The Science of "WOW"

A study in creating viral customer experience

The Belding Group
of Companies
The Evolution of Workplace Performance
Customer Service. Customer Experience. Leadership

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Introduction

The Rise of Customer Service

Customer Service has become increasingly more important over the last decade. Advances in technology have diminished the relative importance of price, location and convenience in purchase decisions. Apps, automation and self-serve solutions have significantly accelerated the speed and ease of doing business. Beyond product and service-specific distinctions, customer service has become the last competitive differentiator for organizations.

The Quest for WOW

One of the recurring themes with organizations trying to improve customer service is the search for "Wow" experiences. These are the memorable experiences that create positive word-of-mouth, and have the potential of spreading rapidly through social media.

There are mixed theories on the types of behaviours and actions required to create Wow experiences. Some theories, such as the one presented in The Harvard Business Review by Dixon, Freeman and Tollman ("Stop Trying To Delight Your Customers, 2010"), even suggest that trying to "delight" customers is not a productive goal. They suggest that greater customer loyalty will be gained by focusing on reduced customer effort.

Intuitively, however, there is a distinction between what one would call a "Wow" experience and a low-effort experience as suggested by Dixon. Similarly, "satisfactory" experiences, as measured in CSAT surveys; or "likely to recommend" experiences, as measured with the NPS model are not necessarily those that wow consumers.

So, what does it take to get customers talking about us?

What is "WOW?"

A Meaningful Definition

The term "Wow" remains loosely defined as it relates to customer experience. For this study, we chose to define a "Wow" experience as a customer experience that was top-of-mind. It is an experience that people will think of first when in a discussion about a customer experience, and one that they feel will be interesting to others.

Positive "Wow" and Negative "Wow"

Because top-of-mind customer experiences can be either memorably good or memorably poor, we chose to look at both spectrums. (They are, it can be argued, both in the "Wow" category, although the latter "Wow" might be uttered with a face-palm gesture.)

> *"A WOW customer experience is one that people will think of first when in a discussion about a customer experience, and one that they feel will be interesting to others."*

The Goal of this Research

The purpose of the study was to identify commonalities as to what people considered to be Wow experiences. We reviewed the relative importance of people, product, price, policies and process in creating Wow experiences. We quantified the specific attributes of positive and negative experiences.

The ultimate goal was to provide organizations a clear and actionable picture of what they need to do to differentiate themselves with World-Class customer experience.

Methodology

Preliminary Development

Over a period of six months, 340 respondents were asked to recall a top-of-mind memorable customer experience at the beginning of a customer service training class. They were told that it could be either a positive or negative experience, and given no further parameters. Facilitators listened to the experiences, and noted common underlying themes and patterns. These themes and patterns formed the foundation for the more formal study.

Formal Study

The formal study was conducted over a period of two years, with 920 respondents in seven North American and Asian/South Pacific countries. Participants were asked to recall a memorable customer experience. They were told that it could be either a positive or negative experience, and were given no further parameters.

After sharing the experiences, participants completed a questionnaire to document the nature of the experience and core elements involved. Participants could enter multiple answers to each question, and they were given the opportunity to record additional considerations that did not fall into the category options presented.

Highlights

There were four dominant findings from the study:

1. It's all about people

Although customer experience is influenced by many factors, including people, processes, policies and organizational practices, "Wow" experiences are created by people.

2. Customers value employee ownership

The primary driver of "Wow" experiences are employees taking ownership of situations. Conversely, the primary driver of negative "Wow" experiences happens when employees are perceived to be unwilling or unable to take ownership of a situation.

3. Recovery creates conversation (in a good way)

Customers are likely to have a "Wow" experience when an employee takes ownership, and effectively turns a negative experience into a more positive outcome.

