



THE CUSTOMER EXPERIENCE GAME CHANGER – EMPATHY & RAPPORT

A crucial capability in today's social media centric market



SUMMARY

With Australian consumer loyalty and trust retreating in recent years, now more than ever, it's critical that businesses deliver customer focused high quality service strategies. Getting back to basics by developing authentic trust and rapport, utilising the forgotten art of empathy, and intelligently identifying customer needs will ensure you drive NPS growth, retain customers and ultimately drive profits.

We discuss some of the research and trends around corporate trust and loyalty. The key elements of building trust, rapport and empathy. Then finally the options available to build these capabilities.

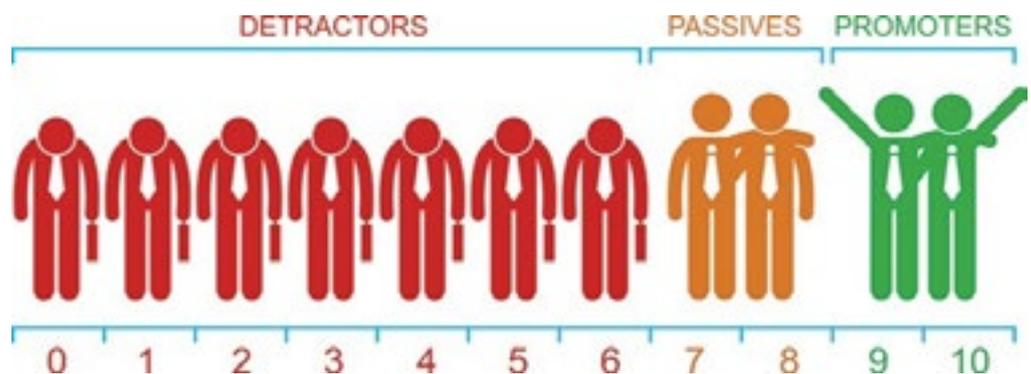
LEVERAGING YOUR LOYALTY

We all know that loyalty amongst your customers is good for business. Why? They tell their friends, family and colleagues about their positive experiences, they're less costly to service and retain, and they're willing to pay higher prices for quality service and products. Global statistics also reveal that companies with greater levels of customer loyalty also enjoy superior sales and profit growth than their competitors.

If your business relies on customer service, then you should be familiar with the Net Promoter Score - or NPS – which is the customer loyalty metric developed over a decade ago, and used by a vast number of organisations globally. As an indicator of growth and success, NPS is an effective method of measuring how effective your customer service strategy is.

Your Net Promoter Score is calculated using the answer to a single "ultimate" question, using a 0-10 scale: "How likely is it that you would recommend this company to a friend or colleague?"

Customers who give you a rating of 9 or 10 on a scale of 0 to 10 are considered Promoters. These are loyal enthusiasts who promote you and stimulate business. Customers who give you a rating of 7 or 8 are Passive customers, and these are vulnerable to attractive competitive deals. Whilst they are not dissatisfied, they do not factor into the NPS score. Lastly, any customers who provide you a rating of 6 or lower are considered your Detractors. They are unhappy, and can damage your brand and reputation by not spending with you, and by sharing their negative experiences.



The Net Promoter Score is the percentage of Promoters minus the percentage of Detractors, and it can range anywhere from -100 to 100.

Companies use their NPS to gain insight into their customer satisfaction, and can drive change, improvement, and stimulation to convert Passive and Detractor customers into Promoters.

AUSTRALIA'S LACK OF LOYALTY

Multiple statistics reveal that Australian customers are becoming increasingly disloyal to an array of industries. A recent study showed that amongst the lowest performing industries are Banking, Private Health and Property Insurance.

While these statistics may be surprising, there are a number of Australian organisations that consistently deliver high levels of superior customer service. While their strategies are unique to each business, all approach their customer service with the same ethos. That ethos includes three powerful and non-negotiable customer-focused devices, and highly effective sales professionals consistently deliver these skills:

1. They build **trust and rapport** with every client
2. They use **empathy** to understand how customers feel
3. They intelligently **identify customer needs**

TO TRUST OR NOT TO TRUST?

Trust and rapport are crucial for any relationship – personal or business – as they pave the way for understanding, appreciation and respect.

Surprisingly though, human beings are a skeptical bunch!

A CBS/New York Times poll asked, "What percentage of people in general are trustworthy?" The answer was 30%. Interestingly, the same poll asked a similar group of participants, "What percentage of people that you know are trustworthy?" This time around, the answer was 70%.

