Enhancing Customer Satisfaction through Customer Contact Centre Standards for the Jamaica Public Service Company Limited and the National Water Commission
ABSTRACT

Customer Contact Centres (Call Centres) play an integral part in the service delivered by utility companies as they are the main channels through which customers interact with these companies. It is therefore important for utility companies to assess their Call Centre performance, with specific focus on determining the level of satisfaction derived by customers through their Call Centre experience.

In keeping with best practices and in an effort to encourage utility companies to provide and maintain an acceptable level of service through their Customer Contact Centres, the OUR has deemed it necessary to review Jamaica Public Service Company Limited’s (JPS’) and National Water Commission’s (NWC’s) Call Centre standards. The objective is to ensure that emphasis is placed on enhancing customer satisfaction. This review is being conducted through a consultation process.

Following on the consultations with the Service Providers, decisions will be made on any changes that may be necessary to the Call Centre standards currently being measured by the JPS and NWC. Any proposed changes will seek to ensure that the service providers are monitoring and measuring the customer experience received through the Call Centres.
Consultation Process

Persons who wish to express opinions on this Consultation Document are invited to submit comments in writing to the Office of Utilities Regulation (“OUR”) by post, delivery, facsimile or e-mail addressed to:

Office of Utilities Regulation
P.O. Box 593,
36 Trafalgar Road,
Kingston 10

Attention: Collette Goode, Consumer Affairs Specialist (Policy)

Fax: (876) 929-3635
E-mail: collette.goode@our.org.jm

Responses are requested by 2019 March 19

Responses which are not confidential, pursuant to any relevant legislation, will be posted to the OUR’s website (www.our.org.jm). Respondents are therefore requested to supply their responses in electronic form to facilitate such postings.

COMMENTS ON RESPONSES

There will be a specific period for respondents to view other responses (non-confidential) and to make comments on them. The comments may take the form of either correcting factual error(s) or putting forward counter arguments. As in the case of the responses, comments which are not confidential will be posted to the OUR’s website.

Comments on responses are requested by 2019 April 2

Arrangement for viewing responses

This Consultation Document and the responses and comments received by the OUR will also be made available to the public through the OUR’s Information Centre (“OURIC”). Persons who wish to review the Consultation Document, responses and comments should make an appointment to do so by contacting:

Ms. Colleen Mignott
Co-ordinator, OURIC/Information Officer
Telephone: (876) 968-6053  
Fax: (876) 929-3635  
Email: colleen.mignott@our.org.jm

Individuals with appointments should visit the OUR’s offices at:

3rd Floor, PCJ Resource Centre  
36 Trafalgar Road  
Kingston 10

Photocopies of selected responses and comments may be provided on request at a price which reflects the cost to the OUR.

Consultation Timetable

The timetable for the Consultation is summarized in the Table below:

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<th>Event</th>
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<tr>
<td>Publish Consultation Document</td>
<td>2019 February 11</td>
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<tr>
<td>Response to the Consultation Document</td>
<td>2019 March 19</td>
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<tr>
<td>Comments to responses to the Consultation Document</td>
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<tr>
<td>Issue of OUR Responses to Comments</td>
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<td>Issue Determination Notice</td>
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Acronyms and Definitions

In this Consultation Document, unless the context otherwise requires, the following will have the meaning specified below:

1. “CAR” means Call Abandonment Rate.
2. “AHT” means Average Handle Time.
3. “ATT” means Average Talk Time.
4. “CCR” means Call Completion Rate.
5. “CHT” means Call Handling Time.
6. “CTR” means Call Transfer Time.
7. “Customer Contact Centre” means an office or location where customers can, among other things, apply for services and lodge customer complaints.
8. “EOS” means Electricity Overall Standards
9. “FCR” First Call Resolution Rate.
10. “KPI” means Key Performance Indicator.
11. “LCH” means Longest Call Hold.
PART 1: INTRODUCTION

Background

1.1 The Customer Contact Centre (‘Call Centre’), is oftentimes the first point of contact between the customer and a business and is at the heart of the customer experience for many businesses. In a study published by the European Journal of Social Sciences titled: *A Study of Strategic Call Centre Management: Relationship between Key Performance Indicators and Customer Satisfaction*, it was noted that research conducted by the Centre for Customer Driven Quality at Purdue University indicated that 70% of all customer-company interactions are handled in Call Centres. The study further noted that “since a call centre handles more than 70% of all customer-company interactions, it is not too much to say that customer satisfaction with a call centre’s services determines the success or failure of a company”.

