# Service Agents:
## The Success Ambassadors We Need
### A TSC Research Summary

The concept of customer success dictates that we get closer to our customers and understand what drives their success. From that, we can infer how the products and services that we deliver or don't yet deliver can support customer success. Its not just the purchase of the product or service that becomes relevant, it's the use of the actual product or service and the value derived that is vital in determining customer success.

Front-line service personnel are ideal customer success agents, perhaps without the official title. In their conversations with customers, they can identify all of the major pain points and offer solution paths. If these personnel are allowed to build a relationship with the customer they can also identify additional solutions to solve customer problems. They don't need to be focused on the problem at hand. Yet, most organizations treat front-line personnel, in the field or in the back-end support center, as transaction closers. Therefore, they aren't afforded the opportunity to learn more about their customers' challenges and pain points even though they are most likely to be trusted in the eyes of the customer.

## SERVICE SUCCESS
Good customer service is essential to improving customer retention and overall revenue. Service isn't the only factor that customers weigh in their renewal and purchase decisions, but it is a vital factor. Poor service typically leads to customer attrition. Basic service is no longer a differentiator and is basically considered table stakes given the plethora of options available. Organizations now need to differentiate on the levels of premium service that they provide. This is why there is a lot of discussion on the concept of customer success.

There has been a lot of research on the importance of good service. In The Service Council's own 2015 research of 175 manufacturing and service organizations on the topic, the following were the most pertinent findings:

## Key Data Points:

1. **#1** Poor customer service is rated as the top reason for customer dissatisfaction

2. **71%** of customers rate personnel professionalism to be 'extremely' or 'very' important in evaluating field service performance.

3. **45%** of customers identify a service provider based on a recommendation from a friend or family member.

4. **73%** of organizations reporting an increase in customer satisfaction state that the improvement was due to an increased focus on front-line personnel.

## Actions Prioritized:
Front-line service professionals should be treated as customer ambassadors. To use them solely as issue resolvers doesn't take into account the rapport that they are able to build with customers. This rapport has significant business ramifications.

To convert service agents into customer ambassadors, organizations must:
1- **Deepen** their understanding of customer needs for proper segmentation
2- **Hire** Ambassadors and continue to **Train** for Customer-Centricity
3- **Recognize** Customer-Centric Performance
4- **Remove** Obstacles with Process Improvements and Technology Investments

- **52%** of organizations indicated that **poor customer service** was the **top reason** for **customer dissatisfaction**
- **Poor customer service** was also identified as **one of the top two reasons** for **customer churn** (along with competitive pricing)

These findings show that poor customer service is not a strategy for success, unless you're in a business that doesn't like retaining customers. Satisfied customers don't only continue to spend on products and services, they typically bring in new revenue via referrals and more (Chart 1).

There are many levels of good customer service. In addition, good customer service is broken into many components. Therefore, it's not sufficient to just be the fastest or the cheapest, but its essential to be able to package all of the criteria into a service delivery system. In asking organizations about attributes that impacted customer satisfaction positively, the following were the top answers:
- Quality and reliability
- Speed of service
- Effectiveness of service
- Ease of doing business
- Attributes of service personnel

Therefore, the fastest service provider might not be the best service provider if he/she doesn't pay attention to reliability, effectiveness, or experience. And the difference between ok and good can be quite significant. According to TSC's 2015 research, those customers that were 'very' or 'extremely' satisfied not only supported a longer relationship (12 years, on average) with the servicing organization compared to those that are dissatisfied (3 years, on average), but also remained customers much longer than those that were just plain satisfied (9 years, on average). These extremely satisfied customers also supported a greater volume of referrals to other prospects when compared to those that were just satisfied.

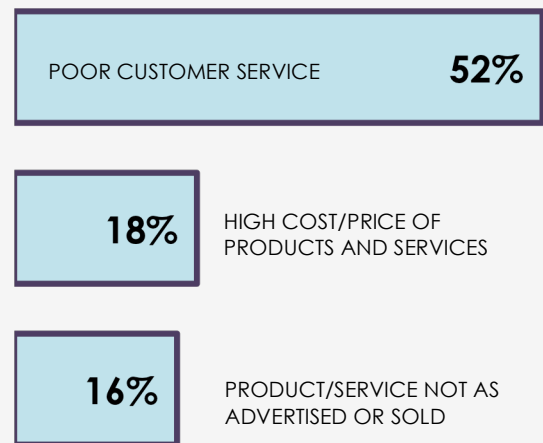## Chart 1: Satisfying Customers = Sound Strategy

| The Importance of Satisfied Customers | Average Rank |
|---|---|
| They continue to spend of products and services | 1 |
| The increase their spend on products and services | 2 |
| They bring in new customers and prospects | 3 |
| They promote our organization's brand | 4 |

*TSC Data 2015*

In TSC's 2015 service revenue research, organizations indicated that 35-37% of total revenue was driven by service-related sales. This did not account for service-impacted sales in the form of renewals, upsells, or referrals that could amount to 30-40% of total revenue.

