sharpening the senses

How businesses are **seeing** their customers in
high resolution and **listening** to (not just hearing) what they say.

Kick-starting the debate

We spoke to over 30 leading experts in customer management across a range of industries from energy, retail and financial services, to music, film and football.

Our aim was to explore the challenges faced by those managing the customer experience, so that Ipsos Loyalty Council members can learn from each others' experiences and ultimately lead the debate in the industry.

This report reflects what we heard in these one-to-one conversations, giving you an insight into what your peers are thinking. We acknowledge that much of what was discussed has been on the agenda for some time, but there's a new twist to many of these long-standing debates. There are two key strands to the report:

1. **Taking the perfect picture:** We begin by focusing on the drive to improve understanding of the customer by intelligently drawing together information and distilling it into insights.

2. **Breathing life into the picture:** We then discuss what organisations go on to do with this insight in terms of customer engagement strategies.

Ipsos MORI's survey of 100 UK business leaders shows that they still believe there is work to be done within their organisations to understand the loyalty and profitability of different customer groups. This is where the Loyalty Council comes in and the challenge that we'll tackle together.

64% of business leaders agree

"Our organisation could do more to understand the loyalty of different customer groups"

Executive summary

The perfect picture:

How businesses are seeing their customers in high resolution

Most want the **best possible picture of their customers;** but the level of resolution they can achieve, or are willing to pay for, varies considerably.

Big Data puts the perfect picture seemingly within reach. With varying levels of sophistication and success, organisations are all grappling with how to pull together different sources of information (or pixels) to create this picture of the customer.

Technology is allowing greater granularity of transactional data and enabling businesses to bring these pixels together into a high resolution picture or movie (if we add a longitudinal element).

Overlaying this behavioural data with **granular attitudinal customer** feedback brings the voice of the customer to life, adding the soundtrack to the movie.

More granular data means **propensity models** can be refined and their efficacy proven.

Despite all this, there still seems to be a need for a **simple, easily communicated measure** of the customer experience to provide regular 'snap-shots' of the customer base.

Is the perfect picture and the single customer view ever really achievable? Perhaps all businesses can hope to achieve is **a single version of the truth** – an artist's impression?

Customer engagement strategies:

Really listening to customers; hearing isn't enough

Make sure your single version of the truth **links back to your operational processes**: it's easier if you break down silos, engage from top to bottom and empower staff.

Listen properly and you'll be able to **choose who you fully engage with** – and get a better return on your investment.

Technology is making customers' voices louder – **have a conversation.**

Identify the best time to talk – in-life engagement is better than end-of-life engagement.

Carefully consider your use of **loyalty programmes** and **social media** as tools of engagement.

Don't just measure what's been, include the now and the future – so you can identify trends and start creating **a picture of tomorrow's customer.**

1

Taking the perfect picture

The journey towards improved 'picture resolution'

Low resolution

TRIGGER

Cultural: want to listen

Technical: access to more information

The days of a business being purely transactional in nature are almost consigned to history.

As with the portrait photographers of yesteryear, it used to be the case that customers came to you; exchanged pleasantries and revealed little other than their 'Sunday Best' and forced grins.

The modern equivalent of companies with low resolution pictures are those that:

• Have apathetic customers and a low-interest product.

• Tend to rely on customers telling them if things are good (or bad) rather than proactively asking the question.

• Are doing OK: when performance is good to middling what's the business incentive to be more customer focused?

Medium resolution

TRIGGER

Cultural: want to act

Technical: to maximise value of data

The drive to become a customer-centric organisation often comes from the very top.

'Our new Chief Executive is a bit of a believer' is often said by organisations that are now putting their customers at the centre of what they do. Without this senior endorsement it doesn't seem to happen.

It sounds simple but it is a sea change for many. Moving to a medium resolution picture requires the following:

• Passion, bravery and drive by the people who champion the change of focus.

• Giving customer-centric KPIs (such as targets on length of time of call starting from the moment the customer heard the first IVR greeting and options list, not from the point they got through to customer service staff) as much weight as business-centric ones focused on cost control for example.

• Asking 'what do customers think, feel and do?'

High resolution

A view of one customer's life and value allowing total tailoring.

For some, the end game is no longer customer retention but full in-life engagement with the customer. Such in-depth customer knowledge means businesses can understand the implications of every strategic decision on customers, as well as the decision's on-going implications.

To achieve such a high resolution picture, businesses need:

• Transactional data collected across all customer interactions.

• Longitudinal data – giving a moving picture and showing cause and effect and ROI.

• The softer, attitudinal measures behind transactional data which explain customer motivations, recommendations – in other words, the voice of the customer, which adds the sound track to the movie.

• Intelligent editing of all of this information to cut out background noise and draw out key insights and recommendations – at a granular and joined-up level.

