Chapter 1

PAY ATTENTION TO TODAY'S CUSTOMERS

When two rogue employees at Domino's Pizza decided to have some fun with a video camera, they had no idea they were about to provide the business world with a powerful lesson in the new voice of the customer.

The employees filmed a prank video of themselves stuffing cheese up their noses and then putting it on Domino's sandwiches. As one of the employees appears to tamper with the food, the other is heard saying: "In about five minutes this will be sent out on delivery where someone will actually be eating it." The two then posted the video to YouTube, the popular video-sharing site, where it proceeded to get more than a million hits over a few days.

News of the video spread like wildfire on social media sites such as Twitter and Facebook, and it wasn't until a sympathetic blogger alerted Domino's to the offensive posting that it was finally removed.

Domino's response was textbook. Its president posted his own YouTube video apologizing for the incident and repeatedly stressing that it was a misguided joke. "There is nothing more important or sacred to us than our customers' trust," said CEO Patrick Doyle. "It sickens me that the act of two individuals could impact our great system." But the damage to the brand was already done. According to the research firm YouGov, which surveys some 1,000 consumers every day, the perception of Domino's quality went from positive to negative in just a few days. Untold numbers of loyal Domino's customers were likely second guessing their relationship, wondering if they could trust the pizza maker to deliver untampered food in the future.

Further evidence of the new ways that customers are speaking to companies—and how some of the most service-savvy organizations are speaking back—came in an incident involving Comcast Corp., the cable provider. When a prominent blogger, Michael Arrington, complained on his site about a frustrating outage with his Comcast cable service, no one was more shocked than the blogger when a Comcast executive responded *within 20 minutes* to his complaint, making sure a technician was quickly sent out to fix the problem.

The blogger reported that he first notified the company of the problem by phone, but service staff there had no clue as to when the problem could be fixed. The Comcast executive's swift response was part of a new program called Comcast Cares, created to actively monitor Twitter and other social media sites and respond to customer comments about the company. The program is designed to buttress, not replace, e-mail and phone help channels and respond to pressing customer concerns with greater speed.

Rather than forcing customers to call an 800 number and endure a wait on hold or send e-mail that isn't answered for 24 hours, Comcast service reps can simply "tweet" customers to quickly acknowledge problems and set the recovery process in motion—engaging customers in a communication channel in which many are increasingly comfortable.

P1: KNP
c01 JWBT263-Thomas March 11, 2010 11:6 Printer Name: Courier Westford, Westford, MA

The Power of Online Megaphones

Long gone are the days when customers made their voices heard only through 800 numbers, e-mail messages, or face-to-face interactions or by telling neighbors over the back fence how horrible—or surprisingly wonderful—was the service they received at the dry cleaner, local restaurant, bank, or web site. Now they more commonly speak through the virtual megaphones known as Twitter, Facebook, MySpace, and other social networking sites as well as by posting reviews of businesses they frequent on sites like Yelp or CitySearch. Many more make their voices heard through discussion boards and dedicated product review areas on company web sites. Although accurate user numbers are hard to come by, it's safe to say many millions of people are using these tools on a daily basis.

"An entire generation is growing up that will never dial a 1-800 number to reach customer care," says Amanda Mooney, a digital media strategist with Edelman Digital, a division of Edelman Public Relations.

But it isn't just teenagers or 20-somethings using social media. According to a 2009 study from Pew Internet and the American Life Project, the median age of Facebook users is now 33, up from 26 in May 2008; the median age of Twitter users is 31 and LinkedIn users is 39. Businesses of all sizes also have become regular users of social networks to market products, keep tabs on consumer opinions, and engage customers on the turf where they feel most comfortable.

When today's customers are upset by customer service experiences, the first place many turn to vent their frustrations is the Web. A 2008 study by TARP Worldwide Inc., an Arlington, Virginia-based customer service research firm, found, for example, that 12 percent of dissatisfied online customers told their "buddy lists" about the experience—lists that average more than 60 persons. On average, four times more people on the Web

P1: KNP
c01 JWBT263-Thomas March 11, 2010 11:6 Printer Name: Courier Westford, Westford, MA

hear about negative experiences than positive ones, according to TARP research.

