Customer Centric Strategy, 2nd Edition

CUSTOMER CENTRIC STRATEGY, 2ND EDITION

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CONTENTS

INTRODUCTION

Concept

Customer centricity is about organizational transformation making the customer the focus for business decisions, processes, product development, services, and procedures.

Some companies purport to be customer centric but they fall short in connecting this concept throughout all functional areas of the business. While it is important to offer superb customer service, being customer centric is far more than that. It's about mapping the customer journey to discover customer needs and wants, what's working and what is not, then taking action to improve the customer experience.

Customer loyalty is built through providing exceptional customer experiences. This in turn increases revenues through positive company image, referrals, and increased customer lifetime value.

Most organizations today realize that they must focus on the customer to remain competitive.

Book Versions

Below is a record of edits and changes made to this book since its initial publication. Whenever edits or updates are made in the text, a record and description of those changes will be noted here. The edition number will only change when there is a major update to the book. The ancillary files (i.e., test bank, slides) that accompany this book always reflect the most recent version.

Table 0.1: Leading Innovation Book Versions

Date of Publication	Edition	Revisions
August 8, 2021	Customer Centric Strategy	• Original OER published with 8 chapters and accompanying chapter slides.
November 9, 2022	Customer Centric Strategy, 1st edition, version 2	• New Test Bank with 40 multiple-choice questions and 14 short answer questions, across 8 chapters. • Minor content updates within several chapters. • Chapter formatting revisions to ensure content meets Web Content Accessibility Guidelines 2.0.
January 1, 2024	Customer Centric Strategy, 2nd Edition	• Two New Chapters were added–CH 8: Using Design Thinking to Improve Customer Experience and CH 9: Building Strong Customer Relationships. • The test bank was updated for a total of 76 M/C questions and 25 short answer questions across 10 chapters. • Additional content was added to CH 1: Defining Customer Centricity, CH 6: Using Contact Center Technology to Improve Customer Experience, and CH 10: Leading a Customer Centric Strategy. • Additional End-of-Chapter exercises were added to several chapters. • Statistical references were updated for currency throughout all chapters. • All chapters were modified as necessary to meet Web Content Accessibility Guidelines 2.0. • Minor modifications were made within the remaining chapters which included additional content, updating broken URL links, and adding to the lists of additional resources.

Chapter Features and Bloom's Taxonomy

- Chapter Learning Outcomes — The learning outcomes listed within each chapter align with the lower levels of Bloom's Taxonomy of Educational Objectives for Knowledge-based goals (knowledge and comprehension) based on the activity of simply reading the chapter. Should readers complete the exercises within the chapters and at the end of the chapters, higher levels of Bloom's Taxonomy can be reached (application, analysis, synthesis, evaluation).
- Example-rich narrative
- Embedded videos with PDF transcripts

- Graphic elements which illustrate and reinforce concepts
- Self-assessments (e.g., quiz, game, or other H5P content)
- Explore the Concept and End-of-Chapter Exercises
- Chapter Key Takeaways
- Additional resource links and Chapter references for additional reading
- Embedded navigation and image alt-text for screen readers
- Free online, PDF, and various other book formats
- Chapter PowerPoint slides
- Glossary of Terms
- Open license, Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License permits adoption, adaptation (customization), and sharing

eCampus Ontario

eCampusOntario is a provincially-funded non-profit organization that leads a consortium of the province's publicly-funded colleges, universities, and indigenous institutes to develop and test online learning tools to advance the use of education technology and digital learning environments.[1]

This textbook is part of the eCampusOntario (and BCCampus) open textbook library, which provides free learning resources in a wide range of subject areas. These open textbooks can be assigned by instructors for their classes and can be downloaded by learners to electronic devices. These educational resources are customizable to meet a wide range of learning needs.

If you decide to adopt this book for a course or training program (or other) please report your adoption as eCampusOntario is keen to report students' savings and connect with successful OER adopters.

Accessibility Statement

Every attempt has been made to make this OER accessible to all learners and compatible with assistive and adaptive technologies. The Pressbooks content management system was chosen for its commitment to built-in accessibility. The Web version of this resource has been designed to meet Web Content Accessibility Guidelines 2.0, level AA and follows all guidelines in Appendix A: Checklist for Accessibility of the Accessibility Toolkit – 2nd Edition. In addition to the web version, additional files are available in a number of file formats including PDF, EPUB (for eReaders), and Course Cartridge (for LMS).

If you are having problems accessing this resource, please contact kshields@centennialcollege.ca. Please include the following information: The location of the problem by providing a web address or page descrip-

tion. A description of the problem. The computer, software, browser, and any assistive technology you are using that can help us diagnose and solve your issue (e.g., Windows 10, Google Chrome (Version 65.0.3325.181), NVDA screen reader)

Each chapter has been evaluated using WAVE® and modified as needed to meet zero errors in accordance with WCAG AA. "WAVE® is a suite of evaluation tools that helps authors make their web content more accessible to individuals with disabilities. WAVE can identify many Web Content Accessibility Guideline (WCAG) errors, but also facilitates human evaluation of web content. Our philosophy is to focus on issues that we know impact end users, facilitate human evaluation, and to educate about web accessibility."[2]

- All images that convey information include alternative text (alt text) descriptions of the image's content or function. Graphs and charts also include contextual or supporting details in the text surrounding the image. Images do not rely on colour to convey information.
- All colours meet WCAG contrast requirements.
- Content is organized under headings and subheadings. Headings and subheadings are used sequentially (e.g., Heading 1, Heading 2).
- Embedded videos are from YouTube and do have closed captioning available, although many YouTube videos have captions that are auto-generated and these do not always translate correctly. To combat this issue, PDF (English) transcripts have been posted for download with each chapter video.
- Tables are used to structure information and not for layout. Tables include row and column headers. Row and column headers have the correct scope assigned. Tables include a caption. Tables avoid merged or split cells. Tables have adequate cell padding.
- The Microsoft Accessibility checker was run on PowerPoint slides that accompany the book. ALT tags were added to images, PDF (English) transcripts are posted with embedded videos, colour contrast was checked.
- All Web links describe the destination of the link and do not use generic text such as "click here" or "read more". If a link will open or download a file (e.g., PDF), a textual reference is included in the link information (e.g., [PDF–New Tab]).
- In-text citations are embedded using the Footnote feature of Pressbooks, therefore, footnotes appear as References at the end of each chapter with Web links to the original sources.
- Font size is 12 points or higher for body text in PDF documents. Font size can be enlarged to 200 percent in Webbook or Ebook formats without needing to scroll side to side.
- An H5P element is included with each chapter as a quick review of the chapter's content. These are accessible based on the H5P type. The goal for the accessible content types is WCAG 2.1 AA support, so the content types have been tested against these criteria and more by the H5P.org developers. Refer to the accessible content types list for additional information.
- PowerPoint slides have been checked with the Microsoft Accessibility checker to ensure proper colour contrast. Images contain ALT text. Fonts are 24 points or larger. PDF Transcripts are linked with each

embedded Video. PDF copies of each slide deck are also provided.

Author

Working as a college professor for many years I have honed my customer service skills in working with cross-departmental teams, external partners, and internal customers, and it seems that regardless of the job you choose to do, developing your customer service skills will help make you more effective and efficient. In the past, I have worked as a customer service representative in B-2-B and B-2-C environments, as a customer service manager in HR solutions, as a training coordinator in corporate training, and as a call center manager (both in credit and collections and loyalty programs) and have come to realize that every job role has a customer service component.

During my time as a corporate trainer, I designed and delivered training programs in "Exceeding Customer Expectations" as one of the various sessions my employer delivered. In 2016 I designed a college course called, "Customer Service and Relationship Building" and then in 2018 I designed another college course called, "Customer Centric Strategy" which became the catalyst for this OER book.

In developing this book I have researched many sources and compiled the resources that support the concept of customer centricity. When I teach this college course I also include exercises for students on Salesforce CRM using the Trailhead learning platform. It is essential for students to learn technologies used in business today and especially those used to support building long-lasting positive relationships with customers. Another exercise I usually provide students is one in which they use the Hootsuite platform to practice promoting a business through social media. They learn to respond positively to customer inquiries and complaints.

I hope you find the content interesting and the lessons helpful, and maybe you get a few ideas for practicing customer service skills from the exercises in each chapter. I will try my best to update it from time to time just in case some videos or resources become obsolete or outdated.

Sincerely,

Kerri Shields

References

(Note: This reference list was produced using the auto-footnote and media citation features of Pressbooks; therefore, the in-text citations are not displayed in APA style).

Notes

1. eCampus Ontario. (2021). *About. https://www.ecampusontario.ca/about/#:~:text=eCampusOntario%20is%20a%20provincially-funded%20non-profit%20organization%20that%20leads,use%20of%20education%20technology%20and%20digital%20learning%20environments.*

2. WAVE. (n.d.). *WAVE accessibility evaluation tool.* https://wave.webaim.org/

CHAPTER 1: DEFINING CUSTOMER CENTRICITY

Chapter 1 Learning Outcomes

After reading this chapter, you should be able to do the following:

1. Define the term "customer service".
2. Define the term "customer experience".
3. Define the term "customer journey".
4. Define the term "customer centricity".
5. Discuss how changes in consumer behaviour affect how companies serve customers.
6. Discuss how technological advances affect how companies serve customers.

Customer Service

Customer service is the assistance and advice provided by a company to customers throughout the customer journey; before, during, and after the sale. Humans usually provide customer service to other humans, but some service comes from machines, technologies, animals, etc.   The service a customer receives becomes part of the experiences they have with the company.

For example, if you purchase a product and need to return it because it is missing a part, you might drive to the store, get the product out of your back seat, put it in a cart, wheel it into the store, visit the return counter, speak with an employee about your return, and so on. You may even phone the store before driving there. In this example, your perception of the company and your experience with the company will be based on many factors:

- Availability of parking
- Availability of carts
- Wait time in the line-up at the return counter
- The manner in which the employee speaks to you at the return counter (courteous, professional)
- The efficiency of the employee implementing the return process (equipment, cash)
- The manner in which the employee speaks to you on the phone (courteous, professional)

Now, imagine that you did phone the store before driving the product back to the store for a return and refund. You explained that there was a missing part to the staff member on the phone. The staff member on the phone who works at the service desk informed you that many customers have had this same issue and that the manufacturer is able to send you the missing part by express delivery, free of charge. As well, the manufacturer will include a small gift, an accessory item for your product, due to the inconvenience. Will you now decide to keep the product? You may or may not, but you will feel

The owner of a food truck serving a customer

that the information the customer service representative shared with you over the phone was valuable and you will appreciate that they did so. This touch-point, over the phone, is an experience that should leave you with a positive view of the manufacturer and the retail store, even though the manufacturer made an error by not including one of the parts in the first place. Would your perception of your experience have been negative if the representative on the phone had not shared this information with you, and you found out only after you had driven all the way to the store and stood in the return line for some time? Most likely it would not be as positive as hearing this information before you put in the effort to return the product. That is why it is so important for leaders and managers to build a culture of customer centricity, train employees, build standards, and measure performance pertaining to customer service. Companies need to retain customers to stay in business, and you need to help the company retain customers to stay employed.

A final note about the scenario above, the retailer is actually a customer of the manufacturer (product supplier or vendor); therefore, the manufacturer also has the desire to keep the relationship positive with their customer (the retailer). If the manufacturer did not satisfy the retailer's customers by offering a free replacement part with express shipping, the retailer's customers would become angry at the retailer (the place they purchased from). If this situation occurs often, the retailer will most likely search for a different product supplier or at least stop purchasing that product from that specific supplier. So, it is not only important to keep individual customers happy in business-to-consumer sales (B-2-C), but it is also important for businesses to keep their business customers satisfied in business-to-business sales (B-2-B).

In subsequent chapters, you will learn about providing customer service in both a face-to-face retail environment as well as in a contact center environment, and about managing customer service teams and customer service technologies.

Watch the "Poor versus Great Customer Service" YouTube video below for an example of what bad service looks like compared to good service.[1] Transcript for "Poor vs Great Customer Service" Video [PDF—New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=28#oembed-1

Customer Experience (CX)

Customer experience is the result of an interaction between the customer and the company. It is how customers perceive their interactions with the company or brand. A **customer touch-point** is a point in time when the company connects in some form with the customer (e.g., website, phone, email, social media, retail store, returns, service, and products). There are many different customer touch-points, for example, when a customer phones the contact center for support, when a customer first visits the company website to review its products, or when the customer visits the store. The customer will get an impression of the company from each of these interactions. If the store is unclean, the products are difficult to find, or the staff are rude this may leave the customer with a negative impression of the company which the customer will perceive as a negative customer experience. The customer's perception IS the customer's experience.

A customer being served in a restaurant

Companies work hard to create a positive experience for customers, but things do go wrong at times, and some customers will perceive that the company has not met their expectations in some way, thus, leaving those customers with a negative impression or perception of the company.

Over time, as the customer has more and more experiences with the company, these experiences may shape the customer's perception negatively or positively, and too many negative experiences will most likely cause the customer to discontinue engaging with the company; they will visit a competitor's store instead.

Explore the Concept – Customer Experience (CX)

Consider the following questions:

1. When shopping or eating at a restaurant, what might cause you to have a negative customer experience? What might occur that would cause you to have a positive customer experience?
2. What were your expectations when you entered the establishment? Did the company meet your expectations?
3. If you visited this restaurant twice and had positive experiences both times, but then on the third visit you had a negative experience, would you return a fourth time?
4. What would you suggest as three "best practices" for creating a positive customer experience?

There is a popular saying, "A company is only as good as its people." This saying refers to the need to hire good people, train employees, and create a positive corporate culture. When the employees are happy working for the company they will most likely do their best work to help the company provide positive experiences to customers. Of course, while the interactions your employees have with customers are a large part of the customer experience, other factors are also important.

Customers have certain expectations of service and what they experience with the company, for example, when you shop at a Dollar Store (e.g., Dollarama, Dollar Tree, Dollar Store, Dollar Shop, etc.) you probably expect low prices and do not expect that every product the company sells is of high quality and comes with a warranty.   You might expect those things from Apple, BMW, Harley Davidson, or other company that is known for high quality and prestige. From a dollar store, you expect the store to be clean and the products arranged in a manner that makes it easy to find the products you are looking for. You expect prices to be low. You probably expect the staff to be helpful, friendly, and professional. If for example, you walked into the store and the lights were not working, it might upset you, or if it was the middle of winter and the store had

no heat, you might not shop very long. If the products were not on the shelves and there were boxes blocking the aisles, you might become annoyed.

What if you had received poor service at the store, the store was a mess, the cash register was not working the day you visited the store, and you could not find the product you wanted in stock? What would you do or say to the staff? What would you think about the store? Would you shop there again? Would you tell your friends about the poor experience you had? Most likely, you would not go back, you would think the store was not professional, you would not shop at that location again, and you would probably tell your friends and family what a bad experience you had there.

Organizations that do not improve their customer experiences through improved customer service, improved customer journeys, and improved customer centricity will not stay in business long in today's global and technological world. Consumers today are savvy and they can easily shop online to purchase whatever they desire quickly and easily. They can also switch to a competitor, in most cases, with little risk or switching costs. Consumers research and learn about products they want before they buy and they expect a lot from the organizations they patronize.

Customer experience has become the ultimate competitive advantage. The big retailers, with Amazon at the forefront, have served consumers so effectively that most people now demand high-quality, ultra-fast service for everything they buy.[2]

Customer Journey

The **customer journey** is the complete sum of experiences that customers go through when interacting with a company and its brands. It considers the complete path from brand discovery to purchasing and beyond. The focus is not on purchases made, but rather on how the customer feels about the interactions throughout their journey with the company.

Below is an example of one customer's journey.

Tom is shopping online for a new car (website touch-point). He decides to phone a car dealership to ask about a vehicle he saw online (phone touch-point). Tom is greeted in a friendly manner and has all his questions answered by a salesperson (employee touch-point). Tom makes an appointment and comes to the dealership to test-drive the vehicle he is interested in (location/organization touch-point). The salesperson, Jordon, whom Tom spoke with on the phone greets him, answers his questions, demonstrates a friendly and professional manner while dealing with Tom, and sends him out on a test drive (employee and product touch-points). Tom decides to purchase the vehicle and Jordon completes the paperwork, processes the sale and payment, and offers to deliver the vehicle within two days (employee and company policies/practices touch-points).

A customer leaning against their new car

Jordon assures Tom that the vehicle comes with warranties, and should Tom change his mind about the purchase, he may return the vehicle within the first 30 days no questions asked (employee, manufacturer, and company policy touch-point). Jordon asks if Tom would like to register for a loyalty program whereby Tom will receive emails on future promotions and receive gifts for referring others (if they purchase a vehicle too). Tom is interested and Jordon gathers Tom's email. Jordan provides Tom with a $100 gas card as a thank-you gift for purchasing the new vehicle (employee and company policies touch-points). Later in the week, Tom tweets a picture of himself standing in front of his new vehicle and he mentions the dealership and the excellent service he received from Jordon. He even recommended the dealership on dealerrater.ca. A few months later, Tom feeling loyal to the dealership, and remembering the loyalty rewards program, refers a friend to Jordon at the dealership.

In building a customer-centric business, **personas** and **customer journey maps** are important strategic tools that help provide an in-depth understanding of who a company's customers are, what they need, and how they interact with the company across all touchpoints.[3] These tools help to share customer insights across the organization and can be critical for building employee buy-in and helping teams take targeted action to improve customer experience.

Personas are fictional customer types created to represent real target customer groups. They are more than generalized customer segments because they have individual names and stories that reflect personal attributes and behavioural characteristics such as customer needs, motivations, and attitudes. For example, a company may target Reza, a college professor, a parent of three teenage children, age in their mid-40s, shops online due to time constraints, orders delivery from restaurants a few times per week, enjoys exercise, eats vegan, etc. The

company creates these personas to help them better understand all the needs of their target customers, which in turn helps them provide products, services, and processes that will meet or exceed the customers' expectations.

Once a company fully understands the lifestyle and demands, responsibilities, attitudes, and desires of their target customer; they can map the customer journey. Mapping the customer journey will allow the company to identify where they may not be serving the customer to the best of their ability so they can make improvements to the customer experience.

The **customer journey map** is a visual depiction (diagrammed or written) detailing the path the customer takes from the time the customer first discovers the brand, to purchasing, and beyond. The customer journey map examines the full experience of being a customer with the company and examines all touch-points and channels.

It is important to create many personas and scenarios because every customer's journey will be slightly different. It is also important for companies to talk to customers (and employees) to learn more about the customer journey and experiences customers have. Creating personas and customer journey maps will help organizations identify poor service issues so they can take action to improve their customers' experiences.

Customer Centricity

Customer centricity is a way of doing business that fosters a positive customer experience before, during, and after the sale in order to drive repeat business, build customer loyalty (which leads to customer referrals), increase business growth, and gain a competitive advantage.

A customer-centric company is more than a company that offers good customer service. Anytime a customer-centric business makes a decision, it deeply considers the effect the outcome will have on its customers. An organization that forgets about customers is destined to fail. They will build the wrong products, invest in the wrong resources, and lose goodwill with customers.[4]

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"Someone calling themselves a customer says they want something called service."

Customer-centric organizations identify their most valuable customers and ensure their satisfaction. These

organizations focus on ensuring employees understand how important customers are to the company. Often the organization's mission, vision, and values include a customer-centric focus as more and more companies see a need to build relationships with their customers. Based upon the company's mission, vision, and values the company aligns goals, distributes resources, develops products and services, defines processes, and develops strategies for competitive advantage.

Markets have moved from product centricity to customer centricity. Companies used to focus on design, manufacturing and logistics and in the past when products and services could achieve a clear product/service difference, sustainable and beneficial, a product-centric approach made sense. Today, we have informed consumers, competitive markets, and few tangible product/service benefits—a combination that has resulted in the focus shifting to customers.[5]

Don Peppers has a very good article on LinkedIn explaining why businesses have moved from an era of product centricity into an era of customer centricity. For a good read, visit Product-centricity and customer-centricity – source Don Peppers – read on LinkedIn

The main reason organizations should follow a customer-centric strategy is that if they do not acquire and retain customers they will not survive. Many company leaders believe their business is customer centric, but employees and customers do not always agree. Why do you think that is?

Why do so many companies struggle to get customer centricity right? The volume, velocity, and variety of customer data that now exists overwhelm many organizations. Some companies do not have the systems and technology to segment and profile customers. Others lack the processes and operational capabilities to target them with personalized communications and experiences.[6]

Being customer centric is about more than just offering a good product or staffing a contact center. It becomes a cultural way of life for the company and impacts everything from employee engagement to customer experience.

Forbes provides a list of 100 customer-centric companies from 10 industries including Retail, Finance, Healthcare, B2B, Software, Hospitality, Insurance, Telecom, Manufacturing, and Agriculture. Listed below are a few of the companies included on the 2022 list.[7]

- Airbnb regularly donates housing during times of trouble, including offering 100,000 places for healthcare workers and first responders to stay during the pandemic. When travel was limited, Airbnb pivoted to digital experiences to expand its mission of belonging and inclusion.
- Google helped prevent the spread of false information during the pandemic. The company created a fund to allow staff to take paid leave if they tested positive for COVID-19. Google also donated $800 million to small businesses and healthcare organizations.

- Lululemon found innovative ways to adjust to at-home fitness growth, including building a robust omnichannel experience and offering virtual classes.
- Nike's app offers recommendations through chat and connects customers to in-store workshops and events. Nike is also opening more Nike Live stores with a shoe bar and consultations.
- Starbucks pivoted away from in-person dining to improve its drive-thru and delivery offerings and continues to strengthen its already top-tier app and rewards program. Its innovative Deep Brew AI system streamlines operations so employees can better serve customers.
- Shopify, named the #1 most innovative company by Fast Company, pivoted quickly during the pandemic to launch tools to support small businesses as they shifted to e-commerce. It highlights local stores on its app and designed a plug-in to create shoppable ads on TikTok.
- Samsung recently unveiled a new support site and chat features that increased customer engagement by 19%. It uses AI to measure feedback and calls, find patterns, and prevent future issues. Samsung earned the highest customer satisfaction score among cell phone companies.
- Trader Joe's customers love the unique products, personalization, and great service, as do employees. The grocery chain is leading the way in sustainability to reduce food waste. Unlike other grocery stores, Trader Joe's didn't pivot to delivery during the pandemic because in-store discovery is essential to its business model.

If a company is committed to making customer centricity a corporate priority for the organization, the absolute first step is to fully understand the customer's needs and expectations. While much of this happens through the customer-facing employees, they will require the support of the rest of the organization to succeed. As such, everyone, regardless of department or role, should actively contribute information, background, tools, resources, and training to achieve a unified understanding of the customer. Once this happens, the organization will be well on its way to becoming customer-centric.[8]

Factors Impacting the Service Sector

Many **factors** have caused an economic shift from manufacturing to service, some of which include globalization of the economy, government deregulation, government programs, customers expecting personalized experiences, and increased use of technology both by customers and businesses.

The service sector accounts for 75% of Canadian jobs and 70.5% of the country's GDP. As a vital part of the Canadian economy, the most popular sector is retail with some big franchise names including Walmart and Future Shop. In recent years, the financial services, real estate, and communications industries have grown exponentially, especially in the business hubs of Vancouver, Montréal, and Toronto.[9]

Services play a key role in economies around the world and Canada is no exception. The economy is divided

into three sectors; the primary sector of an economy is the sector in which companies make direct use of natural resources, the secondary sector produces finished goods, while the tertiary sector, also known as the service sector, makes use of people's knowledge and time to improve productivity, performance, and potential. This sector includes businesses that offer services in the following areas: transportation, government, health care, construction, banking and finance, communication, retail, tourism, education, utilities, recreation, social work, real estate, etc.

Customers Want Personalized Experiences

Consumers today view personalization as the default standard for engagement; they want companies to recognize them as individuals and know their interests. Companies that offer these experiences are able to differentiate their brands and create a competitive advantage.

Personalization has become integral to the customer journey and is now a key driver of brand loyalty across all channels. Consumers are much more likely to buy from brands, both in-store and online when offers are personalized. Consumers are also interested in purchasing more personalized products and services and are willing to wait longer to get them.[10]

Forty-eight percent of consumers spend more when their experience is personalized. Seventy-four percent of people dislike being shown irrelevant content. So what does this say about personalization? In customer experience, personalization is a winning strategy that can help companies advance their relationship with customers. Eighty-eight percent of marketers claim that they've seen a measurable improvement in their businesses after implementing customer experience personalization tactics.[11]

Personalized Customer Experiences for Millennials

Millennials, sometimes known as Generation Y, is a demographic cohort that follows Generation X and proceeds Generation Z. Millennials were born between 1981 and 1996 (although this age range may vary depending on the source). So as of 2023, the millennial age range is between 27 and 42. They were the first generation to grow up in the Internet Age but also remember life before social media. They have lived through not one but two generation-defining recessions and have been noted for craving work-life balance.[12]

The customer experience for millennials means experiencing something genuine and incredible that will build lasting memories. Therefore, businesses market their products in such a way that will show millennials how their experience will be better as a result of purchasing from that brand. For instance, if a company sells luggage and is marketing a new suitcase, the company will not just market the suitcase, instead it will market the experiences and trips around the suitcase, thereby making the product a part of a bigger experience.[13]

Personalized Customer Experiences for Gen Z

Generation Z, sometimes known as "zoomers," is the demographic cohort that comes after millennials and proceeds Generation Alpha. Members of the Gen Z years were born between 1997 and 2012. So as of 2023, the Gen Z age range is anywhere from 11 to 26. They are commonly referred to as the first fully "digitally native" generation. They grew up with social media and smartphones—they're used to living in a digital-first world. Research from the National Library of Medicine shows that this diverse generation is highly motivated and more risk-averse than previous generations.[14]

Generation Z spends most of their time online, in fact, close to three-quarters of these consumers choose to spend their free time on the Internet. They value the ability to solve issues on their own, and they find it one of the most frustrating bad customer service experiences when they cannot find the information they need online. They may be young, but these consumers have colossal buying power. Uniquely Gen Z influences everything from their families' food purchases to clothing, electronics, household goods, and even furniture. Gen Z is very cyber-savvy and very savvy in general, and just because they are young companies need to be careful not to underestimate them or treat them as young and inexperienced. Rather, businesses should bear in mind that Gen Z's perception of customer service is that things should be frictionless, which is unlike that of any other generation. Their world is one of immediacy and convenience, and they want their interactions with businesses to be just as seamless. This expectation extends from making a purchase to the customer experience overall.[15]

Differences Between Millennials and Gen Z

Refer to Figure 1.1 below for a comparison of the customer experiences expectations and preferences of Millennials to Gen Z.

Millennials

- Expects an immediate customer service response

- Will spend more after a personalized experience

- More likely to switch to a competitor after a bad experience

- Reports high exhaustion levels after customer service interactions

Gen Z

- Prefers self-service options

- Believes personalized experiences are not exclusive to premium brands

- Spends more time researching before making a purchase

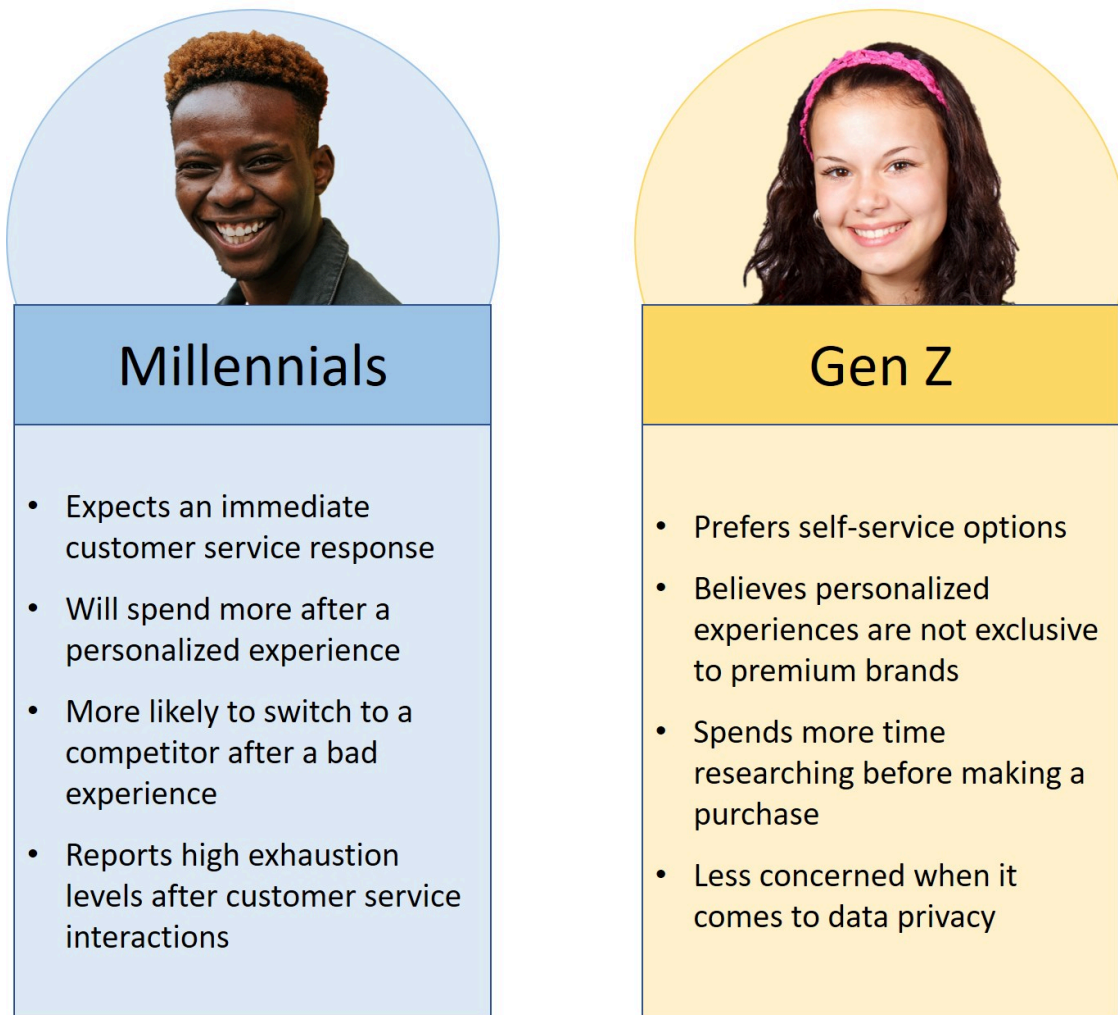- Less concerned when it comes to data privacy

Figure 1.1 Comparison of Millennials to Gen Z for Customer Experience Preferences. Adapted from Zendesk. All Rights Reserved.

Canada Goose is Getting Personal

Canada Goose is getting personal with its customers, offering an immersive experience; it has a Cold Room that blends both entertainment and functionality, making it a good example of experiential retail that actually serves a purpose. It has a faux-rock crevasse, a room that snows, and a floor that cracks like ice, but it does not have any products the customers can take home. Customers can only order products for delivery later, with limited sizes and models to try on. In fact, the luxury coat retailer is not calling the store, a store, it is calling it "The Journey: A Canada Goose Experience." Staff will guide customers through a

A person staying warm on a cold day

series of themed rooms, before ending in an area where customers can browse a digital catalogue, talk to sales staff about fit and place an order. A certain proportion of people visiting the store do not intend to buy a jacket, but are just curious about the Cold Room experience. This gives the brand an opportunity to make a good impression on people who are not yet Canada Goose customers, but might be in the future. The Cold Room is a fun, unusual experience that helps customers make more informed shopping decisions.[16]

The Running Room is Getting Personal

The Running Room, which is a store for people who like to run, provides personalized customer experiences through training programs that meet the needs of a wide variety of customers, ranging from those who are just getting into a fitness routine to those contemplating a marathon.   The store sells a selection of top brand-name running shoes and apparel and offers training programs such as Walking, Learn to Run, 5K Training, Marathon and Half Marathon training, 10K Training, and For Women Only Running. The Running Room train-

A group of people running a marathon

ing programs are committed to educating customers on a lifestyle of fitness. Running Room's free Run Club meets twice weekly, where runners of all levels run in a social, supportive group. This social component brought to running by the Running Room builds a true sense of community in each location. Communicating with its customers via its in-store team, its website, Running Room Magazine, forums, Twitter, and Facebook keeps the company agile and innovative. "We believe that the Running Room philosophy and our in-

store environment are unlike any other retail business in North America. While we offer clothing, shoes, products, and accessories for walkers and runners, we also help people to change their lives through fitness activities," says the Stanton family.[17]

Explore the Concept – Customers Want Personalized Experiences

Conduct an Internet search for companies that are innovating with personalized customer experiences. Consider the following questions:

- Why do you think consumers are seeking these types of experiences? What are customers saying about these experiences?
- What types of companies are developing these innovations? Have the companies' revenue or market share increased since investing in these added-value strategies?

Increased Use of Technology

Digital transformation is the integration of digital technology into all areas of a business, resulting in fundamental changes in the way a business operates and the value it delivers to its customers. Digital transformation is forcing companies to change their business models and adapt to the new market reality. Today, customers expect relevant content in relation to what they are doing anytime, anywhere, in the format, and on the device of their choosing. It is the customer's journey that dictates the company's strategy.[18]

Customers have always wanted efficient, friendly, and reliable service, but with the development of new technology, their expectations have increased. Customers no longer tolerate poor service because there are just too many businesses out there that will meet or exceed customer expectations.

In 2021, an estimated 2.14 billion people worldwide purchased goods online. At the same time, global ecommerce sales were forecast at $4.891 trillion USD. Projections show that ecommerce sales worldwide are going to grow to $6.4 trillion USD by 2024.[19] An online store and social media presence are essential for companies selling in this global and digital business world. Customers want simple, direct, and easy transactions; technology has taught them to expect it.

Customers today are more informed than ever before. They use technology to shop online, conduct research,

and compare prices, products, and services among competing companies. According to Outerboxdesign.com, 80% of shoppers use mobile phones in-store to check product reviews, compare prices, or find other store locations. It's estimated over 50% of all eCommerce purchases during the 2022 holiday season were made on a smartphone.[20] With so many individuals owning cell phones today, social media is a great way to connect with customers.

In order to keep up with this new kind of "always-connected" customer, businesses must embrace technology to deliver unmatched customer experiences. Fortunately, putting the customer first is already at the center of many organizations' strategies. Global digital transformation spending will reach $6.8 trillion USD by 2023. One of the main benefits is faster time to market, with 36% of businesses citing this as a key advantage. In fact, 79% of companies admit that COVID-19 increased the budget for digital transformation, and 70% of organizations already have a digital transformation strategy or are working on one.[21]

Below is a list of a few of the customer experience technology trends that are changing how businesses interact with their customers and shaping the future of customer experience.

1. **Machine learning** is a branch of artificial intelligence (AI) and computer science that focuses on the use of data and algorithms to imitate the way that humans learn, gradually improving its accuracy. Over the last couple of decades, technological advances in storage and processing power have enabled some innovative products based on machine learning, such as Netflix's recommendation engine and self-driving cars.[22] Some advantages of machine learning include intelligent customer service chatbots, improved product search, and fraud detection and prevention. By analyzing customer interactions and feedback, machine learning models can predict the likelihood of a customer issue escalating to a higher level of support, such as a supervisor or manager. This enables customer service teams to intervene early and address concerns to prevent escalations, resulting in improved customer satisfaction.[23]

2. **Remote Work** is also referred to as telework, telecommuting, mobile work, flexible workplace, flex-hours, or e-commuting and is a work arrangement in which employees do not commute to a central location instead they work outside the office location from various locations. Many workers can work from home (WFH) when they have access to the technologies they need to do their jobs. Remote Work has become a popular choice and employee incentive in some cases for those who wish to work from home. Customer service and sales representatives need to learn how to use customer relationship building (CRM) software in order to meet customer expectations, whether working from home, at the office, or on the road. With access to technology, employees can be located in the same city as the company they work for, or located anywhere in the world.

