

# CUSTOMER EXPERIENCE & LOYALTY

03

## IMPROVING SERVICE IS STILL THE KEY TO SUCCESS

Top customer service gives companies an edge in competitive markets

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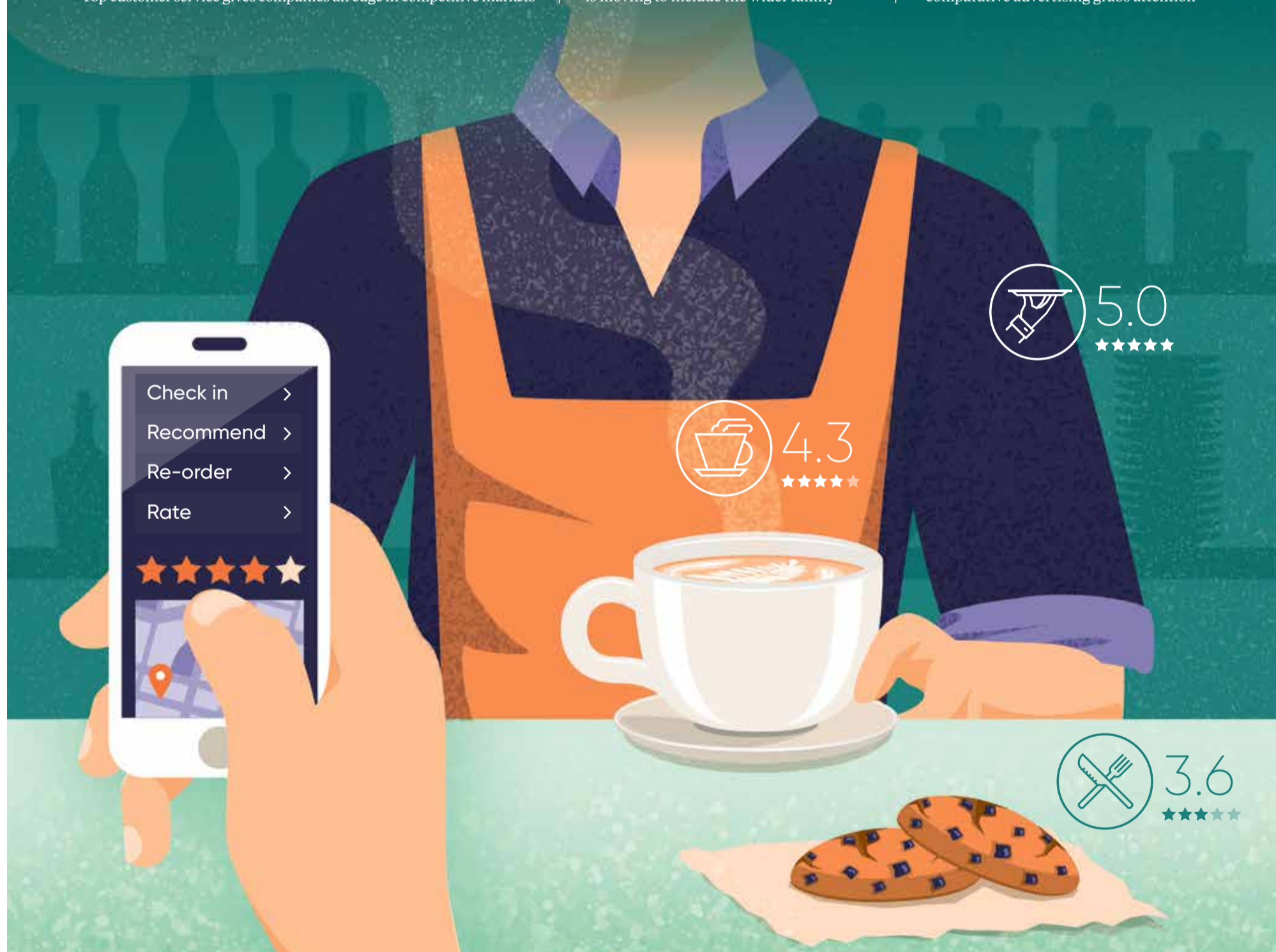
## GET PERSONAL AND INCLUDE FAMILY

The drive to personalise consumer offers is moving to include the wider family

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## NAME-CALLING AND CHEEKY CLAIMS

Taking on a rival business with aggressive comparative advertising grabs attention



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OVERVIEW

Improving service is  
key to success

Brands offering convenience shopping and fast delivery must also provide top customer service to stay ahead in an increasingly competitive market

NICK EASEN

For decades companies that produce the goods we consume from coffee capsules to razors and cars to dishwasher tablets have fine-tuned the products they're making, the brands they're building and the prices they're offering. Until now this has defined our decisions. Yet a third variable – service – has recently come to the fore: “when, how and where will I get it?” now trumps “what will I get?” shaking up the world of customer experience.

Blame digital disruption, blame Ocado, blame Amazon, whose founder Jeff Bezos famously said: “When people ask me if our customers are loyal, I say absolutely, right up to the second that somebody else offers them a better service.”

That's because UK society has been served up a brave new world of convenience, and now craves low-cost, next-day delivery and click-and-collect smartphone shopping. Even if consumers are visiting bricks-and-mortar stores, they want the same speed and user-friendly experience that online and mobile offers.

“It's all about owning the customer and their experience. If you own the interface, you own the customer. If you own the customer, you own the data. And if you own the data, you own the future,” says Hugh Fletcher, global head of innovation at Salmon.

This age of ultra-convenience is certainly a challenge, eroding brand loyalty. Point-based, one dimensional and non-interactive loyalty schemes also don't cut it anymore, particularly when it's so easy to find a better product, at a better price online. “Brands are increasingly looking to define their role in a customer's life and service is becoming a meaningful way to do this,” says Michelle Du-Prât, strategy director at Household.

How you're served has become a fundamental part of the DNA of customer experience, not an afterthought. “Every brand from luxury to high street, food to fashion is now in the convenience business,” says Ms Du-Prât.

Undoubtedly, what's required in the UK is a much bigger investment in great service. Many businesses are just playing catch-up. Rarely a day goes by when the media isn't reporting on shoddy British service culture from appalling rail services, to rip-off energy companies or archaic banks.



Amazon's Dash buttons are wi-fi connected devices to reorder products at a place convenient to the customer

“Customer loyalty as we traditionally know it is dead,” says Rachel Barton, managing director at Accenture Strategy. A recent survey they conducted shows that 83 per cent of UK consumers are quicker at retracting their loyalty from a brand today than they were three years ago.

“In a world where service is consistent, brand and product will rise again. In a world where it is inconsistent, bad service could spell the end for some,” explains Mr Fletcher. In recent years, this was demonstrated by the fortunes of John Lewis and Waitrose, in contrast to Tesco, although both organisations are now impacted by online convenience shopping.

The reality is that while one company may make the initial step and set a new standard in convenience, others will be fast followers. “Expedia changed how we book holidays through price and convenience, only for Airbnb to then dominate rental bookings,” says Christopher Evans, a director at Collinson Group. “Yet offering additional value to the customer beyond convenience is now key to longer-term loyalty and to defend against competitors.”

Anyway, competing through convenience on a functional, operational metric such as quicker delivery times, unleashes a relentless arms race, which nobody really wants.



“Yet players that have simple convenience offers, like Amazon and Uber, are innovating incessantly to stay ahead on a much richer, more multi-dimensional view of customer experience,” says Simon Glynn, senior partner at Lippincott.

Amazon's move with Prime, media content and Dash, which lets consumers press a button placed wherever they like in the home to purchase common items, such as cat food or washing powder, is part of that process. General Electric now offers washing machines that shop for their own detergent. “Uber is no longer just about easy, fast access to a car; it is now the convenience of not having to say where you're going or not even open the app. TripAdvisor even offers Uber, telling you how long a cab will be when you book the restaurant,” adds Mr Glynn.

This is because well-healed players realise that convenience as a differentiator doesn't buy evergreen loyalty. “Convenience has created novelty, but it won't last forever. Just seven years ago it was price that was king, and it's important to remember that the economy and consumer needs work in cycles,” explains Nick Cooper, executive director at Landor Associates.

“Convenience increasingly becomes a basic trait rather than a unique selling point. Businesses will therefore still need to differentiate themselves through products or services. Those that succeed will be those that meet the convenience demands of consumers, while still standing out from the crowd with their own brand offering.”

Certainly, we're now motivated by brands that engage us in new ways. It helps that companies can own the whole customer journey, bypassing retailers and taking control of their own online channels, as well as moving into bricks and mortar. “We have already seen this with Apple, and now companies such as Tesla and Dyson, taking ownership of their end-to-end customer experience,” says Rupal Karia, managing director for retail at Fujitsu.

Anticipating customer need is the next step. Predictive services through artificial intelligence could be the new frontier in the customer experience and loyalty world. “The battle lines have been drawn. Will loyalty to service create a more monopolised and commoditised world where the strongest brands are the tech giants? Or will the brand's ability to appeal to human nature and aspiration win the day?” asks Salmon's Mr Fletcher. We will have to wait and see. ●

HUMANLESS RETAIL

# When the humanless touch is just enough

There are times when customers prefer a no-nonsense robot, but humans aren't redundant just yet

HAZEL DAVIS

We're all used to the idea that most of our transactions are automated. Buying clothes for many of us involves looking at something on screen, clicking a box and trying it on when it arrives through the letterbox. In fact, we don't even necessarily have to speak to anyone when that sparkly red jumper turns out not to fit at all. We just pop it back in the bag and fire off an e-mail.

But do customers still value human interaction throughout the customer journey? Or does it differ depending on the product?

Heather Richards, chief executive of customer service software company Transversal, says: "The biggest driver of customer satisfaction is ease of use. Sometimes making it easier means not having to wait to talk to a person. A significant proportion of customers prefer to do their research when purchasing online and expect to be able to access information 24/7.



