



E-book

Customer Engagement: Turning Customer Touchpoints into Insights that Drive Loyalty

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Gold
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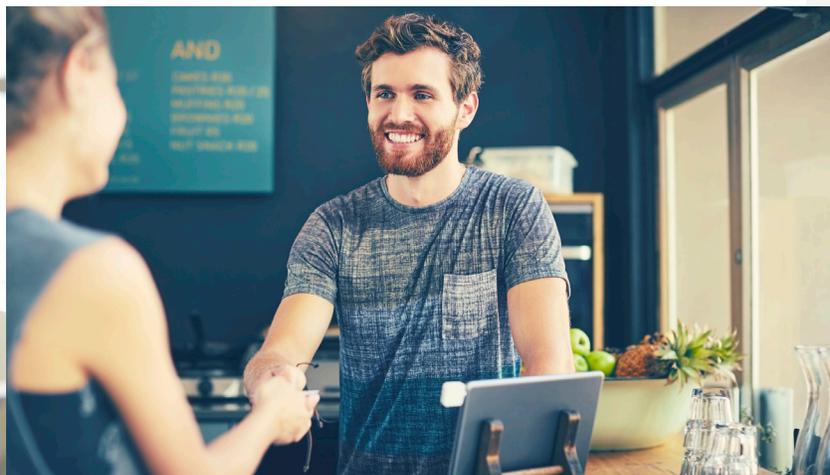
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Introduction

After two outages in less than a week, a frustrated customer contacted his cable provider to cancel service. But because the cable company had personalized profiling and tracking information available in real time, the astute Atlantic Canada cable company agent was able to understand the customer and build a personal connection, satisfy the customer, encourage the customer to extend his contract and, at the same time, upsell him to a family movie subscription service.

Everybody likes to be known. This is true even when the experience might begin as an adverse one, such as the service outage in the example above. The ability to know your customer and personalize the interaction with them increases customer satisfaction, loyalty and ultimately your revenue share.

Even more important is the fact that knowing your customer will deliver the insight you need to help you modify your products, find new revenue sources and build better programs. The deeper the insight, the more you can meet your customer exactly where they want you to meet them. The challenge is to not only gather the right information, but develop the ability to take action based on it.

“ We are drowning in information, while starving for wisdom. The world henceforth will be run by synthesizers, people able to put together the right information at the right time, think critically about it, and make important choices wisely.

E. O. Wilson



Resolve a complaint in the customer's favor and they will do business with you again 70 percent of the time.

Lee Resources



Seventy percent of buying experiences are based on how the customer feels they are being treated.

McKinsey

If you want your company to grow, you'll need to do four things



Gather information about every aspect of your customers' interaction with your company.



Get the information you have about your customers out of the silos where it currently resides.



Use analytics to turn the information into actionable metrics.



Make all that information available in real time across the organization.

Once you have accomplished that, you can start differentiating yourself by moving toward “people-based marketing,” as described in the [Merkle Marketing Imperatives](#) report, a thought-leadership report for data-driven marketing.

This eBook will help you on that journey.





Chapter 1:

Customer Service Challenges

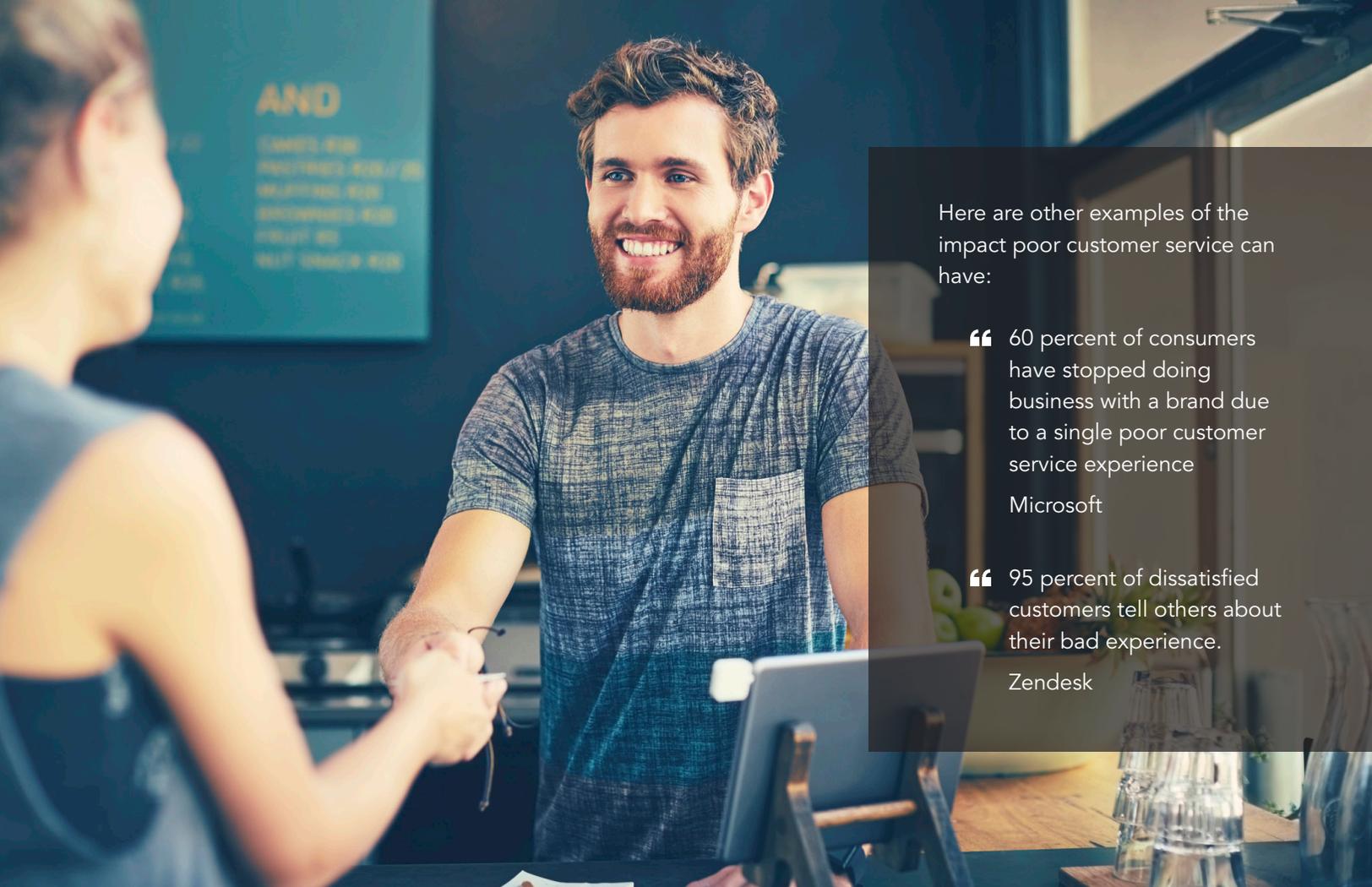
[Customer service challenges](#) are escalating in today's business environment. Customers are demanding better customer experiences, and customer service departments are struggling to keep up.

The research conducted by Rawson, Duncan and Jones and reported in the [Harvard Business Review](#), found that customers don't rate a company's service based on individual touchpoints. Rather, they're looking at the service you deliver across all channels. Here's an example of one such challenge that failed miserably.

A customer of a regional Internet Service Provider (ISP) received a marketing postcard promoting the new higher speed internet connection that had recently been introduced. The customer was excited and called the phone number. She talked to the call center representative who checked her location, confirmed that the higher speed was available at that address and scheduled a field service representative to install the new service. The customer was impressed with the efficiency of the process.

The field service representative arrived and informed the customer that the higher speed wasn't available at her location. The rep was very concerned about the mix-up and used excellent customer service techniques to try to appease the customer. The customer insisted on calling the person she had talked to who confirmed availability. The field service rep sat patiently.

The customer reached customer service, explained her problem and asked to speak to the representative who had set up the installation. Her call was disconnected. She called back and asked for an explanation from a supervisor. Her call was disconnected again.



Here are other examples of the impact poor customer service can have:

“ 60 percent of consumers have stopped doing business with a brand due to a single poor customer service experience

Microsoft

“ 95 percent of dissatisfied customers tell others about their bad experience.

Zendesk

If you asked this customer about her experience with the field service representative, the response would be positive. However, the overall experience was negative. Furthermore, if you tried to fix the problem of the phone calls “accidentally” being disconnected, that still wouldn’t address the underlying issue.

In today’s environment, you need to make sure that every interaction is equally positive. To a large degree, that requires cross-department collaboration. You need to get customer data centralized to see a complete picture. In addition, you need to collect the right data from the right channels to manage the overall experience. Losing customers due to internal disconnects is extremely expensive.

“ It is six to seven times more expensive to acquire a new customer than to keep an existing one.

Think Jar

Not only is it expensive, but you’re unwittingly helping your competitors to grow.

“ Eighty-one percent of consumers who switched loyalties say the company could have done something differently to keep them as customers.