3. Customer-centric virtual and **augmented reality (AR)** retail applications today focus on helping consumers experience brands and products without having to go into stores. Beauty brand Cover Girl, for example, opened an AR makeup station in its flagship store in New York where shoppers can virtually try on a range of cosmetics and then share their makeovers on social media with friends. Pottery Barn

offers an AR app for its Pottery Barn and PBteen brands that lets users drag and drop items in a room to see how they work with existing furniture and decor. They also can completely empty a room to start the design process from scratch, and shoppers can purchase the items they like right from the app. Swedish retail IKEA has a similar offering with its "Place" app, helping users visualize how an item will look in their homes before they purchase it.[24]

4. The **Internet of Things (IoT)** is made up of billions of smart, connected devices, and gives any "thing" a voice through the data it gathers, produces, and distributes. With around 26 "smart objects" for every human being on Earth predicted by 2020, the ability for companies to leverage connected products and other sensor-generated data to enhance the customer experience is unprecedented.[25]

A smart connected device that recognizes voice commands

IoT devices will change eCommerce by turning everyday objects into potential sales channels for retailers. IoT products and devices include smart and digitized vehicles, laptops, smartphones, smart gadgets, and smartwatches. You may already own some of these devices. Have you heard of the Amazon Dash Button? A device that connects over Wi-Fi to ensure that you do not run out of household items such as milk, bread, medicine, soap, or dog food, ever again. Maybe, you have a Google Home Voice Controller. It allows you to enjoy features like media, alarms, lights, thermostats, control the volume, and many more functions just using your voice.

5. **Business intelligence (BI)** is software that ingests business data and presents it in user-friendly views such as reports, dashboards, charts, and graphs. BI tools enable business users to access different types of data — historical and current, third-party and in-house, as well as semi-structured data and unstructured data like social media. Users can analyze this information to gain insights into how the business is performing.[26] BI can help marketers create a unique customer experience by providing them with data that shows who their customers are, what motivates them, and which channels they use most often. It also helps marketers understand why customers abandon carts or leave negative feedback on social media sites such as Facebook, Twitter, and Yelp. BI helps businesses monitor what's happening with customers across channels. BI enables companies to see patterns of behavior, such as when customers are most likely to buy, that might otherwise go unnoticed so that improvements can be made accordingly.[27]

Explore the Concept – Increased Use of Technology

Consider the following questions:

- Do you own an IoT device?
- What forms of digital or technology-driven customer service have you experienced? For example, does your library have a live chat with a librarian available from the library's web-site?
- Have you experienced speaking with a chatbot or an automated attendant on the phone?
- Have you watched live video streaming from a company?
- Have you experienced personalization on the websites or social media you frequent?
- How does technology impact the way you shop and the way companies interact with you?

Key Takeaways

1. **Customer service** is the assistance and advice provided by a company to customers throughout the customer journey; before, during, and after the sale. Humans usually provide customer service to other humans, but some service comes from machines, technologies, animals, etc. The service a customer receives becomes part of the experiences they have with the company.
2. **Customer experience** is the result of an interaction between the customer and the com-pany. It is how customers perceive their interactions with the company or brand.
3. A **customer touch-point** is a point in time when the company connects in some form with the customer (e.g., website, phone, email, social media, retail store, returns, service, and products).
4. The **customer journey** is the complete sum of experiences that customers go through

when interacting with a company and its brands. It considers the complete path from brand discovery to purchasing and beyond. The focus is not on purchases made, but rather on how the customer feels about the interactions throughout their journey with the company.

5. In building a customer-centric business, **personas** and **customer journey maps** are important strategic tools that help provide an in-depth understanding of who a company's customers are, what they need, and how they interact with the company across all touchpoints.

6. **Personas** are fictional customer types created to represent real target customer groups.

7. The **customer journey map** is a visual depiction (diagrammed or written) detailing the path the customer takes from the time the customer first discovers the brand, to purchasing, and beyond. The customer journey map examines the full experience of being a customer with the company and examines all touch-points and channels.

8. **Customer centricity** is a way of doing business that fosters a positive customer experience before, during, and after the sale in order to drive repeat business, build customer loyalty (which leads to customer referrals), increase business growth, and gain competitive advantage.

9. Many **factors** have caused an economic shift from manufacturing to service, some of which include globalization of the economy, government deregulation, government programs, customers expecting personalized experiences, and increased use of technology both by customers and businesses.

10. **Personalization** has become integral to the customer journey and is now a key driver of brand loyalty across all channels. Consumers are much more likely to buy from brands, whether in-store or online when offers are personalized. Consumers are also interested in purchasing more personalized products and services and are willing to wait longer to get them.

11. The customer experience for **Millennials** means experiencing something genuine and incredible that will build lasting memories. Therefore, businesses market their products in such a way that will show millennials how their experience will be better as a result of purchasing from that brand.

12. Uniquely **Gen Z** influences everything from their families' food purchases to clothing, electronics, household goods, and even furniture. Gen Z is very cyber-savvy and very savvy in general, and just because they are young companies need to be careful not to underestimate them or treat them as young and inexperienced. Rather, businesses should bear in mind that Gen Z's perception of customer service is that things should be frictionless, which is unlike that of any other generation.

13. **Digital Transformation** is forcing companies to change their business models and adapt to

the new market reality. Today, customers expect relevant content in relation to what they're doing anytime, anywhere, in the format, and on the device of their choosing. It is their journey that dictates the company's strategy.

14. **Machine learning** is a data analysis technique that automates analytical model building. Some advantages of machine learning include intelligent customer service chatbots, improved product search, and fraud detection and prevention.

15. **Remote Work**, also referred to as telework, telecommuting, mobile work, flexible workplace, flex-hours, e-commuting, or remote work is a work arrangement in which employees do not commute to a central location instead they work outside the office location from various locations.

16. Customer-centric virtual and **augmented reality (AR)** retail applications today focus on helping consumers experience brands and products without having to go into stores.

17. The **Internet of Things (IoT)** is made up of billions of smart, connected devices, and gives any "thing" a voice through the data it gathers, produces, and distributes.

18. **Business intelligence** (BI) leverages software and services to transform data into actionable insights that inform an organization's strategic decisions. Business intelligence and performance analytics leverage software to transform data into crucial insights that inform company decisions, thereby empowering employees to make better business decisions.

End-of-Chapter Exercises

1. **Service Sector.** Research one of these companies and explain how this company is addressing the changes impacting the service sector: Bank of Nova Scotia, Canadian Tire, PepsiCo, McDonald's, IKEA.

2. **The Journey Map.** Create a user persona for a distinct customer segment that the Sport Chek company would serve. Locate a template for a journey map online (or from your professor) and complete it. List the actions of this persona at each stage of the buying process. Include the emotions the customer may have as they navigate through the journey at each

touchpoint. If customers have to take too many actions to get to their goals, this may frustrate them. Add pain points (where customers may experience negative emotions). Seek ways to improve the pain points. Discuss some suggestions with a partner that you might make to Sport Chek's management to improve this customer segment's customer journey.

3. **Customer Journey.** Map your customer journey for any purchase you recently made. Identify the company touch-points, your experience at each touch-point, and the perception you were left with after the purchase.

4. **Annual Report.** Locate an annual report for the GAP Inc. (or some other company) and review it. What does it say about brands, customer service, multiple service channels, and technology? Does the report mention specific details that relate to this chapter's content? If so, what does it say?

5. **Personalized Experience.** Think about a time when a company provided you with a personalized experience. Share that experience with a friend and they can share their personalized experience with you. Would the same personalized experience satisfy each of you? Why or why not? Share your explanation with your professor.

Self-Check Exercise – Customer Centricity Quiz

An interactive H5P element has been excluded from this version of the text. You can view it online here:

https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=28#h5p-1

Additional Resources

1. LinkedIn Learning Customer Service Training
2. 8 Tips for Becoming a Customer-centric Organization
3. How to Create a Customer-centric Strategy for Your Business
4. Customer Experience (CX) versus Customer Service: What They Are and Why They Matter
5. 50 Stats Showing the Power of Personalization

References

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CHAPTER 2: BEING A CUSTOMER SERVICE REPRESENTATIVE (CSR)

Chapter 2 Learning Outcomes

After reading this chapter, you should be able to do the following:

1. Describe the role of the customer service representative.
2. Identify skills required by customer service representatives.
3. List the benefits of providing excellent customer service.
4. Use positive language that will enhance customer relationships.
5. Use a variety of non-verbal communication strategies.
6. Describe why active listening is important to customer service.
7. Practice daily rituals to maintain a positive attitude.
8. Apply stress management techniques.
9. Apply time management techniques.

Customer service is both a type of job and a set of job skills. As a job, customer service professionals are responsible for addressing customer needs and ensuring that customers have good experiences. As a skill set, customer service entails several qualities like active listening, empathy, problem-solving, and communication. Customer service is used in many jobs at every level. While traditionally you might think of customer care as a service from a business to a consumer (B-2-C), it is also applicable from one business to another business (B-2-B), as well as from one department to another department within the same organization.[1]

When you think of the people who work in a customer service role, who do you think of? Do you think of the person who greets you at the restaurant, the person who answers the phone when you call your doctor's office, or the person who delivers to your home the products you ordered online? Each of these people is certainly working in a customer service role. What you might be surprised to know is that every job position has

some degree of customer service embedded in the role. People who work in the information technology, human resources, or finance departments do not usually interface with external customers on a day-to-day basis, but they do interact with their colleagues regularly. **Internal customers** are the company employees who need support, information, or action from other employees. These internal customers may work just down the hall, in another building, or in another country, but they are still part of the company and are working to help satisfy external customers. **External customers** are the customers who purchase products or services from the company. Employees who work in job positions that require them to interface with external customers directly might be referred to as front-line, front-facing, front-end, or customer-facing employees. Those who work to serve internal customers are working in back-end/back-office/behind-the-scene job positions.

An example of an employee working to serve an external customer may be a situation where a customer phones the store's service desk and the employee who answers the phone listens attentively to the customer's story, then places the customer on a brief hold while they check with the manager or another employee about the customer's concern or query. The employee who is asking for help has become an internal customer at that moment in time, as they are receiving support from their manager or co-worker. After they receive support, they then return to the phone to follow up with the external customer and finish the call. It takes a team working together to provide excellent customer service. Those external customers who purchase the products and services the company provides are the ones keeping the company alive, and ensuring employees have jobs. If there were no customers there would be no need for employees!

As a service professional, you are the "face" of your organization in customer interactions. Your primary function is to listen actively and gather the information needed in order to make a decision on what course of action is needed to best serve the customer in any given situation. This typically requires a polite, professional demeanor and effective and efficient answers to questions or resolutions to problems.[2]

Capabilities Customer Service Professionals Require

How can employers ensure they are hiring the right people to represent their brand or uphold their company image? What skills can customer service professionals develop to become more proficient at their jobs? There are many skills customer service professionals need to be excellent in their jobs, these include the ability to communicate clearly, use positive language, use positive body language, serve diverse customers, be persuasive, use active listening, interact positively in a team, learn continuously, manage time, and manage stress. They also need to be able to show empathy and think critically to solve problems creatively. These skills and more are critical to creating outstanding customer experiences, and most require a lot of time and practice to truly master.

To be successful on the job, customer service professionals require the following abilities. Each of these is discussed in more detail below.

1. Demonstrate a Customer Service Orientation
2. Communicate Verbally and Non-Verbally
3. Use Positive Language
4. Actively Listen
5. Think and Solve Problems
6. Manage information
7. Be Responsible and Professional
8. Learn Constantly
9. Maintain a Positive Attitude
10. Manage Stress
11. Manage Time
12. Contribute to Team Performance
13. Participate in Team Presentations
14. Participate in Team Meetings
15. Participate in Projects and Tasks

Ability to Demonstrate a Customer Service Orientation

You might notice in some job advertisements the phrase, "must have a Customer Service Orientation". **Customer Service Orientation** means that as an employee you are able to display positive attitudes and behaviours, and demonstrate an awareness of the importance of meeting or exceeding customer needs and expectations. Many businesses today think more about attracting new leads, maximizing sales, upselling, expanding market share, and obtaining a bigger "share of wallet" than they do about meeting and exceeding customer needs. While increasing profit is important, a company with a genuine customer-first approach will care about customers and their needs because they understand that this is how they can grow profit.

In practice, it might mean that the company trains its service representatives not to upsell products or services to customers who do not need or want them. It may mean that service representatives do not encourage customers to upgrade a subscription if the customer will not benefit from upgrading. Sometimes, it even means letting a customer go or referring them to a competitor if the solutions your company offers are not best suited for the customer. Have you ever shopped at a company and discovered they did not sell what you needed or wanted? Did a service representative suggest you visit a competing company for that particular product or service? Why do you think they referred you to a competitor rather than trying to sell you something else, or just saying, "We don't carry that item"? There may be some good reasons for referring customers to competitors, such as creating a positive company image, spreading positive word-of-mouth,

connecting with other businesses in a joint effort that will benefit both companies, supporting the values the company has around true customer centricity, building trust and loyalty with customers, and highlighting your company's confidence in the products and services you do sell. A great example of this comes from Zappos, "Zappos 'refer to competitor' tactic (when they don't have an item in stock), reflects an incredibly strong customer-centric DNA. The primary focus is not only to maximize revenues but to get the customer exactly what they're looking for. "[3] It's also 'un-corporation like' to center on the customer to such a degree that you try to sell them something similar that is in stock that they don't really want, instead of referring them to a competitor to get the exact product they want.

Service culture in an organization means putting customers at the center of the business model, developing policies, procedures, values, norms, and beliefs that are centered around focusing on customer satisfaction and understanding their needs and wants.

Company policies, procedures, and employees' actions contribute to the organization's service culture. Employees communicate the company culture through their appearance, interactions with customers, product knowledge, skills, and attitude. Maintaining a friendly, positive, and professional attitude in the workplace will take you far. Here are a few of the benefits of providing excellent customer service, for the employee, the company, and the customer.

Employee Benefits from Providing Excellent Customer Service

- Receive promotions, bonuses, recognition
- Receive project opportunities, growth opportunities
- Retain employment
- Intrinsic rewards from knowing you did the best job you could
- Better relationships with customers
- Better relationships with colleagues
- Better relationships with management
- Happier life

Company Benefits from Providing Excellent Customer Service

- Positive reviews from customers
- Increased revenues, customers spend more, give referrals
- Positive word-of-mouth, positive company image
- Retain employees longer
- Company growth
- Customers involved in company projects

- Increased customer lifetime value (CLV)
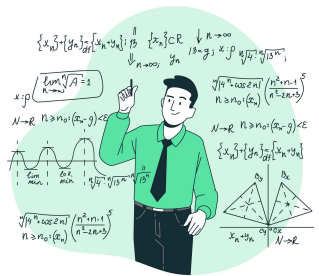- Retaining customers longer thereby reducing costs in recruiting new customers

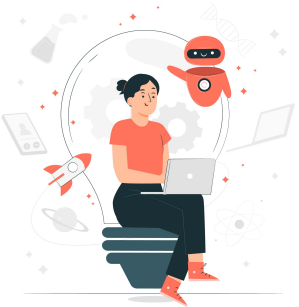## Customer Benefits from Receiving Excellent Customer Service

- Obtain objectives and have issues resolved
- Get involved in company projects
- Rewards for continued loyalty
- Build relationships with employees
- Take advantage of company opportunities
- Happier life

Ability to Apply Fundamental Work Skills

As shown in Table 2.1 below, the following fundamental work skills are identified by the Conference Board of Canada as skills you need to enter, stay in, and progress in the world of work—whether you work on your own or as a part of a team.[4]

Table 2.1 Fundamental Skills

Communicate	• Read and understand information presented in different ways (e.g., words, graphs, charts, diagrams). • Write and speak so others can pay attention and understand. • Listen and ask questions to understand and appreciate the points of view of others. • Share information using different technologies (e.g., phone calls, e-mail, social media, the Internet). • Use relevant knowledge and skills to explain or clarify ideas.	
Manage Information	• Find, gather, and organize information using technology. • Learn and use knowledge and skills from different fields.	
Use Numbers	• Decide what you need to measure or calculate. • Study and record data using the right methods and tools. • Make estimates and check answers.	
Think and Solve Problems	• Assess situations and spot problems. • Find different points of view and evaluate them based on facts. • Recognize multiple dimensions of a problem. • Identify the root cause of a problem. • Be creative and innovative in exploring solutions. • Use science, technology, and math to solve problems and make decisions. • Consider solutions to make recommendations or decisions. • Apply solutions. • Check to see if a solution works, and act on opportunities to improve.	

Use Digital Tools	• Use digital technologies to create and share information and content. • Safely, securely, and legally use virtual tools. • Buy or sell things online and use digital tools to manage money.	

Ability to Communicate Verbally and Non-Verbally

It is important that a service professional fully understands the customer's needs and is careful to clearly provide answers, directions, facts, or any other information required to make the sale or serve the customer and build a positive customer relationship. When communication is unclear, customers may misunderstand or misinterpret the message and this could lead to lost business. For example, a customer may order a meal at a fast-food restaurant and ask the server, "Are there onion rings?" when they really mean, "Are onion rings included with the meal at no extra charge?" The server may answer, "Yes" only to discover that the customer is upset when the bill arrives to see that they were charged extra for the onion rings they thought were included in the price of the meal. The customer may choose to eat at a different restaurant the next time due to this negative experience. Had the server clarified the question before proceeding with the order, the customer would not have been upset.

10 Tips for Effective Communication with Customers[5]

1. Patience is a must
2. Accuracy of information is key
3. A proactive approach always delights customers
4. Attentiveness helps
5. Avoid interrupting
6. Know your product/service offered inside out
7. Honesty works every time
8. Active Listening and acknowledgments do wonders
9. Analogies help in getting your message across
10. Don't take shortcuts

Verbal communication refers to the ability of a customer service representative to think of the right words in order to appease a customer and provide a solution. It does not necessarily mean that a service representative should sound too formal and robotic while communicating with customers. However, being too informal is

not good either as it could leave the customer with a negative impression. Keeping a balance is what a customer representative should strive for.

Non-verbal communication refers to gestures, facial expressions, eye contact, body language, posture, and other ways people can communicate without using language.   Your nonverbal communication skills can create a positive (or a negative) impression. Crossed arms can seem defensive. Poor posture may appear unprofessional. A downward gaze or avoiding eye contact can detract from your being seen as confident.

Often referred to as intercultural communication, **cross-cultural communication** is the study of how verbal and nonverbal communication takes place among individuals from different backgrounds, geographies, and cultures.[6]

During cross-cultural communication, agents should follow these suggestions:

- Write or speak simply and clearly.
- Avoid slang, vague words, or colloquialisms.
- Listen carefully with a positive approach.
- Speak slowly and be specific.
- Avoid stereotypes, they are often inaccurate and offer a false view of a culture.
- Avoid non-verbal hints because they have different meanings in different cultures; for example, some hand gestures have different meanings among different cultures, so be cautious when using them.

For cross-cultural communication to be effective it needs to have a base of trust. You can easily earn the trust of people from other cultures if you are supportive, listen to what they want to say, give them the time to express their ideas and encourage them when they respond.[7]

Improving your cultural intelligence by learning bout various cultures will help you become a better communicator. This will not only make you a more effective service representative or contact center agent but also a more effective team member since many people on your team will be from various cultural groups.

Watch the "Positive Body Language" YouTube video below for tips on positive body language as it pertains to Canadian culture.[8] Transcript for "Positive Body Language" Video [PDF–New Tab]. Closed captioning is available on YouTube.

> *One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=49#oembed-1*

Ability to Use Positive Language

Positive language is the art of using words and phrases to communicate a positive, supportive tone to your customers (or anyone else for that matter). Using positive language is important for building rapport with others. Sharing bad news with customers is a part of being a customer service professional. Customer service professionals must learn how to share negative information without being negative. When sharing negative information that may make a customer upset, sad, or angry it is always best to speak face-to-face, but that may not always be possible, and sometimes negative messages must be sent through email or postal mail.

Watch the "Service Recovery – Do Say / Don't Say" YouTube video below to learn key words and phrases to de-escalate tense situations.[9] Transcript for "Service Recovery – Do say/Don't say" Video [PDF–New Tab]. Closed captioning is available on YouTube.

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Language is a crucial part of how we interact with others and the perceptions they form of us. For example, a customer may contact the company seeking a specific product, but the product happens to be on back-order until next month. The way the customer service professional uses words to convey that the product is on back-order will help to make or break the sale. Without using positive language, the sales might say, "Sorry, the product is on back-order and won't be available until next month." With positive language, the sales representative might say, "The product will be available next month, and I'm happy to place the order now for you and have it shipped directly to you as soon as it arrives." Do you see the difference using positive language makes? The first example seems abrupt and impersonal and may upset customers, while the second example is saying the same thing but it focuses on when and how the issue will be resolved rather than focusing on the negative.

Watch the "Sharing Negative Information without Being Negative" YouTube video below to learn how to share negative information with others.[10] Transcript for "Sharing Negative Information without Being Negative" Video [PDF–New Tab]. Closed captioning is available on YouTube.

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Ability to Actively Listen

Active listening means that you focus on what your customer is saying. You try not to let your mind wander while your customer is speaking. You paraphrase what the customer has said and ask the customer if your understanding of what they have told you is correct. You may ask customers questions to obtain more details of what the issue is. You may have to calm an upset customer. Certainly, the customer is there to gather answers and see results so put yourself in the customer's shoes, and really listen to their story so you can provide the best customer service you can.

Watch the "Customer Service Fundamentals – Actively Listening to Customers" YouTube video below to learn about active listening.[11] Transcript for "Customer Service Fundamentals – Actively Listening to Customers" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=49#oembed-5

Ability to Think and Solve Problems

Service breakdowns occur daily in all types of organizations. They happen whenever the product or service delivered fails to meet customer needs, wants, and expectations. When the customer purchases a product or service that fails to meet the advertised promises or standards, dissatisfaction and frustration can result which may lead to confrontation and/or loss of business.

"Customer expectations can affect how service is delivered and perceived. Today's customers are more discerning and better educated and have access to more up-to-date and accurate information. They also have many more options offered by your competitors. They are often more demanding than in the past. Their expectations about your products and services and the way that you will provide them may create a situation where little you do or say can meet their perceptions. In such cases, remain professional, positive, and offer

alternatives or concessions, if appropriate, in order to maintain the relationship and provide what the customer needs or wants."[12]

The training video below was posted on YouTube by Kantola Training Solutions and includes valuable tactics for dealing with angry, upset, difficult, or irate customers, and includes the following topics:

- Connect with the angry customer.
- Show empathy or apologize if appropriate.
- Guide the customer's attention toward solving the problem.
- Use positive language.
- Have the customer make small decisions.
- Take a timeout or draw the line.
- Know what you can offer.

Watch the "Dealing with an Angry Customer Training" YouTube video below to learn more about dealing with angry customers.[13] Transcript for "Dealing with an Angry Customer Training" Video [PDF–New Tab]. Closed captioning is available on YouTube.

> *One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=49#oem-bed-6*

When dealing with angry customers it is important to use positive language, for example, let them know what you can do for them rather than what you cannot do for them to resolve their issue. Avoid saying, "We don't." If you are unable to offer something or provide a service the customer wants, then you might say, "What I can do for you is offer you…" or "I'm sorry, we don't actually sell that product, although we do sell something similar if you are interested," or "I' sorry, we do not sell that product, but you might try Best Buy," or "I'm sorry, we do not have that item in stock, would you like me to check our other store locations for you," instead of saying, "We don't have that," or "We don't do that." Avoid saying, "I cannot," "Our policy does not allow for that," or "No." Instead try saying, "I understand why you may be upset. I might be upset too in this situation. You have had the cell phone longer than the 30-day exchange window, so what I can do for you in this situation is…" or "I understand what you are asking for, and my manager will need to consider this request. Would you mind waiting a minute while I get my manager?"

Service recovery is a company's resolution of a problem from a dissatisfied customer, converting them into a loyal customer. It is the action a service provider takes in response to service failure. It entails the company

taking appropriate actions in response to a service failure. The service failure may have occurred for all sorts of reasons–the service may be unavailable when promised, it may be delivered too late or too slowly, the outcome may be incorrect or poorly executed, or employees may be rude or uncaring. If you are the customer service representative serving a customer experiencing a service failure, you represent the company, therefore you need to apologize, solve the problem, and compensate the customer with something of value. Managers need to create a service recovery process and train employees on the process. Starbucks and other fast-paced businesses make a point of training via acronyms and other mnemonics because these can help employees mentally walk through the steps at times when they may be flustered and struggling with a situation. Starbucks uses the acronym LATTE for the customer service recovery sequence where L=Listen to the customer, A=Acknowledge the problem/situation by verbally explaining it, T=Take action and solve the problem (this is an opportunity to turn a bad experience into a good one), T=Thank the customer for bringing this to your attention, E=Explain what you did and encourage the customer to return another time. The service recovery sequence at Marriott Hotels spells LEARN where L=Listen, E=Empathize, A=Apologize, R=Respond, and N=Notify.[14]

Another great way to solve customer problems is to apply a problem-solving model such as the one shown in Figure 2.3 below. A **problem-solving model** provides you with concrete, easy to remember steps you can work through when faced with any issue, customer service related or other. Your company may have its own version of how to approach customer problems, but here is a simple breakdown used by many customer service teams around the world in some similar variations.

1. **Identify or Define the Real Problem.** What exactly is the problem? You may need to ask the customer some open-ended questions to gather more information or do some research to look into some facts, then determine with the customer what the exact problem is. You want to be solving the customer's problem and not assuming you know what they are upset about.

2. **Compile and Analyze the Data.** To be able to effectively determine a course of action you need as much information as possible. You may need to collect information from a variety of sources. Collate the information in a structured way, and focus on the underlying causes of the problem.

3. **Develop Alternative Solutions.** Analytical, creative problem solving is about creating a variety of solutions, not just one. At this stage, it is not about finding one solution but eliminating the options that will prove less effective at dealing with both the symptoms and the root cause.

4. **Select a Solution.** You need to examine which alternative solutions best solve the problem as well as which solutions are doable. If your company, for example, is not able to provide the solution you selected, then you would not want to offer it to the customer. You might offer a choice of solutions to the customer, those that are feasible, and let your customer select the one they prefer. If the solution is too unrealistic, too expensive, too time consuming, or too risky for your company, then you need to go back a step and consider additional alternatives. Also, if the solution is not satisfying the customer or solving the problem, you need to back up and consider alternative solutions; you may even need to bring your manager into the conversation.

5. **Implement the Solution.** Take action. You may need to communicate with other team members or your manager to put the solution into action, or you may simply need to apologize to the customer, thank them for bringing this issue to your attention, and/or refund the customer. If the problem was
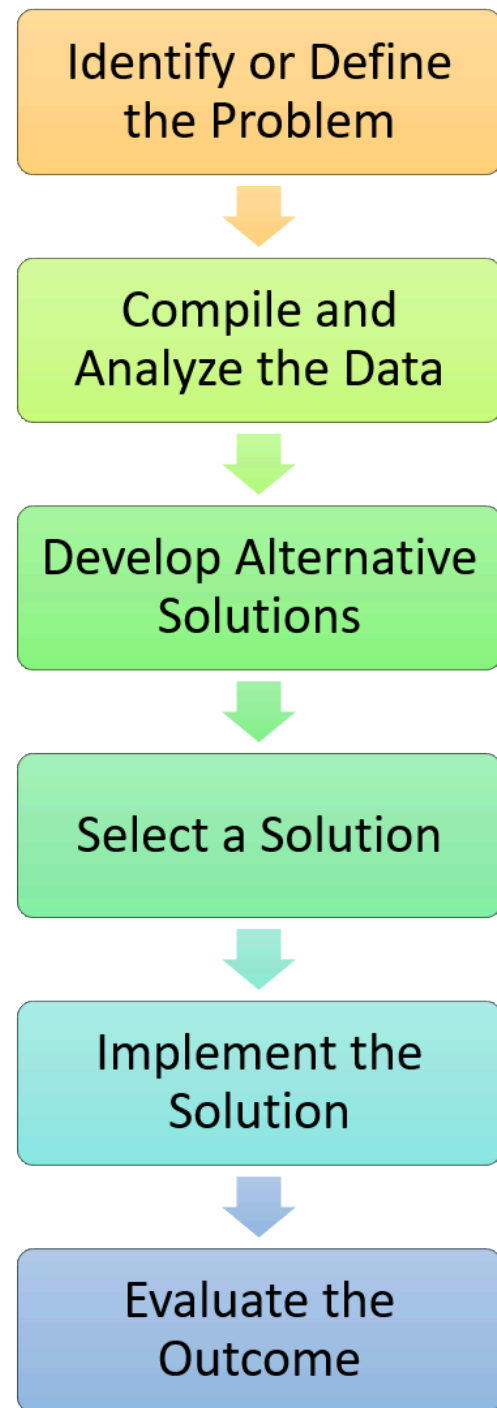

Figure 2.3 Problem Solving Model

more complex you may have to reorder an item and provide the customer with a receipt and expected delivery date. Following up with the customer is a best practice in these more complex cases.

6. **Evaluate the Outcome.** Follow up with the customer and/or your team to ensure the solution was implemented and the customer is satisfied. You may need to take action to correct something if things did not go as planned and it is better to catch this before you lose the customer completely. You might even ask the customer to provide feedback, evaluate the service, or complete a survey. You might need to adjust the customer service process if the process was an issue, and this may include sharing the experience with your manager, especially if the process is broken and causes several customers to become dissatisfied. You can suggest improvements to your manager and avoid repeat customer service breakdowns. Your manager will be happy you did.

Ability to Manage Information

Information management (IM) is the appropriate and optimized capture, storage, retrieval, and use of information.

Email

Email is a business tool used around the world in millions of businesses. It is fast, inexpensive, and can send a message to almost any place in the world. As a customer service representative, you will use email to correspond with managers, colleagues, customers, and partners. It is important to follow company guidelines when sending any correspondence. Often companies have guidelines for font size, type, letterhead, signature blocks, etc. It is equally important to use professional language, steer clear of text chat short-cuts you may use with your friends, and ensure a polite and caring tone; after all, you are representing the company.

The Indeed Career Guide offers *20 Best Practices for Email Etiquette in the Workplace* [15] and includes these tips:

1. Use standard fonts and formatting
2. Include a clear subject line
3. Email from a professional email address
4. Use professional greetings
5. Use an introduction
6. Know the culture
7. Be cautious with "Reply All"
8. Use sentence case
9. Double-check attachments
10. Proofread

11. Don't use emojis
12. Be positive
13. Reply within 24 hours
14. Keep your tone professional
15. Check the recipient's name
16. Shorten URLs
17. Perfect your email signature
18. Use BCC appropriately
19. Think before forwarding
20. Set informative out-of-office replies

Phone

Often you will be responsible for answering incoming phone calls or placing outgoing calls to customers. Starting each call with a greeting, then stating your purpose, and asking the right questions or providing insightful answers will be very important. Ending the call on a positive note is also important to maintain customer goodwill and keep the company image positive. Some companies, especially call centers, provide employees with scripts to guide their conversations with customers. Learning how to use the script without sounding robotic is a skill you will develop over time.

Watch the "Proper Telephone Etiquette" YouTube video below to learn about proper telephone etiquette.[16] Transcript for "Proper Telephone Etiquette" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=49#oembed-7

Texting

For many years now texting has been viewed as a personal communication method and was not used in business often. Today, however, texting is used to enhance communication between businesses and their customers, employees, and partners. Have you noticed that many service providers, such as dental offices, are using texting as a way to remind customers/patients of their appointments? Texting is not only used to remind customers of appointments but also to confirm appointments or change appointments. Companies often have guidelines for when texting should be used and how it should be used.

Social Media

Customer service takes place through many media and social media is one realm. Companies often have Facebook, Twitter, YouTube, and Web Chat platforms through which they communicate with customers. This may be one aspect of your job especially when working in a customer contact center. Many organizations offer customized training for employees to learn how to manage these technology tools in offering excellent customer service experiences.

Virtual Meetings and Videoconferencing

Online meetings are often used to conduct business meetings when the participants are not physically in the same location. It is a good idea to practice with these tools before holding a meeting to ensure you can manage the settings for participants, audio, camera, etc. It is also a good idea to review best practices for holding an online meeting.

Ability to Apply Personal Management Skills

As shown in Table 2.2 below, the following personal management skills are identified by the Conference Board of Canada as skills you need to enter, stay in, and progress in the world of work—whether you work on your own or as a part of a team.[17]

Table 2.2 Personal Management Skills

Demonstrate Positive Attitudes and Behaviours	• Feel good about yourself and be confident. • Deal honestly with people, problems, and situations. • Recognize your own and other people's good efforts. • Take care of your personal health. • Show interest, drive, and effort. • Think about, anticipate, and respond to the needs of others.	
Be Responsible	• Set goals and priorities to balance your work and your personal life. • Plan and manage time, money, and other resources to achieve your goals. Measure and manage risk. • Be accountable for your actions and the actions of your group. • Be socially responsible and contribute to your community.	
Be Adaptable	• Work independently or as part of a team. • Carry out multiple tasks or projects. • Figure out and suggest other ways to achieve goals and get the job done. • Be open and respond constructively to change.	
Work Safely	• Know and follow health and safety practices and procedures.	
Learn Constantly	• Be willing to always learn and grow. • Review personal strengths and areas for development. • Set your own learning goals. • Be proactive about learning new things on your own time. • Plan for and achieve your learning goals. • Look for hands-on learning opportunities, like co-op work placements or volunteering.	

Ability to Be Responsible and Professional

"Develop self-awareness. Learn to manage your emotions and gain awareness of your emotional triggers so you can manage your reactions positively and productively. Accept and reflect on feedback to assist as you learn and grow."[18] Professionalism leads to workplace success, a strong professional reputation, and a high level of work ethic and excellence. When you demonstrate positive attitudes and behaviours, are reliable and adaptable, work safely, and follow company policies and procedures you are working in a professional manner. Professionalism may include expert knowledge and skills in a specific area or subject. It may include your ability to consider customer needs and wants in conjunction with company goals and provide exceptional options to customers. Finally, professionalism may include your ability to work as part of a team and place team goals over personal preferences.

Mindtools describes professionalism as:[19]

- Professionalism involves consistently achieving high standards, both in the work you do and the way you behave.
- Being professional helps you to achieve high-quality results while impressing and inspiring others – and feeling good about yourself.
- The eight core characteristics of professionalism are competence, knowledge, conscientiousness, integrity, respect, emotional intelligence, appropriateness, and confidence.
- By finding ways to strengthen each of these attributes, you can become confident to act professionally wherever you find yourself working.
- These qualities are particularly important when the normal "rules" of professionalism are blurred, such as when you're working from home.

Watch "The Five Zones of Professional Etiquette" YouTube video below to learn about professional etiquette.[20] Transcript for "The Five Zones of Professional Etiquette (Student Version)" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=49#oembed-3

Ability to Learn Continuously

"To provide the right answers, you must know your product, service, or advocacy issues extremely well. Famil-

iarize yourself with how the product works, special features and other uses, and your company's policies on warranties, returns and exchanges. If you are discussing a service, know the limitations and mention them in a positive manner at the appropriate time. There is no substitute for product knowledge when it comes to selling a product or service."[21]

Ability to Maintain a Positive Attitude

A positive attitude is a mindset that helps you see and recognize opportunities. It is not always easy to stay positive especially when things do not go as planned, or when dealing with angry customers. There are some practices you can put into place to help you stay positive throughout the day. Of course, being positive does not mean ignoring problems, it means dealing with whatever comes your way with an open-minded, solution-seeking, and forward-thinking attitude.

To maintain a positive outlook throughout each day, try these daily rituals:

- **Eat a nutritious breakfast.** Breakfast can set you up for a happier, more positive day. As well, it can boost your metabolism, cognitive functions, and reduce fatigue.[22]
- **Exercise.** When you exercise, the brain excretes chemicals that will boost your mood and are proven to help relieve both anxiety and depression.[23] Most people associate exercise with running, playing a sport, or working out in a gym, but exercise might also be doing yoga, dancing, gardening, or washing the car.
- **Smile.** Smiling can trick your brain into happiness—and boost your health.[24]
- **Listen to music.** Music increases happiness, decreases stress, improves sleep, reduces depression, and may strengthen learning and memory.[25]
- **Practice gratitude.** In positive psychology research, gratitude is strongly and consistently associated with greater happiness. Gratitude, focusing on and being thankful for what you have, helps people feel positive emotions, relish good experiences, improve their health, deal with adversity, and build strong relationships.[26]
- **Positive visualization.** To put visualization in a real-life situation, if you have a big assignment or project due, visualize yourself finishing it and handing it in, and feeling that sense of relief and happiness.[27]
- **Practice one random act of kindness each day.** Kindness promotes empathy and compassion; which in turn, leads to a sense of interconnectedness with others. It releases positivity: We feel better and the recipients of our acts feel better, which then makes them more likely to be kind to other people. Simply buying the next person in a line a coffee, or holding the door open for someone with their hands full, or letting someone skip ahead of you at the cash check-out can release an enormous chain of positive events.[28]
- **Surround yourself with positive people.** You cannot have a life of positivity while spending a lot of time with people who drag you down. The good news is that there is a simple solution! Surround yourself with people who build you up and make you the best version of you.[29]

- **Practice mindfulness/meditation.** Perhaps the most widely publicized benefit of meditation is that it makes you happier. A Swedish study found that practicing mindfulness was "strongly related" to a positive state of mind and reduced stress.[30]

Two friends enjoying a sunny day

Ability to Manage Stress

Identifying what causes you stress will help you manage stress. Managing your time will help you reduce stress; so keeping a calendar and recording when you have appointments or meetings, etc. will help you reduce stress by not panicking when you forget something that you need to do or somewhere you need to be.