Bloomberg/Getty Images

Many of us will always opt for the human member of staff over the self-checkout machine

"What most people appreciate is an effortless experience, whether with a human or a robot. Answers delivered quickly, with minimal effort by the customer. When they need to speak to a customer adviser, they expect to be dealing with an expert.

"For example, complex or costly services and products can often mean people need the reassurance

of an expert to know that they're getting the product or service they require, whether that's a new car purchase, a child's car seat, the right kind of financial product or when they need more urgent assistance, such as in the event of their vehicle breaking down.

"But with increasingly complex services and products it is a growing

challenge to keep customer advisers up to date and increasingly efficient at the same time."

This is where artificial intelligence and cognitive knowledge solutions are transforming the customer journey.

Frank Palermo, global head of digital solutions at fintech company VirtusaPolaris, says customers have taken back power. "We're able to do more research on a purchase before actually making it, thanks to the amount of data we now have available," he says. "However, while many of us want more control and freedom at the beginning of the buying journey, we don't necessarily want a humanless experience, especially for large or important buying decisions."

Mr Palermo believes that people still want a human rather than a machine, but context is key. "We are generally happy to complete transactional jobs, for example online shopping, without interaction," he says. "If it will take longer to go through a human, we'd rather use a machine. But many of us will always opt for the human member of staff over the self-checkout machine, if it'll take the same amount of time."

When the stakes are higher, human input becomes more important. He says: "Think of buying a home, a car or a life insurance policy – would you really be more satisfied doing this through an app without any human interaction?"

What has changed, even for these high-value purchases, is the type of interaction. Gone are the days of the old-school used car salesman. Because we're data rich, we no longer respond to the hard sell as we know our options, what the costs should be, what features we need and what we don't need.

"This means the interaction with the human is more consultative, requiring different skills," says Mr Palermo.

CASE STUDY

ADIDAS RUNNING THE SHOW



Retail Pro International

By working with Retail Pro International to introduce endless-aisle technology, adidas has adopted a hybrid approach of human and humanless interaction, which enables customers to enjoy self-personalised sales. The company implemented

an Intel technology-based interactive video wall to launch a line of speciality sports shoes, most of which were not physically carried in stores because of inventory risk.

After being installed in various locations, the wall has been

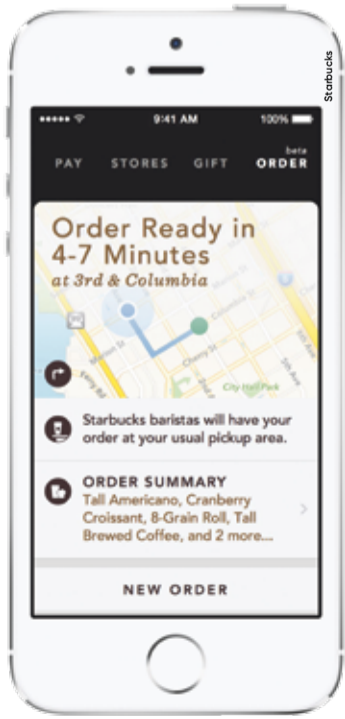
responsible for increases in footwear sales of more than 40 per cent. The technology is proving a success because it allows customers to use retailer-provided inventory information to enable self-guided personalised suggestions. They can see images of the shoes from different angles, learn their features, select sizes and colours, and check inventory, so they feel confident about making a purchase.

Kevin Connor, director of product strategy at Retail Pro International, says: "If a retailer is aiming for a self-service model, this type of solution will fit the bill to encourage shopper independence. It can also add to the relationship between customers and retailer team members, as adidas is discovering. The system adds a point of interaction for the associate

to engage the customer by demonstrating how to use the digital display and pointing out the innovative features, such as 3D rendering and social interaction.

"Most importantly, it provides an 'endless aisle' of product for customers and allows them to search thousands of shoes using the video wall, without the retailer having to carry the full variety of shoes in-store. Understanding what the customer wants – a full selection – and answering that desire – endless-aisle solutions – offers a positive, self-personalised shopping experience that will inspire many to become loyal shoppers. It enables self-selected customisation based on an individual's preference, repeatedly. In that way, many customers can enjoy personalised experiences."

The Starbucks app minimises human contact by enabling customers to order and pay by phone



Starbucks

## COMMERCIAL FEATURE

# Q&A Voice of the customer drives change

Great customer experience programmes are not easy to deliver. Engaging everyone in the right way is crucial, explains **Claire Sporton**, vice president of customer experience at Confirmit



## How do you deliver better customer experiences?

Customer experience is now well established as a critical battleground. The fact is that the voice of the customer (VoC) provides a catalyst for change. Firstly, you identify how to improve experiences. Secondly, you need to engage employees so they can implement change. Lastly, you should measure any transformation and how it impacts your business.

## How do you drive change?

Get it right and customer experience can have an impact on revenues, costs and corporate culture. At the same time, boosting the bottom line or slashing overheads are also ways to improve any employees' status. If you want change, employees need help understanding how they can hit targets and achieve success by changing their behaviour.

It is only through daily, incremental changes carried out by employees that you can deliver long-term, company-wide culture change. For example, an insurance company used insights from their VoC programme to prove they were in danger of losing nearly half their key accounts. This was based on customer experience and business growth data, and meant nearly

£700 million of revenue was at risk. Knowing what's at stake drives changes in behaviour.

## How can you make it happen?

There are two elements that are important in transforming customer experience: people and process, both are crucial. To deliver business value you need to bring people and processes together.

If you want to build a customer experience programme that will drive the right type of change, impact the bottom line, modify corporate culture and support an ongoing evolution, you need to have vision, excellent design and engagement, as well as drive action.

## What do you mean by vision?

Most companies have a vision, the problem is that it's too fluffy, which means little happens. It needs to be tangible, particularly for employees who aren't customer facing or able to understand how their role impacts customer experience.

A vision should also be based on a solid plan. One leading financial institution conducted research that proved being number one for likelihood to recommend in their sector would provide significant financial benefit. Their vision was to reach that point by a specific date. They then identified five key steps in the

customer journey they needed to focus on to achieve this.

## How can design impact customer experience?

Design is about listening to customers, employees, the market and stakeholders, as well as using the right channels and touchpoints. Once these insights are integrated with other business data, such as customer relationship management data, you begin to understand what needs to be done. This is where many programmes struggle.

## Why do programmes struggle?

Firstly, there is too much listening and not enough action. If you conduct a survey that measures customer experience, there must be a process to deal with feedback. Watching the needle on the dial won't move it, action will.

Secondly, companies often fail to learn from the past. It's no use rolling out more surveys without making sure you're getting it right at the beginning. Start small, make the tweaks necessary, then roll out to additional touchpoints when you know your closed-loop activity is working.

When designing your customer experience programme you need to develop a framework on which you can build an overarching agenda. Creating a library of questions for



each touchpoint and ensuring consistency across all areas works. You'll also be able to prioritise actions across touchpoints and deliver immediate results.

## Where does engagement come in?

Engaging employees with your customer experience programme is critical. You need simple ways to show your staff how to do the right thing and ensure it's rewarding for them. The less prescriptive you are on what the right thing is the better.

For example, a leading motor manufacturer replaced its huge customer manual with a simple approach of treating customers as guests in employees' homes. Everyone knows how to do that and when one person does it, colleagues will see how it works, realise it succeeds and emulate it. The trick with engagement is to set the example early on.

## What then drives action?

Programmes fail to drive action due to analysis paralysis. There is a danger of information overload that ends in a huge report, which doesn't engage the audience. It's vital to use concise, tailored and live reports that provide targeted insights to stakeholders.

Some organisations also fail to share. You can't keep a customer experience programme exclusively within the customer experience team. This creates disengagement from the

rest of the business who feel customer experience is someone else's problem. Insight needs to be in the hands of the rest of the business, giving individuals the power to drive change.

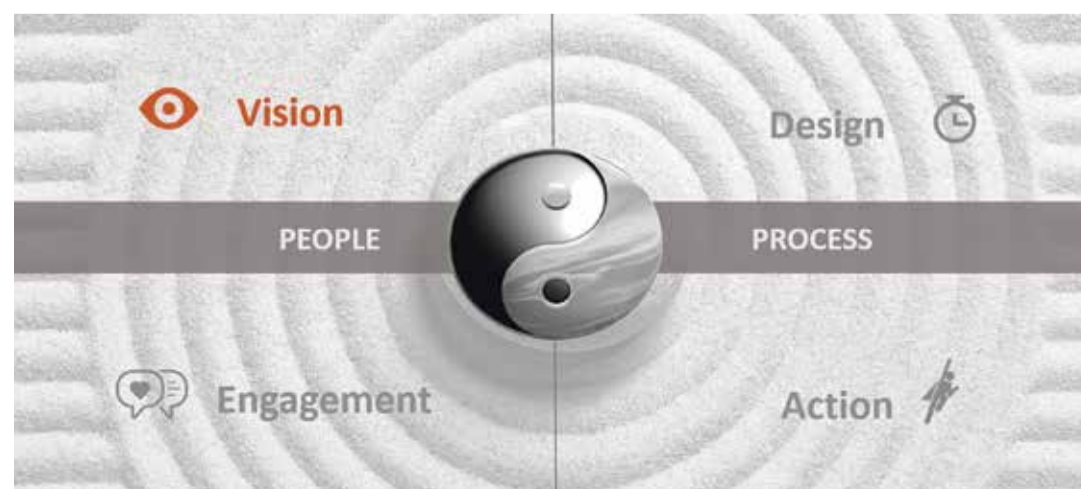
Quite often there is a loss of focus. This happens in long-standing programmes where initial quick wins are over, excitement wanes and people lose interest. You need to keep going back to the financial data, proving the value and success of the programme each time.