• Operators, telephone, and branch staff are clearly able to see what they can do to make a difference.

The complete picture

A single customer view: improving picture resolution

Technological advances have seemingly brought the 'perfect picture' within reach

'The single point of view is a combination of insights to develop a picture, a pixel if you like, with all the pixels coming together.' **RBS**

Businesses have been working on improving the resolution of their view or 'picture' of the customer for years, but technological advances and the online footprint consumers leave are now bringing the perfect picture within reach.

The smart routes businesses are taking to achieve one view and sharper vision include:

• Breaking down silos so that the customer experience can be viewed holistically.

• Investing in IT and CRM systems, and re-engineering internal processes so that data can be linked.

• Using technology to pinpoint the insight; for example, text analytics that find the sentiment hidden in thousands of customer interactions from call centre recordings to online postings.

• Seeing the big picture, despite the sea of information from multiple sources, by drilling down and fully interrogating the data.

• Marrying the transactional with the attitudinal, to see how customers behave and how they feel.

• Interpreting the data effectively to provide strategic recommendations and prevent 'paralysis by analysis'.

• Instilling the working practices that allow actionable data to be taken from a particular point, for a particular customer.

• Closing the loop in the research process: it hasn't finished until you've told the customer what you've done, so your conversation continues.

There has been a change over recent years as businesses increasingly focus on their customers; building sharper pictures, and bringing together different information strands to improve the resolution of the currently 'pixelated' image of the customer. Why? Two things have happened to bring this within reach:

• Technological advances give them greater granularity of data and enable businesses to bring these pixels together into a high resolution picture. This wealth of information is giving greater insight into customer behaviour.

• Being able to overlay and link the behavioural data with customer level attitudinal data, which includes a deep understanding of their motivations and emotional needs brings the voice of the customer to life, adding the 'soundtrack' to the movie.

Fully exploiting the power of all this data depends not only on knowing how customers have behaved but also why; and therefore how they are likely to behave in the future and how to influence this.

Bringing all the key data building blocks together is a challenge that many businesses have only been able to take on in recent years and months. They are working towards integrating key components of transactional data, customer databases, payment systems, and operational interfaces; driven by the temptation of total knowledge which recent technological advances have seemingly placed within reach.

And no-one thinks it's easy...

'There's going to be a lot of disruption for about three to six months while it settles down, because knowledge and power often sits within the silos. We have to break down the silos into one coordinated approach via the data and then create a proactive customer culture in the business'
Orange

'We don't have it yet and that's a problem.'
**Marks & Spencer**

'In terms of metrics, customer transactional data is clearly worth a lot, it is proof of the pudding...So that is the evidence to say our strategy is working. But why? That has to come from the attitudinal side.'
Royal Mail

'There's about 11 million transactions per annum of about 3.5 million customers, so knitting all of those records together, integrating them into a single source, has been a big piece of work.'
Whitbread
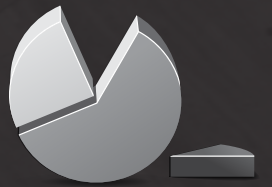
Big data

Using the big picture to predict future behaviour

More granular data means original propensity models can be refined and their efficacy proven.

The silver bullet of bringing all your 'Big Data' together is being able to take it one step further and to develop more effective propensity models. For those who have achieved this, the propensity models are allowing them to:

- Understand who the 'at risk' customers are.

- Refine old retention models by adding additional layers of customer information which are improving the accuracy of the models' predictions.

- Evaluate the growth potential of different customer segments

Even at the most basic end, businesses are able to build 'me too' propensity models (e.g. if 80% of this type of customer are buying the service/product or behaving in a particular way, a similar customer may do the same).

Combining data sources is giving businesses sight of behaviours that they couldn't see before, with online interactions time-stamped, and the route a customer took to find the site (e.g. direct or via a search engine) revealing further detail about each customer's behaviour. Gradually businesses are heading towards the Holy Grail of being able to predict the potential increase in true customer loyalty from any future product, service or strategic decision and in turn drive revenue, grow market share and reallocate investments to customers or operational areas generating the biggest return.

'These are overall views that people have never seen before and that they are starting to use, which means there is a business need for it; it means that they can drive proven activity off the back of it.'
RBS

That's so clever – do we still need the simple stuff?

Regular 'snapshots' of your customer base can still be useful

Despite all the clever stuff, businesses are still monitoring the basics of customer satisfaction and recommendation. These measures are feeding into the businesses' KPIs and, although there are many sceptics out there, there is universal agreement that a simple measure such as overall satisfaction or Net Promoter Score (NPS) has a role to play:

• It is a useful bellwether of opinion.

• It is a short cut to the voice of the customer.

• It is a simple measure and concept used as a common currency that everyone in the business can understand. It is therefore a measure that is often deeply embedded within an organisation.

