

wired and dangerous

how your customers have changed
and what to do about it



Chip R. Bell
John R. Patterson

"Can help anyone interested in delivering happiness to today's Internet-empowered customer." —Tony Hsieh, CEO of Zappos.com, Inc., and author of #1 *New York Times* bestselling book *Delivering Happiness*

An Excerpt From

***Wired and Dangerous:
How Your Customers have Changed and What to Do About it***

by Chip R. Bell and John R. Patterson
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The Situation

Welcome to Turbulent Times!

It was the best of times, it was the worst of times, . . .
it was the season of Light, it was the season of Dark-
ness, it was the spring of hope, it was the winter of
despair, we had everything before us, we had nothing
before us.

Charles Dickens
A Tale of Two Cities

These words opened Charles Dickens's classic book *A Tale of Two Cities*, written 150 years ago. The passage was Dickens's elegant attempt to describe the late 1700s as the bridge between two eras; the era of the farm was transitioning to the era of the factory. That transition saw great upheaval, including several major revolutionary wars; it was also a period of extensive invention and discovery. If Dickens were here today he might use similar words to describe the present time—as a bridge between the period of technology and the era of the customer.

Whether or not you accept the hyperbole of an emerging revolution, there is no doubt customers today are significantly different than those of just a few years ago. Then, we were easily wooed by the new

restaurant with the cool sign or catchy brand name. Then, a call center that quickly answered the phone got high marks, even if the rep had an attitude, or simply couldn't answer our question and transferred us from Patty to Paul to pillar to post. Then, we excused indifferent service on the grounds that someone was having a bad day, but gave little thought to voicing our displeasure or abandoning the service provider.

Who was then best known for excellent service? Nordstrom! The upscale department store was staffed by friendly people willing, for instance, to accompany us to other departments in the store, and in all ways to provide customized service—something practically every gas station attendant on the planet did for our grandparents. At that time, service had to be really awful for us to walk away. Brands were important to us and we stuck with them for a lifetime. Our fathers bought the same brand of automobile every three years for their entire lives.

Those days are completely gone. Welcome to the turbulent times of the “new normal” customer—restless, cautious, powerful, and potentially dangerous.

The Rise of the New Normal

The landscape of customer service has been re-contoured. Today's customers are not at all the way they used to be 20 years ago. What has caused customers to be so different today? First, customers get terrific service from some organizations and use those experiences to judge everyone else. When the UPS or FedEx delivery person walks to our front door with a sense of urgency, we expect the mail carrier to do likewise. When the Disney associate treats us as a special guest, we assume every other frontline service person will be as friendly. We look at every e-tailer through Amazon.com and Zappos.com eyes. We compare every great service experience to every other service experience.

Customers also have far more choices than ever before. Go to the grocery store for a loaf of bread and you are confronted with 16 brands and 23 varieties packaged 12 different ways. Three decades ago sliced bread came one way—white—and was probably produced by either

Wonder or Sunbeam. Today, product choices proliferate and have fewer apparent differences, so customers are forced to use the quality of their purchase experience surrounding the product as their primary means for discernment and decision making. How much is Hertz really different from Avis or Budget? Marriott from Hyatt or Hilton? FedEx from UPS?

Today's customers are much smarter buyers than their parents were. The Internet has become a potent source of real-time education. According to research reported by *New York Times* Pulitzer Prize-winning reporter Matt Richtel, people consume an average of 12 hours of media a day (when an hour spent with the Internet and TV simultaneously counts as two hours). That compares with five hours in 1960.¹

The Internet is a tool for instant assessment. Considering Sleepwell Hotel for your next vacation trip? You can instantly get web-based information complete with evaluations from forty-eleven previous guests. We are our own *Consumer Reports*. Watchdog websites can give you the low-down on why Joe's Pretty Good Car Repair is better than Otto's Auto.

Recent data from Society for New Communications Research shows that 84 percent of customers consider the quality of a provider's customer service when deciding whether to do business with the company.² This means companies must monitor all the details of their customer service—now very transparent to customers—and provide super-early warning on emerging glitches. It means creating customer conversations that promote insight and foster trust. It also means never forgetting that, armed with deep knowledge from a myriad of sources, customers are more empowered and emboldened to “balk and walk.” The organization that hangs their reputation on a solid brand or on the reach and influence of carefully crafted PR is, as they say in the South where we live, “just asking for a whuppin’!”

