



FROM SERVICE TO LOYALTY

Research now shows that many of the various programmes organisations are undertaking to use customer service to improve business performance and results fail to achieve the planned outcomes. For example, just a few months ago, Bob Thompson the founder of CustomerThink Corporation in America, wrote an article entitled 'An Inconvenient Truth: 93% of Customer Experience Initiatives are Failing to Differentiate.' His research revealed that only 17% of the American CEOs polled felt their Customer Experience Strategy had created differentiation, and only 23% found it had delivered tangible business benefits. So around 80% of these programmes had failed to achieve worthwhile outcomes. As Bob commented, these are worse results than were achieved during the

CRM epidemic that spread through many organisations a few years ago. Things like this often start in America and then spread elsewhere, so similar findings are now beginning to show in Europe, where many programmes are not working as people expect, and not generating the forecast outcomes used to justify the time and resources invested in them. These findings raise the obvious questions: 'Why is this happening?' and 'What could be done to avoid it?'

I've been advising and assisting organisations on this subject for over 20 years, so these findings prompted me to do my own research to investigate just how successful the programmes that we in the Academy of Service Excellence have worked on with our customers have been. I

was therefore delighted to learn that most, actually over 80%, are considered to have achieved the outcomes set for them and are providing a healthy return on investment. This indicates that we may know something that some others don't, so I thought I should write this article, based on the approaches we have found to be successful, to suggest how you too might become one of the 20% of organisations that make their approach to customer service make worthwhile differences to performance and results.

Loyalty is what counts

So why is this happening? There are I believe, two main issues contributing to the generally poor outcomes. The first relates to

how some programmes are focused. I was lucky to have, on a number of occasions, met the late Dr Stephen Covey, author of the book *'The 7 Habits of Highly Effective People'*. I learned a great deal from him, and his books and wisdom have influenced many of the choices I make in my life. One of his core principles, which has served me well throughout my career, is to always 'Begin with the end in mind'. If this principle is applied to what I believe should be the goal or focus for these types of programmes, I would suggest the 'end in mind' should not be the customer experience. That may be a core element of a successful programme, but it should not be the focus for the end goal. I've learned, and have evidence to prove, that if you wish these programmes to generate more sales, increased profit and faster growth, the key focus must be to create sustainable customer loyalty. And that requires much more than customer experience management alone.

The value of experience

The second issue relates to how customer experience or CX is being promoted as the latest 'silver bullet', capable of fixing many current organisational challenges. It's now spreading like a tsunami in much the same way the CRM epidemic did a few years ago. But as the research is revealing, it looks like it will end the same way, with most programmes failing to justify their investment. Yet in spite of this, many organisations are jumping on this latest business craze to try to make a quick buck while the epidemic lasts. I've even seen it implied by some of these organisations that you may call yourself a 'Certified CX Professional' by simply watching some online modules or attending a 3-day workshop course, reading a few books and completing a short test paper. Any sensible person will know this cannot be right. No-one ever became a 'professional' at anything with so little study or practice or without a long track record of success. It takes years of dedication and study, and

hours of practical experience (some say at least 10,000 hours) to become considered as a 'professional' in any field. And if these so called 'certified CX professional' people then manage to convince their employers or customers that this qualification means they know how to design and implement an effective programme, it's no wonder so many result in failure.

Avoiding failure

Let's now turn to what could be done to avoid failure. The over 20 years of study and experience we've had at the Academy of Service Excellence – working on the planning, design and implementation of dozens of service excellence, customer experience and customer loyalty programmes, for all types and sizes of organisations, and in most local and international markets – has provided ample opportunities to witness what does and doesn't work. We've learned that designing and rolling out a successful service excellence initiative in any organisation is neither a simple nor an easy thing to do. It needs much more than a few willing and eager people with limited experience and just a few days of training. And to do this across a large organisation makes it all the more complex, difficult and challenging. So here are a few of the essential elements that we have learned may combine to create success.

