

CUSTOMER insight

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IRISH LIFE KEEPING THE FOCUS ON THE CUSTOMER

ALSO INSIDE...

Chris Daffy on customer loyalty

Customer Survey FAQs

Influencers and Customer Experience

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CUSTOMER INSIGHT CONFERENCE

WEDNESDAY 6TH NOVEMBER 2019

etc Venues Westminster Bridge,
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KEYNOTE SPEAKER
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DAFFY**

After another successful event in 2018,
our Customer Insight Conference is back for 2019.

The full day event will be packed with engaging speakers covering the latest CX trends, customer insight and measuring loyalty. If you are responsible for measuring or managing the customer experience this day is a must. You'll leave with real examples, case studies, and practical ideas to implement within your organisation.

Keynote Speaker: Chris Daffy

World renowned customer service specialist Chris Daffy has been developing and delivering excellent customer service and loyalty plans for over 20 years. He's worked with some of the most successful businesses in the world, helping them to change the way they think about 'the customer'.



“GOOD INSPIRATION AND
LOTS OF INFORMATION.
I LIKED THE ACTIONABILITY OF
RESULTS AND FINDINGS.”

“A GREAT DAY. VERY
INSIGHTFUL. PROVIDED FOOD
FOR THOUGHT TO TAKE AWAY
AND PLAN OUR RESEARCH.”

“VERY INTERESTING AND
USEFUL DAY. PLENTY OF
GOOD POINTS TO TAKE
BACK TO MY COMPANY.”

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Foresight



Stephen Hampshire
Editor

According to data I found after extensive research (i.e. 5 minutes on Google) Autumn is America's favourite season, while only 7% of French people say it's their favourite. That probably reflects the importance of Thanksgiving for family gatherings and pumpkin pie.

In the UK, too, there's something thoughtful and nostalgic about Autumn, redolent of bonfires and conkers. The year is beginning to wind down, and we naturally begin to look back on where we've come. Perhaps that explains the reflective nature of this issue's articles?

Our feature this time is an in-depth interview (page 6) with Esther Burke of Irish Life, an organisation we've featured a few times in the past. They continue to show just how powerful it is to be genuinely customer-led, and Esther shares some of what they've learned.

Great customer service requires commitment, and from page 10 Chris Daffy shares his reflections about what it takes to secure customer loyalty (and why it matters). Word of mouth is crucial, and we're pleased to have persuaded Andrew Davis back to share his insights about developing an influencer strategy (page 18).

None of us knows for sure what the future holds for the high street, but a survey on TLF Panel gives good insight into different types of customers and their online and offline retail behaviour. Tom shares the highlights from page 20. Also from the panel is some provocative data suggesting that, as more and more people understand how NPS is calculated, it is likely to affect the scores they give – turn to page 26 for the facts.

We're often asked for advice by people who are having a hard time convincing their colleagues that a customer survey is a good idea. It always is, if you're willing to do something with what you learn, and from page 14 Rachel from TLF Research outlines some answers to common concerns.

Enjoy the articles, and please drop us a line if you've got an interesting story to share for a future issue.

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Customer Insight is the magazine for people who want to deliver results to employees, customers and any other stakeholders as part of a coherent strategy to create value for shareholders. We publish serious articles designed to inform, stimulate debate and sometimes to provoke.

We aim to be thought leaders in the field of managing relationships with all stakeholder groups.

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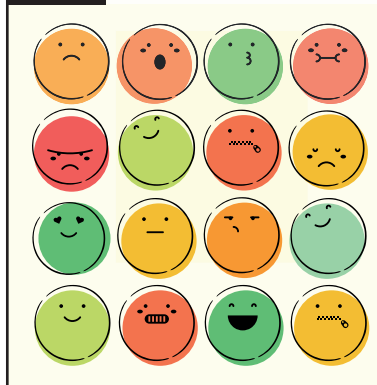
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How do you answer NPS?

Is the ubiquity of NPS its Achilles heel?



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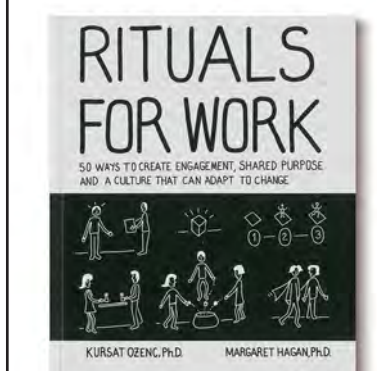
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Published by



Chris Daffy



Speaker, author, and customer loyalty guru

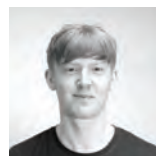
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“All the struggles and contests that I ever fought seem only playful games now...”

Thomas Kinsella, The Táin

Irish Life is an organisation we've followed for a long time in these pages. This is the third case study we've featured on the Irish provider of life assurance, health insurance, pensions and investments. That in itself reveals one of the secrets to their success – sustained commitment over the long term. We caught up with Esther Burke to find out how they kept the focus, whether it's worth it, and what they've learned along the way.

It would be easy to gloss over just how significant it is that Irish Life have successfully maintained a consistent approach to measuring, improving, and communicating the customer experience since 2003, when the “InTouch” programme was launched. That sustained commitment to the InTouch programme has seen Irish Life move from the bottom quartile of TLF’s customer satisfaction league table to the top. Esther was there at the beginning, and remembers how effective that league table was in shocking the organisation into action:

“I remember being in the room when TLF came over. When they put up the score I was thinking ‘that’s not that bad’, it was only when the next slide was the score sitting within the league table that the penny dropped that there was work to be done.”

An evolving focus

The InTouch programme has been in place for 16 years, but as you’d expect it has changed and evolved over that time. The focus of measurement has shifted from the overall relationship (important, but difficult to link back to action and process change) towards individual touchpoints, and that’s been reflected in the frequency with which results are fed back to staff and changes are put in place.

In the wake of 2008 the Irish financial services sector was particularly badly

hit. The obvious question would have been “Is now the time to spend money on customer experience?” Many, perhaps most, organisations would have pulled or drastically cut the InTouch programme. Fortunately, as Esther comments, the organisation was committed to it from top to bottom.

“Our leadership team has always been a big advocate of CSI and the feeling was that if we stopped now we’d be starting from scratch.”

That continued commitment meant that, whatever turmoil was happening in the economy, it felt almost like business as usual within the organisation.

“Within the company, day to day, very little had changed on the ground, and I think that was probably very important for staff.”

As the longest-running programme in the organisation, one of the challenges is to keep InTouch fresh. Some of that comes down to perennial internal communications challenges around design choices:

“It’s challenging keeping it fresh, even keeping our posters and infographics interesting.”

It’s also about making sure that there is ground-up engagement with the programme throughout the business, whether that’s from business leads, touchpoint groups, or the 40 customer champions throughout the business.

“Keeping people at the grassroots level interested is the biggest thing.”



Irish Life

The role of those customer champions is vital to making sure that the entire organisation is invested in InTouch, so it's not just something that sits with marketing or the insights team. The champions are put forward by their team managers, and Esther tells me that they often tend to be people who are new to the organisation, people who can bring fresh eyes to bear. It's through the champions that communications are distributed throughout the business, helping to alleviate what John Seddon calls the "sins of hierarchy". As in many organisations, it's crucial to ensure that customer feedback gets to the people who need to use it.

What customer-centric means

Many organisations would like to think of themselves as customer-centric, but few are as uncompromising as Irish Life in terms of assessing all strategic projects against the benefit they offer for the customer. Many initiatives are based purely on customer feedback, such as the digital roadmap we'll look at later in the article. Communications, too, have seen heavy investment purely as the result of relatively low scores seen in customer research.

"Customer research is becoming such an important part of all projects that customer feedback is something that everyone has to sit down and consider when they review the project."

The success of this approach is showcased by a new product – OnePlan. It was designed from the beginning with a focus on the customer's needs, rather than internal products or processes. Starting with the sales process, looking at what will suit the customer's needs and what's affordable for them, it gives customers options and enables them to make good decisions. Once up and running, customers receive revamped versions of a welcome pack, improved product literature, and a great customer

experience. All staff, including sales, business development, underwriting, and so on, were taken through the same training in the new product. The result is clear-cut, with OnePlan scoring consistently ahead of other protection products in terms of customer satisfaction and willingness to recommend. Quality is defined by the customer, and that means that the ultimate measure of success has to be in customer research:

"It was a huge, huge, project, but it's paying off in the scores. CSI has become engrained into the organisation, so we're not operating on anecdote, we have the proof that changes are having the impact we want them to make."

CSI scores are also included in bonuses. In some cultures this can sometimes lead to an unhealthy focus on ways to get the score higher without actually improving the customer experience, but where the attitude towards the customer is right we have found bonuses linked to customer satisfaction to be an effective way to keep it on the agenda. Irish Life also use a whole host of prizes and one-off rewards linked to the InTouch programme, such as the €1000 for each team who made it to the final of a recent competition (themed around a prominent TV series), and the €50 voucher for those nominated by their colleagues.

"There's great engagement there, and that shows just how important it is, and how people understand what InTouch is."

Esther's job is to ensure that teams throughout the organisation, whether or not they are customer-facing themselves, feel involved and able to contribute to improving the customer experience.

The digital customer experience

In recent years the emphasis has been on the growth of services offered online, and in making sure that customer satisfaction with these areas is high. To begin with those efforts were rewarded with improved CSI and NPS scores but, as Esther reflects, those high scores may have led to a sense that the hard work had been done. The scores, inevitably, started to level off. As Esther says,

"We're just learning that it's never done, it always has to improve."

The life and pensions market represents a unique challenge in terms of designing customer experiences. Some of these challenges are exacerbated as customers switch to managing their accounts online, but it also offers potential for improving and deepening relationships.

After a push to get customers online, Irish Life found that customers were extremely satisfied when they first registered, but that satisfaction tended to dip over time. Esther makes a comment in passing which I think is profoundly revealing of an organisation that is truly customer focused – she wonders if the reason for the dip in satisfaction is that, with a monthly tracking survey, customers may receive a second survey without having seen any changes having been made since they first gave feedback.

“They probably feel we shouldn’t be surveying them again.”

Whether or not this is a factor, I thought it was great to see that Esther’s default attitude is that every piece of customer feedback should be attended to and acted upon. Very few organisations think like that.

The focus on online is partly driven by the fact that, once registered, it gives customers many more opportunities to interact. Where they might have called in once a year, they can log in online every day if they choose to. Put that together with a complex and diverse suite of products, and you have a real challenge in terms of creating an effortless self-service experience. If customers see something they don’t understand, then of course they’re going to ring in.