A merchant of yesteryear, placed on truth serum, might have described customers as a bit gullible, very nice, conflict-averse, easily influenced by advertising, not particularly savvy, and willing to accept average quality. No more. Today's labels would not be so meek and mild. In fact, a contemporary merchant would no doubt acknowledge the power and influence customers now wield.

Today, the customer really is king. Enabled and equipped by the Internet, with its capacity to instantly reach a gazillion fellow customers with the click of a mouse, customers can bring any service provider to its knees. The new normal customer, with this newfound strength, is no more the small and subservient victim of the stereotypically colossal and greedy corporation of yesteryear. The tables of the customer relationship have been turned. Plentiful product and service information has created a more mature customer. Customers today are wired and dangerous.

Turning Back the Covers

The French Revolution was triggered by a series of events that led to the storming of the Bastille to release long-held political prisoners. Only the common people were paying taxes; nobles and clergy were exempt. The price of France's participation in the American Revolution had taken a heavy financial toll. Then, King Louis XVI helped bankrupt the French government by spending lavishly on his court at Versailles. In response, the French government attempted to squeeze even more revenue from already cash-strapped citizens.

Meanwhile, the writings of Enlightenment thinkers like Voltaire and Rousseau, which focused on the worth of all people, were gaining popularity. As French soldiers who fought in the American Revolution returned to France, they brought with them incendiary stories of the fight for liberty and equality. These smoldering ideas required little more to spark revolt. When Queen Marie Antoinette was told that the common people were without bread, she supposedly remarked "Let them eat cake!" Rumor of her haughty insensitivity spread through the streets, inciting even peace-loving citizens to take up arms.

What does this French history lesson tell us? For anyone with a customer: signs of change can emerge unexpectedly. Alarm bells are ringing for us. Customers who have more choices and more smarts, and who have experienced great service from some, now expect the same standards from everyone. The bar has been raised.

As with the French Revolution, the root causes of our changing

consumer expectations have existed for a long time. Responding to the superficial signs of change can be tactically helpful. It is what most organizations have done. But, addressing what is underneath is the secret strategy that will spark continuing customer loyalty in this new business environment. It is the path to increased profits and growth.

The Guitar Heard Around the World

After musician Dave Carroll learned from fellow passengers that United Airlines baggage handlers were damaging his guitar on the Chicago O'Hare tarmac, he was unable to find anyone at United willing to make the situation right, so he made a music video about his woes. He posted the video on YouTube, chronicling in humorous detail United's failure to provide appropriate service and their limp approach to repairing or reconciling the situation. This negative view of the United brand has been viewed by well over 9 million people! The juicy cyber battle has been cited endlessly as an example of what not to do both in the media and in print. According to a blog written by *The Economist* and posted on July 24, 2009, the Dave Carroll incident cost United Airlines 10 percent of share value, or about \$180 million!³

The impact on United is not surprising in a world where, according to recent Convergys research, *social media has five times the impact of traditional word of mouth*. Think of social media as word of mouth on steroids. The average post is read by 45 people, and 62 percent of customers who hear about a bad experience on social media stop doing business with, or avoid doing business with, the offending company.⁴

Only a few years ago Dave would have had to work his way through the United bureaucracy, and would most likely only have been able to spread the word of his frustration by telling his story to friends and family members. Perhaps he would have found a "consumer advocate" willing to tell his story on radio or television, which may have brought enough leverage to goad United into action. Not today! Dave rebelled and brought his story graphically in a music video to the power of the Internet and word of his situation spread at warp speed.

Now, for the really scary part. Although Dave's damaged-guitar troubles happened in the spring of 2008 and his first video went on YouTube in July 2009, his video continues to harm the United brand as it hangs around cyberspace. Unlike word of mouth, which fades as other events crowd it out of memory, word of *mouse* missives remain out there like a tribal story repeated down the generations.

Attacks on a brand through customer blogs, Yelp-like reviews, social media, and YouTube-like messages dangerous to a brand cannot be cured by a booster shot of good will. They become a chronic disease that weakens a reputation, even if they are without merit. If United Airlines had quickly apologized and involved Dave in crafting the best restitution (maybe two first-class tickets to Disney World plus repairing or replacing his Taylor guitar), and communicated the changes implemented based on their learnings, the Internet pedestrian might have never known about the United fiasco. United's experience with Dave Carroll suggests the wisdom of nipping in the bud anything that could rapidly become a PR nightmare.

Technology has made today's customers powerful and potentially dangerous. While CEOs and CFOs focus on stock prices and raising capital, customers zero in on getting fair value—and that now includes a positive service experience. Today's customers have the capacity to bring down popular brands, squeeze corporate balance sheets, and send stock prices plummeting.

