

A woman with long dark hair, wearing a white t-shirt and blue jeans, is running away from the camera in a grassy field. She is holding a bunch of colorful balloons (yellow, pink, orange, white, blue, purple) in her right hand. Her left arm is outstretched. The background is a bright, hazy sky over a green field.

# Why Delighting Customers is a Waste of Time and Money

## The Real Way to Increase Customer Loyalty

As more and more organizations identify customer experience (CX) as a key focus for differentiation, the pressure on leaders to deliver results is greater than ever. CX budgets and teams are expanding in an attempt to increase customer satisfaction, drive loyalty and secure more market share.

With the frenzied excitement around CX, it's easy to become enamoured with notions and ideas that sound as though they make good business sense....

One of these is the notion of “delighting customers” which is also known as “exceeding expectations,” “going the extra mile,” etc. It's the idea that companies must aim to deliver service experiences that are so far beyond their customers' normal expectations that the sheer delight of it all should leave the customer breathless, dizzy, slightly cross-eyed, and in need of a place to lie down until the euphoria subsides.

**We're exaggerating, a little.**

But the general belief is that going above and beyond is unquestionably a good thing. That it leads to delighted customers, and that delighted customers are more loyal.

As the Corporate Executive Board (CEB) noted in their 2014 report, *Blinded by Delight. Why Service Fails and How to Fix It*, this belief is widespread:

**The majority of organizations (89%) report that delighting customers will lead to higher loyalty and is a goal worth pursuing.**

They also proved that anyone who believes this is 100% WRONG:

**But our study found that exceeding customer expectations does not lead to measurable loyalty gains.**

In today's eye-candy world of news and media, where sensationalism is the order of the day, it's easy to understand why people, even experienced CX leaders, can get easily swept up in the fervor of delighting customers. Stories about exceeding expectations get all the exposure and very often go viral. Just compare the following two story headlines:

**[A] Zappos Gets Best Man's Shoes to the Church On Time: Helpful Customer Service Agent Sends Replacement Shoes by Courier – Moments Before Bride Walks Down Aisle!**

or

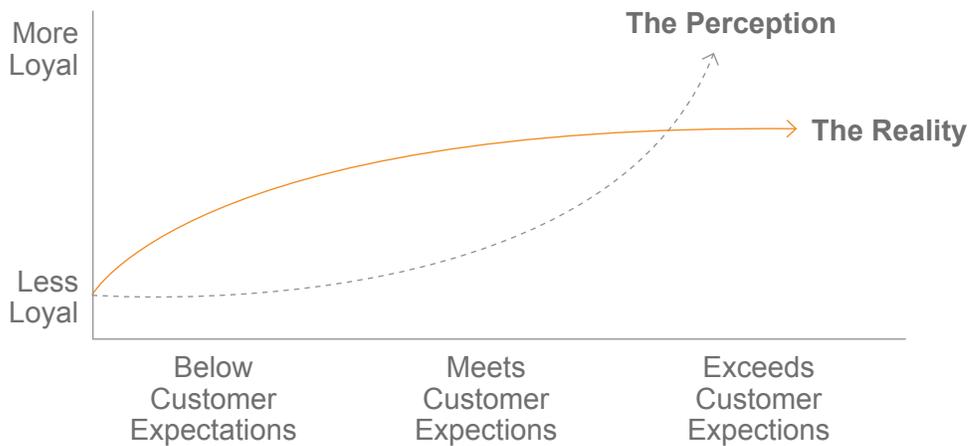
**[B] Major Bank Reduces Customer Callbacks by 80%**

Which story sounds more exciting? Which is more likely to appear on Buzzfeed and get shared on social media? Of course, it's [A], the single-event story of the heroic CSR who sent the courier and saved the nuptials ceremony from disaster is miles more tantalizing compared to [B].

Most business leaders would be savvy enough to know that story [B] is the one that actually delivers any real business impact, yet the idea of being a company that is known for "delighting customers" has an unexplainable magnetism. It just seems that it *should* be true that exceeding expectations will lead to higher loyalty.

In fact, Matt Dixon, one of the authors of the study from CEB, said they were "as surprised as anyone" when they discovered the truth – that delighting customers had almost no impact on loyalty.

