

Fighting Bias In Customer Service: Why It Matters And Where To Start

VISION REPORT

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Summary

This report analyzes the risk for bias in customer service interactions, along the lines of race, gender identity, ability, and other characteristics. We considered each input to a customer interaction and considers where bias can creep in. Brands face heightened expectations for social activism, complicated technology, exhausted agents, and social media virality at any moment. As a result, the stakes have never been higher for bias. Readers of this report will understand how to immediately triage and mitigate this risk.

Brands Must Act Now On Biased Customer Service

Customer experience leaders may prefer that discussions of bias, and its implications, take place outside of customer service strategy and within diversity, equity, and inclusion (DEI) teams or even the town hall of social media. But leaders must be aware of the business implications presented by latent, frontline bias. Expanding AI, agent burnout, and increasing call volumes have created a perfect, looming storm. Biased customer service demands attention because:

- **Real money is on the line.** After a manager called the police on two Black men for sitting in a Philadelphia Starbucks, the coffee giant temporarily closed thousands of stores, paid financial restitution for the victims, and initiated bias training for hundreds of thousands of employees. Sephora faced a class-action lawsuit totaling nearly \$1 million after closing the accounts of Asian customers over suspicion of bulk purchases. The journal Information Systems Research demonstrated that, across seven major airlines, Black customers are less likely to receive responses than white customers via social media customer service. Pending AI legislation from the FTC and the EU, which includes potential financial penalties, doesn't bode well with AI's troubled history and expanding role in contact centers, either, since AI isn't advanced enough to recognize accents and intonations. A former group product manager for AI at a B2B SaaS company stated: "The biggest risk, in my opinion, relates to how people talk." Joe Bradley, chief scientist at LivePerson, said: "We would certainly all be uncomfortable blindly using facial recognition to decide who gets discounts on a product."
- **Bias harms large groups of customers.** A one-size-fits-all approach to customer service is archaic. Consumers have come to expect an individualized experience for every aspect of their lives, and different customer cohorts have different expectations for service delivery. To neglect this nuance in service interactions welcomes bias into the contact center. For example, 26% of the US population lives with a disability, yet a whopping 97% of websites have detectable accessibility issues, making customer service even more onerous for this demographic. Dr. Recep Karaburun, clinical assistant professor at NYU's Jonathan M. Tisch Center of Hospitality, demonstrated that Asian travelers are less satisfied than other cultures

because of a greater expectation of formality in service interactions. Consumers want to transact with brands that understand their problems and perspectives, not those that undermine them explicitly or implicitly.

- **Consumers expect brands to take a stand on social issues.** Brands that fail to deliver equitable service risk alienating customers who currently benefit from abundant choices and switching costs that are lower than ever. Internationally, 81% of global respondents to Edelman’s 2022 Trust Index stated that CEOs should be visible “when discussing public policy with external stakeholders or work their company has done to benefit society.” Sixty percent of global employees feel CEOs should speak publicly about controversial social and political issues that they care about. In the United States, condemnation of Florida’s so-called “Don’t Say Gay” bill and the murder of George Floyd are recent examples of brands taking a public stance on social issues. Furthermore, as corporate speech remains porous and fickle, brands are exposed to painful fallout when bias arises and public statements on social issues become little more than public posturing.

The Core Problems With Customer Service Bias Are Clear

Every person harbors biases based on their unique combination of personal experiences and cultural upbringing. Some biases are hardwired, and some are learned. Although biases can help us navigate complicated circumstances quickly and customer service agents need every possible edge in the face of unrelenting volume, biases threaten brand reputation and customer experience. We interviewed more than 25 customer experience leaders across 19 SaaS vendors, B2C brands, and universities, to understand the risks and implications for bias in customer service interactions. We found four key challenges:

1. **Brands and their leaders are ignoring risk.** “The risk [for biased customer service] is massive. ... We’re talking about humans, not robots,” said Brad Barrish, senior vice president of customer experience at Ōura Ring. Interviewees almost universally affirmed the unspoken ubiquity of bias in customer service. Service agents personify a brand to customers, but chronically underinvested in and held to

cost-containment metrics, they're rarely informed of where bias can creep into an interaction. Within the broader customer service ecosystem, the dialogue and protocols for bias are nascent. Contact centers are historically slow to adopt cutting-edge technology because of the significant cost pressures they face. Nonetheless, vendors are increasingly adding innovative experiences such as digital channels and AI/ML use cases such as facial and voice recognition. The combination of an emerging awareness, high-risk technology, ill-equipped agents, and possible internet virality at any moment means brands are driving toward a cliff without brakes.

2. **It's not easy to change agent behavior.** Service agents are inherently autonomous. When an agent straps on their headphones and accepts an inbound call, the burden of shepherding the interaction to completion rests solely on the agent. Customer experience leaders also reiterated a fundamental challenge in delivering consistent interactions across agents. New hurdles, like decentralized and asynchronous working conditions, epic call queues, and burnout intensified by the COVID-19 pandemic only increase the complexity of scaling any change across agents.
3. **There are no resolution protocols.** Brands have protocols for critical system failures or feature releases. However, the same can't be said for service-related snafus. Despite repeated instances of frontline bias, brands are often caught flat-footed when issues arise. While many interviewees corroborated the imminent risk, many also pointed to the absence of clear action plans. Jason Nystrom, director of customer experience delivery with Saskatchewan Government Insurance, encapsulated this challenge: "We have a forward-thinking communications team, and they have protocols for a lot of different things, like floods and fires. ... But a clear template to address bias is much more challenging."
4. **GAAP-style metrics don't exist.** Brands are left to their own devices when quantifying bias and the risk it entails. Unlike financial analysis, which offers GAAP as a framework to examine a firm's financial wellbeing, customer service and customer experience leaders lack the same guardrails. "Without guiding measures or standards to help define the problem within customer service, companies have a hard time determining where to start," said Anthony Habayeb, cofounder/CEO of Monitaur. Some highly regulated industries, such as financial services, have

industrywide mandates to support equitable operations, like fair lending, but no similar practices exist in customer service.

