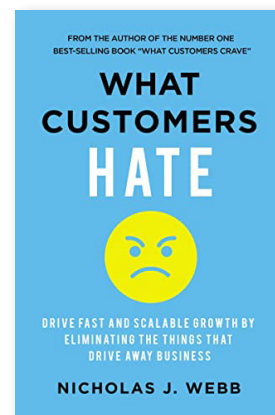


What Customers Hate

Drive Fast and Scalable Growth by Eliminating the Things that Drive Away Business

by **Nicholas J. Webb**



Contents

Your Customers Hate You

Page 2

The Net Experience Formula

Page 2

Touchpoint #1

Page 2

Touchpoint #2

Page 3

Touchpoint #3

Page 4

Touchpoint #4

Page 5

Touchpoint #5

Page 6

THE SUMMARY IN BRIEF

It's undeniably true that you must give your customers what they crave. That will never change. If you fail to do that, your business will die. But finding out what customers love is only half the battle. In today's hypercompetitive and fast-paced marketplace, your customers are very sensitive to what they *hate* about your brand, company, or service. These feelings of hate can have just as much influence on their buying decisions as what they love.

In a time of massive and continuous disruption, too many organizations are trying to optimize obsolete systems, policies, and training programs. What they really need to do is press the reset button and look at the world with fresh eyes. If disruption is the problem, then the solution is relentless innovation. The best organizations in the world take their hate insights and turn them into friction-free, relevant, and valuable experiences for their customers. In *What Customers Hate: Drive Fast and Scalable Growth by Eliminating the Things that Drive Away Business*, author Nicholas J. Webb shares how innovative companies and their disruptive leaders reap the rewards of customer promotion, customer satisfaction, significantly lower marketing costs, and scalable growth and profitability.

IN THIS SUMMARY, YOU WILL LEARN:

- That your customers hate you so you better get used to it.
- The Net Experience Formula.
- The five touchpoints that create love or hate for your customer.
- The four customer personas that impact client experience.

Your Customers Hate You. Get Used to It!

Being loved by your customers should be your goal, and every business must be focused on providing value and a superior customer experience. But the recognition of the flip side of the coin—the fact that consumers hate many businesses—should alert you to the very important fact that *reducing what your customers hate is just as important as increasing what they love.*

No company is perfect. Neither are its customers. We live in a world in which we strive for perfection, but it's never attained. We're always one step behind what we hope to achieve.

In every transaction, there's always some friction. People make mistakes, machines break down, the weather prevents shipments from arriving on time—there are many reasons why even well-functioning systems can be flawed.

The Number One Law of Customer Experience is this: *Your customers are always settling for second best.* Don't be offended, because "first best" is perfection in the ideal marketplace. No customer can have perfection. Because they can't have perfection, they look around for the next best thing.

Having been denied the ideal solution, in the process of settling for what they can get, the customer will look at a company or product from two distinct perspectives:

- 1. How much do I love this company?** As the seller of a product, your goal is to maximize these good feelings.
- 2. How little do I hate this company?** As a seller of a product, your goal is to minimize these bad feelings.

These questions, and their answers, have equal weight. Your potential customer will be swayed by the sum of the two. Company leaders who accept this reality are one step ahead of the deniers—but they're not yet out of the woods.

The problem is that leaders are tempted to look at the problem of customer hate very narrowly. But the truth is, there are many ways in which a customer can hate you.

The customer experience can be mapped out along a series of five "touchpoints," which will be discussed later. At every touchpoint, you have the opportunity to amaze and delight

your customer and make them fall in love with you. You also have an equal opportunity to turn them off, discourage them, and even make them hate you. Every touchpoint can become either a lovepoint or a hatepoint. The choice is yours.

Net Customer Experience (NCX)

A customer's journey with your brand is characterized by a series of steps, with five stations or touchpoints. At these touchpoints, the customer and the company have one or more interactions. These interactions may be brief or prolonged. Each one is important. At every touchpoint, the company has the opportunity to create either a feeling of love by the customer for the brand or a feeling of hate.

The sum total of the customer experience over the five touchpoints—which may extend in time to cover many years—is the Net Customer Experience (NCX). This is the measurement of what the customer hated and loved across the five touchpoints, given a range of love/hate personas.

Hatepoints are measured across four negative experiences: not good, bad, hated, really hated. Lovepoints are measured across four positive experiences: unliked, liked, loved, really loved.

NCX represents the net total of what the experience was like for customers by subtracting the hatepoints from the lovepoints to produce a score.

Touchpoint #1: The Pre-Touches

In this stage, the prospect (not yet a customer) develops an awareness of your brand. While it can happen non-digitally, these days it's more likely to happen on a connected device, through the internet.

