CX Mindset and Influencers Workshop

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Book Excerpt: What is Customer Experience?

Leading the Customer Experience

How to Chart a Course and Deliver Outstanding Results

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KoganPage

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Getting started

Customer experience lives or dies in the trenches. Come with me on a consulting project, and I'll show you an example.[1]

My assignment was to provide a series of workshops for a new and fast-growing company. Based in Toronto, they develop and provide business software packages. The company was (and is) committed to delivering outstanding customer experiences. Their innovative software products lead the industry, and they are committed to standing behind them with top-notch support.

The workshops they asked me to provide cover customer expectations and how they're evolving. They wanted to be sure they were staying ahead of the curve. Managers from marketing, technical support, IT, and others participated in the sessions. Beforehand, I spent a few days on an assessment, which included meeting and talking with employees and getting a sense of their culture. The deeper I looked, the more questions I began to run into.

For example, there were obvious inconsistencies in their support center—the area that provides customer service and technical support over phone, chat, and other channels. (Customer experience is far broader than customer service, but we'll get there.) Their director mentioned to me that she was grappling with a conundrum. Most technical support reps spent an average of 10 to 12 minutes with customers. One rep had an average handling time of over 20 minutes—double that of the others. "Is that normal?" she asked. "We want to ensure our customers have a good experience. But is there a limit to what that means?"

I spent some time that afternoon speaking with staff and listening to support calls. One employee had printed emails from customers tacked to his cubicle walls—dozens of them. "Thanks so much for the awesome

service!" said one. "You helped us get unstuck—and then some," wrote another. Guess who had the long handling time? *Yep!*

"He's a bit of a braggart," whispered one of his peers to me. "I help twice as many customers in a day," said another. When I spoke to the rep in question, it was clear to me he *loved* his work and just wanted to deliver outstanding service. Their workload planners had run some "what if" scenarios. Should his handling time be the norm, they felt the expenses would threaten the viability of the business.

Back to the director's office that afternoon. "What should I do?" she asked. She had options. One would be to force the issue—set a ceiling. Exceed the threshold and you'd get a warning. But the rep with the long handling time would protest that he was the one providing the best service. He might quit. Even worse, he might stay and poison the environment, grumbling that the company doesn't live up to its promises. (You may recall working on a team with an unhappy employee—it can be so damaging to morale).

I had other questions. How did they know the average of 11 minutes was "right"? How would they know where to set a threshold? Perhaps 11 minutes was too long. Maybe it was too short. It was just a clock, an outcome. The fact that it was an average didn't necessarily mean it was a good target.

Their director ended up taking an approach that was very wise. She assembled a small team of several employees, including the rep with the long handling time. She put them in a conference room with a long table and provided them with index cards and markers. "Settle on the most common support call we get," she explained, "and write each step that you go through on a card; lay them out in order." She returned a couple of hours later to see cards neatly arranged across most of the table. There were branches here and there, reflecting the typical paths a support interaction can take.

"What did you discover?" she asked. One employee (who had a relatively short handling time) spoke up first. "I learned that I'm not taking some steps that could minimize the chance for a repeat contact. Good to know, and I'd like to make some adjustments."

The rep with the long handling time spoke next. "Well, I am clearly walking customers through features that others aren't. Sometimes they don't directly relate to the question, but our customers always appreciate the help. Many say, 'Wow, I had no idea the software could do that!'"

Now they were getting somewhere! After a robust discussion, this rep and his peers determined that he *was* going beyond technical support and providing, essentially, personalized training. But customers need this information, they all agreed.

Some months later, I returned to the support center. The enthusiasm was evident. The handling times of all employees had fallen into what they felt was a sensible range. The team had developed concrete quality standards to guide services. But I was the most excited about the strategy they'd put in place to improve customer experience. The teams were involved in initiatives that included:

- product improvements
- improvements to user guides and online resources
- marketing initiatives that better described benefits
- launching and facilitating a customer community that enabled customers to help each other

Support reps enjoyed lending some hours each month to these working groups across the company. The employee who once had the long handling time was involved in developing online videos and references for customers—and loving it. "We're working on things that help *all* of our customers, not just those who contact us for support!"

