

# 11 Customer Service and CX Metrics You Must Use Like a Pro

Discover valuable insights on how customers  
experience your brand



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## Hi, it's CXpro.me calling...

*Let me inspire you*



*Ralitsa Zaharieva, CX Pro*

Have you ever been told that in order to progress in your career you need to develop or acquire new skills, gain new knowledge, take this training course, participate in innovative project...? However it is never enough to make the big leap, isn't it?

Sure, it happened. And to very big extend that is true. Taking course or certification is not the only thing you have to do. What is missing in that perfect picture is what nobody is telling you.

I help you build reliable competencies that lets you take leading role in Customer eXperience, so you can spend less time looking for effective frameworks and more time enjoying and promoting your outcomes!

In this edition you will find **11 powerful metrics you must use like a pro.** Enjoy!

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Member of CIM**

**Marketing and  
CX professional**

**Public speaker  
and Keynote  
presenter**

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and Change  
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# 11 Customer Service and CX Metrics You Must Use Like a Pro

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## CX measurement



### *Ultimate thrive in an increasingly competitive marketplace*

The concept of "**data being the new oil**" is related to the similarities in how the two resources become valuable. Just like oil, raw data isn't valuable in and of itself; rather, the value is created when it is gathered quickly, completely, and accurately, and connected to other relevant data.

It is very valid for customer experience area as well. **Today, certain metrics can help marketers and CX professionals to understand and measure customer experience.** Good curation on metrics and meaningful connection among indicators would potentially be very powerful tool for delivering excellent experience and drive business value.

No one becomes a leader in their industry without listening first to the customer. Companies often have multiple touchpoints with customers that occur across including sales, delivery, support, etc.

**You should know what data your company needs and find the most relevant metrics.** Talking about customer experience most companies start with three metrics that are simple yet insightful: NPS, CES, and CSAT.

However, in order to proof the value of all the efforts you put to improve your customers' experience **always look for combination of metrics that give broader perspective on clients** suitable for your company's current situation.

**Here there are described 11 powerful metrics with exact formula of calculation, interconnection with other metrics and insightful tips for usage you can apply fast and efficient or simply promote metric's outcome across your organisation to increase awareness and engagement.**

# 01

Chapter one

## Loyalty and advocacy metrics

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## Loyalty and advocacy

### Key KPIs to follow



#### NPS

How likely are you to recommend COMPANY to friends and family?

Net Promoter Score is customer loyalty metric, which evaluate the likelihood that customer will buy again and resist market pressure to defect to a competitor.

There several dimensions of Net Promoter Score: Transactional, Relational and Benchmark.

