

Why Your Customers Stay or Stray:

Insight From Global Customer
Experience Research



Developing the 21st
century workforce™

Was it really two decades ago that “customer experience” bubbled up as a business strategy? Then, of course, Apple, Starbucks, and others proved beyond doubt that the right experience can trump even price in a brutal market. And now, many industry leaders have retooled systems and retrained employees to make “branded experience” a core competitive strategy. But with evolving technology and growing customer savvy, this long journey has been strewn with revelations:

THEN ...

Good service was good enough.

We had headsets and a phone queue.

Experience management was a dreamy initiative.

We all but ignored the occasional upset customer.

Customer interactions were all business.

Customer experience was a non-starter in the C-suite.

AND NOW ...

We strive for a branded experience.

We have CRM systems, voice-of-the-customer software, customer-interface technology, and predictive analytics.

We apply hard metrics like retention, cross-sales, and Net Promoter Score (NPS).

We jump through hoops and scan social media to reduce negative word-of-mouth.

We urge employees to read and respond to a range of customer emotions.

Top executives share their value statements, blueprints, roadmaps—and passion—with employees.

AchieveGlobal has followed these and other trends for more than 40 years, helping thousands of organizations reframe strategy and develop employees to own the customer experience. Continuing this research, we conducted two recent studies to see how far customer experience management has come and how far it has to go:

1 A worldwide consumer survey revealed crucial details about real customer experiences.

2 A separate series of interviews with outstanding customer-contact employees identified the competencies required to create the best possible experience.

If the customer's experience today is a battlefield for business competition, then these two studies outline a plan of attack with detailed intelligence on what to do—and what to avoid—to achieve victory.

WORLDWIDE CUSTOMER EXPERIENCE SURVEY

Now that industry leaders have raised the bar for all, how do customers feel about their experiences with the companies they patronize? What kind of experience do customers really expect? And how often do unhappy customers share their stories with the world?

We sought answers to these and other questions with an online survey of 5,500 consumers in Asia (China, Singapore, and Taiwan), Europe (Germany and the U.K.), and the Americas (Brazil and the U.S.). The survey asked consumers to describe their experiences with organizations, identify employee behaviors they like and dislike, and evaluate common service practices. Our aim—by comparing customer opinions and attitudes in major world markets—was to identify universal expectations that define a positive customer experience. What follow are highlights in six areas.

The Power of Emotion

Survey respondents were extremely clear about what matters, and the priority of what matters, to them.

What matters most is the emotional impact of their interactions with front-line employees:

- In every country surveyed, respondents told us that being heard and respected are more important than having their issue resolved.

- Forty-six percent of all respondents identified “rudeness or indifference,” and 50 percent identified “no concern for my problem” among their top three negative in-person behaviors.
- Only 25 percent of respondents worldwide said that employees “make me feel they are on my side.”

Negative Employee Behaviors

The customer's experience is largely defined by the words and actions of front-line employees. Respondents bluntly told us what they dislike about these interactions:

- The top three negative in-person behaviors worldwide were all interpersonal, primarily affecting the customer's emotional response.
- The top three negative phone behaviors were all interpersonal and varied little across global regions: “being transferred multiple times,” “not getting a real person,” and “being put on hold.”
- Forty-four percent of all respondents said employees demonstrate poor behavior by “often” or “always” using “scripted or canned” responses.
- More than forty percent worldwide said they get annoyed when an employee “talks to me about things other than the problem I am trying to resolve,” for example upselling or cross-selling.

Customer Defection

Market leaders have recalibrated customer expectations about the character of one-to-one interactions with employees. How likely are customers to punish a company for failing to meet those expectations?

- Fifty percent of all U.S. respondents were “somewhat” to “very” likely to defect to a competitor after a single bad experience.
- Ninety-three percent worldwide would defect to another company after three or fewer bad experiences.
- Nearly 40 percent of all respondents worldwide have posted negative online reviews.

Preferred Forms of Communication

From the organization’s point of view, automated telephone technology solves business problems and saves money. What about the customer’s point of view?

