Introduction

Today, providing top-notch customer service is more important than ever.

Consumers have high expectations for customer service, no matter the size, nature, or location of the business at hand. Whether dealing with a Fortune 500 company or an early-stage startup, customers expect things to go smoothly when they have problems.

As a result, providing sub-par or even average customer service will cost you business. If you don't take care of your current customers, they'll go to one of your competitors and you'll miss out on renewal or repurchasing opportunities. Furthermore, you'll lose referrals and brand recognition as customers share their negative experiences on social media and online review sites. That's a lot of revenue at stake.

In order to sustainably run a business today, it's absolutely critical to provide excellent customer service.

But what makes customer service *excellent*?

We spoke with industry expert, professional speaker, and *New York Times* best-selling author **Shep Hyken** about what *exactly* customer service teams should be doing in order to meet and exceed the expectations of their customers.

In this exclusive interview, Shep highlights the best practices for optimizing the customer experience. His insights will help you take your customer service team to the next level.

With over three decades of experience consulting companies of all shapes and sizes, Shep knows customer service inside and out. Read his tricks of the trade to discover where you're missing out on opportunities and what more you could be doing. In this eBook, we'll cover:

- **Building Customer Loyalty**
- **Providing Excellent Customer Service**
- **Creating a Customer Service Culture**
- **Using Communication Channels**
- **Measuring Success and Tracking Performance**

Summary

Providing excellent customer service and creating loyal customers go hand in hand. If you want to build customer loyalty, you need to first optimize the customer experience. By resolving problems efficiently and effectively, you establish rapport and build trust with your customers, keeping them coming back to your business.

In this chapter, Shep talks about what it takes to create customer loyalty. Some of the topics covered include:

- Creating Lasting Impressions
- Defining Customer Loyalty
- Killers of Customer Loyalty

InsightSquared: At the beginning of a relationship with a customer, what should service teams do to get off on the right foot?

Shep Hyken: In addition to doing all of the normal managing of touch points and making sure that each interaction you have is a positive interaction, customer service teams can focus on the concept of customer success. This means not just helping the customer get what they want right now, but helping them so that in the future, they may learn something that would avoid them having to call and get a support call. Customer success is proactive customer service.

One negative experience could ruin an otherwise flawless relationship.

If you can incorporate the two of them into the same interaction, then you're helping to ensure success. Some companies today are actually – in their marketing materials – showing a video like, "Look how easy this is to use our product." It serves as a marketing piece because it does show how easy it is, but it also teaches the customer how to use the product before they even buy the product. And then when they get the product, if they can't figure it out, they go back to the video that helped make them want to buy the product. So it's really cool – it's a service concept, it's a marketing concept, and it's a success concept all rolled into one.

Regarding first and last impressions – Does one matter more than another? Or are they both equally important?

Well, they're both part of the journey map, and I think they're equally important – start strong, end strong. Why start off weak? Why set the tone for anything less than a positive interaction? That first impression sets the tone for whatever is to follow, so don't start off negative.

How can customer service managers justify the costs and effort it takes to provide excellent customer service?

Just the other day, I heard a CMO at a big online retail company say, "Our loyal customers are worth three times more than our regular, average customers." It went over almost everybody's head till it was brought up later on.

Now, you've got to define what "loyalty" means. In a restaurant, loyalty means coming back on a semi-regular basis, whether it be once a week or once every couple of weeks. I consider that to be loyalty, opposed to going to that particular restaurant every time they need something to eat – that's just not reasonable. But take another business for example. If every time I need a particular product, I don't go anywhere else besides the one company that always gives me the best service, good pricing, good value, etc., that's loyalty.

Everybody has to define loyalty differently. But if you can determine what a loyal customer is worth versus what a satisfied customer is worth, then there will be a lot more effort towards creating customer loyalty.

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What's the key to creating loyal customers?

Consistency and predictability. Let's assume that the product that you sell does what it's supposed to do and the people that deliver it and the level of service they give, is a good service, as soon as it's become predictable and it's consistent and it's just a little above average, and again, it's got to be a little above average all the time, then you have the chance at creating loyalty.

What are the killers of customer loyalty?

