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Hyken on Customer Service

Guest was Shep Hyken

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Transcription of Interview

Joe Dager: *Welcome everyone. This is Joe Dager, the host of the Business901 Podcast. With me today is Shep Hyken. Shep is a Customer Service Expert, professional speaker and bestselling author who works with organizations who want to build loyal relationships with their customers and employees. He is also the creator of The Customer Focus Program, which helps clients develop a customer service culture and loyalty mindset. Shep, my pleasure to have you, have been a follower of yours for years on Twitter at @hyken. Okay, it's your Twitter handle I believe and so have another 60,000 followers, I think. So, welcome to the podcast.*

Joe Dager: *Shep, we're living in a customer service, customer experience economy. In general terms, are we falling short? Is there a problem with services today or is that just our expectations have been raised?*

Shep Hyken: *I believe it's the latter, the expectations have been raised. I think that companies recognize that they have to deliver a certain level of service. Many companies are trying to improve on that service, may still not be meeting the expectations but I think there is an awareness out there. The companies that do absolutely nothing are being recognized for doing absolutely nothing.*

But, you hit it on the head. You said, "Are customers expecting more?" I think they're smarter. Just a moment ago, I mentioned something like we see it on TV. We do see it on TV. We know what good service is, and we also see bad service on TV and we laugh at it sometimes.

The reality of it is, it's no joke because bad service is really what we sometimes experience. As a consumer or as somebody that may buy even from a business, I know what good service looks like and feels like so give it to me. If you don't, I'm going to let you know about it. I'm going to be more demanding, or I might just go somewhere else.

Joe: *We're demanding more and more as time goes on and when you're saying amazing customer service, in your books, you use the word amazement, moments of magic, but is that what we have to deliver now to make a difference?*

Shep: So, let me make this really easy for everybody. Don't get stuck on the word amazement based on a traditional definition because amazement to a lot of people is 'over the top', 'blow me away', 'wow'. No, the best companies, the most amazing companies on the planet don't do that. What they do is they give you an experience that's very predictable. In other words, it's consistent and the second part of it is, it's better than average, and it's usually just a tiny bit better than average. Now, the exception, when you get to go over the top is when there's a problem, when there's a complaint when there's a crisis if you will. And, by the way, even the worse companies, somebody can step up and take care of a customer and give them a great level of service. It's when they get back to the day to day routine things that they're supposed to do, are they acting in an exceptional or amazing way? And again, the definition of amazement, just a little above average but it's all the time.

Joe: *I'm a lean guy, I talk about standard work and things like that but I've always proclaimed that standard work is what creates the 'wow' in service because people know what they're supposed to do, and they perform it. I think it coincides with what you're saying a little bit about the amazement thing because if you really know what you're supposed to do, it really is not that huge of a step to be amazing service maybe.*

Shep: I like that. Know what you're supposed to do and then just do it.

Joe: *It's because people are not looking for someone to step out of the box all the time but if they do know what they're supposed to do, it's easy to step out of the box because they know their limits too, don't they?*

Shep: Yes, I think that's the other thing. You do have limits, and the best-trained people are trained to be, they're empowered as well as trained to deliver within the limits. And so, I shouldn't have to go back and say, "You know what, that's a good question, and I'd like to be able to do this for you. I need to go clear it with my Supervisor." And, you know what, the Supervisor's going to say, "Yes, I shouldn't have to ask more than one time in my career for this."

Joe: *Okay. No, that's a good point.*

Shep: It's pretty simple when you think about it that way. The best, I mean the best service reps are empowered to take care of customers. It's pretty much that simple.

Joe: *Organizations, are they starting to be defined by the service they give?*

Shep: Well, I think the customer defines it and here's the thing, the company may want to

be defined by the service they give but the customer gets to decide whether the company delivered on the brand promised. It's always the customer's perception and somebody's level of service, what they think is excellent maybe completely different than mine. It may be better, it may be lower, higher or lower, it doesn't matter. It's what I think is great. So, we always need to as a company hit the market that we want to hit. An example of this, what's the best airline in the industry and at least in the U.S., what is recognized traditionally as the best airline?

Joe: *Southwest is what pops up right away.*

Shep: Exactly, basically Southwest, I mean you've got JetBlue, you've got Alaska Air. Those are great airlines as well; that are probably making end roads on Southwest's reputation. What is interesting about Southwest? Recognized for great service. They don't have a first class seat. They don't even have an assigned seat. They don't give you food. All they promise you is peanuts and a pleasant personality by the flight attendant, and if you don't get your peanuts, or the flight attendant's not nice to you, you're going to be disappointed. But, you're not going to be disappointed because you don't have a first class seat.

