



What if delivering WOW customer service is all wrong for your business?

When something goes wrong for a customer, you'll most likely want to put it right and then 'wow' them with memorable customer care.

It sounds like a worthy goal.

But what if it is exactly the wrong thing to do if you want to win future customer loyalty?!

What if there is a better way to deal with customer problems.

Research suggests that Lexus, Ritz Carlton and others are leading us astray with their customer delight stories:

- A BMW dealer didn't sort out the ashtray on a brand-new BMW, so a UK Lexus dealer, without being asked, replaced it with the non-smoker pack. Wow!
- Before returning 'Joshie-the-Giraffe' to the infant (who'd left his 'best-friend toy' in the hotel room) the loss-prevention team at Ritz Carlton created a photo album of golf/beach/pool pictures of Joshie on his extended holiday! Wow!

Great stories but the research shows that 'delight' is not going to help build loyalty after a customer has been disappointed by your product or service already.

Instead of focusing on 'delighting' or 'wowing' customers when solving their issues, commit to **reducing customer effort**.

In a nutshell

Don't be blinded by delight! Instead, make the experience your customers have when



you deal with their complaint feel like riding a bicycle downhill - make it really easy - make it effortless.

Focus 1st on loyalty...

The research shows that customer loyalty delivers 3 powerful payoffs - increased

repurchase, increased spend and increased recommendations.

...and the numbers don't lie

From 97,000 customer responses, 96% of them who had high-effort problem-solving experiences reported future disloyalty (they wouldn't repurchase).

And in a social-media-obsessed world this disloyalty is dangerous.

However, only 9% of customers who found it easy to resolve their problems reported future disloyalty.

Not surprising then, that 'low-effort' businesses out-perform others by 31 percent when it comes to repurchase and positive word of mouth - big drivers of sales revenues and profits for your business.

Here's a proven solution for you...

Find ways to get rid of the hassles, hurdles and extra customer effort that leads to future customer disloyalty.

You'll then improve repeat purchases and reduce the danger of negative word of mouth.

What does low-effort customer service look like?

Research over many years shows up in the book 'The Effortless Experience' by Matthew Dixon and friends. Their evidence points to:

"...the specific things customer service does to drive disloyalty among customers are largely associated with the amount of work – effort – customers put forth to get their issues resolved."

Minimising the effort your customers have to make to resolve their late delivery, missing items, mistreatment, lost luggage or other missed expectations will minimise the number of customers you lose – minimise the disloyalty effect.

4 customer loyalty findings...

Are you doing everything you can to avoid these four pitfalls when solving your customers' missed expectations?

1. Customers having to contact you more than once – failing to resolve their issue at the first opportunity
2. Customers having to repeat information also drives future disloyalty
3. The words you use can raise the perception of effort (or reduce it)
4. Bouncing customers around also drives future disloyalty

1. First Contact Resolution

The biggest disloyalty driver is when customers have to contact you more than once. And so, it pays to work out how you and your team use **First Contact Resolution (FCR)**.

But FCR is not enough:

"Don't just solve the current issue, head off the next issue"

FCR removes or reduces disloyalty but only if and when you also anticipate later issues the customer might face as a result of your product or service failure.

Help customers avoid having to call you again through your **'next issue avoidance'**. For example, if they didn't receive their order because their credit card was declined how can you help them buy next time without the credit card issue repeating?

Resolve your customer's current problem but also address issues they're likely to call back about.

For example, text your customers with status updates about how you are handling their issues – a strategy that prevents your customers having to make repeat calls to check on work-order progress.

2. Repeating information is loyalty madness

Chewing your cud twice is what cows do – humans hate it, your customers hate it.

Making a customer repeat their address or account number is nothing short of loyalty madness. Why would you inflict this extra effort on your customers when it's so easy to set up systems to avoid this.

If possible, make sure the same person



Asking your customers to 'chew their cud' twice drives future disloyalty

who takes the call deals with the call, if not ensure they pass on **all** the information to the next person.

3. The words really matter

The research (into 97,000 customer responses) shows that your...

"...customer's perception of the experience actually counts for fully two-thirds of the overall effort equation."

So, it's the way your customer **feels** that matters twice as much as what they actually have to **do** during their customer service interaction.

