

The Effortless Experience

Conquering the New Battleground for Customer Loyalty

Matt Dixon
Group Leader, CEB



Have You Seen This Giraffe?



The Moment of "Wow"



Three Questions That Guided Our Research

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What impact do customer service interactions have on a customer's future loyalty?

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What are the things customer service can do to drive loyalty?

Three Questions That Guided Our Research



What impact do customer service interactions have on a customer's future loyalty?



What are the things customer service can do to drive loyalty?



How can service improve loyalty while still reducing operating costs?

MATTHEW DIXON,

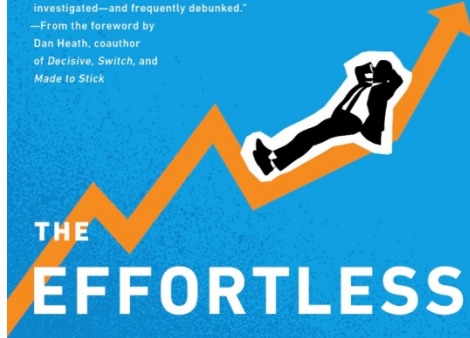
BESTSELLING COAUTHOR OF *THE CHALLENGER SALE*

NICK TOMAN AND RICK DELISI

of CEB

"A business detective story, in which
cherished truths are systematically
investigated—and frequently debunked."

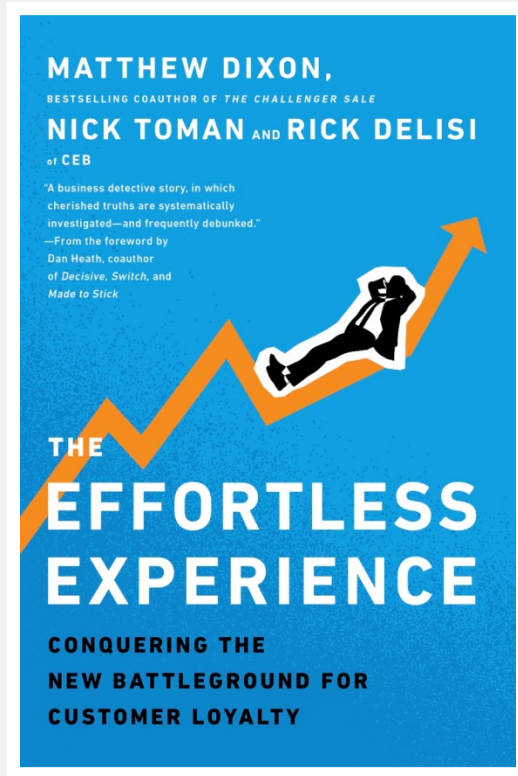
—From the foreword by
Dan Heath, coauthor
of *Decisive*, *Switch*, and
Made to Stick



THE
**EFFORTLESS
EXPERIENCE**

**CONQUERING THE
NEW BATTLEGROUND FOR
CUSTOMER LOYALTY**

What Is Loyalty?



- Repurchase
- Share of Wallet
- Word of Mouth

The truest test of
loyalty is when something
goes wrong.

