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These 6 Customer Service Metrics Will Show You What You're Doing Right--and Wrong

What gets measured gets managed. Make sure you measure the right key performance indicators (KPIs) to lead your business to success.

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The adage "What gets measured gets managed" has always been a key philosophy for our business: It helps us concentrate our time and energy on what matters most. While many businesses focus on the critical "lagging indicators" (things like revenue and the number of customers), there is often a real lack of focus on "leading indicators," which are indicators that help to predict success--specifically, how well you are servicing your customers. Using customer service metrics can bring new insight into where and how your business can improve.

1. Net Promoter Score (NPS)

The Net Promoter Score is a meaningful yet frequently overlooked way to understand how likely you are to keep your customers year after year. Your NPS predicts the likelihood of your customers referring your business to their friends (or bad-mouthing it!). Unlike a customer satisfaction score, this methodology specifically points to whether or not this customer will return to you--therefore, it impacts your bottom line.

2. Website traffic conversion rate

Most businesses assess the amount of traffic they get, but they don't zero in on how well that traffic is converting. Take a look at the calls to action you have on your site and then track what percentage of your traffic is converting to each of those. Develop benchmarks and goals for conversion rates. This will help you gauge the quality of your traffic (i.e., whether you are drawing the right audience to your website).

3. Percentage of questions relative to customers

This metric is critically important, and yet very few companies know to track it. Everyone knows to track issues (if you don't, make sure you do!), but many companies fail to look at how many questions (meaning simple points of clarification or confusion) they receive.

I am a firm believer that you want your product and service to be as straightforward as possible. So, determine the number of questions you get as a percentage of customers and look to continuously improve the simplicity and clarity of your product or service, so your customers don't have to invest their precious time in contacting you for clarifications.

4. Cost per customer acquisition

This is a no-brainer, but many companies fail to assess the ramifications it has, especially on an ongoing basis. Looking at your cost per customer acquisition is a key component of improving your bottom line, and it also can show you how appealing your product or service is relative to the competition. If you see an uptick in cost, it's an important indicator that your product's strength is degrading in the market. So keep an eye on this--not as a one-off, but as an ongoing metric.

looking at the trends and "stickiness" of your product or service. You can measure this information many different ways, and the method used depends on whether your business is an annual one (like ours is) or one where share of wallet is key. Set a specific goal based on industry best practices and then progress carefully to that goal.

6. Time taken to resolve customer service queries

If a customer contacts you, the team on the ground answering phones and emails must not only have the skill set and knowledge to solve the customer's issue, but also be fully empowered to do so. So in addition to evaluating how long it takes to resolve customer service queries, you should also measure first-contact resolution, which is whether or not the first person the customer speaks with can solve their problem, right then and there. In most cases, you should aim for 98 percent same-day resolution, as well as first-contact resolution.

Measuring and focusing on these metrics helps you to diagnose the health of your organization, and it also sends an essential message to your team about the importance of customer care. My team does weekly reporting on each of the metrics above (and more!), which means we can instantly identify underlying trends and demonstrate the health of the business to the whole team.

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