

Do better, not more.

THE UNCOMMON CUSTOMER EXPERIENCE: SERVICE



Challenger

WISDOM TO WIN



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Introduction

01

INTRODUCTION

CUSTOMERS HAVE CHANGED.

They've changed the way they think, decide and buy. This means they've also changed their minds about what they want from suppliers. Many organizations make the mistake of thinking more of the same is the answer to win with today's customers. More content highlighting features and benefits, more rapport building and more customer service exceeding expectations. But our research as part of CEB has shown, and our experience has validated, that more of the same with today's customers only leads to less. Less engagement, less loyalty, less movement in pipeline and less interest in discussing anything but price.

Challenger is about being different. It's about looking across your entire customer facing function - from marketing to sales to service - and together providing an uncommon customer experience. But doing this takes real effort at organizational, managerial and individual levels.

The purpose of this whitepaper is to explore the key components of a customer experience transformation (shown in the framework below). Each piece contributes to a differentiated and truly powerful experience, leading to greater customer loyalty and better financial results.



Service

02

SERVICE

LESS EFFORT, MORE LOVE.

Only 35% of customer effort is driven by the service function's processes, cross-channel integrations or technologies – which impact what the customer has to do to resolve their issue. But 65% of total effort stems from how a customer feels in service interactions.

In particular, customer effort is driven by interactions with reps who don't have the capability to provide a low-effort experience because they have not been formally trained or coached in doing so. Centering your customer service strategy on reducing customer effort is the best way to keep your customers loyal and interested in expanding their relationship with you.



SERVICE

SERVICE STRATEGY

Service organizations overestimate the reward for exceeding customer expectations. Adopt a strategy focused instead on providing low-effort service.

Creating a better, differentiated service experience to drive greater customer loyalty has been the highest priority of service leaders for many years. But at the same time, these leaders have felt pressure to reduce the cost to serve. Perhaps most frustrating to these service leaders, whether they've chosen to focus on quality or cost, is the fact that customer loyalty has been continually flat.

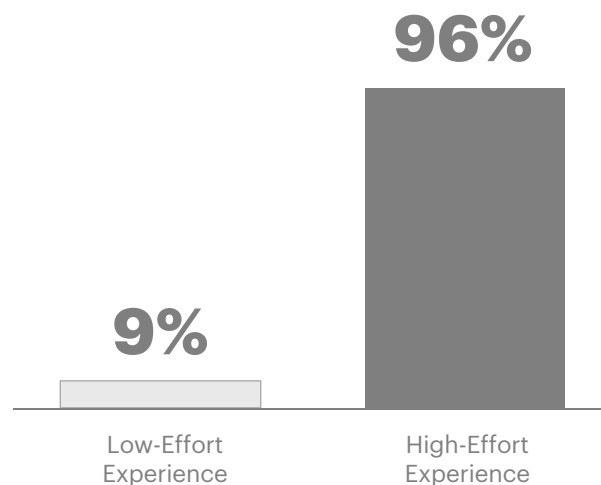
What most service leaders do not realize is that their service center is actually a cause of customer disloyalty. The customer service experience today is fraught with additional hassles and inconveniences that force customers to exert undue effort to resolve their issues. These hassles include repeat contacts, robotic service, channel switching, and other factors that, no matter how small they seem, can significantly hinder the service experience.

As a result, our research finds that customers are four times more likely to leave a service interaction feeling more disloyal to the company, rather than more loyal. Customer effort also has a significant effect on word of mouth. Our surveys show that 81% of customers who experienced a high-effort service interaction went on to speak negatively about that company.

We recommend building a customer service strategy based on providing an Effortless Experience™.

Our consultants can help with refining your customer service strategy. **Contact us** for more information.

Overall Disloyalty



Source: CEB Research.



SERVICE REP SKILLS

Soft skills that focus on creating relationships do not reduce customer effort. Train reps on new-in-kind skills aligned to delivering a low-effort service experience.

When trying to reduce customer effort, 70% of service leaders focus on decreasing what the customer has to DO during the service interaction. These initiatives include process improvements or technology enhancements to encourage consistency in how customers are served.

However, from the customer's perspective, this approach only affects one-third of the equation. The service rep actually has the greatest influence on customer effort and the overall customer service experience. Our survey of more than 4,500 customers revealed that 65% of a customer's

perceived level of effort is driven by how the rep made them FEEL during the service interaction. What the customer had to actually do during the interaction only accounts for 35%. Baseline customer service skills, such as professionalism and product knowledge, are required of any rep.

Continuing to focus on developing these skills, though, is likely to elicit only minimal returns. Instead, to maximize rep performance in today's service environment, service leaders should prioritize the training and development of higher-level capabilities. These capabilities enable reps to take control of customer conversations, guiding them to win-win outcomes.