It can happen at any moment in the prospect's life. Brand awareness can be formed at a very early age, and consumer product companies like it that way. Disney is very good at this. The company wants every child in America to know the song "Let it Go" from the movie *Frozen* and as every parent wearing earplugs can attest, they've damn well succeeded.

Even today, pre-touches can be analog. If you have an actual physical location, what does it look like to potential customers driving by? How about when they park their car, walk up, and open the door? Are they greeted with smiles or indifference?

The digital pre-touch is where your potential customers

Eliminating hate significantly increases revenue, drives customer promotion, boosts brand value, and paves the way for scaling growth and profitability.

check you out online. They google you, and look for reviews on Yelp, Amazon, or other sites. They'll visit your website to look around and get acquainted. They're educating themselves about your online reputation before they actually engage with you. There are likely to be many pre-touches over a period of time.

The pre-touch stage is where the customer experience begins. Put more simply, it's where the prospect determines if they could love you.

Remember, they are looking for a high degree of relevance, value, and clarity wrapped up in a friction-free experience. Underestimating the value of this touchpoint is asking for failure. Its importance will only grow over the years.

Marketers like to compare the sales process to a funnel or pipeline. Pre-touches happen at or before the very large opening of the sales funnel that serves as an entry point for anyone who could possibly be a customer. There are many things that can go wrong during pre-touch moments.

- The prospect hears something bad about the brand through social media, news, or a friend.
- A potential customer researches online and finds negative reviews from customers or employees; customers follow the crowd and they hate companies that other people hate.
- Customers need to find you quickly and easily, and they hate it when they can't; not finding you or your company is friction, and customers dislike friction.
- Websites should be structured in such a way that it is delivering real and meaningful value to your site visitor. The customer has a need or a problem. They want information that will tell them that you understand their problem and can provide a solution.

Touchpoint #2: The First Touches

First touches set the theme for how your customer will forever perceive your product, brand, or service. If you have a bad first touch, it's really hard to fix. Conversely, if your

first touch rocks, then you can easily build on that and build up your lovepoints.

Customers checked you out in the pre-touch stage, but there was little or no interaction. At the first-touch stage, for the first time, they actually engage with you.

As with all touchpoints, the key is to build an exceptional experience across all your customer types. Identify those types, understand what they want, then deliver it to them—exceptionally.

The first touchpoint is too often riddled with customer hatepoints, including:

- The car dealership that attacks you with a pushy salesperson that makes you recoil and leave.
- The medical clinic that makes you fill out thirty-page forms and wait for an hour to see a doctor.
- How about the hotel that has one person checking in guests, and there are thirty people in line?

There are literally hundreds of examples of how a bad first touchpoint can destroy an enterprise. So why do we do it?

Executives and leaders are so busy spending money on customer acquisition and looking at new ways to cross market to existing customers that they're clueless as to how bad they are at the first touchpoint.

Eliminating hate significantly increases revenue, drives customer promotion, boosts brand value, and paves the way for scaling growth and profitability. The first step toward reducing hatepoints is to *know* your customer.

While it's true that customer demographic data is expanding exponentially, the most important thing about your customer is *not* their age or ethnicity. No, it's their expectations for their interaction with your company and its systems and people.

Human beings make buying decisions based not only on a rational assessment of the market but also on the emotional connection and how they are treated by businesses they patronize.

The best way to fail in the hypercompetitive marketplace is to attempt to deliver a one-size-fits-all customer experience. Done correctly, incredible and relevant customer experiences can be delivered that appeal to different customer types across all five touchpoints.

The Four Customer Personas

1. The Driver: These are goal-oriented decision makers. They enter your business armed with the knowledge of what they want. If they see what they want, they'll buy it on the spot. They want as frictionless an experience as possible.

How to make the Driver hate you: Chat with them. Waste their time. Be unclear. Condescend to them. Sell them something they don't want. Add hidden charges at checkout.

How to make the Driver love you: Smile. Be forthright and confident about what you're offering. Be prompt and courteous but not "chummy." Stick to the business at hand.

2. The Analytical: This customer wants detailed information about the product or service. They need facts and figures, and they love to ask questions. They do their homework, and pore over every possibility before making a purchase.

How to make the Analytical hate you: Provide cursory answers. Appear to be impatient. Don't have a thorough understanding of your product. Make relevant info hard to find on your site.

How to make the Analytical love you: Know your product and be on your toes. Be the subject matter expert. Don't take it personally if they fact-check you. Above all, be patient.

