



“Strategic Customer Service

Best Practices from Worlds’ Leading Companies”

by

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Structure

- 1 • Magic of Service

- 2 • Individual Touch Points vs. Overall Customer Journey

- 3 • We Can Only Solve the Problems We Know

- 4 • Revenue Impact of Service

- 5 • Strategic Customer Service

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Personal Customer Experiences



Incheon Airport
Seoul

Magic of Service Begins with You



Everything Speaks to the Customer
Appeal to all five senses
(Sight, Sound, Smell, Touch, Taste)

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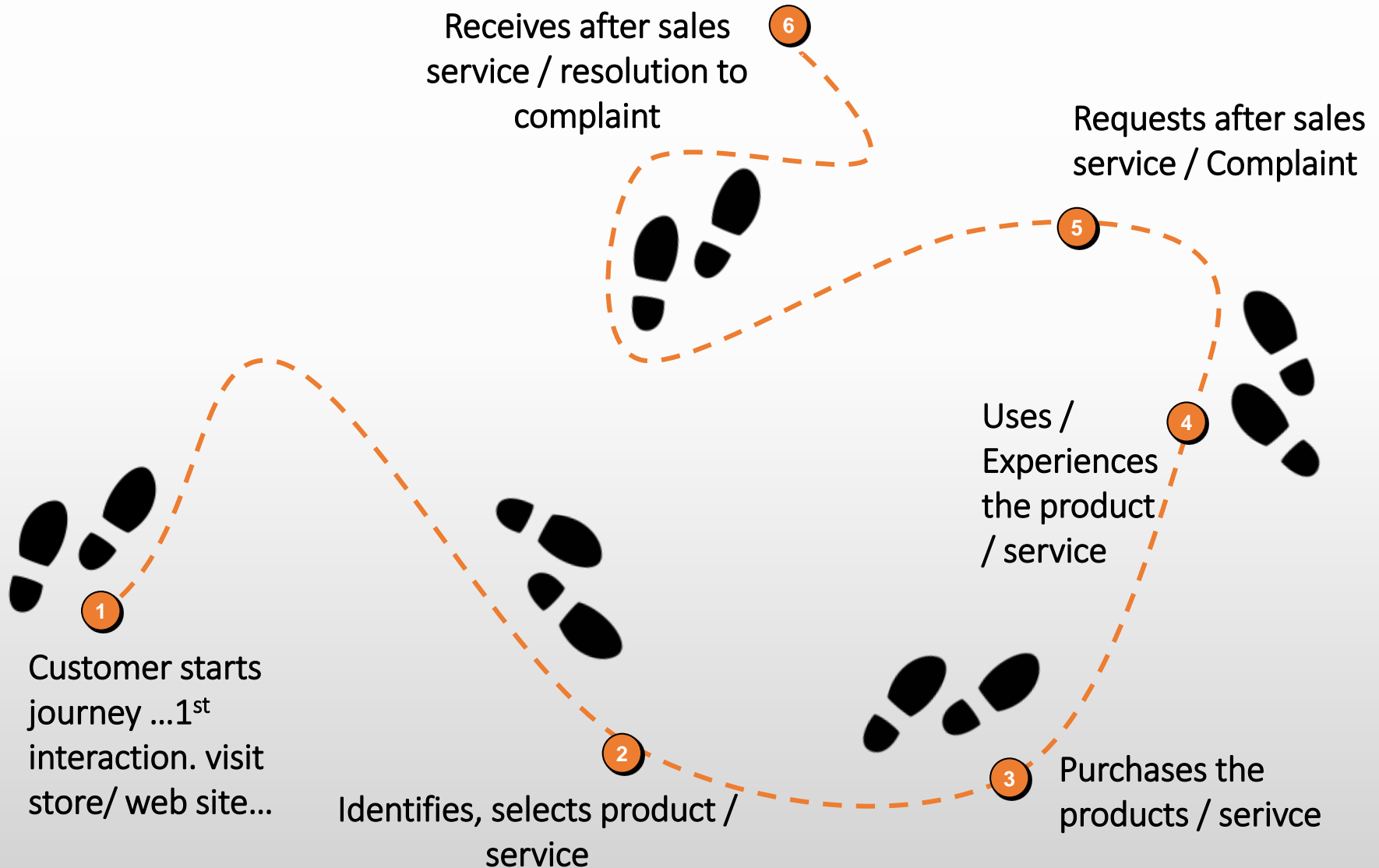
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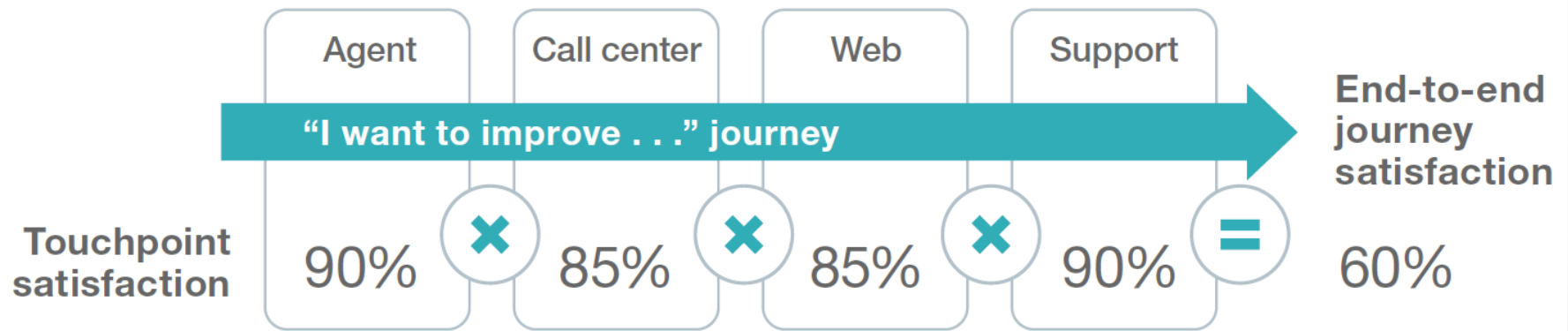
Leading companies are in Customer Experience