Consider the experience of professional guitarist Dave Carroll. Carroll was unable, after a full year of negotiation, to receive any compensation from United Airlines for having his guitar damaged by baggage handlers—damage requiring $1,200 in repairs. Carroll had been at O'Hare Airport in Chicago, en route between Halifax, Canada, and Nebraska, when a passenger next to him noticed that baggage handlers were throwing guitar cases on the tarmac outside the plane.

Frustrated by the airline's response, Carroll decided to write and post a song titled "United Breaks Guitars" to YouTube. The song proved an instant sensation that received more than 600,000 hits within a week, and as of this printing, has received more than 7 million hits. According to news reports, United representatives called Carroll after the video went viral and said they wanted to discuss the situation. To the airline's credit, it was considering using the reputation-damaging video as a case study for how to better handle future customer complaints.

Although it's impossible to control everything customers say about your company on social networks or in the blogosphere, shrewd companies have figured out that there are effective ways to manage their reputations online. One such tactic is to try to redirect negative commentary, getting customers to talk directly to your company rather than to broadcast their displeasure to millions of Web users. The idea is to try to harness the conversation and thus control more of it.

Such interventions increase the odds of positive outcomes and mitigate the potential damage caused by letting rumors or "viral sharing" of bad service experiences go unchecked for long periods on the Internet. Dell Computer, for example, is among the growing number of organizations using sophisticated tracking software to monitor comments made about the company on social networks and the blogosphere, often joining these conversations to try to solve problems or answer questions. Although customers may initially have viewed this behavior as intrusive, many have grown to embrace the service assistance, with the caveat that it's handled deftly.

Negative service experiences spread like wildfire, even without the aid of technology. When we feel disrespected, talked down to, treated like a number, or just plain poorly served by an organization, we're eager to share that experience with friends, work colleagues, relatives, and anyone who will lend an ear. The sharing carries a warning: Steer clear of the offending company. Consider the multiplying factor, then, when people write about those "service experiences from hell" on their blogs, user groups, or social networking pages. Untold numbers around the globe are likely to read them, especially if they are particularly well told or the company in question has done something that offends a sense of fairness.

A More Skeptical and Distrustful Customer

Whether wholly true or not, tales of service woe or service excellence have an impact on those who read them, especially if those people have no prior experience with the organization. And that perception, when acted on, can mean the difference between sales realized and sales lost.

That's because today's customers are much more likely to believe in and trust the experiences of their peers or other consumers than they are corporate marketing messages. According to a 2008 study by the Society for New Communications Research (SNCR), 74 percent of active Internet users choose companies or brands based on the experiences of others that they read about online. Additional research, conducted in 2007 by Edelman Public Relations as part of its annual "trust barometer" study, found that people's most credible source of information was "a person like me," which for the first time surpassed even academic experts and doctors on the trust scale.

P1: KNP
c01 JWBT263-Thomas March 11, 2010 11:6 Printer Name: Courier Westford, Westford, MA

Commented Richard Edelman, head of the public relations firm, about the study findings: "We have reached an important juncture, where the lack of trust in established institutions and figures of authority has motivated people to trust their peers as the best sources of information about a company. Companies need to move away from sole reliance on top-down messages delivered to elites toward fostering peer-to-peer dialogue among consumers, activating a company's most credible advocates."

Today's customers also are more prone to conduct exhaustive research about products or services before making buying decisions, a process made easier by the volume of comparative data available on the Internet regarding prices, features, reliability, performance, and more. According to the SNCR study, 72 percent of respondents research companies' customer care history online prior to purchasing products and services.

What Does This All Mean for Your Own Customer Service Strategy?

For starters, if you're not giving customers an online outlet for expressing their opinions about your products, services, or overall operations, you're likely raising suspicion or even being left behind your competitors. Research shows that consumers are increasingly skeptical of companies that don't encourage reviews of their offerings on a corporate web site. Many believe it means you have something you're trying to hide.

Organizations that don't solicit comments, reviews, or ratings are often afraid they'll get too many negative ones, but the reality is that some less than glowing comments mixed in with pats on the back add credibility to the site. We've all read review sites that feature nothing but positive commentary that reads as though it's written by the CEO's mother or a book author's husband. Shrewd companies such as Amazon.com have begun displaying their most useful positive reviews side by side with their most useful negative reviews, a process many customers find helpful in making buying decisions. Other companies are regularly sending customers

P1: KNP
c01 JWBT263-Thomas March 11, 2010 11:6 Printer Name: Courier Westford, Westford, MA

e-mails that feature online ratings or reviews, and many find that products with customer reviews have a significantly lower return rate than those without them.

