

Institute of Customer Service

Leading customer service performance
and professionalism

Jo Causon – Chief Executive Institute of Customer Service

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instituteofcustomerservice.com



Introducing the Institute of Customer Service

Institute of Customer Service:

- independent, not-for-profit membership organisation
- over 350 organisational members
- 65% from private, 35% from public and third sectors
- more than 7,000 individual members

Aim: to lead customer performance and professionalism

Provide: advice, research, professional networks, products and services, awards, national occupational standards, continual professional development and conferences

Our membership

- **Some of the best known brands in the UK including:**
 - Virgin, Unilever, first direct, the BBC, BT, Met Office, Boots, Oracle, Prudential, BAE Systems, Transport for London
- **Around 100 leading local authorities across the UK and Ireland**
 - inc. Birmingham, Liverpool and Belfast City Councils
- **14 out of 34 London authorities**

What keeps most CEO's awake at night?

- Technology
- Sustainability
- Pro-active not reactive - Response to shareholders and stakeholders
- Globalisation
- Need to innovate
- Talent Management
- The ability to focus on the customer – what really matters
- ROI

Why does service matter now?

- Economic climate
- UK a service economy
- Renaissance for customer service
- Clear ROI benefits
- DNA - Impact on culture people and processes
- Shortage of skills - keeping the best
- Clear link between performance of individuals, organisations and UK Plc - Service is the differentiator



Why does this matter?

- Top box customer satisfaction
- 2x likely to renew/stay
- 3x likely to recommend
- 24% higher net profit margin
- 71% higher profit per employee



Service economy increasingly important

- last month the service sector grew at its fastest rate for two years
- UK customer service employment due to increase to over 560,000 by 2014
- 136,000 extra jobs added between 2004 – 2014
- growth will outstrip all other occupational groups in this period
- customer handling skills are in short supply - both as
 - ‘skills shortage’ ie: hard to fill
 - ‘skills gap’ ie: lacking among existing staff and impacting on organisational performance

