

## Mind the gap!

"Is CRM the fuel of loyal relationships that brand building ignites? Or can the objectives of brand building and CRM actually trip each other up? The key issue is whether customer expectations - built by brand communications - are met or missed in the customer experience - which CRM delivers. A number of brands are now realising that in order to square this circle, they have to ensure that internal departments like human resources and customer service have to be aligned with externally-focused ones like marketing."

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As a marketer, I understand that an organisation's brand impacts upon each and every aspect of their relationship with a customer. I also understand that the brand goes a long way to build customer expectation. Further, I understand how many customers I sell to, what percentage of customers are repeat purchasers and what percentage of customers I lose during a period.

In fact, I know lots and lots of facts about WHAT customers have done because my Customer Relationship Management (CRM) System tells me. But wait, back up a minute... why and how did I suddenly jump from 'the brand building customer expectation' to 'data analysis about customer purchasing patterns'?

By examining the customer lifecycle we see that it doesn't matter what a customer buys or where they go to buy it, all customer lifecycles are essentially the same. 1. The lifecycle begins with a customer's need or desire. 2. The customer establishes their requirements. 3. The customer discovers whom they think can offer the best product. 4. Competing organisations offer a price/service. 5. Negotiation/the customer makes a decision. 6. The winning organisation delivers the purchased product. 7. The customer uses the product or service 8. The organisation 'supports' the customer during any problem periods.

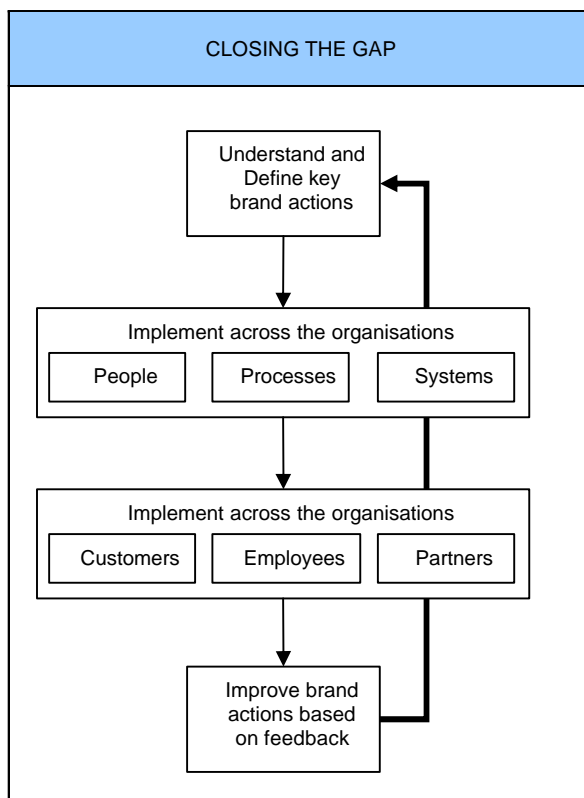
The more successful the organisation is, the more customers repeat the cycle and tell other people about the quality of service they receive.

But comparing this cycle to my requirements as a marketer, something becomes strikingly clear - what is clear is that there is a huge gap in my knowledge. Traditional marketing techniques help me to understand the generic customer psyche and convey the right message whilst CRM helps me to understand individual customer actions. What I really don't know is whether the organisation delivers what the customer expects. Importantly, I don't know how the customer experiences the brand or how the organisation delivers it.

Understanding this gap is vital. It's vital because if I want more customers to repeat the cycle and tell other people about how good I am then I need to be able to close

the gap between customer expectation and customer experience. I can only close the gap if I know where it is going wrong so I can improve it. Unfortunately, within the context of the article title, understanding brand delivery and CRM are different trains coming in to and departing from different platforms. Mind the Gap indeed.

You cannot understand how an organisations brand is delivered from CRM. CRM's strength lies in its' ability to help organisations to understand WHAT customers have done. Its' weakness lies in its' inability to help organisations understand WHY they do it or HOW they want things done. Perhaps more importantly, CRM doesn't help you to understand WHY NOT.



