

# Have a nice day!

Customer service beyond today

## THE PERSPECTIVE SERIES

New insights into the UK workplace



# Foreword



**Jeroen Hoencamp,**  
Enterprise Director, Vodafone UK

Being a better 'service' organisation is our goal. It's what keeps us up at night. So just simply listening to what customers really want and expect from their service experiences has been crucial in so many ways. It's reinforced the importance of delivering on our service promises. And the need to consistently strive for continuous improvement. There's always ways to do things just that bit better. We hope you find this insight as useful as we have in reaching your goals too.

Not everyone knows that Vodafone has a long history of helping businesses to improve their customer service – either by making their people and information more accessible, or through the multi-media contact centres we provide to larger businesses.

Lately, there's a recurring theme that crops up in all those customer conversations. Businesses of all sizes consistently say that they're working with significantly restricted budgets. Yet they also say that the pressure on them to improve the overall customer experience has never been greater.

That's not an ideal situation. With that in mind this report brings together the best and brightest minds in customer service and most importantly the customers voice. Specifically, it takes a close look at the things businesses need to consider to ensure that future investments in customer service are really targeted, focused and successful.

I'd like to say a big thank you to Circle Research, The Chartered Institute of Marketing and social media expert Linda Cheung for their independent insight and guidance. And of course to all those who took part in the research and shared their ideas and views. We hope you enjoy the results and find the report useful, practical and actionable.

A handwritten signature in dark ink, appearing to read 'Jeroen Hoencamp'. The signature is fluid and cursive, with a long horizontal stroke at the end.

## More from the Perspective series

The Perspective series gives you fresh insight into the world of work. Find this latest report at [www.yourbetterbusiness.co.uk/perspective](http://www.yourbetterbusiness.co.uk/perspective) and for other resources and insights [www.vodafone.co.uk/perspective](http://www.vodafone.co.uk/perspective)

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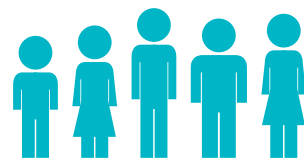
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 Length  
**26**  
Pages

 Read time  
**2**  
Cups of tea

 People  
**800**  
Surveyed

# The people behind it



## **Thomas Brown, Head of Insights, Chartered Institute of Marketing**

Thomas is Head of Insights at The Chartered Institute of Marketing (CIM), where his role is to work in and amongst businesses of all shapes and sizes to tackle the key questions facing marketing, sales and other business professionals. A recognised thought leader in marketing and digital capability, Thomas is a regular advisor to marketing, brand and capability leaders.



## **Linda Cheung, CEO, CubeSocial**

Linda Cheung is CEO of CubeSocial, a social CRM start-up and recognised thought leader on the topic of social media for business. A former Executive Director at Morgan Stanley, Linda's 13-year career in highly regulated markets give her a unique drive for tangible results, whilst avoiding the hype often associated with social media.



## **Andrew Dalglish, Director, Circle Research**

Andrew has specialised in B2B research for over a decade and co-founded Circle Research in 2006. He is a columnist for B2B Marketing Magazine, a frequent speaker at leading events such as the Social Media World Forum and teaches the MRS B2B research course. Andrew holds an Honours degree in Psychology from Aberdeen University, an MSc in Marketing from Strathclyde University and the MRS diploma.



## **Sue Morris, Head of Enterprise Customer Service, Vodafone UK**

Sue Morris is Head of Enterprise Customer Service at Vodafone UK and is known for building a strong and positive business culture around the needs of the customer. She has held numerous other customer-focused positions in the telecoms industry including Head of Consumer Customer Service, Head of Small and Medium Business and Head of Telesales and Outbound Retention.

# Introduction

Few businesses will disagree that the modern customer is more demanding than ever. Thanks to the internet, and other emerging trends such as social media, customers are also better informed and more connected than ever. But what does this really mean for customer service?

- does customer service matter as much as we're led to believe?
- if so, what does a business need to do to deliver great customer service?
- also, what is the real impact of that 'connectedness' – and how will this affect the way service is delivered in the future?

This report explores these questions and provides essential guidance for any business that wants to understand what customers really want. At the core of the report is an exclusive survey which canvassed the opinion of 800 people representative of the UK population.

The questions asked have helped establish a permanent blueprint for customer service success.

At the same time it discusses how you can also deliver excellent customer service in the future (i.e. stay true to that blueprint) in rapidly changing times.

This is the essence of this report: an examination of the timeless customer values that hold true for any age, and a look at how to make those values stand up in a brave new world of social media and increasingly tech-savvy customers.

To help bring this debate to life;

- **Sue Morris**, Head of Enterprise Customer Relations for Vodafone UK, the importance of customer feedback and how this insight can help to shape service delivery in-store, online and on the phone
- **Thomas Brown**, Head of Insights for the Chartered Institute of Marketing, explores how business can 'break down walls' between departments to improve the overall customer experience
- meanwhile **Linda Cheung**, CEO at CubeSocial, explains how businesses of all sizes can start introducing social media to deliver better service. Linda also discusses how small businesses in particular can use social media to punch above their weight.

Finally the report pulls together this insight and advice into five key tips that you can take away and consider for your organisation – whether your business is large or small.

