ENHANCING ORGANIZATIONAL EFFECTIVENESS THROUGH CUSTOMER ENGAGEMENT

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Abstract

Customer satisfaction is "merely the entry point for achieving a deeper foundation that rests on total customer engagement," by Benson Smith and Tony Rutigliano.
Everyone aims to satisfy the customers: in fact, you and your competitors may have the same customer satisfaction ratings. What will set you apart from your competition and ensure the growth of your business is to satisfy your customers to the point that you engage them. An engaged customer is the most valuable asset of any organization. Engaged customers assure a business of sustained and profitable growth. They are the first who will continue to repurchase your products, and the most likely to recommend you to other people. Your goal, therefore, is not just to generate sales, but bring in loyal and engaged customers. So today, leveraging customer contributions is an important source of competitive advantage – whether through advertising, user generated product reviews, customer service FAQs, forums where consumers can socialize with one another or contribute to product development.
This paper examines the concept of customer engagement, principles and process of customer engagement, engagement metrics to measure customer engagement, strategies for engaging with customers online, how engagement drives business success & recent trends in customer engagement.
Keywords: - Customer Engagement, Online processes.

1. INTRODUCTION

"The key to winning a leading edge is in building customer attachment to you, your company, and its products and services." -- Steve Ma. Reyna
Customer engagement (CE) refers to the engagement of customers with one another, with a company or a brand. The initiative for engagement can be either consumer- or company-led. The medium of engagement can be on or offline. Customer Engagement is the emotional connection or attachment that a customer develops during the repeated and ongoing interactions. Engagement accumulates through satisfaction, loyalty, influence, and excitement about your brand. Organizations who engage customers to the point where they are moved to behavioral change do so by creating opportunities for emotional connections through ongoing,

consistently positive experiences. When customers are engaged with an organization, they are emotionally connected, passionate about its products and services, as well as aligned with the purpose and direction of the organization. With greater access to information, more sensitivity to price, and less sensitivity to advertising, today's customers are harder to win and keep. The key to acquiring and retaining customers in this environment is to engage them — to participate in an ongoing, two-way conversation with customers that creates:

- **A deep emotional connection with the brand**.

Engaged customers have strong positive feelings about a brand ranging from high brand affinity to passionate zeal.

- **High levels of active participation**. Engaged customers don't just feel strongly about a brand, they act on those feelings. These individuals proactively visit stores or Web sites to check out what's new, talk about the brand with family, friends, and colleagues, visit online forums to get advice from professional peers, provide feedback that makes products and services better, and contribute content that helps other people buy, try, or use the company's products more effectively.

- **A long-term relationship**

Engaged customers interact with their favorite or most useful brands regularly. And with each positive interaction, their affinity for the brand is strengthened, making them more likely to return, repurchase, or extend a contract [1].

2. PRINCIPLES OF CUSTOMER ENGAGEMENT

Engaging your customers begins with understanding how your customers would like to be served. This is regardless if they happen to be in a hospital, hotel, spa, bank, law office, travel agency, or a taxi. The declaration is clear. If you take care of your customers, value their patronage, and provide them with memorable service, then they will return to give

you more business. Follow the 7 principles, and your customers will always follow you: -

- **Principle 1 - Be eager to serve**:

Being eager to serve your customer is more about perception than anything else. When the customer walks into your business, is the staff just mulling around or do they appear to be ready to serve? The same applies for service provided over the phone. Does the phone ring 10 times before it gets answered or is there a standard for it to be answered within three rings? This principle is about being prompt in every sense of the word. The customer should not have to wait...ever. If they do, it is your responsibility to apologize for the delay. At the very least, when waiting is inevitable, be sure to acknowledge those customers who are waiting even if it's not their turn. A simple gesture like a smile or eye contact should suffice.

- **Principle 2 - Be welcoming**:

Many companies and service professionals rightfully note that this is the first step of service. No matter what anyone says, true service does not begin without a warm welcome or greeting. The purpose of this principle is to let your customers know that not only are you ready to be of service, but that you are happy they chose your business instead of your competitor's. After receiving your welcome, the customers should instantly feel they made the right choice to patronize your business. They should be excited after the initial greeting because you want them to believe that the rest of the service experience will be one hundred times better than the welcome. This is also a great time to get your customer's name so you can better personalize the service experience. Be careful not too overuse the name as it may begin to sound planned rather than genuine. It can just as easily become a customer dissatisfier if used too many times in one service interaction.

