




16th Annual Customer Experience Conference



Almost 200 people gathered together at One Great George Street between the Houses of Parliament and Horse Guards Parade for TLF's 16th Annual Customer Experience Conference. It was the 4th consecutive year for the venue, home to the Institution of Civil Engineers. Anyone who's seen the amazing Georgian interiors will know why delegates rate this higher than any other venue on the post-conference satisfaction survey.

AT THE START of the Conference, TLF shared the 2015 results of the UK Customer Satisfaction Index (UKCSI), showing a 4th consecutive fall in satisfaction across UK consumers. With GDP growing, unemployment down, inflation at an all time low and consumer confidence improving why was the UKCSI falling? A clue might lie in Tesco's story – fewer staff delivering customer service, stingier Clubcard rewards and stores starved of investment. It might be the most notorious example of putting profit before customer experience but it's by no means the only one. Bigger standard deviations on the UKCSI results revealed a growing gap between the best organisations and those that were not putting customers first.

The trouble is that for companies like Tesco that are in financial trouble (or those who are not but put short term

profit maximisation above all else), cutting cost on customer service is easy. It doesn't have an immediate perceptible impact unlike sales boosting alternatives such as a big advertising campaign or a price cutting promotion. But boy does it have a long term impact!

There is growing interest in the Walkaway £. It's increasing. Why? Customers are becoming more confident all the time. They have more information and channels to find alternatives. But companies often don't make it easy for customers to stay. For example, they make it much easier for potential new customers to get in touch as well as offering them better deals. Ask yourself – how easy is it for existing customers seeking customer service to get in touch with your company compared with new ones searching for information on deals?



Greg Roche

AI and the Customer

Stephen Hampshire, Client Manager at TLF, used the opening conference presentation to consider how customer experience might be affected by the development of Artificial Intelligence. Stephen Hawking and some other eminent scientists have singled out AI as the biggest future threat to the human race. At present the days of computers being able to improve their own intelligence and operate independently of any human generated programme seem well in the future but some very basic forms of AI are already intruding on the customer experience. Speech recognition is an example.

There is enormous interest in the customer management world in using big data to understand customer behaviour. The attempts remain primitive but with location tracking, escalating volumes of customers' purchasing history and, further ahead, advances in face recognition, organisations will become increasingly knowledgeable about customers' past behaviours. They'll certainly remember what you did last time, and all the times before that, better than you do. But it won't help them to get better at understanding why you did it. Basing predictions about future customer behaviour purely on information about how they behaved in the past is very dangerous. You have to understand the drivers of that behaviour which include other things happening in their lives that organisations don't know

anything about, who they mix with and are influenced by and how they feel. To get this fully rounded view that will maximise your ability to anticipate future customer behaviour you will need to combine talking to customers as well as collecting volumes of data about their past behaviour.

As Stephen pointed out, AI will get ever better at physical tasks and rational thinking but Emotional Intelligence will take much longer. He cited Google Translate as a good example. It's improved by leaps and bounds over the last 2 or 3 years but still struggles with the difference between tu and vous!

So for the future of customer insight, you'll have to invest in AI and big data, but don't forget about EI. For that you'll still have to get insights from the customers themselves.



RSA – improving the complaints experience

The first of 4 TLF customer research clients to present was Tom Newey who delivered a very useful explanation of how RSA had used customer feedback to map and improve the complaints experience. Their survey data had quantified exactly how much customer satisfaction increased or decreased depending on how RSA staff had behaved at key moments of truth along the complaints journey. With this data collected and mapped it is a short step to mobilise staff to focus on the moments of truth and the behaviours that make the biggest difference. And here are the things that RSA did focus on to successfully improve the complaints experience.

1. Listen and acknowledge

Listen carefully to the customer's problem, address them by name and acknowledge that you have understood the complaint.

2. Inform

Tell the customer exactly what will happen next and how long it will take.

3. Clarify

Make sure you have exactly the right understanding of the outcome the customer expects.