Our Study in Brief

Our Study in Brief

125,000+ customers

Our Study in Brief

125,000+ customers

5,000+ customer service reps

Our Study in Brief

125,000+ customers

5,000+ customer service reps

100+ companies

Our Study in Brief

125,000+ customers

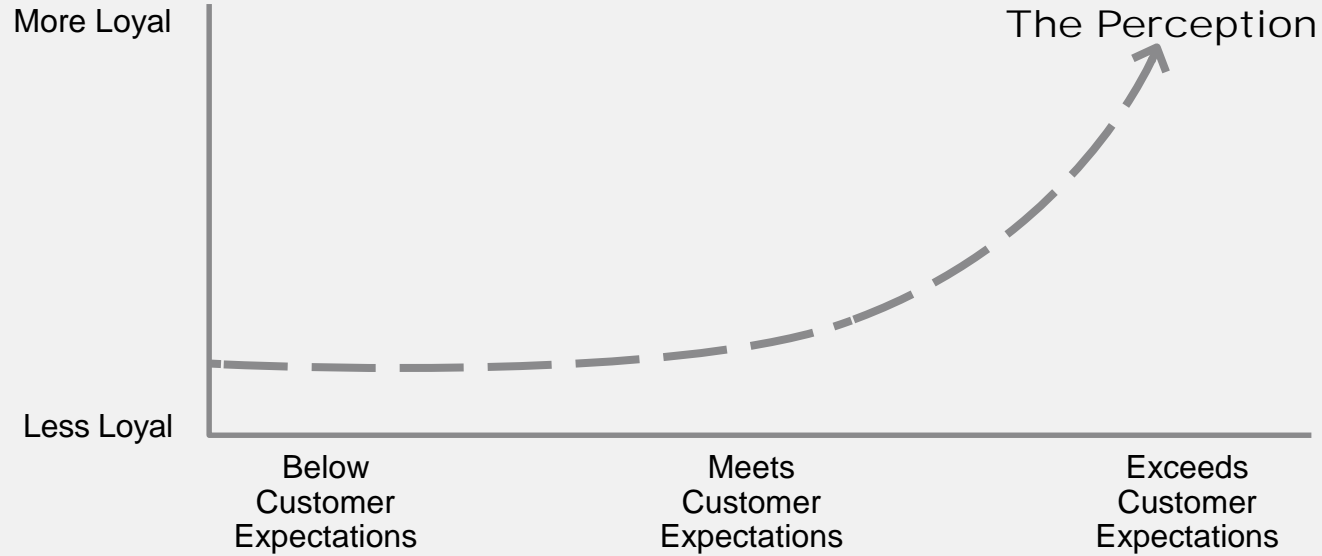
5,000+ customer service reps

100+ companies

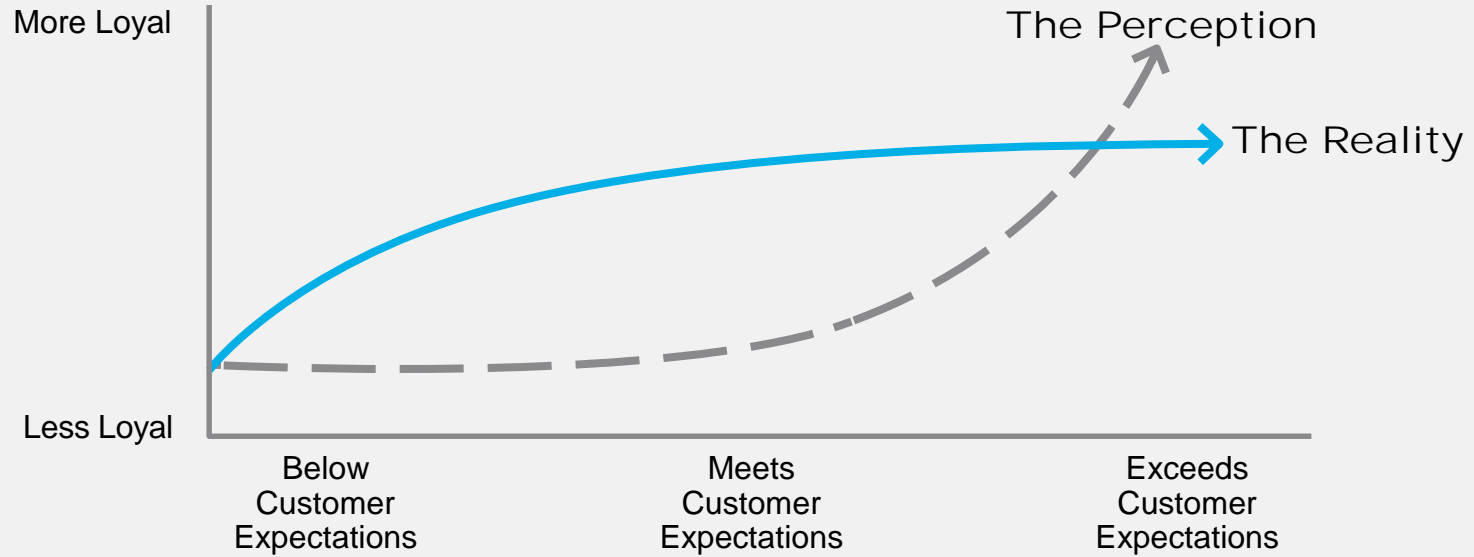
3 Major Findings

Finding 1: Delight Doesn't Pay

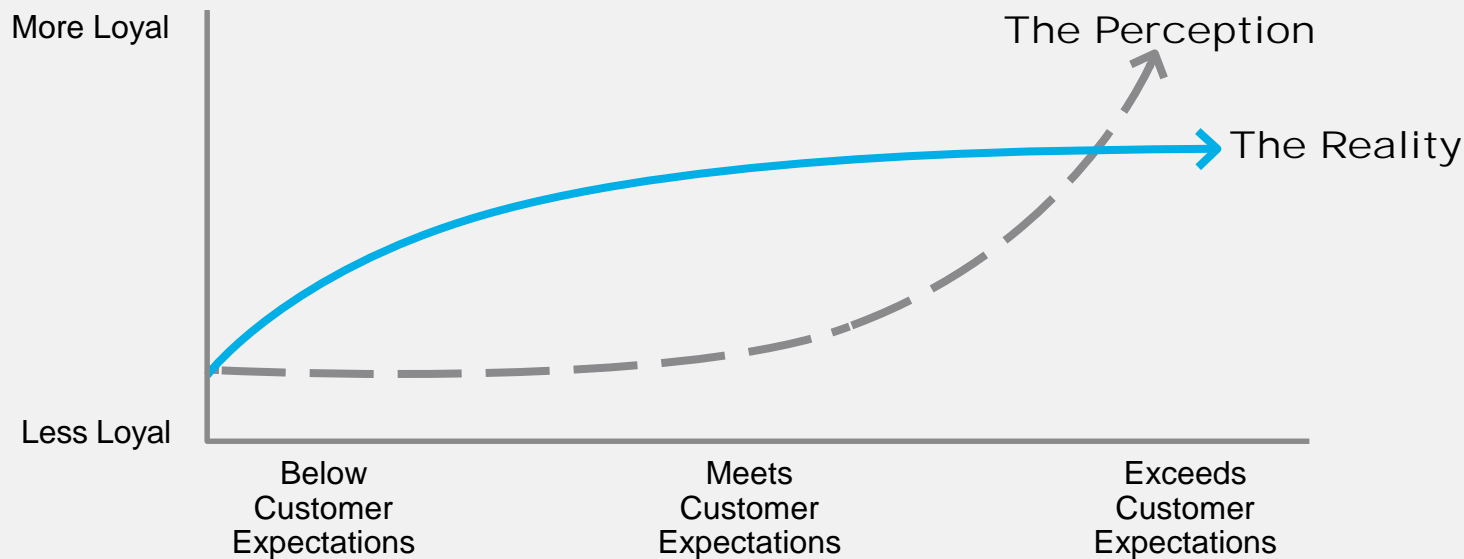
Finding 1: Delight Doesn't Pay



Finding 1: Delight Doesn't Pay



Finding 1: Delight Doesn't Pay

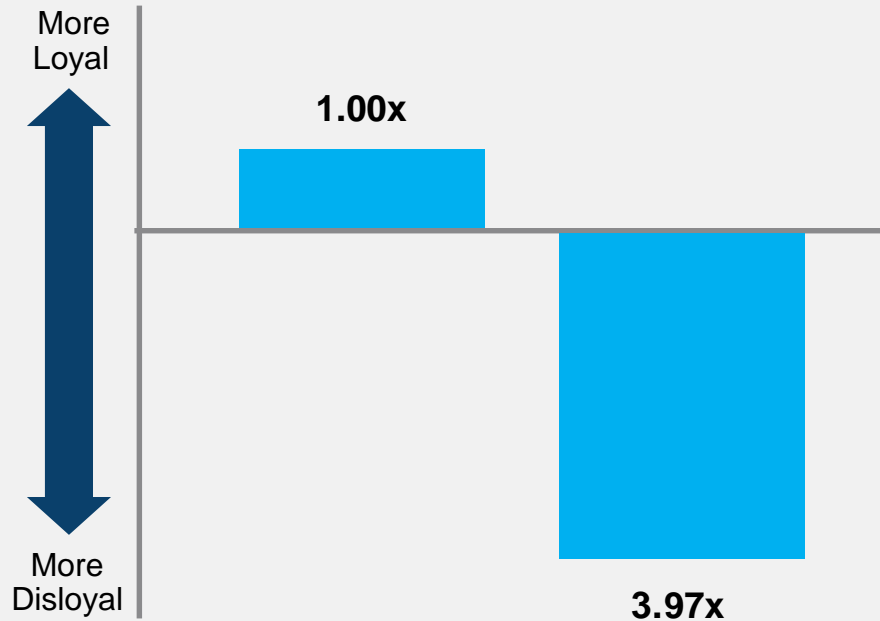


“Delight” only happens 16% of the time
“Delight” increases operating costs 10-20%

Finding 2: Service Drives Disloyalty

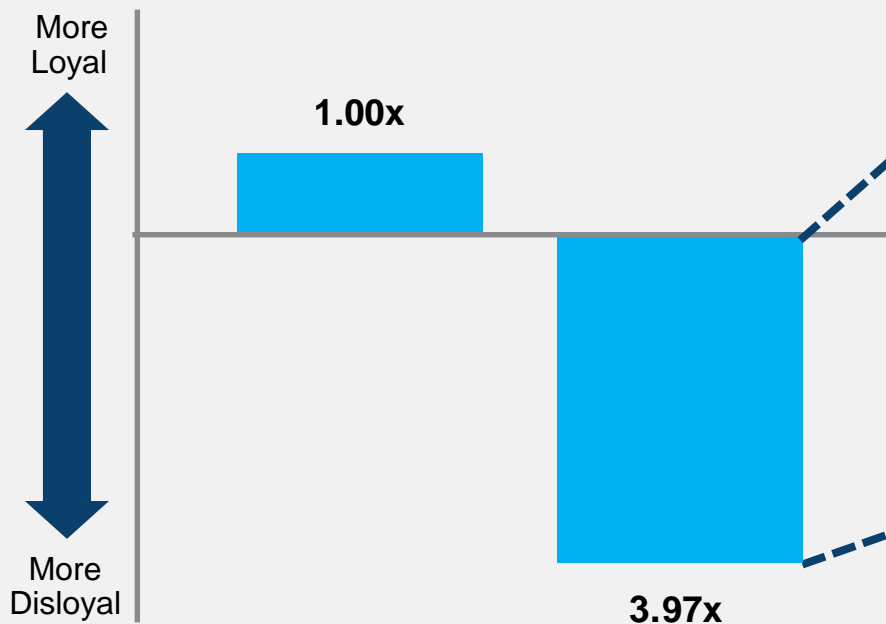
Finding 2: Service Drives Disloyalty

Customer Service Impact on Loyalty



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Customer Service Impact on Loyalty



