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World Class Service: The Competitive Difference

Delivering Brand Promise Through Service, Culture, and AI-Enabled Excellence

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This white paper is intended for informational purposes. CE3 Solutions, LLC provides management consulting services focused on customer experience, operational excellence, and employee engagement.

Executive Summary

Service is the foundation of brand promise. In today's competitive landscape, how a company makes customers feel — across every human and technology-enabled interaction — determines whether it retains and grows its client base or loses ground to more responsive competitors. CE3 Solutions partners with organizations to build world-class service cultures that deliver measurable results: higher loyalty, lower operating costs, and stronger brands.

Drawing on the ART framework — Acknowledgement, Respect, and Trust — this paper outlines the interconnected disciplines required to become a world-class service organization: embedding customer-centric values into leadership and culture, establishing robust Voice of the Customer systems, leveraging AI-powered tools strategically, and driving continuous improvement through journey mapping and root cause analysis.

Since 2020, generative AI has fundamentally expanded what is possible in customer service — from real-time agent guidance to autonomous resolution of routine inquiries. The organizations that will win are those that embed their brand values into AI interactions with the same intentionality they apply to their human teams.

Key findings of this white paper:

- 70% of a purchase decision is based on how customers are treated — making emotional experience a primary business driver, not a soft metric.¹
- Employee culture is the prerequisite to customer-centric service — leaders must treat employees as they want employees to treat customers.
- AI-enabled service tools must be deployed with a customer-centric design philosophy — embedding the ART framework into automation separates loyalty-building service from ticket-closing transactions.

The Service Imperative: Why How You Treat Customers Defines Your Brand

Service can have a number of definitions, but the most meaningful one is broad: service encompasses both the actual fulfillment of a request or inquiry and the emotional connection created in the process. This is true for human-to-human contact and equally true for human-to-technology interactions — and that technology contact is increasingly powered by artificial intelligence.

In his book *Customers are People, The Human Touch*, author John McKean described how 70% of a decision to buy is based on how we are treated. His framework for creating positive emotional experiences — the

¹ John McKean, *Customers Are People... The Human Touch* (Wiley, 2003). The book's central finding: in competitive markets, 70% of customer decision-making is based on how customers are treated as people, with only 30% determined by the product itself. McKean is Executive Director of the Center for Information Based Competition and a guest lecturer at MIT Sloan School of Management.

ART model — has proven enduringly useful and applies with equal force in the age of AI. ART stands for Acknowledgement, Respect, and Trust. These characteristics can be built into every human and technology-enabled service transaction, and today’s AI tools make it possible to deliver them at scale in ways that were not imaginable just a few years ago.

The ART Framework: Building Positive Emotional Experiences

A **Acknowledgement** — Demonstrating that a firm knows and appreciates its clients. Is a caller recognized before the phone is answered? Does an agent screen surface recent interaction history and the depth of the client’s relationship? Today, AI-driven CRM integrations can surface a customer’s full history, sentiment from past interactions, and predicted needs — before a human or AI agent says a single word.

R **Respect** — Honoring a customer’s time by resolving inquiries with speed and no transfers. One-and-done calls. Intelligent routing, AI-assisted agents, and automation of routine inquiries have dramatically raised the bar — and the expectation — for speed and first-contact resolution.

T **Trust** — Making clear that a firm places customer interests first, even when customers are not watching. This is especially critical as AI takes on more of the service relationship: customers must trust that automation is working for them, not merely for operational efficiency.

Using the ART framework will always be helpful to the emotional experience. Building a positive brand emotion with customers should be a constant goal — and it must now be embedded into both human and AI-driven interactions. Simple, powerful, and scalable, ART is the through-line of world-class service.

Employee Culture: The Non-Negotiable Foundation

To build a culture of customer-centric service, a company must first demonstrate internally that these values are alive and well. Leadership needs to walk the talk. This means treating employees as you want them to treat customers. Do your values and leadership models make clear that you value your staff?

In the post-pandemic era, this takes on even greater importance. The shift to remote and hybrid work, the rise of the gig economy in contact centers, and heightened employee expectations around purpose and flexibility have all transformed the employee-employer compact. Getting the employee culture right is the prerequisite to offering world-class service — not a downstream benefit of it.