- Human interaction remains extremely important to customers on the phone, with 47 percent of all respondents reporting that they’re annoyed by “not getting a real person when I call.”
- Reinforcing the need for human contact, most respondents prefer to communicate by telephone (43 percent) or in person (37 percent), compared with e-mail (18 percent) or text (2 percent).

In Their Own Words

Over 3,000 written comments from survey respondents added texture to country-specific and combined scores. These comments reinforced the overall trends:

- The top two negative employee behaviors mentioned were “being rude” (in 23 percent of comments) and a “canned, scripted, or fake” response (17 percent).
- The top two positive behaviors were “apologize” (in 28 percent of comments) and “be nice” (17 percent).
- Of the top six positive behaviors referenced in the comments, the only one not meeting an emotional need placed fifth: “fix the problem.”

SURVEY IMPLICATIONS

These findings coalesce around one point:

The interpersonal skills of employees ultimately make or break the customer experience. Employees must read customers’ emotions, express empathy, listen carefully, and above all show genuine respect and care during every interaction. In light of changing customer expectations and the rising power of social media, we identified three core concepts at the foundation of an exceptional customer experience: defining moments, customer needs, and global expectations.

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THREE CORE CONCEPTS OF CUSTOMER EXPERIENCE

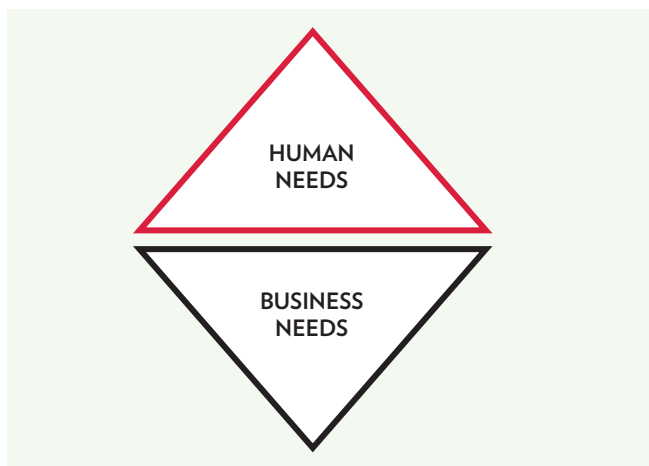
1. Defining Moments

Survey respondents described the impact on them of various defining moments during 1:1 interactions. In each defining moment, a customer forms a judgment, positive or negative, about an employee or entire organization. *Positive* defining moments support customer satisfaction, favorable word of mouth (today magnified exponentially by social media), and organizational success.

Greeting a customer, asking or answering a question, offering options, or resolving a problem are all defining moments. While some moments are more important than others, each affects the customer's overall experience and either builds or damages loyalty.

2. Customer Needs

Our survey respondents clearly articulated two major categories of needs:



- *Human needs* for respect, understanding, and individual attention. As noted, the survey confirmed the importance of human needs to customers worldwide.
- *Business needs* for products, services, and issue resolution. Efficiently meeting business needs certainly remains important for business success.

What can we take from this distinction? To give customers the best possible experience of your organization, front-line employees must identify and meet both types of needs in every interaction with every customer.

3. Global Expectations

Even as it measured the importance of human needs, the AchieveGlobal survey also highlighted the need for execution in meeting business needs. So we asked, “What are customers’ baseline expectations of their interactions with employees?” To answer, we distilled the range of survey results into four global expectations.

Every customer, in every interaction, expects:

- **Respect.** As confirmed in every market we surveyed, customers expect caring, individual attention in all interactions.
- **Simplicity.** Customers dislike complex processes and generally want to be spared the details of internal activities and issues. Yet many customers do want to hear about high-level next steps to meet their needs.
- **Solutions.** Customers expect an employee to make an honest effort to resolve or help them resolve their issues, whether by correcting mistakes, offering options, or flexing policies in approved ways.
- **Responsibility.** Even if interpersonal skills are the foundation for positive defining moments, a customer experience sours quickly without timely delivery of exactly what is promised.