Take Five Steps To Mitigate The Risk For Bias In Customer Service

While customer service leaders will never fully root out bias from frontline interactions, there's plenty of room for improvement. The path will be challenging and iterative, but the time to act is now. To start:

- **Introduce good friction for service agents.** A customer service megatrend is technology simplification. Contact centers are looking to unite their disparate technologies to allow agents to use one simple system to serve customers. Vendors and product owners must seize this moment of consolidation to add "good friction" to service products that can engender emotions, create memorable experiences, and help maintain trustworthy relationships. For example, add a nudge to remind a service agent to confirm the pronunciation of a customer's name or their preferred pronoun. These are invaluable opportunities to deliver empathy-rich service experiences. For example, Dr. Stephen Trzeciak's research demonstrated how doctors, another chronically burn-out profession, can establish a sense of compassion in only 40 seconds. This demonstrably improves patient and clinician experiences, and the same paradigm can be applied to customer service.
- **Listen to your customers.** The most obvious lever to pull is simply asking customers. Physical stores deploy "secret shoppers"; you can follow suit at the contact center, calling and representing different customer cohorts to discover any differing levels of service and etiquette. Alternatively, though all customer calls are recorded, typically only 1% are examined, and then only for quality management. Review more calls, using speech analytics, to flag biased outcomes. A large bank we interviewed has two team members dedicated solely to surfacing issues on phone calls. Consider assigning service agents to a "special operations" team dedicated to unearthing high-risk issues. Although there is no industrywide regulation for frontline service around equity, customer experience leaders can take a page from the

financial services industry and fair lending practices. Leverage this precedent to set a similar, explicit requirement for equitable service delivery, and measure the results. Even if industrywide bias measures don't exist, slice KPIs by demographic facets to ensure equitable service is provided to all.

- **Evaluate vendors and their models with bias in mind.** Customer service leaders can more effectively fight bias when vendor partnerships are healthy and values based. "There's a lot of competitors out there. ... Values alignment is key for long-term success," said Brian Clancy, manager of learning and performance improvement at AARP. This is true especially as CCaaS providers bring prebuilt AI and ML into the contact center. In RFPs, include statements on service equity and inclusive language to signal this as a priority in the partnership. Anthony Habayeb, CEO of Monitaur, further recommended: "Ask your provider for the data used to train a model and cross-reference that data set against your customer population to identify potential gaps with customer representation." For any AI/ML model, design with transparency as a top priority and create a "nutrition label" that demonstrates fitness for purpose with measures for bias and fairness.
- **Invest in agent learning and development.** The agent's job has never been harder, as automation eliminates everything but the most challenging cases. Training and creating career paths has helped firms like Drift retain service talent. Actionable improvements in skill development include expanding post-call coaching. Borrowing best practices from other functions, like pair programming in software development, can also foster skill development and team camaraderie. Adrian McDermott, chief technology officer at Zendesk, further stated the importance of training: "Regular certification and training for all of employees on bias and inclusivity, with an extra training for managers, is fundamental." Notorious contact center churn also presents a silver lining. Service teams can continually reevaluate the agent profile to recruit. Although workforce diversification efforts have stalled in recent decades, developing a more diverse frontline team can help erode biases and misconceptions among agents.
- **Develop bias-related protocols.** The question isn't if bias arises; it's when. In the moment of truth, establishing, implementing, and executing bias-related protocols simultaneously will be too much. The expansion of AI/ML in the contact center should raise alarm bells when customer experience leaders think about the risk for bias. To start, expand scenario planning to include bias-related protocols. Critically,

the question of bias isn't solely a question of siloed departmental ownership: "Ethics by design can't be a 'legal thing' or a 'risk thing.' We need training across the organization," said Fatemeh Khatibloo, director, office of ethical and humane use, Salesforce. Basic questions include: "Can we immediately access the requisite data to quantify the scope should bias arise? Is there an executive stakeholder? Are external subject matter experts required?" These events are damaging when they transpire; transparency is a prerequisite for rebuilding trust. Issue an annual progress report on goals and objectives over addressing bias — before an issue arises.

Supplemental Material

Companies We Interviewed For This Report

We would like to thank the individuals from the following companies who generously gave their time during the research for this report.

AARP

CarGurus

CognitiveScale

Genesys

Dr. Recep Karaburun, clinical assistant professor of hospitality and tourism at the NYU School of Professional Studies Jonathan M. Tisch Center for Hospitality and Tourism

LivePerson

Momentive

Monitaur

Ōura Ring

Project Implicit

Salesforce

Saskatchewan Government Insurance

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Sprinklr

TruEra

TTEC

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