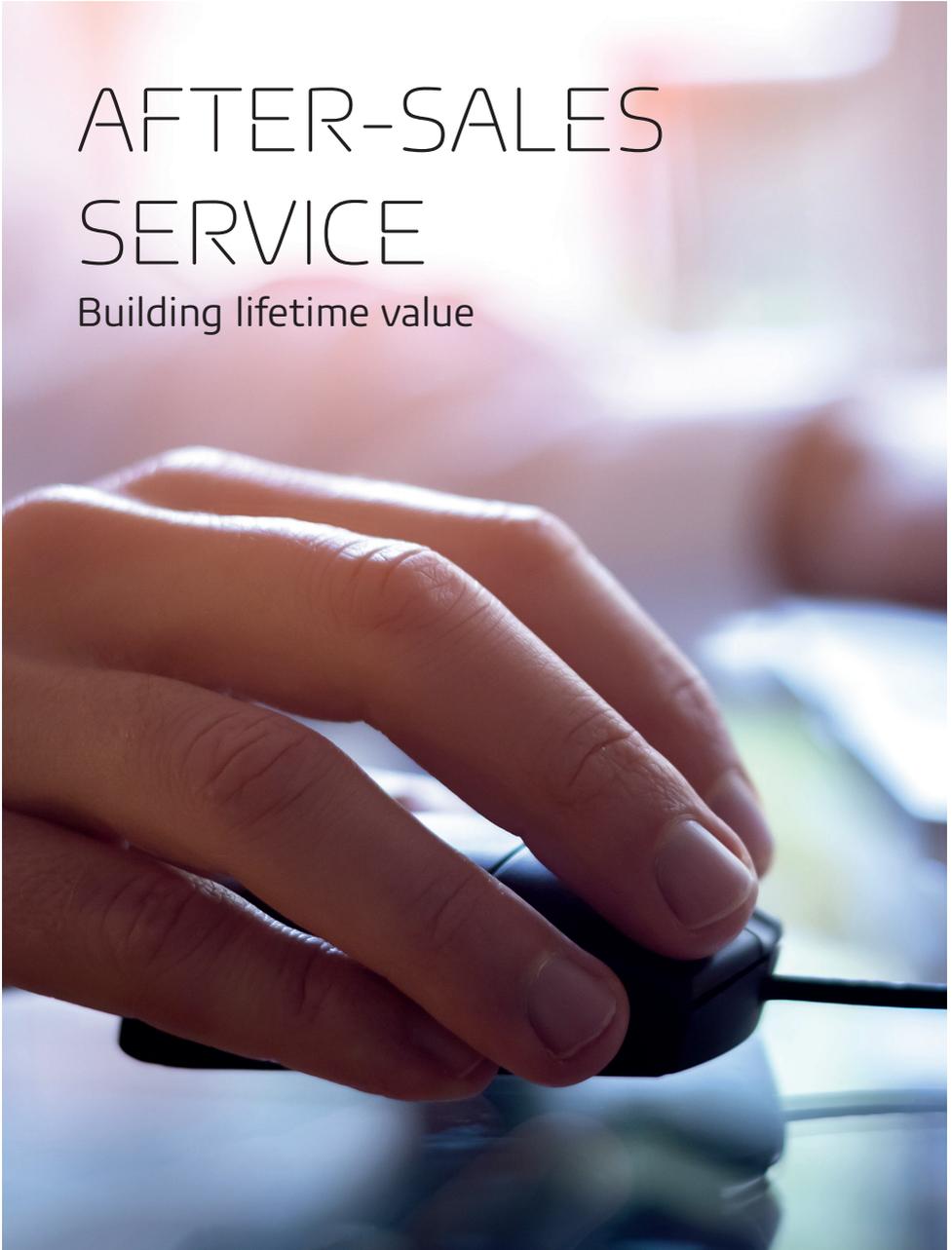


AFTER-SALES SERVICE

Building lifetime value





MAKING MEMORABLE EXPERIENCES TO BUILD LIFETIME VALUE

Today's connected consumer demands a great experience throughout the entire purchase journey – and that includes the after-sales service. In the short term that means brands need to get the basics right and provide an easy-to-use way to resolve customer issues and problems that arise after purchase. The longer term offers a real opportunity to leave the existing division of sales and service behind in favor of a brighter future: one where brands proactively take control of their after-sales service to build lifetime value through stronger customer relationships. So how can we get there?