I've seen so many cases where the hero of this story would instead be the villain. Where stricter controls are established, support sticks to support, and outliers are coached into compliance. Where the creativity, humanity, and joy that once existed drains from the operation. Where great customer experiences begin to die.

Your organization might be very different than this one—different size, industry, or focus. And yet, there are characteristics of customer experience common to any organization. We'll turn to them next. But first, allow me to explain how the rest of the book is structured. Every major subheading in each chapter is a *recommendation*—a step I encourage you to implement as part of your customer experience initiative. Each chapter concludes with a

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summary of the recommendations—five each. An overall summary of all 50 recommendations follows Chapter 10.

"*My goodness*," you might be thinking, "*that's a lot!*" Yep, there's a lot to customer experience. And we're going to cover it step by step.

"*Is successful customer experience based on a formula?*" you might ask. "*Is this book like a cookbook?*"

No. If customer experiences were simply a matter of mixing the right ingredients in the right way, effective leadership wouldn't be in such high demand. You've got to make decisions that are right for your customers and your organization. And the answers for you will be different than for others. Cookbook, no. Guidebook, yes—one that can bring clarity and focus to your decisions and priorities.

Let me offer some friendly advice:

Don't try to implement all 50 recommendations by next Tuesday.

Don't get overwhelmed—this is a journey.

Do begin taking inventory of where your organization is vis-à-vis the recommendations.

Do begin moving some of the major recommendations along, beginning with those in this chapter.

Do build support and involve others.
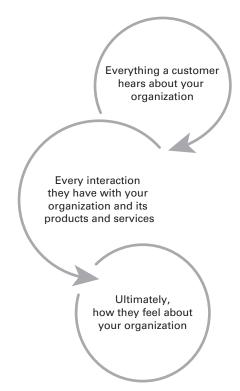
Do track and celebrate progress along the way!

So, let's get to it…

Establish a broad and accurate understanding of customer experience

There you have it—the first recommendation. The first step in leading customer experience is to understand what customer experience really is… and to ensure your team understands it in the same way.

Most customer experience definitions refer to "touchpoints"—customer experience is the sum of all of the touchpoints customers have with your organization. While I don't disagree, I've found that description to be confusing to many. I think people get caught up on the meaning of touchpoint. It's easy enough to grasp when you think of a marketing piece or interaction in a store. But what about internet searches, passing comments

FIGURE 1.1   What is customer experience?

from friends, product reviews and many other factors? While they don't directly involve the organization, they do influence your perceptions of it.

So, I go a different route, simpler and with less explaining involved. I define customer experience (and I'll begin abbreviating it as CX) as:

- everything a prospect or customer hears about your organization;
- every interaction they have with your organization and its products and services;
- and, ultimately, how they feel about your organization.

Let's break this down a bit more, point by point.

Everything a prospect or customer hears about your organization. Some will come from your organization's marketing department. But much will also come from your employees, other customers, or other stakeholders (critics, reviewers, and others).

Every interaction they have with your organization and its products and services. This includes pre- and post-sales interactions, the support they receive, the ease of understanding and using products and services, and the products themselves.

How they feel about your organization. Ultimately, customers develop an overall feeling about your organization. It may be a sense of calm, confidence, or excitement. It could be one of stress or dread. In many cases, it's a combination.

Can you control everything a prospect hears about your organization? Of course not. But can you do such a good job that you create customer advocates who are inclined to say good things? Of course!

Can you control every interaction they have with you? Well, more so than some things—but stuff happens. Can you set up systems, processes, and training that ensure the vast majority of interactions go well? Hire employees who care about the work they do and the impact it has on customers? Shape a culture that supports good decisions? Yes!

