

[SHOW INTRO]

Welcome to The Experience This! Show

Where you'll find inspiring examples of customer experience, great stories of customer service, and tips on how to make your customers love you even more.

Always upbeat and definitely entertaining, customer attention expert Joey Coleman and social media expert Dan Gingiss serve as your hosts for a weekly dose of positive customer experience, so hold onto your headphones, it's time to Experience This!

[EPISODE 6 INTRO]

Get ready for another episode of the Experience This show. Join us as we discuss betting on robots, hold music that you actually want to listen to, and restaurant loyalty programs that test your loyalty.

Robots, music, and pizza, oh my.

[SEGMENT INTRO] [CX PRESS]

There are so many great customer experience articles to read. But, who has the time? We summarize them and offer clear takeaways you can implement starting tomorrow. Enjoy this segment of CX Press, where we read the articles, so you don't need to.

[CX PRESS: **Why Marketers Are Betting on Bots**]

Joey Coleman: This week's article comes from Advertising Age. Or as it's more affectionately known within the trade, Ad Age. It comes to us from Jay Baer, author, speaker, and all around good guy, and the founder and president of Convince and Convert. The article is entitled or is titled rather, it's not an entitled article. It's a titled article, Why Marketers Are Betting on Bots. The article is titled, Why Marketers Are Betting on Bots by Adrienne Pasquarelli and Jessica Wohl. Vegas baby, it's one of the best cities in America. It's crazy. It's wild, and there's a hotel in Vegas called the Cosmopolitan. One of the Cosmopolitan's employees has been, well let's just say, getting a little bit of press lately. She's been being a little cheeky. One guest called her a sultry siren. Her name is Rose. Rose is a chatbot. The interesting thing about Rose is she is very much in brand harmony with the Cosmopolitan's brand and tagline, "Just the right amount of wrong." The article talks all about how guests are interacting with Rose. How some have even proposed marriage. How people are having a lot of fun interacting with this chatbot, which to me, made a lot of sense because the Cosmopolitan hotel is really known for being an edgy hotel. Most of their guests I think qualify as being tech savvy. Heck, they're in Vegas. They're used to trying new and crazy things. The article goes on to talk about the rise in chatbots, and how they are working or not working for brands. Dan, have you had any experience with chatbots?

Dan Gingiss: I have Joey. I think chatbots can be great for very basic engagements that basically are replicating what happens on a website. There's a lot of bots out there that allow you to order products, for example. That's a pretty good use because if you know what you want, you can ask the bot, and it

can show you it. You can put it in your cart, and you can buy it. The problem though comes when you need help from a human. I think that companies so far have not figured out how to make that connection work. I had an example Joey, where I was trying to order flowers. I was ordering it from a company that we'll keep nameless, but it sounds a little bit like a telephone number. I was on Facebook messenger, and I went to go order the flowers, and the ordering part was great. I got to view a bunch of arrangements. I got to select which one that I wanted, see the pricing. Then after I selected, I'm not making this up, the delightful daffodil, it asked me when I wanted them delivered. It gave me three dates. I looked at those dates and I said, "Huh, none of those dates are the dates that I actually wanted." I looked around, and I couldn't see what to do, so I typed help into the box because I didn't know what else to do. The bot figured that out and said, "What are you looking to do? Start over? Keep going? Or talk to support?" Aha, I'd like to talk to support, please. The bot writes back and says, "Well, customer service is closed." That left me wondering, well why did it offer me talk to support in the first place. If it ended there, that would've been okay. But then the weird thing is, is right after that, Samantha joined the conversation and said, "Hey Dan. I'm Samantha, a live agent. How may I help you?"

Joey Coleman: Did she identify herself as a live agent when she chimed in?

Dan Gingiss: Yeah she did. She did.

Joey Coleman: Well that was nice.

Dan Gingiss: It was, but again I had just been told that customer service was closed-

Joey Coleman: That's just tricky messaging.

Dan Gingiss: Now I'm really confused. I actually told Samantha, "Hey, I was just experimenting. I haven't used a bot before. Nothing specific, but thanks for the help." At which point the bot comes back, and says, "What would you like to change?" And gives me three options to choose. At which point Samantha comes back and says, "Okay, Dan. Feel free to reach out to us if you'd like any assistance."

Joey Coleman: Does Samantha know about the conversation you're having with the bot? Can she see that?

Dan Gingiss: I have no idea.

Joey Coleman: I'm sensing no.

