Customer Centricity: Putting The Customer Front and Center

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Presentation Outline

- Setting the Scene
- Describing Customer Intimacy
- Customer Intimacy Process
- Customer Intimacy Trinity
- Customer Intimacy Pillars
- The 3H Framework for Customer Intimacy
- Secrets of Good Customer Intimacy
- Parting Thoughts
PRESENTATION FRAMEWORK

Customers
CSFs - Critical Success Factors

VISION
A Picture of Change

Strategy

BARRIERS

CURRENT
A Reason to Change
Our Game Plan

VISION
A Picture of Change

BARRIERS

CURRENT
A Reason to Change

CSFs
BARRIERS

CURRENT Challenges in customer management

CSFs

Poor service delivery

VISION
Customer Intimacy

Complaining customers

Moments of misery

Customer Strategy

CSFs
Changes in Customers over Time

1914  1926  1980

Have we matched the changes?
Current Market Changes are More Radical

1900  1950  1990  2000  2015

Where are we? Changing with the Customer times?
Today's Customer

- Customers want to be known
- Customers want to have confidence that the service will be consistent
- Customers desire convenience
- Customers want to feel welcomed - like they belong
- Customers know problems will occur, but the response to problems is what is most important
- People do business with people they like!
- Customers don’t mind value adding relationships
The Customer of Today

- Customers want a positive, enjoyable and unique experience from the beginning until the end of their experience with you.
- They desire an emotional connection that, once made, often ensures long-term loyalty.
- They must be valued for a lifelong contribution versus a one-time contribution to revenues.
- Customers desire the perception that they are in control.
- Customers want choice.
- And they want this across all channels.
Trends affecting Insurance Customers

Four trends are affecting insurance customers:

1. Heightened consumer expectations
2. New entrants and niche players taking market share from incumbents
3. Demographic shifts that are creating new opportunities
4. Consumers’ comfort level using new technologies
IRA Study on Consumer Perceptions on Insurance

<table>
<thead>
<tr>
<th>Broad reasons</th>
<th>Specific Reasons</th>
<th>Percent</th>
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<tbody>
<tr>
<td>Affordability/financial issue</td>
<td>It is Expensive</td>
<td>28%</td>
</tr>
<tr>
<td></td>
<td>Lack of enough money</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>Business is still young</td>
<td>17%</td>
</tr>
<tr>
<td>Understanding of insurance</td>
<td>Lack of knowledge about insurance</td>
<td>17%</td>
</tr>
<tr>
<td>Negative Perceptions</td>
<td>Insurance providers are conmen</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td>Processing Claims take too long</td>
<td>4%</td>
</tr>
<tr>
<td>Access to insurance</td>
<td>Available products do not fit my Business</td>
<td>6%</td>
</tr>
<tr>
<td>Religion</td>
<td>My religion does not appreciate insurance</td>
<td>4%</td>
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What is Customer Intimacy

- It is about creating and delivering differentiated and positive experiences for customers through unique value propositions with an aim of continuously meeting and exceeding customer value expectations.

- It is about customer lifetime value.

- It is about listening to the voices of the customer and using the voices as input for product and service offering.
Customer Intimacy

“The new agenda in customer management is to make customers feel good whenever they make contact with your company. Every interaction isn't a moment to be avoided or cut short, but an opportunity for further intimacy with the customer.”
Customer Centrism

HR and Administration
Sales and Marketing
Customer Service
Claims Department
IT
Customer
Customer Intimacy Process

1. Creating Customer Value and Solutions
2. Offering compelling customer experience
3. Building deeper customer relationships = Customer Lifetime Value (CLV)
“The Customer is the only Profit Centre we have.”

Peter Drucker
The Customer Life Cycle

- Acquiring new customers
- Enhancing profitability of existing customers
- Retaining profitable customers for life
Why Customer Intimacy

Loyalty

Satisfaction

Zone of affection

Zone of indifference

Zone of defection

Apostle

Terrorist
The Customer Promise

Company

Technology

Employees

Customers

Internal Relationships
Enable Promise

External Relationships
Make Promise

Interactive Marketing
Deliver Promise
Customer Intimacy Trinity

Customer Excellence

Differentiated Offering

Product Leadership

Operational Excellence
Customer Moments

- Moments of Truth
  - Moment of Magic
  - Moment of Miseries
Customer Intimacy

<table>
<thead>
<tr>
<th>THE DISCIPLINE</th>
<th>THE CHARACTERISTICS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational Excellence</td>
<td>Providing middle-of-the-market products at the best price with the least inconvenience.</td>
</tr>
<tr>
<td>Product Leadership</td>
<td>Offering products that push performance boundaries. The message is offering the best product — period.</td>
</tr>
<tr>
<td>Customer Intimacy</td>
<td>Focusing not on delivering what the market wants, but specifically what the Customer wants — cultivating relationships above all and delivering a total solution.</td>
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</tbody>
</table>
“If you look at the companies which are growing and winning in the retail trade, they have some things in common. They have given the customer more control, more transparency and made the process more comfortable. They think ruthlessly about what the customer wants, not what products they have”.
The 3H Framework for Customer Intimacy

