

# **Customer Service and the Human Experience**

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**“We, the People, Make the Difference”**

by

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### **Business Navigation**

Only two centuries ago, early explorers (adventurous business executives of those bygone days) were guided primarily with a compass and celestial navigation using reference points like the North Star. Today's busy executive also needs guidance systems with just-in-time business intelligence to navigate through the challenges of locating, recruiting, keeping, and growing profitable customers. The Anton Press provides this navigational system through practical, how-to-do-it books for the modern day business executive.



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## CHAPTER 1: CUSTOMER SERVICE

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### First Things First

<i>Definitions</i>
<p><b>Customer Service...</b> <i>Those activities provided by a company's employees that enhance the ability of a customer to realize the full potential value of a product/service before and after the sale is made thereby leading to satisfaction and repurchase.</i></p> <p>© 2003 Human Technologies Global, Inc. <a href="http://www.human-technologies.com">www.human-technologies.com</a></p>

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*Figure 1. Definition of customer service*

With continued focus on customer service, customer retention, and lifetime value of the customer, it is no surprise that contact center operations continue to increase in importance as the primary hub of a customer's experience. For the customer, the person on the other end of the phone *is* the company, and the contact center is still the most common way that customers get in touch with you.

While yesterday's contact center was just about customer service, increased competition and more sophisticated customers are pushing the need for agents to become more sales-savvy, more diplomatic, and more empathetic. Each call has become a possible revenue-generating opportunity, or at the least, an opportunity to turn a satisfied customer into a loyal customer. Service, a key factor in purchase and repurchase, directly impacts costs, revenues, and profits. Thus, the traditional expense-based model of customer service has evolved into the revenue-generating model, and so is the case for the call center.

Competition is the most significant force heightening the demand for world class customer service. More complex products, software, hardware, and broadening customer bases are forcing companies to re-evaluate how they do business, and highlight the need to see world class service as a highly strategic part of the organization.

Research lists what customers want, as:

1. accuracy
2. personalized service
3. customized response
4. promptness in response
5. sensitivity

They want the person who picks up the phone to be their sole point of contact. They want that CSR to satisfy their needs—whether it is service, support, order processing, or sales. Thus there is more pressure, more reason for ongoing training in areas of question answering, calming irate, frustrated callers, and cross- and/or up-selling opportunities.

And here's what a recent poll says customers like and dislike.



*Figure 2. Mobius Survey showing what customers like and dislike regarding their telephone experience with a CSR*

### **Cost of Poor Service**

Meanwhile, customer service is at an all time low today. Since 1994 the ACSI (American Customer Satisfaction Index) has recorded consecutive annual declines in customer satisfaction, with services topping the list.

Another study shows that because of poor customer service, customers made some changes.



*Figure 3. Mobius Management Survey depicting the percentages of people who cancelled or changed their accounts or companies because of poor customer service*

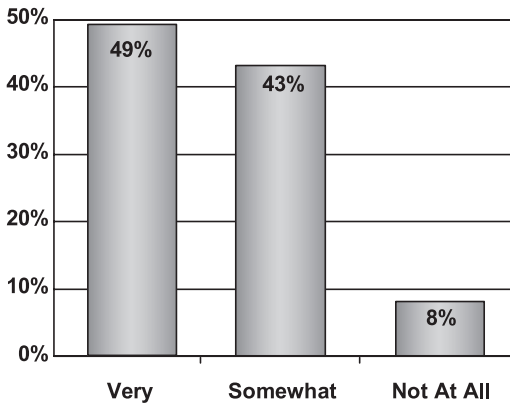
We certainly are one of these statistics, are you?

The (still) high percentage of contact by telephone reinforces that call center personnel are key to customer retention, both for current customers and, by word of mouth, for potential and future customers. In those first few moments it is determined whether the customer has a good or bad impression of you, your service or your company, based on that first conversation. If customers are not listened to, heard, or responded to in an appropriate way, regardless if their issue, concern, complaint or question can be answered or resolved to their satisfaction, they form an opinion or even a judgment of your company, maybe of all companies like yours in the industry in general...from those first few sentences. Crucial, critical front line interaction.