This remarkable difference illustrates that when people get to know you and like you by developing a sense of rapport, the chances are that they will begin to trust you.

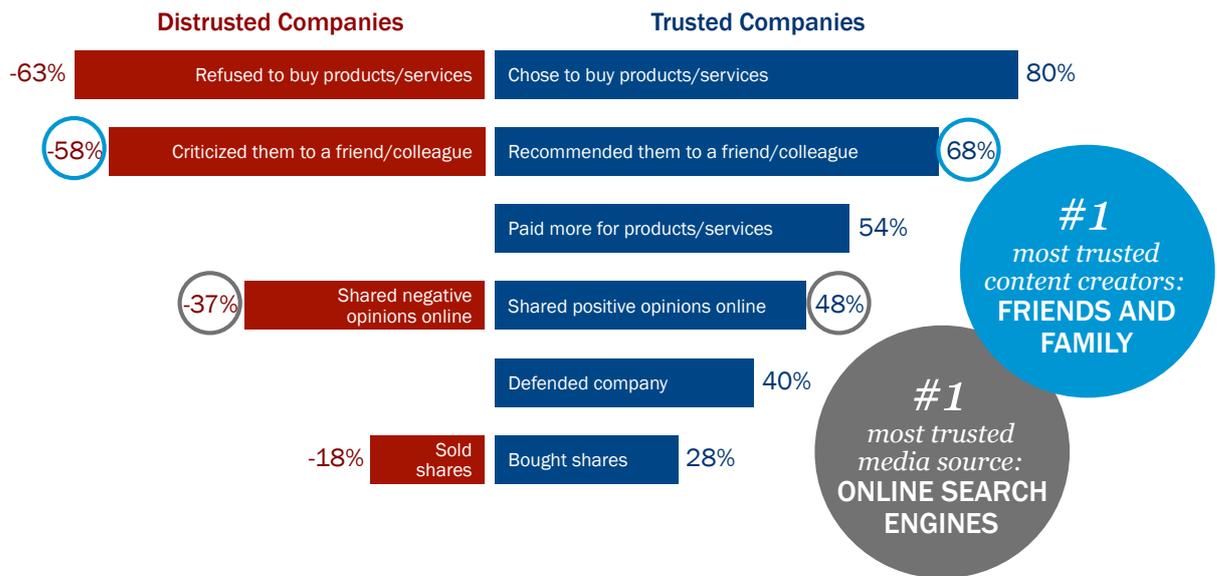
Your ability to gain trust from your customers is crucial, but locally in Australia, The Edelman Trust Barometer Report 2015 has revealed some alarming statistics. For the first time since the 2009 Global Financial Crisis, trust in business has dipped below our trust in the Australian government. While trust in the Government fell 7% from 56% to 49%, trust in Australian business plummeted 11% from 59% to 48%. If you're in business, these figures could very well be damaging to your brand, profits and overall success.

THE DECLINE OF TRUST IN AUSTRALIA

The Edelman Trust Barometer Report also revealed some further fascinating results: 57% of consumers refuse to purchase products or services from companies they don't trust, while 49% will openly criticise them to friends or colleagues, with 25% sharing negative opinions online.

In contrast, when consumers trust a company, 76% will likely purchase products or services, 59% will recommend them to a friend or colleague, and astonishingly, 50% will pay more for products and services.

TRUST IN INNOVATION MATTERS BEHAVIOR BASED ON TRUST



Q371-376. Thinking back over the past 12 months, have you taken any of the following actions in relation to companies that you trust? Please answer yes or no to each action. Informed Publics, 27-country global total. Q377-380. Still thinking about the past 12 months, have you taken any of the following actions in relation to companies that you do not trust? Please answer yes or no to each action. Informed Publics, 27-country global total.



Source: 2015 Edelman Trust Barometer Report

As trust in your company will ultimately affect your success and profits, the above results may persuade you to re-think your customer service strategy, and a key component in that strategy is developing the art of rapport and trust.

**BEFORE YOUR
CUSTOMERS TRUST YOU,
YOU NEED TO BUILD
RAPPORT WITH THEM**

Rapport

noun

A close and harmonious relationship in which the people or groups concerned understand each other's feelings or ideas and communicate well.

Now more than ever, the art of building and maintaining rapport with your clients is a key foundation for successful business relationships.

Building rapport takes practice, but the main goal is to humanise the customer service experience by developing an authentic and mutually beneficial professional relationship.

