

customer MANAGEMENT

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STRATEGY AND PRACTICE FOR THE CUSTOMER-DRIVEN ENTERPRISE

How **CTM** can improve your key customer relationships

Hank Brigman reports on what he says is a new way that organisations can interact with their customer to the benefit of all parties – he calls it Customer Touchpoint Management, and yes, it makes for another three letter acronym

What could be more important to your business than improving relationships with prospects, partners and customers? Today, there is a fast-growing movement among leading organisations to improve these critical relationships through a better understanding of customer interactions – or touchpoints.

As employees, we enter our businesses on a daily basis and are confronted with the systems, politics, organisational structure, etc., of our company. So, to employees, a company is many many things. Yet to our customers and partners, all we are are our interactions – or touchpoints. Touchpoints are the foundation of your relationship with your customers (prospects, partners and customers), and the foun-

ation of your brand. Remember, to customers, you are your touchpoints.

But what exactly is a touchpoint? Touchpoints are all of the communication, human and physical interactions your customers experience during their relationship lifecycle with your organisation. Whether an ad, web site, call or email, sales person, store or office, product or service, touchpoints are important because customers' perceptions and actions are driven by their cumulative touchpoint experiences with your organisation.

All organisations are involved in developing touchpoints. We create ads and point of purchase displays, make calls and send emails, and exhibit at conferences. Savvy organisations are recognising the importance of better under-

standing their touchpoints and viewing these customer interactions as a means of accomplishing specific goals and objectives. These efforts now have a name, "Customer touchpoint Management," or CTM. Haven't heard of it yet? You will.

CTM reflects an organisation's concerted efforts to accomplish specific goals and objectives through the management or optimisation of touchpoints. Through CTM organisations can apply a methodology to accomplish goals and objectives, touchpoint by touchpoint.

CTM – so how does it work?

So how does Customer Touchpoint Management (CTM) work? First, you must identify your goals and objectives. Second, conduct touchpoint research to better understand the touchpoints that impact what you seek to impact. Based on the touchpoint research results, develop a CTM plan to accomplish your goals and objectives.

Your goals and objectives can fall into a number of areas including business development conversions, retention or loyalty and the like.

Touchpoint research should focus on those touchpoints that intersect with the areas of your goals and objectives. Research can uncover which touchpoints:

CRM AND CTM: BATTLE OF THE THREE LETTER ACRONYMS

I am often asked how Customer Relationship Management (CRM) relates to Customer Touchpoint Management (CTM)? In my opinion, CRM can be an important component of effective Customer Touchpoint Management. CTM encompasses all customer touchpoints, while CRM typically focuses on a subset, such as direct customer communications. In the end, CRM software solutions can aid CTM efforts.

Many movements start with small, nimble organisations. Yet the early adopters of CTM efforts are large organisations. While CTM can benefit any organisation of any size, large organisations have the greatest difficulty getting their hands around the myriad ways in which they touch their customers. It is not uncommon for a large organisation with multiple product lines serving multiple segments to have thousands or tens of thousands of touchpoints.

Large or small, forward thinking organisations can apply the concepts of Customer Touchpoint Management to improve key relationships, touchpoint by touchpoint. The resultant improvement in relationships creates happier customers and employees, and improves the financial metrics that create happier owners.

So what can we learn from the efforts of these CTM early adopters? First, with Touchpoints how customers experience our organisations, it is important to clearly understand these important points of interaction. Second, the organisations that have applied CTM philosophies are those that have the most to gain. Because of their scale, small improvements in touchpoint performance can positively impact large sums of money. Lastly, CTM isn't just an initiative or fad, but a productive new way of viewing and improving key relationships.

- Are most highly valued.
- Are viewed as most effective. Ineffective.
- Are best practices.
- Are redundant, and not needed.
- Can better meet identified customer needs.

Results from your touchpoint research feed your Customer Touchpoint Management plan. A key component of your CTM plan is touchpoint optimisation. This is key because all plans that aim to impact customers are implemented on a touchpoint level.

Touchpoint optimisation can include filling identified gaps with new touchpoints, modifying under performing touchpoints, or eliminating or combining redundant touchpoints.

Proof of the pudding

Early results demonstrate that CTM efforts deliver powerful benefits. For example, after seeing the impact of consistently great touchpoints with her local Lexus dealer on her brand perception and purchase decision, the marketing executive of a \$5 billion dollar financial services division of a Fortune Ten conglomerate decided to apply CTM to improve the customer-centricity of her own organisation.