In figure 4, in answer to the question, “How Important Was Your Overall Call Experience in Shaping Your Image of the Company?”, an overwhelming majority—92%—felt their experience was important in shaping their image of a company. This supports that your front lines are responsible for a major part of the branding and image of your company.

### ***How Important Was Your Overall Call Experience in Shaping Your Image of the Company?***

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*Figure 4. In answer to the question: How Important Was Your Overall Call Experience in Shaping Your Image of the Company, an overwhelming 92% responded that it was important.*

According to research by Bain and Co. (Pawliw-Fry, 2002), major companies lose and have to replace:

- half their customers in 5 years
- half their employees in 4 years
- half their investors in less than 1 year

There are many studies regarding why customers leave. Most agree that nearly 70% of customers leave because of poor service or lack of attention, 15% because of price, and the remaining 15% because of product. That means that 70% of your customers leave because of something you did (or did not do). This is the good and the bad news. The bad news is that this is a very high percentage. The good news is there is something you can do something about it.

At the same time, it is said that a customer is four times more likely to defect if the problem is service related than if it is price or product related (Customer Service Newsletter, 2001).

Here's what we think call center goals ought to be.

<b>Call Center Goals</b>
<ul style="list-style-type: none"><li>• Add Value to Each/Every Customer Contact</li><li>• Quality Product/Service</li><li>• Improve Operational Effectiveness</li><li>• Manage Change With Ease/Efficiency/Productivity</li><li>• Continually Impact Bottom Line Positively/Profitably</li></ul> <p>© 2003 Human Technologies Global, Inc. <a href="http://www.human-technologies.com">www.human-technologies.com</a></p>

*Figure 5. Call center goals*

You are all in a problem related business, isn't that so? Most people are not calling you or your people to say hi, or to tell you what a great job you are doing. Nor are today's calls simple. Many require extensive research, mind reading, or anger diffusion.

Despite knowing this, many companies continue to train new hires as they always have. Feedback and experience confirm that most new hires are given a minimum of training before ever speaking to an actual customer. However, most of this training is content: operating systems, software, hardware, telephone. Next in importance is the service or product offered or supported. Then come procedures, rules, regulations, and protocol for the job. At the bottom of the list lie the people skills.

Sometimes it's even a 'been there, done that' or 'one and done' mentality. "We had a program on communication and listening in 1992 and that's that." Or the really vision-limited people who say, "the people who answer the phone, they're not so important!!" Well we're here to tell you that is not true. And if you're reading this book, we think you agree with us.

One of the leading challenges for today's managers is the training and motivating of excellent agents. With the explosion of e-commerce, the need to reinforce keeping the human element in the equation is paramount. Extraordinary service, or lack thereof, separates the good from the great companies. The good news is that centers are taking agent performance and agent training more seriously.

## Touch Points

Gartner research reports that 92% of all customer contact is through the contact center and predictions are that the industry could nearly double in size by 2010 (Gordon, 2003).

Phone-based service and support is still the predominant form of support today. With the ability to handle simple transactions available by using sophisticated technology, customer calls, faxes, and/or e-mails coming into the front lines are more complex, more complicated, sometime even escalated. Core competencies change frequently as new touch points are created. Today's competencies need to include the following. We'll go into these in depth in Chapter 6 (Training Curriculum).

<b>Basic Core Competencies</b>	
<ul style="list-style-type: none"><li>• Active Listening</li><li>• Empathy</li><li>• Communication</li><li>• Question Asking</li><li>• Confirming/Clarifying</li><li>• Rapport Building</li><li>• Common Phraseology</li></ul>	<ul style="list-style-type: none"><li>• Problem Solving</li><li>• Creativity</li><li>• Anger Diffusion</li><li>• Managing Differences</li><li>• Stress Reduction</li><li>• Managing Change</li><li>• Grammar/Spelling, etc.</li></ul>
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*Figure 6. Basic core competencies for today's center*

The current state of Web technology has only made business faster when it's simple. It hasn't done anything to speed up solving problems. It still presents formidable challenges to a prospective buyer. All a buyer needs to turn him/her off is a service problem, especially one that pops up before you've even hit 'send order.'

