

Leadership Series

Retail

Creating brand loyalty through the contact centre

Spring 2023

FEATURING

Tracy Kellaway, Executive Director of Global Consumer Operations, Estée Lauder Companies

Emma Dark, Director of Consumer Care, Estée Lauder Companies UK & Ireland

Joe Quinlivan, Head of Customer Care, Gousto

Jonathan George, Director of Customer Experience, Holland & Barrett

Ruth Genelazo, Director of CS/CX, Nectar Sleep

Daniel Cohen, Head of Customer Relations, Nespresso

Alan Mullen, Customer Services Manager, Superdry

Lucie Child, Strategy Lead, The Very Group

Liz Cerrofi, Director of Sales and Experience, The Wine Society

ABOUT THE LEADERSHIP SERIES

The Leadership Series is the documented output from CCMA's Leadership Forum meetings. These meetings take place at the House of Lords and provide an exclusive opportunity for senior contact centre leaders to explore the key factors driving change in the industry and to consider how to continue to innovate for the benefit of the customer, colleagues and the business.

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Customer satisfaction trending downwards?

Recent research suggests that customer service simply 'isn't as good as it used to be'. The January 2023 UK Customer Satisfaction Index (UKCSI), for example, reported that overall CSAT levels had dropped 0.7 points to 77.7, and that the quality of customers' experiences and interactions with organisations was also down by 0.6 points on the previous year to 78.7. Forbes has also reported that 96% of customers would withdraw their business if they received bad customer service, while the US National Customer Rage survey recently suggested that 9% of those questioned after a poor experience would actually take steps to 'seek revenge' on social media.

While this perhaps suggests that the wider customer service industry is struggling, the reality is that the latest UKCSI findings show that the UK retail market remains one of the strongest performing sectors in terms of customer satisfaction. However, customer service leaders across all sectors are only too aware that their brand's reputation is at stake with every customer service interaction. Not every customer will take to social media to express their unhappiness but, with an increasingly wide range of alternative choices available to customers, the loss of potential repeat business can be significant.

So, if brand loyalty is not as strong as it once was, what role can and should contact centres play in building back and securing essential customer loyalty and trust? What steps can contact

centre leaders take to strengthen the customer experience and unlock the commercial benefits associated with increased loyalty?

Evolving customer values and expectations

First the discussion considered evolving customer values and expectations. With recent surveys suggesting that 4 out of 10 customers would consider switching brands if their CSR positions weren't in line with their values, leadership forum attendees acknowledged the need for contact centres to be part of brand value delivery. Values – and how contact centre teams looked after their people in terms of wellbeing – were also seen as increasingly important.

The group also discussed how customer expectations had evolved through and beyond the pandemic. There was agreement that during the early stages of lockdown customers were very understanding and supportive, with a sense that everyone was in it all together. Track forward, however, and as stories leaked out about Government ministers breaking lockdown rules, general customer attitudes changed leading to a similar experience from Forum participants. Comments included: **“with Matt Hancock’s resignation the trust was broken – things changed after that”**, and **“everything got a bit tenser after that and customers became much more assertive”**.

What’s happening now? Customer expectations have continued to increase, particularly given energy price rises, inflation, the cost-of-living crisis, and general availability of goods and services. The reality is that customer bills are now much higher, and people have less disposable income, and consequently are looking for better value from their current brands. Retail contact centres are right at the heart of this.

Evolving strategic role of contact centres

The discussion around brand loyalty and the role of the contact centre began with

a recognition that over the last three years there has been a major adjustment in how organisations view their contact centres, with the pandemic accelerating this shift in perspective. With many retailers having to close their store networks entirely, customers quickly turned to contact centres for re-assurance and support. The fact that teams were able to deliver such an impressive service while simultaneously adapting to remote operation was certainly noticed, attracting board-level recognition and cementing contact centres as a key CX asset. However, while CEOs acknowledged the importance of contact centres during lockdown, has that increased recognition and support been sustained?

Is brand loyalty dead?

The consensus among Retail Leadership Forum attendees was that brand loyalty wasn’t finished, but that there needed to be much greater collaboration between those that are creating the brand promise and those responsible for its delivery. According to Nespresso’s Daniel Cohen: **“when you spend millions on brand promise every year, customer expectations are inevitably high – but you still need to deliver operationally. However, with some additional**

calibration, contact centres can help the brand to take things further and that can end up being a big win.”