So how do organisations going about measuring and closing the gap? Well, simply, it must follow the basic principles of every sound change management theory developed in the past twenty years, over the years the phases have changed and the 'trendy' titles have evolved but basically an organisation must Define, Implement, Measure and Improve. (Six sigma for example uses DMAIC - Define, Measure, Analyze, Improve, and Control)

Firstly, it must understand and define the key actions in the

customer lifecycle that reflect the organisations brand. While, as we identified earlier, the customer lifecycle for all industries is generically the same across all industries the specific steps within the lifecycle from industry to industry will be different and the KEY actions will be different from organisation to organisation.

Whatever the specific differences, the strength of a brand will depend upon an organisations' ability to deliver a few key actions that capture the business differentiators consistently and excellently.

For example Rackspace, a Managed Hosting Provider with a growing reputation for service excellence, builds its' brand around being "Fanatical About Service". Focusing on differentiation at the 'service' end of the lifecycle by Guaranteeing 100% uptime and Instant Emergency Response helps them to deliver that promise to customers and develop around that branding.

In the car rental industry, Avis built their 'we try harder' branding on the fact that they were ranked 2nd in the industry and must therefore 'try harder'. Now the focus has changed and the organisation works hard to out innovate the competition. For example, Avis were the first car rental organisation to implement electronic reservations and kerb side check in.

#### CLOSING THE GAP

Once an organisation has defined these key brand actions they must be implemented. In this sense the key brand actions must be communicated and driven throughout the organisation. Yes, they must be incorporated in to recruitment and people development. Yes, internal and customer service processes must be designed to support behaviours and actions that reflect the key branding.

In terms of HR - the core competencies must be defined, the levels of employees must be assessed and training and development programmes must be put in place to ensure that people can deliver on-message "brand" behaviour.

For example, if Avis want to be first to implement new approaches it will have to invest in the people and technologies to enable it to be innovative. If Avis fails to recruit the right people or design the operational processes then the brand actions

fail, the brand is not delivered, the customers’ expectations are not delivered and, ultimately, customer satisfaction, retention and profitability will drop.

Similarly, from the process perspective, an call centre organisation seeking to solve a customers’ problem in ‘one call’ will not achieve this if their process removes any empowerment or decision making authority from employees and forces them to seek approval from a manager. Again, the brand will not be delivered, expectations will not be met and loyalty and profitability will fall.

The third element in closing the gap is measurement. It is here that there is a subtle difference in approach to traditional methods. Whilst focus groups, mystery shopping etc. provide valuable input in this area to really understand and measure brand actions we need to do it more quickly and at a mass level. To effectively close the gap we need to stop thinking about customers as a group or demographic but start thinking about them as individuals.

Firstly, feedback should be experience driven and collected at the time of the experience. What that means is that organisations should stop sending self fulfilling “Do you love us Annual Surveys” that ask 60 questions and take three days for customer to complete. Surveys should be short (less than 10 questions) and relevant to the actual customer experience.

FEEDBACK DOs
<ol style="list-style-type: none"> <li>1. Ask about specific experiences</li> <li>2. Constantly collect feedback</li> <li>3. Incorporate all stakeholders</li> <li>4. Results and analysis available in real-time.</li> </ol>
FEEDBACK DON'Ts
<ol style="list-style-type: none"> <li>1. Ask Customers for information you should already know</li> <li>2. Ask too many questions (&lt;10 questions)</li> <li>3. Over Survey (4 times a year MAX).</li> </ol>

Secondly, organisations should collect information from their entire stakeholder base. Whilst customers experience the process, employees deliver the experience and are the best people to ask about potential improvements. Obviously, mechanisms will have to be put in place to ensure that stakeholders are not over surveyed but interestingly, asking for, and acting on, regular feedback can increase brand loyalty.

Lastly, results must be available in real-time. There is no point collecting all this valuable feedback if you have to wait months to see the results. Further, you should be able to see results of all your feedback and compare and contrast as you require.

Having the results available in real-time is imperative if we are to effectively move on to the final step in closing the gap - improvement. No organisation runs their business with one financial statement a year yet, when it comes to brand actions and customer feedback that is exactly what organisations do.

The choice is simple. Organisations can continue to not deliver customer experiences based around their key brand differentiators, they can collect feedback from a small number of people about things that don't reflect their brand and end up with out-of-date results dictating that "We must improve our customer service". Alternatively, organisations can understand their brand differentiators, constantly measure how effectively these are delivered and use timely results to make specific business improvements. Only one path can tell you whether customer experience meets customer expectation. The choice is yours.

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