4. Follow-up

Call the customer at the end to make sure the customer is happy with the process and, especially if the outcome was not their favoured one, fully understands the reasons for the decision.

Once these actions have been agreed and communicated to staff, you can use customer experience modelling (CEM) to quantify exactly how much these staff behaviours are happening. Or not. If they happen consistently customer satisfaction will go up. As Tom said, Customer Journey infographics are a great way to communicate this.

But having the right research outputs is only the starting point. It will all be wasted if the company doesn't use it properly. Here's how RSA used it:

1. Internal feedback

Extensive internal feedback to all using story telling visuals produced by TLF ensured that all 65 Customer Relations staff understood the Customer Journey and the key Moments of Truth.

2. Agree actions

Don't tell staff what they have to do, explore the research findings and customer insights with staff and agree actions with them. It won't be difficult. With the right research outputs the customers will already have told staff exactly what they have to do.

3. Audit

Introduce systems to monitor staff behaviours and include in their 121s and performance reviews. In February 2014 staff maintained that they were carrying out the required actions but according to customers were doing so only 77% of the time. A target of 98% was set and compliance was up to 96% by 2015.

4. Review

Introduce a clear visual dashboard to give staff and management regular updates on whether the actions are being implemented and how much it's improving customer satisfaction.

And it worked. The greatly improved staff compliance with the agreed actions did result in a correspondingly good increase in customer satisfaction scores. Their Complaints Satisfaction Index was up by 7% a year later and most pleasingly for Tom they generated an even bigger satisfaction gain amongst customers whose complaint was not upheld (up 13%) demonstrating that whilst the outcome is always important, the way staff handle the complaint makes a big difference.

Service with GUSTO

With a new CEO and Chairman appointed in 2013 it has been a time of considerable change at N Brown, a traditional catalogue mail order firm (think JD Williams, High and Mighty) transitioning to a younger target customer, an online business model and now its first ever high street stores. The stores are literally a shop window to showcase its more fashionable power brands such as Simply Be and Jacamo. But Helen Jack from Customer Insight and Marketing emphasised that none of these innovations will succeed without committed staff delivering world class service. Hence GUSTO:

GLOW with pride

UNDERSTANDING is everything

SAVING makes sense

TOGETHERNESS is crucial

OPPORTUNITY exists everywhere

2014 was the Year of the Employee at N Brown, with a Value Pack distributed to every one of the 4,000 employees detailing the company's objectives, strategy and values. To ensure that staff fully understood it all and their own roles in making it happen, briefings were organised with 80 Briefing Packs distributed to management to make sure the same messages were communicated throughout the company.

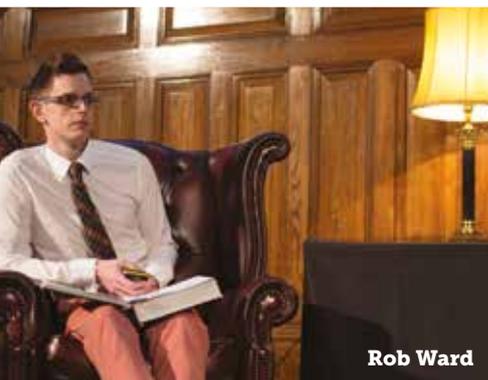
Helen explained that N Brown are committed at the most senior levels to "putting the customer at the heart of the business." This is driven by many internal initiatives, one of which is the cross functional and cross level ACE forum (Achieving Customer Excellence.) This brings together different parts of the organisation to ensure there is a broad and companywide view of the customer, and what will make the customer experience better. This also aids the communication of the customer strategy across the business.

Storytelling

Sitting in an armchair Jackanory style, TLF Designer, Rob Ward, was next on stage to show the audience how design can be used to greatly enhance the impact of messages and insights from customer surveys. Tom Newey from RSA had already evidenced the benefit of clarifying the Customer Journey and its key Moments of Truth. Rob showed how good design will combine eye catching graphics with convincing statistics and insights from research.