These KPIs are taken seriously; they are often reported on in Board meetings and on the CEO's scorecard, as well as connected to bonuses.

The concerns voiced around using overall satisfaction or NPS as a KPI within the business surround its relevance or incompleteness:

• Some see drawbacks using it for their industry; perhaps selling a low engagement service or product where a 9-10 score is an unrealistic achievement.

• They are not complete measures of engagement, as they only measure attitude not behaviour. However, combined with other data sources, these single measures can feed into a fuller picture of how the customer is feeling and what to do next.

Despite their concerns, many businesses are getting under the skin of these single scores, using research and analysis to find the key drivers; and understanding how these vary across touchpoints, customer segments, etc. Regardless of your position on NPS, or overall satisfaction, focussing your business on improving the score through the customer experience does, at the very least, put the customer at the heart of what you do.

'It is very easy for people to get it and to buy into it and to kind of go along with it. The main weakness is that on its own it doesn't really tell you anything.'
EDF

Not everyone can make a big budget blockbuster movie

Big Data affords a great opportunity, but it comes at a price and not all are willing to pay it

There's no doubt about it, getting to know your customers costs money. Collecting, linking, interrogating and distilling all of this information requires significant investment in both technology and brain power. Businesses are consequently calculating the likely return on investment of improving their view of the customer and adjusting their target 'picture resolution' accordingly.

• At one end of the spectrum, some are happy that their current view of the customer is 'good enough', or they do not want to invest as they are yet to be convinced of the value of a higher resolution picture.

• Some would like to do more but feel restricted due to external factors such as regulation.

• Others are keen to improve their picture but need to keep the cost down. One solution was a 'mash up' i.e. overlaying all of their current systems rather than investing in a new big all-encompassing Enterprise Resource Planning System (ERPS).

• But at the other end of the spectrum, there are those who are relentlessly striving for an ever improved and more dynamic picture of the customer.

At this end of the spectrum tends to be businesses which, just like an early adopter of any new technological advance, are eagerly awaiting the next big thing – perhaps adding a third dimension to the customer view. A 3D movie?

'People would like to be more customer-centric but can't always find a way to square that circle on the balance of the financials.'
Telefonica

'…we don't want to be the First Direct type, because you have to balance those costs.'
Coventry Building Society

'This business was built on a vision of doing business using customer data, so there is the information based strategy…but because it is such a fundamental part of our strategy it is not finalised, it's always developing.'

If not a single customer view, perhaps a single version of the truth would work?

'I'm not so sure a single customer view is even achievable, at least for our business. Often I talk about a single version of the truth, which is a single story… I think insight practitioners are supposed to give a single version of the truth so people can make more informed business decisions. That story comes from a myriad of different sources and in effect I think that's insight's job now… you've got so many different sources of data that it's up to us to basically synthesize those and come out with a single version of the truth. I'm never going to get down to one metric, it's just not going to happen and nor does it mean anything.'

Intercontinental Hotels Group

This isn't a lone view: many others also believe that getting a business to unite behind the same 'single view' of a customer is impossible – there is just too much data and therefore too much discussion about what the reality is. So perhaps customer-centricity doesn't depend on a high resolution 3D picture, but on a single story based on a single version of the truth that a business can unite behind?

An artist's impression?

2

Breathing life into the picture

Customer engagement strategies

Really listening to customers; hearing isn't enough

STEP 1

STEP 2

STEP 3

An organisation that is focussed on developing a detailed picture of their customers in order to arrive at a single version of the truth is clearly one that is putting their customers' voice firmly in the middle of their business.

The more a business actively listens to the customer voice, the more they will engage their customers. There are three broad steps that will mean a business truly listens to, not just hears, their customers:

The single version of the truth needs to link back to operational processes, otherwise businesses won't be able to bring the picture to life and engage fully with their customers. This is easier to achieve if:

- Silos are broken down so that all parts are working as one, listening to one voice and engaging with one version of the truth.

- There's engagement from top to bottom, starting with the Board showing that they mean it, to a Customer Charter and a mission statement that brings the customers' voice to all staff and functions.

- Staff are empowered through training, getting the right people in place and giving staff the tools and freedom they need to be able to engage in constructive two-way conversations.

- Targets are set that recognise the importance of customer engagement rather than efficiencies in processes etc. – e.g. satisfaction metrics rather than number of calls handled.

Listen properly and you'll be able to choose who you engage with fully. Not all customers are oil paintings.

You may not want to please everyone: being picky about who you engage with and what you give to the relationship can make better business sense. Your business won't be the first to say they want (or need) an element of mediocrity in the customer relationship. But you need to listen properly to get this balance right.

