

THE ART & SCIENCE OF SUPERIOR CUSTOMER RELATIONS

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Start With Trust



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MARKETPLACE ADAPTION

In today's highly challenging, severely disrupted and pandemic-impacted marketplace, expectations have notably changed.

Businesses **must earn** - and maintain - customer loyalty by recognizing that the relationship **does not end at the time of purchase**.

Develop a culture where staff are provided the tools to be expert customer care managers, invested with both dispute resolution skills and a proactive approach to customer satisfaction.

Your reputation depends on it.



THE LANDSCAPE

- Even before the pandemic, the *Edelman Trust Barometer* reported that trust in institutions has broadly declined in multiple sectors:
 - Government
 - Media
 - **Business**
 - NGOs (nongovernmental organizations)
- **BBB's own research has revealed analogous concerns:**
 - While 82% of U.S. consumers convey the importance of trusting a business pre-purchase, a mere **28% of respondents find businesses to be more trustworthy in today's marketplace** than in the past
 - Fewer than half of respondents trust companies in general



WHAT'S CHANGED?

- Among many factors, basic **consumer expectations** have changed – **they have increased faster than customer service is improving.**
- Technology, social media, online reviews & ratings have transformed the customer experience from **simple & linear** to an **ongoing *circular connection** with businesses that serve their needs.
- The expectation – post-purchase – is that a relationship has been formed that ***continues to bind that business to its customer.**



FORMING THAT CRITICAL INITIAL OPINION

Consumer source reliance:

- Opinions of family & friends
- Feedback from online reviews/ratings & complaint data
- **Such sources set expectations for the customer experience**, instill confidence and reduce surprises (thus decreasing the likelihood of buyer's remorse).

Impact:

When consumers evaluate products/services and research businesses, TRUST is a fundamental factor in moving forward with a purchase – **or avoiding a business.**



How do
consumers
and businesses
build trust?



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BUILDING TRUST

- Which of the following factors help you trust a business the most?

TOP RESPONSES

- #1 **Good Reputation** 28%
- #2 Competitive Prices 17%
- #3 **Good Customer Service** 14%
- #4 Reviews & Ratings 13%
- #5 Recommendations from Family/Friends 12%



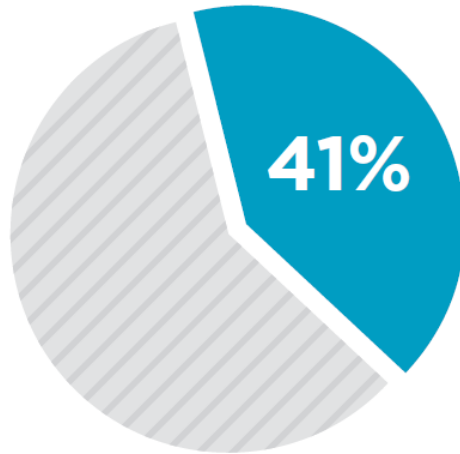
How
does poor
customer
service
impact trust?



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DISSECTING THE NEGATIVE EXPERIENCE



Respondents who claimed they had a negative experience with a business in the past 12 months.