What TLF has learned over and over again from working with clients is that customer survey results make a great impact at

first but as time goes on organisations need to make more and more effort to bring survey results to life to fully engage staff. And nothing does this better than the Voice of the Customer. Rob started off by showing some very simple graphic techniques for this such as word



Rob Ward

For a company that is changing so rapidly, understanding customers is everything, Helen pointed out. That includes understanding their customers on many different levels – understanding them physically, understanding them attitudinally and understanding them behaviourally. Segmenting customers by behaviour is much more advanced than the traditional customer marketing segmentations by demographics. What successful companies are interested in is what customers do, and why they do it, and not how old they are, and what gender they are.

In a rapidly altering market that is very influenced by changes in technology and the growth of online browsing, and online shopping, Helen demonstrated that only the most adaptive, flexible and quick changing companies, can understand and respond to the ever changing demands of the fashion world customers.



Helen Jack

clouds based on customer comments and infographics illustrating survey findings. But the impact can be greatly magnified by video and sound and showed how this can be effectively achieved in very simple ways. A good example was the N Brown clothes rail – a simple but relevant video of the key customer feedback messages sliding along the rail on hangers with musical accompaniment.

The impact can be increased using the voices of real customers. This can be very simple like the post-it notes summarising customer comments appearing one by one on the background graphic with a real customer voicing the comment each time. Employees' eyes are obviously attracted by the messages appearing on the screen but it's the real customer voices that make the biggest impact – you can feel the emotion as well as hear the comment.

The next step up in investment and impact is seeing the customer. A simple way is to accompany the audio with a customer name and photo but the best way is to video the customer. A very effective example that Rob showed began with an audio of a customer ringing the company's call centre, white text crawling across the dark screen adding impact to the frustrating customer experience. But the messages really hit home when the customer then appeared in person explaining, in a very measured and

articulate way why the poor experience had driven this very reasonable man to become extremely dissatisfied and a vocal complainer.

Using high impact communications techniques to magnify the

Striding up the League Table

The next presentation was from a B2B environment. Helen Gutteridge and Scott Jackson from the British Gypsum customer satisfaction team explained how the company had improved its customer satisfaction from 79% in 2007 (not quite in the top half compared to other organisations) to 87.5% at the end of 2014 – right up there in the top 5% compared to other organisations across all sectors.

Although it was average on TLF’s huge Satisfaction Benchmark League Table, British Gypsum were devastated by what they saw as a very poor result in 2007 and the staff were shocked and upset by the critical customer comments. This led to the development of a 5 year vision – “To be the UK’s best building material supplier as defined by our customers.” At the core of the 5 year strategy was a plan “to be the best at the things that matter most to customers”. But a big factor in British Gypsum’s amazing progression up the Satisfaction League Table was that the ‘doing best what matters most’ plan wasn’t just one plan for the whole business, it was 6 plans, one for each segment. British Gypsum’s sample size was large enough to get importance scores, satisfaction scores and satisfaction gaps for 25 key customer requirements in each of the 6 segments – distributors, main contractors, sub-contractors, merchants, architects and house builders.

To help develop the 6 satisfaction improvement plans, staff visited customers and observed them at key points along the customer journey such as ordering the product, taking deliveries, using the product, needing technical help etc. Based on the survey data and the observation, detailed Customer Journey Maps were developed for each segment. This, in turn, led to event-based surveys around key Moments of Truth. Bigger annual customer satisfaction surveys monitored progress as the Customer Satisfaction Index steadily worked its way up the League Table.

benefits of customer satisfaction surveys was certainly a message that had been taken on board by the next presenters.



Helen Gutteridge & Scott Jackson

There was extensive internal feedback of all survey results and customer comments. This didn’t just cover employees but also external companies such as hauliers who are important partners in delivering the customer experience. The staff were further engaged by introducing customer satisfaction-related pay, which motivated them enormously. Almost without exception in TLF’s experience, the companies that improve customer satisfaction the most have bonuses for all staff when satisfaction targets are hit.