Breathe life into the customer story using these tools of in-life engagement:

- Conversations
- Loyalty schemes
- Social media

'Staff have complete authority to just sort that problem out rather than think they can't or, "you've had it more than 28 days.'
Wickes

'We continually update staff and make sure the communication flows. We try and give them the best tools we can to do the job, but also, I think it's all about leadership from the top.'
Monarch

Tools of in-life engagement

Having conversations

Talking to customers in a different way is often seen as the start of being more customer-centric and of a new interest in understanding how customers feel and think. These conversations can be had in store, branch, at a call centre, by email, or even be an interaction that helps to build a relationship which involves no talking at all (see the Hotel Rwanda case study later on). Conversations with customers are becoming:

- Two-way conversations: so no longer just a sales pitch and not simply 'telling' customers. Beware the business whose customers are only recalling sales materials landing on their doormat or inbox. A focus on in-life engagement will mean finding more to talk about.

- On-going dialogues: as with any relationship there are ups and downs, so channels of communication are being kept open throughout the life of the relationship. Like a friendship there are times to talk and pick up where you left off, and other times when you just need to know they're there for you.

- Tailored: businesses using tools such as segmentation and propensity modelling to be able to identify who to talk to and when to best influence their in-life behaviour. Social media has allowed customers to find their voice and for the once faceless brand to respond in an instant and personalised nature.

- More proactive: conversations are taking place earlier rather than later, which means staff are trained to do the job properly; to have a great conversation with the customer and to truly understand what the customer wants. If the conversation is a good one then you can turn someone who's on the verge of leaving into someone who is closer to the brand.

- Less controllable and more chaotic: as conversations move from closed to open discussions held in public forums, facebook, twitter, etc.

'Relationship building conversations can't be just letting people know you are there.'
E.ON

'We've been focusing on reengineering our retention conversations, and the whole focus of retention'
Scottish Widows

'We do very much always have the message that it is not just a sale, it is about having a relationship, it's a two way thing. We can't just always ask them to buy things, you've got to give them something.'

Identifying the best time to talk

Your conversations with customers will be better if you have them at the right time: knowing when to communicate is as important as knowing how to.

'The Hotel Rwanda effect' described by LOVEFiLM is a perfect illustration of the power of getting the 'how' and 'when' right (see the case study opposite). The result is a positive customer experience because LOVEFiLM has recognised the customer need and fulfilled it without any question, or any charge, and the customer now understands the service better and what to do with the next 'Hotel Rwanda'.

Hotel Rwanda case study:

- Hotel Rwanda is a film about the 1994 Rwandan Genocide of an estimated 800,000 people. It's a film that many of LOVEFiLM's customers put on their 'must see' wish list.

- The day arrives and it's delivered to your door, ready for you to sit down and watch; either at the end of a day at work, or relaxing at the weekend.

- The Hotel Rwanda effect kicks in: you know it's a great film and you really want to watch it... but not now, not after a long day, not when you want to switch off.

- So the DVD box sits on the side unopened and after 3 weeks it's still there, reminding you that you're not getting the value that you thought you'd get from the service.

- LOVEFiLM knows the titles that can cause the Hotel Rwanda effect so they're on the watch out and they have optimised the timing and messaging to turn this situation into a driver of future customer loyalty. In these situations, LOVEFiLM triggers a campaign when a customer has held onto a disc for three times their average length of time and proactively sends another disc from the customer's wish list that is known to drive quick turnaround i.e. a film that customers are more likely to watch at the end of a long day.

'LOVEFiLM has many loyalty-driven campaigns honed through analysis of the one million customers signing up to its service each year. By setting up automatic triggers which fire when each single customer displays lower levels of engagement, LOVEFiLM is able to recover this engagement and benefit from this customer's positive experience being communicated to others.'
LOVEFiLM

Giving customers a solution in exactly their hour of need will always derive greater response and future loyalty. The opportunity available to data literate businesses is to determine how data taken from all customers can be used to identify these key moments of need and then optimise the timing of the business action based on the individual customer in need.

When no one really wants to talk to you

For those businesses operating in sectors deemed by consumers to be boring or necessary evils that many would prefer not to think about or engage, holding a conversation can be difficult – why would a customer want to talk to you? Not many of us look forward to contacting our bank, utility provider or insurance company.

'The sad truth is that when people phone us they don't always particularly want to phone us; often they're not in a great place in their lives when they phone us. As a general rule, you don't wake up in the morning and think, "what a great day I've got, I'm going to phone my insurance company.'
Scottish Widows

The upside for these businesses was that historically this inertia and unwillingness to engage played a significant part in their success; with customers tending to remain with one institution for at least the life of their policy for example, and not uncommonly for the whole of their own natural life. This colours the conversation that a business providing an unglamorous, but necessary, product or service can have with their customers.