3. The Amiable: The polar opposite of the Driver, this customer wants to be your friend. It's very important that you understand them and why they want the product or service. They have a strong need to belong and relate to a group. They make the very best brand ambassadors.

How to make the Amiable hate you: Be brusque. Recoil when they touch your arm. Act like time is short and you can't be bothered with info about their recurring medical condition, the lousy weather, or traffic jams. Provide skimpy information on your website. Don't have any photos of happy customers or five-star reviews.

How to make the Amiable love you: Make the entire shopping experience aesthetically pleasing and relaxed.

Treat them as if they were visiting your home. Make them feel welcome and special. Provide plenty of testimonials. Amiables want to know they are in good company.

4. The Collaborator: Collaborators need to make decisions that are supported by the consensus. They might bring friends or family members into your store to help them make a selection. They rarely make a decision on the first visit and may take repeated touches.

How to make the Collaborator hate you: Try to pressure them to make a quick decision. Fail to provide the documentation they ask for. Ignore or be rude to the friend or colleague the Collaborator has brought along for support.

How to make the Collaborator love you: Be patient. Arm them with a generous amount of documentation they can show to their group. When they leave and come back a few days later, remember them and offer to work with them to answer any questions the group (or spouse) may have.

The first touchpoints are critical, because this is when the prospect has the opportunity to base their judgment of the company on an actual interaction. It's imperative that your people are trained to recognize and interact with the four main types of customers.

Each persona includes adults of all ages, ethnicities, and gender identification. Your customer-facing people need to quickly identify which persona has approached them and instantly adapt to their personality.

Touchpoint #3: The Core Touch

The core touch is the moment when the customer decides to purchase your product or service and is prepared to hand over her money or sign a contract. It extends to the delivery of the product.

The Dreaded Checkout Line

For owners of brick-and-mortar stores, the core touchpoint provides many opportunities to score both lovepoints and reduce hatepoints. While e-commerce has severely disrupted the in-store shopping experience, many consumers still enjoy it.

However, the majority of consumers say waiting in the checkout line is their least favorite part of in-store shopping. Here are some of the common hatepoints, and how they can be corrected.

To dig for incremental, microscopic amounts of new profit is a bad optic.

- Waiting in line behind a slow-moving shopper.
- Being greeted by a cashier who's changing the register tape or some other bit of housekeeping or is just low-energy and slow in their movements.
- You're in a store and have a question, and you look around for a sales associate, and you see...nobody.
- Being forced to play "check out line roulette" and choosing the line that moves slowly.

The solution to 90 percent of the hatepoints in your physical store can be turned into lovepoints by *having a well-trained and robust human staff*. Human beings are social creatures, and we enjoy interacting with each other if the interactions are positive. It's not easy, because human employees cost money.

Currently, with 2.2 million people on its payroll, Walmart is the third-largest employer in the world, trailing only the US Department of Defense and the People's Liberation Army of China. Finding a way to save money on labor, or to eliminate jobs altogether, may be a huge boon to the retailer—but it has to remember that Walmart customers don't want to enter a vast box and not see any employees.

The Story of the Hotel's Unhappy Customers

Here's an example of the superpower of a hate-centric approach toward customer insights. A luxury hotel group conducted surveys that indicated their customers were unhappy with the pricing.

After lowering prices and finding them unhappy still, we decided to conduct a hate analysis to find out what customers were *specifically* hating. To our surprise, we found that the customers weren't concerned about the price in general. It was the *friction* involved in how the bill was presented.

When you checked into this hotel, the clerk would provide the room night and then a list of surprise charges like valet, a resort fee, and even a cleaning fee. Best guess is they did this to advertise a lower rate, but still get the revenues they wanted.

But this was a hotel that catered to wealthy people, and if

there's one thing that wealthy people hate, it's being "nickel and dimed." The last thing they want is to be bothered with the details of the bill.

The hotel took the advice to offer one flat price. They raised the advertised prices and made the check-in and billing process much simpler. Sure enough, there were no more complaints about the price.

To dig for incremental, microscopic amounts of new profit is a bad optic. The real problem is we're really good at adding sources of new potential profit, like resort and valet fees. But we're really bad at seeing the impact of irritated customers who leave for disruptive innovators who deliver far better conspicuous value.

Intrusive Data Mining

Companies use a wide variety of collection methods and sources to capture and process customer data, with interest in types of data ranging from demographic data to behavioral data.

Customer data can be collected in three ways: by directly asking customers, by indirectly tracking customers, and by appending other sources of customer data to that of the company. Most of this activity takes place behind the scenes, out of sight of the customer. Be careful that your customer does not view this as obtrusive, or you'll be rewarded with more hatepoints!

