



XM INSTITUTE EBOOK

Humanizing Customer Experience

By **Bruce Temkin**, CCXP
Head of the Qualtrics XM Institute

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WE CAN ALL IMPROVE HUMANITY

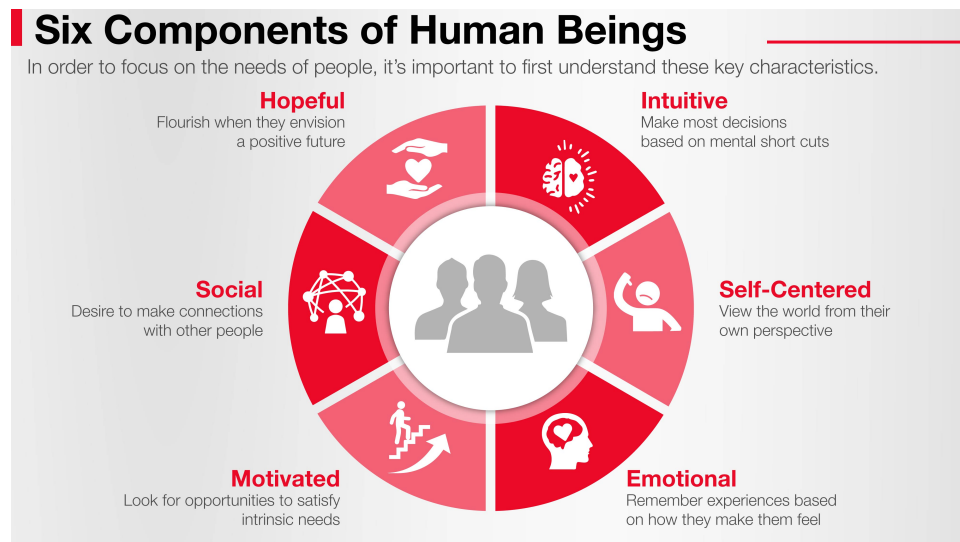
Temkin Group has labeled 2018 “The Year of Humanity.” To support this theme, over the past year we have conducted research and developed content – such as this eBook – specifically aimed at helping fellow CX professionals improve the world around us.¹ We hope this eBook not only inspires you, but also provides you with some concrete ideas for ways you can infuse compassion and kindness into your role as both:

- **An Individual.** Each of us can look for ways to embrace diversity, extend compassion, and express appreciation in our daily lives.
- **A CX professional.** We can all act with purpose, create positive memories, and cultivate deep empathy while we are at work.

START BY UNDERSTANDING SIX KEY TRAITS OF HUMAN BEINGS

One of the most important – but often forgotten – elements of customer experience is that it’s all about human beings. Customers are human beings. Employees are human beings. Even executives are human beings. So if you want to humanize customer experience, you first need to understand and embrace how human beings actually think and behave.

However, human beings are complicated, and understanding them can be difficult. In fact, we are so complicated, sometimes even our *own* behavior completely baffles us! Yet there are some universal characteristics all people share. So to help you more effectively address the needs of your customers, employees, leaders, or partners, we have compiled six, scientifically backed traits of human beings.



Human beings are:

¹ Visit YearOfHumanity.com

- **Intuitive.** People use two different modes of thinking to make decisions. One mode is *Rational Thinking*, which is slow, effortful, and deliberate and relies on logic and reason to reach conclusions. The second mode is *Intuitive Thinking*, which is fast, automatic, and emotional and relies on cognitive biases and heuristics (mental rules of thumb) to make decisions. Despite the fact that human beings make almost all of their decisions using *Intuitive Thinking*, organizations tend to design experiences as if their customers are perfectly rational individuals. You can make experiences easier and more emotionally engaging for customers by tapping into this intuitive mode of thinking.
- **Self-Centered.** We look at the world through our own personal perspective, which, because of our unique life experiences, is totally different than anyone else's. This individual perspective can be damaging to customer experience because employees are more familiar with their company's structure, processes, and products than customers are. And because it's hard for employees to shed their own (well-informed) perspective, this knowledge gap often leads to miscommunications and dampens internal empathy for the customer. You can improve the customer's experience by first recognizing your own self-centeredness and then taking steps to mitigate the issues it creates.
- **Emotional.** We remember experiences based on how they make us feel. Our memories are not like a video recorder, they don't store every moment of an experience. Instead, they're more like a camera, capturing a snapshot whenever we feel strong emotions and then retroactively judging that entire experience based on those few pictures. Because emotion so heavily impacts how people remember interactions with your company, you can improve CX by proactively considering and designing for the emotions you want each experience to generate.
- **Motivated.** All people strive to fulfill four intrinsic needs – a sense of *meaning*, *choice*, *progress*, and *competence*. So, when you think about how to improve the experience of the people who work around you, spend less time focusing on their compensation and more time helping them feel that their work has meaning, that they are progressing towards their goals, that they have the freedom to choose how certain parts of their work gets done, and that they are building up their knowledge and skills.
- **Social.** We naturally want to connect with other people who are “like us,” and we tend to trust people who seem similar to us more than we trust other people or institutions. Therefore, to create good experiences for customers, you not only need to recognize that people's social groups are an important area of influence, you should also help employees and customers build meaningful connections with each other.
- **Hopeful.** People flourish when they envision a positive future. So you can motivate employees, leaders, customers, and partners by articulating a compelling vision of your company's future success in a way that specifically addresses their personal needs and aspirations.

IMPROVE HUMANITY AS INDIVIDUALS

With all of the discord and tension in the world, now seems like a good time for all of us to refocus on what's most important – our collective humanity. How? By adopting the following three mindsets:

- **Embrace Diversity:** Cherish our Differences
- **Extend Compassion:** Proactively Care for Others
- **Express Appreciation:** Acknowledge the Positive

Embrace Diversity: Cherish our Differences

Not only should we respect each other's differences, we should also find ways to appreciate each other as wonderfully unique individuals. Here are some approaches you can follow to embrace diversity:

- **Engage respectfully with opposing viewpoints.** No two people have had the same experiences. Asking for, listening to, and engaging with others' points of view is an invaluable and necessary part of learning.
 - Seek to learn from others, not just prove them wrong.
 - Actively listen – don't just wait to prove your point.
 - Talk through why you did or didn't agree with their point of view. Make it a conversation so you can understand each other's underlying assumptions.
- **Make everyone feel comfortable sharing.** You can't just tell people their input matters, you have to show it! Let others know you value their point of view through both words *and* actions.
 - Make a point to regularly ask others to share their thoughts.
 - Thank people for sharing and acknowledge that it can be hard to go out on a limb.
 - Stand up for someone's right to share a different point of view when others belittle or bully them.
- **Recognize every person's unique value.** Because we have all been shaped by our own individual life experiences, each person brings something singular to every interaction or relationship.
 - Celebrate the unique perspectives you and others bring to the table.
 - Recognize when others' experiences are more relevant to a situation than your own are.
 - Help others recognize their unique value when they struggle to see it themselves.

Extend Compassion: Proactively Care for Others

All around us are people who could benefit from our care and comfort, but often we either don't notice them or we deliberately ignore their needs. We can all do a better job of tuning in

to the condition of people around us and demonstrating concern about their well-being. Here are some approaches you can follow to extend compassion:

- **Support others on their quest to achieve their goals.** People are more likely to reach their goals when they feel supported and encouraged, so take the time to understand what others are trying to accomplish and help them where you can.
 - Share your goals with others and invite them to do the same.
 - Introduce and connect people to others who either share similar goals or who could help them achieve their goals.
 - Regularly check in on how others are progressing towards their goals and ask how you can support them.
- **Reach out to people who may need help.** People don't always ask for the help they need. Proactively check in on others and offer your support – even when they don't ask for it.
 - Learn to recognize signs that someone may need help, even if they say otherwise.
 - Make concrete plans to check in with each other.
 - Set aside distractions and be fully present during interactions with others to better tune in to how they are doing.
- **Assume that people have positive intentions.** Extend the benefit of the doubt to others. It comes down to the golden rule: treat others as you'd want to be treated.
 - Look for the best in others.
 - Ask about mistakes in ways that do not create blame.
 - Be aware of your personal biases and how these biases may shape your perception of others.