Recent changes in many of these industries have triggered a more customer focussed and active approach to engagement as the customer base, once apathetic, became more aware of alternatives. Price comparison sites, deregulation opening up competition, and the upheaval in the financial sector led by the collapse of Lehman Brothers and Northern Rock, have all encouraged customers to look at alternative suppliers and given these businesses the push they needed to find ways of engaging with customers in a way that would appeal. For example Southern Electric has recently emailed their customers inviting them to a live web chat with their Chief Executive. A link to a full transcript was sent to all their customers a few days later so that even those who didn't join in could see the issues raised and the Chief Executive's response.

For Scottish Widows the change was more dramatic, as financial institutions collapsed so did customers' trust in them, with many taking their money and policies out.

'Our executive became interested in a more serious way than ever before. The unofficial motto was "leave no stone unturned"' – we wanted to look at every policy going off the books and understand what was driving that: was it something we should be intervening on and having a conversation with the customer about to understand why and try to do something about it? Or is it in the customer's best interest for them to actually take their money?'
Scottish Widows

Scottish Widows **re- engineered its retention strategy**, including the all important conversations that front line staff were having with customers. Staff were trained to have a great conversation with the customer so that they truly understood what the customer wants. It has meant:

- An **end** to front line staff **box ticking.**

- A step towards **building loyalty** as customers are asked 'how do you feel about that?'

- **Moving away from a fear** of asking customers for their opinions and risking having to deal with any negative comments straight on.

- **Reinforcing** customers' positive feelings by reassuring them that you too are positive about the service / product you are offering.

- **Unearthing** negative views early on, getting them voiced so they can be dealt with quickly, and creating an opportunity to turn the customer around before they have written the business off.

Loyalty programmes: do points win prizes?

8/10 people

are members of a loyalty scheme and are, on average, a member of 6

Whilst most people associate loyalty programmes with collecting points, in its broadest sense a loyalty programme is any strategy that rewards loyal behaviour: O2's approach of offering existing customers better deals than new customers is a good example.

Strategies to reward loyalty vary considerably and depend to a large extent on the industry the business operates in, and are driven in particular by:

- The frequency of purchase (think coffee vs. current accounts).

- Whether or not the market is polygamous or monogamous (think retail vs. automotive).

- Level of engagement (think utilities vs. football).

- The choice available (think postal services vs. credit cards).

And for businesses operating in a B2B environment, it's a completely different ball game, with regulation preventing many exchanges.

So what makes a successful loyalty scheme?

- **Good experience:** it may seem obvious but you need to treat your most loyal customers well, and in many cases they will expect a differentiated experience, for example fast-track queues at airports, exclusive offers and priority.

- **Rewards that are tangible, relevant and achievable:** for example, IHG are exploring smaller loyalty rewards, so that those who can't collect enough points for a free night could have a free meal instead.

- **Ease of redemption:** Ipsos research shows that ease of redemption is often the key driver of satisfaction with a scheme. It's essential not to put barriers in a customer's way – if you offer a free flight, make sure there are some available!

'Ease of redemption is critical, I think it gets overlooked... it is so important to keep letting these people redeem... because you kill the programme otherwise.'
Whitbread

- **Involve a mutually beneficial exchange:** a scheme needs to be valuable for both the customer and the business. There has to be an alignment of interests and the offer needs to be interesting enough to make customers return and demonstrate loyalty. For example E.ON has teamed up with Tesco club card to create an 'earn and burn' partnership scheme for their customers. Creating a scheme which is valued by the customer, insightful to you, and keeps the Finance Director happy can be a bit of a juggling act.

- **Be creative:** Sony Music uses gamification to differentiate its loyalty scheme. It leverages fans' passion by giving them points for tweeting about artists and encouraging competition among them – displaying league tables of the most loyal fans!

- *As with any aspect of the customer experience, staff engagement fosters success.* **'Schemes where the staff aren't engaged dwindle more rapidly.'**
Wickes

- Finally, loyalty programmes need to evolve ahead of the customer, accurately predicting the right programme to grow the customer's spend and value to the business.

'I think we are totally aware that if you don't keep maintaining and adding benefits and keep invigorating it then interest can wane. You've got to maintain value otherwise you're just another card in the wallet aren't you.'
Intercontinental Hotel Group

'If you compete on price, the danger is you lose on price too. Next year, they're gone… the challenge is to break that…to compete on, and build loyalty through the total customer experience, a feeling that they'll do the right thing by me, they're on my side, and will really deliver when I need them to. And of course none of this is rocket science, and yet it's hard to do, and even harder to do consistently day in day out. Everything comes back to culture, which may, ultimately be the only true source of competitive differentiation.'
Aviva

'The real gain for both us and the customer is when they become a redeemer. The step-up and commercial payback is significant once they become fully engaged in the cycle of earn and redeem.'
Debenhams

Social media

Social media is providing another arena to play out the customer story in and its use is increasing. Driven by customers and for customers, social media is an unknown wild child for businesses, with the threat of uncontrollable disaster or brilliance ever present.