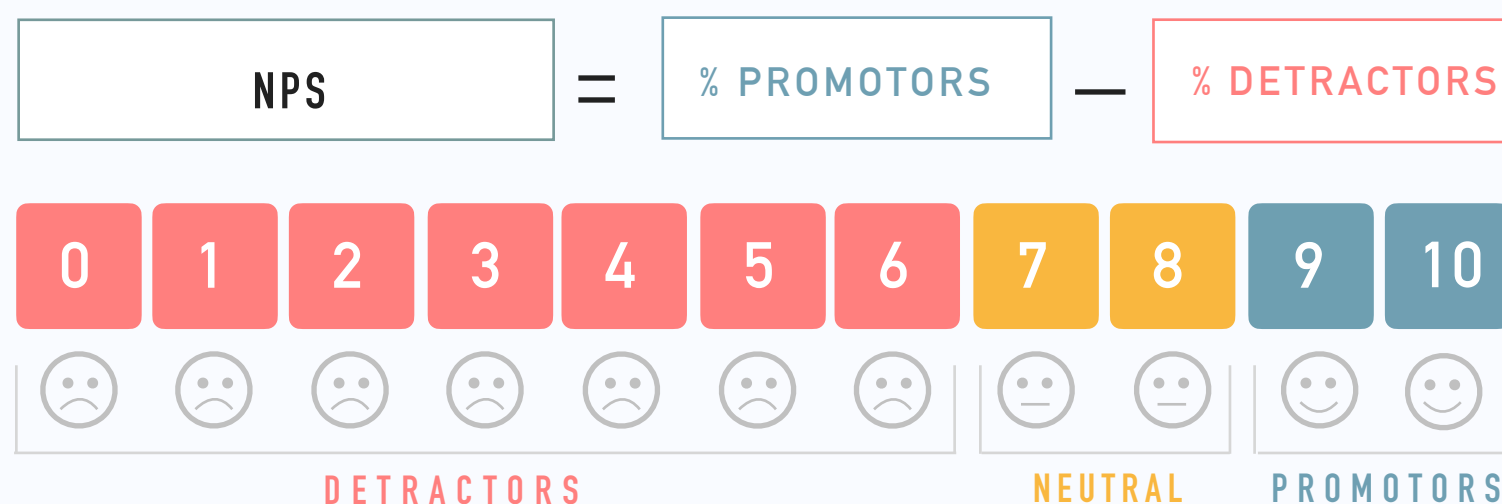
- **Transactional NPS** is used once after specific purchase or with particular transaction or in the end of a client's journey and measure a key moment and its impact on recommendation.
- **Relational NPS** survey normally is done once per year with the Company you buy every week/month and evaluate overall experience and identify generic painpoints.
- **Benchmark NPS** survey is done usually once per 2 years with the Company you buy every week but also with competitors and its support setting NPS objectives and identify key battles to reach those objectives.

**Main indicator** = NPS score = % Promoters (9-10) - % Detractors (0-6)

NPS Score range: -100/+100

**Question scale:** 0-10

- Promoters (9-10)
- Neutrals (7-8)
- Detractors (0-6)



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To complete the survey, ask an open question about the motivation on why they answered the way they did. This will give you a better idea of where you need to improve.

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## Loyalty and advocacy

### Key KPIs to follow



#### **CSAT** How satisfied are you with COMPANY?

Here are some examples of CSAT questions:

- How would you rate your overall satisfaction with the brand?
- How satisfied are you with the product you just purchased?
- How satisfied are you with our customer service?
- Would you buy another product from us?

Customer Satisfaction Score evaluate a company on specific dimensions, touchpoints and/or global customer experience.

CSAT is very flexible. You can change the questions based on what you really want to know and the touchpoints you wish to evaluate.