Our caveat here is don't forget the people. What separates you from a machine? Your heart. Having a human available is one of the keys to insuring customers remain loyal and talk positively about you and your company. The fact is 70% to 90% of what happens with customers is driven by human nature, having nothing to do with technology.

Speaking of heart, Southwest Airlines has an famous corporate culture. They have no booking or talk time goal for their agents. The



only goal is to provide the best customer service, and agents have the freedom to use their time as they see fit to achieve this goal.

Southwest takes great care in the recruitment process to *hire* for attitude—*teach* aptitude. They believe in ‘managing from the heart’ and are very successful at it, as any of you can attest to who have flown Southwest.

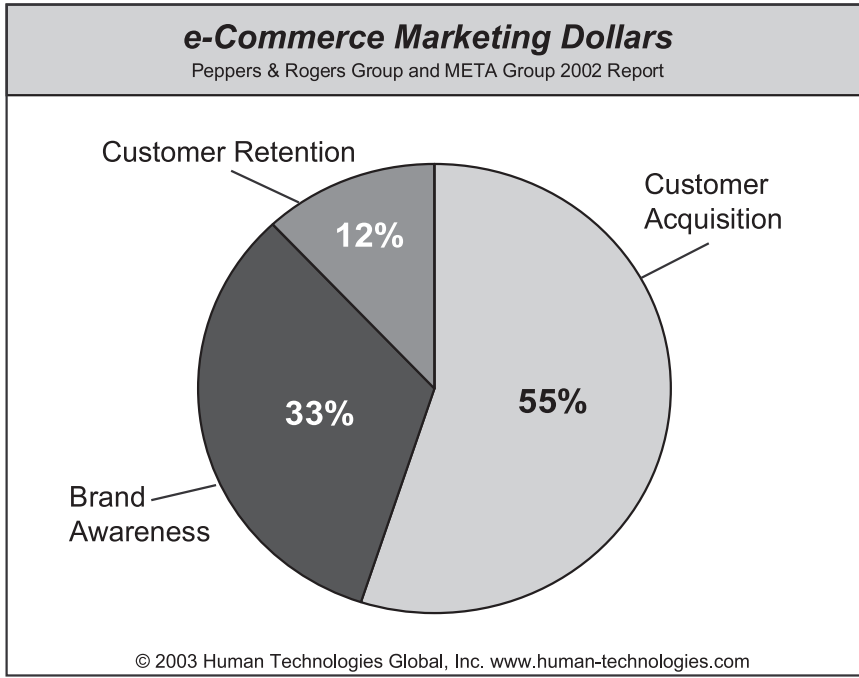
In an interview with Delia Passi Smalter, the former publisher of Working Woman and Working Mother magazines, we found very interesting statistics regarding female demographics (Incentive Magazine, 2003). It seems that women are making over 85% of consumer purchases and influencing more than 95% of total goods and services. She distinguishes the purchasing process women and men go through. The biggest one, she says, is that women need to feel more of a connection to the CSR; they need to trust the corporation and the brand. Price becomes secondary. Women take in a lot of information, including recommendations from friends and family, company and brand reputation, feelings about her contact person and how the brand will impact her life. Not so for men, who take a systematic approach, allowing outside influence to some degree, but mostly men are focused on price. The key to keeping customers, once again, is to build and maintain the relationship. This is based, once again, on the moment of truth which is:

1. every contact a customer has with you, regardless of the touchpoint
2. every time a customer contacts any one in your company
3. every experience a customer has with your company’s service strategy
4. every time a customer interacts with your CEO

If, as has been reported, 65% of your business comes from its current customers, in order to stay in business, you best focus on winning the satisfaction and loyalty of those customers.

### **Marketing Dollars**

An interesting statistic that we include here (but that we believe makes no sense) is where organizations put their marketing dollars (see figure 7).



