

# 8 Insanely Great Rules for Transforming Your Customer Experience

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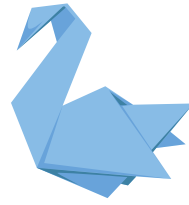


How to Create the Ideal Environment for  
an Extraordinary Customer Experience





Providing an exceptional customer experience is no longer just another acquisition strategy—it's an absolute necessity. Brands must transform the customer experience or risk losing relevance.



But what does a successful transformation look like?

How is one achieved?

And what outcomes should you expect as a result?

Best to press on...

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**transform:**

*verb trans·form \tran(t)s-'form\; to change (something) completely and usually in a good way.!*

The background is a solid, vibrant orange color. In the foreground, there are two origami cranes, also made of orange paper. One crane is smaller and positioned in the lower-left quadrant, while the other is larger and positioned in the upper-right quadrant. The cranes are rendered with soft shadows, giving them a three-dimensional appearance. The overall composition is clean and minimalist.

Customer Experience Transformation

# Introduction



Let's begin by exploring  
what a customer experience  
transformation isn't...  
and what it truly is.

## It ISN'T:

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- Using only data to improve transactional or individual performance.
- Simply teaching customer service teams to effectively solve problems after they occur.
- Merely having a better strategy to make good on service failures or “turn around” unhappy customers.





## It IS:

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- Listening to what your customers say about their expectations, and then meeting or exceeding those expectations.
- Using feedback from your customers to illuminate critical points in the journey and determine what needs to happen to ensure flawless delivery.
- Removing friction points from the experience to make it effortless for your audience.
- Proactively solving issues so customers don't have to contact you in the first place.

## WHY Do You Do This?

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It's simple, really: to make your customers love you, so they stay longer, spend more, engage more and bring other customers to your doorstep to do the same.

Data from a recent Forrester Research report reinforces the reason transforming your customer experience matters.



**By 2020**

*customer experience will overtake price and product as the key brand differentiator.<sup>iii</sup>*



# WHY Do You Do This?

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Research shows that:

- Customer experience highly correlates to customer loyalty and future spending.
- Millions of dollars in annual revenue are directly linked to reduced churn as a result of improved experience.<sup>ii</sup>

Empowered customers are the new reality. To compete, creating a customer-centric environment is mission-critical.



**By 2020**

*customer experience will overtake price and product as the key brand differentiator.<sup>iii</sup>*

# HOW Do You Do This?

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Key learnings from recent client transformation projects generated eight guiding principles for embarking on a transformational customer experience journey.



# HOW Do You Do This?

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In brief, they are:

- Rule 1** Go Wide and Expand Your Perspective
- Rule 2** Measure Feedback by the Pound
- Rule 3** Harness the Power of the Data Triad
- Rule 4** Define Critical Success Factors and Align to Observable Behavior
- Rule 5** Break Down Your Silos
- Rule 6** Understand the People You Serve
- Rule 7** Know You Are Not Alone
- Rule 8** Engage Your Front-Line Employees in the Transformation Effort





So now you know the rules.  
Let's discuss  
how to apply them.



Customer Experience Transformation

# The Rules Explained

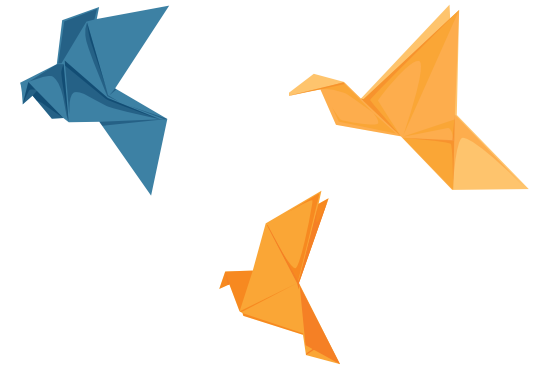
## Rule 1 | Go Wide and Expand Your Perspective

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Survey data is best used to measure the customer's overall perception of their experience, rather than one individual touchpoint.

While it is true that every touchpoint matters, it is how they come together that makes the difference. Customer service is a team sport, and using customer feedback to measure the effectiveness of only one player on the team cannot provide a complete picture.





