



# Delivering exceptional customer experience



# Introduction

The increasingly complex challenge of CX due to changing customer expectation. Delivering exceptional Customer Experience (CX) can differentiate a company from its competition, so it is of little surprise that commitment to CX is now at the heart of the strategies of most global brands, with 84% of companies aspiring to be CX leaders.<sup>1</sup> However, CX is becoming an increasingly complex challenge due to customers expecting “immediacy, personalization, and convenience” in their dealings with companies.<sup>2</sup> This paper seeks to shed light on that challenge, presenting findings from research conducted into how tolerant customers are of poor CX, and what the primary CX irritants for customers are.

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1. <http://customerthink.com/forrester-good-and-bad-news-on-cx-day/>

2. <http://www.mckinsey.com/business-functions/operations/our-insights/the-ceo-guide-to-customer-experience>

## Why CX is important

The importance of getting CX right is perhaps best highlighted by Rawson et al who found that “organisations able to skillfully manage the [customer] experience reap enormous rewards: enhanced customer satisfaction<sup>3</sup>, reduced churn, increased revenue, and greater employee satisfaction”. McKinsey further quantified the benefits of CX, finding that CX leaders “build customer loyalty, make employees happier, achieve revenue gains of 5 to 10 percent, and reduce costs by 15 to 25 percent within two or three years”<sup>4</sup>. Despite this, there is evidence that companies are struggling with the CX they deliver, with only one in five considering themselves as providing good or great CX<sup>5</sup>. The problem with most existing CX approaches

The same study that found only one in five companies consider themselves as providing good or great CX found that companies consider the main difficulties with improving CX to be internal culture, corporate structure/processes, and peer support alignment.<sup>6</sup> However, there is evidence that the problem with delivering great CX is far more fundamental than this.

To identify that fundamental problem requires looking at something nearly every company does – receiving calls from customers. Many companies use automated messages in an attempt to reassure customers and defuse tension when calling them, but this seems to have backfired. A recent study by Which highlighted the main irritants that customers have when calling a company, with the top three being:<sup>7</sup>

- 1. Automated reassurance about how valued the customer’s call is**
- 2. Being channel-shifted to the company website**
- 3. Automated apologies for all operators being busy**

The Chief Executive of the Institute of Customer Service, a trade body representing professionals in the field, provided insight as to why these things irritate customers, commenting that *“people are time-poor and less likely to be happy waiting for service as a result. It means consumers are less understanding of organisations that do not make it easy to get in touch. If businesses want to enjoy ongoing customer loyalty and attract new business, their focus should be on convenience and efficiency: in short, this means getting it right quickly - and getting it right firsttime. Anything less, and customers will think twice about spending money or recommending them to others”*<sup>8</sup>.

The Which study raises the higher-level question that gets at the heart of the problem with most existing CX approaches, and that is why did the companies using those messages not know that it irritates their customers? This could be attributable to them simply following what is perceived to be CX best practice without actually questioning whether that best practice is the right thing to do.

3. <https://hbr.org/2013/09/the-truth-about-customer-experience>

4. <http://www.mckinsey.com/business-functions/operations/our-insights/the-ceo-guide-to-customer-experience>

5. <http://customerthink.com/forrester-good-and-bad-news-on-cx-day/>

As noted by KPMG, “in order to differentiate from the competition and leave a positive impression on consumers, companies can no longer rely on tried and tested methods”<sup>9</sup>. However, rather than hypothesize as to the reasons why companies continue to use automated messages and the like, it is more important to instead focus on the fundamental learning from it – companies must seek to understand their customers’ needs/expectations and design a CX approach around them.<sup>10</sup>

## Understanding customer views on CX

ContactEngine commissioned in July 2016 a study by YouGov to better understand customer views on CX in each of the UK, US, Germany Australia and Brazil. The key findings from that study are presented and discussed below. When comparing the regional variation in responses it is important to consider local cultural nuances and that different expectations of customer service exist (e.g. customer service in the USA is markedly different to that in the UK).

## Tolerance of poor customer service

Study participants in each country were asked whether, in their opinion, they were more or less tolerant of poor customer service compared to three years ago. The results, as presented in Graph 1, show that in each country the majority of people are either no less tolerant than they were three years ago, or becoming less tolerant. This indicates that the level of tolerance for poor customer services is decreasing in each country over time.