*Figure 7. In this chart you see that 55% of e-commerce marketing dollars are spent on customer acquisition, and only 12% on customer retention!*

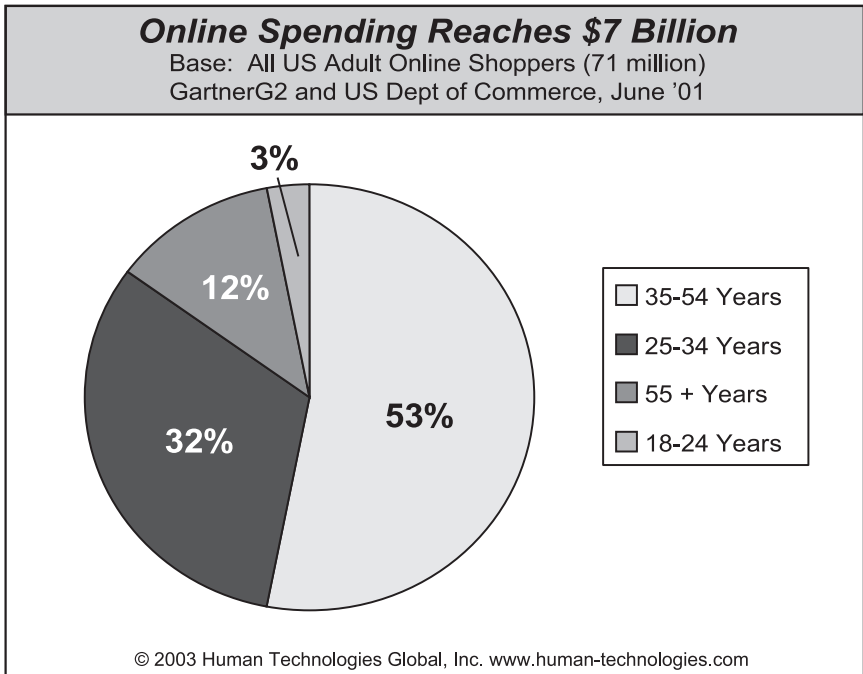
This amazes us that the percentage for customer acquisition is more than four times higher than the retention figure—especially in view of all the statistics regarding how high the costs are to acquire a new customer as compared to keeping an existing one.

### **Online Spending**

Plenty of Web sites are pulling in traffic, but most are having difficulty turning browsers into buyers. Jupiter Media Metric says 7 out of 10 shoppers who experience poor online service carry grudges offline, and cut back shopping at the offending sites' brick-and-mortar stores (Information Week, 2001). Dangerous exposure.

Additionally, a conversion rate of 3%—meaning 3 out of 100 online visitors make a purchase—is considered the industry norm. According to Environsell (a retail research firm) brick and mortar stores conversion rate is *more than 10 times* that.

Online spending hit \$7 Billion, as shown in the following figure. You'll notice that the largest percentage—more than half (53%)—are between the ages of 35-54, followed by 32% 25-35 years old.



*Figure 8. This chart shows that 53% of online spending is done by people between 35-54 years of age.*

Here is a great incentive to improve service (see figure 9). This reinforces how much more valuable a loyal customer is—repeat business is more than double—compared to not only the cost of obtaining a new customer, but the (lifetime) value of that new customer.



Figure 9. An incentive to improve service depicts what the income is per quarter for each new and repeat customer

**Best Practices**

What are best practices regarding inbound performance metrics which we think most of you track? Looking at figure 10, take note of how close you come to best practices in many of the metrics we’re sure you already measure or at least have access to.

<b>Inbound Performance Metrics</b> <i>BenchmarkPortal.com Report</i>		
	<b>Average</b>	<b>Best Practices</b>
80% Calls Answered (°)	36.7	18.3
ASA (°)	34.6	21.2
Average Talk Time (min)	6.1	3.3
Average After Call (min)	6.6	2.8
Average Calls Abandon (%)	5.5	3.65
Average Queue Time (°)	45.3	28.1
Average One/Done (%)	70.5	86.8
Average Calls/Shift	69.0	73.9
Attendance (%)	86.8	94.7

Figure 10. This Inbound Performance Metrics report shows best practices using metrics most centers track or have access to

When we use the term Optimal Call Center Management we mean the art of having:

- the right number of agents in their seats at the right times
- accurately answering a correctly forecasted call load at the appropriate service level...
- at the lowest possible cost
- while delighting the customer

### **Delighting the Customer**

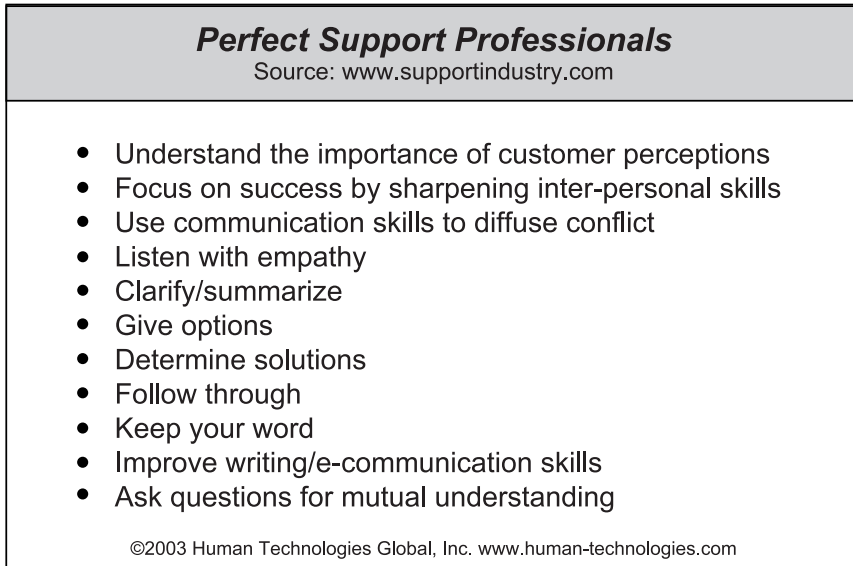
What do we mean by delighting the customer? As shown in the following figure, we recommend each agent incorporate the following attributes in every customer interaction:

- Inform/educate
- Establish expertise/professionalism
- Offer options
- Diffuse, if/when necessary
- Escalate, if required
- Take ownership of call



*Figure 11. Initiatives for delighting the customer*

When you delight your customers, your support personnel fit into what <[www.supportindustry.com](http://www.supportindustry.com)> is called Perfect Support Professionals, the characteristics of which are shown in the following figure.



*Figure 12. Attributes of Perfect Support Professionals*

### **Drivers of Caller Satisfaction**

One of the contributing factors to best practices is what drives customer satisfaction. As seen in figure 13 the Caller Satisfaction Driver is one and done or first call resolution. Also noted are best practices of 66% for first call resolution, and 28.1 seconds for queue time.



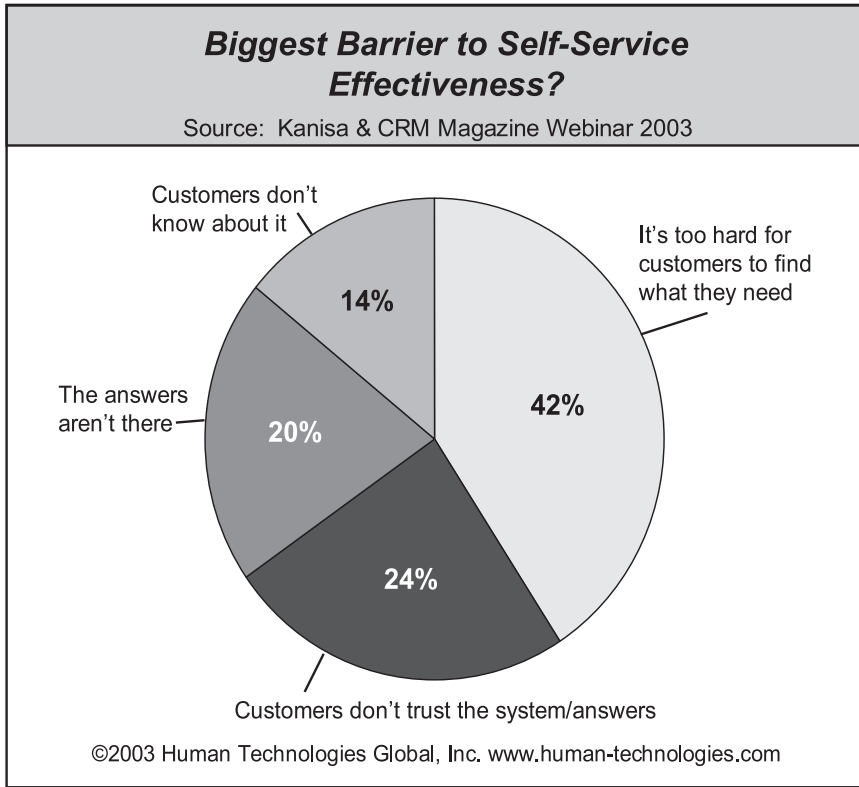
*Figure 13. This answers the question: What is the strongest drive with the most significance on caller satisfaction?*