Main Causes of Negative Business Experiences



Bad customer service



Product or service was different than advertised



Product or service was not delivered

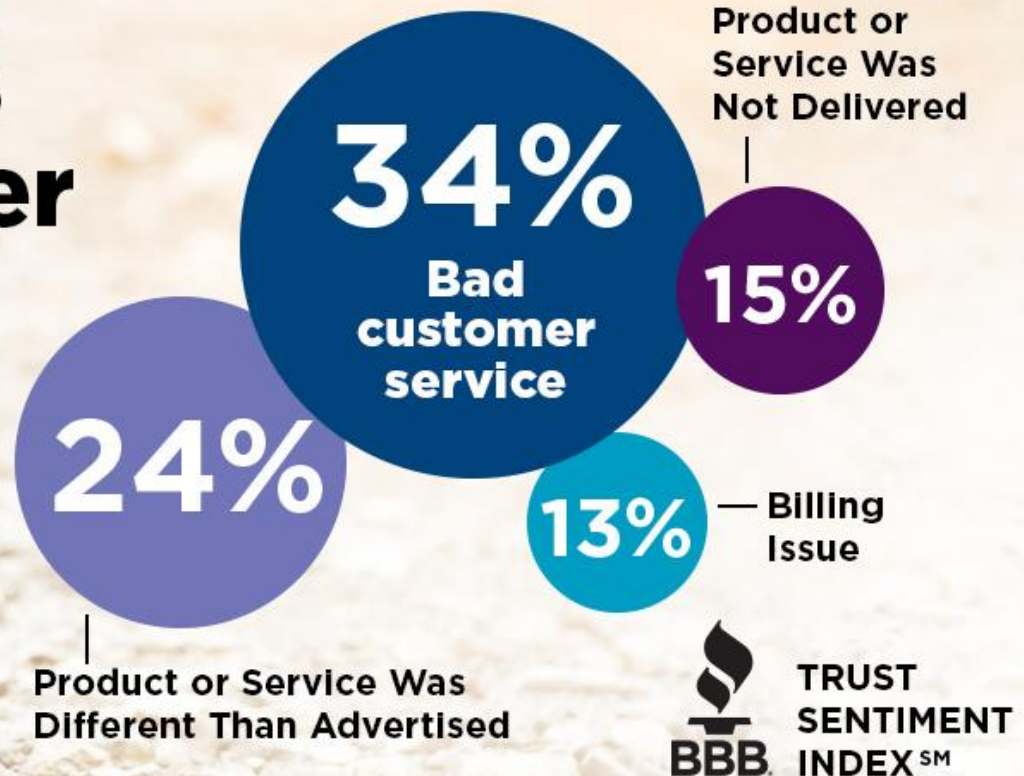


Billing issue



THE CUSTOMER SERVICE EFFECT

Top Causes of Consumer Frustration

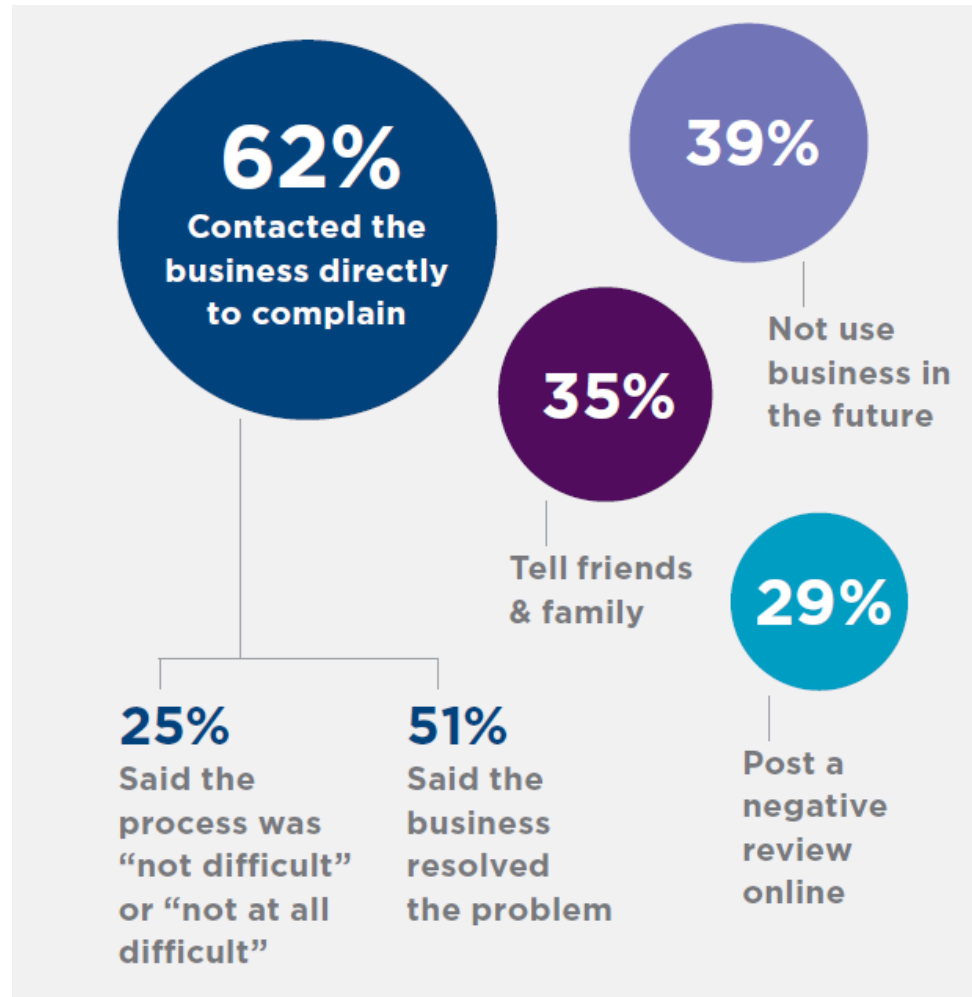


Source: Nielsen, 2017

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NEGATIVE EXPERIENCE: THE DOMINO EFFECT





TYPICAL BBB COMPLAINTS

- **MISTREATMENT**
- **INADEQUATE COMPLAINT HANDLING**
- **LACK OF CONTACT INFORMATION**
- **MISREPRESENTATION**
- **DECEPTIVE ADVERTISING**
- **REFUND REFUSAL**
- **CUSTOMER EXPECTATIONS NOT MET**
- **MISUSE OF CUSTOMER INFORMATION**



Business
interactions
are human
interactions.



