

The customer does not care how much you know until he knows how much you care

Service brings loyalty to life. While service grows out of the awareness of customer needs, listening is not enough. It needs care and imaginative practice to bring about a transformation in customer equity.

On the day Franz Zimmerman read his letter from his insurance company, he not only bought the insurance, he said thankyou. Nor was Mr Zimmerman alone in his appreciation. It was other customers just like him who helped a major insurance company gain an average of 20% bigger household insurance policies.

But on that same day, uncounted thousands of other consumers threw insurance offers from apparently similar companies straight into the bin.

The difference was in the approach. The insurance company had noted that Mr Zimmerman's property, like many others, was probably underinsured and that this might be a problem for him. They sent a personal note with a suggestion for improvement that just needed signing. Mr Zimmerman appreciated the advice and trusted them. So he increased his policy and wrote back with his thanks.

Care Counts

The difference came about through the imaginative implementation of a very simple guarantee policy: *We're not satisfied until you are.* The consequence of this for Mr Zimmerman's insurance company was a better way of doing business – based on a foundation of care – and it worked not only for the property insurance side. Motor insurance policy sales increased by 30%!

Improvements in service like help with holiday planning, a 24-hour hotline, very easy processes for accident and repair resolution, and used car valuations led customers like Herr Zimmerman to perceive that his insurance company had become a more caring and supportive brand. Successfully improving the perceived service level of the brand is a proven route to increased customer loyalty and brand equity. And the reason is simple: service care lifts the product out of the greyness of cynicism and parity and brings the brand to life.

In an era when the price of entry into most markets is enormous technical competence, when micro circuits whirr in millionths of a second and cars infallibly do 10,000 miles between services, most companies are hard pressed to convert this competence into a margin of competitive value. Competence is a pre-requisite, but not enough to build sustainable customer loyalty. For one client, OgilvyOne connected a call centre and database in Ireland to a Rules Engine in England, linked the agencies in six countries and generated multiple-language, print on demand digital communication from Holland. Terrific! But, what made the final difference to the client was probably something simpler. The people really wanted the programme to succeed. The customer does not care how much you know until he knows how much you care.

Research shows that customers are typically five times more likely to defect because they have been ignored, pushed around or badly treated than because the product was unsatisfactory.

Consumers in many categories routinely mistrust the motives of even leading brands. Often consumers see themselves as targets of a ram raid on their purses and wallets. Most

people also know the frustration of wonderful attention in the pre-sale phase and a vacuum of care thereafter.

With such experiences, consumers tend to search out the nearest dustbin to dump any residual loyalty they had for the brand.

But offer consumers contact that demonstrates that their well being has been seriously considered and you can create a valued customer and perennial profit. This demonstrates what may be the first rule of one to one service: *stop thinking you're servicing the product and service the customer.*

This is more than just an elegant turn of phrase I think. Most human beings, even in a business to business context, hugely value personal care. We love to be loved. And we commonly return love with love, care with care. The touches that accumulate emotional loyalty are all the little details that spell out care for *me* and *mine* in the design of goods, service and communication. As Mr Zimmerman's example shows, this can apply as much to the process of selling as anywhere else. In fact, selling at its best is a great service.

Like fine wines, service lays down value you will enjoy for years to come.

Loyalty is a mystery. We've all experienced it, and its absence, but it's hard to pin down. You can't buy it. Not even with points! Sometimes you can't even explain it. There are wives who are loyal to the most outrageously behaved husbands, and husbands to disagreeable wives. Likewise, some consumers will put up with bad service. But these are exceptions. The trend, confirmed by research in almost every category, and almost everywhere on the globe, is that customer expectations of care and service are increasing. Which is why, entering the next millennium with any degree of optimism means absorbing and applying some basic home truths:

One. Service is *the interactive component between supplier and customer that creates relationship value.* Service is therefore to customer loyalty as the goose to the golden egg. But that means optimally designing the service package or bonds, the key moments of truth and the ongoing interactive dialogues that form the relationship. At OgilvyOne this is called a *Lifeline.*

Two. Service is always taken personally, as is lack of service. "He was helpful... to *me*". "Afterwards, they cleaned up... *my* office". Feeling recognised and valued is the basis of the social bond that is at the heart of loyalty and all good one to one marketing. It is the emotional tie that leads people to say, "That's *my* brand". (This is why Mr Zimmerman not only bought the policy, but also said thankyou.) Hence, all one to one dialogue must also have a social bridge, the imaginative foundation which is the basis for why the customer would want to hear from you at all. So service design should account for the uniqueness of customers and the communities they form.

