

Improving Service Businesses with Appointment Scheduling

Scheduling appointments helps service companies innovate through process excellence, and most service businesses can leverage appointments. With appointment scheduling, businesses can better forecast their staffing needs leading to optimized use of expensive physical and human resources.

A new study shows that customers' impressions of service quality improve when they have scheduled appointments. But beware — keeping customers waiting has the opposite effect.

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INTRODUCTION

Automation has enabled numerous companies to provide good, low cost service for customers. No amount of automation will replace highly skilled people for consumer services, car care and a growing list of healthcare services that stretch well beyond the doctor's office. Nonetheless, automation can make it easier, more efficient and less costly to schedule service appointments reducing the overhead for the provider and the inconvenience of waiting for the customer.

Beagle Research recently conducted a market study to learn about people's differing attitudes, expectations and preferences toward making appointments and walking in (and waiting) for service. This white paper summarizes our findings.

Fundamentally, people do not enjoy waiting. Most people surveyed recognize that at times they may not have a choice, but they don't like it. Vendors should be aware that keeping people waiting can have negative consequences — even if people do not storm away. Our conclusion, based on the data, is that many service organizations that currently rely on walk-in trade can affordably and profitably implement appointment-based services even if they also continue to accept walk-ins.

Best of all, the evidence shows that accepting appointments can add to a perception of professionalism and higher quality for a service provider's offerings thereby delivering a competitive edge.

KEY FINDINGS

We surveyed a representative sample of the U.S. population to find out what they thought of how they receive services today and how they would prefer to receive them. We asked about walk-in services and appointment-based services — including people's opinions of and tolerance for waiting — to learn about varying situations. Some of our findings include:

- 1. Depending on the service in question, upwards of 30% of the people who visit a business for service expect instant attention — in some cases even if they do not have an appointment.** Our findings show that people will wait a short amount of time for service — typically ten to twenty minutes depending on the setting — and the time that they are willing to wait is determined by the type of service they seek.
- 2. People are more patient waiting for professional services than for consumer services.** They are extraordinarily patient when it comes to visiting the doctor, even if they have appointments and are still asked to wait. Waiting is not tolerated nearly as well for any other service we studied.
- 3. People associate positive attributes — important, high quality, tailored-to-me and professional — with appointment-based services compared to services delivered on a walk-in basis.**
- 4. Our survey group rated walk-in services as impersonal, crowded and rushed.**
- 5. The survey showed some traditional and understandable biases.**

- a. A high percentage of people (46.5%) said they would wait as long as necessary to see a doctor if they did not have an appointment. With an appointment the number drops to 28% but this is higher than for any other service we studied.*
- b. People prefer walk-in service for routine car maintenance such as oil changes, 84% to 16%. But even for general car repairs more than 44% still said they prefer to wait. This may simply indicate that they know they are stranded while the car is being worked on.*
- c. There are some gender biases. For example, men typically prefer to walk in for haircuts but women prefer appointments. Men prefer walking in by over 57% and women prefer appointments by nearly 44%. Since men's hair care is less elaborate there is some logic in the preferences.*
- d. Preferences for formal wear fittings are more ambiguous. Although people preferred appointments 59.5% to 40.5%, men were roughly evenly divided with 32% strongly preferring walking in and 27% strongly preferring making appointments. In contrast, more than 71% of women strongly preferred appointments. In these cases, although the survey asked a gender-neutral question, depending on the respondent's gender, we were effectively asking different questions.*

6. Significant numbers of people believe that appointments should start exactly when or very near when they are scheduled — with virtually no waiting at all. Generally people are less tolerant of waiting for personal or consumer services than they are of waiting for professional services. Relatively high percentages of people expect no waiting for personal services such as pet grooming (33.3%) and expert instruction on a new cell phone or computer (34.9%). In comparison, even with an appointment only 6.9% of visitors to a doctor's office really expect no wait, 10.1% expect no waiting for outpatient testing such as x-rays and 13.2% expect no waiting for a blood test such as cholesterol or glucose.

Who is more patient? There were minor variations among the various demographic groups for the amount of time each would wait for service or the groups' willingness to make appointments. The most notable variation is the age demographic. More than education, wealth or even gender, people in the 35 to 44 year-old cohort have the shortest fuses when it comes to waiting for service. If you make this cohort happy, chances are good that everyone else will probably be happy too.

