should be viewed as supplements to VoC FCR and OCR measurement methods. Although many organizations do not know how to define and measure FCR and OCR from a VoC point of view, the best practice for defining and calculating FCR and OCR is to let the customer be the judge of whether or not their inquiry or problem was resolved and how many contacts and channels were required. After all, as the old saying goes the VoC opinion of their experience matters the most. VoC FCR and OCR measurements are based on using post-contact customer survey methods such as phone, IVR, email and website. With that in mind, the following are VoC FCR and OCR definitions and measurement calculations.

OCR (One Contact Resolution) Definition

OCR is defined as the percentage of customers who resolved their inquiry or problem on their first call and did not use another contact channel prior to, or after using the call center. VoC OCR is based on the survey results.

OCR Calculation

The calculation of VoC OCR is based on the number of surveyed customers who determined their inquiry

or problem was resolved on the first contact using only one contact channel, divided by the total number of customers who were surveyed.

OCR Calculation Example: *Based on survey results, the number of surveyed customers who determined their inquiry or problem was resolved on the first contact using only one contact channel (236) ÷ the total number of customers who were surveyed (400) = 59% OCR performance level.*

FCR (First Contact Resolution) Definition

FCR is defined as the percentage of customers who resolved their inquiry or problem on their first contact using a specific contact channel, such as website, IVR, email, or chat. The term 'contact' can be replaced with the specific contact channel (e.g., 'first email resolution', 'first web self-serve resolution', 'first IVR self-serve resolution', or 'first call resolution'). VoC FCR is based on the survey results. FCR does not take into consideration whether or not other contact channels were used.

FCR Calculation

The calculation of VoC FCR is based on the number of surveyed customers who determined their inquiry or problem was resolved on the first contact with a specific channel, divided by the total number of customers who were surveyed.

FCR Calculation Example: *Based on survey results, the number of surveyed customers who determined their inquiry or problem was resolved on the first contact (280) ÷ the total number of customers who were surveyed (400) = 70% FCR performance level.*

About SQM Group

SQM Group is a specialist firm for assisting organizations in using voice of the customer (VoC) data to measure and improve contact channel customer experience, operating costs and retention. Since 1996, SQM Group's customer survey research and best practices consulting services have helped clients improve their contact center first contact resolution (FCR) performance. In fact, SQM enjoys a 95% retention rate with over 70% of our contact center tracking clients improving their contact channel FCR and operating costs year over year. For the average contact center SQM benchmarks, a 1% improvement in their FCR performance equals \$256,000 in annual operational savings. In addition, we award contact centers that have demonstrated FCR excellence.

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