Practices That Bring Values to Life

The employee culture that enables world-class service comes to life through deliberate practices, including:

- Creating Voice of the Employee (VOE) processes that surface frontline concerns and insights

- Fostering servant leadership skills and practices at every level of management
- Listening visibly to concerns and acting on them in ways employees can see
- Conducting regular skip-level meetings to ensure alignment and surface hidden friction
- Aligning goals from the top of the organization to the frontline — and intentionally not rewarding behaviors that do not support stated values

Voice of the Customer: Building a Reliable Feedback Ecosystem

The next critical component of a customer-centric ecosystem is a reliable Voice of the Customer (VOC) system. Many firms conduct routine annual or quarterly brand surveys, but the key question is: do your questions provide enough detail to reveal specific areas for improvement? Do they capture verbatims? Verbatims can be a great source of specifics as well as the intensity of feeling — no metric alone conveys urgency the way a customer’s own words do.

Fred Reichheld of Bain & Company, a pioneer in Net Promoter Score (NPS) methodology, continued to evolve his thinking in his 2021 book *Winning on Purpose*, which introduced the concept of Earned Growth — measuring how much new revenue comes from returning customers and their referrals. This complements NPS by linking customer loyalty directly to financial outcomes, giving leaders a clear economic case for investing in service excellence.

Expanding VOC Beyond Surveys

Frontline staff are a great secondary source of VOC intelligence. They see the symptoms of root causes daily. They know which tools, training gaps, or policies hold them back from their highest service performance. Organizations that tap this knowledge systematically gain a competitive advantage in identifying and eliminating service defects.

Today, AI-powered analytics add a powerful new layer to VOC. Natural language processing can analyze thousands of call transcripts, chat logs, and email threads to surface themes, sentiment trends, and root causes with a depth and speed impossible to achieve manually. Social listening tools extend this intelligence to public forums and review sites. The organizations that mine all available sources — surveys, transaction-level check-ins, frontline insight, and AI-powered analytics — will achieve the most accurate and actionable picture of their customer experience.

CE3 Solutions can help you establish a Voice of the Customer process to assess contacts for root causes. These insights drive improvement processes ranging from simplifying customer communications and regulatory notices, to improving the onboarding experience, to creating proactive outbound messages that provide comfort or information before customers need to ask. Developing easier-to-use options within an omni-channel environment — seamlessly spanning voice, chat, mobile app, self-service portals, and AI-powered virtual agents — shifts contact behavior to channels that are fast and easy.

The AI-Enabled Service Revolution

Since 2020, generative AI has fundamentally changed what is possible in customer service. AI-assisted agents now provide real-time guidance to frontline staff — suggesting responses, surfacing relevant policies, and flagging compliance risks mid-conversation. AI-powered virtual agents can resolve a growing percentage of routine inquiries autonomously, with natural conversation quality that customers find genuinely helpful.

The critical discipline is knowing where AI adds value and where it erodes it. Customers still want — and often need — human empathy for complex, emotional, or high-stakes situations. The best service organizations are building human-AI collaboration models that deploy automation for speed and scale, while ensuring seamless escalation to empowered human agents when the moment calls for it. Embedding the ART framework — Acknowledgement, Respect, Trust — into AI interactions is not optional; it is what separates service that builds loyalty from service that simply closes tickets.

Key Insight: Designing AI for Customer-Centricity First: *CE3 Solutions works with clients to design AI adoption strategies that are customer-centric first. That means auditing existing journeys before automating them, ensuring AI tools are trained on your brand voice and values, building feedback loops so AI performance continuously improves, and maintaining transparency with customers about when they are interacting with AI. Automation done right is an expression of respect — it saves customer time and resolves issues faster. Automation done wrong erodes trust and drives defection.*

Key Trends & Analysis

1. Reducing Contacts as a Strategic Imperative

Almost all contacts can be reduced significantly. Think of all contacts as a defect of some sort — a signal that something in the product, process, or communication failed to meet customer expectations before they had to reach out. Reducing these defects, whether through better self-service, proactive outreach, or root cause elimination, will build goodwill and positive emotions about a firm's service, product, and brand. It will also save operating costs that can go to the bottom line or be re-invested in customer-centric projects.

Finding one or two levers that can rally diverse functions creates powerful cross-functional momentum. Productive levers include: driving to reduce all defect-driven contacts, tracking and improving the percentage of straight-through processing, focusing on first-contact resolution, and moving back-office activity to the first point of contact so any inquiry is resolved immediately — not hours later. These levers drive speed; speed requires more automation; with automation comes more accuracy; accuracy and speed mean you respect the customer and you build trust. It is all inter-related, and these investments pay for themselves quickly.

