6 potentially damaging enterprise customer service myths demystified

Exceptional customer service is a key brand-building element in the brand management strategy toolkit to make brands attractive. In the ever-challenging task of integrating and aligning the marketing, brand and sales strategy, marketing professionals and brand strategists must ensure to extend their strategic focus to customer service. Amidst the myriad marketing technology tools available to us, proper customer service is often left as an after-thought, which is only dealt with when a "customer issue" arises.

Aki Kalliatakis is the founder of The Leadership Launchpad and has been working in the world of customer service since 1989. An expert on customer service, he sat down with us to bust six myths about customer service and four reasons why these myths must be demystified.

What are the top six myths about customer service and delight?

1. Customer care and customer loyalty are "nice to haves."

After all, goes the logic, being nice to customers doesn't show a big ROI (return on investment.) Don't they just buy what they need, and if we supply it at the right price we should be okay? Nothing can be further from the truth.

There is ample evidence that taking care of customers has a specific and measurable return. They come back, again and again, which has a number of implications: we spend less on marketing and sales to loyal customers, and don't have to focus as much on keeping rivals out, they tend to be far less price sensitive, the cost to serve them reduces as we get to know them better, they are more open to cross-sales and upgrades when they are happy, and they tend to be far more forgiving if things occasionally go wrong. In addition they are far more likely to refer and recommend the businesses, which they trust.

2. Unhappy customers don't do too much damage, especially if we contain it

When you count the cost of replacing lost customers, the damage of a poor reputation as more customers use social media and traditional media to tell others about their experiences, the amount of effort and cost needed to deal with complaints and problems, including fixes, refunds and ex-gratia payments, the negative effect on morale of your staff, but the positive effect on your competitors' morale, and the loss of all the positive consequences mentioned in the point above, they cost is too high.

3. Satisfied customers will come back

Unfortunately not true. In today's connected world where customers find it easier than ever before to make the right choices at the right prices, they need to feel tied to your organisation at the hip, or they will be lured away. There are many, many ways of creating loyalty and adding value for your customers, (see below.)

4. Creating a culture and infrastructure for customer loyalty is relatively easy

It's not about a few kind words and a smile. There are at least 82 ways to add value for customers, to create better relationships, and to hook them into doing business only with you. And the best news of all is that these are relatively cheap, and even free. Nevertheless, it’s about something much deeper than training staff. It requires your business to make some dramatic changes to the very fabric of your company and its operations.

5. Loyalty is about loyalty programmes and rewards

Absolutely untrue! These types of programmes are enormously expensive to plan, launch and implement, and have a very short-lived result. (Remove the incentives, and customers flock to other suppliers.) In addition, they are open to fraud, cheapen your brand, and you lose all advantages when your rivals imitate what you have done. And now the taxman is going to tax these, so your customers will demand more.

6. Customers love call centres

Yeah, right! Just ask them. Managers love call centres because they are relatively cheap compared to the alternative of face-to-face contact. It has become a necessary and forced evil.

So why is it crucial that these myths be debunked?

1. The world around us has changed dramatically

Today the customers make the rules. As Chris Anderson, Editor in Chief of Wired magazine, wrote: “… a company’s brand is not what the company says it is, but what Google says it is. The new taskmasters are us. Word of mouth is now a public conversation, carried on in blog comments and customer reviews, exhaustively collated and measured. The ants have megaphones now.”

2. “We are living in the age of the never-satisfied customer.”(Tom Peters)

3. Traditional marketing and sales don’t work anymore

Customers are bombarded with too much one-way communication, and are cynical and distrusting. Enough "Spray and Pray" – it doesn't work. Only 14% of customers actually believe that what they see in adverts is true. Over 90% trust their colleagues, friends and even strangers on social media.

4. Companies waste too much time on issues irrelevant to customers

There is little or no understanding of what customers really want (and don't want.) There is also too little understanding of what is special and unique about the company. And there is too much happening in the company that customers don't care about.

Like any good urban tale, if these myths are not demystified it can live in our enterprises' marketing ecosystems for a long time, causing damage to brands. Developing superior customer service as a competitive advantage is an imperative to strengthen the brand, which in turn improves sales.

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8 hot tips on attracting and retaining top tech talent from Dragon's Den investor James Caan

James Caan was part of the panel of investors of the popular business BBC TV show, Dragons' Den. The founder and CEO of UK-based Hamilton, Caan began his career in recruitment and founded the people-sourcing business Alexander Mann in the mid-1980s, which was later sold in 1999. Passionate about the SME sector, he will visit South Africa later this month to speak at the M2B (Millionaire to Billionaire) event.