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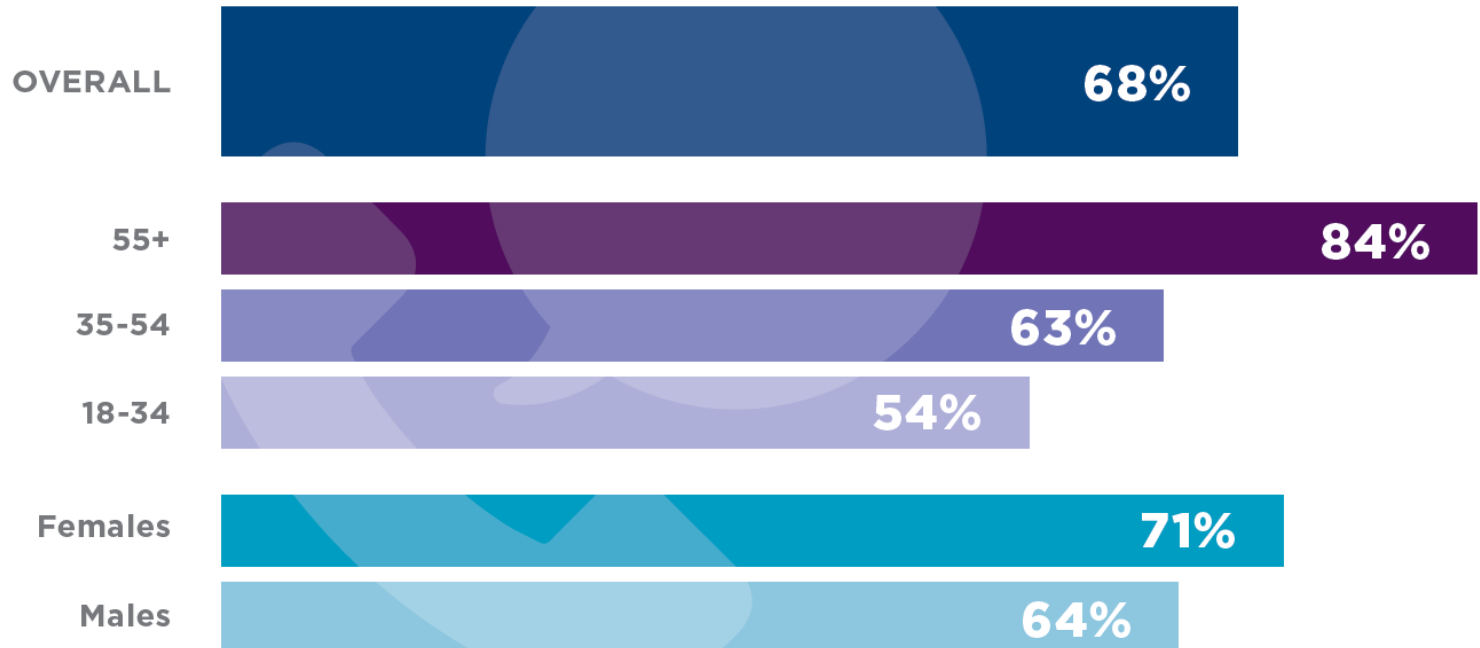
CONSUMERS' PREFERRED METHOD OF CUSTOMER SERVICE

- **In-Person – *33%** (*Pre-pandemic and not currently a viable focus)
- **Telephone – *29%** (*Newly heightened value)
- **Email – 18%**
- **Live Online Chat – *11%**(*Pre-pandemic)
- **Completing Online Form – 9%**



PERSONAL COMMUNICATION IS A KEY FACTOR

Consumers Who Prefer to Talk to a Person,
Even if it Means Waiting

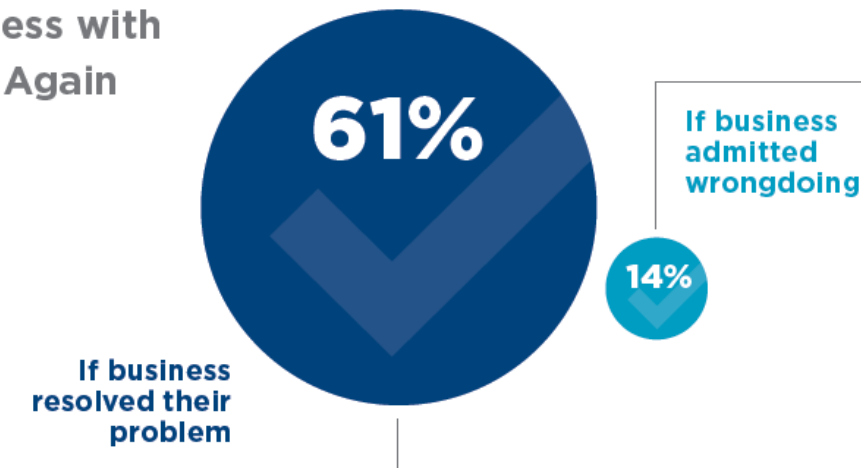




Consumers' Perceptions of Businesses Who Handle Complaints Well



Consumers' Willingness to Do Business with Companies Again





ASK YOURSELF:

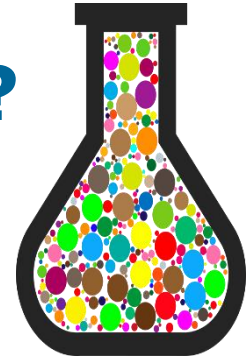
What's one thing you do to make doing business with you a **superior and loyalty-inspiring** experience for your customers?



GAME-CHANGING CUSTOMER SERVICE

Is there an identifiable **FORMULA**?

- The art and science of truly effective customer service and retention.
- Building blocks for a **mutually trusted consumer-business relationship**
- Continually anticipate the needs of your customer base
- Gain a better understanding of how they expect - and demand - to be treated.





WE SURVEYED

2,000

Consumers &

1,500 Businesses

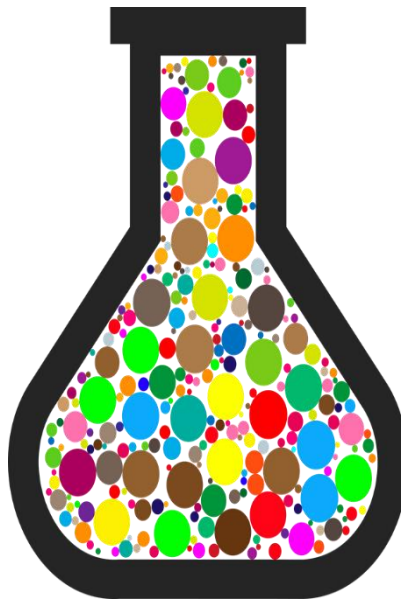
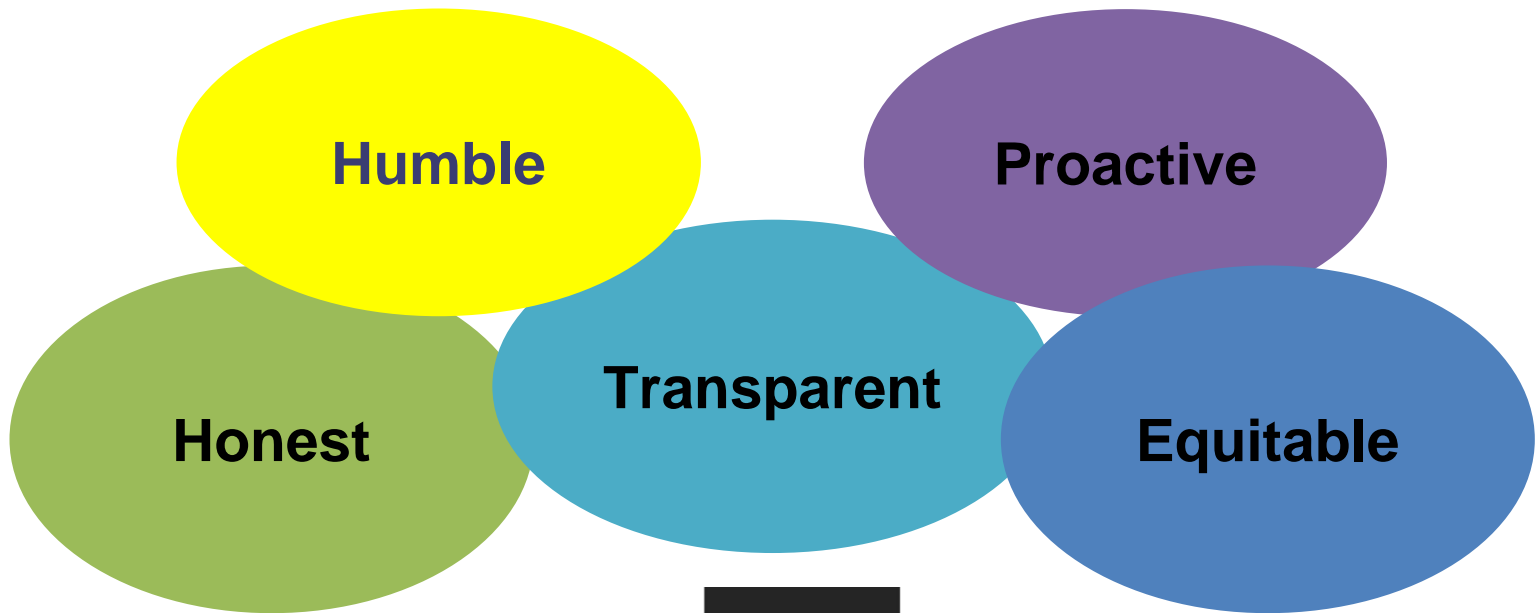
**across the
U.S. and
Canada**