Lack of training and attitudes. A leader has to define what customer service is in the company. And if they don't do an effective job of clearly defining it, the employees won't know what it is that they're supposed to do.

The recognition for the service that they deliver is very important. You've got to make sure that they're recognized.

When a manager basically says, "Do what I say, not what I do," they're incongruent. They're mean and they verbally abuse their employees and then they tell them to go out and be nice, then that's extreme. But can you imagine? That's done. Where a manager sits there and tells somebody they're doing the lousiest job in the world, now go out and be nice. I think those are killers.

You want to create an engaged workforce that feels fulfilled and exploits each employee for whatever unique talent they have. If they're really good at something and you can give somebody that as part of their job, they'll perform better.

We know for a fact, based on research from many different organizations and companies, that if somebody is really good at something and they're just allowed to do 10% of it in their job, they're far more fulfilled than if they're doing a job that doesn't exploit their unique talents. So get them fulfilled, exploit them for their unique talents and motivate them to be excited about what's coming up for the company.

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Summary

Providing excellent customer service isn't something you can do once in a while – you need to do it consistently. Meeting and exceeding customer expectations needs to be top-of-mind at all times. If the quality of your service is inconsistent, your customers will not be pleased. Once the bar has been set, lowering it will disappoint customers.

In this chapter, Shep dives into the best practices for providing excellent customer service, covering a range of topics, including:

- Maintaining a Standard of Excellence

- Exceeding Expectations

- Creating Moments of Magic ®

- Customer Service vs. Customer Success

What can customer service managers do to continually provide excellent customer service as their teams grow over time?

There's one word: training. It's getting people on board to start with and then constantly reinforcing. And that's where, again, companies sometimes fall short. They think that once they've taught employees how to do it right and told them to go out and do it, they don't think they don't need to do anything again.

Training is not something that you do one time as soon as somebody comes into the customer support department – it's ongoing. And sometimes, it's not a big deal. Sometimes, you only have meetings and spend five, maybe 10 minutes once every week or two to say: "Hey, let's make sure we're doing a great job. Here's an example of somebody that did a great job. Here's an example of something that went wrong and this is how we fixed it and restored the customer's confidence." So it may just be sharing examples of what's going on. But it's constantly putting concepts in front of people that are necessary to deliver a great customer experience.

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It's not that people forget, it's just that they get into situations or they get veered off course, and maybe they need to be reminded of the things that they need to be doing in order to give and deliver a better customer experience. Because it's really easy to get sidetracked or distracted. Even something as simple as how you answer the phone, when you're in a hurry or you're impatient, you answer it with a different tone of voice.

But instead, look for consistency. You want the experience for the customer to be consistent and predictable, which means as somebody in the company, you have to deliver a consistent experience, consistent attitude. And if you don't feel good that day, it doesn't matter. You need to step up and recognize that your job is like show business, it's a command performance. As soon as I walk on that floor and I'm answering the phone, I'm in business, putting on a show for my customer. So why not make it a great show?

How can managers consistently exceed the expectations of their employees?

I call it the "employee golden rule," which is to treat the people you work with the way you want the customer to be treated, if not even better. It's that simple. Recognize that your people are internal customers as well.

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What do the best customer service teams do differently?

Some customer service teams aim to solve the customer's problem and get off the phone as quickly as possible. That leaves customers satisfied that they got a prompt answer allowing them to move on. However, the best companies will actually work toward building the relationship while at the same time, taking care of the customer. Does it mean spending a lot of extra time on the phone or whatever channel they're on? Not necessarily. But it does take a little bit more nurturing.

If somebody calls with a problem, don't just answer the problem. Answer the question and deal with the problem. Look at this customer's profile. What have they called about before that you might be able to help them with something so they won't have to call again? Taking care of it now and spending a little bit more time saves everybody more time, especially the call center, when they don't have to deal with the call again from the customer, which ultimately means saving them money.

What are Moments of Magic® and why is it critical to create them?