## Rule 1 | Go Wide and Expand Your Perspective

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Even with the best possible sample size, most agents do not receive a large enough collection of feedback samples to represent their true strengths and opportunities. It is also difficult for customers to decide whom to blame for their dissatisfaction, particularly if there are multiple contributors. The emotional journey the customer takes as they interact with an organization often starts to take shape well before they interact with the customer service department.

Focusing too narrowly on one point of interaction in your feedback data makes it very hard to craft a proactive strategy—one that is aimed at preventing service failures before they occur, rather than attempting to make them right after the fact.

## Rule 1 | Go Wide and Expand Your Perspective

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To properly prepare your team to deal with each interaction successfully, you need to start by educating them on what common journeys prompt contact. To do so, deconstruct the feedback collected piece-by-piece by your employees to identify and study the typical customer experience. It is best to collect and measure customer feedback from end-to-end and perceptions of the experience as a whole. Avoid methods that are focused on only one point of interaction.

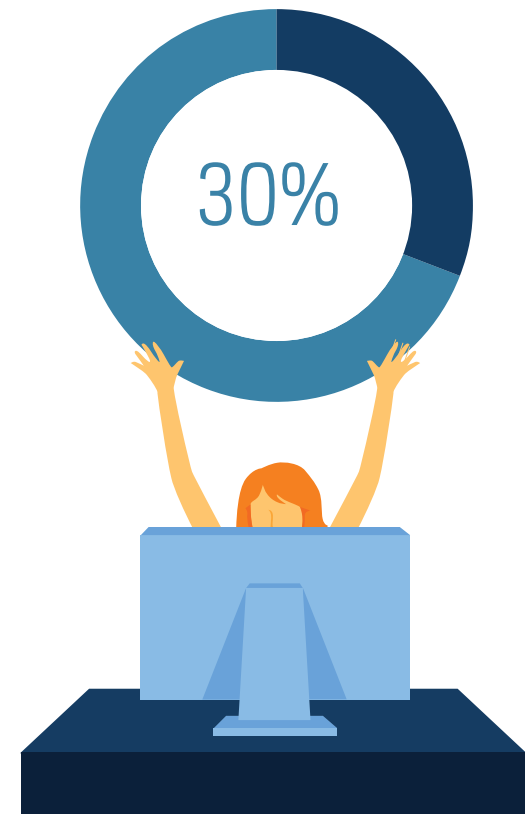




## Rule 1 | Go Wide and Expand Your Perspective

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Timing is also critical in deciding when to collect feedback from the customer; for example, asking a customer to rate their experience before a resolution is reached may further irritate them. However, collecting feedback after a resolution offers the customer an opportunity to reflect on their entire experience and evaluate each stage of their journey from a more objective point of view.



*“Measuring satisfaction on customer journeys is 30% more predictive of overall customer satisfaction than measuring happiness for each individual interaction.”<sup>iv</sup>*

— McKinsey & Company

## Rule 2 | Measure Feedback by the Pound

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To gain the insight necessary to transform the customer experience, you must ensure your survey process is designed in a manner that drives higher response rates. You must also be careful to avoid the “Halo” or “Horn” Effect—produced when only the happiest or angriest customers reply.

“The Halo Effect or Horn Effect is a well-documented social psychology phenomenon that causes biased judgments by transferring feelings about one attribute of something to other, unrelated, attributes. In the case of customer experience surveys, you can generate sample bias in the survey data with a collection method that distorts the amplitude of positive or negative experience scores.”<sup>v</sup>

## Rule 2 | Measure Feedback by the Pound

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It is equally important to accurately determine the order and magnitude of the factors influencing customer experience positively and negatively, so you do not end up trying to solve every random anomaly that exists. In terms of feedback, more is always better; by increasing the population of data, you gain a clearer picture of what is critical to satisfaction and what breeds dissatisfaction. Eventually, you'll get really good at predicting the outcome. And if you can predict a good outcome, you can repeat it.

## Rule 2 | Measure Feedback by the Pound

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Here are the things that really matter when gathering feedback:



**How You Ask** Some methods drive a higher response rate than others; for example, SMS text is gaining traction and a reputation for high response rates.



**What You Ask** Use as few questions as possible. Posing only 1-3 questions will drive more responses from a broader pool of respondents. Only the really angry or supremely overjoyed customers are typically motivated to answer more than a few questions.