Rethinking Service

Once upon a time, captains of industry worried about the fallout from failed *products* (Ford Explorer, Tylenol, Toyota); now they must worry about the downside of failed *service* (JetBlue, AOL, United). The implications of failed service present a much bigger challenge. Think about it this way: organizations determine the quality of the products they put out in the marketplace, but *customers* determine the lion's share of whether their *service* has quality. Riding herd on

what happens in the factory is a lot more predictable and controllable than getting customers to do what is expected on their side of the service equation.

Industry captains who have been surprised by the tone, mindset, and muscle of today's customers are misunderstanding the real meaning of service. Using product thinking, with its emphasis on quality control and backroom domination, they put the spotlight on the service outcome—not on the service *experience*. “What do you mean, customers are upset by their banking experience? Our statements are accurate and our tellers are efficient!” “How could passengers be upset? We got them to their destination safely, on time, and with their luggage!” They see a good outcome but are not assessing the customer experience. Both outcome and experience are important to the customer. But often the outcome is, to the customer, simply a table stake—the givens of the service provided and not what distinguishes it.

McDonald's is an excellent hamburger factory, one of the best in the world. McDonald's CEO can no doubt tell you the average speed of service per car at 12:32 p.m., the precise amount of time required to make a Big Mac, the pace of a credit-card transaction versus cash—essentially, the arithmetic of the service encounter. These are all metrics almost completely controllable by McDonald's. But the customer is evaluating their trip to Mickey D's based on the personality of the server, the hospitality of the setting, and the respect they are shown throughout the entire process. These are metrics co-created by McDonald's and the customer. McDonald's controls their presentation, but the customer determines if the entire experience made the grade.

When organizations rely on professional shoppers to assess the experience of the customer rather than asking the customer directly, they reveal their product-making mentality. Shoppers are actors trained to watch for adherence to standards, much like the quality-control department does in a factory. Real customers have a broader view, a memory-making perspective that considers both outcome and experience.

John has five children. Ask John's wife what is more important:

the speed with which the order was filled, the expected level of food preparation, or the welcoming attitude of the server. She will tell you that style is more important than speed in determining whether she returns! Sure, the basic outcome expectation is for fast food *fast*, but the experience is what is remembered. Call centers the world over, whether B2C or B2B, stay up late worrying about speed of answer and call handle time (outcome metrics), forgetting customer research shows that first-call resolution and knowledgeable ability of the call center rep are more important to customers (experience measures).⁵

The edginess of today's powerful wired and dangerous customers has been fueled by more than just a change in their service expectations. The energy behind their newfound assertiveness is a fundamental change in what we call the *service covenant*—the unspoken people-serving-people contract that has been the essence of commerce for centuries. When service providers completely remove the high touch from their high tech service without the consent, consideration, or participation of the customer, they erode customer confidence, create suspicion, and trigger impulses often expressed as thoughts of an “I’m outa here” mutiny.

Wired and Dangerous: What Lies Ahead (Please Read This Part!)

Wired and Dangerous is first and foremost a picture of today's new normal customer. We refer to customers as wired and dangerous because they are edgy as well as connected with the Internet-enabled capacity to rapidly gain insight on a particular product or service and to quickly do great harm to the reputation of service providers.

That's not to say that all customers are technologically wired. Neither of our 86- and 94-year-old mothers is computer savvy—but they are still wired and potentially dangerous. How's that? Our mothers are personally connected with many who *are* wired. An unpleasant experience at the grocery store can trigger a disparaging comment to a neighbor who has a social network and a proclivity for pinging Inter-

net-savvy friends. Overnight, a casual comment like “Their meat made me kinda sick” can trigger a social media–driven boycott that makes a sizable dent in the grocery store’s profits. So, even the technologically unskilled customer is dangerous.

More than sounding a warning for all who serve customers, this book provides a compelling rationale for today’s customer restlessness and gives concrete solutions for turning customer admonition into approval and annoyance into advocacy. We have laced the book with an array of highly practical, put-in-place-today suggestions. You will find relevant best-practice examples and heart-tugging stories about those who got it right and some who missed. While the book is intended to stimulate insights and *aha*’s, it is also a pragmatic recipe for delivering better service while improving long-term relationships with customers.