Recruiting competent, high-calibre IT talent is a constant challenge for technology-oriented companies. Attracting and retaining the best talent globally is challenging and also costly.

I managed to catch James ahead of his visit to South Africa, and chatted to him about his recruitment advice for local technology companies. He has an exceptional grasp of the challenges that recruitment businesses face and provides technology companies with eight points to consider for attracting and retaining top IT talent.

Top four recruitment tactics to optimise employer-branding efforts

1. Create an engaging environment for your current employees to work in

You'll be surprised at how quickly word travels within the recruitment industry – so, if your staff enjoys the working environment, then their industry peers will sit up and take notice.

2. Offer rewards or bonuses for employee referrals

This encourages your staff to network which is a key element of any good recruiter – and also means people who come into the business have a good idea of what it's like to work for you.

3. Analyse your online presence carefully and make sure that it communicates your brand the way you want it to

This includes everything from your website, to your company LinkedIn and social media pages. Recruiters spend more time online now than ever before!.

4. Focus on the journey that you offer to your employees by understanding their needs and expectations

Too many companies simply focus on what they are doing now – be sure to explain what your long-term vision is for both the business and people who you are hiring. How will you help them develop in their career and grow as an individual?

Top four retention strategies / tactics to retain top technology talent

1. IT is an extremely fast growing market and there's no doubt that quality staff is always in high demand

There are a number of ways you can retain your employees – starting of course with, financial incentives. Work with your HR department to analyse market rates, and ensure that your staff are being rewarded at a satisfactory level. I always try to link bonuses to performance.

2. However, financial incentives will only go so far!

You need to create a greater attachment between your employees and the business. Firstly, look at the culture of your company. How freely do ideas flow within the company? Create an environment where anyone can voice their ideas, no matter what their seniority level is. By doing this, you are showing that everyone's input is valued, and that they can all contribute to taking the business forward.

3. All team leaders should be able to understand the people they are managing

Make a concerted effort to understand what makes your employees tick rather than viewing them as just another number. What style of management suits them best? The better you understand them the more chance you have of holding onto them.

4. Recruiters have to be seen as experts in their sector, so managers need to make sure they are constantly up to date with the latest technology and skills

This is especially important in the IT world! If employees get the feeling that their manager genuinely wants them to develop, they are less likely to leave when approached by other companies.

Having spent over ten years in a technology environment, I speak from experience when I say that this advice is very relevant to local technology staff sourcing. Absolutely sound advice!

If you would like to attend James Caan's talk on 26 April 2014 at the Sandton Convention Square, I have 10 tickets to give away. Please e-mail me on chani@tothedots.com if you would like to attend James Caan's talk to learn invaluable business building lessons.

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About Chani Macauley
Chani Macauley is owner and consultant at ToTheDots. She has over 13 years professional senior business management experience serving on the Executive Committee of a Cape Town born technology company in a Financial Manager and Marketing Executive capacity. Chani holds a B.Comm Honours degree in

Strategic Cost Management obtained at the University of Cape Town , a B.Comm degree specializing in Information Technology and Industrial Psychology at the University of the Western Cape and is certified as a Marketing Practitioner by the Marketing Association of South Africa and holds a certification from CIMA (Chartered Institute of Management Accountants).

She is also a contributing author on Memeburn – http://memeburn.com/author/chani-macauley/

[Measure these 3 non-financial marketing metrics and optimise your growth]()

As a marketing executive I've learnt that marketing strategies may require adaptations as the implementation process unfolds. Yes, even the best strategies! All businesses are challenged to attain and maintain a competitive edge, market position as well as customer retention strategy. The IT sector is dynamic and it is an intensely competitive marketplace, fast-paced and innovative.

Competitive forces beyond the control of the organisation make agility in strategy execution and data analysis key. Those responsible for marketing have to ensure; (1) that the strategies pursued works well with the changing market and competitive environment in which they operate, (2) marketing and branding efforts are measured to achieve the planned results, and (3) also ensure return on the marketing spend.

There are myriad metrics to apply to measure marketing initiatives. The pace at which business operates make it essential to have metric systems that are simple to execute and effective. The insights obtained from the metrics allow for strategy adaptations to optimise brand and marketing campaign executions. The following three non-financial marketing metrics can help guide and measure your brand and marketing efforts to enable informed adaptations.

Metric 1: Brand Awareness
Are you the first choice for a particular service? Do you know your position in relation to that of your competitors? Track the impact of your brand marketing by applying this low cost, easy to execute metric. Ask these two simple questions:

1. For service / product (e.g. cloud based accounting software solution), what is the first product you think of?
2. For service / product (e.g. cloud based accounting software solution), what other companies have you heard of?