Many of the rituals you may do to maintain a positive attitude will also help you reduce stress. Eating healthy foods and getting enough rest will help you have the strength you need to deal with stressful situations. Exercising regularly, and doing yoga or meditation will also help you deal with stress. Seek out social or professional support when needed and do not rely on drugs or alcohol to relieve stress as this may lead to bigger issues.

When dealing with difficult customers you can take a deep breath, count to three silently, then address the customer in a calm and professional manner. Remember when a customer is angry, they are frustrated and upset about some interaction they had with the company. Ignore any personal attacks and exaggerations because a very angry, upset customer may not be acting rationally. Call your manager if the situation escalates and remember not to take it personally. Often upset customers are really nice people underneath it all, and once you fix the issue, they will probably thank you profusely. "Uncovering their expectations will help defuse the emotion, help you keep cool, and keep the conversation focused on problem solving. Keep focusing on what you can do to close the gap between their unmet expectations and their experience of your company's services and products. When customers are dealt with sincerely and professionally, they are more open to alternative solutions."[31]

Try to keep a positive attitude and, in your personal life, surround yourself with others who think positively. Accept that there are events that you cannot control. Be assertive instead of aggressive by asserting your feelings, opinions, or beliefs instead of becoming angry, defensive, or passive. Do something every day that brings you joy.

Ability to Manage Time

Managing your time will make you more productive and reduce stress. Use a calendar or schedule book,

whether paper or electronic, to keep track of tasks you need to complete. Make a list, assess the value of each task, prioritize tasks, and allow for flexibility.

Watch the "Time Management Techniques for Stress Free Productivity" YouTube video below for some time management tips for stress-free productivity.[32] Transcript for "Time Management Techniques for Stress Free Productivity" Video [PDF–New Tab]. Closed captioning is available on YouTube.

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Ability to Work in Teams Effectively

As shown in Table 2.3 below, the following teamwork skills are identified by the Conference Board of Canada as skills you need to enter, stay in, and progress in the world of work—whether you work on your own or as a part of a team.[33]

Table 2.3 Teamwork Skills

Work with Others	• Understand and work within the roles of a group. • Make sure that a team's purpose and aims are clear. • Respect and support the thoughts, opinions, and contributions of others. • Recognize and respect people's diversity and perspectives. • Accept and provide feedback in a useful and kind manner. • Add to a team by sharing information and skills. • Lead or support when it's appropriate. • Understand the role of conflict in a group in reaching solutions. • Manage and settle conflict.	
Participate in Projects and Tasks	• Design or carry out a project with well-defined outcomes. • Develop a plan, ask for feedback, and apply it. • Work to shared standards of quality. • Choose and use the right tools for a task or project. • Adapt to changing information and conditions. • Keep an eye on the success of a project or task throughout and find ways to improve.	

Characteristics of an Effective Team Member

- Shows commitment to the team and its goals
- Works for consensus on decisions
- Shares openly and authentically with others
- Demonstrates reliability to complete tasks
- Involves others in the decision-making process
- Treats others in a respectful and supportive manner
- "Owns" problems rather than blaming them on others
- Listens actively, and attempts to see other's points of view
- Encourages the development of other team members
- Cooperates and pitches in to help
- Acknowledges and works through conflict constructively
- Considers and uses new ideas and suggestions from others
- Encourages and accepts feedback on their own behavior
- Works toward win-win results

Ability to Contribute to Team Performance

To be a good contributor you must make an effort to support your team members and show interest in working toward team goals. You should learn to compromise and understand things may not always be done as you suggest. You need to be able to negotiate with your team members to settle disputes and make sure everyone is happy with the team's choices.

Clearly communicating in a timely fashion with team members, and making sure your tone is always professional but friendly, is key to being a positive team contributor.

The bigger the project, the more linked and interdependent are the people and the tasks. Often one task must be done before another one can be completed. This means relying on each other and trusting each other to do what needs to be done in the time given. Your quality of work and ability to meet milestones (intermittent deadlines) are critical to everyone getting their part of the project done on time and with quality results.

Ability to Participate in Team Presentations

To present as a team, you must know each person's part of the presentation so that should someone need help or become ill the day of the presentation you can step up and present their portion of the overall presentation. You should introduce each member of your team when you begin the presentation and have an introduction. Then as each member presents you use a transition between members; which is simply a sentence to transition from one member's part to the next.

Each member will accept a task and complete their portion of the presentation but also help the whole team finalize and make a professional final presentation. When using slides ensure there are no spelling errors and that each slide does not contain too much text. If giving presentations is a part of your job role then it would be wise to review a course or lesson on how to deliver a presentation.

Ability to Participate in Team Meetings

Team meetings are crucial for sharing ideas, disseminating data to everyone at the same time, allowing for discussions, and making decisions. It is important to create an agenda for the meeting and send it out to all members prior to the meeting along with any accompanying documents that may be reviewed during the meeting. This will help keep the meeting discussion on track and moving forward. Often people complain that meetings are a waste of time because nothing gets accomplished. Using an agenda will help the meeting planner get through the tasks intended.

Ability to Participate in Projects and Tasks

Ability is what you're capable of doing. Motivation determines what you do. Attitude determines how well you do it. It is important to participate in projects and tasks contributing to the team effort even when you are not that interested in your job or the project itself; otherwise, your colleagues and managers may get a negative impression of you which will only hurt your ability to get promotions, bonuses, recognition or work on interesting projects you may wish to be included on. Even if you plan to switch jobs in the near future you may need references from your manager and possibly colleagues so you certainly do not want anyone to see you as non-participative, difficult to get along with, lacking in team spirit, or providing a low quality of work.

Key Takeaways

1. **Internal customers** are the company employees who need support, information or action from another employee. These internal customers may work just down the hall, in another building, or in another country, but they are still part of the company and working to help satisfy external customers.
2. **External customers** are the customers who purchase products or services from the company.

3. There are many **skills** customer service professionals need to be excellent in their jobs, these include the ability to communicate clearly, use positive language, use positive body language, serve diverse customers, be persuasive, use active listening, interact positively in a team, learn continuously, manage time, and manage stress.

4. **Customer Service Orientation** means that as an employee you are able to display positive attitudes and behaviours, and demonstrate an awareness of the importance of meeting or exceeding customer needs and expectations.

5. **Service culture** in an organization means putting customers at the center of the business model and developing policies, procedures, values, norms, and beliefs that are centered around focusing on customer satisfaction and understanding their needs and wants.

6. Employees, companies, and customers receive **benefits** from excellent customer service.

7. **Verbal communication** refers to the ability of a customer service representative to think of the right words in order to appease a customer and provide a solution

8. **Non-verbal communication** refers to gestures, facial expressions, eye contact, body language, posture, and other ways people can communicate without using language.

9. **Positive language** is the art of using words and phrases to communicate a positive, supportive tone to your customers (or anyone else for that matter).

10. **Active listening** means that you focus on what your customer is saying.

11. **Service breakdowns** occur daily in all types of organizations. They happen whenever the product or service delivered fails to meet customer needs, wants, and expectations.

12. **Service recovery** is a company's resolution of a problem from a dissatisfied customer, converting them into a loyal customer. It is the action a service provider takes in response to service failure.

13. A **problem-solving model** provides you with concrete, easy to remember steps you can work through when faced with any issue, customer service related or other.

14. **Information management** (IM) is the appropriate and optimized capture, storage, retrieval, and use of information.

15. **A positive attitude** is a mindset that helps you see and recognize opportunities. It is not always easy to stay positive especially when things do not go as planned, or when dealing with angry customers.

16. To be a **valued team member** you should make a commitment to the team goals, create a collaborative working environment, and support team decisions.

17. Identifying what causes you **stress** will help you manage stress.

18. Managing your **time** will help you reduce stress; so keeping a calendar and recording when you have appointments or meetings, etc. will help you reduce stress by not panicking when

you forget something that you need to do or somewhere you need to be.

19. To be a good contributor you must make an effort to **support your team members** and show interest in working toward team goals.

20. It is important to **participate in projects and tasks** contributing to the team effort even when you are not that interested in your job or the project itself; otherwise, your colleagues and managers may get a negative impression of you which will only hurt your ability to get promotions, bonuses, recognition or work on interesting projects you may wish to be included on.

End-of-Chapter Exercises

1. **Cultural Diversity.** Understanding cultural diversity in customer service. Search the Internet for differences between cultures and how these differences might affect working relationships between colleagues, interactions with customers, or even interactions with your manager. Searching for power distance, high and low cultural context, individualistic versus communitarian, deductive versus inductive persuasion, time scheduling, and neutral versus emotional cultures will provide you with several starting points.

2. **Cultural Intelligence Quiz.** You may know your IQ (Intelligence Quotient), or even your EQ (Emotional Quotient), but do you know your CQ (Cultural Quotient)? Take this cultural intelligence quiz to determine your cultural quotient.

3. **Jobs.** Search the Internet for "customer service jobs in Toronto" or whatever city you live in. You will probably get many websites in the results. Click on a few and review the job responsibilities, the hourly pay, and the skills you need to perform these jobs. Do any of them interest you? Why or why not? You may find some of these jobs have perks. They offer training and sometimes career paths to a management position. It is a good idea to research the company websites offering these jobs and read more about their mission and values to determine if you would be a good fit.

4. **Practice Pleasantries.** Give yourself a challenge. For the next four people you interact with practice saying, "please" and "thank you," and smiling while you do so. Do these at the right

times, not too much, and not insincerely. Did these small pleasantries enhance your communication? Will you try this more often? Hopefully, you will try this when serving customers.

5. **Angry Customers.** Search the Internet for information on "providing customer service to irate customers." You might try rewording the search criteria using the following topics: conflict resolution, handling difficult customers, and handling angry customers. Share your findings with your class and/or professor.

6. **Service Breakdowns.** Based on your personal experience, why do you think service recovery efforts are often limited in small companies as compared to large organizations?   What can be done to better prepare employees of a small company to better handle service breakdowns?

7. **Negative Phrases.** Consider negative phrases. What else could you say to a customer besides, "It's not my department." "It's not my fault." "She's away and won't be back for two weeks and she's the only one who does that so you will have to wait." "That's not our policy." Discuss these with a partner and see if you can devise some alternative statements that are more positive in tone and bring more value to the customer. Share your examples with the class and/or professor.

8. **Roleplay Difficult Situation.** Roleplay a Difficult Customer Situation. How would you handle this difficult customer situation? Assume you work as a cashier at Loblaws Super Store and as you are scanning a customer's products for purchase a second customer squeezes up through the line of customers waiting and says, "I am in a hurry and I just have this loaf of bread. Can you just tell me how much it costs and I'll leave the money right here on the register?" Work with a partner and role-play this scenario, practice how you would handle this situation if you were the employee. Discuss strategies with the class and/or professor.

9. **Gestures.** Gesture Meanings Around the World. Common gestures take on different meanings around the world. As a customer service representative, you may think giving the "thumbs up" to your customer means great, good, OK, but depending on where you are in the world or the culture your customer comes from, you may actually be offending them. Explore the Internet to discover what these gestures mean in different countries. Some countries to compare include Canada, China, Russia, Mexico, Turkey, India, Greece, and Australia.

Common Gestures

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Photo by Charles Wundengba from Pexels

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Self-Check Exercise – Change Negative to a Positive

An interactive H5P element has been excluded from this version of the text. You can view it online here:
https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=49#h5p-2

Additional Resources

1. LinkedIn Learning Customer Service Training
2. I was Seduced by Exceptional Customer Service, John Boccuzzi, TedX Bryant U
3. 20 Customer Service Training Ideas and Activities for Busy Teams
4. Test your communication skill level with a quiz
5. 17 Hand Gestures That Can Cause Offense Around the World
6. How to Get a Job in Customer Service
7. 5 Important Reasons Why Teamwork Matters
8. 15 Time Management Tips for Achieving Your Goals
9. Stress Management by Mayo Clinic Staff
10. Cultural Intelligence Center

References

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CHAPTER 3: MANAGING A CUSTOMER SERVICE TEAM

Chapter 3 Learning Outcomes

After reading this chapter, you should be able to do the following:

1. Describe how to create a customer service philosophy for your company, department, or team.
2. Explain the purpose of having service standards and goals.
3. Describe why it is important to set SMART goals for customer service teams.
4. Explain why it is important to measure service quality.
5. Identify obstacles to outstanding service.
6. Describe what service recovery looks, sounds, and feels like.
7. Suggest ways in which to improve service quality.
8. Identify the costs of poor customer service.

Customer Service Philosophy

"If you're looking to improve your customer experience, start by creating a customer service philosophy for your support team. Having a shared philosophy keeps everyone focused on the same goal and helps them understand the holistic approach to achieving that goal."[1]

In an environment in which front-line staff deal with an endless stream of unpredictable scenarios, having a strong philosophy helps empower team members, provides a coherent story to help employees understand company values, and sets the foundation for a customer-first strategy that's proactive rather than reactive. No matter which employee a customer interacts with, they will experience the same delightful service that epitomizes the company's values.

A customer paying a cashier

"A **customer service philosophy** is a shared mission for your support team, a set of guiding principles that ensure you're upholding your core values with every customer interaction."[2]

Generally, a customer service philosophy is composed of two parts: vision and values.

Customer Service Vision

The first section of a customer service philosophy is a customer service vision statement. A **customer service vision** statement provides meaning and direction for employees. It is the statement that outlines the type of service that agents are expected to provide to customers. It tends to be quite idealistic and 'big picture' thinking, needs to be clear and unambiguous, and it should be easily understood by both employees and customers alike.[3]

When your vision applies to everybody, it also embodies natural accountability and training opportunities for every person. New hires automatically understand what's expected of them, leadership is expected to practice what it preaches, and agents can be coached on their customer-facing interactions using your statement as an observable benchmark.[4]

Customer Service Values

Your vision statement is followed by **customer service values** which impact the experience the customer receives and help to define the personality and attitude the business is trying to put forth. Often companies offer training to employees on how to uphold these values. The values can be conceptual offering an explanation for why adhering to the vision is important, or more tactical like Apple's guidance for support representatives in their retail stores:[5]

Approach customers with a personalized, warm welcome.

Politely try to understand all the customer's needs.

Present a solution for the customer to take home today.

Listen for and resolve any issues or concerns.

End with a fond farewell and an invitation to return.

Creating a Customer Service Philosophy for Your Team

Careful contemplation is the first step. Ask yourself some key questions. What is the purpose of your company? What is the role of customer service within your company? What experience should the customer have for your company to fulfill this role? What does this look like for your customer service representatives? What are your company's core values and how are they prioritized? What are the principles that should guide your employees who interact with customers daily? How will employees easily remember these principles?

There's no fixed format to a customer service philosophy. But having it down on paper — preferably a digestible one-pager — will allow your service reps to reread and internalize it. Take your answers from above and integrate them into a coherent piece.[6]

Although good customer service philosophies have a few things in common, no two should be the same. For a philosophy to succeed, it needs to align with your team's specific values, goals, and long-term vision for your relationship with customers.

Develop Service Standards

Service standards are guidelines for employees to follow when interacting with customers. Do not make them too rigid or strict as not all standards will apply to every customer situation. This gives employees the flexibility to adapt to each customer's unique needs within a standard framework. Customer service guidelines should align with the company's brand.

Standards may be as simple as:

1. Make the customer feel welcome (e.g., greetings, body language)
2. Efficiently serve customer's needs (e.g., listen actively, ask probing questions, offer suggestions, take action)
3. Look for additional ways to serve the customer (e.g., ask if there is anything else you can do, share promotions or new opportunities)
4. End the customer interaction (e.g., thank the customer, follow up if needed, summarize what you have done if necessary)

As the Canada Revenue Agency puts it, "Service standards publicly state the level of performance that citizens can reasonably expect to encounter from the Canada Revenue Agency (CRA) under normal circumstances. The CRA is committed to developing, monitoring, and reporting on a full suite of service standards in areas of importance to taxpayers and benefit recipients. Service standards support the CRA's commitment to Canadians for transparency, management accountability, and citizen-focused service."[7]

"Starbucks strongly believes in meeting customer service standards. For example, employees are taught to put effort into the visual look of each drink. When you order a caramel macchiato at Starbucks, it has a precise pattern of caramel sauce. It has a lattice of seven vertical and horizontal lines with two full circles around it. They also pay attention to every detail in the store — from the lighting to the furniture, they're on point!"[8]

The customer service team should be provided with clear documentation regarding how to handle common customer service complaints, what language to use and to avoid, how to document service issues, guidelines for escalation, the lengths employees can go for customers, and where to go with any questions or problems. Using documented processes and procedures will make it easier for the team to understand how to act in a given situation.[9] With that said, you do not want the company processes and procedures to be overly cumbersome or complicated, otherwise, employees may have difficulty following them.
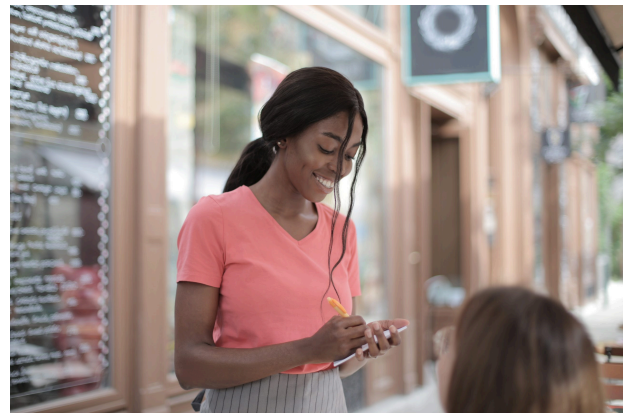
A restaurant server taking an order

Develop Customer Service Goals

Setting **customer service goals** can serve an important role in managing service teams. Set SMART goals as described in Table 3.1 below. Good goals focus attention on the right things, while poorly shaped goals focus attention on other things.

The service provided to customers, at every touchpoint, must be excellent and demand little effort from the customer in order to foster their loyalty. Customer service should make an extra effort to ensure customer happiness and satisfaction. Customer interactions need to be pleasant experiences, customer problems must be resolved quickly and customers need to be totally confident in the services provided. Having a broad understanding of what excellent customer service looks like is a good step toward defining specific goals along with a plan that will lead to their attainment.[10]

Table 3.1 SMART Goals

S = Specific	Make your goals specific and narrow for more effective planning
M = Measurable	Determine what evidence will prove you are making progress. Re-evaluate when necessary.
A = Attainable	Ensure you can reasonably accomplish your goal within a certain time frame given available resources. Stakeholders agree it is achievable.
R = Relevant	Goals should align with your values and long-term objectives.
T = Timebound	Set a realistic end date. This will help with task prioritization and motivation.

For example, a manager may set a goal for the service team to "increase customer satisfaction", but this goal does not inform the team of how to obtain this goal or the specific amount of increase the manager is expecting. We might do better by saying, "increase customer satisfaction by 10% over the next month". The manager and staff should know how customer satisfaction is measured and that a 10% increase is a realistic expectation.

The manager would then provide strategies on how this might be done. As well, incentives might be set for the service team to encourage their best performance.

Customer service goals are targets for your customer experience and are part of strategic planning and performance management. Figure 3.1 below shows a list of 25 company goals for customer service.[11]

25 Goals for Customer Service

Customer Satisfaction	Churn Rate	Customer Perceptions	Response Time	Throughput
Service Quality	Productivity	Revenue	Service Levels	Sales Volume
Customer Acquisition cost	Share of Wallet	Ratings and Reviews	Service Culture	Feedback and Engagement
Occupancy Rate	Customer Lifetime Value	Complaint Count	Attach Rate	Customer Recovery
Costs Effectiveness	Quality Control	Interaction Quality	Turnaround Time	Customer Experience

Figure 3.1 25 goals for customer service.

Watch the "What are SMART Goals? Quick Overview with 21 SMART Goals Examples" YouTube video below to learn about SMART goals.[12] Transcript for "What are SMART Goals? Quick Overview with 21 SMART Goals Examples" Video [PDF–New Tab]. Closed captioning is available on YouTube.

> 📇 *One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=61#oembed-1*

We cannot blame a wait staff who fails to increase the number of customers served in a given week if we later discover that due to having live entertainment all week, customers were sitting longer at their tables which resulted in fewer table changeovers, meaning staff were serving the existing customers longer rather than serving new ones. The goals managers set for staff will impact how the staff perform and what they choose to focus on. So if speed is the objective then customer care may suffer as staff become obsessed with serving each

customer quickly rather than serving each customer exceptionally. There must be a balance between efficient service and quality, effective service, and set goals must drive employees in that performance direction.

"Profit-focused goals can hurt the customer relationship and unrealistic goals demotivate and burn out employees. The goal structure should be set in a way that if your customer support representatives achieve their goals it will propel the support manager closer to meeting his or her goals. Which in turn moves the director of support closer to meeting their goals. Typically, the goals of the director will be broad and align with specific company objectives. The customer support manager's goals will be positioned more towards operational objectives – make sure everything is running smoothly and efficiently. Customer support representatives will have more direct customer-centric goals like reducing response times, and improving resolution rates."[13]

Train Your Team

Investing time and money in **customer service training** can prove to be an invaluable investment for businesses of diverse sectors and sizes. Teaching members of staff the competencies, knowledge, and skills required to increase customer satisfaction and therefore customer retention is a shrewd way for businesses to ultimately increase their sales performance. Offering workplace training can provide staff with the necessary skills to strengthen their customer service skills, including communication, empathy, patience, and consistency, as well as adaptability. No matter the industry a business operates within, if it deals with customers, strong customer service skills are essential in ensuring customers remain loyal and a high level of customer retention is achieved. Workplace training that is focused on customer care will give employees valuable insight into how to develop and fine-tune customer service abilities. Such training will empower course participants to have to knowledge and confidence to provide effective solutions when they are faced with problems or difficult customers.[14]

First off, hire the right people. During an interview tell potential employees what your customer service philosophy is and share your company's missions, values, and goals. Then test applicants to see if they are a good fit.

Once hired, orient your new hire to the company and to the team of employees they will work with. Let them observe how things are done and how customer issues are resolved. Provide information on the company's mission, vision, values, and goals, and explain how your department/area fits into the overall company goals.

A person being hired

Provide specific training on how to serve customers, even the difficult ones. Many service representatives do not know how to recover from a bad service situation with an upset or angry customer. A new employee can work alongside an experienced employee for a while and learn how to do things that will delight customers as well as support company goals. Such programs are often termed, coaching, mentoring, on-the-job training, or job shadowing. Training may entail a more structured form such as classes teaching new employees how to use customer relationship management software, use phone systems; deal with service breakdown and service recovery; learn how to provide value to customers to encourage long-term loyalty, learn how to upsell or cross-sell in a way that customers will value; learn about the company vision, mission and goals; or manage social media platforms to serve and interact with customers.

Watch the "Service Recovery – Look, Sound, Feel" YouTube video below to learn about effective service recovery.[15] Transcript for "Service Recovery – Look, Sound, Feel" Video [PDF–New Tab]. Closed captioning is available on YouTube.

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The Disney Institute does a great job at training Disney employees, so much so, that they offer on-demand online training to other companies who may wish to provide customer service training to their own employees. Disney's website states, "In this on-demand course, our team will highlight how excellent service is the result of truly understanding your customer expectations and how to put the right service standards in place to exceed them. Begin to learn not only how to start to differentiate your organization from competitors, but how to build customer loyalty through quality service. In this on-demand course, you will learn to:

- Assess and improve your organization's commitment to quality service
- Differentiate and elevate your service to become a provider of choice
- Design standards for quality service and create a consistent service experience
- Gauge the needs, wants, stereotypes, and emotions of your customers at an individual level
- Understand the processes necessary to develop a workplace culture that consistently delivers exceptional service
- Recover effectively from a service failure and turn it into an opportunity to strengthen customer relations"[16]

Of course, there are many other training programs a company may utilize, such as those offered in LinkedIn

Learning or those created in-house that are customized to the way your particular company goes about performing operations and serving customers.

Evaluate Service Quality

As a service manager, you continually need to be evaluating the quality of customer care your team provides. **Key performance indicators (KPIs)** measure how effectively a company is achieving its goals against a set of targets, objectives, or industry peers. Organizations use KPIs at multiple levels to evaluate their success in reaching targets.

Listed below are some of the ways in which you might measure service quality.

Net Promoter Score

The Net Promoter Score (NPS) is a customer loyalty metric that businesses use to gauge how their customers feel about them. It measures your customers' willingness to recommend your company, product, or service to others. Companies with a high NPS are more likely to achieve long-term profitable growth.

Customer Retention Rate

Customer retention rate is another way to evaluate service quality. Why is it important to keep existing customers? Here are a few reasons:[17]

- Boosting customer retention by 5% increases profits by 25-95%.
- Companies have a 60-70% chance of selling to an existing customer vs. a 5-20% chance of selling to a new customer.
- 65% of a company's business comes from existing customers.
- It costs 6x to 7x more to acquire new customers than to retain existing ones.
- 72% of customers switch to a competitor after one bad experience with a brand.
- Businesses lose over $75 billion each year to lost customers due to poor customer service.

Customer Satisfaction Score (CSAT)

Obtaining customer feedback through customer satisfaction surveys is one way to gain customer insights. Surveying employees and asking for suggestions on customer service processes and procedures may lead to customer service improvements. Customer Satisfaction Score (CSAT) is a customer loyalty metric used by companies to gauge how satisfied a customer is with a particular interaction or overall experience.

Watch the "How to Use the Customer Satisfaction Score (CSAT) Metric" YouTube video below to learn how to use customer satisfaction scores.[18] Transcript for "How to Use the Customer Satisfaction Score (CSAT) Metric" Video [PDF–New Tab]. Closed captioning is available on YouTube.

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Mystery Shoppers and Observation

Simply observing your team in action can help you identify common issues. Having a mystery shopper experience the service and processes your company provides and then reporting this experience back to you can help you understand where service breakdowns may occur.

Customer Engagement Metrics

Customer engagement starts from the first touch point and incorporates subsequent interactions, including the time customers spend with your brand and the actions they take throughout their journey. **Customer engagement metrics** are effective in measuring service accessibility and the quality of customer experience.[19]

Social Media Monitoring

Social media monitoring tools help understand what people are saying about you on social media. Insights like this paint a richer picture than simply relying on traditional media. Available in the market are the likes of Keyhole, Addict-o-Matic, CyberAlert, Sysomos among others.[20]

Identify Obstacles to Outstanding Service

There can be many obstacles creating barriers to your ability to provide excellent customer service. Some of these include the following.

Ineffective Employee Incentives

As a manager, you must ensure incentives focus employees on the right performance. Incentives can be an

obstacle to good performance when employees take action to gain incentives at the expense of doing what is right or good for the customer. Have you ever wondered about the motivation of an auto-mechanic, when they tell you your car needs more work than you anticipated? What about when the salesperson sounds very convincing as they try to sell you more than you think you need? Employees may be tempted to bend the rules, working against the concepts of good quality service, in order to win incentives. Ensure incentives are set up to encourage better service and not encourage unethical behaviour.

Inefficient or Ineffective Service Systems

Sometimes service systems, due to cumbersome processes customers must follow, unreliable service (works intermittently), poor quality products, or procedures, just don't work! Often customer service representatives get blamed by customers for these things, but in reality, these things are beyond the scope of the service representatives' control. With that said, certainly, service representatives should alert their managers when they observe such issues. For example, if several customers have complained about the same issue, then it might be time to fix the issue. As a manager, if your employees have informed you of processes that are not working you should examine them and consider how to make improvements.

Ineffective Policies, Processes, or Procedures

A lack of policies, processes, or procedures can also be an obstacle to providing great customer service. If these are missing or lacking in structure, customer service agents will not be guided in providing exceptional service. If the company does not clearly communicate its customer service vision and provide the tools for employees to do their job, then the lack of processes and procedures will become an obstacle. On the other hand, if there are too many policies, processes, or procedures agents may be restricted in offering the best service they can. In either of these cases, customer service managers should work with the cross-functional management team to develop clear guidelines for policies, processes, and procedures and communicate those to employees.

Watch the "How to Avoid Roadblocks to Great Customer Service" YouTube video below to learn about avoiding roadblocks to great customer service.[21] Transcript for "How to Avoid Roadblocks to Great Customer Service" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=61#oembed-4

Lack of Communication

A lack of communication or support from other departments can be an obstacle to providing great customer service. Often the front-line employees, those facing the customer, need support from other departments within an organization. This means depending on others within the company to do their jobs and to do a quality job; yet, not every employee is dedicated to the company or performs quality work. As a manager, if your employees are having difficulty getting what they need from other departments you should step in and connect with the other department's manager to discuss what can be done to make working together easier and more effective. Managers in other areas may not care about what is happening with your team, but they should care about fixing a problem that is costing the company money and customers.

Unanticipated Customer Demand

Customer demand can exceed what was expected or the number of customers can be far greater than antici-pated which can create an obstacle to providing excellent customer service. If customer demand is so great that your company runs out of products or not everyone can be served efficiently, then customers may become dissatisfied. If your company gets far more customers than anticipated there may not be enough staff on hand to serve each customer, again, this can lead to customer loss and dissatisfaction. Managers need to schedule enough employees to serve all customers and serve them through various channels. Managers may forecast demand by reviewing past trends or patterns in sales and service. They may anticipate demand by analyzing the environment, for example, if there is an event in town bringing in vacationers then maybe the company will require additional staff on hand that week. Managers may also hire contingent workers, or workers they can hire when short-staffed on an ad-hoc basis, but having them trained may be an issue.

Improve Service Quality

There is only one boss. The customer – and he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else. –Sam Walton[22]

Great customer service is just the first stage, but by making sure you build in analytics and other ways of mea-suring this success, your customer support team's hard work and effort can be quantified and their progress can be measured.[23]

In the Future of CX report, PwC surveyed 15,000 consumers and found that 1 in 3 customers will leave a brand they love after just one bad experience, while 92% would completely abandon a company after two or three negative interactions.[24]

Companies should ensure that customers are able to find answers to their questions using a wide range of self-service options. Today, 67% of customers prefer self-service over speaking to a company representative. Furthermore, 91% of customers would use an online knowledge base, if it were available and tailored to their needs.[25]

Do you know that 50% of customers will stop visiting a company website if it isn't mobile-friendly?[26]

Empower Your Employees

One way to improve service quality is to **empower your employees**. Empowering employees means giving them the authority to make some decisions without needing approval. This way they can make decisions to resolve customer issues without delay or making the customer wait. You will eliminate the "let me ask my boss" barrier by handing over a level of decision-making power to front-line employees. You also need to empower employees by giving them access to the data and systems they need in order to solve customer problems. Ensure boundaries are clearly defined, this may mean that an employee may be given the authority and be empowered to correct a customer issue up to a certain dollar amount.

Of course, to do this well, supervisors must be trained on how much power to give employees and in which areas; then, these supervisors coach their employees on making win-win decisions for their customers and the company. When employees have the authority to solve customer problems, customers are served more quickly and receive more efficient and effective service thereby meeting or exceeding customer expectations. Customers who are satisfied with the service they receive become loyal and may even refer other customers.

Employee empowerment can instill greater trust in leadership, encourage employee motivation, lead to greater creativity, and improve employee retention, but if there is no proper training on company standards, it may also increase the level of business risk.

Make Doing Business Easy

Make it easy for customers to do business with you. If it is too cumbersome or too complex for customers to do business with you, they will go elsewhere. That might mean making your website easier to read and use, offering a delivery option, or accepting several different payment methods. Make the processes customers use easy and clear. Customers who feel they waste too much time standing in lines, being transferred from one staff to another, waiting on answers, or sifting through web pages and papers to figure out what they need to

do to return an item will certainly become frustrated and possibly take their business and recommendations elsewhere.

Provide Employees with Feedback and Training

Train employees as needed and provide meaningful feedback in a constructive manner on a regular basis to employees. Feedback should be thoughtful whether you are providing encouragement on a job well done, or providing constructive feedback for a performance correction. You may need to offer specialized training when you observe your team is lacking skills in a particular area and this lack of skill is negatively affecting the quality of service being delivered. Orientation training or onboarding is not the only time you need to train your employees; when systems or procedures are updated, employees should be trained so they are able to offer the best customer service possible. Communication between management and employees is key in ensuring employees understand what is expected of them, what the company policies and procedures are, and how to serve customers in a way the company wants them to.

Implement an Effective Rewards System

Reward your team for providing excellent service. A customer service incentive program can improve employee morale and job satisfaction, but there are some drawbacks you need to steer clear of. Focusing on monetary rewards won't necessarily have the results you expect. It might look good initially but often ends up creating a competitive environment and a team pitted against each other. Implementing a reward system that aligns with clearly defined goals is the best approach. For example, if you reward the person who sells the most product, then only one person on the team wins. This sets up the team to work against each other which has negative effects on team collaboration. Instead, you might have a threshold that when met, you reward your employees; in this type of system, several employees might meet the threshold. You also need to make the threshold attainable; something so difficult, that no one can attain the reward, will only have negative effects on employee motivation.

From 2020 onwards, there are officially 5 generations that have been working together in the workplace. This statistic is mind-boggling. Different age groups naturally desire different rewards- for example; senior executives may be looking at household-related items whereas employees in their early 20s may value virtual learning experiences more. Besides, Generation Z- the latest one to enter the workforce- not only demand rewards for their hard work but also want a say in the 'how' and 'what' of rewards.[27]

In a consumerist world full of personalized experiences, rewards need to be tailored to an individual's preference. Ideally, employees should be able to decide how they want to be recognized for their good work. Be it through a personal note or public recognition, through movie tickets, or shopping vouchers- top firms across the globe already offer an extensive range of rewards and experiences that can be redeemed instantly.[28]

"One reason that businesses cite not implementing a reward system for employee performance is temporary compliance. An employee-of-the-month program may increase productivity in the first month, but interest quickly dwindles. All the work of creating that program provides only short-term benefits. To avoid employees lapsing back into pre-reward productivity, it's important for employers to keep the incentive programs new and exciting. Change up employee reward systems quarterly or yearly to reignite excitement about the plan."[29]

Evaluate Your Personal Management Skills

You need to develop and improve your managerial skills on an ongoing basis as your career develops and as you meet new managerial challenges. Whether you manage a department or a project team, it is important to know how to get the work done right. You must develop not only your technical skills but your management skills as well. Delegating, motivating, communicating, and understanding team dynamics are some of the key skills needed. With those skills, along with patience and a strong sense of balance, you can become a very effective manager.[30]

A good manager sets their employees up for success. They provide the time and tools to accomplish tasks. They often have experience in the field of work they are supervising. They are capable of solving problems, managing time and money, and inspiring employees to perform optimally. A manager is responsible for the effective and efficient operations within a company, department, or team. A manager who is not able to create efficient schedules, keep employees motivated, or manage time and money will not perform optimally and may impede the ability of their

A team meeting in the office

subordinates to do the same. A poor manager may be someone who gives employees directives without any explanation, tools, or context. A good manager supports employees, chooses appropriate projects, and allocates resources (people, time, money, materials, and equipment) where needed and when needed in a reasonable manner to support the company's goals. Management skills are important to lead a team and move the organization in the right direction. If the manager has weak management skills customer service quality may suffer. To be a good manager it is important to have skills such as planning, organizing, leading, and controlling. Managers need to create effective strategies, have good communication skills, be able to make decisions responsibly, be able to solve problems whenever they arise, be able to manage time effectively, be able to manage projects effectively, have conceptual skills, be able to motivate employees to lead their team, etc.

Some new managers are coached or mentored for the first few months on the job. Others take training

courses in managing people and projects, negotiation, handling difficult people, sales, management, and emotional intelligence.

Table 3.2 Comparison of High EQ to Low EQ Traits

People with High EQ	• Are aware of their personal strengths and weaknesses • Stay calm under pressure • Are creative thinkers • Listen, reflect, and respond to constructive feedback
People with Low EQ	• Always have to be 'right' • Are oblivious to other people's feelings • Blame others for their problems • Have emotional outbursts

Emotional intelligence is the ability to understand, interpret, and manage your emotions, as well as those of other people. If you have high EQ, you're able to communicate with others, show empathy when needed, and overcome emotionally charged situations.[31] Emotional intelligence is widely recognized as a valuable skill that helps improve communication, management, problem-solving, and relationships within the workplace. It is also a skill that researchers believe can be improved with training and practice. Refer to Table 3.2 for a comparison of the traits people with high EQ have compared to those with low EQ.