So our survey confirmed the importance of three core concepts: defining moments, human and business needs, and global customer expectations. But how do outstanding employees *apply* these concepts to create the best possible experience?

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TOP PERFORMER INTERVIEWS

To identify front-line capabilities that support a modern customer-experience strategy, we asked leaders in major global markets to nominate their top customer-contact employees. We then interviewed these employees to answer the underlying question, “What do top employees do that others don’t do, or don’t do as well?” Finally, we analyzed the interview transcripts to isolate big-picture competencies that create exceptional experiences for customers all over the world.

In summary, we learned that the best employees:

- 1. Build relationships.** Even within tight time limits, these employees communicate warmly. They use the customer’s name and ask thoughtful business and appropriate personal questions. The resulting bi-level connection helps employees shape their interaction with each unique customer. “I just ask questions,” said a seasoned representative. “If you understand what a customer needs, business and personal, you normally get a good outcome.”
- 2. Listen attentively.** These employees listen actively, both noting and exhibiting non-verbal and/or verbal cues to draw out the customer. They avoid “getting hooked” by complaints or pointed feedback, justified or not, that less-experienced employees might take personally. One experienced employee’s advice: “If a customer is irritable or petulant, just remember and focus; they’re not angry at you!”
- 3. Gather information.** On the business side, outstanding employees probe carefully with open and closed questions to uncover crucial details, reveal hidden needs, or, when a problem occurs, find out what happened. When required, they seek out information and promptly inform the customer. “I try hard to find out what’s going on,” said a younger employee. “Then I provide exactly the right information.”
- 4. Communicate clearly.** When an issue arises, effective employees take initiative to explain what happened in terms that a customer understands. They clearly say what they know and don’t know about a situation. Said a long-time call-center representative, “You provide as much detail as the customer wants around what happened and why. If a solution is needed, you move on it.”

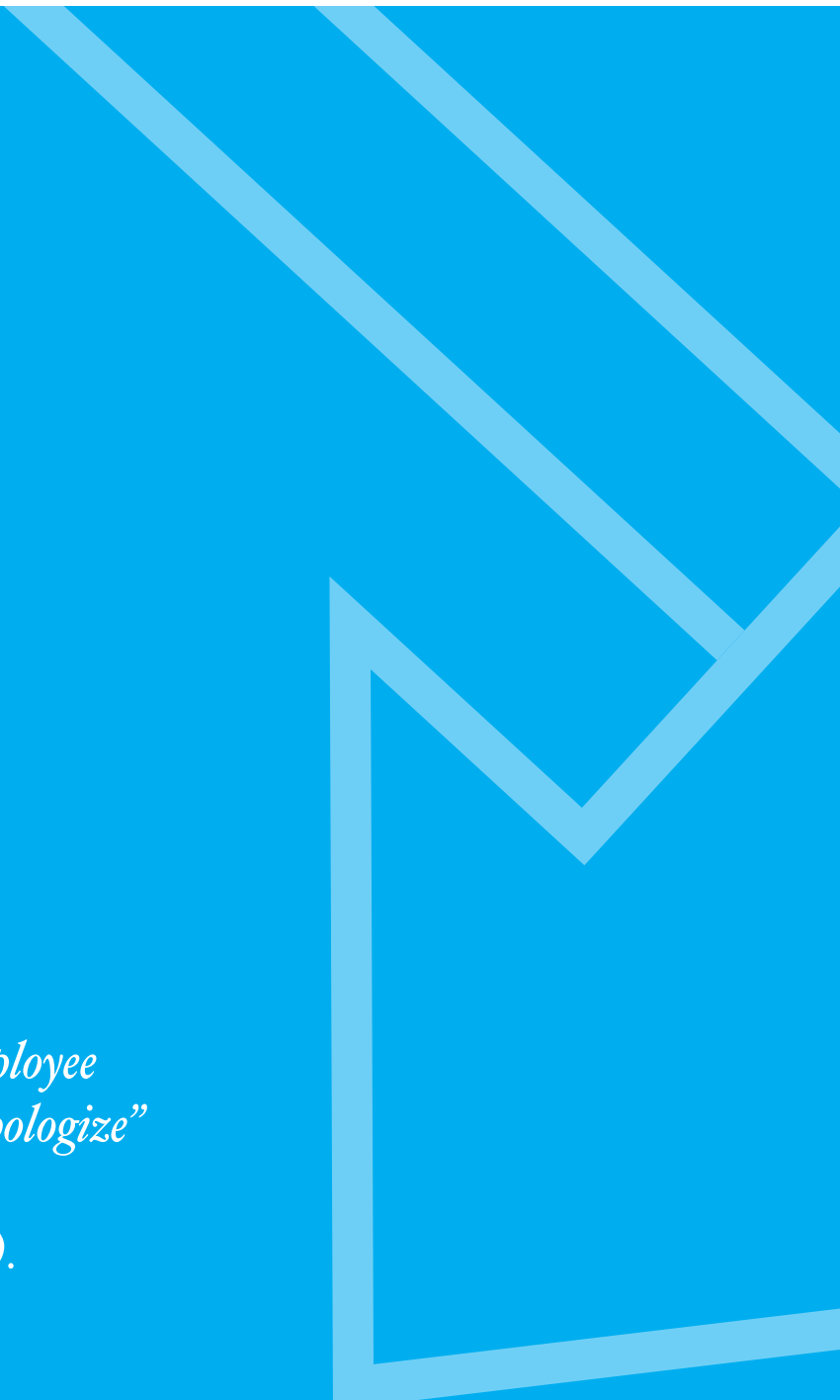
5. Manage difficult conversations. When a mistake angers a customer, these professionals avoid blaming anyone—the organization, another employee, and most of all the customer. They defuse the tension before moving to resolve the issue. If a customer’s complaint is justified, they apologize. Said a service team lead, “We try to live through our clients. If we would want an apology, that’s what we provide.”

