

A Jolt Consulting Group Whitepaper

Service Delivery and Impact to the Customer Experience

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1. What is Customer Experience and Why It Matters

Over the past few years, there has been an abundance of research published regarding the impact of service delivery on Customer Experience (“CX”) and behavior. Several sources, including Gartner and Forrester, define Customer Experience as:

- 1) “The customer’s perceptions and related feelings caused by the one-off and cumulative effect of interactions with a supplier’s employees, systems, channels or products.”¹
- 2) “How customers perceive their interactions with your company.”²

Improving the service delivery chain and enriching CX must be at the forefront of a service organization’s company strategy and can deliver tangible results; companies who focus on customer service make 60% higher profits than their competitors.³ This holds true for both business-to-business (“B2B”) and business-to-customer (“B2C”) service organizations.

The amount of impact service has on a business directly correlates to whether the interaction between the customer and your company is a positive or negative one. Every experience matters – from a one-time interaction to a lengthy relationship – and each type of experience, either positive or negative, has drastically different outcomes that can affect customer loyalty, repeat business, new business, and financial results.

1.1 Customers Rule and Live in a Connected World

Customers now have added impact and power because they’re communicating with each other in real-time; via word of mouth, amplifying the feedback loop through social media, and using online reviews to rate their satisfaction (or dissatisfaction) with service providers.

It’s now much easier for customers to research company ratings and learn firsthand about customer service experiences ahead of any purchases or prior to entering into any long-term commitments. In fact, 88% of consumers are influenced by online customer service reviews before ever engaging with a business.⁴ These facts demonstrate how service has a critical connection to a company’s success and the importance of maintaining a positive CX.

If a company is on the receiving end of these “shared customer experiences” they can expect very different results from positive versus negative CX. Positive experiences will result in confident referrals, drive additional purchases, and help significantly with customer retention. Bad experiences have the inverse impact – decreased purchases from existing customers and lost opportunity for new customers

¹ Gartner IT Glossary. Retrieved from: <http://www.gartner.com/>

² *Customer Experience Defined*. Retrieved from: <http://blogs.forrester.com/>

³ *How Customer Service Can Impact Your Business*. Retrieved from: <https://www.lireo.com>

⁴ *The good, the bad, and the ugly: the impact of customer service*. Retrieved from: <https://www.zendesk.com>

who rely on the feedback, recommendations, and advice of other consumers who've engaged with your business.

Your goal should be to take steps to ensure that your customers are happy and that your reputation (both on and offline) is a positive one since 52% of consumers trust online reviews just as much as personal recommendations.⁵

1.2 Bad News Travels Fast!

To compound this factor, most negative experiences are often shared with larger groups of people, retained for lengthier periods of time, and generally have a longer lasting effect than positive experiences.⁶ The challenge is that when a customer has a negative experience with a business, 39% of customers are likely to avoid that company for two or more years. And statistics show that over 1 million people view tweets related to customer service each week; roughly 80% of those are negative.⁷

Some cross-sections of the population will even become permanently soured by a bad customer experience, especially women, customers with high-income households, Generation Xers, and professionals dealing with business to business interactions. Based on a negative experience, up to 91% of these (former) customers will never willingly do business with your company again.⁸

Even more challenging is that customers are more likely (95%) to share their bad experiences with others than tout praise for a good experience (87%). For those customers who do like to share their experiences online – which is more than half - 45% of them are expected to share a negative experience while only 30% share favorable interactions.⁹

Due to increased sharing of experiences among customers, service businesses must be increasingly diligent in providing excellent customer service to combat any negative CX.

2. The Service Delivery Chain and Impact to CX

CX is a cumulative result of each and every touch point, therefore, the impact of service on customers' perceptions and experiences with a company must be evaluated through the complete service delivery chain - from service initiation to call centers to online portals all the way through to on-premise site delivery of service. To achieve service excellence and improved CX, service organizations must develop best-in-class business processes, create new and unique ways to interact with their customers and

⁵ *How Customer Service Can Impact Your Business*. Retrieved from: <https://www.lireo.com>

⁶ *The good, the bad, and the ugly: the impact of customer service*. Retrieved from: <https://www.zendesk.com>

⁷ *How Customer Service Can Impact Your Business*. Retrieved from: <https://www.lireo.com>

⁸ *How Customer Service Can Impact Your Business*. Retrieved from: <https://www.lireo.com>

⁹ *The good, the bad, and the ugly: the impact of customer service*. Retrieved from: <https://www.zendesk.com>

invest in service technology to optimize these touch points. In the following section, we will review some critical areas for service organizations to focus on to improve their CX.

2.1 Call Center Operations

Service providers make significant investments into the call center operations and systems, which have built-in features to assist with service excellence. These sophisticated systems provide customers with omni channel methods of communication, help customers with self-service options, intelligently route customers to the appropriate agents to provide personalized service, leverage analytics to resolve issues, enable access to knowledge bases for faster issue resolution and facilitate in real-time collaboration with the customer.

