

Episode 36: The Role Messaging and Automation Will Play in the Future of Customer Service

[SHOW INTRO]

Dan Gingiss: Welcome to Experience This!

Joey Coleman: 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.

Dan Gingiss: Always upbeat and definitely entertaining, customer retention expert Joey Coleman.

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.

Dan Gingiss: Get ready for another episode of the Experience This! show.

[EPISODE 36 INTRO]

Joey Coleman: Join us as we discuss a free cruise that wasn't really free, why direct messaging is the future of customer service, and a CEO who reports to his employees' ...

Dan Gingiss: Freebie, Message Me, and hierarchy. Oh my.

[SEGMENT INTRO] [THIS JUST HAPPENED]

Joey Coleman: 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: "Free" Cruise]

Dan Gingiss: Joey, have you ever been on a cruise?

Joey Coleman: I actually have not had the chance to go on a cruise, Dan, although I did study on the semester at SEA study abroad program. But I don't think that's the kind of cruise you were referring to.

Dan Gingiss: No, that does sound amazing, but no. I'm talking about a, say, cruise in the Caribbean, with some Caribbean music and maybe a non-alcoholic cocktail for you.

Joey Coleman: And don't they have great buffets? I've heard that the food on a cruise is amazing.

Dan Gingiss: The food is incredible.

Joey Coleman: There's all kinds of crazy food. That's what I've heard.

Dan Gingiss: Yeah, there's tons of stuff to do. It's great for the kids. I've been on many of them, and they're super fun.

Joey Coleman: Nice.

Dan Gingiss: So a college buddy of mine recently returned from a cruise, with his family, and he actually had a stroke of pretty good luck or so he thought. One of the things that happens on cruises, and it could be the target audience here that they're attracting, is they often play games of Bingo.

Joey Coleman: I'm sorry. I got to ... This is a college buddy, right? This isn't like a ...

Dan Gingiss: No, no. He's not like grandma.

Joey Coleman: Was he coming back to college 30 years later?

Dan Gingiss: I don't know. But anyway, they have lots of Bingo games, and usually what happens at the beginning of the cruise, the Bingo games are like for a \$100 prize or \$500 prize, and it tends to build up towards the end of the cruise, where typically, they will offer a free cruise for the winner of the Bingo game.

Joey Coleman: That's not a bad prize.

Dan Gingiss: Yeah, its' a pretty good prize. So my buddy had a stroke of good luck.

Joey Coleman: We were recently on a cruise ship, where we played Win a Cruise Bingo, and lucky for us, we won. It was really exciting and a great opportunity, until they explained all the rules. To start, they were very upfront that it was Win a Cruise Bingo, not Wind a Free Cruise Bingo. Port taxes and gratuities, which were customary when cruising to run our family over \$300, are not included. But then, it was only good on cruises in the Caribbean for a certain length of time, so we could not use it on a cruise to, say, Alaska or Europe. Narrowing our options, but we were still excited.

We had to take the cruise within one year of winning the certificate, but we could not use it during the weeks of Thanksgiving, Christmas, New Year's, or Easter, nor could we use it during peak summer sailings, which they considered all of July and August. That left very narrow windows of time to take a cruise in the next year, especially since we would have to take our child out of school to do this. Nor did the certificate cover any expense getting to the port, which was important. When we quickly checked available cruises that comply with all the conditions, we were going to have to pay hundreds of dollars in airfare to get to our "free cruise."

Nor did it cover a single expense on board, like excursions or a single drink of the day that was not water. The certificate was only good for certain levels of cabins well below the cabin level we were in, but we would be allowed to upgrade our cabin, i.e. more money. The free cruise certificate was for all intents a credit to be used against our overall bill. We then thought that perhaps we could cash this out to family or friends who could use it. But the cruise line made it very clear that it could not be sold or transferred in any way. Remember, we had paid to play Bingo to win this prize in the first place.