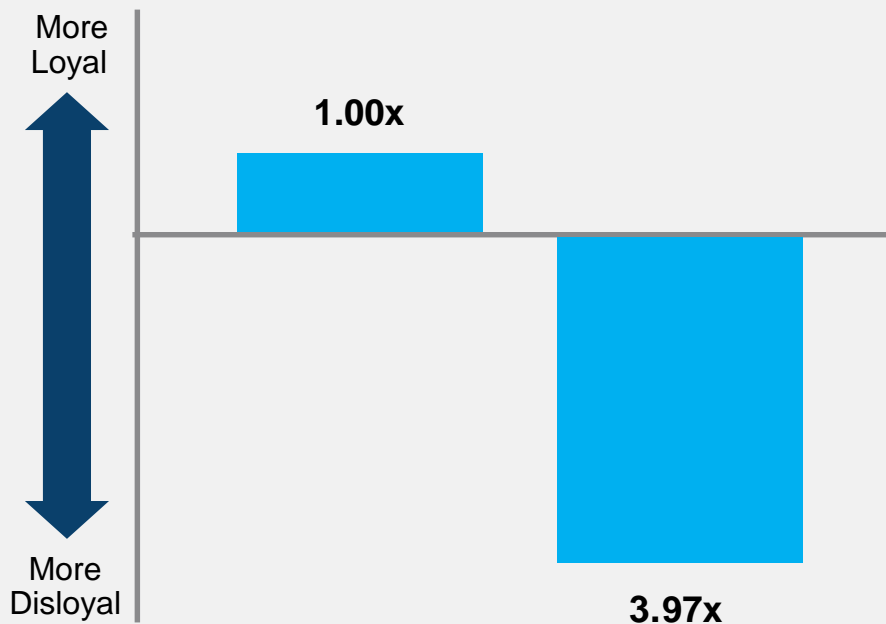
Drivers of Disloyalty

- Repeat contacts
- Channel switching
- Transfers
- Repeating information
- Robotic service
- Policies and processes customers have to endure
- “Hassle factor”

Finding 3: Mitigate Disloyalty by Reducing Effort

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Customer Service Impact on Loyalty



Drivers of Disloyalty

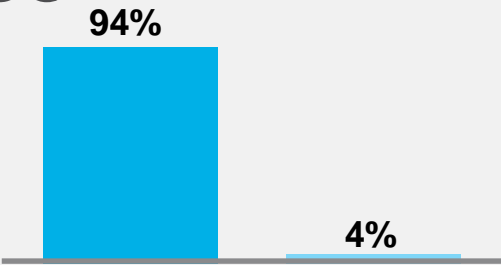
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Customer Effort

The Business Case for the Effortless Experience

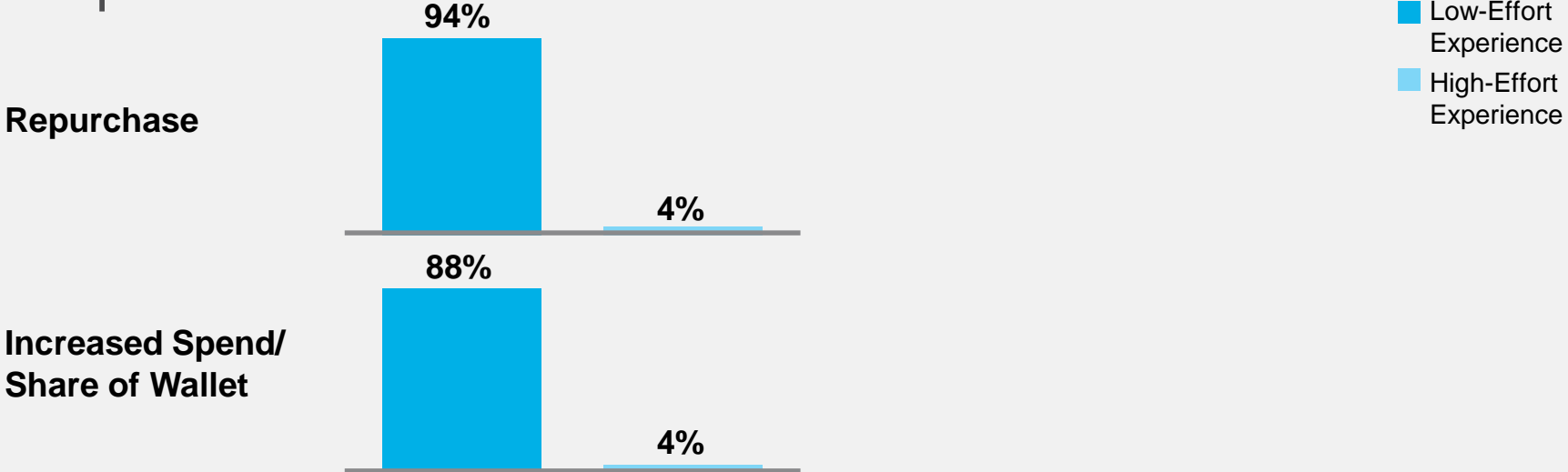
The Business Case for the Effortless Experience

