KPI ENCYCLOPEDIA

A Comprehensive Collection of KPI Definitions for
CUSTOMER SERVICE

opsdog

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Customer Service KPI Encyclopedia

Customer Service Metric Definitions

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Customer Service

Customer Service

Customer Service
- Account Management
- Customer Incentives & Rewards
- Incident Management
- Returns & Warranty
- Technical & Product Support

Customer service includes all of the activities associated with satisfying customer needs before, during and after the sale of a good or service. The Customer Service function can often make or break a company, especially in highly competitive markets with several similar product offerings (examples: cable television, mobile phone providers or insurance).

Customer Service

KPI Encyclopedia

Cost

- **Total Expense: Customer Service Training** – The total training-related expense incurred by the Customer Service Department over a given period of time.

- **Expense per Customer Service Employee** – The total expense incurred by the company divided by the total number of Customer Service employees.

- **Customer Service Expense as a Percentage of Total Expense** – The total customer service-related expense divided by total, company-wide expense over the same time period, as a percentage.

- **Customer Service Expense per Customer** – The total customer service-related expense incurred by the company divided by the number of customers managed by the company over the same period of time.

- **Unit Cost: Customer Communication** – The total customer service-related expense incurred by the company divided by the number of customer communications (email, phone, live chat, face-to-face, etc.) over the same period of time.

Organizational

- **Span of Control: Customer Service** – The average number of Customer Service employees reporting to each Customer Service manager.

- **Management Levels: Customer Service** – The total number of management levels, or layers, in the Customer Service Department.

- **Organizational Structure: Customer Service** – A yes/no metric indicating whether the Customer Service function is centralized (all employees in a single location) or decentralized.

- **Customer Service Headcount Ratio** – The total number of company-wide employees divided by the number of Customer Service employees.

Quality

- **Net Promoter Score (NPS)** – Net Promoter Score (NPS) measures, on a scale of 1-10, how likely a customer is to recommend a company to a friend, family member or coworker. NPS is calculated by subtracting the percentage of detractors (those who rate the company from 0-6) from the percentage of promoters (those who rate the company from 9-10).

Quality (Cont.)

- **Order Error Rate** – Percentage of customer orders processed that contain at least one error (wrong shipping information, incorrect product, packaging problem, etc.).

- **Percentage of Sales Lost Due to Supply Issues** – The total value (in dollars/currency) of sales lost due to the supplier being out of stock divided by the total value of customer orders placed over the same period of time, as a percentage.

- **Customer Backorder Rate** – The total number of customer orders delayed (backordered) due to the supplier being out of stock divided by the total number of orders placed over the same period of time, as a percentage.

- **Percentage of Backorder Lines** – The total number of order lines delayed in a shipment due to the company being out of stock divided by the total number of order lines processed over the same period of time, as a percentage.

- **Percentage of Backorder Dollars/Units** – The total number of order dollars or units delayed in shipment due to the company being out of stock divided by the total number of orders made over the same period of time, as a percentage.

Service

- **Customer Churn Rate** – Total number of customers lost over a certain time period divided by the total number of customers at the beginning of that time period, as a percentage.

- **Customer Satisfaction Index (ACSI)** – A customer survey scale from 0 - 100, derived from a combination of 3 questions (0 - 10) measuring different aspects of customer experience. This metric was developed and is maintained by the American Customer Satisfaction Index (ACSI) group.

- **On-time Customer Order Delivery Rate** – The total number of shipments received by customers on or before the committed ship or delivery date divided by the total number of products shipped over the same period of time, as a percentage.

- **Cycle Time: Customer Order Processing** – The average number of days required to process a customer order, from the time when the order is placed until it is received by the customer.

Service (Cont.)

- **Cycle Time: Internal Customer Order Processing** – The average number of days required to process a customer order, from the time when the customer order is received to the time the order is shipped by the supplier.

- **Perfect Customer Order Rate** – A composite score calculated by multiplying average on-time delivery rate (%), complete shipment rate (%), undamaged shipment rate (%), and correct documentation rate (%) for a certain period of time or group of shipments, as a percentage.

- **Customer Order Line Item Fill Rate** – The total number of order line items filled exactly as requested by the customer divided by the total number of customer order lines filled over the same period of time, as a percentage.

- **Customer Order Fill Rate** – The total number of customer orders filled exactly as requested by the customer divided by the total number of customer orders filled over the same period of time, as a percentage.

- **Complete Customer Order Rate** – The total number of customer orders that are shipped with all agreed upon lines/units divided by the total number of customer orders shipped over the same period of time, as a percentage.

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