## How does the C-suite fit into this process?

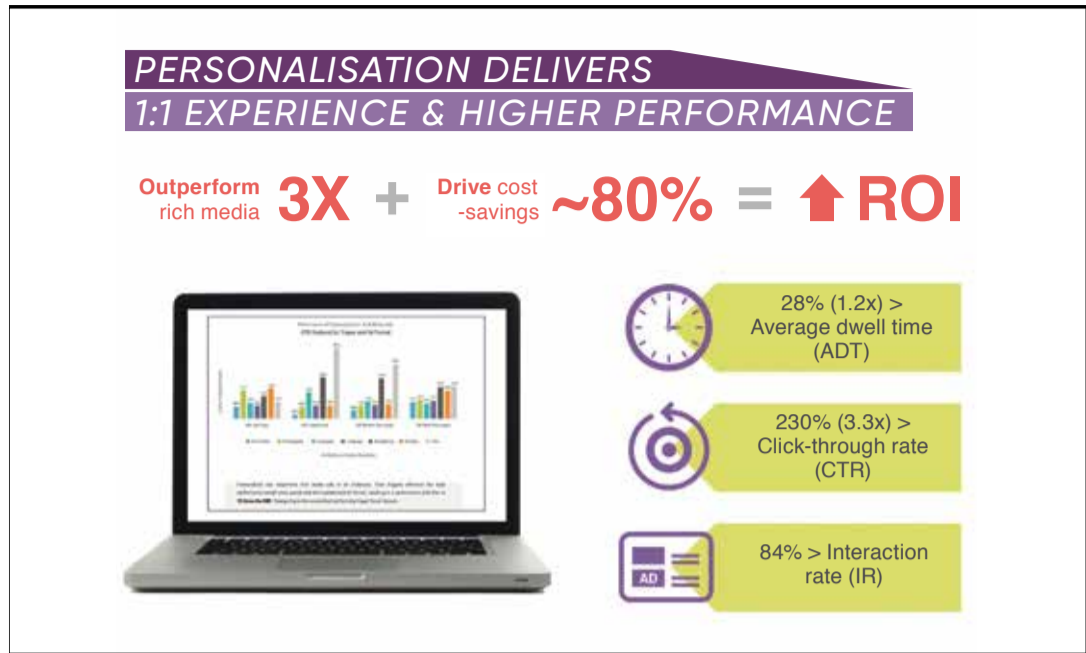
Customer experience has the power to transform businesses if leaders do not become a bottleneck. Their role is to put in place the right insights, as well as a measurement framework and then get out of the way, allowing teams to get on with the job. Managers set the example, help the teams clearly define the goals, and the team is then allowed to define the changes in behaviour, while measuring action and the business results being delivered.

Change may start small and build incrementally, but you can be confident that if this is true change, it will stick and deliver significant results to your organisation. This will give you an engaged team that will be able to continue the transformational journey.

For more information please visit [www.confirmit.com](http://www.confirmit.com)



COMMERCIAL FEATURE



# Personalised advertising wins

Dynamic customisation and machine-learning can now personalise all your online advertising



It's called ad nauseam – you've searched for a product and bought it only to be served up the same ad time and again. They're irrelevant, intrusive and a waste of money. In an ideal world, advertisements should be fresh, tailored and appeal to the user and work for the brand.

"Over the years, a lot of online advertising has been bad for customer experiences and brand loyalty, leading to the rise of ad blocking," says Diaz Nesamoney, chief executive of Jivox, a digital advertising and marketing technology company. "Ads need to be bespoke – you need to show me something personal while I'm still in the market for a product and, if I've moved on, then something else I find relevant."

Poor online ad performance on the one hand and exponential growth in the ad market on the other has set the stage for a major disruption. Personalised ads have, therefore, taken the industry by storm. These can now be created in real time and tailored to the individual. The creative com-

ponents including text, video and graphical elements can all be customised on the fly.

"In less than ten milliseconds we can search through petabytes of data, apply machine-learning algorithms, construct a relevant advertisement and serve it up to you. By tying user actions in real time to the message a user sees, so called dynamic customisation is a real game-changer," explains Mr Nesamoney.

That's because personalised digital advertising can boost engagement three times more than the traditional rich media, according to an extensive survey by Jivox that looked at a billion personalised ad impressions from 24 campaigns in six industry sectors and ten markets around the world.

One of the key innovations by Jivox driving this kind of performance is called Neuron. It uses advanced neural networks, deep-learning and large data sets to produce insights and then rapid decisions about what advertisement should be served. Data is aggregated from data providers, location data and information from the brands themselves. In the UK, Marks & Spencer, Land Rover and Bose have used this technology.

"We are past the early adoption phase and this type of machine-learning is being adopted now by mainstream brands. But personalised ads are still a nascent sector, yet growing rapidly, with some corporations now investing heavily and rolling it out globally," says Mr Nesamoney.

One of the biggest challenges is determining the triggers that will customise each ad. This can be time consuming as businesses decide what messaging strategy actually works, as well as what data set will personalise

each ad. The fact is there are endless possibilities to customise advertising.

"Measurement and analysing these things used to be an issue. It had to be done manually. Not any more; it can all be optimised automatically. Machine-learning can now give us insights into precisely what consumers will respond to and what will trigger click-throughs," says Mr Nesamoney.

Jivox is seeing the creative industries starting to get involved with personalised advertising to enrich the customer journey; what started in the retail sector is now transferring to fast-moving consumer goods and business to business.

"Many clients are looking at it from a performance point of view. Personalised ads boost the performance of a campaign, they bring about cost-savings since they are targeted and they also allow companies to get much better return on investment from their media," explains Mr Nesamoney.

Jivox is now looking at expanding online advertising into e-mails, social media messaging and chatbots, since all forms of communication can be tailored with the right machine-learning algorithms. The aim is to personalise the whole omnichannel experience. It helps that the younger generation are more willing to share data about themselves than past cohorts.

"There are many opportunities for brands to improve their digital marketing by making it more relevant, including personalising their website landing pages based on machine-learning. There are endless possibilities," says Mr Nesamoney.

**For more details about the future of digital advertising please go to [www.jivox.com](http://www.jivox.com)**

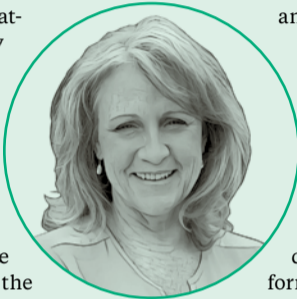


**DIAZ NESAMONEY**  
CHIEF EXECUTIVE  
JIVOX

OPINION COLUMN

## 'Customer-led disruption has dramatically impacted business, blurring the physical, digital and emotional worlds with the customer at the centre'

**DIANE MAGERS**  
Chief executive  
Customer Experience Professionals Association



Organisations are creating differentiation by merging the physical, digital and emotional worlds led by the understanding of human emotion.

Regardless of how the world changes, organisations that thrive will always consider the emotion of their customers, employees and partners. Often referred to as the experience economy, the new world continues to evolve to meet the more emotional and connective needs we have in our lives.

Customer-led disruption has dramatically impacted business, blurring the physical, digital and emotional worlds with the customer at the centre. Organisations that have built on human needs and responded to customers with innovation and value have reaped the rewards. How are these organisations thriving in today's vibrant and ever-changing environment?

Defined as the customer's perception of all the interactions they have with an organisation and the value it creates for them, customer experience encompasses emotions, memories and value created with each interaction. Successful organisations transform themselves to be customer-led through the professional discipline of customer experience management.

Optimising the experiences deep into the entire organisation helps drive mutual and connected value with human needs at the core of what we do. Starting with human needs means designing experiences in a rapidly changing market and the realities that we, as customers of many brands every day, live and experience.

Creating brilliant engagement between a human and an organisation has become an established discipline with tools, frameworks and transformative change impacts. It's about co-ordinating and optimising the experience across channels and meeting the needs of the customer.

Digital transformation is a journey with multiple connected intermediary goals, in the end striving towards continuous optimisation across processes, divisions and the business ecosystem of a hyper-connected age where building the right bridges is key to success. A digital transformation strategy aims to create the capabilities of fully leveraging the possibilities and opportunities of new technologies and their impact faster, better

and in more innovative ways in the future.

End-to-end customer experience optimisation, formal change plans, the creation and practice of agility and innovation are key drivers of digital transformation. Adopting and leveraging all the new ways we can create experiences has made available phenomenal opportunities. Organisations that adopt true transformation create human-centred design-thinking and can create an avenue for the development of new revenue sources and costs-savings.

Customer experience means we start with understanding the customer ecosystem – what they do, what they value, what they want to achieve – and enable this through digital channels but also through building deep emotional understanding and connection with customers. So it's the art and science of blending both basic needs (buy something I want) and emotional needs (I want to show I'm successful) that is most powerful. Because in the end, the human heart hasn't changed.

The critical nature of this work has led to a rise in executive focus centred on cultural change and organisational adoption of customer, employee and partner-centric thinking. All C-suite executives have a role in transforming their company's customer experience, and should foster their employees' development of new skills, techniques and approaches like loyalty reward programmes, customer journey mapping, customer listening rooms and more.

Cross-organisational adoption is driven by customer experience professionals with the skills, fortitude and experience to lead change. In 2014, the Customer Experience Professionals Association established a robust certification to recognise experts in this field. Today there are more than 400 certified customer experience professionals.

We continue to provide executives and customer experience professionals with resources through shared best practices, ongoing leading-edge conversations and exposure to solutions. We help drive consumer and marketplace awareness of the profession and continue to showcase organisations striving to be customer centered. These organisations are witness to an economy where the only differentiation is now the customer experience.