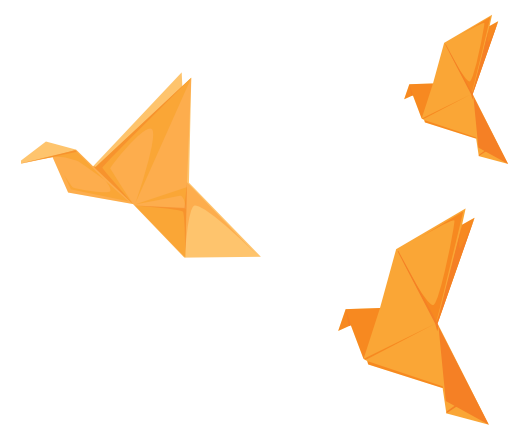
**How You Close the Loop** It's not about gift cards. It's not about raffles. Many companies try to elicit customer feedback with the promise of something for free, but the most effective reward you can offer is giving the customer the sense that their feedback will drive you to improve in the future.

## Rule 3 | Harness the Power of the Data Triad

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In the world of customer experience, transformation and innovation are almost synonyms. You can't set out to change your customer's world without understanding what needs to be changed.

“No matter the venue, the feedstock for innovation is insight—an imaginative understanding of an internal or external opportunity that can be tapped to improve efficiency, generate revenue, or boost engagement. Insights can be about stakeholder needs, market dynamics, or even how your company works.”<sup>vi</sup>



## Rule 3 | Harness the Power of the Data Triad

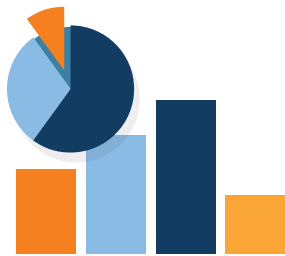
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Data alone should not be confused as insight; without context, data is just a collection of numbers and facts. You need this data to determine where to look for friction points and to understand the magnitude of impact, but the data needs to be interpreted before it can be actionable.

Statistical data alone will not provide you the answers you need to transform. To uncover the root cause, you need to know why the data is the data. Triangulating statistical data with observational and experiential data will provide the context needed to arrive at actionable insight.

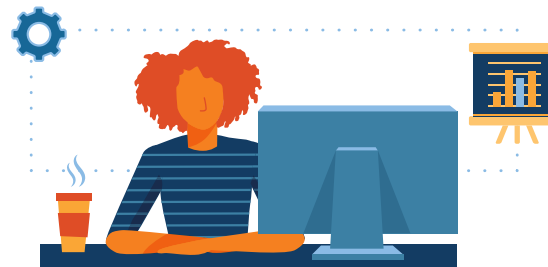
## Rule 3 | Harness the Power of the Data Triad

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### Statistical Data

Data you read from a report, such as percentages of contact drivers, traditional key performance indicators (KPIs), survey results, etc.



### Experiential Data

Data you collect when you immerse yourself in the experience as if you are the customer.



### Observational Data

Data you collect by watching the experience in action. For example, sitting with front-line employees, listening to calls, conducting “ride alongs” or other forms of monitoring.

## Rule 3 | Harness the Power of the Data Triad

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### Actionable Insight

Use the data triad to determine what drives volume and influences customer experience perceptions. It is critical to give statistical data context. Live observations and immersing yourself in the experience as the customer allows you to fully understand how the customer perceives your brand.





## Rule 4 | Define Critical Success Factors and Align to Observable Behavior

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“Creating a great customer experience does not require knowledge of magical incantations. Instead, customer experiences spring from concrete, controllable elements—the touchpoints.”<sup>vii</sup>

As we discussed, using the customer feedback survey to measure the performance of a single human during one interaction is challenging and ineffective. Instead, use your customer survey data to understand what your customers want from the experience and determine what has to happen along the way to trigger a positive experience. Once you have isolated those “critical success elements,” map them to observable behaviors you can train, inspect and measure.

## Rule 4 | Define Critical Success Factors and Align to Observable Behavior

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This is how you stack the deck. You will have far more opportunity to provide valuable feedback to agents using the data collected through monitoring than you will receive from customer survey responses alone.

Additionally, you will get more buy-in from your employees if they are accountable to what you can observe them doing. Buy-in and understanding of what matters to customers is what creates a culture of customer advocacy—you'll see what we mean when get to Rule 8. Halfway there. Hang tight.