The authors of 'The Effortless Experience' tested and proved the value of what they call **'experience engineering'**. Chapter 4 of the book is powerfully instructive on the skills needed:

- a. Actively guide the customer and pre-emptively offer solutions that the customer will like:
 - 'there's good availability on Sunday flights...'
- b. Anticipate the emotional response of the customer:
 - 'which means you can enjoy exploring Paris for a few hours and avoid worrying about your Monday flight being delayed before your meeting...'
- c. Find a mutually beneficial resolution to customer issues by asking smart questions to better understand their requirements.

You'll find more insights into using the right words and avoiding the wrong words in the accompanying Bitesize tools – you can download these using the link on the back page.

4. Bouncing around is bad

How frustrated do you feel when you're bounced from one customer service person

to another (even worse when you have to repeat your account details AGAIN!).

Bouncing around your customers is a sure-fire way of burning any future customer loyalty you have left. Work out how to stop bouncing customers around your team.

Be very aware that the call from your customer may not be their first attempt to sort out their issue. They may have already bounced from your website to calling you.

It's important to note that people younger than 51 years of age, according to the research, prefer to use the web for issue resolution. If your website doesn't make it easy for them to solve issues, you're bouncing them onto the phone (which they'd prefer to avoid!).

It pays to invest time and effort making your website work for issue resolution. If you're new to using your website for customer care, simply focus helping customers online about the most common customer service issues.

The hidden 5th element...

Make it personal to reduce or avoid future customer disloyalty.

Making no attempt to personalise the experience and the disinterested use of 'company policy' is like showing a red rag to a bull. Avoid using 'policy' unless you want customers to jump on the social media soapbox about their frustrations with your business.

The holy grail of customer service is an effortless (personal) experience – not customer delight.

TIME TO DISAGREE:

“But shouldn’t we be aiming for delighted customers all the time?”

When all goes to plan, when you and your business deliver the product and service your customers expect, then customer delight is a worthy aim.

But when a wheel falls off, when a customer is disappointed by a delay or fault or some other issue, customer delight no longer helps you. Your aim now is to minimise future customer disloyalty by minimising the perceived effort your customers have to invest in getting their issue resolved.

Whether it’s on your website or your telephone responses, your goal is to make it as easy as possible for your customer to resolve their issue.

“How can we avoid bouncing customers around when we have someone on reception answering all our calls?”

When your person on reception helps your customer speak to the person who’s best able to help solve their issue immediately, then all is on track.

You can improve this by providing and advertising a customer service hotline from your website – as long as the call goes straight to the customer care team and not reception (and don’t have your receptionist ask a customer to dial in again on the hotline – just put them through!).

Or perhaps you can train your reception team to resolve the top 10 issues your

customers experience so customers make only one call? But remember to also look for the extras – First Contact Resolution only really pays off when you anticipate future issues and prevent call backs from customers.

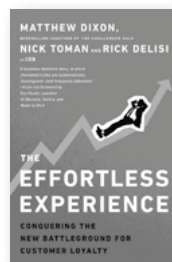
“Our team bend over backwards to sort out customer problems. So, how do we get our team to take this ‘effortless’ approach seriously?”

It’s great that people take customer service seriously, all that needs to happen is their enthusiasm gets channelled into ‘effortless’ and away from ‘delight’.

This will require systems and scripting improvements for your people to follow through. For more help check out the downloadable tools that go with this report and get yourself a copy of the brilliant, research-driven book ‘The Effortless Experience’.

“Please tell me more”

Matthew Dixon et al have created a valuable book on customer loyalty. A book that signposts how we should all use effortless customer service to resolve customer issues with the best pay off for our businesses.



In the foreword another respected author, Dan Heath, summarises the value of the book:

“What if the Holy Grail of service isn’t customer delight but customer relief – the simple relaxing of the shoulders that comes from having your problem handled quickly and smoothly?”

So, if you’d like a customer loyalty result for your business – one that brings more recommendations and repeat purchases – we recommend diving into this valuable book.