# Executive insights

PEOPLE AGED 18 – 24 THAT WANT TO USE SOCIAL MEDIA MORE TO ACCESS CUSTOMER SERVICE



**23%**  
want to use Facebook more



**19%**  
want to use Twitter more

PEOPLE THAT WANT TO ENGAGE THROUGH A CHANNEL OTHER THAN TELEPHONE OR EMAIL



**14%**  
want to engage through a channel other than telephone or email

## The blueprint

The starting point for this research is a blueprint for great customer service. This is based on basic standards and expectations that are unlikely to change over time.

Top of the list, respondents said that customer service needs to satisfactorily resolve the issue, be highly responsive and minimise the effort they need to put in.

To achieve this, respondents also said that customer service needs to be carried out by staff with the expertise, understanding and authority to resolve the issue satisfactorily. Ultimately this means you need to take full and un-qualified ownership of the issue, and avoiding passing the customer from pillar to post.

## The challenge

While the standards and expectations of customer service are not likely to alter over the next 10 years – the way that people want to communicate with your business undoubtedly will. For the time being though, telephone and email are still the preferred ways for people to get in touch with you. The research does also reveal that customers aged 18 – 24 want to use social media more often to access customer service. Crucial when you're planning for the future.

- 23% want to use Facebook more
- 19% want to use Twitter more

A sizeable minority of customers – 14% – want to engage through a channel other than telephone or email too. So if truly excellent customer service is your goal, then an integrated multi-channel approach is a must.

## The way forward

Drawing on the insights and advice provided by expert contributors and the independent researcher team behind this report, they've formulated 5 areas that you can focus on to improve your customer service and get it fit for the future.

- stay focused on the basics – make sure that continuing to improve the way you handle 'traditional' elements like calls and emails remains core to your approach
- ask for feedback – think about using new methods and technologies that will help you gather more intelligent feedback from customers
- use social media to do more with less – consider how the careful addition of new channels such as social media could not only help you improve service, but also drive new efficiencies
- break down walls – think about how customer service could be embedded more deeply across your organisation
- take it one step at a time – make sure that any new approach is realistic, and that customer expectations are set accordingly

# Clear and present dangers

## THE IMPACT OF POOR PERFORMANCE ON A BUSINESS



**85%**  
avoid companies where they have experienced poor customer service



**80%**  
spend more with companies where they've experienced good customer service



**62%**  
avoid companies with a reputation for poor customer service

## Poor customer service: the real damage

Of course customer service is important – when it's done well, you have happy customers. Naturally that breeds business success. For some businesses customer service has even become their primary source of success. That's the upside. But what happens when a business gets things wrong? This research reveals just how devastating an impact poor performance can have on a business:

- **poor service means you lose customers** – 85% say they actively avoid companies they've had a poor customer service experience with
- **poor service leads to lost revenue** – 80% spend more with companies that they've had a good customer service experience with
- **poor service also means you miss opportunities** – 62% actively avoid companies which friends have told them offer poor customer service (and with 76% of those receiving sub-standard service telling at least one other person, this means most of us have a pretty long black list)

Make no mistake, the impact of this behaviour on the bottom line is significant. According to Ovum, The Cost of Poor Customer Service: The Economic Impact of the Customer Experience 2009, all told, it's estimated that UK companies lose £15.3 billion annually as a direct result.

## But does customer service *always* matter?

Seems a dumb question, doesn't it? The perceived wisdom is that excellent customer service is central to business success. Hundreds of books have been written about it. Business schools dedicate courses to it. And everybody is ready to volunteer their own story of woeful service with the inevitable 'boycott' of the offending supplier. But does it really matter to every business?

Unfortunately, not always.

In some markets customers have little choice. Found your complaints about the late, crowded train to work this morning fell on deaf ears? Fine, you can walk or sit in traffic every morning until the train operator's franchise is reviewed in 2025.

In other situations customers are willing to accept poor service because there's simply more compelling things that ties them to that supplier. Maybe the product's just better; perhaps availability and delivery terms are more reliable; or the price might justify compromises in other areas.

Plus of course, the biggest enemy of customer service excellence is inertia. Customer service may be poor, but changing supplier simply isn't worth the hassle and the benefits of doing so are slim.

Remarkably, these situations are not all that uncommon. 40% of the people surveyed for this report weren't happy with their last customer service experience (defined as rating the experience 1 – 6 on a 10 point scale, where 10 is very happy). Of these unhappy customers, almost half (44%) who will have a need for the offender's product in the future, say they will definitely or probably end up buying from the same provider.

### STEALING THE ADVANTAGE: FIRST DIRECT

**First Direct**, the online bank, has developed a strong competitive edge by putting customer service top of the agenda in an industry where many competitors struggle even to provide acceptable levels. Despite receiving no interest on their current account, First Direct says that **54% of its customers have recommended them to others.**

### It's best to play the long game

In these cases an argument could be made that customer service doesn't matter. If customers remain loyal regardless or if a business has a monopoly then there's no need to invest in customer service beyond the basics. Customers can be neglected with little impact on the bottom line. Indeed, investing in better customer service may actually damage profitability.

This view is perhaps logical, but it is also short sighted for four clear reasons:

- monopolies can be removed, especially in an uncertain political and economic environment
- even if unhappy customers continue to use your service, they may tell other potential customers about their bad experience
- in competitive markets, your business rivals will inevitably turn your competitive advantage into a simple point of parity
- finally for every business, there comes a point when even the most inert of customers has had enough.

Complacency is not an option, the smart business knows that even if customer service doesn't seem to matter today, it probably will tomorrow.