## Rule 4 | Define Critical Success Factors and Align to Observable Behavior

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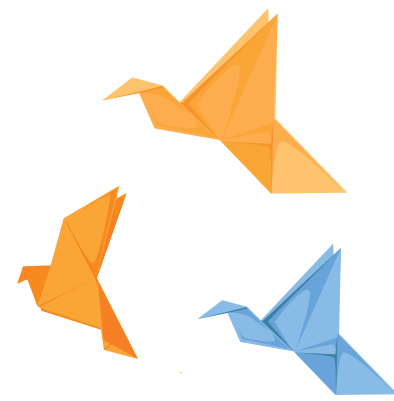
Structuring your customer experience management program around the feedback that indicates what is important to customers, and aligning your training and coaching accordingly, is what will lead you to success. It is the recipe for driving a repeatable outcome, and allows you to control the result of each touchpoint to the degree it can be controlled.

Of course, there will always be unexpected outcomes when customers behave or react outside of the norm, but utilizing this approach significantly reduces the likelihood of poor or inconsistent results.

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Identify success elements › **Observe behaviors** › Coach and mentor ›  
Improve behaviors › **Achieve repeatable successful outcomes**

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## Rule 5 | Break Down Your Silos

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“Optimizing a single customer journey is tactical; shifting organizational processes, culture and mindsets to a journey orientation is strategic and transformational. Journey-based transformations are not easy, and they may take years to perfect. But the reward is higher customer and employee satisfaction, increased revenue, and lower costs.”<sup>viii</sup>

Complex problems require coordinated solutions. Think of it like a medical team battling cancer; they use a multidisciplinary team of doctors, nurses, nutritionists, therapists and others working in concert to not only eradicate the existing cancer cells, but to also determine the predicted path of progression so they can stop the spread.

## Rule 5 | Break Down Your Silos

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The team works together to understand the mechanism that triggered the disease in order to prevent it from recurring, and they provide complementary therapies to help the patient cope.

In short, they treat the *whole* patient, and don't silo the therapies. One person owns the treatment plan, but everyone must design their elements to support the others.



## Rule 5 | Break Down Your Silos

Customer experience is also a complex issue and should be managed in the same spirit. One team member must define what is important, and then everyone has to work in unison to ensure the right solutions are brought to the customer.

Be careful not to transform components of the experience in a silo. Customers crave connectedness and seamlessness; every department's service objectives must align and work together to deliver the full experience journey.



*Customer experience is not a standalone department. It is an ecosystem that must be agile and centrally connected to the customer. Cross-functional involvement in design, management and transformation of the experience is critical to ensuring a frictionless journey.*

## Rule 6 | Understand the People You Serve

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Get to know what industry trends, competitors and companies are informing customer expectations for experience—after all, knowledge is power! Be a good student of the customer experience. Customers will judge your brand not only by your peers, but by all companies who live up to the ideals most important to them.

Not all your learning will come from research papers, thoughtful eBooks (ahem...) and artfully delivered webinars. You will learn what customers expect simply by immersing yourself in the experience and being a true customer yourself. Observe keenly when you interact with other organizations. Think about what makes you feel good and what makes you feel bad.

## Rule 6 | Understand the People You Serve

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You'll come to realize—shocking!—that your customers aren't just data points. They're people. And as you will discover in Rule 7, being human is pretty common!

Do not let your insider knowledge of contact centers, capabilities of technology or limitations of cost cloud your judgement in this critical discovery phase. Determine first what you want your customers to experience, and then solve for whether you have the capability and budget to deliver it.

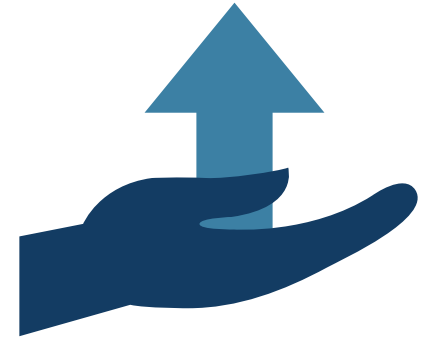


## Rule 7 | Know You Are Not Alone

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People are fascinating. No, really. Spend some time people-watching and you'll notice their uniqueness, along with similarities within large sample groups. Predictable patterns of behavior exist, and they transcend business industries and verticals. Customers have one key trait in common—they are all people, and their perceptions of experience are shaped largely by the emotions triggered when they interact with the world around them.