Accenture

Think how much different the customer interactions described above would be if they were being managed by a customer service department like the one in the cable company example. With the right customer data, a customer service representative could see the journey the customer had been on, and respond with some tailored solutions. It wouldn’t be possible to get the increased speed if it wasn’t available, but the customer could have been given some reasonable response and incentives to help make the interaction end on a positive note.

Choosing the Right Technology to Deepen Customer Engagement

Technology isn't the answer for all customer service issues. Often, updating procedures and providing additional training to employees is a big part of providing customer interactions that meet a customer's expectations.

However, the right technology can have a big impact on the ability of the organization to foster satisfaction and loyalty in their customers. The [airline industry](#) provides a good example.

An airline loyalty program is an excellent way for airlines to customize their interaction with their customers. The airline obtains more information about a person's flying habits, including how often they fly and their flight preferences. You can envision a customer interaction that starts when the customer books a flight. With the customer data they have available, the airline could pre-load seat preferences. If they paid for in-flight Wi-Fi on three trips, the airline could offer free Wi-Fi on the customer's next flight.

With a centralized view of each customer, the airline could provide this level of personalization whether the traveler checked in online, at a kiosk or at the ticket counter. In effect, the airline can use data to build a seamless brand experience.

In other situations, the information you gather about a customer can have a big impact on your ability to personalize their interactions with your company. For example, you would be able to send a personalized note on a business anniversary. Furthermore, if the customer calls customer service to ask a question, the customer service representative could access outstanding quotes and ask about the status. If the customer's last order was late, the representative could be authorized to offer a discount on the next order.



Customer Service Challenges Can Be Met

“ 72 percent of global consumers now expect a customer service agent to already know their product and service history when they make contact.

Microsoft

With today's technology, not only can you increase the speed of your existing procedures, but you can also gather customer information at every touchpoint they have with your company. Gathering that information and using it effectively will make customer service much more effective.

Chapter 2

Turning Customer Objections into Advantages

Can you imagine what a powerful tool you'd have if you could turn customer objections into advantages? It's possible with the right technology and company culture. And it all begins with incident management.

In the past, the word "incident" brought to mind a customer complaint. However, in today's environment, the definition of "incident" has changed. Incident management now consists of tracking all customer interactions with your company. In addition, the information is stored centrally and is provided on a real-time basis across the organization.

The advantage to incident management is that it provides collective insight, which helps enable intelligent decision-making. It also empowers employees at every customer touchpoint. When you track every customer interaction, preference and social media conversation in real time, you're giving your company the power to create satisfied and loyal customers.

Customers expect you to connect the dots of their experience with your business. If you don't have a comprehensive solution in place today, it's not too late to get started. In fact, if you start now, you'll be ahead of 50 percent of your competitors.



How Customer Data Can Lead to Action

Technology is available to allow you to track a wide variety of things, including:

- Contact information that includes personalized data such as the name the customer prefers to be called.
- Birthdays and anniversaries to allow you to contact them with thanks for their years of being a customer, for example.
- Complaints and resolutions to give employees insight into areas of sensitivity and the resolutions that helped resolve their complaints.
- Social listening that tracks their social activity, allowing you to interact with them by offering coupons, specials or other VIP services.
- Geo-location technology to offer an instant discount if the customer visits a competitor.
- Tracking purchases, which gives you the ability to make offers in line with customer buying patterns.
- Interest tracking to allow you to customize your messaging to golf lovers or new parents, for example.
- Contract renewals to offer early renewal discounts.

He Who Has the Most Knowledge Wins

Incident tracking allows your company to thrive and grow beyond basic customer support. You can delight your good customers, and sometimes even identify customers that you wish you didn't have.

One well-known computer company had an incident tracking system that identified customers that were actually costing the company money. They studied solid analytics about customer support behavior, and discovered that .005 percent of their customers were using the free training and support offered with purchase to an extreme extent. In fact, those customers were costing the company more than six figures every year.

The company created a creative way to eliminate that cost. They wrote each of the customers a personalized note that said:

“ We notice you are using a lot of training and support. We think this is because you purchased the wrong laptop. This note is accompanied by a much better laptop that we think will serve your needs. It is our gift to you.

Was the laptop another one of their products? No, it was a laptop from their largest competitor. The computer company was able to eliminate a six-figure problem by shifting it to their competitor without creating a negative brand image. That is the power of knowledge.



