

Introduction

Improving the customer experience (CX) is consistently identified as a top-three priority of CEOs by industry analysts like Gartner, Frost & Sullivan, Forrester, and others because more recent research has proven a strong correlation between increased customer satisfaction and increased ROI. This seems like a no brainer to most of us who live and breathe in the customer experience world, but not too long ago the contact center was only thought of as a cost center in which executives wanted to limit resources, lower cost, and reduce agent count by as much as possible. Further, there have been articles in respected journals suggesting tapping the brakes on customer focus - specifically, the Harvard Business Review article, Stop Trying to Delight Your Customers, by Dixon et al.

Now in the age of the consumer, there are multiple products and services available to consumers, making it easy to switch from one brand to another when a bad experience occurs. Additionally, with the increased popularity of social media, each negative experience has the potential of reaching thousands.

Take a look at the companies that have thrived in this new consumer-driven era. It's companies like Amazon, Uber, Apple, and Alaska Airlines. What do these companies have in common? They are customer obsessed! And everyone in the organization is aligned to provide an amazing and effortless customer experience throughout the entire customer journey.

So, we asked ourselves, how can we continue to improve the customer's experience and what truly delights our customers? With our beauty brands, does flattery work best to delight our customers? "Your eyes are gorgeous, that eye shadow makes the blue in your eyes pop!" Do our luxury retail customers enjoy cross-selling or discounts? "Thanks for your recent belt purchase, other customers who bought this belt also purchased this matching purse. Would you be interested in adding it to your order at a 20% discount?"

To find the answers, we worked with renowned CX author John Goodman, the Vice Chairman of Customer Care Measurement & Consulting (CCMC) on a

first-of-its-kind scientific, large-scale study on Customer Delight. The study examined the value of creating delight and what causes customer delight.

Sure enough, not delighting one's customers is a big mistake. Businesses that fail to do this are likely missing out on their most powerful marketing strategy. The representative study of over 2,500 affluent consumers found that delight has three big payoffs: higher loyalty, willingness to pay more, and positive word-of-mouth. Better yet, the types of delighters that have the best payoff are inexpensive, generally calling for enhancements in employee effort and behaviors, which means training investments.

Key Findings from the Survey:



People (genuinely engaged in servicing customers) are the strongest source of delight – stronger than money -- cheap delighters are as effective as costly ones



Honesty and transparency are powerful delighters even when conveying bad news



Cross-selling more products to high-end customers often creates delight (as well as more revenue)



Affluent customers will pay hundreds of dollars more for the same product to companies that delight



Digital delight is as prevalent as telephone or in-person and live video chat is emerging strongly



Higher-income, delighted men produce more social media and word of mouth recommendations than women



Delight can be your most powerful marketing tool – over half of the people who hear about delight are reported to go on to become customers



"Delighting goes much further than just providing great customer service. A delighted customer has experienced an interaction which is memorable, and is something that customers will talk about with their friends and family." – Othmar Mueller von Blumencron, Vice President of Sales and Marketing at VIPdesk Connect



Engaged Customer Service Reps Happy Agents = Happy Customers

Maya Angelou once said, "People will forget what you said, people will forget what you did, but people will never forget how you made them feel." Customer service agents represent the brand they are working for and are typically the first interaction a customer has with a brand. Therefore, representatives must leave the customer feeling great about the interactions. Recent studies show that even if a customer is calling in to a contact center about a complaint or frustration, they can leave with an overall positive experience based on how the issue is handled by the contact center representative.

Your agents have the power to make or break your brand. Proper training and technology can empower agents rather than hinder them, allowing them to provide a personalized and effortless customer experience.

The delight study with John Goodman at CCMC showed that some of the most powerful customer delighters are based on happy and engaged agents. Transparency, honesty, enthusiasm, and humor were all identified as top delighters in the study. Why is this such great news? These delighters are practically free! As long as you dedicate time to properly train agents, delighting customers can be effortless!

