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WHAT CUSTOMERS WANT – AND HOW TO PROVIDE IT

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Since the 1980s and 90s American consumers have been inundated with customer-focused slogans–"The Customer is King", "The Customer Comes First", "100% Satisfaction Guaranteed"–all the result of corporate America's promotion of newly defined "service-oriented cultures." As part of this movement, many corporations renamed their customer service centers "guest services" or "customer care" and soon after their traditional customer service agents became "guest relations" or "customer care" specialists.

The body of literature is prolific as it relates to customer satisfaction and performance improvement. There are countless case studies and best practices: Nordstrom's, Wal-Mart, The Ritz-Carlton Hotel Company, and Stew Leonard's, to name but a few. The body of literature is also rich with models on developing customer loyalty and customer value, as well as selling outcomes or solutions as opposed to selling products or services. In the end, the key to customer loyalty is the *behaviors* and *attitudes* of the people who deliver those solutions. Without successful interactions between people–the producers and the consumers–there are no loyalty programs, no funds for growth and expansion, and certainly no profits.

POOR CUSTOMER SERVICE... BY THE NUMBERS

On average, **50%** of customers will complain about a problem to a front line person.

On average, it costs a company **five times** as much to win a new customer than to keep one.

On average, **twice** as many people are told of a bad experience than a good experience.

Source: TARP

The concepts behind good customer service are not new or groundbreaking. Time and again, consumers report that they like providers who listen to them, exhibit pleasant demeanors, are knowledgeable, and deliver reliable products and services that meet their needs. They want access to what they are after, and they want it in a timely manner–without hassle.

Countless research studies over the past few decades have painstakingly quantified the costs to business for losing a customer due to a poor service experience. All findings suggest that the costs incurred to obtain a new customer far outweigh the cost of retaining an existing client.

So if the expectations of customers are well known and the costs to incur new customers so great, what is the disconnect?

The challenge lies in human nature and, specifically, in the ability of people to develop attitudes and supporting behaviors that allow them to regularly deliver service performance that continues to dazzle consumers and develop their loyalty.

Success requires an ability to listen to and understand a customer's need and offer a solution that will meet or exceed their expectation, making the difference between a routine encounter and a stellar service experience–all while simultaneously developing value and a long-term commitment and loyalty to the organization. Naturally, loyal patrons contribute more significantly to organizational profit.

It is all about managing the moment and making the customers feel as though they are intelligent and important. It is treating others as you would like to be treated yourself. Take James Cash Penney for example. He opened his first store, called the Golden Rule, in 1902, thereby differentiating it from other stores, not only in name, but also by championing the belief "Do unto others as you would have others do unto you."

It is about being able to successfully assess a customer's service expectations and respond accordingly and to be able to switch gears quickly when customers with other pre-dispositions walk through the door or come through the telephone center. Some customers like small, simplistic chitchat while others prefer business transactions with limited human elements intertwined. Transparently finding and striking the balance is not easy, but it is essential for survival.

THE STAR QUALITIES

Independent of the industry, the product, or type of service sought, consumers consistently report that they value four qualities in the service they receive. After many years of customer service research, AchieveGlobal has grouped the qualities into four categories. The four categories are seamless, trustworthy, attentive, and resourceful (STAR). The premise is that each person–everyday–is responsible for delivering stellar service experiences. Each time you are interacting with a customer, internal or external, the customer is shaping their feelings and views of you and the greater organization. By integrating the four qualities into attitudes and behaviors, one will provide meaningful and memorable experiences that should build and strengthen customer loyalty.

THE STAR QUALITIES

Customers want service that is…

Seamless	The ability to manage service factors that are invisible to the customer (e.g., behind the scenes)
Trustworthy	The ability to provide what was promised, dependably and accurately
Attentive	The ability to provide caring and individual attention to customers
Resourceful	The ability to provide prompt service and creative solutions

Seamless service is based on the understanding that customers want to take full advantage of the complete range of services offered by an organization. However, they don't want to be exposed to the details of back-house operations, and they don't like dealing with several different individuals on the same issue. They expect the frontline to coordinate events on their behalf.

Trustworthy service is based on the sense that customers want to feel as though they are in capable hands and that promises and commitments will be kept. They want and expect things to be correct and accurate the first time, and should something go amiss, they expect a quick and thorough recovery.

Attentive service derives from the desire of customers to be recognized quickly and politely and with respect. They want to know that you want to serve them and that their interaction will be handled accordingly on both the human and business levels.