- **Principle 3 - Create an inclusive atmosphere**:

Creating an inclusive atmosphere means involving all parties. In this case, being inclusive is about the service provider creating a relationship that transcends the static nature of a one-way experience in favor of dynamic two-way experience. It is the difference between taking my food order and inquiring about my favorite types of food so the server can suggest the right dishes. It is the difference between selling me a house, and getting to know my preferences and me so you can find the "right" house. To be inclusive means to involve the customer in the service they are receiving. The customer is more than just the recipient of the service; they can be an important part of how the service is delivered. Challenge yourself and your team to find out your

customers' preferences, then act on them, and share them.

- **Principle 4 - Create a total experience**

Creating a total experience begins with having the right people in the right roles. It means that the greeter must be the person with the most welcoming personality on the team and have the biggest smile. It also means that every person the customer comes in contact with should not only like other people, but they should be happy and excited to be of service. Perhaps the biggest thing to remember about creating the total experience is that the experience is comprised of many touchpoints. Touchpoints may vary from answering the phone, to escorting a customer down the hallway; the point is that the overall experience is built on individual touchpoints.

- **Principle 5 - Turn customers into ambassadors**

Turning customers into ambassadors is about fostering loyalty. Successful businesses don't measure their success by the amount of new customers they get, they measure success by the amount of business they receive from their existing customers. This is sometimes referred to as organic growth. You want your business to be the first choice when existing and potential customers want to purchase a particular product or service. It doesn't matter if your business is selling rooms, food & beverage, ad space or even hospital beds. Your customers need to know that you look forward to serving them again in the future.

- **Principle 6 - Offer a gracious goodbye**

Offering a gracious goodbye is an extremely important principle, yet it can be very easy to bypass. Some service providers feel that after they have given the customer what they paid for, then service is done. Not so. Everything has a beginning and an end. Service is no exception. The purpose of the gracious goodbye is to thank the customer for their patronage. The customer did not have to patronize your business. Every customer should be reassured that their decision to spend their money with you was greatly appreciated. In fact, one best practice is to inquire if there is anything else you can do for your customer. And this is after you have provided the customer with what they came to purchase in the first place; no matter how small the request.

- **Principle 7 - Earn your customers' confidence...reap the rewards**

The rewards here are not just repeat business and referrals. Rewards know that you have made a positive impact on someone's day. You should be confident that the service that you and your team provided made a difference in how that customer views your industry. You are not just doing a job; you are representing your team, your company, and

110

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your industry. Like any relationship, earning your customer's confidence is about building trust, and trust is built on doing what you say you will do every time. So commit to fully engaging every customer you have. Use your team huddles and department meetings to engage your team in a meaningful dialogue about the importance of engagement. As customers become more savvy shoppers, simply competing based on fancy equipment or "bells and whistles" won't suffice. Today's customers want to feel like you value and appreciate their patronage, or they will simply go somewhere else. [3]

3. CUSTOMER ENGAGEMENT PROCESS

"People improve when they have no other model but themselves to copy after". The process includes engaging the customer during the following phases:

- Lead Qualification
- Selling the Solution
- Implementing the Solution
- Maintaining the Account

This roadmap includes all aspects of a customer engagement: from the players and activities involved to the relationships that need to be developed along the way. Key elements of the process are the collaboration and criteria required to move through the process.

- Engages in a working partnership and process based on collaboration and mutual trust. Develops a working partnership with client to:
  - Clarify business goals and objectives
  - Identify the process used to engage the customer.
  - Assess aspects of the process.
- Document the process and provide a roadmap to those personnel who interact with the customer.
- Provide training on the process to anyone involved in the process as well as specific training on sales tools, and skills and techniques utilized.

Develop a reinforcement strategy to ensure retention of information, behavior change and adherence to the process. [1]

4. STRATEGIES FOR ENGAGING WITH YOUR CUSTOMERS ONLINE

This part of the paper consists of some figures about customer engagement. These figures are taken from "The second Annual Online Customer Engagement Survey" in 2008 by Cscape. The second Annual Online Customer Engagement Survey attracted over 1000 responses, making it the world's largest survey on the subject. This report outlines how customer engagement remains an imperative issue for organizations, and your answers to the survey provide valuable insights into the reasons why. The results indicate where the focus for agencies and businesses will be in the next 12 months, how critical you think some of the recent developments in the digital environment are and, perhaps most importantly, why they will be significant for you in the near future. This section looks the extent to which a variety of methods are being used to drive online customer engagement is shown in Figure 2 and Figure 3, arranged in order of how commonly they are being employed. Blogging and video-sharing sites are the methods most frequently being used, with 21% of company respondents using each of these tactics. These are the five most commonly used tactics:

1. Joint. Blogging sites 21%
2. Joint. Video-sharing sites 21%
3. Social networks 19%
4. Web-based widgets / badges / gadgets 18%
5. Social knowledge-sharing 17%

These are the tactics most commonly being planned by companies:

1. Web-based widgets / badges / gadgets 39%
2. Blogging sites 36%
3. Desktop-based applications / widgets/ gadgets 35%
4. Joint. Social networks 32%
5. Joint. Social news sites / bookmarking 32%

It can be seen that the tactic most likely to be on the radar is the use of web-based widgets, with just fewer than 40% of companies saying they are planning this. Widgets are an increasingly popular vehicle for engagement because they can give visibility to brands, products and services in an increasingly fragmented online world. The figures show that social networking sites are being used or considered by half of company respondents, a finding which is surprising because it was seen in the previous section that the vast majority of respondents regard a strategy of participation on social network sites as either not important or a nice-to-have. It seems that many organizations are engaging with social networks without really being convinced about the value.

Figure 1 shows the exact percentages for these different tactics according to whether responding

111

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organizations are using, planning or not planning to employ these methods.

Figure 2 displays the same information for agency respondents. [6 & 7]

Company: Which of the following does your organisation use to increase online customer engagement?
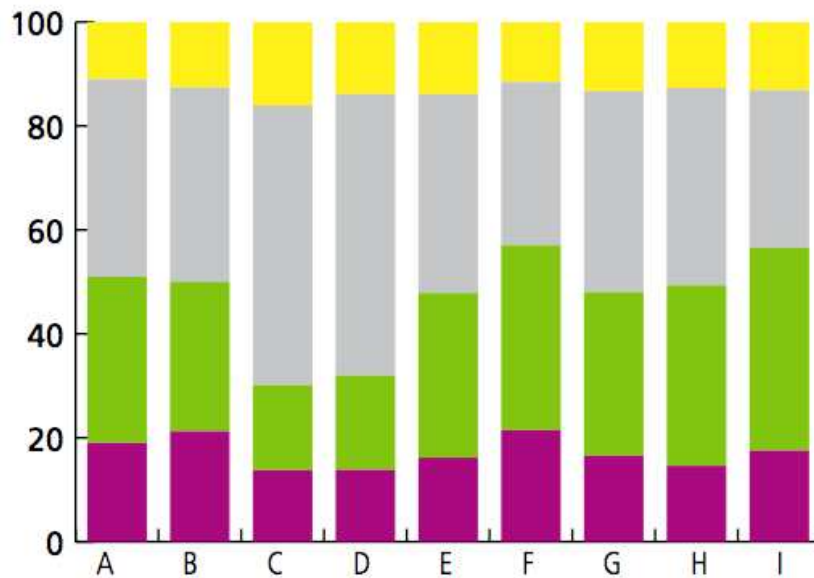
		Currently use		Plan to use		No plans to use		Don't know /not relevant	
A	Social networks (e.g. Facebook)	19.03%	(59)	31.94%	(99)	38.06%	(118)	10.97%	(34)
B	Video-sharing websites (e.g. YouTube)	21.29%	(66)	28.71%	(89)	37.42%	(116)	12.58%	(39)
C	Audio-sharing websites (e.g. iTunes)	13.77%	(42)	16.39%	(50)	53.77%	(164)	16.07%	(49)
D	Image-sharing websites (e.g. Flickr)	13.86%	(42)	18.15%	(55)	54.13%	(164)	13.86%	(42)
E	Social news sites / bookmarking (e.g. Digg)	16.17%	(49)	31.68%	(96)	38.28%	(116)	13.86%	(42)
F	Blogging sites (e.g. Blogger, My Telegraph)	21.47%	(67)	35.58%	(111)	31.41%	(98)	11.54%	(36)
G	Social knowledge sharing (e.g. Wikipedia, Yahoo Answers)	16.56%	(51)	31.49%	(97)	38.64%	(119)	13.31%	(41)
H	Desktop based applications / widgets / gadgets	14.61%	(45)	34.74%	(107)	37.99%	(117)	12.66%	(39)
I	Web-based widgets / badges / gadgets	17.57%	(55)	38.98%	(122)	30.35%	(95)	13.10%	(41)

