Abandon Rate Management
and Customer Retention

How Q-Flow® helps measure abandon rates more accurately, minimize abandoning and improve customer retention

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Among the parameters used to measure a service center's performance, the abandon rate is perhaps the most critical. The abandon rate measures the number of customers who arrived and joined the queue, but decided to leave while waiting. A high abandon rate could be the result of long queues, an unpleasant waiting area, or of overall customer dissatisfaction, and is a predictor of customer churn.

The following article describes several ways in which a business can use Q-Flow® to measure abandon rates more accurately, minimize abandoning, and improve customer retention.

For more general information about: Customer Flow Management

Measuring Abandon Rates

Accurate measurements of abandon rates are essential for effective customer service management. There are different factors, which may interfere with this measurement:

- "Balking" – customers leaving before even joining the queue (either because of a long line or because of an unappealing entrance), will not show on statistics.
- "Temporary reneging" – customers leaving the queue temporarily, with an intention to return, may be registered as having abandoned the queue.
- "Fictitious customers" – customers may take extra tickets, either intentionally or by mistake, and these tickets might later show up as customers who have abandoned the queue.
- Improper use of the system's abandoning customer identification tools.

Balking

Balking is not only a negative phenomenon, it is also difficult to monitor; customers can decide not to enter our branch office or shop, and we would never even know they were there. It is therefore important to get every customer to take a ticket and join the queue, even at the expense of a potential increase in recorded abandon rates.

To prevent balking effectively, consider the following approaches:

- Design an attractive and inviting entrance.
- Design the lobby area so that actual queues in the waiting area are not seen and, just as importantly, not heard from it.
- If a self-service ticketing kiosk is used, decorate it and design a friendly user interface to make it less intimidating and more appealing.
- An attendant or receptionist may "intercept" customers who seem to hesitate in front of the kiosk. Of course, this needs to be done very carefully and gently.
- If a lobby manager is employed, having him stand up (instead of sitting down behind a desk) would minimize the chances of customers making a u-turn and leaving without taking a ticket.

To provide a methodical solution to manage temporary reneging, consider the following approaches:

- If possible, have an attendant or lobby manager register customers leaving in the queuing system, and then re-position them in the queue when they return. With Q-Flow, this can be achieved using the abandon and return to queue options in the service console.
- Provide agents with the option to call a customer who has been registered as abandoning. With Q-Flow, this can be achieved by applying the "abandoned customers" filter to the case list, and allowing agents to call customers who are in abandoned status.

Temporary *Reneging*

Customers who suddenly decide to leave the queue and come back later can create a considerable disorder in the waiting area, and give customer service agents quite a headache. We would want to minimize temporary reneging, and at the same time – provide a methodical solution to manage such events when they happen.

To minimize temporary reneging, consider the following approaches:

- Provide waiting customers with a visual indication of the queue progress, so that they can predict when their turn is about to arrive. With Q-Flow, this can be easily achieved using info page displays.
- Make the waiting environment more pleasing and interesting than its surrounding area.
- Design the service center so that restrooms, nursing and (if so required) smoking areas are as close to the waiting area as possible; consider placing some queuing system speakers or even displays in those areas.

Fictitious Customers

This phenomenon is usually unique to businesses using a self-service kiosk for issuing tickets. It can be quite difficult to distinguish fictitious customers from real ones who have left the queue.

To reduce the effect of fictitious customers, consider the following approaches:

- Get incoming customers to provide some form of id. Using Q-Flow and an interactive kiosk, there are many ways to do this, including magnetic cards, an onscreen keypad etc.
- Make self-service menus and options as clear as possible to first-time visitors; most customers will take extra tickets simply because they are not sure which queue they should join.
- Allow managers in the branch to remove fictitious customers from statistics, if they know for sure that it is right to do so – e.g. if a customer admits to having taken an extra ticket by mistake, or if unused tickets are found. With Q-Flow, this can be achieved using the Cancel option in the service console.

Abandoning Customers Identification Tools

Simple queuing systems usually only provide very crude means of identifying abandoning customers, the most common is based on short service times: The system, or its reports, automatically regards customers with short service times as having abandoned the queue before they were called forward.

Q-Flow, on the other hand, supports multiple approaches to identifying abandoning customers.

