

EMBEDDING A CUSTOMER-LED CULTURE

CUSTOMER SATISFACTION HAS ALWAYS BEEN IMPORTANT FOR BUSINESSES. BUT IN A WORLD OF SOCIAL MEDIA AND ONLINE REVIEWS, IT'S MORE VITAL THAN EVER BEFORE FOR ORGANISATIONS TO GET POSITIVE INTERACTIONS. HOW CAN A CUSTOMER-LED CULTURE BE EMBEDDED?

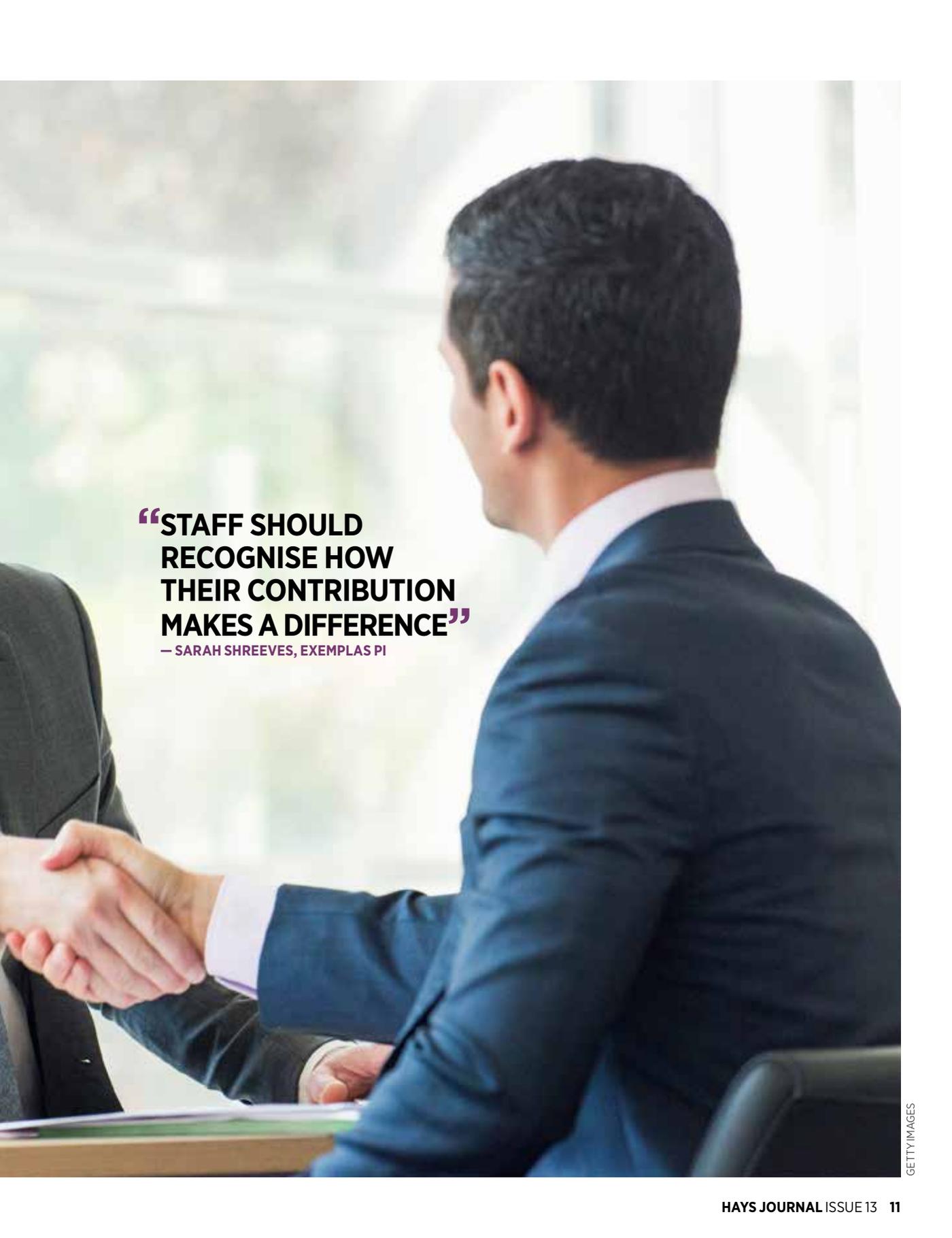


FOR YEARS NOW, organisations have lived by the mantra that “the customer is king”. It may not always happen in practice, but in theory at least, customers are at the heart of every business, with delivering exceptional customer service the ultimate goal.

