Stella
SERVICE

How to Build a Happier, More Motivated Front-Line Team

A GUIDE FOR CUSTOMER SERVICE TEAM LEADERS

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A Day in the Life: What's Killing Your Customer Service Agents' Morale?

As a customer service team leader, you know what it takes to meet service goals. Your customer service agents must understand what's expected of them; they must have a good working knowledge of company products, policies, and protocols; and they should be able to handle a high volume of contacts.

If your contact center meets these criteria, your team is ready to resolve most customer issues. However, resolving customer issues is only part of the challenge: building trust and loyalty, and strengthening customer relationships, should be the key focus for customer service leaders.

Only one thing separates a lackluster service engagement from an experience that forms a deep connection with customers: *agent motivation*.

If daily frustrations are draining your team's motivation and drive to excel, your customers will feel it. And no amount of brand knowledge or experience can compensate. Quality of service will suffer, as will the brand's image, profitability, and future sales. (In the section that follows, "What Low Morale Is Costing Your Business," you'll find some eye-opening numbers.)

If you're wondering whether your front-line team is running low on morale, consider what a typical contact center agent contends with daily. Could one or more of these issues be dampening your agents' spirits and unnecessarily complicating their jobs?

Working in a Vacuum

Agents are surrounded by coworkers, but the non-stop nature of the job means they often have little time to interact. Without a sense of camaraderie, team members can feel isolated and emotionally detached.

In a recent survey of 5,000+ North American contact center agents, nearly **40%** felt their onboarding process was inadequate. Only **45%** described their workplace as "usually optimistic and positive." And fewer than half believed team leaders valued their opinions.[1]

Bad Information

Technology often isn't providing accurate data (e.g., up-to-date inventory numbers), which can chip away at agents' confidence and makes them less effective.

Training Lapses

Agents must be ready to answer customers' most common questions, from available sizes and styles to specific product details. Insufficient training can lead to uncomfortable moments, irritated customers and disengaged agents.

Not Feeling Like Part of the Brand

The contact center can often feel detached from corporate headquarters, making front-line staff feel disconnected from the brand.

Overly Restrictive Policies

Agents wish they were free and empowered to solve problems in creative and more personal ways. They hate reading from tone-deaf scripts and having to hand customers off to a manager.

No Personal Recognition

Few agents get credit for great customer interactions. The moment a call or chat ends, it's on to the next contact, which can easily sap motivation and negatively impact team morale.

No Discernable Career Path

Agents can feel like they're stuck in a dead-end job. With no upward mobility, why go above and beyond?

In many contact centers, agents are poorly incentivized and rarely recognized, if at all, for great service. Yet they perform the mission-critical role of "brand superhero"—the one person who can ease frustration, solve problems, and save the customer relationship.

What Low Morale Is Costing Your Business

Because customer service is often viewed as a cost of doing business rather than an opportunity to build brand loyalty and encourage future spend, many brands minimize their investment in contact center training and incentive/reward programs. **This is a big mistake.**

In today's marketplace, where self-service tools abound (search engines, user forums, order tracking, etc.), customers who can't solve problems on their own expect agents to be knowledgeable, responsive, and dedicated to providing a great experience. When contact centers operate on a shoestring and don't actively nurture individual growth and service excellence, brands pay a high price.

High Churn

In a typical contact center environment—where training is mundane, incentives are weak, and advancement opportunities are rare—high churn is common. Contact centers typically see attrition rates of 30-50% per year. Replacing a single agent (recruiting, hiring, and onboarding) can cost as much as **$15,000**.[2]

There are hidden costs associated with high churn as well—namely, productivity losses during the ramp-up period, when new hires have yet to reach full proficiency. As these agents struggle or fail to resolve customer issues, call volume and resolution rates drop, and customers often resort to contacting other brand channels.

Year over year, the costs of simply keeping contact centers staffed and minimally productive are eating huge chunks of brand profits. According to a 2014 study:

A U.S.-based 500-person contact center [with typical 30-50% attrition rates] could spend roughly *US$0.5-1.3 million a year on attrition-related costs* **while experiencing** *revenue leakage of US$0.4-0.6 million in a year.*[3]

Having a revolving door in the contact center is a costly problem that many companies are resigned to live with. But brands lose even more when customers spend less over time, or stop spending altogether, due to bad service experiences.