CUSTOMER TOOLS



# Power to the customers

Businesses that invest in the digital tools required to empower customers and their growing desire for more autonomy will thrive

MARK CHOUKE

“Take back control” was the mantra that won the referendum for those wanting to take Britain out of the EU last June.

As a slogan it brims with appeal. Its potency is its promise. Signs of delivery on that particular promise are still unclear at best.

Businesses that make a similar promise to demanding, digitally ambitious customers wanting more autonomy will lead the next era of commerce. Unlike politicians though, companies must deliver or die.

Customer satisfaction often boils down to key elements such as speed, ease and personalised service.

Control is the next customer experience “standard”. Digital marketplace businesses offering customers more control – think Amazon, eBay, Uber, Airbnb, Rakuten and Alibaba – continue to reshape economies. Marketplaces are enablers rather than sellers. Their users have a greater degree of control over vendor, product, price, payment options and other levers that personalise the experience.

Such influence is addictive. Smart businesses are building propositions and models to fit.

Naked Wines facilitates a community of 320,000 so-called angels – 190,000 of them in the UK – who pay £20 a month into a piggy bank to fund new wines. In return they buy wines at wholesale and discounted prices. Angels are not silent partners though; they’re an active community. They help winemakers develop the product they want to see.

Charles and Ruth Simpson re-

turned to the UK from France where they’ve made and sold wine for 15 years. They plan to make sparkling wine in Kent, but needed funding upfront.

Though the first vintage won’t arrive until 2018, Naked Wines’ angels stumped up the cash and voted on which of three different grape blends should make up the wine.

These angels are active online too. Naked Wines’ UK marketing director Laura Riches says the honesty of feedback and reviews on its website – there are four million wine ratings – has had two effects. “Buying wine is traditionally a ‘black box’ with people fearing they’d get it wrong,” she says. “We’re giving people more confidence to discuss and buy wine.”

“Control is the next customer experience ‘standard’”

Those reviews also produce incredible data enabling Naked Wines to develop an algorithm that points specific members towards wines according to their taste as opposed to just price.

Amazon and Netflix built global powerhouses around such algorithms offering tailored recommendations. The idea is being seized upon by small businesses as a way of outmanoeuvring larger legacy competitors.

Picfair enables professional and amateur photographers to sell images,

control their pricing and, crucially, receive the lion’s share of royalties.

Founded by former travel journalist Benji Lanyado in 2013, it aims to reduce the market hegemony of image licensing companies such as Getty and Shutterstock to provide the first photographer-controlled image marketplace.

Mr Lanyado says Picfair, now more than four million images strong, is unearthing a new generation of skilled photographers. Quality would have been an issue if not for his “picked” algorithm that uses several data points to identify the best images of any subject by acting as a digital version of our taste.

Companies using digital tools to empower and inform consumers employ the valuable customer data to improve service. Jumia, an Amazon-style African retail marketplace launched in 2012, serves more than 15 million monthly customers, buying across ten vertical sectors in 23 African countries.

Group chief marketing officer Fatoumata Ba says decisions “start with the customer” before Jumia captures the data it needs to build “layers of relevance”. It works with US company Dynamic Yield which offers marketers the ability to personalise services.

Ms Ba says Jumia’s understanding of customer needs through constant testing enables it to deliver the best content and engagement for individual customers. “Three years ago we offered customer service by phone and e-mail,” she says. “Now we deliver it through chat and WhatsApp. That’s the expectation.”

Valued at more than \$1 billion, Jumia owns pick-up stations, delivery fleets and warehouses as you’d expect, but insight from its data allows it to keep innovating in the area of customer service. Recognising that first-time online buyers have trust issues and may not have access to a bank account, Jumia offers reassurance and control via a cash-on-delivery service. Customers don’t pay until they receive the goods and even then can refuse to pay if they’re dissatisfied.

Whatever your industry, wherever your market, businesses willing to invest in digital tools to match customers’ growing desire for more autonomy will thrive. The pendulum of influence is swinging back towards the customer. ●

AEROSPIKE

Customer Experience Transformed

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- Personalisation
- Omni Channel
- Digital Marketing

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- Closed-Loop Interactions
- Micro-Second Analytics
- Reliable Performance at High Volume

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Transactional Analytics Database  
Powering Your Digital Transformation

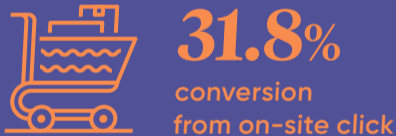
aerospike.com/cx

# ONLINE TURN-OFFS



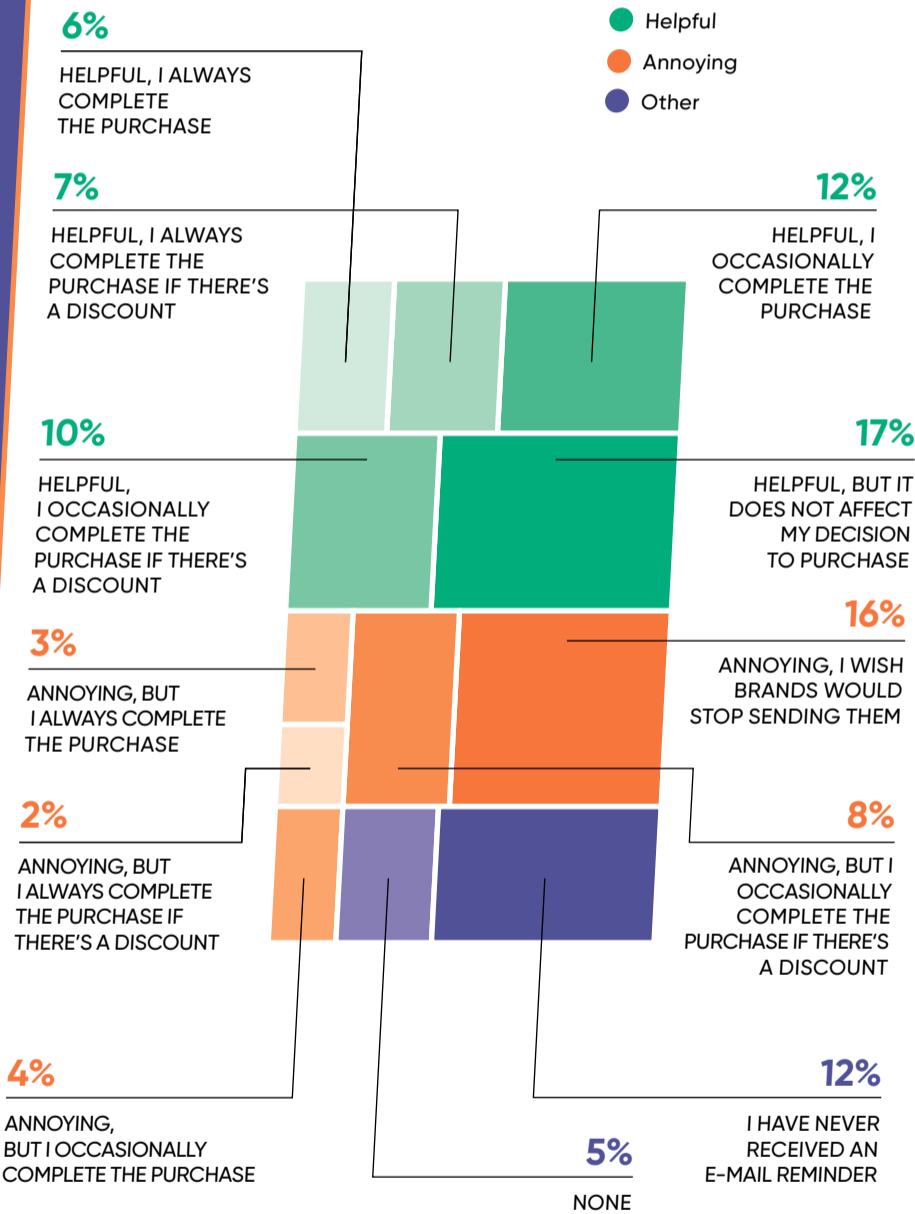
With more than three quarters of online shoppers abandoning products in their baskets, understanding why people leave websites can help companies unlock increased sales and improve the customer experience

## REMARKETING CLICK RATES AND CONVERSION STATISTICS BY METHOD



SaleCycle 2017

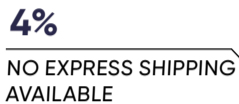
## OPINION OF BASKET ABANDONMENT E-MAIL REMINDERS