### Turning the corner: Aston Villa FC case study

British football was once notorious for its lack of attention to customer service. Fans will always be loyal – so why make the effort?

But rising ticket prices mean that fans are now more careful about how much they spend following their team. Modern fans also have a much wider range of entertainment choices, putting football clubs in a more competitive environment.

Aston Villa FC is tackling these challenges by making its small 25 seat contact centre the hub of a revolution in the way the club communicates with fans. "Our contact centre staff are now genuine ambassadors for the club and they appreciate that even a simple phone call is a connection between a supporter and their club and that they can make that experience special," says Nicola Keye, Aston Villa's Head of Consumer Sales.

"We've been taking this a stage further. So if we know that a fan has enquired about tickets for a particular match or about coach travel or a stadium visit and we have some information that we think would interest them, we pick up the phone and call. We hope that, for many fans, getting a call from Aston Villa gives them another positive connection with their club.

Aston Villa is a great example of a business that has looked forward, recognised that it needed to change, and put customer service at the heart of its new direction.

*"Our contact centre staff are now genuine ambassadors for the club and they appreciate that even a simple phone call is a connection between a supporter and their club and that they can make that experience special."*

**Nicola Keye,**  
Head of Consumer Sales,  
Aston Villa FC



### P.S. DON'T FORGET THE IMPACT ON STAFF

Businesses should also consider the affect poor service has on finding and keeping the best staff. The first report in the Perspective series found that the most successful employers have a number of key characteristics:

- their employees are likely to be more loyal when they establish a **shared vision** that everyone can passionately support.
- they make sure employees believe that they're **part of something special** and that what they think matters.
- above all, they look to **create stronger emotional ties** other than factors such as conditions and pay can offer.

### EMPLOYEE MOTIVATION



The bottom line is that poor customer service reflects negatively on your business, your employer brand and compromises your ability to attract or retain the best talent. Not many people want to work for the bad guy.

### There's always room for improvement

So there's some very compelling reasons to create an outstanding customer service experience. Especially for businesses that want to look forward and protect themselves against future changes within their market. The problem according to those surveyed is many companies struggle to provide even acceptable levels of service today.

- 47% of us feel that as a nation we're not known for great service
- 40% report that customer service tends to disappoint more often than it delights
- The average customer rates their last experience at just 6.5 out of 10

How does your company stack up? Ask yourself:

- how would both our customers and our people rate our customer service?
- do we know what really delights our customers?
- can we provide consistent and seamless service online, over the phone and face-to-face?
- is our whole organisation geared towards delivering a great service experience?
- are we doing everything that we can to minimise the effort our customers have to make?
- what are we doing to protect ourselves against future competitive challenges?

If the answers focus your mind: read on for a fresh perspective on where your customer service could be heading.

# A timeless blueprint

## 4 THINGS THAT MATTER MOST IN A SERVICE EXPERIENCE



**56%**  
the issue being resolved satisfactorily



**51%**  
the service representative understanding the issue



**48%**  
the first person encountered being able to deal with the issue



**45%**  
a quick response

## What do customers really want?

Before considering a plan for moving forward it's important to take a moment to consider just what makes 'excellent' customer service. In other words, a 'blueprint' for customer service that outlines what 'great' really feels like for the customer – regardless of time or context.

This is important. It means that whenever trying something new, there will always be a checklist of considerations, before deciding if a new idea is really worthwhile. For this reason, you can make sure you never move too far from the 'ageless' fundamentals that resonate most with customers.

To get to the blueprint, respondents were asked a set of carefully considered questions.

## Make it quick, easy and effective

First they were asked to rank the things that mattered most to them in a customer service experience. One thing dominates - the issue being resolved satisfactorily. 56% placed this in their top five.

In reaching this resolution, three further attributes were also seen as important:

- the customer service representative understanding the issue 51%
- the first person encountered being able to deal with the issue 48%
- a quick response 45%

This was reinforced when asked to name the biggest irritations they experience when they do have to contact customer service. Three emerged time and again: having to tell people the same information over and over (51% name this as a frustration), 41% say being passed around and 38% say having to wait a long time for a response.

This should remind us all of an important fact. Customers don't really want to contact customer service - they only do so when there's a problem. A good experience is one which resolves the issue quickly and with minimum effort for the customer; a one touch resolution. This should be the focus above all.

## LESSONS FROM MARKET LEADERS

Every year, the Institute of Customer Service surveys UK consumers to produce the UK Customer Satisfaction Index (UKCSI). This year the top four performing brands are ASOS, Amazon, First Direct and John Lewis.

But what is that makes these companies so successful? And how does their behaviour stack up against the blueprint?

The answer is pretty well. **First Direct**, for example, is known for using real people instead of recordings. This means its customers get to speak to a knowledgeable and friendly person who strives to see things from their view. First Direct staff are also encouraged to enter into a genuine conversation and **take responsibility for fixing issues** to the customer's satisfaction.

**John Lewis** stands out because its staff famously **go the extra mile** for the customer when necessary. Staff members are also able to bypass rules to put things right for the customer. As a company, John Lewis has also put big investment in multi-channel integration across its stores, the internet and mobile shopping channels.

## Accept responsibility and take ownership

Look a bit deeper still and it emerges that excellent customer service goes one step further.

Not only were people asked what mattered to them, they were asked to rate the quality of their last customer service experience. When you isolate the people who were delighted with the experience and look at their satisfaction with different elements of it, something interesting emerges.