ASK YOURSELF:

**What's one thing that might be
in the formula that customers
use to evaluate their experience
with you?**

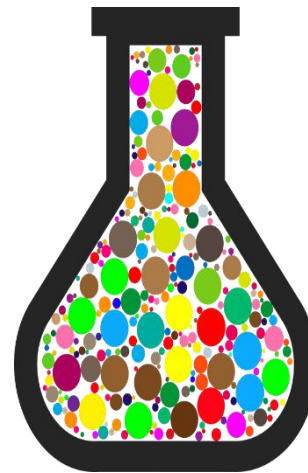


Respect

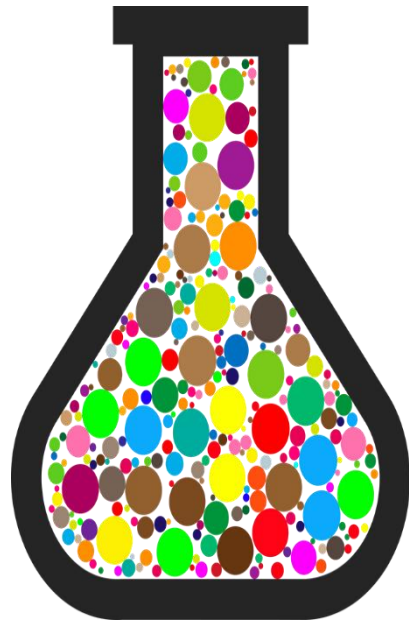
CONSUMER STORIES

We listened for a **MENTAL FRAMEWORK**. We heard:

- Be Honest
- Be Transparent
- Be Proactive
- Be Humble
- Be Equitable



Respect



= TRUST =



Respect

5 Gestures of TrustSM

What businesses told us about being honest. . .



Be Honest

“Honesty is what builds trust the most, without it trust does not exist at all.”

5 Gestures of TrustSM

What businesses told us about being transparent...



Be Transparent

“We have nothing to hide.”

5 Gestures of TrustSM

What businesses told us about being proactive. . .



Be Proactive

“Anticipate what it is our customer might want or need and work together to achieve their goals.”

5 Gestures of TrustSM

What businesses told us about being humble. . .



Be Humble

“I realize that without my customers, I couldn't stay in business. I strived to do right by my clients and to do my best to make sure they are treated with good customer service.”

5 Gestures of TrustSM

What businesses told us about being equitable. . .



Be Equitable

“It is not only about one party but about the entire situation. We partner with our customers on every single job, and we treat them as part of the team in order to successfully facilitate our jobs.”