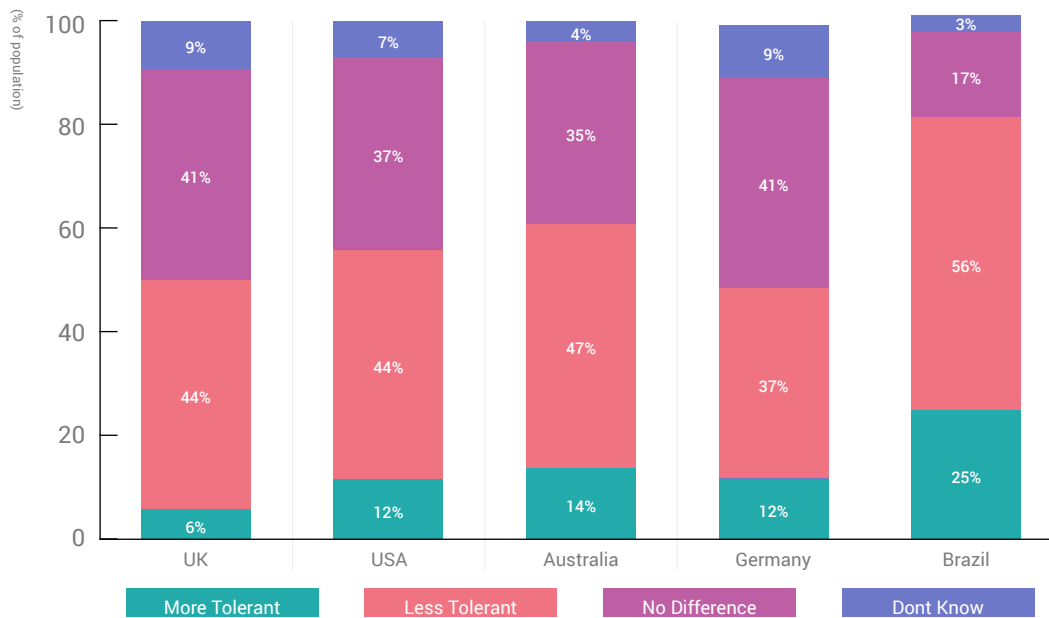
8. <http://www.bbc.co.uk/news/business-37655738>

9. <https://home.kpmg.com/uk/en/home/media/press-releases/2016/09/uk-customer-experience-improves-for-the-first-time-in-three-year.html>

10. <http://www.mckinsey.com/business-functions/operations/our-insights/the-ceo-guide-to-customer-experience>



**Graph 1**  
**Tolerance for poor customer service compared to three years ago**



Brazil is a notable outlier relative to the other countries included in the study, with a greater weighting towards less tolerant, but also a larger proportion of people stating they are more tolerant. Further work is required to investigate this apparent anomaly.

The significance of customers becoming less tolerant is amplified when considered in the context of technology. Customers can easily identify and compare alternative companies to purchase from, and can quickly communicate and distribute a negative review of a poor experience (via Facebook, Twitter, review sites, etc.). Existing customers do not need to tolerate poor CX, and they can warn prospective customers of poor CX. As noted by Kumar et al, *“what your customers feel about you and what they are prepared to tell others about you can influence your revenues and profits just as much as, or even more than, what your customers do themselves”*<sup>11</sup>. The potential damage of an intolerant customer having a poor CX is therefore significant, and, with increasingly intolerant customers, it is becoming more likely.

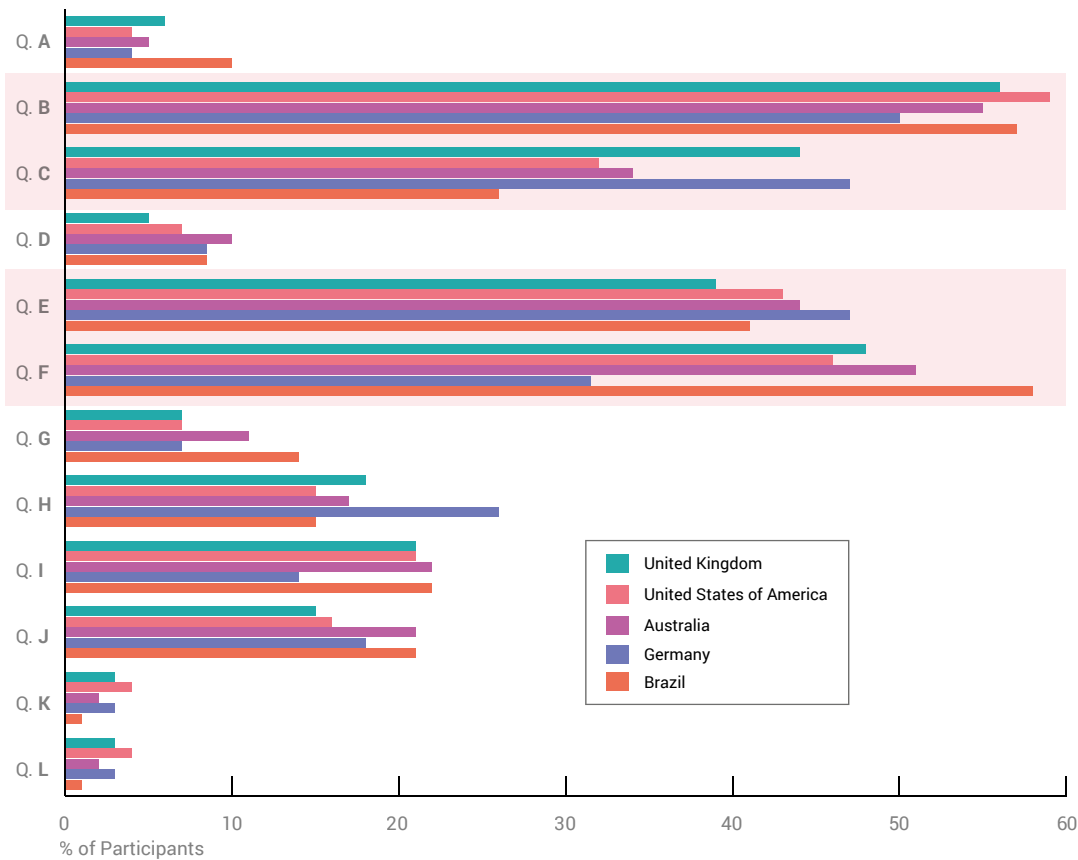
11. <https://hbr.org/2007/10/how-valuable-is-word-of-mouth>