Fig 1.   (Source: Annual online survey report of "customer engagement "in 2008 by Cscape)

112

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Agency: Typically, which of the following do your clients use to increase online customer engagement?
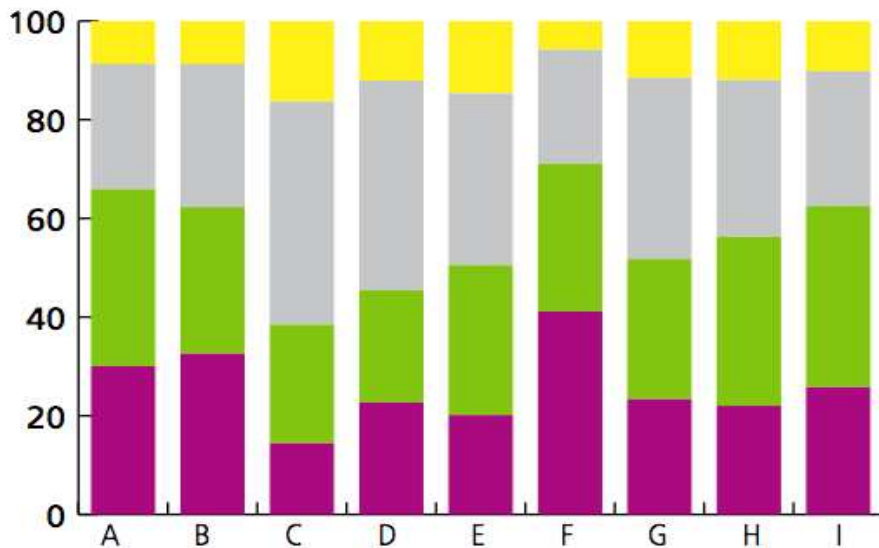
		Currently use		Plan to use		No plans to use		Don't know /not relevant	
A	Social networks (e.g. Facebook)	30.07%	(83)	35.87%	(99)	25.36%	(70)	8.70%	(24)
B	Video-sharing websites (e.g. YouTube)	32.61%	(90)	29.71%	(82)	28.99%	(80)	8.70%	(24)
C	Audio-sharing websites (e.g. iTunes)	14.44%	(39)	24.07%	(65)	45.19%	(122)	16.30%	(44)
D	Image-sharing websites (e.g. Flickr)	22.71%	(62)	22.71%	(62)	42.49%	(116)	12.09%	(33)
E	Social news sites / bookmarking (e.g. Digg)	20.15%	(55)	30.40%	(83)	34.80%	(95)	14.65%	(40)
F	Blogging sites (e.g. Blogger, My Telegraph)	41.16%	(114)	29.96%	(83)	23.10%	(64)	5.78%	(16)
G	Social knowledge sharing (e.g. Wikipedia, Yahoo Answers)	23.38%	(65)	28.42%	(79)	36.69%	(102)	11.51%	(32)
H	Desktop based applications / widgets / gadgets	22.02%	(61)	34.30%	(95)	31.77%	(88)	11.91%	(33)
I	Web-based widgets / badges / gadgets	25.82%	(71)	36.73%	(101)	27.27%	(75)	10.18%	(28)

Fig 2 (Source: Annual online survey report of "customer engagement "in 2008 by Cscape)

5. HOW TO ENGAGE A CUSTOMER BEFORE NAILING THE SALE

Selling is a process, not an event. Sales are made by establishing credibility, building relationships and creating comfort zones. In

addition, most experts say it takes seven to 12 contacts before customers are ready to buy. So to make a sale, you must develop a series of messages that can be delivered over time. Each one should communicate a reason for customers to buy your product. The trick nowadays is choosing how to reach customers over time. For any given sales cycle, you can e-mail, use direct mail, fax, phone, or request a face-to-face meeting — plus combinations of those choices. To help you drive your sales, here are four up-to-date guidelines for getting the most out of connecting with customers.

1. First, define your prospects. When you're making initial contact, the channel to use depends on what you're selling and how many potential customers you're trying to reach."If it's a retail product, you might send e-mail. To find so many new targets, you'd likely benefit from renting marketing lists or

113

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relying on outsource services, such as Microsoft Sales Leads, which enables you to select from a database of millions of prospects. You need to have a comprehensive conversation and touch one customer many times. Going straight to human-to-human contact-phone calls. Your goal is to contact as many prospects as possible. If you have a list of 200 or so, leave voice mail, move on and circle back. But if your industry is limited to a half-dozen or so big fish, keep calling until you get someone on the phone. Doing your homework is a must. Research your industry and prepare your list or database of high-level targets before you start.