“One of the things we’re looking at is data which shows us that a customer’s been online, then maybe called or emailed a day or two later. So why didn’t they find the answer online? We’re trying to understand what

they don’t understand, what they’re trying to do online, and what help we can put there for them.”

In principle customers should be able to do most (Irish Life estimate 72%) of what they want to do through online self-service. That, in turn, should free up time in the contact centre to help customers with more complex enquiries. Going forward the aim is for the online portal to become a one-stop shop, and a secure replacement for email or written communication. That will enable them to meet the customer demand (for easy communication) without compromising security (email isn’t secure enough for sensitive information).

If you’re waiting for it to get easier...it doesn’t

Looking back over the 16 years of the InTouch programme at Irish Life, I think one clear theme that emerges is that meeting customers’ needs is always challenging. The price of excellence is unstinting effort – it will never feel easy, but it can become a habit.

It starts with a clear focus on customer satisfaction measurement as the ultimate test of quality. As Esther says,

“It’s strange to think that you wouldn’t have a customer satisfaction score, I couldn’t imagine there not being one now.”

The score may help to get senior attention, and you need a CEO who is committed enough to maintain

investment in tough times, as well as a senior team who will sign up to being led by the customer in all strategic projects. Evidence from products such as OnePlan shows that being customer-led does pay off.

At the other end of the pyramid, scores on their own are no good unless you’re able to link them back to your internal processes and people. Moving to touchpoint surveys was a key part of that, and the focus on customer champions and ground-up engagement has also been crucial.

“When you got to touchpoint level and you were able to really hone in on what was wrong with some of our key processes, it became a lot more real, so it felt like taking action was achievable. Staff engagement is so important. You have to bring staff on the journey with you, there’s no point in preaching from on high. It has to be real for staff.”

‘John Seddon – “I Want You To Cheat”



FROM SERVICE TO LOYALTY

Research now shows that many of the various programmes organisations are undertaking to use customer service to improve business performance and results fail to achieve the planned outcomes. For example, just a few months ago, Bob Thompson the founder of CustomerThink Corporation in America, wrote an article entitled 'An Inconvenient Truth: 93% of Customer Experience Initiatives are Failing to Differentiate.' His research revealed that only 17% of the American CEOs polled felt their Customer Experience Strategy had created differentiation, and only 23% found it had delivered tangible business benefits. So around 80% of these programmes had failed to achieve worthwhile outcomes. As Bob commented, these are worse results than were achieved during the

CRM epidemic that spread through many organisations a few years ago. Things like this often start in America and then spread elsewhere, so similar findings are now beginning to show in Europe, where many programmes are not working as people expect, and not generating the forecast outcomes used to justify the time and resources invested in them. These findings raise the obvious questions: 'Why is this happening?' and 'What could be done to avoid it?'

I've been advising and assisting organisations on this subject for over 20 years, so these findings prompted me to do my own research to investigate just how successful the programmes that we in the Academy of Service Excellence have worked on with our customers have been. I

was therefore delighted to learn that most, actually over 80%, are considered to have achieved the outcomes set for them and are providing a healthy return on investment. This indicates that we may know something that some others don't, so I thought I should write this article, based on the approaches we have found to be successful, to suggest how you too might become one of the 20% of organisations that make their approach to customer service make worthwhile differences to performance and results.

Loyalty is what counts

So why is this happening? There are I believe, two main issues contributing to the generally poor outcomes. The first relates to

how some programmes are focused. I was lucky to have, on a number of occasions, met the late Dr Stephen Covey, author of the book *'The 7 Habits of Highly Effective People'*. I learned a great deal from him, and his books and wisdom have influenced many of the choices I make in my life. One of his core principles, which has served me well throughout my career, is to always 'Begin with the end in mind'. If this principle is applied to what I believe should be the goal or focus for these types of programmes, I would suggest the 'end in mind' should not be the customer experience. That may be a core element of a successful programme, but it should not be the focus for the end goal. I've learned, and have evidence to prove, that if you wish these programmes to generate more sales, increased profit and faster growth, the key focus must be to create sustainable customer loyalty. And that requires much more than customer experience management alone.

The value of experience

The second issue relates to how customer experience or CX is being promoted as the latest 'silver bullet', capable of fixing many current organisational challenges. It's now spreading like a tsunami in much the same way the CRM epidemic did a few years ago. But as the research is revealing, it looks like it will end the same way, with most programmes failing to justify their investment. Yet in spite of this, many organisations are jumping on this latest business craze to try to make a quick buck while the epidemic lasts. I've even seen it implied by some of these organisations that you may call yourself a 'Certified CX Professional' by simply watching some online modules or attending a 3-day workshop course, reading a few books and completing a short test paper. Any sensible person will know this cannot be right. No-one ever became a 'professional' at anything with so little study or practice or without a long track record of success. It takes years of dedication and study, and

hours of practical experience (some say at least 10,000 hours) to become considered as a 'professional' in any field. And if these so called 'certified CX professional' people then manage to convince their employers or customers that this qualification means they know how to design and implement an effective programme, it's no wonder so many result in failure.

Avoiding failure

Let's now turn to what could be done to avoid failure. The over 20 years of study and experience we've had at the Academy of Service Excellence – working on the planning, design and implementation of dozens of service excellence, customer experience and customer loyalty programmes, for all types and sizes of organisations, and in most local and international markets – has provided ample opportunities to witness what does and doesn't work. We've learned that designing and rolling out a successful service excellence initiative in any organisation is neither a simple nor an easy thing to do. It needs much more than a few willing and eager people with limited experience and just a few days of training. And to do this across a large organisation makes it all the more complex, difficult and challenging. So here are a few of the essential elements that we have learned may combine to create success.

The first essential is the creation of a solid foundation on which to build the programme and its implementation. Some core elements must first be in place to ensure the things that follow will have the traction and impact required for success. As Professor John Kotter of Harvard Business School once commented, *"Without them, it's like trying to build a pyramid on a foundation of empty shoe boxes. It may appear strong, but as soon as it is tested and stressed, it crumbles and causes all that follows to fail."* These are therefore fundamental building blocks that form the essential foundation necessary for the whole programme to have any chance of

achieving worthwhile outcomes. They are:

- **A senior leadership team with a thorough understanding of the subject and an overt commitment to the strategic importance of the success of the programme. Leaders often decide improved customer service could boost results but then trigger action without first ensuring they fully understanding the concept and how best to implement it.**
- **A sense of urgency being established and expressed from the outset. This is vital to ensure the programme is implemented with energy and pace.**
- **A carefully selected and highly skilled implementation team. Successful implementation needs the best people being selected and then thoroughly trained, empowered and fully supported to roll the programme out through ongoing training events and projects.**
- **Adequate resources (people, time and budgets) being made available to give the programme the very best chance of success. Many programmes fail through a lack of the resources necessary to ensure success.**

Once these core elements are in place, what should follow is wave after wave of projects and focused activities, throughout the organisation, to spread the message about why you are doing this and the knowledge, understanding, skills and confidence needed to do it effectively. These should include:

- **The right people. No amount of training will turn a person who is not suited to a front-line service role into someone that is. Some people have a natural talent, flair and strength for it, and some don't. You therefore need a recruitment and selection procedure that attracts and identifies these 'right' people for service. You can then invest training in the people that will make a success of it, instead of wasting it on those that will not.**
- **The right culture. There's little point in recruiting the right people if you then immerse them in the wrong environment. Doing so is likely to result in them underperforming and probably eventually leaving. Great service people need to be nurtured and developed in a**

service focussed culture. That's an environment where teamwork and support for each other is the norm. Where the goal is to continually improve ways to provide the best possible service and assistance for each other and for customers. It is one where people are expected to be as pleased about the achievements of their colleagues or the team as they are about their own. And where the team leaders are focused on ways to continually improve the knowledge, understanding, skills and culture of the team.

- *The right customer feedback. You'll not get the right answers if you ask the wrong questions. Many organisations invest huge sums in customer satisfaction research studies that ask the wrong questions, so cannot provide useful, actionable insights. You do not want to know how 'satisfied' customers are with your products or services. Numerous research exercises have shown there is little or no link from customer satisfaction to worthwhile long-term loyalty. What you do need to know are things like:*

1. *How easy it is for customers to find or get what they want?*
2. *How do you make customers feel when they interact with you?*
3. *Which experiences have the most impact and stick in customers' minds the longest?*
4. *How loyal to you are customers likely to be in the future and why?*

- *That information will tell you what you need to know and do to boost their on-going loyalty.*
- *The right internal measures and rewards. It's easy to trigger unwanted behaviours by sending the wrong messages to colleagues through the ways they are measured and rewarded. You may claim to be keen to improve customer experiences and loyalty, but if you only measure and reward outcomes like sales and profits, that will drive people to focus on the short term outcomes they get rewarded for and not the essential behaviours that produce the long term customer loyalty that creates them. Creating sustainable customer loyalty is not a short-term exercise, so short-term measures and rewards are unlikely to drive the required behaviours. Instead, you need to measure and reward the loyalty building behaviours and activities that will.*

Over to you

Obviously in this short article it is not possible to provide a detailed outline of everything that is essential for success. But these few ideas are based on what we have learned can ensure any investments in service improvements are likely to deliver worthwhile returns. I hope they have provided a useful overview of what we've learned are some of the key and most impactful building blocks of success.

If this has sparked your interest to learn more about how you too could become one of the 20% of successful organisations,

you'll find more information, and a step by step plan, in my new book *Creating Customer Loyalty*. You could perhaps subscribe to gain access to our 9-module online programme at www.loyaltymasterclass.com. Also, you and/or your colleagues might wish to attend one of our 12-day Customer Loyalty Management Master Practitioner Programmes at which delegates gain a world class knowledge and understanding of the subject and the skill and confidence to use it effectively. The next one will run from January to April 2020 and details can be found at:

<http://chrisdaffy.com/Master-Practitioner-Programme.php>.



Chris Daffy

Chris Daffy is one of Europe's best-known customer service fanatics. He is a Companion of the Institute of Customer Service, and founder of The Academy of Service Excellence. His experience and expertise has taken him all over the world as a consultant and conference speaker and enabled him to work with organisations as varied as 3M, Airbus, Air Products, AXA, BAE Systems, Brenntag, BT, DLA Piper, Dorchester Group, ING Group, JCB, Microsoft, Pizza Express, Toyota, Watches of Switzerland, Vaillant & Xerox.

www.chrisdaffy.com

You can hear an interview with Chris on our podcast **TLF Gems**



NEW

UNDERSTAND & EXPLORE

HALF DAY BRIEFING

New for 2019, this half day briefing focuses on using qualitative research tools to understand customers better, so that you can use the "lens of the customer" for future research and to improve the customer experience.