Low Customer Lifetime Value (CLTV)

In a recent survey, **89% of consumers said a poor customer experience led them to switch to a competitor.**[5]

Nearly **70% of these consumers won't ever return.**[6]

Revenue losses due to bad service: approximately $1.6 trillion.[7]

Unmotivated agents, and the new hires who end up replacing them, tend to fall short of brand standards for customer service. But customers don't account for low morale and learning curves. All they see is a brand either succeeding or failing at delivering quick answers and solutions.

If these customers don't get satisfaction, many will never return. It's estimated that for every 10% of contact center attrition, the customer churn rate increases by 1%.[4]

Then there's the ripple effect a single bad service experience can have online. While many angry customers choose to vent their frustration on social media, more than two-thirds of B2C consumers are "spectators" who read other social media users' negative comments.[8] When these posts are seen by hundreds or thousands (or worse, go viral), brands sustain serious damage and lose untold numbers of potential customers.

What's the Best Way to Reduce Costs?

As a customer service team leader, your focus should be on cost savings—not by running a bare-bones operation, but by developing a team of motivated and engaged brand "superheroes," strengthening customer loyalty, and mitigating the risk of brand damage due to bad service experiences. Once you've built a more productive, profitable contact center, the sales saved and revenues raised will dwarf any investment you make in pursuit of building a more motivated front-line team.

Now you know what low morale is costing you, and what's truly at stake for your brand. The next step is to understand what's driving the problem—and what it will take to turn things around.

The Root of the Problem: Not Managing for Growth

The most common approach to front-line performance management is to use QA reviews to find and address performance problems, and to keep costs low by providing minimal training. Customer satisfaction (CSAT) and NPS® scores are rarely shared across the front-line, and the only metrics agents see are operational (number of calls on hold, total call volume, etc.). Each of these practices has big implications for front-line morale and performance.

QA reviews can be misleading

QA reviews are naturally biased, since two different reviewers can judge the same interaction very differently. By focusing on just one contact out of dozens or perhaps hundreds in a given week, QA reviews offer a mere snapshot of an agent's performance, which can skew the result wildly. If issues are detected, they can't be addressed in real time.

### Training is impersonal (and therefore inadequate)

Every agent on your team has distinct strengths and weaknesses. One-size-fits-all training (due to limited resources) and the absence of targeted refresher training (due to limited/skewed QA data) limit agents' personal growth and lower morale.

NPS® scores have limited value

Even when these scores trickle down to the front-line, they typically don't reveal anything about individual performance. To your front-line team, these numbers are practically meaningless. If you're relying solely on QA reviews and NPS® to manage your team—without the benefit of a steady stream of real-time data—cumulative or measurable performance improvements are all but impossible.

Agents can't see the impact they're making

Typical contact center metrics focus on efficiency and productivity rather than the quality of the experience. What impression are agents leaving with customers? Is there some element of their service approach that's particularly effective? How are their efforts paying off? Without immediate feedback that connects the dots (from service encounter to happy customer), agents struggle to remain engaged, enthusiastic, and determined to excel.
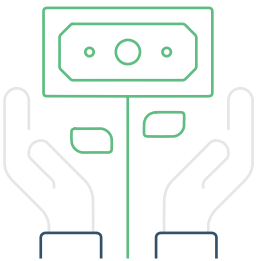
If you want to drive meaningful improvements and transform your contact center into a profit center, it's time to rethink your approach to front-line management.

Turning the Tide

Given the high cost of low morale, having motivated, high-performing agents in the contact center is mission critical for brands. To achieve meaningful change on the front-line, and to continue to build on those successes as you scale your team, you need a culture, policies, systems, and tools that encourage continual progress.

Based on our working partnerships with customer service team leaders across industry sectors, we have found the following strategies are essential to transforming the contact center, lifting agents' morale, and optimizing their performance. While each of these strategies creates a solid foundation for building a more motivated team, in our experience, **leveraging real-time customer feedback is the tactic that delivers the single biggest impact**.
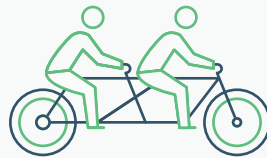
Prepare Agents for the Role—and Their Future With the Brand

Agents need more than a standard introduction to the workplace and a rundown of basic expectations. They need to be on the leading edge of what's happening with your products and/or services. To ensure your agents have the practical knowledge they need to address common issues—and to answer questions your customers don't even know to ask (thus helping drive sales)—it's imperative that your product and marketing teams keep agents up to speed on new and upcoming products and offers.