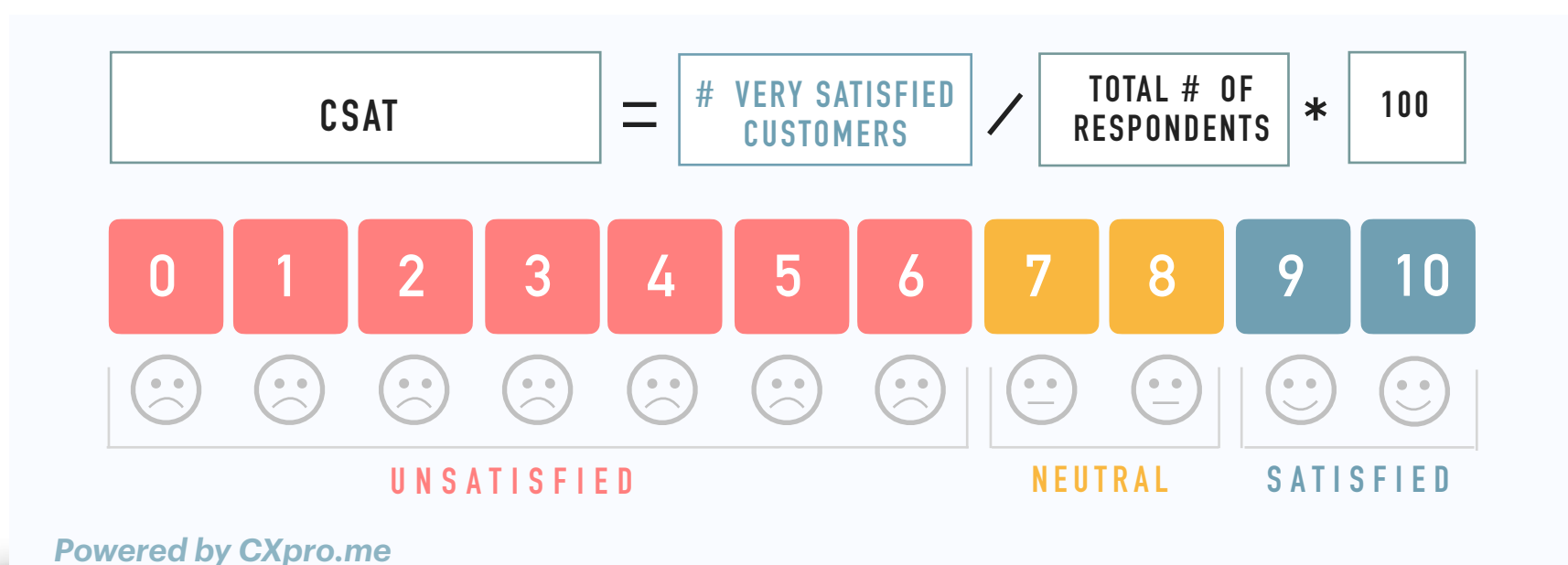
**Main indicator** = CSAT = # very satisfied (9-10) vs. Total

**Question scale:** 0-10

- Very satisfied (9-10)
- Neutral (7-8)
- Unsatisfied (0-6)

**Question scale:** 0-5 (for digital channels)

- Very satisfied – 5 (Excellent)
- Somewhat satisfied – 4 (Good)
- Neither satisfied nor dissatisfied – 3 (Neutral or Average)
- Somewhat dissatisfied – 2 (Poor)
- Very dissatisfied – 1 (Very Poor)



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CSAT is very flexible. You can change the questions based on what you really want to know and the touchpoints you wish to evaluate. Compliment with open question for better understanding=

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## Loyalty and advocacy

### Key KPIs to follow

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**CES**

To what extent your experience was easy?

Here are some examples of CES questions:

- How easy was for you to interact with brand?
- How easy it was to buy the product you just purchased?
- On a scale of 1-7, how easy was it to use the X feature?