These 'delighted' individuals are more likely than average to rate six specific elements of the experience especially positively. This correlation suggests that these elements have an important role in creating that delighted state.

Not surprisingly, four are practical in nature and support what the report has already shown:

- the speed of response to the enquiry
- the level of expertise demonstrated
- the issue being resolved satisfactorily
- and any promises made being delivered

The remaining two elements are somewhat 'softer':

- delighted customers feel the person handling their enquiry cared
- delighted customers also feel the person handling their enquiry accepted responsibility

Notably though, a satisfactory resolution of the issue emerges as the most powerful driver of delight of all.

### FOCUSING ON CUSTOMER EFFORT – A NEW APPROACH TO CONSIDER?

In July 2010 Matthew Dixon, Karen Freeman and Nicholas Toman published the results from one of the world's largest studies of customer service in the Harvard Business Review.

The trio had spent the last three years surveying 75,000 customers across the globe about their service experiences. They found that contrary to popular belief, exceeding customer expectations in these situations has only a marginal impact on their loyalty. Rather, customers are really just looking for an experience which **minimises the amount of effort** they need to put in.

This led to the **Customer Effort Score (CES)** which is based on customers' response to just one question on a five point scale – "How much effort did you personally have to put forth to handle your request?"

The research found that the lower this score (1 = very low effort and 5 = very high effort) the greater the chances a customer will remain loyal in the future. Indeed, amongst customers accessing service, it proved a better predictor of future commercial success for a business than a Net Promoter Score (NPS).- the now legendary customer loyalty metric first introduced in 2003.

Might it be worth adding the CES to your management dashboard?

### The blueprint

Put this altogether and here's the blueprint for customer service success:

- above all customer service needs to satisfactorily resolve the issue
- in doing so it needs to be highly responsive and minimise the effort the customer needs to put in
- it needs to be delivered by staff with the expertise, understanding and authority to resolve the issue satisfactorily
- and it needs to take full, un-qualified ownership of the issue: avoiding passing customers from pillar to post.

### Fit for the future

Whichever way your customers want to contact you, – by phone, by email, online, social media or the good old postal service – the blueprint should hold true. After all, when it's boiled down, customer service is a human interaction.

So does this mean that these fundamentals are future proof? Very likely. The precise definition of each element will change over time – for example, social media means that what's seen as 'responsive' now is unlikely to be considered 'responsive' in 10 years' time.

But on the whole this **essence of good customer service is timeless**. And as we will discuss later in this report, it needs to run strongly through any future vision of customer service success.

# Future channels and challenges

## TODAY'S VIEW: PREFERRED ROUTES TO ACCESS CUSTOMER SERVICE



**46%**  
prefer to access customer  
service by telephone



**42%**  
prefer to access customer  
service by email

### BUT:



**43%**  
find it hard to access customer  
service in the way they want

## THE GROWING TREND IN SOCIAL MEDIA



**32million**  
UK active users



**10million**  
UK active users

## How are we going to cope?

So customer service is high on everyone's agenda – or at least it should be. This blueprint, gives you a good idea what customers really want out of the service experience. But what about all those new channels everyone keeps talking about?

Let's start with the basics. Even the best customer service is useless if customers can't access it. It may seem obvious, but many companies fall at this very first hurdle. 43% of respondents say they find it hard to access customer service in the way they want.

The natural inclination is for customers to want to pick up the phone (46%) or send an email (42%). For now, these routes should still be a core focus.

## The slow rise of social media

Hold on. Isn't social media revolutionising the world of customer service? Not quite yet. They might well follow your business to get updates on what's going on, such as news on an imminent new product announcement. But as yet, only a few use it to contact customer service. Currently 4% regularly use Facebook to access customer service and just 3% use Twitter. This is set to change, social media use is growing exponentially in other areas, 16% of the UK population are active users of Twitter.

The slow uptake according to respondents is because businesses simply aren't set up to work in this way. 41% of those asked feel most businesses aren't able to hold conversations using Facebook and 44% say the same of Twitter.

Let's not be too hasty though. Before you rip up that social media strategy, consider two things:

- the way the future generations are likely to want to interact with you
- the way new channels like social media – if they are handled poorly – can have a wider impact on your business's reputation

Remember, the younger generation has grown up with technology with the older generations adopting these trends too. It's no surprise that consumer behaviour and expectation is changing as a result.

### SMALL BUSINESS ADVANTAGE?

Customer service in the world of social media is still in its infancy. It's already recognised that one of the biggest downfalls for larger businesses is that they often have to conclude their conversations offline.

This is common in the banking industry for example, where Twitter or Facebook interactions are often transferred to phone calls or live chat scenarios (due largely to the private nature of personal account information that needs to be shared between the customer and service staff).

As the blueprint says, this doesn't really make for customer service best practice. Knowing that customers don't like to be passed from person to person, let alone from channel to channel.

According to social media expert and CubeSocial CEO **Linda Cheung**, this is precisely where small businesses may have some advantage over their larger competitors.

*"For small businesses this is the beauty of Twitter based support, the customer feels as they though they are talking to one voice, and the flow is not interrupted. It can be challenging for companies that need to take issues 'offline', perhaps for security reasons. But for a small business, it can work perfectly".*

**Linda Cheung**,  
CEO, CubeSocial

### Future proofing your strategy

To prepare for the future, you need to recognise that preferences are changing.