Let's jump over to another airline. We'll use, we'll just say there, Anonymous Airlines, AA for example. Okay, you could figure it out if you want. Here's the thing, I fly on American Airlines a lot. I fly them virtually, well, they're my airline of choice. They give me first class seats, and they give me free upgrades because of my loyalty to the airline. That's the perk I get or one of the perks that I get for flying with them so often, and it's a totally different experience and it doesn't matter. I was just talking to a wonderful woman named Donna Cutting, who you want to get on your show because she talks about rolling out the red carpet and I think she hit it on the head that a 5-star hotel is a 5-star hotel not because of

the service that they deliver but because of the amenities that they have in the hotel because a 3-star hotel, because of the amenities, because of the small room, because of the fact that they've got shag carpet from the '70s, they haven't changed, doesn't mean that the people at the front desk can't be just as good as the people at the front desk at that fancy hotel. You can give a 5-star service experience, not just necessarily with the amenities. Does that make sense?

Joe: *I think it does, and one of the things that jumps out at me is that you're really talking that good services, as part of it managing expectations of what to expect when I walk in there, right?*

Shep: And again, customer's expectations differ from one customer to the next. You need to define who you are. Southwest, if I demand a first class seat, I'm never going to fly Southwest again because I can't get it. But, on the other hand, if I demand friendliness, there may be another airline that gives me that first class seat but there are old crusty crabby flight attendants and, by the way, I'm not referring to American Airlines here, just so if anybody's listening from American Airlines, I'm not picking on them. But, I am saying that if have a bad service experience by any airline, regardless of the first class seats, I'm going to shift to somewhere else.

Joe: *Maybe I'm setting my expectations wrong or should I set lower expectations?*

Shep: No, no, no, no, I wouldn't do that. I think that you get to demand the way you want to demand. By the way, if you become so demanding that nobody makes you happy. Well then, yeah, lower your expectations. But, you deserve to be treated with respect, with dignity. If I decide I need help with something and I decide to e-mail a company, and I wait for a response, do you know what the average response time for an e-mail is? Seven

hours. There is another one. There is another stat on social media that's 7 days. Seven hours, seven hours, if I wanted my question answered in 7 hours, I would have waited 7 hours to ask the question, right?

Joe: *Right.*

Shep: What's my expectation? Five minutes is reasonable but not 7 hours.

Joe: *As we're doing this virtually and communication is instantaneously and we're all on 24/7, doesn't that signify that service isn't great anymore.*

Shep: When, you advertise a 24/7 service experience, you need to be there 24/7. If you say, our service hours are 6 AM to 10 PM, whatever time zone, that's when you need to be there. I'll use another company AT&T as an example. Now, I have not called AT&T in probably over a year. I use them for my cellular service. But, I know I've called them on a Sunday evening with a problem, and it says, "Our typical hours are whatever they are, Monday through Friday, however, if this is an emergency, here's another number to call.

Am I glad that they gave me that other number because I needed it. I, myself, I was getting ready to leave the country. My phone wasn't working. I was panicking, on and on. So, they do have a backup plan, and I'm sure that if they're a good company, I can jump on social media. I could direct message them. I could ask them to help me out and somebody ought to be monitoring that at least 24/7. If you're going to advertise you're 24/7, you need to be 24/7, and I think regardless of the type of business you're in, you need to have quick response times. It's a bottom line expectation.

Joe: *In your training, are there some simple tips that you can give for people to be able to*

give good service. Is there a starting point?

Shep: Sure, sure. Okay, so first of all, let's talk about what customer service is. Number one, it's not a department. It's a philosophy that needs to be embraced by everyone. That's number one. Number two, the easiest simplest way to define what typical customer service is, is about interaction, the interaction that you as a person have with another person. Now, we can get into self-service solutions. We can talk about digital solutions and things that do not involve people, but I'll argue that people still design those systems that are to be used by people. I want you to think of 2 things, what I just mentioned. Service is a philosophy, not a department. Everybody has a customer. It could be internal, somebody you work with, or external. Number two, it's all about interactions. What am I doing right now to manage this interaction that will either give that person confidence or if it's an outside customer, make them happy enough that they'd want to come back and do business with me again, the next time they need whatever it is that I sell. So, those are the 2 things, think about it from a philosophical standpoint that "It is my job, no matter what I do" and number two, "I'm going to manage every interaction to make it positive."

Joe: *You tie culture so much into service, and I see that in your work and that's what you're saying is that first and foremost we have to develop a service culture.*

Shep: Right, and companies miss this. I think companies and I'm getting ready to talk, I've talked to people pretty often about this, but I'm getting ready to propose to a client a big project and they're only going to train 25% of their entire company, and I say that is a huge mistake. Now, no doubt that the people on the frontline are going to be trained differently than the people that are in a warehouse or in the accounting department or maybe in a marketing department, but everybody has to be on the same page. They've got to speak the same language. They've got to understand what the company does. And,

what's happening on the inside of a company is felt on the outside. So, if we're going to talk about customer service for our customers, we need to be treating each other the way we want our customers treated, if not even better.