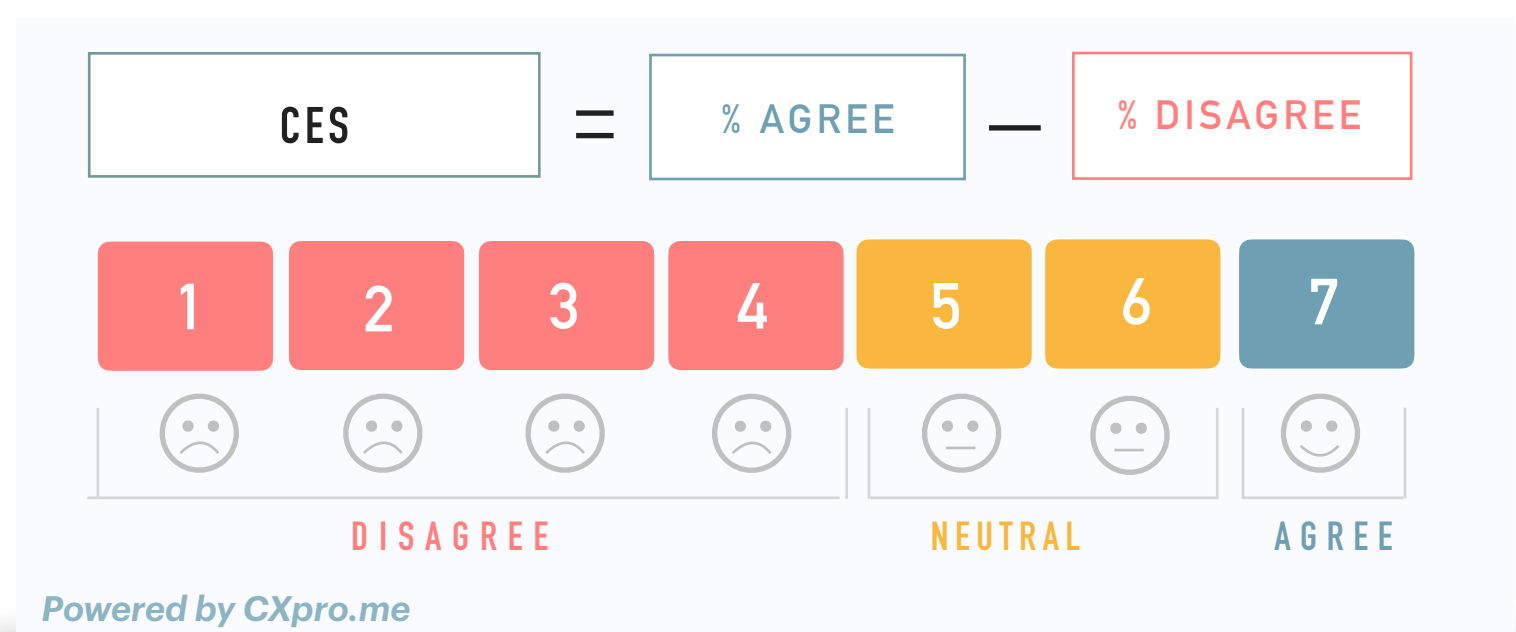
Customer Effort Score measures the amount of effort that a customer must expend to interact with a company. It shows the ability of the company to provide easy access to products & services.

A high CES score means that your company provides an effortless experience for customers, while a low CES means that people find your processes arduous or your customer support ineffective.

**Main indicator:**  $CES = \% \text{ scores (5-7)} - \% \text{ scores (1-4)}$

**Question scale:** 1 - 7 (7 = it was easy / effort was low)

- Totally agree (7)
- Neutral (5-6)
- Disagree (1-4)



To complete the survey, ask an open question about the motivation on why they answered the way they did. This will give you a better idea of where you need to improve.



# 02

Chapter two

## Financial impact metrics

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## Financial impact

### Key KPIs to follow

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## CLV Customer Lifetime Value

Tracking customer lifetime value (CLV) is crucial in any customer experience program. It represents the overall value a customer brings to your company, taking into account their entire relationship with your business rather than just individual purchases.

**Main indicator:** CLV = the average transaction amount divided by the number of transactions multiplied by the retention period

- **Average transaction amount** – How much does a customer usually spend with your business every time they purchase?
- **Number of transactions** – Determine the number of times a customer purchase in a given year.
- **Retention period** – Length of a customer relationship.

$$\text{CLV} = \frac{\text{AVR } \Sigma \text{ TRANSACTIONS}}{\text{\# TRANSACTIONS}} * \text{RETENTION TIME (YEARS)}$$

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Knowing what the average customer is worth can help you make good decisions about how much to invest in customer service and experience or how much to spend to retain your customers.

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## Financial impact

### Key KPIs to follow

**CRR** Customer Retention Rate

**CCR** Customer Churn Rate

These two go side-by-side. Retention measures the percentage of customers who return. Churn measures customers who don't.

Customer retention is the opposite of churn. It measures the percentage of existing customers who continue to spend money on the brand over a certain period.

Because customer retention is more profitable than acquisition, brands should discern customer loyalty: what makes them come back?

