

Measuring the real value of customer service

In the latest in a series of Customer Management Executive Debates held at Claridge's in London, delegates looked at the challenges faced when organisations try to measure and evaluate customer service and what it means to the bottom line. Here is an exclusive report on proceedings



Measuring customer service is an epic journey. The brave manager undertaking customer service evaluation faces difficulties at every turn, from justifying and proving the importance of evaluation to the Finance Director, to finding practical, workable methods to carry it out - a daunting task for all contenders. Measuring customer service is, as Head of Quality for a major retail bank, says: "like the search for the Holy Grail."

A recent debate co-hosted by 3C

Associates and Customer Management Magazine discussed the challenges employers face when trying to measure and evaluate customer service, as well as the positive impact that understanding the value of customer service can have upon the business.

Managing Director Hedda Bird, of 3C Associates, said: "The need to measure customer service is evident regardless of business type or industry. If we don't know what customer service is worth, how can we make informed decisions about how much to invest, and where the investments should

be made. How can we assess the value of customer service if we don't know what it is and where it comes from?"

The Emotional Moment of Truth

Providing good customer service doesn't just mean giving the customer what they want. It isn't possible to say yes to every single customer, but if you say no in the right way, you can ensure they still have a positive opinion of your company.

When customers are desperate, if you handle them well, they will think you are fantastic even if the customer service wasn't great. Dealing with customers well when they are in an emotional state is incredibly powerful, and their feelings about your brand will be totally transformed.

A delegate commented: "With lost or stolen credit cards our experience is that they are always rated the highest of any of our interactions with customers."

But how can we measure the impact of the emotional state of our customers? It is incredibly hard to evaluate and many processes do not recognise this as a factor.

Another example of how the emotional connection between the company and the

3C ASSOCIATES AND THE ROI ACADEMY

3C Associates Ltd is a fast growing learning and development consultancy specialising in customer service, management development and sales training. 3C's highly regarded specialism in training evaluation and measurement has led to the launch of The ROI Academy™.

3C Associates has launched The ROI Academy™ to provide the training, tools and expertise Customer Service and HR and Training professionals need to value the contribution of customer service in their organisation.

The Academy offers a range of one and two day accreditation programmes covering evaluation models, finance, case studies and practical application, with the option to licence essential tools and models for

subsequent use within client organisations.

ROI Academy Valuation Packs™ are available on completion of the course, containing templates, models and web tools needed for valuing customer service. ROI Academy Valuation Packs™ for public sector and not for profit organisations are also available. All packs can be adapted for use in different business situations and organisations.

The next OPEN programme is on February 27th & 28th. For more information on The ROI Academy™, visit www.roiacademy.co.uk For more information on 3C's our customer service programmes, please visit www.3ctraining.co.uk or call 3C on 01491 842 922.

consumer is evident with the current trend for outsourcing call centres to India. One company suffered a severe downturn in its business after transferring its customer service division to India. Despite the call centre being run according to the company's UK guidelines and customer service standards being maintained, customers were unhappy with what they perceived as a 'British' service being moved as a cost-cutting measure. The emotional connection between the customer and the brand had been affected and consumers began taking their business elsewhere. In this case the customer service of the company had driven the renewal business – a fact that hadn't previously been realised as only the sales impact had been measured.

Customer service needs to reinforce the brand values and the emotional connection to the brand, in order to retain customers.

Not just the customer service team

A lot of people think customer service only happens within the customer service team.

Director of Sales & Marketing Melanie Hall, of NHS Supply Chain, said: "In reality, it is provided by every individual within an organisation, from the receptionist to the CEO."

Yet any customer service evaluation that does take place is usually confined to the customer service team. In this context, valuing the customer service a company provides is totally different to valuing what the customer service team of that company is doing.

The customer service team is often in the operational side of the business, with few links to the marketing team. The market value of customer service feedback is phenomenal, and vast amounts of this research are collected each year. Yet all too often nothing is done with it, and it is unexploited and undervalued as a result.

Head of Global Service Solutions for a global mobile communications company, said: "Our marketing group are actually in the process of an 'aggressive takeover' of our call centres, because they've suddenly realised we have 40 million contacts with the consumer and they don't have that."

Understanding the customer is part and parcel of both customer service and marketing. Through its customer service team, the company has direct contact with

WHEN CUSTOMERS ARE DESPERATE, IF YOU HANDLE THEM WELL, THEY WILL THINK YOU ARE FANTASTIC EVEN IF THE CUSTOMER SERVICE WASN'T GREAT. DEALING WITH CUSTOMERS WELL WHEN THEY ARE IN AN EMOTIONAL STATE IS INCREDIBLY POWERFUL, AND THEIR FEELINGS ABOUT YOUR BRAND WILL BE TOTALLY TRANSFORMED

what the consumer wants, how they feel about the product, and a certain amount of influence over whether they will continue to trade with that company. The marketing team needs to be aware of what the customer service team finds out, in order to successfully promote the product.

If you get the customer service right, consumers will stay with your company even if they're paying a little more for the service you provide:

Senior Service Manager Lucy Hurst, of Nationwide Trust, said: "We're not always the cheapest on all of our products, but will always offer a competitive rate. Customers have faith in us as a financial service provider. They know we're not going to rip them off, and come back because they trust the products we're offering to them are good value."

Verbatim is magic

The most valuable measure of customer service is the verbatim comments from customers during the course of their conversation with the customer service advisor. These throwaway comments give a real insight into the experience that the customer has had and can be used as both a team morale booster and a method of valuing individual employees. Or, as Head of Contact Centre Change Vinay Parmar, of Egg, says: "Verbatim is magic."

Passing customer comments on to the employees who dealt with that customer will make them feel good about the service they are providing and help them maintain a high standard in their work.

Measuring customer service

One problem managers face when measuring customer service is falling into the over-complexity trap. Evaluation methods don't have to be complicated, they

just need to collect the information you need in order to carry out your research and make it useful for your business.

The challenge is to capture the right information in a format that makes it easy to interpret, and useful for the business. There are three elements to buying something: the process, the customer service, and the product itself. It's very easy to get caught up in measuring the operational process or the product satisfaction levels. To value customer service, you need to separate it completely from these two elements.

Customer Service Director Stephen Beard, of Alfred McAlpine, said: "Our methods monitor performance but that isn't measuring customer service. What's key for me is being able to identify measures of customer service as opposed to contract performance or operational performance."

Attaining the Holy Grail

Summing up, Hedda Bird, of 3C Associates, said it was clear that a range of tools and techniques are needed for measuring and valuing customer service, and despite the common need for customer service evaluation, each organisation needs to be able to adapt ideas and skills to their own circumstances.

Measuring customer service and applying the results successfully to the business can be a perilous quest, but finding and implementing straightforward and practical tools and techniques can lead you, finally, to the Holy Grail of customer service evaluation.

For more information on the Customer Management Executive Debates and how to get involved as a sponsor or delegate call Grant Farrell on:

0207 378 1188

grant.farrell@customermanagement.co.uk