

# What Your Customers Aren't Telling You Can Hurt You

**NTT Data**  
Services

How to measure customer experience from the showroom to the server room

EBOOK | CUSTOMER FRICTION FACTOR



# Are you losing sales to customer friction?

96%

of unhappy customers never complain or provide feedback, and 9 out of 10 dissatisfied consumers will take their business elsewhere if they can.<sup>1</sup>

Do you have a clear picture of what it's actually like to do business with your company? Are your customers engaged, happy and satisfied — or frustrated, impatient and angry? Negative aspects of the customer experience, better known as customer friction, have the power to drive your customers away. By measuring your customer's friction, you can devise a quantifiable plan for creating delightful experiences that build loyalty and grow revenue.

<sup>1</sup> <https://beyondphilosophy.com/15-statistics-that-should-change-the-business-world-but-havent/>





With the ever-expanding digital economy, customer expectations have increased; and interactions now cross channels, organizations and borders. While many see the need for customer-centric solutions, few organizations actually understand the customers' point of view. Far too many organizations drive "customer-facing" initiatives from the boardroom or the server room; when the most effective way to accomplish a customer-centric transformation is to connect a customer's experience across your organization.

Read on to explore the unique benefits you can expect when you implement best practices to resolve customer friction. We'll examine a unique approach and set of tools — the NTT DATA Customer Friction Factor<sup>SM</sup> (CFF<sup>SM</sup>) Assessment — that analyzes the customer experience holistically and provides a direct, quantitative connection from your customers' experience to your business operations and technical solutions. The CFF Assessment rapidly identifies your organization's points of customer friction and helps justify the investments necessary to correct them with an actionable roadmap.

“ As a digital business leader, you know that even bolting excellent digital faces on the periphery of your business isn't enough to satisfy the ever-increasing expectations of your customers.”

Disrupt Your Business From The Outside In,  
May 2017, Forrester



# Surpassing those ever-increasing customer expectations

The root causes of customer friction are often not obvious. While it may be easier to focus on improving the UI, to achieve bigger gains, you will likely need to move beyond a superficial approach. Diving deeper into your technology, backroom processes and business solutions, along with gaining a deeper understanding of the customer experience, can deliver the insights needed to transform the way customers engage with your organization.

Even with the wealth of information available to us today, developing a deep understanding of your customers' experience is more challenging than ever. In the past, your customer interactions were literally customer facing. You spoke directly

to customers in your store, at your airline counter or in your office, so you heard their comments loud and clear. You received instant feedback in the form of unmistakable signals like the tone of their voices and their facial expressions.

But times have changed. Today, you're delivering an omnichannel experience to customers via a wide variety of platforms and devices. The feedback mechanisms you relied on in the past are no longer available, yet customer expectations continue to increase. This means you need to find new ways to understand your customers and put the personal touch back in your business when relating to a customer you can't see.

**To do this, you must:**



Take a holistic view of your business and understand how each and every part of it impacts the customer experience to better serve your customers.



Become a proactive, conscious creator of a superior customer experience by identifying your points of friction — as well as the barriers to correcting them.



Recognize that these barriers can be due to a host of issues, ranging from data management to outdated back-end systems.

The fact is that if you can surpass your customers' expectations each and every time they interact with you, their loyalty is assured and you will remain ahead of your competitors. But if you do not eliminate friction from your customers' experience, they will abandon you.

So how can you re-imagine your business and redesign your customer experience to reduce friction and increase satisfaction? Traditional measures like customer surveys, net promoter scores (NPS) and sentiment analysis each have their own flaws and can be incomplete (or even biased), making action steps difficult to determine. These methods also aren't necessarily timely, and they don't identify arguably the single most important data point that can be gleaned from a poor customer experience — when (or where) your customer decided to disengage.