Such a philosophy is not just based on developing a positive reputation, or avoiding negative comments on social media. There is a strong business case too; one that is generally accepted. “Customers who feel valued tend to be more loyal, buy more and speak positively about a company’s brand,” says Dr Ileana Stigliani, Assistant Professor in Design and Innovation at **Imperial College Business School** in London. **Apple** is a good example of a business creating products that resonate at an emotional level with its customers, she

adds, based on a strong understanding of what they engage with.

HR has a vital role to play here in helping to create a customer-led culture at the employee level. It’s particularly important to help staff realise just how they fit into this as individuals, says Sarah Shreeves, Head of Training and Consultancy at **Exemplis Performance Improvement**. “Companies should enable staff to understand how their role adds value to the organisation’s goals and how it creates value for customers,” she says. “Staff should recognise how their contribution makes a difference, so they feel valued by senior management and recognise the alignment of values between the organisation and its employees and customers.” ▶



**“STAFF SHOULD
RECOGNISE HOW
THEIR CONTRIBUTION
MAKES A DIFFERENCE”**

— SARAH SHREEVES, EXEMPLAS PI

“PEOPLE ARE NATURALLY LOOKING FOR STABILITY AND THINGS THEY CAN RELY ON”

— HILARY STABLES, CELESIO

- ▶ A good place to start is by ensuring employees understand what customers want, says Paul Russell, Director of business training organisation **Luxury Academy London**, which works with high-end brands to improve employees' soft skills. “Something that many luxury brands focus on is enabling their staff to completely understand their customers' requirements, values and behaviours,” he says. “It is this awareness and knowledge that takes employees from being reactive to proactive and empathetic. Without this, employees will always lack real motivation to improve the lives of their customers.”

TAKING ON FEEDBACK

Jon Feingold, Chief Commercial Officer at **Gazprom Energy**, says getting input from customers is essential when it comes to working out what they really want. “It's hard to deny things need to change when you hear a complaint directly from the mouth of a customer,” he says. “You might think you've done a great job,

but it's what the customer thinks that really matters, so feedback is crucial.” There are a number of ways this can be done, he says, including through customer satisfaction scores and loyalty metrics.

Going one stage further, employees also need to put themselves in customers' shoes, he adds. “By HR and leadership teams encouraging employees to think like the customer, they can help to develop a culture of customer centricity, considering customer challenges, opportunities and possibilities rather than simply looking at processes and procedures,” says Feingold.

In some cases, this can mean sending staff to go through customer experiences themselves, suggests Stigliani. “**Pepsi** and **Deutsche Bank** are examples of organisations that have successfully made this shift by getting their employees to step outside of their offices and experience the products and services of their companies as if they were real customers,” she says. “Businesses should also require their staff to use the same products and services as their customers to gain better understanding of what people need on a daily basis.” Employees should be assessed on how much they engage in activities aimed at identifying the real drivers of customer satisfaction, she adds.

OFFERING INDEPENDENCE

On a more day-to-day level, it's vital those in customer-facing roles have the ability to improve services and standards for customers, without having to defer to superiors, both to help better look after customers and to engage staff. “Customer service operatives will often have the best knowledge of customer desires and frustrations, so harnessing their creativity to source solutions to common problems makes sense,” says Shreeves. “If staff feel you are willing to listen and delegate a certain amount of authority, they will go the extra mile.”

Moving away from formulaic stock answers and process-driven responses can also be beneficial to both employees and customers. “While many front-line staff realise that sticking to the script isn't always the right approach for the customer, the truth is that many are restricted by process and protocols,” points out Nigel Shanahan, Founder of customer engagement specialists **Rant & Rave**. “While they are encouraged to solve problems for the customer, they're rarely empowered to



do this proactively. Customisation is about empowering those people so that they can think on their feet and recognise the needs of the individual customer.

And making it a formalised target for staff can also help. Customer service is central to the ethos of vehicle rental business **Enterprise Holdings** and its HR team, says Donna Miller, European HR Director. “We have eight values at Enterprise and one is ‘customer service is our way of life’, so it’s pretty important to us,” she says. “That extends not only to front-line, customer-facing positions but also to those working in administration roles. Everybody in the company has customers.”

Most employees join through the firm’s graduate management training scheme, where applicants are assessed for customer service aptitudes, says Miller, and, once in position, progression for anyone in a customer-facing role is linked to their customer service score: “You can be the best salesperson or the best manager, but if your customer service scores aren’t at our corporate average or above, you’re not eligible for promotion.”

