The Evolution of Service
From Products to Experiences

Customer loyalty

- Experiences
  - Emotional
  - Functional
- Services
  - Valuable
- Products
Companies ...successful in creating both functional and emotional bonding had higher retention ratios (84% vs 30%) and cross-sell ratios (82% vs 16%) compared with those that did not

Source: IBM ‘Study’/Ogilvy Loyalty Index/BrandZ survey
Contact Center Evolution

Efficient
- IM (Interaction Management)
- Inbound
- Cost focused
- Customer Support

Experiential
- CEM
- Multi-directional and channel
- Customer focused
- Customer Advocacy

Effective
- CRM
- Outbound
- Revenue focused
- Customer Spend

Cost Efficiency

Sales Effectiveness

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The problem is...

The majority of support centers are still run as cost centers, not as strategic business units.

Source: Dimension Data Global Contact Centre Benchmarking Summary Report 2007
<table>
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<tr>
<th></th>
<th>IM (Interaction Management)</th>
<th>CRM</th>
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<td>CTO</td>
<td>CMO</td>
<td>CEO</td>
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<td>Value orientation</td>
<td>Product /sales support</td>
<td>Customer value to enterprise</td>
<td>Enterprise value to customer</td>
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<td>Enabling factors</td>
<td>Operations and telephony</td>
<td>Systems and processes</td>
<td>People and interactions</td>
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<td>Directional Focus</td>
<td>Inbound</td>
<td>Outbound</td>
<td>Multi-directional and multi-channel</td>
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<td>Purpose</td>
<td>Customer support</td>
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<td>Pay off for customer</td>
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<td>Average Call Handling Time</td>
<td>Sales</td>
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<td>Evolutionary Stage</td>
<td>Efficiency</td>
<td>Effectiveness</td>
<td><strong>Experiences</strong></td>
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The CEM+ six step process

1. Customer Insight
2. Create brand promise
3. Customer experience design
4. Internal communication
5. External communication
6. Customer Insight

Source: Brands and Branding. Profile Books. 2003
Customer insight

1. Create brand promise
2. Customer experience design
3. Internal communication
4. External communication
5. Customer Insight
6. Customer Insight

Source: Brands and Branding. Profile Books. 2003
First Direct

“What First Direct did was to realise that people were changing their habits and would want to bank 24 hours a day, 7 days a week. So that was the insight,… I think that all great brands have insight”

– Peter Simpson, Commercial Director

Source: Uncommon Practice – People who deliver a great brand experience. S. Smith and A. Milligan. FT. Prentice Hall 2002
Brand promise

Customer insight

Create brand promise

1

External communication

Internal communication

Customer experience design

2 3 4 5 6

Source: Brands and Branding. Profile Books. 2003
the real difference about first direct is simple. most banks are about money. first direct is about people. simple but revolutionary.

We believe banking should fit around you, not us. It’s your money. You come first. The way we respond to you is what matters. That’s why our people have personality and attitude. We are keen to learn.

Quick and efficient, yes, but with a touch of what we call ‘magical rapport’. Wit, intelligence, common sense. It’s what separates us from the others, why we’re the most recommended bank with the most satisfied customers.

Respect for the individual is our philosophy. It’s how we treat each other and how we treat you.

So whether it’s your day-to-day banking, agreeing a loan or arranging one of our exciting new smart mortgages, it’s just the same. You come first.
Brand Positioning

• **Operational Excellence: Southwest Airlines**
  – Competitive pricing
  – Speedy order fulfilment
  – On time delivery

• **Product Leadership: Sony**
  – Functionality
  – Features
  – Performance

• **Customer Experience: Ritz Carlton**
  – Quality of relationships with customers
  – Exceptional or individual service
  – Completeness of solutions

Source: The Discipline Of Market Leaders
Treacy and Wiersema. Addison Wesley. 1995
What do these brands stand for?

