



Client Experience – the Key to Customer Loyalty in Multi-Branch Organizations

By Malka Yannay and Ben Zoherman

Before writing this article, we asked colleagues and friends to tell us about their experiences as customers over the past month. The responses were surprising. In the first account, a colleague was angry and disappointed with his healthcare provider (HMO). When he requested an appointment with a specific specialist, he was told that there would be none available for several months. Fortunately for him, his brother is a doctor who works for the same HMO. A quick phone call from his brother and he had an appointment for the following week. The question is, if this appointment was available, why was he not originally able to book it through the normal channels. The second account concerns a mobile phone operator, one of the new companies established in Israel over the past year. Our colleague had signed up with the new company and obtained discounted rates, but complained about their lack of customer support: “No service, they don’t answer phone calls, and there is no service center nearby”. In the third account, our colleague told us about an inconsistent service experience with contact center reps for an Israeli hotel. She

felt a big difference between the first lady who handled her query, wished her a happy holiday, and was friendly and pleasant throughout the call, and the second rep who, though dealing with the query quickly and efficiently, made her feel criticized for not providing accurate details.

In the first account, it is clear that “fairness” is an important principle in the customer experience. A customer exposed to unfairness, even if it is in their favor, forms a negative opinion about the organization. In the second account, there appears to be a gap between what the company promises and the service experience that it actually delivers. The mobile operator offers affordable prices but at the expense of customer service: a limited geographic spread and a lean customer service contact center that has difficulty handling the call workload. The third account reveals one of the biggest difficulties encountered: how do you sustain the service experience over time and maintain a consistent standard? From the account, it is evident that both reps were efficient and met the customer’s require-

ments but there was a huge difference in attitude. In large contact centers and organizations with numerous branches, we can clearly see variability in the customer experience, which can then cause the organization major harm.

Customer Experience Management (CEM) is a complex task which takes up much of a manager's time. This article describes the steps that need to be taken to improve the customer experience and how it can be sustained over time, particularly in organizations with numerous branches.

The principles of customer experience

The customer experience is based on four core principles: simplicity, information & communication, attitude, and the quality of the service provided. These four factors are present in every service experience but the customer emphasis and the impact on the customer experience varies. In this section, we look at how two organizations, a large hospital in the center of the country and a leading academic institution, examined the customer experience in their respective organizations. The said hospital looked at the service experience of the patients and their families in the wards, while the academic institution focused on the service experience of the students in the various secretarial offices.

Simplicity is the degree of effort the customer has to make in order to get the service: how long did it take until a customer representative answered the call or responded to a written inquiry? Was the service fast and efficient or did the customer experience hurdles before he received the desired service? Students polled indicated low availability at the secretaries' offices as the defining factor. The touchpoints in the hospital - the point of contact between the customer and the hospital wards - revealed sluggish care at the time of admission to the ward and a long wait in the emergency room which caused patients and their families considerable frustration.

The Information & Communication factor includes information that the service provider imparts about the product or the service itself: the price, expected waiting time and how to use or assemble the product, etc. Customers expect detailed, accurate and practical information in real time. In the academic institution, the course registration process was identified as the moment of truth in the customer experience, the most significant touchpoint, and the same applied to the doctors' rounds in the hospital wards. In both cases, communication & information were found to be the most important factor to the customer! Doctors who allow questions and provide detailed answers and explanations are the ones to receive the most praise. At the academic institution, supplementary information about the course registration process and individual steps in it resulted in an enhanced student experience.

The **attitude** factor includes many service attributes, such as reliability, fairness and empathy with the customer's needs, flexibility and a willingness to help beyond the bounds of the rigid procedures. Although it is often assumed that attitude depends on the personality of the provider, this perception is completely wrong. It is possible to teach a service provider how to adopt simple behaviors, such as introducing oneself and addressing the customer by his/her first name. It is also significant that departments that were rated highest on attitude scored highest on the customer service experience.

The **quality of service** factor consists of two key elements: functionality, namely that the service meets the customer need, and innovation/creativity in the service provided, namely that a service or parts of it exceeds the customer's expectations. A customer seeks service following a trigger - a specific problem, a need or desire, and if these are resolved by the service provided, the service is said to be functional. When the service exceeds the customer's expectation by employing innovative and/or creative means, the customer experience is heightened. In the case of the hospital, it was found that a follow-up phone call by a member of the medical staff after

the patient's release from hospital was likely to have a significant impact on the patient's experience. Concern for the patient's welfare after release from hospital is perceived as taking responsibility and indicates an unparalleled standard of medicine.

