



It's personal – and that's official

**Customer experience without
the human touch is a business loser**

A research note from Yonder Group, February 2017

Many organisations are investing in the latest technology and automation tools to manage their customers' experience. As is so often the case, general management are greatly attracted by automation which promises to radically reduce the cost of customer service and experience management. The only problem is that customers still want to speak to a real person in certain circumstances.

The original research in this short paper offers independent evidence that not being able to speak with a real person not only leaves customers dissatisfied, but actually causes them to defect. By the same token, having access to the full range of communications channels – automated and human – to resolve their queries, encourages customers to stay loyal and even increase their spending.

This short research note concludes that best practice organisations take the trouble to really understand their 'customer journeys', identify where automated systems and live agents respectively make the commercial difference, and create smart strategies to deliver excellent customer experience (CX) management

Managing the Customer Experience (CX)

Many companies would tell you that they manage their customers' experience well, yet few of those can provide evidence that they manage those customer or client experiences through a systematic, intelligent and proactive approach. Even fewer will be able to point to hard underlying commercial metrics in their customer experience management methodology. And the absolute minority will be able to prove that the starting point for their methodology was an in-depth analysis of customer behaviours and types.

Typically, responsibility for customer experience management is split amongst different in-house



teams or lines of business, and there is rarely a coordinated method of managing it. This is not to denigrate the work of individual teams and management who are often delivering pockets of excellence. What is lacking is often a company-wide, brand-wide over-arching approach that is very much needed for the strategic management of customers and their experience. Where best practice does exist, it takes the form of an analytics-based understanding of the customer journey, a rigorous approach, a clear methodology and measurable KPI structure which systematically tracks, measures and manages the customer experience. This way of working actively develops customer behaviours that make a commercial difference.

Measuring CX Success

The customer experience is not, after all, simply a matter of the feel-good factor or some vague notion of 'customer satisfaction'. Good customer experience positively affects sales and revenues. One analyst finds that 60% of consumers have not completed an intended purchase based on a poor customer service experience¹; and another notes that 52% of consumers have switched providers in the last year due to a poor customer experience².

Organisations therefore need a robust methodology for creating, measuring and managing customer experiences – one that starts by analysing the customer journey and how different customer experiences affect actual customer behaviour and real commercial outcomes – then develops strategies to create customer experiences that deliver real, measurable, bottom-line results.

Automation is Not the Silver Bullet

Failure by many marketers to create such robust methods has led to a level of board scepticism about the return on investment from customer experience management – except, of course, amongst those companies who are reaping high commercial gain and competitive advantage from their customer experience excellence. Also, many main boards (not themselves modern marketers)

wish to believe that the whole process of customer experience management can be automated. These company directors, desperate to believe in silver bullet solutions, are prepared to invest in the latest technological development, rather than (astonishingly) take a dispassionate, analytical view of what provably affects customer behaviour, delight and satisfaction. Automated methods – chatbots, artificial intelligence, etc. – are extremely potent and, in the right context, are delivering excellent value. Yet rarely, if ever, does total automation fulfil all of a customer's requirements. In fact, it usually at the most crucial tipping points in a customer experience (a complaint, a non-standard enquiry, an escalation of a query) that being able to reach a real person is most valued.

The Commercial Importance of Real People – the Research

This short research note has gathered data from UK consumers³ on their likely actions if (when they really need to) they cannot get through to a capable and well-informed customer service agent in order to progress and resolve their query.

Clearly, these independently researched statistics show that being able to get through

I tend to stay more loyal and increase my business with companies who offer **a real person to talk to** when I need it. **87%**

I tend to stay more loyal and increase my business with companies who offer **a choice of ways of getting in touch with them.** **84%**

I tend to stay more loyal and increase my business with companies who resolve my queries and enquiries quickly and effectively, however I get in touch with them. **92%**

If I can't get through to **a real person** when I have a query with a company, I tend to **take my business elsewhere.** **69%**

If my queries aren't answered quickly and effectively by a company, I tend to **take my business elsewhere.** **81%**

to a live, intelligent, informed person is just as important as having a choice of channels through which to reach a company. Most importantly, this is not simply a matter of customers being happier and more satisfied when they have channel choice including a live person – it actually affects their commercial behaviour, making them more likely to stay as a customer and to increase their business with the supplier. That means customer experience management can demonstrate hard return on investment. Retention/defection levels are something that can be measured and monitored. The same is true for incremental customer value over time, and whether it is rising or falling. The art of good customer management is to analyse behaviour, spot customer journeys that lead to upward revenue and profit trends, and create intelligent strategies to encourage those trends. Just as clearly, the downside of poor customer experience management is demonstrated in these statistics, with almost seven in every ten respondents saying they take their business elsewhere if the option of a live agent is not available when they need it.

Commentators on customer experience management are often at pains to point out distinct behavioural differences between each age group, contrasting millennials with Generation X and Y, and baby boomers. However, a glance at the age bands breaks in this latest data strongly emphasize that being able to get hold of a real person when needed is of broadly equal priority whether someone is eighteen or eighty. When margin of error is taken into account, the variations on this issue between age bands is absolutely minimal, including the seven-in-ten who defect if they can't reach a live agent.

Conclusions – Automation and People Make a Powerful Combination

This research note is by no means a rejection of automated customer management. In fact, automation of more standard customer queries and requirements is evidently showing its value in many consumer-facing businesses at this very moment. However, in almost every customer journey, there comes a point where there is no substitute for talking to a real person, especially over issues that need particular diplomacy, people management skills or negotiating decisions. The few practitioners who are getting this process right today have invested in really understanding the points on their customers' experiences where only a real person can resolve a situation, encourage a purchase, or retain a valued customer.

NOTES

1. Source: BI Intelligence
2. Source: Accenture
3. Fieldwork carried out on behalf of Yonder by MindMetre Research (www.mindmetreresearch.com). Research pool = 2,000 UK consumers; national representation by age, gender, region and social group; research period – January 2017