Virgin

Amazon.com

Mercedes-Benz
What does your brand stand for?
Experience Design

Customer insight

Create brand promise

External communication

Internal communication

Customer experience design

Source: Brands and Branding. Profile Books. 2003
# Customer Journey

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<td>Long, frustrating lines</td>
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<td>Lugging</td>
<td></td>
<td>Boredom</td>
<td>Clothes a mess</td>
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## CUSTOMER EXPERIENCE

- **Pleasure**
- **Pain**

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## Virgin Customer Journey

### Customer Experience Issues
- Stressful
- Complicated
- Parking
- Lugging
- Long, frustrating lines
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### CUSTOMER EXPERIENCE

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New B2B Experience

Differentiators

Scale = Satisfaction rating

Exceeds Expectation

Meets Expectation

Below Expectation

Brand Hallmarks
Internal communications

1. Customer insight
2. Create brand promise
3. Customer experience design
4. Internal communication
5. External communication
6. Internal communication

Source: Brands and Branding. Profile Books. 2003
your people are your brand
Enabling contact center customer experiences
Five Top Attributes

1. Knowledgeable employees
2. Addresses my needs on first contact
3. Treats me like a valued customer
4. Can quickly access the information that meets my needs
5. Good value for the money.
Enabling the experience

The agent’s desktop is a primary source of frustration for both agents and customers. Agents don’t like these systems because typically they are **hard to use**, don’t provide all the **right information** needed to resolve customers’ issues and don’t follow the **flow of interactions**.

External Communications

1. Customer insight
2. Create brand promise
3. Customer experience design
4. Internal communication
5. External communication
6. customer experience design
What makes a great brand?

- Trustworthy: 97%
- Credible: 96%
- Tells the truth: 96%
- Never lets me down: 93%
- The company has values and ethics: 92%
- Consistent: 91%
- Interesting and worth talking about: 86%
- Innovative: 85%
- Inventive: 84%
- Recommended by people I know: 78%
- Been around for a long time: 41%
- Seen everywhere: 39%
- The biggest: 15%

Source Grey Worldwide. Eye On Australia survey
Be engaged...

first direct

Bunnykins

Thinks that "the staff on the end of the phone are just amazing".
Couldn't have said it better ourselves Bunny.
We hold the fort 24 7 365.
firstdirect.com/talkingpoint 24 Sept 09

banking's better in black & white

Live from first direct Talking Point

Question
What do you really want from your bank?

"It would be really nice for internet banking to be working for once. Evertime i use it some aspect is unavailable. What is the point in offering a service that does not work?"

Updated 04/01/10 at 16:30

Live summary

Positive: 76.71%
Neutral: 7.36%
Negative: 15.93%

Live feelings about first direct

Live words about first direct
EVERY 8 SECONDS SOMEBODY SOMEWHERE RECOMMENDS *FIRST DIRECT* TO A FRIEND

Black & white banking
Experience audit

1. Customer insight

2. Create brand promise

3. Customer experience design

4. Internal communication

5. External communication

6. Customer experience design

Source: Brands and Branding. Profile Books. 2003
High tech example

B2C: High Tech: Computer Hardware

Source: Satmetrix. Exploring the relationship between Net Promoter and Word Of Mouth in the computer hardware industry. 2008
Case Study
The O2 journey

Efficient
- IM
- Inbound
- Cost focused
- Customer Support

Experiential
- CEM
- Multi-directional
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- Customer Advocacy

Effective
- CRM
- Outbound
- Revenue focused
- Customer Loyalty

O2
A case study...

Mobile Phone Networks:
Effect of Word of Mouth (Net Promoter Score)
on Revenue Growth

O2 Results

- **Employee Experience**
  - Sunday Times Best Big Companies To Work For 2008 - O2 is ranked 6th in the UK

- **Customer Experience**
  - Contact Centre of The Year: Preston Brook. 2008- National Customer Service Awards
  - Most trusted UK mobile network brand - Reader’s Digest magazine 2007

- **Economic Results**
  - The highest growth in the UK market

The experience you deliver to your customers every day, through every transaction, direct and indirect either builds value for your brand or destroys it.