Although emotional skills come naturally to some people, anyone can improve their ability to understand and reason. This can be particularly helpful in the workplace, where relationships and business decisions often on interpersonal understanding, teamwork, and communication.[32]

To be a manager who is great at their job, you will need to:

- Learn about the company's vision, mission, goals, and values, and understand how your specific department/area supports the overall company goals.
- Learn what is expected of you and your department/area in terms of output, results, interactions with customers, and daily, weekly, and monthly reporting.
- Learn how to communicate well in all situations, including when you have to deliver negative information to an employee or customer, when you need to negotiate a contract, or when you need to persuade someone to do something. There are many books and courses on these subjects.
- Learn how to motivate others. What does it take to make employees want to work to their best ability? Often, recognition, rewards, involvement, and knowing that their manager cares about them and supports them in their jobs is enough.
- Learn how to manage projects. Everything that gets done in the workplace is a project, small or large.

Optimize Service Delivery

In a highly competitive market, service-based businesses need to set themselves apart from their competitors. Listed below are a few ways to drive growth in your company by committing to exceptional service delivery:

Communicate with Customers

When it comes to customers, there's no such thing as over-communication — your clients feel more comfortable when they know what's going on. That being said, the amount of communication is not as imperative as the timeliness, context, and ability to clearly identify the value added to the client. In a world of constant connectivity, your ability to cut through the flood of subpar information with quality and timely answers can go a long way.[33]

Set Customer Expectations

Define for customers what level of service they can expect from your company. Keep your message consistent across channels and train staff to deliver service to meet the expectations the company has set. One example might be turn-around time. If you promise to get back to a customer within 24 hours make sure you do; even when you don't have the answer, you can follow up to let the customer know you are still working on the problem. Under promise and over deliver is one way to exceed customer expectations. Do not promise to do something if you are not sure you can, this may result in a dissatisfied customer. You might say, "We will make every attempt to deliver by Friday, but I cannot promise it will arrive on time. I will try my best." Then if the package arrives on Thursday or Friday you have delighted the customer.

Automate When Possible

Offer customers a choice of full-serve or self-serve processes. Today we see online shopping, self-checkouts at retailers and grocery stores, and online accounts such as Amazon which allow customers to customize their options and subscriptions. Automation, when working optimally, can increase customer satisfaction, streamline processes and services, and reduce the workload on employees. Ensure automated systems are not difficult to use and are working optimally, otherwise, your customers may become dissatisfied and may decide to do business with your competitor instead. Shipping processes may be automated as well, and it is important to ensure speedy delivery because if your customers can get the item from your competitor faster, they just might. Implementing automated systems may reduce costs for a company in the long run, but there will always be some customers who prefer personalized service provided by a real, live person. Automation comes with a high upfront cost but usually increases productivity so in the long run saves money and increases revenue.[34]

Schedule Employees Effectively

Service organizations need to schedule employees in accordance with forecasted customer demand. For example, during holidays stores might anticipate an influx of customers and plan to have additional cashiers and customer service employees on the schedule. The company does not want too many employees working at one time when it leads to some employees standing around with nothing much to do. This is a waste of resources and costs the company money, it may also lower employee morale and motivation to do their best work. The company also does not want too few employees scheduled if they are so busy that customer service wains due to being rushed, exhausted, and frustrated. Situations such as these may lead to higher turnover rates (employees quitting), increased customer dissatisfaction, lower employee morale, and negative corporate culture. Managers should schedule resources (employees, equipment, raw materials) in accordance with current projects and sales forecasts, and ensure that no resource is over- or under-utilized.

Foster a Strong Culture

After establishing a feasible service concept, there is no other factor so instrumental to the success of a service organization as its culture. Employees should be aligned when it comes to a specific set of overarching principles — and, while methodology is crucial to service delivery, this should feel more like a philosophy. Don't take it for granted that your culture is strictly internal — it shows up in your service delivery, your methodology, and your relationships and interactions with customers. The better employees understand the company's service vision, the better it translates to customers. More often than not, your customers will know if you and your employees aren't on the same page.[35]

Costs of Poor Customer Service

Bad customer service costs businesses $338 billion in revenue every year, globally. *That's* the real cost of bad customer service.[36]

Not listening to customers is one of the biggest mistakes companies can make. It may lead to angry customers, lost business, and damaged company reputation. In order to satisfy customers, companies have to keep up with the latest technological advances and train their staff on how to meet or exceed customer expectations. Social media is growing in popularity and customers will use it to talk about their customer service experiences, good and bad. Often disgruntled customers do not tell you or your employees directly, instead, they complain to friends, family, coworkers, and on social media about your company, products, and services.

Watch the "How Poor Customer Service Can Lead to Big Losses!" YouTube video below to learn how bad

customer service can cost a company money.[37] Transcript for "How Poor Customer Service Can Lead to Big Losses!" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=61#oembed-5

Key Takeaways

1. A **customer service philosophy** is a shared mission for your support team, a set of guiding principles that ensure you're upholding your core values with every customer interaction.
2. The first section of a customer service philosophy is a **customer service vision statement**, which Jeff Toister defines as "a statement that clearly defines the type of customer service employees are expected to provide".
3. Your vision statement is followed by your team's values. **Customer service values** impact the experience the customer receives and they help to define the personality and attitude the business is trying to put forth. Often companies offer training to employees on how to uphold these values.
4. **Service standards** are guidelines for employees to follow when interacting with customers. Do not make them too rigid or strict as not all standards will apply to every customer situation. This gives employees the flexibility to adapt to each customer's unique needs within a standard framework. Customer service guidelines should align with the company's brand.
5. Setting **customer service goals** can serve an important role in managing service teams. Set SMART goals. Good goals focus attention on the right things, while poorly shaped goals focus attention on other things.
6. Investing time and money in **customer service training** can prove to be an invaluable investment for businesses of diverse sectors and sizes.
7. **Key performance indicators (KPIs)** measure how effectively a company is achieving its

goals against a set of targets, objectives, or industry peers. some indicators include Net Promoter Score, Customer Retention Rate, Customer Satisfaction Score, Mystery Shoppers, Observation, Customer Engagement Metrics, and Social Media Monitoring.

8. **Obstacles to outstanding service** include employee incentives; inefficient or ineffective service systems; ineffective policies, processes, or procedures; lack of communication; and unanticipated customer demand.

9. **Improve service quality** by empowering employees, providing employees with feedback, implementing an effective rewards system, and evaluating your personal management skills.

10. **Optimize service delivery** by communicating with customers, setting customer expectations, automating when possible, scheduling employees effectively, and fostering a strong culture.

11. **Bad customer service costs** businesses $338 billion in revenue every year, globally.

End-of-Chapter Exercises

1. **Service Philosophy.** Search the Internet for "customer service philosophy" or "Examples of customer service philosophy" or visit a specific company website and locate their customer service philosophy. Compare a few examples and identify things they may have in common. What are three of the most prevalent concepts in organizations' customer service philosophies? Share your findings with the class and/or your professor.

2. **SMART Goals.** Practice setting a SMART goal. Maybe you want to lose weight, quit smoking, get a part-time job, or make the people close to you happier. Set a SMART goal to help you get started.

3. **Management Skills Quiz.** Take a quiz from MindTools to see if you have good management skills.

4. **Emotional Intelligence Quiz.** How emotionally intelligent are you? Take this quiz to find out.

5. **Jobs.** Visit Best Job Interview to learn more about the tasks, duties, responsibilities, education, experience, skills, and competencies one must have in order to obtain a customer ser-

vice management position. Consider how you might grow and develop your own skills so that one day you may become a team manager. Are you taking courses currently in college or university that may help you develop some of the required skills and abilities to be a team manager? Where else might you develop some of these skills?

6. **Obstacles.** Consider the obstacles to outstanding customer service discussed in this chapter. Can you think of, or research, three additional service obstacles you might encounter? What could a service manager do to overcome those obstacles? Discuss with the class and/or professor.

7. **Training.** Assume you are the customer service manager in a large retail store such as Walmart or Loblaws. You will be developing a training program for your customer service employees. Conduct a bit of research about employee training methods and jot down some notes on how you will train your team. Will you offer in-person training? If so, how many days? Will you offer online courses? Will you offer mentoring or coaching programs? What are three concepts you will teach your team? Discuss with the class and/or your professor.

8. **Incentive Programs.** Search the Internet for "employee incentive program" and review a few. Assume you are a manager for a mobile phone service provider, Koodo or Fido or such. What type of employee incentive program would you set up? Why? Discuss your rationale with the class and/or your professor.

9. **Write a Customer Service Vision.** Assume you are managing a customer service team within a Gym similar to Fit4Life, Planet Fitness, or GoodLife and you need to create a customer service vision statement. Use the Internet to gather some tips, advice, and examples for writing this statement, then create one. Share it with your class and/or professor. Discuss considerations you made while developing your company's customer service vision.

Self-Check Exercise – SMART Goals

An interactive H5P element has been excluded from this version of the text. You can view it online here:

https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=61#h5p-3

Additional Resources

1. LinkedIn Learning Customer Service Training
2. I was Seduced by Exceptional Customer Service
3. 7 Management Practices That Can Improve Employee Productivity
4. 10 Barriers to Outstanding Customer Service
5. How to Write a Customer Service Vision Statement
6. How to Evaluate Customer Service
7. 10 Phrases to Avoid in Customer Service, YouTube Video
8. 7 Customer Service KPIs to Evaluate Your Team
9. 22 Goals for Customer Service Teams to Strive for in 2022
10. Improve Your Customer Experience with Customer Journey Mapping, YouTube Video

References

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CHAPTER 4: WORKING IN A CUSTOMER CONTACT CENTER

Chapter 4 Learning Outcomes

After reading this chapter, you should be able to do the following:

1. Describe the difference between the traditional call center and the modern contact center.
2. List five duties a contact center representative performs.
3. List five issues a contact center representative may deal with.
4. List three things a contact center representative may do to provide quality customer service.

Call Center Versus Contact Center

A **traditional call center** is an office that is designed to handle a large volume of phone calls, especially for taking orders and providing customer service. It is focused on voice calls. Even if a call center provides some multi-channel customer service, the interactions are siloed in the individual channels. This does not provide a clear view of the full customer journey. On the other hand, a **modern contact center**, as the name indicates, allows customers to contact a company not just via phone calls, but across whatever channel they choose.[1]

Call center workers working

"A contact center is the central point from which all customer contacts are managed. This requires the coordination and integration of people, processes, and technology across the business. Contact center agents, for instance, need to be trained in the best practices of each channel for engaging customers."[2]

Watch the "Contact Center vs Call Center: What's the difference?" YouTube video below to learn the difference between contact centers and call centers.[3] Transcript for "Contact Center vs Call Center: What's the difference?" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=74#oembed-1

Contact Center Agent

"A **Customer Service Representative (CSR)** – also called an agent – is a person who works in a call or contact center and helps customers with their issues. They may do this using a variety of channels, including virtual or in-person meetings; phone, chat, or email conversations; and by using social media. Customer service representatives (CSRs) play an important role in influencing the customer experience."[4] The role of the customer service representative (CSR) is to offer outstanding service to customers in order to maintain satisfaction by meeting or exceeding customer expectations. A CSR must have many skills including good communication skills, excellent problem-solving skills, and strong interpersonal skills.

Customer Service Representatives have the ability to help retain existing customers, as well as, help obtain new customers, so it is a highly valuable position for any company. You may be wondering if a position as a contact center representative is the right job to begin your career.

Most likely you have interacted with a contact center at some point in your life, but you may wonder what a day in the life of a customer service representative may include. "To work in a call center, you'll need to be motivated by customer success. Call center agents are tenacious problem-solvers who are committed to enhancing customers' experience with a company or brand. A call center agent's workday is typically fast-paced and requires them to manage a handful of different responsibilities. Oftentimes, agents need to be flexible with their workflow and capable of handling unexpected roadblocks. While this causes their workday to look different each day, agents will still perform the same core call center duties regardless of the task they're completing."[5]

Agent Duties

The job of a contact center agent can be quite varied and interesting. Responsibilities may include the following.[6]

- Answering inbound phone calls.
- Making outbound phone calls.
- Answering emails.
- Engaging in live chats.
- Responding to short SMS queries.
- Responding to support tickets filled out over a web form.
- Collecting and reporting on customer feedback.
- Managing and updating customer databases.
- Identifying and escalating issues to supervisors.
- Providing product and service information to customers.
- Researching, identifying, and resolving customer complaints using applicable software.
- Processing orders, forms, and applications using applicable software.
- Documenting all call information according to standard operating procedures.
- Recognizing, documenting, and alerting the management team of trends in customer calls.
- Following up on customer calls where necessary.
- Upselling or cross-selling products and services.
- Working with colleagues when necessary to resolve customer complaints.
- Learning about the company products to be able to answer any questions from customers.
- Training and onboarding new call center agents.

Agents may have to deal with a wide variety of issues including the following.

- Pre-sales
- Inbound sales and service
- Outbound sales and service
- General account queries
- Bill payments
- Complaints
- Technical support
- Warranty claims
- Product returns
- Account upgrades
- Account closures
- Appointment bookings or reminders

Agents must make sure that they do the following.

- Answer calls within a specific period of time.
- Answer the call correctly, usually giving their name, the company they represent, and the department.
- Resolve most calls on the first contact or refer them to the correct department.
- Ensure that the customer is happy and that they do not have any other queries.
- Log the nature of the call accurately against the customer's account.
- Handle an appropriate number of calls per day (or at the very least be in the 'ready' state to accept calls for the right amount of time, if call volumes are low).

Some call center agents work in-house, directly for their employer while others may be employed by an outsourcing company working in a call center that accepts calls for a range of clients. Some agents work from home (also known as virtual agents), while others work from a central office and commute to work each day. Some companies operate their own contact centers while others outsource their contact center operations, or part of it, to an agency.

Depending on the specialization of the agent, they may handle calls falling into several of the above categories, or they may be focused on one or two specific areas. Some companies, such as financial companies, may assign high-value clients a designated "account advisor" agent who will answer the majority of their calls. This helpful customer retention strategy ensures that the customer interacts with someone who knows the status of their account and who can answer their questions promptly. For complex issues and high-value accounts, this kind of continuity is essential.[7]

All companies benefit from contact center computerized systems that pull together customer information into a reporting system (usually a customer relationship management (CRM) database) which makes it easy for any agent on the team to locate the customer's history with the company, orders pending and filled, interactions such as complaints, and notes left by other agents before and during an interaction with the customer. This makes for a positive customer experience and aids in customer retention.

Agent Training

Most organizations train their contact center representatives during the first few weeks on the job. Representatives need to become familiar with the company's mission and vision and specifics around the image the company wishes to portray to customers. After a few weeks of training, the manager will often coach and monitor new representatives on the job, correcting any service issues they observe. As new technology is introduced into the call center, customer procedures change, trends in service change, or legal or company policies change, representatives may need to be trained on the changes. Once an agent is trained they may be offered additional training to grow their skills and knowledge so as to work in multiple departments, for multiple customers, or learn more about selling or servicing various products.

Watch the "How to Survive Your Call Center Training" YouTube video below for information call center trainees will want to know.[8] Transcript for "How to Survive Your Call Center Training" Video [PDF–New Tab]. Closed captioning is available on YouTube.

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Agent Workload

Contact center agents may be working in very busy environments and be expected to answer 50 or more calls per day. An agent may be working in an inbound center or an outbound center. Inbound centers are usually for customer service calls coming into the company from customers seeking information, looking for product support, returning products, or paying bills. Outbound centers are usually for calls initiated by the company going out to customers either attempting to make a sale, provide information about a promotion, improve customer relationships, or solicit new business.

An agent not only takes phone calls but also works with various channels responding to customer inquiries and solving customer issues. Some issues take time and must be researched, reviewed with a manager, or collaborated on with other departments so an agent must set aside time for these tasks and follow up with the customer later in the day or the next day (as agreed upon). Even if there is no resolution to the problem, the agent should contact the customer at the agreed-upon time to provide a status update and let them know the problem is still being worked on.

"Depending on the nature of the calls, working in a call center can be quite repetitive. Agents who work in departments doing bill payments or inbound sales need to be good typists since they must record addresses and card details quickly and accurately. Those working in support roles need to be able to complete ticket information accurately, demonstrate good listening skills, and communicate instructions clearly."[9]

Being flexible and adaptable may help an agent overcome the boredom of the repetition of similar calls. Agents may be asked to work in both inbound and outbound centers, offer support on more than one product, answer bilingual calls, or swap between different communication channels. Having agents who can work in different areas and on different systems is a benefit for the employer too as it means less agent downtime.

"Call center work can be stressful if the callers become hostile, but it can also be quite rewarding if the callers are polite and are grateful for the help that they are given. Outbound sales agents, and those who do out-

bound surveys, can sometimes face hostile responses from call recipients. A good call center agent will handle it gracefully and remove the recipient from the database so they don't get called again."[10]

Watch the "Mock Call Sample Recording With Call Flow Guide" YouTube video below for examples of customer calls in the call center.[11] Transcript for "Mock Call Sample Recording With Call Flow Guide" Video [PDF–New Tab]. Closed captioning is available on YouTube.

> *One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=74#oembed-3*

Agent Wages

Many contact center agents earn minimum wage, but agents with multiple skills or who speak multiple languages often earn higher pay rates than those who handle only one type of customer call. Agents working in technical support, medical, or financial areas often receive higher pay rates. Agents working in sales roles will usually earn a commission on top of their regular salary.[12]

"Because of the relatively low rate of pay for the entry-level positions, the turnover rate for office-based call center work is high. Virtual call center agents usually enjoy better job satisfaction, and a better pay rate in real terms, since they do not have to commute to work and don't have to worry about packed lunches, eating out, or buying work clothes. Since they work from home, their work day feels shorter and they may enjoy more leisure time while still getting the same rate of pay for the hours they work."[13]

Quality Service

No matter how experienced you are, never assume you know more about the customer's needs than they do. These types of assumptions can lead to miscommunication and frustration for both of you. Instead, communicate thoughtful, personalized solutions. No two customers are alike. Each one has their own unique needs and goals that are specific to their situation. Recognizing these differences and adapting your communication to align with each customer is a great way to build rapport.[14]

To stand out from competitors, you need to do more than just provide the right answer. Exceeding customer expectations and providing positive, memorable experiences help retain customers and make them loyal advocates which means more revenue for the company. When customers have questions, they want answers

quickly. That means you need to be organized and capable of thinking on your feet. It also means that you need to be proficient with call center technology. Most agents will receive training during onboarding or orientation on how to use the computerized systems. You need to document and respond to tickets (issues to respond to) efficiently.

Observe recurring patterns or customer roadblocks. If several customers complain about the same thing then this may be a significant problem and you should report these issues to management. The company can then correct the issue whether it be a processing problem or a product flaw. Correcting the issue early means avoiding future angry customers and ensuring a better customer experience. This makes your job as an agent easier too.

It's tempting to provide a customer with an easy, short-term solution; however, it's important to solve the customer's long-term needs, and not for your own convenience. Customers will recognize the difference and will remain loyal to your business if you truly go above and beyond for them.[15]

Stay calm under pressure, especially when dealing with angry customers. Your professionalism may be tested when dealing with angry customers, but doing a quality job means actively listening to complaints, calming the situation, and resolving the issue as effectively and efficiently as possible. This may mean following up with the customer after you have done some research on their problem. Sometimes you need to transfer the customer to a manager when you do not have the authority needed to solve the issue. Other times it may mean working with another department to get the customer issue resolved. All you can do is remain calm, work diligently, and reassure the customer that you are working in their best interest and trying to solve their issue quickly and effectively.

Watch the "How to Deal With Angry Customers" YouTube video below to learn some tips for dealing with angry customers.[16] Transcript for "How to Deal With Angry Customers" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=74#oembed-4

Key Takeaways

1. A **Customer Service Representative (CSR)** – also called an agent – is a person who works in a call or contact center and helps customers with their issues. They may do this using a variety of channels, including phone, chat, email, and social media. Customer service representatives (CSRs) play an important role in influencing the customer experience.

2. A **traditional call center**, as the name suggests, is focused on voice calls. Even if a call center provides some multi-channel customer service, the interactions are siloed in the individual channels. This does not provide a clear view of the full customer journey.

3. A **modern contact center**, as the name indicates, allows customers to contact a company not just via calls, but across whatever channel they choose.

4. A contact center representative has many **responsibilities**, some of which include answering inbound phone calls. answering emails, responding to support tickets filled out over a web form, engaging in live chats., and making outbound phone calls.

5. Contact center agents may deal with a **variety of issues**, some of which include inbound sales and service, outbound sales and service, general account queries, bill payments, and complaints. An agent not only takes phone calls but also works with various channels responding to customer inquiries and solving customer issues.

6. Many contact center agents **earn minimum wage**, but agents with multiple skills or who speak multiple languages often earn higher pay rates than those who handle only one type of customer call. Agents working in technical support, medical, or financial areas often receive higher pay rates. Agents working in sales roles will usually earn a commission on top of their regular salary.

7. To **provide quality service**, a contact center representative should communicate thoughtful, personalized solutions, be organized and capable of thinking on their feet, be proficient with call center technology, observe recurring patterns or customer roadblocks and report them to management, solve customer issues for the customer's long-term needs and not for their own convenience, and stay calm under pressure, especially when dealing with angry customers so as to maintain their professionalism.

End-of-Chapter Exercises

1. **Jobs.** Search the Internet to locate three job advertisements for a contact center representative (or agent) and compare the duties to those listed in this chapter. The job titles may differ, for example, a job advertisement posted on the Coca-Cola Company website is entitled "Customer Resolution Specialist" working in the "Customer Care Center" while the job duties are those of a contact center representative. Try searching company websites for jobs at companies you might like to work for one day. Starting out in a contact center is a great way to get hired and work your way up the proverbial ladder within your desired organization.

2. **Contact Center Software.** Search the Internet to locate information on contact center software. Contact center software allows companies to manage a high volume of inbound and outbound customer communications across a range of channels. Select one specific software, such as Talkdesk, LeadDesk, Bitrix24, VICIdial, Five9, Nice, or another, to further research. Take note of the features and benefits of the software as well as the price. You may also wish to look at some user reviews to see how people liked using the software. Is there a demo or free trial? Share this information with your professor or classmates. Your professor may wish to take advantage of a free trial and have you practice using some contact center technology.

3. **Salesforce Service Cloud.** Many companies use Customer Relationship Management (CRM) software to track interactions with customers so that contact center agents can view the issues customers may have had in the past. A very popular example of CRM software is Salesforce Service Cloud which is contact center software, built on a SaaS model, that empowers the company to manage customer service in the cloud. Salesforce provides customer relationship management service and also provides a complementary suite of enterprise applications focused on customer service, marketing automation, analytics, and application development. You can learn more about using Salesforce at the Trailhead free training website. Go ahead and sign up for free then take a quick 10-minute tutorial on using Salesforce Service Cloud.

4. **Hootsuite.** Search the Internet to discover the most popular social media used by companies today to interact with customers. Many companies use software tools to manage their social media accounts in one place. Hootsuite is a popular social media management dashboard. Hootsuite also offers a free trial. Research Hootsuite and take note of the features and bene-

fits of using such software. Share this information with your professor and/or class.

5. **Call Center Quiz.** Take a quiz to see if you are a good candidate for a call center position.
6. **Common Phrases Role-Play.** Review some common phrases agents use when serving customers then roleplay with a partner various customer phone calls. Some angry customer calls, some inquiries about products or services, and some billing questions or complaints. If you are not sure how to answer the customer, do some research to find some example calls to learn how to provide the best service possible. The customer can provide you with feedback on how well you represented the company and how well you resolved their problem or provided exceptional customer care.

Self-Check Exercise – Dealing with Angry Customers

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https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=74#h5p-5

Additional Resources

1. Best Contact Center Software
2. Gartner Ranks Five9 Highest for Agile Contact Center and North America Use Cases
3. Salesforce Trailhead – Learn new skills in Salesforce CRM software
4. Top 15 Call Center Quality Assurance Best Practices
5. 8 Most Important Qualities of a Call Center Agent
6. Monster Call Center Agent Job Description Sample
7. Social Media Customer Service

References

(Note: This reference list was produced using the auto-footnote and media citation features of Pressbooks; therefore, the in-text citations are not displayed in APA style).

Media Attributions

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CHAPTER 5: MANAGING A CUSTOMER CONTACT CENTER

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Chapter 5 Learning Outcomes

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After reading this chapter, you should be able to do the following:

1. Describe the role and responsibilities of the contact center manager.
2. List five challenges contact center managers face.
3. Provide two ways in which a manager can optimize the contact center workforce.
4. Discuss three metrics contact centers use to measure the quality of customer service.
5. List six best practices for effective contact center management.

The Role of the Contact Center Manager

The **contact center manager** sets objectives in service quality and analyzes metrics to see if the objectives have been met. The manager provides feedback to staff and arranges training as needed to ensure reliable, efficient support for customers. Very often someone starts out as a contact center representative and then progresses into a contact center manager role after they have gained experience in customer service and the technologies used in contact centers. Below is a list of key responsibilities of a Contact Center Supervisor position posted at Indeed.[1]

Key Responsibilities/Accountabilities:

- Provides leadership and guidance to the Contact Center team
- Plans, organizes, and supervises the activities of the operational unit including daily activities and Quality Assurance
- Reviews and analyzes department reports on a daily, weekly, and monthly basis

- Plans staff scheduling and workforce resource utilization
- Manages key customer service metrics
- Responds to escalated customer concerns (call queue, e-mail, online inquiries, chat social media, etc.)
- Communicates any changes to policies and procedures to Contact Center staff
- Evaluates and recommends various technological changes to improve the customer service process
- Provides coaching, development, performance management, technical guidance, and advice
- Provides input into department goals and objectives
- Leads and/or participates in department projects and key initiatives to ensure quality and timely completion within budget
- Researches, recommends, and implements new or enhanced policies, procedures, and processes to improve operational effectiveness
- Ensures compliance with legislative, regulatory, and health and safety policies, procedures, and standards

Watch the "5 Qualities of Great Customer Service" YouTube video below for great service tips.[2] Transcript for "5 Qualities of Great Customer Service: Video [PDF–New Tab]. Closed captioning is available on YouTube.

> *One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=82#oembed-1*

Challenges Contact Center Managers Face

As a call center manager, you will face challenges from management, customers, employees, and technology. Some of these challenges are described below.

Absenteeism

Since a call center is so dependent on people being available to answer phone calls and resolve customer issues when workers are absent their absence increases the workloads for other agents who may already have lots of work to deal with. This creates extra stress for the agents working and may cause them to feel overworked and underappreciated or underpaid, thereby creating low morale. Managers should develop a policy for absences. Encourage employees to provide notice or make arrangements in the event of a scheduled absence. Once a

policy is enacted then managers must enforce it and hold employees accountable for being at work on time and as scheduled.

Accurate Reporting and Analytics

Call centers are a repository for customer data and typically use reporting and analytics software to analyze data and create reports that benefit organizational performance. Call center managers are mostly responsible for providing reports on various aspects to other departments. Sales and marketing require reports on outbound sales performance, finance requires reports on the operational cost of the call center, and the information technology team wants reports on the operational performance of the call center. With so many separate reports and systems jumbled together, getting accurate and consistent reporting becomes a colossal problem for call center managers.[3]

Attrition

When a call center loses an employee, it loses all the time, effort, and training that went into developing that employee. Finding and hiring quality agents is difficult and retaining them can be just as difficult. To help reduce call center turnover rates be more selective when hiring and hire candidates who have shown longevity and loyalty to past employers. Offer competitive pay and rewards, sometimes just offering a bit higher pay can make for more reliable, productive employees. Provide employees with the software tools they need to excel at their job, like multiple communication channels, call analytics, computer telephony integration (CTI), interactive voice response (IVR), call recording, and call monitoring.[4]

Top Factors That Lead to High Attrition[5]

- Improper training
- No upward mobility
- Low wages
- Micromanagement
- Low morale

Call Center Turnover Rates by Job Title[6]

- 27% for entry-level
- 20% for intermediate level
- 12% for senior agents
- 11% for team leads

- 7% for supervisors
- 6% for managers

Attrition Rates by Country[7]

- India – in-house call centers, 28%, and subcontractor call centers, 38%
- USA – in-house call centers, 26%, and subcontractor call centers, 36%
- Canada – in-house call centers, 22%, and subcontractor call centers, 29%
- Brazil – in-house call centers, 20%, and subcontractor call centers, 30%
- South Korea – in-house call centers, 20%, and subcontractor call centers, 18%
- Spain – in-house call centers, 15%, and subcontractor call centers, 24%

Bad Customer Experiences are Magnified

When customers have bad experiences with companies they often post their stories, feedback, and reviews on social media. This becomes a big problem for companies as they fear their company image will be damaged which may result in a loss of current customers or difficulty attracting new ones. A post on Facebook or a tweet on Twitter can be read by thousands of people in a matter of minutes. Call center managers should train customer service agents to be social-media savvy so as to respond appropriately and in a timely fashion to complaints, bad publicity, or angry customers sharing their stories in the public eye.

Collaborating Across Departments

Like any business, call centers require the support of multiple departments. When it comes to problems beyond answering phones—like shopping issues or defective products—your employees can only do so much. In those situations, it helps to recognize your employees' limits but to also look for opportunities to improve relationships between departments. One way to accomplish this is to integrate databases across departments so every employee has a comprehensive view of your call center's interactions with a customer.[8]

Employee Engagement

Maintaining employee enthusiasm in a contact center is difficult because the work is stressful and monotonous, and it's easy for employees to become demoralized, which leads to absenteeism and turnover. Managers need to empower employees to help customers. Agents need to feel they have the authority to efficiently help customers. Automation can help by assisting agents in offering excellent service, often reducing the time needed to deal with each customer. Providing incentives for excellent service and meeting performance goals

will help engage employees. Delivering timely feedback by letting employees know how they are doing on a regular basis and providing coaching and training as needed is also a way to engage employees.

First Contact Resolution

Most contact centers strive to resolve customer issues on the first call (contact) as this is the most efficient approach and customers prefer not to have to call back several times or be transferred to several employees to resolve their issues. As customer issues become more complex, it gets harder to solve them during the first touchpoint and may take several follow-up calls or additional contact to resolve.

Some ways to help agents solve issues on the first customer contact include:

1. Building a common knowledge base for agents to refer to when they need answers to common customer questions or specifications about specific products.
2. Engaging in root-cause analysis to identify why customers call the contact center, and then using that information to populate the knowledge base.
3. Assessing key performance indicators (KPIs) by reviewing metrics often and determining whether or not the metrics are providing the insights needed to improve customer service.

Increasing Customer Expectations

Due to increasing business competition, along with digital and social channels reshaping customer expectations, it has become harder for call centers to meet customer expectations. Evolving customer expectations may result in increased customer attrition. Customers expect immediate service through the channel of their preference.[9]

Many customers prefer to use self-service channels because they find it more convenient, faster, and more flexible with respect to customers' unique needs. It is important to make it easy and efficient for customers to serve themselves. Increasing the number of opportunities for customers to serve themselves frees up agents to handle more complicated customer issues, and it may increase customer satisfaction as well. This may be as simple as providing a section on the company website, such as an FAQ or Knowledge database, that helps customers solve common product issues and answer simple service questions. While self-service options can deflect customer contact with your contact center, it is important to ensure that customers can contact your team when they need to, otherwise, they may become frustrated or annoyed.

Software Integration

Much of an agent's day-to-day operations entail continuously switching between multiple software systems

and databases. This is only a problem if many failed first-call resolutions are because of an inability of agents to access data. Managers should integrate systems as much as possible to increase efficiency and training time. It is also important to buy from vendors who support their software, have user-friendly interfaces (GUI), and integrate their various systems into one system.

Workforce Optimization

Contact center **workforce optimization** is a consolidated environment of technology, strategies, and processes to maximize agent efficiency, productivity, and quality to enable the contact center to perform at the highest level. Key components of workforce optimization in a contact center include:[10]

1. **Workforce management** which serves as a forecasting call volume and scheduling agent shifts accordingly, as well as managing breaks and overtime. Improve agent productivity across the contact center, and consider virtual agents who work from various locations.
2. **Training sessions** enable better agent-customer interactions.
3. **Quality management** ensures that agents are providing high-quality service and helps to identify areas where agents can improve their performance for better customer satisfaction. Metrics are often used to measure quality service delivery.
4. **Performance dashboards** provide real-time performance feedback for agents and supervisors. These can help motivate agents to achieve goals and identify where agents can improve.
5. **Coaching sessions** help agents improve their skills, stay updated with product and service knowledge, and enhance overall agent performance. These sessions also give managers an idea of where additional training is needed, and to gauge agent well-being.
6. **Gamification** incorporates game elements into non-game contexts, such as a contact center. Gamification ties into incentive management, using leaderboards, levels, badges, points, rewards and recognition, and more to motivate agents and increase engagement. This improves overall performance – which ultimately helps boost the customer experience.

Agent Productivity

To calculate **agent productivity** take the total time the agent is working (answering calls, doing administrative work, doing after-call work) and divide by the time the agent was scheduled to work, then multiply by 100. Formula = **(Total Output / Total Input) x 100 = Labour Productivity**

Using automated workforce management tools and agent scheduling software help to collect accurate data that will help a manager forecast labour needs accurately. Analyzing records will help identify busy times and slack times in customer service needs so

A person with many arms multi-tasking

that under-staffing and over-staffing do not become big problems costing the company money and customers. By precisely predicting the number of agents required at a given point in time, call centers can optimize scheduling to keep costs as low as possible while providing the best customer service possible. Automated workforce management tools also help track an agent's non-productive hours and take the necessary steps to remedy the problem; thus, increasing the agent's productivity. Managers do need to recognize that some customer issues require additional time and after-call work which would be measured in the productive time for the agent.

Work-From-Home Agents

While many companies have inbound and outbound contact centers some also have work-from-home agents. Companies benefit from the **work-from-home agent setup** as it makes it easier for them to provide customer service across multiple time zones. Since the customer service team is working from various locations, businesses with remote call centers can provide coverage during off-hours without having to put employees on different shifts. This makes employee scheduling significantly easier for companies that provide 24/7 customer support.[11]

Some contact centers not only offer support online, on the phone, or through social media they also offer in-person support. Some companies outsource their contact center needs either locally or globally and pay to have trained agents answering calls from company customers, or to have trained agents calling potential customers to make sales.

Metrics

How does a contact center know it's consistently delivering high-quality service? It begins with setting metrics. **Metrics** is a method of measuring something or the results obtained from this. The right metrics or key performance indicators (KPIs) should effectively measure a business's specific capacities. Call center managers rely on historical and real-time data to make decisions. Traditional call center metrics include first-call resolution, speed to answer, and average handling time.[12]

People working in a contact center

Here's a list of the most crucial metrics that inbound call centers must measure.[13]

- Service Level
- First Contact Resolution (FCR)
- Abandoned Call Rate (ACR)
- Average Speed of Answer (ASA)
- Average Handle Time (AHT)
- Average Call Transfer Rate
- Cost Per Contact
- Customer Lifetime Value (CLV)
- Customer Satisfaction Score (CSAT)
- Customer Retention and Churn

Service Level Metric

Service level is the percentage of calls that are answered within a given time period. To calculate the **Service Level** divide the total number of calls answered within the time period by the total number of calls and the total number of abandoned calls. A Service Level Agreement (SLA) documents the agreed-upon level of service between a vendor and a client. Numerical metrics are often assigned to determine the success or failure of the agreement, along with clear repercussions for failing to meet the service level standards. It's most commonly used by technology and customer service providers.[14] Then multiply the result by one hundred. It's imperative for companies to enable customers to help themselves. This is achieved by maintaining a comprehensive knowledge base (FAQs) that customers can use as the first line of support.

First Contact Resolution (FCR) Metric

The **First Contact Resolution (FCR)** metric shows how many customer requests were solved during the first contact. The industry standard is around 70-75%. First Contact Resolution (FCR) is an essential part of managing your company's relationship with your customers.[15] It is a direct reflection of an agent's and a center's capacity to solve problems, answer questions, and provide support the very first time a customer calls. Simply put, it's getting it right the first time and reducing customer effort.

Watch the "First Contact Resolution: Managing Metrics" YouTube video below to learn how to handle customer inquiries the first time you connect with them.[16] Transcript for "First Contact Resolution: Managing Metrics" Video [PDF–New Tab]. Closed captioning is available on YouTube.

