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CX Insight

AN EXECS IN THE KNOW PUBLICATION

Meeting the Moment

A comprehensive approach to well-being, eco-conscious CX, and responsible AI.

Why Supporting the Mental Well-Being of Employees and Senior Leaders Is Good for Business and Just the Right Thing to Do

Putting Sustainability at the Heart of CX

Leveraging the Benefits of AI without Compromising Customer Trust

Brand Spotlight: Freshpet

in this issue

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Welcome

to the July 2024 issue of *CX Insight* magazine, an Execs In The Know Publication.

Leading the way: inspiring innovation, driving excellence, and fostering a culture of unwavering commitment.

Summer is in full swing, and we find ourselves amid an exhilarating season of transformation and growth. Our focus for this quarter's issue is the profound impact of technology, sustainability, and well-being on customer experience (CX). Each article in this issue delves into these critical themes, providing fresh insights and actionable strategies to enhance your leadership and elevate your CX initiatives.

In our featured articles, mental health in the workplace, artificial intelligence (AI) and customer trust, and sustainability take center stage. We address how prioritizing mental health can lead to a more engaged, productive, and loyal workforce, harnessing the power of AI while safeguarding customer privacy, maintaining trust, and driving long-term loyalty and growth through responsible business practices.

Our Brand Spotlight shines on Freshpet, a company that manufactures and sells natural and fresh treats and food for dogs and cats and is one of *Adweek*'s Top Status Quo-Defying Brands. In an interview with Lisa Diehl, the brand's Director of Consumer Care, we learn how Freshpet's dedication to its Pet Parents and sustainability initiatives set it apart in the competitive pet food industry.

Each article in this issue is crafted to inspire and equip you with the knowledge to navigate the complexities of modern CX. As you dive into these stories, we hope you'll find practical advice and the motivation to lead with empathy, innovate responsibly, and champion sustainability within your organization.

Thank you for being a part of our community. We look forward to continuing this conversation and supporting your efforts to create extraordinary customer experiences. As always, we hope you'll find something in this issue that enlightens your perspective and sparks new ideas and innovation.

Have a story idea? Submit it to info@execsintheknow.com.

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Why Supporting the Mental Well-Being of Employees and Senior Leaders Is Good for Business (and Just the Right Thing to Do)

A healthy mind is the foundation of a thriving business.

by Execs In The Know

Mental health has always been the silent partner in the human experience, quietly influencing our lives and decisions. From the ancient Greeks puzzling over melancholia to today's corporate boardrooms acknowledging burnout, the awareness of mental health has evolved dramatically. As leaders, understanding this journey isn't just about being informed — it's about recognizing our role in fostering environments where well-being is prioritized. It's about shaping a more compassionate future for our teams and ourselves.

According to recent studies, mental health disorders are on the rise. Anxiety and depression rates have skyrocketed, with many individuals struggling to cope with the rapid changes and uncertainties. In 2021, 22.9 percent of U.S. adults experienced mental illness (57.8 million people).[1] This represents one in five adults. Despite this, discussing mental health remains stigmatized.

In the hustle and bustle of modern business, it's easy to overlook the well-being of those who keep the gears turning: our employees and senior leaders. But, what if we told you that investing in their mental health is not just a noble endeavor — it's a strategic business move?

Imagine a workplace where stress is managed, the weight of anxiety is lifted, and everyone feels valued and supported, from the intern to the CEO.

Supporting mental well-being isn't just about avoiding burnout; it's about fostering a culture of resilience, creativity, and loyalty. When employees know their mental health is a priority, they're more engaged, productive, and inclined to stay with a company that values them as whole people, not just cogs in a machine.

Let's dive into why making mental well-being a cornerstone of your business strategy can lead to extraordinary outcomes. As the workplace evolves, prioritizing the mental well-being of employees and senior leaders is beneficial for business, and just the right thing to do. After all, a healthy mind is the foundation of a thriving business.

> " As a Family Support Group Facilitator and Family-to-Family Program Leader, I always tell my groups and classes that taking care of yourself is so important. If you don't, how are you going to help those who need your support? Self-care is a must! "
>
> *Christine Thomstad, President*
> *NAMI Coachella Valley Board of Directors*

The Importance of Mental Well-Being in the Workplace

Creating a Supportive Environment

We all know a positive workplace culture isn't just about ping-pong tables and casual Fridays. It's about creating a space where employees feel emotionally and mentally supported. When organizations prioritize mental health, they're not just ticking off a box, but building a foundation for happier, more resilient employees. This means fewer sick days, higher productivity, and a more engaged and motivated team. More than 80 percent of employees say their employers are responsible for their health and well-being.[2]

Organizations must initiate change at every level to cultivate a positive and healthy workplace. With a staggering 83 percent of employees reporting feelings of emotional exhaustion from their work,[3] it has become imperative to adopt a proactive strategy to bolster employee mental health.

Remember, when we invest in our people's well-being, everyone benefits.

The Impact of Stress

It's no secret that stress can wreak havoc on our mental health. Long hours, heavy workloads, and poor communication can all contribute to a toxic work environment. When employees are under constant pressure without adequate support, they're more likely to experience anxiety, depression, and burnout. As leaders, it's our responsibility to recognize these stressors and take proactive steps to alleviate them. By fostering a culture of open communication and providing practical resources for stress management, we can help our teams thrive.

The Power of Open Communication

Open communication is a game-changer regarding mental health in the workplace. When employees feel they can openly discuss their mental health challenges without fear of judgment or repercussions, it creates a supportive environment. This openness must be championed by leaders who encourage these conversations and actively participate in them. Regular check-ins, mental health days, and accessible resources can all contribute to a culture where mental well-being is prioritized. Employees working in an open, supportive environment are 46 percent more likely to be productive and 30 percent less likely to be stressed.[4]

The Benefits of Flexibility

Flexibility in the workplace is more than just a perk; it's a critical component of mental health. Whether it's flexible working hours, the option of working from home, or taking mental health days without stigma, giving employees control over their schedules can significantly reduce stress and improve overall well-being. This kind of flexibility shows employees that their time and mental health are valued, leading to increased loyalty and job satisfaction.

Promoting Work-Life Balance

A healthy work-life balance is essential for mental health. When employees can effectively separate their work responsibilities from their personal lives, they are more likely to feel fulfilled and less overwhelmed. Companies can promote this balance by setting clear boundaries around work hours, encouraging employees to fully disconnect during their time off, and providing ample vacation time.

By respecting and supporting their personal lives, we empower our employees to bring their best selves to work.

The Importance of Mental Health Resources

Access to mental health resources is a vital part of supporting employees. This includes everything from providing information about mental health services and benefits to counseling and stress management workshops. Companies that invest in these resources are committed to their employees' well-being. This helps those struggling and creates a culture of care and support that benefits everyone.

If you or someone you know is struggling with mental health, you are not alone. The National
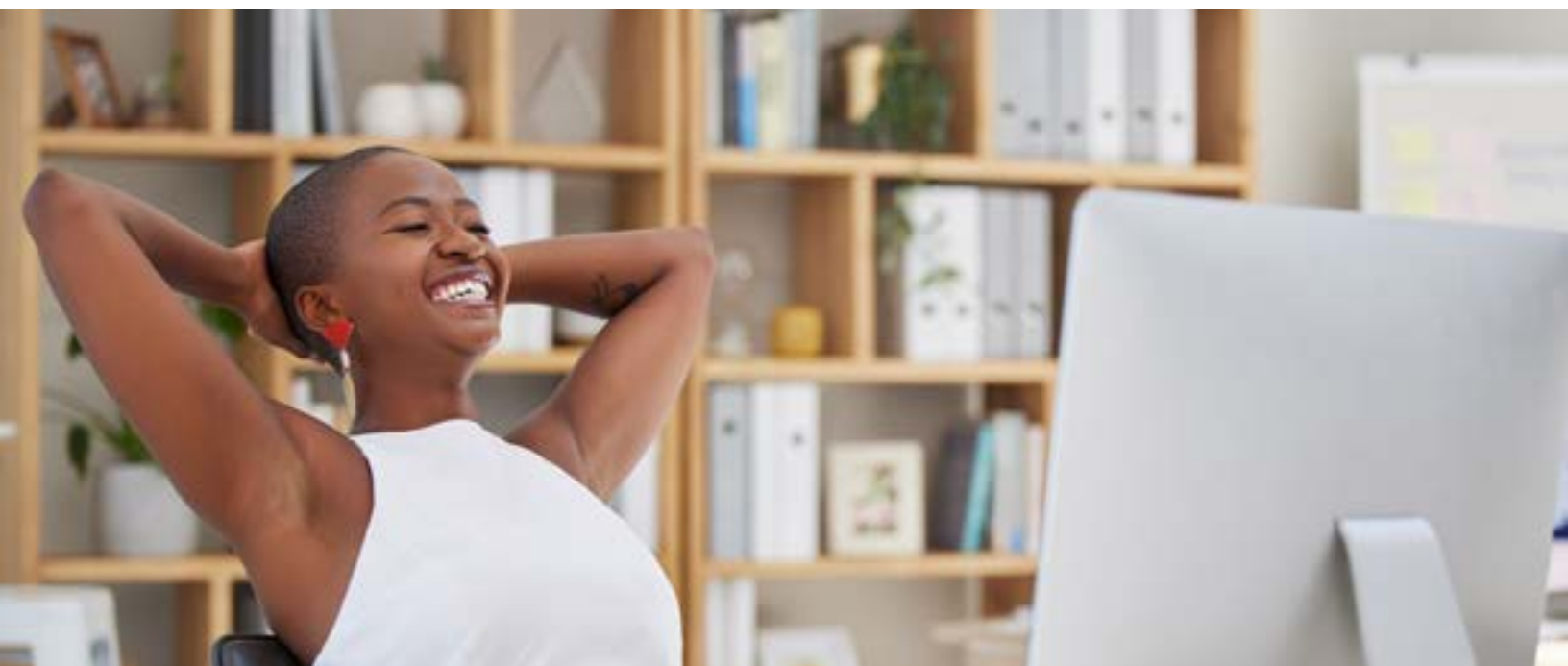
Suicide Prevention Awareness Month

Raise awareness for suicide prevention and treatment, know the risks and warning signs for suicide and what to do in a crisis.

