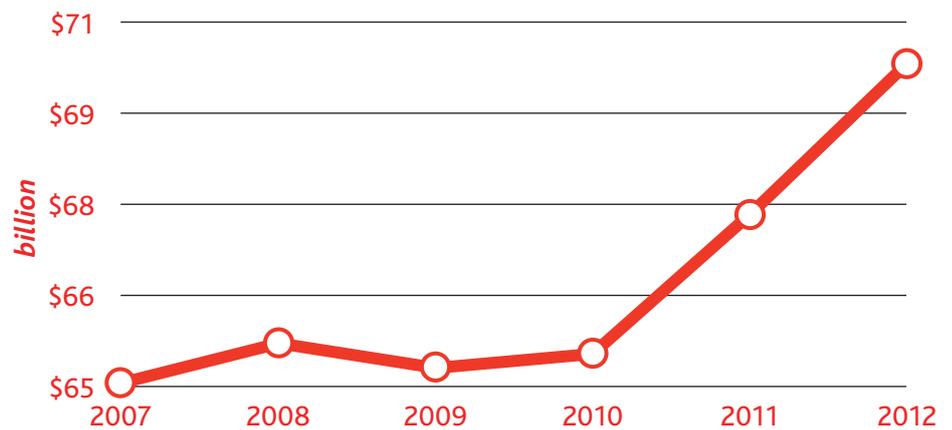


#92: Ideas & Inspirations

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The rise of the modern retailer: Five trends shaping the future of retail

Consumer trends following the Global Financial Crisis (GFC) have created an increasingly risk-averse, debt-conscious shopper. There are however, signs that things might be looking up for the retail sector. Ongoing yearly market analysis completed by the New Zealand Retailers Association (NZRA) clearly illustrates a positive trend in retail spend over the past 3 years.

It's been tough out there. However, the economy is picking up; it's also reflected in the stats between 2012 and 2013:

- The total volume of sales rose 0.5 percent,
- the total value of retail sales rose 0.9 percent, and
- 10 of the 15 retail industries had higher sales volumes.

CUSTOMERS ARE SPENDING, BUT WHERE ARE THEY SPENDING AND WHAT IS THE TREND?

It's estimated that the average consumer spend at physical stores will grow to sit at 2.2 percent year-on-year between 2013 and 2030. In comparison, online retail is set to grow at a rate of 14 to 16 percent per annum.

While online retail is predicted to grow rapidly in the next 15 years, the reality is that in New Zealand 95 percent of all retail sales still take place in a traditional bricks and mortar store as discovered by the NZRA in their 2013 Retail Market Analysis.

As the retail spend is on the rise, consumers are also developing higher, more complex needs, considering purchases at a level of depth not previously experienced, combined with a

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Words of Wisdom

"Nothing is so contagious as enthusiasm."

- SAMUEL TAYLOR COLERIDGE

Service Tips:

IDEAS & INSPIRATIONS offers a weekly customer service success idea delivered by Pod Cast. KiwiHost's Service Tips Podcasts are a 90 second dynamic service message that will inspire you to focus on one aspect of your customer service. It will get your mind stimulated to look for ways to implement real customer service improvements.

Here are the latest Service Tips from KiwiHost:

- Who are you?
- Value added customer service
- Generosity

 To listen go to more podcasts, go to:
www.soundcloud.com/kiwihost

How to go beyond humanising your brand

Consumers are being subjected to an invitation avalanche, with every company of every size, shape, and description asking people to like them, follow them, friend them, click, share, and +1 them. This is in addition to the interruption marketing tactics and findability campaigns already in existence. At best, it wears thin. At worst, it does more harm than good to brand equity and contributes to the rampant distrust of business.

There are only two ways companies can differentiate themselves within this din and derive meaningful business results.



Consumers are being subjected to an invitation avalanche

The first is to be disproportionately amazing, interesting, human, wacky, irreverent, or timely. This is where advice to "humanise" using social and new media stems from. It's also the wellspring that feeds the quest to deliver knockout customer experiences - doing so creates "buzzworthy moments" that boost awareness and loyalty. It's where real-time "newsjacking" comes into play - where your organisation is tuned so perfectly, that you can capitalise on opportunities in an instant. It's at the heart of the pitch-perfect marketing that immediately goes viral, with tens of thousands of shares on Facebook, Twitter, and beyond.

It's stuff that makes you smile, and it can create a psychological bond of kinship and recognition that yields loyalty and advocacy among consumers. I believe in the premise of amazing, interesting, human, wacky, irreverent, or timely. But here's the truth: while "be amazing" can work, it's also extraordinarily difficult.

