



Metric of the Month: Call Abandonment Rate

By Jeff Rumburg

Every month, in the Industry Insider, I highlight one key performance indicator (KPI) for the service desk or desktop support. I define the KPI, provide recent benchmarking data for the metric, and discuss key correlations and cause/effect relationships for the metric. The purpose of the column is to familiarize you with the KPIs that really matter to your support organization, and to provide actionable insight on how to leverage these KPIs to improve your performance.

Call Abandonment Rate

An abandoned call is one where the caller hangs up before being connected to a live agent in the service desk. Call abandonment rate is the number of abandoned calls divided by all calls offered to the service desk, and it is one of the most widely tracked metrics in the service desk industry. Virtually every service desk with an ACD has the ability to track this metric.

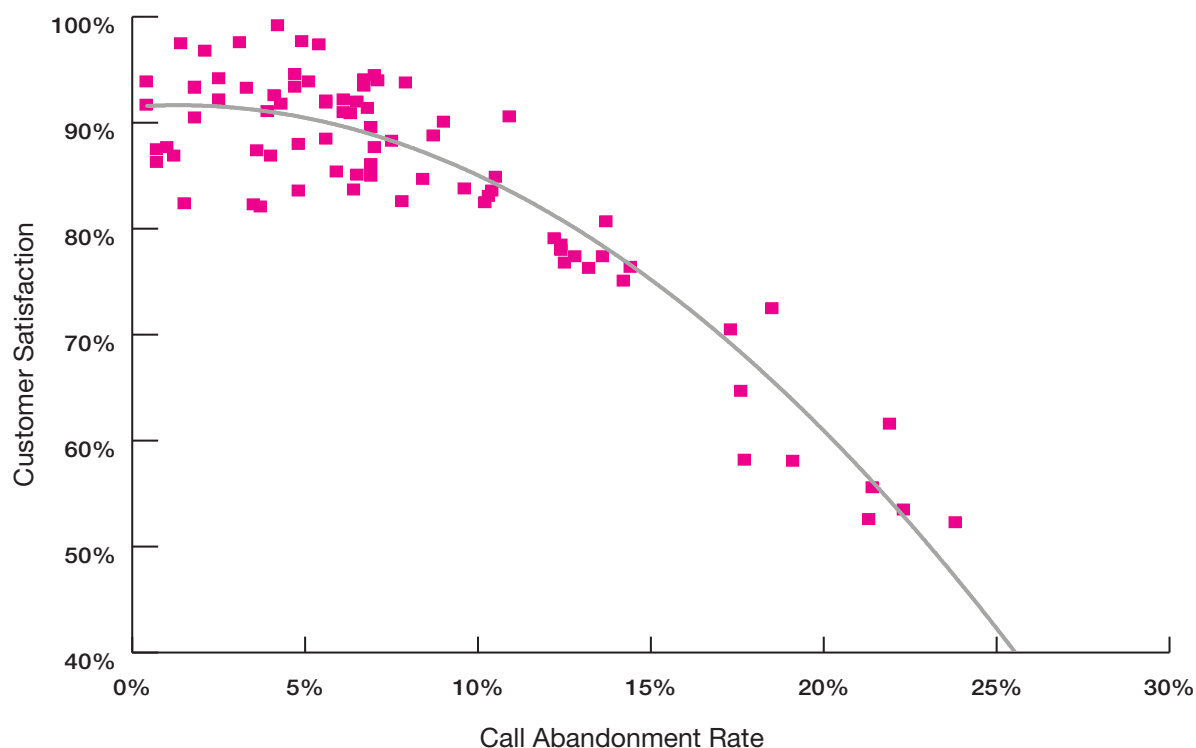
With the advent of chat, and the increasing number of support requests handled through chat, abandonment rate has come to signify both abandoned calls and abandoned chat sessions (i.e., chat sessions that are initiated by the user but abandoned before an agent responds). Ideally, chat and voice abandonment rates should be tracked separately, as any significant imbalance between the two abandonment rates could indicate an imbalance in staffing between the two channels. For purposes of this article, abandonment rate will refer to abandoned voice calls, but the principles discussed apply equally to abandoned calls and chats.

Why It's Important

Many service level agreements include an abandonment rate target. Although a low abandonment rate is a worthy objective, many service desks go too far in trying to reduce abandoned calls. Those who pursue this strategy typically believe that a low abandonment rate is a prerequisite for achieving high levels of customer satisfaction. The truth, however, is that a low abandonment rate will not necessarily lead to higher levels of customer satisfaction. As discussed in a prior Metric of the Month article, the real driver behind customer satisfaction is first contact resolution rate. So while customers may be willing to forgive an occasional abandoned call, they are far less forgiving of calls that are not resolved on first contact.