Be Warm

Rapport is developing a two-way connection with another human being. When rapport-building with clients, it's crucial to be warm, friendly, positive, engaging, approachable and interested. Sales environments can be tense by nature, but the more at ease you make the other person, the more likely you are to succeed. Ask questions, use humour, develop the art of small talk and ensure your client feels included, rather than interrogated.

Be Authentic

The famous author Oscar Wilde once wrote, "Be yourself; everyone else is already taken." Being genuine and authentic is crucial to any relationship, and prospective clients can easily sniff out when sales professionals are adopting a 'sales persona'. Be professional, but be yourself.

Be Open

A study by the University of Pennsylvania revealed that 93% of our communication occurs non-verbally, while 55% of our communication is via body language, and only 7% is the content or the words we speak. With this in mind, it's important to practise and develop an open and warm stance. Likewise, the art of mirroring your customer's energy and communication style is a powerful way of gaining an appreciation of how they are feeling.

Be Honest

Honesty is the highest form of intimacy, and transparency is one of the most important ways to deepen loyalty. A client who feels like they are being sold half-truths will automatically shut down, and you will destroy any sense of rapport you may have worked so hard to build.

**DEVELOP RAPPORT,
 TRUST WILL FOLLOW**

Trust

noun

Firm belief in the reliability, truth, or ability of someone or something.

Once you have successfully built rapport with your customers, then you can go about gaining their trust. The only way to win trust is simple: by conducting yourself in a reliable and trustworthy manner in every professional situation. While building trust is based on your ability to be authentic and human, developing trust is based on your integrity and consistency.



Be Fair

The foundation of trust is acting in a fair manner in all of your business dealings, and with so many options for products and service providers, if a client believes you are not acting fairly, they will desert you.

Be Collaborative

Working in partnership with your clients is imperative. Don't be afraid to lead the way, but always include your clients in decision-making, and always practice reciprocity. Being collaborative in your sales strategy and execution deepens mutual respect and trust.

Be Pro-Active

Being pro-active for your valued customers will demonstrate that you care about them and your relationship. It also decreases your support calls, as you can identify potential problems and resolve them, and since customers will talk about you – privately and on social media – your skills will allow you to manage their conversation and frame it positively. If there is an issue, employing a customer service recovery process should quickly limit the bad customer experience, whilst also giving the impression that the customer is highly valued.

Be Reliable

Finally, and most importantly, your customers will learn to trust you if you keep your commitments, deliver your promises, call when you say you will, and always follow through. Don't let your customers down, and always justify their faith in you!

**DEVELOP RAPPORT,
TRUST WILL FOLLOW**

Building rapport and gaining trust is achieved over time, and as the saying goes, “trust takes a long time to build and a moment to break”. Developing the before-mentioned skills and transforming a company’s culture to one that focuses on gaining and maintaining customer trust, often takes a back seat to shorter term initiatives, often motivated by short term profits. However, significant global research has illustrated that long term sustainable profits are dependent on gaining the trust and rapport of your customers. Building trust and rapport are significant factors in building an intimate relationship with your customer and, ultimately, long-term repeat business.

Recently, the Sydney Morning Herald reported about how Banks and Telcos now see customer service as a key strategic battleground. Westpac chief Brian Hartzler said his mission was to make Westpac “one of the world’s great service companies”, while Shayne Elliott, the incoming boss of ANZ Bank, defined the job of a bank as using technology and people “to create something really fabulous in terms of the customer experience”. Customer service in many industries, was historically seen as an overhead that needed to be reduced and made more efficient to drive more profit. Now, more than ever, companies have realised its more than that, it’s an opportunity to delight customers and show that they are valued. This will ultimately lead to higher NPS, lower customer churn, more new customers and market share due to referrals and ultimately, higher revenue and profits.

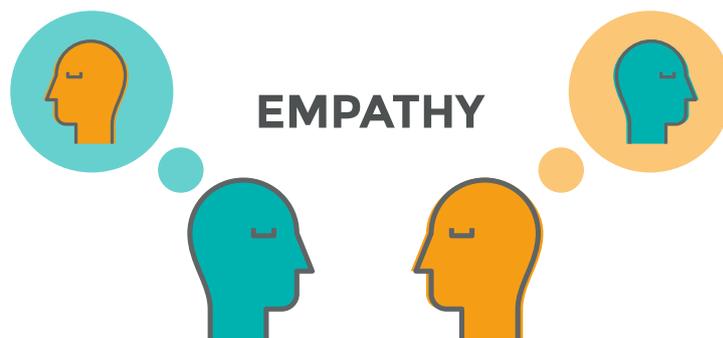
Building trust and rapport with your customers isn’t enough, however, to strengthen your business, because you also need to successfully integrate the art of empathy into your service.