September Is National Suicide Prevention Awareness Month

The month of September is dedicated to honoring the lives lost to suicide and the millions who have faced suicidal thoughts. It's a time to recognize the impact on individuals, families, and communities, raise awareness about suicide prevention, and spread messages of hope and support.

Millions of adults in the U.S. experience serious thoughts of suicide, with the highest rate among multiracial individuals. The percentage of adults reporting serious thoughts of suicide is five percent, totaling over 12.1 million people. Eleven percent of adults who identified with two or more races reported serious thoughts of suicide in 2020 – six percent higher than the average among all adults.[5]

While September is National Suicide Prevention Month, throughout the year, organizations should focus on the mental well-being of its workforce. Use this opportunity to educate employees and leaders about the signs of suicidal ideation, provide resources for support, and foster a culture of empathy and understanding. By prioritizing mental health and awareness, we can work together to prevent suicide and support those in need.

Alliance on Mental Illness (NAMI) is the nation's largest grassroots mental health organization. It offers numerous support resources, including peer-led mental health education programs, support groups, a Helpline, publications and reports, podcasts, webinars, and more.

NAMI is dedicated to building better lives for the millions of Americans affected by mental illness. There are more than 700 NAMI state organizations and affiliates throughout the country. Contact your local NAMI affiliate to learn what types of programs and support they offer.

Help NAMI in its efforts to destigmatize mental health by taking the StigmaFree pledge. By taking this pledge, you commit to educate yourself on mental health conditions, available resources, and the lived experiences of those around you.

Well-Being Starts at the Top

Leadership plays a crucial role in shaping the mental health of our workforce. It's about more than just setting policies – it's about leading by example. When leaders show empathy, actively listen to their employees and prioritize mental health, it sets a powerful precedent. This creates a ripple effect, encouraging employees to speak up about their struggles and seek support. By making mental health a core component of our leadership strategy, we can cultivate a more compassionate and resilient workplace.

Senior leaders are the architects of an organization's culture. They shape the vision, set the goals, and ensure that a culture of well-being is interwoven into every aspect of the business. With their influence, they can transform well-being from a nice-to-have into a core strategic priority, embedding it into policies and making it a critical Key Performance Indicator (KPI). By rigorously measuring and monitoring well-being initiatives, senior leaders can use data-driven insights to continuously improve the well-being of their teams, making well-being an integral part of the company's DNA.

Embedding Well-Being into Culture

Creating a culture that genuinely values well-being goes beyond launching programs and initiatives; it requires a deep, systemic change. A positive workplace culture fosters collaboration, support, and innovation, while a toxic environment can undermine even the best well-being programs. Senior leaders must champion well-being as a core organizational value, ensuring it is reflected in everyday practices and interactions. This commitment helps cultivate a work environment where well-being is naturally integrated into the company's daily operations and ethos.

Healthy People, Healthy Profit

Viewing employees as an organization's most vital asset is essential for fostering a culture of well-being. Senior leaders must create conditions that enhance employees' sense of purpose, satisfaction, and productivity. This means providing resources and support to manage daily work-life challenges proactively rather than merely reacting to issues as they arise. By prioritizing mental health strategically, organizations can ensure that employees thrive and that profits are achieved sustainably. This holistic approach leads to lasting business success and a vibrant, engaged workforce.

Speaking of senior leaders, how are we addressing mental health in the C-suite?

The Hidden Toll on CX Leadership

In the hustle and bustle of corporate life, we often champion the mental well-being of our employees, but what about the senior leaders? These individuals carry the weight of organizational goals on their shoulders while striving to maintain their teams' well-being, yet their mental health is frequently overlooked. The stigma surrounding mental health is a silent adversary, often preventing senior leaders from seeking the help they need.

Many senior leaders fight crises daily and are more connected to their phones and emails than ever. Imagine the unyielding pressure of rising workloads and longer hours. Combine that with a deep-seated commitment to excellence, and you have a recipe for exhaustion. Senior leaders are not just feeling the heat, but burning the candle at both ends. This stress isn't just eroding their professional relationships, but placing them under greater mental strain than their employees or mid-level managers. Despite this, many remain silent, with over half fearing admitting their struggles could jeopardize their careers.

The numbers paint a stark picture: over 80 percent of senior leaders are experiencing exhaustion levels akin to burnout, and a staggering 51 percent are considering drastic changes such as resigning, moving to less demanding roles, retiring, or taking a leave of absence.[6] These figures are not just statistics; they represent real people teetering on the edge of burnout.

This crisis extends beyond individual well-being, impacting entire organizations and even broader economic recovery. Losing key leadership talent is just the tip of the iceberg. The broader, often overlooked consequence is the unintentional negative impact highly stressed senior leaders can have on their teams and workplace culture.

Addressing mental health openly and proactively is essential for maintaining a resilient and thriving leadership team capable of navigating today's complex business landscape.

Leading by Example: Opening Up About Mental Health

In recent years, a growing number of high-profile executives have openly shared their mental health experiences, serving as powerful role models and inspiring others to prioritize their well-being. When leaders of all levels share their personal stories, it reduces stigma and normalizes the ups and downs of being human – especially as a high-performing professional.[7] Among these leaders are Satya Nadella, Chairman and CEO of Microsoft, and Indra Nooyi, former CEO of PepsiCo, who have candidly discussed their personal challenges and the importance of self-care.

Nadella has been transparent about his encounters with burnout.[8] Leading one of the world's largest tech companies, Nadella has immense responsibilities, and the pressure to perform is relentless. In interviews and public discussions, Nadella has emphasized the critical need for self-care to maintain productivity and overall well-being.

Under Nadella's leadership, Microsoft has made significant strides in creating a supportive work environment that acknowledges the importance of mental health. He has been a vocal advocate for integrating mental health support into the workplace, promoting policies encouraging employees to take time for themselves and seek help when needed. Nadella's openness about his struggles and proactive measures to address them paved the way for a more compassionate and understanding corporate culture.

Breaking the Silence on Mental Health in the C-Suite

Indra Nooyi, who served as PepsiCo's CEO for over a decade, has also been <u>a prominent voice in the conversation about mental health in executive roles.</u>[9] Throughout her illustrious career, Nooyi has not shied away from discussing the immense pressures and sacrifices associated with being a top executive. She has particularly highlighted the unique challenges women face in leadership positions, including balancing professional and personal responsibilities.

Nooyi has often shared her own experiences with stress and the toll it can take on one's mental health. She has underscored the importance of self-care and the need for executives to prioritize their well-being, advocating for a more human approach to leadership. Her candid discussions have not only brought attention to the issue, but have also encouraged other leaders to speak out and address their own mental health challenges.

By leading by example, these are just two executives who are setting a precedent for others to follow. Transparency in leadership is essential for destigmatizing mental health. Their advocacy for mental health awareness and self-care reminds us that even at the highest levels of success, taking care of one's mental health is crucial. Their contributions are helping to build a more supportive and understanding workplace where mental health is given the attention it deserves.

Building Better Businesses and Lives

Investing in mental health is a necessity. In today's fast-paced work environment, taking care of our employees' mental well-being is essential for sustained success. We can significantly impact our teams' lives by creating a supportive culture, addressing stressors head-on, and leading with empathy.

Let's prioritize mental health and watch our workplaces become more vibrant, productive, and harmonious. When we prioritize mental health, we're building better businesses and better lives. 🪰

Links:

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Break THE Stigma

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IN OUR WORLD

Our community has always been one that cares deeply – not only for the advancement of our industry but also for each other and the important issues that face our wider world.

Execs In The Know's Leading with Impact program goes beyond the boardroom with the goal of projecting time, resources, and attention to the issues that matter most to our community members, as well as their friends, family, and colleagues.

As part of our Leading with Impact initiative, we are partnering with NAMI (National Alliance on Mental Illness) and focusing on mental health awareness to help remove the stigma so often associated it. We're challenging our CX community to take a stance and become a stigma-free leader, co-worker, friend, and family member.

TAKE THE PLEDGE TO BE stigmafree TODAY!

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nami
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Putting Sustainability at the Heart of CX

This isn't just about appeasing the eco-conscious consumer; it's about securing your business's future.

by Execs In The Know

Imagine stepping into your favorite store or landing on your favorite brand's website and realizing every product is designed for convenience and crafted with the planet in mind. This isn't a far-off fantasy — it's the evolving reality of customer experience (CX) where sustainability takes center stage.

Sustainable CX demands a wholehearted commitment. It involves a comprehensive business transformation that places sustainability at the forefront. To carve out a path and vision for this change, brands must be deeply dedicated to enhancing consumer experiences, have a profound grasp of sustainable development goals, and possess a clear insight into the factors that encourage responsible consumer behavior.

So, how are leading brands putting sustainability at the heart of their CX strategies, and what lessons can leaders learn from their journeys?

Why Sustainability Matters for CX

Sustainability has become critical to customer experience and business strategy for several compelling reasons. First, the growing awareness and concern over environmental issues among consumers mean that people increasingly consider the ecological impact of their purchasing decisions.