Repurchase

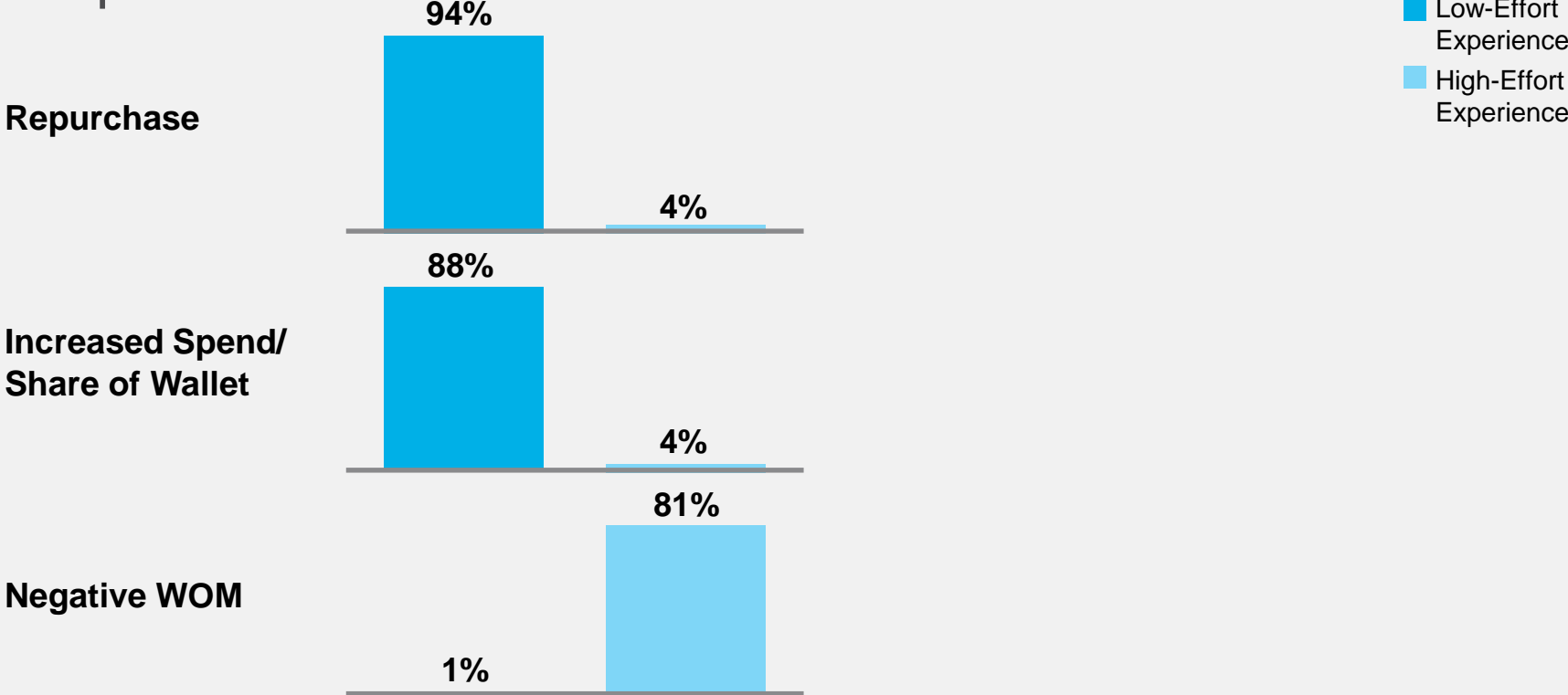


- Low-Effort Experience
- High-Effort Experience

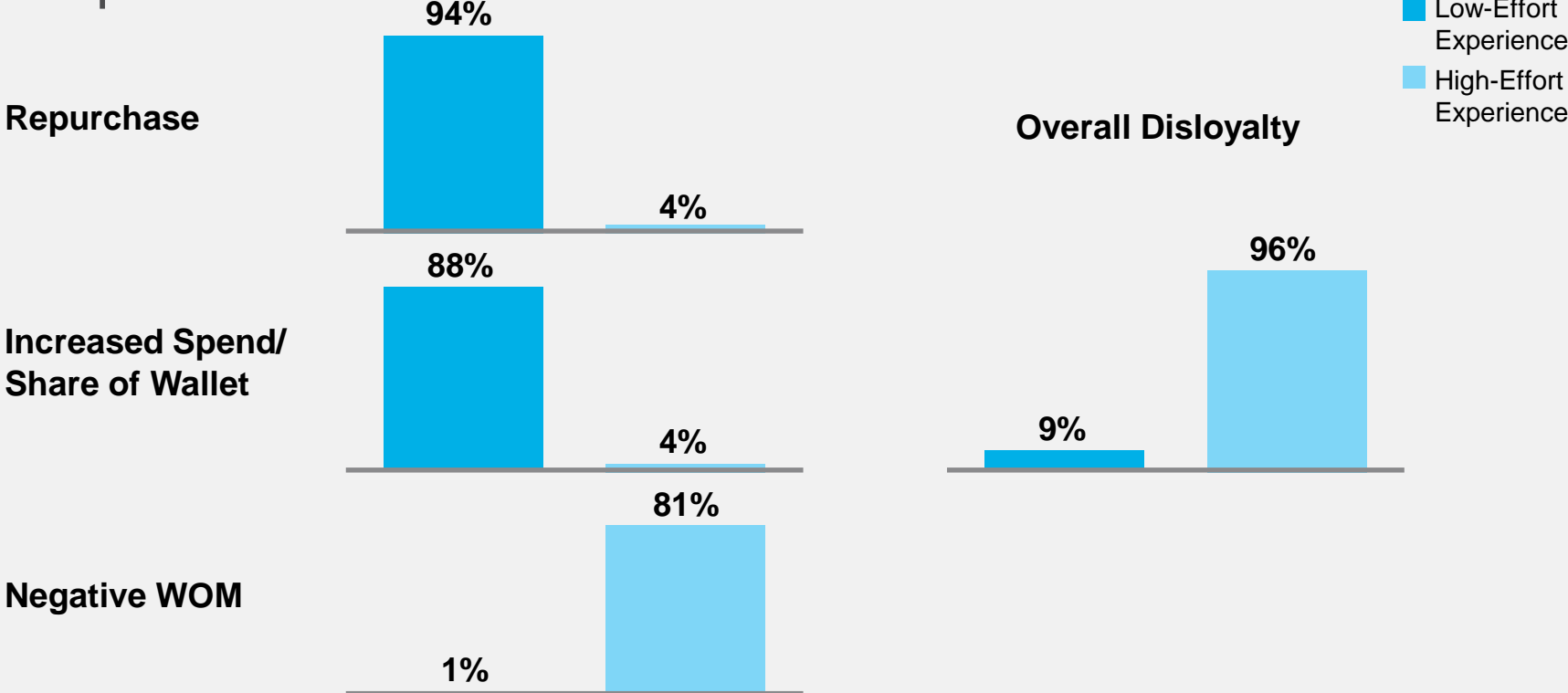
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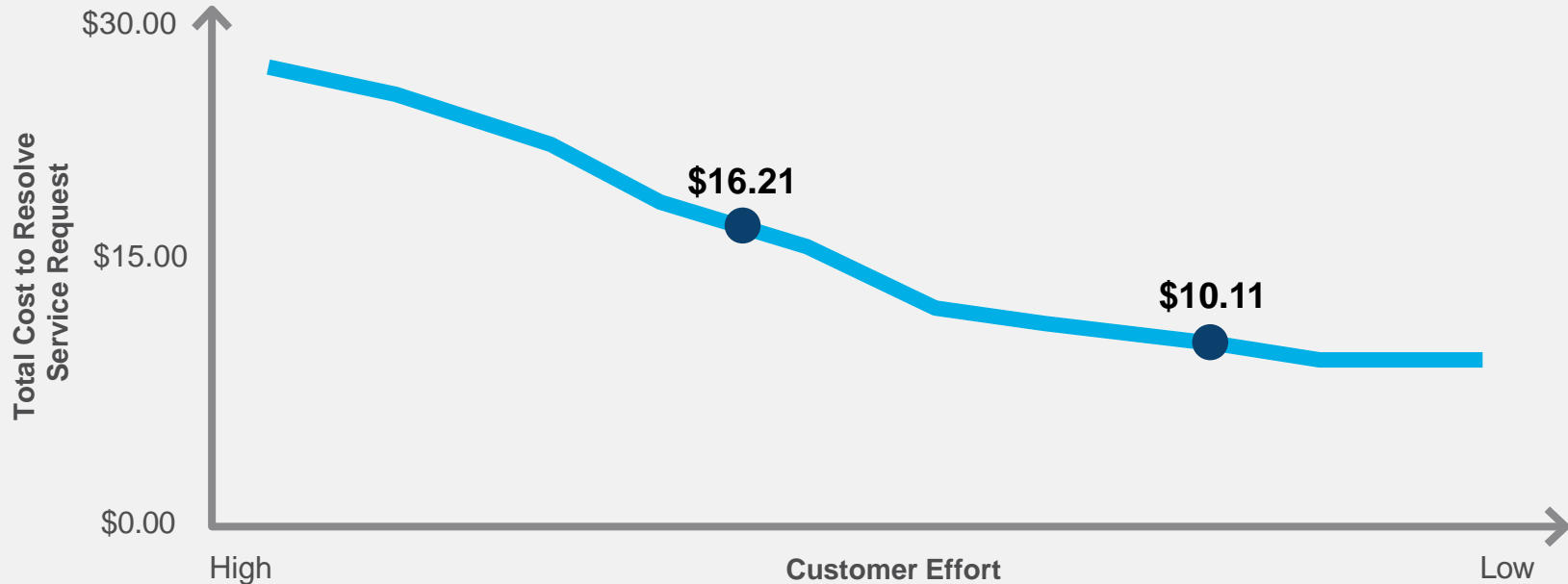


