Creating Long-Lasting Connections

with Customers in an Age of Radical Authenticity

Insights for fostering positive customer relationships that will increase sales and boost long-term customer loyalty

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How Economic and Social Instability Changed Customer Relationships

It is unusual for every single person in the world to experience the same event at one time, let alone similar waves of emotion such as stress, anxiety, frustration, and boredom, but the COVID-19 pandemic did just that.

Phrases such as “unprecedented times”, “now more than ever”, and “the new normal” became common within our lexicon and a basis for the way brands would communicate with customers to explain their response to the implications of COVID. Post-pandemic, customers have become desensitised to the messaging of these phrases, which has prompted a shift in dialogue from customers expecting quality service and fair pricing to customers demanding more from brands – more care, more honesty, more empathy.

Emily Uwemedimo, Editor and Industry Analyst at CCW Europe Digital, says: “Reimaging your **customer experience** (CX) strategy to meet customer demand is challenging enough when consumer behaviour is stable and predictable; it’s exponentially more difficult when the way we shop, spend, and interact with brands has radically changed.

“The COVID-19 pandemic was an exercise in subtraction, so businesses should count on customers reassessing their values, habits, and consumption patterns so they are receiving more authentic and meaningful experiences.”

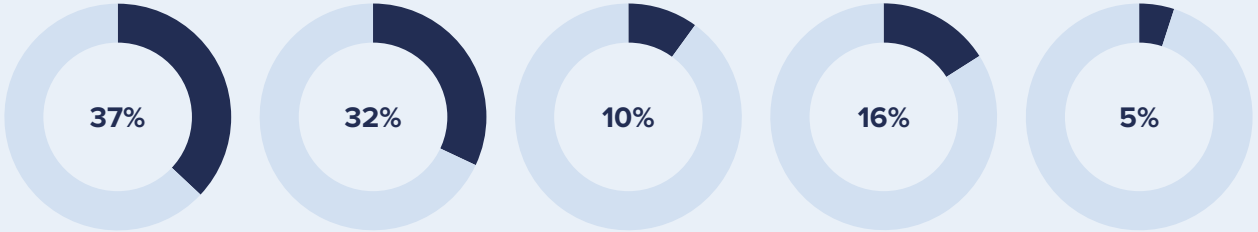
Authenticity is key for maintaining a humanised approach to customer management, offering consistent CX, increasing customer lifetime value, reducing customer churn, and improving customer loyalty. Cross-industry leaders in CX, customer service and employee engagement highlighted in CCW Europe’s annual survey that the main benefits of authentic customer management were improved customer satisfaction, loyalty, and retention (37%), as well as improved data transparency, privacy, trust, and consent for personalisation (32%) *(see Figure 1)*.

In this report, CCW Europe dives into how businesses can create long-lasting customer relationships in an era of radical authenticity by bettering three touchpoints in the customer management lifecycle:

- Employee engagement, productivity, and wellbeing
- Customer inclusivity and accessibility
- Customer privacy and trust

FIGURE 1:

Benefits of Authentic Customer Management



Source: CCW Europe

EX plus CX: A Recipe for Competitive Advantage

There is a reason for the saying: “Happy employees make happy customers.” A single interaction can make or break a customer’s experience in a store, over the phone, or even through virtual channels such as chatbots or social media. Customers can tell when employees are enabled to help them or when they are having to fight against poor policies and processes, and equally, employees will understand how customers feel about the brand and what practices are preventing them from taking care of customers to the best of their ability.

So, perhaps it is more apt to say, “engaged employees make for engaged customers.” Research from ***The Harvard Business Review*** found if businesses improve employee engagement using a strong employee experience (EX) programme *(see Figure 2)* businesses can achieve a 50% increase in their bottom line revenue and improve CX.

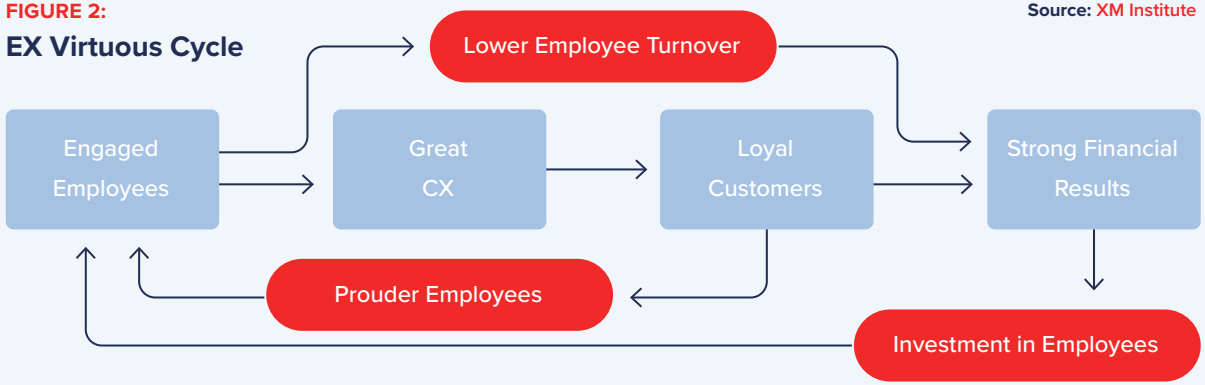
In addition, by collaborating with human-resources leaders, the customer management industry can better navigate the **EX-economy** to create a brand-USP that is flexible and responsive to the needs of both employees and customers. This will in turn help clarify purpose, value, and culture within a business, which will lead to stronger employee engagement, retention, and satisfaction as well as higher financial performance and customer trust.