How an organization delivers services is as important as *What* it delivers

Map Customer Journeys



Individual Touch Points vs. Overall Customer Journey



Source: McKinsey Digital Labs

Customer Journeys – Key Messages

Applicable for B2C & B2B

Move from individual touch points to journeys. Complete end to end

Financial payoffs from best in class customer journeys can be significant.

Customer journeys are the framework that allows company to organize itself (employees, resources, policies, rules, functions) to deliver consistent value to customers.

Customer Journeys – Key Messages

Focus on only few capabilities as they account for overall customer satisfaction e.g. Ease, Communication, Speed...

Reinvent customer journeys using digital technologies

Use journeys to design services, communication, measure satisfaction....etc.



*Maximizing satisfaction with customer journeys has the potential not only to **increase customer satisfaction by 20 %** but also lift **revenue by up to 15 %** while lowering the **cost of serving customers by 20 %***

(Mckinsey & Co.)

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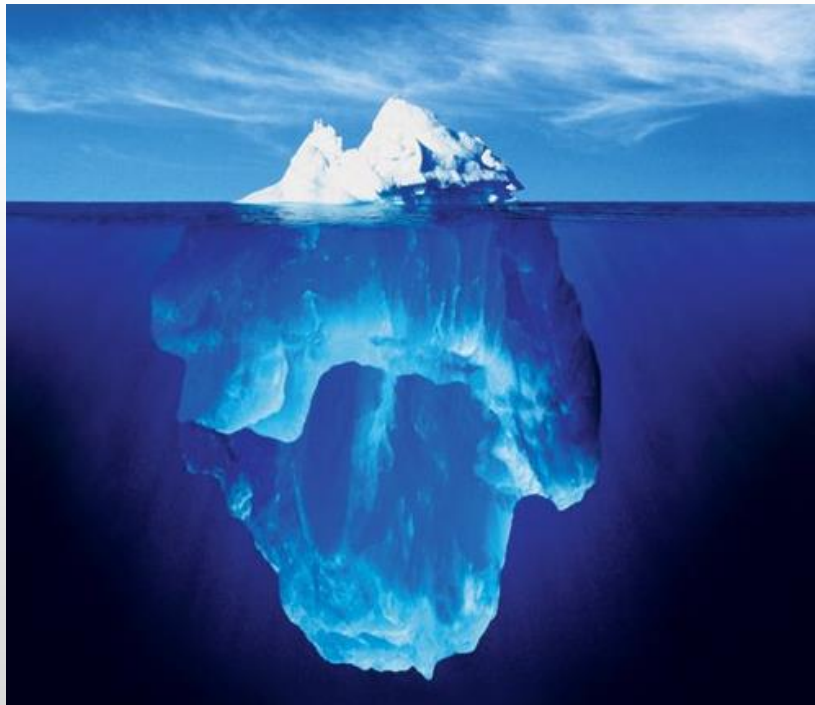
Remember

“We Can Only Solve the Problems We Know about”



Tip of the Iceberg

Only 4% of the dissatisfied customers let the company know of the problem.