Dan Gingiss: I'm sensing no too because as a customer, I'm now talking with the bot and Samantha at the same time. I bring this up only to say, that what starts off as a pretty easy interaction, I'm trying to order flowers, that's pretty basic. There's only so many choices, and building a bot around that is pretty simple. It's when I ran into trouble with the date, and I needed to talk to somebody, that the whole thing fell off the rails. That's the message that I have to companies is that you got to be really careful that a bot experience doesn't turn into an absolute customer experience disaster.

Joey Coleman: Yeah. I think it's interesting when we talk about incorporating technology into conversations. If you were actually having a conversation on the phone with a representative from this flower company and another agent jumped into the call, it would be very obvious to you that you were

talking to two human beings. They would be able to hear what they were saying to each other, and to you, and could then help you navigate the situation accordingly. You might shift your conversation to focus on the more senior person that joins the call later, or something like that if they're helping you work through the problem. But I think the big issue that a lot of companies using bots are going to have is, what is that balance between the conversation with the AI, and the conversation with a human being. To your point, what do we do when the AI isn't listening or isn't paying attention, or just frankly doesn't understand what we're asking.

Dan Gingiss: Right, and I think one of the keys there that you said is that it can't be one or the other. The AI cannot completely replace the human. We, as humans, are always going to need some sort of human support. It isn't one or the other. As you're building a bot, you have to keep in mind that human connection that may have to happen as you're building out your trees of all the choices that could happen. One of them is going to be handing off to a human. That handoff needs to be really, really simple.

Joey Coleman: I think I'd agree with, except I don't know that we'll always need a human. But certainly, in the short term future, the AI obviously isn't smart enough quite yet. I'm reminded of that movie Her, and how the AI almost was ... The star of the movie was really in a relationship if you will, with the AI, and having all kinds of conversations about a variety of different things. I think we're getting there. Frankly, I think we're going to get there even faster than the average person thinks. But I agree with you, here, in the beginning, it needs to be slow treading, which is interesting. In that same article in Ad Age, they talk about some research that Forrester had done, where they said, "In 2016, 5% of companies worldwide said they were using chatbots regularly. 20% were piloting them, and 32% were planning to use or test them in 2017." If those plans hold true, that means that of the companies they surveyed, about 1/3 are in the process of using or testing chatbots right now. This is definitely something where I think our listeners are going to have more interactions with chatbots in the future. Needless to say, if you have an interaction that is a fantastic one, or an interaction that maybe isn't so fantastic, we'd love to hear about that on the Experience This Show, so don't hesitate to reach out and share your story.

[SEGMENT INTRO] [MAKE THE REQUIRED REMARKABLE]

Just because you have required elements of your business doesn't mean they need to be boring. It's time to get creative, have some fun, and make people sit up and take notice. Get your customers talking when you make the required, remarkable.

[MAKE THE REQUIRED REMARKABLE: "I'm on Hold" Music]

Dan Gingiss: Joey, I had the pleasure of being on a conference call recently.

Joey Coleman: I love the way you use the word pleasure.

Dan Gingiss: You know how when you call in and you're the first one there, you get this absolutely awful hold music.

Joey Coleman: Yes. Absolutely. Totally been there.

Dan Gingiss: I've even found myself humming this music as I walk down the hall later on in the afternoon, because it's not only horrible, it actually sticks in your head.

Joey Coleman: Right. It's an earworm, so it's a bad earworm that just continues to beat on you all day long.

Dan Gingiss: So anyway, I'm on this conference call. But, this time it's different. I start hearing this song and I actually wanted to keep listening to it.

Joey Coleman: Really?

Dan Gingiss: Here. I'll play it for you.

Joey Coleman: Wait. Did it go something like this?

Dan Gingiss: That's the one, man.

Joey Coleman: Yeah, but it's actually much better when Alex Cornell sings it. Here you go.

Dan Gingiss: You know what made this experience remarkable for me, Joey? For the first time ever, I actually found myself not wanting the person on the other line to join the conference call because I wanted to hear the end of the song.

Joey Coleman: Which is fascinating and hysterical at the same time. Right? Who would actually think that hold music would be so compelling and so entertaining that you actually would want it to keep playing? And I think that's what's so brilliant about what Alex Cornell did. He recorded a song. It's a pain point that all of us who've ever been on a conference call have experienced, and instead, they decided to make something interesting. They decided to take something that was required for their business, for the call in conference line business, the hold music, and make the required remarkable.

Dan Gingiss: It's not just that it was required, it's this moment that otherwise would be completely unmemorable, other than the fact that I can't get the earworm out of my head. But, nobody thinks about things like hold music because they're just ... They don't seem important.