There is also the challenge of catering for multiple geographies. Nelson Valenzuela, LATAM Director of medical device business **Arthrex**, says that the requirements of the hospitals they supply in the region will change depending on their economic level. “We operate in emerging markets,” he explains. “Different countries will need different levels of medical devices. For example, in Mexico doctors want more support in terms of service and advanced products to allow them to be a success in their surgery. They demand full portfolios of products. But other countries, such as Peru, have different needs; they may need more basic products to solve more basic problems. When their economies transform, their needs will change again.”

IMPROVE UNDERSTANDING

Some businesses have turned to training staff in softer skills, as well as those they need to actually do their job. Restaurant chain **Pizza Hut**, for instance, supports its employees in areas around their own personal development, based on the idea that staff can only really deliver excellent customer service if they are in control of their personal lives.

“We believe that you’ll only ever make your customers feel as good as your employees feel,” says

CASE STUDY

A CARING APPROACH

HILARY STABLES is HR, Talent and Communications Director at healthcare and pharmaceutical company **Celesio UK**, which includes **LloydsPharmacy**. She says that, in today’s world, good service is more important than ever before.

“We’re living in an uncertain world and people are naturally looking for stability and things they can rely on. Customers want to feel valued, know that they’re getting a great service and bang for their buck. Our business operates in an extremely competitive environment; customers know they don’t have to come and spend their money with us and that they don’t have to settle for a negative experience. Customers are pulling for good service, they know their demands, they work hard for their money and they want to spend it in a place they feel respected and valued.”

She adds that, within their business, it can be particularly important because the customer often means a healthcare patient. “We are serving people who might be at their most vulnerable,” she explains. “They



might be very ill, so we look at how their interaction with us can help them feel as good as they can do in that moment in time and feel looked after.”

To get the best from its staff, Celesio has put customer care at the very heart of its company values. “We’ve woven this into our value set. We’ve set it as the mnemonic ICARE: Integrity, Customer First, Accountability, Respect and Excellence. It’s a really neat set of values that colleagues can stand behind.”

She says that to communicate this, showing good examples is vital. “We do a lot of storytelling and sharing of customer stories. We encourage our colleagues to do this via blogs on our internal intranet site and our internal magazine. It’s great for others to see people going above and beyond for a customer.”

Kathryn Austin, HR and Marketing Director, Pizza Hut Restaurants. “Through our partnership with the School of Life, our staff are encouraged to tackle issues such as anxiety, depression, confidence and communication to help build a more collaborative working culture which is able to recognise and adapt to customer needs. Similarly, through our work with Heartstyles, a life indicator tool, our employees are encouraged to consciously develop more effective behaviours that focus on promoting empathy, compassion and self-belief to better connect with those around them.”

Developing a customer-led culture can be harder, though, in non-customer-facing positions, where



► employees may rarely or never get to meet customers. “Helping them to understand how their product or service affects their lives is vital,” says Lucy Adams, CEO of **Disruptive HR**. “One major telecoms company recently got a group of customers together with their engineers. They spent time finding out about their lives and how having a lost mobile signal impacted them. It made a huge difference to how they worked through their priorities and how they thought about their roles. Sometimes, just giving your people the insights and allowing them to work it through for themselves can be very powerful.”

Listening to employees can also be a good way of identifying issues which can get in the way of delivering a better customer service. **Metro Bank’s** ‘Kill a stupid bank rule’ policy is a good example, says Adams, where employees are rewarded for identifying internal rules that prevent great customer experiences.

REMOVE BARRIERS

This was the approach taken by **RSA Canada**, in the wake of a major cost reduction exercise. “We heard from our customers that they were looking for us to be simple, consistent and proactive,” says Mark Edgar, Senior Vice

President, Human Resources. “We used this filter to bring to life for our people the customer experience we are trying to create externally. We launched this through a series of town halls in 2016 and ran an exercise with participants called ‘Where’s the Friction’, with the objective of identifying issues that were negatively impacting the customer experience.” The process led to more than 700 ideas being put forward to resolve issues seen as barriers, which the business is currently working through, alongside implementing a new customer-driven strategy.

Pizza Hut Restaurants also seeks input from employees as to how things could be improved. “Hut team members will meet each day to discuss and review what they can learn from the previous shift,” says Austin. “This encourages best practice and helps team members to identify areas to improve the customer experience.”

It’s also vital that any initiative is supported by senior management, rather than just seen as an HR initiative, and that employees of all levels realise it applies to them. “Developing a culture of customer centricity needs to start from the top down,” says Shreeves. “Senior leaders need to adopt the right values and approaches, and communicate the importance of this throughout the organisation. HR needs to ensure all employees understand their own levels of authority and how their role impacts on the bottom line.”