We thought about not using the certificate at all because we were having a hard time coming up with a convenient time to take this cruise in the next year. Between airfare, port taxes and gratuities, our free cruise is going to cost us out-of-pocket over \$1,000. In the end, we were able to find and we were able to take the cruise, and the cruise line was very accommodating and provided quick and fast customer

service in getting us booked. So, would we ever cruise again? Absolutely. Would we ever play Win a Cruise Bingo? Unlikely, because it reminds me of the line for more games, where the only winning move is not to play.

Dan Gingiss: So, let's unpack this story a little bit, shall we? Joey, what do you think when you hear "free cruise"?

Joey Coleman: I feel like this is a what-is-free question, you know?

Dan Gingiss: Kind of, but I actually-

Joey Coleman: ...free.

Dan Gingiss: I'm very interested in your perspective on this both as a consumer, but also, if you can put on your hat of recovering attorney. I remember certainly being in the credit card industry that our attorneys had a lot to say about the word free and when we could use it and when we couldn't. And so, I'm just wondering, when you heard this story, what did you think from both perspectives?

Joey Coleman: Yeah. So, I appreciate the question. I'll answer it from two perspectives. Number one, as a consumer, I believe that the word free is very close to the dictionary definition of free. That would probably be something along the lines of, "Without cost or charge," right? So if I'm getting something for free, like the free cruise we heard about in the recording, from your friend, then I would not have to pay extra money to experience this. Now, let me put on my hat as a recovering attorney, and ladies and gentlemen, there's a reason I'm a recovering attorney. The first step is admitting you have a problem, and then there are additional steps after that.

What I would say is most lawyers encourage their marketing people never to use the word free, or if they are going to use the word free, to have a big asterisk next to it, and then some fine print on the bottom that says, "Free except all associated cost package and shipping due to handling the taxes and fees." They basically disclaimer away any feelings of free. This is the way the legal system has kind of set things up and the way most lawyers and most companies behave. To be blunt, I find it appalling. As a society, we need to stop doing that. If you're going to say it's free, say it's free.

If you want to say, "Hey, it's free. Plus the cut ... " or, "You get the cruise free, but you have to pay some additional taxes and fees." That's fine, but just say it. Don't pretend that it's free.

Dan Gingiss: Yeah, I mean, as a marketer, I would often want to just avoid the word rather than having the asterisk with all the disclaimers, because consumers are smarter these days, and maybe they were years ago, where you could just slip in these disclaimers and nobody read it and what have you. But when you see a big asterisk next to free, you kind of know that something's up. Now, that all being said, I have a hard time believing that this had to be so complicated. So the marketer in me is trying to think of like, "Well how do we manage this Bingo game in a way that we don't run into this problem that my friend had?"

I mean, for example, couldn't they have just offered a credit voucher for a certain amount of money? Now, maybe that doesn't sound as good as a free cruise, or maybe it's just the limit is, "Free cruise up to

\$1,500 or something like that." But that's at least still pretty clear. Or, you know, how much extra would they have to charge for the Bingo cards to offer a truly free cruise that had no limitations, right?

Joey Coleman: Well here's a crazy thing. Forgive me for interrupting again. But the ship is going to go without this winner, right? The ship is going to sail through the Caribbean. The cruise is going to happen whether this person wins the Bingo lottery or not. The incremental cost of the cruise line of adding another passenger is tiny. It's so tiny. It's ridiculously tiny.

Dan Gingiss: It's very small. I mean, the only thing is, is this is an opportunity cost, right? If somebody's going to pay full boat, no point in cutting.

Joey Coleman: Yeah. Oh not if someone did that. No, but you're right. There's maybe a lost opportunity cost. My wife regularly reminds me that I miss out on properly calculating opportunity costs. But what I will say about that though is, I don't know about you, I see a lot of cruises being advertised. I don't know if here, today, in 2018, there are a lot of cruises sailing that don't have extra room. I could be wrong, but I get the impression in the industry that there are very few sold-out cruises, like truly sold out.