4. Not caring creates conversation (in a bad way)

Customers are most likely to have a negative "Wow" experience when they perceive that the employees they are dealing with do not care or aren't trying.
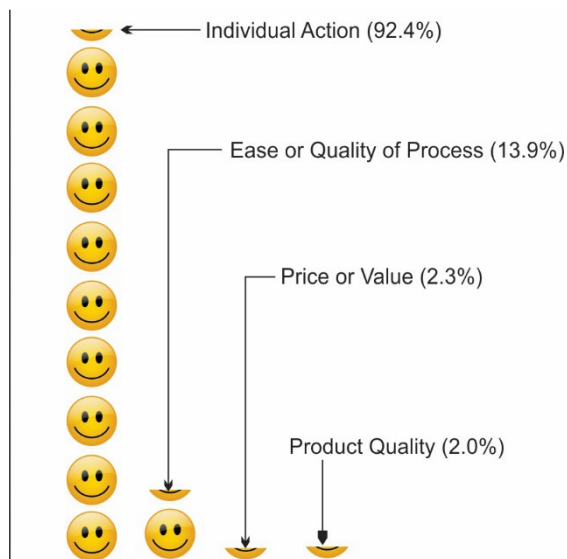
By the Numbers

POSITIVE VS. NEGATIVE EXPERIENCES

Top-of-Mind Experience

In 61.4% of cases, the "Wow" experience respondents chose to share was a positive experience. This is interesting, because it is a common belief that people are more likely to share negative experiences.

Negative Experience 39%

Positive Experience 61%

Individual Action (92.4%)

Ease or Quality of Process (13.9%)

Price or Value (2.3%)

Product Quality (2.0%)

POSITIVE VS. NEGATIVE EXPERIENCES

92.4% of "Wow" experiences were related to an employees' actions or behaviours

By the Numbers

FOR THOSE EXPERIENCES IDENTIFIED AS BEING POSITIVE

☺ 86.7% were categorized as employees taking ownership over a situation

☺ 71.5% were categorized as an initially negative situation being turned into a positive experience

☺ 17.6% were categorized as employees using creative solutions

WHAT CREATED THE POSITIVE EXPERIENCE?
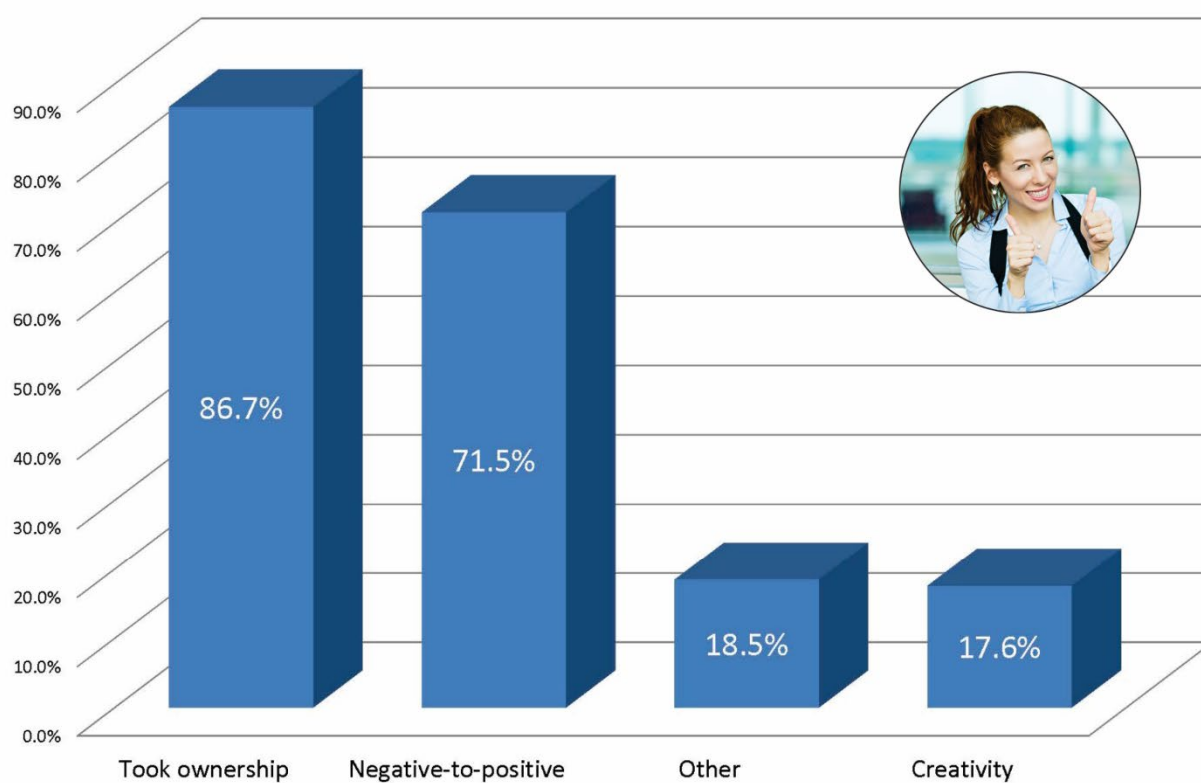
By the Numbers