Joey Coleman: What I love about it is, obviously we're sharing this on a podcast, but as a little background for our listeners, when we were talking about doing a segment on required remarkable, Dan said, "Wait a second. Wait a second. There's this great hold music I listen to," and much like we just did for you in the podcast, I started singing it and we totally started laughing because I've only actually heard that maybe once or twice, but it was so catchy and it was so memorable that I still remember what the lyrics are today.

Dan Gingiss: And you sung it pretty well, Joey.

Joey Coleman: Well, thanks. I appreciate that. A for effort, anyway. Here's our takeaway from this fantastic hold music by Alex Cornell. In every business, there are elements of your interactions with your customers that you have to do. They're required. You're required to have hold music. You're required to have a voicemail message. You're required to have an email signature line. You're required to have

invoices and contracts. In some industries, legal disclaimers. But, just because it's required doesn't mean it needs to be boring, or un-engaging, or pathetic. You can take your required elements and make them remarkable. What I would encourage all of our listeners to do is find one element of your business. Tomorrow when you get to work, find one element of your business that is a required element and just try to breathe a little life into it. Make it interesting. Make it exciting. Make it remarkable. And when you do, call in on our website, experiencethisshow.com. Leave a little message. Tell us what you did so that in a future episode of Required Remarkable, we can share one of your stories.

[SEGMENT INTRO] [THIS JUST HAPPENED]

We love telling stories and sharing key insights you can implement or avoid based on our experiences. Can you believe that this just happened?

[THIS JUST HAPPENED: **Pizza Loyalty Card**]

Joey Coleman: So Dan, the other night we ordered takeout from our favorite little pizza place here in Colorado. As usual, I drove down the mountain to pick it up and went through the worst part of ordering pizza.

Dan Gingiss: Getting the wrong toppings?

Joey Coleman: No. Actually trying to use my loyalty card. I absolutely love this pizza place, but about a year ago they instituted a new customer loyalty program. And being a customer experience guy and actually a loyal customer of their pizza restaurant, I decided to sign up. Dude, there were problems from the beginning.

Dan Gingiss: Uh oh. What happened?

Joey Coleman: First, no one knew how the program worked. They had cards on the checkout counter. They had all these little brochures. They had posters around the restaurant that were promoting the program, but it seemed as if none of the employees had read any of the promotional materials, let alone been trained on how to use the cards and set somebody up for the program. It's pretty simple. You get a card and when you order, they swipe your card and you get points.

Dan Gingiss: It sure sounds simple enough.

Joey Coleman: You would think so. Right? But, here's where the wheels started to fall off. For the first six months, you got one point for every \$10 you spent. Then, one day they switched the program to 10 points for every \$1 you spent.

Dan Gingiss: Wait, I'm already confused. Too much math.

Joey Coleman: Yeah, so again, one point in the beginning for every \$10 spent. So, you spend \$50, you get five points. Then, one day they switch it to, you get 10 points for every \$1 you spend. So, if you spend \$50, you get 500 points. I know I was told there would be no math on this podcast, but long story short, it's insane. Right? There's something actually worse than switching the program.

Dan Gingiss: Let me guess. They didn't actually convert the old point system into the new scale.

Joey Coleman: Ding. Ding. Ding. Ding. Correct, sir. Now, the 50 points that I had racked up by spending \$500 on pizza in the first six months, made it look like I had actually been a loyal \$5 customer.

Dan Gingiss: Okay. First of all, you order a lot of pizza.

Joey Coleman: Well, we order pizza when we have friends over, so usually we're ordering four or five pizzas at a time, so that's how it racks up pretty fast. You're right.

Dan Gingiss: All right, so you're frustrated.

Joey Coleman: I'm totally frustrated and it was ridiculous, but it was actually compounded when I tried to get them to change this. I explained the story. I explained their conversion, and you can imagine where this went.

Dan Gingiss: They had absolutely no idea how to do that.

Joey Coleman: No freaking clue. It's like you were with me, Dan. You understand how this works. But, how is it that year later into this program, no employee of this pizza restaurant knows how the program works? Every time I go in, it's this crazy song and dance trying to get my points, which always ends up with a manager needing to be called up, so the line grows behind me for the takeout. And the manager invariably seems totally irritated about being asked to do this. And then, he or she, and let's be candid, I've met about half a dozen of their managers over the course of the last year, they try to get it figured out. And what usually happens is, after about 10 minutes, they just throw in the towel, credit me some type of a discount for my trouble, and then to this day I have no idea whether I actually get the points or not.

Dan Gingiss: Which does beg the question of why you're still loyal to this loyalty program.