Reinforcing the importance of this driver as #1 is a recent study by The Radclyffe Group where customers were interviewed to identify key satisfaction drivers (Ahearn, 2003). We list below the other findings in order of impact.

- Speed of issue
- Personalized attention
- Thorough follow through
- Priority treatment
- Courteous service
- Understanding of the customer's issue
- Receptivity to customer concerns

### **Self Service**

Service still (and always will) require the human touch. According to a recent Webinar (co-hosted by Kanisa Inc. and CRM magazine), call center agents and peer support play an integral role in the service process. As you can see in figure 14, in answer to the question: "What is the biggest barrier your company encounters to self-service effectiveness?" only 14% of the customers 'don't know about it' which means that 86% who do know about it and attempt to use it find it too hard to navigate, can't find the answers, and/or don't trust the system or the answers they do find (*Service Still Requires the Human Touch*, 2003).



*Figure 14. This chart answers the question: What is the biggest barrier to self-service effectiveness?*

The next question was “Can customers who need more help after self-service get it easily?” According to this study, the answer is that 74% of customers need to call or e-mail, and more importantly, start the process and conversation all over again! That’s nearly three quarters of their customers that have to contact them more than once! When the #1 driver is first contact resolution, this is a dangerous percentage to have.

What can you do? Be sure to have consistency of information across service channels. At the same time, self service must always have an available option within the system for the customer to contact you—whether by phone, e-mail or real-time chat.

Gartner estimates 70% of North America’s centers will be multi-channel by 2005.

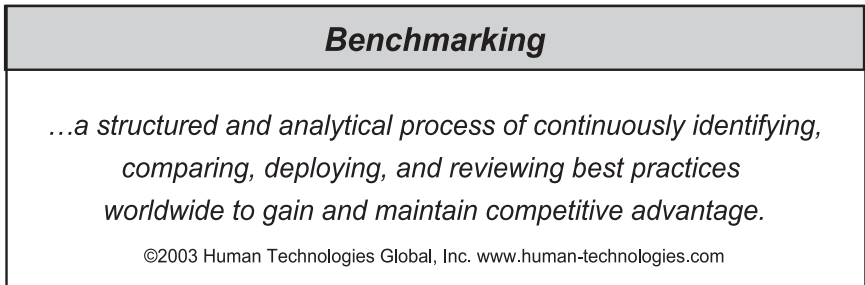


When customers experience a level of service from other channels that equals or exceeds voice support, then and only then will they gladly migrate to other channels to resolve their problems and/or inquiries.

Although companies have focused much attention on technology and the benefits of providing multiple channels for customer contact, they have paid little attention to handling the human part of the equation—specifically training agents to field more than phone calls. Working in multi-channel centers calls for communicating effectively both verbally and in writing, switching gears easily, and having a good grasp of the Web and how it works (Griffin, 2002).

### **Benchmarking**

Benchmarking is defined as a structured and analytical process of continuously identifying, comparing, deploying, and reviewing best practices worldwide to gain and maintain competitive advantage, as shown in the following figure. After all, as the saying goes, what gets measured, gets managed. And what gets managed, gets better.