Most service-savvy organizations also realize that there are nuggets of gold to be mined in this new, albeit more skeptical, voice of the customer. By tapping into what customers are saying about them in unfiltered settings such as social networks or blogs, companies can gather information and insight that can help tweak service performance, capture ideas for product enhancements, improve marketing campaigns, or upgrade their web sites based on user suggestions.

The best of these companies also view their front-line customer service staff—those working in call centers, standing behind counters, strolling sales floors, or on teams dedicated to crawling social media sites—as the canaries in the coal mine of customer service. Well before anyone else in the organization, they usually know about emerging problems with service quality, recurring issues, or breakdowns that are driving customers into the embrace of the competition. They interact with customers each and every day and thus have intimate knowledge of where the company is meeting their needs and where it is falling short.

In that sense they are essential "listening posts" of the organization and a key piece in tracking the new voice of the customer. Organizations that are truly interested in customers' unvarnished opinions of their service quality regularly make a point of surveying their frontline staff to help identify, and shore up, weak spots in their service delivery systems.

Rising Global Service Expectations

If you're part of an organization dedicated to listening to the new voice of the customer, you'll know that expectations for service quality are rising and have been doing so for a number of years.

P1: KNP
c01 JWBT263-Thomas March 11, 2010 11:6 Printer Name: Courier Westford, Westford, MA

According to the *2008 Customer Satisfaction Survey* conducted by Accenture, the global management consulting firm—a survey that queried 4,189 people in eight countries across five continents—52 percent of respondents said that their expectations for customer service were higher than in the period five years before. The trend toward rising expectations was found in both mature and emerging markets; in fact, the survey found that "expectations of consumers in emerging markets are rising at an alarming rate." To wit: 84 percent of survey respondents in China, India, and Brazil said that their expectations for quality service were higher than they were five years ago.

The Accenture survey also found—for the fourth consecutive year—that the number of consumers who left a company because of poor service was significantly higher than the number who left because they *found a lower price elsewhere*. In addition, only 45 percent of respondents reported that their service expectations were frequently or always met.

Given that statistic, it's little surprise that 67 percent of respondents reported taking their business elsewhere as a result of shoddy service during the previous year. The estimated average value, in U.S. dollars, that each of those defectors took with them each time they switched companies? About $4,000.

There are a number of explanations for why service expectations are rising around the globe. As more service-savvy companies expand their tentacles into emerging markets and more businesses sell products and services over the Web, customers in developing countries are exposed to what quality service feels like. Anyone in Brazil, India, or Zambia who's done business with FedEx, Amazon.com, Netflix, or Zappos.com, for example, is more likely to expect that same level of customer care from the next company they deal with, regardless of whether it's the mom-and-pop restaurant or auto repair shop around the corner.

Organizations also are realizing that today it's harder than ever to get away with bad service. Offend customers or give them robotic or indifferent treatment and the odds are high that the

P1: KNP
c01 JWBT263-Thomas March 11, 2010 11:6 Printer Name: Courier Westford, Westford, MA

experience will be retold in vivid detail on the Web or on social networks. And if a customer's horrific service experience gets enough attention on a site like YouTube or Twitter, the traditional media will often come calling for follow-up reports, which ratchets up the exposure.

The real fear of negative service experiences "going viral" is keeping more organizations honest, leading them to enhance their service quality to avoid the odds of negative publicity. That in turn leads customers to expect more of them and other companies they do business with, because the service bar has been raised.

Watchdogs of the Web: Are Social Networks Helping to Improve Service Quality?

The effect that the Web, blogs, and social networks are having on companies' service performance might be compared to the influence that videocams and cell phone cameras have had on the actions of criminals and law enforcement officers. Both of these groups now know that the odds of their being caught on camera doing anything unlawful or ethically questionable have risen dramatically. Countless criminals (or unknowing celebrities—can anyone say Tiger Woods?) have had their acts caught by cell phone cameras, and police officers have been more wary of their public actions since the infamous Rodney King beating was caught on tape in the early 1990s.

