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Service Excellence: Create A Customer Focused Value Generating Engine Of Your Business

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- views are my own

A consistent and superior level of customer service is the key differentiator in today's world if a company wants to stand out against competitors selling more and more comparable products. To be clear, we are not speaking about just creating happy customers but instead about deploying a customer centric strategy to improve acquisition, enhance retention and drive share of wallet whilst decreasing costs.

The Challenge

The service department is often considered as an old-fashioned, and significant cost centre, with lots of people and therefore a high proportion of labour cost. Unfortunately, the consequences of such cost-cutting initiatives are known - they can frequently create a vicious circle from which it is difficult to break free. Consequences include a decreasing number of serviced customers, corresponding in worsening service quality, an increasing number of contacts (e.g., re-callers) and employee stress - leading to unhappy employees and customers with high risk of attrition for both.

A Model To Optimize Customer Interactions

The Three Enablers
1. Exploiting available data to obtain insights about customers (always remaining compliant to existing rules and regulations, e.g., GDPR in Europe).
2. Leveraging technology as means to offering superior service.
3. Betting on game-changing human to human interactions.

The Value Irritant Matrix
The VIM was created by Bill Price, first Vice-President of Customer Service at Amazon. It analyses the value of an interaction from both the company and the customer points of view (Price, 2018).

To the Company

	Irritant (do not want the interaction)	**Value** (get value from the interaction)
Value (revenues increase, costs decrease)	**Simplify**	**Leverage**
Irritant (do not want the interaction)	**Eliminate**	**Automate**

To the Company

Figure 1. The Value Irritant Matrix, Own representation based on (Price, 2018).

By leveraging the customer's journey, it is possible to identify all existing interaction opportunities and classify them using this matrix. By doing this, it is possible to understand if a dialogue either creates a value or is irritating to both. Based on this dialogue classification, the organisation can define different strategies on how to handle all interactions independently from the channel. The resulting four different options are depicted in the four quadrants of the matrix above. These then translate into the four strategies as follows:

Note: The VIM classification is industry dependent. For example, an address change for a bank can be "irritating", whereas for an insurance this could generate new business opportunities (e.g., offering new products).

A) Leverage (company: value, customer: value)
A smart real-life solution: Zappos contact centre (call them and you will find out the real value of a human-to-human interaction).

B) Simplify (company: value, customer: irritating)
A smart real-life solution: Apple's FaceID to authorise the download of apps.

C) Eliminate (company: irritating, customer: irritating)
A smart real-life solution: Amazon Prime's delivery promise (e.g., within one day for selected products) with related recovery process.

D) Automate: (company: irritating, customer: value)
A smart real-life solution: Revolut showing the PIN code of the card in the app.

One Last Improvement: "Prevention Is Better Than Cure" Applied to Customer Service

It is important to understand that by leveraging data and technology, companies can proactively engage with customers, and surprise them in a positive way. Closer relationships improve customer engagement and their financial value. It is proven that engaged customers spend more.

.Excerpt from Customer Experience 3, Writing Matters, page 259-268

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