Having mapped the touchpoints in the customer service trajectory and having examined the factors impacting the service experience at every point, it is vital that the organizations understand how sustaining or improving the experience at a given touchpoint affects the overall customer experience. To this end, the aforementioned organizations applied the Kano model. Figure 1 illustrates how the experiences in the examples presented here are distributed according to the

model. Application of the model helps the organization understand the value each experience adds to the overall service experience.

Gap analysis: analyzing gaps in the customer experience

After mapping the touch point with the customer and identifying the main factors impacting the service experience, we will now analyze the gaps between the customer expectations and the actual experience. The gap is analyzed by adding up five different gaps that explain the total overall gap (Figure 2). In this section, we will see how a leading car importer came to understand the gaps that existed at its service centers.

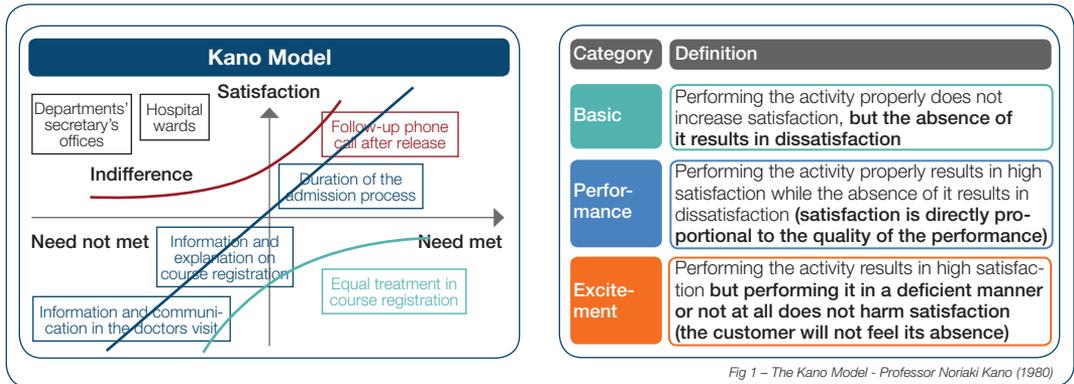


Fig 1 – The Kano Model - Professor Noriaki Kano (1980)

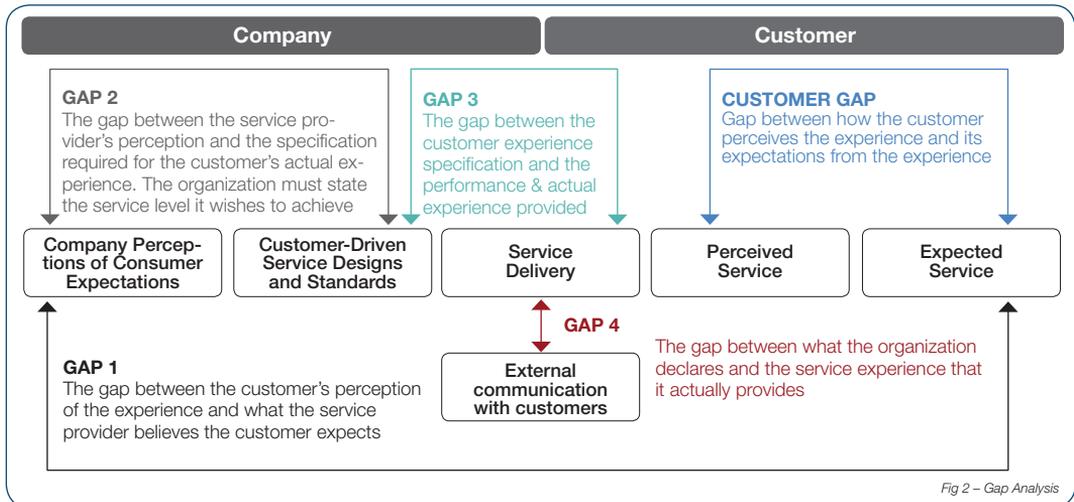


Fig 2 – Gap Analysis

Gap 1: The gap between the customer's perception of the experience and what the service provider believes the customer expects

To gain an understanding of the customer's expectations, the organization conducted a wide and comprehensive survey that pinpointed clear customer service expectations (such as transparency, professionalism, fairness, etc.) and helped to define the different customer segments – private or business – on the basis of their needs.