Social media is opening up the world and crossing national boundaries, so the numbers can become large very quickly, although often only a small proportion of a customer base:

• 9 million fans 'follow' Chelsea FC on social media: huge, but drawn from a worldwide fan base that's nearer 300 million.

• Gatwick airport has 28,000 followers on social media and has won awards in this space, but 30 million passengers go through its terminals every year.

"The thing is on Facebook it is great that we have 47 million likes but it doesn't mean they are all going buy something."

Social media usage has grown quickly:

In 2009 about **10% of adults** had used the internet for social networking, three years on and things are very different:

79%
are now online

44%
visited a social networking site in the last 3 months
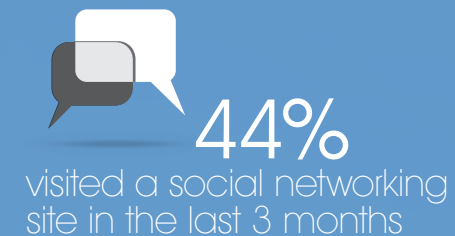
44%
use YouTube

17%
use Google+

13%
use Twitter

44%
use Facebook

62% visit sites for information on products they are thinking of buying (this will include forums, reviews, blogs, etc.)

The immediacy of Twitter is reflected by the fact that **65%** of users access it via their mobile – on the move, instant information and feedback; compared to 51% accessing Facebook via their mobile.

Even self declared luddites who don't use it have a social media strategy

'I'd rather give up, like, a kidney than my phone. How did you manage before? Carrier pigeons? Letters? Going round each others' houses on BIKES?'

In an attempt to control the uncontrollable, or at least to be able to influence their social media presence and usage, most businesses are implementing a social media strategy. These businesses range from those who have only recently accepted email as a communications channel with their customers, to those who have always operated in the online world.

Twitter is the new customer service channel, used by consumers and businesses to communicate one-to-one, and for a business it offers a perfect channel for keeping customers truly up-to-date (where's my train, plane, parcel? What's happening now?). Customers are expecting to be able to ask the business questions via Twitter, and so it's become almost a necessity for doing business.

'There's a great team of people in the UK, who have a really interesting tone of voice, with their work … they are Dave, Rach and Marv and they send little tweets saying, you know, "That's it for another day tweeps, we'll be back bright and early in the morning to help you with your queries and problems"… So they have got this kind of funny, relaxed type stuff….they are there to trawl for complaints and issues.'
Aviva

Facebook builds the community and brand, and of course it has a customer service role too, but if a business finds that customer service dominates its Facebook pages, typically this will be more negative comments, and then it has to question whether its other traditional customer service channels are working properly.

Facebook can complement a loyalty programme and bring community to its members. For example Orange Wednesday film club; run by Orange, but a community that talks about films not mobiles and gives Orange an interesting way for a brand to play an active role in social media and to use it to strengthen its other offerings.

'It won't take a lot for somebody to be hacked off before that becomes something that we're not in control of and that consumers are totally driving and are in control of, which is a good thing, but it is genuinely terrifying .. So we have a number of people in our marketing area who monitor the usage. It's still quite new as a strategy, but at least we have an awareness that we need a strategy and its being developed as we speak.'
Scottish Widows

Forums, blogs, and review sites all need to be part of the social media strategy

This type of social media has big implications: a good review can convert doubters to customers, and a bad review lose them. Blogs, YouTube, peer review sites all have the ability (and do) broadcast the good and the bad about a brand.

A business has to include these within their social media strategy: review sites such as TripAdvisor have even been referred to the Advertising Standards Agency to combat the effect that the suggested 5 million bogus reviews are having on brand reputation.

Some businesses are embracing review sites such as TripAdvisor and linking directly to them from their own website, thus demonstrating their own confidence in the quality of service or product they offer.

With the prevalence of forums and review sites on the internet there has been a new phenomenon of customers servicing other customers. GiffGaff, a virtual mobile operator, has made the social media community work for them by embracing the principal of mutuality: when members help them grow by introducing friends and family, or helping out in the community by answering questions, developing new ideas or creating applications, they are rewarded.

The power of harnessing the community is enormous, with GiffGaff's website claiming that the payback pool has grown from less than £50,000 to over £1million in 2 years.

What happens when today's teenagers become the next generation of business leaders?

It is clear that things happen when there is a change at the very top of a business. The social media usage profile of current business leaders is very different to those of 15-24 year olds. So what will the future role of social media be in the customer engagement story when today's youth become tomorrow's business leaders?

'It's a brand's responsibility to embrace the conversation through the social channels, and start to involve prospective and existing customers in the dialogue of how the product's performing and where the brand could be evolving.'
Whitbread

Technology and social media usage among business leaders

Which of the following do you use in a personal capacity?

