

# RICH CUSTOMER EXPERIENCES: ENSURING YOUR BUSINESS REMAINS STRONG, SUSTAINABLE and OPTIMISED for GROWTH

John Pastorelli

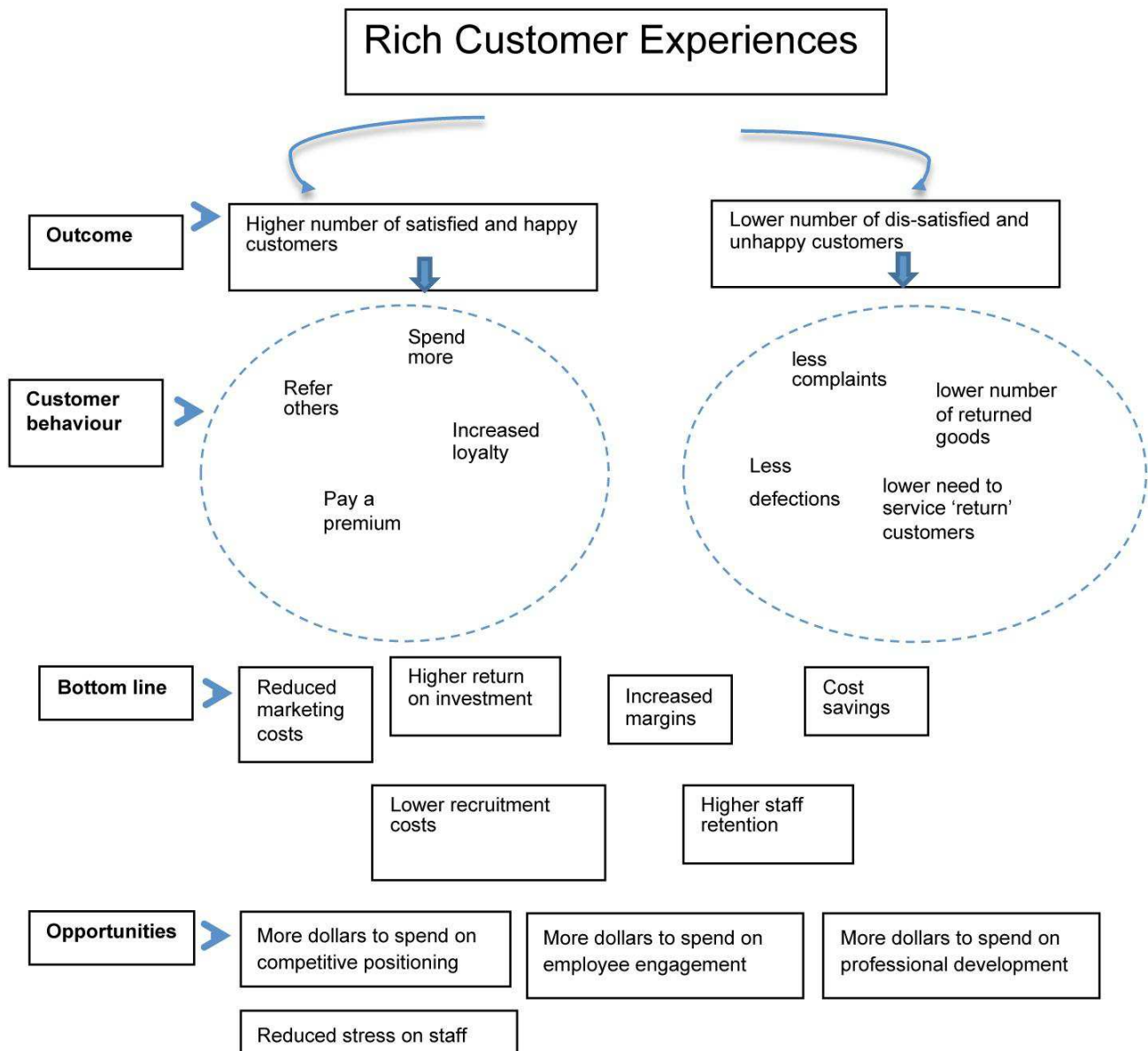
*A business that does not deliver positive experiences for its customer faces an uphill climb to better its bottom line. It's that simple. But the solution is also simple.*

## The value of customer experiences

High quality customer service typically leads to increased levels of engagement and loyalty by customers, higher purchase rates, and increased word of mouth recommendations. Satisfied customers can also have a positive influence on business employees who in response gain an elevated sense of job satisfaction.

