

Customer Touch Points Become Hot Buttons

By: Irene Etzkorn
Simplification Practice Advisor
ietzkorn@siegelgale.com

When a manufacturer first introduces a product, customers are often so enamored of its function that they are willing to overlook flaws in the overall customer experience. Cell phones and software are classic examples—people bought them despite the fact that they barely worked. However, as soon as the manufacturer progresses to produce commodity products—appliances, cars, and cameras—the customer then ranks their experience in terms of other touch points. Ironically, the product becomes incidental and seemingly small interactions become the memorable aspects of the customer-company relationship.

+ LACK OF CLEAR, UNDERSTANDABLE INSTRUCTIONS WAS THE PRIMARY REASON CONSUMERS CONTACTED THE MANUFACTURER OR SELLER OF A PRODUCT; SEVEN IN TEN SAID THAT THEY WOULD NOT PURCHASE ANOTHER PRODUCT FROM THAT COMPANY.

Service companies face an even bigger challenge—they don't have tangible things to act as the focal point of the customer experience. Instead, the customer must experience what they offer—investment performance, an insurance settlement, a hospital stay, etc. Communication in all its forms—online, in person, by phone, in print—is the crux of what shapes customer experience.

What do customers remember about their interactions with companies?

Customers remember their frustration at being confronted with 12 models of washing machines whose differences are miniscule or indeterminable. They also remember the sullen customer service representative who answered their call for repair by asking for the serial number that is located behind the dishwasher (the one bolted to the wall). And boy do they remember frustrating instructions. The Perplexity Poll, an online survey of 1,700 consumers, commissioned by Siegel+Gale, LLC and conducted by Gelb Consulting, revealed that a lack of clear, understandable instructions was the primary reason consumers contacted the manufacturer or seller of a product. Apparently, these disgruntled buyers do not go quietly into the night; seven in ten said that they would not purchase another product from that company. Sore touch points are slow to heal.

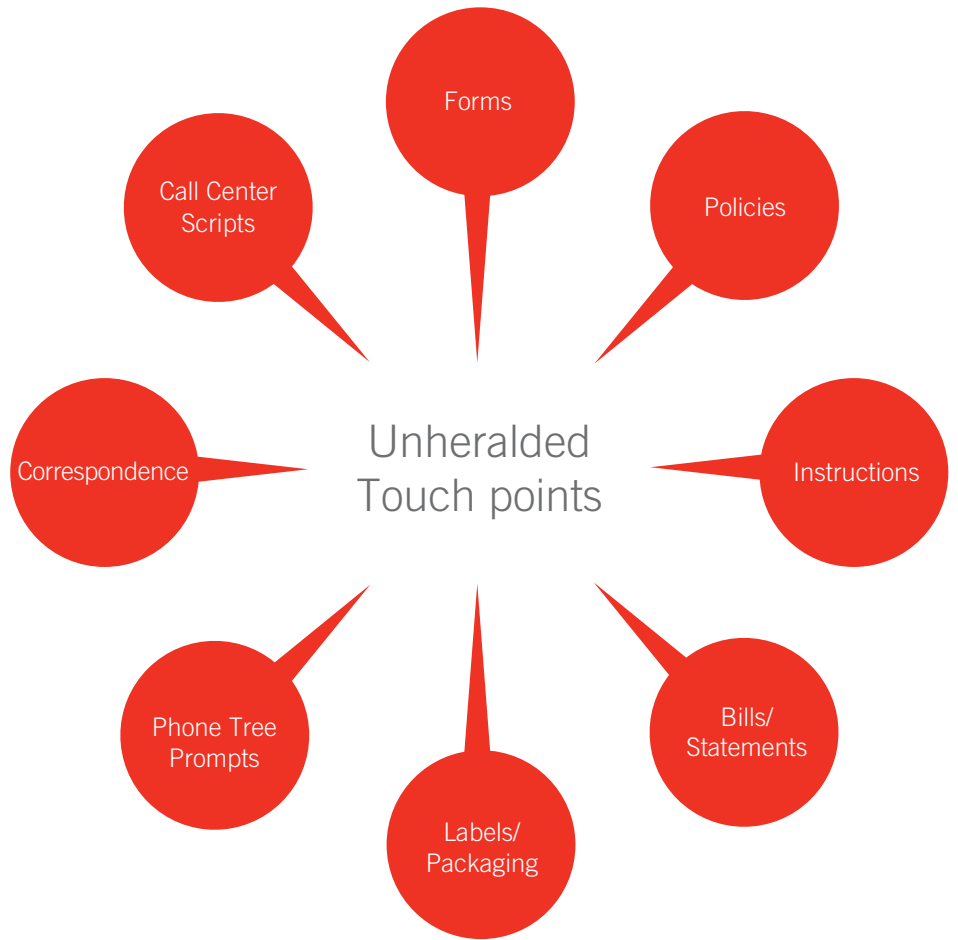
For more information,
contact:

Nancy Frank
Vice President,
Business Development
nfrank@siegelgale.com
T 212.817.6695
F 212.817.6680

Service industries such as property/casualty insurers face a similar plight because their customer touch points are often communications, such as contracts, bills, applications, correspondence, and policies. Often written by lawyers and produced by techies, these documents frequently undermine rather than strengthen customer relationships. A 2007 National Association of Insurance Commissioners (NAIC) survey revealed that one-third to one-half of homeowners' insurance policyholders were misinformed about what perils are covered by their policies and how much they might receive if they made a claim.