We recommend you provide your reps these different-in-kind skills focused on reducing customer effort in the service interaction.

Our Effortless Experience Capabilities Builder can help. **Contact us** for more information.

Drivers of Customer Effort Source: CEB Research.

What Customers Have to Do

34.6%

- Process improvements
- Cross-channel integration
- Technology advancement



How it Makes Customers Feel

65.4%

- Reps with low-effort service potential
- Low-effort service capabilities
- Coaching effectiveness



SERVICE

SUPERVISOR COACHING

Poor coaching hurts performance nearly twice as much as good coaching helps. Coach in the moment and focus on behaviors that drive desired outcomes.

Very little of the modern contact center resembles the call center of yesterday. Service is provided in a variety of channels that barely existed 15 years ago (e.g., social media, mobile apps). Customers are savvier than ever and expectations are a constant moving target. Simple inquiries have gone the way of self-service, and what's left are more complex live interactions for our staff to handle. Metrics have shifted from productivity-focused to quality-focused, and there is more gray area in what used to be a very black-and-white corporate function.

However, companies continue to fill their supervisor ranks in the same way that they always have — by promoting their top-performing reps into leadership roles that they are not prepared to handle. Coaching is the best way to drive rep performance, but it has to be done correctly to be effective. In fact, poor coaching hurts performance almost twice as much as good coaching helps.

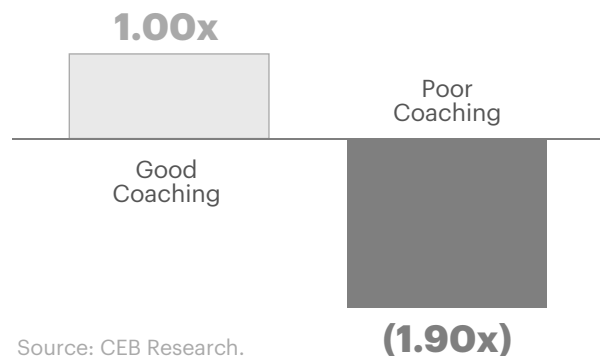
The supervisors who drive outsized performance results from their teams spend a disproportionate amount of their coaching time providing in-the-moment, integrated coaching. In addition, they are focused on helping their reps improve behaviors that drive results instead of focused on coaching to the result itself.

We recommend you teach all your supervisors to follow world-class coaching methods.

Our Coaching Capabilities Builder can help. **Contact us** for more information.

Poor Coaching is Worse Than No Coaching

Relative impact of coaching on performance
Indexed



Source: CEB Research.



- ▶ Only 21% of supervisors practice good coaching
- ▶ Poor coaching hinders performance almost two times as much as good coaching improves performance



SERVICE QUALITY ASSURANCE

The era of checklist-based QA is over. Adopt behavior- and trends-based evaluations to measure performance.

While the customer contact function has transformed across the last decade to become more focused on providing tailored, high-quality service, one critical piece of the strategy has remained stagnant: Quality Assurance. Even though companies now encourage reps to use their own judgment and make "human" connections, most actions are still governed by strict adherence to a rote, checklist-based approach to QA.

QA success relies on shifting your core focus away from rigid metrics and “checking the box” to customer-determined success factors. Leading organizations are using flexible, competency-based frameworks that evaluate meaningful trends in performance instead of simply monitoring for one-off mistakes. This type of approach eliminates that “big brother” QA reputation, all but eliminating appeals at many companies.

We recommend you build a QA process aligned with your unique talent development and customer needs.

Our Quality Transformation Engagement can help. **Contact us** for more information.

Traditional Quality Checklist



- ✗ Regimented performance criteria
- ✗ Internally defined success
- ✗ Isolated call evaluations



Customer-Determined Success



- ✓ Adaptable quality framework
- ✓ Direct customer input
- ✓ Trend-based call evaluations

Source: CEB Research.