## Delight Doesn't Pay

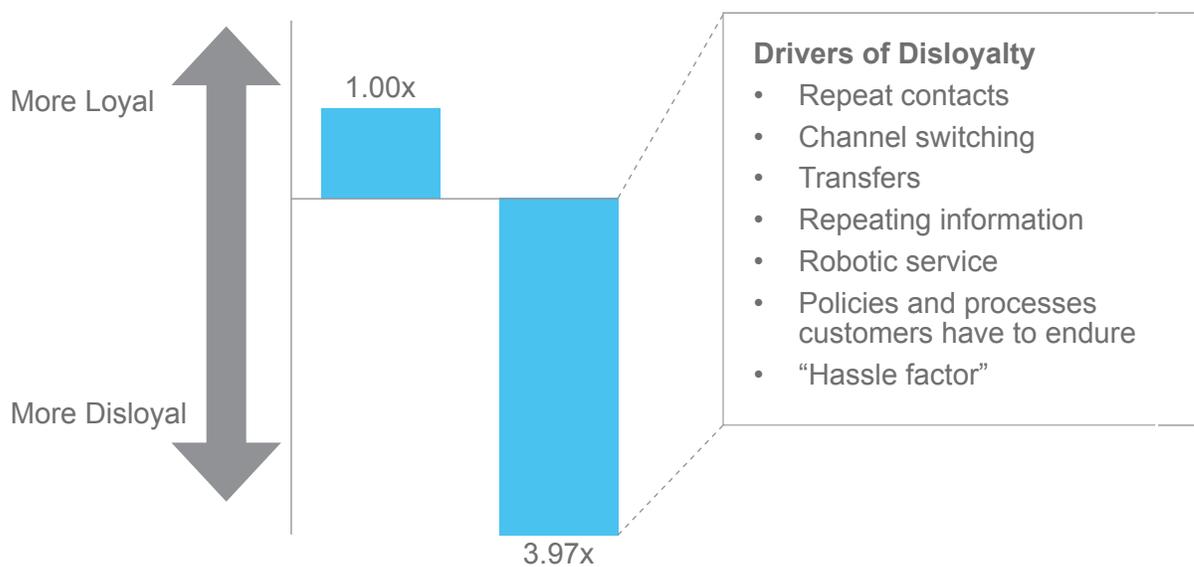


### So if delighting customers isn't the way to improve loyalty, then what is?

Turns out it's simple. Delighting a customer doesn't build loyalty, but reducing the amount of work customers must do to get their problem solved does.

And that's because increased efforts (i.e. points of frustration within the customer service journey) are a staggering 4 times more likely to drive disloyalty:

## Customer Service Impact on Loyalty



One look at the drivers of disloyalty in the chart above reveals the folly in trying to delight customers while at the same time leaving problems unaddressed that continue to frustrate and disappoint them. It sounds like an absurd practice, yet it's what goes on at many organizations.

The simple, albeit unsexy, reality for CX leaders is this: to drive loyalty higher, the best thing you can do is to scour your customer experience for service shortcomings and **fix what's wrong**.

## 8 Essential Questions for Reducing Customer Effort

Companies need to focus on reducing customer effort. That means looking into your most common customer journeys and finding the answers to questions like these:

1. Are our customers able to find answers to their questions in our digital channels on their own?
2. How many of our customers begin a journey online and have to escalate to the live agent channel?
3. How often do our customers have to re-contact the organization for the same issue?
4. How many times do customers have to “start over” by re-explaining their issue when they switch from one channel to another?
5. Do customers get transferred to channels or agents unnecessarily?
6. How easy – or hard – is it to find answers?
7. Do we have a strategy for reducing customer effort?
8. Are we minimizing effort across all channels, or are some channels easier than others?

It's important to have confidence in the validity of your answers. For every answer that you (or others) offer, be sure to ask, **“Do we know this for sure? Or are we guessing?”**

# Reducing Customer Effort: Digital Journeys Require Digital Solutions

With customers overwhelmingly choosing digital channels as the primary path for service queries, the fastest and highest payoff for reducing effort will come from initiatives that remove points of frustration throughout digital customer journeys. Here are three ways you can make a big impact:

## 1. Virtual Agents

**LOYALIST BANK**  
Have Questions?  
Will my credit card work in Europe? **ASK**

Loyalist Bank credit cards are accepted at thousands of retail locations around the world including Europe.  
There are no additional fees for making purchases outside of the U.S.  
When using your credit card outside of the US, purchases are subject to foreign currency exchange rates.  
You can find out more about exchange rates by [clicking here](#).

**Travelling soon?**  
Check out our affordable travel insurance options.  
**GET A QUOTE**

How satisfied are you with this answer?  
★★★★★

Related questions you may find helpful:

- Do you offer travel credit cards?
- How do I redeem travel reward points?
- Do you offer travel insurance?

Virtual agents not only deliver accurate answers but they can also deliver marketing offers that boost online conversion and revenue.

In this example, a customer enters a question like, “Will my credit card work in Europe?” and the Virtual Agent recognizes that the real intent behind the customer’s question involves preparing for an upcoming trip.

In addition to providing the precise answer to the customer’s question, the virtual agent automatically introduces a highly relevant purchase path for the customer by serving an offer related to travel insurance – even though there was no explicit mention of the word ‘travel’ in the customer’s question.

[24]7 technology can help you achieve click-through rate improvement of up to 20X and conversion improvement of 15X compared to online ads on a page where the customer intent is unknown.