Research from the Harvard Business Review (2014) found customers who received the best experiences spend 140% more compared to those who received the poorest experience, and were almost twice as likely to remain loyal one year later than those receiving poor service.

*Rich customer experiences are a must – they are what keep a business sustainable and optimised for growth.*



### Poor service leads to missed revenue

Figures presented by customer experience strategy, design and research company “Fifth Quadrant”, found that organisations without a Customer Experience strategy, churn customers and have higher costs. ‘Nine in 10 Australians switch to a competitor because of a poor experience and eight in 10 actively advise friends and family to avoid companies that have provided a poor service.’ [www.arnnet.com.au/](http://www.arnnet.com.au/). Australians are also prepared to ‘pay 14% more for good, consistent customer experience.

Within the New Zealand banking sector, poor customer experiences contributed to an adverse impact to annual profits of between 8% and 12% (<http://www.ctmaworld.com/Blog/Index.htm>).

### Investment in customer service goes beyond just a brand and a ‘smiles’ program

A common activity undertaken by business to improve their level of customer service is to invest in improving brand image, logos and brand identity. The temptation is to then sit back considering this to be enough. But logos, brand image and identity can only take a business so far – they are good for attracting people but what can make or break a business is the service when people arrive at the ‘front counter’ ..... at the moment of truth.

Ken Irons (Market Leader) stated that up to 70% of a consumer’s brand experience is through the interactions they have with employees. A related example is of a UK Retailer who achieved a 9% increase in monthly sales just through a 1% increase in employee commitment (enterprise IG case history for CLF UK, 8 July 2004).

How an employee treats customers has amplified consequences in today’s world of instant and global communications where:

- your competition is but one click away
- your social accountability is exposed to a much wider audience
- your business behaviour no longer remains the focus of conversation within small groups of connected people but rather is voiced through the mega-phones of the WWW.

Going beyond a branding and image exercise, business might implement a ‘smiles program’ in an attempt to improve its customer service. While a good initiative, these programs are also not enough, especially if they are based on misleading mottos such as ‘the customer is always right’ or are directives implemented ‘by management’ with little employee engagement.

### Customer experiences without meaningful employee engagement equals trouble

Any customer service initiative that does not have meaningful employee engagement has the potential to create a disengaged and disenfranchised culture that would rather snip and gossip than serve customers.

Such cultures can also reap financial and operational havoc through:

- Poor productivity and missing targets
- Poor product and service quality causing additional investment of resources
- Poor customer experiences leading to a lack of return business and negative exposure

- Lack of commitment to their job or on-going development causing increased operational stress through needing to replace positions and roles

To keep customers, the service they experience has to be more than ‘it wasn’t bad’ ... it needs to be shockingly good – it needs to delight and create positive affirmations and memory associations. And it needs to be consistent and reliable across different touch points at different times ... a service that customers can trust and rely on.

### The customer service ambassador

Customer service can sometimes be seen as just ‘serving a customer’, almost as if it was a one-dimensional activity that ‘just needs to be done’. To such businesses customers represent inconvenience rather than value, and such attitudes can be a major failing of these businesses.

Too often there is a lot of rhetoric around improving customer experiences with minimal supporting behaviour. For example, employees might be asked to deliver great customer service and yet, behind the scenes, these same employees are being subject to restructures and / or deprived of resources to achieve just that.

The service role has far more responsibilities than that of a one-dimensional smiling face – it includes problem-spotting and problem-solving, listening, observing, resourcefulness, empathy, and value creation.

Given their influence over customer experiences, the role of service line employees is better seen as brand ambassadors rather than as ‘just’ customer service officers or clerks or service assistants. They represent the brand and the effort of everyone in that business.