MarketingSherpa 2015

Percentages do not equal 100 per cent due to rounding

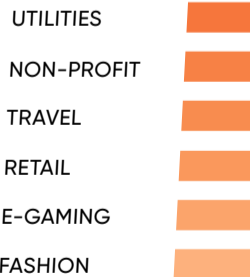
## TOP REASONS FOR BASKET ABANDONMENT

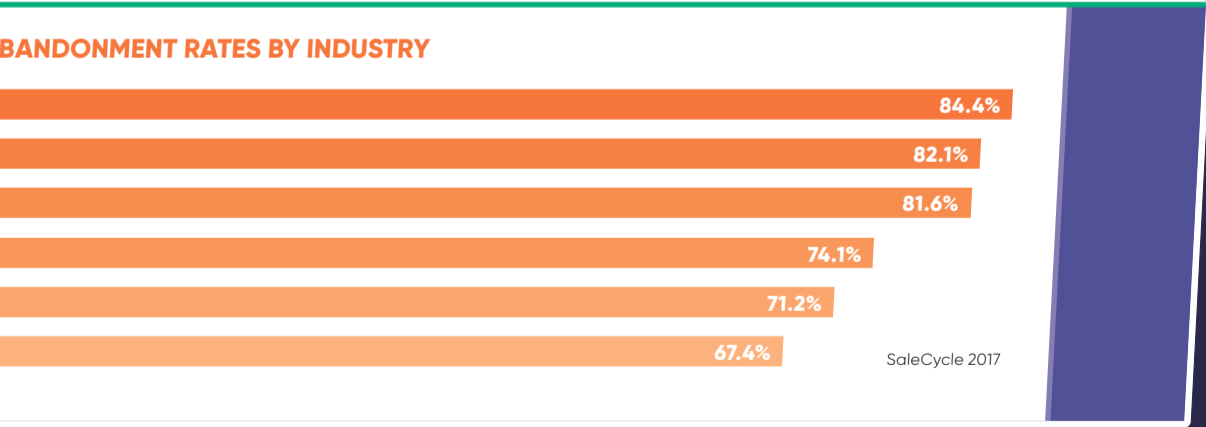
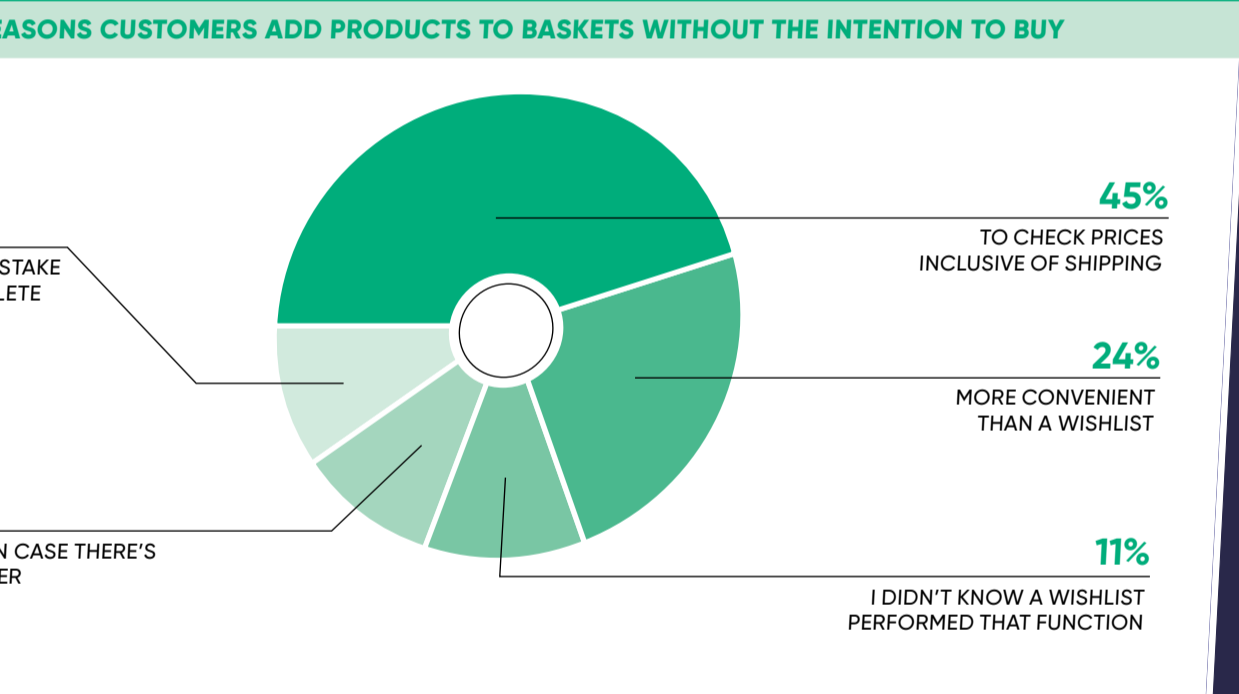
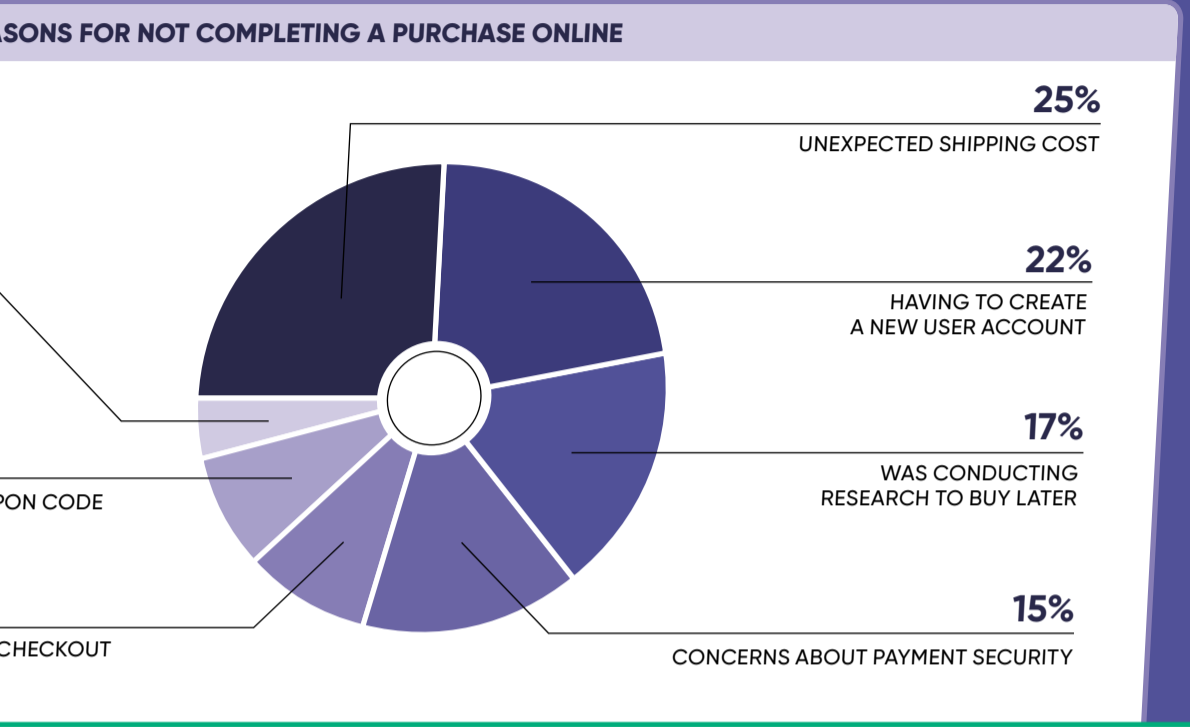


## REASONS FOR BASKET ABANDONMENT



## AVERAGE BASKET ABANDONMENT RATE BY CATEGORY





## COMMERCIAL FEATURE

# Era of human ingenuity in commerce

Digital-first strategies enable business to focus on rapid growth and differentiation in dynamic environments



If there's one thing that the rising stars of commerce have in common across the globe, it's first-class customer experience. The second is the unequivocal way that they're anticipating changes in their industry and leveraging technology to push their brands to the head of the pack.

These leaders understand that the way we buy and sell stuff is changing rapidly, and are preparing to compete in a world where buyers have more control. Business strategies built around this new reality emphasise digital experiences and investments in new technologies to help them compete successfully for the attention of today's increasingly mobile, always connected and fully empowered customers.

"We all agree it's time to drop the 'e' out of e-commerce, but many businesses are not fully embracing a 'digital-first' strategy for the entire enterprise," says Mark Lavelle, chief executive of Magento, whose software powers more than a quarter of the world's commercial websites.

"We see this digitisation trend affecting every industry. Winners and losers are being defined by how well a business puts the customer at the centre of its digital strategy, and then works back towards constructing a unique, brand-consistent experience regardless of channel or device."

There are a number of elements driving the sudden acceleration in customer expectations and digital innovation. In the past decade, the

building blocks underlying digital trends have been maturing rapidly and all at the same time.

High-speed broadband connectivity is now available to 3.6 billion people and millions of smartphones are operating, putting information and instant gratification just a key stroke or voice command away. The adoption of hybrid cloud technology, both public and private, which makes commerce applications and content instantly available, is now over 70 per cent.

Recently, the vast amounts of data collected by all this digital activity is being utilised to anticipate demand and enhance experiences. The explosion of social media platforms, messaging applications, applications powered by the internet of things in the home, car, supermarket and shopping centre are all directly linked to amplify the power of these technologies. The impact is now being felt in every industry where goods and services are bought or sold.

According to Mr Lavelle, this is just the beginning: "The pace of change that merchants have dealt with over the last five years will continue to accelerate. Rising consumer expectations, lower barriers to competitive disruption, greater demand from global buyers and a further fragmentation of acquisitions and distribution channels are the new norm."

For businesses looking to be among the winners, he offers this advice: "Embrace the change and make sure your brand has meaning in the digital age. This is the hard part, as it requires you to build a digital-first culture that aligns every part of your enterprise. The good news is the rest becomes easier, because technology is no longer a barrier."

Mr Lavelle points to many of his companies' clients who have made this culture shift and are leveraging next-generation digital technologies that are flexible, cost efficient and effective at accomplishing what leading digital-first brands are looking to achieve.

Magento operates in over 180 countries and across more than 23 industries, including apparel, ed-



Chief executive Mark Lavelle on stage at Imagine 2016

“What used to be an expensive black-box application can now be customised for your brand and run cost effectively in a fully scaled, public-cloud environment

ucation and industrial manufacturing. Magento software handled more than £100 billion in merchandise last year and served more than 50 million shoppers. Currently, it has a 44 per cent share of the UK market; clients include Nestlé, Oliver Sweeney, Dyson and Coca-Cola.

"In a future where connections with your customers are highly influenced by a digital experience, developing the tools and core competencies to control that experience from end-to-end is crucial. You need to make sure you don't outsource any customer touchpoints. Otherwise, you lose control. You need to own it. It becomes your intellectual property," says Mr Lavelle. "Brands that are going to win are those that own and work with their content. Adapting to innovation with skill and flexibility is the key."