SERVICE

PRACTICE AND APPLICATION

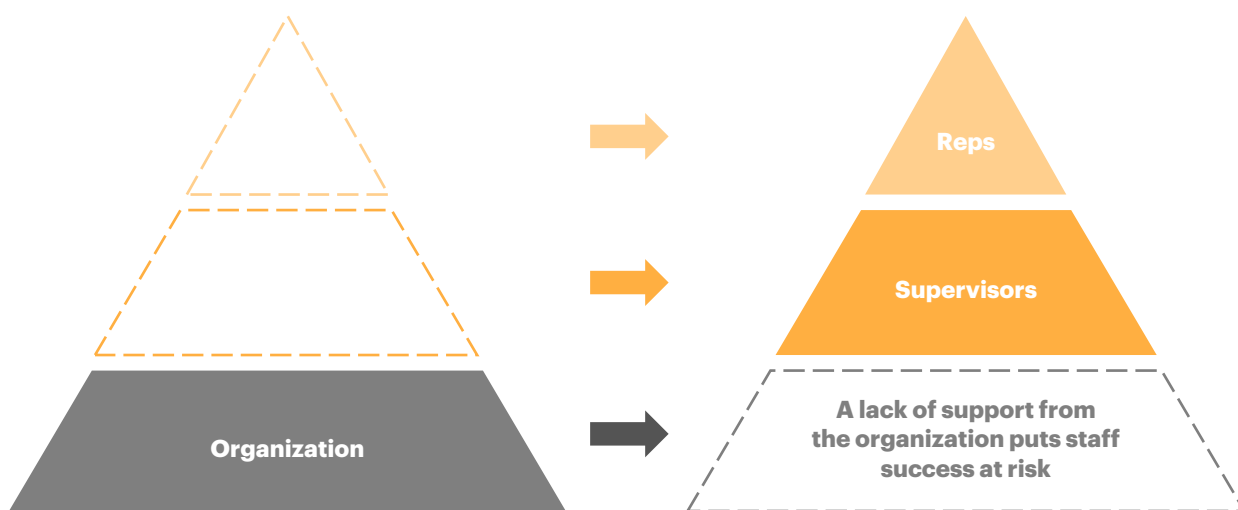
New customer service behaviors won't embed without practice, support, and success sharing. Ensure that all levels in the service organization play an ongoing/supportive role.

Maintaining momentum is a critical factor in turning new skills or behaviors into lasting habits. However, even the most enthusiastic leaders can struggle to drive successful changes within their organizations. In fact, only 34% of corporate changes are deemed successful. To ensure that you are making the most of your investment, all of our engagements are designed with the long-term goals of sustainability and business impact in mind. We start with rigorous preparations that include communication planning, identification of business metrics to track, and a process to identify where

roadblocks to implementation might exist. Removing these points of friction is key to enabling learners to practice and apply their new skills.

We recommend incorporating adult learning theory with a flexibility that can match diverse learner preferences and behaviors. Our programs are designed with skill reinforcement in mind from the get-go. Skills are introduced in the classroom, but reinforcement occurs through a variety of vehicles, including online learning modules, scenario-based role plays, action planning templates, coaching guides, and fun games and exercises to be used within teams and across the organization.

Our consultants can help with your practice and application strategy. **Contact us** for more information.



When it comes to enabling behavior, each layer provides the foundation for the one(s) above.



Closing

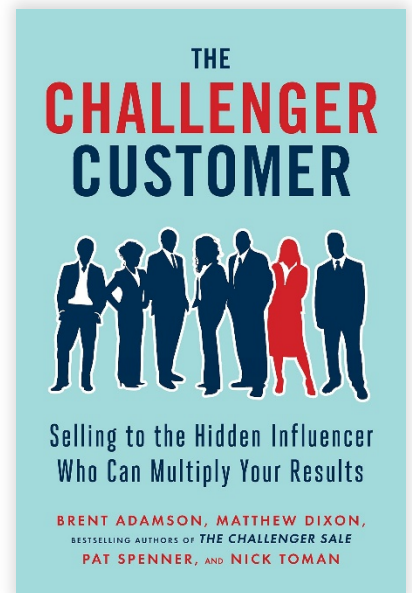
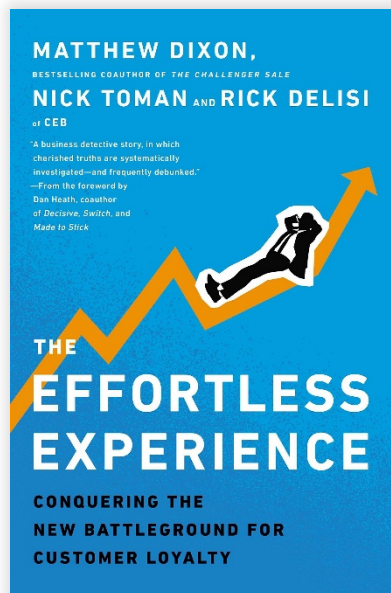
03

CLOSING

CREATE AN UNCOMMON CUSTOMER EXPERIENCE.

The powerful ideas captured in *The Challenger Sale*, *The Challenger Customer* and *The Effortless Experience* laid the groundwork for our Challenger suite of products and services. If you're not familiar with the ideas in these books we'd like to help you become so. Contact our team at challengerinc.com so one of our representatives can help you receive a copy.

Our Challenger portfolio of performance improvement solutions also includes (i) in-person classroom and workshop development modules; (ii) eLearning, workflow tools, and on-demand content; (iii) diagnostics and assessment tools; and (iv) go-to-market messaging and sales acceleration solutions. Offerings are typically bundled and can be flexibly deployed, either as fully digital or a combination of in person and digital.



Learn more at challengerinc.com.



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