1.2 Customer satisfaction measures how products and services supplied by a company meet or surpass customer expectations. It is therefore critical for businesses to place emphasis on measuring customer satisfaction so that appropriate continuous improvement measures can be identified and implemented.

1.3 The OUR has recognized the need for quality service, which includes the delivery of customer service to utility customers. The OUR has also recognized the need to ensure that the Service Providers are able to deliver the quality customer service experience that customers expect through all channels. Accordingly, in keeping with the provisions of the Office of Utilities Regulation Act (“OUR Act”); the National Water Commission Review of

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1.4 More specifically, under the JPS Licence, the Electricity Overall Standards (EOS) includes those that relate to customer satisfaction. EOS 10 requires that as a measure of Call Centre responsiveness, 90% of calls are answered within 20 seconds. Additionally, EOS 11 requires that a target be determined for the percentage of complaints that are resolved at the first point of contact.

1.5 In relation to the NWC, the OUR took note of customer complaints, received during the 2008 and 2013 tariff review periods, regarding poor customer service delivered by NWC representatives. In the 2013-2018 NWC Determination Notice, the OUR said,

"Accordingly, the Office determined that the NWC must ensure that all frontline staff participate in at least one customer service oriented training each year. This training should include, among other areas: a focus on soft skills (such as communication and facilitation); information pertinent to the NWC’s business in the industry; the Commission’s policies and procedures; the adequacy of the responses provided to customer’s complaints/queries;..."

The OUR is interested in whether there has been improved customer satisfaction since the NWC’s implementation of the mandate outlined in the 2013-2018 NWC Determination Notice for the training of its frontline staff. With the establishment of appropriate call centre standards or Key Performance Indicators (KPIs), the OUR will be able to assess the quality of service delivery and current level of customer satisfaction.
Purpose of the Consultations

1.6 The OUR is aware that the Service Providers provide Call Centre services to their customers. However, the OUR is also aware that the Service Providers presently outsource their Call Centre operations.

1.7 In keeping with our information request, the Service Providers submit quarterly reports on the performance of the operations of their call centres. Based on a review of these reports, the OUR identified that both entities do not currently measure all the KPIs that assess customer satisfaction.

1.8 In an effort to ensure that the Service Providers conform to the regulatory decisions and rules, this consultation is being conducted with a view to:

1. Decide on the customer satisfaction-centric Call Centre KPIs to be measured;

2. Establish a level of uniformity with the customer centric standards that are measured by the Call Centre of the Service Providers; and,

3. Determine a target for the percentage of complaints that are to be resolved at the first point of contact.
PART 2: LEGAL FRAMEWORK

2.0 Pursuant to section 4 of the OUR Act, the Office, as part of its overall functions, regulates prescribed utility services. The First Schedule of the OUR Act provides that the term prescribed utility services includes the generation, transmission, distribution and supply of electricity; supply or distribution of water and the provision of sewerage services.

2.1 Section 4(1) of the OUR Act provides as follows:

“4(1) Subject to the provisions of this Act, the functions of the Office shall be to –

(a) regulate the provision of prescribed utility services by licensees or specified organizations;”

2.2 Further, section 4(2)(a) of the OUR Act provides,

“The Office may, where it considers necessary, give directions to any licensee or specified organization with a view to ensuring that –

(a) the needs of the consumers of the services provided by the licensee or specified organization are met;

2.3 Additionally, section 4(3)(b), of the OUR Act provides

“4(3) In the performance of its functions under this Act the Office shall undertake such measures as it considers necessary or desirable to: –

(b) protect the interests of consumers in relation to the supply of a prescribed utility service;

2.4 Specific to the electricity sector, the Electricity Act, 2015 also empowers the OUR to give directions to any licensee with a view to ensuring that the needs of consumers are met. Section 5 of the Electricity Act, 2015 states:
“5. The Office may, where it considers necessary, give directions to any licensee with a view to ensuring that –

(a) the needs of the consumers of the services provided by the Single Buyer are met;

(b) the Single Buyer operates efficiently and in a manner designed to –

(i) protect the health and well-being of users of the service and such elements of the public as would normally be expected to be affected by its operations...”