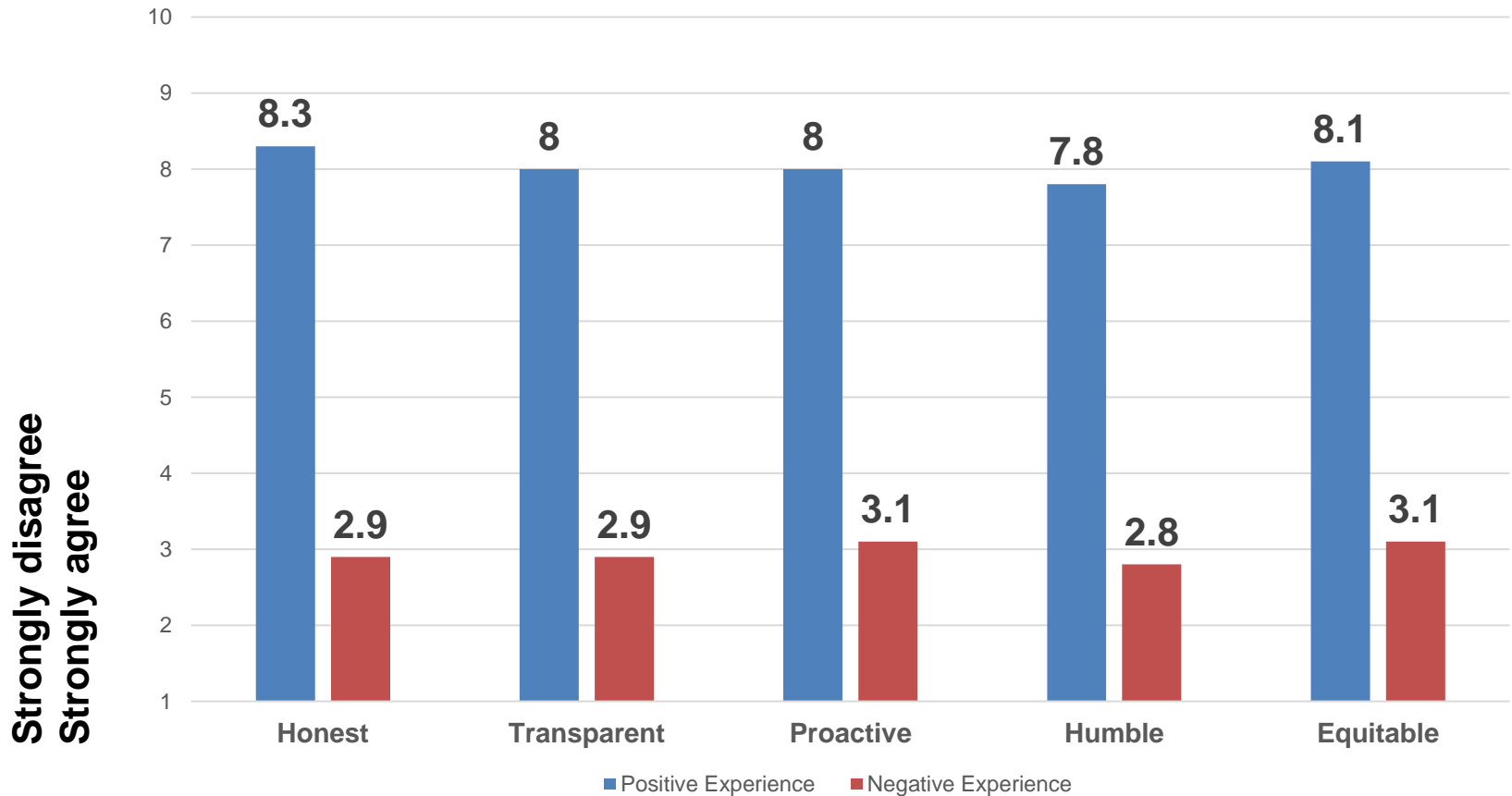


SURVEY (Partial list)

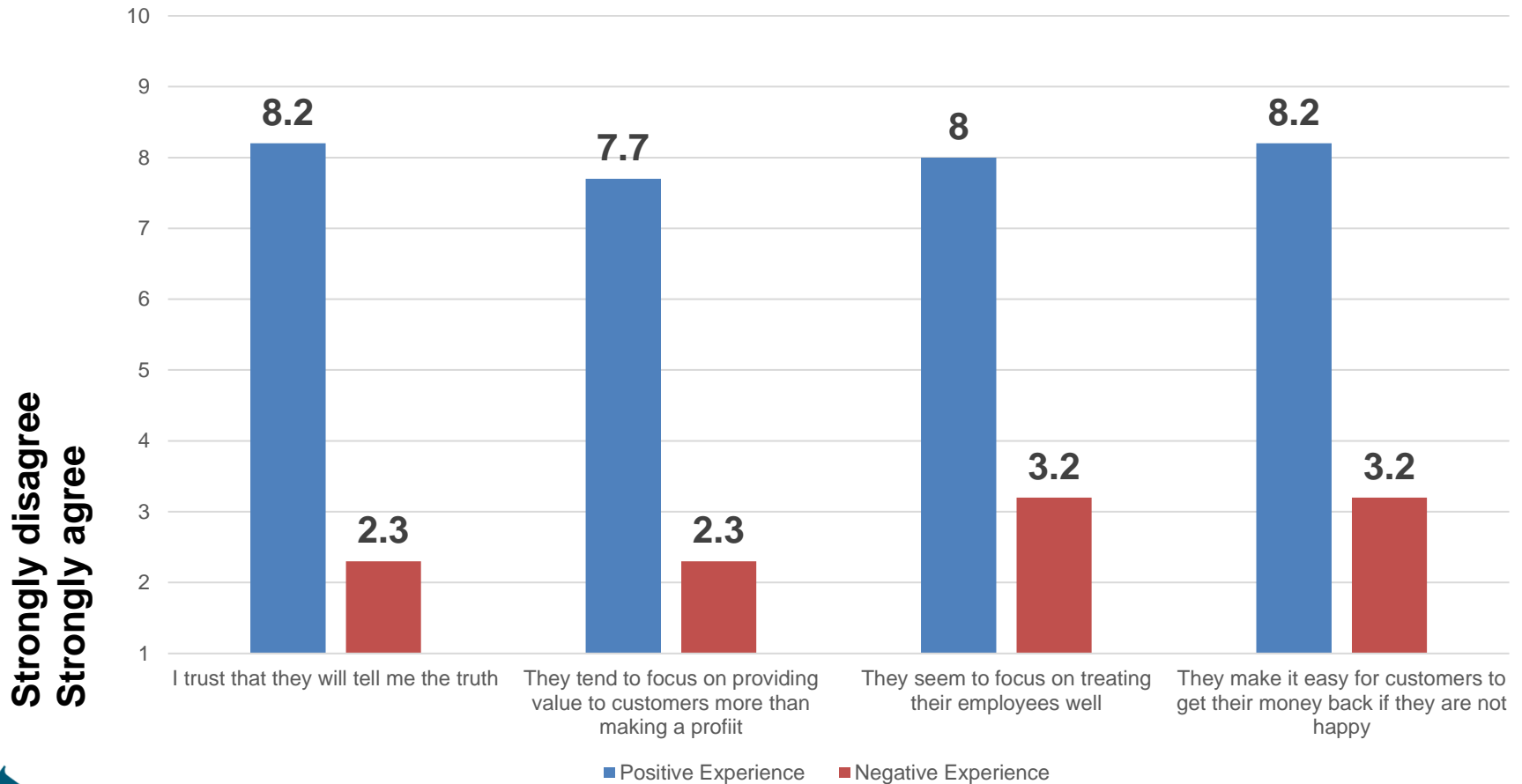
Pick a company with which you have experience: Positive or Negative?

