



Six Steps to Improving Customer Experience

Transform interactions into powerful drivers of loyalty and growth



Companies find it hard to keep up with customers' evolving expectations for immediate, high-quality, personalized, always-on, consistent service across all channels.

Like playing “whack-a-mole,” companies find that as they improve one aspect of customer service, another channel or service requirement pops up. And yet, companies trying to be all things to all customers are likely to fail.

To keep pace with customers' continuously evolving expectations, companies need to first make sure they have the foundations of good customer experience covered.

Alvarez & Marsal (A&M) has spent years helping clients improve their capabilities to deliver experiences that reinforce their customer strategy and increase loyalty.

On the following pages, we have included six steps fundamental to improving customer experience:

KEY TAKEAWAYS

- Prioritize your investments by starting with a clear, objective view of what customers really want, not what you think they want.
- Analyze your customer base and prioritize the communication channels important to them.
- Hire employees who truly care about customers, empower them to go beyond a script and reward “right” behaviors throughout the value chain.
- Customers are willing to forgive a company with which they have an emotional connection, so do not underestimate or neglect it.
- Fix the root causes of customer frustration.
- Improving customer service is an ongoing initiative rather than a “one-and-done.”

Six Steps to Improving Customer Service



1. Know Thy Customer and What They Want

Sometimes business leaders get caught in the trap of talking about wanting to improve customer service without investing the time to understand what the customer wants. Understanding the fundamental wants and needs of the customer is the first step to determining what a great customer experience should be for them.

One of our clients, a luxury retailer, was looking to improve its customer experience and believed that its call center was a weak point of contact. It also believed that improving the speed of its phone service would increase customer satisfaction.

However, after observing the agents while they were on the phone and interviewing customers directly, store executives realized their customers were looking for the same personalized, white-glove experience in their phone interactions that they received in the store, including suggestions like what other items would complete an outfit.

Their customer service agents were not trained or managed to be sales focused and were reluctant to provide this type of assistance even when they knew about a purse or a skirt that would go perfectly with the jacket being purchased.

The effect was the opposite of the personalized experience their customers wanted and expected.

2. Meet Your Customers Where They Are and When They Want

Customers have come to expect “always-on” service across multiple channels. They have built relationships with companies like Amazon and Google that can anticipate and predict what their next need may be.

No matter what industry you are in—retail, healthcare, financial services, airlines or energy to name a few—your customers expect to receive an answer or transact with you 24/7. This has become table stakes for most industries.

That said, managing customer expectations is not one-size-fits-all. In fact, customer preferences vary significantly by demographic, and customers will interact on different channels for different reasons at different times.

Smart companies will analyze their customer base to prioritize channels that are important to those segments.

Digital interactions are predicted to overtake voice transactions in the next year. At the same time, roughly 90 percent of customers 55 and older prefer to talk to a live person on the phone.

However, for customers in the 25-54 age range, email and mobile channels are much more popular.

Which Channel is Most Popular With Your Customers?

Percentage of centers that do track channel popularity by age profile					
Channel	Under 25 years	Between 25 and 34 years	Between 35 and 54 years	Between 55 and 70 years	Over 70 years
Social media	38.9	13.2	2.2	0.6	0.4
Mobile application	27.2	23.7	6.3	0.8	0.5
Email	12.2	26.8	32.7	8.8	0.8
Telephone	11.5	18.4	51.7	87.0	93.2
Web Chat	9.4	16.5	6.3	1.1	0.3
Other	0.7	0.9	0.9	1.7	4.7

SOURCE: Dimensions Data, 2016 Global Contact Centre Benchmarking Report, Digital Needs a Human Touch

Social media is the number one channel for people under 25 years old and is likely to grow in importance with older age segments.

Future generations of customers are going to be more engaged with brands on social media, and their loyalty is likely to depend on how engaged those brands are in return.

However, social media can be a challenge for organizations that are accustomed to face-to-face and phone interactions with their customers. In a 2016 survey, 48 percent of contact centers had no capacity for social media.

Getting started in social care management does not require hiring an army of people. Start by getting to know what social channels your customers frequent by searching for mentions of your brand on popular social sites.

For example, the British multi-national grocer Tesco started with a team of two focused on social customer care with an emphasis on listening, engagement and social message management. The pilot was such a success that they scaled to eight with advanced routing of messages, depending on bandwidth and expertise. ¹

3. Track Customers Across Channels

All of us are familiar with this experience. We have a problem and are frustrated. We go to the website and make several attempts to fix it ourselves, but to no avail. Our frustration builds.

With gritted teeth, we call customer service and get dumped into the interactive voice response (IVR) system that asks us to punch in personal information so we can be routed to the right person. The agent answers the call and asks us for the same information that we just spent time providing.

The agent then spends minutes suggesting that we try all the things we have already tried. Then, when they cannot solve our problem, they escalate it to a tier 2 support agent who, again, asks us for the same information we have now provided twice, and starts the process all over again. By now, we are furious.

