



“It’s not the strongest of species that survives, nor the most intelligent, but the one most responsive to change.”

ECEW
EUROPEAN CUSTOMER EXPERIENCE WORLD

Conference



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Organised by the Focus Group, the European Customer Experience World Conference, was held at the Renaissance Hotel at Heathrow Airport on 18th and 19th May.

Chairperson Jason Wright of RBS Retail Telephony set the scene for the event, with his opening question - “How do we deliver excellent customer experiences in a forever changing world”? Using Charles Darwin’s quotation:

“It’s not the strongest of species that survives, nor the most intelligent, but the one most responsive to change.” Jason explained that the focus for the two days

would address how to contribute to the bottom line through enhancing our brands, engaging our employees and delighting our customers in the face of massive change – both in technology and customers’ expectations.

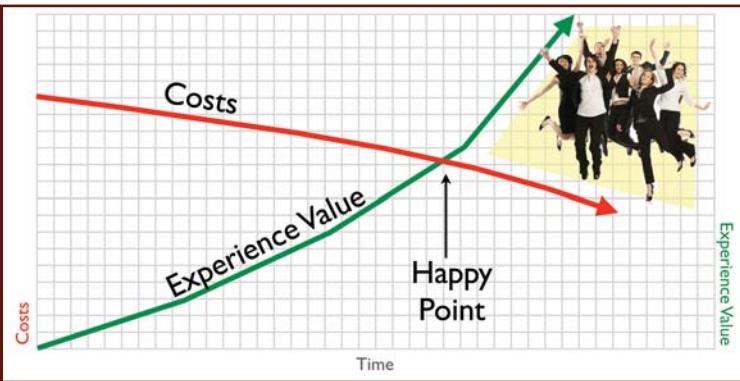
The ‘Happy Point’

Keynote speaker Mike Wittenstien, has been developing customer experience

strategies since 1999, when he worked for IBM. Posing the question “Does it always cost more to enhance and improve the customer experience?”, Mike talked through case studies showing that delivering an improved customer experience doesn’t mean higher costs to the business. For example, casinos print out receipts and no longer spill out coins from fruit machines, supermarkets reduce queues with self checkouts. In these



Figure 1: Experience value and costs



examples enhancing the customer experience has proved to be cost efficient for the company too. Using the analogy of a restaurant, Mike emphasised the importance of consistency between customer facing staff (front of house) and the operations or the engine room (the kitchen). A successful restaurant must have both parts of its business perfectly in sync with one another, resulting in a “Happy Point” (Figure 1 above) with operational benefits as well as improved customer experience.

The 3C pyramid

Alfred Lin, COO of Zappos, gave us his potted career history from selling pizza slices in his college dormitory, to selling Zappos to Amazon for over one billion US dollars. Zappos started out aspiring to be a great online clothing retailer, now Zappos is about delivering happiness. This journey was shown simply by their 3Cs, clothing, customer service, culture and Zappos is committed to moving its customers up the 3C pyramid (Figure 2 right) to delivering happiness.

The idea of delivering happiness was inspired by a customer’s comment after she received her Zappos order and described it as ‘happiness in a box’.

For Zappos, one measure of success that shows they have delivered happiness to their customers is when the customer actually says WOW on the phone to them. Zappos call centre staff are given intensive training and don’t follow scripts. Agents have the autonomy to deliver the best customer service they know how, encouraging customers to say WOW.

Not having strict rules or scripts to follow and empowering staff to deliver what they believe is the best customer service is not considered a risky customer service strategy by Zappos. That’s because Zappos believe that if employees feel part of a higher purpose, they will display behaviours that aim to fulfil the higher purpose. Interestingly when an individual feels part of something bigger (a higher purpose) and their efforts towards that are recognised, they are likely to feel happier too.

Golden hello-goodbye

When delivering happiness is the organisation’s higher purpose, employees really need to be the right fit for the business. Zappos understands how easy it is to get the recruitment process wrong, so they offer a graceful exit route for new starters of a \$2,000 lump sum to walk away during training if it isn’t for them. That’s a clear commitment to everyone about the importance of not wasting time.

The new recruits that are training for a Zappos career are thrown in to experiencing the guts of the business by doing all tasks across the business, from warehouse to office. With new employees

starting in the warehouse, packing and shipping for real customers, it gives Zappos a good insight into how they will eventually perform for internal customers. Some of the recruits that didn’t make it through training at Zappos thought they were too good to be working in a warehouse. Zappos want employees who are humble. There’s a lot of talent out there in the marketplace but nobody wants to work with someone that’s arrogant and can’t put the customer first.