## 2. Chat



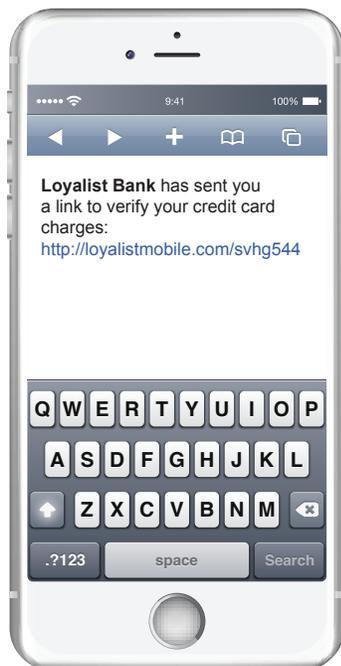
When customers need more help, live chat technology can be seamlessly added to Virtual Agent journeys, allowing the customer to get the additional assistance they need without having to start over or re-enter any information.

This saves the customer time and effort, and is a noticeable improvement over today's common chat experience that feels isolated by comparison.

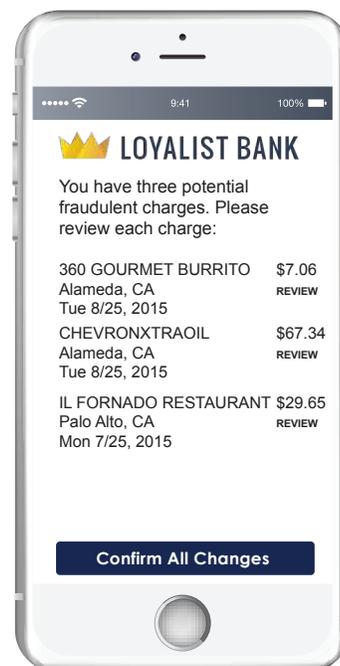
## 3. Connected IVR

[24]7's connected IVR technology can turn a typically frustrating, high-effort IVR experience into a quick, low-effort digital interaction. Suppose a customer's credit card is blocked and they call to investigate. The IVR can recognize the call is coming from a smartphone and offer the following journey:

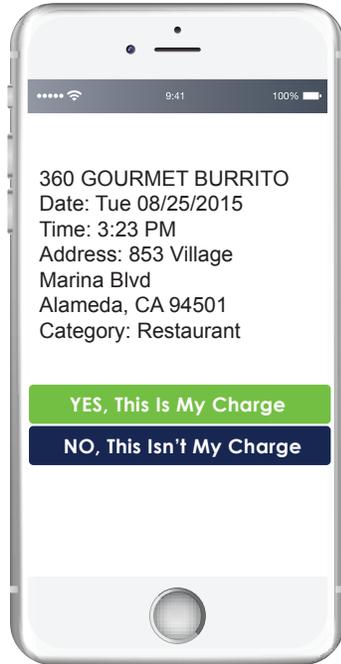
Customer receives a link via text message



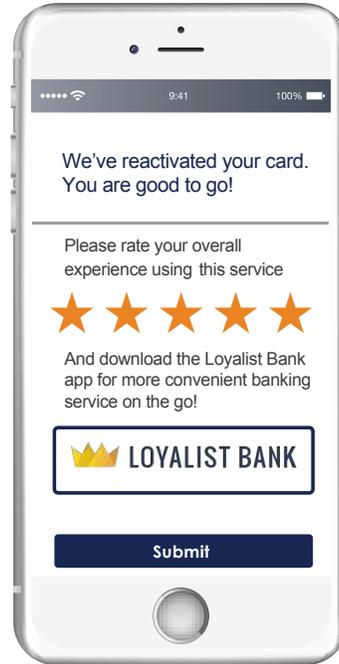
Link takes customer to review a list of charges



Each transaction can be clicked for more info



Customer can confirm via voice or touch



Transitioning the call from an analog IVR interaction to a highly visual, rich data interaction allows the customer to click, probe and do so much more than the traditional IVR menu would allow – but by expending far less effort. Your organization can even promote further low-effort support options by encouraging users to download a native app for future use.

## Are You Focused on Reducing Customer Effort?

[24]7's proprietary survey data may shed some light on why trying to 'delight' customers is a very misdirected goal. In our own survey of consumers across various industries, 58% said that when seeking assistance, they wanted companies to solve the problem quickly and let them get on with their day.

In CEB's words, "customers may enjoy a delightful experience in the moment, but quickly forget it and do not factor it into future decisions," such as repurchase intent, increasing spend or spreading positive word-of-mouth. If your customer experience strategy isn't organized around reducing effort for your customers across channels, you can bet you're driving disloyalty. Getting your CX investment aligned with customer needs starts with removing customer effort where it counts the most – in digital channels. [24]7 can help you make sense of where to start.

**Ready to keep learning? Find out more  
on our website by clicking here.**

**Let [24]7 help your enterprise achieve extraordinary results.**



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