Why Customer Effort Score Needs to Be Part of Your CX Metrics

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Initiatives: CRM Strategy and Customer Experience; Service and Support Customer Experience (CX) and VOC

What is the best metric for measuring customer experience and driving systematic changes? Application leaders supporting CX can use this research to make the case for why customer effort should be key to how their organizations evaluate their customer experience initiatives.

Overview

Key Findings

- High-effort experiences are highly negatively correlated with customer loyalty, increasing an organization's cost to serve.

- Customer effort is a mix of how customers feel and what they have to do during an interaction. If your customer research cannot distinguish between the two, it will be difficult to know what needs to be fixed in the customer experience (CX).

- CX measurement and KPIs are the top priorities for CX leaders, yet organizations struggle to capture actionable insight that derives value from their current metrics.

- Differentiating the real CX issues from unrelated but ever-present information is a challenge without the proper metrics.

Recommendations

Application and software engineer leaders responsible for improving the CX should:

- Build the case internally for measuring customer effort by emphasizing the metric's three key advantages: predictive validity, actionability and relatability.

- Identify those customer-facing tasks with the highest perception of effort, and design application experiences that reduce that effort.
Start small by piloting Customer Effort Score against important customer-facing processes that are recognized as high-effort.

Introduction

According to a recent Gartner survey, measuring customer experience is a top priority (Survey Analysis: Customer Experience Maturity and Investment Priorities, 2020).

Customer Effort Score (CES), introduced by Gartner in 2010, is a key metric behind providing a world-class customer experience. However, in our experience with clients, less than 10% actually use CES. Among larger organizations, that number jumps to 30%. The most prevalent CX metrics we see are customer satisfaction (CSAT, popularized by Professor Noriaki Kano in the 1980s), and Net Promoter Score (NPS, introduced in 2003). CSAT is used by over 90% of the organizations we talk to, with NPS being the second most commonly used CX metric. We are often asked whether clients should use all three. The answer is yes, as the measures are not mutually exclusive. NPS is a relationship metric, whereas CSAT is a transactional metric focused on meeting basic customer needs. CES fits in between these two ends of the spectrum. For example, clients that use NPS to benchmark against competitors also use CES in order to understand what barriers need to be removed to drive loyalty and raise the NPS score. Together, the three metrics can build a more complete view of customer sentiment.

Customer effort measurement started in the customer service function, but we think it has broad applicability across many customer-facing functions, like sales, marketing, supply chain and IT.

Ultimately, the goal of the CES question is to understand the degree to which the company makes handling customer interactions easy. To capture the concept of effort and its relationship to business outcomes, we developed the Customer Effort Index, consisting of three equally weighted survey questions. Participants were asked to rate each of the following statements on a scale of 1 (strongly disagree) to 7 (strongly agree): “The company made it easy for me to handle my request,” “Contacting the company about this request was worth my effort” and “It took less time than I expected to handle this request” (see Figure 1).
To build the case internally for measuring customer effort and adding it to their organizations’ CX metrics, application leaders can leverage the metric’s three key advantages: predictive validity, actionability and relatability (see Figure 2). A focus on reducing customer effort not only helps in application design and software engineering, but also provides a way for you to add value as a member of a customer experience governance committee (see How IT Can Strengthen Customer Experience Governance).

Reducing customer effort has a proven relationship to higher-level organizational goals, such as maintaining customer loyalty and minimizing service costs. CX leaders can actively manage what customers do and feel during each interaction in order to reduce the perception of effort.

Source: Gartner
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Why Customer Effort Score Matters

1. Predictive Validity
   Better predictor of loyalty than CSAT and Net Promoter Score ®

2. Actionability
   Can pinpoint specific actions that will reduce customer effort

3. Relatability
   Enables cross-organization collaboration to reduce effort

Source: Gartner
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Analysis

Build a Case Internally for Measuring Customer Effort

Metrics Drive Accountability

All departments are metrics-driven, some more than others. Without a sense of whether a change matters or works, the organization is unlikely to encourage the development of new skills, create new service channels or hire differently. Transitioning to a world-class customer experience organization, therefore, requires the CX leader to develop a system of measurement, and use the measurement to drive improvements (see How to Manage Customer Experience Metrics).

Organizations wishing to optimize the CX must create measurement and accountability for people and groups responsible for CX. Our research finds that a concept worth optimizing to must be valid, actionable and relatable. Customer effort is just that — a concept that accounts for customer perception of ease, as well as efficiency in the service interaction. CX leaders can use these attributes to build the business case internally for measuring customer effort.

Predictive Validity

In the customer service, marketing, sales and operations departments, metrics are not measured in isolation. In many organizations, functional metrics correlate with a higher-level business goal, such as customer loyalty, cost savings or revenue growth. Some metrics may also correlate with an intermediate goal known to impact business outcomes. For example, CSAT is often measured in the customer service experience because of its suggested relationship to future customer loyalty, and average handle time (AHT) is captured based on its tie to cost reduction projects.