We will say this later in more elegant ways: we love customers. We truly believe most customers are without malice and possess a keen sense of fairness. We are major fans of customer loyalty—even devotion. Our consulting work with clients is focused on one objective: to help them find ways to increase customer loyalty. Our labels in the book are designed to be descriptive, not judgmental or pejorative. However, the conditions adversely impacting what we will later describe as the age-old service covenant have created in far too many customers a sense of mistrust, disappointment and, given the right circumstances, even anger. Our intent in writing this book is to encourage the righting of a service covenant that has been flipped over and to facilitate moving customer relationships from skeptical indifference to wholesome partnerships.

This book is not exclusively about the online customer. Forrester Research projected e-commerce sales in the United States will grow at a 10 percent compound annual growth rate through 2014. E-commerce sales will represent 8 percent of all retail sales in the U.S. by 2014, up from 6 percent in 2009. Forrester also estimates that online and web-influenced offline sales combined accounted for 42 percent of total retail sales in 2009, and projects that percentage to grow to 53 percent by 2014. The bottom line is this: despite the dramatic

influence of the Internet, customers are still going to a store to make most of their purchases.⁶ But more and more they are going to the store educated and influenced by what they learned online.

Readers sometimes are curious about the logic of a book cover. We hope most will be obvious. The cover of the book is a metaphor for what we portend in the expression “wired and dangerous.” We selected black with caution-light yellow to convey a sense of warning. We made the title and subtitle all lower case to reinforce the idea that the Internet has enabled a disgruntled customer disposition to become dangerous because of its speed and reach. “Customers on fire” have always been a challenge to service providers. But, “customers on fire online” have exponentially increased that threat. The “Wi-Fi” symbol continues the cyber-theme started by lower case, Internet-looking fonts. Finally, we chose the book endorsement by Zappos.com CEO and Founder Tony Hsieh because we believe his Internet-based company and the principles that have guided its amazing success reflect a practical application of the philosophy of *Wired and Dangerous*.

The book is organized into three parts. Part One (Chapters 1 to 5) describes the situation, Part Two (Chapters 6 to 12) outlines the solutions, and Part Three—we call this section “Flash Drive”—contains tools for implementing the solutions. Don’t look for a ton of how-to’s in the first part. We thought it was important to first provide a comprehensive understanding of today’s customers before launching into the approaches needed to correct problems, close gaps, and repair broken components. We think we more than made up for the dearth of how-to’s in Part One with the generous helping in Parts Two and Three. As a reminder, we have included occasional “go to” sidebars with suggestions of specific tools related to the content nearby.

The text also includes what we call “e-sights,” brief inserts designed to be food for thought. Think of them as insights for the cyber age! For our many readers who like any anecdotal presentation to be backed up by concrete, scientific evidence, we have included a bounty of solid, contemporary customer research. We provide more than a hundred citations plus a detailed bibliography for those wanting to pursue topics in more detail.

Our target reader for this book is everyone who directly serves a customer or who supports someone who serves a customer. As we wrote *Wired and Dangerous*, we envisioned readers in small enterprises as well as in very large companies. We assumed our audience to be front-line employees as well as executives. For readers in leadership roles, we included a special tool in the Flash Drive part specifically written for you.

We viewed our audience as employees in for-profit, not-for-profit, and governmental organizations as well as mom-and-pop enterprises and sole proprietorships. We crafted the book for organizations that serve customers (B2C) as well as businesses that service other businesses (B2B). At the end of the day, all organizations have customers and all customers are people. Even the most business-to-business (B2B) company is really people-to-people (P2P).

To learn and gain the most from *Wired and Dangerous*, it might help to remember the adage “We are all self-employed.” Even if you are not in an influential change agent role or the senior leader at the top of the organizational food chain, unless you are in solitary confinement you have some control over ways to enhance the experience of your customers (or those you serve). With a clear picture of the work you would like to do, coupled with a bit of courage, you can always help even the most inwardly focused, rule-entrenched, customer-hostile company move a step closer to being a partner with customers and creating experiences that are positively memorable. At the very least, you are in complete control of your own attitude and the passion you transmit to those you serve.

Don't think that what is today will also be tomorrow. The future will be even more challenging! However, we believe the path ahead contains great hope, clear opportunity, and fruitful adventure. Think of this book as your periscope to the future and a guide to ready you for the trip. This is a working book—one aimed at being more edgy than conventional, more vivacious than staid, more sensible than scholarly—and much more about practice than philosophy. We hope you enjoy the trip and that you'll let us know what you think of it. The

last page of the book contains ways to reach us easily. We invite you to join our blogs and tweets. Let's have a conversation about serving today's wired and dangerous customers.