Here in the core touch moments, the sale is made. Money changes hands. The mission of the company has been fulfilled. A lot can go wrong, which will produce a customer who may have bought your product or service but who is unhappy with the experience.

Remember, just because your customer has made a purchase does not mean that he or she is 100 percent in love with your company, brand, or service. Pay special attention to "fine print" issues that can ignite hate and be sure that your salespeople are well trained and focused on customer happiness.

Touchpoint #4: The Last Touches

There are some cynical companies that believe once they've gotten your money, the game's over. Companies that seek to minimize hatepoints and build lovepoints across the entire customer journey see it quite differently. They know there are two powerful reasons why providing an excellent customer experience at every touchpoint, including after the customer has paid, is beneficial for the company and its bottom line.

1. You need brand ambassadors: You can spend millions on marketing and advertising and get good results. You can also spend very little on making your customers deliriously happy, and get results that are equally good or even better.

Brand ambassadors are former and current customers who are happy with the company to the extent that they will go beyond being passively pleased to being actively vocal about their feelings. Before, during, and after the sale, be sure your customer has plenty of lovepoints to share.

2. You need repeat customers: While conversion rates are volatile and vary by industry, most experts estimate that the average conversion rate for new customers is somewhere between 1 and 3 percent.

On the other hand, a repeat customer has a conversion rate that's as high as 70 percent. This can increase up to 90 percent if your customer has bought from you not just once, but twice. Companies profit from repeat business so they must ensure they give customers no reason to hate them and every reason to love them.

The last-touch moments determine if you get to keep your customer. The core touchpoint is the bread and butter of customer experience. This is where you leave the customer with a shockingly good experience or value. Make the last touch moment amazing, and your customer will lavish you with lovepoints.

Touchpoint #5: The In-Touch

During the in-touch stage, while the immediate sale may have been concluded and the product or service delivered, your customer hasn't fallen off the face of the earth. On the contrary, he or she may be active in the marketplace for years and even decades to come, as will your company (we hope!).

The Big Circle

In a sense, an established customer to whom you sold

something in the past has come full circle, and has returned to the vast pool of prospective customers who hover just beyond the entrance to your sales funnel. There the customer lingers, ready to enter the sales funnel again when they have a need or desire that your company can fulfill.

There are two very important differences between a cold prospect with whom you have done business and a former customer who may return.

1. The relationship: Your former customer has the positive memory of the transaction, and doesn't need to be educated about what you can do for them.

2. Their data: You have a record of their interactions with you. With a former customer, this is what you're starting with, and it's a huge advantage over what you need to do to reel in a cold prospect.

Repeat Customer

Changing brands involves some risk and adjustment, and most consumers have better things to do than constantly approach each routine purchase as if it were totally new. In the case of repeat customers, you *never* want to subject them to a hard sell. The minimum you must do is ensure they feel good about choosing your brand, always deliver quality, and beware of competitors who would poach your loyal customers.

Customer relationship management software packages are often used to stay in touch for the purpose of getting customers to buy something else. But that isn't what customers love; it is often what they hate. Instead, deliver ongoing constant value. Let your customers know about special offers only if you know it's something they need to have.

The post-COVID economy is a time of hyper-competition and hyper consumerization. Customers demand complete freedom from friction. They want price transparency. They want every transaction to be seamless.

Right now, the overwhelming majority of your customers are receiving what's called the baseline level of current expectation. In other words, you're giving them what you think they want.

The problem is, in a time of massive change, the bar continues to rise, and customers are wanting far more than they used to. They want to be surprised with exquisite experiences and value. Organizations operating in the danger zone of the baseline of current expectation are likely going

to fail—maybe tomorrow, maybe next year, but ultimately the danger zone is real.

The question “What do our customers hate?” is just as important as “What do our customers love?” This is the thesis of this entire program. So much information can be gleaned when you look at the flip side of the coin. If you find out what a customer hates, then they’ve just told you what they want in a clear and crisp way.

Customer experience is holistic. It begins with having an amazing work environment based on a culture of happiness. It’s about asking ourselves some tough questions. And the toughest question is, “What do you hate about me?”



Nick Webb is one of the top Customer Experience and Customer Service experts in the world. He has been awarded the “Global Gurus Top 30” designation for Customer Service, for seven years in a row. Nick is the CEO of myLearnLogic.com, a Customer Experience Training and Advisory Firm that works with some of the top brands to help them build world-class customer experiences. Nick is the author of multiple number one best-selling books, in the area of Business Innovation, Customer Experience and Leadership. Nick is also one of the top Keynote Speakers in the area Business Growth, Innovation, Future Trends and Customer Experience.

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