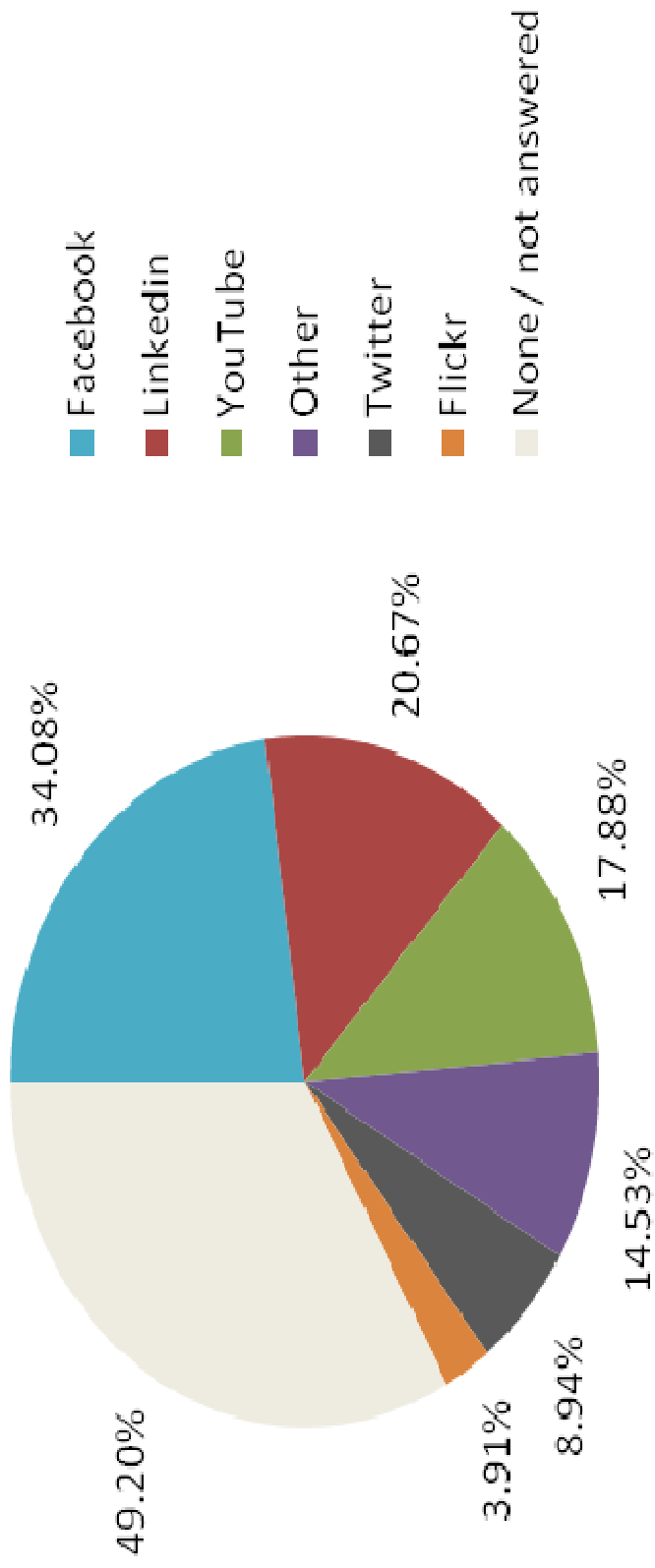
We have all become more demanding

- customers/clients/people more willing to complain
 - 2001 - 50% people were willing to complain about poor service
 - 2006 - that figure had risen to 60%
- more willing to tell others about bad experiences
 - 81 % - 2001
 - 89 % - 2006
- more sceptical
- reputations hard-won but easily lost
- ‘generation Y’ discerning, influential consumers
- challenge of technology