Express Appreciation: Acknowledge the Positive

The act of appreciation is powerful. It not only has a positive impact on the people who we explicitly appreciate, it also improves our own, personal well-being. Here are some approaches you can follow to express appreciation:

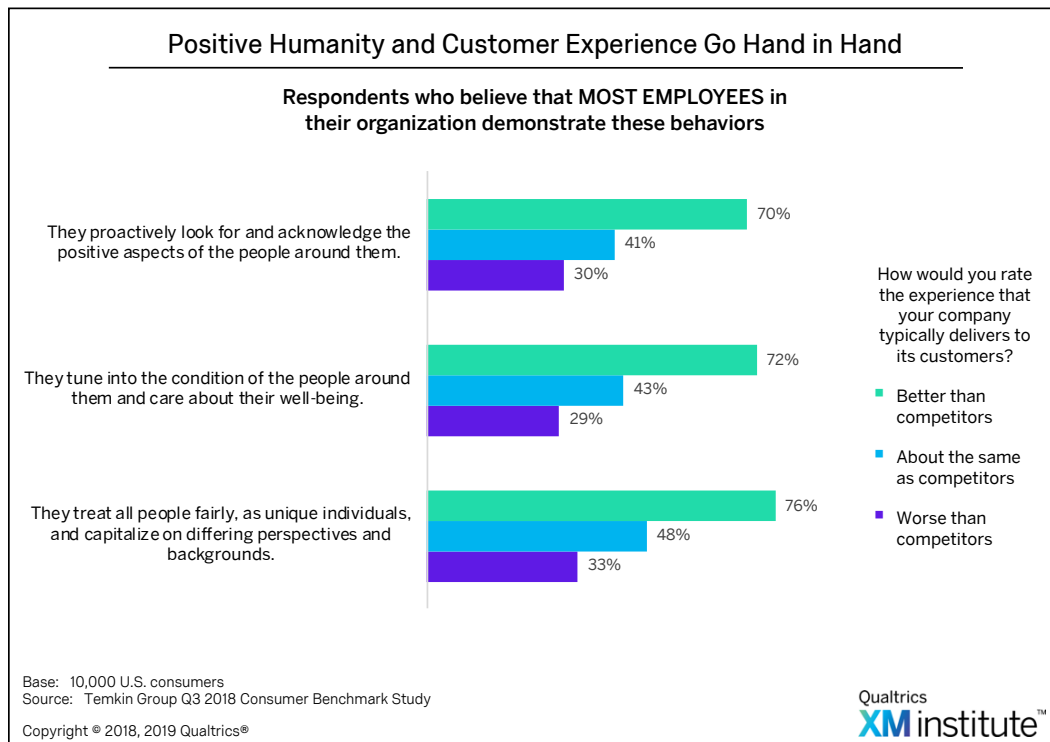
- **Celebrate achievements both big and small.** It takes time and effort to accomplish your goals, even small ones. Don't downplay successes – either your own or others'.
 - Regularly take stock of the achievements of yourself and others.
 - Value day-to-day consistency just as much as “superhero moments.”
 - Let yourself brag when you deserve it!
- **Look for and limit your negativity.** Realistic negativity can be helpful... to a point. Overly focusing on the bad will adversely affect both you and those around you. Plus, because it's demotivating, negativity makes it even harder to reach success.

- Recognize when negativity is not constructive.
- Look to create solutions rather than just pointing out problems.
- Take note of the lessons you learned in difficult and disheartening situations.
- **Tell people how much they mean to you.** Whether you think they know it already or not, remind others often that you value them in your life.
 - Make a point to regularly show others how much they mean to you through both words and actions.
 - Pay attention to meaningful moments in others' lives and use those as occasions to express your appreciation.
 - Get in the habit of doing random acts of kindness for people who are important to you.