Customers with a beef or a boast have always been able to share it with their friends. The difference today is that the reach of their connection via the Internet is enormous; the speed of their link is instantaneous. Imagine how quickly the peasants of France could have organized the French Revolution had all of them had a Facebook, Foursquare, or LinkedIn account! Or, if the French writers of messages of resistance had been able to blog their dissent for all to read in real time, thus to coordinate a flash demonstration, boycott, or protest. Wired to an army of like-minded people looking for answers, today's customers can be dangerous to any service provider unwilling to understand what customers want, adapt to the way they want it, and deliver what they find of value.

"Revolution is not the uprising against preexisting order," wrote Spanish philosopher José Ortega y Gasset, "but the setting up of a new order contradictory to the traditional one." Out of turbulent economic times comes a new order. According to recent research by American Express, 9 in 10 Americans (91 percent) consider the level of customer service important when deciding to do business with a company. But only 24 percent of Americans believe companies value their business and will go the extra mile to keep it.⁷ A 2010 report from RightNow and Harris Interactive indicates that 82 percent of consumers in the United States said they've *stopped* doing business with a company due to a poor customer service experience. Ninety-five percent of customers said after a bad customer experience they would "take action."⁸

Those who fail will be those brought down by failing to modify their patterns and practices. Those who succeed will be the ones who embrace the opportunity by shifting their outlook and their operation. They want to repair and maintain the service covenant through a true partnership—an alliance that respects the needs of all and values the pursuit of continuing growth and unending elasticity.⁹

How the Service Covenant Became Corrupted

The service covenant has been around for centuries. It is grounded in the concept of the direct or implied pledge of fair bartering—a merchant provides a product or service in exchange for some type of remuneration. Energy might be spent on either side of the covenant as to the fairness of the exchange (server spending energy on promotion; customer spending energy on getting perceived worth), but the essence of the agreement remained intact. There was a promise implied on both sides of the encounter

The covenant for a *product* was different from the covenant for a service. Customers gave the product provider license to make the product without their participation, or even observation. You did not need to watch the maker of your basket or your dishwasher; you could trust it would be as promised. The tangible nature of an object made the determination of quality easier. As customers, we expected the product would be as described and we had recourse if it was not—typically the object could be returned for a replacement or our coconuts or coins would be returned if it failed to meet the value we were promised. Replacement meant another object like the one we purchased was taken from inventory and given to us. In this fashion the covenant could be restored.¹

The *service* covenant has some similarities. There were expectations of features and benefits, as for a product. Energy around



promotion and price was also similar. However, since service was largely experiential, it could not be stockpiled, inventoried, or sent back for a replacement. Consequently, recourse for a broken promise could not be in kind. Displeasure with your haircut might get you a discount on your next one but there was no way to get your hair back like it was.

So, what was the recourse hardwired into the service covenant? The customer derived some comfort or security through the fact that service would be delivered through an experience which the customer co-created with the service provider. The inclusion of nods, clicks, sounds, and sighs both from customer and service provider during the

co-creation process provided customers a way to be the guardian of their side of the transaction. As a haircut customer you could say “Not so much on the sides!” early enough in the experience to prevent the outcome from being a disappointment you were then forced to wear.

Unlike a product, a service is produced at the moment of delivery. You cannot create it in advance. You cannot send the customer a sample to be inspected and approved. Unlike a product, the receiver of a service gets nothing tangible, and value depends on the receiver’s experience and perception. As the service provider, you might be able to plan presentation, people-manners, and processes, but for almost all services it was not deemed a “service received” until it was experienced by (or with) the customer.

Should a product provider opt to change the way the product was manufactured or redo the manner that inventory was organized, it could all be accomplished with minimal impact on (or involvement from) the customer. However, alter the way the service experience occurs and the covenant is fundamentally changed.

Let’s examine a metaphor. When banks got the bright idea of using ATMs instead of a teller, they encountered sizable resistance. ATM use was less than 15 percent even ten years after the machines were introduced. Compare that to the speed of adoption of smart phones or Netflix. The ATM fundamentally altered the nature of the service experience. Now, don’t push this ATM metaphor too far by examining it in light of today’s use. We all know customers today enjoy the convenience of the ATM plus the warmth of dialogue with Peggy. ATM acceptance changed when tellers stood outside the bank and taught customers how to use them, allaying fears about the security of a deposit placed in an uncaring, automated machine.

Progress requires change, and change provokes resistance. However, customers do not necessarily resist change itself. They resist the perception or prediction of being controlled or coerced without their involvement. They accept change when they get a vote; they embrace change when they can participate.