	15-24 year olds	Business leaders
Linked-in	6%	28%
Facebook	78%	10%
Twitter	32%	6%
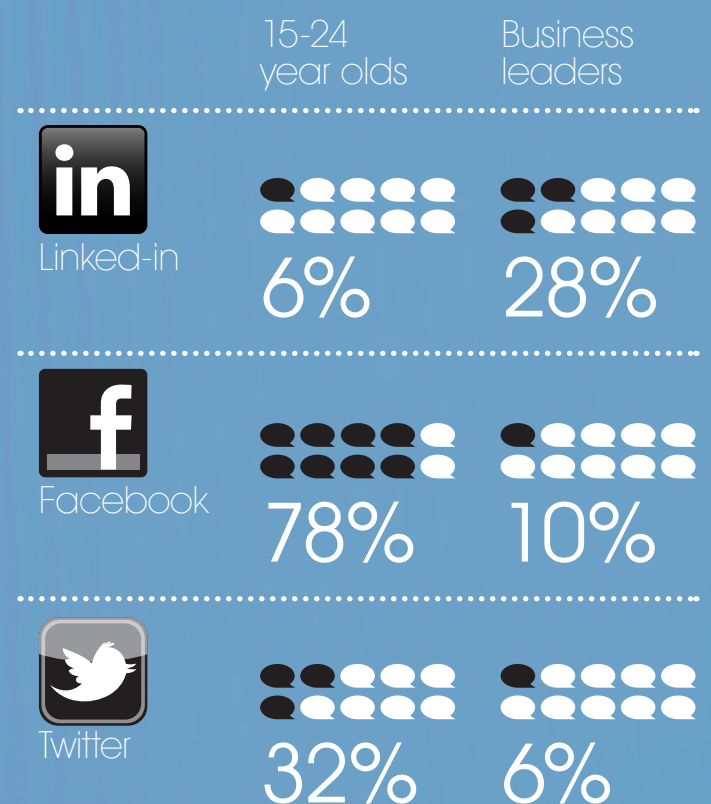
Looking to the future

Being truly customer-centric isn't only about understanding the customer now, but where you expect them to be in a short time frame, so that your products and services are always ready to meet evolving needs and behaviours.

Looking backwards; measuring what has been, and not including the now and the future feels, well... 'so yesterday' to businesses who want to know what customers want so that they can engage in meaningful conversation.

Customer research needs to help businesses to foresee what's coming next, detecting trends and helping them to prepare to meet the future.

A business that aspires to be totally customer centric will be one that has:

• Moved from silo to transversal.

• Implemented one coordinated approach around a 'single customer view', bringing all the data together.

• Total belief, at all levels, in the benefits of customer centricity.

• Engaged with (and managed) the social media.

• Created a proactive customer culture.

• And probably been through some very painful changes internally.

...in short, developing the current customer view into a fully immersive virtual reality experience.

'It's not just about the service they're getting today it's about how to influence that tomorrow.'
Gatwick Airport

The Loyalty Council and Ipsos
# are ready to rise to the challenge

Company	Name	Title
Aviva	Rod Butcher	Head of Customer Experience and Insight
Capital One	Koos Berkhout	Senior Director, Marketing
Chelsea Football Club	Phil Stephan	Senior CRM Manager
Coventry Building Society	Sally Wrigglesworth	Head of Customer Service
Debenhams	Jane Exon	Head of Advertising and Loyalty
E.ON	Stewart Robbins	Head of Customer Knowledge
easyJet	Tony Bale	Customer Experience Quality Manager
EDF	Nick Eves	Senior Customer Research Executive
Eurostar	Dorothee Mariotte	Senior CRM and Loyalty Manager
Everything Everywhere	Nick Bonney	Market and Customer Insight Director
Friends Life Group	Peter Foster	Corporate Affairs and Brand Director
Gatwick Airport	Alex Authors	Head of Research and Insight
Gatwick Airport	Andrew Lewis	Head of Marketing
General Mills	Simon Pollock	Head of Insight
IHG	Nick Rich	Director, Consumer Insights
Kcom	Tim Kitchener	Customer Experience Manager
Liberty	Jenni Cumming	Head of CRM

Company	Name	Title
LOVEFiLM	Russell Morris	Commercial Director
Marks & Spencer	Matthew Legge	Head of Loyalty Marketing
Monarch Airlines	Charlene Kane	Customer Services Director
Nationwide	Leslie Bruce	Head of Customer Insight
Orange	Peter Crayfourd	Head of Customer Lifecycle Experience
RBS	Steve Whitty	Head of Customer Experience
Royal Mail	Giles Finnemore	Marketing Insight Manager
RSA	Lucy Yank	Group Customer and Brilliant Service Director
Scottish Widows	Richy McIntyre	Senior Operations Manager, Customer Loyalty
Sony Music Entertainment	David Delbridge	Director of CRM and Direct Marketing
Standard Life	Ann Flynn	Head of Corporate Marketing
Telefonica	Graham Webster	Director, Customer Experience
The TrainLine	Bill Hopkins	Operations Director
Whitbread	Gavin Hawthorn	Head of CRM and Loyalty
Wickes	Tony Holdway	Brand Director