Keeping agents in the know not only helps to improve team motivation and service performance, but has the added benefit of delivering valuable insights back to your product and marketing teams. Your front-line team

members are typically closer to your customer than any other group in the organization, so listening to their feedback and suggestions during product training sessions can prevent myopic thinking and spark valuable product innovations.

As important to morale as ongoing product training is ensuring your agents have a reason to stay with your company long term so they can continue to bring their cumulative experience and skills to bear. Show them a career path within the contact center with clearly defined service roles. Lay out the requirements for advancing between the different roles and give team members a reasonable expectation for how long they might spend in each position. Creating a clear career path gives agents something to work towards, which can be a powerful motivator.

Build a Working Environment That Inspires

Environment relates as much to the contact center layout and decor itself as it does to the work culture that you create. Key for both contact center design and culture development is creating close alignment with the core values of your brand. Contact centers are often detached from the beating heart of an organization both in terms of physical location and overall brand values. Ensuring that you create a culture that is connected to the overall purpose of your company will help ensure your front-line team feels more engaged and that what they're doing really makes a difference.

Zappos perhaps best represents the concept of putting core brand values into practice on the contact center floor. The company's 10 core values infuse everything—from hiring, orientation, and training to team-building activities (both onsite and offsite), employee assessments, and pay raises.[9]

Empower Individuals to Achieve Greatness

For customers' and agents' satisfaction alike, your agents must "own" the service experience. They need the freedom, means, and resources to resolve customers' issues without having their hands tied by strict scripts and call length restrictions.

Service engagement guidelines should be clear but not confining. What types of approaches seem to resonate with customers, and to resolve issues most effectively? It's important to define and train to that ideal service experience and to build momentum through regular refresher training.
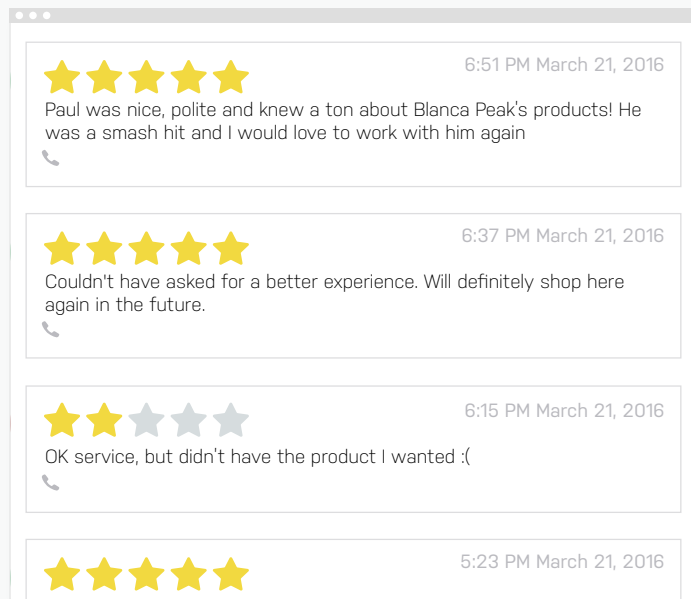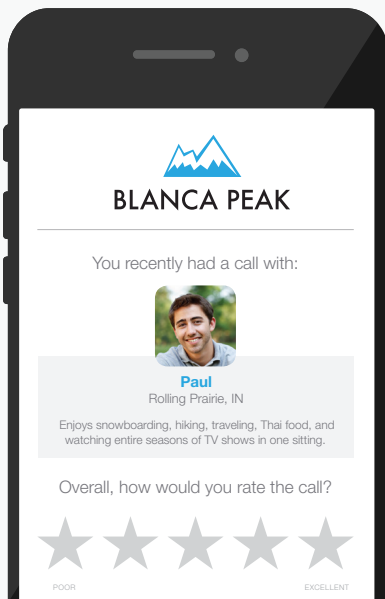
In addition to providing this level of flexibility, it's important to ensure your agents have instant access to complete, up-to-the-minute data not only on the customer and their order history, but also on product inventory.