> *One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=82#oembed-2*

Abandoned Call Rate (ACR) Metric

In an inbound call center setting, the **rate of abandoned calls** refers to the total number of calls where a caller hangs up before an agent answers. The most common factors that lead to abandoned calls are lengthy wait times and unnecessary hold times. An inefficient Interactive Voice Response (IVR) system may also cause callers to abandon the queue. It may be that to ensure compliance with the Service Level Agreement (SLA), a 5% or lower abandoned call rate needs to be maintained. To compute the ACR, divide the total number of abandoned calls by the total number of inbound calls.

Below is a list of a few ways to prevent abandoned customer calls.[17]

- **Inform customers of estimated wait times**. Callers tend to wait longer when they know exactly how long they need to wait.
- **Offer virtual queues.** Virtual queues allow customers to maintain their place in line, hang up, and receive a call back from a customer representative at a specific time. This is similar to the customer leaving a voice message and receiving a call back at a later time.
- **Incorporate omnichannel routing.** This technology is also capable of determining agent capacity and assigning interactions to the appropriate type of channel, including text messages, social media messages, chat, and email. Contact centers that support multiple channels of communication can not only improve customer satisfaction but can also minimize queue wait times by spreading the interactions over

various platforms.

- **Provide self-service options.** For instance, customers can track a package by inputting a tracking number on an online portal or make a payment via an automated system. Self-service options can free up a lot of time that would otherwise be spent waiting for a live agent to become available. Not only does this shorten and even eliminate wait times entirely, but it also helps to cut costs for contact centers by reducing the need for extra agents.
- **Assign overflow teams.** Overflow teams or contact centers can take over calls that are in queue for longer than a specific threshold. This strategy will require appropriate staff levels to accommodate these overflow calls.
- **Have customers complete tasks while waiting.** Giving customers something to do while they're waiting to speak to a live agent will help make the time pass more quickly. For instance, customers can be prompted to gather all the pertinent information needed for the call while waiting in the queue, such as account numbers or information to confirm their identity. At the same time, all this prepping before being connected to an agent will help streamline the call.
- **Redial abandoned calls during slower times.** Redialing abandoned calls in this way will help customers feel important while ensuring that agents are not bombarded with calls.

Average Speed of Answer (ASA) Metric

The **Average Speed of Answer (ASA)** refers to the average amount of time wherein a call is required to be answered. It's an essential part of the Service Level Agreement (SLA) where the service vendor promises to answer an X amount of calls within an X amount of time. Generally, a contact center's ASA should not exceed 28 seconds.

To calculate ASA, divide the total amount of waiting time by the total number of calls received within a certain period. For example, the total wait time is 30 minutes for 20 calls received, therefore, the ASA in this instance is 1.5 minutes.

The lower the ASA score, the fewer times customers spend waiting for their calls to get answered. A higher number indicates inefficiency and poor customer service. This metric affects Customer Satisfaction as today's customers tend to lean toward immediate resolutions to be delighted. In fact, 82% of customers decide to discontinue doing business with a company that provides substandard customer service.[18]

Not only is this crucial to achieving a high Customer Satisfaction score (CSAT), a lower ASA lowers the occurrence of abandoned calls while increasing the First Call Resolution rate.

Reducing the number of abandoned calls improves a contact center's ASA score. Also, a contact center can easily improve its ASA by having streamlined call routing in place. Getting ahold of the right person the first time also ultimately improves the customer experience.[19]

Average Handle Time (AHT) Metric

Average handling time (AHT) is the average time spent by an agent in handling customer issues or transactions. This also includes the amount of time a customer is placed on hold within the duration of the call as well as the after-call work time that the agent spends doing back-office tasks. The AHT is calculated by adding the agent's total talk time plus the total hold time plus the total after-call work time. This is then divided by the total number of calls.

Watch the "Average Handle Time: Managing Metrics" YouTube video below to learn about call center metrics.[20] Transcript for "Average Handle Time: Managing Metrics" Video [PDF–New Tab]. Closed captioning is available on YouTube.

> One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=82#oembed-3

Average Call Transfer Rate Metric

The **Average Call Transfer Rate** is a metric that monitors the number of calls transferred to another department, a supervisor, or a different queue. Customers can become frustrated when repeating the same issue to different representatives so it is important to monitor this metric.

Cost Per Contact Metric

The **Cost Per Contact** metric refers to the expenses related to running a contact center (i.e., operational costs, wages, benefits). To calculate the average cost per contact, the total cost associated with operating the business is divided by the total number of contacts handled. Whenever an agent picks up the phone, it costs a contact center money—salary, software, hardware, electricity, etc. This metric helps determine which channels are the most effective including phone, email, live chat, SMS, and social media.

Customer Lifetime Value (CLV) Metric

Customer lifetime value (CLV) is one of the key statistics to track as part of a customer experience program. CLV is a measurement of how valuable a customer is to your company, not just on a purchase-by-purchase basis but across the whole relationship. CLV is often used by marketing managers to determine who the company's best customers are and target these customers for specific promotions, services, or perks. The CLV

may be used in a contact center to prioritize callers. For example, customers with higher CLV to more experienced contact center representatives or specific segment representatives to ensure the best service, while customers with lower CLV may be directed to the general representatives or less senior representatives. To measure CLV take *Customer revenue per year x Duration of the relationship in years – (Total costs of acquiring the customer + total cost of serving the customer)* = CLV "CLV is distinct from the Net Promoter Score (NPS) that measures customer loyalty, and CSAT that measures customer satisfaction because it is tangibly linked to revenue rather than a somewhat intangible promise of loyalty and satisfaction." [21]

Customer Satisfaction Score (CSAT) Metric

The goal of every inbound contact center is to keep customers happy. The customer's happiness equates to the organization's profitability. A great indicator of customer happiness is the **Customer Satisfaction Score (CSAT)**. This metric is calculated by asking a question that pertains to the customer's feedback on a particular interaction with an agent, "How pleased were you with your experience?" or "Was the agent able to handle your concern satisfactorily?"[22] CSAT scores can be improved through personalized coaching and training as well as ensuring that the best practices are observed for all other metrics.

Customer Retention & Churn Rate Metric

Customer Retention (CRR) and Customer Churn (CCR) rates go hand in hand. **Customer retention rate** refers to the percentage of existing customers or users that are still part of the organization's pool of consumers over a certain period of time. To calculate the CRR, you would need the total number of active customers you have in a given period (30 days, 60 days, 360 days, etc.), and subtract the newly acquired customers during the same period. The result would be the total number of customers an organization has retained. For example, the number of customers you began with 2800, during a 60-day period you acquired 300 more, and ended with 2600, therefore, ((2600-300) / 2800) x 100 = 82% retention rate.[23]

Customer churn rate refers to the percentage of customers you have lost over a certain period of time. The churn rate can be determined by dividing the number of customers who left by the number of customers you had started with and multiplying it by one hundred. For example, in a span of 30 days, the client has lost 150 customers while you started with 1,500. The formula would look like this: (150/1500) x 100 = 10% churn rate.[24]

These metrics determine whether an inbound contact center is capable enough to retain customers by providing excellent customer service. Generally, a 5-7% churn rate annually is a healthy average. This means an organization's monthly churn rate should only be .5% or lower.[25]

To help increase retention rates and reduce churn, it's important for an inbound contact center to have a Cus-

tomer Retention team or department that handles complicated issues and cases that could possibly lead to customers churning.

Best Practices for Contact Center Managers

Strategies for effective contact center management:

1. **Hire the most suitable employees, provide a solid onboarding program, and continually coach and train.**"Train your employees to work with different communication channels–webchats, email, and messaging apps. It will allow them to develop new skills and make their work more diversified. Also, your customer service department will be able to deliver higher quality service, increasing customer satisfaction. A more diversified daily routine can have a positive impact on your employees' sense of fulfillment and their productivity as a result."[26] Practice constant coaching and monitor calls regularly. Managers can monitor calls and create scorecards for agents' performance, provide feedback to agents, and provide coaching and mentoring or training whenever necessary. Managers can share calls to support new hires during the onboarding process by giving them some tips during the conversation, providing them with feedback right after a call, or jumping into the conversation if necessary.[27]

2. **Create an employee-friendly and customer-centric environment**. Low levels of happiness in the workplace lead to high agent attrition rates, poor performance, and decreased productivity. Companies that take care of their employees, through compensation, benefits, work perks, and friendly environments see their employees giving more commitment and effort in the workplace. At Zappos for instance, employees get free healthcare, free coffee and vending machines, and on-site fitness classes and other wellness activities, in turn, employees give back to the company by providing positive customer experiences.[28]

3. **Set goals and create a game plan.** Contact centers deal with huge contracts and losing one might be detrimental to the health of the organization. As a manager of a contact center, it is a good idea to create a list of challenges you have faced over the last year as well as a list of accomplishments over the past year. This will help you see where you need to focus your attention. Once you know what you need to focus on for improvements you can make a plan identifying what needs to be done to eliminate the causes of issues and improve processes that have contributed to the problems. It is important to offer transparency in how an agent's performance is being measured and to provide attainable benchmarks for success. By defining these benchmarks and revisiting them periodically, managers can provide a structured growth path, catering to agent satisfaction and ensuring they understand their roles and responsibilities.[29]

4. **Improve your self-service strategy.** Self-service makes it possible to help large numbers of customers at a significantly lower cost. It will reduce your agents' workload and make them more productive. Interactive Voice Response (IVR) systems and chatbots allow customers to access services without speaking

to an agent. They are good for simple queries such as checking reservations or account statuses. If your product is complex or difficult to use, providing pre-recorded classes and tutorials can be a great resource for helping customers get up to speed. Building a public forum or community may make sense when your company has many products that are free or when your company is growing rapidly and you're either struggling to keep up with your support queue or don't have time to create knowledge base articles for all of your frequently asked questions. It is also important to regularly update the FAQ page or knowledge database on your website because it can reduce the number of repetitive queries. If you already have these self-service options, you should continue to ensure your customers do not experience difficulties while interacting with them.[30]

5. **Prioritize effective agent scheduling.** To make sure your scheduling method is effective and beneficial for the team, take note of each agent's availability. Figure out shifts that have gaps and fill them. Sometimes it is not productive to provide too much overtime to agents as they become exhausted and their productivity decreases, understandably, but paying for a tired agent who is less productive than a fresh, new agent is not the best choice. Putting forecasting reports to good use also helps contact center managers gain better insight into staffing requirements, inbound traffic, and KPIs.[31]

6. **Use the right technology.** Leverage your customer relationship management (CRM) with a customer telephony integration (CTI) and your employees then have access to a 360-degree view of the customer across different channels within one simple interface. Embracing current technologies is integral to the modern strategies for success in contact center management.

Key Takeaways

1. The **contact center manager** sets objectives for service quality and analyzes metrics to see if the objectives have been met. The manager provides feedback to staff and arranges training as needed to ensure reliable, efficient support for customers.

2. As a call center manager, you will face **challenges** from management, customers, employees, and technology. Some of these include absenteeism, accurate reporting and analytics, attrition, bad customer experiences being magnified, collaboration across departments, employee engagement, first-call resolution, increasing customer expectations, software integration, metrics, and workforce optimization.

3. **Metrics** that call centers use to measure quality customer service include, but are

not limited to:

- Service level is the percentage of calls that are answered within a given time period. To calculate the Service Level, divide the total number of calls answered within the threshold by the total number of calls and the total number of abandoned calls. A Service Level Agreement (SLA) documents the agreed-upon level of service between a vendor and a client. Numerical metrics are often assigned to determine the success or failure of the agreement, along with clear repercussions for failing to meet the service level standards. It's most commonly used by technology and customer service providers.
- First Contact Resolution (FCR) metric shows how many customer requests were solved during the first contact.
- The rate of abandoned calls refers to the total number of calls where a caller hangs up before an agent answers.
- The Average Speed of Answer (ASA) refers to the average amount of time wherein a call is required to be answered.
- Average handling time (AHT) is the average time spent by an agent in handling customer issues or transactions.
- The Average Call Transfer Rate is a metric that monitors the number of calls transferred to another department, a supervisor, or a different queue.
- Customer lifetime value (CLV) is one of the key statistics to track as part of a customer experience program. CLV is a measurement of how valuable a customer is to your company, not just on a purchase-by-purchase basis but across the whole relationship.
- The Cost Per Contact metric refers to the expenses related to running a contact center (i.e., operational costs, wages, benefits). To calculate the average cost per contact, the total cost associated with operating the business is divided by the total number of contacts handled.
- A great indicator of customer happiness is the Customer Satisfaction Score (CSAT). This metric is calculated by asking a question that pertains to the customer's feedback on a particular interaction with an agent, "How pleased were you with your experience?" or "Was the agent able to handle your concern satisfactorily?"
- Customer retention rate refers to the percentage of existing customers or users that are still part of the organization's pool of consumers over a certain period of time.
- Customer churn rate refers to the percentage of customers you have lost over a certain period of time.

4. Six strategies for **effective contact center management** include:

   ◦ Hire the most suitable employees, provide a solid onboarding program, and continually coach and train.
   ◦ Create an employee-friendly and customer-centric environment.
   ◦ Set goals and create a game plan.
   ◦ Improve your self-service strategy.
   ◦ Prioritize effective agent scheduling.
   ◦ Use the right technology.

End-of-Chapter Exercises

1. **Contact Center Manager Job.** Search the Internet for contact center management job advertisements. Review three of these job advertisements and remember the job title may differ from "Contact Center Manager" or "Contact Center Supervisor" but should be rather similar. Determine which skills or requirements you feel would be most difficult for you to perform. Why are these the most difficult? What can you do to improve your skills or knowledge so that these difficult things will become easier for you? Is this a job role you think you would ever do? Why or why not? Do you see linkages between working as a Contact Center Manager and working as a Bank Manager or HR Manager or CEO?

2. **Improve Customer Lifetime Value.** Search the Internet for specific ways in which a company can improve customer lifetime value (CLV). Provide three examples.

3. **Calculate CLV.** Calculate the CLV using the calculation provided in this chapter. Assume you have a customer who has been with your company for 5 years with a revenue of $1000 per year. The cost to acquire this customer was $50 and the cost to serve this customer is $100 per year ($500 over 5 years). Do the math. What is the CLV for this customer? Of course, customer revenues do not stay the same year after year, so changes that happen across the customer's lifetime must be factored into the formula., to do this companies use a formula that goes into more detail.

4. **Manage Employees.** Search the Internet and find advice on how to reprimand or redirect a contact center employee when a mistake is made. Contact center representatives are continuously dealing with new challenges in customer service, sales, and technology so there are bound to be times when a representative makes a mistake. Search for two situations, first, what should you do as a contact center manager when a new employee makes a mistake, and second, what should you do when an experienced representative makes a mistake and you feel that they should have known better? Share your findings with your professor and classmates.

5. **Self-Service.** Next time you are shopping either online or in-store observe the ways in which the company has improved its self-service options. Make a short list and share that with your professor and classmates. Which self-service options do you find useful to use from a customer perspective and which do you not find helpful? Why?

6. **Contact Center Quiz.** Take the Contact Center Managers Quiz posted on YouTube. Don't worry, you may not know all the answers, but this video will provide you with explanations for each question so you can learn more about the points you do not understand.

Self-Check Exercise – Managing Customer Contact – Self-Service

An interactive H5P element has been excluded from this version of the text. You can view it online here:

https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=82#h5p-6

Additional Resources

1. 9 Call Center Metrics & KPIs you need to know for excellent customer service
2. The definitive list of 27 Call Center Metrics & KPIs
3. Should you reprimand or redirect?
4. Sample letters of reprimand
5. Contact Center Manager jobs at Indeed
6. Contact Center Manager sample job description
7. Improve Contact Center Performance – Study your best performers AHT and learn from their techniques, YouTube Video
8. 5 Qualities of Great Customer Service Managers, YouTube Video
9. Call Center Benchmarks
10. Contact Center Statistics

References

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CHAPTER 6: USING CONTACT CENTER TECHNOLOGY TO IMPROVE CUSTOMER EXPERIENCE

Chapter 6 Learning Outcomes

After reading this chapter, you should be able to do the following:

1. List five different technologies used within a contact center.
2. Explain two customer benefits from contact centers using technology to improve service.
3. Explain two employee benefits from contact centers using technology to improve service.
4. Explain two company benefits from contact centers using technology to improve service.
5. Describe three benefits of customer relationship management software.
6. Discuss the pros and cons of contact centers becoming purely automated.

The Future Digital Contact Center

Watch "The Future Digital Contact Center" YouTube video below to learn about how the technology of the future is here today, and how this is being used in contact centers to provide customer service.[1] Transcript for "The Future Digital Contact Center" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=67#oembed-1

Contact Center Types

The first step to investing in a contact center is to determine which services and tasks the contact center will support. That will help management determine the type of structure, technology, and resources needed.

Below is a brief definition of each type of contact center.

1. **In-House Contact Center.** With in-house, also known as onsite configuration, contact centers are owned and operated by the company itself. This means that the company's team takes care of the installation, configuration, and maintenance with in-house software and hardware.[2] This can be a costly choice but offers more control over setup, upgrades, customizable options, and changes when needed.

2. **Outsourced Contact Center.** Contact center outsourcing refers to handing over customer support tasks to an external contact team, which handles calls, surveys, and other customer service operations on the company's behalf. The third-party team might be in the same locality as the company or offshore. Outsourcing allows businesses to focus their resources on products and services, marketing, sales, and other essential business operations. Outsourcing can be less expensive than an in-house contact center and it can improve the customer experience by providing 24/7 service. The disadvantage is that the company loses some control over the customer experience and outsourced companies often work for many businesses and therefore, may not specialize in your company's industry, which may negatively affect how complex calls are handled. Sometimes there are cultural or language barriers when serving customers.

3. **Inbound Contact Center.** Inbound contact centers primarily deal with incoming customer calls and tend to focus on assistance for customers who need instructions, a technician, problems solved, questions answered, or other assistance with products, services, and orders. For example, if your internet connection stops working or if it's too slow, you can call your internet provider's customer service center to report the issue and get it fixed. Apart from on-call support, inbound contact center agents often provide email responses or chat support.[3]

4. **Outbound Contact Center.** Outbound call centers primarily deal with outgoing customer calls whereby agents contact potential or existing customers rather than receive incoming calls from them. This type of call center is mainly used for sales, fundraising, promotions, and customer surveys, but it's not always the case. Some businesses choose to welcome their new clients with the so-called welcome call, during which agents provide further information on the company's products or policies.[4]

5. **Blended Contact Center.** In a blended call center customer service agents take care of both inbound and outbound call operations. Agents can fill in for each other while handling all the calls. This functionality boosts a call center's productivity.[5]

6. **Virtual Contact Center.** Many businesses have opted for virtual or cloud-based contact centers with blended services. Cloud-based contact centers can be operated from anywhere, the set-up is very easy and

quick and you don't need any special programming skills or equipment. Using cloud-based software, the representatives can log in to the company's virtual contact center dashboard and manage their calls from anywhere in the world.[6] Virtual call centers represent the future of call management software and customer relationship management. Why? Because on-premise systems are a constant trouble for business owners. They're usually complex to solve and expensive to maintain. The worst part is that they also become obsolete quickly and require frequent hardware and software upgrades.[7]

7. **Omnichannel Contact Center.** A multichannel contact center allows a business to contact or stay in touch with customers over a variety of channels. For example, video calls, phone calls, email messages, and social media messaging. On the other hand, an omnichannel contact center not only allows the business to interact with customers over various channels but also collates all the data onto a single platform.

8. **Offshore Contact Center.** Companies often outsource their customer service management to overseas call centers. India and the Philippines are the most prominent countries where offshore call centers are located. Overseas call centers typically offer lower rates, because the labor costs in these countries are much lower than in the U.S. However, it's important that companies do not lose sight of what's important if they are considering moving their call center operations overseas. Businesses need to make sure the provider they choose will not compromise their brand or the customer experience.[8]

9. **Nearshore Contact Center.** Nearshore contact centers are designed to blend the quality of service found in domestic contact centers with the cost-effectiveness of offshore contact centers. These contact centers are typically located in Central America or the Caribbean and have significant numbers of bilingual agents as well as native English speakers. Nearshore contact centers also tend to minimize cultural barriers because there is more travel back and forth between nearshore countries compared to truly overseas contact centers.[9]

Call Center Software

Call center software is software that allows businesses to make or receive phone calls to and from customers for the provision of good customer service. It offers certain features, such as inbound queueing, call routing, outbound contacting, interactive voice responses (IVR), automatic call distribution (ACD), call scripting, and call monitoring, to help the agents efficiently manage all the calls.

Contact Center Software

Contact center operations software includes traditional dedicated telephone-based call center technology as well as computer systems integration and management tools. These products integrate with customer relationship management (CRM) applications to access customer information and update customer records. Contact centers often integrate contact center workforce software, speech analytics software, and auto-dialer software solutions. Contact center operations features can overlap with telecom services software beyond adding communication channels–analytics, real-time call guidance for agents, and authentication or permission services, among others.[10]

Contact Center Software

A contact center is supported by many technologies designed to enhance the customer experience and improve operating and management efficiency, or lower the overall costs of running a contact center. Listed below are some of these technologies.

- ACD – Automatic Call Distributor System
- Call Recording
- Call Scripting
- CMS – Campaign Management System
- CTI – Computer Telephony Integration
- CRM – Customer Relationship Management System
- Email Response
- Intelligent Call Routing
- IVR – Interactive Voice Response
- KMS – Knowledge Management System
- Predictive Dialing
- QM – Quality Management
- Social Listening
- Texting Response
- Ticketing Software
- TDM – Time Division Multiplexing & IP – Internet Protocol
- Toll-Free Telephone Service
- Trunk Circuit Networks

- TTY/TDD Communications
- Web Chat
- WFM – Workforce Management System

Listed below is a description of each of these technologies.

ACD-–Automatic Call Distributor: ACD is a telephony system that recognizes, answers, and routes incoming calls to the terminal or agent that is best suited to handle the caller's needs. Knowing where to send incoming calls before they are answered is a huge help for companies receiving a large volume of calls. ACDs help companies meet customer needs more efficiently. It can also create customer call waiting queues, collect phone system usage data, allow for call monitoring and coaching, and allow for social media and CRM VoIP integrations. [11]

Call Recording: Call recording enables agents and managers to record inbound and outbound calls. The recordings can be searched through and heard later for quality coaching. [12]

Call Scripting: Call scripting helps agents follow a dialogue template for easy reference. They can fill their responses directly into the customer relationship management tool (CRM) to design workflows. [13] Scripting is especially helpful to new agents who may not know what to say to a customer or to an experienced agent who may be dealing with a very

Contact center agent at work

difficult customer or complex problem. Scripting helps the company portray a similar image to each customer and create a positive experience for each customer. While scripting helps agents follow a specific line of questions and answers it is important for agents to have the authority to deviate from the script when needed otherwise the script may be too rigid or not aligned with specific customers' needs.
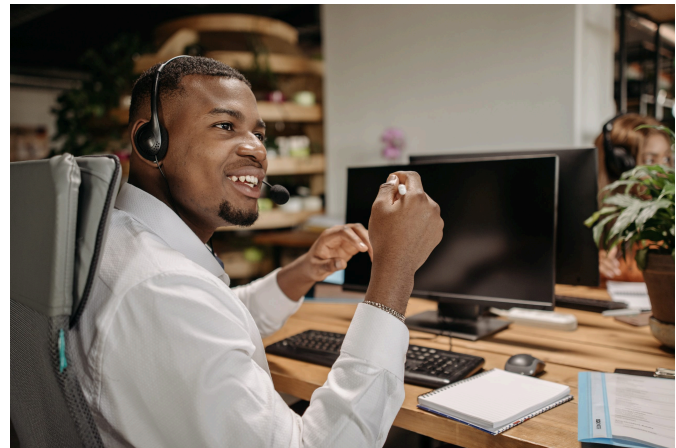
CMS-–Campaign Management System: A CMS is most helpful for outbound contact centers. The software provides the agent with a contact list, or other information needed to reach out to the right people. [14]

CTI-–Computer Telephony Integration: CTI is a type of technology that enables computer and telephone systems to interact together. Contact centers implementing CTI can use computers to manage all telephone calls, which in turn leads to increased efficiency and better results. When agents using CTI receive incoming notifications, a screen is displayed, showing the caller's account information on the agent's computer screen. This saves time for both parties by giving the agent the customer info they need to lead the call

and solve the problem. CTI screen pop is often used in tandem with a unified desktop so an agent has complete access to customer data.[15]

CRM—Customer Relationship Management System: CRM software gives agents the 360° customer information they need to solve customer issues as quickly as possible. Contact center agents can also use the servicing application to document customer interactions that can be brought up if the caller needs more help in the future. Having a record can help agents resolve customer issues more efficiently. It can also help manage issues that need to be transparent to a sales team leader for further relationship building. CRM systems enable an organization to provide insight into all customer interactions across business units. Because they provide visibility into customer interactions with an organization, they also help with case and issue management: routing customer issues or cases through internal processes and keeping the customer apprised throughout the entire case lifecycle. Your call center software should integrate with your CRM solution. This would help you centralize all the data, including history of communication, agent notes on every interaction, customer issues, and the offers emailed to customers.[16]

Email Response: Email response empowers agents to answer customer queries and manage requests across platforms, such as email, chat, or mobile apps, from a centralized interface.[17] An email response management system is a computerized system that receives, acknowledges, analyzes, and organizes email inquiries submitted by customers and routes the emails to the appropriate resources for response. The system tracks the status of the inquiries from receipt to completion and provides tools such as auto-responses, auto-suggestions, and response libraries to help contact center staff respond to inquiries more efficiently.[18]

Intelligent Call Routing: Call routing is a management process that routes calls as per categories, which are based on predefined business rules, wait time, and customer value. This allows agents to prioritize calls that need to be answered first based on their value, urgency, etc. They can also transfer the caller to another queue and define wait limits for the queues.[19] It is also sometimes referred to as an automatic call distribution (ACD) system.

IVR—Interactive Voice Response: IVR is an automated telephony system that interacts with callers before routing them to the right agent or department, based on the required expertise. The feature aims to ease the situation for callers. The IVR greets them first and prompts them to choose from a series of options to talk to a team member, pay bills, check their account balance, and more.[20]

KMS—Knowledge Management System: KMS is a computerized system designed to support the creation, storage, and dissemination of information. Such a system contains a central repository of information that is well structured and employs a variety of effective and easy-to-use search tools that users can use to find answers to questions quickly. One of the greatest challenges of running a contact center is making sure that customers are getting consistent, accurate, and timely information. KMS are developed to help contact center

operators meet this challenge. By having answers to frequently asked questions in a central repository, agents and/or customers can search and retrieve the correct answers quickly and consistently.[21]

Predictive Dialing : A predictive dialer automatically dials from a list of phone numbers. This saves the agent time as the dialer will detect busy signals, voicemail messages, disconnected phone numbers, and when there is no answer. Predictive dialing is applicable across channels: mobile, text, social, chat, and email. It detects a customer's channel of choice and delivers the interaction directly to an agent. It can also be used to deliver proactive outreach in the case of an emergency or to educate a customer on where their case is in the queue. This feature automatically connects agents to calls when an agent becomes available. The dialer runs through the calling lists and dials at the pace at which the calls can be handled to ensure higher contact rates and lower abandoned call rates. [22]

QM-–Quality Management: QM applications give managers insight into employee performance so that any areas of weakness can be identified. Managers can also use QM to ensure that agents are adhering to internal policies and procedures. For instance, if contact center agents are not taking their break at the scheduled time, it could offset staff-to-customer demand levels. Knowing how contact center agents adhere to scheduling, training, and workload balance creates a more efficient contact center.[23]

Contact center manager at work

Social Listening: Social listening lets your agents listen to customer issues online using predefined keywords and hashtags on social media. Social media posts are immediately routed to agents and prioritized so that they can provide immediate resolution to customers. The feature also allows you to identify the problem areas based on the online feedback and then use it for improvement.[24] Salesforce Social Studio is software that helps marketing, sales, and customer service teams to come together and manage a brand's social media presence all in one place. Hootsuite Insights is software that also empowers companies with social listening capabilities.

Here are a few benefits of using Social Media Listening:

1. Learn what customers think about the company and its products and improve the customer experience accordingly
2. Engage with customers and find opportunities for new sales, new customers, and new product development
3. Listen to customer's complaints and solve their problems or answer their questions

4. Track the brand's performance as well as competitors' performance and create social media posts accordingly

5. Connect with influencers and get reviews

6. Address public relations disasters or crises before they get out of hand

Texting Response: Mobile devices have become indispensable tools of the twenty-first century. Studies show that two-way text messaging systems offer a more direct and expedient means of contacting call centers.[25]

Ticketing Software: A ticketing system collects customer support requests from all the sources and centralizes them with customer data about contact history. Integrating ticketing software with a call center system allows your agents to respond to all queries efficiently.[26]

TDM-–Time Division Multiplexing and IP – Internet Protocol: TDM was developed in 1870 for large system telegraphy implementation. The technology transports contact center interactions by segmenting multiple data streams and then putting them in a single signal. IP has replaced TDM as the primary mechanism for transporting contact center transactions. IP offers easy access and value-added services such as instant messaging, video calling, and making phone calls directly from websites – all while moving through a less costly network.[27]

Toll-Free Telephone Service: Toll-free or "800" service lets customers call the company free of charge. The company or agency pays the phone bill for all incoming calls. There are different levels of service, and depending on the package selected, it can accommodate callers from the U.S. and U.S. Territories, and Canada. With special arrangements, it can accommodate callers from other countries. The public doesn't want to pay long-distance charges to obtain government information and services. Toll-free telephone networks can help your agency manage customer calls more efficiently and effectively. They offer a combination of toll-free telephone service and call routing services to optimize the operation and management of contact centers. You can serve a wide geographic region, with multiple locations and staggered hours of operation across time zones.[28]

Trunk Circuit Networks: Used in the context of contact centers, a basic "trunk circuit" is a telephone line connecting the phones at the contact center to the telephone network. Each circuit can handle one phone call at a time. The number of circuits required depends on the number of simultaneous callers the contact center wishes to accommodate. For smaller contact centers, a special trunk circuit known as T-1 is commonly used to connect the contact center system to the telephone network. Each T-1 circuit can accommodate up to 24 simultaneous phone calls at a time. For example, if your contact center wishes to accommodate 36 simultaneous phone calls, you'll need to put in 2 T-1s.[29]

TTY/TDD Communications: A Text telephone is a special device that lets people who are deaf, hard of hearing, or speech-impaired use the telephone to communicate. The process is similar to chat on computers, where one person types text to the other on these devices. Both individuals in the conversation must have a

TTY at each end of the telephone line in order to communicate. Some TTYs can be connected to the phone line by placing the telephone handset in an acoustic coupler; others can connect directly to the phone line.[30]

Web Chat: Web chat is a real-time communications system between agents and the company's customers that uses a simple, Web interface. Users need browser access in order to use the service. It allows agents to handle multiple chat sessions at the same time. Webchat can be implemented as a hosted service provided by a service provider or as an application on the organization's server.[31]

WFM – Workforce Management System: WFM is used to forecast the number of voice and digital channel interactions service agents will have with customers. Contact center managers can use the forecasts to hire the optimal number of agents to ensure customer transactions meet a certain standard of service. WFM systems often tie into other workforce optimization solutions to provide the tools to empower contact center agents. Integrating this software will help contact center managers better manage agents' productivity. Managers can plan agents' schedules with a clear understanding of the call volume (derived from forecasting data).[32]

Watch the "Contact Center Technology Finally Enables You to Be Customer Centric" YouTube video below to learn about how technology can help a company be more customer centric.[33] Transcript for "Contact Center Technology Finally Enables You to Be Customer Centric" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=67#oembed-2

Benefits of Using Contact Center Technologies

Some of the **benefits contact center agents** receive from using technology to improve customer service include increased productivity, accuracy, efficiency, better time management, and possible promotions/recognition/perks for a job well done.

Some of the **benefits the company** receives from using technology in contact centers include increased customer spending, referrals, and satisfaction resulting in increased customer retention; improved employee retention as technology enables employees to be more efficient and effective; and, cost savings.

Some **benefits customers** receive from contact centers using technology include faster service, fewer errors in ordering and billing, reduced stress, and loyalty rewards.

Some **benefits of using customer relationship management software (CRM)** include improved customer satisfaction, retention, and spending; better internal communication; more targeted and cost-effective marketing campaigns; and easier analysis of performance as a whole. The company thereby gains valuable insights such as revenues generated, leads, and results of marketing campaigns enabling effective decision making thus improving revenue in the long run. A CRM system can help maximize business performance by increasing up-sell and cross-sell opportunities.

Generative AI in Contact Centers

According to Gartner, Worldwide contact center (CC) and CC conversational AI and virtual assistant spending is projected to total $18.6 billion in 2023, an increase of 16.2% from 2022. This increased investment in AI-powered call centers points to a growing need for enterprises to digitize their call center services. [34]

Open AI launched ChatGPT near the end of 2022 and already companies in every industry are exploring how generative AI can augment the capabilities of their customer care centers. The large language models (LLMs) upon which ChatGPT and other text-based generative AI applications are built give these apps the power to respond to prompts with human-like text and voice, answering complex questions with seeming ease. Once implemented at scale, it is estimated that generative AI could increase productivity by 30% to 50%—or more. According to a 2022 BCG survey of global customer service leaders, 95% expect their customers to be served by an AI bot at some point in their customer service interactions within the next three years.[35]

Watch the "Improve Customer Service With Generative AI" YouTube video below to see an example of how generative AI can transform chatbots into customer service assistants that can help troubleshoot problems and schedule follow-up appointments. To do this, generative AI augments the standard Dialogflow conversational experience with the ability to perform detailed semantic searches and generate actionable responses. With Gen App Builder, you can build next-level customer service experience for your customers easily, with out-of-the-box configurations and integration capabilities.[36] Transcript for "Improve Customer Service With Generative AI" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=67#oembed-3

Should Contact Centers Be Purely Automated?

"It's unquestionable that automation technology provides significant cost savings. For every second that bots shave off average handle times, contact centers save about $1 million in annual customer service costs. Businesses can **reduce customer service costs** by up to 30 percent by implementing conversational solutions like virtual associates and chatbots. Automation can, for certain business processes, replace humans (what usually is known as RPA or unattended automation). But there are many things bots can't do. **Bots can't handle unusual or complex requests.** They can't match a human in expressing empathy. This is why enterprises that have blended automation with humans report that their customer service efforts are more effective at improving both customer satisfaction (61 percent) and associate satisfaction (69 percent)."[37]

Key Takeaways

1. In an **outbound call center,** agents call potential or existing customers rather than receiving calls from them. This type of call center is mainly used for sales, fundraising, promotions, and customer surveys, but it's not always the case. Some businesses choose to welcome their new clients with the so-called welcome call, during which agents provide further information on the company's products or policies.

2. **Inbound call centers** tend to focus on assistance for customers who need instructions, a technician, problems solved, questions answered, or other assistance with products, services, and orders.

3. In a **blended call center,** customer service agents take care of both inbound and outbound call operations.

4. Many businesses have opted for **virtual or cloud-based contact centers** with blended services. Cloud-based contact centers can be operated from anywhere, the set-up is very easy and quick and you don't need any special programming skills or equipment. Using cloud-based software, the representatives can log in to the company's virtual contact center dashboard and manage their calls from anywhere in the world.

5. A multichannel contact center allows a business to contact or stay in touch with customers over a variety of channels. For example, video calls, phone calls, email messages, and social

media messaging. On the other hand, an **omnichannel contact center** not only allows the business to interact with customers over various channels but also collates all the data onto a single platform.

6. **Contact center operations software** includes traditional dedicated telephone-based call center technology as well as computer systems integration and management tools.

7. There are **many technologies used in contact centers** today to help improve customer service, sales, customer relationships, customer experience, customer retention, and more. Listed below are some of these technologies.

- ◦ ACD – Automatic Call Distributor System
- ◦ Call Recording
- ◦ Call Scripting
- ◦ CMS – Customer Relationship Management System
- ◦ Computer Telephone Integration
- ◦ CRM – Contact Center Servicing Application
- ◦ CTI – Computer Telephony Integration
- ◦ Email Response
- ◦ Intelligent Call Routing System
- ◦ IVR – Interactive Voice Response
- ◦ KMS – Knowledge Management System
- ◦ Predictive Dialing
- ◦ Quality Management
- ◦ Social Listening
- ◦ Texting Response
- ◦ Ticketing System
- ◦ TDM – Time Division Multiplexing & IP – Internet Protocol
- ◦ Toll-Free Telephone Service
- ◦ Trunk Circuit Networks
- ◦ TTY/TDD Communications
- ◦ Web Response
- ◦ WFM – Workforce Management System

8. Some of the **benefits contact center agents** receive from using technology to improve customer service include increased productivity, accuracy, efficiency, better time management, and possible promotions/recognition/perks for a job well done.