Dan Gingiss: Yeah. And again, I don't think that offering a truly free cruise is that much incrementally. Even if it is more expensive, it's not much more, and they could probably make up for it in some other way. Joey, this reminds me of a story that I read recently about the Illinois Lottery. Now, Illinois, as you know, it's the state I live in, but it's a pretty sorry state overall. Here's the funny thing. So first of all, if you win a big prize in Illinois, you actually don't get paid, because they've just stopped paying the big prizes, because they don't have money to pay.

Joey Coleman: Oh my gosh. This is messaged I'm sure in too.

Dan Gingiss: Oh yeah, it's in the fine print somewhere. The other interesting story that just came up had to do with scratch-off tickets. It has to do with this idea that the scratch-off tickets advertise the grand prize. But the Chicago Tribune did a study and found that, like 85% percent at the time, the tickets that you see in a vending machine, the grand prize has already been won. So you actually don't have the opportunity to win the prize that's being advertised. And, the lottery-

Joey Coleman: Oh wow, so they just keep running it-

Dan Gingiss: They just keep selling them.

Joey Coleman: ... long after the grand prize has been won because they'll keep thinking they might win the grand prize, even though it's already been awarded.

Dan Gingiss: Right. There's not even a rule that says, if all the prizes have been awarded, they can still sell the tickets until the tickets sell out. So anyway, I was thinking about that when I was listening to this story, because again, this shouldn't be as complicated as it is. If you want to offer a prize that's a free cruise, make the darn cruise free, and you've basically simplified everything.

Joey Coleman: Absolutely. I mean, to be candid, what my takeaway from the story was, how does this leave your friend feeling about that cruise line? I mean, what should have been this really wonderful, kind of highlight experience at the end of the cruise, right? "Hey, guess what? We won another cruise,

and we get to come again and bring the whole family, and how exciting is that?" has now been tainted. I have to believe not only was the win tainted, but I imagine your friend's feeling for the entire cruise line, and maybe for the concept of cruising in general, at the very least was impacted if not severely.

[TAKEAWAYS: **"Free" Cruise**]

Dan Gingiss: Absolutely, and that's true having talked with him. So that actually leads very well into the takeaways from this story. The first is that giveaways and sweepstakes are a great way to engage customers, but make sure that the winner or winners actually have a good experience winning. I mean, it's hard to win at Free Cruise Bingo and then you win, and it's not a good experience. So that can be fixed. The second is that with anything that requires a legal disclosure, I think less is more. So think of ways to simplify the offer to reduce the need for detailed terms and conditions. And number three, don't try to trick people.

It leaves a bad taste in their mouth, and it can end up causing what Joey just said, which is, causing a customer who should be happy with you to actually be disappointed and leave for your competition.

[SEGMENT INTRO] [BOOK REPORT]

Joey Coleman: We're excited to give you an overview of an important book you should know about, as well as share some of our favorite passages as part of our next book report.

[BOOK REPORT: **Message Me**]

Dan Gingiss: I am very excited to talk about a brand new book by a good friend of mine and a guy who actually played in my own book, Joshua March. Joshua is the founder and CEO of Conversocial, which is one of the leading digital customer care platforms, and it was built from the ground up from the perspective of customer service agents. Now, he correctly predicted a while ago that direct messaging was going to become, and I quote, "the future of customer service." Now, he's written what I'm sure will become the preeminent book on this topic. So, let's hear Joshua describe his book in his own words.

Joshua March: I'm Joshua March. The author of Message Me and the founder and CEO of Conversocial, a digital care platform built for social messaging. I wrote Message Me because of the huge changes that I've observed in the industry of the past few years, with the rise of messaging as a channel, and the development of new AI and automation and bot technologies. Messaging is the first customer care channel that can really break the equation between customer experience and cost. On the one hand, it's completely effortless and convenient for customers to use it. It's like texting a friend. It's an amazing way to get help.