Customer service is about doing something of value for your customer in a way that customers want it done and that also takes consideration of how best you can deliver this. It is the behavior of your business that matters to customers – what you do and how you do it.

An example of the importance of getting to know your customer and how they want to be treated was discussed in the Harvard Business Review (July-August 2014) and involved the fashion business Eileen Fisher. This business came to realise that the high-touch approach that worked well with their 50-something customers did not go so well for their 40-something customers who preferred a more transactional and distant type relationship.

A business will experience different connections and relationships with different customers – and it is up to the business to know what this is - e.g. some customers will enjoy an intimate relationship, some a flirting type relationship and for others it might just be a virtual distant relationship.

Another example is the famous motorcycle, fashion and accessories company Harley-Davidson who has a team of employees who spend an average 280 days a year on the road with customers not to sell Harleys but to develop intimacy.

### Collaboration

Think schools of fish, pods of dolphins or pods of orcas who work together for the benefit of the collective, and this reflects a key quality of collaboration. Individuals and work teams working together for their individual benefit and for that of the wider business.

Collaboration includes individuals and teams:

- Working together

***A disengaged and disenfranchised culture would rather snip and gossip than serve customers.***

***To some businesses customers represent inconvenience rather than value.***

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#### **Empowered employees equals value**

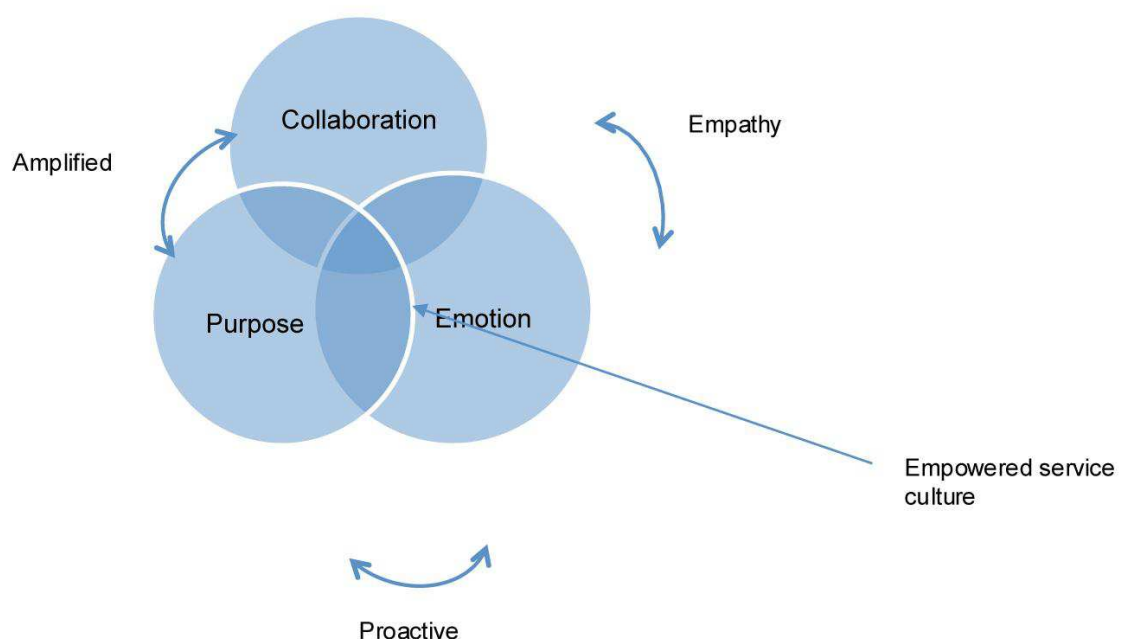
Generating value for a business is the ultimate aim of an employee, but not at the expense of receiving something meaningful in return. The more an employee feels engaged with the purpose and activity of a business the greater the potential that they generate value for that business.