9. Some of the **benefits the company** receives from using technology in contact centers

include increased customer satisfaction resulting in increased customer retention, increased customer spending, increased referrals; improved employee retention as technology enables employees to be more efficient and effective.

10. Some **benefits customers** receive from contact centers using technology include faster service, fewer errors in ordering and billing, and reduced stress.

11. Some **benefits of using customer relationship management software (CRM)** include improved customer satisfaction, retention, and spending; better internal communication; more targeted and cost-effective marketing campaigns; and easier analysis of performance as a whole. The company thereby gains valuable insights such as revenues generated, leads, and results of marketing campaigns enabling effective decision making thus improving revenue in the long run. A CRM system can help maximize business performance by increasing up-sell and cross-sell opportunities.

12. **Open AI** launched ChatGPT near the end of 2022 and already companies in every industry are exploring how generative AI can augment the capabilities of their customer care centers. The large language models (LLMs) upon which ChatGPT and other text-based generative AI applications are built give these apps the power to respond to prompts with human-like text and voice, answering complex questions with seeming ease. Once implemented at scale, it is estimated that generative AI could increase productivity by 30% to 50%—or more.

13. Businesses can **reduce customer service costs** by up to 30 percent by implementing conversational solutions like virtual associates and chatbots. Automation can, for certain business processes, replace humans (what usually is known as RPA or unattended automation). But there are many things bots can't do. **Bots can't handle unusual or complex requests.** They can't match a human in expressing empathy. This is why enterprises that have blended automation with humans report that their customer service efforts are more effective at improving both customer satisfaction (61 percent) and associate satisfaction (69 percent).

End-of-Chapter Exercises

1. **Influencers.** Search the Internet for how a company might find influencers through social

listening. Why might a company want to do that? Discuss with your classmates and professor.

2. **Better Service.** Search the Internet to see if you can find an article or story about a company that recently reorganized its contact center or adopted some new technology or configuration in order to provide better customer service and build customer relationships. Share your findings with your classmates and professor.

3. **Quality Management.** Search the Internet for best practices in quality management in contact centers. How do managers ensure quality customer care within contact centers? How would an agent be dealt with who may be lacking in quality care? Discuss with your classmates and professor.

4. **Outsourcing.** Search the Internet for the pros and cons of outsourcing contact centers. What are some of the cons of outsourcing contact centers to foreign countries? Discuss with your classmates and professor.

5. **Automating.** Search the Internet for the pros and cons of automating contact center services. Do customers like to use automated systems? Why or why not? Thinking beyond contact centers, when might customers prefer automated systems rather than interacting with a live person/employee? Provide examples. Discuss with your classmates and professor.

6. **Social Media.** Search the Internet for the most popular social media tools used by companies today. Search the customer segments that use each of these tools. Did you discover any trends? For example, are there specific customer segments using Twitter? Are there more Facebook users in Canada per capita compared to India? Do younger customers use Pinterest more than seniors do or vice versa? How might knowing the type of customer using each social media platform help a company better serve and sell to customers? Discuss with your classmates and professor.

7. **Trailhead Training.** Visit Trailhead at Trailhead | The fun way to learn (salesforce.com) and complete the Social Studio Basics training module for free. It should only take you a little more than one hour to complete and just think of all the knowledge you will gain. A great thing about Trailhead is when you complete a trail you receive a certificate of completion to add to your portfolio. In addition to free training on Salesforce, Trailhead assigns badges and rankings making it fun to learn! Discuss with your class the ways in which Social Studio helps provide excellent service to customers.

8. **Trailhead Training.** Visit Trailhead at Trailhead | The fun way to learn (salesforce.com) and complete the Knowledge Basics for Lightning Experience module for free. It should only take you about 30 minutes to complete and just think of all the knowledge you will gain. Discuss with your classmates and professor the questions a company might ask when creating a

knowledge base.

9. **AI in Customer Service.** Search the Internet to find the advantages and disadvantages of using AI for customer service. Would you like to be chatting with AI as a customer? What are some of the limitations of AI in serving customers? Discuss your findings with your class and/ or professor.

Self-Check Exercise – Contact Center Automation

An interactive H5P element has been excluded from this version of the text. You can view it online here:
https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=67#h5p-4

Additional Resources

1. Top Rated Contact Center Products
2. Top Customer Experience Management Trends in Telecoms
3. How does Contact Center AI Work? YouTube Video

4.   Introducing the All-New Webex Contact Center: The technology enabling the future of CX, YouTube Video
5.   Disrupting and transforming the contact center experience., YouTube Video
6.   2021 Customer Experience Strategies, YouTube Video
7.   Hootsuite Platform, Free Training
8.   Social Listening with Hootsuite Streams, Free Training
9.   What is Social Listening, Why it Matters, and 10 Tools to Make it Easier
10. Hands-on Free Training for Salesforce

References

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CHAPTER 7: DESIGNING PRODUCTS, SERVICES, AND PROCESSES WITH CUSTOMERS IN MIND

Chapter 7 Learning Outcomes

After reading this chapter, you should be able to do the following:

1. List five ways in which an organization can gather customer insights toward product innovation.
2. Discuss how a company can make products that are customer centric.
3. Discuss how a company can offer services that are customer centric.
4. Discuss how a company can develop processes that are customer centric.

Creating Products with the Customer in Mind

Products are created to address customer needs, solve customer problems, and create customer delight. In a customer-centric company, product innovation is all about the customer. Therefore, to launch, manage, and enhance products successfully, product teams must constantly consider their target customers. The most effective product teams partner with their customer experience (CX) counterparts. This ensures that best practice CX strategies are implemented and the voice of the customer (VoC) is integrated into each stage in the process.[1]

Seven Stages of New Product Development (NPD)

The secret to developing new products is to focus on product discovery and address the pain points of the target market. This is why it is essential to gather customer insights.

"Unlike product enhancements and upgrades that modify and improve existing products, new product development addresses the unique challenges of designing and delivering brand-new products. New product development is the end-to-end process of creating a product that has never been brought to market—from idea to concept, prototyping, developing, testing, and launch. It involves building a product strategy and roadmap to successfully guide cross-functional teams and stakeholders through the entire process."[2]

Depending on which source of information you use, you may find that NPD has 5, 6, 7 or 8 stages. The main idea to take from this is that there is a process for developing new products and most companies strive to consider their customer segment when designing new products.

A bottle of hand cream showing the product's design

Below are the seven stages of New Product Development.

1. **Generating Ideas.** Emphasis is on solving customer problems.
2. **Screening Ideas.** Conduct a SWOT analysis.
3. **Creating a Product Strategy.** A good product strategy includes the vision, target market or user, position in the industry, features and benefits, and the value the new product brings to the business. This phase involves creating a clear definition of the requirements.
4. **Building a Product Roadmap.** A product roadmap is an action plan. It outlines product functionality and release schedules and helps you manage new product development.
5. **Prototyping.** Make a prototype and minimum viable product (MVP).
6. **Testing.** Testing can span both internal quality assurance (QA) teams as well as customers and end users engaged in alpha, beta, or user acceptance testing.

7. **Launching the New Product.** You only get one chance to make a good first impression, and launching a new product requires careful planning and delivery.

Market Research

When creating products it is imperative today to conduct market research into customer preferences, social trends, competitor behaviour, and sales patterns. As companies get further into new product ideation, they must consider what a high-level customer journey might look like; hypothesize their target customer market segments; and brainstorm what their customer personas might be.[3]

There are many ways in which companies can ensure they are making products that customers want and will enjoy using. The list below shares five ways in which companies can gather customer insights before they invest resources in developing products that customers may not want, like, use, or buy.

1. **Hold focus groups.** Ask potential customers to view or use a prototype of the product and gather feedback that can be used to improve the product.
2. **Conduct surveys or interviews.** Ask customers if they would use the product, what they like about it, and what they might change before spending money on developing the product.
3. **Gather feedback.** Listen to your customers and get their feedback before making products they will not use or enjoy. Often they are a source of product ideas as they make suggestions or provide feedback about a product to employees. Have employees take notes and share trends or common questions or ideas with the team.
4. **Track clicks or emails** about new products from a "coming soon" information landing page or social media platform.
5. **Observe trends.** What products are selling the most? What are customers talking about on social platforms? What are competitors selling?

Watch the "How to Do Market Research!" YouTube video below to learn about market research.[4] Transcript for "How to Do Market Research!" Video [PDF–New Tab]. Closed captioning is available on YouTube.

> *One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=88#oembed-1*

Company Examples for Customer-Centric Products

Customers, for the most part, want products that work as advertised, are easy to use, are reliable, and do not malfunction. The goal of customer-centric product development is to provide customers with a good user experience (or "UX") with digital products. Apple is known for making products customers enjoy using, find easy to use, and have features that delight or exceed their expectations. Making products that delight customers helps build customer loyalty and creates customer advocacy. After having purchased their first product, many Apple consumers become loyal advocates of the brand because of Apple's exceptional user experience. People just enjoy using Apple products.

"Amazon is guided by four principles: customer obsession rather than competitor focus, passion for invention, commitment to operational excellence, and long-term thinking. Amazon strives to be Earth's most customer-centric company, Earth's best employer, and Earth's safest place to work. Customer reviews, 1-Click shopping, personalized recommendations, Prime, Fulfillment by Amazon, AWS, Kindle Direct Publishing, Kindle, Career Choice, Fire tablets, Fire TV, Amazon Echo, Alexa, Just Walk Out technology, Amazon Studios, and The Climate Pledge are some of the things pioneered by Amazon."[5]

LEGO has long seen the value in co-creating products with customers. LEGO IDEAS invites individuals to submit new, original, and creative ideas in the form of a "Product Idea" that others vote on and then are considered for potential new brick-based LEGO playsets. The creator gives final product approval, earns a percentage of net sales, and is recognized as the LEGO Ideas set creator. This concept celebrates loyal customers and rewards them for innovation, creativity, and entrepreneurialism."[6]

Customers today are more concerned with the environment than ever before. Companies need to be **environmentally sustainable** both in the products they offer and in their internal manufacturing systems. Customers want to do their part to help the environment and are more likely to support companies that act responsibly toward the world around them. Modern companies can't truly focus on their customers while ignoring our planet's many pressing challenges.[7]

Disney is working to reduce indirect greenhouse gas emissions through the reduction of electrical consumption. It has zero-net direct greenhouse gas emission policies within all its facilities. Disney also has a zero-waste policy meaning that there is nothing that would end up in landfills. The entertainment giant also uses technology that saves water and is working on lowering the footprint of its product manufacturing and distribution. This is tied up to the company's policy of having a net positive environmental impact that has made Disney a leader in environmental responsibility.[8]

Creating Services with the Customer in Mind

An amazing customer experience is one of the biggest competitive advantages a company can have. Instead of competing on price, more than two-thirds of companies now compete mostly on the basis of customer experience. [9]

Customer Experience (CX)

CX is all that a customer experiences throughout the customer journey and includes the service customers receive from employees as well as the impression the customer gets from browsing through the

A person receiving a facial

physical store, using the company's website, and using the product. If service is poor, the website is not user-friendly, or the product does not work as advertised, the customer may have a negative experience.

"Employees are the foundation of a strong customer experience, which means employee experience and culture are crucial in customer-centric companies. Successful organizations invest in empowering their employees and providing them with the right tools and culture to succeed." [10]

In the Spotlight: Southwest Airlines

Southwest Airlines [11]

Founded in 1967 by Herb Kelleher, Southwest Airlines' mission statement reads "Dedication to the highest quality of customer service delivered with a sense of warmth, friendliness, individual pride, and company spirit." Everything about the brand, from the napkins that say "I'd be happy to hold your drink" to the stock market ticker that is "LUV", talks about the fun-loving and customer-loving brand that it is. The company has created a very loyal customer following.

Here are a few secrets of Southwest:

Understand that "Happy employees = Happier customers".

The airline believes in keeping its employees happy, "Our people are our single greatest strength and most enduring long-term competitive advantage." The company empowers its front-line employees and backs them to make quick decisions that are critical for a good customer experience.

Anticipate customer needs.

In his book *High Tech, High Touch Customer Service*, Micah Solomon recalls an experience when the gate agent of Southwest Airlines booked the tickets to the next flight to his destination when the one was supposed to fly was grounded due to bad weather conditions. All this was even before Micah requested it. What a wonderful example of anticipating a customer's need and being proactive in helping the customer. An inconvenience turned out to be a moment of pleasant surprise for the customer.

Apologize genuinely.

It's not wrong to apologize when things go wrong at the company's end. Sometimes just an apology goes a long way and may mean as much or more to the customer than any monetary solution. This is the mantra that Southwest Airlines lives by.

Company Examples for Customer-Centric Services

Companies such as Costco, Amazon, Apple, Ritz-Carlton, Starbucks, Lowe's, UPS, Trader Joe's, Zappos, and Harley-Davidson are known to be customer centric in everything they do. Innovative companies are always looking for ways to better serve customers and improve their lives.

"Zappos is an online retail company that is known for "going extreme" for its customers. Zappos' customer philosophy may even seem risky for some – they offer free shipping for any number of back-and-forth transactions, offer a 365-day return policy if a customer is not satisfied with the product, and never outsources customer service so as to capture the local culture and persona in their experience. Tony Hsieh, the CEO of Zappos says that this indeed costs them some money. However, the philosophy of Zappos is that most of the money they might ordinarily spend on advertising is being invested in customer service so that their customers will stay long-term with them and compensate for the lost marketing with positive word-of-mouth. Is it working for them? Astronomically!"[12]

Watch the "How Tony Hsieh Grew Zappos to $1.2 billion value in just 10 years" YouTube video below to learn about the Zappos customer service strategy.[13] Transcript for "How Tony Hsieh Grew Zappos to $1.2 billion value in just 10 years" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=88#oembed-2

Starbucks has a fiercely loyal following, in large part because of its mobile ordering and personalized rewards program that makes it easy for customers to order exactly what they want and pick it up with a minimal wait. Starbucks has the most popular app among major restaurants. As a leader in environmentally friendly dining, Starbucks also set aggressive new sustainability goals, including reducing carbon emissions by 50% by 2030.[14]

Delta Air Lines is a US-based airline that is known for its commitment to customer satisfaction. In 2023, Delta and American Express teamed up to allow eligible Delta SkyMiles American Express Card members to take 15% off Award Travel on Delta flights anytime. This collaboration with American Express illustrates Delta's dedication to improving the SkyMiles program to surpass customer expectations and enable more seamless travel.[15]

If you've ever been to IKEA, you know it's not just a furniture store – it's an experience. They constantly improve to create better customer experiences, including elements in their stores like cafés and children's play centers. The company even added augmented reality apps for smartphones, allowing customers to virtually design a room with their furniture.[16]

To ensure top-quality service at all times, Ritz-Carlton employees are empowered to spend up to $2,000 for issue resolution per incident, without asking for a manager's approval.[17]

At Amazon, if a customer receives a damaged or defective item, or if a package gets lost in the mail, they will send a replacement. If Amazon's self-service FAQs or community forums can't solve the problem, callers can get 24/7 support and are almost never put on hold.[18]

Creating Processes with the Customer in Mind

The way in which a company gets things done can have a positive or negative impact on the customer experience. If customers must wait in long lines, can only contact the company through one channel, or have to fill out many forms before they can get service or have a problem resolved then the processes the company is using probably need to be reconsidered. Processes should enhance the customer experience, not detract from it.

How many times, as a customer, have you become annoyed when you were asked to take a ticket and wait in line? How many times have you become angry with the company while you were waiting on hold on a call for an extended period of time? How many times have you become frustrated when you were trying to use an online system to solve your problem or get an answer to an issue only to discover the online system was not user-friendly and you could not figure out how to resolve the issue without having to use another channel to contact the company? When processes improve the customer experience and make the customer journey easy, fun, or memorable (in a positive way), customers are more likely to continue their patronage with the company, increase their spending with the company, post positive online reviews, and refer others.

A drive-up diner with the meal on the vehicle window

Business Process Improvement

Watch the "Business Process Improvement" YouTube video below to learn about making process improvements. The presenter, Joe, provides advice for businesses to clean up processes in six areas within their companies. These include Human Resources, Marketing, Operations, Accounting, Customer Service, and Sales. [19] Transcript for "Business Process Improvement" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=88#oembed-3

Company Examples for Customer-Centric Processes

"Kaiser Permanente focuses on both employee and customer experience and uses innovative technology like virtual appointments that allow providers to see more patients more conveniently. It's an example of making people's lives easier and better, and we'll only see more digital offerings from big brands."[20]

"KFC is a great example of a brand that uses AI to offer a personalized shopping experience. It collaborated with the Chinese search engine company, Baidu, to develop facial-recognition technology that can predict what a customer will order. The system can suggest different menu items based on the person's estimated age and mood. For example, a 20-year-old male could be offered a meal with a crispy chicken sandwich, roasted chicken wings, and coke. A 50-year-old female might be offered porridge and soybean milk for breakfast. This not only speeds up the ordering process but also provides a high level of personalization that many customers enjoy."[21]

"Acxiom tracks more than 4,4000 health attributes in its patients to proactively connect them with the right provider and streamline referrals and check-in."[22]

"Best Buy, the tech store, went through a digital transformation to evolve with changing trends and streamlined its in-store and online experience to provide personalized advice, including visiting customers in their homes to find their best tech solutions."[23]

"Amazon, the e-commerce giant (and web host with Amazon Web Services), is constantly innovating with new customer solutions, including one-day shipping, easy returns, and creative physical locations that integrate for a truly omnichannel experience."[24]

"Sephora, the beauty brand, uses technology to create a personalized experience with a comprehensive app, virtual try-on of makeup products, and a strong online community for a seamless customer experience."[25]

"TELUS customers have a choice of how they get support help, from online tutorials to detailed instructions on any possible issue."[26]

Combining Product, Service, and Process Innovation

You may have noticed that in some of the examples above when a new service was provided, it prompted a new process as well. This is quite common. For example, if a business decides to offer a new drive-thru or delivery service option, the company will also need to implement a new process for employees working in the drive-thru or delivery areas. If a company develops a new product, such as a new cell phone or new vehicle, the business will probably need to provide a new service for customer support involving the new product.

For more information on types of innovation and combining the various types refer to the open educational ebook, Leading Innovation, 2nd edition.

Key Takeaways

1. **Products** are created to address customer needs, solve customer problems, and create customer delight. In a customer-centric company, product innovation is all about the customer. Therefore, to launch, manage, and enhance products successfully product teams must constantly consider their target customers.

2. There are **seven stages** to **new product development (NDP)**:

   1. Generating Ideas.
   2. Screen Ideas.
   3. Creating a Product Strategy.
   4. Building a Product Roadmap.
   5. Prototyping.
   6. Testing
   7. Launching the New Product.

3. Companies should conduct **market research** to gather customer insights before investing in producing products customers won't want, like, use, or buy. They can do this in many ways, including holding focus groups, conducting surveys, gathering customer feedback, tracking website clicks and emails, and observing trends.

4. Companies need to be **environmentally sustainable** both in the products they offer and in their internal manufacturing systems. Customers want to do their part to help the environ-

ment and are more likely to support companies that act responsibly toward the world around them.

5. An amazing **customer experience** is one of the biggest competitive advantages a company can have. Instead of competing on price, more than two-thirds of companies now compete mostly on the basis of customer experience.

6. Employees are the foundation of a strong customer experience, which means employee experience and culture are crucial in customer-centric companies. Successful organizations invest in **empowering their employees** and providing them with the right tools and culture to succeed.

7. The way in which a company gets things done can have a positive or negative impact on the customer experience. **Processes** should enhance the customer experience (CX) not detract from it. Businesses should clean up processes in six areas within their companies. These include Human Resources, Marketing, Operations, Accounting, Customer Service, and Sales.

8. Often when companies create new services it prompts new processes as well. There are many **types of innovations** and often they are combined.

End-of-Chapter Exercises

1. **Product Features.** Do you have a product you love? Discuss with your classmates what it is about the product that makes you like it so much. Is it the product's usefulness, design, durability, and features? What you like about the product may not be the same for every customer. Consider various customer segments and determine what the product offers that might align with the needs and wants of each segment. For example, consider age groups: children, seniors, teens, or consider careers: construction worker, office employee, nurse, what is it about the product that each of the segments might enjoy? To make it even more confusing consider complex buyer personas such as an office manager who belongs to a cycling club and participates in cycling events each weekend, and also is the parent of three children. What is it about the product that this person would most like? What value does it bring to the customer?

2. **Customer Advocacy.** Search the Internet for information on products produced by Apple Inc. and Harley-Davidson. What is it about the products made by these companies that customers love? How do these companies turn their loyal customers into cult-like followers? How do they build customer advocacy? Discuss with your professor and classmates.

3. **Exceptional Service.** Discuss with your classmates a time when you received exceptional service. Why was it exceptional? What happened that made it a positive memory for you? Would you refer this company to other potential customers? Did you return or buy additional products or services from the company? Did the company exceed your expectations? If so, how?

4. **Poor Service.** Discuss with your classmates a time when you received poor service. What happened that made this a negative experience? Would you refer this company? What could have happened to turn this situation around? Were there things the company could have done better to turn the situation from a negative to a positive? What expectations did you have going into the situation and how were your expectations not met? If you had lower expectations would the situation have been acceptable?

5. **Efficient/Effective Process.** Discuss with classmates a process you feel works well, either a process at your current place of employment, or a process you encountered as a customer. Why do you feel it worked well? What was it about the process that made it effective? What was it about the process that made it efficient? What was it about the process that made it customer centric?

6. **Design a Process.** Work with a partner to design a new process for a college or university. Assume there is a process for students to change courses on their timetable. What would you do to make this process customer centric? How would the process flow? Share your revised process with your classmates and/or professor.

Self-Check Exercise – Products, Services, and Processes

An interactive H5P element has been excluded from this version of the text. You can view it online here:

https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=88#h5p-7

Additional Resources

1. 5 Trends that will Define Customer Service in 2021
2. 10 Trends Changing Customer Expectations
3. 20 Best Companies to Work for in 2021
4. Canada's Top 100 Employers 2021
5. 4 Self-service Trends that are Changing Customer Service 2021
6. 100 Customer Experience (CX) Stats to Prepare for 2023

References

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CHAPTER 8: USING DESIGN THINKING TO IMPROVE CUSTOMER EXPERIENCE

Chapter 8 Learning Outcomes

After reading this chapter, you should be able to do the following:

1. List five general principles of service design.
2. List the five stages of the Design Thinking process.
3. Explain what occurs at each of the five stages of the Design Thinking process.
4. Describe three service prototyping techniques.

Service Design

Service design refers to the planning and organizing of people, infrastructure, communication, and material elements of a service in order to improve its quality and the interaction between the service provider and their customers.[1] A service design blueprint, or journey map, is used to visually display a user's experience of a service, which includes all interactions and touchpoints that both the customers and employees engage with. Journey maps are useful for visualizing complex or multi-channel service offerings to better understand the causes of root problems, or areas in need of improvement during a specific customer journey.

Service Design is about three things:

1. **Customer Centricity.** Putting the customer at the heart of everything you do.
2. **Co-Creation.** Creating services together.
3. **Being Holistic.** Building interdependent and inter-connected experiences that connect with people on an emotional level.

Exceptional service design is why customers come to your business and not another, and why they keep coming back.

A few of the general principles of service design are listed below.[2]

1. Services should be designed based on a genuine comprehension of the purpose of the service, the demand for the service, and the ability of the service provider to deliver that service.
2. Services should be designed based on customer needs rather than the internal needs of the business.
3. Services should be designed to deliver a unified and efficient system rather than component-by-component which can lead to poor overall service performance.
4. Services should be designed and delivered in collaboration with all relevant stakeholders (both internal and external).
5. Services should be developed as a minimum viable service (MVS) and then deployed. They can then be iterated and improved to add additional value based on user/customer feedback.

Create Inclusive Customer Experiences

Inclusivity means to create experiences that reflect and enable people of all backgrounds and abilities to engage positively with the company brand and achieve their goals. It is important for organizations to consider inclusivity when designing services. The most inclusive brands do this with equity, diversity, and inclusion efforts. In today's marketplace, there are customers from all around the globe who are from various cultures and have varied levels of accessibility. Vocabulary syntax and idioms vary within a language based on culture and location. Customers want to find information in their own language. Review the customers' journey for accessibility which includes things like high-contrast screen text for easier reading for anyone with limited sight and ensuring assistive technology will work for customers who use it. There are also important compliance considerations around this type of accessibility. Lack of awareness can lead to exclusionary experiences.

A company may want to ensure that the team designing customer experiences comprises a diverse group of people so that different voices and perspectives are included. Listening to customer feedback from diverse perspectives is also important. Design teams must be aware of their own biases, cultural assumptions, and other ways that their own perspectives might not be shared with everyone. Teams should consider the content at the local and cultural levels, and provide several support channels like live chat, video calls, and text-to-speak options. Teams should ensure the brand is represented through imagery and photos that represent different ages, backgrounds, cultures, and ethnicities. Organizations could ask customers what they prefer and ask for their help in designing the customer journey.[3]

Connect Employee Experience to Customer Experience

Customer experience and employee experience must be aligned to be successful. When employees feel under compensated, undervalued, or taken for granted, they sometimes become angry or resentful toward the organization. When this occurs their performance may decline, and their interactions with customers may also become less what is expected. A customer who visits a fine-dining restaurant for a dinner out, may not feel happy, welcomed, or satisfied with the experience when they are served by a grumpy, unhappy server. This same principle applies to any organization, whether it's a hospital, bank, hotel, retail store, etc. Employees drive the experience.

Organizations that invest in employees, so they stay longer, and feel more engaged and appreciated, will benefit from better financial performance overall. Many of the best practices of customer experience management can be applied, and leveraged in employee experience management. Managers can use surveys and other feedback tools to gather experiential data from employees. Managers should collaborate with employees to create an employee journey map to find obstacles and challenges that may be preventing employees from thriving. When promising customers a low-effort, pleasant experience, the organization should consider whether or not the employee experience reflects that promise too. The alignment will also help employees feel more connected and authentic about their work. Employees are the biggest part of the customer experience equation.

Play the YouTube video below for an explanation of Service Design and compare two coffee shops, one that uses Service Design and one that does not.[4] Transcript for "What is Service Design: A Tale of Two Coffee Shops" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=210#oembed-1

Service Design Versus Design Thinking

Service Design is understood as designing where the outcome is a service. Design Thinking, on the other hand, is a broad methodology that is focused on the needs of the end-user when designing any type of innovation. Service Design and Design Thinking are similar. Both are human-centered systematic and iterative approaches that observe and interpret the needs of behaviors of users with the aim of creating services that are useful, useable, desirable, efficient, and effective. However, Design Thinking is unrestricted by the parameters of a pre-determined solution and can reveal new or different pathways to achieve a goal that might not have been

explored otherwise. For example, you may learn something new about customer needs during the prototype stage which may lead to a reworking of the concept and a whole new solution. Design Thinking explores the problem by understanding and empathizing with the user, followed by prototypes of various types of solutions, and bringing the most promising results to test and scale. Design thinking provides a starting point when the way forward is unclear, it helps the team fully understand a problem and arrive at a common goal. and it allows the team to find a tailored solution unique to the organization to achieve that goal.[5]

Design Thinking

As the world is changing at an accelerated rate, organizations look for solutions to grow with their customers or users, to do new things in better ways to improve their practices, retain and grow their customers, and expand their business. Innovation is a must for these organizations.

Design thinking is one of several approaches to innovation and is a process for creative problem-solving. Design thinking has a human-centered core and can be applied to a wide variety of problems with variable solutions as outcomes, including products, programs, processes, services, and more. Design Thinking is widely used in the services industry by companies such as UPS, Airb&b, IBM, Uber, and Intuit.

In the Spotlight: UberEATS Design Thinking

UberEATS story sourced from How We Design on the UberEATS Team

To UberEATS Design Thinking has been a powerful tool to create higher customer satisfaction. Creating the future of food delivery takes empathy, innovation, and an appetite for complex logistical challenges. Using Design Thinking, UberEATS is on a mission to make eating effortless for everyone, everywhere.[6]

"Designers on the UberEATS team love food culture, logistical challenges, and the demands of a fast-growth startup. They take pride in their ability to move quickly, build empathy with their customers, and make complex services run smoothly. The UberEats teams designs reach many different types of people with very different needs, but the same design thinking approach guides their mission to make eating well effortless at any time, for anyone."[7]

Deeply Immersed

"To understand all our different markets and how our products fit into the physical conditions of each city, we constantly immerse ourselves in the places where our customers live, work, and eat. Sitting in our offices in San Francisco or New York, we can't truly understand the experiences of a person on the streets of Bangkok or London. We need to go there, move about the city, experience the food culture, and watch how people use the things we've designed."[8]

- UberEATS Walkabout Program. Every quarter, designers visit an UberEATS city and learn about the city's food culture, transportation, and logistical infrastructures. They interview consumers, workers, partners, and restaurants. Each visit helps build a comprehensive understanding of the company's target markets.
- Order Shadowing. UberEATS follows partners on deliveries, visit restaurants during the rush, and sit in people's homes while they order dinner. This provides the team a better understanding of customer needs, what works, and what challenges still exist.
- Fireside Chats. UberEATS invites customers, delivery partners, and restaurant workers into its offices to discuss their experiences. These sessions provide a way to empathize with users and bridge the gaps between activities like Walkabouts and Order Shadows.[9]

Iterate Quickly

- Rapid Field Testing. Researchers and designers take prototypes into restaurants, inside delivery vehicles, and into people's homes to test products in the places they will be used.
- A/B Testing. Simultaneously test multiple versions of a feature and quickly determine which performs the best. Often this means completing a specific task like rating an order or choosing a dish recommendation.
- Operations Team Experiments. Test concepts and designs in a single city to quickly gauge their opportunity. The first versions of features like the "Most Popular Items" category in our UberEATS menus started as an operations team experiment in Toronto before later iterations were released to all users in all cities.

Innovate Constantly

"We see a huge opportunity to innovate and evolve from the traditional model of food delivery. We've started by providing driver partners the option to do both rides and deliveries so they can stay busier and earn more money while online with Uber. We designed a restaurant sales dashboard to let chefs monitor the demand of individual dishes and tweak recipes to improve their menus. And we created the "Under 30 Minutes" menu for people who want to leverage the speed of Uber to get food fast. The design team constantly seeks to generate innovations like these and provide new ways for people to eat, for restaurants to run their businesses, and for delivery partners to earn money."[10]

The design thinking framework helps inspire creative thinking and strategies that lead designers to create user-friendly products that solve real problems. There are five stages to the design thinking process, shown below in Figure 8.1, which include empathizing, defining, ideating, prototyping, and testing. They are not always completed in a linear fashion. They can be done in any order, and then redone as needed. Different stages might spark new ideas or showcase new findings in the user journey that will inspire new iterations of phases that have already been completed.

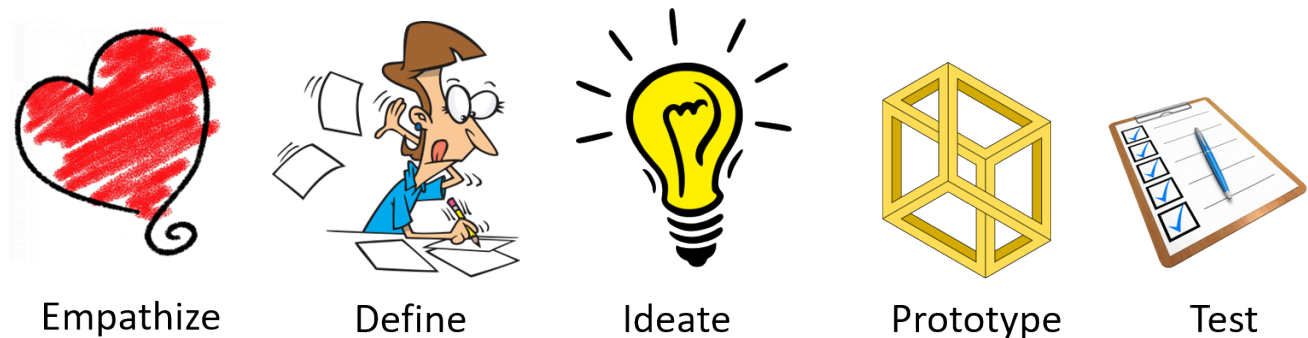| Empathize | Define | Ideate | Prototype | Test |

Figure 8.1 Five Stages of Design Thinking

Empathize

In order to deliver innovative, customer-centric solutions that customers want and will buy, begin with empathy. Put yourself in your customer's shoes and try to imagine what the customer might be thinking or feeling, what needs they may have, and what their desires are. To do this you might observe the customer or interview the customer, and create a customer journey map.

You might ask yourself and your customers how they want this product or service to work. As designers (or design thinkers), we should always do our best to leave our own assumptions and experiences behind when making observations. Our life experiences create assumptions within us, which we use to explain and make sense of the world around us. However, this very process affects our ability to empathize in a real way with the people we observe. Since completely letting go of our assumptions is impossible, we should continuously and consciously remind ourselves to assume a beginner's mindset. It's helpful if you often remind yourself never to judge what you observe, but to question *everything*—even if you think you know the answer—and to *really* listen to what others are saying.[11]

A great way to put yourself in the customer's shoes is to create story maps for the various personas (customer segments) your company provides services to. A journey map is a detailed visualization that depicts the experi-

ence of a user-based persona as they use a specific product. It depicts the steps your customers take when interacting with your product or service.

A customer journey map specifies three elements:[12]

1. The points at which prospective and existing customers interact with your brand.
2. What the customer seeks at each point.
3. The path they take from one point to the other, as they move towards buying your products. A map can be illustrated for an online experience, retail experience, or a combination of these.

Define

Designers will analyze their observations completed throughout the empathy stage, and work on synthesizing that information. Forming a problem statement that is succinct is an important part of this phase that ensures a human-centered approach by focusing on the end-user. A problem statement is important to a Design Thinking project because it will guide you and your team and provide a focus on the specific needs that you have uncovered. A good problem statement should thus have the following traits. It should be human-centered, broad enough for creative freedom, and narrow enough to make it manageable.[13]

Ideate

The solution-finding stage is where the team comes together to brainstorm creative solutions to solve the defined problem(s). When facilitated in a successful way, Ideation is an exciting process. The goal is to generate a large number of ideas — ideas that potentially inspire newer, better ideas — that the team can then evaluate and reduce into the best, most practical, and innovative ones.

Ideation Will Help You:

- Ask the right questions and innovate.
- Step beyond the obvious solutions and therefore increase the innovation potential of your solution.
- Bring together perspectives and strengths of team members.
- Uncover unexpected areas of innovation.
- Create volume and variety in your innovation options.
- Get obvious solutions out of your heads, and drive your team beyond them.

In Ideation sessions, it's important to create the right type of environment to help create a creative work culture with a curious, courageous, and concentrated atmosphere. Instead of using a boardroom with the CEO sitting at the head of the table, Design Thinking and Ideation sessions require a space in which everyone is

equal. There are hundreds of ideation methods used to spark innovative ideas. Some methods are merely renamed or slightly adapted versions of more foundational techniques. Here you'll get a brief overview of some of the best methods:[14]

- Brainstorm
- Braindump
- Brainwrite
- Brainwalk
- Challenge Assumptions
- SCAMPER
- Mindmap
- Sketch or Sketchstorm
- Storyboard
- Analogies
- Provocation
- Movement
- Bodystorm
- Gamestorming
- Cheatstorm
- Crowdstorm
- Co-Creation Workshops
- Prototype
- Creative Pause

Prototype

Without testing a new idea, designers would have a tough time actually solving the problem comprehensively. At this stage, small-scale, inexpensive versions of the product are required. This sets the stage for decision-making conversations around what works and what doesn't. Prototypes can be sketches, models, or digital renders of an idea. These scaled-down prototypes can then be used in order to observe, record, judge, and measure user performance levels based on specific elements, or the users' general behaviour, interactions, and reactions to the overall design. For instance, when developing software, a design team may produce a number of paper prototypes that the user can gradually work through in order to demonstrate to the design team or evaluators how they may tackle certain tasks or problems. When developing tangible devices, such as the computer mouse, designers may use a number of different materials to enable them to test the basic technology underlying the product. With advances in 3D printing technology, producing prototypes is now often a more

instant and low-cost process, and as a result, this has allowed designers to provide stakeholders with accurate and testable/useable replica models before settling upon a particular design.[15]

Test

Gather feedback from real users. Because design thinking is iterative, many designers roll out multiple prototypes to test different change factors within their idea. Designers should expect to go through a series of changes, edits, and refinements during the testing stage. It is not uncommon for the testing phase to "restart" some other design thinking processes such as ideation or additional testing or an entirely fresh approach. In order to achieve the best learning results from each test, here are some areas of a test that you should take into consideration:[16]

- **The prototype**
  Remember that you are testing the prototype, not the user. Your prototype should be designed with a central question in mind — a question that you will put to the test in the testing stage.
- **Context and scenario**
  As much as possible, try to recreate the scenario in which your users are most likely to be using the product. This way, you can learn more about the interaction (or disruptions) between the user, the prototype, and the environment, as well as how problems might arise as a result of that interaction.
- **How you interact with the user**
  Make sure your users know what the prototype and test are about, but do not over-explain how the prototype works.
- **How you observe and capture feedback**
  While collecting feedback, make sure you are not disrupting the user's interaction with the prototype. Find a way to collect feedback in a way that freely allows you to observe what is happening (for example, by having a partner in the test, or by recording an audio or video of the test).