Just as the prospect of being filmed has had a chilling effect on some parts of society, the knowledge that customers hold the ultimate megaphone in the form of the Internet should make companies more wary of providing poor service. Fair or not, if a customer feels as though he's been treated unjustly by your organization—especially if he senses that a legitimate complaint wasn't taken seriously—it's now reasonable to think you can expect thousands, even millions,

(*continued*)

P1: KNP
c01 JWBT263-Thomas March 11, 2010 11:6 Printer Name: Courier Westford, Westford, MA

(*Continued*)

of people to be reading about his experience quite soon on the Web.

That alone should be reason enough to ensure that you have the policies, training, and performance incentives in place to ensure that customers receive consistently high-quality service from your organization.

We use the equation *Expectation* × *Experience* = *Evaluation* to capture the process customers use to measure service performance. Expectations are what customers are *promised* as well as what is *expected*. For example, a doctor's office may promise prompt and attentive service, but what we expect might be different from that. The *Experience* is the outcome received and the process experienced. We might get the product we wanted at a fair price, but the process of finding or buying it might have been so cumbersome (consider a maddeningly slow or complex ordering process on a web site) as to create a different perception of the experience. The *Evaluation*, of course, is the customer's appraisal of the transaction based on Expectations multiplied by Experience.

Expectations are a function of customers' accumulated service experiences—regardless of where those experiences have occurred. Consider the customer who walks into a home improvement store desperately seeking a replacement part for the garbage disposal she began installing that morning. Rather than making her walk back and forth around the cavernous store to find some assistance, an observant apron-clad employee senses her urgency, approaches her, listens to her dilemma, and proceeds to walk her right to the exact part she needs. Not only that, but tapping into his own experience with installing garbage disposals, the clerk gives the customer some tips on how to install the part. The end result: a very happy customer who is in and out of the store in less than 30 minutes.

P1: KNP
c01 JWBT263-Thomas March 11, 2010 11:6 Printer Name: Courier Westford, Westford, MA

What do you think that customer's expectation will be the next time she encounters a similar situation, whether in an electronics store, a bank, or a pizza parlor? That's right—she'll likely expect the service staff to match the level of care and attention she received from the home improvement business. Customers who even occasionally do business with service exemplars such as Netflix, Zappos.com, L. L. Bean, JetBlue Airways, or Amazon.com don't suddenly abandon their high expectations when they visit their local grocer, DVD rental shop, or flower store. Rather, they usually think, *If that company can provide consistently good service, why can't you?*

Fair or not, each time customers walk away impressed by another company's service, it influences their decision on whether to keep doing business with you. Each experience, whether online or in the bricks-and-mortar world, resets expectations for the next encounter. That concept is worth pondering. A customer logs on to Amazon.com to get an update on the status of her product shipment. Then she calls or e-mails your web site for a similar update. If you're not as efficient and friendly as Amazon.com, you lose.

The Customer Experience Grid

Of course, knowing that customers have expectations and figuring out those expectations are two different things. Some are obvious: "I'd like a response to my e-mail by the end of the business day." Others are more unrealistic: "The product was delivered a day late. I think a new flat-screen TV would be fair atonement for the inconvenience I experienced."

To be able to accommodate as many expectations as possible, you first need to know how to find them. A model that we use to describe the sum total of customers' experiences is called the Customer Experience Grid. (See Figure 1.1.)