Gap 2: The gap between the service provider's perception and the specification required for the customer's actual experience

After determining the customer's expectations, the organization built a new service model tailored to the customer expectations in the various segments. We should bear in mind that organizations may not be willing to supply everything that customers expect. The organization defines the investment in each segment according to the potential inherent in it. Scenarios were defined in which management intervention and focus would be required; extensive investment was made in infrastructures and a penalty-reward model was defined for service centers that implement the service concept.

Gap 3: The gap between the customer experience specification on the one hand, and the performance and actual experience provided on the other

Very often, a gap exists between the specification and the performance on the ground – service delivery in our case. Changing the existing service practices was no trivial matter for the employees in the service centers. In order to stand up to the task, the organization conducted extensive training, defined targets for metrics identified as pivotal to the consolidation of the concept and implemented periodic controls to ensure that the service centers meet these targets.

Gap 4: The gap between what the organization declares and the service experience that it actually provides

Many organizations have a service level agreement (SLA) in place, a declaration about their commitment to service including details of the service levels that they undertake to honor, such as waiting times, and maximum handling time, etc. Besides the SLA, organizations often state in publications the service given to customers, with emphasis on the organization's value proposition in response to the customer expectations. In the instance described, advertising the SLA, or key elements of the service concept mobilizes the service provider employees to excel in the service they deliver, redefines the customer expectations and causes customers to demand the outstanding service specified in the advertising.

Gap 5: The "customer gap": gap between how the customer perceives the experience and its expectations from the experience

The last gap refers to the individual customer perception. Polling a representative sample of customers in a quarterly or annual satisfaction survey will not always provide a full picture of the customer experience. Consequently, the organization in the example questioned customers about their service experience while being attended to and conducted a short survey to measure the service experience among all the customers several days after receipt of the service.

Sustaining the customer experience in a multi-branch organization

Having established the customer experience, defined standards and processes and integrated these concepts throughout the organization by means of training, coaching and setting up of units such as a contact center or web-based center, it is vital to sustain consistent standards of service throughout the organization over time. This is particularly challenging in an organization with numerous branches. This section focuses on the work processes and the tools that can be used to perform this task.

Management infrastructures: work processes and areas of responsibility for sustaining the service experience in a multi-branch organization

The integration process in a multi-branch organization generally takes place in waves, not throughout all branches at one time. Therefore, the day the integration ends at the last branch is the day the project ends and the day that the crucial and complex task of sustaining the customer experience begins. An HMO that integrated a service experience in hundreds of clinics throughout the country understood the importance of sustaining the experience and invested heavily in “passing the torch” from the integration phase to building a sustainable experience.

At this HMO, the integration project manager is also responsible for gathering service metrics, reporting to management, coaching and tracking progress. The HMO arranged advanced training to continue the service-driven spirit in the organization, and began constructing a professional horizon for the service providers.

Measuring the service experience in a multi-branch organization

Although physical distance and infrequent meetings make process tracking and improvement across multiple branches challenging, there are two key tools that our customers use to measure and motivate the branches: the audit and the ‘league’.

An audit is effectively an observation of quantitative and qualitative parameters based on defined objectives. For quantitative metrics, the audit uses relevant metrics such as “duration of customer handling”, etc. For qualitative parameters, a precise description of the desired situation is defined for the auditor, who then observes the compliance on the ground with this requirement. All parameters are weighted according to their importance and gathered together to form a final score for that branch - the audit result. The main advantage of an audit is transparency for each and every branch.

The ‘League’ is a ranking table of the branch audit scores. Publishing the league table among

the branch and regional managers creates a natural desire to improve. The branches at the top of the table seek to sustain the customer experience in order to receive further reinforcement in the future, while the middle branches strive to improve and reach top rankings and the bottom branches tend to do everything in their power to move up the ranks.

Voice of customer

Finally, over and above the management infrastructures and the measurement and control routines put in place by the organization to sustain the customer experience, organizations that sustain the customer experience over time are attentive to the needs of their customers.

One organization that has integrated the customer experience in dozens of branches in Israel brings the voice of the customer to the table through periodic roundtable discussions in which common problems are addressed and tips shared among the service providers. Furthermore, mystery customer audits are conducted, in which a representative is sent to receive service at the branches. During the audit, the representative describes the service experience using an outline prepared by the organization and focuses on processes that the chain wishes to emphasize in the customer experience. In this way, the organization gains a good picture of the customer experience at the branch. Lastly, during routine branch audits, the auditors poll customers while they are receiving the service. Add to this periodic customer satisfaction surveys and a questionnaire measuring the customer experience and we have a strong set of tools which forms a clear picture of the customer voice (VOC), helping the organization to reinforce, sustain and improve those elements raised by customers and personnel in the field.

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