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THE EMOTIONAL INTELLIGENCE BLUEPRINT™

## DEVELOPING LONG TERM CUSTOMER RELATIONSHIPS

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### Introduction

This paper on customer service strategies summarises evidence based research on customer service and how to deal with complaints. The research on Emotional Intelligence (EI) provides proven opportunities to gain a competitive edge while sustaining long term customer loyalty. Customer satisfaction is no longer the best indicator of good business. The organizations that deliver a positive emotional experience to the customer will be more likely to survive in the challenging times ahead. The purpose of this paper is to provide our clients with a solid base that will guide and inform their customer service policy and procedures.

You will read how, from our research, we identified the critical place emotions play in customer and staff relationships. Negative emotions subtract from results and diminish the emotional experience that can increase customer loyalty.

The research on Emotional Intelligence competencies and skills indicates significant improvement in results can occur if staff and managers have high levels of emotional skills and competencies. Increased revenue and productivity come from better performance.

The average data on emotional intelligence applications shows superior performers produce between 19%, 32% and up to 120% more in some roles such as sales and complex roles. In some case with better emotional intelligence skills work can be done with fewer staff (Cherniss, Goleman 2001).

The message in the research is that organizations must design and deliver customer experiences that go beyond satisfaction by focusing on emotional impact. Such a culture can be achieved by selecting people with good emotional intelligence skills and training staff in emotional intelligence competencies. Further, managers must model

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the way by applying the proven emotional intelligence competencies to leading and managing their teams at all levels.

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**Emotional Value**

To add emotional value to customer experiences an organization and its staff must engage in five service practices.

1. Build an emotion friendly service culture. Select and develop emotional intelligence competencies and skills.
  2. Choose emotional competence as the organization's service model.
  3. Maximise the customer experience through the EI competency of 'empathy' (Refer the Emotional Intelligence Blueprint™ card set).
  4. View complaints as emotional opportunities to do better and improve processes. This practice sees complaints as feedback which is a GIFT for testing critical processes.
  5. Using emotional connections to increase customer loyalty.
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**Definition Of  
Emotional Value**

Emotional value is the economic or monetary worth of feelings when customers positively experience an organization's products and services. Emotional value, as much as quality or any other critical success factor, can 'make or break' an organization.

Emotional value refers to the feelings that customers experience or anticipate experiencing when they deal with organizations and their representatives. These feeling create a desire in the customer to want to return to a place of business or go away and never come back.

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**Staff Development**

To be competitive in today's challenging times organizations are required to produce distinctive and personal emotional experiences for both customers and staff. As a consequence, all staff require skills at interacting and relating in an emotionally intelligent way. One of the critical skills in EI is active listening which is one of the skills to support the competency of 'empathy'. Staff and managers must be able to deliver the highest quality of emotional interactions and feel good about relating to customers.

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**Moments OF Truth**

Customers always form impressions and judgements when they interact with organizations and their staff. By filtering and processing



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sensory information customers form emotional impressions called **'Moments of Truth'** that help them remember and distinguish one experience from another. These sensory service clues, many of which have a strong emotional component, need to be designed, managed and delivered by individuals.

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**Significance Of  
Emotional Value**

This summary proposes that adding emotional value to customer experiences is one of the **strongest competitive advantages** for an organization. It demands

1. Training and developing staff in the EI competencies and skills.
  2. Continually improving processes so they positively impact on emotions.
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**Consequences Of  
Emotions**

Both staff and customers tend to stay with the organization that provides positive emotional experiences. Even if the organization cannot meet all the needs of staff and customers, if they experience regular **Moments of Truth** they will be productive and loyal staff, and have long term loyalty as customers.

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**Customer Intuition**

Most customers know instantly how they are emotionally impacted and how they feel about that when they enter the purchasing space. If you have a well designed building yet the managers or staff members treats you poorly and makes your day darker then the value of the smart building is diminished.

Customers are becoming more emotionally sophisticated. Organizations must respond to this and provide superior emotional experiences.

If the services staff are dressed in the latest fashion yet lack the necessary Emotional Intelligence, skills then the smart suits and outfits will not compensate for the lack of EI skills.

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**Strategies For  
Implementing  
Customer Service  
Based On Emotional  
Intelligence  
Competencies**

The following nine strategies will install emotional competency as a service model.

1. Develop and reward positive interdependency between departments and staff members.
2. Plan and decide how to deal with the 'always right' customer.



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3. Hire and promote for emotional competence.
4. Define the emotional competencies required for service and leadership roles.(Refer The Emotional Intelligence Blueprint™ competencies card set)
5. Recognise the necessity for effective training and development which is performance based and criterion referenced.
6. Encourage staff autonomy based on emotional competence and clearly define levels of freedom to act on complaints.
7. Design effective policy supported by explicit and accessible procedures and performance guides for dealing with complaints.
8. Design and implement a reward system aligned with an explicit performance management system that recognises emotional competence.
- 9. Most important, define the results desired for customer service in measurable terms and align them with the strategic objectives of the enterprise.**

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**Evidence Based Data  
On Customer Service**

Outlined below is some research data on customer service.