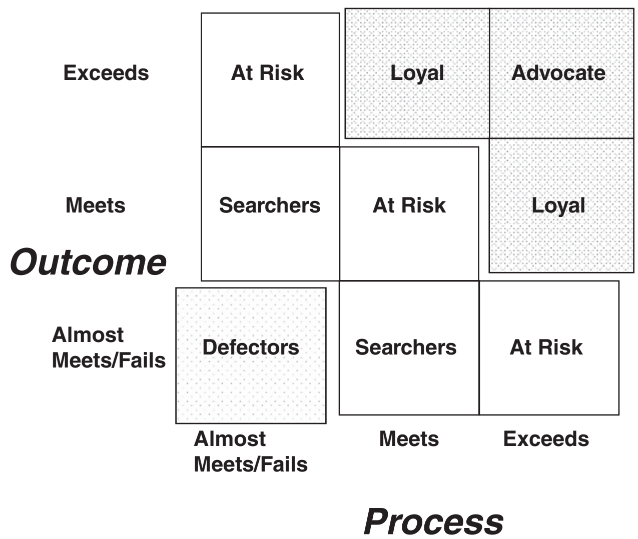

Figure 1.1 The Customer Experience Grid

The vertical axis of the grid is the *outcome* the customer receives, indicating whether it exceeds, meets, or almost meets/fails expectations. That outcome could be a product ordered from a web site, a meal delivered in a restaurant, or the experience in a dentist's office. In other words, the outcome is whatever your core offering is to the customer.

The horizontal axis is the *process* the customer has to go through to obtain that outcome. It's how easy it is to find price information on a web site, how long diners have to wait for their meal, how many calls have to be made to get a service problem resolved. It is on *process* dimensions where most companies have a chance to differentiate themselves and make impressions that keep customers coming back again and again.

Failing to meet customer needs on both process and outcome dimensions means that they probably won't darken your doorstep again; these are the *Defectors* on the grid. With all the other options that exist today, these customers are unlikely to give your organization a second chance. If a customer's needs are met in

P1: KNP
c01 JWBT263-Thomas March 11, 2010 11:6 Printer Name: Courier Westford, Westford, MA

one dimension but not another—if the outcome was acceptable but the process to get there was like a poke in the eye—they'll also be actively looking to replace you. Their message to you is this: "I'm still on board, but I'm looking for someone else who can more consistently meet my needs." These are what we call the *Searchers*.

Then there are those who are *At Risk*, which is the middle band on the grid. They have what we call *commercial attention deficit disorder* (CADD) because you've given them very little reason to be loyal to you. A series of failings on the process or outcome sides makes them highly vulnerable to the gravitational pull of your competitors—thus the reason for their lack of attention to you. You might have met their outcome needs—perhaps your web site carries the style and size of shoes they've been desperately searching for—but something about the online ordering process was so burdensome that they abandoned their shopping cart before finishing. So you might have a great product offering, but if you combine it with poorly designed, incompetent, or uncaring service, you have an "at-risk" customer.

Another band is the *Loyal* customer, created when you meet expectations on one level and exceed them on another. These people, although perhaps not outspoken evangelists for your organization, are perfectly content keeping their business with you. They have little reason to look elsewhere. And, because they like you, they are willing to help you improve by offering ideas, changes, or suggestions.

But who you are really seeking—an organization's most valuable asset—is the *Advocate,* a customer who will talk up the great products or service your company offers with unrivaled passion. Advocates regularly have their expectations exceeded on both outcome and process measures. These are the people you find in chat rooms, on social networks, or at cocktail parties who gush about your organization and the amazing service they received.

The best part about Advocates: Their passionate word-of-mouth advertising doesn't cost you a nickel.

Speed as a Competitive Advantage

Customer expectations also are tied to a perception of the Internet as an almost instantaneous medium. Let's face it: When we "tweet," make a post to Facebook, or fire off an angry e-mail to a company, our expectation—rightly or wrongly—is that we'll get an almost immediate response. That's the nature of cyberspace and our "need it now" culture, a reality that makes speed of response an increasingly important service dimension in customers' minds.

In Accenture's global survey of customer satisfaction trends, respondents reported that fast resolution of their problems was the second most important factor in determining their overall satisfaction. In importance, that factor trailed only an ability to resolve issues by speaking to a single service representative rather than being forwarded to others—another issue that involves speed.

When customers see everything else as being equal—price, product quality, breadth of selection—how quickly you resolve their problems, answer their e-mails, or deliver Web-purchased products to their doorsteps can separate you from the pack.

Zappos.com, the online shoe retailer known for its superb customer service, believes the speed at which customers receive purchases made on the Web plays a critical role in their future loyalty. As a result, Zappos' top managers make delivery speed a top operational priority, opting to warehouse all the shoes the company sells. Unlike other online retailers, Zappos doesn't make an item available for sale unless it is physically present in one of its warehouses. That's because management knows the combination of quality shoe selection and speed of delivery is an unbeatable formula for binding customers to the company.