E-SIGHT

The remedy for buying a faulty product that disappointed was getting to return or exchange it. The recourse for buying a faulty service was getting to stop it, influence it, or change it in the middle of the experience. Giving the service experience the features of a product is like putting lipstick on a pig. It may make the pig look better, but it doesn't make 'em happy.

Alteration in the service covenant has been fueled by the push for cost cutting and efficiency. Migrating customers toward self-service, for example, brings an array of time-saving benefits to both service provider and service receiver. But the manner in which that migration typically occurs—without influence from customers—can be viewed as devaluing the co-creator, thus adding another spark to the flame of their opposition.

The Rebellious Customer

Customers today are picky, fickle, vocal, and vain.² They are *picky* in that they are more cautious in their choices (and they have many more choices) than customers of yesteryear and are interested only in getting obvious value for their money. They are more informed about the choices available, smarter in choice-making, and more selective in whom they elect to join. They are *fickle* in that they are much quicker to leave if unhappy. They show a lower tolerance for error, and will exit even when the service is merely indifferent.

Customers today are *vocal* in that they are both quick and loud in registering concerns based on their higher standards for value and their expectation of getting a tailored response. They assertively tell others their views of an organization's service; they also pay attention to fellow customers' negative reviews and make choices without even giving the organization a chance. A 2009 Nielsen online survey of 25,000 consumers in more than fifty countries found that customers trusted friends, family, and peers for product recommendations 90 percent of the time.³ Finally, they are *vain* in that they expect treatment that telegraphs they are special and unique.

Now we know, as customers ourselves, that the picky, fickle and vocal parts are spot on. The vain label may seem harsh. Few of us look in the mirror and see a vain person looking back. But, the “Have it your way!” perspective we have acquired is the natural byproduct of pampering by service providers. Customer self-centeredness has been enlarged by our newfound muscle in the marketplace. Be honest. How would you react if you bought a product that turned out to be defective and the merchant refused to take it back? What if the McDonald’s counter clerk told you they would not “hold the cheese” on your Big Mac? We *enjoy* some degree of service personalization; we also expect it!

The picky-fickle-vocal-vain moniker represents a dramatic shift as we look at what is required to ensure customer loyalty—the stuff of growth and profits. Customer requirements for value are way out of sync with the tried and true methods organizations have relied on for years. When frontline employees deliver service that fulfils the customer’s stated needs, they are taken aback when customers give them less than satisfactory grades. When a small gaffe triggers volcano-like customer uproar, many frontline employees believe they have met a deranged deviant with an attitude problem, not just a typical customer acting on instincts honed from countless disappointments.

The more dissonance there is between what the server provides and the served receives, the more the problem exacerbates. Customers declare the organization’s frontline ambassadors are indifferent, difficult, and uncaring. Further, the connections customers now have with one another via the Internet and social media give them the power to transform an organization overnight from service *champ* to service *chump*. Customers formerly loyal to a particular brand now regard brand identification as just PR drivel or corporate snake oil. Add to this cacophony a global playing field, razor-thin margins, warp-speed change, and depleted staffing levels, and you have a recipe for employee *wear-out* and customer *walk-out*.

It is not that organizations are responding less but that they are responding incorrectly—out of sync with what new customers require.

They are “efforting” but not achieving. Those who recast their engagement strategy in innovative ways are resonating with the “new” customers and winning their loyalty.

Take a look at award-winning Zappos.com, now a part of Amazon.com. They took a simple business—online buying of shoes—and added the experience enhancers that make them the talk of the neighborhood (and cyberhood). Sure, you can do all your buying without communicating with a soul. But, every Zappos web page has a deliberate invitation to interact. When the customer clicks to talk, they get over-the-top attention, customized communication, and a live rep who wants to be your new best friend. Zappos merchandise arrives at your front door way before you have a chance to wonder when it will. It is the perfect blend of self-service with full service that respects the service covenant while bolstering convenience and cost savings. And, how has the market rewarded them? Their profits went from zero when they started to over \$1 billion 10 years later.

Customers are primed and ready for uprising. Some have already jumped ship to pursue a new service provider that offers greater value. Under the surface of picky-fickle-vocal-vain is a level of frustration (sometimes anger) that is fueling their mutinous and sometimes dangerous behavior. This book is about the tainted groundwater of customer discontent—and how to fix it. Addressing the symptoms while ignoring the cause is like taking an aspirin for bronchitis—it may make you feel better temporarily, but failing to address the real issue can lead to customer churn and, more devastatingly, a customer-led uprising trafficked on the Internet. Turning a potentially dangerous customer into an advocate is not only possible but it is also eagerly desired by those you serve.

