

Catalyst

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The Experience Proposition



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What is your core competency? While businesses make a reference to it every five minutes in a conversation, most of them may be missing the point. Today, if your core competency isn't about crafting experiences, you may well be out of business. Welcome to the Experience Economy, where every business is show business.

Core competency is such a sacred truth in most organizations that most of the time, they only strive to perfect it even further. Yet, your core competency is simply a definition of what you do best. Or usually, what you make most of your money with. It may not define how meaningful or relevant you are for your customer. But now, it's time you started thinking seriously about it.

The fundamental question to ask yourself is, 'What do you charge for?' Consider this. If you charge for raw material, you are in the *commodity business*. If you charge for tangible things, you are in the *goods business*. If you charge for your activities, you are in the *service business*. If you charge for the time customers spend with you, you are in the *experience business*.

It's important to notice that goods and services have become largely commoditized, and *experience* is rapidly

becoming the new source of economic value. Ask yourself the following: What does my customer think of me when she is interacting with my brand? What are my brand touchpoints? What is the experience I'm staging at these touchpoints? What is the message she may be ultimately receiving?

Now go back and think about your core competency. See if it has any relationship with the questions above. If the answer is 'nothing', then your business may be at the risk of being commoditized. This is obviously a departure from conventional thinking. But the truth is, brands compete not only in the physical but also mental marketplaces. In addition, customers are no longer passive recipients of marketing messages, but actively engaged in interpreting and disseminating them. In effect, they co-own your brand.

How do you reach out to such well-informed and empowered customers? It's more important than ever to *engage* the customer, than to simply inform or entertain her. Direct interaction is the new paradigm of brand experience and a characteristic 'encounter' is what sets your brand apart from other brands competing for customer mindshare. Customers experience the manifestation, the messages and the emotions of your brand along with the product itself. In other words, it's not what you sell, but what you're telling when you're selling. Plus how and where you're telling it. Brand encounters happen in the real world, where the story of the brand is staged and enacted. Typically, we do not think about encounters as much as we think about messaging. But encounters are much more engaging and important than messaging. Mass messaging is relatively inexpensive and anonymous. Creating experiences however, demands much more involvement, thinking and commitment from brands.

Perhaps we should stop segmenting consumers for a while and start thinking about segmenting these

moments of interaction. What are the new touchpoints? How equipped are we to make the most of these 'brand encounters'? Thinking about 'encounters' rather than simply 'interactions' is important because, in the customer's consciousness, they stand for values. Interactions can be studied like transactions. They lend themselves to quantification. Encounters are not so simple. They are usually multi-sensorial and much more difficult to design. They can only be analyzed qualitatively. But then, encounters are more seductive and engaging. They send out powerful signals, communicate images and provide the key to new experiences.

When you are thinking of your crafting your brand experience, it is important to consider the landscape of these consumption situations and what drives choice in each respective moments. What is your customer journey map? The right solution will usually be a combination of content, technology and passion. Yes, passion. It shows. Brands need to take a holistic approach here. By handcrafting the brand experience in flagship stores,

shop designs, theme parks and even your voice response system in a holistic manner, you communicate the image of the brand and imprint a characteristic *atmosphere* on the customer consciousness.

You seek, in fact, to augment the customer experience and transform the brand itself into a location - a destination and an attraction. The primary objective then, is not to sell the product but to generate a fascination with the brand, get the customer to identify with the world of your brand and provide the customer with a set of deep emotional anchors. The act of purchasing itself becomes a potential climax. Selling may not be as easy as before, but the rewards are well worth it. This, then, is the brave new world we inherit from our marketing predecessors.

In retrospect, USP is a quaint idea. Good till it lasted, but quaint nevertheless. Today, customers need more than just selling propositions. In fact, they hardly want to be sold to. Brands need a new kind of differentiator. That may well be the UEP. The Unique Experience Proposition.

The human factor in service design

McKinsey Quarterly - January 2012

Focus on the human side of customer service to make it psychologically savvy, economically sound, and easier to scale.

John DeVine, Shyam Lal, and Michael Zea

Poor customer service isn't a headache just for consumers; it's a problem that vexes senior managers too. Balancing the trade-offs between the cost of services and the customer experience benefits they provide is difficult. Ensuring that frontline workers can efficiently and consistently execute service offerings across a far-flung organization is harder still. Along the way, many companies lose sight of what makes human beings tick - for instance, by overlooking well-known principles of behavioural science when delivering services - and thus unwittingly predispose customers to dissatisfaction.

At the same time, the customer service landscape is changing as social media and new mobile phone technologies give companies unprecedented access to data on customer interactions, while the technologies are changing the nature of the interactions themselves - for example, by amplifying the speed and impact of customer complaints.

Three questions

Against this backdrop, some organizations are making strides in the design and delivery of services. By focusing more thoughtfully on the human side of customer service....

1. How human is our service?

It's no secret that the quality of a company's service interactions matters greatly in creating a positive experience with customers. Yet few companies focus on how customers form opinions about those interactions.....

2. How economic is our service?

The service offering that the rental-car company implemented was grounded in a clear economic rationale. The pick-any-car option was not only more efficient to operate than the old system but also created valuable revenue opportunities: the economy- and luxury-car choices were parked next to each other, so value-segment travellers with families were frequently tempted to splurge on larger, more expensive vehicles. Many executives miss opportunities such as these when they overlook the full economic impact of customer service....