Joe: *It all sounds good, but I still pick up the phone and feel like 50% of the time I receive less than average service.*

Shep: Wow, and that may or may not be true but I'm going to tell you what is true, it's your perception and sometimes, even if it's 10% of the time, it seems like 50% of the time because that squeaky wheel gets heard and that's what needs the oil whether it gets the oil. So, you know, it's like any relationship that you have, if you think about any relationship, you're mad at that person in front of you for something that went wrong but then you think, "Gosh, it seems like I'm always mad at that person." Well, you're probably not always mad at the person. It's just once in a while; these things are magnified. They're much bigger. Same thing in customer service, somebody drops the ball, doesn't do something right, it's magnified. It's intensified, and the reason is it's because you're no longer comparing the service that you had the last time you did business with them or even to a competitor. You're comparing it to any company that you've done business with.

If I go to a fancy hotel, and I'm treated great, and then I go out to a restaurant, and I'm not treated so well. Now, you can argue there's a tie between a hospitality of a hotel and maybe the hospitality of a restaurant. But then, the next day I go to work, and I call my manufacturer's rep to order cleaning supplies and this guy doesn't call me back quickly. When he does call me he's not that appreciative of my business. I'm now comparing him or her to the experience I had at that fancy hotel earlier in the week or the nice dinner I had the night before and the way I was treated. So, expectations are higher, and I kind of started to allude to this earlier in our conversation. I think that the companies create that

expectation. They brag about how good their service is. They talk about the awards that they win. I'm from Missouri. Missouri is the show me state. So, guess what, "Show me and then I'll believe you."

Joe: *I think the marketing hype and different things like that may raise our expectations before we even pick up the phone, right?*

Shep: Well, that's the point and if I get all that marketing hype, and then I pick up the phone and I call them and I get the recording, "Your call is very important, and it will be answered in the order it is received" and 25 minutes later I'm still on hold. Yeah, all that marketing hype and that recording I just heard, by the way, it means nothing. So, here's a great story. The other day, I did a speech for a group of high-level leadership in many different industries. It was actually called the C-Suite network. My buddy, Jeffrey Hayzlett, puts this out. It's if you're a high-level exec VP or higher for companies that are, well, at least 10 million which is actually a fairly small company. A lot of those companies had close to a billion or multiple billions in sales. So, you got a bunch of VPs, what am I going to talk about to them because the concept or the title of the session was innovations in customer service. So, here's what I talked about. I got up there, and I said, "I love ice cream."

By the way, everybody can relate to ice cream, right? I love ice cream, and I love it, and I'll tell you how much I love it. I tweet about it. I post pictures on Facebook when I go to, I get the incredible banana split or the ice cream, whatever and here's something else. You know, who knows I love ice cream? More than my friends, more than the people that I'm connected to on Twitter, marketers who sell ice cream know I love ice cream because, guess what, as soon as they see that word ice cream, boom, there's a trigger. It's now data. And, not only do they know I love ice cream, they know I love ice cream very specifically on Fridays and Saturdays. They noticed that I usually have it for dessert on

Friday and Saturday nights. They also know that I had never Tweeted about ice cream or posted a picture when it was below 82 degrees because they're also tracking weather patterns with my buying patterns.

This is all data, okay, which by the way, marketers are spending millions, if not billions of dollars to get data on their customers to better sell them. So now, if you send me an ice cream coupon to get, you know, a promotion on ice cream on a Tuesday in the middle of winter, you're wasting your money and my time and I might even turn you off altogether and unsubscribe from anything you send me as a result of you hitting me at the wrong time. But, boy, Friday, at about 5 or 6 o'clock, if you want to say "Hey, it's Friday and if you want to go out and get some ice cream this weekend, here's a coupon." You've won me over. But, here's the point and this is the whole, this is the punch line if you will, companies spend millions of dollars on that. And then, I walk into the ice cream store, and the guy behind the counter messes it up, doesn't give me the level of service that I hope for, and, therefore, I will go buy my ice cream somewhere else. Makes sense?

