



UK Customer Management Conference

In the last issue of Stakeholder Satisfaction we covered the employee engagement aspects of the UK Customer Management Conference. In this issue we will examine the other topics raised; the current economic climate and the importance of defining the experience you want customers to have, in B2B as well as B2C markets.

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Recession implications

You can't escape the current economic climate; the news is constantly telling us about struggling banks, the weak housing market, companies going bust, redundancies and rising unemployment. Does this climate mean that customer experience delivery will be at the bottom of companies' priority list? How can companies justify spending resource on the customer experience in these hard times? Rather than forgetting about customers in this climate however, the clear message from all the speakers at the conference was that focusing on customers is even more crucial in these times.

Bob Downie (Founder, UK Customer Management Conference and Chief Executive, The Royal Yacht Britannia) opened the conference, reminding us that in this climate customers are a scarce resource. To demonstrate this, he told us that it costs five times as much to get a new customer meaning that it makes economic sense to look after existing customers. Therefore, we need to get long term value from them, but to do this we need to give them value first. He emphasised that in this climate companies need to demonstrate why customers should spend their time and money with



them. In order to do this, companies need to differentiate themselves from their competitors, by marketing their competitive edge. He warned that if companies don't have a competitive advantage or don't market it then they'll be judged on price only. When thinking about a competitive advantage, companies should concentrate on the things that have the most impact on customers' perception of their organisation.

Downie also reminded us that not all customers are equal; some are worth more than others, so companies need to compete for customers that are the most important ones to their business. If you try to satisfy everyone, failure is likely. To quote from Harvard Strategy Professor, Michael Porter:

"In a time of economic downturn, you have to be clearer about your strategy than in normal times. When things are growing, lots of companies can be successful. In difficult times, the companies that win are the ones who are very clear about who they are and how they are trying to deliver value."



When companies are clear about how they differentiate from others it gives guidance on where to concentrate resources. For example, think about the specific touch points where you want to excel as you can't be great everywhere.

Designing the customer experience at O₂

Cheryl Black (Customer Service Director of O₂) emphasised the importance of value for money right now. She gave the example that for their business customers they are focusing on improving mobile working solutions as this becomes more important when resources are limited. The 'customer promise' underpins their company strategy and they have defined seven specific promises they want to deliver for their customers, including having the best range of devices, easy to use products and services and people who care. Black was clear that you can't deliver a great experience to customers if you haven't already defined what that looks like. Designing the customer experience makes it more tangible internally, it's one thing to tell staff to ensure customers are satisfied, but it becomes much more meaningful and easier to deliver when the customer journey is outlined, with specific desired outcomes.

A seamless experience at Lego

Conny Kalcher (Vice President of Consumer Services at Lego) linked into this by highlighting the importance of delivering one coherent, seamless experience for customers, regardless of the channel they used. The need for this was driven by a bad experience suffered by a high value B2B customer, who had called into one of their call centres to cancel a large order. The person in the call centre didn't know this customer and responded to the cancellation by thanking him for letting them know, but didn't ask why and from the customer's point of view, didn't seem to care he had cancelled his order. Therefore, instead of allowing customers to have a random experience, Lego is working to ensure customers have a predictable experience, one that is branded and ideally, co-created. Co-creation of

the customer experience (where the service is delivered with the customer present, such as hairdressers) tends to link into higher customer satisfaction, as found by the Breakthrough Research conducted by The Leadership Factor for the Institute of Customer Service. For details see: www.instituteofcustomerservice.com/Publications.aspx "Customer priorities: what customers really want".

First Class Business Travel

Another example is Virgin, who designed their first class business travel service by thinking about the whole experience customers have when travelling, rather than just the parameters of normal service defined by the organisation. For example, they plotted the end-to-end customer journey, from getting to the airport and check-in, to arrival and getting to the destination, rather than just the flight itself. They recognised the problems that their customers have throughout the experience, such as the stress of getting to the airport and finding somewhere to park and the queues at check-in. The design of their service provision therefore was built on ensuring the customer had a great experience throughout their journey, not just the flight itself. In fact, the experience on the flight itself is not that different to that offered by competitors. Instead Virgin has chosen to differentiate itself in other areas, such as providing transport to and from the airport, having their own security staff who are customer focussed and providing facilities on arrival such as showers and breakfast. **S**



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Sarah specialises in using data mining to provide customer insight to Direct Line, Churchill and RBS amongst others. Her favourite wine is Hardy's sparkling rosé. She says it's not very posh, but in the light of some of the other contributors' extravagancies that's probably a good thing.

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