FOR THOSE EXPERIENCES IDENTIFIED AS BEING NEGATIVE

☹ 93% were categorized as employees not taking ownership over a situation

☹ 82% were categorized as employees not caring

☹ 29.8% were categorized employees being rude

WHAT CREATED THE NEGATIVE EXPERIENCE?

Category	Value
Absense of Ownership	93.0%
Didn't Care	82.6%
Rudeness	28.7%
Other	8.2%
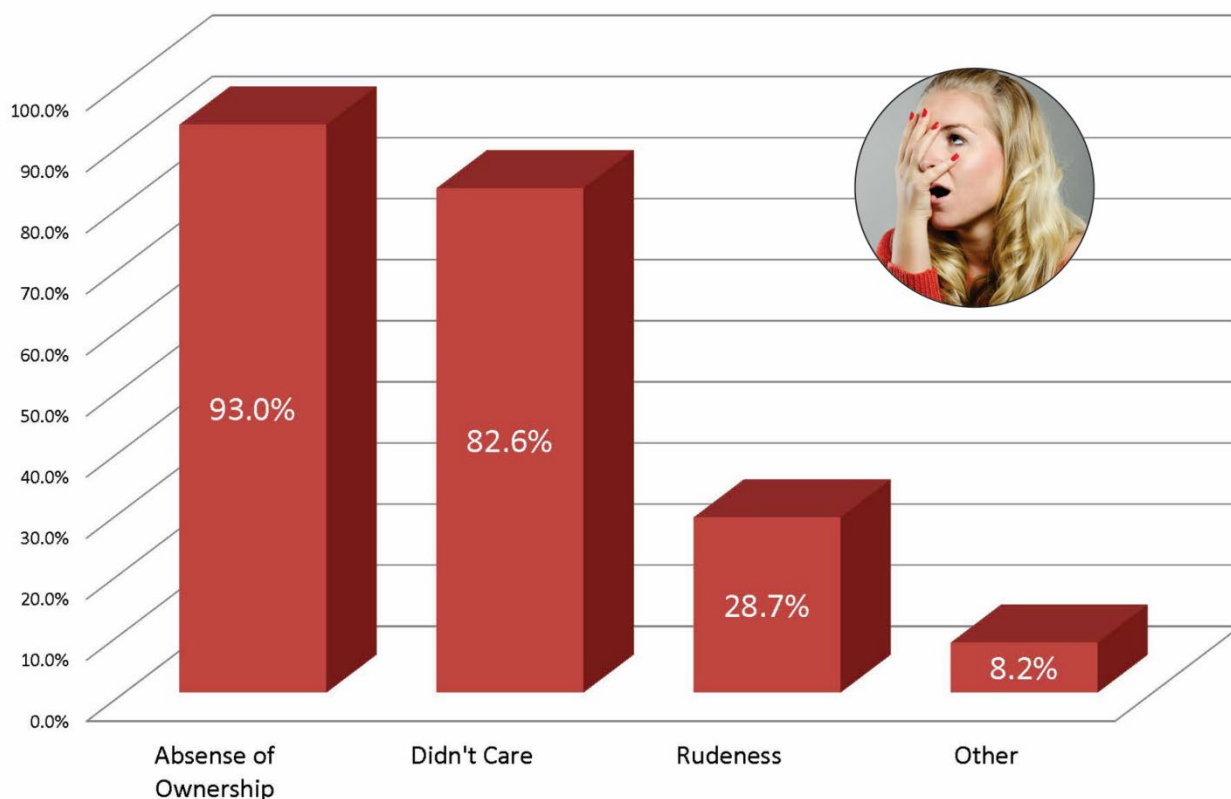
Conclusions

"Wow" Experiences are Created by People

"Wow" experiences are created by people. While processes, policies and practices may have a strong influence in overall loyalty as suggested by the Dixon research, they are not the elements that create memorable moments that are likely to be shared between individuals.