Customer Complaint – Chevrolet Experience

Before

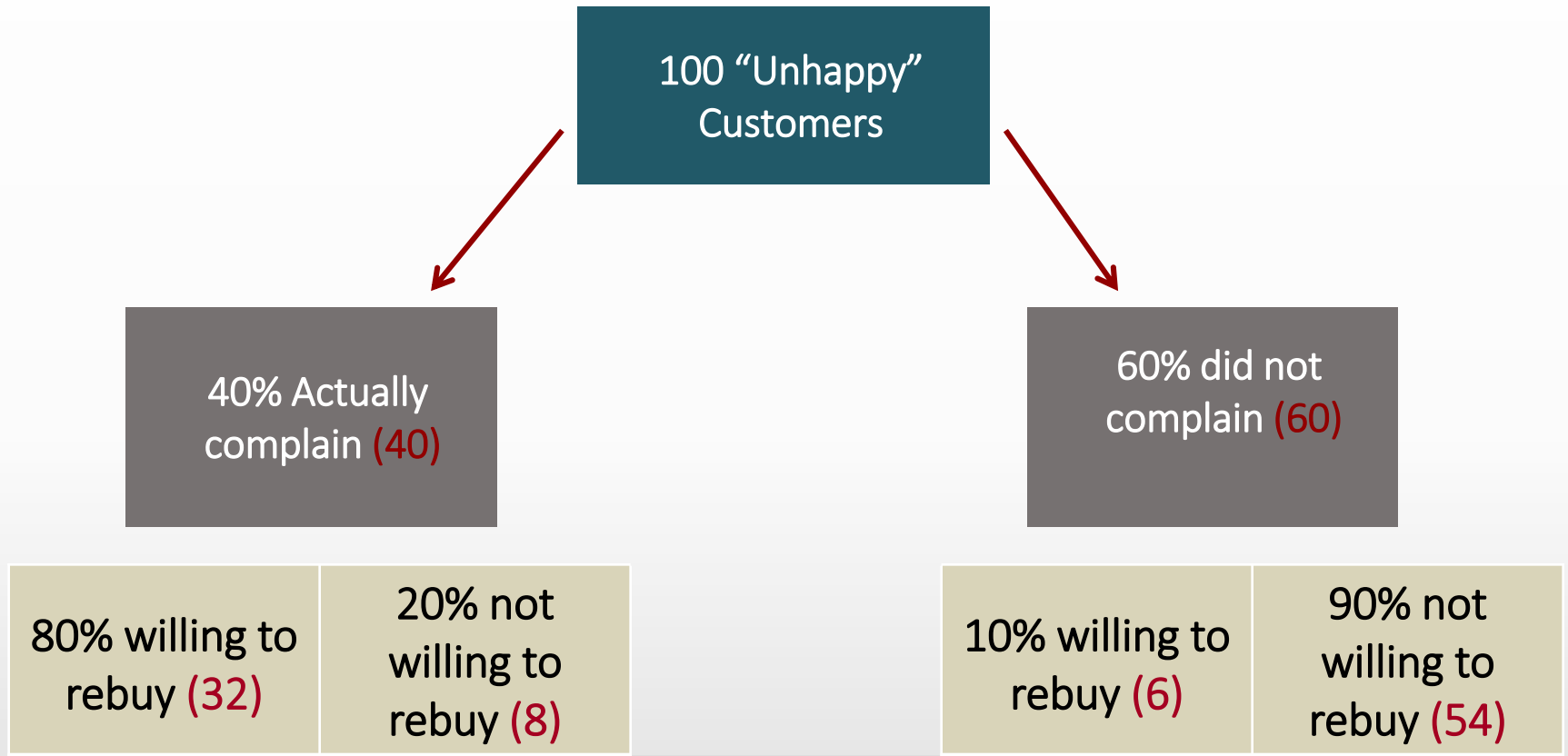
- ☐ About 40 million vehicles on road
- ☐ Network of 5000 dealers;
- ☐ Complaints handled by local dealers;
- ☐ Inconsistency in dealing complaints;
- ☐ No systematic way to collect and analyze customer feedback;
- ☐ No way of identifying persistent causes of problems.