> **Every time you spend money, you're casting a vote for the kind of world you want.**
>
> *- Anna Lappé*

Businesses are swiftly adapting to the challenges brought on by climate and social crises, responding to the growing demands for change from investors and the public. Supply chains progressively aim for net-zero goals, and sustainable transformation has emerged as the top priority for global CEOs. The main challenge for companies now is figuring out how to engage their consumers in this transformation journey.

According to a Nielsen report, 73 percent of global consumers say they would definitely or probably change their consumption habits to reduce their environmental impact.[1] This shift in consumer behavior signifies that brands must align their values with those of their customers to build trust and loyalty. Businesses integrating

sustainability into their core operations often see enhanced brand reputation and increased customer satisfaction, driving long-term loyalty and growth.

Moreover, sustainability in CX is not just about meeting customer demands; it also offers significant operational benefits. Implementing sustainable practices can lead to cost savings through improved efficiencies and reduced waste. For instance, McKinsey & Company reports that companies adopting sustainable practices can reduce operational costs by up to 60 percent.[2]

Additionally, these practices can open up new market opportunities and drive innovation as companies seek to develop eco-friendly products and services. In a competitive landscape, this differentiates a brand and appeals to a broader audience, including eco-conscious investors and stakeholders. Therefore, sustainability is a win-win strategy, enhancing CX and business performance.

Is Your Brand Walking the Talk?

Patagonia has long been the poster child for sustainability. It doesn't just sell products; it sells a philosophy. The brand placed a provocative ad in *The New York Times* when it launched its "Don't Buy This Jacket" Black Friday campaign[3] in 2011, urging consumers to consider the environmental impact before making a purchase. It was a bold move.

And it paid off in spades, solidifying customer loyalty and trust. Patagonia's transparency and

commitment to environmental ethics set a high bar in an age where consumer trust is hard-won and easily lost.

After its acclaimed 2011 campaign, Patagonia's 2016 Black Friday initiative pledged to donate all revenues to environmental protection groups, resulting in an impressive $10 million in sales – four times the company's estimates. Unlike typical campaigns focused on seasons, themes, or new releases, Patagonia's marketing is dedicated to saving the planet, empowering customers to join a larger-than-life movement with significant impacts on the company's brand, reputation, and mission.

Photo by Tim Nudd on Adweek

As Patagonia's founder Yvon Chouinard states, "I know it sounds crazy, but every time I've made a decision that's best for the planet, I've made money." In a business world driven by growth and profit, Patagonia's commitment to environmental priorities is a powerful reminder that doing good is indeed good for business.

Subscription-based early learning company Lovevery[4] is deeply committed to sustainability, driven by the desire to preserve the planet for future generations. In its eighth year, Lovevery has over 350,000 active subscribers, and one of Fast Company's Most Innovative Companies.

The brand aims to ensure its products have the longest possible life. By 2025, it plans to use 90 percent renewable, bio-based or recycled materials in its products and packaging. It already employs eco-friendly materials like FSC-certified wood, organic cotton, and bio-based plastics. By 2030, Lovevery aims to achieve net zero carbon emissions throughout its supply chain. Its dedication includes working with suppliers to utilize renewable energy and reduce transportation emissions, ensuring every aspect of its operations leaves a minimal carbon footprint.

In addition to its future goals, Lovevery has already made significant strides in sustainability. From January 2019 to February 2022, it offset 13,934 metric tons of carbon, equivalent to the emissions of 3,002 passenger vehicles driven for a year. It has invested in renewable energy like wind power, and uses sustainable materials in its products. As a member of various sustainability initiatives such as the Climate Collaborative and the SME Climate Hub, Lovevery is committed to transparency and continuous improvement in its environmental impact.

Brands prioritizing sustainability can see up to a 10 percent increase in revenue due to enhanced customer experience and loyalty.[5] Can your brand afford to be this transparent? More mportant, can it afford not to be?

Sustainability Isn't Just a Trend, It's a Necessity

Consumers today are not easily fooled by greenwashing. They demand authenticity and tangible action. Dave Pitsch, Vice President of Guest Services at Arc'teryx, recently delivered a compelling keynote address at the Customer

Response Summit in Tucson titled, "Shaping the Future of Guest Experience and Circularity." He highlighted Arc'teryx's pioneering efforts in sustainability, focusing on its commitment to embedding circularity into its operations. Central to this commitment is the ReBIRD™ platform, which encompasses initiatives in care and repair, resale, and upcycling, all aligned with the brand's goal to "Leave It Better."

Pitsch emphasized how Arc'teryx's dedication to minimizing environmental impact and actively contributing to a more sustainable future resonates deeply with its community and beyond. His presentation also underscored the importance of integrating environmental stewardship into the fabric of customer experience, offering inspirational and actionable insights for leaders in the field.

According to Ogilvy, a whopping 90 percent of global investors are willing to revise their investments if a company lacks a solid Environmental, Social, and Governance (ESG) strategy.[6]

The stakes are high — failing to meet these expectations can lead to reputational damage and financial loss. Are your sustainability efforts robust enough to meet these expectations? If not, it may be time to rethink your approach. This isn't just about appeasing the eco-conscious consumer; it's about securing the future viability of your business.

By the Numbers

Research by NYU's Stern School of Business found that 50 percent of the growth in consumer packaged goods[7] from 2013-2018 came from products marketed as sustainable.

50%

A survey of 6,000 consumers in North America, Europe, and Asia found that 72 percent of respondents[8] reported actively buying more environmentally friendly products.

72%

The latest IBM Institute for Business Value (IBV) study of 3,000 global CEOs in 43 countries[9] found that nearly half of the respondents ranked sustainability as a top priority for their organizations, with over 80 percent of them believing that their company's sustainability investments will produce improved business results in the next five years.

50%

80%

The Role of AI in Sustainable CX

Artificial intelligence (AI) isn't just about optimizing operations – it's also about fostering sustainability. At the forefront of this movement is IBM's AI-driven weather technology, which assists farmers in making eco-conscious decisions. This technology showcases the potential of AI to support sustainable development by enhancing the precision and efficiency of agricultural practices, ultimately leading to more sustainable food production systems.

But AI's influence extends far beyond agriculture. Businesses across various sectors that leverage AI for sustainability have witnessed significant boosts in operational efficiency and a marked reduction in waste. For instance, predictive analytics can help companies forecast demand more accurately, thereby reducing overproduction and minimizing waste. This technology can also optimize supply chains, ensuring that products are transported in the most efficient and environmentally friendly manner.

Imagine leveraging AI to predict and reduce your carbon footprint. Advanced algorithms can analyze energy usage patterns and recommend adjustments to minimize consumption, leading to substantial cost savings and a reduced environmental impact. Could your next big tech investment also be your greenest one? The potential for AI to drive sustainability initiatives is immense and increasingly accessible.

The possibilities are vast, and the implications are profound. Leveraging AI responsibly can transform your business into a beacon of sustainability, balancing profitability with positive environmental impact. Integrating AI into your sustainability strategy can enhance your operational efficiency and contribute to a larger global effort to combat climate change and promote sustainable development.

Designing for Inclusivity and Sustainability

A new generation of consumer values inclusivity as much as sustainability. This dual focus can create a powerful brand narrative. In fact, seasonal research from Accenture[10] found that 69 percent of older millennials are more likely to choose one brand over another if that brand demonstrates inclusion and diversity in its promotions and offers, 72 percent in its in-store experience, and 70 percent in its product range.

Are your products and services inclusive and sustainable? If not, what's holding you back from aligning your brand values with those of your customers? Inclusivity and sustainability are no longer separate pursuits. They are intertwined in the fabric of modern consumer expectations. Ensuring your products and services reflect these values will attract a broader audience and build a deeper connection with your existing customer base.

Making Sustainability Mainstream

Transforming sustainability from a buzzword into a business imperative requires a comprehensive approach. It's about embedding sustainable practices into every aspect of the customer journey. Ikea's commitment to sustainability, from solar panels to veggie hot dogs, is a testament to how brands can make eco-friendly choices accessible and desirable. Its focus on inspiring change with affordable, recyclable, and energy-effective product design means consumers choose sustainability daily. What small steps can your brand take to make a big impact?

Moreover, AI is crucial in optimizing supply chains to reduce emissions. By analyzing and streamlining logistics, AI can identify the most efficient routes and modes of transportation, cutting down on fuel usage and greenhouse gas emissions. Additionally, AI-driven systems can enhance energy efficiency within operations by monitoring and controlling energy consumption in real-time, adjusting systems automatically to reduce unnecessary usage.

Another critical aspect is AI's ability to predict and mitigate the impacts of climate change. For example, AI models can simulate various climate scenarios and their potential effects on business operations, enabling companies to develop more robust and adaptive strategies. These insights are invaluable for businesses aiming to build resilience against climate-related disruptions while maintaining a commitment to sustainability.

Brands that integrate sustainability into their core operations enhance their public image and realize significant cost savings and operational efficiencies. This dual benefit of enhancing brand perception while reducing costs makes sustainability a smart business strategy.

The Intention-Action Gap

According to Kantar's 2020 foundational study on the intention-action gap, 92 percent of people say they want to live a sustainable life, but only 16 percent are actively changing their behaviors.[11] Bridging this gap requires brands to make sustainable choices on the path of least resistance. The study also revealed that the most environmentally conscious consumers are worth $382 billion to the Fast Moving Consumer Goods (FMCG) sector and becoming more valuable by the year. This points to sustainable innovation and direct-to-consumer (DTC) communication about your green initiatives being beneficial for both business and the planet.

Could simplifying sustainable options in your product offerings lead to greater customer adoption? Creating convenience around sustainable choices can dramatically shift consumer behavior. You can effectively close the intention-action gap by redesigning your products, packaging, and services to prioritize sustainability without compromising convenience.