A demanding customer – one who is prepared to walk away

Our Consumer Life survey of 30,000 global consumers found that more than half (52%) of people who aren't satisfied with a product or service will choose an alternative. What constitutes good or great service is also undergoing a transformation. As consumers experience brands in multiple categories their expectations are framed by the best examples. This means that all brands, regardless of the sector they operate in, need to be aware of what other players are doing and how that impacts what is expected of them. For instance, a no-quibble returns policy offered by one brand needs to be replicated by others if that all-important lifetime value is to be achieved. Brands that we feel offer the level of service customers demand include global players American Express and Amazon, and from the UK retail bank First Direct and retailer John Lewis.

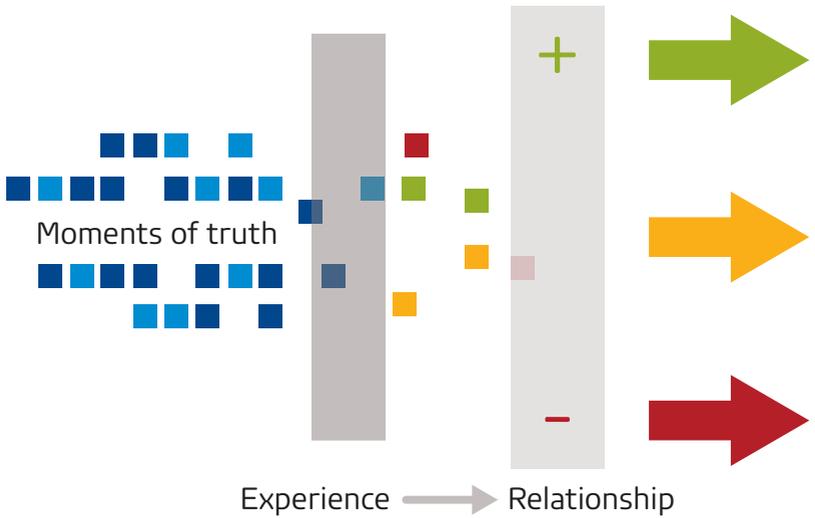
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After-sales must be more than just efficient – it needs to be memorable

Customers, of course, want the product or service to be right first time. On those occasions when it isn't, they expect easy access to a support team and a rapid resolution. When this expectation isn't met, consumers will often take to social media to share their experience with others. Our Consumer Life survey carried out in 2014 suggests that four in ten people regularly post ratings or reviews of products and services online, and more – six in ten – read these ratings and reviews. While many brands might live in fear of poor online reviews, social media provides happy consumers the opportunity to become advocates and to share their positive experiences of a brand too. Great after-sales service events are the "moments of truth" where the brand can prove it is keeping its "promises" to customers. Great or poor experiences impact the overall brand relationship as shown in our Customer Harmonics model.