Figure 1 illustrates the relationship between abandoned calls and customer satisfaction for a representative cross-section of North American service desks. At low abandonment rates, the relationship between customer satisfaction and abandonment rate is almost flat, meaning that abandonment rate has very little impact on customer satisfaction levels. It is only when the abandonment rate increases above seven or eight percent that customer satisfaction begins to drop off significantly.

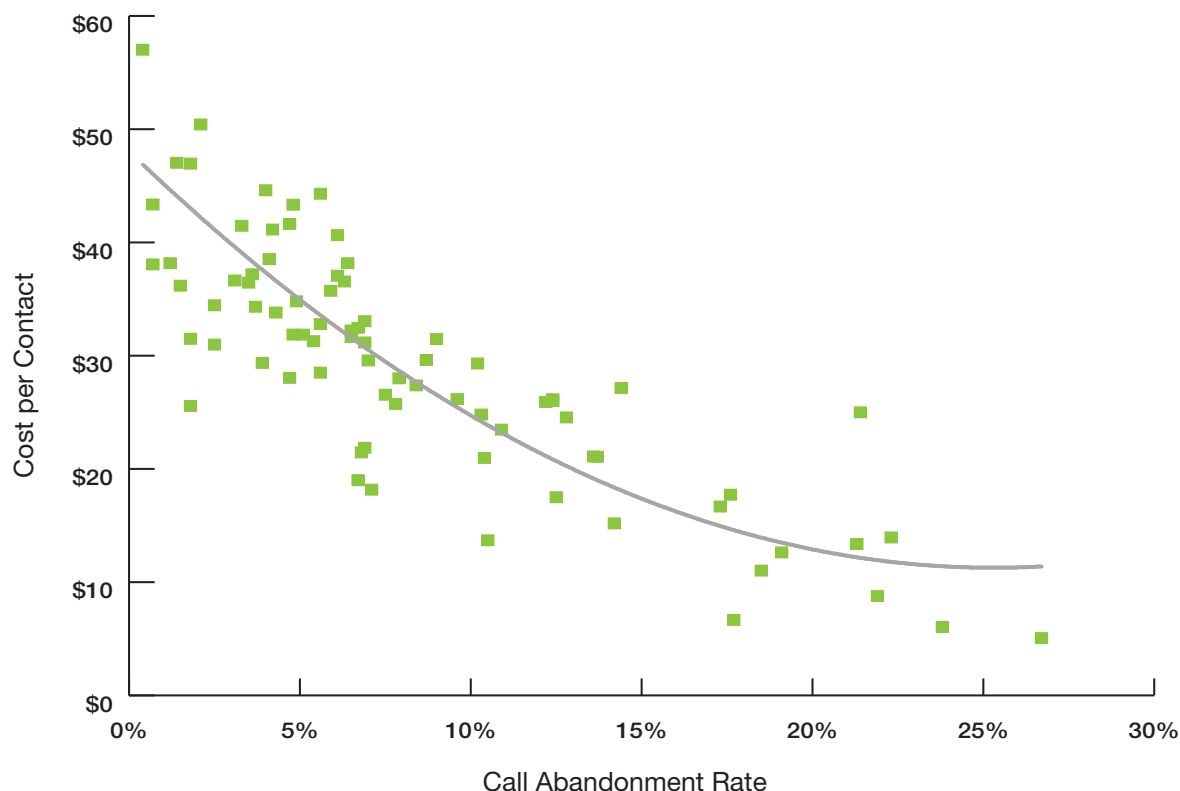
Figure 1: Call Abandonment Rate vs. Customer Satisfaction



While low abandonment rates have virtually no impact on customer satisfaction, they do have a direct impact on cost per contact. In fact, the lower the abandonment rate, the higher the cost per contact. Figure 2 (on the following page) illustrates this phenomenon.

So why do costs go up as the abandonment rate goes down? Because more agent headcount is required to achieve lower abandonment rates, and as headcount increases so too does the cost of support. Let's say, for example, that a service desk with ten full-time agents has an average abandonment rate of eight percent. To reduce the abandonment rate to four percent would require a full-time agent headcount of approximately thirteen. That's a 30-percent increase in headcount for a four-percent decrease in abandonment rate. Is that worth it? Apparently not, because the added headcount increases costs significantly, but produces very little benefit in terms of higher customer satisfaction.