Manufacturers have long viewed the product as “king.” Pouring their heart and soul into improving the product often left little time and attention for improving installation instructions or coaching service representatives on proper demeanor. Increasingly, companies are rethinking this. “In addition to increasing efficiency and quality in our manufacturing process, we’ve come to realize that simplification of the customer experience is an equally important frontier,” says Beth Comstock, President, Integrated Media, NBC Universal. “Customer experience is getting a lot of attention right now.”

So what should companies do to improve the customer experience? They have to pay attention to multiple touch points simultaneously and look for the frequently overlooked touch points that we call “unheralded.” These unheralded touch points are repetitive and important to customers but not as visible or prominent as advertisements or marketing brochures. Unheralded touch points often include transactional communications, self-service websites, call centers, and phone trees.



For more information,
contact:

Nancy Frank
*Vice President,
Business Development*
nfrank@siegelgale.com
T 212.817.6695
F 212.817.6680

You don't really know if your bank transfers money more efficiently than any other, but you do know if the teller is friendly, whether they make you fill out reams of paperwork in triplicate, or that they are only open five hours a day. That's why Commerce Bank offers free coin counting (even to non-customers), allows pets in the bank, and has convenient hours, seven-days-a-week.

The cleverest companies achieve multiple purposes while improving the customer experience. Washington Mutual has configured its branches with an "information desk" at the door and a free-form array of teller stations scattered throughout the floor equipped with machines that automatically dispense cash. From the customer's point of view, the experience is less intimidating, friendlier, and more inviting. For the bank, security is greatly increased—the information desk doubles as a guard post, the free-form teller stations impede a quick getaway, and the tellers have no access to cash and therefore can't be robbed.

Similarly, simplifying customer documents by customizing them, consolidating them, clarifying them, and distributing them efficiently delivers cost benefits while increasing customer satisfaction. One auto insurer realized a savings of \$20 million a year by cleaning up its bills, declarations pages, id cards, notices, etc. And these savings were only the "side effect"; the real purpose of the project was to improve customer satisfaction by providing information rather than data.

Airlines such as Jet Blue and Virgin Atlantic pay attention to every point at which the customer may form an impression—the ride to the airport, the convenience of their schedules, the ambience of their terminals, the persona and appearance of their crews, etc. In circumstances where a company doesn't even make the item they sell—such as a stock brokerage—the need to finely hone each customer interaction is even more pressing. I can buy the same stock anywhere. All that will differ from one brokerage to another are the people, the information, and the cost.

What these companies are realizing is that the battle is no longer for the minds of their customers but for their hearts. That's a big change in focus. Ties that are based on emotion rather than intellect must be constantly reinforced and are much harder to predict. It creates the need to customize the experience for each person and to infuse each touch point with the brand attributes of the company.

It might seem that there are some circumstances where this is impractical or unlikely to occur. How about garbage collection? It's widely accepted that you have to drag dirty, smelly cans to the street and have their lids blow away while you are at work. But in certain parts of the country, carting companies have equipment that drives up to your dumpster and empties it in place. No mess, no fuss. Once you've experienced it, your expectation is forever changed.

Usually, it is only when one company in a category wakes up to an overlooked array of customer touch points that an entire industry changes. Health care services are a good example. Outpatient surgery facilities are competing by having broader hours, doing follow-up "how are you feeling?" calls, letting family members stay with the patient,



simple is smart

sending you home with “goodie bags,” etc. Hospitals advertise heavily to make sure you realize that an appendectomy is not the same everywhere. In just a few short years, patients have been transformed from passive subjects to active participants and their expectations have ratcheted up in proportion.

True devotion to understanding the customer experience requires an obsession with detail. Ironically, it is product-focused companies who typically excel in this area. By applying the scientific rigor that they expend on engineering and production to other aspects of the customer experience, manufacturers could beat the service companies at their own game.

So, think of customer touch points as hot buttons. Each point of contact, each impression, each interaction should be considered as a possible make-or-break moment in the relationship.

For more information,
contact:

Nancy Frank

Vice President,

Business Development

nfrank@siegelgale.com

T 212.817.6695

F 212.817.6680