**Thinking & Understanding**
- Understanding Customer Expectations

**Motivation/Emotion**
- Being Empathetic and “feeling” the Customer

**Behavior**
- Acting in line with the Promise and Customer Expectations
Why Lack of Customer Intimacy

- Trust on Automation and Technology
- Lack of a Customer Value Proposition
- Customer Detention Vs Customer Retention
- Lack of System Thinking – Silo Mentality
- Management/Marketing Myopia
- Lack of a Shared Vision
- Lack of Customer Strategy and or its Implementation
- Lack of Employee Empowerment
- Products and Operations Focused
Customer Vs Organization Perspective

- Products
- Processes

Lens of the organisation

- Benefits
- Value
- Solutions

Lens of the customer
Customer Intimacy Pillars

Customer Intimacy

Management Support

Employee Empowerment
Customer Strategy
Customer Focused Systems

Organizational Culture
Secrets Of Good Customer Intimacy

- Make service excellence be everyone’s everyday job by creating a customer focused workforce.
  - Training of employees,
  - Sharing of success stories,
  - Sharing the customer vision with employees,
  - Aligning employees activities and processes with customer value propositions,
  - Aligning employee personal goals to the organizational goals
  - Rewarding employees based on customer strategy
Secrets Of Good Customer Intimacy

- Practice Kaizen (continuous improvement)
  - Create a culture where employees work each new day to deliver greater value to the customers than they did the previous day.
  - It is about working hard today to outdo yesterday by looking at every customer point of interaction as an opportunity to delight and surprise the customer.
Secrets Of Good Customer Intimacy

- Create metrics for measuring customer intimacy.
  - If you can’t measure it, you can’t manage or improve nor can you control it.
  - Measurement of where an organization is in relationship with its customers creates a platform for continuous value delivery.
  - Employees should also have an individual scorecard based on customer intimacy goals.
Secrets Of Good Customer Intimacy

- Create Waves of Lust
  - Every customer interaction is a moment of surprise
  - Create life long memorable experiences for the customers
  - Understand customer Touch points and Torch Points
Secrets Of Good Customer Intimacy

- Provide customer solutions but not just products.
  - Based on understanding of customer need, all marketing efforts should be geared towards a customer solution.
  - Understand customer expectations
Secrets Of Good Customer Intimacy

- Involve customers in decisions that affect them.
  - This should be in terms of product designs, costing, distribution convenience, etc.
  - Service Strategy, etc.
Secrets Of Good Customer Intimacy

- Executive leadership and top management involvement and support
  - Management should be actively involved in living the customer intimacy culture by creating and sharing a customer focused vision and strategy.
  - Create a conducive environment for customer intimacy to thrive
Secrets Of Good Customer Intimacy

- Having the best compliment of employees with a customer focused attitude.
  - Employee attitude plays a great role in creating customer intimacy.
  - Service employees should not only be recruited and placed based on their looks, education level or any other factor but also on having the right customer management attitude.
Invest in employees. Employees deliver the promise.

- Enabling employees involve training, motivation, empowerment, availing resources, working conditions, leadership, etc.
- It logically flows that the way management treats employees is exactly how the employees will then treat the customers.
Secrets Of Good Customer Intimacy

- Create and shape a customer centric culture in the organization.
  - This involves looking at everything through your customers eyes;
  - Shifting focus and power from product lines to customer relationships;
  - Going beyond satisfying the customer to ensuring every customer interaction ends in a customer having a lifelong memorable positive experience;
  - Institutionalize timely customer recovery strategies by converting customer complaints into compliments;
  - Always looking for opportunities to deliver more value than the customer expects.
Secrets Of Good Customer Intimacy

- Manage points of interactions and Moments of Truth
  - Any episode where a customer comes into contact with any aspect of the organization, no matter how distant, and by this contact, has an opportunity to form an opinion about the organization.
  - Have minimum of moments of misery
  - Moments of magic order of the day
Customer-centric Broker

A customer-centric organization builds an operating model around a deep understanding of its customers, what they value and the contribution each makes to the profitability of the company.

This requires:

- Designing business processes that recognize different customer segment needs
- Delivering a positive and seamless customer experience at every touch point across the customer life cycle
- Maintaining an active dialogue with customers (and acting on feedback)
- Fostering a culture that places the customer at the heart of the decision-making process
Customer-centric Broker

Three keys to developing a customer-centric strategy:

- Break down organizational silos and structure incentives to promote a customer-centric culture.
- Understand customer needs, behavioral drivers, and profitability.
- Deliver a consistently high-quality customer experience.

Each of these elements requires sound customer analytics and an approach to process improvement that focuses on the customer.
“People and their managers are working so hard to be sure things are done right, that they hardly have time to decide if they are doing the right things.”

Stephen R. Covey
Final Thoughts

- Refocus,
- Realign,
- Re-Energize,
- Reposition
- Reap
“The great thing is not so much where we are coming from, but in which direction we are heading”

Anonymous