2. Journey Mapping and Moments of Truth

An essential technique for any service transformation is the creation of customer journey maps. These, combined with identifying moments of truth, highlight which processes are not living up to the brand promise. These failure points could appear anywhere in the end-to-end customer experience: onboarding, service delivery, inquiry on a related issue, how quickly or completely a problem is identified (and by whom), and how it is rectified.

Journey maps must now account for the full digital-physical continuum — including app interactions, AI chat touchpoints, and the moments customers switch between channels. Having these documented perspectives will help aim process engineers at the right targets and redesign experiences that improve the retention and growth of customers.

3. Comprehensive Human Capital Management

Becoming world class in service requires a comprehensive plan that encompasses leadership development, recruiting leaders and agents with the right DNA, effective organizational design, feedback loops with business partners upstream and downstream, and benchmarking within your industry and with best-of-breed companies in any industry. All rewards and recognitions must be grounded in customer-centric values.

CE3 Solutions provides clients with the understanding and governance models needed for sustainable intensity and knowledge transfer. We also help leaders create burning platforms or Big Hairy Audacious Goals (BHAGs) to generate a sense of urgency that becomes a unifying focus across the organization. This constructive tension fosters innovation and forces teams to cross organizational borders — a necessity for eliminating many root causes of service failure.

Strategic Recommendations

Based on the analysis in this white paper, CE3 Solutions recommends the following priorities for leadership teams committed to building world-class service organizations:

- **Embed the ART framework into every customer interaction.** Audit both human and AI-enabled service touchpoints against the standards of Acknowledgement, Respect, and Trust. Design CRM integrations, scripts, and AI conversational flows to reflect each element explicitly.
- **Invest in employee culture before investing in customer-facing technology.** Establish Voice of the Employee processes, servant leadership development programs, and goal alignment from leadership to frontline. Culture is the prerequisite; technology amplifies what is already there.
- **Build a multi-layered Voice of the Customer system.** Combine brand surveys, transaction-level check-ins, frontline staff insight, AI-powered call analytics, and social listening. Connect findings to Earned Growth metrics to build the business case for continued investment.
- **Adopt AI with a customer-centric design philosophy.** Audit journeys before automating them. Train AI tools on your brand voice and values. Build feedback loops for continuous improvement. Be

transparent with customers about when they are interacting with AI, and design seamless escalation paths to human agents for complex or high-emotion situations.

- **Map the full customer journey and create a relentless improvement discipline.** Identify moments of truth across the digital-physical continuum. Set zero-defect standards. Establish BHAGs that create urgency and cross-functional alignment. Measure and recognize performance against customer-centric values — nothing else.

Conclusion

The best service companies share a common characteristic: a relentless focus and intensity built into their leadership and management processes. That intensity drives culture, creates disciplines, exposes problems and new challenges, and ensures root causes receive the process engineering attention needed to prevent future service failures. There is a zero-defect attitude that becomes the standard — not an aspiration.

The stakes of inaction have never been higher. As AI raises the floor of what customers experience from the most technologically advanced service organizations, the gap between world-class and average will widen rapidly. Organizations that do not invest in both the human and technological dimensions of service excellence will find themselves increasingly unable to retain customers, attract talent, or justify premium positioning.

There are many correct ways to plan and implement a transformation to become a world-class service company. CE3 Solutions has done it in several industries, as leaders directly responsible for driving comprehensive change — including the integration of AI-powered tools with the human-centered values that make service truly world class. We invite you to explore how we can help your organization build the service culture, systems, and capabilities that will set you apart.

***Next in this series:** Operational Excellence — executing service and product delivery at low defect levels and lower cost. When Service and Operations improvement are pursued together, elegant solutions create benefits across multiple functions simultaneously. Visit ce3solutions.net/insights*

About CE3 Solutions

CE3 Solutions, LLC is a boutique management consulting firm specializing in the creation and implementation of strategic and tactical roadmaps for businesses to simultaneously improve their customer experience, shareholder and business value, employee engagement, and risk management. CE3 Solutions partners collectively bring over 100 years of experience directly managing these areas with numerous Fortune 500 organizations, while also providing solutions to businesses of all sizes.

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