



CRM – Customer Perspective

Time:

The exercise in this module can be completed within:

20 minutes

In total, allowing for discussion, we recommend allowing:

60 minutes

The aims of this module are:

- To analyse a personal experience as a customer and identify the events which created a lasting impression.
- To consider what influences customers' service expectations and why expectations differ.
- To discuss the impact of different expectations and experiences on Customer Relationship Management.

The module is suitable for:

Very small groups (fewer than 8 participants).	✓
Normal groups (8-15 participants).	✓
Large groups (more than 15 participants).	✓
Very large groups (more than 25 participants).	

And is suitable for:

Staff at all levels.

You'll need the following additional resources:

None.

Notes:

This is the one of a short series of modules that look at CRM as a topic in its own right.

Further modules on this subject include Introducing CRM, Using Data and the practical exercise based A Plan for Dune Races, which builds on Introducing CRM.

Symbols used to highlight important information:

	Background information.		Ideas that you might want to use.
	Things to look out for.		Visual Aid – for example, PowerPoint.



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Outcomes

By the end of this module, participants will be able to:

- Describe how a customer's expectations can impact on Customer Relationship Management.

Exercise

Explain that for this exercise, participants will be working alone.

Explain that they are going to consider a recent occasion when they have made a purchase. Emphasise that they need to use a personal example, and not somebody else's experience. It is their choice whether to select a positive or negative experience – they are equally relevant.

Give them a minute or two to think about the experience they want to use for this exercise. Whilst they are doing this, give participants a copy of Handout 1.

Then, ask them to write a very brief description of the incident they are going to be looking at on the handout. They should then rate the experience on a scale between -5 and +5, where -5 equates to an awful service that fell far short of expectations, 0 equates to a service which met the participant's expectations for good service, and +5 equates to a service that was excellent, and where the participant's expectations were greatly surpassed.



Be clear that the scale of expectations is a personal scale of the participant's expectations of good service from that particular organisation. Factors which could influence their expectations could include previous experiences with that organisation or the perceived reputation of that organisation for service.

When they've done this, give participants a copy of Handout 2 and the exercise brief.

Explain that, as explained in the brief, they are to reflect upon the whole episode they have just identified and then break it down into the much smaller sequence of events from which it was actually comprised. These individual events should be mapped on a time line, and assessed, as shown in the example. They are going to see which elements had the greatest impact on their overall recollection of the level of service they received.



You may wish to show Slide 1 at this point, which shows the same example of a timeline as the exercise brief.

Allow 20 minutes for this activity.



Circulate amongst the participants during the exercise, to make sure they understand and are comfortable with the task that they've been given.

Allow participants a little time when they have drawn their timelines to discuss their diagrammatic representations with those seated beside them. Then discuss the results as a group, using the following discussion questions to help you.

Discussion Questions


How many individual 'events' were involved in the episode you were reviewing?

Learning Points

Nearly every customer contact will involve a large number of 'events', each of which will generate a different impression.

Invariably there will be a mixture of positive and negative impressions.

Any organisation interested in Customer Relationship Management will want to maximise the impact of the events that generate positive impressions and seek to eliminate those that generate negative feelings in the customer.

<i>Discussion Questions</i>	<i>Learning Points</i>
<p>Why did you make your purchase from that particular provider?</p>	<p>There may be many reasons why we choose to use a particular organisation, including past service or convenience. The actual drivers will vary for each individual customer.</p>
<p>What hard facts influence you when choosing where to buy a product or service from, including on this occasion?</p>	<p>Hard facts that influence our buying decisions might include:</p> <ul style="list-style-type: none"> • Stock availability. • Price. • Range of products available.
<p>What more subtle impressions affect your decision making process?</p>	<div style="border: 1px solid black; padding: 10px;">  <p>Some participants may feel that they are mostly motivated by price – but an organisation that the customer believes provides poor customer service, will probably need to be much cheaper than its competitors in order to gain the business, even where the transaction is the purchase of a simple commodity.</p> </div>
<p>What more subtle impressions affect your decision making process?</p>	<p>In most areas, the merit of the product(s) alone will not in the long-term sustain the viability of an organisation.</p>

Discussion Questions

Have you ever walked out of a shop having bought much more than you originally intended, simply because of the service you received?