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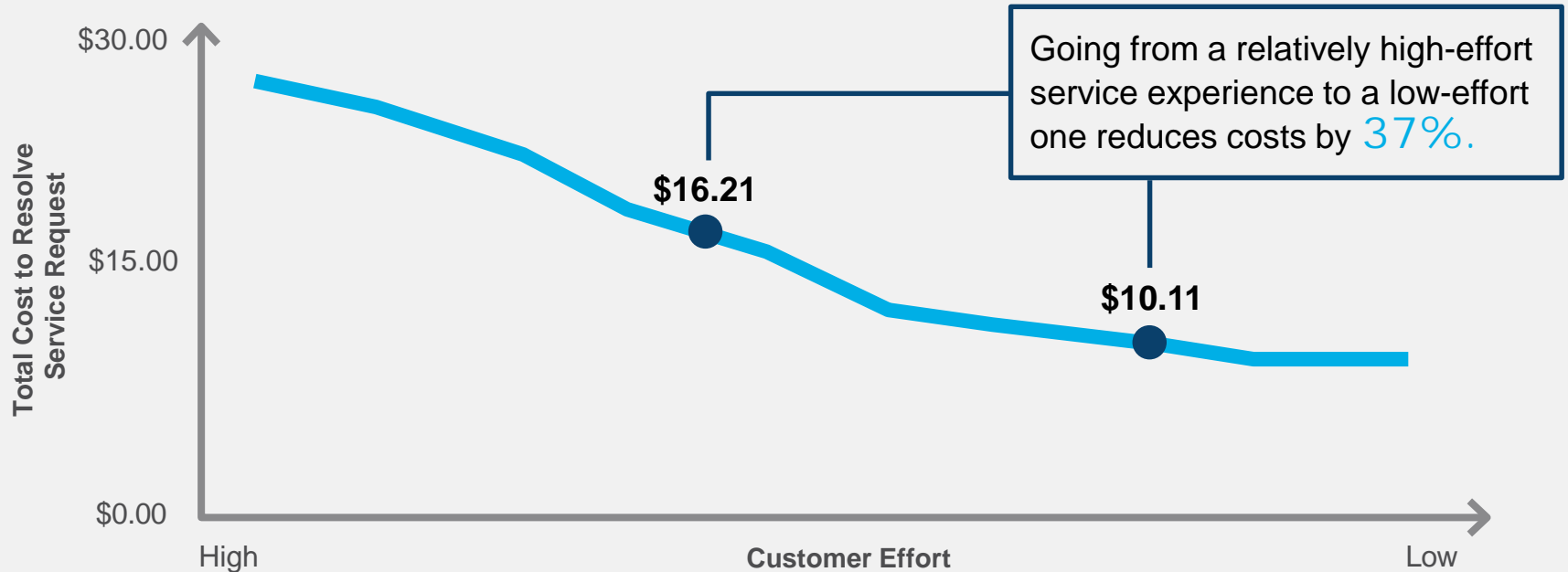
The Business Case for the Effortless Experience

Cost to Serve by Customer Effort Level

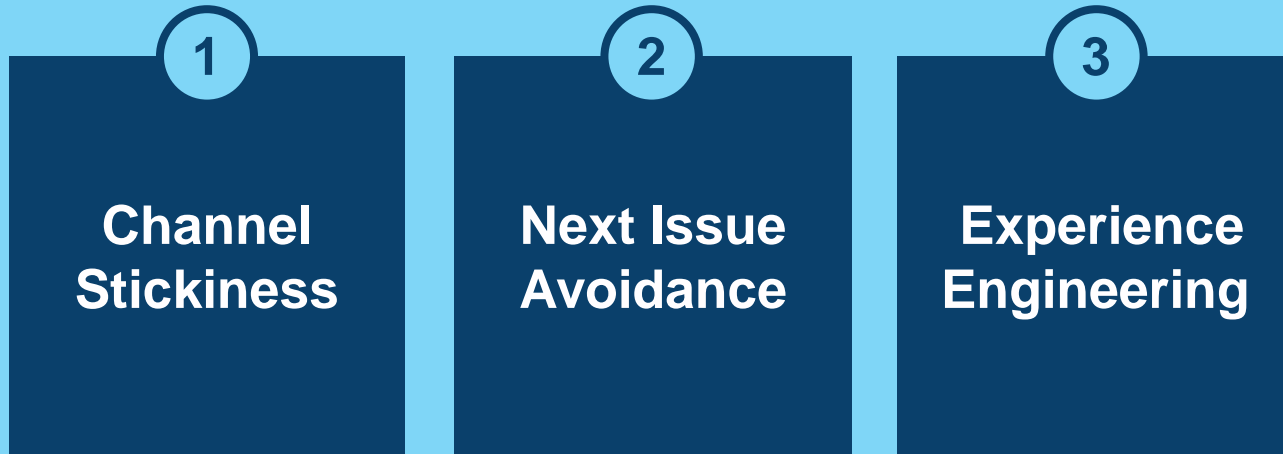


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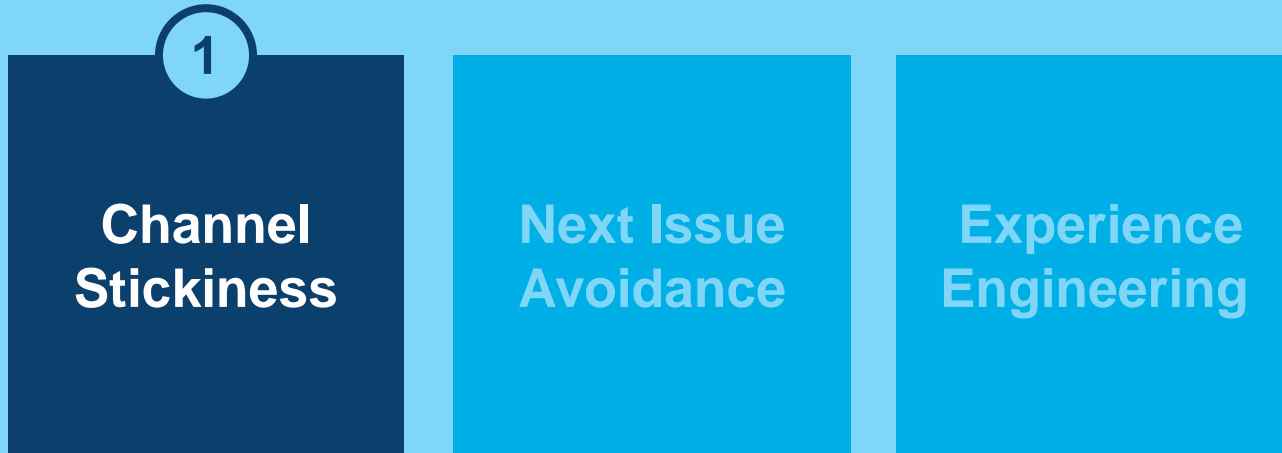
Cost to Serve by Customer Effort Level



The Three Pillars of Low-Effort Service



The Four Pillars of Low-Effort Service



Which Would You Rather Use?



