

Brand and the Customer Experience

What is 'a brand'? Essentially it is a vehicle by which a company communicates to its customers and potential customers the values for which it stands. It creates a powerful expectation in the mind of that customer.

Huge sums of money are invested in the most visible delivery channels – the media – in order to generate those emotional expectations and to promote usage of a range of products or services.

Latest figures from MMS show that over the last 12 months, the UK's top 5 advertisers spent £423.7m on above the line advertising. Widen that to the top 20 and these companies spent a massive £1,049.9m. That's a lot of money to spend on generating beliefs and emotions.

"TV is an incredibly powerful mechanism for creating customer expectation in your brand – it's second only to what you actually experience when you enter a store"

Sara Weller, Sainsbury's 9/11/01

So naturally, with so much money at stake this is the area that tends to get the boardroom focus – have the directors seen or heard well crafted adverts for their products and services and do they feel the warm glow when they reflect what their company stands for? This task is usually left to the marketing team to develop from a given set of brand values.

For some that is where the journey ends. The advertising is their company and defines what it is. For the customer this is just the beginning. If they are sufficiently engaged, they may seek more information on a service or set out to trial a product. What is now

lodged in the emotional part of the brain are expectations of what will be delivered. Their customer experience when they interact with the product or service then becomes 'reality' and will be judged against that expectation. If the expectation is met or exceeded, value will be created both emotionally and on the bottom line if a purchase results.

However, consistency is the key to sustaining that value which means that wherever a customer touches the product or service that experience must be reinforced. Failure to identify those touchpoints and to invest sufficiently in that consistency of customer experience – match the expectation – is potentially value destroying.

All touchpoint experiences, whatever they are, are brand experiences and can impact on how your customers or consumers regard your business. It's not enough just to have a great product and great ads; great staff, consistently excellent service and well thought through communications beyond the glamour of the ads are also essential.

To draw an analogy with the stock market; the brand may build up some equity in the mind of a customer through a series of good customer experiences. Over time, bad experiences can chip away at that equity until customer confidence is lost and they seek an alternative in which to invest.

Also, just like the stock market, brand value can be destroyed quickly and unthinkingly. Many will recall Gerald Ratner's notorious speech to the IOD in 1991. His comment that some of the store's products were 'total crap' first forced him to leave the company - and then ultimately led to the complete collapse of the business. A salutary lesson in what can happen when the beliefs and expectations of ones customers are undermined.

In that sense, value is not so much destroyed but, rather worse, customer value moves to a competitor. To then complete the downward spiral, winning back that customer could well cost significant sums, if it is ever

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achievable, and that customer's experience will be relayed to countless other 'potential' customers. Negative word-on-the street is a potent force in brand-value destruction.

The customer experience at every touchpoint has therefore become the manifestation of the brand. It translates a potentially fluffy, emotional expectation into reality.

In order to maximise the value from that brand, sufficient investment must be made across every touchpoint to ensure that customer expectations are met or exceeded. This requires a total view of the business strategy and may mean re-allocation of the finite spend (which may have been the sole preserve of the marketing team before) to deliver brand enhancement across all touchpoints and channels.

However customer experience integration extends beyond just a contact strategy. It should be a key consideration in all aspects of a brand's behaviour. FMCG new product development is a classic example. If consumers believe that brand X stands for 'best in class' but the business plans an extension into a sector where that will not initially (or indeed ever) be the case, should those charged with brand guardianship in the business challenge the extension if it threatens to damage the brand?

Customers may initially purchase the new product from brand X based on historical brand equity, but if the experience doesn't match the 'best in class' expectation – the potential for success is reduced and core brand equity may be chipped away.

Similarly when introducing a new channel, sufficient time must be devoted in the planning stage to ensure that the end result exceeds the customer expectation - which means knowing what that is in advance. Many e-channel developments have failed because they have been essentially IT driven, not customer-led leading to failed business cases and value destruction. If managed correctly, this should represent the most controllable customer experience but all

too often basics of navigation, refresh times and enquiry management are second or third division issues. Clearly the IT platform must be right but that is not what the customer sees or cares about.

In the service sector the delivery of the customer experience is a function of the structure, values and behaviour of the organisation which delivers the business. In the final analysis, it is a people issue. Those who directly interface with customers have the greatest opportunity to impact on the brand and to shape customer behaviours.

The larger the business the easier it is for these kinds of inconsistencies to go unnoticed.

The biggest problems occur when the board decides on a 'strategic shift' or a change to the brand values. One of the most common shifts has been the growing emphasis on what has been termed CRM which is a proxy for getting closer to your customers and responding to their needs.

This would translate, if fully deployed, into a customer-centric approach. The impact for the company of such a strategic shift should be a review of the brand values to check that they align with the new direction.

Unfortunately too many businesses have seen management of their customer contact as a bolt on strategy, or even worse an I.T. project – the net result of which is no benefits accrued and the company becomes another CRM statistic. The Financial Times recently quoted a report which estimated that between 55% and 75% of CRM projects fail to meet their objectives. Another study suggests that the proportion of unsuccessful CRM implementations will rise to 80% in the next 18 months, from 65% today.

So the lesson is clear. Before such a strategic shift or systems investment is made, the impacts on people, behaviours and culture should be understood and deployability validated, which can mean facing up to a sometimes harsh reality.

The consequences of the failure to do this are usually an adverse impact on the customer experience. For example staff recruited to work in a particular manner may be totally unsuited to new working practices and behaviours – no amount of training may be sufficient to deliver the new expectation, as the IBM ad. says ‘great strategy but do we have the people to deliver it? No’.

These are issues that must be addressed at board level. The retention of customers in the face of contracting budgets means critical investment decisions must be seen in the context of the whole business. Customers judge the people they buy from on the basis of their customer experience wherever they touch that business. They do not make the internal artificial separation that the operations team “does this” and the marketing team “does that” and therefore inconsistency is acceptable.

Through Customer and Brand Experience modelling Critical Contact is able to expose to the board the true reality of *their* customer experience across all touchpoints and to determine the strategic and tactical opportunities to create and enhance value. This provides the information to inform key investment decisions whether in marketing, process improvements, systems data strategies through to improved in-house delivery or outsourcing of actual contact services, to ensure the translation of brand into customer value through an enhanced customer experience.

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