2.5 In addition, Condition 17 of the JPS Licence provides that the JPS “shall use all reasonable endeavours to achieve the Guaranteed Standards and Overall Standards”.

Part 3: Most Widely Accepted Call Centre Key Performance Indicators

3.0 KPIs are performance measurements which evaluate the success of an organization or of a particular activity. For Call Centres, KPIs are quantitative metrics used to assess their effectiveness and efficiency. KPIs typically assess the performance of the Call Centre in satisfying its customers' needs.

3.1 The KPI Institute\(^2\) (the Institute) has produced reports dedicated to analysing the most popular KPIs across major functional areas and industries, which include: Finance, Human Resource Management, Utilities and Call Centres. In compiling its reports, the methodology used by the Institute consisted of ranking the KPI examples documented, based on the number of views acquired on the website smartKPIs.com. The Institute further advises that the report represents "the hundreds of thousands of visits to smartKPIs.com and the thousands of KPIs visited, bookmarked and rated by members of the online community in these six years" which were further analysed by the KPI Institute's editorial team.

3.2 Based on our review of the publication on the Call Centre KPIs, titled *The Top 25 Call Centre KPIs – 2016 Extended Edition*, the OUR is of the view that the information can be deemed credible and relevant to this consultation, given the evidence of extensive research and analysis that was conducted.

Top 25 Call Centre KPIs

3.3 In the aforementioned publication, the KPI Institute has identified 25 of the most popular KPIs used globally by the Call Centre industry from 2009 – 2015. These top 25 KPIs were further grouped under the following six general sub-categories:

\(^2\) The KPI Institute (2016), Top 25 Call Center KPIs - 2016 Extended Edition, Melbourne, Australia
1. Call Handling Workload – which offers an overview of the call volume and the ability of agents to solve the client’s request;

2. Service Responsiveness – which represents the accessibility of the call centre operators;

3. Agents’ Efficiency – which assesses the work quality of call centre agents and their ability to achieve the pre-set targets;

4. Call Routing – refers to sending calls to queues or extensions based on specific criteria;

5. Service Quality – which evaluates the compliance of the call centres services to certain standards; and,

6. Call Centre Revenues – which illustrates the value of sales and how many of the leads are transformed into actual purchases.

3.4 Of the 25 most commonly used KPIs, the Institute has identified the following as the most frequently used:

1. **Agent Utilization** – which measures the percentage of time agents are on calls or doing after calls work from the total time they are logged in;

2. **Call Completion Rate** – which measures the rate at which calls are successfully initiated, compared with the number of attempted calls;

3. **Speed of Answer** – measures the average speed of answering a customer's call by an available agent, after the call is placed in the queue;

4. **% First Call Resolution Rate** – measures the percentage of calls resolved by the customer service unit on first call;

5. **$ Revenue per Successful Call** – measures the revenue from sales on a per call basis.
While the abovementioned represent the most frequently used Call Centre KPIs, this consultation will only focus on those that assesses customer satisfaction. Accordingly, of the five most frequently used Call Centre KPIs, Agent Utilization, Call Completion Rate and Revenue per Successful Call will not be discussed further since they focus mainly on the other aspects of operating a Call Centre such as internal processes and revenue maximization. Instead, the KPIs that fall under the categories of Service Quality and Service Responsiveness will be discussed in detail.
Part 4: Customer Satisfaction Call Centre KPIs

4.1 From the top 25 Call Centre KPIs identified by the Institute, it was deduced that those with emphasis on customer satisfaction generally fall under two of the six sub-categories listed in Part 3; which are Service Quality and Service Responsiveness.