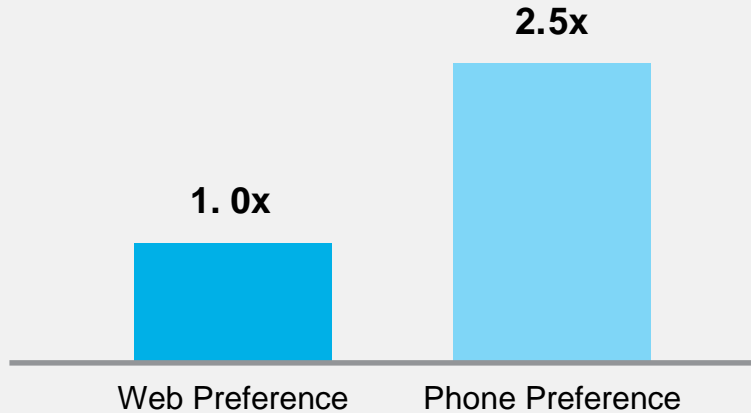
Which Would You Rather Use?



Your Customers Don't Want to Talk to You

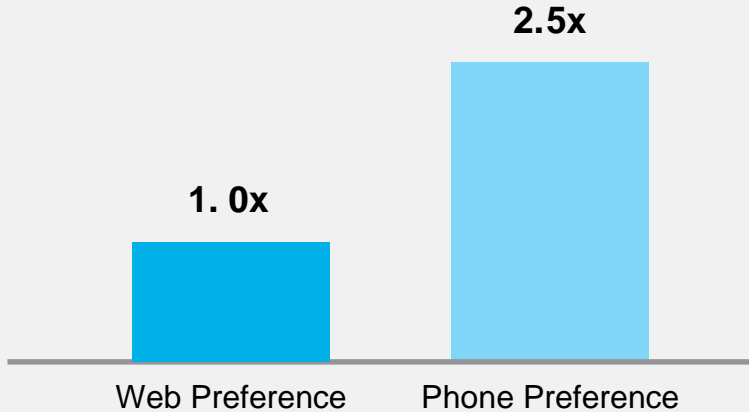
Your Customers Don't Want to Talk to You

Company Perception

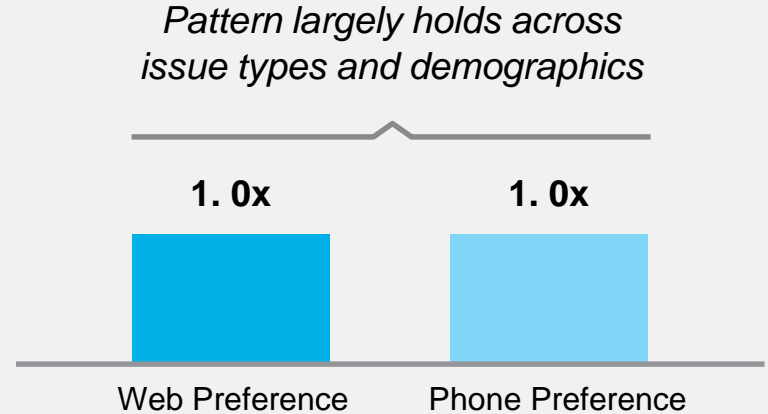


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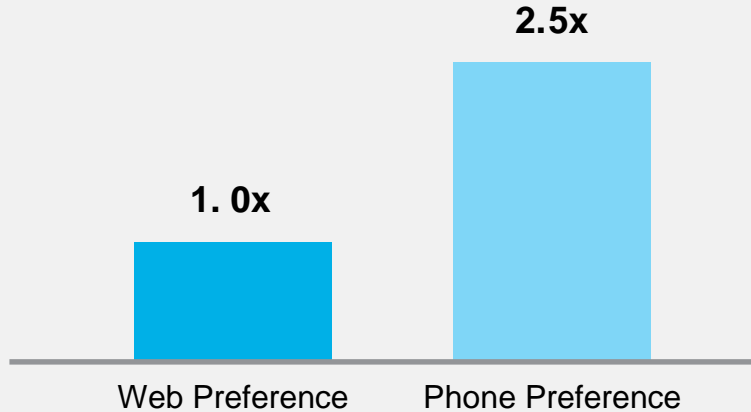


Actual Customer Preference



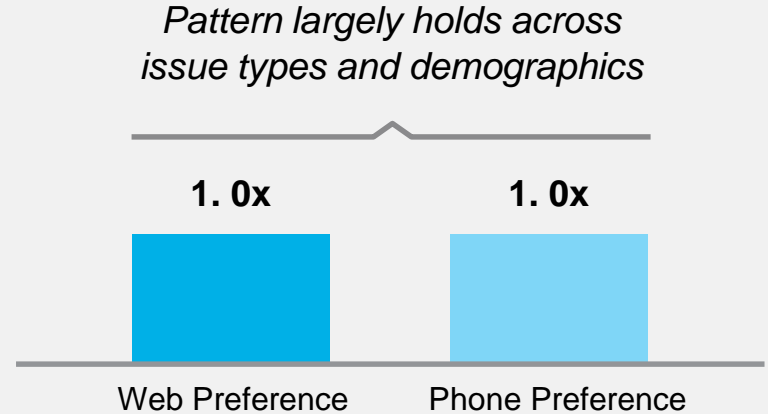
Your Customers Don't Want to Talk to You

Company Perception



3-5 years ago, 66% of customers primarily relied on the phone.

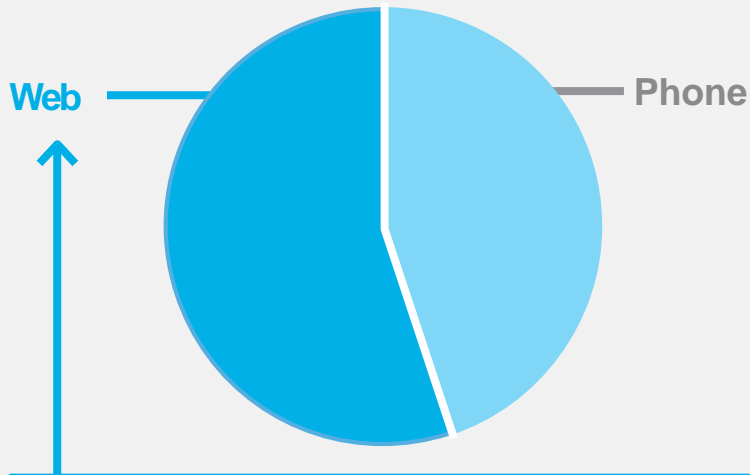
Actual Customer Preference



Today, only 28% of customers report that they primarily rely on the phone.