6. Empathize. Outstanding employees know how to walk in their customers’ shoes. They communicate sincere understanding, even if the customer is at fault, with body language and/or voice tone that validates the customer’s emotion, whether anger, fear, confusion, or joy. Said one employee, “You hear it in their voice. Something’s wrong. So you empathize, and it’s more than just business.”

7. Avoid problems. These employees not only resolve customer issues, they also prevent issues from recurring. They address questions, find answers, say what they will do, and do it. Then they share what they’ve learned with colleagues to improve the experience for other customers. “I tell customers, this is how it happened,” said a field engineer, “and this is what we’ll do to make sure it doesn’t happen again.”

8. Learn continuously. Finally, effective employees never stop learning about their own organization, products, and services. And they keep learning about customers—both individuals and industry segments—to predict and meet likely future needs. Said a call-center employee, “If you really understand what your customers want, you connect with them on a level that your competitors can’t even imagine.”

These eight competencies imply training that transfers best practices—concepts and step-by-step skills—to develop new employees. While some employees are naturally predisposed to own the customer’s experience, these practical skills can be mastered by any employee capable of what we might call the *capstone competency*: emotional effort.



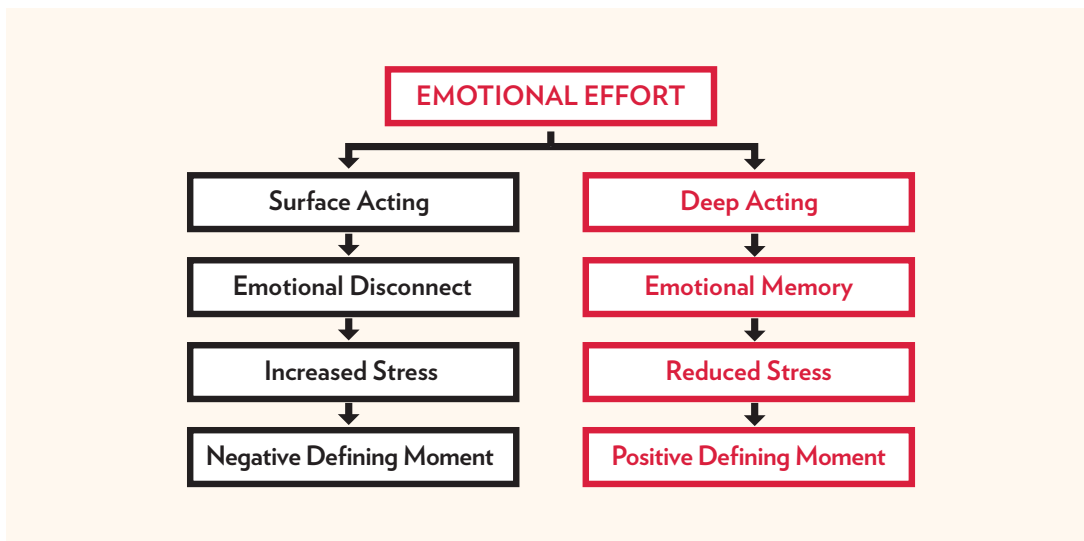
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EMOTIONAL EFFORT

Both AchieveGlobal studies confirmed that, to meet the human needs of their customers, effective employees must display specific emotions that customers expect during an interaction. A confused customer may expect kindness, for example; an angry customer may expect urgent concern; and so on. This “emotional effort” and the stress it causes employees have been well researched for more than 20 years. Studies confirm that the challenge of emotional effort is that employees may not actually feel the expected emotion, such as empathy for customers who cause their own problems.

As a result, employees often engage in one of two forms of “acting”:



Surface Acting

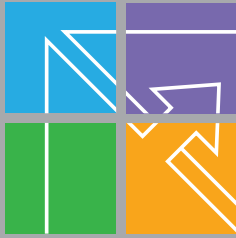
Employees *pretend* to feel the expected emotion. Surface acting increases stress in the employee by decoupling what is felt from what is expressed. This form of acting also contributes to customers’ global disdain for “scripted or canned” responses.

Deep Acting