We'd recommend delegates also attend the second in this series; 'Plan & Act'. These briefings have been designed to complement each other and will give you an overview of an effective customer research approach.



DATES:

11th March 2020

London

09:15-12:30



£160 (ex VAT)



NEW

PLAN & ACT

HALF DAY BRIEFING

New for 2019, this half day briefing looks at what happens after the survey. Many great pieces of research are wasted because their findings are not acted upon. In this briefing we'll look at some tried and tested methods to turn insight into action, and combine research with internal workshops to deliver change.

We'd recommend delegates also attend the first in this series; 'Understand & Explore'. These briefings have been designed to complement each other and will give you a complete overview of an effective customer research approach.



DATES:

11th March 2020

London

13:15-16:30



£160 (ex VAT)



CUSTOMER JOURNEY MAPPING

FULL DAY BRIEFING

Customer journey mapping is a crucial meeting ground for customer experience research, service design, management and communications.

Mapping the customer journey is an essential part of gaining control over the customer experience, and it is also a great way to help staff understand customers and how they may be feeling.

This full day workshop outlines the steps you must follow, and the sources of information and insight you need in place, to effectively map the customer journey.



DATES:

17th March 2020

London

09:15-16:30



£300 (ex VAT)



STORYTELLING

FULL DAY INTERACTIVE WORKSHOP

Stories are the most effective way to engage, move, and persuade. Whether it's a board presentation, internal comms, or customer feedback; building storytelling techniques into reporting and communication is the best way to make insights memorable.

People are natural storytellers, but when it comes to business communication it's often difficult to see how to apply those talents to the messages we need to convey.

In this workshop we'll work through a series of exercises to help you craft your own story (complete with hero, key messages, conflict, and payoff). Along the way we'll discuss the theories that support effective storytelling, and showcase a range of techniques and examples you can use.



DATES:

28th November 2019

London

6th May 2020

London

09:15-16:30



£300 (ex VAT)

UPDATED

CUSTOMER SURVEY



You might find yourself in a situation where, despite your enthusiasm, internal stakeholders are sceptical about outsourcing your survey to an agency. In this article, I will take you through some of the challenges and questions that you are likely to face and how you might respond to provide reassurance.

Some stakeholders may feel anxious or concerned about customer surveys and securing 'buy in' is important; sharing information can provide reassurance. When running or outsourcing a survey for the first time it is not unusual to feel a degree of trepidation. Stakeholders can feel exposed and, as a result, nervous.

Any concerns are generally because stakeholders care about what customers might reveal or disclose about both organisational and personal performance. They may feel a lack of control over the approach, the feedback and the results.

Here are some of the questions and challenges that crop up frequently.

"Why are we doing this? We don't need to do a survey. We already know what our customers think"

- *Could be true. If you do know what customers think that's great news; the survey results will confirm if that's the case.*
- *Even if you do have a good understanding of what customers think (and I would hope, to some extent, that you do), you are unlikely to know everything.*

- *Uncovering just one or two 'gold nuggets' of insight, opinion, or perceptions could be invaluable and make the survey worthwhile.*

"Why outsource to an external agency? As our customers know us, aren't we better doing this internally?"

- *Investing in and engaging an independent specialist sends the signal to your customers that you take the exercise seriously; it demonstrates your commitment.*
- *Customers will speak more openly to an independent third party; they can also give feedback that they may not feel comfortable sharing directly (this includes positive feedback as well as more critical feedback).*
- *A specialist agency can help with questionnaire design and conduct analysis specific to this type of exercise and provide a range of results and context around the findings that may be difficult or impossible to generate internally. They can usually do this more quickly too.*
- *Running surveys in-house takes time and effort. All things considered it can be cost effective to hand the responsibility to an outside party leaving you to concentrate on the day job.*

Who is this agency? Can we trust them?

Regardless of which agency you are working with, gather some facts and figures to support your case. All reputable agencies will willingly share this information.

- Where is the agency based? What is the history?
- Are they specialists or generalists?
- Are they sector specific?
- Who do they work with? Who are their clients?
- How did you hear about them?
- What are they going to do for you?
- What is their capacity? What do they do in-house... what do they outsource?
- How do they handle confidentiality and information security? What are their credentials? (Market Research Society (MRS), ISO, GDPR compliant, data sharing protocol etc.)
- Are they accredited? What for and by whom? (MRS, ISO)
- What have you asked them to do and what was their response?
- Why have they been selected?
- Who are we going to liaise with?
- Do we have a dedicated project manager?
- What are we going to receive at the end?
- How will they share results with us?

It might be useful to invite a representative from the agency to a meeting so they can talk to stakeholders directly and answer questions.

"Our customers won't want to take part. Being approached will upset customers!"

- In our experience, customers are happy to provide feedback. They like to talk about themselves and their experiences. This is particularly the case if the questionnaire is relevant, which satisfaction should be.
- It is in your (and customers') interest to gather feedback that can lead to improvements; customers will understand this. Ultimately, customers will benefit from giving feedback and they will know this. This research will provide valuable information. The findings will uncover opportunities and inform strategy.
- Positioning the exercise as positive and

assuring customers of the importance of the exercise improves response. (This is one of the reasons we strongly advise 'warming up' customers). They will be happy to take part if they are confident.

- Remember customers will provide positive and motivating feedback as well as constructively critical feedback. The survey is not designed to gather criticism; it is designed to provide an honest appraisal of performance. This includes generating recommendations for positive change that will benefit your organisation by building loyalty.
- Your agency's credentials, and past success, will prove useful. A few stats might help here. How many surveys do they run? How much response do they handle? What is their experience? Stakeholders can be persuaded that customers do respond, as the numbers prove.
- In our experience, business (B2B) respondents are excellent interviewees. They understand the seriousness of feedback and give considered and logical feedback. Consumers (B2C) are comfortable engaging and providing feedback too, especially when approached by a friendly and experienced interviewer.
- Customers surveys are not 'cold calls' as the customer will be familiar with the company name (and ideally has been 'warmed up'). For those sceptics who say 'I never take part in surveys!' the evidence shows that they're in the minority.
- In our experience stakeholders are generally more concerned about an agency making contact than customers are. When this stage of the process is managed correctly, customers welcome being given the opportunity to share their views. Research demonstrates that customers value being asked to give their feedback, even if they don't take up the offer.

When are calls (or contact) going to be made? What if the customer isn't free to take part when they call?

Stakeholders are often concerned that customers will be strong-armed into taking part in an interview regardless of whether they have time or not. Agencies are not allowed to do this (rules and regulations prohibit) and also any reputable agency will not want to upset customers. Again, a few facts can be useful for internal discussions:

- Dates for when the interviewing (or survey) will start and stop.
- If relevant, calling hours. Again, any reputable agency will adhere to the MRS rules which stipulate permitted calling hours.
- The number of call attempts (e.g. how many calls will be made in efforts to get hold of customers to maximise response?)
- Any arrangements agreed with the agency (e.g. will the agency make appointments?)
- Interviewers can tune into how customers feel, they are emotionally intelligent and will pick up when a customer seems in a rush etc., they will not push through an interview with a reticent customer.
- If relevant, some background information about the interviewer incentive (e.g. interviewers are not paid per interview so they will not be racing against the clock.)

Does the agency know anything about what we do? What if they get asked a sensitive question?

- In most cases the agency will understand your organisation (or they should do) however, they will not know the intricacies of specific situations or cases. Customer surveys are not overly technical by nature so this is unlikely to arise. In fact, customers would be more likely to be concerned if an agency did know specific details (bearing in mind confidentiality issues etc.). No confidential information is shared with agencies.
- Your agency may conduct interviews for many niche providers and these examples may provide valuable examples to demonstrate that customers are unlikely to expect any agency to have detailed technical knowledge. In fact this is an advantage, as they will not be defensive when faced with negative feedback; they are impartial. If an agency has sector knowledge that could be very useful during planning and implementation as they know what to expect. Agency and client will discuss what should be expected and might crop up, broadly speaking, during interviews. An understanding of the client organisation, what it does and how it does it, is an essential part of the set up and project management...and, of course, the questionnaire design.

- Interviewers will not be drawn into conversation around specific technical details although they will listen if customers want to explain. B2B customers are intelligent and understand this. Customers do not expect an agency to be experts.
- Interviewers will be briefed with background for each survey, the objectives of the survey etc. so they understand the type of respondents they are likely to speak to.

What if our customers want to be anonymous? Will we still get their feedback?

- Agencies are obliged, due to rules and regulations, to offer respondents the option for their feedback to remain anonymous. Customer responses will still be shared but in a way that does not identify the customer.
- Other feedback will usually be linked to respondent details to enable themes to be identified and provide useful segmentation.

What if a customer is unhappy? Will taking part in the survey inflame their dissatisfaction?

- In our experience interviews with unhappy customers are productive. Respondents can be balanced and logical, they have plenty to say, and even give the organisation credit for seeking feedback knowing that the relationship isn't perfect. It can be cathartic for the customer.
- Most agencies will operate a 'hot alert' system, meaning the client organisation is alerted quickly if a respondent is extremely unhappy (and waives their anonymity). This gives the organisation the opportunity to resolve any issues without having to wait for the report. This system is designed for extreme cases only.

How long does the interview last? How many questions are asked?

- In many cases, the questionnaire is not based on a number of questions; it is based on time taken to conduct an interview. This is because one open question could potentially take longer to answer than ten scored questions.
- The questionnaire is designed to go through in a specified time (usually no more than 10 minutes)

although it depends on what the customer has to say and the depth of their answers. This is explained in the introduction. It is amazing how much ground can be covered with a well-designed questionnaire.

- Often if the survey is longer than 10 minutes this is customer initiated. Put simply, most agencies let the customer dictate the pace. They do not stop customers talking if they have plenty to say.
- The questionnaire will be based on the survey requirements (and not all surveys are the same). Customers may be asked a range of questions: for example satisfaction, importance, loyalty, competitors, and complaints. Pre-coding and routing makes the questionnaire quicker to navigate. They are only asked relevant questions. The questionnaire will be approved before interviewing commences.

What results will we receive afterward? What is the report like?