GfK Customer Harmonics





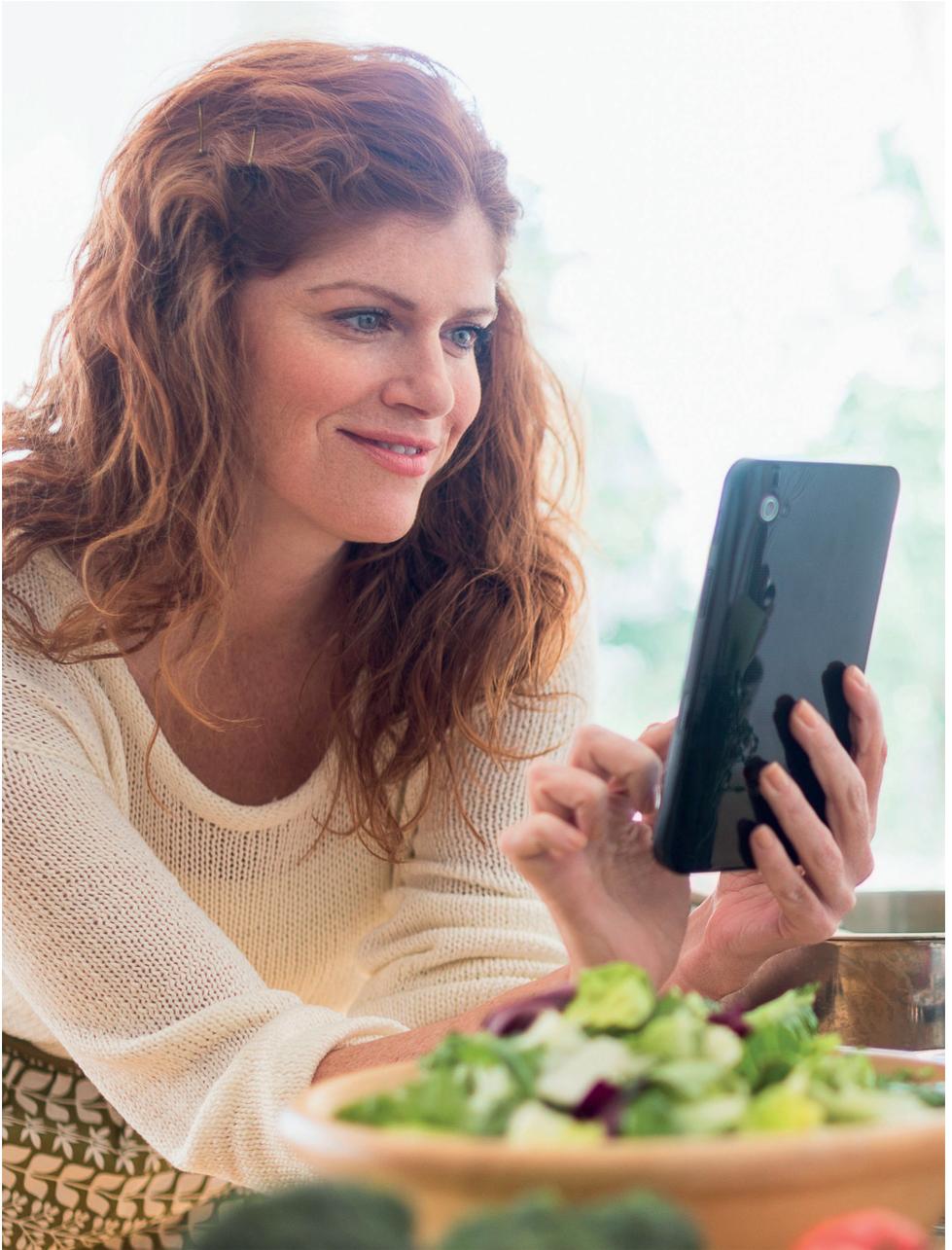
However, as technology and systems become smarter, we believe that many of today's stories about the lengths customer support services will go to resolve an issue will become tomorrow's standard. In other words, even a high quality, responsive after-sales service will no longer be enough to be memorable.

There are two key ways brands can realize this goal of memorability:

1. Proactivity – identifying and rectifying issues before the customer makes contact.
2. Empathy – showing real concern and an appreciation of a customer's individual circumstances.

Section summary

- Consumers have increasingly high expectations of the level of customer support and after-sales service.
- These expectations can be set by brands in any category, so marketers need to look beyond their sector for best-practice examples.
- Efficiency isn't enough. Experiences need to be memorable by making an emotional imprint.



Building a strong customer relationship

We've seen that brands can use the after-sales service to build long-term customer relationships by being proactive and empathetic. Another way to build strong customer relationships is to be truly customer-centric by maintaining a two-way dialogue after a sale. By establishing better communication, brands can listen to customers and proactively offer – or co-create – solutions to their issues. This may require an investment in the short term, however, as giffgaff and Linksys have discovered, done right, not only does a customer-centric approach deliver a far better dialogue, it can also provide the added benefit of significant cost savings.

Another way to build strong customer relationships is to be truly customer-centric by maintaining a two-way dialogue after a sale

- European wireless provider **giffgaff** describes itself as “the mobile network run by you”. Instead of a traditional call center it uses an innovative service model whereby all inquiries are managed through an online community of customers. Members of the community are rewarded with airtime credits for helping other customers. The result has been noteworthy response metrics and an award-winning service, not to mention significant cost savings in the delivery of the service. [Community of customers](#)

- Another is **Linksys**, a Cisco division that provides Voice over Internet Protocol (VoIP) and networking solutions to consumers and small businesses. The company needed to reduce support costs while simultaneously maintaining its high levels of customer support. They created an online support community that increased self-service participation and delivered the significant cost reductions required by eliminating the need for the expensive telephone support they had previously offered. [Online support community](#)

Stronger customer relationships can also effectively build a barrier to customer churn and, because loyal customers are often more forgiving, they can help to off-set the impact of after-sales service failures.