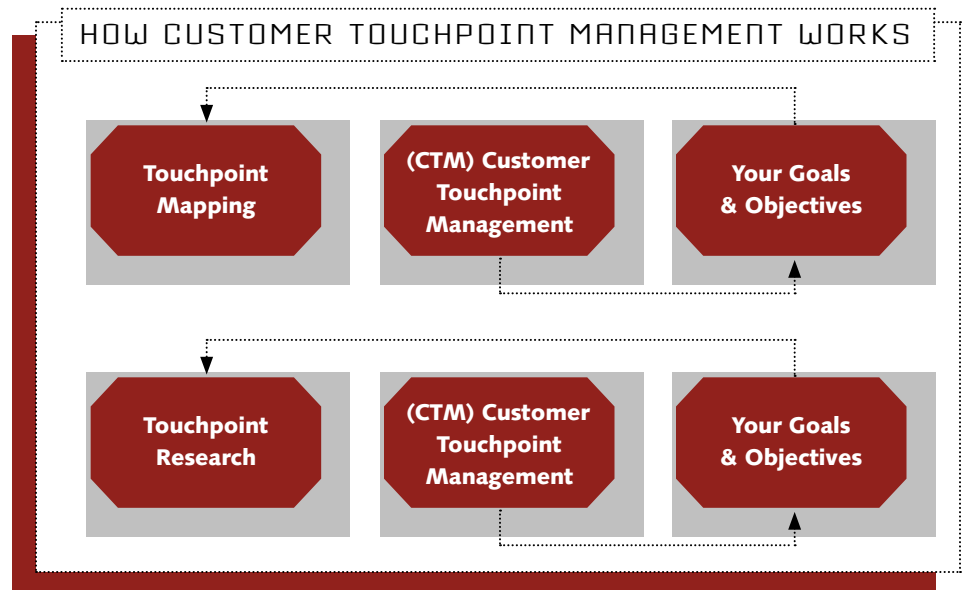
With a goal of improving customer centricity, the firm needed to improve touchpoint performance across the entire organisation. Their touchpoint research included interviews with employees, customers and brokers. Following the touchpoint research that identified touchpoint gaps, redundancies, under-performing touchpoints along with touchpoint best practices, the organisation developed a comprehensive CTM plan.

The results? Customer satisfaction ratings increased at three points at time. First, following internal discussions of touchpoints, employee touchpoint performance improved and positively impacted customer satisfaction. Second, immediately following their touchpoint research the organisation quickly improved specific touchpoints that surfaced as optimisation opportunities. Lastly, as their Customer Touchpoint Management plan was implemented over time, customer satisfaction ratings continued to climb.

Impact on employee satisfaction

Interestingly, this firm's employee satisfaction scores also increased. As a part of their touchpoint research this firm mined employee touchpoint best practices as a basis for establishing touchpoint standards, a key to establishing quality and consistent touchpoint experiences.

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The touchpoint research established a data set of touchpoint best practices from which touchpoint standards could be established. It was establishing touchpoint standards and getting employees focused on customer service that helped to improve employee satisfaction ratings. In other words, for this organisation, improving how it interacts with customers improved the work environment for employees.

Avis tried harder with CTM

Similarly, Avis implemented a CTM initiative to understand and improve key customer touchpoints. As a result, Avis gained market share in key travel markets and became a leader in customer loyalty and satisfaction as measured by Brand Keys and JD Powers.

Customer Touchpoint Management efforts can also be directed to solve specific problems. By mapping the post-purchase Touchpoint Paths – the specific sequence of touchpoints encountered by individual customers – direct mail touchpoint redundancies were clearly identified for a Fortune 30 telecom. To address these redundancies, touchpoint optimisation included combining the multiple direct mail pieces. Savings on postage alone resulted in an annual savings on the cost of the CTM development programme of over 2,500 percent.

These days, savvy organisations understand that customer relationships can no longer be considered exclusively the domains of sales or customer service because no one person or team controls all of the touchpoints. Think about it, you can take your customer to all the best sporting events and to play the finest golf courses, but if the invoices are always wrong, or customer support isn't supportive, or the product doesn't function properly, then the relationship suffers. The truth is that it is the organisation that truly owns the relationship and is responsible for its quality and profitability – not an individual or a team.

AUTHOR INFORMATION

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