Younger generation are more likely to use social media to access customer service – 16% frequently do so via Facebook and 12% via Twitter. Importantly, many in this age group want to use social media more often - 23% want to use Facebook more and 19% Twitter.

This trend is set to continue. For example, Twitter says it now has over 10 million active users in the UK – that's equivalent to 16% of the entire population, while Facebook says it has 32 million active users in the UK.

So, if you want to provide great service that satisfies future generations, or your target market is simply younger, you really should be thinking about embracing social media.

But even if not, social media still shouldn't be ignored. Why? Because one in ten people (11%) that experience poor customer service spread negative word-of-mouth using social media.

The viral nature of social media means that even though only a small minority use it to lodge complaints, they have a disproportionate impact in doing so. Unlike a phone call which is largely private in nature, that Tweet or Facebook post is seen by the customer's community with the potential to be spread far wider within a matter of minutes.

It's supercharged word-of-mouth. Indeed, sometimes a public grumble is transformed into a concerted campaign designed to encourage others to boycott a brand. Fail to respond or respond poorly and the reputational damage can be significant. But respond well, and goodwill can spread far beyond the person raising the issue.

Better revisit that social media strategy.

### EXTENDING YOUR SOCIAL CIRCLE: THE VODAFONE EFORUM

The blueprint champions the idea of empowering your people with authority to resolve issues satisfactorily. But with the advent of social media, just how far can you extend that principle?

**The big benefit of social media to business is that it allows you to embrace a wider community beyond your own staff and get it acting positively on your behalf.**

The Vodafone eForum is an example of this in action. The eForum is an online self-help community that connects users to help them get answers to common service or technical issues. The eForum is also manned by full time Vodafone support staff who are ready to intervene and guarantee a successful resolution to a query – on or offline.

But the real success story of the eForum is the satisfaction that customers are finding from answers and solutions provided by other users. To do this, Vodafone gives due recognition to its most proactive and prolific participants. For example, it provides a detailed ranking system that gives those participants the ability to tailor posts with images and link back to their own content. These 'super users' also get the power to organise and administrate help pages.

Of course, Vodafone does take ultimate responsibility for any issues that remain unsolved by the community and monitors posts continually. But it is also creating a successful social environment that produces a wider circle of advocates. To support this, Vodafone UK are proud to confirm during Q4 2012 they topped the Socially Devoted\* telecommunications list for responsiveness to fans on its Twitter pages.

### Enabling a multi-channel experience

Another important lesson emerges when looking more closely at how customers prefer to access customer service.

As seen, telephone and email are still most peoples' first port of call today. Naturally then they should be a focus. However, even if it's only a minority, not everyone prefers to use these channels.

A sizeable minority of customers – **14% – want to engage ways other than telephone or email.** This means that if truly excellent customer service is your goal, then an integrated, multi-channel approach is a must; one which means customers can engage with you on their terms, not yours.

### What is next for your customer service?

This report has established the blueprint for success, it sets-out that a multi-channel approach that embraces social media – even though this is still an emerging trend – is a key part of future proofing your strategy. In the following sections expert contributors have been invited to comment. Ultimately, providing you with key areas that you can focus on to achieve positive long term results.

\* Socially Devoted is a metric established in April 2012, which sets the benchmark for the quality of customer care in social media channels.

# Social media for customer service – getting started

## Five things to think about

Setting up your customer service via social media requires careful thought, especially when resources and manpower are limited. How much time will it take? How you can be sure you are reaching out to people in the most effective way? Thomas Brown, Head of Insights, CIM provides some tips for businesses that are thinking about starting out.

- **Are your customers actually there?** Do your existing customers, or people matching their profile, actually use or want to use social media? Find out by asking your customers, looking at what your competitors do or auditing social media conversations to see how your company, brands, products or category are talked about
- **What are they doing there?** If you customers are active with social media, find out why. A quick survey (or talking direct to Facebook, Twitter. etc) will help you to understand, for instance, whether your customer profile typically follows and engages with companies on social media, or whether it's purely a personal communication tool
- **Why do you want to be there?** It may sound an obvious question, but you should have some objectives for wanting to use social media for customer service. These could include reducing response times, improving the customer experience, lowering costs or any number of other goals. Knowing what yours is, though, is key. Too many businesses plough into social media without quite knowing why, which makes measuring success almost impossible
- **Can you become part of the conversation?** Etiquette is incredibly important in social media: you wouldn't walk into a restaurant, sit at someone else's table and interrupt their conversation – the same principle applies in social media. Get involved in a low touch way with social media and start by listening. See how people interact with you and try different approaches to stimulating some dialogue. Don't be afraid to ask for feedback – customers tend to feel safer giving you negative feedback online as opposed to in-store or by phone, so it's likely that you'll hear the truth
- **How much time and resource can you put into this?** Wild success may seem like a nice problem to have, but you need to think carefully about the resource implications that come with social media. If your fan page or Twitter account becomes very active, with customers posting questions, complaints and alike, you've got to be able to handle it. If you know you only have a certain amount of man hours per day, or people at your disposal, be open about this. Set expectations – opening hours apply to social media, not just your storefront or office

*"If you customers are active with social media, find out why. A quick survey (or talking direct to Facebook, Twitter etc) will help you to understand, for instance, whether your customer profile typically follows and engages with companies on social media, or whether it's purely a personal communication tool."*