These systems and processes assist service employees with working smarter and providing a positive CX; giving customers the feeling that they've interacted with an organized, professional company. The investments in these systems to support the back-office operations of service have paid off significantly as companies effectively quantify and measure each customer experience and develop new offerings to serve customers with excellence.

2.2 Ease of Appointment Booking

The initial call to schedule an appointment should be as streamlined and professional as possible. Most inbound service calls are due to a crisis that the customer is currently dealing with, so your back-office should allow for quick and easy customer identification through previously collected information such as a phone number, social media username, and email account to make the interaction as seamless as possible. Prior customer service experiences should be factored into booking an appointment (preference for a specific technician, accommodating security requirements and facility access, information about installed equipment, etc.). The less information the customer is required to provide to secure an appointment, the better their perceived experience will be. Customers are also expecting tighter appointment windows and are not satisfied with the days of providing a morning or afternoon arrival time. Best-in-class companies are leveraging technology to provide 1 hour appointment windows. This can lead to improved profitability since increasing customer retention by 5% can grow profits by up to 125%.¹⁰

2.3 Notification of Technician Assignment – Ease of Contact

Once the appointment is booked, it's important to confirm details for the customer, including the time, the scope of work, and resources that have been assigned. Providing this information sets expectations for the customer ensuring that everyone is on the same page, and offers a courteous way to close the call.

¹⁰ *How Customer Service Can Impact Your Business*. Retrieved from: <https://www.lireo.com>

One way to take pre-appointment service even further is some companies have the technician call ahead to introduce him or herself and confirm the appointment. This personal engagement helps the technician establish a rapport with the customer – even before the visit – and is an invaluable asset to creating a positive customer experience, plus gives the customer confidence in your service team.

2.4 Technician Status and Location Notifications

When a technician is enroute to a job, leveraging technology to provide real time customer notifications of the technician's location and progress is another method to positively impact customer impressions. Like the on-demand, app-based service Uber, enabling your customer to have access to your service technician's location in real-time is a benefit. Not only does it avoid frustration on the customers' part but it also deflects repeated customer calls to a call center or dispatching for updates. The technology to support this capability is ubiquitous and customers increasing have an expectation that they will have access to this type of information in real time.

2.5 Access to Customer Interaction and History

All service companies focus on fixing the problem at hand but forward thinking service firms are focused on customer retention and nurturing ongoing relationships. Providing consultative service and support is a differentiator in the industry and those firms that execute it well can leave a lasting impression on the customer.

One way to implement this strategy is for field technicians, once on site, to readily access customer history, past interactions, and provide solutions to problems and recommendations to prevent future issues. This is an added value to the customer and it's significantly more impressive when a technician is knowledgeable regarding their individual account history. This also allows the technician to offer additional services and product offerings, helping to drive service revenue, since repeat customers tend to spend 33% more than new customers.¹¹

2.6 IoT and Connected Devices

IoT holds enormous potential, especially when it comes to improving the CX. It has the power to show us what customers really want, when, and how they want it.¹² A 2016 survey of over 600 product manufacturers in the U.S. conducted by Xively by LogMeIn, Inc., found that that nearly all companies who have embarked on a connected product journey report both financial and CX benefits as a result.¹³

¹¹ *How Customer Service Can Impact Your Business*. Retrieved from: <https://www.lireo.com>

¹² Newman, D., 2017, June 20, 2017, *Improving the Customer Journey with IoT*, retrieved from <https://www.Forbes.com>.

¹³ Kumbhar, S., 2016, October 18, *IoT boosts revenue and strengthens customer relationships*, Xively survey, retrieved from <https://www.iot-now.com>.

If the company is alerted if a component or part is not working properly or needs to be serviced *before* something critical occurs or a customer doesn't have to make a service call *after* a much-needed appliance or system breaks, this counts as a convenience, which is important to the customer and increases their loyalty. No one wants their production line to go-down in the middle of a shift or their HVAC system to stop working during a heat wave or cold spell. With IoT and connected devices, service organizations benefit from predictive maintenance and improve CX.

2.7 Post service ratings

The ability to quickly and easily rate a service event is a growing trend in the service market, one that customers expect. An online rating serves a similar objective as a customer survey, with the added advantage that they can accumulate and be shared via many different channels. Quite often, a limited number or lack of ratings on Facebook, Google, Yelp, and other online review platforms are viewed as a negative when a prospective customer is conducting research online. There are even online services such as Angie's List and Home Advisor that solely exist to provide this type of information in the B2C world.

3. Conclusion

It's imperative for service firms to consistently deliver "Service Excellence" to create a differentiated Customer Experience that will, in turn, retain customers, obtain positive referrals, attract new customers, and grow profitability. CX is a cumulative result of each and every customer touch point and service organizations must develop best-in-class business processes, create new and unique ways to interact with their customers, and invest in technology to enable these touch points. The bottom line is that most customers - four out of five¹⁴ - are more likely to work with a business after receiving good service.

Help set your business apart in the industry by partnering with Jolt Consulting Group to establish a course for achieving "Service Excellence" and an improved Customer Experience.

¹⁴ *How Customer Service Can Impact Your Business*. Retrieved from: <https://www.lireo.com>