4.2 As described by the Institute, Service Quality assesses the compliance of the Call Centre’s service against certain standards. It further notes that non-compliance can negatively impact customer satisfaction. The KPIs that fall under this sub-category are:

- **Call Completion Rate (CCR)** – provides an indication of the call attempts that results in a live conversation or response. It is used as a performance indicator for Call Centre operation and does not specifically focus on customer satisfaction.

  The best practice target for CCR is determined to be at least 90%. This means that in at least 90% of instances, call attempts should result in a live conversation or response.

- **First Call Resolution (FCR)** – indicates the efficiency in resolving/responding to customers’ issues/queries during the first call received. It is used as a measure of customer satisfaction as it assesses the number of customer issues that are resolved at the first call as against the call being escalated for resolution.

  For FCR, the best practice target to achieving the greatest level of customer satisfaction is determined to be at least 90%. This means that in at least 90% of instances, a customer’s issue should be resolved at the first call.

- **Call Handling Time (CHT)** – indicates the customer service representative’s efficiency and capacity to handle calls. It takes into consideration both talk time and after call
work time and is used as a performance indicator for the Call Centre Operations. Given that CHT includes an assessment of the time taken to talk with the customer, it would also have an impact on customer satisfaction.

The best practice target for CHT is less than 12 minutes. This means that to attain the best practice target, total talk time and after call work time should not exceed 12 minutes.

- Call Transfer Rate (CTR) – indicates the proportion of contacts that has to be transferred to another agent or place to be handled/resolved. It is used as a performance measure to assess the Call Centre operation’s effectiveness and service quality.

  The best practice recommendation is to maintain a CTR of 20% or less. That is, to attain the best practice recommendation, no more than 20% of calls should be transferred for the customer to get a resolution.

- Longest Call Hold (LCH) – indicates the length of time customers wait to be served. It measures the longest time a customer waits, after being put on hold and before being connected to an agent or hanging up. Additionally, the best practice recommendation for LCH is 20 seconds or less.

4.3 Service Responsiveness generally looks at the accessibility of the Call Centre and its impact on customer satisfaction. The KPIs that fall under this subcategory are:

- Speed of Answer (SA) – indicates the average speed to answer a customer’s call by an agent, after the call is placed in the queue. It is used as a performance measure to assess both Call Centre operations effectiveness and customer satisfaction. The best practice recommended target for SA is determined to be 20 seconds.
• Call Abandonment Rate (CAR) – assesses the percentage of customer calls that are abandoned while in queue, waiting for service. It also assesses how efficiently the Call Centre manages its resources such as personnel. Additionally, the best practice recommended target for CAR is 2% or less.

• Percentage Service Level (SL) – indicates the Call Centre’s efficiency in handling incoming calls by measuring the percentage of calls answered within a defined timeframe. It is used as a performance measure to assess both Call Centre operations and customer satisfaction.

The best practice recommended target for SL is determined to be 80%. It is usually tied to the SA which requires that to attain best practice, 80% of calls are answered within 20 seconds.

4.4 While there are KPIs under the sub-categories of Service Quality and Service Responsive that have a specific focus on customer satisfaction, not all do. For instance, as can be seen for CCR, its focus is on internal processes and operational efficiency. Additionally, CCR appears to be more relevant to outbound Call Centres that operates in areas such as sales, market surveys and telemarketing.

4.5 However, it is deemed that FCR would directly impact and indicate customer satisfaction levels with the performance of the Call Centre, as more calls are resolved at the first call. Based on a study carried out by research and consulting firm, Service Quality Measurement (SQM) Group, one of the several advantages of FCR is that for every 1% improvement in FCR, there is an equivalent 1% improvement in customer satisfaction.
Standards Currently Being Measured by JPS and NWC

4.6 A review of the Call Centre reports submitted by the Service Providers indicates that the standards with a customer satisfaction focus that they are currently measuring include: SA, CAR and SL. JPS also measures Average Handle Time (AHT) (which is synonymous to CHT) while the NWC also measures Average Talk Time (ATT).