*Figure 15. Definition of benchmarking*

The questions to ask yourself are:

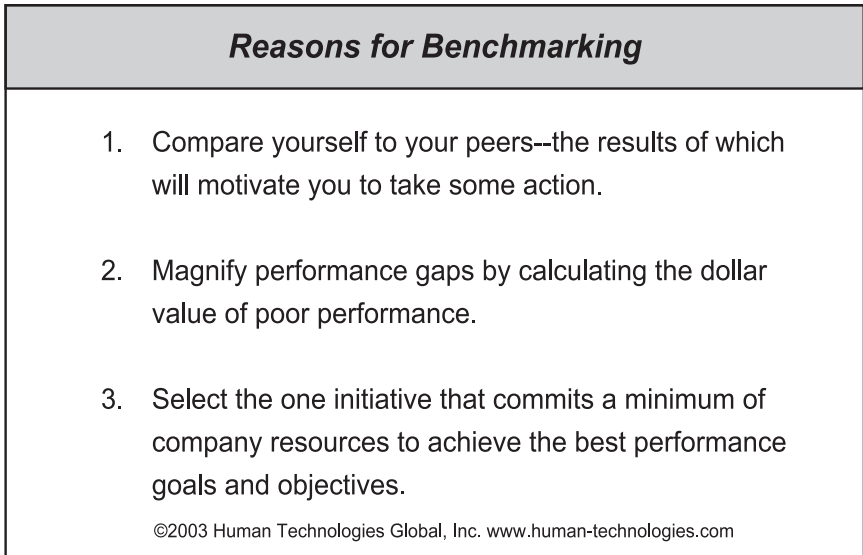
- Do you see yourself as a profit or as a cost center?
- What are you measuring, and why?
- Are you monitoring and if so, what are you monitoring?
- Are you benchmarking, and if so when, and how often?
- Who are you comparing yourself to?
- What are your training initiatives?
- Are you taking great care of your people?
- Are you doing a good enough job managing your resources?

Truly the advantages are many, such as:

- Managerial visibility into your operations on a quantitative basis.
- You know how you are performing compared to your competitor.
- You know your performance gaps.
- Improvement initiatives are identified and quantified.
- You can see where you excel and tell people about it.
- You can improve customer relationships.

Therefore, the reasons for benchmarking, as shown in figure 16. support the process.

1. You can compare yourself to your peers. Example: if we are 50 lbs overweight (God forbid) compared to our peers—people with the same age, gender and ethnicity—it's more likely we'll take some action to lose weight.
2. You can magnify performance gaps by calculating the dollar value of poor performance. Example: you are less likely to get management's attention if you show a performance gap in average talk time of 1.5 minutes per call. However, if you show a performance gap of 1.5 minutes for each call compared to your peer group adds up to over \$1 million of excess cost each year—aha!—now you've got their attention.
3. The main purpose is to find the one initiative that commits a minimum of company resources to achieve the best performance goals and objectives in the least amount of time. It's interesting to note that sometimes it doesn't cost anything; for example, a shift in call routing.



*Figure 16. The reasons for benchmarking are listed*

We suggest you repeat the benchmarking process after 3-6 months to identify your progress. If you are not presently benchmarking, here's how to begin now:

- save key metrics monthly so you have a picture over time of your performance
- graph each metric and review it with your team to let people know you are paying attention to these items

### **CRM versus CMR**

CRM was thought to be nirvana when it was first introduced. Today, of course, there is much disappointment surrounding it, mostly because, in our opinion, it was seen as an end when in fact it's a process. What we believe is needed today is CMR, Customer Managed Relationships. Why? Customers want to be to choose how they contact and interact with your company. Certainly now more than ever before in history, a customer-centric focus is a necessity.

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## CHAPTER 9: TEAM BUILDING

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In business as in sports, the best teams become more than the sum of the individual players. Success depends on how well you all play together. See how many of these you already do.

We could learn a lot from crayons: some are sharp, some are pretty, some are dull, some have weird names, and all are different colors....but they all exist very nicely in the same box.

### **Are You a Team Player?**

Do any of the following describe you or your team members?