Jan Carlson, said years ago that a moment of truth in business is: "anytime the customer comes into contact with any aspect of a business is an opportunity to form an impression." I have terms for positive and negative moments of truth. The positive ones are Moments of Magic®, above average experiences – not over the top, just consistently above average. The negative ones are Moments of Misery™ – those are complaints, problems, or issues that the customer has. The third, Moments of Mediocrity™, are interactions that are average or satisfactory. Satisfied customers are not your best customers – loyal customers are. How do you create loyal customers? You give them Moments of Magic®.

> How do you create loyal customers?
> You give them Moments of Magic.

For example, let's say I walk through a hotel and all the employees are genuinely nice. They wave at me, they smile at me. Seldom will I walk by an employee that doesn't engage with me, even at the level of eye contact and a smile. That, over an extended period of time, becomes an above average experience, yet it's not over the top. Where can we deliver those above average experiences and try to do it all the time, not just some of the time?

How can service teams recover from Moments of Misery™?

First, recognize that your job is not to just fix the problem, it's to restore confidence – and that's a big difference. Anybody can say, "Okay, let me fix it and then it's done," but you want to get the customer's confidence restored. There are five steps to making that happen:

1. Acknowledge the problem.
2. Apologize to the customer.
3. Fix the problem.
4. Maintain a positive attitude throughout.
5. Act with urgency.

How can service teams analyze what's working well for them and learn how to repeat it?

Analytics is one way, feedback from customers is another. Ask your employees what they hear the biggest problems are and ask them how they're solving those problems. Then take a look at what the best practices are for resolving those problems. I love when companies put together a best practice manual, meaning: if this happens, here's the best way to handle that. And make sure that people share their examples of how they use this information, to reinforce the validity of it.

Do you think the trend of having one customer service team and a separate customer success team will become mainstream?

I think companies already are starting to create proactive service, and they aren't necessarily tied. I have a software that I use and as soon as I signed up, they assigned a coach to me. Now, that coach is not part of the customer service team – the coach is basically a customer success person who's there to walk me through the product and makes sure I understand the basics. This cuts down on my frustration as well as the number of times I'm going to have to call and ask for help.

I think that companies are integrating both. If a customer service person is looking at a customer's profile, and doesn't take a moment to share with the customer how to be more successful with whatever their product is, they are doing that customer a disservice. Your customer success managers may not be as focused on support, but support reps have to be focused on success as well.

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Summary

Your customer service reps can't be the only ones focused on exceeding the expectations of your customers – it needs to be a company-wide effort. Creating a customer service culture at your company will get everyone on the same page regarding your efforts to consistently delight customers.

In chapter three, Shep shares his tips for getting different departments and leadership involved in customer service. The topics addressed include:

- Company-Wide Buy-In
- Investing in Customer Service
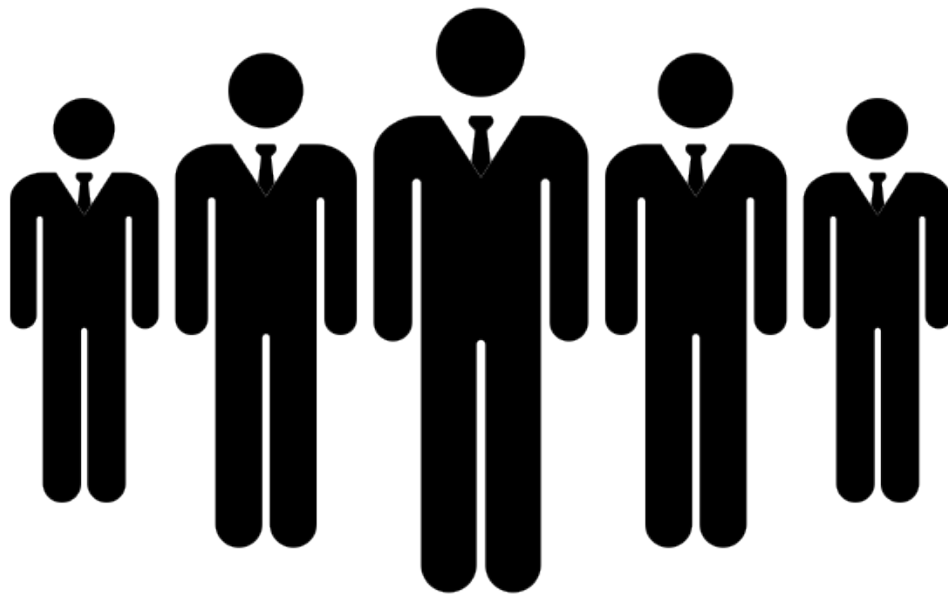
How does having excellent customer service benefit the entire company?