#### Main indicators:

**CRR** = The number of customers at the end of a period (a week, month, year) divided by the number of customers at the start of the period plus number of new acquisitions during same period=  
Multiply the answer by 100 to get the percentage.

$$\text{CRR} = \frac{\text{\# OF CUSTOMER END OF PERIOD}}{\text{\# OF CUSTOMER AT THE START} + \text{\# NEW ACQUISITION}} * 100$$

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**CCR** = The number of customers you have at the end of a period (month, year) subtracted from the number of customers at the beginning of a period and divided by the number of customers at the beginning of the period.  
Multiply the answer by 100 to get the percentage.

$$\text{CCR} = \frac{\text{\# OF CUSTOMER AT THE START} - \text{\# OF CUSTOMER END OF PERIOD}}{\text{\# OF CUSTOMER AT THE START}} * 100$$

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**For example**, you have 500 customers at the start of the month, with 20 new acquisitions within the period. At the end of the period, there were 450 customers. Multiply the answer by 100 to get the percentage.

$$\text{CRR} = 450 / (500 + 20) * 100 = 86\%$$

**For example**, you have 500 customers in the beginning and 400 at the end.

$$\text{CCR} = (500 - 400) / 500 * 100 = 20\%$$

Knowing what the average customer is worth can help you make good decisions about how much to invest in customer service and experience or how much to spend to retain your customers.

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## Financial impact

### Key KPIs to follow

#### CRFR Customer Referral Rate

Referral rate is a metric that measures how many clients were referred to a business by existing customers. It helps businesses understand the effectiveness of their referral programs and the satisfaction level of their current customers.

Referrals via clicks or links are easily measurable. However, if there are no referral codes or specific methods to measure referrals, employees just ask customers how they heard about the brand to determine if a referral occurred.

**Main indicator:** CRFR = The number of referred purchases divided by the total number of purchases.

$$\text{CRFR} = \frac{\text{\# OF REFERRED PURCHASES}}{\text{TOTAL \# OF PURCHASES}} * 100$$

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**For example,** you have a 2% customer referral rate if in your 100 sales for the day, two came from referred links. This number seems small, but it is a very favourable referral rate.

$$\text{CRFR} = 2/100 * 100 = 2\%$$

While NPS asks customers how likely they are to recommend the brand to others, the referral rate measures the actual referral action.

# 03

Chapter three

## Operational efficiency metrics

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# 11 Customer Service and CX Metrics You Must Use Like a Pro

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## Operational efficiency

### Key KPIs to follow

#### FCR First Call Resolution

The first call resolution or first contact resolution metric is a contact center measure how many customer calls or contacts are resolved on the first interaction.

FCR often correlates with other metrics such as average wait time and customer satisfaction rate. A reduced waiting time enhances the customer experience and increases the likelihood of resolving issues on the first contact.

**Main indicator:** FCR = The number of customer issues resolved on first contact divided by the total number of issues. Multiply the quotient with 100 to get the percent.

$$\text{FCR} = \frac{\text{\# OF CUSTOMERS' ISSUES}}{\text{\# OF CUSTOMERS' ISSUES}} * 100$$

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**For example,** suppose that in a week, there were 100 issues raised, and 89 of them were resolved on the first contact. The rest were either unresolved or were resolved after multiple customer service calls.

$$\text{CRR} = 89/100 * 100 = 89\%$$

This metric plays well next to Customer Effort Score (CES) above. And an improved FCR directly translates into higher customer satisfaction (CSAT).

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## Operational efficiency

### Key KPIs to follow

#### AHT Average Handle Time

As the name implies, this is about how long a customer support agent spends “handling” the customer’s issue.

It’s best to resolve customer issues as quickly as possible to increase overall customer satisfaction. This is why average handle time (or resolution time) matters, especially in call centers or live chats . And it is still a useful benchmark to encourage your customer service team to keep improving.