- **Trust the company?**
- **Loyal to the company?**
- **Certain practices/policies of the company?**
- **Say nice things?**
- **Write positive reviews?**
- **Do business with them even if it costs more?**
- **Are they: Honest? Transparent? Proactive? Humble? Equitable? Competent? Consistent?**

“To what extent do you agree or disagree that each of the following statements accurately describes the company you chose?”



“To what extent do you agree or disagree that each of the following statements accurately describes the company you chose?”



Key Survey Findings

WHAT DISTINGUISHES TRUSTED COMPANIES?

STATEMENTS	POSITIVE EXPERIENCE	NEGATIVE EXPERIENCE
I always know what to expect from them.	8.4	4.0
They always get the job done right.	8.3	2.6
I can trust that they will tell me the truth.	8.2	2.3
They make it easy for customers to get their money back if they are not happy.	8.2	3.2
They seem to focus on treating their employees very well.	8.0	3.2
The company's employees seem to enjoy working for the company.	8.0	3.4
The company makes me feel like it is more focused on giving me value than on making money in the short-term.	7.8	2.1
The business supports community programs and charities.	7.8	3.8
They tend to focus on providing value to customers more than they focus on making a profit.	7.7	2.3
The business makes me feel like I have as much or more control than the company does during a transaction (e.g., Sale, contract).	7.7	2.3
They actively encourage all customers to post public reviews of their experience with them.	7.6	2.8
The business tries to give me the best deal, even if it means less profit.	7.6	2.3
They contribute money or donate goods or employee time to local programs and/or charities.	7.4	3.5
The company makes an effort to preserve the environment, even if it might mean less profit.	7.4	2.8
They will refer a customer to a competitor if they think it will be better for the customer.	6.5	2.1

Source: BBB 5 Gestures of TrustSM



Key Survey Findings

WHAT DISTINGUISHES TRUSTED COMPANIES?

STATEMENTS	HIGHLY TRUSTED	OTHERS
We are quick to make things right when we make a mistake.	9.7	8.7
We focus on treating our employees very well.	9.5	8.5
We believe that how we treat our employees is directly connected to how successful we will be with customers.	9.4	8.3
We will point out that we made a mistake even if the customer does not notice.	9.2	8.0
We make an extra effort to look for ways to save customers money.	8.9	7.8
We believe it will be more beneficial to our business in the long-term if in the short-term we work harder to give our customers value than we do to make money.	8.9	7.9
We tend to focus on providing value to customers more than we focus on making a profit.	8.9	7.8
We believe that it is important that our customers feel like they have as much or more control than we do during a transaction.	8.7	7.6
We make it easy for customers to get their money back if they are not happy.	8.6	7.5
We believe it is essential to make sure our customers get the best deal from us, even if it means less profit.	8.6	7.4
We will refer a customer to a competitor if we think it will be better for the customer.	8.4	7.4
We believe very strongly in doing what we can to preserve the environment, even if it might mean less profit.	8.4	7.2
We actively encourage all customers to post public reviews of their experience with our company.	7.9	7.3
We believe that our business owes it to the community to support community programs and charities.	7.9	7.1
We contribute money or donate goods or employee time to local programs and/or charities.	7.8	7.0



Sonya's Story #1:

Food Subscription Frustration

Subscription Food Service Obscures Information and Places Blame on Customer for Negative Experience

5 GesturesSM Framework Analysis



Equitable – It preserves power it could have shared by placing the blame solely on the customer for not more closely reading or understanding the subscription information.