IMPROVE HUMANITY AS CX PROFESSIONALS

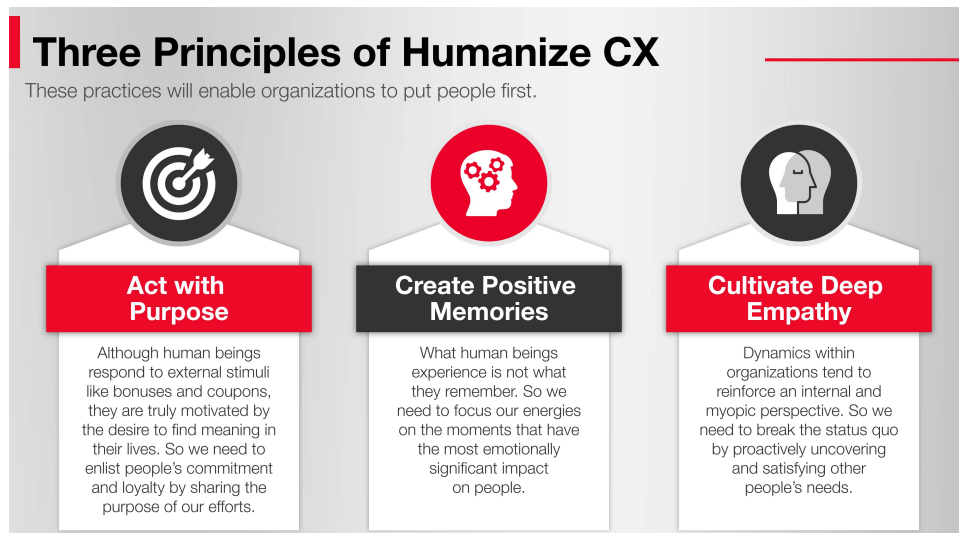
While it may be tempting to look at an organization's work through the lens of its technologies or processes, those are just conduits to the true objective: people. A company's success is ultimately driven by engaged employees and loyal customers. Organizations must therefore understand and address the underlying needs and behaviors of both their employees and their customers.

So how does your work as a CX professional positively impact humanity? Our research shows that employees who work in organizations that deliver a better customer experience are more likely to demonstrate several constructive, prosocial behaviors.



You can improve humanity through your work as a CX professional by adopting these three strategies:

- **Act with Purpose**
- **Create Positive Memories**
- **Cultivate Deep Empathy**



Act with Purpose

Although human beings respond to external stimuli like bonuses and coupons, they are truly motivated by the desire to find meaning in their lives. So we need to enlist people's commitment and loyalty by sharing the purpose of our efforts. Here's how Herb Kelleher, the founder of Southwest Airlines, described the secret to the airline's success:

"If you create an environment where the people truly participate, you don't need control. They know what needs to be done, and they do it. And the more that people will devote themselves to your cause on a voluntary basis, a willing basis, the fewer hierarchies and control mechanisms you need."

To create a culture of participation and help your organization behave as a cohesive unit, CX professionals must demonstrate Temkin Group's Five P's of Purposeful Leadership:

- **Passionate.** Leaders who aren't energized by the company's future can't expect their employees, partners, or customers to be passionate about helping them get there. That's why purposeful leaders share a compelling view of the future.
- **Persuasive.** Purposeful leaders don't just bark orders about what things need to be done and how they expect people to do them. Instead they take the time to make sure that everyone understands *why* the organization needs to do something.
- **Positive.** Temkin Group research found that employees who regularly receive positive feedback from their boss are three times more likely than other employees to do

something unexpectedly good for the company and are three times more likely to recommend an improvement.²

- **Propelling.** In a large organization, a leader's actions make up only a tiny fraction of the total number of actions taken across the company. As leaders individually represent such a small percentage of the organization's overall activity, whether they succeed or fail is not determined by what they personally do, but by how effectively they influence the actions of other people.
- **Persistent.** A leader's words are only meaningful if they align with his or her actions. If a leader says that something is important, but then behaves in a way that contradicts that statement, the organization will stop believing that what that leader says matters really does matter.

Create Positive Memories

Remember, human memory works more like a video tape than like a camera, taking snapshots at certain key instances during an experience and then later judging that entire experience based on those few moments. And because people construct their memories as stories based on fragments of their actual experiences, how they make decisions and form perceptions depends entirely on how they *remember* experiences happening, not on how they really happened.

This means that as CX professionals, we need to focus our energies on the moments that have the most emotionally significant impact on people, the moments where they are most likely to take a mental snapshot. Research in fields like behavioral economics and neuroscience has identified three elements that disproportionately shape how we remember experiences:

- **Spikes.** A rapid change in emotional state.
- **Peaks.** The highest and lowest emotional moments of the overall experience.
- **Endings.** The emotional state at the end of an experience.