The hallmarks of customer centric brands

To meet the high expectations of today's customers, brands must become truly customer centric. They need to deliver consistently positive customer experiences to find and retain their competitive advantage. Investment in sales and marketing to win customers and promote new products and services must be balanced with the same investment in the after-sales service. Brands that fail to do this will lose out to those that do.

This means customer-centric brands need to re-think their after-sales service, to move from a transaction management mindset, towards ensuring that it is fully integrated and part of the continuous experience that is focused on building stronger customer relationships.

Brands need to:

1. Recognize there is no room for errors on the basics

- always be accessible and make it easy for consumers to get in contact and communicate with them
- have a well-organized, integrated and consistent approach: interactions across the brand must be cohesive and orchestrated well
- avoid the disconnects that create memorable negative experiences
- exhibit genuine empathy and demonstrate their authenticity by showing customers that they are being listened to and cared for

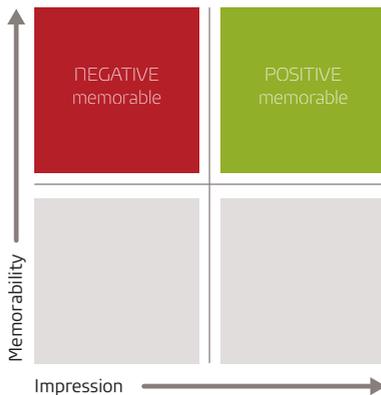
2. Move towards the next generation of memorable delightful experiences

- be proactive and responsive. Digital channels such as email, text and social media mean that consumers expect rapid responses. You must identify and resolve issues rapidly.
- be agile, collaborative and adaptive. Brands that listen to customers, that can learn from them, or co-create solutions with them, will earn the respect of customers. This is where a strong relationship starts.

- put the customer's best interests first. In some cases customer centricity is less about delighting customers or exceeding pre-existing expectations, and more about communication, education and choice.

Measuring after-sales service

As we reframe how brands should interact with customers, a more holistic measure of the customer experience is vital. We help brands to understand not only the number of interactions customers have with them post-sale but, most importantly, how these experiences made them feel. This enables us to provide new insights into the quality and emotional imprint of the after-sales experience. In a customer experience survey we ask customers to rate the impression and memorability of each after sales experience (such as a billing query or fault repair) by dragging and dropping icons representing each experience onto this grid. The best performing brands will be delivering memorably positive experiences to their customers.



Section summary

- Forward-looking businesses are re-orienting themselves to be customer centric.
- While this re-orientation requires initial investment, the strong customer relationships that result from increased customer centricity help to build barriers to customer churn.
- New measurement techniques are needed to capture how consumers feel about the after-sales service and the impact of these experiences on their relationship with the brand.

Tomorrow's after-sales support today

Here are some best practice examples from across the globe:



Samsung

The company's Smart Homes Smart Customer Service notifies users when it's time to service appliances or replace consumables and provides assistance with after-sales servicing.



Land Rover Assistance

If your vehicle breaks down, pressing the InControl Optimized Land Rover Assistance button will transmit your vehicle's location and "health" information to the Land Rover recovery service, enabling it to respond and minimizing any delay to it resolving the issue that led to the vehicle breaking down.



Caterpillar's Cat Product Link™

A similar solution is offered by Caterpillar for its business customers. The company's predictive asset maintenance solution is an interactive and in-the-moment monitoring system that identifies maintenance issues and suggests solutions to these. As a result of the system, the company has been able to offer new vehicle guarantees and reduce costs by eliminating unnecessary routine maintenance checks that result in downtime.



Tesla

A Tesla Model S vehicle enjoys regular over-the-air software updates overnight. When a driver next uses the car, they will have access to added functionality, enhanced performance and improved user experience. The brand claims it feels "like you are driving a new car". If the car is in need of repairs, it can also autonomously call for a corrective software download.



Vodafone

The Vodafone eForum, which receives around a million unique visitors every month, is staffed by volunteer Community Champions alongside Vodafone staff. As well as responding to incoming queries, the team carry out social customer relationship management and trawl the web to solve customer queries posted in more than 50 different online forums. <http://blog.vodafone.co.uk/2014/10/30/independent-forums/>



SUMMARY

Getting the after-sales service right in the short term will be easier than delivering a longer-term strategy that truly delights customers and builds strong relationships. However, we've seen that brands must bridge the polarized approach of treating sales and service differently if they are to maximize the opportunities offered by a truly customer centric organization.



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About GfK

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK's long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers' experiences and choices.

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