

WHY WE ^{won't} WAIT

How to Boost Customer Satisfaction & Profits
by Decreasing Wait Time



U.S. businesses lose an estimated \$83 billion in sales annually due to poor customer experiences.

– GENESYS, WITH RESEARCH FIRM GREENFIELD ONLINE AND DATAMONITOR/OVUM ANALYSTS

INTRODUCTION

The Impact of Customer Service

When customers are waiting, they are quick to form opinions about a brand and the quality of their entire experience with a business.

The reality is this: The waiting line is one place where the entire customer service experience can be made or broken. And the kiss of death is to leave customers disappointed. Harris Interactive research discovered that 86 percent of customers have stopped doing business with a company because of poor customer service.

The good news: A handful of small changes can make a big difference in creating a positive waiting experience.

“Waiting time is the single most important factor in customer satisfaction.”

PACO UNDERHILL, WHY WE BUY

What You'll Learn in This Guide:

- Why waiting time (or, rather, the perception of waiting time) is critical to customer satisfaction
- The consequences of a long wait
- Small changes you can make to improve the waiting experience
- A smarter way to manage queues



WHY WAITING TIME IS CRITICAL TO CUSTOMER SATISFACTION

No one likes to be kept waiting. But everyone has to wait, patiently or impatiently. We wait at the grocery store, the DMV, the doctor's office, restaurants, the list goes on. While it's nearly impossible to eliminate the need for customers to wait, it is feasible, and a lot more profitable, to ease the pain of waiting. What patrons and guests experience *during* their wait can make all the difference between the success and failure of a business.

Since the waiting line is often the final encounter a customer has with a business; even if the experience to that point has been spectacular, a poor experience in a queue will make a lasting impression. A negative experience can taint the entire visit and leave an unsavory lasting imprint in the customer's mind.

Every customer's experience is important to the bottom line. Unfortunately, you may never know that a customer had an unhappy experience at your business. Harris Interactive reports that only about 4 percent of unsatisfied customers actually complain directly to the business. The other 96 percent of unsatisfied folks simply go away - and may never come back. There are plenty of reasons why a customer may ditch the line, but Rockefeller Corporation found that 68 percent of customers leave a business because they think it doesn't care about them.



A negative customer experience can cause serious backlash.

Often, individuals don't have to suffer through a bad waiting line experience themselves to choose never to visit a business again. Negative word of mouth (WOM) is spread more often and more quickly than any positive opinion, according to customer loyalty and experience research leader Howard Lax. One person's negative encounter can influence the actions of many other customers. In fact, 48 percent of people have avoided a retailer because of someone else's poor experience (2006 Retail Customer Dissatisfaction Study).



THE CONSEQUENCES OF A LONG WAIT

It's possible to quantify just how impactful a long wait is on the perception of customer service, and resulting business profitability. Businesses in the United States lose an estimated \$83 billion in sales every year because of poor customer experiences, according to a Genesys study.



In dealing with the reality of waiting lines, it can be tempting to keep customers in the dark about their wait times. What they don't know won't hurt them, right? Think again. While no one wants to hear that they have five more minutes to wait, or that each transaction ahead of them is taking longer than desired to complete, folks are more willing to bite their tongue and suffer through the wait when they're honestly told what to expect. When people are left to their own devices, however, they are quick to overestimate the length of their wait time. Two minutes could feel like four. Four minutes could feel like eight.

In fact, it was recently reported by *The Wall Street Journal* that after five minutes, a customer perceives their wait time to be twice the actual wait. If customers have to wait longer than five minutes, half of them are likely to avoid a brand on purpose in the future. If the line isn't moving very quickly, only two or three minutes wait will have people abandoning the queue for good. The window of opportunity is incredibly small to keep lines moving efficiently enough to keep every single person in them satisfied.

What does line abandonment actually look like? There are three commonly identified types of line abandonment:



RENEGING:

A customer is in the queue and has waited for a certain period of time, but ultimately gets fed up with the wait and chooses to leave.



BALKING:

The customer abandons their planned purchases before they even make it to the actual line because the queue simply looks too long.



DRIVE-BYS:

Customers choose not to enter the doors of an operation because they assume the line is going to be lengthy, unmanaged, and painful to experience.

SMALL CHANGES THAT IMPROVE THE WAITING EXPERIENCE

As discussed above, when left to estimate their own wait times, people in a queue nearly always assume the wait has been much longer than it actually is. A simple acknowledgment of the wait itself by employees or via digital displays can keep waiting customers happy – and keep them in line. It's no fun to hear that five minutes of waiting remain in your future, but people are more willing to put in the time when they have a realistic sense of the wait time. Just avoid temptation to deflate those waiting minutes in an effort to appease people – make folks wait longer than anticipated and you're in even bigger trouble than if you hadn't given them an estimated wait time at all.

Decreasing wait time isn't only about reducing the actual number of minutes passing on the clock. Reducing perceived wait times — the amount of time customers think they have been waiting — is arguably the single most important change a business can make to improve the waiting experience.

So how can you change the perception of waiting?

Keeping customers busy and distracted while they wait is one answer. Chances are, folks are trying to keep themselves busy on their smartphones anyway. Take advantage of customer's mobile technology by using display signage to promote your mobile app, social media, or other online options to keep them focused, perhaps even offering ways to speed up the customer's own transaction.

IN-LINE MERCHANDISING



For retailers, in-line merchandising can go a long way toward appeasing an antsy line of shoppers. Some people aren't ready to get in that checkout line but feel obligated to do so before a store gets crowded or employees go on a lunch break. Offering an ample and interesting assortment of merchandise throughout the waiting line allows customers to continue their shopping trip, keeping them busy, distracted, and happy.