Joey Coleman: The pizza's really good and there's this ... It's a good question. It's a fair question and one that, let's be candid, my wife has asked me as well. But, it's like I want it to work. I'm a customer experience guy. I'm a loyalty guy. I want to support their effort, but man, do they make it difficult to be loyal. It's insane.

Dan Gingiss: And that is one of the biggest mistakes, is when you're making it difficult on your most loyal customers.

Joey Coleman: It's like I'm being punished for being loyal.

Dan Gingiss: Yeah. You already had them at hello. The only thing you have to do is not lose them, and it sounds like that's what's happening here. It's funny that you mention loyalty programs because I just saw the other day, a Dilbert cartoon. And I will fully acknowledge I'm not a particularly loyal Dilbert reader, but this one happened to show up on Twitter and I clicked on it because it was about customer experience and about customer loyalty programs. Obviously, I sent it to you, so I know you.

Joey Coleman: Yes. I did get a chance to see it.

Dan Gingiss: And since our listeners are only listening and can't view it, I think we should probably set it up. There are two characters, Dilbert obviously being one of them. We'll call the other character, annoying retail guy. I've got an idea, Joey. I'll be Dilbert.

Joey Coleman: Oh, surprise. I'm shocked, so let me guess.

Dan Gingiss: Playing the role of annoying retail guy tonight will be Joey Coleman.

Joey Coleman: Great thank you. Yes, sir. There we go. But, we're going to be able to answer a question that millions of comic strip readers have wanted to know for years and years, which is: What does Dilbert actually sound like? This is going to be fantastic. Don't let us down, Dan.

Dan Gingiss: And clearly, he sounds like Dan Gingiss.

Joey Coleman: Nice. Nice. I love it. I love it.

Dan Gingiss: Dilbert walks into a store and it looks like he's checking out with some unknown item. It's a retail store and then annoying retail guy talks first.

Joey Coleman: Sir, would you like to sign up for our customer loyalty program?

Dan Gingiss: Why would I do that?

Joey Coleman: If you don't, we'll overcharge you on your purchases. But, if you sign up, we will add a new level of complexity to your life that will make you hate us.

Dan Gingiss: I'll stick with the customer disloyalty program. Just overcharge me and I'll never come back.

Joey Coleman: You can get 10% off your purchase today if you fill out an online customer survey and enter our store code.

Dan Gingiss: Please, just overcharge me and let me leave.

Joey Coleman: I almost hesitate to ask, which of the extended warranty options you want.

Dan Gingiss: So, that's kind of like what you were just talking about. Right?

Joey Coleman: Totally. Totally. Yeah.

Dan Gingiss: I love the part about adding a new level of complexity to your life that will make you hate us.

Joey Coleman: Totally, and what's crazy about it is when you have a brand, or a store, or an organization that you're loyal to and they have a loyalty program, your initial thought ... Well, there's a couple things. Number one, initially as a consumer I'm like, oh, I want to be loyal. Right? I want to show my loyalty because usually, you get some discounts or some special bonuses. And usually, the representative from the brand or the company is persuading you in every single interaction to sign up. Like, "Oh, do you have

our loyalty card?" "No. I don't." "Well, would you like to get it today?" "No. I'm good." "Well, did you know if you got it today you would save \$3800?" "Sir, my whole charge is \$17." "But still, it would be fabulous. You would save four cents, and all you need to do is fill out these 17 forms, give us your social security number. Give us your cell phone number so we can start texting you. Give us your email so we can start spamming you. And then, go online and register it after you leave the store." That's my favorite one, when they're like, "Yeah. And when you get home now, just do more work and then you'll really be someone that we love and care about."

Dan Gingiss: You know, I think you know this about me, but I spent many years in the credit card industry.

Joey Coleman: That I did.

Dan Gingiss: I actually worked on rewards programs, and one of the things that I saw happen over about a decade was a transformation that I think the credit card industry has made, and maybe other retail loyalty programs are still catching up, when I first got there, the whole idea was basically: How can we stick stuff in the fine print that makes this loyalty program more valuable for us? That makes it less expensive? It'll still appear like it's great for the customer. And so there were all sorts of tricks and I'm not going to get into all the details. But, suffice it to say, there was a lot buried in that fine print. We all know that you're a recovering lawyer, so maybe you read the fine print.

Joey Coleman: Yes. I am. The first step is admitting you have a problem.

Dan Gingiss: Yes. But, most people don't read it. Right? And that's how the loyalty program became more profitable. But, over the 10 years, as customer experience became a bigger thing, there was a huge change that was around basically simplifying the program so that it was dummy proof. I remember that one of the discussions we were having was: What if we could write a headline in an ad that did not require an asterisk?