- At any meeting it is useful to provide dates so employees understand there is a plan and the plan will be adhered to. They also need to know what will be expected of them and when. They are part of the plan.
- Explain the format and content of reporting, how it will be shared internally and, subsequently, who will be privy to confidential information.
- If the agency is presenting results allow staff to attend so they can ask questions. It is sensible to do a preview of the survey with key members of the team involved first in order that the results can be considered prior to sharing.

Explaining the process and answering questions openly can reassure internal stakeholders that the benefits of outsourcing are numerous. When it works well, client, customer, and agency can create a strong and productive working relationship that benefits all parties.



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**INFLUENCER
MARKETING
AND CUSTOMER
EXPERIENCE**

INFLUENCER MARKETING

Social media can be divided into many different areas from advertising to content market and community management. However, due to its word of mouth nature, influencer marketing has emerged and established itself as one of the most lucrative tactics, if done correctly.

"Who are you most likely to believe?

A company website that says their product is the greatest thing since sliced bread or someone you know and trust who has used the product and really recommends it?"

You may have heard something similar to this statement over the years. The power of influence has skyrocketed because of the growth of digital platforms. Attracting a well-connected influencer that can help provide a better experience for your customer requires making good choices, having a strong strategy in place, and a little bit of luck!

A lot of brands confuse influencer marketing with celebrity endorsement. Though there are some similarities, it is not the same. Paying a lot of money for a celebrity to be associated with, and therefore indirectly selling, your product or service is not giving brands the returns it once did.

There could be many reasons for this, but the main one is relevance. People are getting smarter to messaging and can sense

if a celebrity genuinely believes in the brand or are doing it for the money...and if they are suspicious, they will let people know on social media platforms.

But influencer marketing doesn't have to mean wooing an A list celebrity (or even a C list one) or the latest high profile YouTube star. At its heart, influencer marketing is about reaching out to people who are invested in your area/s or even your product, and taking the time to nurture them to be ambassadors for your brand.

The Big Benefits of Influencers

Influencer marketing allows you to use fans of your brand to further develop its reputation and attract new customers. It comes down to a simple premise – people who like your product are probably connected to others who will like it too.

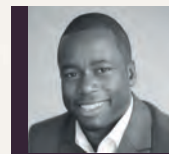
Influencers can become long-term partners in helping to develop and drive your product or service forward if they are handled properly. They might even produce their own user-generated content and post it online, promoting your business and giving you valuable free advertising.

By nurturing influencers you can increase your reach without investing in the large marketing spend that you might find, for example, with pay per click advertising. This is one of the reasons many brands are allocating resources towards this.

Finding Influencers and Keeping them On Board

A big challenge with influencer marketing is connecting with the right people and then keeping them on board and engaged for as long as possible.

Ideally, you are looking for individuals or groups that have more influence on areas like social media than your average customer. This might, for instance, be determined by the number of followers they have on Twitter or how popular their YouTube channel is.



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However, there are other important factors like engagement, past performance when working with brands and conversion metrics that outweigh follower count.

Influencers come in all shapes and sizes, but most can be categorised into one of 2 groups:

- **Macro influencers: Usually celebrities or someone with a very large following (e.g, 1 million+)**
- **Micro influencers: Profiles with a small but relevant following where they are seen to have influence in that particular area.**

As you can imagine, micro influencers fall into many different categories, depending on the sector. Here are some of the most popular:

- **Journalists, bloggers, personal brands, industry experts, thought leaders, staff, customers, activists and agitators.**

The next thing you need is an incentive for that person to promote your product or service. A lot will depend on your brand and what you have to offer. An online store, for example, may be able to reward an influencer with a gift card to spend on its site. A subscription service might have levels of membership they can open up. However, as the industry evolves and influencers are starting to see the value they can add to a brand, a large majority would want some financial compensation.

Finding which incentives motivate influencers the most and the return on investment of each may take a good deal of testing to find what works and what doesn't. Developing a formal yet flexible influencer engagement strategy will help keep this uniform and focused, providing a base on which responses can be monitored and new approaches tested.

Influencer marketing takes time and effort to implement effectively but it can have some major benefits if your brand fits a particular customer's needs. I have seen many organisations succeed with influencers and, if done correctly, it can be a very cost-effective way to build advocacy, awareness and sales.

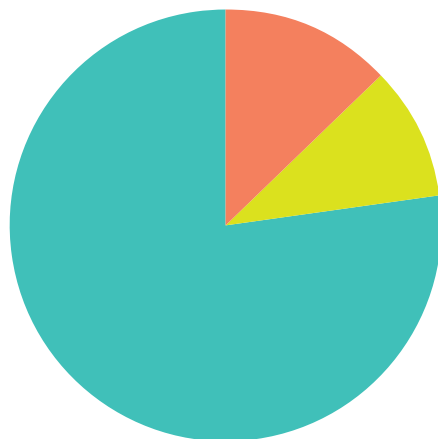
CLICKS & ANAL

If the news is to be believed, we could lose the – once mighty – retail juggernaut that is the British high street within the next 10 to 15 years. This seems a little pessimistic to me – as anyone that has been to a city centre recently will tell you, they're still buzzing.

What it does highlight though, and the 20 or so major retail closures so far this year will testify to this, is that consumers' shopping habits are changing. There will always be the need for people to shop, so the frequency of shopping won't change significantly, but what will, what is, changing is the way in which people shop.

With this in mind, we used our dedicated consumer panel, TLF Panel, to see what the nation's shopping habits really were: will we all be shopping from our armchairs in the future, or will the high street live to fight another day? Keep reading to find out...

How do you usually prefer to shop for non-food items?



- In store only
- Online only
- A mixture of online and in store

"People are always going to go shopping. A lot of our effort is just: 'How do we make the retail experience a great one?'"

– Sir Philip Green,
Chairman of Arcadia Group

Only 10% of people shop online only, which is good news for the high street. 13% shop in store only, but the majority of consumers (77%) shop using a mixture of both online and in store.

Millennials are twice as likely as those aged over 65 to shop online only, but this figure still isn't high, at only 13%. People choose the best method for them depending on a number of factors, including convenience, price and item required. They don't choose a particular shopping method and stick to it regardless.

When it comes to products that people only shop either online or in store for, it really does depend on what the product is. Consumers are happy ordering commodity goods such as DVDs, books and video games online only; but would choose to buy in store for products that are more expensive or come in different sizes/varieties, such as clothes, toiletries or furniture.

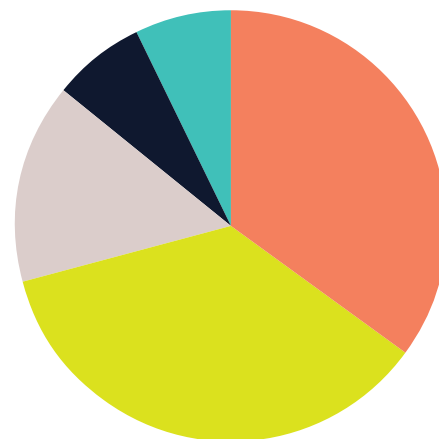
Why Do Consumers Choose Whether to Shop Online or in Store?

Understanding how consumers shop is a useful insight, and goes some way to explain the nation's retail habits, but it is only really half the story – understanding the perceptions and attitudes behind these choices will help to explain why they make these decisions. And understanding these is what will help the retail sector best meet its customers' needs.

For many years now the consensus has been that what differentiates a company from its competition is the service it provides to its customers, and with so many companies offering the same products these days, this is pretty accurate. But what customer service doesn't seem to affect is where people go to do their shopping.

We asked our panel "What is the MAIN reason you buy some products online and others in store?"

The results were surprising:



- Price
- Convenience
- Other
- Customer Service
- Urgency



Customer service only received 7% of the vote – so it's still vital to a good consumer experience, to ensure they pick your brand over another, but it won't massively affect whether they choose to purchase their items online or in store.

Convenience (36%) is the number one reason that determines this, followed very closely by price (35%), but these results differ by gender and age:

- **Men say price is the main reason that determines whether they shop online or in store, with 36% compared to women's 35%, and women say convenience is key; 39% compared to 33%.**
- **The over 65s say price is the most important factor; 36% compared to 24% of 18–24 year olds – who say convenience, with a whopping 60% (compared to 33% of over 65s) is the deciding factor.**

So, who your brand/product is aimed at really dictates how consumers prefer to shop. Older generations, particularly men, will be more likely to buy something where they find it cheapest. But the younger market are more concerned with convenience – if they're busy, they'll buy online, if they have the time they'll go in store.

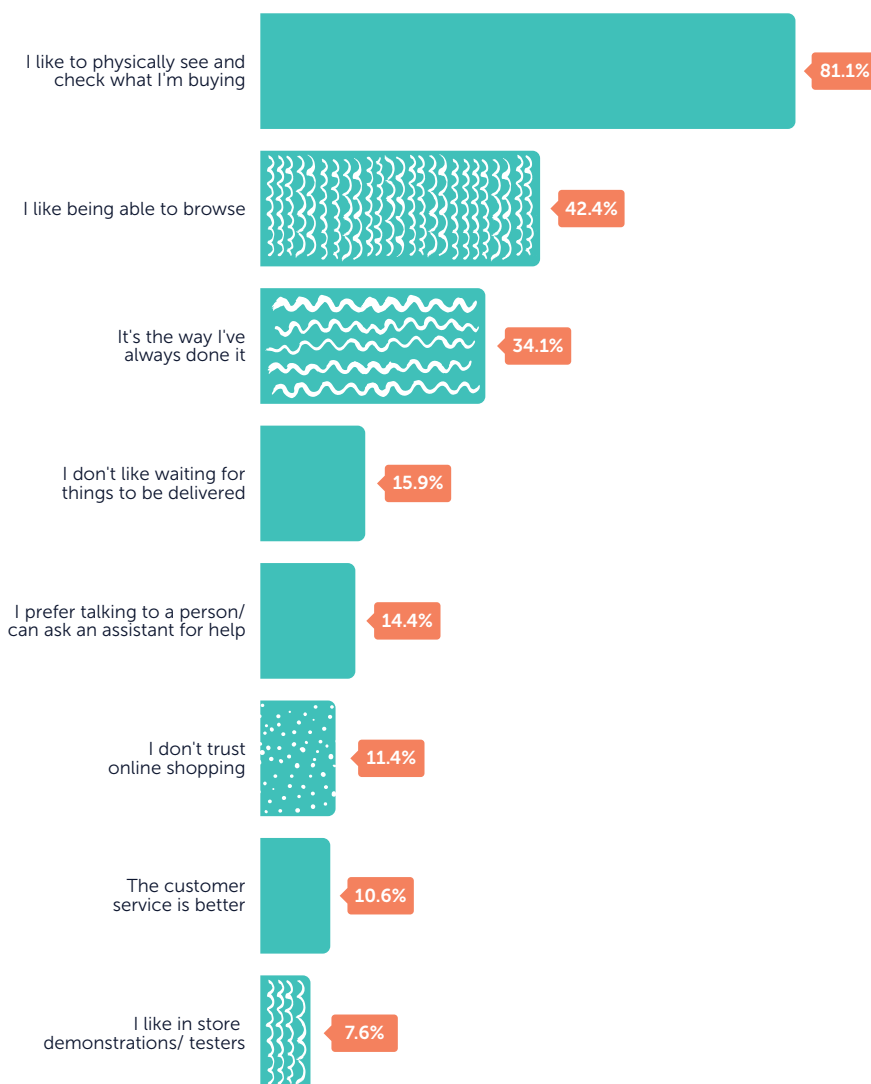
Why do you only shop in store?