#1 Transparency and Honesty

A famous quote by Richard Branson stated, "The key is to set realistic customer expectations, and then not to just meet them, but to exceed them - preferably in unexpected and helpful ways." It is important to build honesty throughout the entire customer experience. If you set expectations too high when selling a product or service you will end up with dissatisfied customers. The key is to align marketing and sales with customer support so that the entire customer experience is smooth.

Every company, no matter the size or industry, makes mistakes from time to time. Regardless of how aligned your teams are, there will always be some road bumps in the customer journey, and that's where transparent and honest agents come in. Make sure your contact center is informed about potential mistakes and how best to remedy the situation. Honesty builds trust and loyalty which is important in any long-term relationship.

The Delight Study compared top box loyalty (definitely will keep buying) for customers who were delighted with transparency and honesty to customers who had just indicated good service but no delight. We found that transparency raised top box loyalty by 10% and honesty created a 7% increase. While it is best if marketing and sales never create incorrect expectations, resetting expectations is strongly appreciated and strengthens loyalty and NPS scores. Sales will find that gently highlighting product limitations does not lose the sale but creates trust and prevents future problems. This shift is a key area for experimentation and collaboration between sales and service.

The CCMC Customer Delight Study asked its respondents how likely they were to pay more for a product or service after having a positive customer experience. The study compared different types of delighters and ranked which delighters respondents would pay more for. Based on the survey, 41% of the respondents were willing to spend more with a company after having a transparent interaction. Interestingly, honesty caused a higher number of respondents to increase their willingness to spend



"Customers say they are much more delighted and more likely to spend money with a company that has customer service representatives who are honest and engaged during the interaction. Monetary delighters like offering a good value for money and providing extra value, certainly increase a customer's willingness to spend more with a company, but these 'people delighters' can be just as effective." – John Goodman, Vice Chairman of Customer Care Measurement & Consulting

(51%) but at a smaller dollar amount averaging an increased willing ness to pay of \$296. Honesty was also the highest-rated customer delight for increasing positive word of mouth after the interaction, where 84% of respondents were likely to talk about the positive experience with friends and family which potentially could lead to 4.4 new purchases stemming from the delight.

51%

of respondents would pay more for a product or service after engaging in an honest customer experience

#2 Agent Showed Interest

I love shopping at Trader Joe's. They have great products, they support causes that I also believe in, but when I honestly think about why I'm a loyal Trader Joe's customer, it comes down to the store personnel. I am always happier walking out of the store than I was walking in. Instead of asking how are you doing, they typically ask "Do you have any plans for the rest of the day?" It is simple but effective. I find myself having a real conversation with the store rep and they always show genuine interest. In fact, according to a recent study conducted by **Temkin Group**, Trader Joe's earned second place in emotion ratings based on the question "Thinking of your most recent interaction with each of these companies, how did you feel about those interactions?" How are these Trader Joe's store reps so happy and genuinely interested in others? I'm sure part of it comes down to vetting out the right people during the hiring process. Culture and vision alignment is very important. But I'm willing to bet most of it is from training and having supervisors that empower their staff to take the time to interact beyond the basic transaction. Unsurprisingly, 41% of the CCMC study respondents were willing to spend more with a company after having a customer representative show interest in them.



of respondents would pay more for a product or service after engaging in a customer experience where the agent showed interest

Agent Connected in a Personal Way

In addition to showing interest, if a customer service representative connects in a personal way, they are much more likely to delight a customer. Customer experience thought leaders from **Zendesk** believe it is key to provide agents with templates for common customer complaints. But they highlight the importance of going beyond the template to create a real, human connection with the customer. It is okay to adjust your answer and use your authentic tone to connect. There is a good balance behind connecting in a personal way without getting too personal and all of this can be learned when training agents on interpersonal skills.