The Museum of Customer Service

A stroll through a museum filled with artifacts of an earlier time can be enlightening; that trip down memory lane can teach us a lot about where we were. In the words of George Santayana, “Those who do not

learn from history are doomed to repeat it.”⁴ The museum shows us how we have changed.

Pretend there was a Museum of Customer Service. You would see objects of the past, like fax machines and floppy disks. You would see hotels with phones in guest rooms that guests actually used for more than a request for a wake-up call. In the museum, plumbers cost less than dentists; all banks were open until noon on Saturday. Retail stores had sales clerks on the floor, not just at the register. Grocery stores had bakers, gas stations had a mechanic, and mail-order catalogues were all-purpose, not just specialty. Stores had layaway plans and returns clerks; banks had signature loans. Doctors made house calls and treated whatever malady they encountered, rarely referring the patient to anyone else.

Looking forward from the past, what has changed? The most obvious change has been a dramatic trend toward self-service. We skip the check-out counter with the long line and moving-in-slow-motion cashier to do self-checkout. We let our fingers do the walking, not in the antiquated phone book but through search engines like Google, Bing, and Yahoo, for what we want to buy. We look at Overstock and eBay for bargains, YouTube for entertainment, Wikipedia for reference, and Mapquest for directions. Buying online has altered the service experience as dramatically as the disappearance of the friendly elevator operator who could tell you that Housewares is on the third floor.

Self-service has had a positive side. Shifting the lion's share of the service experience to the customer has lowered operating costs. It has freed up human resources to be used in roles and functions truly requiring a human touch. Self-service has also made the customer more self-reliant, as “do-it-yourself” has replaced “I’ll take care of that for you.” Learning to fend for oneself can trigger acquisition of both knowledge and confidence. Customers are less dependent and far more competent.

Let’s go back to our French history lesson for a minute. In 1789, reading Voltaire or hearing tales of freedom from French soldiers just back from the American Revolution were both double-edged swords.

French commoners were inspired, but they were also emboldened. Similarly today, self-service is a tool for independence that has a “revolutionary” or dark side as well. That under-the-surface component, properly managed, can be an opportunity for service greatness leading to customer growth and bottom line profits.

Service is the act of giving assistance to a customer. When most of the “assisting” is shifted to the recipient by the provider, resentment often ensues: “Why am I having to do this myself?” As customers, we ultimately get over it, learning to pump our own gas, find our own size, and wash our own cars. We stop using tellers and librarians and go straight to a machine. But with the change of balance between serving and being served comes an alteration in the true meaning of service. Many years ago, if the elevator operator was out on break, we felt underserved. Today, an elevator is not even viewed as a context for service, it is just a functional device to move us up and down.

Self-service changes our standards for service. Obviously, when we “do it our way” we get highly tailor-made service. As customers, this changes how we view those who serve us. We assume they will know us almost as well as we know ourselves. We think they can read our minds. We assume that getting us what we want, the way we want it, will be as big a deal to them as it is to us.

Looking forward from the Museum of Customer Service also reveals a migration toward service isolation. There was a time when a call to a business yielded a switchboard operator on the other end who sent our call to just the right person. Not only did operators sound like neighbors but they also knew who in the organization did what. Today, an IVR (interactive voice response) computer screens the call. Insist on speaking to a live person and you are likely to get an operator in Mumbai or Singapore—someone who probably does not sound like a neighbor. The 2010 Contact Center Satisfaction Index (CCSI) from the CFI Group found that offshore contact centers scored 27 percent lower in customer satisfaction than those based in the United States.⁵

As social animals, we enjoy the experiential and interpersonal side of service. Removing the “assistant” leaves us going it alone. We rely on

customer reviews since there is no helpful clerk to tell us the features we might have missed. We order online in silence without benefit of banter with the service provider. While the time-saving, service-at-any-hour components are very appealing, in our hearts we sometimes wish for more of a connection, even at the expense of less convenience.