3. Can our people scale it up?

When putting together services that are economically attractive and grounded in a good understanding of what motivates customers, companies shouldn't overlook their own employees - the *other* human beings involved in a transaction. Companies give themselves a big edge when they design service processes that a widely distributed workforce can easily adopt, understand, automate, and execute....

..... making services scalable involves more than standardizing processes: companies must ensure that their employees have the organizational capabilities necessary to carry out the tasks involved. Indeed, any suspected skill gaps should sound warning bells across the C-suite, even if a new service offering is economically sound and psychologically savvy.....

Emotional Connect

The last time I wanted to buy a suit, I went straight to Raymonds (Nungambakkam Store, Chennai) and bought the suit. I was asking myself why I did not try other stores of Raymonds or Louis Philippe across the road which advertises the largest collection of suits. I have been going to this store for many years. Few times I tried other Raymonds stores in Chennai. Every time the experience was poor. In one store with a showroom of about 3,000 sq.ft., I was the second customer. The first few minutes nobody attended on me. So I went and sat in a chair. The salesman came and I told him that I was just relaxing. He left me and went away thinking that I came to cool my heels. On the contrary, every one of my visits to the Nungambakkam store has been a pleasant experience. Every time, there is a senior salesperson who greeted me with a genuine smile (the type of guy who is generally happy and does not give a look as if the world is going to collapse tomorrow) and welcomed me. At one time, on his advice, I bought an Italian jacket at double the price and my post-purchase satisfaction has been good. They advise and help customers make the choice, as the customers are scared to make the decision. The customer wants a trusted friend to help him in the decision making process and an experienced salesperson can give that support. At the same time, he gently withdraws when you do not want to buy and does not aggressively push products. I am his long-term customer. They have invested in this long-term relationship and I have been going to that shop for the last 20 years. I seem to have an emotional connection with this store.

Similarly, I have an emotional connection with few brands like Sony. Every time I wanted to buy a TV it has been a Sony TV, including a LED TV I am planning to buy now. I seem to want to buy Sony products without looking at any other brand though I do not know who the owner is. Similarly, with respect to laptops and printers, it is HP. For cars, Japanese brands like Maruti, Honda and Toyota. I am sure some people would disagree with me saying this is simple brand loyalty based on reliability of these products.

Why I call these as emotional connections is because I did not even consider other brands as

possible choices. And I am talking about high-value products from Rs. 25,000 to a few lakhs for cars. There are many leading brands in these categories and I find lot of people around me buy it and they are happy with them. I am not saying other TV brands like LG and Samsung in TVs or Lenovo and Dell in computers are not good. It is just that they are not even in my shortlist and I did not even visit the showroom or check the brands.

Emotional connection can be due to good customer experience at the store or due to good brand experience in terms of product reliability and after sales service. What separates the winning brand from the rest is the strong emotional connect that it enjoys with the consumer. One can give many other examples like Apple computers / phones, Enfield motorcycles, etc. I know of few users of Apple computers who may complain and still buy the next product launched by them. The customers who buy Enfield motorcycles have such a strong emotional connection that some of them would assure you that Enfield motorcycles have a heart or a soul.

Sujata Khandai, in her research paper says “It has been observed, that over a period of time, consumers tend to establish close, meaningful relationships with many brands. Brands are effective in offering psychological and social benefits along with functional benefits. This translates to an overall enriching experience for the customer leading to a sustainable relationship. These relationships are primarily emotion based, where the marketer creates an 'emotional assurance' in the minds of the customer that his needs would be necessarily met. This results in the customer sustaining an emotional connect with the brand, eventually leading to brand loyalty.”

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Catalyst for Service Excellence

CDC CRM Solutions Pvt. Ltd.



CDC CRM Solutions Pvt. Ltd. (CCS) is a full spectrum services provider for Customer Relationship Management requirements of organizations. It provides consulting, training, implementation, customization, production support and such services for companies that plan to implement Customer Relationship Management solutions. The solutions offered by the company are based on its rich experience and understanding of having done such work for a wide variety of customers.

CCS started its operations in 2007 December and has added 23 customers from Banking, Insurance, Capital Markets, Asset Management, BPO and Education sectors. Its customers include some of the leading names of Indian Financial Services industry like ICICI Bank, ICICI Securities, Axis Bank, Citi Wealth Advisors, Deutsche Bank, SBI Life Insurance, Max New York Life Insurance, India First Life Insurance, Federal Bank, Dhanalaxmi Bank and so on. CCS is a partner to a number of leading system integrators as well.

CCS provides customers with implementation services of CDC Software's award-winning Pivotal CRM. CCS has further developed a number of industry vertical applications in addition to the Pivotal CRM offerings like Collections Management, Recruitment and Performance Management, Integration Connector with IRDA, Financial Planning, etc. to provide its customers with greater value from their CRM implementation. CCS has also developed its own Mobile offering that allows enterprises to extend their non-transactional enterprise applications to mobile devices.

CCS's project for CRM implementation at ICICI Bank won the prestigious Asian Banker award for the 'Best CRM Project' in Asia in 2011. The CRM Project completed for ICICI Securities won the CIO 100 award for the ICICI Securities CIO in 2011.

CCS's is headquartered in Bangalore, India and has operations in Mumbai, India and Delhi, India.

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