In the CCMC Customer Delight Study, we asked how likely respondents were to increase spending when a representative connects with them in a personal way e.g., "I've traveled with my 85-year-old father and I know how stressful it is". 47% of the respondents were willing to spend more with the company. Further, customers who reported effective connection had a 10% higher top box willingness to repurchase than those who had just had good service.



of respondents would pay more for a product or service after engaging in a more personal customer experience

#4 Enthusiastic Agent

When customers are calling or messaging into a contact center, they are typically in a bad mood and have a problem that needs to be resolved. The agent has a great opportunity to leave the customer in a happier mood at the close of an interaction. When angry, an enthusiastic agent reassures you that someone will make things right. Even when a happy or neutral customer speaks with an agent, enthusiasm can be infectious and leave customers in a better mood.

Steve Curtin, author of **Delight Your Customer**, stated, "An employee who conveys authentic enthusiasm does so in a unique way, perhaps even singular, and matches his style and personality to the customer. And while this may be animated or may be reserved, it will be real."

Enthusiasm was the third highest-rated customer delighter in the CCMC Delight Study with 33% of the respondents rating it as a top delighter (10% of the respondents rated this as the #1 customer delighter). Additionally, 49% of the respondents were willing to pay more due to enthusiasm.

42% of respondents are willing to spend more with a company after a humorous interaction. Expect customers to spend even more if the interaction is not only humorous but fun or entertaining. The study showed that 45% of respondents are willing to spend more after an entertaining experience.

33%

of respondents rated enthusiasm as a top delighter



would pay more for a product or service after engaging in an entertaining customer experience

#5 Humor and Entertainment

In a recent blog post by HubSpot titled 6 Reasons a Sense of Humor Is a Must in Customer Service, CX thought leader Sam Meenasian explained when and how to use a sense of humor in different customer experience scenarios. "In my experience, I've learned when to tickle a customer's funny bone -- and when to keep the conversation serious," commented Meenasian.

Customer service can be pretty dry, but the great news is that humor can be learned (similar to other humanbased delighters). A few of Meenasian's expert tips include being yourself, think about what type of humor is appropriate, make it relevant, be kind, and don't force it. Humor needs to be well placed to be effective. It can be an efficient way to diffuse a tense situation but it can just as easily intensify anger. While humor and fun doesn't always apply, the Delight Study found that in Beauty and Fragrance settings, fun (trying new cosmetics) and humor (even poking fun at the price) led to 25% and 18% lifts in top box loyalty ratings to high 80s to mid-90s definitely will buy ratings. Such ratings are almost unheard-of in retailing. Lesson: humor and fun, correctly applied, can lock in a customer for life.

A real-life example of this that made the news was when a Zappos customer service representative responded to a dissatisfied customer as "Captain Anomaly" who had "some totally awesome WOWing powers" to take care of the customer's issue. The representative was able to turn the inconvenient situation into a funny story.

"some totally awesome WOWing powers" to resolve your issue!

John Goodman's Top Tips:



Take the lid off talk time – look at 90 extra seconds as an investment in extra margin or an additional 10 points of loyalty. It takes time to learn more about the customer and empathize and connect with them. If the customer is worth \$300, the 10 points of loyalty are worth at least \$30.



Empower your reps to handle difficult issues in job descriptions and encourage them to be creative, apply flexible solutions, and show their personalities.



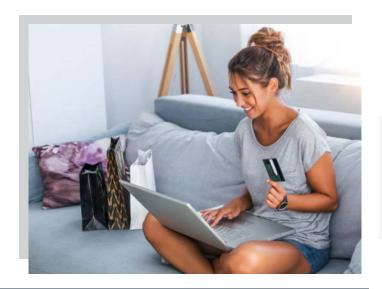
Give your staff examples and ideas. While some ideas come in a flash, it is good to have a repertoire to draw on and to build upon. Southwest Airlines has a booklet of funny ideas and actions that have worked for other staff. Chick-fil-A highlights what worked across stores.



Encourage supervisors to move from the sheriff compliance and adherence role to focusing on positive recognition for intelligent risk-taking and "coloring outside" the lines." For this to work, managers must also give supervisors some slack for a few delight actions that went wrong.



Practice rapid experimentation on multiple solutions to difficult situations, be sure to measure impact via monitoring and surveys. Work with your Quality team to test multiple strategies and responses. Amazon does thousands of A/B tests each year to improve processes.