When asked whether the focus should be on meeting customer expectations rather than exceeding them, Jonathan George from Holland & Barrett felt that it really depended on your objectives. **“If you’re looking to establish loyalty and build customers for life, then of course it makes sense to go beyond expectations. Customers can quickly become advocates when you surprise or reward them, and social media is a great way of broadening your ‘fanbase’ of advocates. But it’s also important to try and quantify the value of where you’ve gone the extra mile – NPS scores of 60/70+ or CSAT results of 9/10 are a great starting point here.”**

At Nectar Sleep, Ruth Genelazo confirms that brand loyalty is very much alive. **“Some 40-45% of our customers come through referrals, so it’s great for us that there’s such strong customer goodwill – but it also needs constant nurturing.”**

Getting the wow balance right

Tracy Kellaway from Estée Lauder Companies agreed, stressing the importance of consistency. **“You’ve got to get your people to live and**

breathe the WOW factor, you can't just delight some and ignore others, so if people aren't right for this then there's always a risk that you're setting yourself up for potential customer disappointment."

Given that it's increasingly easier for customers to switch brands or buy elsewhere, it's important for retailers to consider the implications of what happens when they don't wow. Estée Lauder Companies' Emma Dark highlighted the challenge of enabling wow service while delivering across different markets and channels. Tracey Kellaway agreed, saying **"People are super happy to use the best local options to fulfil, but when there's a problem they always come back to Estee Lauder for their refunds or replacements. Complicated channel issues can significantly impact your ability to wow."**

It can be difficult for contact centre teams to make tricky judgement calls here, and if wow policies are too generous then there's the risk that you might open your brand up to a lot of pain. Gousto's Joe Quinivan stressed the importance of effective data here, citing the need to keep your wow activities purposeful. Joe also re-enforced how accessible data can help contact centre advisors to ID bona fide customers.

"Our team is massively empowered to wow, but this can conflict with the brand marketing team who have already got targets to meet and numbers to make," added Daniel from Nespresso. **"The contact centre team can't just be giving stuff away – there needs to be a balance."**

"Closing the loop with customers is always a wow. Following through on feedback is always worthwhile, and people are always impressed

if you've read and responded to their reviews," said The Wine Society's Liz Cerroti. Lucie Child from The Very Group also recommended proactively following up on poor Trust Pilot scores. **"We go back to customers, work with them to solve any issues, and then invite them to resubmit their scores. This certainly helps as our numbers have rated us great, and we're now working to resolve complaints directly in the frontline."**

Jonathan George believes that the simple act of contacting customers with negative reviews or feedback can make a real difference to the customer experience, with people recognising that you've taken the time to get in touch. Brands are certainly paying much more attention to their Trust Pilot scores, acknowledging that efforts in this area can make a difference to CSAT scores.



Are contact centres getting the support they need?

CCMA CEO Leigh Hopwood asked Retail Leadership Forum attendees whether, post-pandemic, contact centre leaders felt they were getting all the support they still needed – and whether there was clarity about who actually owned the customer within organisations.

Emma Dark recognised that reporting lines would always have an impact on the level of customer-centricity that was achievable. Daniel from Nespresso emphasised the need for brand teams, marketing, and the contact centre to be brought closer together otherwise everyone could be working to different KPIs and pulling in opposite directions.

Liz Cerroti agreed, noting that **“we all own the brand at the executive board level – which is great, but we also have to live it.”** Joe Quinlivan at Gousto felt that physically integrating customer-oriented teams was a big help – **“our brand marketing and customer care people all sit together, helping us to really tighten things up. This means we can be very precise about quantifying the value unlocked from CSAT score improvements. For example, we know that scores in the 90s mean we can secure ROI from our investments over 18-24 months.”**

For Joe Quinlivan, Gousto's subscription-based approach meant that its customer programme – across marketing, brand, proposition and customer care – has to have one voice. **“Our refer-a-friend programme is one of our biggest acquisition channels, so it's essential that we all own the customer and are consistent in what we do,”** he added.

Alan Mullen from Superdry agrees that bringing people together – either in the same room or virtually – is critical. **“We've moved the contact centre into the main office, and our advisors are now right in among our marketing, social and brand teams. This has enabled us to develop much broader campaigns with everyone engaged – prior to this there were times when our contact centre team found out about campaigns on the day they were happening!”**

Driving greater collaboration through detailed data and insights

What's become more important for today's retail contact centre leaders is a determination to ensure that the customer perspective gains traction across the broader business. Lucie Child from The Very Group sees the contact centre and the data it captures as a critical

component in helping resolve issues that impact the customer experience. **“A growing part of our role is identifying and helping some of the customer demand issues that are so preventable further up the line. We're always saying that we're there for our customers when they need us most, but it would be even better if we were to fix some of the issues that caused customers to contact us in the first place,”** she explained. **“Every day customers tell us where we've gone wrong, so it's incumbent on the contact centre to collaborate with colleagues and actively work to take failure demand out of the business.”**

Jonathan George echoes this, suggesting that **“the contact centre should have a strong voice and help drive a collaborative approach in addressing pain points. Every Tuesday at Holland & Barrett we have a meeting where our CEO, Commercial Director, Marketing Director, Supply Chain Director and Retail Director get together and we walk them through customer feedback. Being able to bring these different strands together means we can deal with things much more quickly. However, with these kind of operational fixes, you can only convince stakeholders with detailed benefits and ROI data.”**

Alan Mullen agrees, explaining how the Superdry team has its own analyst dedicated to



customer data. **“When we have our weekly meeting with our stores and logistics colleagues we’re able to tell them exactly what’s been impacting customers over the last week, sharing the data that enables them to own the issue,”** he explained.