We refer to any metric that correlates to another goal as having predictive validity. Our research has demonstrated that effort is one of the best metrics to consider in this sense, based on the strength of its relationship with customer loyalty and cost savings accrued.

Customer Effort and Loyalty

The concept of customer effort began life in the customer service department. When tested in more than 50 of the largest customer service organizations, customer effort was 40% more accurate than customer satisfaction in predicting loyalty. In fact, according to Gartner's 2012 Customer Loyalty Survey, 96% of customers with a high-effort service interaction are likely to switch to another provider, compared with only 9% who experience low-effort interactions. These results were replicated during Gartner's 2020 Loyalty Through Customer Service and Support Survey.

Our research shows customers with a high-effort service experience are much more likely to stop using the company and spread negative word of mouth. However, customer service, sales and marketing departments currently typically focus proactive outreach primarily on customers who actively complain to the company. This "squeaky wheel" strategy only reaches a small fraction of all customers who have high-effort interactions and who are likely dissatisfied.
Through its strong predictability with regard to loyalty, customer effort helps CX leaders identify at-risk customers and proactively reach out to them. For example, low-effort experiences result in higher repurchase rates — 94% of customers with low-effort interactions tend to repurchase, compared with 4% of those experiencing high effort. The larger benefit is to systematically reduce customer effort across the entire journey.

Effort is also a strong predictor of the NPS, one of the most commonly used metrics to gauge the overall health of a customer relationship. According to Gartner’s 2011 Customer Effort Survey, NPS is 65 points higher for top-performing low-effort companies than for high-effort companies. Using customer effort as a risk indicator enables the organization’s proactive strategy to capture all target customers and better mitigate churn.

Customer Effort and Cost Savings

Higher customer effort throughout a customer interaction is also associated with a higher total cost to resolve service requests (see Figure 3).

**Figure 3. Cost to Serve by Customer Effort Level**

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**Cost to Serve by Customer Effort Level**

![Cost to Serve by Customer Effort Level](image)

n = 145,418 customers

Source: Gartner (2015)

* Effort comprises the ease of handling the issue, a determination of whether the contact is worth the effort and the relative time requirement. Lower numbers are better.
Low-effort experiences reduce costs by decreasing the number of repeat calls by up to 40%, the number of escalations by 50% and the volume of channel switching by 54%. Overall, a low-effort interaction costs 37% less than a high-effort interaction. Applying this to sales, high-effort experiences will likely result in a more expensive deal to close, reducing the margin for the company or resulting in fewer wins and lost revenue.

In other words, factors that tend to increase effort — such as unclear policies, redundant processes, poorly skilled employees and limited technology — also tend to increase costs. Conversely, Figure 3 also shows that the degree to which organizations can reduce customer effort correlates with a decrease in organizational costs to resolve a service request.

**Actionability**

Measuring effort positions organizations more confidently to take targeted actions to improve the CX. Once CX leaders make the link between customer effort and loyalty and cost savings goals, they can use CES to identify exactly how to reduce effort within the organization.

However, there is one big challenge with CES. In 2012, we found that the perception of effort is driven more by customers’ feelings about an interaction (“feel”) and less by the actual effort they exerted (“do”). In fact, we found that “feel” made up 63% of the effort experience, while “do” only accounted for 37% of effort. In our 2020 research, we revisited the “do and feel” concept by asking over 6,000 international customers about their recent service journeys, focusing on the characteristics that ultimately drive customer effort. We included a full battery of “do” actions, such as achieving resolution, repeating information and being transferred, as well as “feel” perceptions such as control and transparency.

When we asked about effort, we found that the “do” and “feel” concepts from our 2012 research still hold true. Regardless of the channel used, the “feel” characteristics are still the main drivers, driving 59% of customers’ perception of effort (see Figure 4). This means that focusing on process only (the “do” side) won’t necessarily result in lower perceived customer effort.
Figure 4. Change in Effort Perception Over the Years

Change in Effort Perception Over the Years

<table>
<thead>
<tr>
<th>Customer Effort in 2012</th>
<th>Versus</th>
<th>Customer Effort in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>37% Do</td>
<td></td>
<td>41% Do</td>
</tr>
<tr>
<td>63% Feel</td>
<td></td>
<td>59% Feel</td>
</tr>
</tbody>
</table>

n = 17,968
n = 6,004

733272_C

CX organizations will surface both “do” and “feel” opportunities as they measure customer effort. Many do this by taking a closer look at the customers who score their interactions as high-effort. Cutting the data by issue type, customer segment, product or center can often provide additional color. Some organizations will rank customer tasks from high- to low-effort and put action plans in place to address the highest-effort tasks. Other organizations use quality assurance teams or technology to listen to those higher-effort calls for trends. Application leaders can use this insight to design application experiences that reduce customer effort, by guiding customers to the best channel to start their interaction in order to manage the discrete tasks they must carry out to resolve their issue or complete a task.