Figure 2: Call Abandonment Rate vs. Cost per Contact

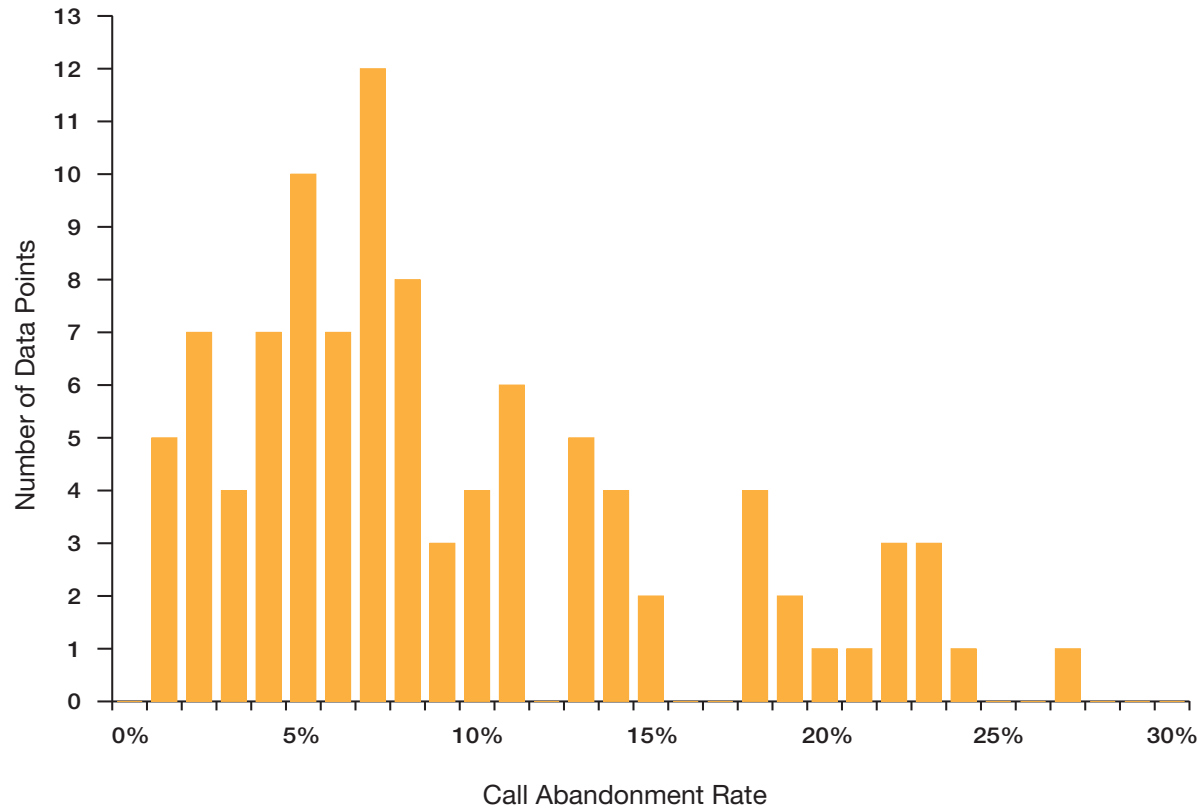


This suggests that there is an optimal range for call abandonment rate. If you go much above this range, customer satisfaction will drop off fairly quickly; if you go much below it, support costs will increase rapidly. Benchmarking data shows that the optimal range for abandoned calls is between four and seven percent. Operating within this range will keep a service desk off the steepest part of the cost curve at low abandonment rates, and also prevent a dramatic drop off in customer satisfaction at higher abandonment rates.

Benchmarking Data for Call Abandonment Rate

Industry data from MetricNet's benchmarking database shows that the average call abandonment rate for all service desks is 8.7 percent, which is slightly above the optimal range. Additionally, the number of service desks operating outside the optimal range is somewhat surprising. This suggests that service desks operating at low call abandonment rates may be unaware of the heavy price they pay for this performance. Conversely, service desks operating at high abandonment rates may be unaware of the adverse impact their abandonment rate has on customer satisfaction.

Figure 3: Industry Benchmarks for Call Abandonment Rate



Max = 26.7% | Min = 0.1% | Median = 6.9% | Average = 8.7%

Please join us for next month's Metric of the Month, **contact handle time**, a metric that varies widely from one service desk to another, but offers important insights into the overall effectiveness of a support organization.

Jeff Rumburg is a managing partner and cofounder of MetricNet, LLC, the leading source of service desk and desktop support benchmarks for IT service professionals worldwide.