Customers that have a good experience want to come back and do business with you again. The key is that the next time they come back, the time after that, and the time after that, it's a repeated experience. Eventually they don't react to the experience, they can predict what the experience is going to be. When a customer is able to predict that their experience is going to be positive every time they do business with you, you're on the way to creating a loyal customer — not just a satisfied customer.

On the flip side, many companies that are very customer-focused tend to be internally-focused as well, meaning, they manage the internal customer experience — or the employee experience — which makes for an engaged workforce, a more fulfilled workforce, and overall, a better company to work for.

What can customer service teams do to convince their executives to adopt a customer service culture across the entire business?

First of all, it shouldn't be the customer service team that's going to leadership and asking for the adoption of a customer service culture. Instead, it should be the leadership going out to everybody and saying, "This is what we want to do."

So if the company is broke and the customer service team is saying, "Hey, we need to fix this," the easiest way to do that is to say, "Hey, you sit here next to me and listen to how some of these calls are going. Then we'll have a meeting to debrief and figure out what we can do to improve."

Have you ever seen that in action, where leadership spends time on the frontlines?

When I see this in place, I see leaders say, "I want to be on the frontline. I want to get in the trenches. I want to hear what our customers are saying about us. So let me shadow a call center rep. Let me get in the truck and drive around with a salesperson. Let me go out and make some visits with our team so that I can hear firsthand." They're out there in the field working with people, learning firsthand what the customers are saying and doing and how they react to the product or service that they're selling.

Do you think there's such thing as over-investing in customer service?

I think the smart answer is to say that you can never invest too much in customer service. But anybody that's looking at the total financial picture will say, "There is an important budget item and that is all about customer service, which means training people properly." It's hard to tell if you've spent too much, but you can definitely know if you've spent too little.

What are some of the telltale signs that companies aren't investing enough in their customer service?

The simplest one is if someone says, "Hey, I had a bad experience." The next would be if someone says, "I had an inconsistent experience," meaning, it was great today and then it was really bad the next time or it wasn't as good.

How can other departments at a company – like marketing and sales – help out the customer service team?

They all need to be working together. Customer service isn't a department – it's a philosophy. Everybody, at some point, somehow impacts the customer.

Customer service isn't a department – it's a philosophy.

Some companies have a chief customer officer or chief experience officer. These people, in these positions, are tasked with not only analyzing data and looking for better ways to improve service, but also creating a culture that's focused on the customer.

At the end of the day, all departments need to be working together, not as separate, siloed departments. They're all focused on one thing: creating a great experience for customers that's going to make them come back and do business with you again. When that happens, the company prospers, there's job security, there's longevity, and there's success – that's what it's all about.

Summary

In order to provide top-notch customer service, you need to be where your customers are. It's all about being in the right place at the right time. Traditionally, that has meant providing a phone number that customers can call to reach you. Now, customers are on social media, on their smartphones, and on your website. In some cases, the best way to resolve problems for customers is allowing them to self-service by reading documentation or watching a video.

In chapter four, Shep discusses why communication channels are such an integral piece of the puzzle that is customer service excellence. The channels touched on include:

- Email and Social Media
- Documentation and Video
- Community Forums
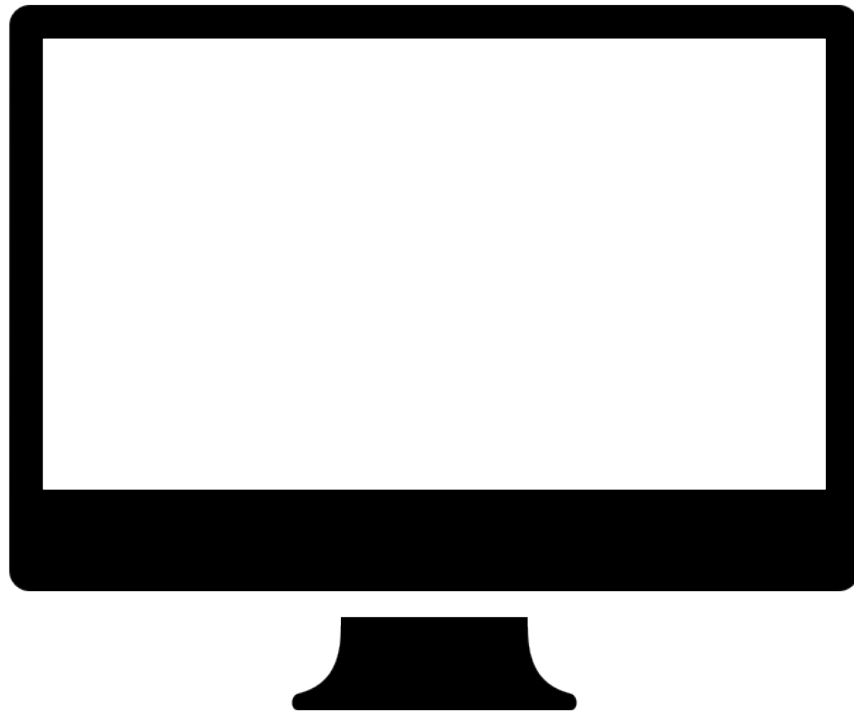
How can customer service reps who communicate primarily through email or tickets create Moments of Magic® for their customers?

You have to manage every interaction, one interaction at a time, one step at a time. You start off with a strong opening. You deliver what the customer expects. You ask extra questions to make sure you understand exactly what the customer needs. If you can become proactive and answer a question that a customer doesn't even know he or she has yet, that's even better. Then always end strong. Your first impressions and last impressions are really lasting impressions.

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Do you think that every company should be using social media to communicate with customers? Or does it depend on the company?

Every company needs to be where their customers are. If your customers are hanging out in social media channels and making comments about your company, you need to be there. If the average customer of a company is 85 years old, there's a pretty good chance that those older generation people aren't focused on Twitter and Facebook, but you never know...

The other day, I was standing in a line and there were two people in front of me. One person used a check to pay for their merchandise, making everybody wait while they wrote the check and fumbled with the pen. The other person – same age, both in their 60s – used Apple Pay. In that particular case, it's like, "Hey, we've got to offer both options because our demographic is saying and our research is showing that customers at that age are using both forms of payment." You go where your customer is. If your customers are on Pinterest or Instagram and not Twitter and Facebook, well, that's fine.

I was just over in Kuala Lumpur, Malaysia, and we were talking about Twitter and different social media channels. They said that Twitter hasn't caught on in that part of that world yet, so they don't put a lot of effort towards Twitter yet. Wait til it's time. But don't wait until after it's happened – watch the trends, watch where people are going.

Can Moments of Magic® be created through documentation?

Sure they can. The self-service solution – in a sense – is an easier, more frictionless solution than a phone. Customers have to wait on hold, "Push 1 for this, 2 for that," get to a person who says, "Hey, I need proof that you're a customer," then asks for my name, Social Security number, my first-born child's name, etc.

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Instead, imagine this: I bought a ping pong table and went to set it up. There were all these bars, nuts, bolts, and metal pieces that had to go together, and I'm thinking, "This is crazy! I've got to call and get some help."

So I called and the call center was closed. But their recording said, "Please go online and look at our video-based solutions." I could actually go on YouTube and put in the manufacturer's name and model number and pull up a video of exactly how to put this ping pong table together. It was like having an instructor looking over my shoulder. I thought, "Wow, that worked really well."

Do you think the trend of service teams using videos to solve problems for customers will catch on?

It already is. You're also seeing other self-service solutions. At its basic root, a self-service solution is a frequently asked questions page on your website, but you can go far beyond that with video. You can go even further by crowdsourcing and creating a forum where customers can ask questions and then other customers share their answers.