Resourceful service is synonymous with the general predisposition of customers to like a fast, flexible approach to the service interaction. If needed, they expect prompt and creative problem solving in the service recovery.

THE CONSUMER SURVEY

AchieveGlobal's research team conducted a survey with 1,500 consumers. The objective of the study was to better understand which factors of a customer service interaction consumers place the greatest importance. Once identified, consumers were then asked to recall their most recent service experience–either in person, via the telephone, the Web (including e-mail), or by U.S. Mail–and to rate their satisfaction with that specific encounter. Each factor presented to respondents represented a STAR quality. The research team then produced correlations on the importance and satisfaction ratings for selected industries to determine *which* economic segments were performing well and *where* they were performing well.

Of the factors rated, the top three most important service components were *attentive* aspects–*courteous service, complaint acknowledgement and respect,* and *being treated as an intelligent person*.

When viewed by age and gender, overall there was little difference in which factors of the service experience each group placed greater importance. What is notable is the fact that statistically females consistently placed greater degrees of importance on all factors of the service experience than males. In many instances, female mean scores were higher by a quarter of a percentage point or more than males.

Another notable finding was that adults aged 55 and over statistically placed a slightly higher level of importance on all aspects of the customer service interaction. This generational observation should not be overlooked.

The implication for providers is that the service expectations of both females and older Americans appear to be greater than other groups as they enter a customer service situa-

MOST IMPORTANT FACTORS OF A CUSTOMER SERVICE EXPERIENCE

- Courteous service
- My complaint is acknowledged and respected
- Being treated as an intelligent person
- Employees do what they say they will
- Company/agency follows up with me on the resolution to my problem/complaint

WAS THIS MOST RECENT CUSTOMER SERVICE EXPERIENCE…?

	By e-mail or the Web	By telephone	By U.S. Mail	In person
Banking/Financial Institution	8%	53%	1%	39%
Government Agency	7%	40%	9%	45%
Healthcare Provider	2%	40%	1%	57%
Public Utility	4%	78%	1%	17%

tion. To best manage the interaction, providers need to be more sensitive of such when interacting with these groups or segments.

But that is not to say that other groups should be treated differently or with less care. Success still comes from being able to "read" individual consumers, identify their desires, and deliver around those needs, wants, likes, and dislikes. Overall, this survey proves that consumers value some human element in their customer service interaction.

Contrary to the popular notion that Americans are "information hungry" and always need to "have all the information" to make a decision, the two least important aspects of a customer service interaction/experience were information related. Specifically, *receiving information on the benefits of the company/agency's products/service* and *receiving information about company/agency policies* fared much lower amongst all groups. While the receipt of general information by and from the interacting organization rated low in importance, all groups placed some value, albeit moderate, on *receiving information about options available to me*.

When asked to recall their most recent customer service experience, the results were in no way surprising–the majority of customer service experiences were by telephone. In total, 55 percent of the respondents had their most recent customer service experience by telephone, followed by 38 percent in person, five percent over the Web/by e-mail, and two percent by U.S. Mail.

The Wall Street Journal has reported that U.S. companies are spending $7.4 billion in 2002 to enhance their automated customer service systems–a significant investment and an underscoring of the intense usage of customer service support by Americans via the telephone.

By industry, most respondents reported that for banking and financial institutions, their last customer service experience was by telephone, followed by in person. For government agencies and healthcare providers, the last interaction was largely in person, followed by telephone. And for public utilities it was by telephone, followed in great distance by in person.

More than any other industry, e-mail or Web interactions were more common with banking and financial institutions and government agencies. Government agency service experiences had the highest incidence of U.S. Mail interactions.

SATISFACTION BY INDUSTRY

When asked to rate their level of satisfaction with the STAR aspects of that most recent customer service experience, respondents reported that financial institutions and healthcare providers performed *much better* than public utilities and government agencies on the service attributes important to them. However, there is room for financial institutions and healthcare providers to improve.