Telling someone to be amazing is like telling someone to make a viral video. There's no such thing as a "viral video." There are videos that become viral, but they are few and far between.

The marketing of "be amazing" is the marketing of the smash-it-to-the-boundary batter in cricket. There are two by-products of that approach: an occasional sixer, and many caught-outs. You can do better. You can break through the noise and the clutter and grab the attention of your customers by employing a different approach that is reliable, scalable, functional, and effective.

It's simply this: stop trying to be amazing and start "Being Useful".

I don't mean this in a Trojan-horse, "infomercial that pretends to be useful but is actually a sales pitch" way. I mean a genuine, "how can we actually help you?" way. Quite simply, companies that practice Being Useful are followed, subscribed to, bookmarked, and kept on the home screen of mobile devices.

Companies that don't... aren't. Not because they are worse companies, but because they are trying to create customer connections based on product and price, and customers are both tired of it and able to filter through it more than ever. Being Useful is marketing upside down. Instead of marketing that's needed by companies, Being Useful is marketing that's wanted by customers. Being Useful is massively useful information, provided for free, that creates long term trust and kinship between your company and your customers.

My family is useful. My friends are useful. Companies can be useful, too. Will yours?

Five words customers NEVER want to hear!

There are five words that every customer hates with a passion.

"That is not my responsibility."

Regardless of whether you're in sales, support, marketing or management... if you say those words to a customer, that customer knows that your business doesn't care. And you've probably lost that customer too. Here's why.

From inside your company, you know which person and group has responsibility for various aspects of your business. Therefore, if a co-worker comes to you with a problem that's not in your area, you can send that co-worker elsewhere.

All the customer sees is a person - you - who represents your entire company.

If you don't take ownership of the problem and instead just point the customer elsewhere, you are telling that customer that your company's internal structure and organisational politics are more important than the customer.

Customers hate that and rightly so.

The only proper response to a customer problem is "I will help you." You should, at the very least, get the customer's contact info, then contact someone in the company who can deal with the problem, give them details of the customer's complaint, and hand on the customer's contact details. If

it's not the kind of problem that can be dealt with quickly then get a timeframe and contact the customer yourself to update them - letting them know the contact details of the person handling the complaint as well.

The moment you're personally involved with a customer problem, it's your responsibility, not somebody else's, to ensure that the customer is satisfied. Making sure that they feel the complaint isn't being ignored is the first step towards satisfying them, and making them feel like a valued customer.

Customer experience vs customer service

WHAT'S THE DIFFERENCE?

Think about the last time you received great customer service. You probably expressed that experience to others by describing it exactly as such – “that company gave great customer service!” But what you’re most likely talking about is your overall experience with the company. It’s easy to see then, why the terms “customer service” and “customer experience” would be so easily confused. Many companies claim to provide good customer service, but that doesn’t mean that

their customers are having good experiences.

“If a customer has to call customer service, then something has gone wrong with their experience.”

Customer service is an essential part of the overall customer experience, but it’s just one piece of a very large equation. Forrester Research vice president and research director Harley Manning defines customer experience as “how customers perceive their interactions with a company along each step of a customer journey, from discovery, to purchase and use, to getting service.” Notice the last two words in that definition: “getting service.” This reinforces the idea that customer service is one part of the customer experience – a small part, but still a pretty significant one.

Customer experience includes a customer’s perception of a company, a customer’s interaction with a company, and a customer’s recollection of that entire process, from

start to finish and at all touch points. Customer service is simply assisting customers and meeting their needs. It helps to shape the overall customer experience but doesn’t fully define it. Harley Manning gives us another helpful distinction:

“People call customer service when they have a problem. So equating customer service with customer experience is like saying that a safety net is a trapeze act. Yes, the net is important to the act. But if the performer needs to use the net then something has gone wrong with the show.”

In other words, if a customer has to call customer service, then something has gone wrong with their experience. Customer service, then, also functions as a last chance to turn a potentially negative experience into a positive one. However, if a company anticipates its customers’ needs, then service will be provided in the beginning (along with all other essential CX components) to help define the customer experience as “good” from the start.

By Selwa Luke, goinstant.com



Equating customer service with customer experience is like saying that a safety net is a trapeze act... if the performer needs to use the net then something has gone wrong.

The NZ Service Survey is back!

KiwiHost run an annual survey of New Zealander’s opinions of the standard of customer service they’ve experienced from businesses and organisations in New Zealand.