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**Do you think that support community forums will grow in popularity
in the future?**

In certain industries, they're definitely catching on, especially in the software industry where
people are talking about how they're creatively coming up with solutions to problems,
how they're using certain items in different ways to the company's advantage. Hence, the
concept of the user group.

Summary

You may think that your team is providing excellent customer service, but at the end of the day, that's up to your customers to judge. By tracking specific metrics and analyzing qualitative feedback from customers in surveys, you can gauge the success of your efforts. This will allow you to identify what's working well (so you can replicate it) and pinpoint areas where you can improve.

In the last chapter, Shep talks about the customer service metrics that matter most. The topics covered here include:

- Measuring Effectiveness
- Customer Surveys

How do you think customer service teams should measure their effectiveness?

There are different ways to measure effectiveness. The easiest way is to track Net Promoter Score® to determine whether or not you've done a good enough job to make customers want to recommend you.

Did they get their problem resolved? How many times did they have to call to get it resolved?

If you're looking at a self-service metric, you want to say, "Okay, if we're sending somebody to this self-service solution, like a video, how many calls are we getting on that particular problem after the customer has watched a video?" In other words, is the video working or not?

Everything can be measured. And the old adage is: "You can't manage what you don't measure." So look at those measurements and find out what's working. See what the response rate is, the feedback rate. And see how many times customers are calling back for the same issues.

Ask your employees what the top complaints are that customers experience. Once you have a list of what these are, just take the top two or three and work on those. See what you can do to eliminate or mitigate them.

How important is it for support teams to have a high first contact resolution rate?

Paramount. How important is it? That *is* it. That's what customers hope for. If they have a question, they only want to ask it once.

If they have a question, they only want to ask it once.

How important do you think it is to resolve problems quickly after getting back to your customers and have a low handle time?

The idea is you want to restore confidence. If you manage get back to customers quickly, you will, in effect, restore that customer's confidence.

What does your ideal survey look like?

My ideal survey is as little a hassle to the customer as possible. I know my auto dealership is very much into getting a perfect score on their surveys. And I recently said, "I'll be happy to fill out your survey when it doesn't take me 10 or 15 minutes to do it." I believe short and sweet is best, which is why I like the Enterprise Rent-A-Car three question survey, which takes less than a minute or so. If you have enough customers, you can change up your questions and get some different ideas of where things are trending.

But at the end of the day, if you make a customer take 15 or 20 minutes to answer a survey, all the goodwill you have created may go away once they realize that you're taking valuable time away from them right now.

Do you think customers should be surveyed after every interaction? Or randomly? Or quarterly?

Ideally, if it's a customer that keeps on coming back, there should be some consistency in surveying the customer. Going back to the auto dealership that I do business with ... every time I do business with them, they send me a survey. There's another company that I do business with — they're an Internet-based company — and I get a survey from them once every quarter or so. Sometimes, companies send out surveys annually. I don't know if annual is the right timeframe or not ... What happens if something is wrong and just last month did the survey? Well, it's going to be 11 months before you realize that they haven't come back. The goal is to get consistent feedback.

Are quantitative surveys all that's needed? Or should companies provide a space for customers to leave qualitative feedback?

I prefer the latter — having both. You definitely need the quantitative, but if you can get a response to the why a customer gave the answer that they did, that gives you a valuable insights. You can start to look for similarities and trends.

Conclusion

Customer service has changed drastically over the years, becoming significantly more advanced – and more important – than ever before, and Shep has been along for the ride. He has observed the inner workings of countless customer service teams. He knows the field like the back of his hand. He knows what works, and what doesn't.

His expertise can help you transform not only your customer service team, but your entire company. By adopting a company-wide culture of customer service and consistently exceeding expectations throughout the customer lifecycle, you'll retain more customers and get more business from referrals.

To truly commit to providing excellent customer service, you need to track your progress by analyzing customer service metrics and measuring your successes.

[Click here for a free demo of InsightSquared Service Analytics](#) to see how you can leverage your customer service data to gain deep insights into your team's performance.

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For more insights from Shep, you can visit his website ([www.hyken.com](#)), follow him on Twitter [@Hyken](#), or check out his books on [Amazon](#).

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