It's Time to Be Brutally Honest

When clothing brand Noah publicly declared, "Noah is not a sustainable company,"[12] it wasn't admitting defeat – it was calling for a reality check. No brand is 100 percent sustainable, but transparency and honesty can win over skeptical consumers. Brands practicing radical transparency often see an increase in customer trust. Are you ready to be brutally honest about your sustainability challenges and milestones?

Radical transparency involves openly sharing both your achievements and shortcomings in sustainability. This honesty not only builds trust, but encourages collective problem-solving and innovation.

Creating a Sustainable, Inclusive CX Ecosystem

The journey toward sustainable CX is ongoing and demands continuous effort and innovation. It's about creating value, not just avoiding harm. Brands like Pelacase,[13] with its biodegradable phone cases, show that it's possible to innovate sustainably without compromising on quality. Pelacase's commitment to a waste-free future and the creation of products that are 100 percent biodegradable demonstrates how sustainability can drive product innovation and market differentiation. How can your brand innovate to create meaningful, sustainable experiences?

To truly integrate sustainability into your CX, consider every touch point – from product design to customer service. Each interaction is an opportunity to reinforce your commitment to sustainability and deepen your customer relationships.

Your Next Steps in Sustainable CX

Are you ready to put sustainability at the heart of your CX strategy? The time to act is now. Let's create a future where business success and environmental responsibility go hand in hand, making sustainable choices the new norm for all. By embracing sustainability as a core value, we can inspire our customers, drive innovation, and ensure a thriving future for our businesses and the planet. 🦋

Links:

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Introducing Agent-Related Insights

Consumers have strong opinions on customer care agents. We explore those opinions in our upcoming research!

The 2024 *CX Leaders Trends & Insights Consumer Edition* report will be released during the Customer Response Summit (CRS) Palm Springs, taking place September 24-26, 2024. The 70+ page report will contain a brand-new section devoted entirely to agent-specific topics, including 13 unique results and new insights.

Here's a sneak peek of the types of new agent-related results you'll find in this upcoming research:

In dealing with a brand to resolve a customer care issue, how important is it for the agent to know you, your customer history, purchase history, and the details of any prior interactions you've had?

Very Important	Somewhat Important	Neutral	Somewhat unimportant	Very unimportant
32%	38%	19%	8%	3%
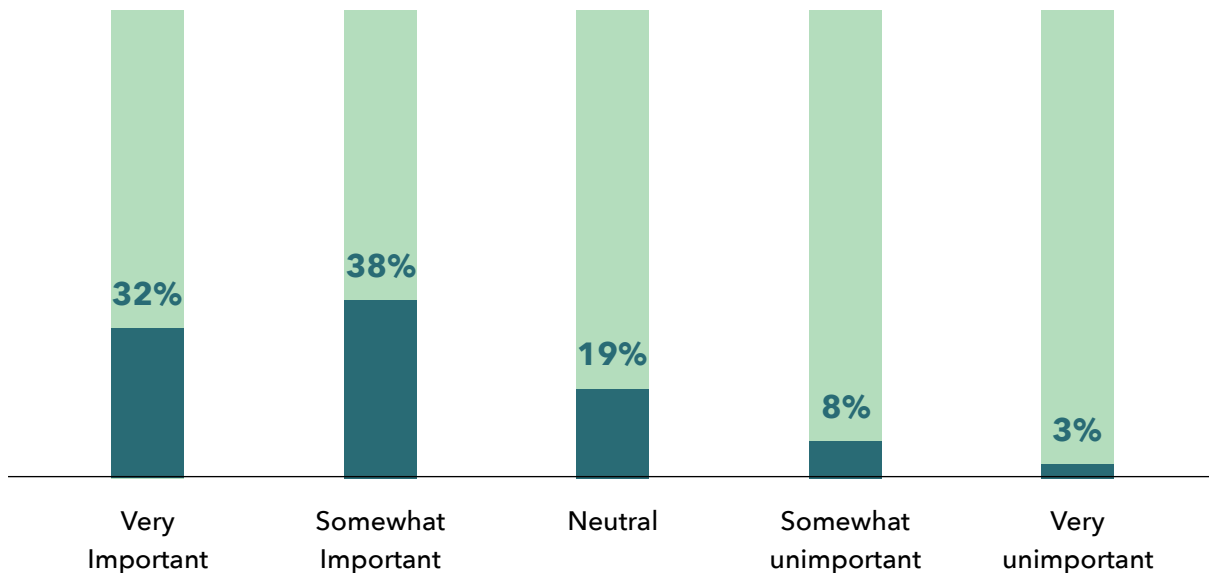
In addition to this upcoming *CX Leaders Trends & Insights* series report, the Execs In The Know CX research group will soon release research on artificial intelligence, customer care agents, and more.

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Leveraging the Benefits of AI Without Compromising Customer Trust

by Execs In The Know

Artificial intelligence (AI) is this century's most notable technology innovation with far-reaching impacts across every industry. Advancing technology, increasing data availability, and the growing recognition of AI's potential to improve efficiency and outcomes drive its widespread adoption. It transforms the customer experience (CX) industry like no previous innovation. CX is enjoying significant positive impacts from AI, including enhanced personalization, improved service efficiency, and deeper insights into customer behavior.

These dramatic improvements come with an obligation to the customer: data and personal privacy protection. Organizations' responsibility to meet this obligation requires investment. This article explores ways to design and deliver an AI strategy that keeps customer privacy and confidence at the forefront. The customer-centric roadmap is ideal for integrating privacy and trust measures into AI strategy.

The Importance of Trust in AI

Trust is critically important in AI and impacts various aspects of development, deployment, and adoption. Here are some key points for consideration

Adoption and Acceptance: Trust in AI starts with building user confidence by ensuring systems are reliable, secure, and capable of performing their intended functions accurately.

Data Security and Privacy: Trust in AI is crucial to ensure that this sensitive data is managed responsibly and securely, protecting user privacy. Trustworthy AI systems are more likely to comply with data protection laws and regulations, which is essential for maintaining legal and ethical standards.

Ethical Considerations: Trust in AI includes believing that the system is designed and trained to be fair, without biases that could lead to discrimination or unjust outcomes. Transparency is also key to building and maintaining trust.

Reliability and Accuracy: Trust is built when AI systems consistently perform as expected, delivering accurate and reliable results in various scenarios.

Collaboration and Interaction: Trust in AI enhances collaboration between humans and AI systems, fostering effective teamwork where AI supports and augments human capabilities.
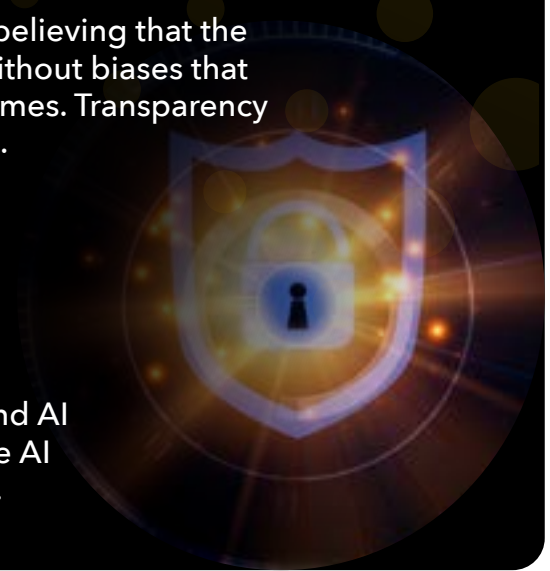
> IF PEOPLE LIKE YOU THEY WILL LISTEN TO YOU, BUT IF THEY TRUST YOU, THEY'LL DO BUSINESS WITH YOU.

Establishing a Foundation of Trust

As tempting as it is to jump right in and develop and deploy operationally important AI initiatives, the best CX leaders know that the customer comes first. Incorporating the voice of the customer (VOC) as the technology roadmap is developed is the paramount first step. Leaders who create a customer-centric roadmap that includes AI privacy measures ensure customer data is handled responsibly and transparently, which helps build trust and loyalty.

Organizations can take several steps to integrate AI privacy measures into the technology roadmap. This work starts with uncovering and understanding customers' privacy concerns. Customers likely bring

preconceived notions about AI based on what they have read, heard, and experienced. This belief set may be totally unrelated to their interactions with your organization, but their perceptions are a reality, and should be considered and addressed where possible.

One way to understand other perspectives is to engage with customers in surveys and feedback sessions. Leading organizations regularly gather customer feedback to better understand their privacy expectations and concerns. Companies incorporating VOC insights focused on privacy and security are better equipped to address concerns, design services that build trust and loyalty, and stay ahead of major issues.

With the consideration and addition of these insights into the technology roadmap, organizations can focus on designing privacy-first solutions that consider this customer input. Companies widely known and respected for their CX are led by several best practices when building AI solutions with customer privacy and protection in mind. They follow the "data

protection by design" approach, a fundamental requirement of the General Data Protection Regulation (GDPR). Data protection by design is an approach that ensures organizations consider privacy and data protection issues at the design phase of any system, service, product, or process and then throughout the lifecycle.[1] This is particularly relevant to AI solutions.

For example, companies should consider anonymization and pseudonymization to safeguard customers.[2] This work entails implementing techniques to anonymize or pseudonymize customer data to protect identities and personally distinguishing characteristics. It removes contextual elements so data can no longer be linked to a specific customer. This also protects data in the event of a breach; access is useless without the keys to unlock the code and connect this data to actual customers.

Data minimization is another effective tactic in customer data management.

Organizations should thoughtfully determine necessary data and collect only that information for AI functions to operate effectively. Taking the less is more approach can help promote transparency with customers, who won't find themselves wondering why unrelated data is being captured during interactions.