Joey Coleman: Oh, nice. The infamous lawyer asterisk.

Dan Gingiss: Right. But, if it was that clear, if the headline was that clear and the program was so easy to understand that you didn't need the asterisk and the fine print, then we knew then we had arrived. I thought that transformation was fascinating. And then I entered the healthcare industry and I saw that they were still several years behind the financial services industry. And obviously, it seems like the mom and shop pizza joint may be several years behind that. But, it's definitely something to learn from if you go back and look at how complex the rewards programs on credit cards were several years ago, and how really simplified they are today.

Joey Coleman: Totally agree. I think at the end of the day, it's all about making it simple, making it friendly, and making it something that ... Theoretically, this should be a reward for the people that are responsible for keeping your company going, your most loyal customers, your raving fans, your rabid followers. And the fact that we make those people jump through incredible hurdles with some of these loyalty programs is just mind-numbing, so I think the big takeaways from this conversation is if you're going to have a loyalty problem ... If you're going to have a loyalty program. Yeah. Exactly.

Dan Gingiss: We're trying to prevent problems here.

Joey Coleman: If you're going to have a loyalty problem, you need to create a loyalty program. And if you're going to have a loyalty program, you've got to get some basic things right. Okay. First, you have to make sure that all of your employees know about the program. It doesn't work to have a loyalty program that is confusing to your employees. They need to know how it works, the reward levels, how you can get points, how you can cash points in. They need to be well versed. Second, you need to make sure that all of your employees are trained on how to track and process the loyalty program. If it's a card system, they need to know how to swipe the cards. They need to know how to apply points or discounts. They need to be able to tell you how many points you have because that's a regular question that customers who are acquiring points are going to want to ask. And they need to be in a place where they can authentically encourage you to keep collecting points to get to the next reward level. Finally, I think we need to make it easy for them to show their loyalty and be treated specially since these are the best, most loyal customers. To your point, make it easy. No asterisks, no craziness, no fine print. If you do these things that we love as a company, we will reward your loyalty with these benefits.

[SEGMENT INTRO] [CHECK OUT THIS NUMBER]

Listen in while we try to stump and surprise each other with a fantastic statistic from the worlds of customer experience and customer service. It's time to check out this number.

[CHECK OUT THIS NUMBER: **85%**]

Joey Coleman: Okay, Dan. I've got one for you. The number is 85%. What do you think it refers to?

Dan Gingiss: I'm going to go with the number of kids who prefer Kraft macaroni and cheese to the leading store brand because I can tell you, I have never once been able to fool my kids.

Joey Coleman: Not a bad guess. Not a bad guess. However, this specific 85% refers to the 85% of customers will manage their relationship with a brand without human interaction by 2020. This comes from our friends at Oracle CX Cloud. Hey, thanks for sponsoring the show, Oracle. And their eBook, Five Data Driven Tech Trends Shaping Customer Experience in 2017 and How Businesses Can Quickly Adapt.

Dan Gingiss: Well, that's an interesting stat, and if it comes to pass in 2020 that 85% of customers will manage their relationship with a brand without human interaction, then that's probably good for customers and brands. I think the concerning part for me is if this stat was actually reversed and it said that 85% of brands were going to engage with their customers without human interaction because my fear there is that's not necessarily what the customer wants.

Joey Coleman: Totally. I think if the person wants to just do a quick check in with a chatbot, that's awesome. But, if they want to be able to get to a human being, they've got to be able to do that, too.

Dan Gingiss: And that transition has to be seamless. The bots have to know when it's time to move from a bot answerable question to a human needed question and make that as seamless as possible for the customer.

Joey Coleman: Absolutely. To learn more about this trend and other fantastic trends that are showing up in the world of customer experience, go to oracle.com/cxtrends. You can download the PDF we were

just talking about immediately. If you want to share an email, you can get some access to some other cool reports as well. Oracle.com/cxtrends.

Dan Gingiss: And thanks again to Oracle CX for sponsoring the Experience This Show.

[SHOW CONCLUSION]

Wow. Thanks for joining us for another episode of Experience This. We know there are tons of podcasts to listen to, magazines and books to read, reality TV to watch. We don't take for granted that you've decided to spend some quality time listening to the two of us. We hope you enjoyed our discussions, and if you do, we'd love to hear about it. Come on over to experiencethisshow.com and let us know what segments you enjoyed, what new segments you'd like to hear. This show is all about experience and we want you to be part of the Experience This Show. Thanks again for your time, and we'll see you next week for more. Experience This.