Gathering the relevant data can be done through telephone interviews, online surveys or through casual industry networking forum engagements. The metric goal is to use these simple questions to help you to understand the positioning of your competitors relative to yours, and further understand how your product or service is received.

Metric 2: Churn
Do you know how many customers are not acquiring your services or buying your products? Churn rate is simply the percentage of your existing customers who choose not to engage in your

business. In other words, they no longer buy from you. Depending on the type of business and volumes of sales engagements, the churn rate can be calculated periodically.

Whether measured annually, every 120 days, 90 days or 30 days, this metric has a significant impact on the bottom line and is a key metric to apply for measuring customer loyalty. The metric goal is to reduce the churn rate.

Metric 3: Take Rate
How many customers actually act on your call to action or accept the offer? Whether it is to download a white paper, sign up for free trial software, accepting a telemarketing offer or responding to an advertisement via text, the effectiveness of a marketing campaign should always be measured.

For example, let’s assume that you are in the IT training business and your campaign offers a discount of 20% to anyone who signs up for your coding workshop. The campaign costs you a total of R10 000 in direct and indirect costs. It is sent to 1 000 customers on your mailing database and 200 of the targeted customer base take up the offer.

Divide the number of uptakes (200) by the number of customers you engaged (1 000) equals a take rate of 20%. At an acquisition cost of R50 (R10 000/200) per workshop attendee assuming that the workshop cost is R500 per person, the projected turnover for this campaign is R100 000.00.

Sounds good, right? Now, assume that it’s not a training business but a stationery company’s campaign selling sticky notes at R20.00 per pack. The acquisition cost of R50.00 would equate to a losing demand marketing campaign. The turnover on the campaign would be R4,000.00 while the total spend is R10,000.00 resulting in a R6,000.00 loss.

The metric goal is to improve the cost side of marketing by increasing the take rate and reducing the customer acquisition costs.

To reiterate and conclude

These metrics are effective because of its simplicity and quick feedback. Insights allow for adjustments of strategic and tactical executions in an agile way. It enables performance improvement of marketing initiatives, customer engagement and takes a snap shot of the returns on a particular campaign spend. These metrics can be measured without involving the entire finance department.

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5 ways to clamp down on the cost of your next IT project

When I was the Financial Manager of an IT services company, I worked alongside the Operations Executive and the Managing Director. We had a good, controlled financial and cost management process in place. We were also aware of our clients' (mainly CIO's and senior IT managers) needs to do more with less.

The increasing pressure on organisations globally to generate value for key stakeholders, shareholders, customers, employees and the environment have forced senior management of divisions to look at managing costs more efficiently. Our ability to connect globally 24/7 has placed added demands and strain on organisations to shift to information technology (IT) solutions which enables agility to perform essential service processes.

However, due to the enormous costs associated with IT, never before has it been more crucial for IT Managers and Chief Information Officers to have good, controlled divisional financial and cost management processes in place. There is increased emphasis on project delivery agility, shorter delivery time for customer service needs as well as pressure to do more with fewer resources. It is essential that due diligence is exercised in every step of the IT investment and cost management processes to ensure that the value driven ecosystem is serviced.

Furthermore, it is important that top-level executives who require IT intervention are supported by the CIO's initiatives and vice-versa. They should focus on five core issues to make sure that IT is managed effectively and efficiently.

1. Identify a clear ROLE for the IT budget
Work together. Unless senior management agrees on a clear role for IT, there will always be the potential for IT costs to spiral out of control. IT professionals are challenged with fewer resources and companies are constantly looking at cutting back costs.

2. Keep VALUE in mind
Focus IT spending where it delivers the most value. IT managers need to be able to show how their IT investment will meet the company's strategic objectives and, in turn provide a return on the IT investment. If the project goes off the rails completely, don't be afraid to close it down! It is okay for your ego to suffer in the short-term rather than for your career to suffer in the long term.

3. OUTSOURCE intelligently
Those responsible for IT at the top levels should consider renegotiating outsourcing deals to improve commercial terms.

Conduct a due diligence review across the entire IT services portfolio to establish whether there is a benefits case for expanding current levels of outsourcing, shared services or offshoring agreements.

4. Take a ride on the CLOUD
Moving select IT capabilities to the cloud can save valuable monetary and people resources. In this way, it can be used to drive innovation by spending more on Research & Development, improving productivity, optimising communications and delivering efficient customer service.

5. Audit IT
Look at the overall needs of the IT department – per computer head to avoid unnecessary license, software and hardware purchases. All applications in the organisation must be rationalised to create value and add to the strategic objectives.

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