For those consumers that stated they only shop in store, we wanted to know why – was it a trust issue? Was it technology? We wanted to understand why they were not willing to adopt the digital trend.

Consumers choose to shop in store only because they want to physically see and touch what they're buying. They also like to browse, something which can be done online, but not

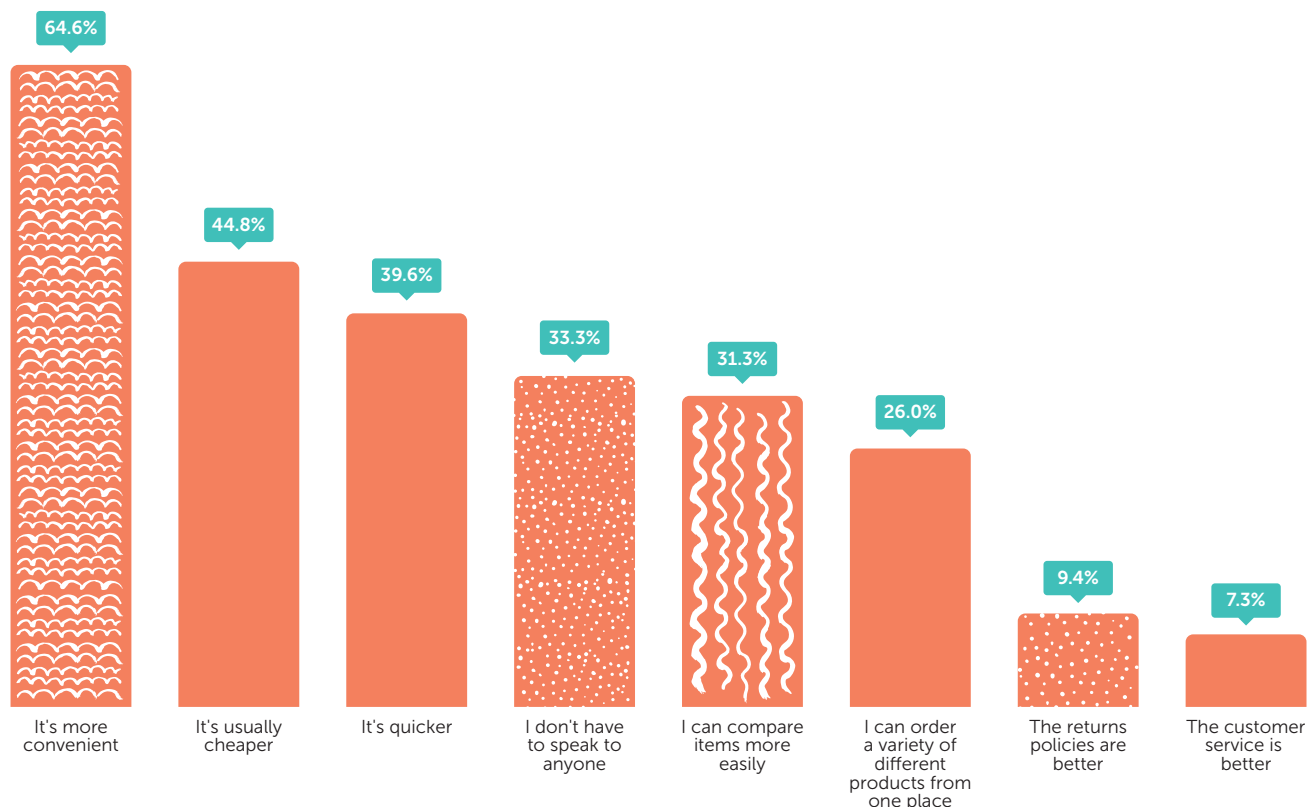
as easily. And habit keeps people on the high street – it's what they've always done.

Over 65s are more than three times as likely to shop in store only compared to those aged 18–24, and are more likely to do so because they like being able to browse the products on offer. They also prefer talking to a person/assistant for help, but, maybe surprisingly, are more trusting of online shopping than millennials.



Why do you only shop online?

We also wanted to know what drove those that said they only shopped online to do so – was it just down to convenience, as touched on above, or was there something deeper?



Convenience is still king when it comes to only shopping online, followed by price (usually cheaper online) and then speed (although, speed can be a tricky thing to measure – in this case we mean from when the consumer thought about wanting the product to when they actually bought it).

Women are more likely to only shop online for the convenience: 67% to men's 62%; but men are more likely to do so because they can compare items more easily (38% to women's 26%).

Convenience is also far more important for the over 65s: 92% compared to 60% of millennials, along with the ability to order a variety of different products from one place: 50% to millennials' 20%.

So, bringing things back round to customer service, we wanted to know what consumers really wanted – was it terrible

customer service but with really cheap prices, or do they want outstanding customer service accompanied by very high prices?

We asked our panel to rate their preferences on a scale from 1– 10, and the result was 6.1 with consumers preferring a mix of just above average customer service with just above average prices.

It's all in the delivery...

Once you have made your purchase, and the excitement has died down, then begins the waiting game – how long will it take for the product to arrive?

This is where companies can make real strides into growing their customer base – people will tend to shop where they can get their items the quickest (just look at Amazon, who saw, after their introduction of 1-day

delivery, their net profit in the subsequent quarter double!).

To begin with, we didn't want to assume where people could or could not receive shopping deliveries. As it turns out, not everyone can have items delivered to home (only 88% can), and even less can have them delivered to work; 19%.

16% can have items delivered to an Amazon pick-up location (where you can collect your item from a local shop/location), and only 12% can have them delivered to an Amazon locker (a self-service kiosk where you can collect your items).

But it's not just about how quickly items are delivered that's important, but also the state in which they arrive – It's no good delivering items within 24 hours if they arrive in pieces, or even worse, if it's the wrong item.

Damaged Goods

Unfortunately, though, this can sometimes be the case. We asked consumers if they had ever received a damaged shopping delivery, either after ordering online or in store, and the results weren't good.

36% said that they had received damaged goods from an online order, and 11% said they had after ordering in store.

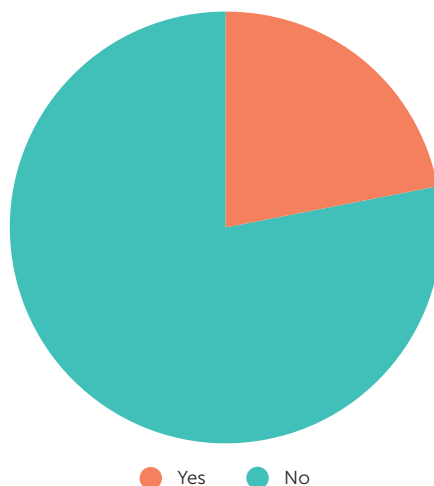
When companies do get it wrong, they are quite quick to rectify the situation, which will go a long way to maintaining customers' loyalty. Of the people that had received damaged items, 72% said the order was replaced to their satisfaction, quickly and easily, and only 16% said that it wasn't, and that it took some effort to resolve it.

Substitutions

Anyone that's ever ordered groceries online will probably have the odd horror story or two about ridiculous substitutions. Just ask the lady who requested a loaf of walnut bread from Tesco but received a whole octopus, or the mum who received a pomegranate from Asda instead of hair conditioner (I suspect a creative person could possibly turn the pomegranate into some kind of conditioner, but I challenge anyone to make a suitable sandwich using an octopus instead of bread).

These substitutions happen a lot of the time with food shopping, whether it be down to best intentions of the picker, or some AI algorithm churning out the 'next best option'. Where it doesn't happen as often is when ordering non-food items online. But... although it doesn't happen as often, it does still happen, and we wanted to know how often, and what sort of substitutions people received. So we asked them.

Have you ever ordered something (non-food) online and had substitutions?



In this category, the results are more promising than the grocery sector. An encouraging 78% of consumers have NOT received a substitution when ordering online. Although, of the 22% that had received a substitution, 64% received a substitution that was completely unsuitable compared to what they had originally ordered.

Ordering Online to Collect in Store

Sometimes it's more convenient to pre-order an item but then actually go and collect it from in store. There are many reasons why people do this; from saving time shopping, to reserving items ahead of time, which we'll look into shortly. But first we wanted to test the waters, to see if, and how many, consumers had actually used this service in the last 12 months.

And it turned out, they had: 50% of people surveyed had ordered an item online to collect in store. Although, this style of shopping seems less popular in Scotland, with only 39% of Scots doing so.

Ordering online to collect in store, in its current guise, is still pretty new. So we wanted to know how consumers were finding the experience. Was it fit for purpose? Were the consumers seeing a benefit? How were people using the service?

Why did you order the product online first?

Understanding that half of consumers do use the 'order online, collect in store' feature is helpful to understand the appetite for it, and uncovering how people place these orders will help with where and when to target advertising, and predict busy periods. But what we also want to know is why do people feel the need to order products online first and collect in store later? Can they not just wait until they next go shopping and pick them up then? Are consumers paranoid that products will sell out, and they'll have to wait to get them? Or is it something else?

Well, it turns out, it's nothing as material as that, it all boils down to what we covered at the beginning of this article: convenience.

43% of consumers said that they 'ordered online first so they didn't waste their time going to the shop if there weren't any in stock', making the shopping experience more convenient for them.

After this the next most common reason was 'I really wanted it, so reserved one ASAP', with 25% of the vote, so maybe we are a little materialistic.