Principal source: ICS National complaints culture survey 2006

Technology empowering the customer

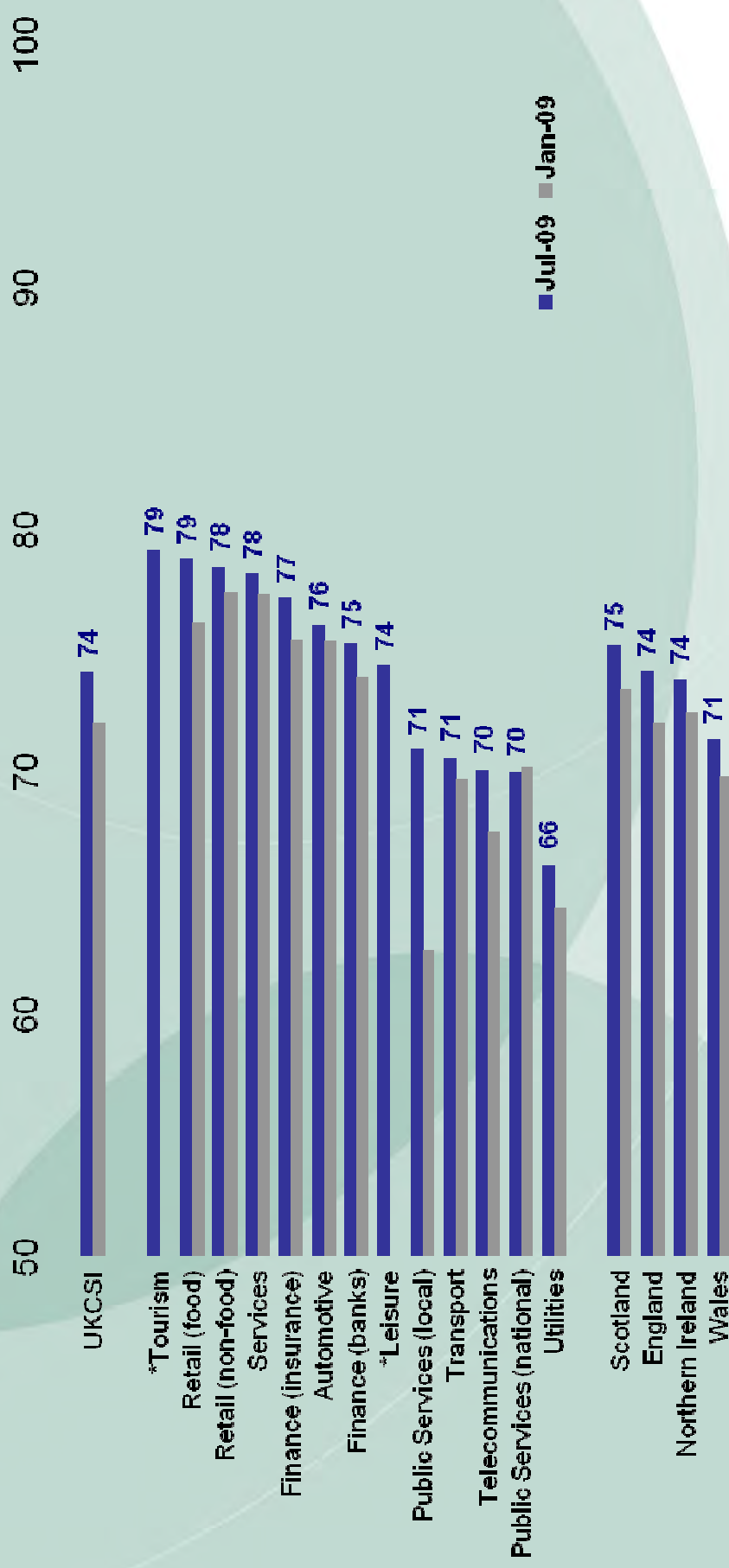
Social network use



As United Airlines has discovered



Customer service in the UK: how are we doing?