"The good news for merchants is that commerce software has evolved as rapidly as other digital technology. What used to be an expensive black-box application can now be customised for your brand and run cost effectively in a fully scaled, public-cloud environment. This flexibility and control can now be put in the hands of marketers and developers, whose collective ingenuity is the real secret to digital success."

Indeed, Magento's success is directly tied to thousands of partners and hundreds of thousands of developers that represent the world's largest commerce eco-

system, one that according to International Data Corporation generates more than \$3.3 billion in annual revenues.

Together with this community of partners, Magento is focused on delivering a commerce platform that provides merchants with the capabilities they need now, while setting the foundation for limitless commerce in the future. Magento's unique approach allows customers to maintain creative control over their business, in a world where "cookie-cutter" commerce solu-

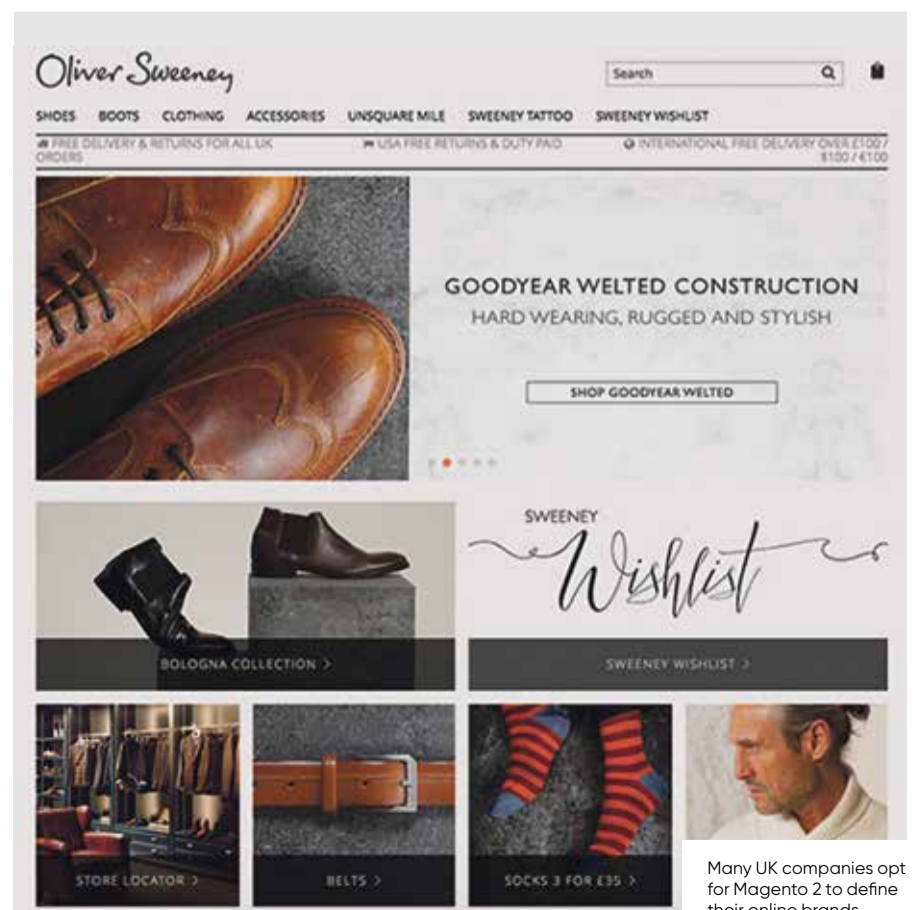
tions are threatening to make digital commerce look the same.

Mr Lavelle concludes: "Our whole ethos is based on openness and collaboration. Magento is a living, breathing community that continues to evolve and deliver innovation that our clients can easily take advantage of. It's all about helping you future-proof your business and keeping you ahead of future trends."

**Learn more about how Magento can power change in your business at [www.magento.com](http://www.magento.com)**



**MARK LAVELLE**  
CHIEF EXECUTIVE  
MAGENTO



Many UK companies opt for Magento 2 to define their online brands

# Get personal and include the family...

The drive to personalise consumer offers is moving from targeted customers to include the wider family unit

CATHERINE CHETWYND

As competition in price and product has largely been eroded by wide availability via multiple channels, customer service has become ever-more important. “And what better way to deliver a stellar customer experience than to personalise or tailor services and products,” says Gartner digital commerce research director Penny Gillespie. “Relationships recognise value, time is not wasted, interactions are efficient and customers get the content they are most interested in. This is how personalisation makes consumers care about products, brands and services.”

A recent survey undertaken by Chartered Institute of Marketing (CIM) showed that the top two priorities for marketers in the coming year were personalisation (42 per cent) and data driven marketing (37 per cent). “If it’s executed well, personalisation can create an upsell or cross-sell opportunity with higher conversion rates and also increase brand loyalty,” says CIM chief executive Chris Daly. The goal, however, should be personalisation and customer experience, not increased revenues, although that will be the outcome. “The more a customer engages with you, the more likely they are to spend with you and the more likely they are to spend more with you,” says Ms Gillespie. It is ironic that where the race to automate everything seemed to obviate the human factor, technology is now being used to personalise and humanise service. Research undertaken by Adobe and Goldsmiths, University of London shows that a consumer’s idea of a great experience is something meaningful, personal and straightforward. “Consumers want brands to understand them, but they also want to have an empathetic relationship, where brands don’t necessarily understand some of the key issues yet



“It is ironic that where the race to automate everything seemed to obviate the human factor, technology is now being used to personalise and humanise service

respond to those in an adaptive, straightforward way,” says senior director of marketing for Adobe John Watton. “A lot of consumers want an element of serendipity – that moment of delight when something pleasantly unexpected happens.” There are retailers with digital displays that scan customers to understand their height and shape, and recommend clothing. The store does not need to know much about that person, but the service is instant, relevant and adaptable. LV= insurance has devised a virtual reality app to enable call centre staff to empathise with customers whose house has been flooded, so their first question is not “what is your policy number?” Marriott International guests convey their preferences while staying at hotels or online. “We combine this with real-time contextual data recorded while guests are using our website and use it to improve the relevancy of our messages the next time we communicate with them,” says vice president of brand marketing and e-commerce in Europe Osama Hirzalla.

“A consistent, personalised, relevant experience strengthens guests’ loyalty to Marriott. They feel that Marriott understands who they are and knows what they are looking for or expecting, whether it’s in choosing a destination, a property or the amenities and services during their stay,” he says. “Adding this level of personalised insight to our digital marketing efforts has dramatically increased the return on investment of many of our programmes.” The Marriott approach illustrates that learning on the hoof is a must. This will make artificial intelligence (AI), with its learning capacity, important and brand consultancy Soul is looking at embedding AI into the customer experience of a loyalty programme client. “We are trying to work with people to personalise collection programmes, so that we understand what they are collecting for and help them get there quicker by making suggestions,” says Soul’s chief executive Mike Cullis. “If they see the value of the programme, they will become good advocates for it,” he says. AI will eventually aid that process. Self-service is another way of gaining loyalty. Pre-order platform Preo-day has been working with the Jockey Club to take the queues and hassle out of bar service at racecourses. As a result, average cash orders have gone up from £20 to £25 on the day up, increasing to £46 for pre-orders, which customers can collect and take to their table or have served. And venues can see who the high spenders are. Companies now have so much information about customers that the potential for transcending boundaries appears to be, well, boundless. This is one reason the



42%

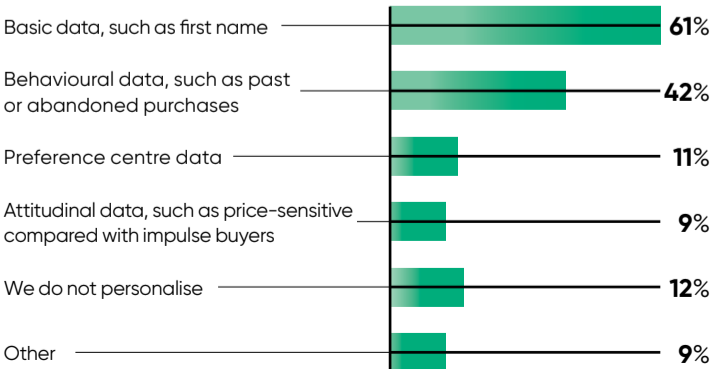
of marketers said personalisation was their top priority for the coming year, compared with 35 per cent that said data-driven marketing was

Chartered Institute of Marketing 2017

European Commission’s General Data Protection Regulation is to be introduced in 2018. It requires companies to demonstrate informed consent to use personal data for marketing purposes and gives consumers better control. “Organisations need to take this as an opportunity to have better relationships with customers and improve trust,” says Capgemini Consulting vice president Gagan-deep Gadri, who is head of customer experience and analytics. Gartner’s Ms Gillespie says: “The privilege of personalisation is the seller’s to lose. When done well, it is a win-win, when done poorly there is the chance of regulation.” And as Adobe’s Mr Watton points out, subjectivity plays a part – what customers welcome from a brand with which they have a good relationship is annoying from another. “There is an element of common sense,” he says. “Just because you can, doesn’t mean you should.” And if personalisation is now about empathy and adaptive response, then the future will be concerned with reading emotional data, according to Mr Gadri. Customers who ring HSBC or TalkTalk already say “my voice is my password” to bypass labour-intensive authentication. “Just imagine if that technology understood whether or not you were in a good mood and people knew how to approach you from that,” he says. And the next stage is communication with the wider family. “How does an organisation market to the family unit in a better way to make a connection and get a greater share of wallet? That’s where personalisation is going next,” Mr Gadri concludes. ●

## STATE OF UK PERSONALISATION

PERCENTAGE OF BRANDS PERSONALISING THE FOLLOWING



Experian 2016

## STEALING LOYALTY



# Name-calling and making cheeky claims

Taking on a rival business with aggressive comparative advertising is not for the faint hearted but certainly grabs attention

CHARLES ORTON-JONES

It's the ultimate cocky move. A comparative advert is designed to poach a rival brand's loyal customers with a direct sales pitch. The rewards are potentially huge. And so are the dangers.