But They're Still Calling

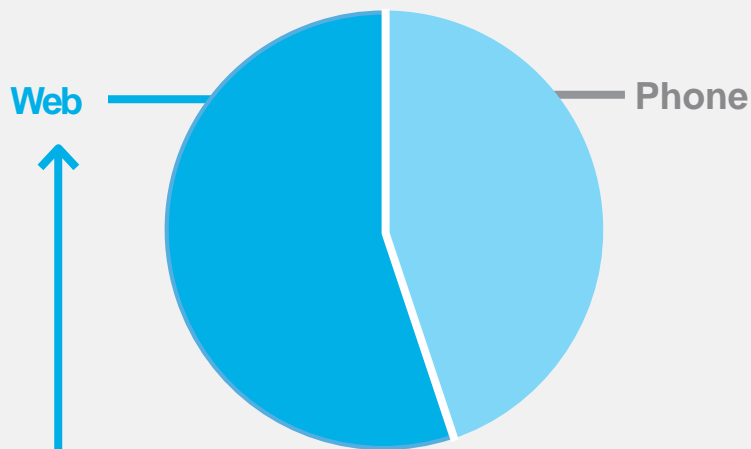
First Contact Channel



57.7% of Phone Callers First Went to the Company's Website

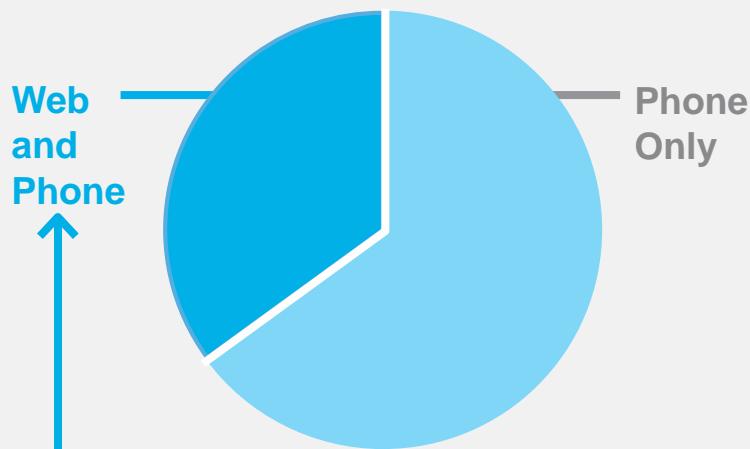
But They're Still Calling

First Contact Channel



57.7% of Phone Callers First Went to the Company's Website

Concurrent Channel Usage



35.5% of Phone Callers Were on the Company's Website While Talking to a Representative

Customer Choice Is Not the Answer

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16%

Value CHOICE
Over Ease

- **Want issue resolved in their preferred channel**
- **Prioritize channel choice above all else**

Customer Choice Is Not the Answer

16%

Value CHOICE
Over Ease

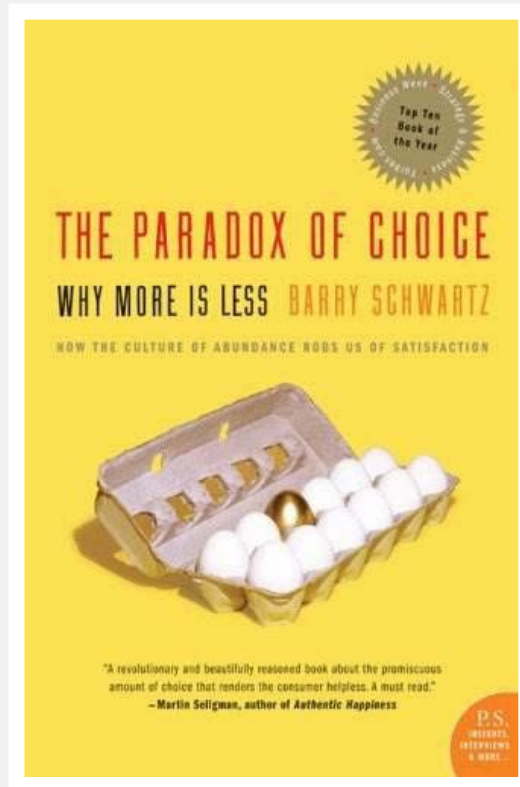
- **Want issue resolved in their preferred channel**
- **Prioritize channel choice above all else**

84%

Value EASE
Over Choice

- **Want fast resolution without bouncing around channels**
- **Prioritize low effort over channel choice**

Choice Overwhelms





“I didn't have time to write you a short letter...so, I wrote you a long one instead.”

Mark Twain

The Gunning Fog Index



Keeping It Simple

What Tim Geithner Said

“The US government should create one agency with responsibility for systemic stability over the major institutions and critical payments and settlement systems and activities.”

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FOG Index Score: 24.60

Keeping It Simple

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“The US government should create one agency with responsibility for systemic stability over the major institutions and critical payments and settlement systems and activities.”

What He Should Have Said

“Set up an agency that makes sure banks remain stable and follow the law.”

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Keeping It Simple

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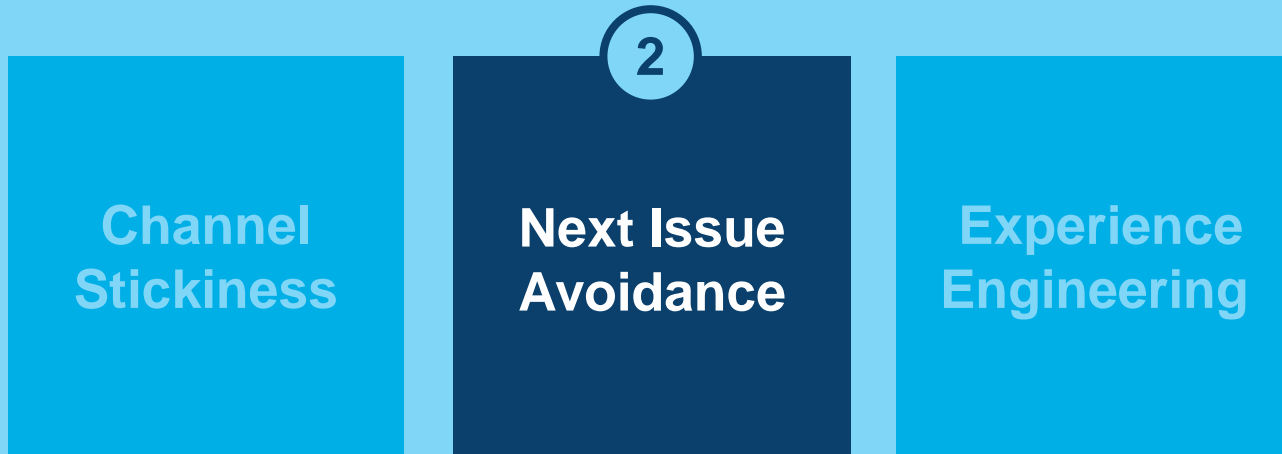
What He Should Have Said

“Set up an agency that makes sure banks remain stable and follow the law.”

FOG Index Score: 8.46

<http://gunning-fog-index.com/index.html>

The Three Pillars of Low-Effort Service



The Worst Question a Rep Can Ask

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“Have I fully resolved
your issue today?”

The Worst Question a Rep Can Ask



"Have I fully resolved your issue today?"

**Companies think
76.7% of customer
issues are resolved
in one contact**

The Worst Question a Rep Can Ask



"Have I fully resolved your issue today?"

**Companies think
76.7% of customer
issues are resolved
in one contact**



**But customers claim
only 40% of their
issues are resolved
in one contact**

Why Do Customers Call Back?