WHY EMPATHY IS SO IMPORTANT FOR YOUR CUSTOMER SERVICE STRATEGY

Once you've built rapport, and are in the process of gaining your customers' trust, sometimes product or service glitches can occur, which often disrupt the relationship flow. When customers get in touch – via face-to-face contact or over the phone – it can be challenging to help them, especially if they are frustrated, angry or emotional.

This is where employing genuine empathy will benefit your business and will often save the relationship. Researchers define empathy as the psychological identification with or experiencing of the feelings, thoughts and attitudes of another person.

On the surface, empathy is a simple concept but in reality, it's a skill that not every human being naturally possesses. It's also something that, alarmingly, is lacking amongst customer service professionals, and one that customers frequently complain about.



When fielding calls or face-to-face communication from frustrated or disappointed customers, it's crucial you listen carefully to them actively and pay close attention to a wide range of signals, including the tone of voice, facial expressions, body language and of course, content.

Before a solution is considered, your team must acknowledge your customer's feelings, situation, or frustrations. When customers feel understood, listened to and cared about, they will be more open to work with a resolution.

Exceptional customer service occurs when your team members genuinely care about the outcome for your customers. They understand what your customers are going through, and the impact their situation or problem is causing them. It then allows for collaborative teamwork, as the customer service professional and the customer can work together to reach a satisfactory resolution.

Recent statistics have revealed that it is seven times more expensive to acquire a new customer than it is to keep an existing one, and that one in three Australian consumers are not loyal to any business.

On a global scale, while consumers have often talked about their good customer service experiences, an astounding 95% of customers will talk about their negative customer service experiences. And not only do they do it in person – to their friends, family members, colleagues or acquaintances – but they now have the power to vent on digital avenues like consumer review websites and social media platforms.

With these statistics in mind, empathy is one of the most valuable assets your team can possess, and it will ultimately lead to more positive consumer feedback and all-important loyalty.

In the background, while your developing empathy with your customers, as well as building trust and rapport, it's also crucial your products and services are continually evolving to meet and exceed your customers' expectations. In fact, identifying your customers' needs is one of the most critical elements of your business.

**IDENTIFYING CUSTOMER
NEEDS:
LISTENING, RESEARCHING,
PREDICTING & DEVELOPING**

“ If you aren't making a difference in other people's lives, you shouldn't be in business – it's that simple.”

Richard Branson

It should be your goal to intimately know and understand your customers' needs, and the more you know about them, the higher chance you have of developing a synergetic customer service relationship.

It's a simple concept, but many businesses do not take the time to research and understand **what** their customers want and **why** they want it. Once you've done this properly, you'll be able to create innovative solutions and products that your customers will be compelled to invest in.

Identify Your Customers

Identifying your customers is the most critical step in identifying what they need. The way to achieve this is by undertaking comprehensive research into their backgrounds and behaviours to provide you with a clear and detailed profile of them. You and your team need to ask yourself who your main customers are, how your products and services meet their needs and also what would further improve their experience.

The use of Customer Relationship Management systems allows you to collect useful data on all customer contacts and transactions, purchasing and service history, product inquiries, complaints, communication channel preferences, and responses to marketing strategies. Reviewing published market research on the sectors also allows you to identify trends or changes in the market and in purchasing patterns.

Your goal is to carry out research that will provide you with an expansive view of your customers' needs - along with future customers' needs – and this will help you develop a more detailed picture of them and understand how to target them appropriately.

Gather and Assess Intelligent Feedback

A great way to identify your customers' needs is simply to ask them for feedback! Ask for personal feedback from your existing customers, facilitate focus groups, produce special events to get to know your customers better and use external surveys to gauge customer satisfaction levels prior to and following their customer service experience. Don't be afraid to ask them tough questions about their experiences, your products and services and about your competitors. Also, social media is a fantastic way to see, in real time, what your customers are saying about you in a public space. Using every avenue of feedback will allow you to assess your strengths and weaknesses, and also to collaborate with your customers on how to meet their needs effectively.

Innovate

In the book *Managing The Customer Experience*, Shaun Smith and Joe Wheeler write, "You must re-think who your customers are; what they deeply value; and how your organisation can deliver a customer experience that is consistent, intentional, differentiated, and valuable."

Once you've undertaken intensive research into your customers needs and wants, assessed the market, asked for honest and meaningful feedback, and collaborated with your customers, the most crucial step is to develop products and services that are unique and exciting market game-changers. Identifying what your customers want on a deep level will allow you to prioritise innovation over imitation.