After

- ☐ Centralized customer service into single customer assistance center;
- ☐ 800 toll free phone time;
- ☐ Toll free No advertised heavily;
- ☐ Set up 24X7 call centre – 200 staff;
- ☐ Receiving 5000 calls daily;
- ☐ 80% calls answered on first ring;
- ☐ Normal waiting time – 5 sec.

Chevrolet Analysis – Findings



Message: Get all customers with problems to complain !

Best Practices & Golden Nuggets – Complaints



- ↑ Time lost is still the most often reported damage.
- ↑ Solving problems ONLY for complainants can be dangerous option.
- ↑ 76 % of complainants wanted an apology but only 32 % got one.
- ↑ Only 50 % said time spent on complaining was worthwhile.
- ↑ Only 21% of complainants had their problems resolved on first contact.
- ↑ Complainants still consider the telephone their primary channel for complaining by a margin of 11 to one over the internet (66% to 6%).

Strategic Customer Service – Critical Questions ??



To what extent are you not hearing about **key issues** / points of pain your customer is experiencing ?



What are these points of pain costing your organization in lost revenue & extra cost?



How much your organization is losing when one dissatisfied customer does not to buy again ?

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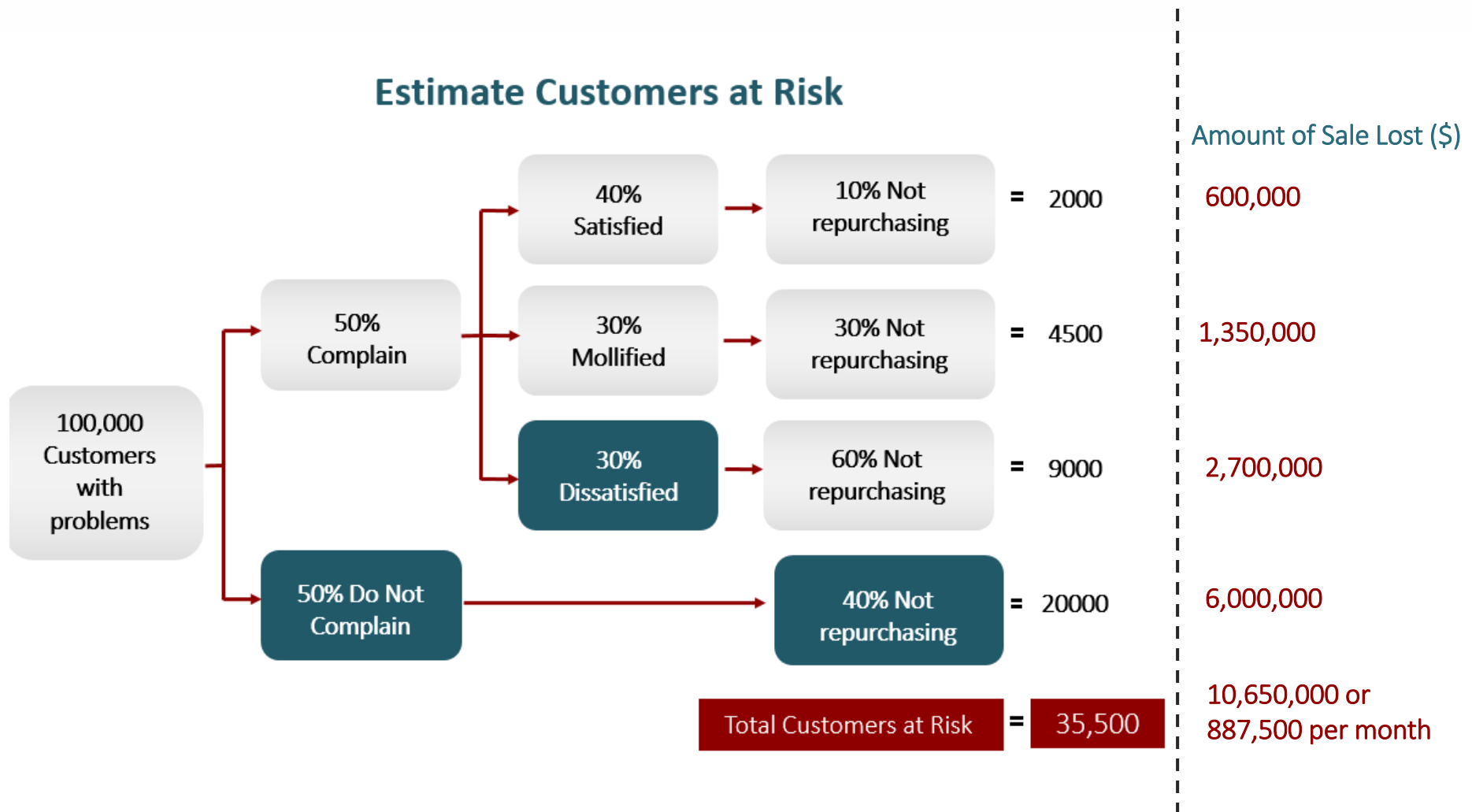
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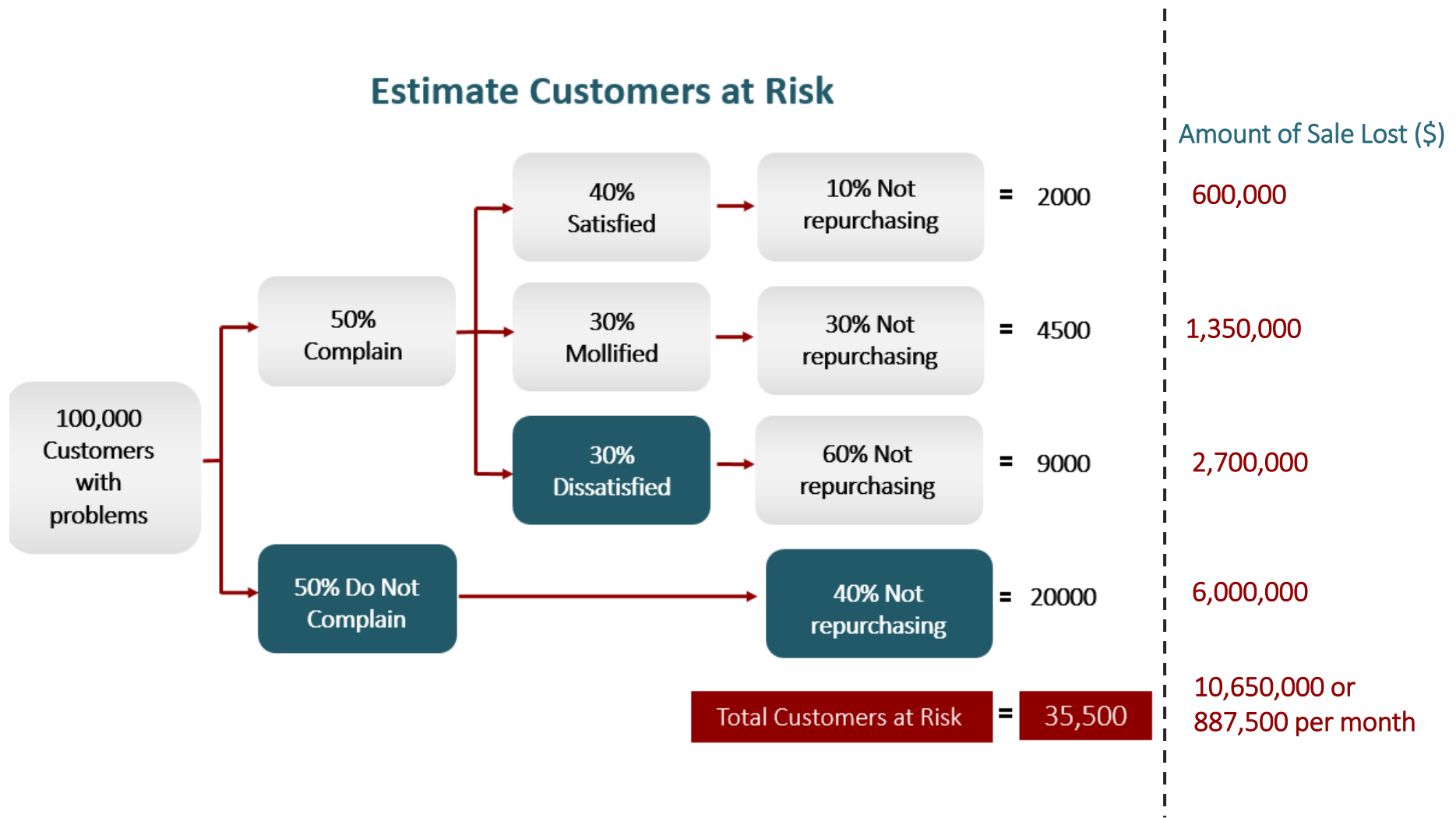
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Quantifying the Revenue Impact of Service