Technology can help employers monitor how well employees do, particularly for those in customer-facing roles. Irish hotel chain **Dalata Group**, for instance, uses guest feedback platform TrustYou to collate comments and service scores from customers, across a range of sites, as well as monitoring individual forums such as **TripAdvisor**.

ENGAGEMENT ALL ROUND

Akhiko Kubo is Japan Representative Director of marketing and communications supply chain provider **Williams Lea Tag**. “A customer-led culture or customer-centric mindset is very important in our business,” he says. “What a

customer expects is often very different from what others want. We have to design our service programme to match their unique requirements, and we expect our people to fully understand, appreciate and deliver it.”

He adds that, while this is instilled in

staff training, employees are encouraged to seek new ways to improve service and are empowered to make changes swiftly and proactively. This approach, he says, creates a better experience for the customer and a higher job satisfaction

“OUR CUSTOMERS WANT US TO BE SIMPLE, CONSISTENT AND PROACTIVE”

— MARK EDGAR, RSA CANADA

“It gives scores in areas of the customer experience such as food and beverage service, the bedroom facilities and cleanliness, as well as overall staff friendliness,” says Dawn Wynne, Group HR Manager of Dalata Hotel Group. “The collated information is then fed back to the hotel teams and feeds into our recognition programme. Our employees are rewarded for delivering exceptional service, and if they are mentioned positively in a review, it is celebrated and they are rewarded with a prize such as a shopping voucher.”

This kind of feedback is also relied upon at the organisation’s annual employee awards, where the winning categories include food and beverage, rooms team of the year and overall Dalata employee of the year.

“The customer is at the centre of everything we do and managers are rewarded for excellent customer service scores,” says Wynne. “Managers can earn a third of their bonus potential by achieving high customer service scores.”

MODERNISING SYSTEMS

Apps are also being used as a way of getting feedback from customers, at least in some industries. Pizza Hut uses its customer loyalty app for a number of different reasons, including getting customer views on their experiences.

“It allows us to not only offer highly targeted offers, based on both customer preferences and location, but also helps us to build a really great understanding of our individual customer’s expectations and needs, so that we can further develop offers and services that will appeal directly to them,” says Austin. “Every time an individual visits Pizza Hut Restaurants and uses the app, they are automatically asked a couple of very short questions

for staff. “It is truly a win-win relationship. A highly engaged employee delivers a quality service to his/her customers, and a customer’s praise motivates our staff to deliver a better service and enhance loyalty to the customer as well as the employer.”

about their experience, often in return for a reward. All these elements help to not only improve loyalty, but also customer experience in general.”

Employers – and HR – also need to think about their wider employer brand, and ensure this is consistent with the values they want to push to customers. “Employee engagement is inextricably linked to customer satisfaction because what happens inside an organisation will leak outside,” says Feingold. “If an organisation has a great people culture, then this will undoubtedly lead to positive customer perceptions, because employees are more likely to behave positively when they feel valued by their organisation and connected to the brand. Brand advocacy isn’t limited to customers; employees can be brand advocates too and they can attract new customers through positive word of mouth.”

Keeping an eye on sites such as **Glassdoor** can be a good means of identifying how the business is perceived by employees. “These sites can be a helpful barometer of what is going on in your business,” says Shreeves. “Given the high correlation between employee and customer satisfaction, sites like Glassdoor will enable businesses to take a temperature gauge on staff satisfaction and the likely impact this will be having on customer satisfaction. Clearly, if there is a good deal of negative feedback, action will need to be taken.”

Getting feedback from employees is also important, whether through engagement surveys or more informal methods such as social media or inviting comments, in much the same way as businesses do with customers. At Pizza Hut, employees can use Yammer to give their own views on the business and share any insight from customers. “We actively encourage team members to share their opinions and use that feedback to shape the way we run the business,” says Austin. “Equally, we’ve found that it helps our employees understand the values we are aiming to create so they can reinforce these through their day-to-day engagement with our guests.”

Businesses are only now starting to realise just how important their employee offer is, from both an employee and customer perspective. “It cannot make sense to develop a customer value proposition that isn’t closely aligned to the employee proposition,” says Adams. “Employee experiences and interactions need to be designed to reflect and support the consumer experience, so HR needs to work closer with marketing teams, aligning consumer and employee insights. Companies that don’t do this will increasingly struggle.” ■