

Enhancing customer relationships

How can you leverage information from your customer to gain insights?

Customers now have an unprecedented ability to voice their views on brand and product experiences - Are you truly listening to your customers?

Are you acting on what they are telling you?

Customers are speaking out

55% of consumers have provided positive or negative comments about their experiences with a product or brand on social media.

88% of customers, however, will return to a retailer or consumer goods company that apologised following a bad experience.

Responsive times are short

50% of customers will tell others about a bad experience within a week, 69% within a month of having a bad experience.

Source: PwC Experience Radar: Retail industry, PwC Total Retail Survey

The voice of the customer is rapidly increasing.

Complaints, returns and feedback offer real value and insights to differentiate your brands and products in the market.

Customer intelligence generates masses of data, but are you using this to its fullest potential?

The rise of social media has provided customers with an unprecedented ability to learn, recommend and have a voice on their retailer experience to a much larger and broader audience. The result is a market where customers are more sophisticated, more demanding and more empowered to negotiate the purchase decision and experience what is right for them.

A strong Customer Intelligence framework encompassing insights from complaints, returns and other feedback channels is crucial to customer retention and bottom-line profitability. They should be considered as an opportunity to drive brand advocacy and loyalty with customers, turning a negative customer experience into a positive one. These insights can also help identify and manage emerging risks to the business, be it from product functionality, the customer experience, problematic suppliers or the overall consumer experience.

Retail and Consumer Goods companies are developing more sophisticated approaches and frameworks to manage customer insight. While they are gathering much more data, their approach to using the information gained to become more agile in their decision making and execution of strategy is variable.

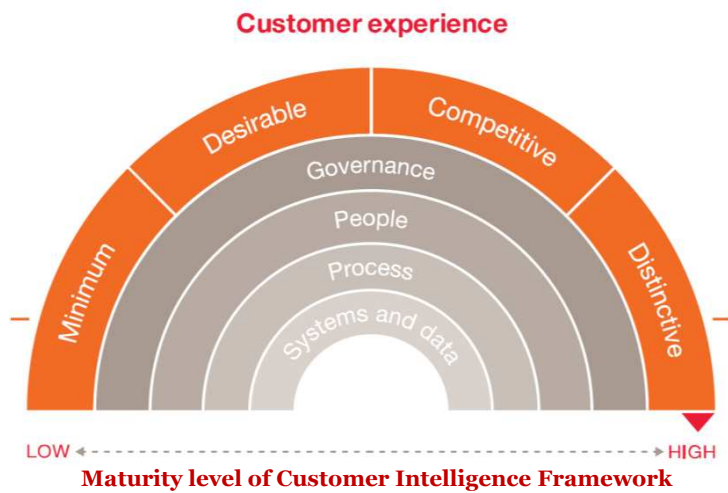
Complaints can provide valuable insights to improve the customer experience with your brands and products

Retail and consumer goods companies have the ability to tap into a significant source of commercial and strategic information– the feedback of their customers. Information received from customers via feedback and complaints channels, social media and returns offer a company key insights on how products are trending in the marketplace, and also act as a catalyst for managing emerging risks to the business.

Unfortunately, many companies can find the weight of information received a burden rather than an opportunity. Many companies also lack the strategy, training and framework to analyse the data, alert agreed management in the business and drive accountability to close out risks identified in a timely manner.

A company's ability to have a systematic response to customer complaints is increasingly important in meeting the expectations of your internal and external stakeholders, from regulators to shareholders. The market has seen an increase in regulator (e.g. ACCC) interest in how organisations respond. A rapid, well-managed response can strengthen your brand.

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Customer Intelligence Framework in practice

The framework focuses on four critical success factors to enhance the customer experience: governance, people, process, and systems and data.

Systems and data

- Consistent set of systems and tools.
- Complaint data aggregation from all sources, including all channels, lines of business, and regions.
- Applying analytical techniques provides insights from complaints, returns and insights.
- Analysis of feedback to identify issues of dissatisfaction and emerging risks.
- Integrated intake of social media complaints.
- Standard reporting and analytics platform/tools requirements.

Process

- Customer touch point inventory.
- Standard process across all lines of business, channels, regions, and third-party service providers.
- Complaints taxonomy incorporated into social media monitoring.
- Definitions of common escalation triggers and hand-off procedures.
- Continuous improvements based on multiple feedback loops.
- Correlation and measurement against strategic objectives.

People

- Training consistency and competency evaluation.
- Specific training on identification of high-risk complaints.
- Employee authority and empowerment.
- Monitoring and assessment.
- Individual performance metrics.
- Incentive programs to encourage appropriate employee behaviours.
- Sustainable change management planning.
- A culture that values insights from complaints and returns.