4.7 The OUR has also noted that the target used for SA varies between the Service Providers. For SA, JPS measures itself against the best practice target of 20 seconds; however, the NWC measures itself against a target of 30 seconds.

4.8 Further, while it is evident that both entities are currently measuring a number of the standards that indicates customer satisfaction levels, it is noted that neither provider is currently assessing its FCR rate.
Part 5: Proposed Customer Satisfaction Contact Centre Standards to be Measured by JPS & NWC

5.0 As is indicated in Part 4, the Service Providers are already measuring a number of the standards that assesses customer satisfaction, namely: SA, CAR and SL. We have however noted a variance in the standards currently being measured, in that the JPS measures the AHT, while the NWC measures ATT. As was previously stated, we have also identified a variance in the target used by both service providers to assess their performance against SA.

5.1 The description of CHT (which is synonymous with AHT) indicates that it is comprised of two components: talk time and after call work. Talk time is a measure used to indicate the customer service agent’s efficiency in handling calls; as lengthy calls can indicate the agent’s lack of knowledge on the customer’s request. While the OUR is aware that the CHT indicates the total time taken to handle a call, it believes it is important for the Call Centre to also indicate the ATT as it provides an indication of the agent’s knowledge base.

5.2 The OUR is requesting that both service providers continue to measure and report on the SA, CAR and SL. However, we are also requesting that JPS also reports on ATT and the NWC reports on the CHT. Additionally, given that the best practice for SA is 20 seconds, we are requesting that the NWC reduces its SA target from 30 seconds to 20 seconds. This proposal is in an effort to establish a level of uniformity with the Call Centre Standards and targets that are used to assess customer satisfaction.

Question 1:

(a) What are your views on the proposal to establish uniformity with the aforementioned Call Centre standards and performance targets used by the Service Providers?
(b) Would JPS experience challenges in reporting on the Average Talk Time? Please explain;

(c) Would the NWC experience challenges in reporting on Call/Average Handle Time? Please explain.

(d) Would the NWC experience challenges in reducing its performance target for Speed of Answer to 20 seconds? Please explain.

Establishing a Performance Target for First Call Resolution

5.3 In relation to JPS, EOS 11 requires that a target be determined for the percentage of complaints that are resolved at the first point of contact. While a similar standard has not been determined for the NWC, as is seen in our recent tariff Determination Notices, the OUR has taken note of complaints from customers relating to poor customer service. The inadequacy of the responses received from the NWC when complaints are lodged, is one of the concerns. The OUR is therefore of the view that a performance target should be established for the resolution of complaints at the first point of contact, for NWC as well, irrespective of the contact method. However, given the high percentage of complaints that are made through the Call Centres, for the purpose of this consultation, focus will be placed on First Call Resolution.

5.4 FCR relates to a customer's complaint/issue being resolved at the first instance contact is made with the Call Centre; without the call being transferred or the customer making repeated calls about the same issue.

5.5 Service Quality Management Group (SQM)\(^3\), is regarded as a leading North American contact centre industry customer experience research, consulting and performance awarding firm. SQM has conducted extensive research on FCR and is viewed by the Call Centre industry as being the “thought leader and gold standard for measuring, benchmarking and improving First

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\(^3\) Reference: https://www.sqmgroup.com
Contact Resolution...”. Research conducted by SQM on FCR indicates a direct one - one relationship between FCR and customer satisfaction and posits that for every 1% increase in FCR there is an equivalent 1% improvement in customer satisfaction.

5.6 In addition to improving customer satisfaction, some of the other benefits identified by SQM to be derived from improving FCR include:

- Reducing operating costs: SQM notes that while it takes 1.4 calls to resolve a customer’s issue, for customers who do not receive FCR, it takes an average of 2.5 calls to have their issue resolved. SQM further points out that repeat calls represent 23% of the average contact centre’s operating budget. As such, reducing the incidents of repeat calls would also result in a reduction in the Call Centre’s operating cost.

- Improving Employee Satisfaction: SQM has noted that contact centres with high FCR also tend to have high employee satisfaction, as the stress level for the customer service agent who handles the customers' repeated calls is high.