Monetary Delighters

The second group of delighters assessed in the CCMC Customer Delight Study are categorized as Monetary Delighters. These delighters include cross-selling to customers, offering a good value for the money, and providing extra value to the customers. Monetary delighters can be a great way to increase customer acquisition and increase customer loyalty, but brands need to be careful not to be too pushy when crossselling or too aggressive when offering discounts.

#6 Cross-Selling

Cross-selling can be an effective tool, not only for increasing your revenue but for improving customer experience and customer loyalty. Agents should feel comfortable making suggestions based on the customer's needs and recommending additional products to the customer. The key is to know when cross-selling is appropriate and to intelligently match products or services with the customer's needs. Some customers don't like being sold to, but if they feel you are making an effort to accessorize or help resolve a current issue, they will walk away feeling delighted. Harley Davidson finds riders want to personalize their bike and are enthusiastic to spend as much on accessorizing and personalizing as they paid for the basic motorcycle.

In the CCMC Customer Delight Study, cross-selling was rated as the #1 delighter for increased willingness to spend. By selling other products or services that were useful or tailored to the customer, they would spend an average of \$676 more with the company. Additionally, 77% of the respondents who were delighted through cross-selling will talk positively about the brand via

word of mouth. CCMC discovered that respondents would talk to a mean of 6 people. John Goodman explained, "For each customer delighted by crossselling, it's reasonable to assume that it will result in 3 new customers via word of mouth."



of respondents who are delighted by cross-sell will talk positively about the brand via word of mouth

#7 Offered Good Value for Money

Picture this. You're up late on a Saturday night watching late-night TV and you see this amazing new gadget in an infomercial. You call up the number on the screen and order this innovative exercise belt that promises to give you a six-pack in just six minutes! Surprise, surprise, when you give it a go, you find out it's not all it's cracked up to be. If marketing exaggerates or sales overpromises, customers can feel a little short-changed when they receive a product or service that isn't what they had in mind. By delivering on your marketing and sales promises and properly pricing your products and services, you can ensure that you deliver good value.

51% of the CCMC Customer Delight Study respondents were willing to pay more with a company that offered good value for the money spent. This came in as the second highest-rated customer delighter in the study with 12% of respondents rating it as their top delighter. Further, in durable goods purchases, consumers who were delighted with the good value for money had an 18% higher top box loyalty rating vs. those who were not delighted.



of respondents would pay more for a product or service if it is a good value for the money

#8 Provided Extra Value

Customers love being treated like a VIP. Heck! We even named our company VIPdesk Connect, because we want all of our customers to feel like VIPs. One of the

best ways to make your customers feel like a VIP is by providing extra value. John Goodman commented, "Monetary delighters like offering a good value for money and providing extra value for no charge, like a pupchino at Starbucks, certainly increase a customer's willingness to spend more with a company."

In the CCMC Customer Delight study, we saw that 48% of customers were willing to spend more with a company that provided extra value. Why else do people spend over \$5 on a cup of coffee? This also proved to

be an excellent marketing tactic, with 85% of survey respondents saying this would encourage them to spread positive word of mouth about the company.

The Delight Study found that giving extra value in food and beverage or internet services had little impact (possibly because it is expected) while extra value in financial services created a 30% lift in top box loyalty. This may be because financial service institutions are traditionally seen as inflexible and non-empathetic.



of respondents are encouraged to engage in word of mouth when a company provides extra value

John Goodman's Top Tips:



Blanket monetary empowerment, e.g., "You're empowered up to \$500." often doesn't work because the staff is unsure when they are allowed to use it. A better approach is to provide flexible solution spaces for a few prevalent issues which can then guide general behaviors. Example: For issue A, there are four ways of handling, depending on the situation. The following format was used for changing flights at a travel company.

