



Customer
Management
Services

When You Care, People Notice

The Revival of Universal Values in Business

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ABSTRACT

DISASTER AFTER DISASTER SURFACES AS THE BACKLASH OF GREED AND THE LOSS OF TRUST. FOR ALL THE WORLDWIDE CONCERN, NICOLETTE WURING SHOWS THERE'S A WAY OUT. SHOWS THAT IT'S CRUCIAL FOR BUSINESSES AROUND THE WORLD TO RE-CONNECT WITH UNIVERSAL VALUES.

Since the rise of the World Wide Web, the voice of the customer has become so powerful that it has started to materially and undeniably impact the potential for success of companies, much like the talk in a small town village in the days before mass communication. Consumers are so connected that word-of-mouth, one-to-one influencing nowadays plays a bigger role than marketing communication. People increasingly judge and critique companies from the quality of their products and services to the consistency of their actual behaviour compared to their marketing communication and corporate social responsibility claims. Virtual social networks spread the news faster and across larger geographic areas than any marketing message companies spread themselves. When you don't care, people notice, and people tell it to the world in all kinds of online social communities - communities that reach consumers all over the world faster than traditional marketing messages, and with much more impact.

Not only has the voice of the customer become more powerful than traditional marketing communication, but the circumstances that define meaning and value to customers have also changed. Consumers nowadays are confronted with an abundance of choice. Products and services have become quite similar and so has quality. Prices are more often than not quite comparable. Consumers have so much choice that preferences and emotions have become crucial. The tangible attributes of a product have far less influence on consumer preference than subconscious sensory and emotional elements. The way a company makes customers feel and the value as perceived by a customer increasingly decides the success of a company.

The domains companies traditionally compete in are changing dramatically and rapidly. These changes erode the traditional competitive power of companies and undermine their customer relationships. Customer loyalty and retention are in every CEO's top ten list of challenges or greatest concern. Meanwhile, acquiring new customers is becoming more and more expensive, especially when customers are lost before having earned back the investment it took to acquire them in the first place. One of the few ways for organic growth companies have left is to grow the "share of wallet" of their existing customers. This requires a relationship with customers of trust and loyalty. As a result, customers will spend more, buy more, buy the company's other products, and recommend the company to their families and friends by spreading positive word-of-mouth.

It is against this background that companies can no longer afford to deal with customers only as efficiently and effectively as possible from the company's perspective. It's becoming more urgent to reconsider the "reason for being" of customers.

For decades, company strategies centered on industrial age paradigms like economy of scale, operational excellence and product leadership. Companies have been forced to focus on the bottom line in order to please their shareholders. They have taken economies of scale and operational excellence to the limit. Product leadership has become a utopia in a world where the speed with which competitors (existing, completely new and unexpected ones) eat away any advantage companies thought they had faster than they can bring the next innovation to the market. Quality has become a prerequisite to be a player at all.

Consumers can no longer be fooled by clever campaigns if the actual customer experience doesn't match the created expectations. The perception of a brand and the emotional connection with it is growing in importance in the consumer choice process. Perception and connection are increasingly established by what other consumers say about a brand and their experiences with a company through word-of-mouth and online consumer-generated media. We've all at least heard of or even seen the videos that unsatisfied customers share on worldwide platforms like YouTube.

Sustainable competitive advantages and the differentiating power of a brand in this day and age are moving towards being outside of a company's control. The quality of products and services along with operational excellence has become a prerequisite to be a player at all. The competitive playing field is moving towards preference, commitment, and loyalty of customers.

Preference, commitment, and loyalty translates not only into customers who will remain customers, but who will also increase their spend with a company and spread positive word-of-mouth (advocacy). In order to improve sustainable competitive advantage, de-commoditize products and services, increase the differentiating power of a brand and increase customer equity in today's competitive playing field, companies need employees and customers to be engaged to the level of advocacy (ambassadorship).

Customer loyalty is often confused with customer satisfaction. But a customer can be 100% satisfied, and still leave you tomorrow, when a better alternative comes around.

Any business in any industry increasingly is becoming a people business, no matter how 'technological' a business or an industry may appear to be. It's not the technology that sets companies apart, but the way people (are able to) interact with the people who are the customers.

Customer (and employee) advocacy is not something that can be achieved systematically. Each individual customer and employee are the originators and drivers.

The motive is driven by emotions and is, especially where customers are concerned, essentially selfless. You can't pay a customer a premium to become an advocate for your business. It's something that is driven by how a company makes a customer feel about himself, which reflects on how he feels, and talks, about a company. A customer who recommends a company to his family and friends is authentic and requires authentic behavior in return from the company and its employees.

If customers don't like the way a company treats them or makes them feel, they vote with their mouth (negative word-of-mouth), feet (churn) and fingers (consumer-generated media). Employees get disengaged, dramatically decreasing their performance, hence the value they create for the company they work for and the customers they serve. Ultimately, through their behavior and their voice, they decide what, to them, the real value of a company is. It's only by co-creating with employees and customers, working towards common objectives in partnership towards what is perceived as value by all players, that value can be created.

Customer advocacy is the ultimate differentiator and the most sustainable one, which is what makes it so hard to copy. But it is also probably the hardest challenge most companies face because it requires a transformation. Not process redesign, lean Six Sigma, CRM technology, SAP, or any of the other kind of change agent we've seen in the past. It requires alignment at all levels within a company to create sustainable advocacy - from the strategy, structure, governance, performance management, processes and systems, down to the culture and DNA of a company and the capabilities, behavior, and leadership style of the people representing a company. Employee advocacy precedes customer advocacy.

Customer advocacy is the next competitive battleground. The upside is huge direct business development potential. The downside are blogstorms, googlebombing, etc.; PR risks when customers feel they have not been taken seriously. How much control companies will have over the advocacy of their employees and customers largely depends on not just a successful transformation of their organization, but ultimately on how successful they will be at consistently creating expectations with their employees and customers (walking the talk) and the consistency of their delivery. That's what builds trust. Trust builds loyalty and ultimately advocacy. The authenticity, integrity and intent of the people representing an organization, from top to bottom, is the most critical success factor.

The opportunity lies in capturing employees' and customers' heart. Service concepts describing the 'emotional end-frame' of customers can help a brand become a game

changing employee/customer/brand experience. Or at least offer a realistic mentality employees and customers can connect with. A living brand works on emotional commitment and emotional connections, both internally and externally. Sincere commitment, energy and good intentions are what count.

Conclusion When you care, people notice. Universal values apply. People, employees and customers, are looking for integrity, commitment, appreciation, authenticity and respect in companies in today's world. Companies who show them everyday that they are worth their trust.

About the author

*Nicolette Wuring is an internationally acclaimed and awarded Customer Advocacy thought leader, speaker, author and advisor to Fortune 500 companies. Her book **"Customer Advocacy; When You Care, People Notice"** was launched at the end of 2008, receiving praise from, among others, New York Times best-selling author Stephen M.R. Covey and Wessel Ganzevoort, former chairman of KPMG Consulting Europe and Professor at the University of Amsterdam. Nicolette specializes in creating and implementing value and service propositions that increase companies their brand and customer equity, their bottom line performance, inspiring employees and customers to a level of engagement leading to advocacy. Nicolette her passion is guiding and inspiring companies in their strategic reorientation from shareholder to stakeholder driven; from product to customer and people driven.*

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