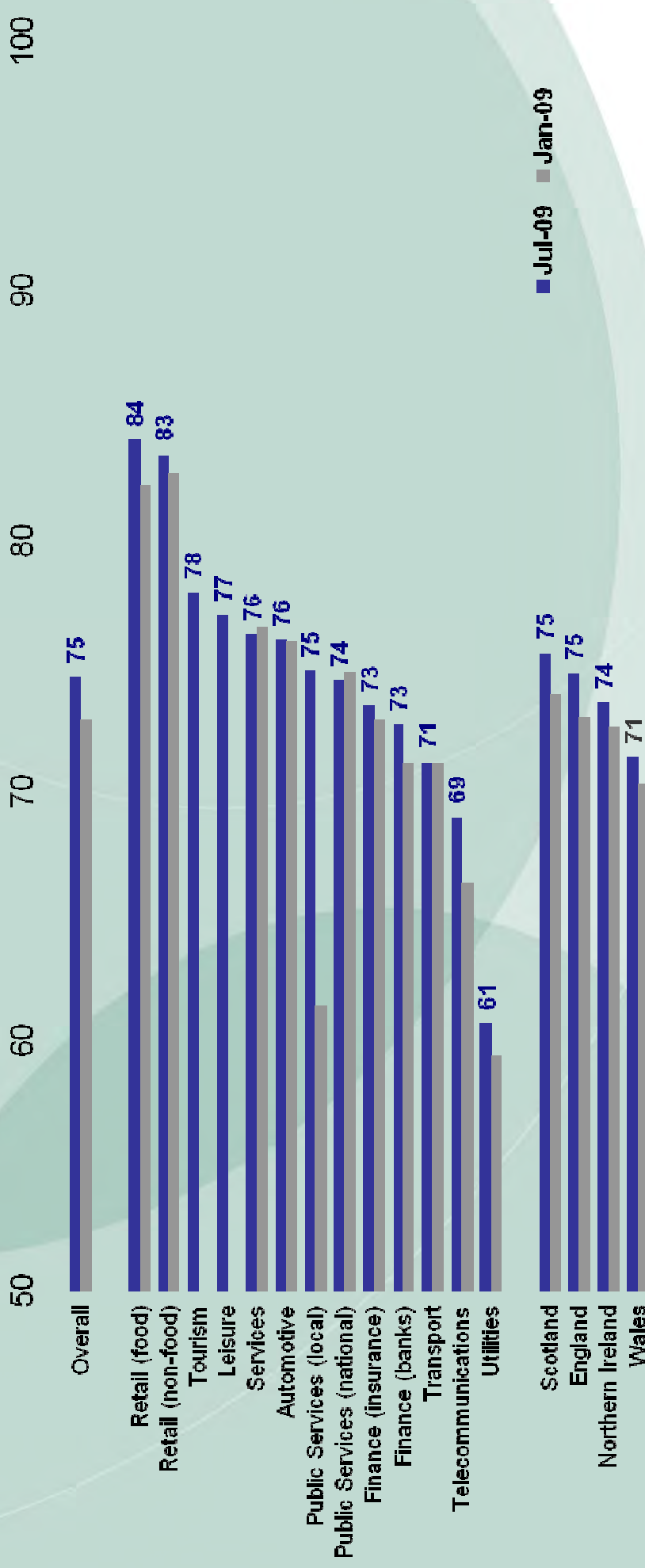


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UKCSI – the top performers

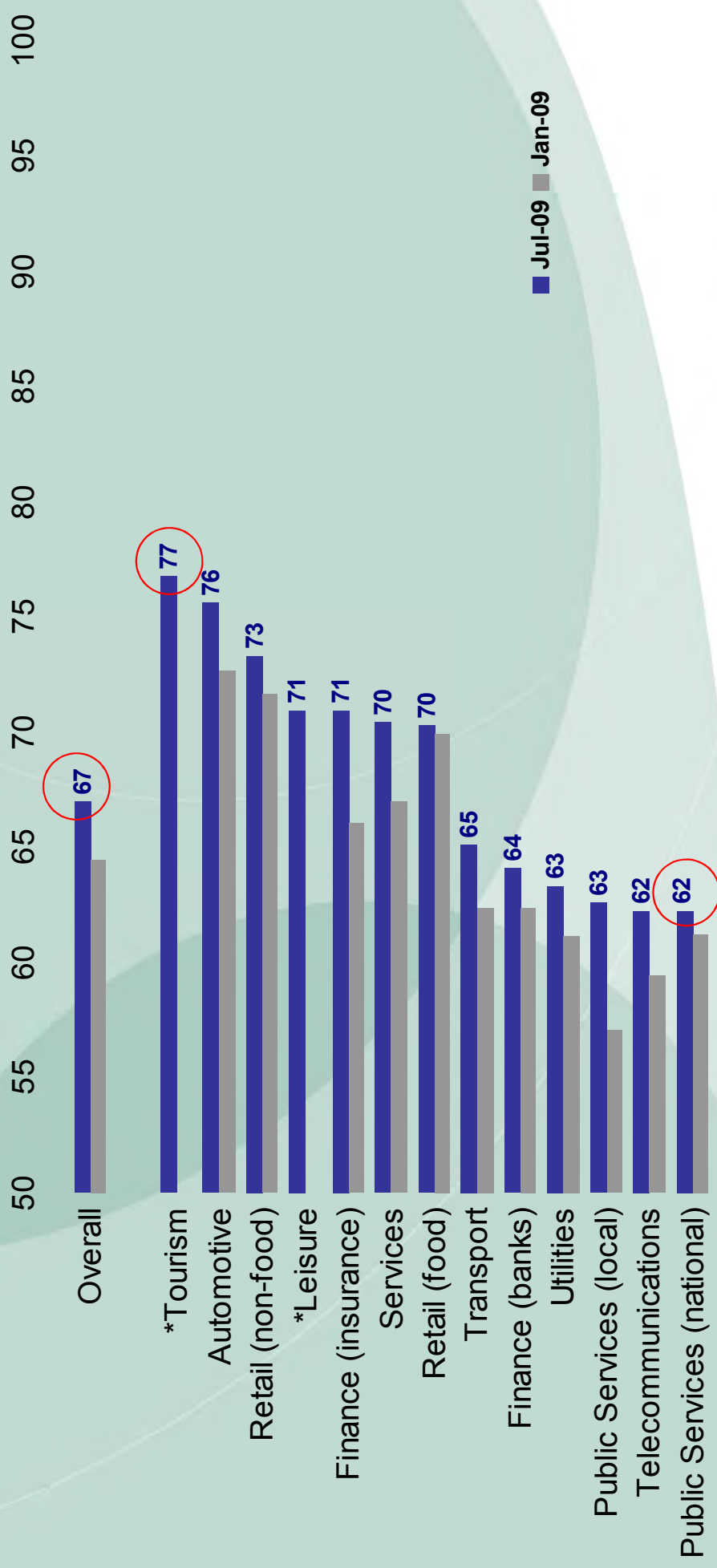
- **John Lewis (90.9)**
- **Fire Service (89.8)**
- **Waitrose (87.1)**
- **Marks & Spencer - food (87.0)**
- **Ambulance Service (86.4)**
- **Mazda (86.2)**
- **RAC (86)**
- **Marks & Spencer – non-food (84.5)**
- **P&O Ferries (83.9)**
- **Center Parcs (83.8)**

Loyalty index



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Improvement in complaint handling



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Characteristics of organisations that deliver excellent service

- Deal with problems and queries
- Deliver on the promise
- Make it easy to do business with
- Go the extra mile
- Continually looking at ways to innovate