Many companies use this to measure an agent’s productivity, and that can be a mistake. If agents know they are graded on how many calls they make, they will hurry the customer off the call, which can cause the customer to feel under-appreciated.

**Main indicators:** AHT = The total time spent resolving an issue divided by the number of customers or conversations in a given period.

$$\text{AHT} = \frac{\text{TOTAL TIME SPENT RESOLVING AN ISSUE}}{\text{\# OF CUSTOMER AIR CALLS}}$$

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**For example,** there were five customer calls in one day, and the total duration for call resolutions was 30 minutes.

$$\text{AHT} = 30 / 5 = 6 \text{ MIN}$$

If you talk about short AHT and also care about NPS or CSAT, then you’re going to struggle to have strong ratings and reviews.

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## Operational efficiency

### Key KPIs to follow

#### **AWT** Average Wait Time

Average Wait Time (AWT), helps with the confusion between hold time and handle time. Making a customer wait can cause frustration. If the customer was upset or frustrated with the company or its product before the call, how do you think they will feel after being put on hold for an unreasonable period of time?

Most of customers feel companies don't value their time when they call customer support due to long waiting time. The goal is simple: reduce AHT/AWT!

This indicator can be followed on Agent level but also on global level (i.e. Call centre; Team 1, etc).

**Main indicator:** AWT= The total wait time for calls that were answered by an agent and divide it by the total number of answered calls

$$\text{AWT} = \frac{\text{TOTAL WAIT TIME FOR ANSWERED CALLS}}{\text{TOTAL NUMBER OF ANSWERED CALLS}}$$

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**For example,** Let's say the total time in a queue and ring time for those calls was 100,000 seconds, and the agents answered 3,000 calls, average waiting time is 33 sec.

$$\text{AHT} = 100,000 / 3,000 = 33 \text{ SECONDS}$$

Be cautious for "snowball effect": The average handle time goes even higher due to the time spent by the customer inquiring about the wait time and the agent apologising for the long wait time.



# 04

Chapter four

## Customer delight metrics

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## Customer delight

### Key KPIs to follow

#### TTH Time To Happiness

This measures how long it takes a customer to go from unhappy (disappointed, angry, etc.) to being happy.

This begins the moment they start to resolve their problem, which could be time spent on a website, interacting with a chatbot, on a phone call (including the hold time), etc. And keep in mind that the customer often doesn't call the moment they have a problem. While we can't control that, we must not forget it's there.

**Main indicator:** TTH = Time between last negative feedback and/or low rating or score and following positive feedback and/or high rating or score of the same customer.

$$\text{TTH} = \text{DATE OF GIVEN NEGATIVE FEEDBACK} - \text{DATE OF GIVEN POSITIVE FEEDBACK}$$

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**For example,** If you have received a complaint about "card not working" on Apr 1, and next positive feedback is "very satisfied" in Card usage transactional NPS survey on Apr 10 by some customer, it means time to happiness is 10 days.

$$\text{TTH} = \text{APRIL 10} - \text{APRIL 1} = 10 \text{ DAYS}$$

Time to Happiness isn't often considered, but it's an important way to understand the customer's journey to resolution from beginning to the end.

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## Customer delight

### Key KPIs to follow

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#### **TWS** Time Well Spent

People want value for their time. Time is the key driver of experience value at work and in life. When people enjoy the time they spend with your product / company, then you've produced Time Well Spent.

Time Well Spent is the best indicator that you are creating an experience that has value. It is focused on product/solution improvement first.

**Main indicator:** TWS = a customised metric that gives a true sense for the value of the experience.

Focus on the fundamental questions:

1. Are you getting the job done for the customer?
2. How engaged are they with the experience?
3. Do they consider the experience to be worth the time they spend?
4. (optional) To get the benchmark benefits of NPS, likelihood to recommend can be added as a fourth question.

*Source: Stone Mantel*

A focus on time well spent will help you think through the linkages between product, channel, and engagement.

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