“ Innovation distinguishes between a leader and a follower”

Steve Jobs

APPLYING THE RESEARCH

So how do you address skills shortages; when it comes to empathising with people, building rapport and trust?

At Workstar a common theme we encounter with big corporates in the banking, telecommunications, retail, insurance and pharmaceuticals space is that their frontline people aren't connecting with their customers.

In a solutions design workshop we had with an Australian Insurer, we were trying to understand why apathy had crept into their dealings with their clients, together we worked out it was because their service staff dealt with customers ringing up about insurance events all day every day. To them it was business as usual that someone had crashed their car, had their house flooded or suffered a kitchen fire. To the customer these events were hugely inconvenient, dangerous and sometimes down right traumatic. If a call centre representative was to answer the phone and act as if one of these types of events was an everyday occurrence without conveying a level of care, understanding or determination to help. How do you think the customer would feel? And how could this impact their perception of the business?

We know trust in business is retreating, that communication via social channels is pervasive and when negative, can greatly impact brand equity which then effects customer retention and a firm's ability to acquire new customers.

These skills improve vastly, when your staff can experience an incident similar to that of the customer, so that they deeply feel and understand how the client was impacted in that moment. When this happens this

often becomes the catalyst for a profound and lasting change in attitude resulting in improved interactions and customer experience.

One way to drive this change is to send your people out to interact and shadow customers, so they can experience how it feels; when their phone service isn't working or their bank card is not working and they are embarrassed at a checkout. This would be the ideal way to get your people to have the light bulb moment whereby they think and feel like their customer. However, the commercial and operational impact of having your frontline teams not working for a day or so, makes it unfeasible.

This is where digital learning experiences are an ideal form of learning. At Workstar we employ digital learning techniques which focus on linking a behavior to how it makes a customer feel, this mode of learning ultimately takes the learner on a path of discovery and reflection which is proven to have a lasting impact on the learner.

Operationally our solutions have the benefit of being able to be easily deployed, highly scalable and always available. The call centre environment is typified by high employee churn and large scale workforces, therefore the economics of using a digital mode of training have many benefits over face to face training.

At Workstar, we have a track record of improving customer service capability for many of Australia's blue chip businesses. Click the button below to view some of our case studies and demonstrations that deal with customer service capability.

[VIEW OUR CASE STUDIES](#)

SOURCES

For more information about the concepts presented in this paper, we invite you to explore the following articles and links.

'What Is Net Promoter Score? (NPS) ... And How To Implement It'

<http://www.peoplepulse.com/resources/useful-articles/net-promoter-score-nps-implement>

'Comparing Net Promoter Scores of 119 Brands Across 13 Industries in Australia: The Results of our Recent Net Promoter Score Study' by Clare Fernando

<http://thriveplus.com.au/comparing-net-promoter-scores-119-brands-across-13-industries-australia-results-recent-net-promoter-score-study/>

'The 2015 Edelman Trust Barometer'

<http://www.edelman.com.au/trust/>

'Edelman Trust Barometer 2015 Annual Global Study'

<http://www.edelman.com.au/wp-content/uploads/2015/02/2015-Edelman-Trust-Australia-Results.pdf>

'Fewer Australians than ever loyal to business according to new research'

<http://www.stwgroupp.com.au/fewer-australians-than-ever-loyal-to-business-according-to-new-research>

'7 Ways to Build Rapport in Sales and Connect with People'

<http://www.rainsalestraining.com/blog/build-rapport-in-sales-and-connect-with-people/>

'Trust and Rapport; The Basis Of All Relationships!' by John James Santangelo

<http://www.selfgrowth.com/articles/Santangelo1.html>

'10 Ways To Build Rapport With People' By Susan Young

<http://www.getinfrontcommunications.com/10-ways-to-build-rapport-with-people.php>

'How supermarkets and telcos are teaching banks about customer service' By Clancy Yeates, Sydney Morning Herald

<http://www.smh.com.au/business/banking-and-finance/how-supermarkets-and-telcos-are-teaching-banks-about-customer-service-20150930-gjxslz.html>

Smith, Shaun and Wheeler, Joe Wheeler (2002)

Managing the Customer Experience: Turning customers into advocates Paperback

'Understanding customer needs'

<http://www.ksl-training.co.uk/free-resources/customer-service/understanding-customer-needs-and-expectations/>

'Strategies for Identifying Customer Needs' by Ian Linton, Demand Media

<http://smallbusiness.chron.com/strategies-identifying-customer-needs-54317.html>
'Identifying customer needs'