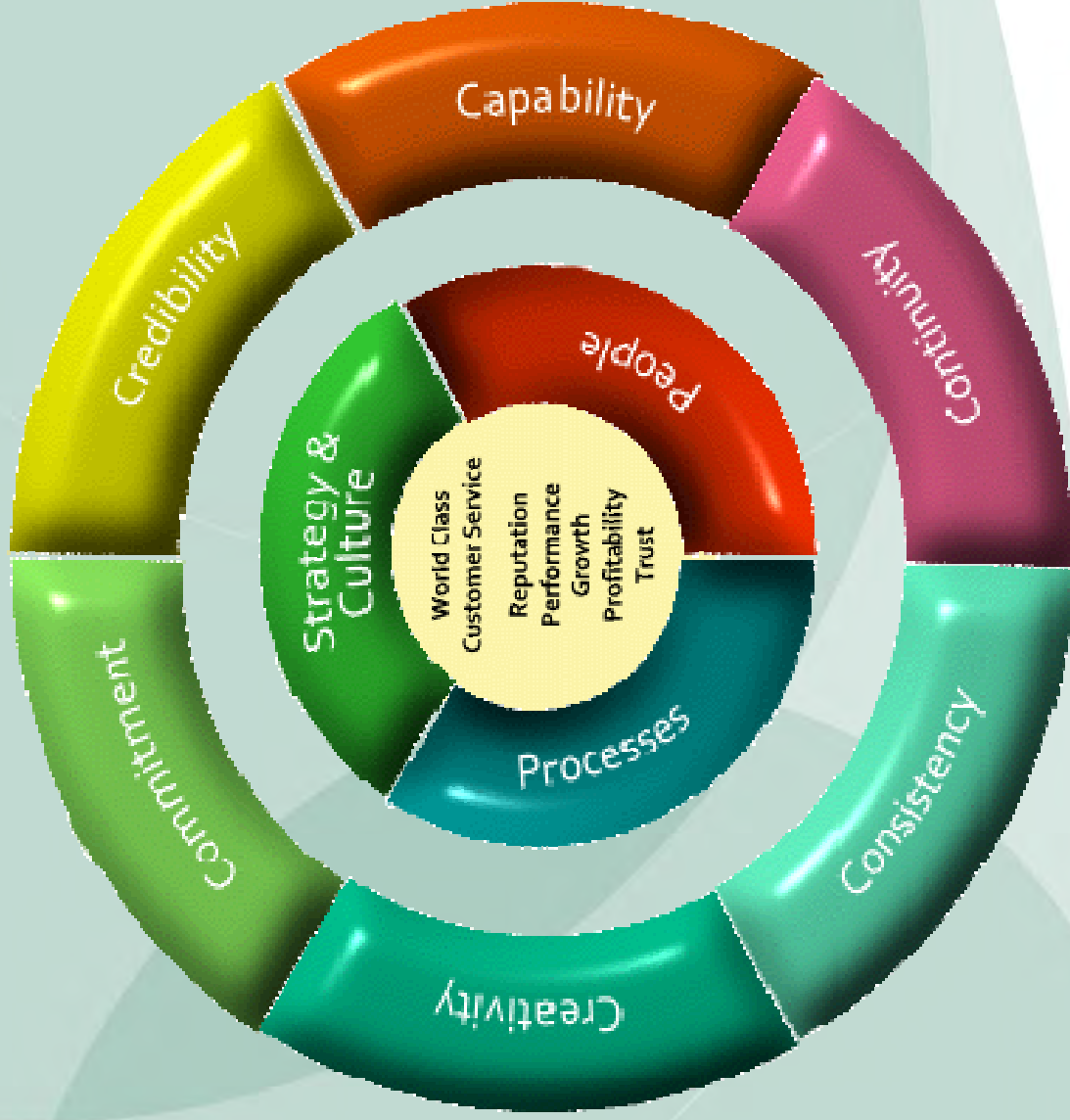
The challenge is to do more with less

- increased demands come against the backdrop of a recession
- greater stress among the public
- falling morale among staff
- important we encourage and build customer focus
 - led from the top
 - training programmes built with a core focus on service
 - each customer is an individual and needs to be treated as such
- key is to help staff make the right judgement each time

***We need to be
more fleet of foot...***



Our model of world class service



The future of customer service

- general move to greater transparency across all sectors
- development of services around customer need
- Asda gathering information from 18,000 customers on their products
- political wind of change:
 - Government announced a Consumer Advocate
 - Conservatives proposing a financial Consumer Protection Agency
 - Liberal Democrats a Universal Service Code
- Financial Services Authority and Ofcom created customer panels
- Ofwat proposing pricing structure linked to customer service

In conclusion

- challenge to become more customer-centric
- customers are increasingly demanding
- challenge to do more with fewer resources
- across increasingly broad customer-contact points
- need to measure what is important to your users
- strong service leadership is crucial
- greater empowerment and support for staff

Thank You



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