Brands that integrate privacy considerations into the development lifecycle from the outset are more successful in developing solutions that protect customer data while delivering the benefits of AI. Some of these principles are not new; however, they are more important than ever with the swift introduction of AI solutions across the customer lifecycle. With a strong foundation, organizations can shift focus to ensuring that AI remains at the forefront of operations.

Maintaining Trust in Daily Operations

As these solutions go live, brands can adopt responsible and transparent practices that leverage AI's benefits while maintaining and enhancing customer trust. Several strategies can help achieve this balance. An important first action is prioritizing transparency and providing clear, believable customer explanations. Privacy policies should offer clear information about why data is collected and how it is used. In addition, brands should provide explanations of processes and decisions to help customers understand how AI is improving their experience. AI systems that can provide clear justifications for decisions and actions also help customers feel more in control and informed when interacting with machines.

Building trust through compliance with regulations and industry standards is another critical practice. Data protection regulations (e.g., GDPR, California Consumer Privacy Act), industry standards, and third-party audits and certifications are important to the organization and the customer. Keeping the customer informed about this important work is a great way to increase confidence in AI practices.

Brands should consider ways to share with customers how they adhere to regulations and monitor emerging trends. As organizations stay informed about privacy trends, legal requirements, and industry standards, keeping customers aware of this important work will build confidence in the practices and encourage the use of AI. In addition to regular customer

communications about these efforts, ensuring that employees know and understand the importance and seriousness of this work is another leading practice in building trust in AI technology.

Empowering customers with control over their data is crucial for building trust in AI and ensuring compliance with data privacy regulations. A customer portal can offer options and give people control over their personal data. The portal is a central hub for customers to manage access and information. Perhaps the most important thing is consent; offering easy-to-understand options and obtaining explicit consent before collecting and using data is a positive practice that puts the customer in control. Data access and opt-out options are also key. When customers can access, change, or delete personal information and preferences, they have a more personalized experience and are more trusting of what data AI has and uses in interactions.

Fairness and bias mitigation measures also build trust. Companies must ensure these measures are in place to prevent discrimination and ensure equitable customer treatment. Using diverse and representative datasets, regularly auditing AI systems for bias, and implementing corrective measures when biases are detected are crucial to successful AI implementation.[3] AI governance protocols and an organization's ability to direct, manage, and monitor AI activities are important to identify and address bias.

Finally, adherence to ethical practices is a non-negotiable aspect of leveraging AI's benefits without compromising trust. Organizations should ensure that AI systems are designed with respect to the diverse customer base and aligned with brand values. Leaders should ensure systems are regularly checked for biases and fairness in AI-driven decisions when operational.

Realizing the Benefits of Privacy and Personalization

Investing in building an AI foundation that establishes trustworthy practices can deliver ample rewards, with personalization chief among them. AI-powered personalization offers enhanced customer experiences and drives business growth.

Specific benefits to the customer include:

- Tailored recommendations provide personalized product or service suggestions, improving the relevance and satisfaction of customer interactions.

- Customized content (e.g., emails, articles, videos) based on user preferences and behaviors increases engagement and retention.

- Targeted offers in marketing campaigns ensure messages reach the right audience with the right content at the right time, leading to higher conversion rates.

- Loyalty programs that tailor rewards and offers based on individual customer behaviors and preferences are more relevant and effective.

In addition to the many customer benefits, personalization powered by AI can positively impact the business. From an operational perspective, AI streamlines processes and increases efficiency. AI can automate personalization, reducing the manual effort required and ensuring real-time updates based on the latest data.

AI also drives scale – typically a difficult yet important challenge to address – and makes cumbersome manual personalization an outdated effort. It can also identify opportunities for upselling, cross-selling, and dynamic pricing based on customer purchase history and preferences, contributing to increased revenue.

Brands will also benefit when AI delivers keener insights and sharper analytics. AI can analyze vast amounts of data to uncover patterns and insights that traditional analysis may miss. AI-powered predictive analytics can forecast customer needs and behaviors, enabling proactive and personalized engagement to support customer retention and other initiatives. This includes predicting when customers might churn and triggering personalized retention strategies to keep them engaged. The efficiency and effectiveness of this AI-powered work are unsurpassed.

Achieving the Perfect Blend

Seventy-three percent of organizations are currently investing in AI for their CX operations.[4] Incorporating AI into CX strategy and operations powers personalized experiences, improved efficiency, and deeper insight into customer behavior. As CX leaders implement AI across the customer journey, they must work hard to achieve the perfect blend of technology innovation while maintaining and enhancing customer trust.

A winning approach involves building a foundation of trust from development to deployment and listening to and empowering the customer throughout the process. This work should also focus on the company's most important asset: its employees. Great brands invest in employee training and awareness of corporate AI practices and processes. In addition to sharing insights revealed from customer research, companies should train employees on data privacy principles, regulations, and best practices. They should also foster a culture of privacy awareness and accountability within the organization.

Educating customers about AI's benefits and risks and actively seeking their feedback can enhance trust. Offering control over personal data through user-friendly privacy settings and opt-out options empowers customers and respects their autonomy. By embedding these principles into their AI strategies, organizations can harness the power of AI to enhance customer experiences and operational efficiency without compromising trust. This ethical and transparent approach safeguards customer relationships and drives long-term success in an increasingly AI-driven world.

Links:

1. https://ico.org.uk/for-organisations/uk-gdpr-guidance-and-resources/accountability-and-governance/guide-to-accountability-and-governance/accountability-and-governance/data-protection-by-design-and-default/

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Execs In The Know

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This is not an event. It is a certification program featuring 14+ hours of expert training. Through it, you'll earn recognition as a forward-thinking leader and gain critical insights into the impact of AI on CX strategy.

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https://execsintheknow.com/events/certification-program-foundationsinaiforcx-october-2024/

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CX LEADERS
EXECUTIVE BRIEFING

Cultivating Value-Driven Outsourcing Partnerships

August 6, 2024 • 8:30 AM CT – 4:00 PM CT
Nashville, Tennessee Area

An Execs In The Know In-Person Event

Traditionally, outsourcing has been about cost. While cost remains a crucial factor, outsourcing has become more about collaborative partnerships and value, and it makes good business sense.

How do you ensure you're developing value-driven outsourcing partnerships?

On August 6, 2024, we're heading to the Nashville area for an in-person CX Leaders Executive Briefing (8:30 AM to 4:00 PM CT).

Your CX leadership peers will be joining us to share their insights on the latest outsourcing trends, challenges, and high-impact solutions.

We're thrilled to welcome Todd Sale, Senior Vice President of Customer Experience at Corpay, as our corporate guest host. His passion for enhancing CX will guide attendees through the complexities and opportunities of outsourcing.

We look forward to seeing you there!

Todd Sale
Senior Vice President,
Customer Experience

Corpay^

Chad McDaniel
President

Execs In The Know

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BRAND SPOTLIGHT
Freshpet

Nourishing Pets, People, and the Planet

In this issue's Brand Spotlight, Execs In The Know sits down with Lisa Diehl, an experienced leader in Consumer Affairs who is dedicated to enhancing the experience of Freshpet's Pet Parents. Her strategic approach emphasizes operational effectiveness, aiming to create a high-energy, fun, collaborative work environment that actively engages and motivates her teams.

With over 35 years in Consumer Affairs, Lisa has amassed a wealth of managerial experience. Her career includes numerous leadership roles, reflecting her deep commitment and expertise in the industry. She recently served as the Chairman of the Board for SOCAP, Intl. for three years. Lisa was also honored this year by

LISA DIEHL

Director, Consumer Care at Freshpet

RetailCustomerExperience.com and chosen as one of their 2024 Retail Customer Experience Top 30 CX Executives. At Freshpet, Lisa supports Consumer Care operations across North America and Europe. To date, Lisa has evolved her team and their approach to leverage new capabilities to meet tomorrow's needs while enhancing the consumer experience.

This interview will explore Lisa's remarkable career journey, the innovative strategies Freshpet employs to enhance customer experience, its consumer-centric approach, its dedication to its Pet Parents and their beloved pets, and its commitment to sustainability.

Execs In The Know (EITK): Can you share a little about your background and what led you to your current role at Freshpet?

Lisa Diehl: I began my amazing career in the travel industry in Chicago, Illinois, spending 14 years in various leadership roles within consumer care at a corporate travel management company. As technology advanced, I transitioned to the online sector, managing leisure and business travel at Orbitz.com in Chicago, where I managed the customer relations area for almost 15 years.

After nearly three decades in the travel industry, I shifted to the consumer-packaged goods (CPG) sector, relocating to Sacramento, California, to lead Consumer Advocacy at Blue Diamond Growers (almonds) for nearly six years. Over two years ago, I joined Freshpet, drawn by its alignment with my passion for animals and commitment to consumer care. Now, I regularly commute between California and New Jersey, seamlessly merging my professional expertise with my personal interests.

EITK: What does your role as Director of Consumer Care at Freshpet entail on a day-to-day basis?

Lisa: Every day, I am dedicated to amplifying the voice of the consumer by bridging perspectives between our Pet Parents and Freshpet, ensuring their feedback resonates throughout our organization. I oversee an internal consumer care team and play a pivotal role in supporting the success of our external contact center partner, Callzilla.

The Callzilla Team, which is an extension of our consumer care team, excels in taking great care of our Pet Parents who reach out for assistance. Additionally, I manage our relationship with our consumer care technology partner, Emplifi, to optimize workflow and seamlessly integrate data across all consumer touch points. I also oversee the consumer care aspect of our relationship with our prestigious veterinarian partners, who provide exceptional care when a pet has a health issue in correlation with our food. My goal is to ensure that Freshpet effectively engages with our Pet Parents through their preferred communication channels.

