



# DRIVERS

# QUALITY BETTER FOCUS

# SEGMENTATION

# EXCELLENT

# COMPETITIVE DIFFERENTIATOR

# TECHNOLOGY KEY PERSONAL

# GEOGRAPHY CUSTOMISATION

# FASTER SERVICE

# OUTSOURCE INFORMATION

# OFFSHORE PRICE

# BESPOKE MEDIA

## SERVICE 2020: MEGATRENDS FOR THE DECADE AHEAD

A BDO report, written by the Economist Intelligence Unit

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## CUSTOMER SERVICE MEGATREND 04

# COMPANIES MUST USE NEW SOURCES AND TYPES OF DATA TO RETHINK THE WAY THEY TRACK AND PERSONALISE THEIR SERVICE

**A RANGE OF NEW DATA, SOURCED FROM CUSTOMERS' SOCIAL MEDIA FEEDS, SMART PHONES, AND OTHER SOURCES, WILL CHANGE THE WAY THAT FIRMS TRACK THEIR CUSTOMER FEEDBACK AND COMPLAINTS.**

Such systems, at least formal ones, are far from ubiquitous: just six in 10 firms have a formal enterprise-wide system in place for this today. The rest are evenly split between either "working on it" or simply not having it. Fewer still (55%) have a system in place to identify trouble spots in customer service provision, although for many (25%) this is still a work in progress.

Overall, less than four in 10 (37%) firms agree that they do an excellent job of collecting and addressing customer feedback. But as social media makes firms more externally transparent, this will have an impact on the way that businesses currently track their performance, or else make them start to do so. The risk of failing to do so, and thus being unable to respond systematically to issues, will simply become too high: imagine the impact if the first Google search result for a firm was a now-viral customer rant, rather than the home page.

Accor already runs a web-based platform for monitoring guest satisfaction, used by all of its brands, and based on guest surveys. This allows it to monitor performance in a range of ways: by country, hotel brand, city or specific hotel. "We can measure by seeing if brand satisfaction is being affected by a problem in a specific country or hotel or network," confirms Mr Chrétien.

Increasingly, however, social media is being fed directly into the same tracking system, acting as an additional supplement to existing data. Such systems do not have to be hugely complex—and crowd-sourced information could easily be gathered offline too. For example, Pick 'n Pay, a nationwide grocery retailer in South Africa, has a pilot programme to install a button on its till points with a smiley or sad face; pressing it sends an SMS to the store manager, giving clients an instant feedback mechanism about the service they are receiving.

Overall, the rapidly increasing volumes of data will provide new opportunities for firms to better understand their clients and personalise their services accordingly. Nearly half (46%) of firms plan to use analytics to do so in the decade ahead, while 43% plan to use analytics to assess customer behaviour. This is not new: developed-market firms have long used loyalty cards as one means of gathering more information about their clients, and emerging markets are rapidly catching up.

Pick 'n Pay launched a loyalty card this year, adding some 3 million members in the first six weeks alone. "Using the data from those smart cards, along with our [customer relationship management] technology, will be a key way of tracking and personalising our service," confirms Jonathan Ackerman, the firm's customer services director. One goal is to link its loyalty card to the till feedback system, enabling store managers to identify the customer for a follow-up.

Beyond this, however, the rise of always-on, location-aware smart phones, combined with social media tools, is adding reams of new data for firms to tap into and potentially use for customer services. Location is one obvious aspect, but new tools and applications are being constantly added, ranging from augmented reality using a phone's camera, to apps that link e-commerce with customers' social networks.

New applications are only starting to emerge to make use of this information, ranging from Foursquare, which explicitly links customer location and behaviour with commercial offers, to Blippy, which publishes a customer's purchases via Twitter. "There are organisations using [such data] and treating this as the new kind of loyalty," says BT's Dr Millard.

But these shifts will also challenge firms to think more deeply about their relationship with consumers and the fine line between useful and creepy in terms of exploiting customer behaviour. Facebook and Google already battle regular complaints over the degree to which they uphold customers' privacy. And these are the data leaders. By contrast, relatively few companies see themselves as good at using technology to understand their customers: just 4% describe themselves as excellent, and nearly one in five regard themselves as below average, at best.

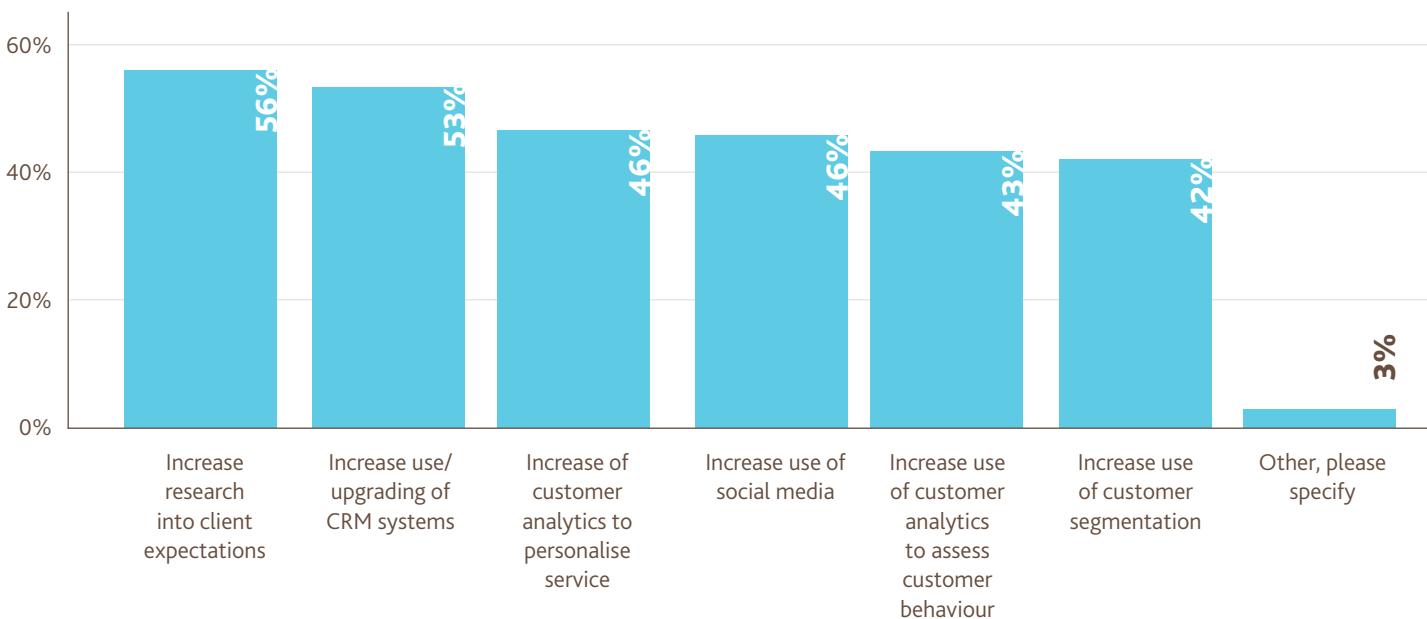
*We can measure by seeing if **brand satisfaction** is being affected by a problem in a specific country  
a specific hotel  
a specific network*

JEAN  
-LUC  
**CHRÉTIEN**

Executive Vice President: Sales, Distribution and Loyalty, Accor

#### CHART 4\*

**Q:** "How will companies in your industry adapt to meet customer expectations in 2020? Select all that apply."



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