Well on the other hand, because of the asynchronous workflow for agents and the ability to layer in automation and bots, it's also incredibly efficient for businesses giving a low cost to serve. It's really the first customer care channel that can deliver on both of these things. Because of this, companies are starting to invest into messaging as a primary customer service channel for the first time. And over the next three to five years, I think of that combination of messaging plus automation is going to be hugely disruptive for the customer service industry. The book Message Me looks at the changes that have happened over the past few years, with the rise of social, the rise of messaging, the development in AI and bots.

It then gives a guidebook for executives and how to actually implement these technologies in their business, and finally, sets out a vision for the future of how the industry will be disrupted over the next five years. It's aimed at executives and the customer experience or customer service states who really want to understand how they can take service and take customer service at their businesses into the era of messaging and AI.

Joey Coleman: Joshua asserts that there are two main benefits of direct messaging, and those benefits are, first, that the messages are private, which brands absolutely love, because it's going to keep the complaints out of the public eye. And second, that they're persistent, which the consumers love because they don't have to repeat their problem or even their account information to multiple agents, right? We've all had that situation where we explain the problem that then transfer us to someone else, and we get to the joy of re-explaining the problem. I also agree with Joshua that messaging and automation are going to have a huge effect and impact on customer experience over the course of the next few years.

Dan Gingiss: So I said that I interviewed Joshua for my book, *Winning at Social Customer Care*, and I'm going to read to you just a couple of passages, because I think they tee up his new book really nicely. Here's what he said over a year ago. Messaging output has completely blown up from the customer perspective. They really become the dominant way that consumers interact with each other and communicate with each other. Whether that's WhatsApp, which in much of the world has just replaced SMS, whether it's Facebook messenger, whether it's Snapchat, whatever it is, these channels are now bigger than social networks, bigger than SMS. If you look at the younger generation, completely dwarfed things, like email and phone calls as well.

Then he goes on to say that if you can deliver live chat to a customer, it's highly efficient from an agent perspective, and it's also a great experience. It often gets better customer satisfaction ratings than any other service channel including phone calls.

Joey Coleman: Wow. I believe Joshua when he says that. But it is pretty stark and shocking when you think about how quickly these services came on the scene and already how much the customer expectation has changed and the preference has increased. Let's go ahead and listen to Joshua's favorite passage from *Message Me*. Roll the tape.

Joshua March: This is the beginning of chapter seven. Lean in to the *Power of Messaging*. Imagine this. You're on a work trip. Your flight was delayed. You're tired. You're walking through the airport, about to book an Uber to your hotel. You open the confirmation email to get the hotel address and see there's been a mess-up. You're booked to stay tomorrow, not today. Nightmare. You're going to have to phone them, wait on hold, repeat to the agent all of your booking details from the email while you're on the phone, all while trying to walk, flustered and tired, through the airport. It would be different if you were a Hyatt Gold customer.

On all of their contact pages — website, email, mobile app — there's a direct link to start a chat with their agents over Messenger or Twitter DM. You can also just open Messenger and type in "Hyatt." They've integrated Conversocial with their loyalty system, so as soon as you message them, they know exactly who you are, which hotel you're staying at, and all of your preferences. You can just send them a simple message saying that you've been booked to stay tomorrow instead of tonight. They don't need to ask you for any other details, and they'll get back to you in minutes. It's an incredible experience and completely effortless. It's possible because they've leaned in to the power of messaging.

This, to me, is one of my favorite stories about a business really leaning into messaging, and using it to create an incredible experience for customers that just isn't possible in any other channel, and that's why it's my favorite excerpt.

Dan Gingiss: Man, what a nightmare scenario that was, and it was completely rescued by the messaging channel, which I think is understandable that it was Joshua's favorite passage. I mean, this was a horrible experience that turned into a remarkable one in just minutes, and it's hard for that to happen in other channels. So I'm going to jump to my favorite passage, which is pretty early in the book, but it's of particular interest to me because I focus so much on social customer care and really believe in the power of response time. So, what he says is, over the last five years, I've watched as customer expectations of response times in social media have crept down.