EITK: Can you share a memorable story or feedback from a Freshpet customer that has stuck with you?

Lisa: Freshpet receives hundreds of testimonials from Pet Parents who share how our food has positively impacted their pets' lives. Whether improving general health, alleviating allergies, managing weight, or satisfying picky eaters, our food makes a difference. One of my favorite stories is about a dog named Abby.

From Abby's Pet Mom: "Abby was immobile, not eating or drinking, and had severe diarrhea at 14 1/2 years old. We knew this was the end for her and were working to make her comfortable for her last days with us. We were diligently trying to find something she would eat. We were carrying her upstairs so she could be next to us at night and back downstairs in the morning. Her hindquarters did not want to work, and with her not eating or drinking, she had no way to gain strength. Then, a friend recommended Freshpet. At this point, I was ready to try anything. We got a bag and fed a little to start. She LOVED it. So

did our black lab, by the way. She began eating again and drinking water. That was a month ago. Last night, we were up a little late, and Abby wanted to go to bed. Usually, we have been carrying her upstairs since this happened to her. She went to the stairs, looked at my husband, and then looked at the stairs. He told her in just a minute and before we knew it, we could hear the clink of her toenails slowly working her way up the stairs. I attribute this to the health benefits of the food you have made. Thank you for giving us more time with our precious Abby."

EITK: What sets Freshpet apart from other pet food brands on the market?

Lisa: At Freshpet, we believe all dogs and cats deserve the best. We've created a totally different approach to feeding our four-legged family members. It's quite simple: we use wholesome, healthy ingredients, gently cooked without preservatives to lock in nutrients and

keep the delicious recipes fresh in the fridge. Every wholesome recipe starts with high-quality proteins and farm-fresh fruits and vegetables. Our healthy meals are steam-cooked to lock in vital nutrients, all done according to the highest quality and food safety standards under the oversight of our veterinary nutritionists.

EITK: How does Freshpet handle consumer feedback and complaints to ensure continuous product and service improvement?

Lisa: We manage consumer feedback and complaints through a structured and responsive approach to ensure continuous improvement in both products and services. Freshpet has a dedicated team of consumer care representatives who are skilled in handling feedback and complaints efficiently and empathetically. Our consumer care team serves as the frontline for consumer interactions, ensuring that all concerns are promptly heard and addressed. We have recently expanded our feedback channels to include phone, email, live agent chat, SMS, social media, ratings and review sites, and our own website. Meeting our Pet Parents in the channel of their choice is very important to us. This multi-channel approach ensures accessibility and convenience for consumers, encouraging more feedback.

All feedback and complaints are systematically collected and recorded. We use a CRM system to organize and analyze this data, identifying common issues, trends, and areas for improvement. The effectiveness of our feedback and complaint-handling process is regularly monitored through performance metrics such as response times, resolution rates, and consumer satisfaction scores. These metrics help Freshpet continually refine its approach for significant or recurring issues. Freshpet conducts root-cause analyses to understand the underlying problems. This process helps develop effective solutions and preventive measures.

Consumer feedback and complaints are shared across relevant departments, including Quality, R&D, Regulatory, and Marketing. This collaborative approach ensures that insights from consumer interactions inform and enhance various aspects of the business. Feedback related to product quality is taken seriously, with products undergoing rigorous testing to ensure they meet the highest quality and food safety standards. Any necessary adjustments are made promptly to maintain product integrity.

Freshpet is committed to continuous improvement through regular review meetings and improvement programs. These comprehensive strategies ensure that consumer feedback and complaints drive continuous improvement, enhancing our products and services.

EITK: How does the brand leverage technology to enhance consumer interactions and personalize CX to cater to individual Pet Parents' unique needs and preferences?

Lisa: Freshpet leverages technology in various ways to enhance consumer interactions and personalize CX to cater to the unique needs and preferences of our Pet Parents. In consumer care, we use a sophisticated CRM system to track and analyze consumer interactions. Our CRM serves as the central hub for collecting and storing consumer data, supported by various tools like a Knowledge Database, our Social Community Tool, Bots, and Live Agent Chat. We have also implemented an AI-powered virtual assistant, Scout, on our website. Scout fetches and retrieves answers to consumer questions from our knowledge database, handling easier FAQs and freeing our representatives to address more complex issues.

Freshpet utilizes technology to gather and analyze consumer feedback through various digital platforms. This real-time feedback loop helps us quickly identify and address consumer issues, leading to more responsive and personalized service. Our consumer care

team interacts with consumers in real-time through active social media engagement. Social media analytics tools help us better understand consumer sentiments, enabling more personalized and meaningful interactions.

Freshpet also offers a subscription service, Custom Meals, tailored to the needs of individual pets. We design a complete and balanced custom meal plan based on a dog's weight, gender, physical condition, and activity level. We recommend recipes that fit the dog's preferences, provide feeding guidelines

specific to the dog for optimal nutrition, and deliver the food on a schedule that best fits the Pet Parent. By integrating these technological advancements, Freshpet can provide a highly personalized and engaging consumer experience, meeting the unique needs of each Pet Parent.

EITK: Many consumers and CX leaders are becoming increasingly concerned about sustainability. How does Freshpet address environmental and ethical considerations in its production and distribution processes? Tell us about the brand's sustainability initiatives.

Lisa: Environmental sustainability is a core part of Freshpet's mission to nourish Pets, People, and Planet. Responsible business practices are critical to attracting top talent, taking care of our communities, and increasing our bottom line. Our research shows that 80 percent of dog parents believe it's important that their dog food be made humanely or sustainably. Concerned consumers call all the time wanting to know more about Freshpet's sustainability efforts, and we are proud to share with them things like:

- All manufacturing kitchens operate landfill-free, and we were the first major pet food company to make this commitment. This program avoids over 10,000 metric tons of carbon emissions each year.

- We use wind energy for the electricity purchased in our manufacturing kitchens as well as our retail refrigerators. By purchasing renewable energy, we help avoid the emissions equivalent to taking 16,835 cars off the road for a year.

- Purchases of over 40 million pounds of antibiotic-free poultry prevented the release of approximately 5,900 pounds of antibiotics into the environment.

- Our partnership with rePurpose will remove an estimated 4.5 million pounds of ocean-bound plastic from the environment over the next three years, helping keep our planet's ocean cleaner.

EITK: As someone who works closely with Pet Parents, what do you find most rewarding about your job?

Lisa: Each day, I have the privilege of working closely with passionate individuals who share my values and commitment to the health and well-being of animals. Freshpet's dedication to our core values and mission — nourishing Pets, People and Planet — makes my job incredibly rewarding. Collaborating with my front-line teams, we strive to positively impact pets and their parents by addressing their concerns.

It's gratifying to see a pet thrive because of our guidance and support and to hear hundreds of heartfelt stories from grateful Pet Parents about the difference Freshpet has made in their pets' lives. Knowing that the food we create enhances pet health, happiness, and well-being, strengthening the bond between them and their owners, makes every effort truly worthwhile.

EITK: Do you have any pets yourself and, if so, do they get to enjoy Freshpet products?

Lisa: Oh, yes! I am the proud Pet Parent of three lovely dogs. Holly is a nine-year-old Corgi/Spaniel mix, Whiskey Cider is a five-year-old Irish Setter, and Bruno is a three-year-old English Cream Golden Retriever. They all have such unique personalities, and they get along famously. They eat Freshpet daily, and I have seen remarkable benefits. Holly is a rescue and used to have sensitive stomach issues and dry skin with rashes. Since switching to Freshpet, these symptoms have disappeared, and she has shinier skin and coat. She was also overweight, but has now reached her ideal weight with the help of Freshpet food. All my dogs are healthy and are simply tail-wagging happy!

EITK: Where do you see Freshpet heading in the next five years, especially in terms of consumer care and product development?

Lisa: Within consumer care, Freshpet will continue to maintain a strong focus on enhancing consumer support by adopting a proactive approach to anticipate and address issues before they arise. This will involve leveraging predictive analytics to identify potential concerns based on consumer behavior and feedback trends.

Additionally, we plan to expand our digital engagement by integrating advanced digital tools, such as enhanced virtual assistants and AI-driven chatbots, to improve responsiveness and interaction.

Finally, we are committed to building on our omnichannel support to ensure a seamless consumer experience across all consumer touch points, making it easy for our Pet Parents to get the help they need, regardless of how they choose to interact with Freshpet. 🐾

Photo credit: © Rachel Vanni

Execs In The Know

Execs In The Know partners with brands that provide outstanding customer service (CX) experiences. The Brand Spotlight Series showcases innovations and solutions to CX challenges today's leading brands face.

Thank you to Lisa Diehl and the Freshpet team for contributing to the Execs In The Know Brand Spotlight.

Interested in participating in a future Brand Spotlight feature and sharing your story? Contact us at info@execsintheknow.com.

Go back to all articles. Have a story idea? Submit to info@execsintheknow.com.

KIA ONLINE COMMUNITY MEMBER SPOTLIGHT

JOHN SORENSON
Formerly Truist

John Sorenson is a seasoned Global Customer Experience Executive with extensive expertise in developing and driving transformative customer experience strategies across major organizations like BB&T and Truist. Known for his ability to implement technology-driven strategies for global contact centers, he excels in enhancing customer satisfaction, boosting employee engagement, and reducing costs.

He has successfully led efforts to integrate contact centers for over 30 mergers and acquisitions, including the significant BB&T and SunTrust merger that created Truist. His leadership has resulted in substantial operational efficiencies, improved employee engagement by up to 26%, and increased contact center CSAT by 25%. Additionally, John has demonstrated adept sales and business development skills by growing a business loan portfolio from $10M to $50M within three years.