The Domino's pizza saga, detailed earlier in the chapter, offers another lesson in the importance of speed—in this case, how a lack of it can make an injury to a corporate reputation fester and grow. The prank video that the two Domino's employees posted on YouTube, which showed them doing untoward things with sandwiches, lingered on that popular site long enough to get over a million hits. Even more would have seen and been influenced by it had Domino's not been alerted to its presence by a blogger.

Had Domino's acted with greater speed, perhaps with the help of service staff dedicated to actively monitoring social media sites and the Web for any references to its products or brand, it might have been able to remove the video faster and better contain the damage. Never has the saying "You snooze, you lose" had more relevance than in the age of social media.

Even service exemplars like Amazon.com have learned painful lessons about customers' new service expectations surrounding speed. The company was forced to apologize after some members of Twitter complained about the sales rankings for gay and lesbian books mysteriously disappearing from the online retailer's site. Because Amazon took more than a day to respond to these complaints, the social media world criticized the company for being asleep at the wheel. Again, fair or not, that criticism reflects shifting expectations of how quickly customers believe companies should respond to problems in today's business environment, given new technologies and online networks.

E-Mail Versus Phone: Which Is Speedier?

There's also a common belief in organizations that e-mail provides customers with a faster way to interact than phone contact. Rather than wait on hold or wade through lengthy voice-mail menus, the thinking goes, customers can just shoot off an e-mail detailing their problems or questions and await a response. But the ability to solve problems faster via e-mail is largely a myth, particularly when problems are complex in nature.

Consider how much information and immediate problem solving can be packed into a 15-minute phone conversation with a company's service representative than in five back-and-forth e-mail exchanges that might happen over the course of three days. Experienced service professionals will tell you that inbound customer e-mails rarely contain all the information or detail necessary to solve the problem with one return e-mail.

While e-mail does provide a valuable paper trail for service interactions, when there is a need for speed and a more hassle-free way of resolving vexing problems in one contact, the phone usually wins out.

It pays to remember that customers are constantly comparing how easy it is to do business with you versus your competitors. If you can serve them faster or make them jump through fewer hoops than the other guy—while also providing quality product at competitive prices—they'll have little reason to spend their money elsewhere. Time is a highly prized commodity among today's global consumers. Whether it's a busy dual-income couple with children, a single person working 70 hour weeks, or a retiree anxious to wrap up his business so he can make his golf tee time, people increasingly want what's convenient, easy, and fast.

Give that to them on a consistent basis and you'll likely create customers for life.

More Educated Global Customers

Listening to the voice of today's customer also is crucial because consumers are more educated than ever before. Today the odds are greater than ever that customers have as much—or more—information about your products and services as your salespeople or customer service representatives. With the vast amount of information available on the Web, customers can price shop, access independent studies, check product reliability histories, or get comparative performance data at the click of a mouse. As more people in the developing world get high-speed Internet access, that consumer knowledge will only grow. All of which

P1: KNP
c01 JWBT263-Thomas March 11, 2010 11:6 Printer Name: Courier Westford, Westford, MA

means that if your service staff doesn't have the latest-and-greatest knowledge about its own products and services as well as those of competitors, they risk being stumped by customers, which can be a death knell for their willingness to spend money with you. One study from the retailing world reported that customers identify salespeople "who know less about their products than I do" as a leading reason for switching from shopping at department stores to shopping via web sites.

It also means that the old-fashioned hard sell, long based on an assumption that companies have the upper hand on customers simply because they possess more knowledge about their products or services, is an increasingly bankrupt tactic in this age of the educated global consumer. On balance, more of today's customers prefer to do their own research on products or services rather than rely on a salesperson's efforts to convince them why they should spend their money with his organization rather than the competition.

Listening and responding to customers' distinct needs also takes on a new flavor as more companies do business around the world, including making inroads into emerging markets. Serving customers from different cultures requires an understanding of the unique values, expectations, and cultural norms people from other parts of the world bring to service interactions. If U.S.-based call center reps are too chatty with customers from Germany or use a first name before invited to do so, those customers can consider the informality disrespectful. Be too businesslike or avoid small talk with customers from Italy or France and they might consider it rude. Use too much direct eye contact with some customers in the Pacific Rim and they may be offended. Or use figures of speech or slang with customers not familiar with American idioms and they may go away more confused or alarmed than when they called in with a difficult service problem in the first place.