Effort Drivers on the “Do” Side

Because “do” factors are still part of the effort equation, organizations must continue to identify improvements here. Identifying the drivers of customer effort on the “do” side is relatively straightforward — this is why many customer-facing organizations that focus on effort reduction start with this aspect of effort.

Customer exertion encompasses the number of steps and actions a customer has to take during the service experience, including wait time, transfers, repeating information, repeated contacts and channel switching. By pairing the Customer Effort Score with these exertion factors, customer service, operations, marketing, supply chain and IT organizations can often identify areas of improvement.
These exertion factors from a customer service perspective have different levels of impact on customer effort (see Table 1).

Table 1: “Do” Factors That Significantly Impact Effort

<table>
<thead>
<tr>
<th>Exertion Factor</th>
<th>Detail</th>
<th>Impact on Customer Effort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repeat contacts</td>
<td>Customers who resolved in two contacts compared to only one</td>
<td>43% increase in effort</td>
</tr>
<tr>
<td>Channel switching</td>
<td>Customers starting on the web who switch to the phone to resolve, relative to customers starting on the web and resolving there</td>
<td>30% increase in effort</td>
</tr>
<tr>
<td>Repeating information</td>
<td>Customers who must frequently repeat information relative to everyone else</td>
<td>46% increase in effort</td>
</tr>
</tbody>
</table>

n = 145,418 customers

Source: Gartner (March 2021)

Marketing functions also find the rising volume of messages isn’t helping customers — it’s overwhelming them. As a result, many brands are seeing less purchase intent, less follow-through on intent and less intent to repurchase. Leading brands realize that customers are overwhelmed by all the choice and information out there, which is harming brand loyalty. Instead of fighting for more attention, they make choosing their brand so easy that customers can actually think less about the decision.

Our analysis shows that the single biggest driver of brand loyalty is the ease with which customers can gather trustworthy information and weigh their purchase options, also known as “decision simplicity.” Indeed, brands that score in the top quarter of the Decision Simplicity Index are 85% more likely to be purchased by customers than those in the bottom quarter (see Figure 5).
Figure 5. Impact of Decision Simplicity on Various Loyalty Outcomes

Impact of Decision Simplicity on Various Loyalty Outcomes
Illustrative

Source: Gartner (February 2016)
Note: This data was collected in 2015.

Relatability

By measuring effort, CX organizations can identify where to take action to create a low-effort experience. CX leaders face increasing amounts of collaboration with multiple business partners to make improvements (e.g., working with marketing teams to improve messaging on websites so customers can better self-serve).

Progressive service and sales organizations and marketing departments are striving to make their own interactions with customers as easy as possible.

Actions for application and software engineering leaders:

- Work with your CX leader to propose piloting CES with some key customer-facing processes that are broken (high-effort).
Identify Highest-Effort Tasks and Design Application Experiences to Reduce Required Effort

Actions to Reduce Effort on the “Do” Side

A low-effort customer journey starts with learning and exploring solutions before making a purchase. Later in the journey, it might involve picking the right channel to contact the company in order to easily and efficiently resolve an issue. However, many customers unwittingly fail to choose the best-fit channel for their question or issue.

Managing and guiding customers to the best channel to handle their issue, place their order or manage their return is key to reducing the “do” side of effort. Given all the new channels and choices — and the fact that most customers don’t choose the right channel the first time — CX organizations must provide better guidance to customers so that they can quickly and easily reach the best channel; otherwise, effort and cost will likely build up.

Measuring effort enables organizations to understand in which channels customers are exerting the highest level of effort, which in turn will let the organizations reassess the channel fit for specific issue types. To build an effective multichannel strategy, CX leaders must learn where, how and when to guide customers to the lowest-effort channel. Guiding language principles can also help companies better understand known levers of persuasion and how they can subtly influence customer behavior.

In sales, the concept of effort has huge implications. Modern customers are armed with better-quality information and options than ever before. As much good as this new volume of information can provide, it also makes customers feel helpless and overwhelmed during the purchase process. Simply put, buying is becoming harder for customers, and it is negatively impacting companies.

It should come as no surprise then that the single biggest thing sales organizations can do to increase their likelihood of winning a high-quality purchase is to make it easy for customers to buy. Progressive sales organizations that make it easy for customers to buy are 62% more likely to close a high-quality sale (see Figure 6).
Actions to Reduce Effort on the “Feel” Side

While the “do” is important, the “feel” makes up the majority of customer effort. Unlike the “do” side of effort, where many things can be controlled by the company, the “feel” side of effort is often heavily influenced by frontline staff. Therefore, it is critical that CX leaders develop their frontline staff with the right competencies and hold them accountable for their behaviors.