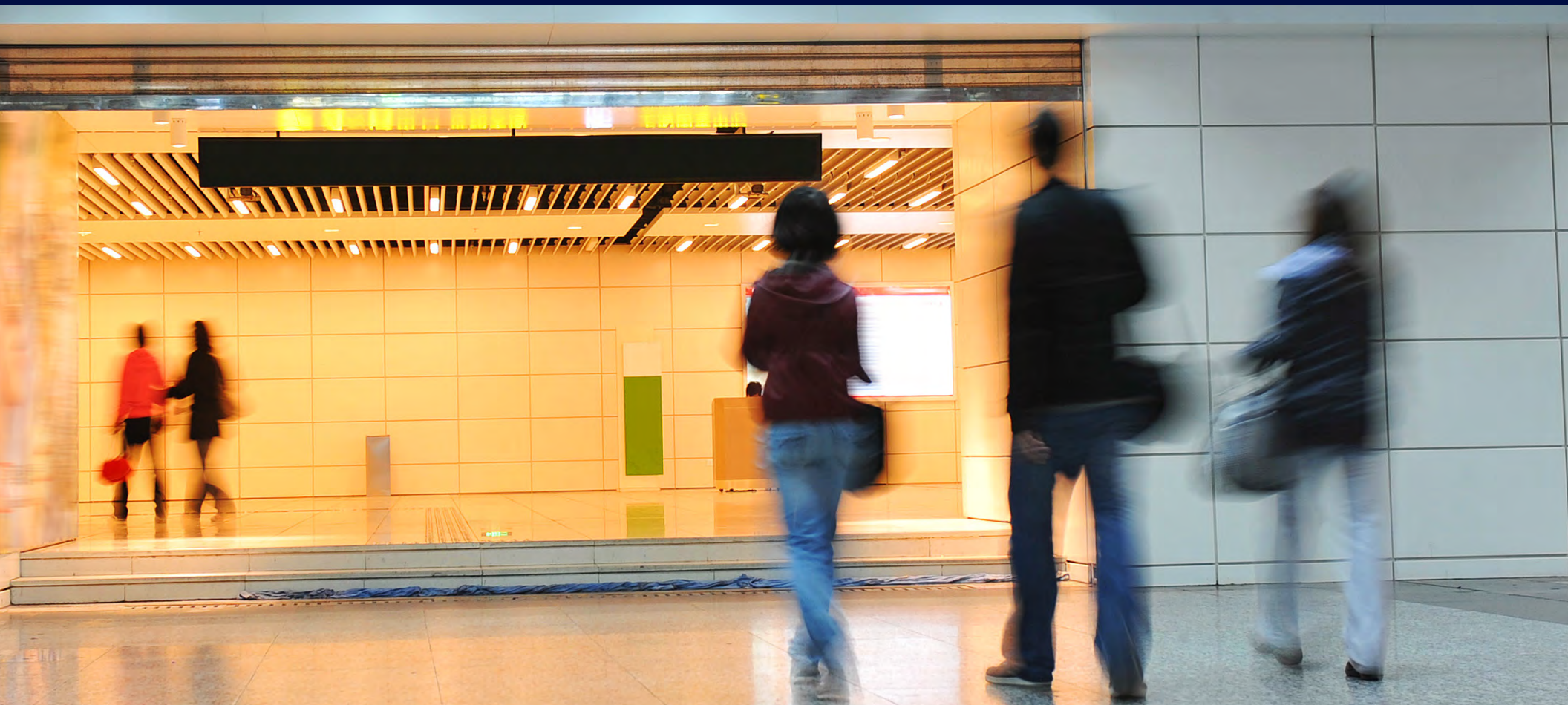
NTT DATA Services helps organizations improve the customer experience and achieve business objectives by pinpointing the source and extent of customer friction and then creating an actionable business and technology roadmap. Our CFF framework and analytical tools measure friction and assign it numeric scores. The lower the score, the less friction. An organization can quickly see how its

Digital disruption and intense competition have taken their toll. Today, the only true differentiator is an organization's ability to consistently deliver a superior customer experience. A CFF Assessment provides a much deeper understanding of this customer experience than can be obtained from simple user interface (UI) change and also delivers measurable improvements.

challenges compare to those of others in the same industry, as well as receive actionable steps to improve the customer experience — resulting in quantifiable business value.

Before we take a closer look at the CFF Assessment and the important insights and roadmap it provides, let's examine the types of friction today's customers can experience when attempting to conduct business.





# When customer touch points become hot buttons

To determine your organization's CFF score, NTT DATA performs a comprehensive analysis across five categories that we know negatively impact the customer experience. These categories — engagement, process, technical, ecosystem and knowledge — help pinpoint the specific customer problem.

But customers typically don't just experience friction in a single category. More likely, your customers encounters each of them to some extent, but every business is unique. By examining every category, you can create a comprehensive, single view of customer friction.

## The Five Categories of Customer Friction

### Knowledge friction

includes issues that result from the way information is used throughout the course of a transaction. If the transaction requires repetition of data entry, includes incorrect or confusing customer data, or worse, fails to record or apply customer preferences, you're negatively impacting a customer's experience.

### Ecosystem friction

is any challenge that occurs across your extended enterprise while you serve your customer. For example, your customers' information may be unavailable to your business partners, or your customer may be forced to restart a transaction involving one of your partners. If transactions involving your partners are not seamlessly executed, this can be a deterrent to your customer.



### Engagement friction

is driven by the way your business interacts with customers. Customers may feel friction if their preferred channel is unavailable, their experience is inconsistent or unfamiliar when they move to a new channel, or your fulfillment commitment or obligation is missed.