Service failure is a significant breeding ground for "Wow" experiences. Although the theory of the Service Recovery Paradox[1] has been called into question in recent years, this study shows that the ability to turn negative situations into positive outcomes still plays a critical role for organizations. Over seven out of every ten "Wow" experiences – experiences that people are likely to share – began as negative situations.

These results point to clear and actionable direction for organizations who want to differentiate themselves through outstanding customer experience.

[1] The Service Recovery Paradox, (Hart, Heskett, and Sasser 1990), suggests that recovering from a service failure can "create more goodwill than if things had gone smoothly in the first place"

Applying
The Science of "WOW" Customer Experience
to Your Organization

The 20 Strategies for Achieving WOW

Creating a Culture of WOW

The Science of "Wow" research points to three core strategies for organizations, and three critical attributes for employees:

ORGANIZATIONS

Companies looking to increase the "Wow" experiences their customers receive should:

1. Encourage and facilitate employee ownership over customer interactions

2. Enable fast and positive reaction to service failures

3. Empower employees to make decisions that create positive customer experiences

INDIVIDUAL

Employees need to have the following attributes:

1. <u>Caring About Customers</u>

   This includes an interest in individual customers' needs, empathy toward customers' situations, and the skill to convey this understanding and empathy to their customers.

2. <u>Committed</u>

   This involves a single-minded interest in ensuring customer satisfaction, and a willingness to set customers' needs as a priority.

3. <u>Solution-driven</u>

   This involves creativity, and the willingness and ability to find solutions beyond traditional protocols and processes.

Core Organizational Strategies

Facilitate Employee Ownership of Customer Interactions

1. Establish KPIs around customer satisfaction that *take priority over operational and financial KPIs*

2. Create *continual internal messaging* about creating positive customer experiences

3. Provide *ongoing training for managers* on how to coach and motivate their teams

4. Develop employee questioning and listening skills, emphasizing the importance of understanding individual customer's needs.

5. Nurture employee empathy toward customers' situations, and provide the skills to effectively convey this to customers.

6. Encourage a single-minded interest in ensuring customer satisfaction, and a willingness to set customers' needs as a priority.

7. Establish and communicate clear, meaningful customer service standards, including measurable behavioural expectations

8. Continually capture anecdotal customer experiences

9. Recognize employees who are consistently customer-focused

Core Organizational Strategies

Enable fast and positive reaction to service failures

1. Closely monitor social media and incoming customer correspondence.

2. Track service failures to identify processes and practices that can be improved.

3. Establish clear protocols and processes for *fast response* to service failures.

4. Establish an effective, consistent and responsive escalation process

5. Train employees to positively deal with service failures and unsatisfied customers.

6. Measure the effectiveness of service failure response strategies.

Core Organizational Strategies

Empower employees to make decisions that create positive customer experiences

1. Clearly communicate the level of empowerment given to employees

2. Revisit internal policies and processes that send mixed messages regarding empowerment

3. Create risk-free autonomy for employees to make decisions as to what is right for customers

4. Recognize employees who employ non-traditional solutions to situations

5. Nurture creativity and innovation skills

About The Belding Group of Companies

The Belding Group helps companies around the world create better customer experiences and workplace cultures.

Our award-winning training division, Belding Training, designs and delivers highly-effective, customized training in customer service, leadership and workplace relations.

Our consulting division gives you deep organizational insights and strategies to create unshakeable customer loyalty, a more engaged and productive workforce, and an outstanding workplace culture.

Contact us today to find out what The Belding Group can do to help your organization succeed. We would love to hear from you!

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