Play the YouTube video below for an explanation of the five stages of the Design Thinking process.[17] Transcript for "What is Design Thinking?" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=210#oembed-2

Service Prototyping Techniques

The service prototype has the objective of replicating, as much as possible, the final experience of interacting with the service, in order to test and validate all the design choices. The complexity in the simulation is due to the fact that the service only exists once it's delivered, and while testing the experience of using a specific touchpoint (such as a mobile app) could be relative, verifying the whole journey touching upon different service components is always challenging (especially when there are physical places or interactions with service staff involved). [18]

> **Prototyping is so powerful because you're aligning the needs of the end consumer with the capabilities of the organization.[19]**
> **–Ilya Prokopoff, Partner and Managing Director IDEO SF**

Below are a few examples of various prototype techniques.

Storyboarding

Service storyboards are sketches/visualizations of future usage scenarios depicted with illustrations and small texts. They mainly focus on the service concept, but can also illustrate some parts of the service processes and systems across several instances. Focusing on the value of the service for the target users or situations, storyboards are typically short and show little detail. They can also be created collaboratively with the users.[20]

Service Advertisement

Service advertisements are visualizations of the service concept or value proposition through posters, digital ads, landing pages, videos, etc. Such ad prototypes use short slogans, catchy images, and texts to sell the service offering from emotional and factual points of view. It is recommended to include specific calls to action in these prototypes to see how the users interpret them.[21]

Video Prototype

Videos are usually created to generate interest and demonstrate how exceptional the new product will be. The purpose of a video prototype can be to get buy-in, potential investment, or validation. Conceptual videos focus

on vision at a high level to create anticipation. This prototype can also be used as a guide while creating detailed features during the development phase.[22]

Role-playing Prototype

Role-play prototypes (also called Bodystorming) are enactments of services that allow one to explain a service or product idea by acting out a scenario of use. The role play typically requires defining some roles (e.g. the user, the service employee, etc.) and preparing rough prototypes or other materials that can facilitate the performance. While a team is acting out their story, the rest of the audience learns about the idea and understands the high-level sequence of actions required. After or during the experience, participants can come up with new ideas and test them by changing the experience.[23]

Experience Prototype

Experience prototypes (also called Low-Fi prototypes or Mock-ups) allow designers to show and test the solution through the active participation of the final users, who interact with mock-ups of specific service touchpoints. There could be one (or more) prototype for each touchpoint, to collect input on that specific interaction as well as on the overall flow from one touchpoint to the other.[24]

Service Walkthroughs

Service walkthroughs (or simulations) tend to mimic the environments of the intended service contexts and can include some props and mock-ups. The service providers and service users role-play as they provide and receive the services from start to finish to test the cohesiveness of the entire experience.[25]

Live Prototyping

Live service prototypes are somewhere between early prototypes and pilots. They are set in the intended contexts and involve the actual users and providers. In cases of redesign projects, live prototypes can require transformations of the existing services, but the service concepts, processes and systems that are being represented should still be rough and subject to iterative adaptations. Users use the prototypes during their regular service interactions and are typically not aware that they are interacting with a prototype.[26]

Rough Prototyping

Rough prototypes (also called Paper prototyping or Rapid prototyping) simulate specific service components with the goal of better explaining a service idea in front of other team members, and start discussing the specific

requirements of each touchpoint. Rough prototypes can be simply built with paper (e.g. a flyer, wayfinding signage, a mobile phone interface, etc.) or with pre-assembled interface elements (e.g. wireframe kits, UI kits, etc.). They are a powerful tool during co-design sessions, to allow everyone to visually translate specific thoughts into tangible objects and interfaces, and make design considerations.[27]

Key Takeaways

1. **Service Design** is understood as designing where the outcome is a service.
2. **Design Thinking** is a broad methodology that is focused on the needs of the end-user when designing any type of innovation.
3. **Inclusive customer experiences** reflect and enable people of all backgrounds and abilities to engage positively with the company brand and achieve their goals.
4. Customer experience and **employee experience** must be aligned to be successful. Organizations that invest in employees, so they stay longer, and feel more engaged and appreciated, will benefit from better financial performance overall.
5. The **Design Thinking Framework** has five stages: empathizing, defining, ideating, prototyping, and testing. Empathize means to put yourself in the customer's shoes. Define means to for a problem statement. Ideate means to generate a large number of ideas that the team can evaluate. Prototype means to create a small-scale or sample of the idea. Test means to gather feedback from real users about the prototype of the idea.
6. The **service prototype** has the objective of replicating, as much as possible, the final experience of interacting with the service, in order to test and validate all the design choices. Some prototype techniques include storyboarding, service advertisement, video, role-play, experience prototyping, service walkthroughs, live prototyping, and rough prototyping.

End-of-Chapter Exercises

1. **Apply Design Thinking for Service.** With a partner, step through the five stages of Design Thinking to come up with a new or improved service for your college or university. Share your final idea and design steps with the class and/or professor. Does your idea meet the needs of all stakeholders?

2. **Evaluate Service Design of Past Employer.** Discuss, as a class or within groups, your past work experiences. Determine if the companies you worked for had applied the Design Thinking methodology when services were being designed. What were the pros and cons of either applying Design Thinking or not applying it? Did you notice processes that were not good for one or more stakeholders? Did you notice technologies that impaired service? Were there other issues that detracted from providing excellent service?

3. **Service Design Learning.** Visit the Service Design Network website and either attend a conference or review an article (as instructed by your professor) then present a summary of what you learned (either in video or in person).

4. **Design Thinking Case Study.** Visit the Design Thinking Association and select a case to read about. Share a brief summary of the case with the class and professor and provide three things that went well and three things that did not go well.

5. **Evaluate Course Design.** Visit OpenLearn's free online Design Thinking course. Review the user interface, the course materials and content, the lessons available, the layout of the screens, and the course reviews. Is this a course you would want to take? What do other people say in the reviews? Do you think the course was designed with the customer (learner) in mind? Why or why not? Discuss with the class and/or professor.

6. **Hone Your Design Thinking Skills.** In a group of 3-5 students assume you are going to start a student tutoring service at your college or university. Give your service a name, then review the IBM Design Thinking Toolkit. As a team, select one of the activity tools listed on the website and do the activity. When you finish submit a brief evaluation of how well it went and what your team learned to your professor.

7. **Storyboard.** Create a storyboard for the UberEATS service from the customer's perspective. Sketch the steps in the service process. What does the customer do first, second, third, and so on? How do they interact with the various touchpoints along the customer journey? Before you begin you may wish to review sample storyboards online (or your professor may

share some with you), you can find many images by just doing a search. You may select a different service to storyboard (or as instructed by your professor). Share your storyboard with your class and/or professor.

8. **Other Types of Prototyping.** Search the Internet for information about prototyping techniques not discussed in this chapter, for example, digital prototyping or concierge prototyping. What did you discover? How is this type of prototyping used? Can it be applied to the customer experience? Discuss your findings with a partner, the class, and/or your professor.

9. **Minimum Viable Experience.** Search the Internet for information on three terms: "minimum viable service (MVS)," "minimum viable experience (MVE)," and "minimum viable product (MVP)." Summarize the concept of each and make a few notes. What may occur if the MVP has too many, or too few features? Discuss your findings with a partner, the class, and/or your professor.

10. **Create a Prototype.** Together with a partner or team, invent a new service. Think of something you might like to have provided to you as a customer, that you don't find often. Create a role-play prototype. Share your role-play with the class.

Self-Check Exercise – Design Thinking in Service Design

An interactive H5P element has been excluded from this version of the text. You can view it online here:

https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=210#h5p-10

Additional Resources

1. What is Human-Centered Design? YouTube Video
2. The Principles of Service Design Thinking – Building Better Services
3. Case Studies and Thought Leadership Articles About Services
4. The Service Design Network
5. Tips for How to Prototype a Service Podcast
6. Customer Journey Mapping: The Windmill Guide to Design Thinking
7. 5 Common Low-Fidelity Prototypes and Their Best Practices
8. What is High-Fidelity Prototyping?

Attribution

The section on the Five Stages of Design Thinking is adopted from Chapter 7: Design Thinking in the Leading Innovation, 2nd edition, OER ebook authored by Kerri Shields and published on eCampus Ontario.

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(Note: This reference list was produced using the auto-footnote and media citation features of Pressbooks; therefore, the in-text citations are not displayed in APA style).

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CHAPTER 9: BUILDING STRONG CUSTOMER RELATIONSHIPS

Chapter 9 Learning Outcomes

After reading this chapter, you should be able to do the following:

1. Explain how "customer relations" differs from "customer service."
2. Explain how offering an exceptional customer experience is more than just the customer service team's responsibility.
3. Describe how companies can use Artificial Intelligence (AI) to personalize customers' experiences.
4. Explain how journey mapping can help a business improve the customer experience.
5. List three benefits companies receive from developing positive customer relationships.
6. Explain how customer relationship management (CRM) software might be used across business departments to build positive customer relationships.

Customer Relations Versus Customer Service

Customer relations refers to the different methods and strategies that a business can use to forge, improve, and manage all interactions with its customers.[1] Customer service refers to the support and assistance given to a customer before, during, and after a sale. Both are critical and work together to create positive customer experiences (CX).

The customer service team plays a key role in growing customer relationships, as they are usually the first point of contact for customers. In customer service, agents help customers in real time to solve issues and deliver a positive journey through the sales funnel. Companies can use the valuable data gathered from customer service interactions to foster customer relations and proactively strive to improve the customer experience and address

problems before they impact customers.[2] With that said, building customer relationships is not just a job for a single customer service team. It is every employee's responsibility to ensure customers receive the best service and a positive experience when interacting with the company.

Some department employees are considered customer-facing and actually interact very directly with customers as part of their daily jobs. This includes groups like customer support, sales, and service representatives, but these are not the only teams that directly impact the customer experience and overall journey. Every team has an important role to play, and product development teams, human resources staff, supply chain managers, and maintenance crews (to name a few) need to understand how their daily efforts are connected to the overall customer experience.

> **High-performing companies view customer service as their primary revenue driver, and seventy-three percent of business leaders say there is a direct link between customer service and business performance.[3]**

A customer experience vision or mission statement and leaders that support and communicate the vision can help every department see their value and role in providing exceptional customer experiences that build positive customer relationships. For example, if the customer service team needs to provide information to a customer on their account balance, the employee interacting with the customer may require assistance from the Accounting department personnel. If the assistance is slow or the information provided is inaccurate the service the customer receives will be below their expectations and result in an unhappy customer. It is critical that all department personnel understand that each has a responsibility to contribute to an overall excellent customer experience.

Every touchpoint a customer has with an organization should leave them feeling satisfied, valued, and impressed with the company. Customers want to feel that they made the right choice when purchasing from a company, therefore, they have certain expectations around product performance, service levels, warranties, employee interactions, social media and website interactions, brand, image, community, and more. Businesses need to ensure that they are supporting what they are promoting. If a product is marketed with a lifetime guarantee, then you can believe that customers will expect that to be true.

Below are a few customer relations activities.

- Tracking customer behavior and providing personalized customer experiences.
- Automating customer feedback collection (e.g., surveys).
- Analyzing customer feedback provided during customer interactions.
- Making data-driven decisions and marketing strategies.
- Proposing solutions to frequent issues.
- Utilizing the right sales and marketing software.
- Providing omnichannel service and social media presence.
- Ensuring the customer service experience is consistent across customer touchpoints.
- Delivering live assistance and boosting customer engagement.
- Working with IT and technical teams to streamline customer interactions and decrease wait times.

Customer Experience Trends

In the Zendesk Customer Experience (CX) Trends Report the following customer experience trends appear. Companies need to embrace these trends to meet customer needs and expectations in order to build relationships. There are five trends discussed below.

Trend 1: AI is becoming more evolved and seamless

The retail sector has been experiencing a significant digital transformation over the past few years. One of the greatest drivers of this transformation is the combination of the Internet of Things and Artificial Intelligence. Amazon widely uses AI in its retail operations, while Walmart and Target follow closely behind. Retailers are seeking the help of AI-based digital solutions to tackle challenges like changing consumer behavior, labour shortages, supply chain disruptions, and rising costs. AI is a powerful tool for retailers, enabling them to quickly analyze large amounts of data and make customer-focused decisions.[4]

Using artificial intelligence retail solutions, retailers can provide smooth customer support in different scenarios – starting from automated checkouts to customer mood tracking. AI-based retail solutions also provide customers with personalized and immersive shopping experiences. Several reports suggest that customers would be a lot more loyal to the brands that added personalization features in their outlets. With retail transactional data, AI, and machine learning, brands can easily track and analyze past purchases, customer behavior, and loyalty cards to deliver more customized offerings. Customers can now take a photo of an item or product they like in reality and then utilize the image to search for a retailer selling it online. Utilizing AI calculations, retail organizations can run focused marketing and advertising campaigns based on customers' locale, inclinations, gender, and buying habits.[5]

Here are a few examples of companies that are using AI (artificial intelligence) and ML (machine learning) in retail to improve the overall user experience and increase sales.[6]

- Walmart is already using AI to scan competitors' offerings, and in the near future, it hopes to use robotics to scan its shelves to optimize its product mix.
- Sephora's Color IQ scans faces to recommend personalized foundation and concealer shades, while Lip IQ helps find the perfect lipstick shade, making way for a seamless makeup shopping experience.
- Lowes uses LoweBot, a robot that assists customers in navigating its stores. These robots ask questions to help customers find products, offer directions, and share expertise while keeping track of inventory.
- Starbucks' My Starbucks Barista app enables voice and text-based orders, allowing customers to skip lines and find their orders ready upon arrival.
- Netflix leverages AI to create a personalized home screen for every subscriber. When viewers create a new Netflix account, they're asked to pick a few of their favorite movies and TV shows. Using AI, Netflix provides recommendations for similar programming and continues to customize its suggestions based on what you're watching, how long you've been watching, and what device you're using.[7]

Play the YouTube video below to learn how businesses can use AI to personalize customers' experiences.[8] Transcript for "How to use AI to personalize your customer's experience" Video [PDF–New Tab]. Closed captioning is available on YouTube.

> *One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=218#oembed-1*

According to Vonage's Global Customer Engagement Report 2022 omnichannel, commerce that integrates the different methods of interaction available to customers (e.g., online, mobile device, physical store), enhanced by artificial intelligence will help meet the expectations of customers. Customers expect an efficient customer experience in the first channel they choose. As seen below in Figure 9.1, the two channels set to explode the most are video chat and chatbot.[9]
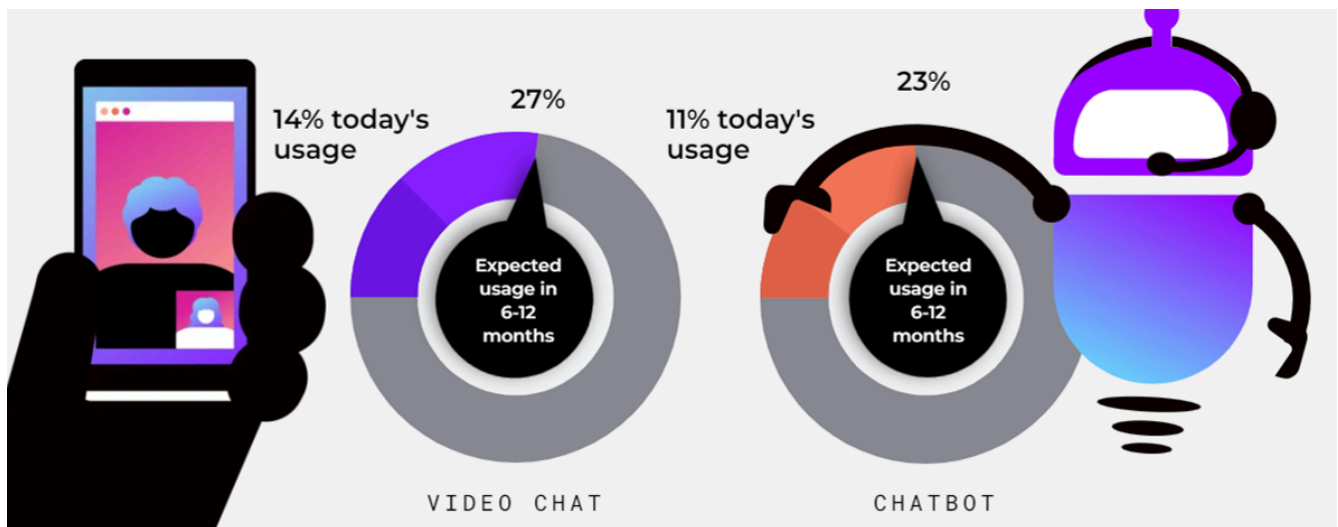
Figure 9.1: Vonage Expected Usage of Video Chat and Chatbot

Trend 2: Consumers want conversational experiences

Customers want to receive immediate assistance, and it does not matter if it comes from an AI-powered bot or a real human agent. What does matter is that those interactions feel natural, friendly, and personal. As those conversations unfold, consumers expect anyone they interact with at the company to have the full context of their purchase history, previous interactions, and so on. Should a customer decide to stop an interaction and resume it later, they want a new support representative to be able to pick up the conversation seamlessly. Seventy percent of consumers purchase more from companies that offer seamless conversational experiences.[10]

Trend 3: Customers are eager for deeper personalization

Most customers don't want to be lumped into some demographic bucket—they crave experiences in which they are a segment of one, not thousands. For example, consider the barista who greets you by your name, starts whipping up your normal order, and then asks a follow-up question about something you talked about during your last visit. Consumers want that experience, whether it's in a brick-and-mortar store or on an e-commerce site. Fifty-nine percent of consumers believe businesses should use the data they collect about them to personalize their experiences.[11] How do you feel about that? Do you agree?

In the Spotlight: Airbnb Customer Experience

Airbnb has revolutionized short-stay accommodation since it was founded in August 2008 and has disrupted the hospitality industry. When it first began, people might have thought that an idea based on inviting strangers to stay in your home would be doomed. However, it isn't doomed, and quite the contrary. Per USA Today, Airbnb has more than seven million listings in 100,000 cities as of early September 2019, and they plan to go public in 2020. They also reported revenues of over one billion dollars in the second quarter of 2019, although there is no report on the profits.[12]

Airbnb observed that consumers were looking for ways to travel differently and find better deals. They wanted to use their mobile technology to explore the world around them. Airbnb took advantage of these wants and positioned a solution that is high-tech.[13]

Airbnb offers exceptional experiences by providing a platform for hosts to offer a wide range of activities. These activities can include sharing a personal hobby, teaching a language or cooking class, hosting an art or dance workshop, or organizing sports or pub crawls.[14] Airbnb also offers a wide range of accommodation options, from cozy cottages to elegant penthouses.[15] Airbnb has also improved the user experience for guests and hosts by providing flexibility, easier hosting, and improved service support.[16] The company collects customer data to make better recommendations and match the right people together. Airbnb personalization is the adjustment of search results based on each guest's unique profile. This includes what they clicked on, what they booked, and more.[17]

Airbnb Kitchen of Rental Property

Here's how Airbnb is shaping the future of the travel industry:[18]

- It's aspirational.
- It's built on pure trust.
- It's price sensible.
- It's personable.

- It's innovative.
- It's memorable.
- It's responsive.
- It's beautiful.
- It's relevant.
- It's human.

Airbnb is one of the most inspirational and progressive brands in the world, regardless of industry. This is mainly due to its forward-thinking and absolute focus on the customer experience. The question is, will the Airbnb experience become the future of the travel industry? And what can travel agents do to start offering their current customers some of what Airbnb has made central to their overall customer experience?[19]

Trend 4: Consumers well-being and sentiment are reshaping CX

Sixty-six percent of consumers who often interact with support said a bad interaction with a business can ruin their day. Sixty percent of consumers have purchased something from one brand over another based on the service they expect to receive. On the frontlines of support, agents know all too well how their company's customer experience affects consumers. Thirty-seven percent of agents say when a customer cannot complete tasks on their own, they often become noticeably angry, frustrated, or stressed. Fifty-three percent of agents say that how their organization approaches service leads directly to negative customer

Customer Sentiment Rating

behavior, and because leaders aren't formally tracking sentiment, their organizations fail to remedy these persistent issues—what's out of sight ends up being out of mind.[20]

Trend 5: CX teams are breaking down silos

For too long, leaders have viewed their customer service organizations as cost centers, not drivers of revenue. As a result, that mindset has created siloed teams with little connection to their wider organizations, leading to disastrous side effects: agents lack relevant customer data, which then hampers efforts to provide exceptional (or even satisfactory) experiences. But as business leaders have begun to discover, customers expect data to be

widely shared so their experiences can be personalized and immersive. Leaders now realize that silos must be broken down, with true integration between customer service, sales, and marketing. Doing so promises great returns: increased efficiency, better customer experiences, and finally, more revenue.[21]

Create Customer Loyalty

Customer loyalty happens when customers give a company repeat business over time. When a company provides great value in its products and services, and the customer experience stays consistently good, then the business will reap the benefits of customer retention.[22]

Listed below are some of the ways businesses can develop meaningful customer relationships and create long-lasting customer loyalty.[23]

1. **Communicate Company Values.** Share values with employees and customers. Create more effective marketing strategies for new products and services.
2. **Know the Customer Journey.** Create journey maps to assess the gaps in the current service offerings. Recognize how each customer persona's service experience differs.
3. **Provide Exceptional Customer Service.** Train and support employees. Use AI Chatbots to improve service. Have meaningful conversations with customers so that each interaction is not purely transactional.
4. **Activate Loyalists.** Ask brand ambassadors to help spread the word.
5. **Show Customer Appreciation.** Develop a Loyalty Program.
6. **Connect in a Deeper Way.** Create a Community. Increase the personalization of customer interactions for each customer profile or segment.
7. **Ask for Feedback.** Conduct Customer Satisfaction Surveys (CSAT) as well as employee surveys then use analytics to improve service.
8. **Continually Improve the Customer Experience.** Offer personalized service. Use video chats and co-browsing (agent and customer are browsing at the same time) to engage customers. Compare competitor company journeys and create better differentiators.

More on Know the Customer Journey (above)

Mapping the customer journey for the personas, or target segments, a company wishes to reach can help the business better understand customers' expectations, then the business can tailor customer experiences to fit the customer's needs. Mapping helps businesses measure the progress of optimizing processes against the customer experience desired by customers. The mapping process brings together sales, marketing, and customer

support to define what customers need to know before they buy, what they need after they buy, and how these interactions can be enhanced. [24]

Not only can journey mapping help businesses identify issues that may be negatively affecting a positive customer journey, it can also help businesses identify new growth opportunities. During the mapping process, auditing content can reveal areas where the company may be losing customers so that the business can strengthen those areas. A journey map can help steer the team toward company priorities. A journey map that expresses the needs of the target audience helps to ensure that the team stays true to what customers need and want.

Mapping the Customer Journey

When should journey mapping be done? Customer journey mapping can be done whenever the business wants to do any of the following tasks. [25]

- Assess the gaps in the current service offering.
- Increase the personalization of customer interactions for each customer profile or segment.
- Create a more effective marketing strategy for new products and services.
- Recognize how each customer persona's service experience differs.
- Develop a new experience while keeping the important moments in mind.
- Compare competitors' journeys to the company's and create better differentiators.

More on Activate Loyalists (above)

Connect with brand ambassadors as these are the most ardent supporters of the company's brand and its values, and are the customers the company should seek out. These consumers are the ones who mention the company and/or its products and services on Facebook, Twitter, Instagram, and other social media platforms and tell everyone how much they like your brand. These highly satisfied customers help a company understand who is connecting with the brand and why. It's up to the company to find these supporters and learn about them, so the company can find others who fit the same profile. These people will become the company's brand ambassadors out in the world. The business should engage with them often – and possibly surprise an existing customer with special gifts to thank them for their loyalty, a strategy known as "surprise and delight" that can help increase retention and cultivate customer loyalty. [26]

Importance of Building Customer Relationships

It's more important than ever for businesses to create strong customer relationships. Building any long-lasting relationship requires nurturing and personalized experiences. Customers don't want to feel like their interactions are transactional. Transactional relationships often attract customers based on price alone who are looking to fill a short-term need without building a long-term relationship with a brand. Businesses that seek to create long-term, repeat business, focus on providing excellent customer experiences because they understand that retaining customers is less expensive than obtaining new ones.

Creating a Positive Customer Experience

Below are a few of the benefits companies gain from creating positive customer relationships.

- Higher Customer Retention
- More Customer Loyalty
- Better Business Reputation and Brand Credibility
- Ability to Maintain Prices
- Increased Competitive Advantage
- Improved Employee Morale and Attitude

Explore the Concept: Customer Relations Statistics

Check out these statistics gathered by Zendesk that strongly show customer relationships are the way of the future for company growth and longevity.[27]

- The top reason customers leave brands is that they feel unappreciated.
- Eighty percent of consumers are more likely to do business with a company if it offers personalized experiences.
- Offering high-quality experiences can lower the cost of serving customers by up to thirty-

three percent.
- The average cost of customers switching to other companies due to poor service is $1.6 trillion.
- Companies that earn $1 billion a year will see an average gain of $700 million within three years of investing in the customer experience.

Explore the Internet to locate additional statistics that support the claim that companies need to ensure positive customer relationships in order to thrive and secure business longevity. Can you locate statistics for Canada (or the country in which you reside)? Share your findings with your class and/or professor.

Customer Relationship Management (CRM) Systems

Customer relationship management (CRM) is a technology for managing all company relationships and interactions with customers and potential customers. The goal is to improve business relationships to grow the business. A CRM system helps companies stay connected to customers, streamline processes, and improve profitability. When people talk about CRM, they are usually referring to a CRM system, a tool that helps with contact management, sales management, agent productivity, and more. CRM tools can now be used to manage customer relationships across the entire customer lifecycle, spanning marketing, sales, digital commerce, and customer service interactions. A CRM system gives everyone — from sales, customer service, business development, recruiting, marketing, or any other line of business — a better way to manage the external interactions and relationships that drive success. A CRM tool lets you store customer and prospect contact information, identify sales opportunities, record service issues, and manage marketing campaigns, all in one central location — and make information about every customer interaction available to anyone at your company who might need it.[28]

The enterprise-wide approach to CRM allows all departments to share information within the software allowing for more efficient, consistent, and effective service delivery. Here is an example of how CRM software might help turn a negative customer experience into a positive one. A customer receives an order but is missing a part, so they call into the customer service contact center. The friendly customer service agent lets them know the part will be ordered and shipped as soon as possible. A few weeks later, the customer calls back to ask for an update because they have not yet received the part. A different agent handles their call apologizing for the delay, and informs the customer that the part should arrive in just a few days. Now the customer is losing faith in this company and wondering if the part is actually coming soon. The customer may also feel that it is their job to

follow up in a few days in order to ensure they receive the part they purchased. Yet later that day, the customer receives a call from a third agent who informs them that the order is delayed, which they already knew.

The scenario above is an example of miscommunication between agents. CRM software can solve that problem because each agent can track their interactions with the customer, leave messages for each other, check shipping plans, part stocks, and more. This way each agent can review what was said, and what is happening with the customer before they reach out to the customer a second or third time. If CRM software had been used in the above example, the third agent would not have phoned the customer at all. The second agent would have checked the shipping records to see exactly where the part was and how long it would take to deliver and might have been able to put a rush on it. The second agent also could have scheduled a follow-up call in the CRM software for two days out and let the customer know they would reach out in a couple of days to ensure the part was delivered (reassuring the customer that they need not worry). CRM software can also be programmed to notify a service representative when an order is going to be delayed so they can proactively reach out to a customer with an updated delivery time, notifications such as these can also be automated with an option for the customer to speak with a live representative if they prefer.

Research has shown that forty-eight percent of customers have switched brands for better customer service, and ninety-four percent say good customer service makes them more likely to make another purchase. Customers say that the experience a company provides is as important as its products and services. Due to rising customer expectations, service professionals need visibility into the entire customer journey in order to engage empathetically and efficiently. Sixty-two percent of service pros say all departments use the same CRM software In order to track the customer journey effectively. Customers are continuing to turn to digital channels and therefore, contact centers remain critical.[29]

Play the YouTube video below to learn about CRM software and how it works.[30] Transcript for "What is CRM and how does it work?" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=218#oembed-2

Key Takeaways

1. **Customer relations** refers to the different methods and strategies that a business can use to forge, improve, and manage all interactions with its customers. Building customer relationships is not just a job for a single team. It is every employee's responsibility to ensure customers receive the best service and a positive experience when interacting with the company.

2. High-performing companies view **customer service as their primary revenue driver**, and seventy-three percent of business leaders say there is a direct link between customer service and business performance.

3. **Customer experience trends** include the following:

   - AI is becoming more evolved and seamless
   - Consumers want conversational experiences
   - Customers are eager for deeper personalization
   - Consumers well-being and sentiment are reshaping CX
   - CX teams are breaking down silos

4. Businesses can develop meaningful customer relationships and **create long-lasting customer loyalty** by doing the following:

   - Communicate company values
   - Know your company journey
   - Provide exceptional customer service
   - Activate loyalists
   - Show customer appreciation
   - Connect in a deeper way
   - Ask for feedback
   - Continually improve the customer experience

5. The **journey mapping process** brings together sales, marketing, and customer support to define what customers need to know before they buy, what they need after they buy, and how these interactions can be enhanced.

6. According to Vonage's Global Customer Engagement Report 2022 omnichannel, commerce

that integrates the different methods of interaction available to customers (e.g., online, mobile device, physical store), **enhanced by artificial intelligence** will help meet the expectations of customers. Customers expect an efficient customer experience in the first channel they choose. The two channels set to explode the most are video chat and chatbot.

7. A few of the **benefits companies gain** from creating positive customer relationships include the following:

   ◦ Higher customer retention
   ◦ More customer loyalty
   ◦ Better business reputation and brand credibility
   ◦ Ability to maintain prices
   ◦ Increased competitive advantage
   ◦ Improved employee morale and attitude

8. **Customer relationship management (CRM)** is a technology for managing all company relationships and interactions with customers and potential customers. A CRM system helps companies stay connected to customers, streamline processes, and improve profitability.

End-of-Chapter Exercises

1. **Departments Responsible for Building Relationships.** As stated in the chapter, it is every employee's responsibility to ensure customers have a positive experience interacting with the company. Search the Internet, speak with company employees, or hold a class discussion (as assigned by your professor) in order to determine how four of the following departments participate in building positive customer relationships: Marketing/Promoting, Accounting, Sales, Human Resources, Information Technology, Operations/Delivery, Product/Service Development, Administration/Management, Purchasing/Acquiring Raw Materials. Make a list and share that list with your class and professor.

2. **Artificial Intelligence for Improved CX.** One of the CX trends listed in the chapter is "AI is becoming more evolved and seamless." Use the Internet to research how businesses use AI

to improve customer experiences. In which ways is AI becoming more involved and seamless? How do you envision AI for CX evolving in the next 10 years? Share your findings with your class and/or professor.

3. **Consumers Emotions Reshaping CX.** One of the CX trends listed in the chapter is "Consumer well-being and sentiments are reshaping CX." Use the Internet to research what this means, and provide a specific customer example. How are companies using customer emotions to improve CX? Discuss your findings with your class and/or professor.

4. **Loyalty Programs.** Use the Internet (or visit a business) to research a specific loyalty program from a specific company (e.g. Tim Hortons, Starbucks, Petro-Canada, Loblaws Super Store). Your professor may prefer to assign a specific company. Learn about how customers use the loyalty program to gain value. What about the loyalty program do you think is most valuable to customers? Why? How can the company afford to offer this loyalty program? What might happen if they did not offer the loyalty program? Do you feel this loyalty program is the best way for the company to gain customer loyalty? Why or why not? Share your research and thoughts with your class and/or professor.

5. **Brand Ambassadors.** Use the Internet to research how companies connect with loyal customers and turn them into brand ambassadors. How do companies get these loyal customers to promote their products/services and become brand ambassadors? Locate a brand ambassador online. What is the brand ambassador getting from the relationship with the company? Share your findings with your class and/or professor.

6. **Creating a Community.** Use the Internet, your personal experience, or speak with someone, to discover how a specific company creates a community of customers. What is this community all about? What benefit are the customers getting? How does this help the company build customer relationships that foster loyalty? Share your findings with your class and/or professor.

7. **Sharing Economy Companies.** Use the Internet to research how sharing economy companies build customer relationships. Your professor may assign a company for you to research or you can research one of the following: Airbnb, Uber, LIme, JustPark, ZipCar, Fon, Spotahome, Stashbee, Hubble, Omni, Fiverr, Snap, Couchsurfing, BlaBlaCar, or Silvernest. What is it about these types of businesses that customers like? What value are customers receiving? What type of customer experiences are they having? How are these companies building positive customer relationships? Share your findings with your class and/or professor.

8. **Personalized Customer Experiences.** Use the Internet to research how companies personalize customer experiences. Locate a specific company example and share your findings with your class and/or professor.

9. **CRM Comparison.** Use the Internet to research several CRM systems. Determine which systems would work for small businesses and which would be best for larger organizations. What are the pros and cons of each? Which are the most popular? Share your findings with your class and/or professor.

10. **Co-Creation Examples.** Use the Internet to research which companies are co-creating with their customers. Locate specific examples of co-creating experiences or services (rather than products). What are a few of the successful projects companies have had when co-creating with customers? Share your findings with your class and/or professor.

11. **Create a Journey Map.** Watch the YouTube video, Customer Journey Mapping 101, and then create a journey map for a specific customer segment that would shop at Canadian Tire (or other company) on a fairly regular basis. Did you identify pain points? How might the company do better? Share your map with your class and/or professor.

12. **Trailhead Training.** Visit Trailhead at Trailhead | The fun way to learn (salesforce.com) and complete the Customer Service with Salesforce: Quick Look learning module for free. It should only take you about 10 minutes to complete. Scan through the learning modules for Salesforce and select three you think would be important training to offer employees of any organization. Share your suggested learning modules with your class and/or professor.

Self-Check Exercise – Co-Creation Customer Relationships

An interactive H5P element has been excluded from this version of the text. You can view it online here:

https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=218#h5p-11

Additional Resources

1. 7 Types of Customer Relationship
2. 5 Customer Service Trends to Watch in 2023
3. Salesforce State of Service Report
4. Hubspot Free CRM Software
5. Customer Relationship Management Free Course (1 hour)
6. An Introduction to Customer Relationship Management Free Course (3 hours)
7. Customer Relationship Management in Business Services Free Course (4 hours)
8. Customer Relationship Management Free Course (6 weeks, 3-5 hours per week)

References

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CHAPTER 10: LEADING A CUSTOMER CENTRIC STRATEGY

Chapter 10 Learning Outcomes

After reading this chapter, you should be able to do the following:

1. Describe two challenges leaders encounter while building a customer-centric organization.
2. Describe three things a leader can do to make customer experience a company priority.
3. Describe three habits of a customer-centric leader.
4. List three characteristics of a strong customer service vision.
5. State three questions managers can ask employees to determine if they are engaged with the company's customer service vision.
6. Describe how to empower employees to deliver excellent customer service.
7. List three sources for establishing quality standards.
8. Discuss why it is important for contact centers to use the right metrics when measuring customer service quality.