Get Your Bitesize Support Tools Now

Your feedback is important to us. We’d love to know what you think of this edition of Business Bitesize and how you use it or plan to use it. Also we’d welcome your suggestions for future editions of Business Bitesize. To give us your thoughts please use the simple feedback form here: www.businessbitesize.com/pg_owen

Use the Business Bitesize Support Tools And Resources

to help you make the most of this edition of Business Bitesize – go here: www.businessbitesize.com/pg_owen to download these



4 helping hands for you...

It’s easy to admire customer delight brands like Ritz Carlton hotels and Lexus.

It’s easier still to see their customer delight stories as the holy grail of customer service – stories you want your team to live up to perhaps?

However, the research by Matthew Dixon and his team show that what matters most after something goes wrong is not ‘delight’ but ‘ease’.

Focus on giving your customers an effortless customer service experience and you ensure you minimise the damage from not achieving your customers’ expectations.

1. Make it clear to your people what your customer service priorities are
2. Minimise channel switching
3. Manage future issues at the same time
4. Improve your team’s skill at framing (engineering) customer experience

ULTIMATE ARGUMENT:

“How do I know that low-effort customer care will work for me and my business?”

In a social media soapbox world, one of your business priorities must be maintaining and growing customer loyalty.

Research tells us 96% (of 97,000 customers) who found the process of problem resolution high-effort, didn’t repurchase and customer loyalty was lost.

Compare this to only 9% of customers with low-effort experiences not repurchasing...

A customer care focus on ease and speed, according to the research, gives you the best chance of winning your customers’ loyalty.

STOP: believing that WOW-focused customer care really works

START: by making your customer problem resolution as effort-free as possible



Your next steps:

If your customers believe your customer service is hard work and time consuming you're in for a lot of negative word of mouth.

And in a social media soapbox world it's just so easy to share negative experiences with friends or the world!

Why not work out, with your team, which customer issues crop up the most. And then see which of the four customer loyalty findings (on pg2 of this report) you're guilty of. You can then work out how to make it more 'effortless'.

Start by obsessing about future customer loyalty

When future customer loyalty is your priority you automatically put repurchase rates, increased spend and increased recommendations as a priority too – something all your people can support.

So, when something goes wrong for a customer – a fault, a delay or other issue – you can work with your people and your systems to make it as-easy-as-possible for customers to resolve their problem.

You'll then get the loyalty wins you seek.

More tools and information for you:

Download the supporting tools and resources for more help on making your customer service experience an effortless one – use the URL link in the box below.

Put the power of 'effortless customer service' to work for your business...

Make it easy for customers to resolve their issues with your products or services and you get unheard of customer loyalty gains. Gains that a focus on customer delight will never get you.

It's just so easy for us all to be side-tracked by the legendary stories from the world of customer care. However, the costs of pursuing 'customer delight' fail to deliver a payoff for your business according to the research. Instead focus on making customer issue resolution EASY for your customer – it has a measurable return on investment in the form of recommendations, repeat purchase and positive word of mouth.

- 1. Make it clear to your people what your customer service priorities are** – focus on making it easy for your customers to resolve their issues (not wowing them with kindness and over-the-top solutions). Work out which are your most common customer service issues
- 2. Minimise channel switching** – You drive future disloyalty, lost recommendations and repeat sales when you force customers to go from the web to the phone or force them to deal with 2 or more different people
- 3. Manage future issues at the same time** – FCR – First Contact Resolution is a worthy goal but it's not enough. You also have to anticipate future issues to help prevent them and so prevent your customer having to call you back
- 4. Improve your team's skills at framing customer experience** – customer experience engineering is more than just good soft skills. They are a set of skills your team need to master – actively guide the customer and pre-emptively offer solutions – anticipate the emotional response of the customer – find a mutually beneficial resolution to customer issues.
Check out the download tools for more insights on these skills – use the URL link in the box below.

Use the insights in this Bitesize report to help your people appreciate the priority of customer loyalty and the power of 'effortless customer service'.

YOUR SUPPORT TOOLS ARE HERE: Go to the link below and you'll find a selection of practical support tools to help you get a deeper understanding of effortless customer service so that you too can achieve a future customer loyalty win for your business.

Find the support tools to help you here - www.businessbitesize.com/pg_owen

**business
bitesize**



business breakthroughs
in minutes

**Owen
Limited**

Chartered Accountants &
Financial Advisors