1. In terms of creating customer loyalty, the most important aspect of the customer's experience is emotional rather than satisfaction based.
2. A dissatisfied customer can become a loyal customer if dealt with quickly and effectively.
3. Positive moods enhance general helpfulness in people. Sales people in positive moods are more creative in selling products that are more personalised and therefore more valuable to the customer.
4. Effective apologies lead to empathy and in turn to forgiveness and then to long term loyalty.
5. The best way to clarify what your customer value is to ask them. (Refer to Performance Guide on Customer Value Categories).
6. If customers experience minor problems and their complaints are resolved quickly, 95% will repurchase from the same organization, 80% will purchase again even if the problem is major.
7. If the complaint is resolved but not quickly, only 70% will repurchase for a minor problem and 50% will repurchase for a major complaint.
8. If the complaint is not resolved, 46% will repurchase after a minor problem and only 19% will repurchase after a major



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- problem.
9. If the customer is loyal then complaint situations create higher expectations. In complaint situations you have the most to lose from your best and most loyal customers.
  10. When customers do complain, statistics show that they 50% to 70% feel worse than if they had never said anything at all.
  11. If complaints are not handled well, only 23% of customers will do business with you again.

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**Research Patterns**

Research on customer service shows distinct patterns. These are outlined below;

1. Most customers don't complain when things go wrong or they are unhappy.
2. Service providers often lack the critical EI skills such as '**Empathy**' and '**Self Awareness**'.
3. Because of the high degree of emotionality, complaints tend to be remembered longer than other service experiences.
4. A complaint handled well can actually increase feelings of loyalty among customers.

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**Complaint Control  
and Responsibility.**

Policy and procedures should define who deals with complaints and the detailed behaviour required to act on a complaint. All complaints should be recorded, as they provide data for improving customer loyalty and data for improving key processes. Action should be taken on any complaint at the customer interface based on skill, authority and resources to deal with it. Tension can be reduced by staff who perceive they have a degree of control over the complaint handling situation. There are four levels of control.

1. **Behavioural Control.** The ability to respond to a threatening situation. This is delivered through having the emotionally intelligent competencies relevant to the role.
2. **Decision Control.** This requires the authority and freedom to act on the complaint and to make choices about objectives and desired results.
3. **Cognitive Control.** The access to the information and resources to be able to reduce stress for the customer and the person handling the complaint.
4. **Emotional control.** This is the ability to recognise emotions in oneself and others and then the competency to demonstrate



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**'Self Control'** in the complaint situation.

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**Improvement  
Strategy**

The process below outlines a proven process for any performance improvement project. This is based on the Human Performance Technology (HPT) approach which the writer applies in his consultancy projects.

1. **Performance Analysis.** Define the gaps in organizational results in measurable terms. This is called Needs Assessment. This is complete when the priority gaps have been selected for elimination or reduction.
  2. **Cause Analysis.** The causes of gaps are identified before any action is taken. This step ensures the right solutions are chosen. The right solutions are 'evidence based' which means there is research data to show that this solution will fix the selected problem. In this step we can gather data about process performance. In the case of the customer service process we would also examine related processes as effective customer service is influenced and caused by a number of factors.
  3. **Solution Selection.** In this step we select the best range of interventions matched to the causes of the gap in results defined in step 1.
  4. **Implementation and continuous improvement.** In this step the solutions and interventions are designed or selected and applied.
  5. **Evaluation.** This step evaluates whether the solutions fixed the gaps defined in step 1. Revisions are made as required
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**Customer Service  
Hints**

An ounce of analysis is worth a pound of positive results. Some of the indicators of a poor customer service process are outlined below. Check these as they will indicate that there is a case to initiate an improvement process as described above.

1. Is the customer service policy accessible to all staff?
2. Have all managers been engaged in defining the policy?
3. Is the policy supported by accessible and explicit customer complaints procedures?
4. Do all staff have a shared understanding on what they can do about customer complaints?
5. Are performance guides on customer service available and



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- easy to follow?
6. Are standards for customer service documented and supported with effective performance guides?
  7. Is the customer service and complaints process **MAPPED** and available to all relevant staff?
  8. Is training and coaching on EI skills and competencies provided?
  9. Do you have a data base on customer complaints?
  10. Does the reward system at all levels recognise behaviours related to effective customer service?
  11. Are role/job descriptions well documented to include customer service skills and tasks?
  12. Do managers and team leaders model high levels of EI skills and competencies?
  13. Does the enterprise have measurable objectives for customer service at all staff levels?

A **NO** to any one of these questions prompts a case for a rigorous performance analysis (Needs Assessment) as a foundation for improving the customer service process.

When you have completed this short assessment of you present customer service process you are encouraged to contact the author who will provide guidance and suggestions on how to initiate a performance improvement process.

**Evidence Based  
Performance  
Improvement  
Projects**

The author and his Associates assess, analyse and design human performance improvement projects based on an '**Evidenced Based**' performance improvement model. This technology applies proven solutions and interventions to improve business results.

**We provide diagnostic tools for assessing your customer service process and 'evidence based' solutions to create a high impact customer service process. We specialise in Human Performance Technology that delivers human performance systems that deliver improved enterprise results.**

**For more information on a "best practice" customer service process contact me on:**

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