A further 18% went on to say it was either 'To save time walking around the shop trying to find it', or 'To save time having to queue in the standard lines', so again, making the experience more convenient to the consumer.

The top 3 products that people order online to collect in store are:



Clothes

(including shoes, watches, belts etc.)

32%



Electronics

(e.g. computers, TVs, stereos)

13%



Housewares

(e.g. soft furnishings, pictures, rugs etc.)

12%

"People will forget what you said. They will forget what you did. But they will never forget how you made them feel."

– Maya Angelou

Service with a Smile...

When it comes to the quality of the service consumers receive, the results are universally positive. 70% said the customer service was good both online and in store. 17% said in store was better, 10% said online was better. Millennials were happier than the over 65s with the service they received online, with 21% reporting a positive experience compared to only 1.4%.

Is Omnichannel Shopping the Future?

With the omnichannel shopping experience becoming increasingly prevalent, consumers are becoming savvier with how they shop. With so many options open to them, shoppers have become experts in finding the best deals, and knowing when and where to check if what they're being sold is in fact a good deal or not.

Have you ever been in store and looked up a product on the shop's website to check details/read reviews/look for deals before purchasing?



- Yes - to check it's the right product
- Yes - to read reviews about it
- Yes - to see if the shop's in store price is the same as the online one
- Yes - to see if the store has any deals on
- No

No longer willing to take shops at face value, 62% of consumers say that, whilst being in the shop itself, they have looked up a product online before deciding whether to purchase it. 33% do so to read reviews first, 26% do it to check it's the right product, and 21% do so to check if the shop's in store price is the same as the online one.

18–24 year olds are more than twice as likely to go online to check reviews; 49% compared to 20% of over 65s, but the older generation are more likely to not check online at all (once in the store), with 56% to 24% of millennials.

Going into a physical shop to then check product reviews and deals online is one thing, but going into a shop only to have to buy a product online because the shop didn't have it in stock is a whole different experience.

With modern inventory management it is surprising to see that nearly half of consumers have been subject to this, with 49% saying they have been into a store to buy something only to find it wasn't in stock

so had to order it online. This is 10% more likely to happen to women than men, and 7% more likely to happen to millennials than over 65s. Scotland is best at having items in stock, with only 38% of consumers reporting having to resort to ordering online after going in store, and the south west of England is the worst, at 53%.

Another aspect of the omnichannel experience is being in store to browse, but then ordering products using the shop's app or website. It seems, however, that this method still has some way to go before it becomes fully integrated into the experience, as only 21% of consumers have used this way to shop.

Social? Media.

Social media has its fair share of supporters and detractors, and has affected the way in which we as humans communicate enormously. Whether you see this as a good or bad thing often depends on a myriad of factors, with the biggest one usually being age.

As a tool to communicate, social media is often seen as a young person's game, with older generations stereotypically preferring more traditional methods such as the phone, letter, or even – shock horror – face to face. But how does it stack up as a tool to sell items, does advertising on social media actually work? We asked the panel:

In the last 3 years, have you seen an advert on social media and bought something from the company after viewing it?

67% said an emphatic 'no – I have not bought anything after seeing an advert on social media'. 4.5% said that they did look at the product being advertised, but ended up buying something different, from a different company.

On a more positive note, 12% looked at the product being advertised, but then bought something different, but still with the same company, and 16% actually bought the product being advertised.



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These figures don't change much by gender or location, but they have quite drastic differences when you compare it by age group: a massive 90% of over 65s have never bought anything after seeing it advertised on social media, compared to just 43% of 18–24 year olds. And only 6% of them have actually bought the product being advertised, compared to 24% of millennials.

Bricks & Mortar, or Clicks and Order?

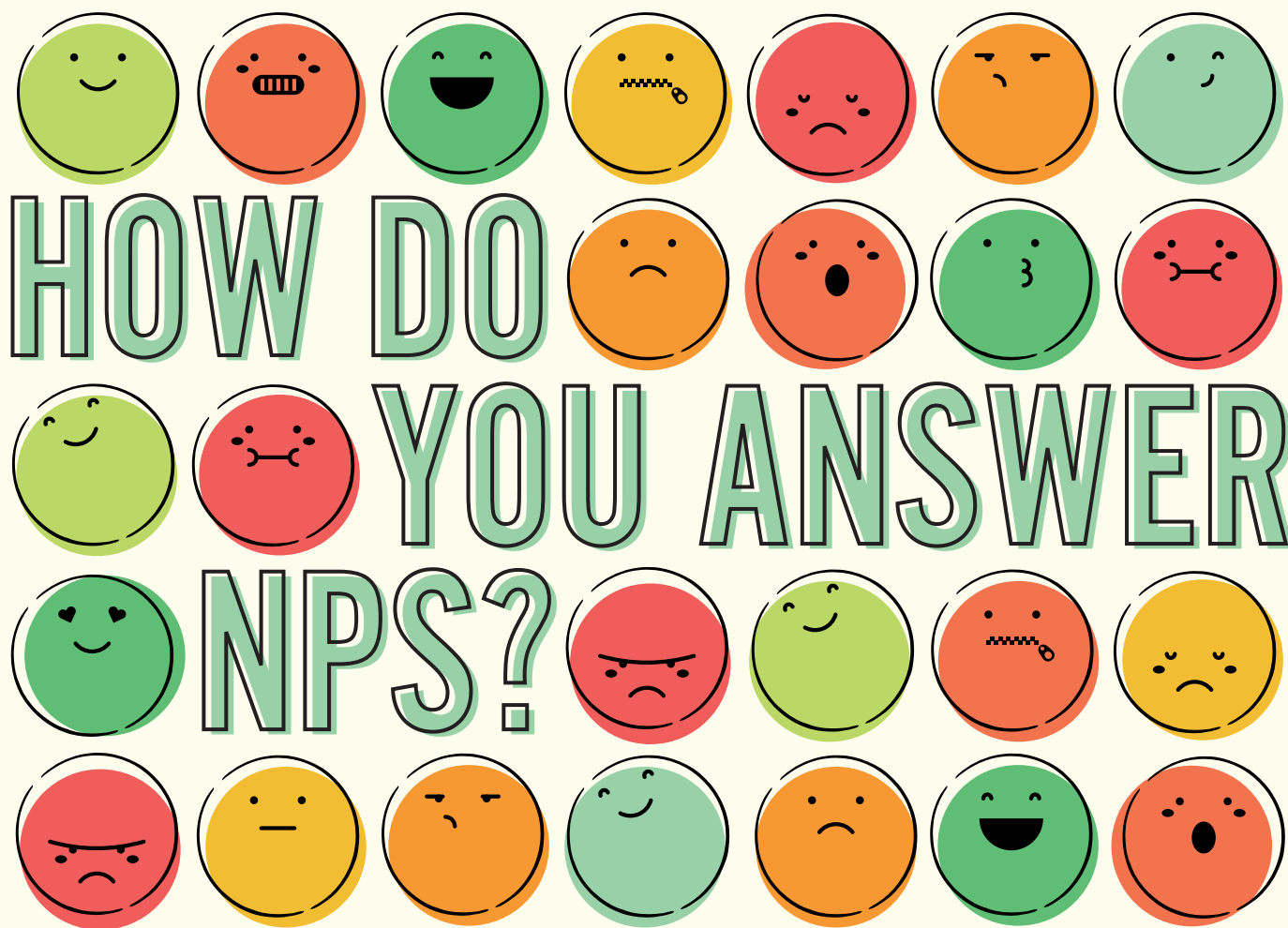
So, is the high street something to be cherished now, whilst it's still around? Or is online shopping just a fad that will disappear as quickly as it's risen? To be honest, it looks like it's somewhere in the middle.

Consumers don't want to pigeonhole themselves into just one method of shopping, and why should they? Every individual product has a preferred method of purchase, driven by a number of human factors, the biggest one being convenience, and these won't change over time.

The big thing going forward, and one that smart companies have been quick to adopt, is the omnichannel experience; it gives more choice, and therefore more power, to the customer, making the whole process much more consumer focused.

What it also means is that people will continue to want, and to use, both shopping in store and online as part of their retail experience. Sure, one method will be more popular than the other depending on the demographics of the customer base, and what type of products are required, but it's unlikely one will completely eclipse the other. The high street may be down, but it's not out...not by a long shot.





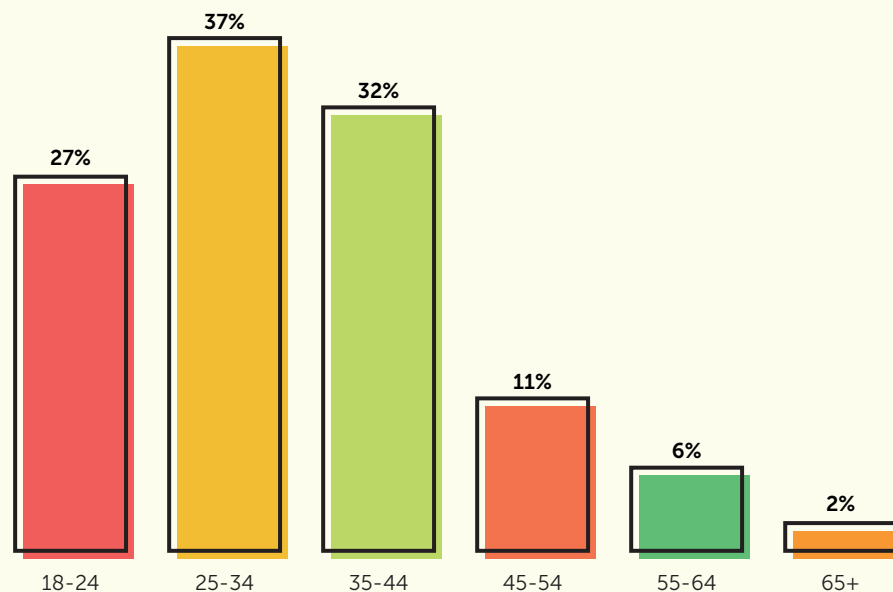
If you work in customer experience or customer insight it's a fair bet that you've spent a bit of time wondering how to ask NPS. How should the question be worded? Should it be relationship or transactional? At the front of the survey or the end? 0–10 or 1–10? But how much time have you spent thinking about how you answer it?

If you're like me, you may have noticed that when you're asked the NPS question it's impossible not to take into account what you know about the way that score will be used. Rather than simply giving a score out of 10, as I would for any other question, I'm very conscious that there is a qualitative difference, a step change, between 6 and 7 or between 8 and 9. That awareness is bound to have an impact on the score I give, and if that's true for me...why not you? And why not your customers?

