The magic of good service

Companies hope that "chief customer officers" will provide better service. Yeah, right

The customer is king. So some firms have started appointing chief customer officers (CCOs) to serve the king more attentively. These new additions to the (already crowded) C-suite are supposed to look at the business from the customer's point of view. They try to focus on the entire "customer experience", rather than on individual transactions.

CCOs have many assistants. Salesforce.com has a "vice-president of customers-for-life" to help its CCO. NetApp, a data-storage firm, has a "vice-president of customer advocacy". Cisco, a technology giant, has a "director of customer listening". Vanguard, an investment firm, has a "voice of client group".

A new book helps explain why this is happening. In "Outside In", Harley Manning and Kerry Bodine of Forrester Research, a consultancy, observe that customers are growing more powerful. The internet makes it easier to shop around and share complaints with a wide audience. Yet poor service persists. Mr Manning and Ms Bodine have been asking customers about their experiences with American companies for years. In 2012 a third of the 160 firms they asked about were rated "poor" or "very poor". Health insurers and cable companies fared worst.

Powerful, angry customers could spur big changes. Already, they have dumped customer-unfriendly brands, such as AOL, an internet portal, as soon as alternatives came along. They have embraced companies that serve them well, such as Zappos (an online shoe shop that lets you order, try on and return as many shoes as you like) and Southwest Airlines, a cheap but friendly carrier. Bank of America should be terrified that it is near the bottom of the customer-experience index while another bank, USAA, is right at the top.

Having a CCO may help firms that find that technology is disrupting the way they relate to their customers. The Washington Post (like most newspapers) has discovered that it must provide a constant stream of content rather than a single daily edition. Rosetta Stone, a provider of language-learning software, has found that it needs to offer interactive coaching as well. Both companies have recruited CCOs.

Will this make any difference? Companies have paid lip service to customer service for years, yet still treat customers like serfs. Mr Manning and Ms Bodine retort that companies are trying to learn from the few, such as Disney and Apple, that have cracked the customer-service code.

These firms hire for attitude rather than skills alone. They nurture a culture of service. For example, Zappos keeps a “Wow Library” of exemplary recorded calls that its employees can listen to. Circles, a concierge service, gives employees prizes, including time off, for getting high scores on customer-satisfaction surveys.

The authors also point out that companies have more ways than ever before to find out what their customers think of them. Accor, a hotel company, pores over comments on websites and sorts them into 30 different categories. Its managers receive daily customer insights that help them identify and solve problems.

Companies also have a growing arsenal of techniques to improve customer service. They identify the “journeys” that customers take—such as choosing a product, paying for it or asking for help—and then follow them on their travels to see if they encounter any problems. They invent archetypes of different sorts of customers to fine-tune their services. For example, Geek Squad, an American firm that fixes IT problems, offers one kind of service to “Jill” (who regards her computer as a utility) and another to “Daryl” (a fellow geek who likes to chat about technology). The firm encourages customers to offer advice.

Office Depot, a business-supplies chain, has built a “planogram lab”—a prototypical store near its headquarters in south Florida. It brings in customers to help design its “shopping experience” and yet more customers to test it. It also uses the old trick of forcing senior managers to play the role of customers. Adobe, a software firm, holds “customer immersion days” where it exposes managers to what customers regard as the most infuriating problems they have to deal with.

The rise of the machines

All this sounds splendid, but there are powerful forces tugging in the other direction. Customers like low prices as well as good service, and many of the things companies can do to cut costs make the “customer experience” stink. Supermarkets make you check out your own groceries. When your washing machine or internet connection breaks down, the only help you can get is from a chap in Hyderabad who speaks little or no English. Bosses like to think that big data will help them understand their customers better. But often they use new technology to build barriers between themselves and the paying public.

It is, for example, almost impossible to call a company and talk to a human being. First you spend half an hour finding the carefully concealed telephone number. When you dial it, an android answers. Frustrated grumblers have set up websites with tips on how to get past the robo-gatekeepers. (Schumpeter’s favourite trick is to pretend to be a deranged Chinese-speaker.) You’d think companies would take the hint. Instead, they have made it even harder to reach a human and set the machines to work on more complicated tasks, such as selling tickets. Wow.

These infernal devices do at least perform one useful function: they let customers measure the value of this new management fad. Phone a firm that has appointed a chief customer officer and see if you can reach a human being. If not, that CCO might as well be tossed from an executive-floor window, no doubt clutching his collection of “journey maps” and “customer archetypes”.

Fonte: The Economist, London, v. 404, n. 8803, p. 78, 22-28 Set. 2012.