BANK/FINANCIAL INSTITUTION

% Very Satisfied & Satisfied		% Very Dissatisfied & Dissatisfied	
Courteous service	73%	Receiving information about options available to me	38%
My issue solved immediately	63%	Employees do what they say they will	37%
My complaint acknowledged and respected	63%	Receiving information about company/agency policies	36%
If angry or upset, employees make me feel better	56%	Company/agency treats problem as if it were their own	33%
Employees help each other	56%	Employees anticipate needs I did not consider	32%

GOVERNMENT AGENCY

% Very Satisfied & Satisfied		% Very Dissatisfied & Dissatisfied	
Courteous service	63%	Feeling confident that I will receive excellent service	34%
My complaint acknowledged and respected	53%	Employees understand my feelings about an issue	31%
My issue solved immediately	52%	Receiving information about options available to me	31%
Company/agency follows up on the resolution	49%	Company/agency treats problem as if it were their own	31%
If angry or upset, employees make me feel better	48%	Employees anticipate needs I did not consider	26%

HEALTHCARE PROVIDER

% Very Satisfied & Satisfied		% Very Dissatisfied & Dissatisfied	
Courteous service	76%	My presence is acknowledged immediately	42%
My complaint acknowledged and respected	70%	Receiving information about company/agency policies	38%
My issue solved immediately	65%	Employees anticipate needs I did not consider	33%
Employees help each other	60%	Company/agency treats problem as if it were their own	32%
Being treated as an intelligent person	59%	Employees do what they say they will	32%

PUBLIC UTILITY

% Very Satisfied & Satisfied		% Very Dissatisfied & Dissatisfied	
Courteous service	67%	Employees do what they say they will	32%
My issue solved immediately	55%	Employees understand my feelings about an issue	31%
My complaint acknowledged and respected	52%	Company/agency treats problem as if it were their own	29%
If angry or upset, employees make me feel better	51%	Employees anticipate needs I did not consider	29%
Employees help each other	47%	Receiving information about options available to me	26%

PRIMARY OPPORTUNITIES BY INDUSTRY

There is value in determining the strength of the relationship between *importance* and *satisfaction*, which basically measures the intensity of how well an organization is performing against customer expectations. The exercise generally identifies factors that are more important than others in retaining the customer relationship in addition to factors essential for developing plans of prioritization to that end.

The charts herein identify factors for each industry sampled that respondents said were *important characteristics* to the service interaction. However, these factors in which the industries are *not performing well* are hence significant opportunity areas for organizations within these industries to capitalize on.

BANK/FINANCIAL INSTITUTION

My issue was solved immediately.
Company/agency followed up with me on the resolution to my problem/complaint.
Company/agency treated problem as if it were their own.
Employees worked hard/used other resources to serve me.

GOVERNMENT AGENCY

I feel confident that I would receive excellent service.
Company/agency followed up with me on the resolution to my problem/complaint.
Company/agency treated problem as if it were their own.
Employees worked hard/used other resources to serve me.

HEALTHCARE PROVIDER

My complaint was acknowledged and respected.
I received information about options available to me.
My issue was solved immediately.
Company/agency followed up with me on the resolution to my problem/complaint.
Company/agency treated problem as if it were their own.
Employees worked hard/used other resources to serve me.

PUBLIC UTILITY

I was treated as a unique customer.
My issue was solved immediately.
Company/agency followed up with me on the resolution to my problem/complaint.
Company/agency treated problem as if it were their own.
Employees worked hard/used other resources to serve me.

CONCLUSION

In the end, the consumers who were sampled validated many of the principles of a stellar service experience. They told us that they value providers who listen to and follow up with them, treat them with respect and a sense of uniqueness, and work earnestly and doggedly to meet their expectations to deliver reliable products and services in a timely manner.

As times become increasingly competitive, to achieve and maintain a leadership position in the marketplace, it is critical that organizations instill the attitudes and behaviors associated with superior customer service into their workplace culture and daily practices. The costs to rebuild customer bases may be damaging to an organization's bottom line.

ABOUT THE AUTHORS

Keith Malo is AchieveGlobal's Research Manager. He brings 12 years of supplier-side research experience to AchieveGlobal. Keith's research career began with the full-service market research firm National Research Corporation. Over the ten years with National Research he held a number of operations and client service positions which included the design, management, and execution of various research projects–quantitative and qualitative–utilizing an assortment of methodologies. His career continued with Sterling Research Group, Inc., a full-service market research firm, where he served as a client services manager. With AchieveGlobal, Keith manages a number of product and market research projects for the firm's core competencies. Keith has a BA from the University of Nebraska-Lincoln.

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ABOUT ACHIEVEGLOBAL

AchieveGlobal is the world leader in helping organizations translate business strategies into business results by developing the skills and performance of their people. Our learning-based solutions focus on skills training and consulting services in sales performance, customer service, leadership and teamwork.

With offices throughout North America and a presence on every continent, we serve more than 70 countries, and offer programs and services in more than 40 languages and dialects. We continually adapt and translate our programs and services to meet the needs of global clients.

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