New service sales and renewals are also identified as the areas of greatest opportunity when it comes to overall revenue growth. These opportunities only present themselves if the customer is satisfied with the level of service that they are receiving.

## Chart 2: Top Reasons for Dissatisfaction

| POOR CUSTOMER SERVICE | **52%** |
|---|---|

| **18%** | HIGH COST/PRICE OF PRODUCTS AND SERVICES |
|---|---|

| **16%** | PRODUCT/SERVICE NOT AS ADVERTISED OR SOLD |
|---|---|

Percentage of Respondents. TSC Data 2015

## THE FRONT LINES OF SERVICE DELIVERY

Nearly 40% of the organizations polled by TSC indicated that their CSAT scores had improved over the course of the previous three years. The reasons for improvement are as follows:
- Quality of service had improved
- Service was more personalized
- Ease of doing business had improved
- Accessibility of service had increased

These improvements had been enabled as a result of internal changes made by service organizations (See Chart 3). The most significant change was tied to front-line personnel. These personnel, in the field, in dispatch, or in the contact center, are the essential link between the customer and the servicing organization. They have always been the essential link, its just that organizations are finally beginning to realize the impact that front-line personnel can have on customer experience.

Not only can these personnel establish a deeper relationship with customers, they can also take a greater stake in
- Understanding customer pain points
- Gathering customer feedback
- Identifying opportunities of value delivery
- Communicating the value of the service relationship
- Advising customers on additional services that can generate value and support success

To accomplish this, front-line service personnel need to be seen as customer ambassadors and not just as issue fixers. While it is essential that they effectively solve customer issues when and if they arise, it's also vital that they be given the ability and resources to work with customers to ensure greater success. To that end, these front-line agents become sources of data, information, and insight that can offer invaluable guidance to the servicing organization on steps that need to be taken to solve customer challenges.

### Chart 3: CSAT Improvement

| Improvement Due to Change In | Percentage of Respondents |
|---|---|
| Personnel – Customer-Facing | 73% |
| Internal Business Operations | 62% |
| Customer Handling Processes | 61% |
| Leadership | 50% |
| Customer Outreach and Communication | 48% |

TSC Data 2016

In developing success ambassadors it is extremely important to understand that the customer impacted by the service relationship and the eventual buyer of products and services might be two separate entities. Each of these individuals or teams has different success criteria. Front-line success ambassadors are most likely to be in contact with actual customers, who in turn influence the buying or renewal decision made by buyers.

To the eventual customer, the biggest factors of evaluation are tied to quality of service, personalization of service, ease of doing business, and accessibility of service personnel. For buyers, who quite often represent executive leadership, the following areas are those that are in demand
1- Information Access – Portals into Asset and Service Performance
2- Pricing – Lower Cost Contracts
3- Information Access – Self-Service Information and Knowledge
4- Services – Remote Monitoring and Diagnostics
5- Speed of Service – Improved Response Times
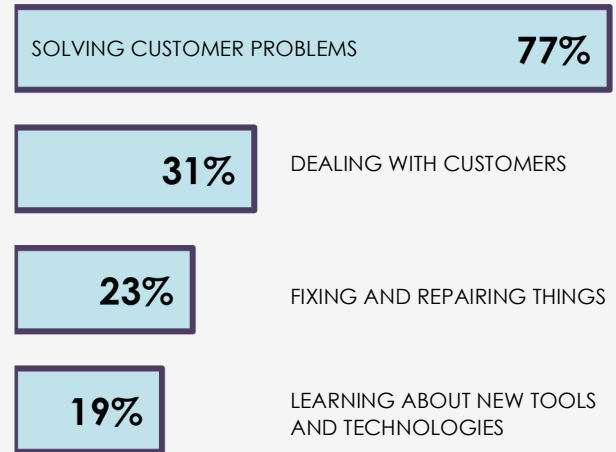6- Pricing – Consolidated Terms across Facilities or Pieces of Equipment

## The Employee's Perspective

In highlighting areas where employees take a greater stake, its essential that organizations don't covert their service agents into sales agents. These front-line ambassadors should have the ability to support sales transactions if they fit customer needs, but selling must not be their objective. Their objective must be to add more value to customers at the point of customer connection. If value is tied to a quick response, then that is what needs to be done. If value is tied to additional recommendations, then that is what is appropriate. Any endeavor to convert front-line service personnel into revenue carrying sales personnel will fail, if the service personnel don't care about and communicate customer value. If value or customer success initiatives are just thinly veiled attempts to sell, then these initiatives are bound to be unsuccessful.