**Thomas Brown,**  
Head of Insights,  
The Chartered Institute of Marketing

For the wider business perspective from Thomas Brown read [Breaking Down Walls](#)



# CUSTOMER SERVICE

GETTING INSIDE THE MIND OF THE CUSTOMER



MORE THAN  
**10m**  
UK Twitter members<sup>2</sup>

SOCIAL MEDIA  
IS THE FUTURE OF  
CUSTOMER  
SERVICE

MORE THAN  
**19%**

of 18-24 year olds want to  
use Twitter and Facebook  
more for customer  
services



**32m**

active daily Facebook  
users in the UK<sup>3</sup>

FOR BUSINESSES,  
SOCIAL MEDIA  
IS AN EFFECTIVE WAY  
TO GET CUSTOMER  
FEEDBACK AT  
LOW COST

KNOW HOW  
CUSTOMERS  
WANT TO  
CONTACT YOU

MAKE LIFE  
EASY  
FOR ME

WHAT  
CUSTOMERS  
NEED & RESOLVE  
MY ISSUE

SHOW ME  
EXPERTISE  
UNDERSTANDING  
& AUTHORITY

TAKE OWNERSHIP  
OF MY ISSUE

POOR  
CUSTOMER  
SERVICE  
IS COSTLY



**38%** "NOT GETTING A RESPONSE  
IN A REASONABLE TIME"



**76%**

tell at least one person  
about their customer  
service experience

WHAT  
CUSTOMERS  
DISLIKE

**51%**

"CUSTOMER SERVICE REPS  
WITH THE WRONG  
ATTITUDE"



"HAVING TO REPEAT TO  
DIFFERENT  
REPS"

**85%**

of customers avoid  
companies they've had  
a poor experience with

**62%**

avoid companies they've  
heard offer poor  
customer service

**£15.3  
billion:**

the estimated annual cost  
of poor service to  
UK businesses<sup>1</sup>



## 5 GOLDEN RULES

### DON'T NEGLECT THE BASICS

Focus on continually improving  
the way you handle 'traditional'  
channels like phone and emails.

### FOCUS ON FEEDBACK

Look out for new ways  
to find out what your  
customers think.

### DO MORE WITH LESS

Consider how social media  
could help create efficiency  
in your business.

### BREAK DOWN WALLS

Make customer service  
everyone's responsibility  
in your business.

### ONE STEP AT A TIME

Be realistic, and manage  
customer expectations  
accordingly.

1. European Business Review 2013. 2. The Guardian 15 May 2012. 3. Checkfacebook.com 29 Jan 2013.

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# The customer service perspective



**Sue Morris**, Head of Enterprise Customer Relations, Vodafone UK

## New era, new demands

When I first read this report, I couldn't help but agree with the premise that the fundamentals behind great customer service are the same today as they were 20 years ago. I also believe they will be the same in another 20 years.

But if there's one thing that definitely has changed over the last few years, it's how much busier people are. Everyone is constantly switched on. People have less time, which means they demand more of your business when they need to get in touch, I want to find better ways to respond to this challenge.

What does this mean for the customer service industry today? What are the biggest priorities? In my opinion it's three things:

- in such a fast paced environment, speed and efficiency are prerequisites
- large or small businesses both have to deliver great service regardless of channel (in person, on the phone or online)
- and on every occasion the goal is for customers to come away saying "that was easy, it worked, and I'm impressed."

## How to get the balance right

Naturally the industry is responding with new skills and approaches that meet changing customer behaviour. I also recognise that we can learn a thing or two from this valuable customer insight to help improve and influence the way we do things.

At Vodafone we're responding by investing in multi-channel integration to try and make sure the experience for customers is seamless, regardless of when or how they choose to talk to us.

Customers also say self-service tools are one of the ways they prefer to get their answers – particularly when it fits with irregular hours or a particularly busy lifestyle.

More and more businesses see the importance of customer services team dedicated to social media. Whilst this emerging channel still only accounts for a relatively small amount of the traffic – it's an issue that should be taken very seriously. Platforms such as the eForum are an important way to make sure service operations meet customer needs in the future too. Another consideration for a fully integrated approach is our customer service team dedicated to social media.

### The most important thing is to keep listening

Spending lots of time listening to customers and finding out what drives their satisfaction at every single stage of their journey, is one of the most important things we can do to get the balance right. Real time feedback systems provide fresh insight from customers – making sure every improvement made is driven by them.

Customers give their feedback via a mobile survey at the point of experience. The result is that we have customer insight and information to build on, that is far in advance of anything that we had before.

Yes, we will continue to invest multi-channel, self service and social. They're all a very important aspect of our future and this part of our operation is only likely to grow. But gaining new insight into what our customers really want is paramount and has become the bedrock of our plans for moving forward. It allows us to know what we are doing right or wrong for every type of interaction and how this maps against the overall blueprint for success.

In the most basic terms possible, it means we are able to resolve things like set up issues more satisfactorily. It will allow us to reduce the amount of effort our customers have to make when they contact us. Most significantly, it tells us about the moments when we can really make the big impression – the kind that makes our customers say 'Wow!'.

And that, regardless of the channel or technology that we are talking to our customers through, will always be of huge value to any business.