Zappos are infectious ambitious and Alfred’s final advice was for everyone to have a vision, a higher purpose...and then, whatever you’re thinking...think bigger!!

Social media

Director of Henley Centre for Customer Management, Moira Clark, brought to life the world of social media and what it means to businesses. There were some compelling facts for why we should take social media more seriously, such as 1 in 8 couples in the USA met online, 80% of companies use LinkedIn as part of their recruitment processes and if Facebook was a country it would have the fourth largest population in the world! Social media are here to stay so we need to start thinking how we use it in business.

Social media are no longer the domain of the marketing and PR agencies, they’re becoming increasingly important for customer experience managers and in forthcoming years there will be an increase in social media usage with more relevance for business leaders and customer strategists. The message was loud – “get in there now!”. So what can social media do? One very practical application is crowd sourcing.

Figure 2: The 3C pyramid





Crowd sourcing

Crowd sourcing is taking a job and delegating it to the crowd as an open call of help. At Procter & Gamble for every in-house researcher there are 200 external researchers. Top Coder, the online hub for programmers, run a fortnightly competition of programming problem solving with a cash prize for the winner. Not all crowd sourcing is done for monetary reward, as individuals are reputation building online too. There is kudos in providing a solution to a company's dilemma. For those 21 years and younger, the 'digital generation', it's easy to juggle the media and accept the digital changes that are happening around us. But for many being a 'digital immigrant' (and that's anyone 35 years plus with a busy life and little time for a second one online), social media and digital technology can be overwhelming. That's no excuse though, employees are getting younger and social media are becoming the norm so its time for digital immigrants to tune in or miss out.

Henley's own research shows that people are aware of the changes coming: *"the ants have megaphones now, so one little person in the basement bunker can cause you a lot of problems."* There are people out there consuming and commenting on our products and services. Their feedback and contribution can be swept under the carpet and ignored or we can chose to engage with it.

Finally, a thought for employees. What goes on tour no longer stays on tour - social media have seen to that. So if your online profile and social media ramblings are thwarting your career you should consider suicidemachine.org a means of obliterating your online identity.

The ECEW's afternoon sessions split in to three streams:

- Acquire new customers
- Create, capture and measure value
- Employee experience

Here are some of the key messages from each stream

Acquiring new customers

Abigail Rappoport-Sharan shared Microsoft's strategy behind the launch of Windows 7. On the back of criticism and negative press for Windows Vista, Microsoft knew that they could not make the same mistakes again with their launch of the new Windows 7. Microsoft did much more than learn from past mistakes they have based their whole development strategy on customer feedback and designed their promotional campaign to show customers that they **DO LISTEN!**

Microsoft's customers have different needs, from the Xbox user, to the person at home using hotmail, through to a CEO of a large multinational whose software is business critical. Customers' feedback was gathered at every opportunity, from social media, Microsoft sites, Channel 9 video blog site and Microsoft error messages. Also feedback came from Microsoft's official sites and other specialist knowledge resources such as Technet, the online community of IT professionals.

Microsoft collected over 10 million thoughts, most of which were verbatim comments and suggestions. The data collection process was an enormous undertaking that resulted in a good understanding between the needs of customers with most users wanting reliability, security and of course faster service. The company also used trials and user research to monitor over 40,000 hours of early Windows 7 usage.

Windows 7 was my idea

The advertising campaign, 'Windows 7

was my idea', is well known and features genuine customers whose ideas have been incorporated. A good example on youtube to watch is Windows 7 - My Idea: Ramin's Snap.

In October 2009 Windows 7 was launched with great success, the pre orders storming ahead of Harry Potter and the Deathly Hallows to become Amazon's biggest ever pre-order product. As well as sales, the results were clear to see in Microsoft's customer satisfaction scores, as shown in the chart. (Figure 3 below).