Front-line employees value the ability to connect with and guide their customers. In 2016 research, where TSC directly interviewed field service technicians, nearly 80% indicated that the best part of their day involved solving customer problems (Chart 4). Another 30% indicated that meeting and dealing with customers was what they looked forward to the most in their day-to-day activities. In summary, one technician stated "*our profession summarized is: 90% customer service 10% fixing appliances*".

For contact center employees, the same can be said. In Deloitte's 2015 Global Contact Center survey[1], 85% of reporting organizations surveyed indicated that the customer experience provided through the contact center was a competitive differentiator. One-half of the respondents indicated that the contact center played a primary role in customer retention. In supporting customers, the engagement of front-line employees played a vital role. According to Gallup organization research[2], an improvement in worker engagement of 5-10% can create 1227 to 2454 more available call minutes per agent per year. Higher engagement numbers were also tied to much lower turnover numbers, creating the opportunity for a more consistent connection with customers.

## Chart 4: The Best Part of Field Service

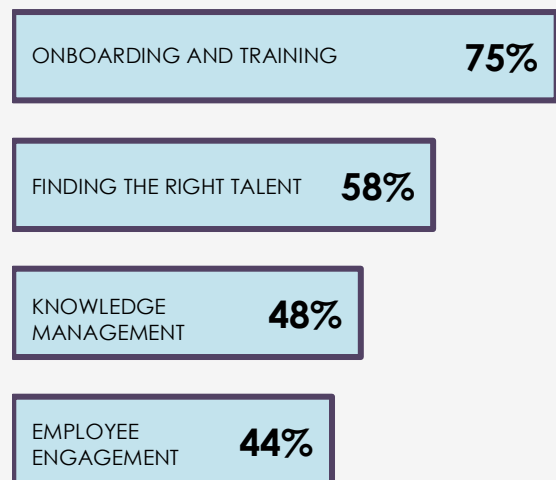| | |
|---|---|
| SOLVING CUSTOMER PROBLEMS | **77%** |
| **31%** | DEALING WITH CUSTOMERS |
| **23%** | FIXING AND REPAIRING THINGS |
| **19%** | LEARNING ABOUT NEW TOOLS AND TECHNOLOGIES |

Percentage of Respondents. TSC Data 2016

Field service technicians like to work and connect with customers. They would prefer that a greater amount od their day was spent in front of customers as opposed to behind a clipboard filling out forms.

From a broader talent perspective, service organizations are spending a significant amount of time on talent strategy that doesn't only revolve around training, but also focuses on hiring, knowledge retention, and employee engagement.

## Chart 4: Focus Areas to Enhance Service Talent

| | |
|---|---|
| ONBOARDING AND TRAINING | **75%** |
| FINDING THE RIGHT TALENT | **58%** |
| KNOWLEDGE MANAGEMENT | **48%** |
| EMPLOYEE ENGAGEMENT | **44%** |

Percentage of Respondents. TSC Data 2016

## The Customer's Perspective

Service customers are quite open to the idea of being assisted in their service interactions. For the most part, assistance must come in the context of an effective service visit. The most charming or helpful service employee wont have the desired impact if he/she is unable to solve the customer's issue or problem.
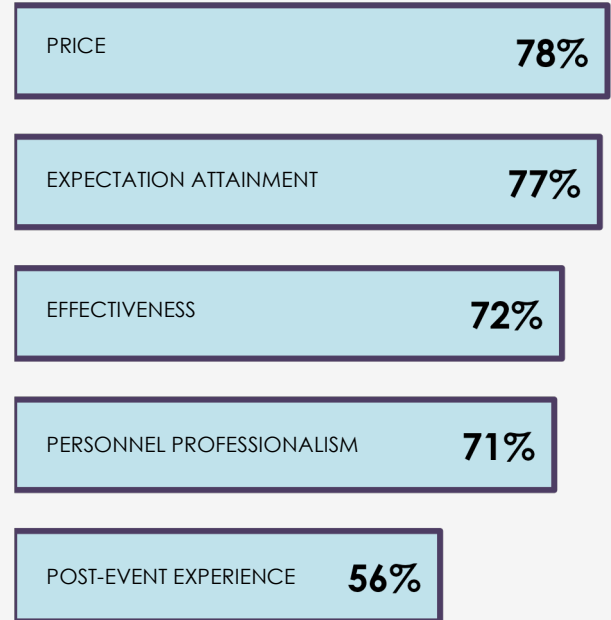
In January 2016, TSC interviewed 650 field service customers across North America tied to their recent field service experiences. In addition to comments about the effectiveness of service work, survey respondents openly discussed the role that field service agents made in purchase and recommendation decisions.

