Ten ways to screw up your brand

In our work with organisations around the world we see some common causes of failure in creating Branded Customer Experiences. So what are the pitfalls to watch out for in implementing your own customer experience initiative?

1. **Believing that delivering your brand does not require the active and continuing involvement of leadership**

   Most leaders 'stumble the mumble' rather than 'walk the talk'. Senior executives having concluded that the brand is under-performing decide that it is a result of the customer-facing staff behaving in ways that are 'off-brand'. They then issue a memo exhorting employees to 'Put Customers First' or something similar. Executives then return to the important business of focusing on the financials.

2. **Abdicating responsibility to marketing or HR or Operations.**
   If the CEO or President recognises that it will take more than rhetoric to make a difference the next common mistake is asking the Marketing VP, HR Director or Customer Service Executive to 'fix the problem'. The brand and the customer experience must be owned by the senior management team. Each function has its particular part to play but to be successful these three functions must operate as a 'Triad' to optimise resources, efforts and budgets to create a organisation-wide strategy for delivering the brand.

3. **Segmenting by demographics or account size rather than profitability**

   A common starting point for our work is collecting customer data to inform the definition of a promise and design the new experience. The most frequent client response to this suggestion is "We already have lots of customer data and research so you don't need to". In reality whilst most organisations undertake customer research and collect mountains of data, relatively few know who their most profitable (not largest) customers are. The fact is that a few customers will typically represent the significant proportion of your profit and these are the ones to focus improvement efforts on.

4. Assuming that you know what targeted customers value

OK so you do know who your most profitable customers are, but do you know what these customers value and the 3 or 4 most important attributes which drive their intention to repurchase or refer you? Without the answers to these questions you may have data, but you do not have insight. A key component of a branded customer experience is being differentiated in a way that is valuable to target customers.

5. Installing a CRM system and believing that it will automatically improve revenues

Expenditure on CRM systems is reckoned to have increased from $20 billion in 2001 to $46 billion in 2004, yet one survey estimated that 55% of CRM systems drive customers away and dilute earnings. This is because most CRM systems are installed without any thought about how they will be used to add value for the customer. These powerful systems allow companies to collect knowledge about the customer that can be used to offer them products and services tuned to their particular needs and preferences yet many organisations (and banks are the worst) use them as a blunt instrument to stalk, rather than woo, the customer.

6. Assuming loyalty cards create customer loyalty

This takes us on to a common myth: that loyalty cards create loyalty. In fact most don't. Even worse, many cards create customer promiscuity because their rewards are usually incentives and discounts which attract customers who like a 'deal'. These customers have wallets full of cards covering every eventuality. True loyalty cards are about the organisation being loyal to the customer not the other way around. They do this through offering benefits and value added services that can only be enjoyed by the most profitable customers.

7. Getting your ad agency to define or refresh your brand values and communicating these to customers and employees expecting that the organisation can, or will, deliver them

The UK State owned Post Office Group decided to re-brand to reflect the broader range of services that it was offering beyond the traditional mail service. It spent millions of pounds on consultancy, signage, communications and advertising but failed to explain to customers how the new brand would create value for them. It also failed to address the underlying performance problems and this led to market cynicism over the new brand. In a highly publicised 'U-turn' the Chairman confirmed that the brand name Consignia was to be phased out- to be replaced by…The Post Office.

8. Providing the same 'vanilla' training as your competitors (often provided by the same packaged training firm)

Most organisations provide customer service training yet few are differentiated in the service they provide. The reason is that vanilla training creates vanilla service. This is not to say that training is bad - it is not. In fact many organisations such as Forum have established award-winning programmes that really help to improve customer-facing skills and make service more consistent. But if your goal is to differentiate from competitors this requires 'Branded Training'. In other words training that is designed to bring to life the values of your brand in a way that is consistent, intentional, differentiated and valuable.

9. Expecting to differentiate through your customer experience when all your measures and reward systems are volume related

Peter Drucker's maxim that 'what gets measured gets managed' is still true today. Yet most organisations focus exclusively on end-results measures. Market share, profitability and EPS growth are all vital measures of business performance but they are all lagging indicators - they are a result of differentiation, customer loyalty and brand preference. The answer is to move up-stream and measure and manage those activities that drive desired results. The customer experience is one of the most critical.

10. Measuring customer satisfaction and believing that it matters

This takes us to the last on our list of ten most frequent screw-ups; believing customer satisfaction creates improved results. Forum research found that 80% of customers who switch suppliers express satisfaction with their previous supplier. Satisfaction has become the price of entry not the way to win. The only true customer measure that correlates with improved business results is 'advocacy'. We define this as those customers who give top-box ratings for satisfaction. Nothing else counts, yet we see many organisations adding up the percentage of customers who give 'somewhat satisfied',' satisfied' and 'very satisfied ratings' and then congratulating themselves that "87% of our customers are satisfied or even worse, 'delighted'". The harsh reality for most firms is that 80% of customers are vulnerable to competitive offers and fewer than 20% are advocates who will recommend you to others.

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