I've found that, along with this definition, it's helpful to summarize three common characteristics of customer experience:

Customer experience is both far bigger—and much smaller—than many realize. In other words, customer experience is more than the product itself. It's more than customer service. It's more than your technology platform. It's all-encompassing. *It's big.*

But it's also the last interaction a customer had. Despite all of your effort—all of your processes, your work on products—just one interaction can leave customers with an indelible impression of your organization. I once found a human hair in a roasted chicken dish from what had been a favorite, frequented restaurant. Three decades later, I've never returned. In fact, every time I see a commercial, that experience comes to mind. Jan Carlzon is former CEO of Scandinavian Airways and author of *Moments of Truth*—a classic book that was a forerunner to many of today's works on customer experience.[2] He used to remind employees that customers will

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make inferences on the quality of maintenance based on the cleanliness of fold-down trays. Coffee stain from the last flight? "*Geez, I hope they're giving better attention to the engines.*"
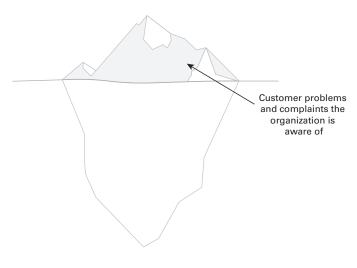
If you lead a team or a division but not the organization, don't think you can't make a difference. You can, right where you are. If you do lead the whole shootin' match—say, you're CEO or chief customer officer (CCO)—don't think your efforts are the end-all. You'll need customer experience to play out individual by individual, team to team.

Customer experience is often worse than leaders know. This trait is probably not universal—there may be exceptions. But unfortunately, it's very, very common, for several reasons.

One is that unhappy consumers may not complain to your organization. Yes, they may tell their friends and neighbors about a bad experience or fire off a negative comment on social media. But they might feel it will do little good to complain to the organization. Or they might expect doing so will be inconvenient, so they don't even try.

In his book *Customer Experience 3.0*, John Goodman refers to what he calls the iceberg effect.[3] His research reveals that many companies are aware of only a small percentage (often just 1 to 5 percent) of customers who encounter problems. So, for every 10 complaints, there are anywhere from 200 to 1,000 customers you don't hear from. With a 20 percent drop in customer loyalty commonly occurring when a problem isn't brought to the organization's attention, those 10 complaints could represent a loss of

FIGURE 1.2   The iceberg effect (courtesy John Goodman)

Customer problems and complaints the organization is aware of

anywhere from 40 to 200 customers. Suffice it to say, you might not be hearing the full story.

Another problem is surveys, which are a mixed bag across the business landscape. Some are working well—e.g., the quick and easy kind you take when hopping out of an Uber or Lyft. But many others aren't producing the objective input leaders need. One obvious challenge is that we're all over-surveyed. Even if your organization is sensible, your customers are getting a jillion surveys from others. They are exhausted. So, unless they are especially delighted or very upset, they simply ignore many surveys.

Survey begging is another problem. Each time I have a car serviced, the advisor makes it clear that their performance review is on the line. It works—I hesitate to share constructive feedback on other aspects of the experience, not wanting it to reflect on that person. And sometimes the questions are just way off. I recently endured a cumbersome process to fix an error with a credit monitoring service I've used for years. After many attempts and steps, I finally reached someone who could help, and she was superb. The survey question I received following the interaction: would you hire this person? *Yes! But the process to reach her… my goodness!* Where's *that* reflected in the survey?

Even with usable data, some organizations are not making use of the input they have. One problem is to over-generalize customer satisfaction scores. Your customer satisfaction might be reported as 92 percent, but lumping "somewhat satisfied" and "very satisfied" responses into the same bucket obscures problems.

We'll tackle these issues in later chapters, but suffice it to say, you may not have the full picture of your customers' experiences.

The returns on improving customer experience are better than many leaders realize. Now, here's some great news: improvements to customer experience do wonders! And they surpass what many leaders realize.

A part of what I'm talking about is the marketing benefit you get from customers who sing your praises. That can save a boatload of money in otherwise trying to reach prospects. But there's more to it than that. Lasting improvements to customer experience require you to improve underlying processes, technologies, and services. For example, the support center in the opening story helped the company improve training and reference resources for customers. They significantly reduced unnecessary service contacts and associated costs. And they contributed to innovation in the product itself.