## The top four customer service irritants

Study participants were then asked to identify from a pre-defined list the top three things that would irritate them most about a company with regards to customer service, and the results are shown in Graph 2. The top four responses selected were consistent across all countries and are highlighted in bold text.<sup>12</sup>

Graph 2  
Customer Service Irritants



**Survey Questions:**

- Q. A If the company got my name or gender wrong in any communications.
- Q. B If the company's staff were rude / incompetent / poor at their job.
- Q. C If I took a day off work for an expected delivery / appointment which they didn't complete.
- Q. D If they sent me a survey asking me to rate their services, immediately after I had complained.
- Q. E If they tried to communicate with me /sell me services after I had indicated I don't want any further communication.
- Q. F If I had to repeat myself after being passed between different people / departments.
- Q. G If they communicated with me via my mobile phone when they knew I was at work.
- Q. H If they had communicated with me in a way I had not specified.
- Q. I If they were inconsistent in their dealings with me.
- Q. J If they communicated with me from a loud call centre.
- Q. K None of these.
- Q. L Don't know.

12. The order of the top four in each country was not the same in all countries

It is not a surprise that rude and/or poor performing staff is in the top four list of irritants. However, of particular note is that the remaining three of the top four irritants relate to circumstances where an individual has taken action, but the company has failed to execute on that action effectively:

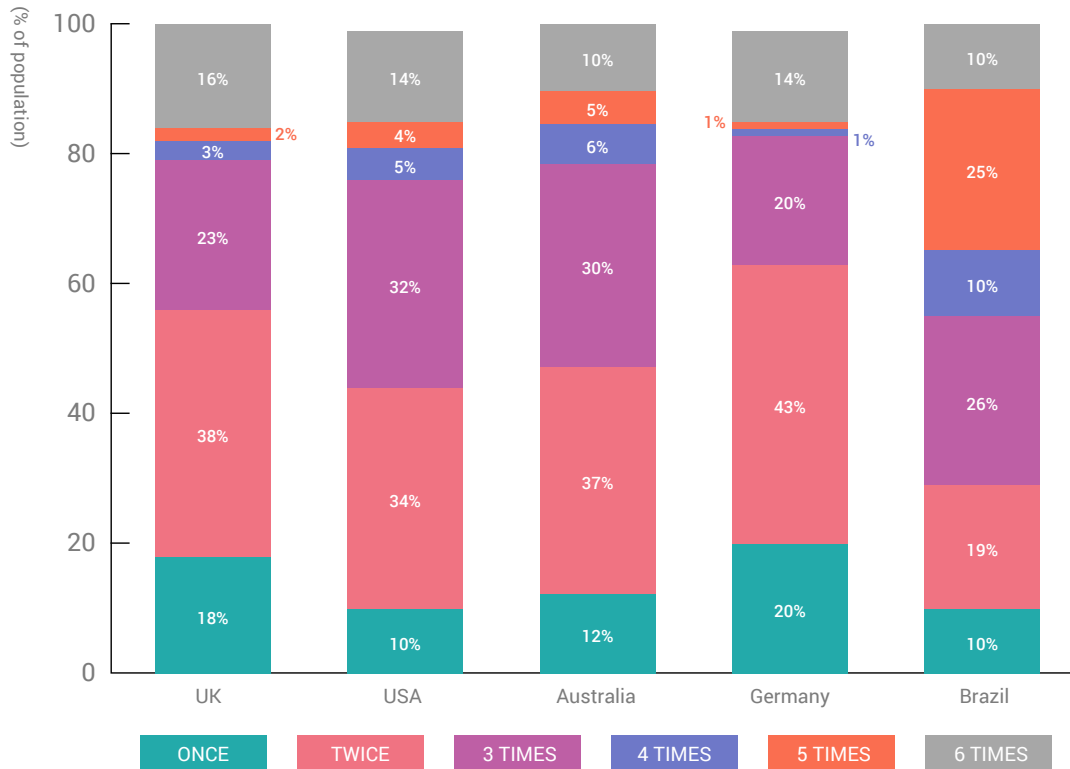
- **Customer took a day off to be at home but company failed to arrive (C)**
- **Customer told company they did not want further communication, but was ignored (E)**
- **Customer explained nature of issue once, but had to repeat several times because message was not passed internally (F)**