How important are digital channels in cementing brand loyalty?

“When we made the decision to go digital, we made sure that a live agent was still easily accessible, but found that around 65% of our customers were happy to manage their orders and returns through our

digital channels. Cost was of course a factor in our thinking, but it also works well for our customers,” said Superdry’s Alan Mullen. **“Our digital channels work well for handling queries around orders and returns, and can prove a faster experience for our customers. In fact, when we turned off our phone channel, we found that our negative feedback improved by around 70% - but you still need to provide customers with an easy way of getting in touch should things not work out.”**

“We focused on a combination of asynchronous messaging, WhatsApp and voice as our primary channels, with WhatsApp handling much of our traffic while voice continued to work for customers for more complex issues who wanted to speak to an advisor,” added Emma Dark from Estée Lauder Companies. **“We do still communicate via email when we outreach to customers, but**

have removed email from our contact us page to focus on real-time channels.”

“The digital channels are just as important as voice and email, however they need to be deployed with digital first thinking – otherwise you can just end up with multiple contacts across multiple channels. That’s why many retailers are busy shepherding customers towards their app,” added Jonathan from Holland & Barrett. Lucie Child added **“that while brands now want digital first for everything, it’s not always going to be the right approach. Strong person-to-person client voice relationships are great, but they are always going to be difficult to scale.”**

Hints and tips from the CCMA Retail Leadership Forum

To conclude the first Retail Leadership Forum, attendees were asked what advice or recommendations they would have for other contact centre managers in their sector. Answers included:

- Focus on brand relationship as well as touchpoint NPS. – Lucie Child, The Very Group
- Work to build relationships with people that are miles away from the contact centre. – Daniel Cohen, Nespresso
- Sharing data across the business is a great way of reducing friction and improving the customer experience. – Emma Dark, Estée Lauder Companies
- Ensure consistency. All your channels should offer the same experience, so get the basics right. – Ruth Genelazo, Nectar Sleep
- Closing the loop with customers is always a wow. – Liz Cerroti, The Wine Society
- CSAT score improvements provide a great way of quantifying your investment in wow. – Joe Qunlivan, Gousto
- Invest as much in Customer Service as you do in Marketing, it needs to be totally aligned. – Tracy Kellaway, Estée Lauder Companies
- Start with the customer, then establish an outcome that's positive for both experience and revenue. – Jonathan George, Holland & Barrett
- Create ownership and accountability across the wider business for the customer experience. The contact centre provides the resolutions, but creating visibility of the customer across the business, means you get buy in to change the experience. – Alan Mullen, Superdry

About the CCMA

For nearly 30 years, the CCMA (Call Centre Management Association), as the longest established contact centre industry body, has been dedicated to supporting contact centre professionals across the UK. Founded on the principles of sharing best practice and networking to improve skills and knowledge, the CCMA is a thriving community that represents leaders from a huge cross-section of the industry.

Membership of the largest community in the industry offers unique opportunities, such as free annual benchmarking of 25+ KPIs, free entry into the UK National Contact Centre Awards and free tickets to the UK National Contact Centre Conference, invites to Executive Networking Dinners and exclusive events for members-only. Members also benefit from discounted training through the UK National Contact Centre Academy, the industry's training partner.

To support the industry further, the CCMA conducts regular original research for download, including the annual Salary and Skills Guide and the Voice of the Contact Centre Consumer research, the Evolution of the Contact Centre tracking the industry's progress and Good Practice Guides on a variety of topics.

www.ccma.org.uk

About Sabio

Sabio Group is a global digital customer experience (CX) transformation specialist with major operations in the UK (England and Scotland), Spain, France, Netherlands, Malaysia, Singapore, South Africa and India. The Group delivers solutions and services that seamlessly combine digital and human interactions to support outstanding customer experiences.

Through its own technology, and that of world-class technology leaders such as Amazon Connect, Avaya, Genesys, Google Cloud, Salesforce, Twilio and Verint, Sabio helps organisations optimise their customer journeys by making better decisions across their multiple contact channels.

The Group works with major brands worldwide, including Aegon, AXA Assistance, BBVA, BGL, Caixabank, DHL, loveholidays, Marks & Spencer, Rentokil, Essent, GovTech, HomeServe, Saga, Sainsbury's Argos, Telefónica and Transcom Worldwide.

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