	Who Causes The Issue		
Value of Customer	Company	Customer	Third Party
High Value	Full refund and extra service	Full refund and educa- tion on how to avoid	Full refund and input into improvements
Medium Value	Full refund	Half refund and education	Full refund and input into CI
Low Value	Half refund	Half refund and education noted in file	Half refund and input into CI



Work with Sales and Marketing to assure that the offering is truly a good value. Good value for the price is a delighter precisely because many customers are cynical and have had previous bad experiences. Done right, good value is a delighter. Done poorly, it generates twice as much negative word of mouth.



Providing extra value is best when it is quick, relatively cheap, and is a surprise. Free doggy treats at Starbucks made a stop there mandatory for one of my friends because her dog looked forward to it. In the Middle East recently, when he put the bottle of milk in the bag, a store clerk smiled and threw in a piece of candy from a basket at the register. I may have not even wanted the candy, but the smile and action left me feeling good about the store and the local population.



Channel Delighters

Consumers have become increasingly mobile and digital, and now expect their favorite brands to be on the emerging digital channels they use daily like social media and live chat.

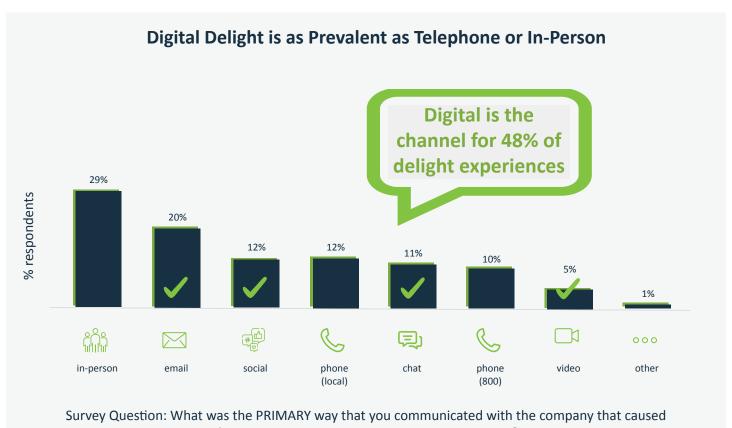
When CCMC looked at delighters by channel, digital held the highest number of delight experiences (48%) compared to phone (22%) and in-person (29%).

Digital Channels

It shouldn't come as a surprise that nearly half of delighter experiences were on digital channels. Recent data by McKinsey shows that the adoption of digital channels catapulted forward 5 years in just the first 8 weeks of the COVID -19 pandemic. The pandemic may have forced businesses to move online and deploy additional digital channels to support their socially distanced customers, but these channels are here to stay. Companies must prioritize the growth of their digital channels, understand the benefits of different channels, and understand how to delight their customers on these channels.

#10 Live Video Chat

Out of all the channels evaluated in the Delight Study, video was the highest performing channel. It ranked #1 for many of the agent-based human-delighters like honesty, creating a fun or entertaining experience, providing unique knowledge, utilizing surprise, and acting humorously. John Goodman believes that eye contact in live video chat can be used to connect with customers and create trust.



this DELIGHTFUL CUSTOMER SERVICE EXPERIENCE?

John Goodman's Top Tips:



Digital is inherently impersonal BUT, the language we use can make it a near-human interaction. Personal, empathetic phrases using natural language allow us to convey our feelings. Use words like "apologize" and "sorry." If your lawyers are nervous, you can apologize without accepting blame. If you say "I'm sorry this happened", you are not saying you're at fault.



Don't use words that sound scripted or belittle a situation. Never use the word, "inconvenience!" Every time someone has apologized for my inconvenience, the situation was far beyond that, often a disaster. Informal talk is much more natural – don't sound like a lawyer.



On the flip side, show enthusiasm and joy and be self-deprecating. "I'm happy to be able to do this for you." "Mrs. Smith, I've got this – we'll get it out to you today!" "I know this product seems pricey but, like Heather Locklear, you're really worth it and it will make you look fabulous!"



Along this same line, video chat is more expensive, but Intuit's research found that eye contact increased trust by 30%.