Once again we invited Kiwis to have their say in the 2013 NZ Service Survey, and this year our respondents proved themselves more keen than ever to let us know what they think.

The survey is now closed to further responses and our team are analysing the data so that it can be compared to previous year’s results.

Keep an eye on the KiwiHost website, kiwihost.co.nz, for further information and report announcements.

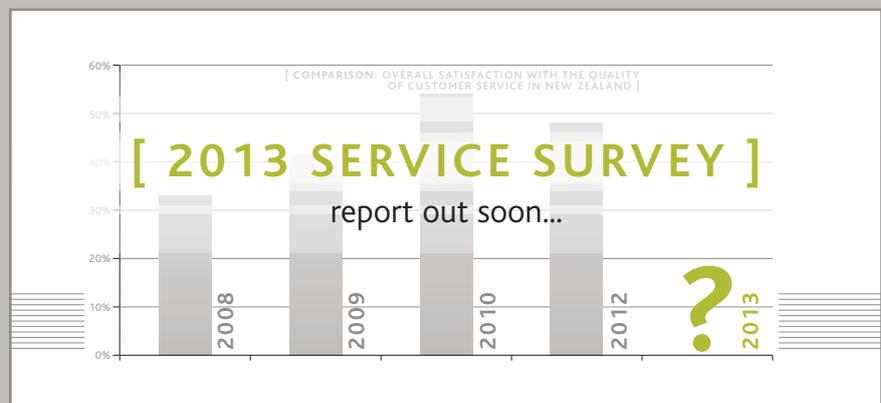
SURVEY RESULTS AND REPORTS

While you’re waiting for the 2013 Survey

reports, why not browse the findings from the 2012 Survey!

A full, in-depth, report of the 2012 NZ Service Survey findings along with

a summary report is available for download from the KiwiHost website: www.kiwihost.co.nz.



The service survey is now closed to responses, and the data is being analysed... a report on the findings will be out soon!

Don't forget about our other programmes!

ADVANCED SERVICE SKILLS FOR HEALTH CARE PROFESSIONALS

A workshop specifically for Healthcare Professionals. Learn what your patient's service expectations are and how to meet them effectively.

DEALING WITH DIFFICULT CUSTOMERS

Our NEW & IMPROVED Dealing with Difficult Customers workshop gives participants skills to manage conflict, so that they can approach disagreements with confidence that keeps personal and professional relationships strong.

TIME MANAGEMENT

Is time management an illusion? An effective ideal? A learnable skill?

In a time where the reality is the need "to do more with less" what are the secrets of the effective, productive, management of time.

Please contact your local KiwiHost representative to see if these workshops are running in your area, or for more information!

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willingness to place a premium on customer service.

Customer service is rated highly as an influencer of buying decisions. As US based researchers Ebiquity (formerly Echo), found 66 percent of customers are willing to pay on average 13 percent more if they are guaranteed a quality customer experience.

reaches when discussing a brand online. This means that quality customer service has become a key brand builder, and evolved into a commodity which consumers are willingly and regularly trading.

Consumers are beginning to spend more freely, and the opportunity for retailers to maximise their earning potential is very real.

"Opinions toward customer service have slipped with 52 percent of Kiwis unhappy with the levels of customer service they're receiving and a staggering 36 percent who believe that customer service in New Zealand is slowly getting worse."

SOURCE: KIWIHOST

We can combine this data and apply it to our domestic marketplace, accepting that 52 percent of Kiwis are unhappy with the levels of customer service they're receiving, and this segment account for \$36.6b of the total retail spend in 2012. Assuming that retailers continue to develop their customer experience to increase consumer confidence and satisfaction, there is an additional \$4.8b just waiting to be spent with retailers committed to providing quality customer service.

Adding to this, the advent of social media has effectively doubled the audience a customer



Customers are spending, but where are they spending and what is the trend?

To capitalise on this opportunity however, retailers are required to hone their skills in providing exceptional customer experience, to unlock that potential 13 percent increase.

By Redseed
www.redseed.me

Download the free white paper to find out how retailers are creating new and exciting customer experiences to increase their margins.

TO DOWNLOAD THE FREE WHITEPAPER GO TO:



www.redseed.me/kiwihost



Infographic of the influence of social media on your customers' audience

Social Connections:

FOLLOW US ON FACEBOOK for insights, updates and specials.
www.facebook.com/kiwihost

OR LINKEDIN for news & updates.
www.linkedin.com/company/kiwihost-limited

LISTEN TO OUR PODCASTS ON SOUNDCLOUD
www.soundcloud.com/kiwihost

AND WE'RE TWEETING!
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