There are three core competencies that help frontline staff deliver a low-effort experience:

- **Interaction tailoring and content surfacing** — Tailoring the employee’s communication style to match the communication style of the customer and identifying implicit and explicit customer needs through purposeful, probing questions. Skills include flexing communication styles, owning and advocating, active listening and surfacing additional information. For example, it has been shown that field sales reps who have good listening skills and adapt to the customer’s needs and knowledge levels provide a far better experience and have a higher win rate.

- **Experience engineering** — Influencing the customer’s perception of the experience through positioning techniques and use of language; includes skills such as acknowledging baggage, using positive language and positioning alternatively.
Optimizing the “feel” side requires upskilling employees so they can make customers feel like the sales or service interaction is as easy as possible. These competencies have been proven to impact customer effort significantly. By achieving world-class performance in these skills, companies can decrease perceived customer effort by almost 75% (see *The Case for Measuring Customer Effort*).

Effort measurement captures customer perspective at the point of the service interaction, but this effort is often caused by decisions further upstream, such as a confusing marketing campaign. CX leaders inevitably need support from other functions to either fix customers’ problems or enhance the service experience. Measuring effort enables these leaders to not only identify actions to take, but also better communicate with internal partners to move things forward.

Actions for application and software engineering leaders:

- Use existing customer insight or voice of the customer work to create an initial list of high-effort problem areas, such as website functionality, customer service IVRs or cumbersome sales processes.
- Partner with customer-facing functions to identify the specific areas of customer effort that could be reduced with the right applications or changes to processes.
- Design application experiences that reduce customer effort by guiding customers to the best channel to start their interaction in order to manage the discrete things they must do to resolve their issue or complete a task.

_Pilot Customer Effort Score Against High-Effort Customer-Facing Processes_

To get started down the path of effort measurement, application and software engineering leaders, together with the CX leader, can ask themselves the following set of questions, which are appropriate for leaders beginning this process. Once they answer these questions, leaders can use the findings of this report to support the shift to measuring and decreasing customer effort in the service experience.

**Who to involve?**

- Would you need buy-in from other colleagues to survey customers on this new concept?
- Who would be the primary user of the measurement data collected?
- Who should you educate on customer effort in order to make changes to the service or other experiences down the road?
We recommend that clients start small with customer effort, given that it is a big cultural shift to go from high- to low-effort. This could involve adding CES to existing transaction surveys, or implementing a few small tests of customer effort against some key customer-facing processes (like opening a new account or completing a transaction on a mobile app) to see how the organization responds. For example, if there are multiple customer-facing processes that seem to be high-effort, start by adding the CES to the metrics of one or two of those critical processes before reevaluating. Another approach would be to take one call center team that can be measured with CES with no penalties, to assess how their behavior changes and how customers respond. If things go well with this team, you can roll CES out to more teams. Like the introduction of any new metric, there should be a period of education and testing prior to any large-scale rollout.

Evidence

Gartner’s 2011 and 2012 Customer Effort research is drawn from extensive surveys in which we asked more than 4,500 customers to gauge the effort required in a recent service interaction and 36 companies to discuss their operations and processes related to reducing customer effort. It is updated periodically.

Gartner’s 2020 Customer Experience Innovation Survey was conducted online with 238 CX leaders from 17 January through 24 February 2020 with the intention of exploring organizations’ CX maturity levels to discover the challenges to CX maturation, the actions organizations take to increase their CX maturity, and the roles that technologies play in CX initiatives. A follow-up was conducted after COVID-19 in April 2020 with 119 respondents participating. Participants came from across the world in a wide range of industries and company sizes of at least $50 million revenue and 250 employees worldwide.

To qualify for the study, respondents had to be leading the setting of strategic objectives and priorities for at least one CX-related project activity (85%) or on a team responsible for meeting strategic objectives and priorities (15%). They also had to be knowledgeable about business priorities and/or business benefits for at least one CX project in the past year, along with spending more than 25% of their typical workday on CX improvement projects.
Quotas were applied for countries, industries, roles, involvement in CX and annual revenue.

The results of this study represent the views of the respondents surveyed and not necessarily the market as a whole.

Gartner’s 2020 Loyalty Through Customer Service and Support Survey research is drawn from extensive qualitative interviews with customer service and support leaders from more than 70 companies globally to understand their challenges and identify unique practices and solutions that can be scaled to other organizations. We also drew on quantitative survey data from 6,000 customers and over 100 service leaders.

**Recommended by the Authors**

How to Measure and Interpret Customer Effort Score (CES)

How Customer Effort Changes in a Multichannel World