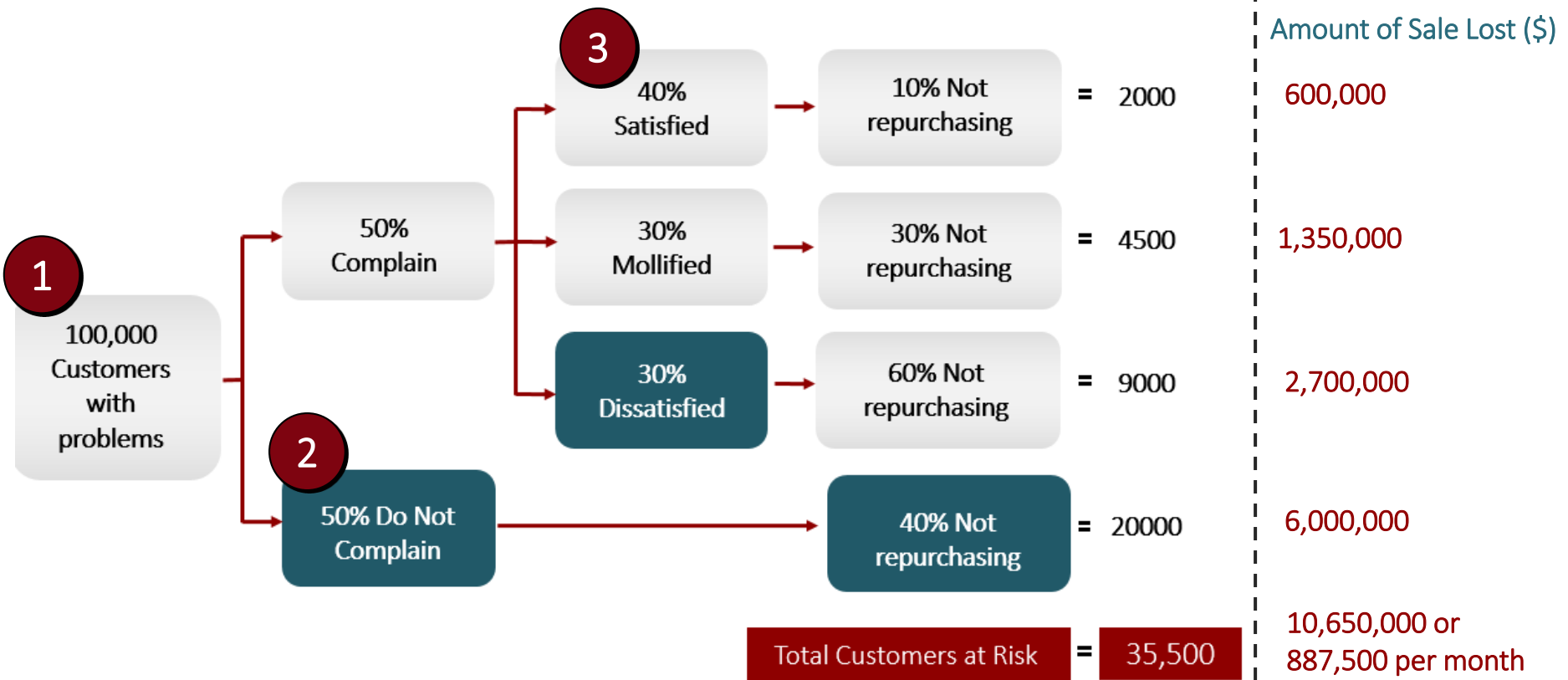
- If customer is worth \$ 300 in revenue. Total revenue impact $35,500 \times 300 = \$ 10.650$ million.
- If cost of handling each complaint - \$ 10, Total cost \$ 500,000
- Revenue damage is 20 times cost of handling complaints.

What Should Be Our Strategy ?



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Estimate Customers at Risk



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Serving Customer Service Strategically

- ✓ Ongoing customer relationships are essential to organizations' financial health.
- ✓ Map end to end customer experience and appoint someone to monitor & manage it.
- ✓ Organize Service employees, resources, policies, rules, functions for maximum speed, flexibility.

Serving Customer Service Strategically

- ✓ Increase No. of customers who do complain when they experience problems.
- ✓ Address the systemic causes of those problems.
- ✓ Increase the level of satisfaction when customers complain.
- ✓ Quantify the impact of poor customer service in the language of the CEO.

Payoffs From Strategic Customer Service





Questions & Answers

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