Educating your service staff about different cultural norms and expectations will keep them from "stepping in it" as they

P1: KNP
c01 JWBT263-Thomas March 11, 2010 11:6 Printer Name: Courier Westford, Westford, MA

inevitably begin to deal with more customers from far corners of the world.

Five Building Blocks of Service Quality

Creating loyal customers also means understanding the foundational elements of service quality that are most important to them. There are five such "building blocks" of customer service that, executed well on a consistent basis, can turn lukewarm customers into passionate advocates. These RATER factors, created by service researcher Leonard Berry and colleagues at Texas A&M University, are *Reliability, Assurance, Tangibles, Empathy, and Responsiveness.*

Reliability

Reliability simply means doing what we say we're going to do for customers. Although this sounds easy in theory, "keeping the service promise" is where many companies slip up, leading to mistrust and causing customers to begin looking for greener pastures. Reliability, more than any other building block, is where customer loyalty is either cemented or fractured.

Reliability means serving a hot meal while it's still hot, processing orders that are accurate so that shipping can also be done in an accurate and efficient manner, and answering the switchboard calls promptly at 8:00 rather than 8:07. It's living up to your organization's marketing promises to deliver excellent service in each encounter.

Reliability has three components: organizational commitments, common expectations, and personal promises.

Organizational commitments. Companies make promises to their customers through advertising and marketing messages, service guarantees, and corporate correspondence. If you say you're going to provide "exceptional service, every time," provide

P1: KNP
c01 JWBT263-Thomas March 11, 2010 11:6 Printer Name: Courier Westford, Westford, MA

delivery by 10:30 the next morning, or offer no longer than a five-minute wait in a bank queue, be prepared for customers to hold you to those promises. And for them to walk away sorely disappointed if you've raised their expectations, only to fall short in the end. For customers, making lofty promises about service quality and then not meeting them is tantamount to intentional bait and switch.

Common expectations. Based on their previous experience with you and other organizations, customers make assumptions about the quality of service they can expect from you. They might believe they can get a response to e-mail in two hours, have any problems resolved in one phone call, be greeted by name, or receive a tasty meal in under five minutes. Failing to meet these expectations is the same as breaking any other kind of promise.

Employees' personal promises. These are the promises your service staff makes every day, from promising to return a phone call by the end of the day to guaranteeing they'll show up for the plumbing job at the appointed hour or assuring customers that their cable bill won't increase for a full year.

Setting realistic expectations, then delivering on your promises—without fail—is the easiest way to set yourself apart from competitors who don't see the service promise as sacrosanct. Keeping the promises you make, and only making promises you can keep, is what reliability is all about.

Assurance

Being polite and upbeat with customers is an essential part of service delivery. But absent competence and confidence, a cheery attitude alone will do little to satisfy demanding customers. Consider the service technician who answers your call with an appealing, energetic phone voice, makes engaging small talk, but then just can't seem to figure out how to rid your computer operating system of a damaging virus. In such situations we usually just want the problem fixed post-haste, happy talk or not.

Customers need to be assured that they are dealing with a competent, well-trained, and knowledgeable representative of the company. Thanks to vast amounts of information on the Web, customers are more educated than ever before, and they quickly know if they're dealing with a crackerjack salesperson or call center rep who knows their products and services backward and forward—and how they stack up relative to the competition. People want to know that they are in good hands and that their issues will be handled with ease and competence.

When it comes to paying attention to customer needs, you *assure* them by listening attentively to what they are saying, repeating back or paraphrasing as needed for clarification, and then asking pertinent questions to ensure that a situation, experience, or point of view is understood. People don't want to have to repeat their problems—or worse, have to contact you again because you didn't listen well the first time. Listening well assures customers that their concerns are taken seriously and will be addressed in satisfactory fashion.

How you look, talk, make eye contact, listen, and respond to e-mail, Twitter posts, or instant messages all send a message to customers. Make sure that message states loud and clear: "I'm a competent, knowledgeable, and caring service professional."