- Reducing customers at risk: SQM research has shown that only 2% of customers who had their issue resolved at the first call expressed their intent not to conduct further business with a company, as a result of their Call Centre experience.

FRC Measurement Methods

5.7 SQM has identified the following three most commonly used methods for measuring FCR:

- Repeat-call tracking technology – which tracks repeat customer calls within a certain number of days. One advantage of this method is that all or most of the calls are tracked, which can provide accurate FCR trends. However, this method does not take into consideration whether the customer is calling for a different reason or does not call back at all, even if their issue was not resolved.
• **Quality assurance** – this requires having an internal quality assurance analyst listen to and determine whether the issue was resolved on the first call. One advantage of this method is that the quality assurance analyst is more knowledgeable than the customer and can therefore assess whether the issues were in fact resolved at the first call. However, the customer may be unaware of the accuracy or completeness of the response provided. However, a disadvantage of this method is that it focuses on the viewpoint of the company (through the quality assurance analyst), with little to no assessment of whether the customer thinks that the issue was resolved.

• **Post-contact customer survey** – this requires receiving customer feedback within one business day of a customer contacting an organization. This method allows for receiving direct feedback from the customer regarding whether or not their issue was resolved at the first call. It is regarded as the most customer-centric FCR measure and is deemed to be highly correlated to customer satisfaction. A disadvantage however is that it is the most customer intrusive method, as the survey may be conducted at a time that may be unsuitable for the customer.

5.8 Given the importance of getting feedback from the customer to assess their satisfaction level, the OUR is of the view that the *Post-contact customer survey* method is the best approach to be used to measure FCR. While the Repeat-call tracking technology tracks all repeated calls and the quality assurance analyst assesses call quality and accuracy, neither of these two methods includes customer involvement.

5.9 Consequently, the OUR is recommending that the methodology to be used to measure FCR is the *Post-contact customer survey*. In using this method, the OUR is recommending that the percentage of FCR is to be derived by: dividing the number of customers who confirmed that their issue was resolved at the first call by the total number of customers surveyed. That is:

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\text{FCR} = \frac{\text{# of customers who confirmed the resolution of issue at first call}}{\text{Total # of customers surveyed}}
\]
5.1.0 Further, in keeping with the best practice noted by SQM, the OUR is proposing that the performance target for FCR is set at 80%. For clarity, the OUR is proposing that at least 80% of complaints/queries made to the Service Providers' Call Centres be resolved at the first call. The OUR is further recommending that this KPI is measured on a monthly basis with the results being included in the quarterly Call Centre reports submitted by the Service Providers.

Question 2:

(a) What are your views in relation to the recommendation for the Service Providers to measure FCR?

(b) What challenges/constraints, if any, do you envision that the Service Providers may encounter in measuring FCR?

(c) What measures do you propose the Service Providers can employ to mitigate the challenges/constraints identified in (b)?

(d) Do you agree that the Service Providers should use the proposed methodology (Post-contact customer survey) and measurement for assessing FCR? Please explain.

(e) Do you agree with the proposed performance target of 80% for the Service Providers in relation to FCR? Please explain.
Appendix 1: Summary of Questions

Question 1:

(a) What are your views on the proposal to establish uniformity with the aforementioned Call Centre standards and performance targets used by the Service Providers?

(b) Would JPS experience challenges in reporting on the Average Talk Time? Please explain.

(c) Would the NWC experience challenges in reporting on Call/Average Handle Time? Please explain.

(d) Would the NWC experience challenges in reducing its performance target for Speed of Answer to 20 seconds? Please explain.

Question 2:

(a) What are your views in relation to the recommendation for the Service Providers to measure FCR?

(b) What challenges/constraints, if any, do you envision that the Service Providers may encounter in measuring FCR?

(c) What measures do you propose the Service Providers employ to mitigate the challenges/constraints identified in (b)?

(d) Do you agree that the Service Providers should use the proposed methodology (Post-contact customer survey) and measurement for assessing FCR? Please explain.

(e) Do you agree with the proposed performance target of 80% for the Service Providers in relation to FCR? Please explain.