2. Then calculate the costs. Figure out how much it will take in time, money and resources to make a sale. "It's critical for a business to understand the cost of acquiring paying customers. For e-mail, actual conversion rates, not click-troughs to your Web site, For offline sales, it means analyzing the numbers so you know exactly how much you must invest before sale. No question, this takes sustained effort. But think it through. If you send out 100,000 e-mails and get 10 sales in return versus mailing 10,000 postcards that generate 1,000 sales — the higher postage and print costs probably provide the better the ROI. Or, set up a one-two punch that combines two channels. Just because a channel is cheap to use doesn't make it cost-effective. Run some tests to get the mix right for your business. Many marketers like to send early e-mail notices or offers to "warm up" prospects. After that, think of other ways to reach customers, including the yellow pages, online advertising, paid search, trade shows, print pieces and networking. To quickly identify your best prospects and high-paying customers, you need to be able to electronically manage customer information.

3. Know that effective messages match the medium. Before choosing any channel, create a consistent sales message. This should be your product's point of difference. What's your sales story? What's your response to every customer objection? Why should anyone buy your product? Even commodity products must emphasis on experience, reliability, convenient locations or better service. Then adjust the message so it's appropriate for the channels you choose. Do not, cut and paste company brochure copy into a PowerPoint presentation. Likewise, don't lift an e-mail pitch and plunk it down as a sales letter. Instead, customize the story for every medium, while maintaining all your branding elements. You need a written script on the desk when making cold calls by phone. If you're selling through e-mail, "the subject line must immediately give people a reason to open it."The message should have one paragraph of copy, max.

4. Always plan your follow-up. Frequently, small-business owners give up too soon on a prospect and that's what loses the sale. Fear of rejection is the biggest thing that holds people back but you have to take it out of the realm of the personal. Overall, no matter which channel you use to connect with prospects, the key is making your communication worth the customer's time and attention. [8]

6. HOW ENGAGEMENT DRIVES BUSINESS SUCCESS

Improved customer loyalty reduces the cost of doing business. For example, when a company is able to gain the trust of its customers, it is also more able to create a preference for its products and services. When customers are presented with a wide range of similar loan products, they're likely to choose the loan offered by an institution that they are familiar with and with which they've had a history of positive and satisfying interactions. The most secure route to achieving long-term profitability is to accelerate customer on boarding, increase online usage, and improve retention with more secure, personalized, and engaging interactions. By increasing loyalty, firms can actually decrease the sales and marketing effort of selling new features and product lines. With an engagement solution already in place, financial services companies can:

- Improve customer acquisition and retention by delivering more personalized and interactive
  Service
- Grow sales by providing tailored recommendations quickly and easily
- Improve cross-channel integration by automating processes across touch points
- Improve process efficiency by eliminating errors and manual workarounds
- Ease compliance requirements through automated structured processes and information Control and assurance
- Increase the productivity of indirect channels by delivering self-service applications that are Intuitive and easy to use

- Create the perception of higher "switching costs" for the customer

7. CONCLUSION

Companies can drive business value through customer engagement by understanding that:

• **An empowered customer is an engaged customer**. Giving customers a voice, letting them be involved, interact, influence, and build intimacy in new and different ways is the central theme of engagement. Engaging the customer through a cohesive customer experience can empower the customer to be a brand and product promoter, and influence the marketplace in ways not possible with traditional marketing.

• **Engagement must drive business results**. Although the promise of engagement is enticing, it involves commitment from organizations to invest time and effort up front in identifying the right engagement metrics to track, focusing on the four I's (involvement, interaction, intimacy, and influence). Ultimately, what will matter is the ability to tie engagement metrics to financial metrics in order to demonstrate tangible business results. Discussions of engagement should use the language of business (improved efficiency, increased effectiveness) to maintain and grow funding for engagement efforts.

• **IT plays a new and vital role.** For engagement to succeed, IT roles will need to adapt to new systems with less control and greater ability to drive engagement. Content will be monitored, not published. As well as deploying and managing systems, IT will need to explore and sanction systems that exist outside its span of control. This shift requires that IT rethink its internal processes and relationship with the business. Success or failure at improving engagement will not rest solely with IT; however, getting IT to adapt to new ways of thinking about the relationship of data and customer interaction will maximize the benefits of engagement.

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