The first essential is the creation of a solid foundation on which to build the programme and its implementation. Some core elements must first be in place to ensure the things that follow will have the traction and impact required for success. As Professor John Kotter of Harvard Business School once commented, *"Without them, it's like trying to build a pyramid on a foundation of empty shoe boxes. It may appear strong, but as soon as it is tested and stressed, it crumbles and causes all that follows to fail."* These are therefore fundamental building blocks that form the essential foundation necessary for the whole programme to have any chance of

achieving worthwhile outcomes. They are:

- **A senior leadership team with a thorough understanding of the subject and an overt commitment to the strategic importance of the success of the programme. Leaders often decide improved customer service could boost results but then trigger action without first ensuring they fully understanding the concept and how best to implement it.**
- **A sense of urgency being established and expressed from the outset. This is vital to ensure the programme is implemented with energy and pace.**
- **A carefully selected and highly skilled implementation team. Successful implementation needs the best people being selected and then thoroughly trained, empowered and fully supported to roll the programme out through ongoing training events and projects.**
- **Adequate resources (people, time and budgets) being made available to give the programme the very best chance of success. Many programmes fail through a lack of the resources necessary to ensure success.**

Once these core elements are in place, what should follow is wave after wave of projects and focused activities, throughout the organisation, to spread the message about why you are doing this and the knowledge, understanding, skills and confidence needed to do it effectively. These should include:

- **The right people. No amount of training will turn a person who is not suited to a front-line service role into someone that is. Some people have a natural talent, flair and strength for it, and some don't. You therefore need a recruitment and selection procedure that attracts and identifies these 'right' people for service. You can then invest training in the people that will make a success of it, instead of wasting it on those that will not.**
- **The right culture. There's little point in recruiting the right people if you then immerse them in the wrong environment. Doing so is likely to result in them underperforming and probably eventually leaving. Great service people need to be nurtured and developed in a**

service focussed culture. That's an environment where teamwork and support for each other is the norm. Where the goal is to continually improve ways to provide the best possible service and assistance for each other and for customers. It is one where people are expected to be as pleased about the achievements of their colleagues or the team as they are about their own. And where the team leaders are focused on ways to continually improve the knowledge, understanding, skills and culture of the team.

- *The right customer feedback. You'll not get the right answers if you ask the wrong questions. Many organisations invest huge sums in customer satisfaction research studies that ask the wrong questions, so cannot provide useful, actionable insights. You do not want to know how 'satisfied' customers are with your products or services. Numerous research exercises have shown there is little or no link from customer satisfaction to worthwhile long-term loyalty. What you do need to know are things like:*

1. *How easy it is for customers to find or get what they want?*
2. *How do you make customers feel when they interact with you?*
3. *Which experiences have the most impact and stick in customers' minds the longest?*
4. *How loyal to you are customers likely to be in the future and why?*

- *That information will tell you what you need to know and do to boost their on-going loyalty.*
- *The right internal measures and rewards. It's easy to trigger unwanted behaviours by sending the wrong messages to colleagues through the ways they are measured and rewarded. You may claim to be keen to improve customer experiences and loyalty, but if you only measure and reward outcomes like sales and profits, that will drive people to focus on the short term outcomes they get rewarded for and not the essential behaviours that produce the long term customer loyalty that creates them. Creating sustainable customer loyalty is not a short-term exercise, so short-term measures and rewards are unlikely to drive the required behaviours. Instead, you need to measure and reward the loyalty building behaviours and activities that will.*

Over to you

Obviously in this short article it is not possible to provide a detailed outline of everything that is essential for success. But these few ideas are based on what we have learned can ensure any investments in service improvements are likely to deliver worthwhile returns. I hope they have provided a useful overview of what we've learned are some of the key and most impactful building blocks of success.

If this has sparked your interest to learn more about how you too could become one of the 20% of successful organisations,

you'll find more information, and a step by step plan, in my new book *Creating Customer Loyalty*. You could perhaps subscribe to gain access to our 9-module online programme at www.loyaltymasterclass.com. Also, you and/or your colleagues might wish to attend one of our 12-day Customer Loyalty Management Master Practitioner Programmes at which delegates gain a world class knowledge and understanding of the subject and the skill and confidence to use it effectively. The next one will run from January to April 2020 and details can be found at:

<http://chrisdaffy.com/Master-Practitioner-Programme.php>.



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