To help customers remember their experiences with your company more positively, keep these three elements in mind as you design interactions. Here are some ideas for how you can create positive memories:

- **Make every ending count.** One of the quickest ways to enhance how customers remember an experience is to end it on a high note. So, for example, you could train your agents to sincerely thank the customer at the end of each call, design a thoughtful thank-you screen after someone buys a new product, or encourage employees to wish customers a heartfelt "good day" as they walk out of your store.
- **Educate employees about moments that matter.** Train your employees to recognize Moments of Truth – those emotionally intense instances when customers

² From Temkin Group's Q3 2017 Consumer Benchmark Survey of 10,000 U.S. consumers.

will take a memory snapshot – as they have a disproportionate effect on customer loyalty. For example, Memorial Hospital and Health System of South Bend sends employees through what it calls “Chief Moment Officer Training.” This training teaches staff members about the importance of patient experience, what their role is in providing the experience, what influence they have on the experience, and the science behind creating exceptional experiences.

- **Smoothen transitions.** People have a strong natural aversion of ambiguity. So when a customer transitions from one form of interaction to another – like moving from a Live Chat to a phone conversation, waiting for an email confirmation after making a purchase, or being transferred between agents – they tend to feel some apprehension about the next step, and this apprehension causes a negative emotional spike. So to ease customers’ anxiety during transitions and handoffs, make sure customers don’t have to repeat themselves multiple times. Also, often just acknowledging the transition, such as a simple statement by an agent saying, “I see you’ve been online, how can I help you,” can really help minimize these negative spikes.
- **Recover quickly from mistakes.** When customers have a bad experience, they often become increasingly upset the longer the issue takes to resolve – especially if they expend a lot of energy trying to fix the situation. This means that if companies do not take care of the problem quickly, customers will likely experience an extremely negative emotional peak. On the other hand, if companies do resolve the issue competently and efficiently, customers may actually experience a positive emotional spike. So in the long-run, your customers will remember mistakes you made in a more positive light (and thus be more loyal) if you resolve their problems as soon as possible – even if that approach costs more in the short-term.
- **Dampen bad experiences.** Let’s face it, there are just going to be some occasions when you have to deliver a less-than-ideal experience to customers. Sometimes a product is no longer under warranty or you’re out of stock on a product. But even if a bad experience is inevitable, you can still make the resulting negative peak lower – or eliminate the negative spike altogether – in a few ways. First, you can set customer expectations through proactive communication, like telling them at the beginning of a call how long their wait time is likely to be or emailing them ahead of a storm to prepare them for a power outage. You can also help customers remember the experiences better by framing communications in a positive way. So, for example, instead of saying, “We don’t have that item in stock,” you could say, “We will have that item in stock in two weeks.” Finally, you can also minimize the effect of bad experiences by getting them out of the way early on in the interaction and – if there’s more than one – clumping them all together.
- **Create happy surprises.** Pleasant surprises are one of the most effective ways to create a positive emotional spike in customers. So, for example, you could have agents send thank-you notes to customers after a call, include a small present in a package being shipped, or encourage branch managers to greet customers by name when they come into the bank. Customers who experience such unexpectedly thoughtful moments will remember that interaction, and your company, more fondly.
- **Empower random acts of kindness.** If you foster an environment that encourages employees to go out of their way for customers, they will create some truly exceptional, memorable moments that customers will associate with your company

for a long time. For example, Ritz-Carlton entrusts all staff members to spend up to \$2,000 on a guest without having to first get the approval of their general manager. Disney's "Take Five" program trains its cast members (employees) on how to take five minutes from their normal daily duties to do something special for their guests. The company calls it being "aggressively friendly."

Cultivate Deep Empathy

Dynamics within organizations tend to reinforce an internal and myopic perspective. We as CX professionals need to break this status quo by proactively uncovering and satisfying other people's needs.

As insiders, employees naturally have a deeper understanding of their company's products, organizational structure, and operating processes than their customers do. While this is generally a good thing, if employees aren't aware that their frame of reference differs from that of their customers, their decisions will be too insular, leading to products and interactions that don't meet the needs of the customers – who lack both the interest and the insight into such company details.