Governance

- Definitions of complaint, dispute, and inquiry.
- Complaint program structure.
- Legal and quality controls and oversight.
- Assessed complaint management policy.
- Standard common reporting and key performance indicators (KPIs) across lines of business, channels, and regions, including third-party service providers.

Become better listeners

The starting point to building a customer intelligence framework is to assess the sources through which you receive complaints, feedback and insights from your customers.

An obvious source is often from your internal returns, refunds and exchange data. This source should be analysed to identify trends or spikes for your products or services. Other sources could be through social media or consumer advocacy forums.

Staff should be empowered and properly trained in responding to complaints and returns at first contact whenever possible and appropriate. If staff are able to respond to customer complaints at first contact, it greatly enhances the customer's experience, and generates an opportunity to make a positive experience from a potential negative one. Customers will feel that a response is tailored to their situation and not just part of a generic process. It further ensures information is collected at the source, with better accuracy.

If the complaint can't be resolved on first contact, the framework should be in place, inclusive of appropriate and dedicated Staff/Managers, with ownership of the overall complaints process and clearly defined escalation procedures within the organisation. This includes Management Committee and Board reporting in relation to how they are managed and closed out, with key themes and risk root causes identified.

Develop a process for sustainable resolution

A customer intelligence framework should not aim to merely 'respond' to a customer, but it should aim to resolve, investigate and close out the issue for the customer and also for the company to prevent reoccurrences for other customers.

Effective resolution requires an investigative process targeted at root cause identification, analysis and a tailored solution so that management has the confidence that future customers will not be impacted by the same issue.

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In most cases retailers and consumer goods companies will already have the elements in place for an effective customer intelligence framework. What many companies are missing, however, is a formalised structure which enhances accountability of an issue, consistency of resolution and customer experience, as well as enabling greater visibility to management as to the types of issues arising with their root cause and any potential emerging risks.

The policies and procedures should ensure that everyone is clear on the steps involved when receiving feedback, the consistent assessment and prioritisation of the feedback based on pre-agreed parameters, escalation procedures, and who is responsible for the ultimate resolution to the customer and the organisation.

Policies and processes should be supported by the appropriate case management system. This allows an audit trail of action taken to assist with investigation and any regulatory requirements. It also automates and increases the efficiency to assist workflow, ownership, reporting, trend analysis and oversight. It is critical that users of the system are appropriately trained to use the tools, that they are easy to use with the right people having access to the right information for their role and responsibilities within the process.

However, effective management of customer intelligence, of the risk and opportunities it poses, relies on much more than a formal set of policies, procedures and systems. It is about building an environment where the right people, do the right thing, at the right time.

This requires a strong culture that supports effective risk management - i.e. risk culture.

A strong risk culture can:

- Help prevent issues with an organisation, or for existing issues to be dealt with in a more effective manner.
- Add value to a business by improving performance of employees.

Utilise data to create actionable insights

With dedicated complaints handling staff, and consistency of feedback handling within the business, data from a case management system can be utilised to identify trends and areas of strategic focus for the business. This enables a business to proactively listen to noise to identify and resolve issues before they escalate and come to the attention of regulators and/or the media, having broader implications for the retailer's brand.

How can a customer intelligence framework add value to your business?

Establishing a customer intelligence framework is imperative to offering customer centric solutions by creating a system in which you can listen to and engage with your most valuable asset - your customers.

A framework with streamlined roles and responsibilities in responding to customer feedback drives improved ownership and transparency in reaching a solution for the customer. This offers greater visibility of the customers' views, ongoing opportunities for continual improvement, as well as improvements to your competitive advantage.

A comprehensive customer intelligence framework can help you increase revenues through:

- Being an important input to business and product strategies and identifying customer stress-points by listening, analysing, and acting on customer feedback.
- Improving the customer experience by conducting root cause analysis into the complaint, return or insight. This would also allow greater collaboration with suppliers on product development.
- Turning complaints into ideas for new products and offerings by tuning into the customers' opinions on the product offering and brand.

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- Determining your products and service offerings that resonate with customers rather than creating detractors.

A structured complaints and feedback framework can also help reduce costs by:

- Cutting complaint volumes by implementing a continuous improvement program.
- Centralising complaint management processes and procedures across all lines of business and functions.
- Improving the customer experience and the complaint process with lower cost channels such as social media and mobile devices, to enable customers a quicker and easier output to communicate their issues.
- Helping organisations demonstrate they are truly customer centric in their thinking and approach.
- Help identify "problem products" with suppliers.
- Improving your organisation's risk culture by ensuring complaints and returns insights are seen as an opportunity to mitigate and prevent risks to your staff, customers and brand.

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