For instance, 65% of respondents indicated that their field service agents gave them advice on the use of their purchased products and services. Another 12% indicated that they wish that they had received advice. The delivery of advice had a discernable impact on overall field service experience scores. Those customers who received advice rated their field service experience as a 4.26 on a 1-5 scale (1-Poor, 5-Excellent) compared to a 3.74 score for those who did not receive advice.

In addition to advice, 58% of respondents indicated that their field service agents made additional recommendations following their service visits. Most of that group (53% of the entire population) appreciated the gesture and a third of the entire group actually made a follow-on purchase based on the advice. Of those that did not receive a recommendation (42% of the entire population), more than one-half indicated that they would have trusted their field service agent's recommendation, had one been made.

Overall, 71% of customers highlighted personnel professionalism to be 'very' or 'extremely' important in their evaluation of field service performance. When professionalism was paired with effectiveness and competitive pricing, customers were more than happy to have their field service agents approach them with additional opportunities of value.

## Chart 5: Evaluating Service Performance

| | |
|---|---|
| PRICE | **78%** |
| EXPECTATION ATTAINMENT | **77%** |
| EFFECTIVENESS | **72%** |
| PERSONNEL PROFESSIONALISM | **71%** |
| POST-EVENT EXPERIENCE | **56%** |

Percentage of Respondents. Who Indicate Factor is 'Extremely' or 'Very' Important TSC Data 2016

Chart 5 outlines how customers evaluate a field service visit, once its completed. Its important to consider the link between the end of a service experience and the beginning of another set of service experiences, i.e. the retention or referral cycles. In selecting a handful of service providers for a particular task, consumers primarily rely on recommendations or online reviews. Some also work with their local service providers. In the ultimate selection of the final service providers, consumers prioritize the following factors:
1- Price
2- Reputation
3- Guarantee of Quality of Work
4- Ratings

Bullets 2 and 4 are directly based on feedback from other consumers, whether through word-of-mouth or online ratings. The likelihood of a field service customer making a recommendation, either in conversation or in a public forum, nearly doubles if the service organization has two-levels of follow up post-event

## BECOMING AMBASSADORS

In H1 2016, enterprise-level service organizations polled by The Service Council received thousands of new service requests on average. 75% of these requests were handled on the phone or via live channels. 59% of service requests (69% for mfg) required a field service visit of sorts. All of these touch points served as opportunities for responding service organizations to establish deeper relationships with their customers. That said going from an organization that solely values productivity to one that emphasizes relationships is not easy. The following steps are typical areas of focus for the most customer-centric organizations:

**Know Your Customers.** Not all customers want premium treatment. An effort to delight will only yield marginal results as these customers may only value speed and cost. Its vital that organizations stratify their customers in value segments and dedicate the necessary resources to deliver that value.

**Hire Ambassadors and Train for Customer-Centricity.** In TSC's 2015 research on service workforce management, responding organizations indicated that they were adapting hiring practices to prioritize customer-centric skills and behavioral attributes in their front line employees. This was a major shift as past research had indicated a priority placed on technical and mechanical skills. More so, organizations indicated an increased emphasis on training front-line employees on diagnosing customer issues and evaluating customer context prior to following traditional response scripts. The intent of this training was to eliminate a robotic response to customer queries and to foster a greater understanding of customer frustrations in order to drive empathy and support.

**Recognize Customer-Centric Performance.** Performance metrics must be re-organized to measure and reward customer-centricity. Traditional activity-based metrics need to be balanced with customer-focused metrics. A perfect example of this exists in the call center where traditional call handling metrics are being paired with repeat contact rate metrics to ensure customer satisfaction. In field service, effectiveness and experience metrics are being added to balanced scorecards to support traditional productivity-based metrics. Since metrics drive employee activity, it is essential that organizations establish a clearer picture of the long-term impact that a service employee has on a customer relationship.

**Remove the Obstacles.** When interviewing front-line service employees, TSC found that the removal of administrative and other obstacles was seen as a primary means to improve a day in the life. The removal of obstacles is primarily achieved by changes in policy and an investment in technology. Most organizations currently invest in service technology to react and respond. They must prioritize the investment in solutions that enable them to resolve service issues and build customer relationships.

## SUMMARY

Ensuring customer success is an organization-wide responsibility. Yet, someone has to lead the discussion with the customer. Who better than the person who is actually in front of the customer the most? TSC isn't arguing that you shouldn't have a dedicated team focused on customer success. The argument is that if you are invested in the idea of customer success, then your front-line support agents need to be a key part of that philosophy.

1 – Deloitte 2015 Global Contact Center Survey: http://www2.deloitte.com/us/en/pages/operations/articles/2015-global-contact-center-survey-results.html

2 – Gallup Organization Research; Oct 2015 http://www.gallup.com/businessjournal/19087/creating-employeecentric-call-center.aspx

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