

Automated service hell: Businesses out of touch

LONDON, UK: Businesses are out of touch with the frustration customers experience from automated customer service systems and are jeopardising their loyalty as a result, according to Ovum, one of the Datamonitor group of companies.



In a new report* the independent telecoms analyst states that businesses need to utilise automated and voice recognition services for phones to stay competitive due to increasing call volumes.

However according to its findings, when evaluating their systems, most businesses focus on how they help them to save money and not the customer experience, making them unaware of the high level of frustration they can cause.

Frustrated

Daniel Hong, Ovum analyst and author of the report, said: "There is significant customer frustration when it comes to automated self-service and voice recognition systems. In fact in a recent Ovum survey, one third of respondents said they found it the most challenging aspect of customer service.

"Businesses need to optimise their use of automated and voice recognition services to stay competitive, but there is a fine line between providing cost-effective customer service and actually turning customers off your company. Just a two to three per cent increase in automation rates can cause customer frustration and potentially increase customer turnover.

"But many businesses do not realise that their automated systems cause this level of frustration. They are not aware of what their customers are actually experiencing because they are measuring their systems by how much money they are saving them. This is a vulnerable position to be in because frustrated customers are unlikely to be loyal and could be defecting to the competition."

The most successful automated services are...

According to Hong, the most successful automated services are those that are measured on the task completion rate (TCR)

as this gives businesses an insight into both efficiency and effectiveness and a better understanding of the customer experience.

He added: "Businesses are under extreme pressure to improve customer retention, reduce costs and do more with less and automated customer service plays a key role. However, getting the system right is paramount to customer loyalty and unless they have an insight into what their customers are experiencing they will not be able to address and reduce frustration."

*Using task completion rates to understand customer service experiences, a report based on a white paper.

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