



Issues How to get closer to your customers
Change Communicating with customers on their terms
Solution Every channel available

power to you



“The Internet enables easier comparison of companies, particularly of price, but websites reveal very little about service, certainly for a supplier or company you’ve not used before.”

Phil Boothroyd, Managing Consultant, Vertex Data Science

Customer interaction is changing

In the late 1990’s a communications phenomenon took the world by storm. The Internet excited business managers and entrepreneurs with the idea that you could communicate with customers through a completely new medium; automating processes and taking money from the customer at the click of a button.

Ten years on and nearly every business has some form of web presence. While this has made it easier for customers to research and compare companies and their offers online, it’s now even harder for businesses to demonstrate true differentiation and compete with other brands. After all, another website is only a click away for the consumer.

As every successful company knows, the ability to compete depends not just on price and product superiority but on understanding customer habits and preferences. So, ask yourself ‘What differentiates me from my competitor?’.

Loyalty is built over time and relates closely to trust. It’s based on previous experience, either first hand or through trusted recommendations. Every business thrives on loyal, returning customers. But loyalty needs to be earned through trust, and that takes time. Previous experience, first hand or via family, friends or feedback from the online community – as well as on the flexibility of product delivery and service options – will all help.

In intensely competitive markets like the business-to-consumer market, customer loyalty has become a key differentiator. But building loyalty is harder than ever and more and more companies understand that investing in retention is key.

The secret is to invest in those areas that provide a ‘win-win’ scenario for your business and your customers. If you understand your customers’ demands you can increase satisfaction and loyalty. For example, in the early days of Microsoft Office®, the majority of support calls were about printing. Microsoft® fixed the issues and so increased satisfaction and loyalty while critically slashing their support costs.

Research from the Economist Intelligence Unit¹ found that a majority of companies across Europe cite the ability to provide superior service to customers as their core competitive advantage. Regardless of industry, fewer than one-in-four executives said their customer-facing departments have processes to take customer feedback and act on it. It also found that companies in every industry need to do a better job of estimating the lifetime value of customers and allocating resources to their most valuable clients.

¹ Beyond Transactions, Economist Intelligence Unit, October 2009

Many companies will argue that their customer service is better than their competitors. However, the reality is that service queues remain long and companies fail to use their customer data as efficiently as they could.

Creating customer loyalty

Culture:

The success of companies such as Amazon is based on a deep-seated culture of serving customers. You can ensure that everyone in the business from the receptionist to the sales manager is focussed on delighting customers at every step, whether with new products, initiatives or service.

Listen to your customers:

In the case of ScrewFix, a building supply firm, all the marketing teams must visit customers' construction sites to see the problems at first hand, and hear what customers have to say. Only then do they really feel they understand their customer's needs properly.

Engage with your customers:

There are many opportunities to engage with customers, each with the opportunity to build loyalty. Interactions at the point of sale, mystery shopper programmes, incentivised questionnaires and telesales all play a part in understanding what your customers' experience.

Measure your progress:

Web feedback, call satisfaction reports, and more complex methodologies like Net Promoter Scores which measure amongst other things brand advocacy, all help monitor your progress. By using a mixture of different measurement techniques, you can get a rounded view of your levels of customer satisfaction and loyalty, as well as an indication of what you're doing right and where you could make improvements.

The truth is that businesses now have to be smarter, faster with a laser-accurate message delivered at the precise moment of relevancy, and typically, this is not when you want to talk to consumers but when they want to speak to you.

Use the communication channels your customers do. You'll be accepted more into their world.

Time is loyalty

Consumers' time is at a massive premium. They won't tolerate mistakes, delays, or any kind of friction. They want information and service on demand. They expect the services they buy to work first time, and they want the freedom to manage all aspects of their service online at a time that's convenient for them.

The key is to use the same communications channels that they do. And as mobile technology becomes increasingly widespread, you have the opportunity to become even more responsive. This is crucial for building customer satisfaction because when an email with a question or complaint hits your inbox, you need to respond in an acceptable time. Otherwise you risk sending the customer away.

Mobile email and broadband solutions, as well as collaboration tools like web video conferencing enable businesses of all sizes to remain professionally operational at all times. They give you the freedom to work in the way that you need to from any number of locations, so you can respond to colleagues and customers in the way that suits you, and them, best. And now with hosted services available, it's even easier to stay in-touch as there's no initial investment or expensive IT infrastructure to maintain as this can all be managed by a service provider on your behalf.

In research, Vertex, a customer service company in the UK, found that customer response time should be between two and four hours. It should be long enough to address the query properly and to respond with enough detail but it's also short enough not to result in a follow-up email asking, 'Did you get my first email?'

Rackspace, a large global data hosting company, is well known for its customer-friendly approach and quick response times. It has no answer machines and no voicemail: customers can get straight through to the people who will work on solving their issues. It claims to answer "99.4 per cent of support calls with real people within five seconds". Today over 60% of Fortune 1000 companies² plan to establish online communities by 2010 and to deliver customer service via Twitter, Facebook and other social networking outlets. However, the key thing to remember is that there is no point in having or developing contact channels if you do not constantly monitor them and use them to respond back to customers. Today's consumer will not wait for you

² Fabio Torlini, Rackspace Marketing Director EMEA and Head of Channel Sales

The technology that supports your customers needs to be integrated and deliver connectivity through whatever means your customers want.

New ways of working

Many companies are now interacting with customers via mobile applications that make transactions faster and simpler, yet still personalised. For example, in the UK, Ocado³, a grocery delivery company, lets you order your food via your smart phone and MasterCard[®] has launched a phone application that helps you to find the closest cash machine.

Incorporating your core business values into everything you do to support your customers will be the hallmark of your business success. Making sure that the technology supporting your business communications provides an integrated platform that delivers Internet connectivity through both fixed and mobile communications routes will allow your customers to contact you in the way that's most convenient for them. Conversely, you'll be able to respond quickly to their needs, and make faster more informed business decisions with your colleagues.

Tips for getting closer to your customers

- Involve the customer in product development. Look at what Dell is doing using IdeaStorm⁴ to see how companies like this are co-creating with their customers.
- Recognise key customer events. For example, many insurers proactively contact a customer one month prior to their insurance policy renewal date. You can always predict and pre-empt your customers' needs: if they bought a printer they're going to need more ink!

- Cross-channel consistency – recognise customers across different channels from one interaction to the next, whether they're in-store buying with loyalty points, or chasing a delivery online.
- Be a great listener. Keep talking to customers and use their constructive feedback to shape your future plans. Tell them exactly what you've done to address their views.

Ideas for your communications

- Work out how to deliver customer care in the way customers want, not the way that suits you. By phone, email, web or social media or whatever channel makes sense.
- Be available. Customers increasingly expect 'always on' attention. Make sure your team is always contactable by integrating your fixed and mobile communications.
- Think about the return. Consider any new investment in technology in terms of the customer satisfaction it can help to deliver as well as how much it costs. Managed service options allow you to pay on a per user basis, so there's no costly capital expenditure upfront.
- Invest in training. Make sure your people know how to use communications tools to keep customers coming back for more.

To find out how your business can gain from better communications, visit: www.vodafone.com and go to our business section or contact your account manager today.

³ <http://www.knowyourmobile.com>

⁴ <http://www.ideastorm.com>