This combination of technology and flexibility in how to handle customer inquiries puts the agent in the driving seat, without you as a manager losing control of how interactions are managed. Giving agents this increased control will make them feel more empowered, which is a key driver of motivation.

Harness the Power of Real-Time Customer Feedback

Given the limited amount of data most contact centers have available, how can agents track their own performance? How can they compare their performance with that of their peers, and continue to grow? As a customer service team leader, how can you discern who's on top, and who needs help? How can you reward, and therefore encourage, individual excellence? The lack of data across contact centers can result in a real drain on team and individual morale.

A real-time feedback loop, where customer feedback is shared with front-line teams via individual dashboards, delivers top- and bottom-line value that occasional QA reviews and CSAT/NPS® scores can't—particularly when it comes to job satisfaction, service performance, and customer loyalty/CLTV.

BLANCA PEAK

You recently had a call with:

Paul
Rolling Prairie, IN

Enjoys snowboarding, hiking, traveling, Thai food, and watching entire seasons of TV shows in one sitting.

Overall, how would you rate the call?

POOR   EXCELLENT

6:51 PM March 21, 2016

Paul was nice, polite and knew a ton about Blanca Peak's products! He was a smash hit and I would love to work with him again

6:37 PM March 21, 2016

Couldn't have asked for a better experience. Will definitely shop here again in the future.

6:15 PM March 21, 2016

OK service, but didn't have the product I wanted :(

5:23 PM March 21, 2016

Changing your VoC strategy to focus on collecting agent-level customer feedback and sharing it directly with your front-line team will drive motivation and transform your QA and training programs.

This approach requires a subtle change in thinking for most contact center leaders. Too often, VoC data is collected at a company level and the insights don't trickle down to the front-line. This is a major missed opportunity for motivating agents.

Consider changing your VoC methodology so that feedback is collected on the agent themselves. Send out agent-focused feedback requests after every service interaction and share the customer feedback directly with individual agents. Because the data arrives in a steady stream, this type of program confers both operational and competitive advantages:

☐ *Positive customer feedback helps motivate agents throughout their day and encourages them to perform at their best during every interaction.*

☐ *Giving customers a chance to suggest areas for improvement after negative interactions provides real-time, micro-coaching to agents; this constructive feedback can help agents course-correct bad habits, helping them feel more comfortable in their job.*

☐ *Having customer-driven agent rankings displayed on leaderboards around the office builds a culture of friendly competition that brings front-line teams together.*

☐ *Giving managers and QA teams access to agent-level customer feedback can power 1:1 training and recognition programs; this more personalized approach will make agents feel more valued.*

☐ *Agent-level insights can help HR teams build profiles of the personality types that best resonate with customers; this can inform future hiring strategies, which means that new agents are likely to gel with customers better and be more content in their jobs.*

With this data collection program in place, contact center agents have something to strive for, and managers have the insights they need to assess and address overall performance. The result is a virtuous cycle of continuous improvement and, in turn, a dramatic return on investment.

In the next section, we'll highlight several leading brands that introduced Stella Connect's agent-level feedback solution to transform their contact centers—and saw results that exceeded expectations.

Success Stories

Each of these companies used Stella Connect to introduce agent-level feedback in their contact centers to address a specific business challenge or goal. All saw significant operational and performance improvements shortly after rollout.

Here are just some of the benefits these and other brands' service teams have enjoyed:

- Average response rates to feedback requests of 40% or more providing a constant pulse of motivating and constructive feedback directly to agents

- Average star ratings of at least 4.5 out of 5.0 for contact center agents

- Customer comments included in 70% of responses providing a valuable qualitative layer to the feedback

With average response rates at least 10 times that of typical customer satisfaction survey, the agent-level feedback these companies collect offers more comprehensive and thus more actionable data. Brands that fully leverage this front-line intelligence achieve significant organizational improvements and market gains.

Jet: Building Brand Awareness and Revenue

When Jet launched in 2015, it was laser-focused on delivering best-in-class customer service. To that end, the company introduced an agent-level feedback program to track performance, reward top performers, and motivate the entire call center by way of public recognition through earned media.