Three. You have to feel real to customers. They are expert at observing the body language of the brand and they trust its truth more than words in adland. Up to 85% of consumer disaffection has been linked to the gap between promise and reality. You create trust by *guaranteeing* promises and responding to anything that goes wrong.

Finally, pleasure counts. Great moments are memorable. They create collateral and bring the relationship to life. When you bore people, it rarely makes them love you, except, perhaps, in one circumstance: infallible reliability. A recent article proposed that circuses

owed their continued popularity to people's need for excitement, for existential experience. Brands that are close to their customers have generally developed the art of theatre in the way that they treat and communicate with customers. It's not enough to care, you have to communicate it. I remember a car salesman stroking the car he was selling me with reverence, rather like the reverential treatment that Seagram's Crown Royal Canadian whisky brand gives to the members of its Society of the Crown. The art of theatre comes in all kinds of moods. While Procrit responds to the tragedy of cancer, Britain's Royal Mail helped its marketing clients appreciate how their services could be of help by sending a mock up cereal packet. Whatever way is appropriate for your brand and customer community, the result will be enhanced brand loyalty.

The disciplines of customer service and care

These four simple principles establish some operational disciplines that have been found useful by many OgilvyOne clients.

1. Implementing care takes imagination
2. Ensure the customer perceives you as helping, not just selling
3. Know the *friends* of the one you're serving
4. Recovery is *the* priceless opportunity
5. Repeat behaviour is for sale, but brand loyalty has to be earned.

1. Implementing care takes imagination

Listening is not enough. Imagination and empathy is what makes your culture of care possible. Its effects apply to both customers and employees. While imagination creates large returns for small costs, brands without imagination are in trouble. They become soulless commodities that generate apathy and price fixation. Our experience is that 'bonds' can be designed that can enhance the long term attractiveness of the brand. This is an imaginative and disciplined tailoring of the financial, social and structural elements in the service and relationship that optimises lifetime value of customers and constitutes an advance on the traditional process of offer design in direct marketing.

Using this imagination, existing just-in-time service *of the product* can be modified to provide guaranteed, just-in-time service *of the customer* through these financial, social and structural bonds. This in turn requires an organisation that supports and equips its front line staff. Again, with the help of imagination, this can cost less than many consultants think.

Practical knowledge and awareness of your customer lets you recognise, appreciate and acknowledge him or her on an individual and relevant basis, showing that you care. A practical way towards such one to one service is recognising the community of interest that each key customer belongs to. This provides a way to organise products, services and communication. While research and statistics are undoubtedly helpful, knowing customers "from the inside" is an imaginative discipline.

Take Novartis. Research amongst their US Estraderm customer community found that these menopausal women taking oestrogen replacement therapy often felt isolated. They also didn't like some of the normal side effects and thought something must be wrong. Empathising with this knowledge formed the foundation for a more intimate relationship. After *Women's Health Exchange* was created for them, 97% of members said they found it

helpful during a turbulent time in their lives. It led to a 25% increase in ongoing active use of Estraderm. Why? Because *Women's Health Exchange* wrapped Estraderm in soul, the soul of the brand.

2. Ensure the customer perceives you as helping, not just selling.

Would it be nice to be called telepathic by key customers? A UK vaccines brand delighted in the experience. By listening imaginatively to what was and was not wanted, they fundamentally changed their business and their fortunes. This affected everything: from how they handled calls to the labels on their boxes, with every service backed by guarantees.

Nor were customers the only beneficiaries. Impact on employees was equally noticeable. Fully educating, retraining and equipping the sales force was not only vital to the doctors, it produced radical shifts in staff morale. For example, staff turnover reduced by 87%. As one manager put it: "We can now talk in terms of helping not selling."

In another example, a leading US nicotine replacement therapy transformed the European category, growing the entire patch market across six countries by 144% thanks to innovative marketing that used digital print to deliver a personal support programme to committed quitters. Psychologists designed the help, quitters registered and then received personalised help, with over 14 million different genuine communication options. By the way, it also helped make huge increases in both margins and market share.