Notes
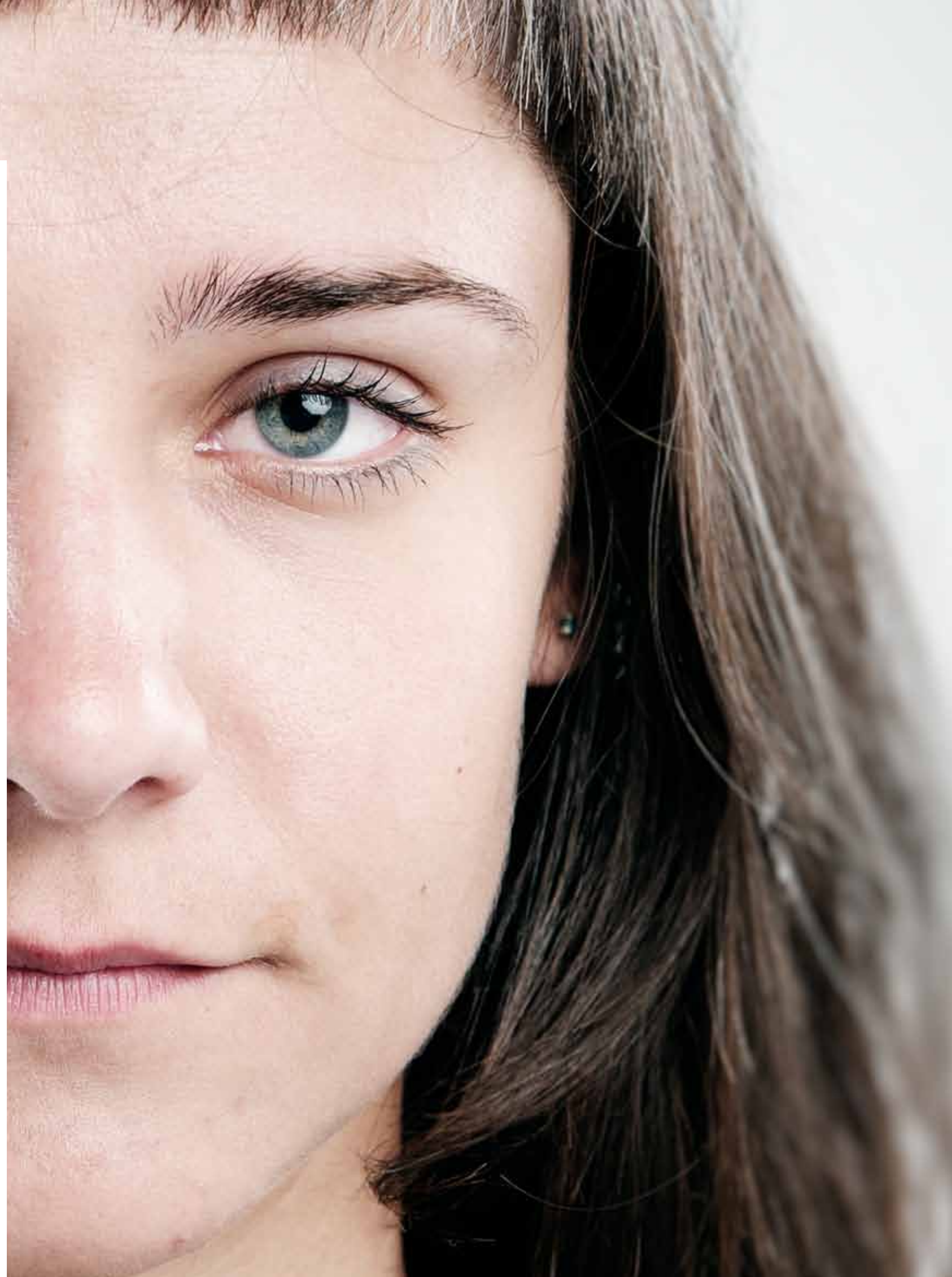
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The Ipsos Loyalty Council engages with experts in customer management from many of the UK's leading businesses. It provides a unique perspective on the Loyalty landscape and leads the debate on the customer experience.

Ipsos Loyalty is the global leader in customer experience, satisfaction and loyalty research with over 1,000 dedicated professionals located in over 40 countries around the world. Our creative solutions build strong relationships which lead to better results for our clients. This has made us the trusted advisor to the world's leading businesses on all matters relating to measuring, modeling, and managing customer and employee relationships.