Agent-Level Feedback Results

- Thousands of customer comments and ratings each week

- Ongoing, measurable service improvements

- Thousands of Jet customers have broadcast their positive service experiences on social media

> "Stella Connect is an amazing asset for our team at Jet. Our brand is built for the customer, and Stella Connect is helping us take our service to the next level with a win-win for both our team and our customers. The platform has strengthened shoppers' emotional connections to our brand, which is a vital element to building loyalty and driving sales."
>
> —**Marc Lore**, *Jet.com founder and CEO*

M&S

EST. 1884

M&S: Continuing a Service-Leader Tradition

Marks & Spencer (M&S) wanted to bolster its image as a service leader by triggering automatic feedback requests after every service engagement. By seamlessly integrating the feedback collection tool with its existing CRM platform, M&S ensured the contact center team could maximize the value without interrupting their workflow.

Agent-Level Feedback Results

- Managers and agents track performance in real time

- Top performers instantly recognized

- Marked increases in morale, engagement, and service performance

- Customer input augments traditional QA scorecards

> "We now have greater insight into the performance of each advisor than ever before. Our advisors love the constant stream of feedback they're getting directly from customers, and it's had a tangible, positive impact on morale and service performance."
>
> —**Head of Support**, *Marks & Spencer*

uncommongoods

UncommonGoods: Moving Beyond QA

UncommonGoods traditionally managed contact center performance through weekly QA reviews, but the data was limited and unreliable. When the company began sending agent-level feedback requests to customers following their service experiences, the impact was immediate.

Agent-Level Feedback Results

• Agents love hearing from customers

• Higher QA scores than ever before

• Less QA coaching needed

• All-time low employee attrition

• Improved training for seasonal hires

> "Keeping a large seasonal team engaged and eager to help customers can be a challenge. Our team members loved reading customer comments and challenging one another to earn the next reward. Gamifying customer feedback encouraged our team to make every single customer interaction the best it could possibly be. **The result: a team with higher morale than we've ever seen it in our busy Q4.**"
>
> —**Jennifer Grim**, *Director or Customer Service, UncommonGoods*

CARiD

CARiD: Increasing Satisfaction and Repeat Purchases

To earn its customers' loyalty, automotive retailer CARiD leverages two big competitive advantages: state-of-the-art technological systems, and a dedicated, highly knowledgeable service team. CARiD wanted to make sure its agents had the best possible work atmosphere and the right motivation to serve customers well, so it began collecting agent-level feedback—with the added goal of increasing sales.

Agent-Level Feedback Results

• Decrease in negative reviews and increase in repeat purchases as agents acted on suggested areas for improvement

• Agents motivated to raise ratings

• Office leaderboards encourage friendly competition

• A more cohesive service team

> "**Our team members are really motivated by the Stella Connect leaderboards.** We often seen them congregating around the screens watching them update! You see it very visually throughout the office—there are lots of high-fives being exchanged."
>
> —**Customer Service Manager**, *CARiD*

Motivated and Engaged Service Agents: Your New Path to Prosperity

Your agents play an important role in the future success of your business. By representing your company on the front-line, they contribute uniquely (and powerfully) to the brand. If your contact center culture, policies, and management style suggest otherwise, your agents will check out and underperform. Or exit the company altogether.

But there's more to creating a motivated workforce than transforming the contact center work environment. Your team needs to hear directly from customers in real time, so your agents (and you) understand the impact they're making.

Faceless, nameless service encounters and boring survey requests that arrive days later don't offer much value for agents, customers, or the brand. Your customers want to see real, accountable people on the front-line, and they want to connect with the brand "superhero" who reaffirmed, restored, or strengthened their faith in the brand.

By extending a fun, personal, immediate request for feedback, you'll become the "human" brand customers can't resist responding to in kind. The afterglow your customers experience will make them loyal partners in the brand relationship. And they'll want to promote the brand to potential customers far and wide.

For hard-working agents and growth-oriented brands, there is no greater return.

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About Us

StellaService helps companies measure and benchmark their service performance and use the insights to motivate front-line teams and drive continuous operational improvements.

The company operates two primary products: Stella Connect and Stella Metrics. Stella Connect motivates and supercharges the performance of front-line teams through customer-driven ratings, feedback and rewards; Stella Metrics uses trained analysts to objectively measure retailers' service operations.

To learn more about our unique approach to motivating front-line teams, get in touch at contact@stellaservice.com.