One of the nice things about working for a research agency is that I can take idle thoughts like this, turn them into questions, and put them to our panel to find out whether the world in general thinks like me. It rarely does, but this time it turns out that there is something important going on.

Have you heard of Net Promoter Score (NPS)?

Let's start by understanding how large the issue might be. Around a fifth of our panel have heard of NPS, but this varies widely by age. Around a third of those under 45 had heard of the measure, which means any potential impact on scoring is likely to increase over time. In most cases (74%) those who have heard of it say that it's a measure which is used where they work. The widespread adoption of NPS means that many people have encountered it, even if they're not customer insight specialists.



Do you know how it's calculated?

Having heard the term is one thing, but do people know how it works? They do, or at least they think they do. Three quarters of those who have heard of NPS say that they know how it's calculated, which works out as 15% of the total population. That's really significant, and interestingly it's a lot higher than the last time we ran the same questions on our panel in February 2018. Back then we found only 8% awareness of NPS and only 5% knew how NPS is calculated.

Does it affect how you score?

Now we come to the important bit—does knowing how NPS works affect the way people score it? Definitely. 83% of people who know how NPS is calculated think that it affects the way they score NPS for other organisations.

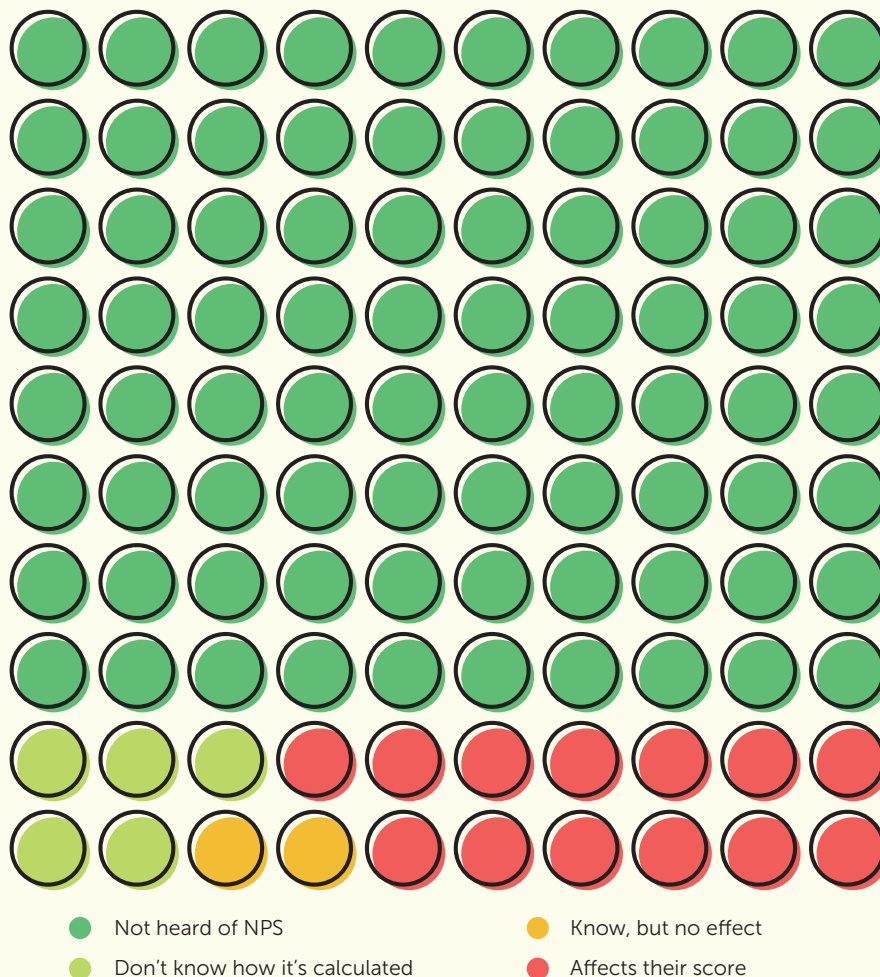
You can see the overall picture for the entire population to the right, with 12% of the total population saying that knowing how NPS works changes their score. But remember that awareness, and therefore impact, is much bigger for younger people. The proportion rises to 25% of 25–34 year olds. **1 in 4 of your customers in that age bracket is giving a distorted answer to the NPS question because they know how it will be used.**

So what does it mean for NPS?

Let's take a moment to review the highlights of what we've learned:

- **Knowing how NPS works changes how we score it, for most (83%)**
- **Most people who have heard of NPS know how it works (75%)**
- **A significant minority of customers are familiar with NPS (20%)**
- **That figure rises to over 30% for customers under 45**
- **Awareness of NPS has increased significantly in under 2 years**

NPS: Awareness, Knowledge, Impact



Put all that together and I think we have a real concern. A rapidly growing number of customers understand NPS because it's used by their employer, and that affects the way they score NPS for other organisations.

The reason is that NPS introduces qualitative jumps between scale points, so that the 0–10 scale becomes, in part at least, a three point scale. Once you know that, it changes the way you score it. In research terms, it becomes less of an interval scale and more of an ordinal scale. The success of NPS, put together with the way it is calculated, may mean that the data we collect is increasingly polluted by customers who know too much about the way their score is used.



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Consumer Insight

The data for the Clicks and Mortar & NPS articles came from TLF's panel.

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Capturing the customer voice in the housing sector

One of the challenges of satisfaction measurement, in any sector, is how best to balance the need for a survey to reflect the unique needs of each organisation's customers with the need for a comparable benchmark.

The established satisfaction benchmark for the housing sector has been, for many years, the STAR methodology developed by HouseMark. Now, after a significant period of research and consultation, HouseMark has released a report entitled *'Capturing the customer voice: How social landlords are gathering and using resident feedback in 2019'*. You can read the full report online (details at the end), but we thought we'd pick out one or two highlights.

A Comprehensive Review

HouseMark's review is based on a sector-wide survey completed by more than 250 providers of all types, making it the most extensive piece of research of its kind. It aims to ensure that STAR can continue to provide social landlords with the best possible insights to deliver and demonstrate an excellent customer experience.

The survey has been complemented by regional workshops attended by more than 150 landlords. Significant resident consultation has also been undertaken, with close to 8,000 online responses received and six resident workshops hosted by TPAS throughout the country. This represents one of the largest resident consultation activities in recent years and the findings of these exercises will be shared in October.

HouseMark engaged customer experience specialists Acuity and TLF Research to help deliver the review. Oversight is being

provided by a range of sector specialists including NHF, CIH, NFA, ARCH, TPAS, Taroe Trust and CWAG.

The Importance of Customer Voice

Talking about the research HouseMark Chief Executive Laurice Ponting said:

"Capturing the customer voice to improve ways of working and shape services is essential. It is also a key tool to enable the sector to respond proactively to emerging policy direction. The scale of response from across the sector demonstrates the huge interest and enthusiasm from landlords to engage with residents to improve their services."

"This appetite has been echoed in the overwhelming response from tenants. We have now received close to 8,000 responses, showing a clear desire from residents to be involved and have their voices heard."

HouseMark's Business Intelligence and Insight Director Jonathan Cox, who is leading the review, added: *"It's clear landlords are taking resident feedback seriously and want to use it to drive service improvements, but this research shows that most providers do not feel like they are currently making the best use of this feedback. Our findings set the foundations for the STAR review and will help to inform the design of a modern, relevant and exciting framework for the future that will help landlords drive real service improvements."*

Satisfaction Surveys Today

It's interesting to see that almost all landlords are using a blend of general customer "perception" surveys and event-driven surveys relating to specific experiences such as a repair or starting a new tenancy. Both types of survey are important, in our view, but getting the right mix is vital for an organisation to meet its strategic and tactical insight needs.

As in most sectors, landlords are increasingly turning to digital channels for their customer feedback as well as for other

parts of the customer experience. Response rates are still lower, on average, through these channels, but it's important to take into account the demographics of those who take part, and to make sure that there is a survey option to suit as many customers as possible.

It's not yet been decided how STAR may need to change in order to better meet the needs of landlords and residents, but there does seem to be clear consensus that some of the existing STAR questions are more useful than others. Other measures such as trust and ease are popular with landlords, and may merit inclusion in a future version of STAR.

The Future of Housing Satisfaction Research

A first-look at the recommendations for the updated methodology was shared at HouseMark's Housing Data and Analytics Summit on 1 October at Millennium Point, Birmingham. The draft proposals for the new framework will be shared with the sector in November.

To read the report in full and to find out more about the STAR review, visit <https://www.housemark.co.uk/subscriber-tools/benchmarking/survey-of-tenants-and-residents>.



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BOOK REVIEW: RITUALS FOR

WORK

by Kursat Ozenc & Margaret Hagan

In the Spring issue of Customer Insight we ran an article about culture change in which Stephen from TLF Research argued that to understand culture we need to learn from anthropology. Culture, then, is best understood not as what we do, but as what the things we do mean to us.

Great, but in practical terms, how do you make those kinds of cultural meanings clear? *Rituals for Work* argues that one way is to use rituals in order to make our lives at work more meaningful. Developing appropriate rituals, the authors claim, can help us to create cultures which are more creative, higher performing, better at dealing with conflict, have a better sense of community, and deal more effectively with change.

The book is in three parts. Part 1 focuses on the theory, explaining why rituals are powerful, the principles that you need to follow to create effective rituals, and how to make them fit in the workplace. Part 2 (the bulk of the book) lists 50 example rituals that you can adapt or take inspiration from, divided into 5 categories. Part 3 gives you a short step-by-step guide for designing your own rituals.

Why rituals?

You may well be wondering why we're even considering rituals. The idea of bringing rituals to work might seem a bit strange, perhaps even a bit culty? The best way to understand the power of ritual is to look at sport—the consistent sequence that the place-kicker runs through in rugby to concentrate their mind, the careful routine that athletes adopt on gameday to calm

their emotions and get ready to be in a “flow” state, the rituals that teams use to celebrate victory and recover from defeat.

“A good ritual tells a story, which often helps a person make sense of something that is going on, figure out what it means in a bigger picture, and deal with it.”

The authors back up their claims with empirical research that shows that:

- *Rituals give order and meaning*
- *Rituals give people a safe space to experiment*
- *Rituals increase performance by decreasing anxiety*
- *Rituals help people deal with negative transitions*
- *Rituals increase performance by motivating and bonding people*
- *Rituals increase creativity*
- *Rituals improve the quality of an experience*
- *Rituals increase feeling of control*

What makes a ritual?