### Process friction

includes any impediments your customer faces when performing the steps you require. It could be that you're making customers work too hard, requiring them to initiate or repeat too many steps or to make too many decisions.

### Technical friction

encompasses aspects of the solutions that support your products or services that make it hard for your customer to complete a transaction. Examples include a slowly loading or refreshing website, confusing menus or interfaces and frequently unavailable applications. And if your customer can't transact business due to device incompatibility, that's an open invitation for her or him to visit your competitors.

The close examination of these five categories helps us calculate a comprehensive score that reveals in no uncertain terms where an organization falls on the customer experience spectrum. The higher your CFF score, the worse experience your customer has, whether they're purchasing an item; changing records like names or addresses; checking online availability of an item and arranging to pick it up in your store; canceling a reservation; or conducting many other possible business transactions.

Let's add a little context by considering a few examples of customer friction and the solution a CFF Assessment offers. You will probably find it helpful to refer to Figure 1, which maps appropriate solutions to the five types of customer friction.






Category/definition	Examples		Potential cures		
 <b>Knowledge</b> The touchpoints your business uses to interact with customers	Long call hold times	Inconsistent experience moving across channels to complete a transaction	Customer journey mapping	Staff augmentation	Automation services
 <b>Process</b> The steps your customers must follow to complete a transaction	Multiple channels required to complete a single transaction	Manual intervention required to accurately complete a goal	Business process outsourcing	Operational analytics	Mobility/user experience services
 <b>Technical</b> Aspects of solutions that support your products and services	Long webpage load times	Site not mobile responsive	Agile/application development	IT and/or application maintenance	Application modernization
 <b>Ecosystem</b> Steps outside of your organization required to serve your customer	Shipment tracking information not available	Discrepancies in supply or support terms	Integration services	EDI implementation	Application modernization
 <b>Knowledge</b> The way information is used throughout the course of a customer transaction	Customer preferences not carried forward	Repetitive data entry requests	Business intelligence	Information management	Enterprise performance management

Figure 1: CFF categories and cures





Suppose a customer is attempting to make a purchase using his cell phone, but the website he's accessing has not been optimized for mobile devices and relies on a number of drop-down menus with text that's difficult to read. The customer becomes exasperated when attempting to cope with this technical challenge and fails to complete the transaction. A CFF Assessment could pinpoint the specific points of friction in the current UI and indicate recommendations, such as application development, journey mapping and responsive web design.

Next, consider a fast food restaurant manager processing the weekly payroll. Manual and outdated payroll processes lead the manager to stay late to ensure her staff receives error-free paychecks on time. In this case, the process needs to be reexamined, and opportunities for deploying automation or integrating other software packages should be explored.



Now imagine a customer service representative doing her best to resolve an error with an insurance bill. Unfortunately, she only has access to incomplete (or possibly inaccurate) information due to multiple customer records systems. Without a consolidated view of the data, the rep ends up wasting the customer's time to confirm information. This leaves the customer annoyed and more receptive to choosing a different carrier. The combination of technical and knowledge friction could potentially be resolved with recommendations like application modernization and integration services to reconcile customer data stored in disparate systems.



# A CFF Assessment helps you know the score

All organizations must be mindful of some basic principles to ensure a successful customer experience, including:



Adopting an outside-in approach that makes a customer-first and transaction-oriented point of view possible



Accurately defining, documenting, quantifying and measuring customer experience data to determine its meaning and value



Taking a highly intensive, collaborative approach and accomplishing initiatives in a timeframe that's fast enough to deliver relevant change



“ A comprehensive assessment helps mitigate interactions that negatively impact a customer’s experience, and that provides an opportunity to increase loyalty and influence financial performance. Businesses can then proactively understand the customer experience and leverage the findings to help reduce customer friction. ”

**Brad Rucker**

Senior Vice President, Digital Applications and Information Management (NTT DATA)

At NTT DATA, we design CFF engagements to encompass these principles, so you can quickly see how every area of your operation impacts your customer relationships and correct problem areas. A CFF Assessment includes the following steps:

1



### Transaction identification

The first step in the process helps us identify and evaluate potential candidates for assessment and gain a basic understanding of their impact to the business. We typically conduct transaction identification over a brief series of calls or face-to-face meetings.

A transaction can be a customer-, employee- or partner-facing interaction that occurs online, on the phone or in person, in which an end user performs an activity that materially impacts business. As shown in Figure 2, examples of transactions include a customer making a retail purchase, an employee placing a help desk support call or an agent filing an insurance claim.