#### ***Playing on a Team***

- Come Prepared to Meetings
- Listen to One Another
- Piggyback on Each Other's Ideas
- Keep Interruptions to a Minimum
- Come Through With Your Assignments on Time
- Volunteer to Help Each Other
- Focus on Team Goal in Sharing Information
- Maintain Friendly Feelings Even When You Disagree
- Enjoy a Good Laugh
- Feel a Sense of Ownership in What the Team Accomplishes

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*Figure 61. What does it mean to play on a team?*

How do you measure up? If you already do these, take ownership. If not begin to be aware of and raise the bar in the area of teamwork.

Here are questions to ask yourself:

- Are your people involved in the hiring process?
- Can you identify those people whose behavior detracts from team performance? And have you interacted with them regarding why and worked through the reasons?
- Are your people aware of, involved in, and in support of the mission, goals, and expectations of the team or company?
- Do you provide ongoing training on team building?
- Are your challenges the same as they were two months ago? Why?
- What feedback has gone to management, and how has management responded?
- Do members recognize individual and team success?

Many ideas grow better when transplanted into another mind than in the one where they sprang up.  
—Oliver Wendell Holmes

## Group Role

Teams/groups play an important role in any company. Why?

1. Only several people working together can achieve goals of a size and complexity required by most organizations
2. The productivity and creativity resulting in the synergy of the group
3. Most effective means to share information and common understanding
4. Buy-in and investment in the outcome

## **Gallop Organization Factors**

To build your most powerful workforce, help each agent generate compelling answers to 12 simple questions about the day-to-day realities of his/her job. These factors, according to the Gallup Organization (Gallup, 1999), determine whether they are engaged, not engaged, or actively disengaged at work:

1. Do I know what is expected of me at work?
2. Do I have the materials and equipment that I need in order to do my work right?
3. At work, do I have the opportunity to do what I do best every day?
4. Does my supervisor, or someone at work, seem to care about me as a person?
5. In the past seven days, have I received recognition or praise for doing good work?
6. Is there someone at work who encourages my development?
7. At work, do my opinions seem to count?
8. Does the mission or purpose of my company make me feel that my job is important?
9. Are my coworkers committed to doing quality work?
10. Do I have a best friend at work?
11. In the past six months, has someone at work talked to me about my progress?
12. This past year, have I had the opportunities at work to learn and grow?

## **Working Together**

The success of your efforts depends not only on individual contributions but also your ability to work together effectively. This is no easy task! Some people prefer working by themselves; others have such strong opinions that they find it difficult to make compromises that are necessary in a successful team situation. Still others tend to accomplish less than they would if they were working with others.

It is a rare situation when team members share the same feelings on every issue. Allow and even encourage each other to offer an

opinion and give equal consideration to those ideas expressed. It's very important to point out that a rejection of an idea doesn't represent a personal rejection. It simply means the idea wasn't the most workable one for the situation at hand.

As you know, many people see situations from only one point of view—their own. To work successfully as a team, several different perspectives need to be seen at times. Failing to be objective can harm your ability to communicate effectively with one another.

Team players must be willing to share responsibility. In most cases, when you are working on an individual basis, you feel obligated to accomplish your tasks on time and in an effective and as complete a manner as possible. After all, there's no question that the project is your responsibility, your job, and your job alone to complete.

However, when several people are working together on a team, suddenly everyone shares the responsibility. Sometimes there may be questions as to who should be accomplishing a particular portion of the task and often, everyone will be answering for every part of it. This opens up the possibility that a few could take control, make the majority of decisions, and complete most of the work. Others, whether intentionally or not, may relinquish control and contribute little of the actual work.

To be successful, everyone must realize how easy it is to fall into the leader/follower roles. Certainly you need team leaders, but that doesn't mean that everyone sits back and makes no decisions. Everyone must contribute to the team's decisions and work as they would when they complete a project on their own.

When motivating a team, it is important to stress that it is the group's accomplishment rather than those of a particular individual. The goal is for team members to share not only the responsibilities and have great confidence in each other, but also to share the pleasure of accomplishing the goals together. In business as in sports, the best teams become more than the sum of the individual players. Success depends on how well you all play together.

If you lead through fear, you will have little to respect. If you lead through respect, you will have little to fear.

—Anonymous