Chapter 3

Increased Customer Loyalty with Data Insights

Customer loyalty can be a tricky subject. How do you know what insights will actually drive loyalty? According to research published in the [Harvard Business Review](#), you drive loyalty by connecting to a customer's emotions. It's a strategy that can have huge payoffs. For example:

- A bank introduced a credit card for millennials that generated an emotional connection. Use of the credit card increased by 70 percent, and new accounts grew by 40 percent.
- A leading household cleaner company was able to turn market share losses into double-digit growth by launching a product and a message that inspired an emotional connection on the part of consumers.

How to Identify Emotional Motivators

The researchers decided to create a consistent way to describe emotional motivators and eventually identified over 300 of them. Here are 10 that have a big impact on customers in almost every situation. The motivators drive loyalty for people who have the desire to:

- Stand out from the crowd
- Remain confident in the future
- Have a sense of well-being
- Feel free
- Be thrilled
- Feel like they belong
- Take action to protect the environment
- Live up to their authentic self
- Feel secure
- Succeed in life

Why Emotional Motivators Are Important

Customers may like or trust a brand, but most brands fail to reach their customers at an emotional level. The research shows that customers go through several stages as they move toward emotional connection:

- Unconnected
- Highly satisfied
- Understanding the brand's differentiation
- Full emotional connection

The value of a customer increases as they pass through each stage in this process. However, when a customer reaches the fourth stage, their value increases to an amazing extent. Customers who have reached the fourth stage are, on average, 52 percent more valuable than those who are highly satisfied.

Given those statistics, it's obvious that trying to increase market share by converting unhappy customers to happy customers isn't the best strategy. If you can move your customers from highly satisfied to fully connected, you'll get a return three times higher than if you take a customer from unconnected to highly satisfied.



Case in Point: A Large North American Golf Resort

One of North America's largest golf and resorts operates more than 50 championship and academy-level courses. Its customers have touchpoints with their company through a variety of systems, including course management, revenue tracking, member billing, and wedding and tournament management.

The issue was keeping track of all member interactions and making them available organization-wide. They had highly-satisfied customers, but there came a time when providing excellent customer service was challenging. It often took days or even weeks before a member inquiry or concern got a response or resolution. Both members and employees were frustrated.

Once a powerful CRM system was developed, it brought together all of the customer information from all of their systems. The employees could access a 360-degree view of each customer with just the click of a button. Member service reached all-time highs, which made the employees happy.

Customers got two emotional connectors satisfied: they wanted to feel like they belonged and were important to the company, and they wanted to be confident in the future without feeling like they may need to change club affiliation. Moving the customers from highly satisfied to fully connected reaped significant benefits for the golf resort.

Tracking Checklist

You need to track the data that provides you with the insights needed for intelligent decision-making, which will help you create loyal customers. Here is a checklist of tracking items that have been useful to a variety of companies.

- Personalized contact information
- Birthdays and business anniversaries
- Complaints and resolutions
- Social listening
- Geo-location data
- Purchases
- Interests and hobbies
- Contract renewals
- How customers found your business
- Why they stopped doing business with you
- Buyer status (active, dormant, etc.)
- Customers who follow you on Twitter
- Promoter Score

Once you have this type of information, it's critical that you develop the ability to analyze it and take action based on the story it tells.

Promoter Scores and Net Promoter Scores

Take the opportunity to ask customers how likely they are to recommend your product or service to others on a scale of 1 to 10. You can then personalize your communications based on their promoter score. Track the individual score for each customer using the following categories:



The Promoter Scores can also be used to generate a global metric called the [Net Promoter Score \(NPS\)](#). Subtract the percentage of Detractors from the percentage of Promoters to track your NPS. It's a metric you can use over time to see how your brand is perceived.



Summary

Most companies have some type of customer data; many companies are awash in data, but don't have the ability to act on it. That's not an acceptable situation in today's competitive environment where one poor customer service experience will drive away 60 percent of the customers who experience it.

The challenge today is to gather the right information from wherever it may be stored internally, analyze it to identify actionable conclusions, and make all the information available in real time across the organization.

As a Gold Dynamics Partner, we've been recognized by Microsoft at both a global and national level with multiple awards for excellence. We've pioneered several new use cases for customer engagements and incident tracking, including membership management, self-service portals and workflow integration into back-office systems. Contact us today.

Biography



Vikas Mukhi

Enterprise Architect, Navantis

Vikas Mukhi is an Enterprise Architect at Navantis, a Datavail company with 15+ years of successful leadership and experience in business processes, complex applications and secure enterprise-class solutions necessary for 24/7 business operations.

His responsibilities include Solution strategy and implementation for business operations and has been recognized as a customer-trusted advisor throughout the project life cycle.

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