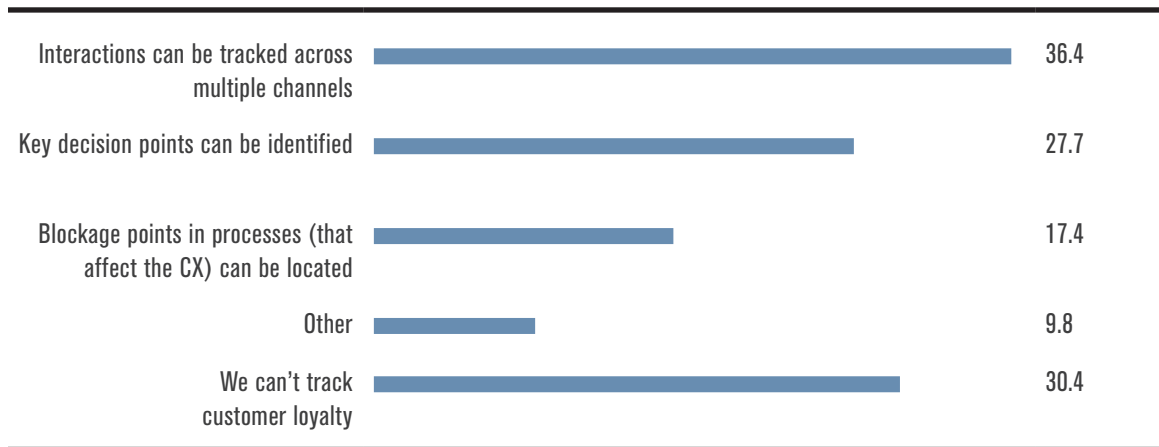
It is a very common problem. With multiple touch points across different devices and locations, many companies struggle to have a single view of the customer. The data is often in silos, or worse yet, different parts of the company have different records for the same customer.

Less than 40 percent of companies can track customer interactions across channels.

Some companies optimize the individual customer touch points but do not focus on the integration of those experiences. In fact, according to Dimension Data, fewer than 40 percent of companies can track the customer journey across multiple channels and just 17 percent can locate hotspots that impact customer experience.

¹ Clarabridge, Transforming the Call Center to An Experience Center

How Well Can You Track The Customer Journey Across Your Service Channels?



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SOURCE: Dimensions Data, 2016 Global Contact Centre Benchmarking Report, Digital Needs a Human Touch

Companies that prioritize customer data management and leverage their data to track customer engagement across multiple channels can give agents visibility into a customer's previous activity and pick up where the customer left off in another channel, greatly reducing the customer's frustration.

4. Fix the Root Causes of Customer Frustration

The pressure to provide a positive customer experience is felt acutely among people on the front line, most often in person or on the phone.

However, the responsibility for customer experience does not reside solely with customer-facing employees. In fact, every time a customer makes contact, their experience is dependent on everyone from management to back-office support.

Customer experience starts with understanding the root causes of customer contacts, anticipating pain points and minimizing them before they happen.

Analysis of calls will provide insight into the root cause of the call and focus efforts to fix the underlying issue before it becomes a customer pain point. For example, a large wireless company analyzed thousands of calls over a 45-day period and discovered patterns that could help it improve customer satisfaction and reduce future calls.

For instance, in 70 percent of calls to initiate new service, customers called back a second time to ask about an often misunderstood step in the provisioning process.

By incorporating a bit of education and managing customers' expectations better on the first call, the company reduced the number of subsequent calls by more than half in less than three months.

5. Reward the “Right” Behaviors

Just because a metric is easy to measure or readily available does not make it the “right” thing to measure. For example, a well-meaning manager will often define calls per hour as a measure of their agents’ productivity. This incentivizes agents to get through as many calls as possible.

While it is important for customer service agents to be efficient, it is also important to balance speed with first contact resolution to ensure the right behaviors are rewarded.

Predictably, agents rush to end calls, sometimes even cutting off customers and leaving them hanging. Agents who work to meet customers’ needs are penalized when they spend extra time trying to resolve their problems. While it is clearly important for agents to be efficient, it is also important to balance speed with first contact resolution (FCR) to ensure the right behaviors are rewarded.

6. Don’t Forget, It Is About People and Their Emotional Experience

Superior customer service is first and foremost about people: your employees and your customers.

Leading customer service organizations understand the importance of hiring people who embody your company culture and who care about your customers, people who want to say yes, and take no pleasure in delivering a series of “we can’t do that” remarks.

Too often, call centers attempt to prop up the wrong agents by instituting rigid scripting requirements. That is, they tell them exactly what to say and when.

At one of our clients, a large healthcare company, employees did a great job following a checklist of things that they should always ask about, but they were not trained to listen to customers. They checked all the right boxes, but they sounded scripted and were giving customers a commoditized experience.

Because the script left little leeway for the agent to help solve the problem described, agents directed customers to another department if their specific problem wasn’t on their list. This realization led to a complete redesign of the company’s IVR using data analytics to enable routing to a specially trained agent who had the skills and authority to offer creative solutions to resolve customers’ issues in one call.

Consequently, they were able to reduce reliance on scripting, and humanize the interaction, increase employee engagement and improve customer satisfaction. Moreover, agents were encouraged to take the time to educate customers regarding self-service options for future requests.

CONCLUSION

Improving the customer experience is not easy, and it is not a one-and-done initiative—it is a continuous improvement project. Almost all companies have room for improvement and few can afford to be all things to all people.

To make sure that your company is prioritizing its investments and efforts on improvements that will have the biggest impact on your customers' satisfaction, start with a clear, objective view of what the customer really wants, not what you think that they want.

No amount of technology and good business process is a substitute for employees who care about your customers and are empowered to go above and beyond a script.

Second, while multichannel and self-service options are table stakes, smart companies analyze their customer base and prioritize channels that are important to those segments.

Third, the foundation for building a seamless experience includes the ability to track customers across channels. Analyze and fix the root causes of customer frustration, such as billing errors.

Finally, no amount of technology and good business processes is a substitute for employees who care about your customers and are empowered to go above and beyond a script. Make sure to reward the right behaviors throughout the value chain. Customers will forgive a lot when they are emotionally connected to your company.

About the Authors



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