First, an hour. Then 30 minutes. Then 15. Now, the best brands respond in just minutes. If you tweet at Alaska Airlines, you'll get an answer to your question in under three minutes on average. If you want these channels to deflect phone calls, this is the speed of response you need, and customers need to know that they'll get it. Spending 15 minutes, waiting through a web-self health page only to call an agent to be put on hold for 45 minutes, while your tweets are being ignored, doesn't cut it anymore. So I love that because I do think that that is true, that the expectations of response time from consumers have gone down, as the best of the best brands have shown that it's possible.

The airlines do lead the way. In that, I've personally received tweets back or direct messages back from Airlines in three minutes or less. And unfortunately, for the rest of us, that puts a lot of pressure on other companies to respond quickly, because as we know, your customer experience is being measured against whatever customer experience your customer had with the last brand that they engaged with.

Joey Coleman: So true. As all of our loyal listeners know, and we appreciate you listening, Dan is the member of the family that is big on Twitter. Joey is not. But I will say that Joshua kind of ... He made some really positive arguments for me, thinking more positively about messaging and the power of messaging, and that's why I wanted to share the following passage as being my favorite passage from his book. I'm quoting here. "A synchronicity is one of the key factors that make social messaging apps, like Messenger and WeChat, so convenient and powerful. A consumer can start a conversation with a brand, do something else more important and then pick up the same conversation right where he left off 10 or 30 minutes later."

"Gone are the days of waiting on hold. Gone are the days of being 100% engaged in a web chat and nothing else. Now, you can order a coffee, talk to a friend and have your service issue resolved all at the same time." I thought that was pretty cool and this idea that we might be able to multitask or have things going on in the background that are allowing us to solve our service issue, but rarely, is that service issue the most important thing we're dealing with that day. So, I really like that.

Dan Gingiss: Yeah, and the best thing is, is you're not listening to awful hold music and a repeating message that tells us that our call's really important to us. So, do yourself a favor and check out Message Me, by Joshua March, available as both a hardcover and an ebook on Amazon. You won't regret it. Great guy, great book. Check it out.

[SEGMENT INTRO] [CXPRESS]

Joey Coleman: 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: **Tire Company CEO**]

Dan Gingiss: This week's CX Press article comes to us from Blake Morgan who we featured a few weeks ago, when she released her new book, *More is More*. Her article on Forbes is entitled, *How a Humble Culture and Self-Deprecating CEO Fuels This \$130 Million Tire Company*. Now the tire company in question is RNR Express, and the CEO in question is Larry Sutton. I absolutely loved this piece because of how she described Larry Sutton as the CEO. So first, it's important to note that RNR uses an inverted version of the traditional pyramid hierarchy system.

What does that mean? It means that Sutton, the CEO, actually reports to other executives, who report to regional managers, who then report to store managers and employees instead of the other way around. Now, Sutton says to Blake in the article that people who are doing the actual work are often the ones who have the best answers. So if he wants to find out what kind of trucks to buy, he's going to ask the manager who works with trucks all day instead of some executive who sits behind a desk and is removed from the actual work.

Joey Coleman: Such a great example of how culture is experience and experience is culture. I love the part where they said, and I'm quoting, when he stops by the stores, he often checks to see if the bathrooms are clean. If they aren't, he quietly grabs a mop and gets to work, which I thought was just brilliant. Way to lead by example. And also this one, quote, "As Sutton visits RNR franchises, he talks to customers in the waiting rooms about what could make their experiences better. When one customer suggested free Uber rides, four franchises started testing the idea."

Dan Gingiss: So this guy clearly gets it, and he's involved both with his employees and his customers, which I really loved. This reminded me of an example that my dad talked to me about. He ran a clothing company for many, many years. When he would visit the plant where they cleaned the garments, he would always go and talk to the people who were running these machines. What he told me was this is where he would find out that, for example, the air conditioner was broken, because the person who was running the plant didn't want the boss to know that.

