A coherent approach to customer satisfaction

Put history aside and focus on the customer's needs

By Josie Sephton, April 2009

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The need for greater customer centricity is an increasingly high priority for enterprises. Over recent years, there has been a marked shift in how companies interact with their customers. This shift, driven by increasing levels of competition within various industries, has been characterised by a much closer, more personal dialogue with the customer. Industries such as retail have led the way on customer centricity.

Whilst many recognise and accept this as a given, what is less widely acknowledged are the challenges that exist in making this shift – not least from an IT perspective.

To effectively target customers at this more personal level, businesses have to understand them much better. This requires manipulation of the data that they hold on customers, which can often be spread across multiple, discrete systems. Lack of automation of systems in how data is processed will add significantly to the time taken to process as well as giving rise to data errors. It may also lead to an unwelcome over-reliance on the IT department. After all, IT does not want to spend most of its time cutting and re-cutting customer data to fit the needs of the marketing department.

Beyond this, coordination between the marketing department – which will drive this closer dialogue - and other internal departments such as sales, customer service and IT is necessary, and requires clear definition around processes to ensure that any outreach activity reaches the right target audience in the right way.

Without this, unpredictability and inefficiency ensues. Another equally important issue that will undoubtedly involve input from the IT department is monitoring and reporting of outreach activity.

Recent discussions carried out by Freeform Dynamics with mobile service providers [1] into this very subject shows that, in this industry at least, these very challenges are endemic, and are significantly impacting their ability to create a more personal dialogue with customers. We often think of the mobile service provider from a supply perspective, however, the provider is a business in its own right, and one that needs to reach out its own customers, in the same way that any enterprise does, and, to achieve this, has to deal with a variety of internal issues along the way.

It is particularly useful to consider the mobile industry, as it provides a good example that business users within other enterprises can easily relate to – and ultimately learn from. After all, the failure of mobile service providers to adopt a truly customer-centric approach has been a bone of contention for enterprises for many years. What may not be as obvious, however, at least at first glance, is that this shortfall is not just limited to the business market, but is also rife in the consumer space, suggesting that something other than intention is underpinning this.

The reality is that the principle of genuine customer centricity has not historically been central to the marketing activities of most providers. The industry's 'utility' roots are firmly planted in what it takes to deliver a fairly straightforward set of telephony and related value added services on a reliable and robust basis. The idea of 'service centricity', with a focus on the product or offering, is deeply ingrained in this culture.

Our dialogue with mobile service providers has shown that a key barrier for providers in achieving true customer centricity is that their internal systems simply aren't up to the job. True, many have invested considerable money, time and effort in putting 'big footprint' CRM systems into place, which are intended to provide an overall framework for managing customer interaction. However, when we drill down into how well these systems do the job that they need to, it becomes clear that these investments, while necessary and valuable, are not as all encompassing as was perhaps first assumed when the original business cases were made. Stories of problems with integrating data across multiple systems, and clunky, non-customisable reporting are not uncommon. This naturally leads to an undue reliance on manual processing and IT integration workarounds.

So what is the answer? Clearly, replacing current systems that deliver against most of the requirements is not the right thing to do.

The trick is to put historical expectations of existing systems to one side, no matter how hard this might be from a political perspective, and be objective about assessing the current level of capability and the gaps that exist. Those who have done this acknowledge the importance of filling the gaps and have found themselves better able to justify the necessary incremental investment. This may require IT development or integration work, but can also prompt the acquisition of specialist solutions to deal with the issues.

Clearly, the challenge in achieving customer centricity doesn't start and end with internal systems. Other factors such as internal mindset and politics, as well as internal processes, can have a significant bearing, and are discussion pieces in their own right. Internal systems play a fundamental part, however, irrespective of which sector the enterprise is in. Get this right, and you're a long way down the road to getting personal with your customer.

[1] *'Mobile Marketing Imperatives', By Josie Sephton & Dale Vile, October 2008.*

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