DIGITAL SIGNAGE

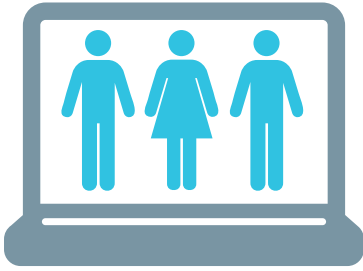
To complement in-line merchandising, or to create distractions when in-line merchandising doesn't make sense, digital signage adds a versatile component to the queue. Important notices, directions, instructions, and even entertainment creates a huge impact on perceived wait times, keeping customers informed and distracted. Additionally, when digital signage is used in conjunction with in-line merchandising, impulse purchases can skyrocket by as much as 400%.

ALLOCATE RESOURCES WISELY



Customers are attuned to the efforts a business takes to manage the waiting line. Attention to the waiting line goes a long way toward showing customers that you care about them. By managing open service points and properly allocating service resources, businesses can create service efficiencies that help them operate more profitably. By optimizing service allocation, customer flow is maximized, keeping queues moving and customers satisfied.

A SMARTER WAY TO MANAGE QUEUES



Rather than waiting for customers to complain or walk away, smart queue management involves proactive monitoring of the queue. Today there are affordable solutions for people-counting, service-time monitoring, and real-time queue analytics to help managers catch problems before they get out of control. Managers can anticipate heavy traffic flow to the queue and immediately deploy staff when wait times are approaching an acceptable limit.

Smart queue management is worth the effort. PIMS Strategic Planning Institute offers this statistic: Companies with a high customer service rating are 12 times more profitable than their competitors. And, according to Bain and Co., a 5 percent increase in customer retention can increase profitability by 75 percent.



Companies rated high in customer service are 12 times more profitable than competitors.

Queue management has to rise above the passing glance of a floor manager.

Today's queue management technology automates the collection and delivery of real-time and historical data pertaining to service efficiency and customer experience in the queue. Easy-to-implement queue monitoring eliminates the guesswork for managers, guiding their decisions on and off the floor.

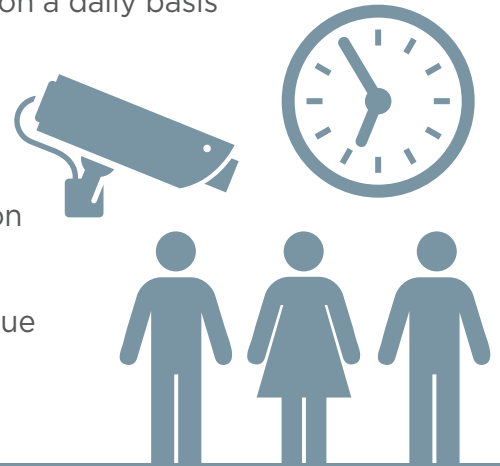
Through queue monitoring, performance metrics are delivered in real-time through dashboards or mobile text alerts to store managers and employees for reallocation of resources. With these metrics in hand it becomes possible to predict and respond to the lulls and rushes of waiting customers. Real-time data allows front-line managers to be proactive and take immediate action to immediately improve service efficiency and quality, minimize wait times, and improve the morale of those waiting.



Important to the customer experience, queue monitoring can also be used to keep customers informed of expected wait times in one or multiple queues. Publishing expected wait times via digital screens in the waiting area helps customers feel better about their wait by removing the "unknown."

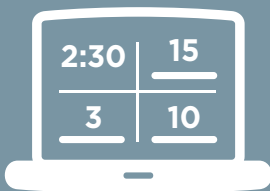
Real-time queue monitoring delivers the following key benefits:

- Measure how many people are going in and out of the doors on a daily basis
- Monitor current wait times of all queues
- Know how many people are waiting in each queue
- Discover how long various services take to complete
- Identify service agents in need of training or closer supervision
- Predict current and upcoming wait times
- Discover at what point customers are likely to abandon a queue
- Maximize service allocation efficiencies and drive down costs



Queue management technology at a glance:

- **Real-time dashboards** display current wait times, customer counts, service times, and more.
- **Publish wait times** to customers via in-store displays or mobile or web applications.
- **Historical reports** track service efficiency, queue performance, and conversion rates across multiple stores and regions.
- **Instant alerts** can be sent to page/email/text managers when queues reach pre-set KPIs (Key Performance Indicators).



In a nutshell...

Queue management technology gives you the intelligence you need and the structure to take immediate action.

CONCLUSION

Without customers, businesses fail. But with more customers, comes longer wait times and a greater risk of customer dissatisfaction.

Knowing that wait times (both perceived and actual) have a direct impact on customer satisfaction, queue management must rise in the managerial priority list.

Focusing on customer waiting time and taking action to improve the wait can lead to far-reaching and impactful outcomes. Small changes to queues can make an incredibly big difference in keeping customers occupied, distracted, happy, and in their place. Businesses that pay attention to their customers in the queue improve the customer experience, increase customer satisfaction, create loyal customers, and ultimately increase profits. Accompanying small changes to the queue with real-time queue analytics drives even better queue management for a first-rate experience that will be of immense benefit to customer and business alike.

KEY TAKEAWAYS

- ✓ **Customer satisfaction is critical to business success**
- ✓ **Wait time and the perceived wait directly impacts customer satisfaction**
- ✓ **Lost sales and negative word of mouth result from a poor waiting line experience**
- ✓ **The benefits of improving customer waiting time are far-reaching**
- ✓ **Real-time analytics drives better queue management**



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