Execs In The Know recently spoke with John on strategies for collecting and leveraging customer feedback and the importance of integrating it into every organization's vision, mission, culture, and processes.

Fostering a Constant Enhancement Culture Can Help Companies Consistently Deliver Exceptional Customer Experiences

Execs In The Know (EITK): What are the key drivers of delivering exceptional customer experience from your perspective?

John Sorenson: Delivering exceptional customer experiences must originate from an organization's mission, vision, and culture that is centered on the customer. It demands a genuine commitment from the C-Suite to every front-line employee,

recognizing that customer service is the core of the organization's existence. Organizations must deeply understand their customers' needs and design deliberate processes, utilizing the right technologies to meet and exceed customer expectations. These processes and technologies should consistently provide personalized experiences across all channels, building strong emotional customer connections.

EITK: What methods do you use to collect customer feedback, and how do you encourage customers to provide honest and detailed feedback, especially when dissatisfied?

John: Organizations should actively and intentionally seek customer feedback through multiple channels, including direct surveys, in-app surveys, post-purchase surveys, mobile and web app surveys, and social media. This comprehensive approach ensures a wide range of customer insights are captured.

When customers express dissatisfaction with a product, process, or employee, the interactions should be meticulously documented, tracked, and resolved through a centralized CX resolution team using a robust feedback tracking system. This thorough process should ensure that all concerns are addressed promptly and effectively, demonstrating the company's commitment to customer satisfaction.

Moreover, the organization should take immediate action on customer feedback, including expressing gratitude to those who provide input. This not only builds stronger customer relationships but also encourages ongoing engagement. The company can conduct detailed customer interviews and focus groups for more significant processes, product developments, and app/web feature functionality reviews. These in-depth methods can provide valuable insights that drive improvements and innovations, ensuring the offerings meet and exceed customer expectations. The proactive and responsive approach to customer feedback underscores an organization's dedication to delivering exceptional experiences.

EITK: How do you ensure your team acts quickly on customer feedback to prevent dissatisfaction from spreading?

John: All dissatisfaction events should be logged and tracked, preferably using software designed specifically for complaint or case management. Automated systems or employees should immediately record complaints in survey data and customer interactions. Employees who can resolve customer complaints immediately should also log these complaints to assist in detecting trends, conducting root cause analyses, and quantifying dissatisfaction in the organization, within processes, and with specific departments or employees.

All inputs should be aggregated, tracked, and resolved. Ideally, the case management system triages events based on defined business rules and should be reviewed by specialists, prioritizing complaint responses based on urgency and impact. Issues that potentially affect many customers or are time-sensitive should be addressed immediately. The tracking system should create "cases" directed to customer service experts for resolution. Each priority should have a specific service level, and these levels and resolutions should be tracked.

With a dedicated resolution team, clear prioritization, and open communication both internally and with customers,
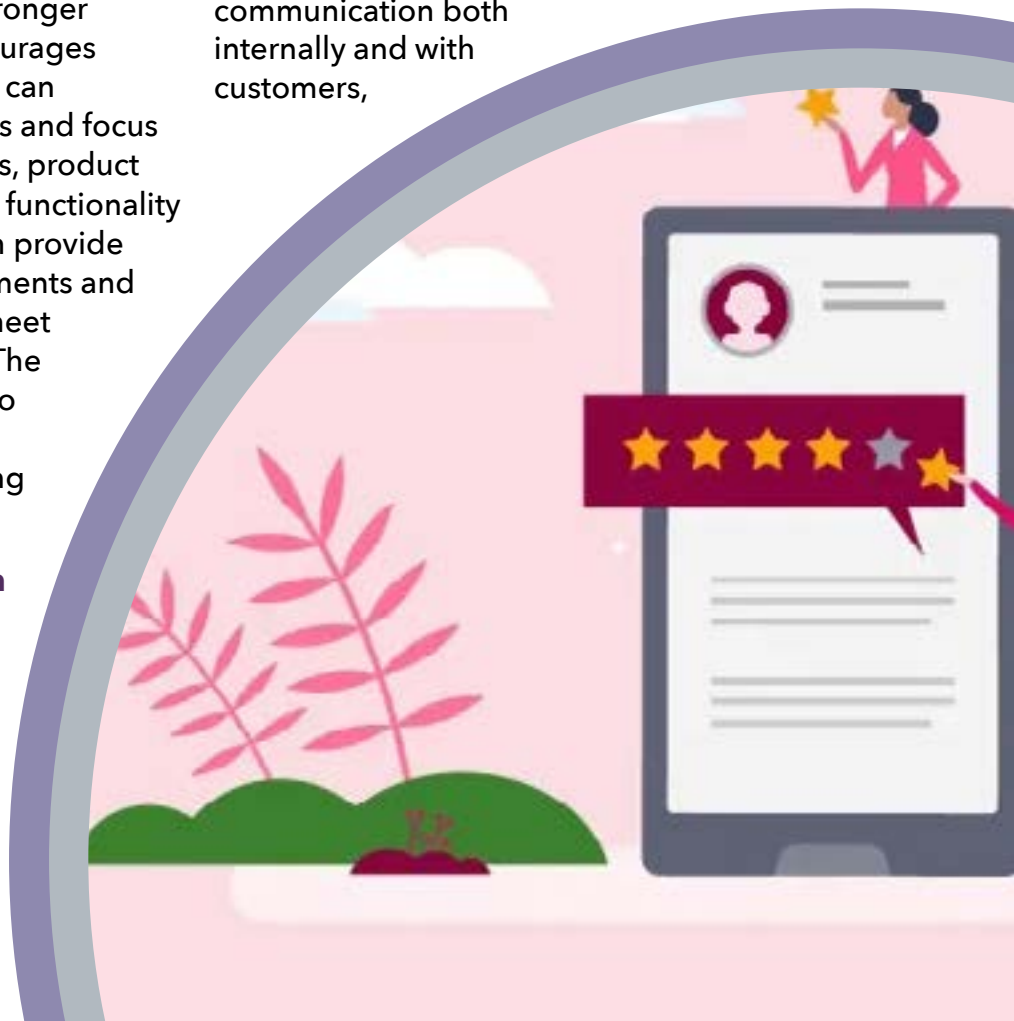
organizations can act quickly and effectively on feedback. This approach improves satisfaction and demonstrates to customers that their input is valued. By identifying root causes and optimizing related processes to reduce the likelihood of similar issues in the future, an organization can establish a strong culture of customer centricity.

Using a dedicated resolution team can create the opportunity to develop advanced CX skills to resolve, track, and remedy customer complaints. Centralized teams can be responsible for all aspects of the process, or they can be used to track complaints and ensure timely responses, resolution, root-cause analyses, etc., from the appropriate stakeholders.

EITK: How do you analyze customer feedback to identify the root causes of dissatisfaction, and what tools or technologies do you use to monitor and analyze feedback in real-time?

John: The first step for practical root cause analysis is clearly understanding the dissatisfaction. This may require additional interaction with the customer to clarify their experience. This also demonstrates the organization's focus on listening to customers.

Feedback should be categorized based on common themes or issues, such as product quality, process, or customer service. Employee-related complaints can be sent to the internal managers for resolution and coaching. Other cases can be directed to process, product, or system owners who could effectively execute root cause analyses, develop action plans, and provide follow-up.

Real-time feedback monitoring is often focused on social media, applications, and web comments, as these complaints are more likely to be seen by more customers. This visibility ensures that issues are promptly recognized and addressed, enhancing the company's responsiveness and demonstrating a commitment to customer satisfaction. Social media platforms such as Twitter, Facebook, and Instagram provide immediate and public channels for customers to voice their concerns, allowing companies to gauge customer sentiment and respond in real-time quickly.

Applications and web comments also serve as critical feedback channels where users can directly report issues or provide suggestions. These platforms often feature built-in feedback mechanisms, such as rating systems and comment sections, that facilitate the collection and analysis of user input. By actively monitoring these channels, companies can identify trends and patterns in customer feedback, enabling them to prioritize and address the most pressing issues.

Moreover, real-time feedback monitoring allows for swift problem resolution, preventing minor issues from escalating into more significant, complex challenges. It also allows companies to engage with customers directly, building stronger relationships and fostering loyalty. By leveraging real-time feedback from social media, applications, and web comments, companies can continuously improve their products and services, ultimately leading to a better overall customer experience.

EITK: How do you prioritize which customer complaints or feedback to act on first, and can you give an example of a significant change that resulted from customer feedback?

John: Issues affecting many customers or time-sensitive customers should be addressed immediately. Matters impacting brand image or customer loyalty, especially those with the potential to become widely known, require swift action. Other cases can be prioritized based on internal factors, such as customer segments and attrition data. The prioritization process should be intentional.

All changes, real or perceived, can trigger customer feedback. Anticipate increases in feedback with significant changes, such as product updates, mobile/web feature modifications, and process changes (e.g., IVR functions). Prepare relevant adjustments and focus on related processes to effectively manage and respond to customer concerns. Developing scripting for significant events can be beneficial.

Prioritizing and acting on feedback must be intentional and involve cross-functional collaboration with key stakeholders. These critical processes should be continuously reviewed, measured, and improved.

EITK: How should organizations manage customer complaints while maintaining professionalism and courtesy?

John: Customer-facing employees must always maintain respect, professionalism, and courtesy. Start by listening carefully to the customer's concerns, acknowledging their feelings, showing empathy, and working to defuse the situation.

Centralized customer care groups with highly trained specialists can often manage escalations from the front line. These specialists can be trained in de-escalation techniques, effective listening, and resolving challenging customer concerns. Customer-facing employees need the skills to discern constructive feedback, regardless of how it's presented. This ensures valuable input from "passionate" customers is not missed.