	<u>behaviour</u>		<u>value</u>	<u>value to business</u>	
↑	Contributors	ramped up energy	x10	Value Generators	↑ empowered
	Advocates		x8	Collaborators	
	Spruikers		x6	Promoter	
↑	Supporters	energy in favour	x4	Passive team player	
	Mechanicals		x2	Going through the motions	
	Spectators		x1	Disengaged	
↓	Whiners	energy against	-	Dissenters	↓ disempowered
	Adversaries		-	Blame culture	
	Saboteurs		-	Rebellious	

*Rich customer experiences represent a solid, strong and sustainable business. Within this white paper such positive experiences take us well up into the top third of the green zone.*

#### **Elements in crafting a culture that creates rich customer experiences**

Distilling the above discussion into a simple model that captures the essence of an empowered service culture focuses around 3 key words – emotion, purpose and collaboration.



- Supporting each other
- Learning from each other
- Rewarding and coaching each other

Robert Safian (2014 – fast company)

By having people working as collaborative units, business is better able to avoid duplication of effort, leverage strengths, focus these strengths on key priorities, and behave with agility.

Coupled with purpose this collaborative effort amplifies the value generating ability of your business.

## Emotion

What keeps us in a relationship are the positive emotive connections we develop and experience and that we almost crave. And relationships are where things are at when focusing on customers – as reflected in often touted phrases such as ‘customer churn’, ‘return business’ and ‘lifelong value’.

## Emotion and collaboration = empathy

But this talk needs to be backed up with relevant behaviour ... with a behaviour that respects the customer and demonstrates empathy for their concerns and needs. A business that ensures their experiences have an emotive ingredient, have an understanding of their needs and wants, and engages with employees heads into the upper third of the above model ... a zone of higher ratings and repeat business.

Generally the more positive the emotion amongst individuals the more likely they are to be happy, content and productive. Conversely, negative emotions can bring about adverse and disruptive energy.

Emotion also connects to the sense of meaning people gain from their work, which in turn can have a strong influence on motivation and how employees deliver customer experiences. For example, employees are increasingly motivated by factors beyond financial remuneration such as contributing to social and environmental good, or by improving their ‘work-life’ balance which might include having increased flexibility for family commitments.

## Purpose

Lacking any sense of purpose when delivering customer service can lead to frustration, a service experience that lacks relevancy and one that falls short of the potential to add value to all parties involved.

Purpose is being clear on the type of experiences provided within the organisation and the why a business is providing these. In the words of Friedrich Nietzsche *“He who has a why to live for can bear almost any how”*. In a similar vein Jeff Bezos (CEO of Amazon) said:... *“we are stubborn on vision. We are flexible on details”*.

Being clear on purpose is so important for a business. In a world of rampant change the most stable businesses are those where purpose acts as their ballast.

The following quotes from the magazine Fast Company provide testimonial to the importance of purpose:

*“Not long ago, I gave a talk to a group of pharma executives in which I emphasised the generosity and clarity of their purpose: to help improve and extend people’s lives. A CEO came up to me afterward to thank me, admitting that mission often gets forgotten in the quest for sales growth and other financial metrics. Yet there’s no reason that mission and monetary results have to be at odds. In an era of rapid change, companies that operate with a sense of purpose have a competitive edge. Businesses as diverse as Chipotle, PepsiCo, and AgLocal are changing our economy by envisioning a better future.”*

## Proactive employees are best placed to deliver rich customer experiences

Within this same context of change is the increasingly ineffective value of annual performance reviews and corresponding disproportionate efforts around distant goal setting. In today’s world and even more so in tomorrow’s, business needs to make continuous and informed improvements that reflect the continuous state of change that is influencing customer behaviour.

Often positions, roles and titles are restructured to be more customer-centric but decision making pathways remain as before – so in effect nothing has changed.

Likewise, there needs to be consideration around the decision making ability of employees. Often positions, roles and titles are restructured to be more customer-centric but decision making pathways remain as before – so in effect nothing has changed.

To improve the effectiveness of a customer-centric business there also needs to be an improvement in the effectiveness with how critical decisions are made and restrictions around decision making. An empowered employee who can make critical decisions when delivering customer experiences bodes well for positive outcomes. And helps them generate as personalized a service as possible for their customers.