*"It's fairly simple but the system we use allows us to engage with customers straight after an interaction via their mobile, meaning we can interact and have a conversation with them at the point of experience. The result is that we have customer insight and information to build on that is far in advance of anything that we had before".*

**Sue Morris,**  
Head of Enterprise Customer  
Relations, Vodafone UK

# The wider business perspective



**Thomas Brown**, Head of Insights,  
The Chartered Institute of Marketing

*"Make sure the most senior people in your business make a commitment to spending time on customer service issues – meeting key clients, spending time in store/taking calls and sharing what they learn internally".*

**Thomas Brown**,  
Head of Insights,  
The Chartered Institute of Marketing

## Breaking down walls

The blueprint discussed in this report says that customer service should 'take full, un-qualified ownership of issues, avoiding passing customers from pillar to post'.

This got me thinking – just how do you achieve that? More specifically, it got me thinking about that the challenges created by structure and hierarchy. Both these elements provide clarity, ownership and accountability. But they also come with a downside. More often than not, the walls that are built to help a business manage its activities in the best way can also become barriers.

When it comes to customer service in particular, it's clear that there are two sides to the coin. On the one hand, creating specific roles, teams or departments responsible for customer service can help an organisation to manage these activities efficiently and effectively.

However, compartmentalising these responsibilities can also lead to a loss of customer focus across the rest of the business. It can become all too easy for employees and managers to assume it's no longer their problem.

This doesn't mean customer service shouldn't be managed by trained professionals. Or that such a department shouldn't exist (far from it!). It does, however, create an imperative for senior managers to overcome 'silo' thinking.

To overcome this, it's worth considering a few key activities that will help you 'break down those walls':

- **Wear the shoes:** make sure everyone in your business 'thinks customer' and understands how their decisions or actions can impact the customer experience. This is critically important. Simply 'telling' people often isn't enough, so consider shadowing or job swaps. Have your customer service teams spend half a day in a different department, and have colleagues from marketing, sales or operations listen to or handle real customer calls themselves.
- **Lead from the top:** 'happy customers are everyone's responsibility'. This may be a great mantra, but to avoid it becoming empty words, prove it. When you are seen to 'walk the talk', it can send a powerful message to your organisation and give the 'happy customers' mantra some meaning. Make sure the most senior people in your business make a commitment to spending time on customer service issues – meeting key clients, spending time in store/taking calls and sharing what they learn internally.

- **Turn anecdotes into insights:** try to make every effort to capture insights from customer emails, calls or social media conversations. Sharing this with the right people in the business – in other words, across those structural barriers – can help lead to the right conversations between the people who develop your services and the people who support them. 'How do we fix this problem for all our customers? 'How do we pursue that potential sales opportunity? 'How can we improve our overall experience?'
- **Bridge the gap between promise and experience:** one of the big priorities for organisations in today's customer-empowered, socially-driven world is to ensure that they bridge the gap between promise (their brand commitment) and experience (the reality of the service). Critical to getting this right is ensuring that marketers and customer service professionals work together to ensure that each and every customer interaction reinforces the distinct and compelling promise the organisation makes to its customers – whether that's getting the service right, or fixing it when things go wrong.
- **Use social media wisely:** whilst consumer use of social media as a customer service channel remains relatively low today, as evidenced by this report, social media usage is growing rapidly. This doesn't necessarily mean that all businesses should provide customer service support via Twitter or Facebook. That takes resource and energy and needs real thought. What it does mean is that all organisations should be monitoring and listening to social media to understand whether and how your customers are talking about you, your category or your competitor. Armed with this information, you might just be able to break down a few more walls between your business and your customers – or even beyond that, your prospective customers.

*"All organisations should be monitoring and listening to social media to understand whether and how your customers are talking about you, your category or your competitor".*

**Thomas Brown,**  
Head of Insights,  
The Chartered Institute of Marketing

# The social perspective



**Linda Cheung,**  
CEO, Cubesocial

## The case for a social evolution

When I was asked to contribute to this report, it reminded me that customer service was one of the things I had to think about very carefully when we started our business. We had a product – a social CRM – that would be new to many of the people using it. There was bound to be a need for quality support and service.

So we wondered. Should we supply a landline phone number? But we were often out and about, and I didn't want the developer team being interrupted. Maybe we should provide mobile numbers? Not an option: that could just make us look too small. In the end we did neither. Instead, we opted to build our Support Centre entirely around social media, email and online self-help information.

Perhaps many people in the customer service business would regard that approach as dangerous. By not providing a telephone channel at all, would we run the risk of frustrating customers with support issues? Or worse, would we put off new prospects who wanted to be confident in the support we offer?

In the event, neither happened. Customers are happy with the service we provide. And I can think of only two occasions when people have noticed and commented about our lack of phone numbers – both of whom are customers now.

Looking at the blueprint for successful customer service in this report, you can start to see why our approach has been successful.

## Our customer service satisfactorily resolves the issue

We are held accountable by our customer community on Twitter, which means we can't leave issues lying unresolved. This makes us much more responsive than if we were chasing voicemails that no one else knows about.

## We minimise the effort the customer needs to put in

Our self help option, which enables customers to find answers easily, is great at minimising effort and allows the customer to get answers whenever is convenient for them.

## We avoid passing customers from pillar to post

For us, this is the beauty of Twitter based support. The customer feels as they though they are talking to one voice, and the flow is uninterrupted. Admittedly this will be different for companies that need to take issues 'offline', perhaps for security reasons. But for a small business like ours, it works perfectly.