The authors define rituals as *“Actions that a person or group does repeatedly, following a similar pattern or script, in which they’ve imbued symbolism and meaning.”* More specifically, they outline four principles:

ONE:

Rituals have a magical “je-ne-sais-quois” factor

TWO:

Rituals are done with intentionality

THREE:

A ritual carries a symbolic value

FOUR:

A ritual evolves over time

Rituals for what?

To showcase their ideas, the authors outline five areas in which you might want to use rituals.

Creativity & Innovation

“Design teams use creativity rituals to build a generative environment, where people move past anxieties about ‘getting it right’ and brainstorming new ideas.”

Example ritual: The Daily Drawing – a solo ritual to spend 1 minute every day drawing to loosen up the right brain before creative work.

Performance & Flow

“...rituals help individuals and teams boost confidence and focus prior to taking on a challenge.”

Example ritual: The Airplane Mode Afternoon – a temporary block on connectivity for the duration of a “flight” to enable deep work. “Focus cards” help people to concentrate on one task.

Conflict & Resilience

“Conflict and resilience rituals can help people deal with difficult times.”

Example ritual: No Rehash Rule – a symbolic object (a paddle or rubber chicken) can be used by anyone to show that a meeting is derailing or retreading the same ground.

Community

“When we perform community rituals, we grow a strong sense of belonging and identity. Our collective beliefs get acted out and they are reinforced in the group.”

Example ritual: Our Year in Pictures – a visual shared history based on a collage of photos (everyone has to submit at least one) from events, offsites, office life, products etc.

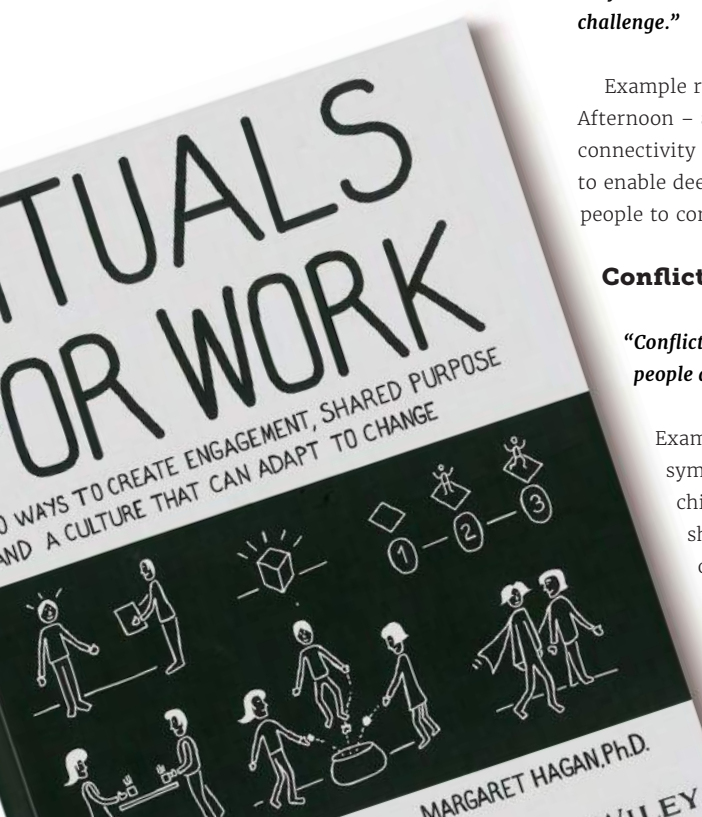
Change & Transition

“...these periods can be very unsettling. Transition rituals can help people mark these changes and overcome the tensions around uncertainty...”

Example ritual: Wedding of the Orgs – marking a merger with a collaborative event complete with vows, a marriage certificate, flowers and cake.

Do you need it?

Nobody is suggesting that rituals are going to solve all your culture challenges overnight, but I do think they have huge potential as tools for organisations to use as they develop their culture. Organisations often struggle to deal with the invisible side of culture, what Steve Simpson refers to as the Unwritten Ground Rules, and rituals may be a good way to make some of those invisible beliefs and values visible.



TARGETING

A few years ago, soon after my 50th birthday, I remember being ashamed when a copy of the Saga magazine landed on the doormat. "Hide it quick unless anyone sees it!" However, insulted though I was, I had to admire the brilliant marketing. Knowing I had turned 50 was easy enough but I had to admit that the magazine itself was a master stroke. Glossy, well designed and packed with good journalism, it could compete with most general interest magazines on newsagents' shelves. And you didn't have to buy it or go down to the shop to get it. It contained its fair share of adverts, but which magazine doesn't? It was great marketing because:

1. *The targeting was perfect. Obviously by age and they would have been able to filter by other demographics such as socio-economic status. Whilst I was not in the market for a cruise, like most over 50s I bought several insurance products, so there was no wastage. How many advertisers can say that?*
2. *It was not a selling document so will not have alienated anyone.*
3. *As well as ads for their own products it included soft sell articles e.g. travel features on interesting places visited by their cruise ships.*
4. *It had a circulation of 1.2 million.*

I'm not telling you when I turned 50 but let's just say that back in the day Saga was a successful business. In 2003 it registered annual sales of £382.7m and profits of £81.6m – a margin of 21.3%. In October 2004 there was a management buy-out, backed by venture

capitalists Charterhouse, for £1.35 billion, with the management owning 20%.

Later, Saga merged with The AA to form Acromas Holdings and in 2014 it was demerged and floated on as Saga plc. Over those years it has increased its financial services product range, grown its cruise business, acquired a couple of travel agent businesses and a healthcare division.

Now it's worth £478 million on the London stock market (35% of its 2004 value), because although its sales have more than doubled to £841 million its 2019 results showed a loss of £162 million. Over the last 5 years, sales averaged £887m per annum but profits only £28m, an average profit margin of a miserly 3.2% compared with over 20% in the good old days. Despite the fact that they are positioned in one of the UK's most attractive target markets! Since 2004 it's estimated there are around 5 million more people over 50 and that over 55s account for over two thirds of the UK wealth. So what's gone wrong?

I think there are 2 problems. First the marketing is much more focused on short term selling than a longer term strategy that gradually takes prospects through the communications spectrum. For example, the magazine isn't free any more. It's £24 per annum, which isn't expensive but you have to pay, and make the effort to subscribe. As

a result circulation has halved to 627,000. Of course, they're doing lots of other marketing. I get Saga cruise mailshots every week. Several. Often more than one a day, all featuring price cuts. It smacks of desperation. If you're constantly getting price offers many people's response is to hang on for the next, better offer.

Second, Saga management is constantly bamboozled by the marketing industry into believing that it must "refresh" its image and appeal to a younger audience. Why? Research by MORI showed that Saga was the most trusted brand in financial services, but it was also associated with older people. For me that's a win-win. How many financial services brands are trusted? And it's associated with old people? Fantastic, that means that the marketing is aligned with the target market.

Unfortunately, the 'older people' image seems to have been a problem for Saga management for some years now. Here's what Saga reported in 2017. *"Saga is relaunching its brand, unveiling a new look and feel for the brand as well as its first ever strapline 'Keep doing' as it looks to evolve the business to ensure it remains relevant for today's over 50s, rather than being seen as a brand for old people. The changes include a new logo, font, colours and imagery".*

And in 2019 – *"Saga is hoping to surge forward in 2019 with a bold, more confident approach to its marketing strategy, amid plans to invest more in its brand over the next year than ever before. This fresh creative approach kicks off in its travel business with a new campaign tapping into the adventurous spirit and passion of its travellers. Positioned around 'The World is Waiting to Meet You' tagline, the campaign features three 30-second TV ads shot in Mongolia, Norway and Spain featuring locals reminiscing about the Saga customers they met during their travels. Saga is also rolling out a wider selection of videos on Facebook using edits of the TV ad. Direct mail will also remain a huge part of the marketing mix but the aim is to use it in a more personalised way."*

Let's hope it works better than the 2017 marketing re-vamp and I look forward to my direct mail becoming more personalised, although the bar is currently set very low on that one!



Nigel Hill
Chairman
TLF Research



thank you FOR READING

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and published in house by TLF Research.

The magazine is our way of sharing features and latest thinking on creating an outstanding customer experience. We hope you enjoy reading the magazine as much as we enjoy creating it.

If you've got an interesting customer experience story to tell and would like to feature in the magazine, we'd love to hear from you. Please contact our editor Stephen Hampshire for more information.

Email **Stephen** at stephenhampshire@leadershipfactor.com
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ASKING THE RIGHT QUESTIONS TO THE RIGHT PEOPLE

23rd October 2019 11:00-11:30am

Decision makers, influencers and day to day contacts. To understand the B2B customer experience you need to speak to everyone involved in the relationship with you, and understand their different roles and needs. We'll talk about some of the practical challenges and how to overcome them.



WARMING UP RESPONDENTS TO MAXIMISE RESPONSE RATES

31st October 2019 - 11:00-11:30am

Whether you are trying to increase a low response rate or hope to encourage a few more customers to take part in your research programme, this webinar provides practical tips and ideas for communicating with customers before the survey and engaging their interest in your research.



UNDERSTANDING STATISTICAL SIGNIFICANCE AND CONFIDENCE INTERVALS

14th November 2019 11:00-11.30am

Statistical significance can seem like a complicated and arcane world, but it's vital to understand the basics if you want to make decisions with data. We'll cover what you can and can't do with survey data, why confidence intervals may make more sense than significance testing, and how to explain it all to your boss.



UNDERSTANDING CHURN, LAPSED AND COMPETITOR ADVANTAGE

20th November 2019 - 11:00-11:30am

What makes customers lapse? How likely are they to return and what is the competition doing to tempt them away? Chris Elliott explains why you need to quantify these behaviours and learn how to minimise churn.



BEST PRACTICE DRIVER ANALYSIS

21st November 2019 11:00-11:30am

Key driver analysis is the tool which lets you measure which aspect of the customer experience to prioritise, but many organisations are using statistical techniques which are not really fit for purpose. In this webinar we discuss the weaknesses of commonly used techniques, and show the benefits of state of the art relative importance or structural modelling techniques.



TOP TEN THINGS THAT WORLD CLASS ORGANISATIONS DO

3rd December 2019 11:00-11:30

Our Top Ten list is a must have checklist for any company. Can you say hand on heart that you do all ten things..? probably not, but it's a good goal to chase. Greg Roche talks you through each point in a bit more detail.



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