Although the pre-defined terms used for the study cannot possibly cover every single circumstance that could irritate a customer, the top four highlight two key things – the quality of staff interaction with customers is of fundamental importance, and companies must act on what a customer tells them, without the customer needing to repeat it.

### How many chances customers give a company

The third and final question study participants were asked is how many times they would tolerate poor CX before deciding never to use that company again. The results are shown in Graph 3.

**Graph 3**  
**Number of times customers are willing to tolerate poor CX before switching**





These levels of tolerance should not provide comfort to companies, quite the opposite, in fact. It is entirely possible for a customer to have several poor experiences in relatively quick succession, perhaps even the same transaction – for example, a company delivers a product late, that product is broken/faulty on arrival (or does not even arrive), and the company makes getting a refund/replacement difficult.

Companies would therefore do well to assume that customers have no tolerance for poor CX and relentlessly strive to provide a 'zero defects' CX. To achieve a zero defects CX requires focusing on every aspect of the customer journey, but, as noted by McKinsey, when thinking about the customer journey, *"too many companies focus on individual interaction touchpoints devoted to billing, onboarding, service calls, and the like....even if employees execute well on individual touchpoint interactions, the overall experience can still disappoint"*<sup>13</sup>. It is, therefore, vital that companies view the customer journey as one joined-up process, making sure that CX is exceptional and seamless across the journey as a whole, not just at the individual touchpoint level. In this respect, Edelman and Singer identify four capabilities of companies building the most effective customer journeys:<sup>14</sup>

- **Automation:** automation and streamlining of previously manual steps in the customer journey.
- **Personalization:** learning from previous customer interactions to provide greater personalization for future transactions.
- **Context-relevant interaction:** interactions with customers are well-timed and tailored to the customer's context.
- **Innovation:** continual improvement of the journey.

It is clear that improving CX cannot simply be achieved through a one-off upgrade. Such an upgrade may result in a temporary level of improved CX, but to sustain it requires a permanent effort to improve and adapt to ever changing customer preferences and behaviours.

13. <http://www.mckinsey.com/business-functions/operations/our-insights/the-ceo-guide-to-customer-experience>

14. <https://hbr.org/2015/11/competing-on-customer-journeys>



# Conclusion

Losing an existing or prospective customer due to poor CX is an avoidable mistake, and, if enough customers are lost, it can cost a company dearly. The findings presented in this paper highlight four activities that companies should adopt to improve the CX they deliver, namely:

- **Put your customer first**  
Experience CX for yourself as a customer and evaluate, regularly.
- **Listen to your customer**  
Active: ask customers for feedback on CX, focus groups, etc.  
Passive: trawl the web and social media to identify positive and negative sentiments about your company.
- **Relentlessly improve**  
Monitor customer service error rate (complaints, longer-than-planned call waiting times, etc.) and look for trends to identify and address the root cause. Identify new ways to enhance CX and embrace technology
- **Challenge best practice**  
Question every aspect of your CX approach and remove unnecessary elements, such as automated stalling phone messages that we have seen hinder rather than help CX.

It is vital to overlay on these findings the fact that every customer is unique and will have their own individual preference for how they want to be communicated with, when they want to be communicated with and what they expect from customer service more generally. To respond to this requires a more individually tailored CX approach, and that will undoubtedly require technology-enabled solutions.



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## About

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ContactEngine is the next generation Customer Engagement Hub technology that enables brands to proactively engage customers in AI-driven conversations to fulfil business objectives. ContactEngine automates outbound customer engagement across all channels and generates unique insights into the changing patterns of communication by applying demographic and intent analysis, linguistics and ground-breaking artificial intelligence principles to mans volumes of raw data. ContactEngine transforms the way global brands engage with their customers - saving brands millions and making their customers happier.

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