2



### Customer friction kick-off workshop

This step lets your organization and the CFF team view each of the transactions through the customers' lens. Kick-off workshops typically occur in person, attended by a cross-section of relevant stakeholders.

During the workshop, we detail the transaction flow from start to finish, examining customers' goals, as well as each persona — the customer segment it impacts — to gain as much information as possible from the customers' perspective.



3



### Customer friction scoring



After the kick-off workshop, NTT DATA experts calculate your CFF score and analyze the results. The score is calculated using an examination of a minimum of 25 runs per transaction, and the calculations take into account any variation in proximity, presence and persona (if applicable). The CFF score then becomes the measure of customer satisfaction, which will be explained in detail in the friction clarity workshop.





We share CFF Assessment results with your stakeholders in this final step, providing you with unique insight including:

#### Heat maps:

A graphical representation of the areas of focus along the five types of friction (engagement, process, technical, ecosystem and knowledge)

#### Leaders/laggards competitor analysis:

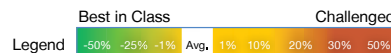
A summary of where your business stands when compared with your peers in the industry and/or potential disruptors to your market

#### A prioritized implementation roadmap:

The CFF team's expert analysis yields an individualized roadmap, which features a list of potential business and technology action items to reduce customer friction in your organization

#### Scoring Breakdown – Leaders and Laggards

		Total		Engagement		Process		Technology		Ecosystem		Knowledge	
		Total Avg: 165		Engagement Avg: 13.8P		Process Avg: 13.8		Technical Avg: 80.3E		Ecosystem Avg: 1.32K		Knowledge Avg: 11.3	
		Score	Δ	Score	Δ	Score	Δ	Score	Δ	Score	Δ	Score	Δ
Leaders	Company A	101	-64	5	15	68	26	18	-621	09		0	12
	Company B	105	-604		-162	3	19	53	-270		-1	15	3
	Company C	118	-475		-153	2	10	81	10		-1	0	12
	Company D	120	-450		-203	2	10	58	-225		41	53	
	Company E	127	-381	2	82	6	16	84	40		-1	5	7
Laggards	Company U	194	29	25	55	08		99	19	10	91	0	2
	Company V	194	29	30	10	84	42	1163	61		01	53	
	Company W	227	62	81	67	58	16	83	30		-1	5	6
	Company X	2458	04	72	73	2	10	1163	60		-1	50	38
	Company Y	252	87	27	72	9	13	1749	40		-1	22	10



It's critical to obtain actionable insights and implement corrective measures before your customers have left or their preferences have evolved. That's why the CFF Assessment offers a comprehensive and timely analysis of meaningful data, along with a highly actionable roadmap that enables the elimination of trouble spots and transformation to a customer-centric enterprise, in just four to six weeks.



## Healthcare

- Enrollment
- Claims and capitation payments
- Provider network Contract negotiation
- Constituent service
- Claims processing
- Claims payment
- Premium bills
- Correspondence: ID cards, letters, requests for info, benefit explanations



## Insurance

- Quotes
- Document distribution and binding
- Claims processing
- Payment processing
- Renewals
- Marketing/competitive quotes
- Claims payment
- Adjustment



## Public sector

- Permitting
- Enforcement/fines
- Traffic and civil court
- Utility connection and billing
- Drivers license
- License plate/inspections
- Property tax
- Alarm registration and permitting
- Communications and media

Figure 2, example transactions



## Manufacturing

- Layaway
- Credit app
- Merchandise pickup
- Clientelling
- Delivery
- Credit payment
- Gift registry
- Loyalty program
- Promotions
- Coupon matching
- Personal shopper
- Purchase
- Return
- Review



## Retail

- Ordering
- Billing
- Accounts payable/receivable
- Shipping/tracking
- Campaign management
- Product feedback
- Reliability and returns
- Customer service
- Engineering support



## Banking

- Transaction history
- Open account
- Add account type
- Order checks
- Direct deposit
- Cash withdrawal
- Stop payment
- Extract transactions for spending analysis
- Loan application
- Money order
- Bill pay
- Transfers

Figure 2, example transactions (continued)



# Customer friction:

## The right diagnosis results in the right solution

Chances are you already know that you have some customer experience challenges, and you might even have a team thinking of solutions. But how can you improve the customer experience without integrating the technology and business solutions that will ultimately influence every customer experience and how will you justify the level of investment needed?

To accurately measure your customer friction and ultimately drive cross-organizational efforts to reduce it, you need a quantitative, objective and proactive method that yields precise results, giving you the data you need to drive transformation and realign your applications and processes with the needs of your end customer. That's exactly what your CFF score provides. Armed with an action plan detailing proven corrective measures, you can dramatically improve your customers' experience in a surprisingly manageable period of time.





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