TOLERANCES AND RULES

All customers tolerate some amount of waiting whether or not they have an appointment, but not much. As noted, the 35 to 44 year-old cohort is least patient but this is relative and this cohort's responses were still in-line with other groups. In other words, while this group is less patient their responses did not go against those of other groups. This relative lack of tolerance for waiting is understandable. This age group is the most time starved with career and family building taking center stage. They also have cash to spend and reasons to spend it.

Customers without appointments will tolerate waiting as much as

twenty minutes for some services — even longer for medical services. But patience drops off between ten and twenty minutes depending on the service. Generally professional services such as financial services engender more tolerance than purely consumer services, for example, getting advice on investments (37.4% would wait 20 minutes) and mortgage refinancing (31.1% would wait that long). In contrast, 32.4% would wait only ten minutes for a consult with a kitchen remodeling expert and 41.2% would wait only ten minutes for an oil change to get started.

From our findings we developed several rules of thumb for companies contemplating the value of scheduling appointments. The best example is doctors, who deserve their own rule.

THE DOCTOR RULE

As noted above, people will wait almost indefinitely to see a doctor without an appointment. However, that tolerance declines rapidly if there is an appointment involved. The number of people willing to wait “as long as it takes” for a doctor to begin an appointment drops off significantly (from 46.5% to 28.0%) but is still much higher than for other services.

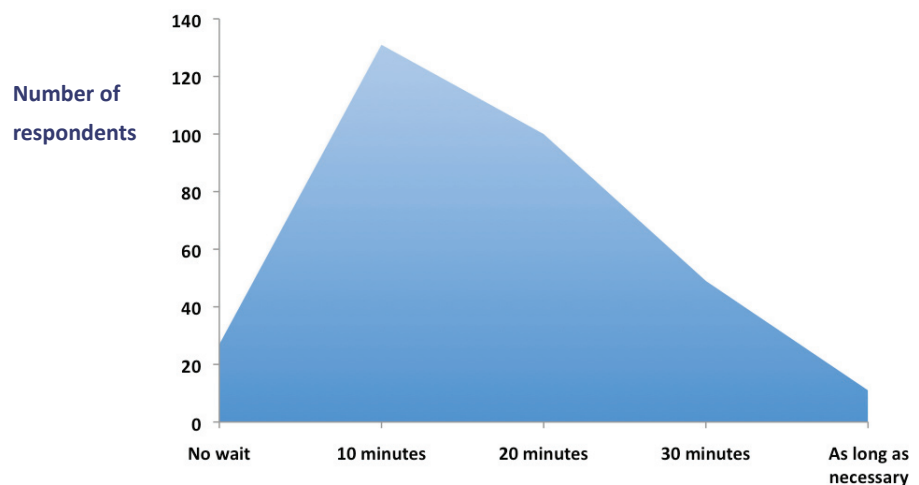
THE 20 MINUTE RULE (WITHOUT APPOINTMENT)

Customers without an appointment may patiently wait between ten and twenty minutes for service, but the more professional the service the more slack the customer accepts. Vendors of non-professional or consumer services, such as grooming and repair services, have closer to a ten-minute window to engage customers who do not have appointments.

THE 10 MINUTE RULE (WITH APPOINTMENT)

Simply stated, if there is a scheduled appointment, customers expect to begin the appointment within ten minutes. This may sound obvious,

Figure 1 illustrates the 10 and 20 Minute Rules. Simply put, the number of people **WITH** appointments who will wait patiently begins to decrease quickly after ten minutes. The same general pattern holds for people **WITHOUT** appointments — they may wait a little longer (up to 20 minutes) but patience erodes nonetheless.



Source: Beagle Research Group, LLC, August 2009

but we also asked if people expected no waiting at all and a significant number raised their hands.

LATENT DEMAND FOR APPOINTMENTS

Our results indicate that scheduling appointments could be extended well beyond their current use. Significant majorities said of appointment scheduling, “It is a good idea for me (57.0%),” “It would save time and effort (63.1%),” and “I could get more things done (56.0%).”

Moreover, the situations where appointments would be welcome may be surprising. Although many service vendors offer walk-in services, as many studios do for family portraits, significant majorities of people feel that appointments would be appropriate in the same setting (Table 1).

Table 1 Some of the situations where customers expect appointments but may not always be able to make them.

Situation	Expectations (in percent)	
	Walk-in	Appointment
Sitting for a family portrait	8.0	92.0
Meeting with a kitchen remodeling consultant	11.7	88.3
Getting measurements taken for window treatments	16.3	83.7
Getting outpatient testing (e.g. MRI, x-ray)	19.6	80.4
Shopping with a personal shopper	18.4	81.6

Source: Beagle Research Group, LLC, August 2009

Also, on a scale of 1 to 7 where 1 is Completely Disagree and 7 is Completely Agree, panelists like e-mail (5.59/7.0) and phone calls (5.68/7.0) for appointment confirmations and reminders over other means of communication. They want reminders one day before the appointment (6.23/7.0) and are only mildly enthusiastic about self-defining their reminder schedule.