Tesco ran an advert comparing its basket of everyday goods with Sainsbury's. The claim wound up in the High Court. Last year BT ran three adverts claiming its fibre internet offered better gaming and smoother video calling than Sky Broadband. The Advertising Standards Authority booted that one into touch.

But it is possible to pull it off. This year an up-and-coming challenger in the data-integration industry has run a particularly punchy campaign. The extra spice is that both the challenger and the target were founded by the same man.

Gaurav Dhillon founded Informatica in the nineties. It's now a respected multinational, listed on the Nasdaq and with a billion dollars in revenue. In 2009 he fell out with his firm and quit to found a rival venture called SnapLogic.



Earlier this year, Mr Dhillon prepared an assault on his old firm. With \$136 million in venture capital funding, he was so confident in his new company that he authorised the aggressive slogan: "We Left Informatica. Now You Can, Too". A white paper explained the differences between the two companies. He then unleashed a "rolling thunder" campaign to target Informatica customers.

An e-mail campaign landed messages in the inboxes of executives of key accounts. This was supported by a LinkedIn campaign focused on key individuals. There were webcasts, direct calls to potential customers by the sales teams and a social media campaign. Scott Behles of SnapLogic reports: "Just five weeks in, the campaign has been a resounding success."

This direct approach is a rarity. Lots of brands think about going head-to-head with a rival. But the risk of a nasty dispute with a rival is unappealing. And there's the issue of the legality.

The principle is fine in law. The EU directive 2006/114/EC allows use of another's trade mark so long as it meets basic requirements. There's an easy-to-read version produced by the Committee of Advertising Practice. Naturally, there are a few caveats. The advertisement must not mislead the consumer. It must fairly compare like for like. And the origin and purpose of the ad must be absolutely clear.

It's also forbidden to denigrate a rival's trademark. Using a ri-

val's branding is also pushing it. O2 sued Hutchison 3G over use of bubble imagery in comparative advertising. O2 won. The judge called the use of the bubbles, similar to O2's own branding, as "gratuitous".

Ryanair boss Michael O'Leary loves poking fun at rivals in ads. His targets were less amused. British Airways took Ryanair to court over a campaign labelling them "Expensive Ba\*\*\*\*s!" But the judge ruled in Ryanair's favour. His summary described Ryanair's advert as "honest comparative advertising".

There's also the question of efficacy. Does the technique work? In 2013, two researchers at Northwestern University's Kellogg School of Business found good reason to doubt it. Jingjing Ma and Neal J. Roese conducted a series of experiments looking at claims for "best-ever" products. They asked two groups to review deals in mortgages, pay packages and so on. The first group were told to find the best deals. The second group merely looked for differences. The participants were then asked to pick a snack. Half got the one they chose. Half got a substitute. They then rated their snacks.

The academics observed: "The students who had been primed for the maximising mindset and then denied their choice of snack expressed significantly more dissatisfaction than people in the other group; this in turn reduced the amount they would have been willing to pay for the snack and increased their desire to switch to a different brand."

The implication is that ads which claim a product is superior to the competition can backfire. Customers become hyper-sensitive to quality claims, and increase complaints and returns. The academics concluded: "For marketing managers, this research provides clear guidance regarding advertising and in-store displays. Companies should think twice about comparative ads



Companies should think twice about comparative ads, lest their products fall short in any way



**01** Virgin blimp displays the sign “BA can’t get it up!!” after the then British Airways-sponsored London Eye had a technical problem erecting the wheel

**02** Ryanair’s chief executive Michael O’Leary in front of a banner outside rival British Airways’ travel shop in 1998

and assertions of ‘optimal’ features, lest their products fall short in any way.”

Perhaps the solution is to be subtle. It’s possible to place Google ads to appear next to searches for a rival’s brand.

Offering vouchers can snaffle rival customers. A new browser extension called Pouch brings up vouchers on a checkout page. Thus it is possible to trigger a voucher offer when users are browsing a rival’s site.

For some brands the head-to-head ethos is ideal. They’ll love the rough and tumble, and the devil-may-care reputation. Challenger brands often have little to lose. As Ryanair proved, fortune favours the brave – or cheeky. ●

INSIGHT  
**TO CHALLENGE OR NOT TO CHALLENGE?**

Does it make financial sense to run a comparative ad? Much of it will depend on the loyalty of the newly acquired customers. Eric Fergusson, director of consulting at eCommera, runs the numbers for the likes of Asda, Speedo and Godiva.

He explains how to calculate the value of trying to win a new customer:

“The context of retention and repeat custom is very different across retailers. For a seller of beds or boilers it may take five or even ten years before you know if you’ve been successful in earning a repeat customer. While a seller of sandwiches, pints of beer or skin cream should have a clear view in a matter of days or weeks.

“There are some metrics which are equally valid and useful to all. In the instance of some of the longer-term repeat cycles, further creative consideration must be applied. The useful metrics for all businesses are: the lifetime value of the customer; the expected spend of that customer over the next five years or longer; cost of recruitment; order profitability excluding cost of recruitment; and the likelihood of each new customer being retained at each subsequent order point.”

CASE STUDY  
**‘GREATEST’ COMPARATIVE AD OF ALL TIME**



John Sculley is remembered as the man hired by Steve Jobs to run Apple, only to fire Jobs. His finer achievement was building PepsiCo into a global giant. As president of Pepsi in the seventies, he developed the Pepsi Challenge. It was a comparative advert so effective it almost ruined Pepsi’s larger rival Coke.

At the time Pepsi was barely a national brand in the United States, being outsold nine to one in core markets. Only in the South East and Midwest was it on even terms.

The Pepsi boss knew from research he could take on Coke directly.

He explained: “We knew in a blind taste test Pepsi did very well. When you put the brand on it Coke always won.” His solution was to launch a huge campaign based on the Pepsi Challenge: a blind test for consumers. A sip of both, then a reveal, and hey presto, consumers love Pepsi. His target market were the most loyal, core Coke drinkers.

The impact was phenomenal. Sales surged. Executives at Coke flipped out. They ran a comedy ad with a chimpanzee doing the test, trying to denigrate it. The stunt merely amplified the media storm. In 1985 Coke launched New Coke, a sweeter flavour designed to combat Pepsi. It bombed. Coke reversed the decision three months later. The two have been bitter rivals ever since.

c. 2000 - 2017.

# RIP Workforce Optimisation

The tormentor of agents and destroyer of the customer experience, finally passes into history.

**M**arch 29th, 2017.

Today we acknowledge the passing of Workforce Optimisation; the process by which contact centres attempted to improve the customer experience through performance metrics and unrealistic targets, but instead left a trail of despair.

Few will mourn it’s passing, and virtually none among the many thousands of agents on the frontline of the industry.

For a while Workforce Optimisation produced short-term improvements, but it led to an epidemic of agent disengagement, accompanied by deteriorating levels of absenteeism and churn.

Its demise was sealed, when the new wave of workers led by Millennials, mounted a rebellion against the suffocating constraints of Workforce Optimisation and demanded better working conditions.

At the end of the day, it was customer experience that suffered the most.

....

**Survived by Workforce Engagement Management**

For those who are at a loss at how to cope, and are hell bent on going digital in an attempt to numb the pain, they will quickly realise that

A brighter, more productive, more differentiated future lies ahead in the form of Workforce Engagement Management.

Workforce Engagement Management will create the right workplace conditions so that agents can give their best every day; committed to their organisation’s goals & values, motivated to contribute to organisational

At the end of the day, it was customer experience that suffered the most.

technology alone doesn’t hold all the answers.

Even if a digital programme is successfully implemented, it will only serve to deliver standardisation across the sector.

How can you possibly offer a competitive advantage based on superior customer experience when it looks and responds just like everyone else?

success, while enjoying an enhanced sense of well-being.

Through Workforce Engagement Management, contact centres can now introduce the management and motivational tools that will nurture a new generation of agent; engaged, informed, enthused and capable of delivering a first-class customer experience.

To pay your final respects and learn more about the world’s first Workforce Engagement Management platform, visit [EvaluaAgent.net](http://EvaluaAgent.net) or call 0800 011 9688



THE FIRST WORKFORCE  
ENGAGEMENT MANAGEMENT PLATFORM

## COMMERCIAL FEATURE



# Feedback surveys that don't annoy customers

Stop irritating your customers with tedious tick-box surveys and discover how text analytics is revolutionising the way you collect insightful customer feedback

**R**esponse rates to customer surveys are in decline. So how do you work out what you need to improve to enhance your customer experience?

Voice of customer feedback is vital, but these days few consumers have the time or patience for long, tedious surveys. How many times have you lost the will to live midway through a long customer satisfaction survey?

So what is the right way to structure feedback surveys (rather than market research surveys)? How often should you send them out? How long should they be? Who will read the results? And most importantly, will anyone do anything with the information?

Our customer feedback expertise has been developed over 20 years. During that time, four things have become blatantly clear to us: customers are much more likely to complete short surveys; open-ended feedback has greater value than tick boxes; text analytics is the most cost effective way to analyse large quantities of open-ended feedback and extract valuable insight; and if you don't act on your customers' feedback, there's absolutely no point in collecting it.

Text analytics has come of age – it's revolutionised the way organisations collect insightful feedback without customers having to complete lengthy, tick-box surveys. Voice of customer does not mean tick box of customer.

Instead, allow your customers to tell you, in their own words, what they love and what they hate about their experience with your brand.