Employees should remain calm and polite when dealing with unreasonable complaints, providing clear and accurate information. If a resolution is possible, offer it promptly. If not, clearly communicate that the request or remedy isn't possible while articulating the reason.

Maintaining a positive attitude is crucial. Using empathetic language, such as "I understand how this could be upsetting" or "I appreciate your feedback and want to resolve this concern," helps demonstrate understanding and commitment to resolving the issue. Apologize when the customer experience doesn't meet company standards to reinforce a dedication to customer satisfaction.

While the mantra "the customer is always right" is prevalent among CX executives, it is not always true. Customers can have unreasonable expectations and even resort to malicious language with employees.

Organizations should develop processes to manage situations where customers use excessive profanity, direct threats, or racial, ethnic, or gender-based inflammatory language. These processes should include immediate escalation within the organization and, if necessary, to local law enforcement. Organizations should also

identify when it is appropriate to "fire" a customer and close their accounts.

CX leaders are the guardians of the "brand promise." Effectively interacting with unhappy customers is a crucial opportunity to uphold that promise.

EITK: What successful strategies have you used to convert unhappy customers into loyal brand advocates, and can you share a success story?

John: By utilizing listening skills, showing empathy, concern, and professionalism, and expressing a sincere desire to resolve customer concerns, organizations can turn unhappy customers into loyal brand advocates. Proven processes to correct and address these concerns, coupled with gestures like a "token of apology" (e.g., a small gift or complimentary product upgrade), can be highly effective.

In a CX role at a large organization, I encountered a customer with a significant social media following who posted about a poor customer service experience. She had a legitimate issue that quickly escalated among her followers. I
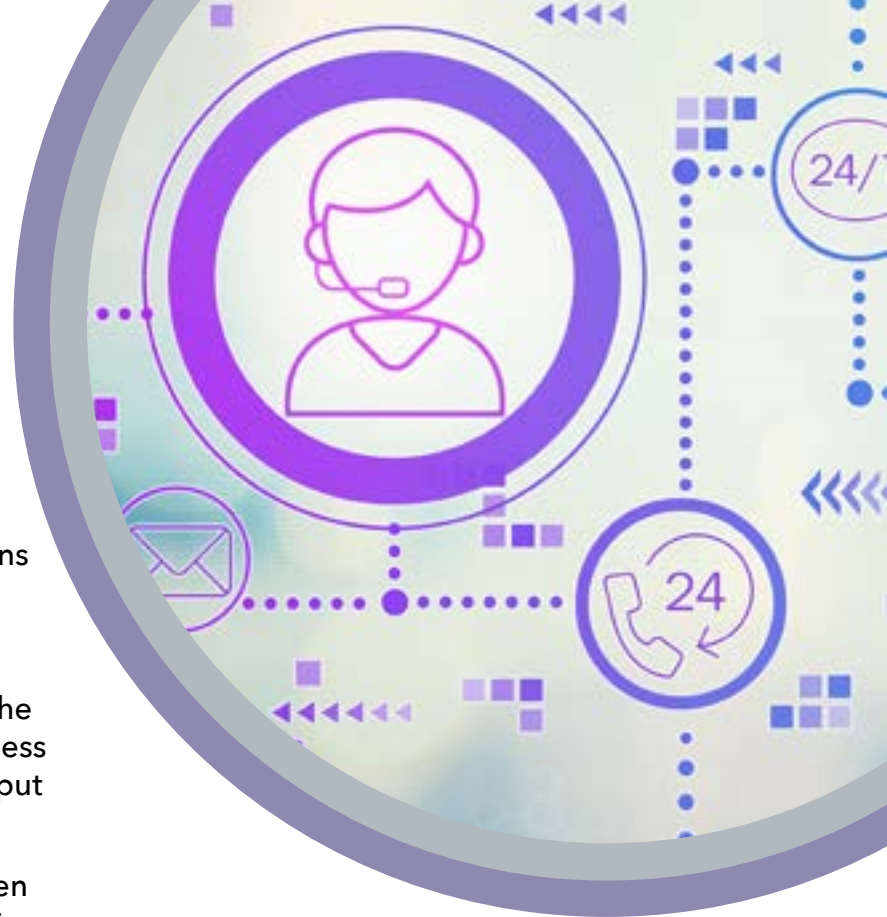
contacted her personally and invited her to join a conversation with me and a few directors to provide feedback and suggest improvements. Through a few intentional interactions, we successfully won her over and turned her into a social media advocate for our organization.

While not every situation requires an "all-hands-on-deck" approach, the principles from this example can be broadly applied and adapted to individual circumstances.

EITK: How do you measure the impact of your responses to customer feedback on overall CSAT scores, and what metrics or KPIs do you track to evaluate the effectiveness of your feedback and response systems?

John: Overall, CSAT, NPS, and other KPIs should be baselined across all customer interactions, especially when comparing those who had a negative experience. Establishing these baselines allows organizations to identify patterns and trends in customer feedback, enabling them to pinpoint areas requiring immediate attention. By comparing metrics from customers with positive experiences to those with negative ones, organizations can gain insights into the root causes of dissatisfaction, develop targeted strategies to address them and measure the effectiveness of those strategies.

This comprehensive approach ensures that all customer voices are heard, providing a holistic view of the customer experience landscape.

The effectiveness of complaint resolution, escalations, and de-escalations should be measured, analyzed, and continuously improved. Organizations should implement robust feedback loops that track the resolution of customer complaints and assess the quality and timeliness of these resolutions. Regular analysis of these processes can reveal bottlenecks and inefficiencies, prompting necessary adjustments to enhance customer satisfaction. Continuous improvement initiatives, driven by data and customer insights, will help organizations stay agile and responsive to evolving customer needs.

Fostering a constant enhancement culture can help companies consistently deliver exceptional customer experiences and maintain robust and loyal customer relationships.

EITK: Most of us can look back and remember less-than-ideal customer experiences. However, even more memorable are those times when a company's customer service exceeds our expectations—even delights us. What has been your most delightful customer experience to date?

John: Many years ago, I had a family emergency and needed to leave town immediately. At the time, I had a three-year-old silver lab, Jake, who would need to be boarded; however, I needed to leave after "normal" business hours. I contacted the after-hours number of the kennel where we typically boarded Jake and left a message. Within a few minutes, I received a call from the kennel, who indicated they were sending someone to my house to get Jake. Within a few minutes, Jake was on his way to the kennel, and I was on my way to take care of my family. Sometimes, in unusual circumstances, an opportunity to make a difference creates an unbreakable bond between an organization and a customer. Jake has been gone for some time now; however, Body, my four-year-old chocolate lab, loves the kennel and is treated like a rock star every time he arrives.

EITK: Even the most successful and productive leaders prioritize outside interests and passions. How do you prefer to spend your leisure time?

John: My outside interests include time ith my four children and their families and volunteering significant time each week in my community. I am also an avid reader who focuses on WWII history.

EITK: What are the three key qualities of leaders who inspire you?

John: Vision/Forward-Thinking, Empathy, and Integrity.

EITK: Can you share how your involvement in Execs In The Know and the KIA Online community has created value for yourself and/ or your organization?

John: I believe that Execs In The Know have a critical opportunity to improve the world for employees and customers – helping them improve their quality of life and achieve greater joy and happiness because of our efforts. Involvement with Execs in the Know and KIA Online has provided a medium to better connect with and learn from so many who share insights and experiences that help us be more effective in making the world a better place. I am so impressed with so many exceptional people who strive daily to make a positive difference in a world that needs our help.

EITK: Is there anything else you want to share with our corporate CX leadership community?

John: I have enjoyed an incredible 25-year career in various CX roles, dedicated to making a significant, positive impact on both customers and employees. This journey has been deeply rewarding, offering countless opportunities to learn, grow, and evolve as a leader. I now have the unique opportunity of seeking a director-level role in CX, and I am eager to join a dynamic company where I can continue to make a meaningful difference.

The impact of our daily efforts is profound. As executives with substantial skills and experience, we have the unique opportunity to make a difference in the lives of others every day. As we strive to be the best we can be, we will find joy, happiness, and peace in our chosen profession and the difference we have made.

Execs In The Know

Thank you to John Sorenson for his leadership, participation, and insights.

To connect with John or participate in the wider conversation, consider joining the Execs In The Know "Know It All" (KIA) Community. The KIA Community is a private, online community designed exclusively for CX Leaders at consumer-facing brands. Come learn, share, network, and engage to innovate.

Want to learn more about the KIA online community? <u>CLICK HERE......</u>
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Interested in taking part in a future Brand Spotlight feature and sharing your story? <u>CLICK HERE......</u>
info@execsintheknow.com

Execs In The Know

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REQUEST TO JOIN KIA

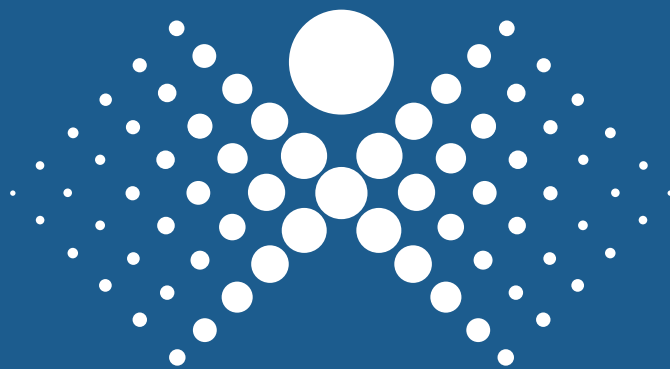Scan here to request to join the KIA community.

QUESTIONS?

For help with questions or to request a demo of the community, email Tyler Ainge at tyler@execsintheknow.com.

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