A front page *USA Today* article highlighted the return of travel customers to travel agents from online travel sites. Quoted in the article, travel agent Suzanne Burr said, “Customers would push the button on some of these websites, and that was it. There was nobody to ask a question. Nobody to ask for help. When it comes to really spending money and wanting an advocate, people are turning back to agents because people care. A computer doesn’t.” To confirm the point, a study by Forrester Research found that, in the first three months of 2010, 28 percent of leisure travelers in the United States who booked their trips online said they’d be interested in going to a traditional travel agent.⁶

The Museum of Customer Service also reveals that there has been a swing toward a reliance on experts or specialists. We often hear “We don’t carry that item, check with . . .” or “I need to refer you to . . .” or, the unkindest cut of all, “You might look it up online.” The “all-purpose” has been stripped out of most service encounters. Where did you buy your last TV—at Sears or at Best Buy? How about the last book you bought—did you check out the book section of Wal-Mart, or go to a Borders bookstore, or log on to Amazon.com? We go for fishing gear at Bubba’s Bait Shop only for convenience. Otherwise, it’s Bass ProShops, Cabela’s, or—again—online. Most of our clothing comes from stores that sell only clothing, not from a J.C. Penney. Need a new bicycle? The specialist at the bike shop down the street probably takes care of the cyclists en route to the next triathlon.

So, there are mixed blessings. With specialists comes expertise not found in the generic service encounter. Service providers with unique competence give us confidence in our purchase or experience. Good ones mentor us, leaving us smarter than we were before; poor ones anger us with their arrogance and “hide the ball” tactics. With specialists comes the proliferation of “silos,” organizational turf boundaries put in

place for the convenience of those who “manage” processes that supposedly serve the customer. In reality, these artificial boundaries can make the customer’s experience much more challenging.

John recently tried to refinance a home-equity line with a large bank where he has been a customer for thirty years. His loyalty to the provider mattered not! He was repeatedly subjected to the dreaded “That is not my department, you will need to call another 800 number,” making the process frustrating and cumbersome. All in the name of speaking with experts. Guess what John did? He went to a smaller bank that maintains the service covenant the old-fashioned way—face-to-face conversation with bankers who work to build a relationship, not service a transaction.

Chip recently purchased a television, sound bar, and receiver from Best Buy for his rather remote second home. Connecting the TV to the receiver was easy. However, connecting the sound bar to the receiver was not. Nothing in the three manuals covered the unique connection (sound bars typically are plugged directly into the TV, not a receiver). When he called Best Buy to ask “Into which receiver hole do I plug the sound bar cord?” he was transferred to tech support. Ready to explain his situation and get a quick answer, he was instead told that a technology professional would have to come to his house and show him where to plug in the cord—at a fee of \$150. He had just spent \$1,500! When he then tried to schedule an onsite visit by Best Buy’s notorious Geek Squad, after a 90-minute phone call he was finally told he was outside their service range. What would Sears have done, ten or fifteen years ago?

One annoyance that comes with relying on the expertise of specialists is the search for the right one. Being dependent on experts also undermines the classless nature of being served by someone “like us,” who has only slightly more knowledge than we have. Being served by a generalist was rather neighborly and egalitarian. There is now a potentially uncomfortable distance between customer and specialist. We sometimes miss the bond and wish for a richer relationship, not just a smarter one. We want to be a partner, not a patient!

Constantly dealing with experts has already altered our standards for the service provided by non-experts. Customers assume the competence of every expert and assume expertise in every service provider. Will customers now expect all frontline employees to be the smartest, best resourced, most empowered service providers imaginable?

The shift toward self-service with reliance on experts has taken the *conversation* out of service. Social media is filling the void. The twenty-something customer, skilled at text messaging, views a phone call as an interruption. For the teenager, being able to communicate “PAW” (parents are watching) to a friend via text, or just code number 9, keeps the cyberlog intimate. Yet the removal of all non-verbals (body language, facial expressions) from the conversation increases the risk of misunderstanding.

The foundation for great service is grounded not in the superficial tenets of contemporary service but in the core of the human condition when partnering is present. Even as customers enjoy the blessings of high-tech service, they want a high-*touch* partner when they need help. Partnerships with customers work if they are participative, egalitarian connections rich with compassion and humanity, filled with the collective capacity to personalize, and inspired by the nobility of giving assistance to another. The profits of companies like Amazon.com, Netflix, Zappos.com—companies that work to blend high tech with high touch—provide evidence that a partnership philosophy pays off.



Voltaire, a popular writer during the era of the French Revolution, was as prophetic as he was poetic. His line “Better is the enemy of good” has been oft quoted (and misquoted) but stands as one of the tenets of remarkable service.⁷ He also wrote (without realizing it) about the antidote to the woes of current customer service: “We are rarely proud when we are alone.”⁸ Viewing service as an economic watering hole is a critical path to remarkable service.

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