Employees need to be inspired by their interactions with customers so that they have the attitude of being present with each and every customer. They need to have much shorter ‘feedback loops’. And they need to be included in communications about decisions made in other areas of the business. For example, if the marketing team is planning on campaigns to generate increased customer activity, then involving service personnel will maximise their preparedness in delivering positive experiences for these customers, reduce the potential for causing stress and foster an energised collaborative spirit.

A significant danger is the existence of a bureaucratic structure which is afraid to relax their hold on the ability of employees to work in real-time. Within such structures the effectiveness of employees can be akin to licking stamps. It can be a demotivating, ineffective use of talent and leave a sour taste in the experiences being delivered for customers.

## Case Studies

### The Physio Co (Australia)

The Physio Co has a simple vision - *to help oldies stay mobile, safe and happy*. And they do this every day for thousands of Australian aged care residents through physiotherapy treatments, assessments, care plans, chronic pain management & education.

*Together with the simplicity of its vision is its power.* The Physio Co has consistently been in the top 50 places to work but in 2014 achieved the big number 1, when it was voted the best place to work in Australia by the Business Review Weekly.

It has also been recognised for excellence in customer service in two successive years. In receiving these awards I’d ask the question whether there is a correlation between an empowered service culture and the excellence in customer service. And after reading the following from their website I’d say ‘yes’.

*“Culture is a huge deal at The Physio Co. We love our team, love our resi’s and do everything we can to keep residents, facility staff, families and our team members loving their work and their lives.”*

Little wonder that with such a culture it delivers excellent customer service.



***Purpose helps a business know what to focus on as much as what to avoid and treat as distractions.  
Deciding what not to do is as important as deciding what to do. Steve Jobs***

#### **What Physio does well**

- It places a high value on the emotive elements of their workplace
- It values their employees and the importance of a strong and positive culture
- It helps people love the work they do
- It loves their customers and have a commitment to their well being

#### **Waving hello when saying goodbye**

Within many indigenous cultures there is no word for goodbye. They believe that you will always meet again because your relationship continues infinitum. This white paper promotes this same philosophy with respect to customers. You cannot end a relationship with customers. They will always have some memory of their experience with you and this memory determines whether this on-going relationship will be positive or negative.

A 'parting hello' from this white paper is the message that rich customer experiences of the kind that builds loyal advocates requires a service culture empowered to seek out value opportunities. A culture in which the decisions of individual employees contribute to the collective benefit of themselves, business and customer. A culture that takes responsibility for its actions and does not engage in subvert, passive aggressive or even overtly aggressive forms of protest toward the business. A culture that is proud to be part of a story that seeks to create positive experiences for its customers.

And like good stories, a positive experience lives on ... remembering that a relationship never ends.

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It can be a demotivating and ineffective use of talent, and can leave a sour taste in the experiences being delivered for customers.***

#### **John Pastorelli**

My passion is working with businesses to enrich and enhance their service culture so as to deliver better value for both the customer and business.

I love this focus area as it brings into play conversational skills, customer service principles and creative thinking. It also promotes the importance of fostering rich and meaningful relationships to ensure a business remains strong, sustainable and optimised for growth.

I've been fortunate to work on a range of exciting projects and learn from a number of very clever people. These projects included being a member of the original start-up team for BridgeClimb where my responsibility was to help craft the 'on the steel' experience and build the team of Climb Leaders that would deliver this experience.

I have worked throughout Australia with all levels of government departments, private enterprises including multinationals, multicultural and Indigenous communities, regional towns and communities, and not for profit groups. I've also facilitated training workshops in New Zealand, Scotland and Greece.

#### **From the Editor**

John kindly provided me this article to publish. I have known John for over 15 years and he is always generous with his time and knowledge. John's style is very engaging with a focus on giving the visitor the best experience, not the 'scientific interpretation' that ACKMA pushes to increase understanding, awareness and passion for caves and karst. They are not mutually exclusive - they are complementary. We should not lose sight of giving people a good time as we educate them (and collect their money to operate our cave sites!). His website has lots of great resources for stimulate discussion. See [www.johnpastorelli.com.au](http://www.johnpastorelli.com.au)



*Cathie Plowman, David Morgans, John Pastorelli  
and Ann Augusteyn, Capricorn Caves May 2016  
Photo: Steve Bourne*