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Drivers of Callbacks

Explicit Issue
Failures

**Failing to resolve the
issue the customer
contacted us about**

Why Do Customers Call Back?

Drivers of Callbacks

Explicit Issue Failures

Failing to resolve the issue the customer contacted us about

Implicit Issue Failures

Failing to resolve issues related to what the customer contacted us about

Why Do Customers Call Back?

Drivers of Callbacks

Explicit Issue
Failures

**Failing to resolve the
issue the customer
contacted us about**

54%

Implicit Issue
Failures

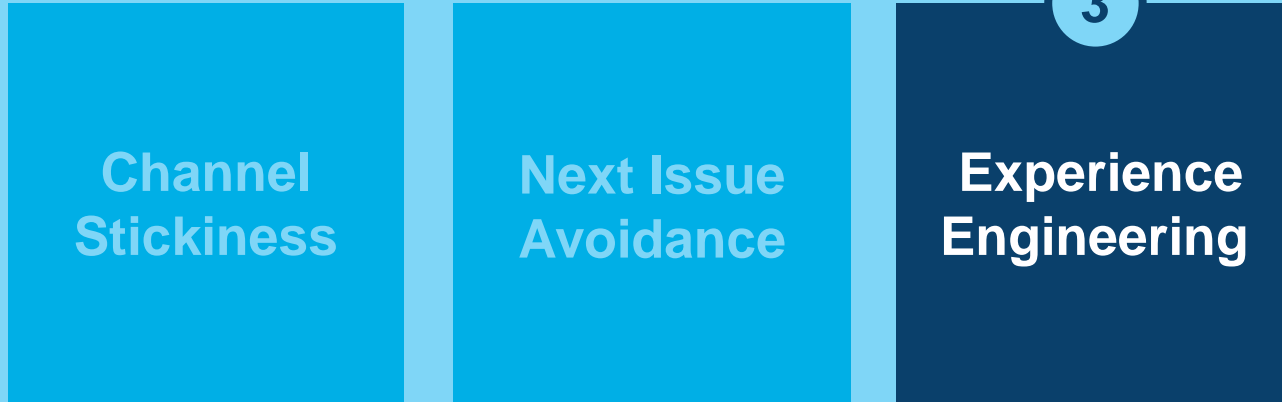
**Failing to resolve issues
related to what the customer
contacted us about**

46%

One Step Ahead



The Four Pillars of Low-Effort Service



Customers Perceive Effort Differently Than We Thought

Customers Perceive Effort Differently Than We Thought

What customers have to DO to resolve their issues



Customers Perceive Effort Differently Than We Thought



What customers have to DO to resolve their issues

How customers FEEL when resolving their issues

Words Matter (A Lot!)

Words Matter (A Lot!)



Advocacy

**Taking a position of
active support on
behalf of the customer**

Words Matter (A Lot!)

Advocacy

**Taking a position of
active support on
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Customer effort
decreases 77%

Words Matter (A Lot!)

Advocacy

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Positive Language

**Using terms that
prevent negative
reactions**

Words Matter (A Lot!)

Advocacy

Taking a position of active support on behalf of the customer

Customer effort decreases 77%

Positive Language

Using terms that prevent negative reactions

Customer effort decreases 73%

Words Matter (A Lot!)

Advocacy

Taking a position of active support on behalf of the customer

Customer effort decreases 77%

Positive Language

Using terms that prevent negative reactions

Customer effort decreases 73%

Anchoring

Strategically sequencing an option within a range of choices

Words Matter (A Lot!)

Advocacy

Taking a position of active support on behalf of the customer

Customer effort decreases 77%

Positive Language

Using terms that prevent negative reactions

Customer effort decreases 73%

Anchoring

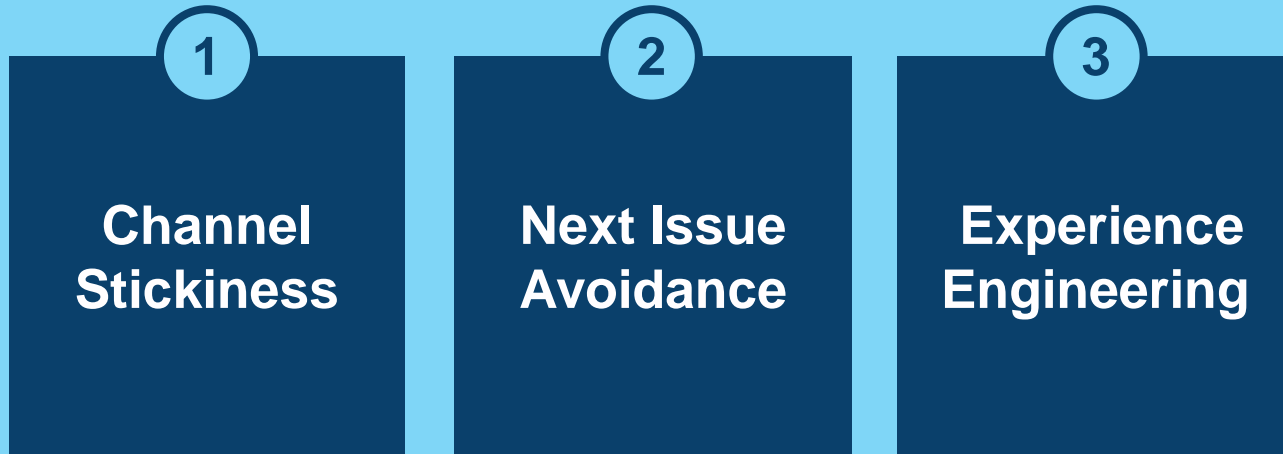
Strategically sequencing an option within a range of choices

Customer effort decreases 55%

How Does This Make You Feel?



The Three Pillars of Low-Effort Service



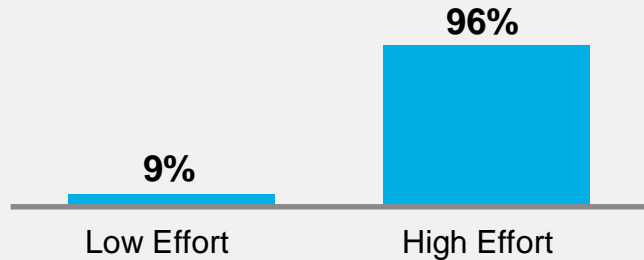
The Customer Effort Score 2.0

	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Somewhat Agree	Agree	Strongly Agree
The company made it easy for me to handle my issue	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

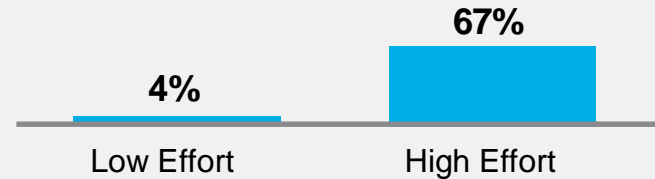
A great way for service functions to detect potential disloyalty...

...and a way for service functions to positively impact Net Promoter Score®

Overall Disloyalty



Percent of Detractors



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THE

EFFORTLESS EXPERIENCE

**CONQUERING THE
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CUSTOMER LOYALTY**

To get a copy of this presentation, email us at Effortless@cebglobal.com

To learn more about reducing customer effort, visit us at cebglobal.com/effortless



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@matthewxdixon



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