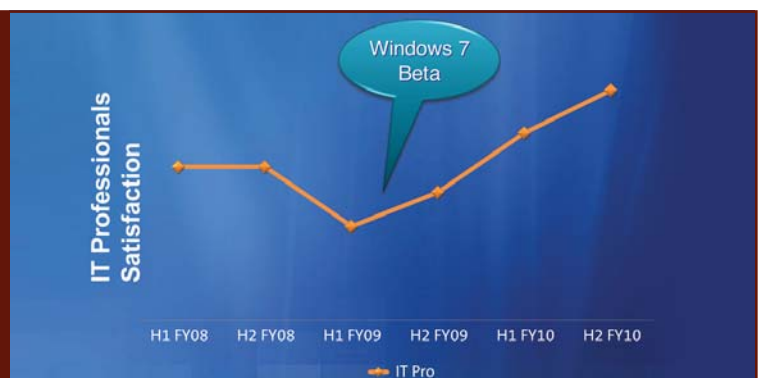
Create, capture & measure value

Mark Taylor, Commercial Director for Nationwide Autocentres

Nationwide Autocentres was recently sold to Halfords. Mark is a big believer in managing by fact and making sure that he never loses sight of the commercial reasons and benefits in measuring and understanding customers' experience.

Since 40% of Nationwide Autocentre's business comes from personal recommendation, Mark explained that a key measure from their customer satisfaction surveys was likelihood to recommend. Out of every 55 people they surveyed 10 people said they would recommend, but it doesn't stop there. Nationwide went back to all those customers that had said they'd recommend and asked them to go ahead and do it. They went further offering their loyal customers £20 of fuel after the person they'd recommended had had their car serviced. In fact Nationwide encouraged customers to recommend up to 5 people - that's £100 worth of fuel.

Figure 3:
Customer satisfaction with Microsoft





The campaign was tested and showed great results with customers doing just what they said they'd do. This is strongly aligned with something we've always said at The Leadership Factor – companies should invest more in rewarding the loyalty of their best customers, rather than giving most attention to the dissatisfied ones or to winning new customers. Nationwide did try other initiatives to reward recommending including offering a car valeting service to customers – it worked but not as successfully as the free petrol.

Nationwide want to deliver great service and Mark is keen to define good service as not always giving the customer a freebie to say sorry, or knocking something off the bill. What Nationwide customers want is for someone to listen to what they've said or suggested, recognise whether or not they have a valid point and, when appropriate, for the company to appreciate that point and do something about it. Mark believes companies need to respond quickly to customers' feedback and respond genuinely. A key lesson from Nationwide is not to rely on templated letters and email responses to customers. You can improve the customers' perceptions only by responding to customer feedback relevantly and sincerely.

The second message to take away from Nationwide Autocenters is to keep things simple and make sure that you test, test and test what you're doing. Only continue to do the things you know are good for the business and improve the customers' experience.

Employee experience

Jane Reid, Business Architect – Experience Innovator, at O₂ emphasised how much the employee link of the Service-Profit Chain contributes to delivering a great customer experience at O₂. (See figure 4 right).

O₂ believes in turning customers into 'fans', which, according to Jane, can be achieved only by engaged and motivated employees going the extra mile to deliver a flawless customer experience. O₂'s

research into what turned customers into fans uncovered four key characteristics: (See Figure 5 below).

The thing is, whilst "delivering what you say" sounds obvious, it just doesn't always happen. You know that from your own customer experiences, and at The Leadership Factor we have data from thousands of customer surveys showing that not delivering promises and commitments is one of the main drivers of customer dissatisfaction. But some organisations can do it. Jane believes that it's the ones with the highest levels of employee satisfaction, citing Tesco, First Direct, Richer Sounds and Ritz Carlton as companies with high levels of customer

loyalty that are also great places to work. Jane pointed out that O₂ have followed a four year journey that started back in 2005 with top management commitment and involvement ("Leading for Total Engagement"), leading in 2006 to "The Better Place Summit", which resulted in the articulation of "The O₂ people promise". This was launched throughout the business ("The O₂ Premiere") in early 2007 with tangible rewards for employees and managers living the promise. (See Figure 6 below).

The theory seems to have translated into practice. By the end of 2009, O₂ topped the telecoms league table in the UK Customer Satisfaction Index. **S**

Figure 4: Our Vision... Four Elements in Harmony



Figure 5: We went on a journey

We went on a journey to understand what makes a fan...
•They deliver what they say so you're happy and you trust them to do right by you.
•They surprise & delight you on occasion and make you feel special.
•You'll always use them and recommend them to friends and family, and you feel bad if it doesn't go right and feel you need to defend them.
•They are more human so they deserve a second chance if they make a mistake.

Figure 6: The O2 people promise

The O2 people promise
You'll get a warm welcome
You'll be part of something special
We all make O2 a great place to work
We have the opportunity to get on
Your manager will be there for you
We trust you to do a great job
We say thanks for a job well done