Throughout the satisfaction improvement journey, there was also extensive communication of the survey results to customers as well as updates on the implementation of satisfaction improvement action plans. In his Conference opening address, Greg Roche had highlighted the importance of feeding back customer satisfaction results to customers and, above all, telling them what actions you are taking as a result of listening to customers. He showed an example of an excellent 12 page customer feedback report produced by Tyco in America, but even they hadn’t gone to the trouble taken by British Gypsum, who have recently produced a full length DVD which was sent to all customers. It showed what British Gypsum had learned from their customer satisfaction survey across the entire business and what actions they were taking and it was reinforced by interviews with staff from all departments who explained exactly what they were doing to deliver a world class customer experience. Without doubt this will have made maximum impact and will further enhance British Gypsum’s reputation for customer focus.



Rob Warm

Brand Matters

Rob Warm, Head of Member Relations at the National Housing Federation began by showing the audience a couple of posters that they would have walked past if they had arrived via nearby Westminster tube station. As well as very effectively illustrating the difficulty of getting on the London housing ladder they illustrate one of the key roles the Federation plays in the eyes of its members – campaigning on housing issues.

Rob then went on to say that one of the difficulties facing a membership organisation is the varying and sometimes contradictory demands of different members, e.g. larger compared with smaller housing associations. On top of this is the changing nature of the relationship most membership bodies now have with their members, driven by the need to become more commercial. These were the kind of factors that motivated NHF to do their first membership satisfaction survey. With members’ renewal decision having a growing cost-benefit element, NHF needs to make sure that it remains relevant and delivers value for money, basically by doing best what matters most to its members. The gaps between importance and satisfaction were therefore very useful to NHF in developing action plans following the survey.

However, Rob's favourite question was "Is NHF an organisation that you are proud to be a member of?" His reasoning was that whilst members' renewal decision will be increasingly a commercial one going forward, if your customers are emotionally attached they are much more likely to make a 'rational' decision that your product or service provides value for money. Hence the posters in the tube. As well as delivering commercial services efficiently, NHF needs to promote the profile of the Federation and the sector to constantly reinforce its status and

image. His parting shot? "Don't under-estimate the importance of brand". It's not just for B2C. It makes a difference to all organisations.

The keynote speaker was Matthew Syed who made Conference history by being the first speaker ever invited back by TLF because delegates thought he was so good the first time round. To read about Matthew's ideas and his new book, turn to page 36.



CUSTOMER EXPERIENCE WORLD

LONDON 2016

RENAISSANCE, HEATHROW



CONFERENCE | 18 - 19 MAY

CUSTOMER EXPERIENCE WORLD IS DIFFERENT - BECAUSE WE NOW NEED TO BE DIFFERENT.

THE CUSTOMER EXPERIENCE SHOULD OFFER THE CORPORATE MORE INSIGHT INTO THE CUSTOMER'S BEHAVIOUR RESULTING IN A FAR MORE TARGETED SALES AND SERVICES APPROACH.

ULTIMATELY 4 OUT OF 5 CUSTOMER EXPERIENCE MANAGEMENT INITIATIVES ARE STILL FAILING. WE ARE NOW IN THE AGE OF THE CUSTOMER LED APPROACH. THE CUSTOMER IS FIRMLY IN CONTROL.

CUSTOMER EXPERIENCE EXPERTS WILL PROVIDE YOU WITH THEIR CUSTOMER EXPERIENCE INSIGHTS AND EXPERIENCES. PARTICIPATING IN ROUND TABLE DISCUSSIONS WILL GIVE YOU THE OPPORTUNITY TO DISCUSS YOUR OWN EXPERIENCE CHALLENGES GAINING FURTHER PRACTICAL KNOW HOW FOR YOUR UNIQUE EXPERIENCE REQUIREMENTS.

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