## Rule 7 | Know You Are Not Alone

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The truth is, we all want to believe that our customers are special and unique—but there is not as much variation in the expectations of customers as you think. True, there will always be shades and degrees of relevance, but there is much to be learned from other organizations' actions.

“After all, innovation is not [always] about bringing something new into the world. It’s about usefully applying something that is new to the situation, no matter the purpose for which it was invented.”<sup>ix</sup>

## Rule 7 | Know You Are Not Alone

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Do not assume that all of your friction points are unique problems that only your organization faces. While there are different tolerance levels for service failures and different magnitudes of business impact based on the nature of the product or service you provide, the expectations for customer experience and the definition of “good” are not wildly different.

To arrive at solutions faster, leverage what has worked and not worked across the industry. Many of the lessons have already been learned for you, and you can access innovative solutions crafted by leaders all around the world. Do not ignore the public case studies that exist around you—learn from them and apply what works for your particular shade of customers.

## Rule 8 | Engage Your Front-Line Employees in the Transformation Effort

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If there is a universal truth in Customer Experience Transformation, it is that your agents hold the keys to success. To be truly empowered and engaged, agents need to have visibility into the customer's complete experience, understanding of the myriad of handoffs that occur and what role they play in helping the customer navigate through each touchpoint of their journey.

A properly engaged front-line team can serve as a very powerful early detection system for defects, friction points and broken experiences. Allow your agents to advocate on behalf of the customers they serve. Provide them with mechanisms to proactively identify distressed cases and broken experience elements.



## Rule 8 | Engage Your Front-Line Employees in the Transformation Effort

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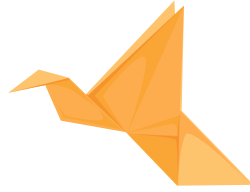
A change as simple as asking agents to track customer perception at the end of every interaction can offer a powerful indicator of where to look for insight.

This strategy pays dividends over time as you calibrate agents' ability to predict impending customer escalations before they occur—and when intervention and quick resolution is still possible. It can go a long way toward breaking down the silos discussed in Rule 5 and creating a team environment that is “all-in for the customer.”

Customer Experience Transformation

# Conclusion





That's it. We promise.  
Now you know what it means  
to be truly transformational.  
You understand the business  
impact of transforming  
customer experience.

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For more information—and to get started on transforming your  
company—call 866-ALORICA or email [sales@alorica.com](mailto:sales@alorica.com).

Customer Experience Transformation

# About Alorica



# Alorica



Alorica is a leading provider of Business Process Outsourcing solutions that span the entire customer lifecycle. Good, glad we got that out of the way. Here's the deal—we think serving customers is awesome. And that's why, when it comes down to it, we really only do one thing—we make lives better...one interaction at a time.

## PASSION • PERFORMANCE • POSSIBILITIES

These are the principles that guide us in helping others make better choices and informed decisions. They're more than words. They're our rally cry.

## PASSION

Everything starts with conviction. A desire to obliterate the status quo, and the audacity to believe that we will. We're problem solvers. Question answerers.

Strategic dreamers. We see every interaction as an opportunity to create opportunities—for our customers, our clients, our colleagues and our communities.

## PERFORMANCE

We're 110% committed to the end result. Onward and upward, it's all about taking our clients to the next level. We stay engaged. We mine new sources of inspiration. And we give it our all, no matter the challenge. They say go big or go home. We don't believe in the latter.

## POSSIBILITIES

100,000 employees. Operations in 17 countries. Over 70% of our clients are Fortune 500 companies. So where do we go from here? Anywhere. Everywhere.

We're always innovating, evolving, imagining new ways to continuously improve. Some see the sky as the limit. We see the sky as a stepping stone.

## WHAT'S IN OUR SECRET SAUCE?

A spoonful of customer care. A dash of technical support. A pinch of revenue generation. Equal parts receivables management, customer retention and reverse logistics. Fulfillment and B2B solutions, for sweetness. And finally, hosted contact center solutions, direct response and back office processing for that added kick.

Guess it's not so secret anymore, huh...



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