Employees—recalling one of their own “emotional memories” similar to a customer’s situation—both feel and express the expected emotion. Deep acting, because it’s genuine, is much more likely to create a positive defining moment.

Remarkably, numerous studies have found that, compared to surface acting, deep acting actually reduces the stress of emotional effort in customer-contact roles.¹

¹ AchieveGlobal uses the term “emotional effort” in place of the research term “emotional labor.” For recent findings on the stress of emotional effort, see Jessica R Mesmer-Magnus, Leslie A. DE Church, Amy M. Wax, Kristin T. Andersen, “Dissonance Matters: Meta-Analytic Examination of the Consequences of Emotional Labor,” Best Paper Proceedings of the Academy of Management (2011).



THE WAY FORWARD

AchieveGlobal's two worldwide studies strongly endorse the value of the core concepts and competencies outlined in this research summary.

Our findings in a nutshell:

A successful customer-experience strategy requires employees who make the emotional effort to meet the relevant human and business needs of every customer. The resulting positive defining moments give customers everywhere what market leaders have taught them to expect: simplicity, solutions, responsibility, and respect.

We've learned much, and we have much to learn, on the journey to a reliably positive customer experience. Customer-friendly policies are important. Current technology is important. Leadership is important. Skills training is important. Culture change—from an inside-out to an outside-in view of the business—is vitally important. But none of these matter without employees who daily make the emotional effort to own their customers' experience.

For, precisely at the point of human contact, front-line employees give life to the lessons of research.

About AchieveGlobal

In the 21st century, the level of human skills will determine organization success. AchieveGlobal provides exceptional development in interpersonal business skills, giving companies the workforce they need for business results. Located in over 40 countries, we offer multi-language, learning-based solutions—globally, regionally, and locally.

We understand the competition you face. Your success depends on people who have the skills to handle the challenges beyond the reach of technology. We're experts in developing these skills, and it's these skills that turn your strategies into business success in the 21st century.

These are things technology can't do. Think. Learn. Solve problems. Listen. Motivate. Explain. People with these skills have a bright future in the 21st century. AchieveGlobal prepares you for that world.



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