Honest – The subscription description may be technically correct, but is apparently not delivered in a way that presents information important to the customer in the context that benefits them (the truth is rendered oblique).



Humble – It positions the customer as an adversary rather than a partner, denying any responsibility for the customer's unhappiness, challenging the customer to become adversarial herself. It reverberates with the customer as arrogance.



Proactive – The company representative, when presented with the customer's complaint, does not communicate that it is important to resolve the issue for the customer, but rather brushes off the complaint by citing policy and the customer's own error.

Sonya's Story #2: “Awesome” Clothing Purchase

Online Clothing Company Placing Complete Trust in Customer

5 GesturesSM Framework Analysis



Proactive – It responded immediately to the customer’s inquiry, and provided a pathway to resolving her issue.



Equitable – The company trusted the customer to return items she ordered, sending a replacement before receiving her returned items. The company shared power it was not obligated to share, placing trust in the customer.



Humble – The company presents that the customer’s needs are paramount, recognizing that it is important to the customer to receive the clothing in a timely manner (and that she has already lost time by receiving an incorrect order). The company positions the customer as a partner in the business’s success.

John's Story:

“Selfless” Hardware Referral & Solution

Hardware Store Refers Customer to Local Competitor to Solve Customer's Need

5 GesturesSM Framework Analysis



Proactive – It listened to the customer's real need and solved his problem without the customer having to ask.



Humble – It saw the customer as a partner whose interests it was bent on protecting, and put the customer's immediate need over the company's short-term profit.



Equitable – It shared information it could have kept to itself and could have controlled.

Mike's Story:

Secure, Comfortable Online Purchase

Large Online Retailer Clearly Promotes and **DELIVERS** on Return Policy Promise

5 GesturesSM Framework Analysis



Equitable – It shares power in the transaction by offering the customer a simple way to get their money back if they are unhappy. This removes risk from the equation, whereas it might otherwise exist because the customer is turning over money to the company ahead of receiving delivery of, and experiencing, the product.



Honest – Information that is relevant to the customer is presented when it is needed and throughout the experience, helping to ensure that the company delivers on its promise in a precise and meaningful way.



CUSTOMER RETENTION AT ITS CORE

THE FUNNEL EFFECT:

→ RESPECT &

RESPONSIVENESS

= REPUTATION MOMENTUM

= REPEAT BUSINESS & CUSTOMER LOYALTY

- Employ **consistent employee training** based upon these principles at all operational levels & regularly monitor its application
- Develop & implement **formal complaint-handling procedures** tailored to an array of circumstances
- **Ensure transparent policies and procedures** - Internal & external



PROBLEM SOLVING: R-E-S-P-E-C-T

- *Seemingly* obvious core principles – but routinely lacking in practical application
- Treat the customer & dispute as **important to you**
- Do not rely upon social media posts to learn of initial dissatisfaction - **Be proactive**, anticipate customer needs & avoid unnecessary escalation
- Be an **active & reflective listener**
- Identify the core problem & assess the **specific resolution** actually sought
- Consider an appropriate goodwill gesture

Use the 5 Gestures as a Framework to Assess & Improve Your Customer Experience

- Ask your customers about experiences they've had that made them like doing business with you – or alternatively, that made them less comfortable. Ask for examples and talk about them.
- Review all customer complaints through the 5 Gestures lens to identify **where the customer perceives that a Gesture is missing** or has been clearly violated.
- Plan a discussion with your employees around the 5 Gestures. Ask them to **identify the Gestures (or lack thereof) in their own daily practice**.
- If you use customer surveys or solicit feedback from customers regularly, incorporate specific questions addressing the 5 Gestures that **go beyond asking about generic satisfaction**.
- Use the 5 Gestures of Trust framework to **strategically plan how you will approach your customer relationships**. Assess where you are with each Gesture and target *where you want to be*. **Identify the gaps and plan how to close them**. This can further inspire special programs and advertising/communication strategies.





CHECKLIST FOR THE SAVVY BUSINESS

- Make TRUST a true **Strategic Priority** (Proactively Manage TRUST Factors)
- Make it **EASIER** for people to engage and share feedback, even if negative – Continuing access and effective contact information
- **Transparently** IDENTIFY & explain all relevant policies (ex: refund/return)
- **HUMANIZE** Business Relationships as much as possible – Personalize the experience
- **RESOLVE** complaints professionally when they occur. At a minimum: **Assume responsibility** and acknowledge wrongdoing where a mistake was made.
- **Actively LISTEN**. Pay attention to hidden voices (of dissatisfied customers). Proactively reach out.
- Continuously **FOCUS** on improving the overall customer service experience - *What is preventing a truly superior experience?*
- **EMBRACE** third-party organizations for dispute resolution.
- Focus on **CHARACTER/honesty, service & quality** – they should define your approach and resultant customer reputation.

Thank You



thank you