We recommend using a feedback form that asks for a single rating score followed by open-ended comments. Not only is this the most customer-friendly method of surveying, but

it allows customers to tell you things you don't already know.

You can maximise the quantity of responses and the quality of insight by: telling customers it will be a short survey – they are much more likely to complete it; asking them to rate their own experience; asking them to give feedback in their own words; striking while the iron is hot – ask for feedback as soon after their interaction as possible; and above all, making the feedback survey itself a positive brand experience for your customer.

Text analytics has changed the way we are able to analyse verbatim comments. The automatic text analysis engine does all the heavy lifting and, although the results will never be 100

per cent accurate, they are accurate enough to report what it is that your customers are saying, and to establish the key detractors and motivators.

Just two brief words of warning. Some companies profess to "do" text analytics when in fact they don't. Don't be seduced by colourful word clouds. When talking to text analytics providers, check whether you are required to set up and manage your own bespoke coding. This is a time-consuming and complex task, but some providers including Feedback Ferret will take this complex workload off you.

To find out more please go to [www.feedbackferret.com](http://www.feedbackferret.com)



## CASE STUDY



BMW really is asking less and getting more. Since BMW reduced the number of questions on its customer feedback survey from thirty to just four, response levels have increased by an impressive 20 per cent and the customer experience team is now seeing greater insights from the rich verbatim they get from the shorter survey.

Feedback Ferret analyses the data collected from all sales, after-sales and product satisfaction surveys, and provides BMW and their retail

organisation with an online dashboard so they can see the results within 24 hours of a customer leaving their comments. Action can then be taken to address any concerns raised by customers.

General Manager of customer experience Mark Crandon says: "Fundamentally, we work on the basis that you can ask customers as many structured questions as you like, but they will tell you what's most important to them in the verbatim comments section. If you can't effectively analyse this then you are missing out on customer gold."

## GENERATIONAL LOYALTY

# Mind the gap: talking 'bout my generation

It's a major challenge for organisations to secure the loyalty of multiple generations of consumers, from tech-savvy youngsters to their more cynical elders

ALISON COLEMAN



## OLDER GENERATION

This generation is said to have more disposable income than others and enjoys spending it, but that doesn't make them a pushover in terms of winning their loyalty. Having experienced a significant disconnect between brand promises and customer experience, older customers are also more cynical.

"Life has taught them that the grass is rarely greener on the other side, so they are more hardened and less likely to switch suppliers unless pushed beyond the pale, especially with serious purchases such as banking or new cars," says Ben Stephens, chief executive of customer engagement and acquisition agency STACK.

Human interaction is still a large part of creating loyalty to a brand for this group of consumers, while another notable characteristic of older customers, particularly among those in their seventies, is that managed well their hard-won loyalty has longevity.



More disposable income than others and enjoys spending it

"That loyalty isn't won simply by brand equity or great advertising," says Nik Margolis, managing partner at advertising agency Team Eleven. "It often requires more practical delivery of brand values. Take Wiltshire Farm Foods, for example, which has a fiercely loyal, older generation of consumers. Their drivers don't just deliver frozen ready meals, they will often stack these meals in the freezer for the customer or stop for a chat."

Clearly, this is a generation that needs action as much as words. "Demonstrate brand values, don't just state them, and make them meaningful and utilitarian," adds Mr Margolis. "Be grateful for the fact that once earned, the loyalty of this customer is fierce and they are often vocal in their evangelism for the brands they love."





### MIDDLE AGES: BABY BOOMERS AND GENERATION X

Those deemed to have reached middle age are, on the whole, likely to be well established in both their careers and their personal lives, and probably feeling confident about their financial lives as well.

As consumers, they are reluctant to try new brands and prefer to stick with what they know and trust, and are prepared to pay over the odds for them. For organisations trying to

“Well established in both their careers and their personal lives

capture a bigger slice of middle-aged consumer loyalty, they need to focus on winning that trust by building relationships with them. Key to retaining the loyalty of customers in this age group is consistently offering high-quality products and excellent customer service.

Like the older generation, they tend to be discerning and experienced in life, therefore false tactics are highly unlikely to work with them. “Testimonials and soft-sale tactics, such as networking, are the best way to interact with this age range and ensure

they stay loyal to you,” says Steve Pritchard, marketing consultant at mobile telephone network giffgaff.

Another trend that has emerged in recent years is for people to put their career first and family later. As a result there are now more middle-aged parents of younger children. At the same time, this generation is starting to experience the first physical signs of ageing.

“Consumers from this age group are significantly more likely to have a small child with them and therefore to be shopping for small children,” says Philip Adcock, a commercial psychologist and author of *Master Your Brain*. “With fading eyesight, they are also less able to read trendy ‘intricate’ small product information and smaller price tickets.”

### YOUNG ADULTS: MILLENNIALS AND GENERATION Z

The millennial era is proving to be something of a rollercoaster ride for organisations chasing customer loyalty. Millennials have been described as the best-educated generation in history, so organisations that want to secure their loyalty should focus on content marketing that utilises the latest technology, particularly social media, as the essential way to interact and communicate with them.

While this younger audience can be loyal, it tends to be on a shorter-term basis. Extremely promiscuous in their brand preferences, millennials increasingly expect more from brands in return for their brief loyalty.

“They also demand a more personalised experience,” says Team Eleven’s Mr Margolis. “Whether that’s Nike’s ID products or the tailoring

of many of today’s recipe-to-home brands, where once we sought to self-select, the expectation among millennials is that brands will learn from their purchase history, to anticipate their wants and deliver to their needs.”

“Best-educated generation in history

Millennials, more than any other generation, indicate that programmes have an explicit impact on product selection and overall spend. But as Emily Collins, senior analyst at Forrester, points out, what works for middle-aged and older consumers is not enough to satisfy the rising tide of millennial customers.

“While all customers are interested in discounts, millennials are also more likely to expect an enhanced customer experience and flexibility when it comes to reward redemption. Consumers today are more fickle than ever making loyalty harder than ever for brands to earn,” she says.

If they are to respond effectively to the needs of this complex generation, organisations need to embrace the digital communications revolution as the route to future loyalty.



### CHILDREN: TOMORROW’S TEENAGERS

For their very youngest consumers, children up to the age of ten, companies not only have to understand their current needs, but also how they might have changed in another ten or fifteen years’ time and work at securing future loyalty now.

James Harmer, planning director at Touch Packaging Innovation, says: “The thing to remember when aiming for brand loyalty in young children is their tendency to prefer the familiar and shy away from the new or unknown, so building loyal-

ty is even more important for this young target audience.”

However, as they go through adolescence and gain independence, what they care about can change quite dramatically, as David Arnett, principal teaching fellow in marketing at Warwick Business School, explains: “A childhood love of and loyalty to a brand like Petits Filous, for example, dissipates and virtually disappears by the age of 15.

“Rather than trying to second-guess their future desires, companies need to track how they interact with communication technologies to reach them with appropriate messages as and when their brands become relevant to their lives.”

Many experts believe that the concept of customer loyalty will change completely for the next generation. A report by digital marketing consultancy Amaze, which followed a group of ten to fifteen year

“Prefer the familiar and shy away from the new or unknown

olds for five years, reveals that it is being shaped by how they view the use of their data.

Chief strategy officer at Amaze, Alex Comyn says: “They are happy to hand over personal data in return for something meaningful that really adds value and makes life more convenient. The next generation aren’t that interested in free coffee refills, but will place greater value on being fast-tracked to the front of the queue in their nearest coffee shop.”

# Succeeding in the “right now” economy

– why real-time customer experience is critical

Every decision you’ve ever made, in every set of circumstances, has led you to this moment. It’s why you’re reading now, looking for the latest insight into how to improve the experience of every moment you have with your customers.

**You want to make each customer interaction a defining moment.**

You’re not alone. Customers make decisions faster and have so many options to choose from. Companies are looking at how their customer experience strategies can make them stand out. We call this the “right now economy.”

According to a commissioned study conducted by Forrester Consulting on behalf of DataStax, 85 per cent of companies are looking to create a competitive edge by better understanding their customers. More specifically, 75 per cent of companies are looking at personalisation to improve each customer’s experience.

So why doesn’t every company have a great customer experience strategy in place? Why is it difficult to make real-time personalisation work in practice? It comes down to your data management.

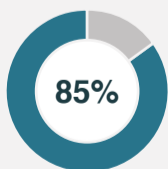
Without the right contextual data, it can be difficult to successfully deliver your customer experience initiatives. Without the right data management technology, it’s impossible to gain a comprehensive, meaningful view of all your customer interactions across every touchpoint and make every moment a defining moment. Only 59 per cent use digital data sources

and comprehensive customer visibility (customer 360) to optimise CX in real time. You have billions of these moments with your customers every day. **DataStax, the power behind the moment, can help.**

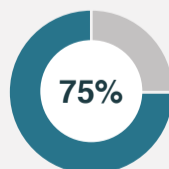
With our history powering customer experience for some of the world’s largest enterprises, we can help you make the most of every customer interaction. We can assist you doing this in real time, so you can make the best recommendations to your customers when they are making their decisions. And we can do this at scale across millions of interactions a second.

You’ve probably already benefitted from our customer experience technology today. Whether it’s getting the perfect recommendation for a new series on Netflix, more personalised insight into your energy consumption from your utility provider such as British Gas, or real-time engagement with your bank, you’ve seen our technology in action.

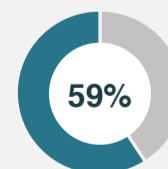
With the DataStax CX Data Solution, the results are more engaged customers and greater loyalty. **Contacting us should be your next decision.**



of companies are looking to create a competitive edge through contextual data



of companies are looking at real-time personalisation to improve each customer’s experience



use digital data sources and comprehensive customer visibility