But the person who is sweating his you-know-what off every day in front of this hot machine, definitely wants somebody to know that the air conditioner is broken. And so, my dad always found that when he talked to all of the employees, not just the people running the show, that's when he really found out what was going on in the organization.

Joey Coleman: So true. I think Tom Peters is one of the first people that I saw talk about this prolifically in the business world. It was either Tom Peters or Harvey Mackay, both great writers, about that idea of walking the shop floor, right? And exactly what your dad was doing, getting out into the actual operations of the business to see how the business runs. When I used to run my branding agencies, one of the requirements we had when I worked with larger companies is, I would do ride-alongs with the employees, or go on the shop floor and work with the employees to see their experience. And then I would make the senior management team do it as well.

It was amazing how often ... It had been years since they had had any interaction on the frontline.

[TAKEWAYS: **Tire Company CEO**]

Dan Gingiss: Yeah, it's hard to believe. I've had multiple experiences in my career, where I've either mend the customer service telephones, or have as part of my job, I've been required to listen to customer service phone calls, and it is incredibly eye-opening in a way that you cannot get from any report. So, here are some key takeaways from this article. The first is, every employee, up to and including the CEO, should get as close to the customer as possible in order to truly understand the experience. Number two, letting the people who do the actual work. I love that phrase, from the CEO.

Letting them make decisions can be incredibly empowering to middle managers and can encourage out-of-the-box thinking. And number three, don't ever say that a part of the customer experience isn't your job. If this CEO can grab a mop, or as we talked about in a previous episode, Elon Musk tweeting back to a complaining customer, "You can certainly do your part as well."

[SEGMENT INTRO] [CHECK OUT THIS NUMBER]

Joey Coleman: 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: **84%**]

Dan Gingiss: This week's number is 84%. What do you think it means, Mr. Coleman?

Joey Coleman: What comes to mind for me, it has to do with lumber. 84 lumber? Does this make sense to you?

Dan Gingiss: I think you're over my head on that one.

Joey Coleman: Okay. Never mind. No worries. Sorry folks. That was the best I could come up with. No, Dan. What does the 84% refer to?

Dan Gingiss: Well thanks for asking, Joey. Actually, it's 84% of North American C-level executives say their organization has experienced a trend toward customers wanting a more individualized experience. However, fewer than one in five of those executives give their organization an A in its ability to offer this personal touch. The biggest challenge is the ability to respond quickly and effectively to changing market conditions. Now, this stat comes to us from an article called Three Ways Your Retail Shoppers Have Changed, which is on ... you guessed it ... the Smarter CX website, brought to us by our friends and sponsors at Oracle CX.

Joey Coleman: I think this is a very telling study or statistic, if you will, because yes, we know that customers want a more individualized, personalized experience. And I love the executives give themselves a good score in the sense that the majority feel they are not delivering this personal touch, because I think that's what most consumers experiences as well. I think this is a huge opportunity for businesses to really be looking at how can we create feelings of a personal touch at every interaction.

It's something that if I had my druthers, would be the main topic of conversation in every board meeting and every team meeting that occurs at every organization around the planet tomorrow.

Dan Gingiss: By votes, if five out of five execs gave their organization an A, we wouldn't have the need for the Experience This! show, so I think it's pretty good that we still have room to grow here. For the full article and more great content, please go to smartercx.com/experiencethis. This is a great informative site from our friends and sponsors at Oracle CX. You're going to find news, analysis, insights, useful tools like the CX assessment. Go to smartercx.com/experiencethis. And thanks again to Oracle and Oracle CX for sponsoring the Experience This! show.

[SHOW CONCLUSION]

Joey Coleman: Wow. Thanks for joining us for another episode of Experience This!

Dan Gingiss: 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.

Joey Coleman: 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.

Dan Gingiss: Thanks again for your time, and we'll see you next week for more ...

Joey Coleman: Experience ...

Dan Gingiss: This!