Conclusion

CCMC's research has found that inexpensive emotional connection and proactive customer education can deliver 20-32% higher loyalty while reducing costs by preventing problems from ever occurring.

People (genuinely engaged in servicing customers) are the strongest source of delight – stronger than money – cheap delighters are as effective as costly ones. Do the math - if a delighter raises top-box loyalty an average of 10%, is the expenditure to deliver a one minute personal delight worth increasing the lifetime value of the customer by 10%, e.g., by tens or hundreds of dollars. It's a no-brainer! Encourage honesty and transparency, even if it makes sales nervous. Honesty and transparency are powerful delighters even when conveying bad news.

Cross-selling more products to high-end customers often creates delight (as well as more revenue). Make sure your customer service representatives are training to know when it is best to cross-sell customers and offer other monetary incentives.

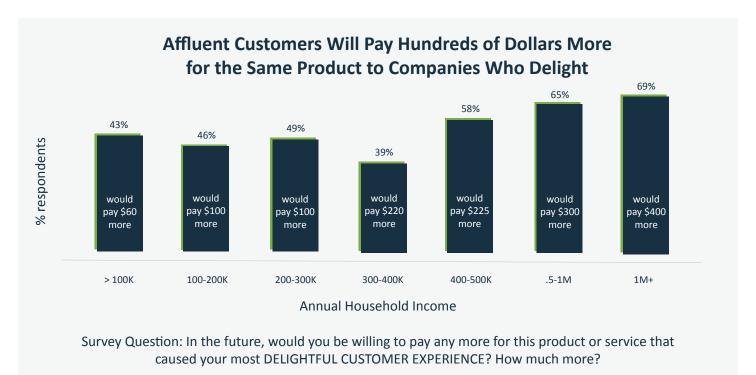
Digital delight is as prevalent as telephone or inperson and live video chat is emerging strongly. We recommend adding video chat to enhance trust and customer satisfaction. But remember, great service is both high-tech and high-touch. Provide effortless omnichannel technology that allows the customer to self-service when they want but seamlessly transition to a human when necessary. Empower staff with flexible solution spaces and refocus supervisors on empowerment and connection.



"The results of the Delight Study are fascinating and are confirming our elevated customer experience approach. At VIPdesk we view every customer interaction as an opportunity to create a memorable customer experience. This is who we are and what has always been part of our Concierge DNA. It is wonderful to see that such experiences result in such a positive impact on customer loyalty, willingness to pay a higher price, and an increase in word-of-mouth promotions."

Affluent customers are even more willing to spend more with a higher level of customer delight. Affluent customers will pay hundreds of dollars more for the same product to companies that delight. Higherincome, delighted men produce more social media and word of mouth recommendations than women so pay some attention to men in every market!

Delight can be your most powerful marketing tool – over half of the people who hear about delight are reported to go on to become customers. Make sure to provide feedback channels everywhere and aggressively solicit feedback on difficult issues to identify dissatisfaction as well as delight.



About VIPdesk

VIPdesk, a premium provider of outsourced customer experience solutions, utilizes a select team of remote work-at-home Brand Ambassadors (customer service professionals), located throughout the U.S., to provide elevated customer experience for luxury and premium brands. As a certified B-Corp, Women-Owned-Corporation, and Best Workplace winner, VIPdesk is on a fast mission to elevate the human experience with its team members and its partners. Talented team members of VIPdesk not only excel in delivering superior customer service but are passionate ambassadors of the brands they serve. VIPdesk's suite of services include Omni-Channel Customer service handling including all traditional and digital contact channels, full AI and assisted AI solutions, social media management, back office support, and customer experience consulting.



Certified B Corp

Meeting the highest standards of verified social and environmental performance.



Women Owned

Supporting women ownded businesses. Certified WBENC with 87% women workforce.



Concierge DNA

VIPdesk Connect customers see an average increase in NPS of 20% in the first year.



Remote Workforce

20+ years of experience hand picking and training work from home brand ambassadors.



Unique Culture

Fostering a unique culture.
Happy employees equals happy customers.