Build a Customer-Centric Organization

"The uniquely cross-functional nature of effective customer-experience efforts puts a premium on smart governance. Adequately addressing the challenge requires a dedicated effort on three levels. First, a customer-centric leadership structure must ultimately report to the chief executive and should be designed to stimulate cross-department activity and collaboration. Second, leaders must commit to demonstrating behaviors and serving as role models to deliver customer-experience goals to frontline workers and refine and reinforce those goals over the long term. Finally, it is necessary to put in place the correct metrics and incentives that are critical for aligning typically siloed units/departments into effective cross-functional teams."[1]

Overcome Challenges

Building a customer-centric organization takes time and has some challenges. If customer centricity already flows through the DNA of an organization, the challenges will be minimal, but if a company is just beginning to build the customer-centric mindset into core values, a few challenges may be encountered. A few of these challenges are listed below.[2]

- **Lack of Buy-In.** Executive commitment across the organization is vital, especially when building customer centricity. Leaders need to set the tone and provide resources and support to make things happen.
- **Disparate Data.** It can be hard to break down or connect existing silos within an organization. Finding ways to share data and information freely can help ensure nothing about the customer experience is lost in the weeds.
- **Resistance to Change.** Certain employee beliefs can hinder customer centricity. For example, designers can be held back by the notion that focusing on the customer takes too much attention away from the product they're creating. Others may have a "that's not my job" mentality about taking customers into more consideration. They must be reminded that everyone has a common goal, no matter what their role: delivering the best customer experience.
- **Ineffectual Processes and Tools.** Not having the right technology to process customer data and draw actionable insights means you won't be able to respond to customer needs proactively or otherwise. The right processes are needed to ensure that the customer's voice is heard and used throughout the organization.
- **Inadequate Employee Support.** Building a customer-centric culture is not a "set it and forget it" process. It requires daily commitment and a key part of that is empowering employees. People across the organization should feel encouraged to do what's right for and by the customer.

Research conducted by customer service provider Arvato revealed that businesses tend to rate the customer experience their company delivers higher than consumers do.[3]

Despite the attention to customer experience that is widely stated in corporate missions, visions, and values, actions speak louder than vision statements. When it comes to resources and budget, CEOs tend to prioritize technology over people or processes. Even when company leaders recognize that customer service could be better, they often will look to the latest technology to provide the solution without delving deeper into customers' true wants and needs or gathering insights from frontline staff.[4]

Contact center leaders cited poor cross-departmental collaboration and lack of understanding and respect for the center as two of the top three challenges they are currently dealing with, and the number one challenge being agent attrition.[5]

Leaders have a huge impact on building a customer-centric culture. The leader must be customer obsessed and share those values and goals with the company employees.

A person holding a sign saying "We are here to do better "

Does the leader walk the talk? Does the leader put customers first? Are products, services, and processes created with customer needs and wants shaping results? If the company is focused on short-term results or is investing in areas that do not improve the customer experience, employees will observe this and leaders will see behaviours from employees that are not customer focused. Leaders who want to deliver exceptional customer experiences need to invest in targeted employee incentives that will steer performance toward exceptional service.
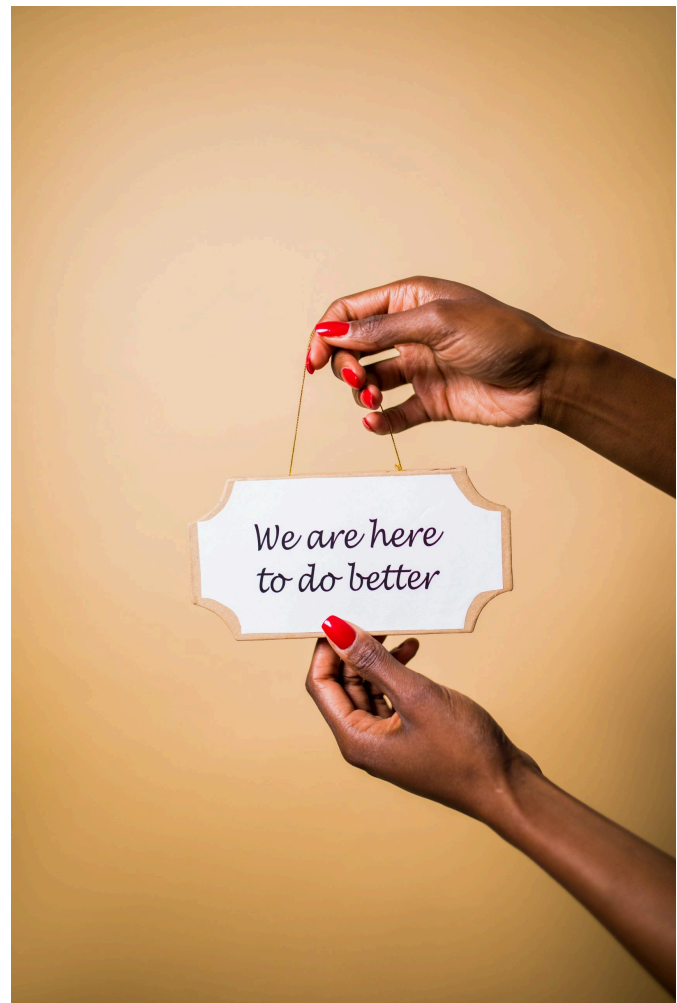
Become a Customer-Centric Leader

Watch "A Customer-Centric Culture Needs a Leader" YouTube video below to learn why leadership is so important to creating a customer-centric culture.[6] Transcript for "A Customer-Centric Culture Needs a Customer-Centric Leader" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=96#oembed-1

Prioritize Customer Experience

In building a customer-centric culture, leaders in customer experience pursue a range of approaches to overcome the complexities of making the customer experience a priority. Several elements form the core of their successful efforts. They include the following:[7]

1. **Set up a dedicated team for customer experience.** This allows a company to maintain a continuous focus on customer experience across segments, brands, geographies, and functional areas.
2. **Establish C-suite engagement**. Given the cross-functional collaboration required, the CEO must make the customer experience an active priority.
3. **Fit the customer-experience team into the organizational fabric.** If not, customer experience transformation efforts may drown in a sea of organizational confusion.

"Disney makes use of a simple leadership framework that links the delivery of business results to customer satisfaction and measures that satisfaction via two key indicators: "propensity to return" to a Disney experience and "propensity to recommend." Disney's framing also stipulates that the way to satisfy customers is through engaged employees. For Disney's business leaders, the logic is clear: their task is to develop excellent employees, who in turn help to create satisfied customers, leading to business results."[8]

Apply Leadership Principles

To create a customer-centric organization, leaders apply the following principles:

1. **Model specific behaviours.** Managers must walk the walk. Customer centricity is taught to agents and should be supported in the company vision, mission, and values as well as modeled by management.
2. **Foster understanding and commitment among employees and managers.** Making a connection between improved customer satisfaction and bottom-line financial results will help all employees understand the importance of exemplary customer service.
3. **Develop capabilities and skills.** Train agents in customer-centric behaviours, but also train management so they are able to coach and support the team. Hire for fit.

4. **Reinforce behaviours through formal mechanisms.** Financial incentives can help, but nonfinancial recognition schemes are more powerful.

Practice the 8 Habits of Customer-Centric Leaders

Watch "The 8 Habits of Customer-Centric Leaders" YouTube video to learn about the eight habits of customer-centric leaders. These leaders take action in eight areas including Gathering Customer Data, Continually Learning, Establishing Standards, Incentivizing Actions, Promoting Cross-Team Collaboration, Setting the Foundation, Making Customer-Informed Decisions, and Leveraging Design Thinking.[9] Transcript for "The 8 Habits of Customer-Centric Leaders" Video [PDF–New Tab]. Closed captioning is available on YouTube.

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Create a Customer Service Vision

Companies with strong service cultures take the time to clearly define what outstanding service means to them. They do this in their mission and vision statements, in their employee training, in their advertising, and in the behaviour of their managers and leaders. They ensure their products, services, and processes are designed with consumer wants and needs in mind. Being **customer centric** means that every department in the company understands that the customer comes first and everything they do is to obtain, retain, and build relationships with customers.

A **customer service vision** is a shared definition of outstanding service that gets all employees working in the same direction. A strong customer service vision has three characteristics:[10]

1. **It's simple and easy to understand.** A vision should not be too complicated or too long; it should bring clarity so all employees can understand it and act accordingly.
2. **It's focused on customers.** Focusing on profit or expanding market share may be the end goal, but customer-centric companies achieve those goals by focusing on their customers.
3. **It reflects who the company is now, and who the company aspires to be in the future.** It should be grounded in reality so the vision feels authentic to employees. It's about what is working for the company now and what the company will build upon in the future.

Company Vision Statements

Amazon – "To be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online."[11]

Disney – "To make people happy."[12]

IKEA – "To create a better everyday life for the many people."[13]

Loreal – "To provide the best in cosmetics innovation to women and men around the world with respect for their diversity."[14]

Microsoft – "To help people throughout the world realize their full potential."[15]

Starbucks – "To inspire and nurture the human spirit – one person, one cup, and one neighborhood at a time."[16]

Zappos – "To provide the best customer service possible. Deliver 'WOW' through service."[17]

A person holding a sign saying "Where customers matter"
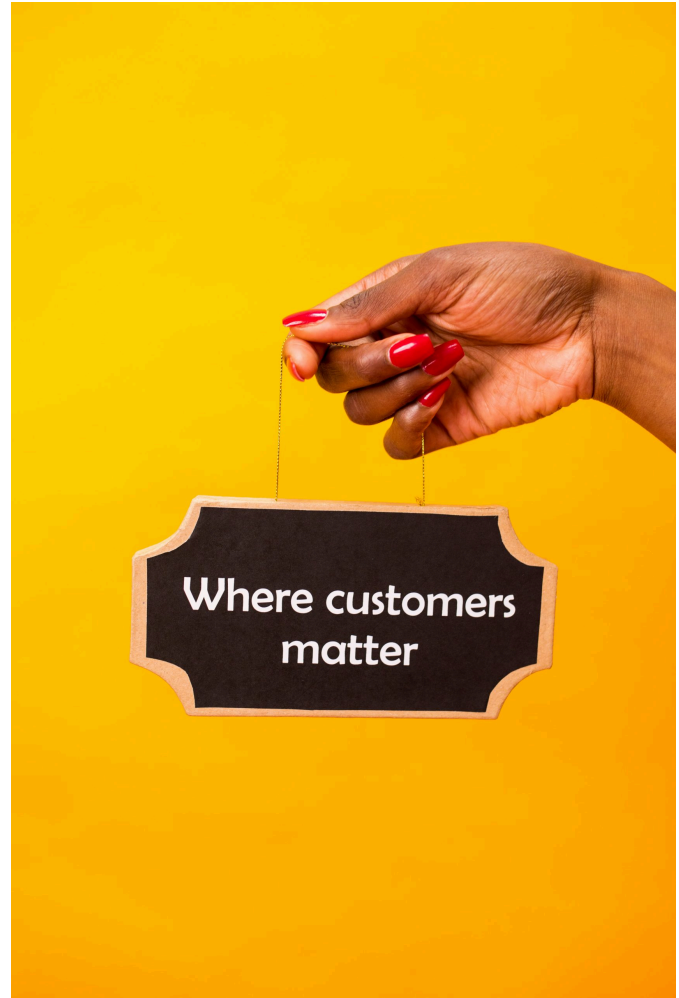
Engage Employees with the Customer Service Vision

Employees need to know that organizational success is defined by the customer service vision. Engaged employees help fulfill the vision with the customers they serve. There are three questions you can ask employees to evaluate employee engagement in a customer-centric organization. [18] These include:

1. **What is the customer service vision?** Employees need to know it and where it is. It may be in a book, online, written on a poster, or in some other location.
2. **What does the customer service vision mean?** Employees should more than just memorize it, they should be able to explain it in their own words.
3. **How do you personally contribute?** Employees should be able to describe how their individual role contributes to fulfilling the vision.

The customer service vision should be formally announced or introduced by the CEO or a high-ranking manager. Companies must hire for the right fit; hire candidates who agree with or have personal goals aligned with the company vision. Training should then be provided to employees to help them understand how their role aligns with the company's customer service vision. Ensure employees receive some one-to-one coaching from their immediate supervisor as needed. The goal is to verify that employees can answer all three of the above questions consistently. Finally, empower employees to enable them to provide excellent customer service and care and be sure that company leaders are demonstrating their belief in the vision through their everyday behaviors, discussions, and decisions they make.

Empower Employees to Deliver the Customer Service Vision

Employee empowerment means giving employees the authority, the right technology, systems, and the freedom to go the extra mile to make customers happy. This requires thorough training of customer service teams to enable employees to identify and act on the opportunities to enhance the quality of support. Giving employees ownership for their own work will not only boost motivation but also increase service quality, team productivity, and quick decision-making."[19]

Empowerment doesn't mean allowing employees to do whatever they want. It means enabling them to deliver service that's consistent with the customer service vision. Empowered employees need resources to serve their customers, the best-known procedures for serving consistently and efficiently, and the appropriate level of authority to handle unusual or unexpected situations.[20]

Empower employees in the following ways:

- Educate the frontline call center agents on branding, culture, and values so they deliver service that is consistent with these values.
- Provide agents with a 360-degree view of customers so they can make data-driven decisions.
- Equip agents with the right tools so they can resolve issues at the first point of contact.
- Cultivate innovation by encouraging autonomy and creative problem-solving.
- Make agents integral members of the organization so they are proud to provide amazing service.[21]

Watch the "Customer Experience: Empower Employees with Decisions" YouTube video below to learn more about employee empowerment.[22] Transcript for "Customer Experience: Empower Employees with Decisions" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=96#oembed-3

Set SMART Goals Aligned with the Customer Service Vision

Set goals that are SMART – Specific, Measurable, Attainable, Realistic (Relevant), and Time-bound. Goals for agents should be clear and attainable. Goals for the contact center should be realistic. All goals should be time-bound and performance measured.

If agents are rewarded, for example, for the number of calls they complete each day, then employees may rush to finish a call to take another one. This may reduce customer satisfaction and may leave some customers without their problems resolved. That would be an example of setting a bad goal. If time is measured on each call and an expectation or limit is set, then some agents might transfer the call or end the call before the customer issue is resolved, leaving the customer with a poor image of the company's customer service. Again, an example of a bad goal. Good goals rely on intrinsic or internal motivation while bad goals rely on extrinsic motivation like incentives.

"Many organizations use a number of metrics to evaluate customer service and overall performance. These metrics might include customer satisfaction, productivity, or even revenue. Goals can be an important signal to employees about what to focus on and how to prioritize their work. The danger is some goals can push employees away from the customer service vision rather than towards it."[23]
There is a tendency in the contact center industry to focus on the efficiency of an operation, rather than looking at the effectiveness of individual interactions. This is not the best approach, rather than focusing on average call handling time (AHT) it may be better to focus agents on first contact resolution (FCR) instead.[24]

An IVR can help streamline interactions by getting customers through to the right agent the first time they call. But if the IVR is not configured effectively it can result in an endless stream of frustrated customers connecting to your agents.[25]

If your agents are not happy or satisfied this will come across to your customers. Happy employees = happy customers. Get every day off to a great start by getting the basics right. Comfy desk chairs, clean toilet facilities, and tasty food in the cafeteria can all help to keep a smile on everyone's faces. No agent will be giving their best if they are trying to balance on a broken chair, having just had a bag of chips for lunch![26]

Create Quality Standards

Customer service standards refer to the performance that customers can expect from the company. It encompasses various factors, like speed, accuracy, transparency, accessibility, empowerment, efficiency, and friendliness of the staff.[27]

There are many benefits to improving quality and customer service, including a positive impact on customer loyalty, revenues, profitability, word of mouth, and employee engagement to name just a few. What constitutes good, bad, and exceptional customer service must be defined by what customers expect. **Quality** is simply the attributes of a product or service. **Standards** are for the requirements, specifications, guidelines, or characteristics established for customer service. They should reflect and provide guidance on what needs to happen, and what we want to apply or replicate across all customer interactions.

There are three sources for establishing quality standards as listed below.[28]

1. **Customer expectations.** These are always changing so companies must continually innovate. Meeting customer expectations is a combination of people, processes, and technologies.
2. **The organization's mission, vision, and values.** Quality standards should support or align with these.
3. **Stakeholders** such as government, suppliers, employees, shareholders, industry associations, community (and customers, but customers are in a category of their own).

"Customers frequently rank consistency as a primary driver of good customer service. To monitor the quality and consistency of your team's replies, consider implementing quality assurance or conversation reviews. Providing ongoing feedback through reviews can ensure that your entire team is delivering excellent customer service."[29]

Sometimes there is resistance to creating quality standards as some managers feel these standards are too rigid and unnecessary. The best way to combat resistance is to demonstrate what quality is and the costs when quality is lacking.

Use Metrics that Matter

"Enhancing your call center's customer centricity would be next to impossible without data. In order to make decisions that will positively impact your customers, your call center agents, managers and executives must be referencing real-time and historical data. Enhance customer-centricity by doing the following.[30]

- Utilizing call center software that provides comprehensive metrics.

- Empowering agents with real-time and historical data so they can make informed decisions that enhance the customer experience.
- Analyzing KPIs and making decisions based on these metrics.
- Creating a culture of continuous data-driven improvement.
- Ensuring that metrics are aligned to the customer lifecycle and key touchpoints (e.g., Customer Lifetime Value, Net Promoter Score, etc.).
- Connecting agent feedback and performance evaluations to metrics.

When measuring the degree to which quality standards are being met it is important to consider the scoring system as it should directly reflect your quality standards and behaviours you want to encourage. A flawed system may, in practice, under-emphasize critical behaviors and over-emphasize non-essential skills. You'll need to test and modify accordingly.[31]

Of course, every company should measure performance in alignment with quality standards, and much of this is done through metrics and using technology. There are other ways to assess the quality of service interactions, some of which include: observation, role-play, coaching sessions, recorded interactions, customer input, and mystery shoppers who use services and provide reports.

Historically, contact centers focused more on quantitative metrics such as Average Handling Time (AHT) and Calls per Hour. However, modern contact centers recognize the importance of measuring customer experience and agent behavior more than quantitative metrics. Adopting a customer-centric approach to contact center management does not imply that there should be no productivity-based measures in place. Instead, it means that service centers should emphasize more on improving customer satisfaction than relying on increasing the number of calls."[32]

Watch the "How to Reduce AHT in a Call Center" YouTube video below to learn more about reducing average handling time in a call center.[33] Transcript for "How to Reduce AHT in a Call Center" Video [PDF–New Tab]. Closed captioning is available on YouTube.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=96#oembed-4

Key Takeaways

1. Building a **customer-centric culture may be challenging**. A few of the challenges a leader may encounter include lack of buy-in, disparate data, resistance to change, ineffectual processes and tools, and inadequate employee support.

2. Leaders in customer experience pursue a range of approaches to overcome such complexity of **making the customer experience a priority**. Several elements form the core of their successful efforts. They include the following: Set up a dedicated team for customer experience, establish C-suite engagement, and fit the customer-experience team into the organizational fabric**.**

3. To create a customer-centric organization **leaders apply the following principles**: Model specific behaviours, foster understanding and commitment among employees and managers, develop capabilities and skills, and reinforce behaviours through formal mechanisms.

4. Being **customer centric** means that every department in the company understands that the customer comes first and everything they do is to obtain, retain, and build relationships with customers.

5. A **customer service vision** is a shared definition of outstanding service that gets all employees working in the same direction. A strong customer service vision has three characteristics: It's simple and easy to understand, it's focused on customers, it reflects who the company is now, and who the company aspires to be in the future.

6. There are three questions you can ask employees to **evaluate employee engagement** in a customer-centric organization: What is the customer service vision? What does the customer service vision mean? How do you personally contribute?

7. **Employee empowerment** means giving employees the authority, the right technology, systems, and the freedom to go the extra mile to make customers happy.

8. **Customer service standards** refer to the performance that customers can expect from the company. It encompasses various factors, like speed, accuracy, transparency, accessibility, empowerment, efficiency, and friendliness of the staff. There are three sources for establishing quality standards: Customer expectations, the organization's mission, vision, and values, and stakeholders such as government, suppliers, employees, shareholders, industry associations, and the community.

9. Previously, contact centers focused more on quantitative **metrics** such as Average Handling

Time (AHT) and Calls per Hour. However, modern service centers recognize the importance of measuring customer experience and agent behavior more than quantitative metrics.

End-of-Chapter Exercises

1. **Contact Center Goals.** Search the Internet for examples of good and bad goals for a customer service contact center. Take a few notes then share your findings with your classmates and professor.

2. **Customer Service Standards.** Review the list of 7 Commonly Used Customer Service Standards. Which standard do you feel is the most important? Why? Discuss with your classmates and professor.

3. **Cross-Departmental Service.** Why is it important for quality customer care/service to be a cross-functional objective? Provide an example of serving a customer where cross-departmental input may be needed. Discuss with your classmates and professor.

4. **Reinforce Employee Behaviour.** Search the Internet for ways to reinforce employee behaviour beyond financial incentives. Would these strategies work for every employee? Why or why not? Discuss your findings with your classmates and professor.

5. **Model Behaviour.** Search the Internet for ways in which managers can model customer-centric behaviours. Make a list and share it with your classmates and professor.

6. **Leadership Style Quiz.** Take a leadership quiz to determine your leadership style.

7. **Leadership Skills Quiz.** Take a leadership quiz to determine how good your leadership skills are.

8. **Customer Service Quiz.** Take a quiz to evaluate how well your team delivers customer service.

Self-Check Exercise – Leading a Customer Centric Strategy

An interactive H5P element has been excluded from this version of the text. You can view it online here:

https://ecampusontario.pressbooks.pub/customercentricstrategy2/?p=96#h5p-8

Additional Resources

1. 15 Steps to Becoming the Best Team Leader in the Call Center Industry, YouTube Video
2. Contact Center Trends for 2021, YouTube Video
3. How Many Agents Do You Need? YouTube Video
4. How Companies Can Achieve True Customer Centricity, YouTube Video
5. An Introduction to Customer Centricity at Google, YouTube Video
6. Customer Centric Culture Change, YouTube Video
7. Beyond the Trends: Developing a Customer-Centric Retail Mindset in B2C & B2B
8. Service Metrics for Customer Service, LinkedIn Learning
9. Leading a Customer Centric Culture, LinkedIn Learning
10. Customer Service Leadership, LinkedIn Learning

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(Note: This reference list was produced using the auto-footnote and media citation features of Pressbooks; therefore, the in-text citations are not displayed in APA style).

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- A person holding a sign saying "Where customers matter" © Photo by RODNAE Productions from Pexels is licensed under a CC0 (Creative Commons Zero) license

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GLOSSARY OF TERMS

Absenteeism

Since a call center is so dependent on people being available to answer phone calls and resolve customer issues when workers are absent it increases the workloads for other agents who may already have lots of work to deal with.

Active listening

is the art of using words and phrases to communicate a positive, supportive tone to your customers (or anyone else for that matter).

Agent Productivity

To calculate agent productivity take the total time the agent is working (answering calls, doing administrative work, doing after-call work) and divide by the time the agent was scheduled to work, then multiply by 100. Formula = (Total Output / Total Input) x 100 = Labour Productivity

Augmented Reality (AR)

retail applications today focus on helping consumers experience brands and products without having to go into stores.

Automatic Call Distributor

ACD is a telephony system that recognizes, answers, and routes incoming calls to the terminal or agent that is best suited to handle the caller's needs.

Average Call Transfer Rate

is a metric that monitors the number of calls transferred to another department, a supervisor, or a different queue.

Average handling time (AHT)

is the average time spent by an agent in handling customer issues or transactions.

Average Speed of Answer (ASA)

refers to the average amount of time wherein a call is required to be answered.

Business Intelligence (BI)

is software that ingests business data and presents it in user-friendly views such as reports, dashboards, charts, and graphs. BI tools enable business users to access different types of data — historical and current, third-party and in-house, as well as semi-structured data and unstructured data like social media. Users can analyze this information to gain insights into how the business is performing.

Call Recording

enables agents and managers to record inbound and outbound calls.

Call Routing

is a management process that routes calls as per categories, which are based on predefined business rules, wait time, and customer value. This allows agents to prioritize calls that need to be answered first based on their value, urgency, etc.

Call Scripting

helps agents follow a dialogue template for easy reference. They can fill their responses directly into the customer relationship management tool (CRM) to design workflows.

Campaign Management System

A CMS is most helpful for outbound contact centers. The software provides the agent with a contact list, or other info needed to reach out to the right people.

Computer Telephony Integration

CTI is a type of technology that enables computer and telephone systems to interact together. Contact centers implementing CTI can use computers to manage all telephone calls, which in turn leads to increased efficiency and better results.

Contact Center Manager

The contact center manager sets objectives in service quality and analyzes metrics to see if the objectives have been met.

Cost Per Contact

metric refers to the expenses related to running a contact center (i.e., operational costs, wages, benefits). To calculate the average cost per contact, the total cost associated with operating the business is divided by the total number of contacts handled.

Cross-Cultural Communication

is the study of how verbal and nonverbal communication takes place among individuals from different backgrounds, geographies, and cultures.

Customer Centric

Being customer centric means that every department in the company understands that the customer comes first and everything they do is to obtain, retain, and build relationships with customers.

Customer Centricity

is a way of doing business that fosters a positive customer experience before, during and after the sale in order to drive repeat business, build customer loyalty (who refer others), and increase business growth.

Customer Churn Rate

refers to the percentage of customers you have lost over a certain period of time.

Customer Engagement Metrics

are effective in measuring service accessibility and the quality of customer experience.

Customer Experience (CX)

is the result of an interaction between the customer and the company.

Customer Insights

Companies should gather customer insights before producing products customers won't want, like, use or buy. They can do this in many ways, including holding focus groups, conducting surveys, gathering customer feedback, tracking website clicks and emails, and observing trends.

Customer Journey

is the complete sum of experiences that customers go through when interacting with a company and its

brands. It considers the complete path from brand discovery to purchasing and beyond. The focus in not on purchases made, but rather on how the customer feels about the interactions throughout their journey with the company.

Customer Journey Map

is a visual depiction (diagrammed or written) detailing the path the customer takes from the time the customer first discovers the brand, to purchasing, and beyond.

Customer Lifetime Value (CLV)

is one of the key statistics to track as part of a customer experience program. CLV is a measurement of how valuable a customer is to your company, not just on a purchase-by-purchase basis but across the whole relationship.

Customer Relations

refers to the different methods and strategies that a business can use to forge, improve, and manage all interactions with its customers.

Customer Relationship Management System

CRM software gives agents the 360° customer info they need to solve customer needs as quickly as possible. Contact center agents can also use the servicing application to document customer interactions that can be brought up if the caller needs more help in the future. Having a record can help agents resolve customer issues more efficiently.

Customer Retention Rate

refers to the percentage of existing customers or users that are still part of the organization's pool of consumers over a certain period of time.

Customer Satisfaction Score (CSAT).

A great indicator of customer happiness is the Customer Satisfaction Score (CSAT). This metric is calculated by asking a question that pertains to the customer's feedback on a particular interaction with an agent, "How pleased were you with your experience?" or "Was the agent able to handle your concern satisfactorily?"

Customer Service

is the assistance and advice provided by a company to customers throughout the customer journey; before, during and after the sale.

Customer service goals

Setting customer service goals can serve an important role in managing service teams. Set SMART goals. Good goals focus attention on the right things, while poorly shaped goals focus attention on other things.

Customer Service Orientation

means that as an employee you are able to display positive attitudes and behaviors, and demonstrate an awareness of the importance of meeting or exceeding customer needs and expectations.

Customer service philosophy

is a shared mission for your support team, a set of guiding principles that ensure you're upholding your core values with every customer interaction

Customer Service Representative (CSR)

A customer service representative (CSR) – also called an agent – is a person who works in a call or contact center and helps customers with their issues. They may do this using a variety of channels, including phone, chat, email and social media. Customer service representatives (CSRs) play an important role in influencing the customer experience.

Customer Service Standards

refer to the performance that customers can expect from the company. It encompasses various factors, like speed, accuracy, transparency, accessibility, empowerment, efficiency, and friendliness of the staff.

Customer Service Training

Investing the time and money in customer service training can prove to be an invaluable investment for businesses of diverse sectors and sizes. Teaching members of staff the competencies, knowledge and skills required to increase customer satisfaction and therefore customer retention is a shrewd way for businesses to ultimately increase their sales performance.

Customer service values

impact the experience the customer receives and they help to define the personality and attitude the business is trying to put forth. Often companies offer training to employees on how to uphold these values.

Customer Service Vision

A customer service vision statement provides meaning and direction for employees. It is the statement that outlines the type of service that agents are expected to provide to customers. It tends to be quite idealistic and 'big picture' thinking, needs to be clear and unambiguous, and it should be easily understood by both employees and customers alike.

Customer service vision statement

The first section of a customer service philosophy is a customer service vision statement, which Jeff Toister defines as "a statement that clearly defines the type of customer service employees are expected to provide.

Customer Touch-point

is a point in time when the company connects in some form with the customer (e.g., website, phone, email, social media, retail store, returns, service, and products).

Digital Tranformation

is the integration of digital technology into all areas of a business, resulting in fundamental changes in the way a business operates and the value they deliver to their customers.

Email Response

empowers agents to answer customer queries and manage requests across platforms, such as email, chat, or mobile apps, from a centralized interface.

Employee Empowerment

means giving employees the authority, right technology, systems, and freedom to go the extra mile to make customers happy.

External customers

are the customers who purchase products or services from the company. Employees who work in job positions that require them to interface with external customers directly might be referred to as front-

line/front-facing/front-end/customer-facing employees. Those that work to serve internal customers are working in back-end/back-office/behind-the-scene job positions.

First Contact Resolution (FCR)

metric shows how many customer requests were solved during the first contact.

Generation Z

sometimes known as "zoomers," is the demographic cohort that comes after millennials and proceeds Generation Alpha. Members of the Gen Z years were born between 1997 and 2012. So as of 2023, the Gen Z age range is anywhere from 11 to 26. They are commonly referred to as the first fully "digitally native" generation.

Inbound Contact Center

Inbound contact centers primarily deal with incoming customer calls and tend to focus on assistance for customers who need instructions, a technician, problems solved, questions answered, or other assistance with products, services, and orders.

Interactive Voice Response

IVR is an automated telephony system that interacts with callers before routing them to the right agent or department, based on the required expertise. The feature aims to ease the situation for callers.

Internal customers

are the company employees who need support, information or action from other employees. These internal customers may work just down the hall, in another building, or in another country, but they are still part of the company and working to help satisfy external customers.

Internet of Things (IoT)

is made up of billions of smart, connected devices, and gives any "thing" a voice through the data it gathers, produces and distributes.

Key Performance Indicators (KPIs)

measure how effectively a company is achieving its goals against a set of targets, objectives, or industry peers.

Knowledge Management System

KMS is a computerized system designed to support the creation, storage, and dissemination of information. Such a system contains a central repository of information that is well structured and employs a variety of effective and easy to use search tools that users can use to find answers to questions quickly.

Machine Learning

is a branch of artificial intelligence (AI) and computer science that focuses on the use of data and algorithms to imitate the way that humans learn, gradually improving its accuracy.

Metrics

is a method of measuring something, or the results obtained from this. The right metrics or key performance indicators (KPIs) should effectively measure a business's specific capacities.

Millennials

sometimes known as Generation Y, is a demographic cohort that follows Generation X and proceeds Generation Z. Millennials were born between 1981 and 1996 (although this age range may vary depending on the source).

Modern Contact Center

allows customers to contact a company not just via calls, but across whatever channel they choose.

Net Promoter Score (NPS)

is a customer loyalty metric that businesses use to gauge how their customers feel about them. It measures your customers' willingness to recommend your company, product, or service to others. Companies with high a NPS are more likely to achieve long-term profitable growth.

Non-verbal communication

refers to gestures, facial expressions, eye contact, body language, posture, and other ways people can communicate without using language.

Omnichannel Contact Center

A multichannel contact center allows a business to contact or stay in touch with customers over a variety of channels. For example, video calls, phone calls, email messages, and social media messaging. On the

other hand, an omnichannel contact center not only allows the business to interact with customers over various channels but also collates all the data onto a single platform.

Onsite Configurations

With onsite configurations, contact centers are owned and operated by the company itself.

Outbound Contact Center

In an outbound contact center, agents call potential or existing customers rather than receiving calls from them.

Personalization

has become integral to the customer journey and is now a key driver of brand loyalty across all channels. Consumers are much more likely to buy from brands, both in-store and online, when offers are personalized.

Personas

are fictional customer types created to represent real target customer groups.

Positive attitude

is a mindset that helps you see and recognize opportunities. It is not always easy to stay positive especially when things do not go as planned, or when dealing with angry customers.

Positive language

is the art of using words and phrases to communicate a positive, supportive tone to your customers (or anyone else for that matter).

Predictive Dialer

A predictive dialer automatically dials from a list of phone numbers. This saves agent time as the dialer will detect busy signals, voicemail messages, disconnected phone numbers, and when there is no answer. Predictive dialing is applicable across channels: mobile, text, social, chat, and email.

Problem-solving model

provides you with concrete, easy to remember steps you can work through when faced with any issue, customer service related or other.

Quality

is simply the attributes of a product or service.

Quality Management

QM applications give managers insight into employee performance so that any areas of weakness can be identified. Managers can also use QM to ensure that agents are adhering to internal policies and procedures.

Rate of abandoned calls

refers to the total number of calls where a caller hangs up before an agent answers.

Remote Work

is also referred to as telework, telecommuting, mobile work, flexible workplace, flex-hours, or e-commuting and is a work arrangement in which employees do not commute to a central location instead they work outside the office location from various locations.

Service breakdowns

occur daily in all types of organizations. They happen whenever the product or service delivered fails to meet customer needs, wants and expectations.

Service Culture

in an organization means putting customers at the center of the business model, developing policies, procedures, values, norms, and beliefs that are centered around focusing on customer satisfaction and understanding their needs and wants.

Service Level

To calculate the Service Level, divide the total number of calls answered within the threshold by the total number of calls and the total number of abandoned calls.

Service recovery

is a company's resolution of a problem from a dissatisfied customer, converting them into a loyal customer. It is the action a service provider takes in response to service failure.

Service standards

are guidelines for employees to follow when interacting with customers.

Service-level agreement (SLA)

is the agreed-upon, documented, level of service between a vendor and a client. Numerical metrics are often assigned to determine the success or failure of the agreement, along with clear repercussions for failing to meet the service level standards. It's most commonly used by technology and customer service providers.

Social Listening

lets your agents listen to customer issues online using predefined keywords and hashtags on social media. Social media posts are immediately routed to agents and prioritized so that they can provide immediate resolution to customers.

Social Media Monitoring

tools help understand what people are saying about you on social media. Insights like this paint a richer picture than simply relying on traditional media.

Standards

are for the requirements, specifications, guidelines, or characteristics established for customer service.

Texting Response

Mobile devices have become indispensable tools of the twenty-first century. Studies show that two-way text messaging systems offer a more direct and expedient means of contacting call centers.

Ticketing Software

A ticketing system collects customer support requests from all the sources and centralizes them with the customer data about contact history. Integrating ticketing software with a call center system allows your agents to respond to all the queries efficiently.

Time Division Multiplexing and IP

TDM was developed in 1870 for large system telegraphy implementation. The technology transports contact center interactions by segmenting multiple data streams and then putting them in a single signal. IP has replaced TDM as the primary mechanism for transporting contact center transactions. IP

offers easy access and value-added services such as instant messaging, video calling, and making phone calls directly from websites – all while moving through a less costly network.

Toll-Free Telephone Service

Toll-free or "800" service lets customers call the company free of charge. The company or agency pays the phone bill for all incoming calls. There are different levels of service, and depending on the package selected, it can accommodate callers from the U.S. and U.S. Territories, and Canada.

Traditional Call Center

is focused on voice calls. Even if a call center provides some multi-channel customer service, the interactions are siloed in the individual channels.

Trunk Circuit Networks

Used in the context of contact centers, a basic "trunk circuit" is a telephone line connecting the phones at the contact center to the telephone network. Each circuit can handle one phone call at a time. The number of circuits required depends on the number of simultaneous callers the contact center wishes to accommodate.

TTY/TDD Communications

A Text telephone is a special device that lets people who are deaf, hard of hearing, or speech-impaired use the telephone to communicate.

Verbal communication

refers to the ability of a customer service representative to think of the right words in order to appease a customer and provide a solution

Web Chat

Web chat is a real-time communications system between agents and the company's customers that uses a simple, Web interface. Users need browser access in order to use the service. It allows agents to handle multiple chat sessions at the same time.

Work-from-home Agent

Companies benefit from the work-from-home agent setup as it makes it easier for them to provide customer service across multiple time zones. Since the customer service team is working from various loca-

tions, businesses with remote call centers can provide coverage during off-hours without having to put employees on different shifts. This makes employee scheduling significantly easier for companies that provide 24/7 customer support.

Workforce Management System

WFM is used to forecast the volume of customer voice and digital channel interactions. Contact center managers can use the forecasts to hire the optimal number of agents to ensure customer transactions meet a certain standard of service. WFM systems often tie into other workforce optimization solutions to provide the tools to empower contact center agents.

Workforce Optimization

Contact center workforce optimization is a consolidated environment of technology, strategies, and processes to maximize agent efficiency, productivity, and quality to enable the contact center to perform at the highest level.