3. Know the *friends* of the one you're serving

When you service a customer they always take it personally. But that doesn't mean *everything* you do has to be unique. Full mass customisation is probably not possible or even necessary for many brands. One of the most effective ways to focus investment is around key customer communities determined by 'disposable budget', behaviour and attitudes. ('Disposable' budget means disposable in your direction).

Breakthroughs in service and perceived care often come about by researching and understanding the sub-communities that make up the brand franchise. These groups are typically formed out of different attitudinal and interest characteristics and behave therefore more like friends. By tuning services and communications to these differences, it is possible to be seen as far more relevant and caring. Tools such as OgilvyOne's *CustomerPrints* service can help to make these communities real for the organisation and its support agencies.

In most cases this means finding common interests and behaviour amongst a cluster ("the friends"), then shifting gains in knowledge into added value for the whole cluster, delivered one to one.

For example, research for a pharmaceutical company identified five customer clusters among medical clinics, each of which had special needs and opportunities. Training sales representatives to recognise these groups and appropriate re-packaging of services and communication lifted individual customers out of the mass and into a tailored service with very positive business results.

4. Recovery is *the* priceless opportunity

Of all the events in the ongoing relationship, one is decisive: the crisis. At that moment, the brand is under the emotional searchlight. The gap between a positive and negative experience of the brand cannot be larger.

Problems make people vulnerable and therefore perhaps angry. Unless something decisive and effective is done to rescue the situation, the relationship may well be lost.

Yet we have also found that effective and caring rescue is a moment that customers treasure. Research shows that these occasions are highly significant in future loyalty. It therefore makes great sense to put the key potential moments of crisis in a customer's life under the same kind of searchlight as they will, but in advance. In this way crises may be anticipated and prevented, or ways can be found to respond more effectively, for example by training call centre agents.

It is also important to ensure that in the event of a problem, the brand gets a chance to respond. Most crises never get reported to the brand, only to friends. A concrete guarantee, such as those offered by the insurance and vaccine brands, makes the brand a friend too and helps to ensure that customers contact you first when they need help, instead of complaining to the world.

The crisis doesn't have to be with the brand, because of something the brand has done wrong. It may just be helping the consumer or business through a problem, like the accident care of the insurance company or Estraderm's *Women's Exchange* programme. Such contributions demonstrate care and win friends.

5. Repeat behaviour is for sale, but brand loyalty has to be earned.

What does this all add up to? Consumer and business to business brands world-wide are aware of the equity value of the emotionally loyal and committed customer. But, consumers (both business and private) don't just give this away for free, any more than we give away our goods and services for free. They look for value. And just as we are constantly looking for the customers who can deliver the most profits into our businesses, so consumers are looking for brands that *they perceive* deliver the best overall value. But, as we have seen, in an age of technical parity, it is easier to make customer loyalty an objective than to achieve it.

Special prices, points and premiums may have a place in this solution. American Express has succeeded with Membership Rewards. Financial incentives though are rarely even close to being *enough* to earn emotional loyalty and may even degrade the brand experience. They may not show that you care, just that you are willing to buy a behaviour that the intrinsic goods and services cannot own by themselves. The American Express promise has always been based on the social and practical value of the relationship and the rewards are designed to support that. Emotional loyalty is earned when the intrinsic quality and personal relevance of the brand's communication, offer and care bonds the customer.

Experience has shown that imaginative, brand-true, design of such service is the most cost-effective way to achieve loyalty and enhanced customer equity. Developing such soft, caring benefits is an exacting discipline. It involves, at least at OgilvyOne, a combination of realism, research into the psychology of the customer community, systemic study of the cycle of the customer's relationship with the brand, and creative hot housing. Fortunately, it is a discipline not only exacting. It can also be wonderfully exciting.

Checklist

1. Service the customer, not just the product.
2. Service is the interactive component between supplier and customer that creates relationship value.
3. Service is always taken personally, as is lack of service.
4. You have to feel real to customers.
5. Pleasure counts. Great moments are memorable
6. Implementing care takes imagination: imagining the customer and imagining creative 'bonds', ways to attract their loyalty.
7. Ensure the customer perceives you as helping, not just selling.
8. Know the friends, the community of the one you're serving.
9. Recovery is the priceless opportunity.
10. Repeat behaviour is for sale, but brand loyalty has to be earned.