How did you feel?

Which events made the most impression on you and led to your conclusion about the service provided?

Learning Points

Softer influences might come from:

- The warmth of greeting.
- The organisation's image – does it fit with your lifestyle/age/values.
- The ambience of the shop/website.
- The demeanour and behaviour of other customers.
- Helpfulness of staff.
- Ease of website navigation.

Many CRM experts hold with the 'Delight' concept. Put very simply a customer needs to feel a peak of 'delight' during the buying episode to trigger a **positive** change in buying behaviour/loyalty. A feeling of 'delight' is much more likely to lead to additional sales opportunities.

Discussion Questions	Learning Points
<p>What influenced your service expectations in the first place?</p>	<p>The same things that affect our buying decisions, also affect our expectations.</p>
<p>What impact did these have on your overall assessment?</p>	<p>Things that will affect our expectations include:</p> <ul style="list-style-type: none"> • Past experiences with the organisation, or its competitors. • Our family and friends' experiences. • Our financial situation. • Social influences.
<p>Will every customer's expectations be the same?</p>	<p>No two people will have exactly the same expectations, which is why, for example, the same hotel can receive very different reviews from customers with very similar experiences.</p>
<p>Thinking about what you've learned about your own experience, and others', what does a Customer Relationship Strategy need to do?</p>	<p>Customer relationship management should address both the hard and soft factors that influence their expectations and decisions, all the time remembering that the customer is an individual.</p> <p>CRM works best as a continuous process; the customer should be valued and made to feel valued not just viewed as an audience for the company 'sales pitch'.</p>



Show Slide 2, which highlights factors that will influence expectations. Talk through these again briefly if necessary.



Anecdote:

At one of Virgin Mobile's Canadian call centres a manager walked past a member of call staff clearly on the phone with a customer but who could be heard singing the Madonna song "Like a Virgin". Needless to say the manager went looking for an explanation later in the day. It transpired that the customer had not wanted to be put on hold so the member of call staff had offered to sing to him instead. The customer took him up on this and the member of staff let the customer choose which song.

Within the culture of Virgin Mobile, this was seen as going one step further to build rapport with the individual customer. It was appropriate to that call and there was no admonishment. They are aware the majority of their customers are aged in their twenties and thirties and a more informal approach to rapport works for them. Rapport is often key to repeat selling and cross-selling.

Explain that although we have examined a personal experience all these points are equally applicable in a business to business environment.....there is still a human at the other end!

Summarise this module by emphasising the following key messages:

- Two people going into the same shop or website for the same product, on the same day, served by the same member of staff will come away with different perceptions of the process because they entered with different expectations.
- Good CRM recognises the individual.
- This tends to mean that front–line staff need to be devolved a degree of flexibility.

Conclude with a short discussion about the participant's own experiences and thoughts, using the following questions to help you get things going.

<i>Discussion Questions</i>	<i>Learning Points</i>
<p>Do you ever dread being put on hold?</p> <p>Do you ever put your customers on hold?</p> <p>How would your management view a similar scenario in your company?</p> <p>What degree of flexibility are staff in your organisation given over building rapport?</p>	<p>Encourage a frank discussion of what a typical customer transaction might look like in the participants' organisation and encourage them to identify areas where more flexibility and a greater focus on rapport building could result in more customers being satisfied.</p>

Discussion Questions

Think about your own customers and their experiences with your organisation. Thinking about a typical transaction, where are their opportunities to capitalise on positive impressions and eliminate negative ones.

If you don't know the answers to these questions, how can you find out?

Learning Points



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