Joe: *It makes perfect sense and the other thing I think of in the support area, right away when you're saying that, are we using this data to better support and service the customer instead of just trying to sell them?*

Shep: I agree with you. Here's the thing about what's happening is we're moving away from just straight customer service to delivering a better customer experience which includes every interaction that we have, in the sales process as part of that, at the actual moment of interaction that we have and even if we're picking up ice cream and taking it home the way it's packaged when I open it up, what does it look like, is it because it may have shifted around in my car as I'm driving when I pick it, when I open up the carton, is my scoop of ice cream on the lid. A smart ice cream place might have something to

prevent that from happening. I can go on and on. When you open up your iPhone, if you own an iPhone, you open up the iPhone and the packaging is unbelievable. You pull the lid off, and there's a little cardboard handle, you pull up and boy, underneath that piece of, you know, cardboard, there's the iPhone and you pick up the iPhone and there're the instructions laying there perfectly and it's like "Wow, this in itself is an experience" and you add the experience that you have aesthetically and kinesthetically, as well as the actual interaction that you have with your customer and it all goes together for a great customer experience which is beyond just traditional service.

Joe: *So, customer experience is melding service and sales altogether. It's really the experience, right?*

Shep: So, I'll argue today. They used to say customer service is the new marketing. That's been bantered about for the last couple 3 years. I think customer experience, which a big part of it is customer service, but customer experience is just the new way to do business. It's sales. It's marketing. It's customer service. It's all of it wrapped into one simple concept. Give me the experience I want. You don't have to keep selling to me because I'm going to keep coming back. It's that simple.

Joe: *Am I raising the expectation of the individual then?*

Shep: What I want to do as a company is I want to raise the expectation, then I want to deliver on it. I want to be so good that all I need to do is meet expectations to make my customer happy. There's a restaurant that I'm actual, can't wait to go in there again tomorrow night. I was there 2 weeks ago, my favorite restaurant in St. Louis, Missouri, I give a shout out to Tony's downtown St. Louis. Some of the best Italian food you'll ever have in the world. Their level of service and my expectation of the food is so high that all

they got to do is do what they're supposed to do and they blow me away.

Joe: *We're raising the expectation of what we want in an employee?*

Shep: Hundred percent, exactly, and by the way, if you don't meet that expectation, and you're going to let my customer down, and you're going to erode my brand promise, you're not sticking around for the next shift.

Joe: *I hear that, and I hear culture, but I see so much of service being outsourced. Can that be successful?*

Shep: Very successful. There're some great companies out there that are doing a great job that you would not even know they're outsourced. They're properly trained. And, I know, people were outsourcing to India, the Philippines or some other foreign country. If the company's willing to spend the money and do it right, they're going to have their outsourced companies, they will pay to make sure that they get, that they deliver a good experience and that these people that work they'd get great training. I almost feel like we're going full circle going back to the online, on-demand training that I have.

I have clients that outsource their customer service to a call center, and they will say, "We will not use you unless every one of your people are certified in the customer focus" which is my course. I'm flattered that they feel that way. I do believe that just simply taking the course isn't enough. They have to take the course and use what's in there, and it needs to be nurtured a bit, but that's a pretty cool thing. You can actually, as a company say "I'll use your services on the condition that your people are properly trained, which by the way, I will pay to make sure they're properly trained." By doing that, they're just, they're becoming an extension of my company, not some subcontractor that's just something I'm

just offloading.

Joe: *Well, I'm going to go full circle here, Shep. Where can someone find this information and find out more about you?*

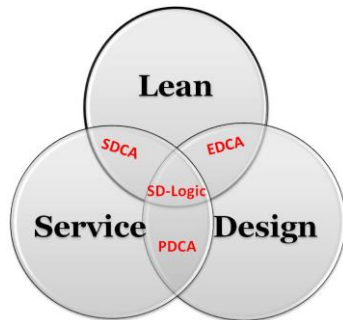
Shep: Sure. Well, my website's Hyken.com, and that's the place to get everything. You could sign up. I do articles every week and, by the way, if you sign up for my newsletter, I promise you it is an article. I don't sit there and try to promote and promote and promote to you in the article. I write these articles every week. It comes with a nice little cartoon that I have that kind of a picture that depicts the concept of the article.

If you want to learn more about the On Demand training, just go to ShepOnDemand.com. So, hyken.com and you'll learn more, you can see everything I do there but if you want to go straight to the training that's the way to do it, ShepOnDemand. I'm there all the time, 24/7, in your face.

Joe: *That's great, Shep. I appreciate. Is there anything you'd like to add that maybe I didn't ask?*

Shep: I think you should get a raise. Joe, you did a great job. How's that?

Joe: *Okay, that's awesome. Okay, I'd like to thank you very much. Everyone, make sure you visit Hyken.com, HYKEN. The podcast will be available on the Business901 iTunes store and Business901 blog site. So, thanks again, Shep.*



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Joe Dager is President of Business901, a firm specializing in bringing the continuous improvement process to the sales and marketing arena. He takes his process thinking of over thirty years in marketing within a wide variety of industries and applies it through Lean Marketing and Lean Service Design.

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