Tangibles

This fundamental of the Pay Attention strategy focuses on how *tangibles* influence customer perception of service quality. Tangibles can include everything from a company's advertising to the cleanliness of a store to the attire of service professionals. All of the things, whether prominent or miniscule, that customers see, hear, smell, taste, or touch, affect their perception of your organization and the lengths to which you've gone to meet their service needs.

If a delivered product arrives in a damaged package, a parking lot is littered with trash, a business sign is unlit, a counter is sticky, call center representatives use poor grammar, or you fail to provide confirmation of incoming e-mail, it can adversely influence customers' willingness to do business with you again.

Remember: Tangibles help convey the value of the service transaction's intangible aspects. Ignore or downplay them at your own risk.

Empathy

Nothing destroys your customer satisfaction ratings—not to mention future customer loyalty—like treating customers as though they're a number, a nuisance, or guilty before proven innocent. The ability to show *empathy* for customers, particularly when they feel they've been wronged, is a critical component of the Pay Attention approach.

It's important to remember that empathy isn't the same as sympathy, however. *Sympathy* involves identifying with, and even taking on, your customers' emotions, as in "Frankly, I'm really disappointed as well with our company's policy on this issue." Empathy involves acknowledging and affirming another's emotional state, without taking it on yourself. For example, "I can hear that you're angry that the product didn't arrive on time."

The distinction is important, because responding to customers with sympathy all day can leave you emotionally drained and can even make you more prone to siding with the customer against your own organization. The key is being emotionally *in tune* without becoming too *involved*. Service professionals who respond with empathy remain in control of their emotions while still communicating they understand the customer's feelings and point of view.

In this day and age of endless voice-mail menus and cost-obsessed companies that promote self-service or e-mail contact options over 800-number phone service, providing a human-level connection—a live, empathetic voice to talk to—can make a lasting impression on customers just by virtue of its rarity. Netflix

P1: KNP
c01 JWBT263-Thomas March 11, 2010 11:6 Printer Name: Courier Westford, Westford, MA

is among the companies that understand that phone-based customer service, though more expensive than other options, can pay huge dividends in terms of customer loyalty (which translates to a big reduction in marketing dollars needed to attract customers that replace unhappy ones who have defected) by providing an oasis of humanity and one-stop service efficiency in a business world too often marked by companies that erect automated contact “moats” to keep customers at bay.

Responsiveness

Quick, efficient action has always been the hallmark of good service, and never more so than in the social media age. Customers have come to expect rapid response to their e-mail or Twitter posts about service problems, next-morning delivery of vital business documents, eyeglasses made in one hour, instant answers to Google queries, and their grande lattes handed out the drive-thru window in just minutes.

But not every service issue needs to be solved in nanoseconds. There’s a big difference between a customer who needs a suit with a nasty coffee stain cleaned ASAP for a big presentation the next morning and someone who brings a dry cleaner seasonal clothes that don’t need attention for weeks. It’s important to talk to your customers to determine what they deem acceptable waits or service response times. According to a study conducted by the National Restaurant Association, “fast” service for customers of fast-food restaurants means five minutes or less, whereas diners in a sit-down family restaurant are willing to wait as long as 30 minutes for their meals to arrive. Similarly, customers might exhibit more patience in getting their double mocha latte and scone on a lazy Saturday morning than during the Monday morning rush hour.

Responsiveness is also about keeping customers apprised of problems that arise. Think being proactive, not reactive. Consider passengers stewing in their airplane seats as their scheduled

P1: KNP
c01 JWBT263-Thomas March 11, 2010 11:6 Printer Name: Courier Westford, Westford, MA

departure time comes and goes. Kept in the dark about reasons for the delay, their frustration will build and their imaginations perhaps get the best of them. But if the captain comes over the intercom to apologize and explain reasons for the delay, whether weather, airport traffic logjams, or a mechanical issue, passengers at least have some information to work with. In face-to-face service situations, simply acknowledging your customer with eye contact or a polite "Sorry for the wait—I'll be with you as soon as I can" goes a long way toward slowing the steam emerging from a customer's ears.

It's also important to remind your service staff that although deadlines are important, they *do* have some control over setting them. If someone tells a customer they'll have an answer in two hours, they're creating an expectation for the client and setting a deadline for themselves. In that sense it's important to be realistic with estimates—when in doubt, give yourself more time than less—because deadlines become the yardstick by which customers measure your success or failure.