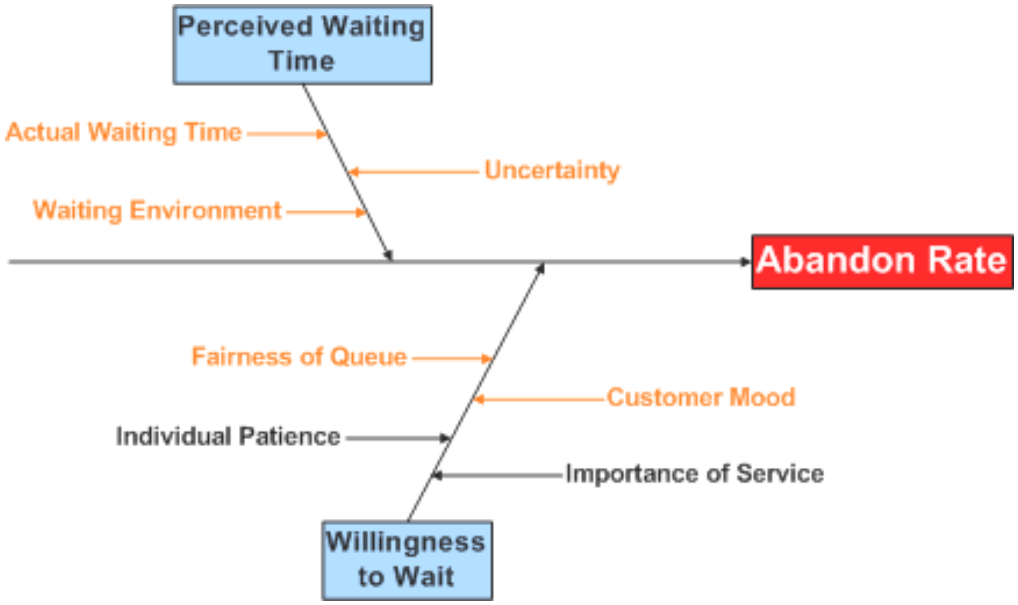
- Fully manual – using the Service Console's Abandon option, agents can indicate customers who did not come forward when called, anytime.
- Fully automatic – same as in simple systems, Q-Flow can be set to identify short service times automatically as denoting customers who have abandoned the queue.
- Semi-automatic – Q-Flow can be set so that short service times trigger a pop-up screen, which prompts the agent to choose whether the customer has been served, abandoned or temporarily reneged (and therefore returned to queue).

Another useful tool is the Service Console's Call Again option, which may be used by agents to try the customer one more time before assuming the customer has left.

Minimizing Abandon Rates

Once we have a system in place for measuring abandon rates accurately, we may focus our efforts on actually reducing those rates.

The abandon rate is affected by an array of factors, the most significant of which are shown in the following diagram.



Note that we cannot change the customer's individual patience level – that is part of a person's basic character. Nor can we change, within the context of this article, that importance of the specific service to the customer – this is affected by the type of service, available alternatives and so on.

However, we do have control over the elements colored orange in the diagram:

- Actual Waiting Time – mainly a result of staffing and agent management, this subject is much too broad to discuss in this context. Long waiting is the single most important reason for abandoning, and considering the potential cost of abandoning customers (and ensuing customer retention efforts), a minimal waiting time should be top priority.
- Uncertainty can significantly increase the perceived waiting time. By keeping customers constantly informed – using queue status and progress displays, such as the Q-Flow Info Page – they become more relaxed, and waiting seems shorter.

- The waiting environment has a major effect on how waiting time is perceived. A noisy and over-crowded waiting room makes customers edgy, while a room that is too quiet and dull makes customers keep looking at their watches. The optimal environment is one that is calm and spacious, where a waiting customer is free to walk around and browse through products or brochures. If a long wait is expected, magazines and internet stations would also make the passing of time seem shorter.
- Fairness of Queue – studies show that customers are willing to wait longer if queue management is fair, i.e. customers are served in the order of arrival (in FIFO queues) or according to schedule (in appointment-based services). Q-Flow can certainly help here, since computerized queuing is generally perceived as fair, especially with visualization tools such as the Q-Flow Info Page.
- Customer Mood – this is the result of a combination of secondary factors, many of which can be managed or at least influenced by us: A positive reception experience, in which the customer is identified and personally greeted, sets a good starting point. Apologizing for any interference, such as drilling sounds from the basement floor, is also important. Paying attention to the customer if waiting gets exceptionally long has a huge impact, and a cup of coffee offered to waiting customers can go a long way. Q-Flow Herald can help here, by sending long-queue alerts to agents responsible for taking care of waiting customers.

Customer Retention

However hard we may try to keep abandon rates down, some customers will slip through the net. Customers who have left the queue pose a serious threat to the business:

- Lost sales, reduced customer loyalty, customer churn – if a customer was waiting to purchase goods or services, and did not get these goods or services, chances are one of our competitors just made a sale, or even gained a new customer.
- Reduced customer satisfaction – even if the customer has not yet defected to one of our competitors, his satisfaction with our level of service would plummet. This, with time, increases the probability of losing this customer.
- Damaged brand image – all our investments in interior design and making the service center reflect the brand values, will go to waste or even have a negative effect, if customers did not get what they wanted from us.

Clever handling of customers who abandoned queues can help repair much of the damage. This can be done online in the service center or offline by the customer retention department (or a similar business function). Note that almost all retention efforts rely on customer having identified themselves at the reception; very little can be done to address anonymous people who have left the queue and went away.

Consider the following approaches for online customer retention:

- In cases where the lobby manager or kiosk attendant can identify which customers are leaving the queue, the may try to intercept them. Usually, at this point, little can be done to prevent them from leaving, but it may be possible to suggest a customer service representative will call them at a later time to try and help them.
- A "Retention Box" may be placed by the exit, where customers can drop their tickets if they want to be contacted later. Of course, this requires that either the customer ID or Case ID are printed on the ticket.

Whether online efforts where made or not, at the end of the day it will be the customer retention department's goal to contact abandoned customers and attempt to recover their loyalty and satisfaction. The following sources of information will help compile contact lists for customer retention:

- Tickets collected in retention boxes, or by service center employees.
- Abandoning Customer reports; these can be produced using Q-Flow's Info Center, or by data-mining tools, which would link, Q-Flow's abandoning customer records with customer contact information stored elsewhere.

By putting all these techniques to use, the business can significantly improve customer retention and as a result – increase sales and long term customer loyalty.

For more details about: Customer Experience Solutions

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