ANALYSIS AND RECOMMENDATIONS

Appointment scheduling can be an effective way to improve a service company’s image and revenues and our data suggests that most customers would welcome the option of scheduling an appointment for most services that are today only offered on a walk-in basis. In some cases, such as medical practice, appointment scheduling has long been the rule, however, even here, on-line self-service scheduling can offer a major improvement in the customer experience.

Our data suggests that self-service appointment scheduling can give a professional tone to any business; with an impression of increased professionalism come several benefits for both the customer and the establishment. For example, when customers have shorter wait times their impression of the service quality improves. At the same time, a business that operates on appointments can better control its, often high, labor and operating costs because there is greater predictability to the traffic. Based on our research we recommend that businesses —

especially consumer-based businesses — consider offering the option of walking in for service or scheduling appointments.

The data shows that there is no downside to adding appointment scheduling, at least as an option, in most service settings. The average person understands the concept and has a lifetime of appointment scheduling experience. People have positive associations with the benefits of appointments and if given a choice appear, based on ratings, to be willing to try making appointments for many routine or consumer services.

The primary issue for businesses not already operating on an appointment basis may be how best to educate their clientele. Waiting for service is, for many people, a latent pain issue: people don't even realize there might be a better way. We all buy services and there is little consistency in waiting times. Sometimes, a walk-in business is not busy and can accommodate walk-in trade well. Other times, the same business may be too busy to handle all of the trade that comes through the door; hence the pain may be latent.

An education campaign in such a business can do much to train a clientele to make appointments. Posting signs, printing phone numbers and Web sites on bags, receipts, ads and other materials along with messages that alert customers to the availability of appointments might be all it takes to train a clientele. While this training is going on, and even after, a business would still have the option of taking walk-ins so there need be no disruption to the business. Taking appointments is additive to an existing business in this light.

At the same time, the more trade that can be accurately forecasted by an appointment log, the better a business will be at staffing appropriately. For example, a business that does 75% of its trade in appointments on weekend mornings could more easily staff for the 25% of walk-in business it expects. Such an approach will reduce the cost of over-staffing and the negative aspects of not being able to serve customers quickly enough when they walk in. It will also give confidence to the business owner or manager to staff appropriately knowing what to expect.

People appear ready to make appointments provided they can speak with a person or use the Internet to do so. People are at best neutral to the idea of using phone-based menus and kiosks to schedule appointments but readily accept the idea of Web-based scheduling or speaking with a person.

Perhaps the best indicator of receptivity to appointment scheduling is the high percentage of people (over 80%) who would be willing to set up a profile or account with a service provider to make subsequent appointment scheduling easier.

Finally, the perception that scheduled services are more valuable, which surfaced in the survey data, may give businesses the support they need to raise prices over time – or, equally important, hold the line on prices during a downturn. Small price differences would be an important part of any ROI calculation that could make an appointments system even more valuable.

The panel said that doctors and allied health services (e.g. MRI's, blood testing etc.) could benefit most from automated appointment scheduling. Obviously this refers to the whole appointment-making process not simply having or not having appointment scheduling capability. This may be the best indication we have that the entire process of conveniently making an appointment, and receiving confirmations and reminders, are what's in play.

Interestingly, the panel also said that appointment scheduling could benefit other service providers in business and finance, government, higher education and personal services.

CONCLUSIONS

People hate to wait for most services and the more they have to wait the less satisfied they will be with the ultimate service result. Scheduling appointments is a good way to convey value in the service provided and to show customer appreciation. When appointment scheduling was a purely manual process it was natural that a smaller universe of vendors could afford to schedule their appointments. The availability of technology to streamline the scheduling process should mean that, over time, more businesses will take advantage of it.

Like any innovation, the early adopters will receive the greatest benefits. But the benefits will not simply be measured in lower costs for a small part of the business. Instead, companies that adopt appointment scheduling may be able to reposition themselves as more professional and as offering higher value products and services. Also, as the economy improves, the higher perceived value may form the basis of modest price increases.

Multiple market forces are converging on the services industries, which make appointment scheduling attractive. Increasing perceived value and greater professionalism can drive loyalty and further benefit vendors who embrace appointments and form the basis for better prices and margins.