*"For small businesses, customer service via social can be something of an equaliser. By giving you a means of building a customer service capability, without the need to man the phones, it can help you punch above your weight".*

**Linda Cheung,**  
CEO, Cubesocial

### GET TO KNOW YOUR CUSTOMERS BETTER

Social media can be a brilliant way to catch customer feedback and opinion, especially on a limited budget. Try this for an approach:

- think about the words and phrases people might use if they were complaining about the service you provide (write them down).
- next think of what people might say if they were dissatisfied with a competitors' service (note those phrases down too).
- create a new Twitter recording using the phrases you came up with...this way you can start keeping track of all the conversations that match.
- Once or twice a day you can then check-in and scan through the results looking for people who are complaining about service failures that are highly relevant to you.

Use this approach and it soon becomes easier to see where you can improve. And most importantly, you'll identify the moments of customer interaction that are most likely to really impress your customers when you get it right.

### Consider social as part of the plan

Of course I'm not suggesting that everyone should do customer service in exactly the way we have done. We are a small company, so the scale and challenges are different to those faced by other organisations. Also we are a social media company, so you can argue that our approach to service does fit with our brand.

What I'm saying is that social media can, and should, work as a viable part of any service operation. Here's why:

- **Social media can help you do more with less:** for small businesses, customer service through social can be something of an equaliser. By giving you a means of building a customer service capability, without the need to man the phones, it can help you punch above your weight. For large businesses, I believe social media has similar potential to bring new efficiencies to your wider customer service operation: taking the pressure off phone lines, and improving engagement on dwindling resources.
- **It's ok to set expectations:** one of the things that puts businesses off doing customer service via social media is the idea that they're going to need to be available every hour of every day. The fear is that this will cripple their resources and that their slow responses may even do more harm than good. I believe this is a misconception. Social media is 24/7, that doesn't mean you have to be. If you're a small business especially, people will know and understand that. So set expectations. Tell people when you're open to talk. People in the social world really are okay with that.
- **You only need to take one step at a time:** remember that social media in customer service is an evolution. You don't have to go all guns blazing straight away. So think about what you can manage, build incrementally, and make sure you keep your customers up to date on how you're progressing. But most importantly, get started!

*"Social media is 24/7, that doesn't mean you have to be. If you're a small business especially, people will know and understand that. So set expectations. Tell people when you're open to talk. People in the social world really are okay with that".*

**Linda Cheung,**  
CEO, Cubesocial



# Final thought... and some practical tips

As the blueprint shows, most of us agree on what makes for a satisfying customer service experience. Yet most have differing views on how it can be improved to meet expectations in a rapidly changing world. This report has explored a wide variety of suggestions from a number of interested parties: from customers to small and large businesses, customer service professionals, marketers and social media experts. Here are 5 key ideas derived from the report that will provide you with food for thought.

## 1. Stay focused on the basics

A lot of talk today is about 'connected' customers. Businesses are likely to respond with more and more emphasis on digital and social media. As research shows, the vast majority of people still want to communicate by phone, email or in person. So make sure your customers are always able to contact you on their terms. For most businesses this will mean keeping these core elements as the bedrock of a progressive multi-channel strategy. [Limited capacity to take calls? see point 3 below]

## 2. It might seem obvious, but ask your customers' for feedback

Above all customers want their issues resolved satisfactorily. Companies that do this well know their customers inside and out. They solve problems successfully because they know what both delights and irritates their customers at every single stage of their journey. To help you achieve this goal, it's well worth considering investing more of your time gathering detailed customer feedback. Large businesses can consider new systems that gather real time feedback on mobile phones, for example. Small businesses can compete by gathering feedback and intelligence via social media.

## 3. Use social media to do more with less

In customer service terms, social media is often talked about as a new channel that will need to be implemented to address new demand. It can also help you understand how your customers feel about you. But could it help drive new efficiencies? Used as part of your overall service mix, social media has great potential to bring cost savings: for example, by diverting some people away from your phone lines. For small businesses you can consider taking this a step further, using it to build an in-depth customer service capability that will help you work around your limited capacity to take calls.

## 4. Do what you can to break down walls

Great customer service is carried out by individuals who feel like they have full responsibility for resolving issues. Where everyone is focused on the customer experience. Equally, it's characterised by a seamless experience whether it's in a shop, online or on the phone. Do you need to break down the barriers that exist within your company? Can you do more to help staff share knowledge and insight? Job shadowing across the business might be a good start. Making sure managers spend time on customer service issues is even better.

## 5. Take it one step at a time, and set those expectations

Whether you're thinking about adding new channels like social media right now, or simply have them on the to-do list, take it one step at a time. The social media world in particular is very accepting of experimentation. Make a small start, gather feedback along the way and refine your efforts as you move forward. Remember, just like your stores, or phone lines, social media doesn't necessarily have to be 24/7. It's ok to set expectations. If you prefer to confine your social media customers service to office opening hours, that's okay.



## About the Vodafone Perspective series

The Perspective series is designed to help businesses and public sector organisations find better ways of working. Researched independently, the series explore the biggest business challenges facing business today and provides new perspectives from independent thought leaders.

There are currently three other reports in the Perspective series:

- Exploring the shift in employee expectations
- What if?...Exploring attitudes to risk
- Great expectations in hard times, citizen service beyond today

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## Methodology

The survey results in this report are based on 800 online interviews with individuals representative of the UK population. Interviews were designed, conducted and analysed by Circle Research in October 2012.

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