In addition to this insider bias, organizational dynamics add another barrier to empathy. While a typical customer interaction cuts across many functional groups (a single purchase, for instance, may include contact with decisions by product management, sales, marketing, accounts payable, and legal organizations), companies push employees to stay focused solely on their own functional areas. Organizations reinforce this siloed view by creating incentives that focus exclusively on narrow domains, creating a chasm between empathy and personal success.

Here are some ideas for cultivating deep empathy:

- **Refer to customers as people, not data.** Your data may show that your average customer is 57% female, has 1.7 children, owns 1.3 cars, and lives 62% in the suburbs, but that does not actually describe any real person. To spark empathy, you must talk about customers in a way that employees can actually relate to. Blue Cross Blue Shield of Michigan created three "Design Personas" (Mike, Grace, and Lisa) that provide a "face" to key customer segments. Using a self-guided layout and navigation, employees could explore the customer persona scenarios, learn about their pain points, and stay up-to-date on new and ongoing improvement initiatives.
- **Examine your customers' journey.** To overcome siloed internal perspectives, you should help people across your organization recognize that interactions with your company are often just a small piece in your customers' wider journey to accomplish their goals. To accurately place customers' interactions with your organization in a broader context, you should conduct qualitative (and often ethnographic) research of your target customers. Companies frequently use a tool called "customer journey maps" to capture and present this information. These maps can help employees from different roles and functions across the organization understand how customers interact with and perceive their company, all within the context of customers' broader needs, goals, and actions.

- **Discuss customer feedback...often.** Don't just examine customer feedback on a monthly or quarterly basis; embed it into your day-to-day activities. Every day, prior to the start of their shift, Apple retail employees get together and review feedback from customers who recently visited the store. Participating in this daily huddle helps keep employees focused on the needs and perspectives of their customers.
- **Spread customers' actual words.** To both humanize your customers and motivate your employees, share customers' feedback using their own words. Charles Schwab organizes verbatims by themes and topics and then puts them in the hands of the appropriate people across the company. As a result, thousands of employees read these verbatims, including every branch and every call-center team. Adobe, meanwhile, created a Customer Listening Post – an immersive room where executives and employees from across the company can listen to live calls and review chats with customers.
- **Assume that customers will be confused.** Because they spend so many hours each week discussing their company's products, processes, and structure, employees tend to forget that customers don't possess their same level of knowledge about (or interest in) their company. As a result, employees frequently use language or create processes that customers find confusing. As a natural bias, this self-centered impulse can't be entirely eliminated; however, it can be neutralized if employees get into the habit of asking the question: "Would our target customers fully understand this?" Cigna used this concept to drive its "Words We Use" campaign, which is focused on removing confusing language from all of its customer communications.
- **Raise awareness of customers' emotional states.** You can increase empathy within your organization by encouraging employees to actively consider how they are making customers feel at any given moment. Every time a customer interacts with your company, their emotions will fall somewhere along a spectrum from *angry* to *agitated* to *ambivalent* to *appreciative* to *adoring*. You can help raise your frontline employees' awareness of customer's emotional states by encouraging them to note down which of those five emotions a customer is likely feeling after an interaction. Not only will this keep customer emotions top-of-mind, but this exercise can also be a valuable coaching tool

MAKE THE MOVE TO IMPROVE HUMANITY

Hopefully you're now inspired to improve humanity! However, inspiration alone is not enough to make a difference; you need to actually do something. Improving humanity may seem like a monumental task – too big for you to tackle alone – but if we each individually make just a few small changes, together will make a huge difference. As Mother Teresa once said:

I alone cannot change the world, but I can cast a stone across the waters to create many ripples.

Here are some ways to act on what you've just read:

- **Do two things differently.** Pick one thing you want to do differently as an individual and one thing you want to change as a CX professional. Write them down somewhere that will stay in front of you, like a repeating event on your calendar or a sticky note on

your computer. At the end of every week, ask yourself if you've been successful in making those changes.

- **Tap into Temkin Group resources.** We have lots of resources, beyond just this eBook, to help you improve humanity. To see more content, visit the Year of Humanity website ([YearOfHumanity.com](https://www.yearofhumanity.com)).
- **Spread the word.** If you come across some content that you find particularly inspiring, share it with other people. And to amplify your efforts, actively look for opportunities where you can work alongside other people to improve humanity.