Kiera Martin, Senior Conference Producer at CCW Europe, says: “In the same way organisations should be approaching their CX strategy, with purpose and authenticity, customer management leaders should also be approaching their EX-programmes and recruitment programmes with a personalised touch to each element.

“Organisations that have a well-defined brand-USP will attract a more diverse base of employees and it will be something that will stand out from the competition right from the offset.”

FIGURE 2:
EX Virtuous Cycle

Source: XM Institute



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A Company that Hit the "Sweet Spot" in EX

As businesses struggle to recruit, onboard, and retain talent during the Great Resignation, company culture and engaging employee benefits such as knowledge sharing, progression opportunities, and wellness benefits are important for attracting and retaining talent. Respondents of CCW Europe's survey found employee engagement, recruitment, and training to be the main challenge in customer management today *(see Figure 3)*.

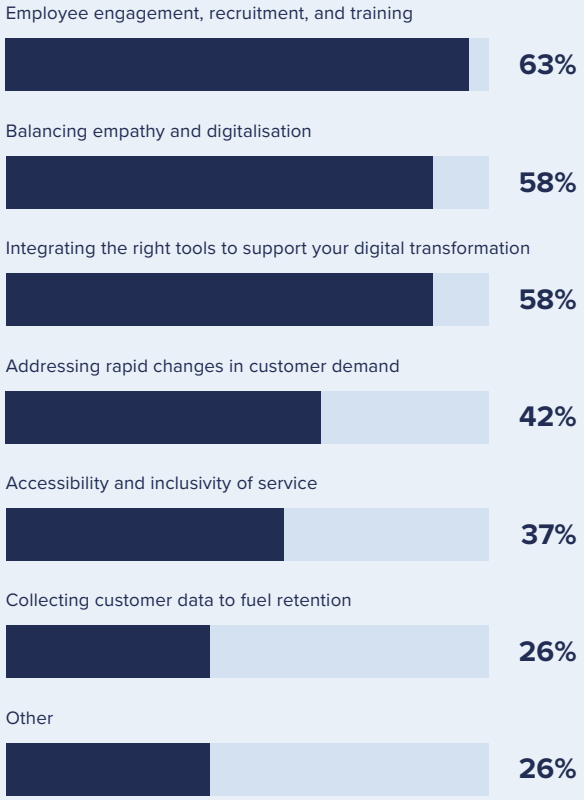
One business leading the way in employee entitlements and culture is Workday, an enterprise cloud applications provider. Workday promotes a family-friendly workplace to better support employees in managing their work and family caring needs. Employees receive access to family-wide private healthcare, income protection, life insurance policies, and mental health support. During the COVID-19 pandemic, employees received extra compensation to cover costs related to COVID and other funds to set up workstations at home.

Jo-Anne Ruhl, Australia and New Zealand VP and MD at Workday, **said**: "Workday policies and benefits are carefully designed to ensure we are an employer of choice, but we are also committed to embedding a pervasive culture of belonging and diversity across our business. We know it is both the right thing to do and that it also results in better business outcomes, including better employee engagement and more business innovation. We know both our employees and our customers will benefit from this initiative over the long term."

"Organisations that have a well-defined brand-USP will attract a more diverse base of employees and it will be something that will stand out from the competition right from the offset."

Kiera Martin
Senior Conference Producer at CCW Europe

FIGURE 3:
Challenges in Customer Management*
*Respondents had the option to select multiple answers



Source: CCW Europe

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Inclusivity as an Ethos Not a Function

Several businesses are committed to placing diversity and inclusion on their leadership agenda. Some businesses such as Airbnb, Barclays, EDF Energy, and Audi – to name a few – have joined The Valuable 500, a global business collective of CEOs and companies innovating together for disability inclusion, to drive awareness and change. But how does this mission translate into actionable change in CX and EX?

Uwemedimo, CCW Europe Digital's Editor and Industry Analyst, says: "Recognising that you may not belong to the audiences you are trying to reach out to is a critical step in making inclusive experiences a reality. It is important to incorporate your targeted audiences – whether that is your customer or employee – into the planning, development, testing, and review stages of your products and services to ensure they meet their needs.

"Choosing the appropriate channels and signals is the first step in creating a customer and/or employee experience programme that is really inclusive of age, disability, socio-economic status, sexuality, employment type, language, and geography."

Businesses that invest time and resources into more inclusive interactions for customers and employees will also create a progressive culture of accessible experiences for vulnerable and transient vulnerable people.

According to the **Financial Conduct Authority** (FCA), "a vulnerable customer is someone who, due to their personal circumstance, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care."

In industries such as banking and gambling, the volume of vulnerable customers can be high as there are financial and legal implications involved if queries do not get resolved. In addition, with the energy crisis coinciding with the increase in the UK's Universal Credit standard and furlough schemes ending, customers who were previously unaffected may now be transiently vulnerable.

Martin notes: "It is important to recognise that anyone can be vulnerable at any time. Vulnerability is something that was made very clear during the pandemic – people were losing their jobs or seeing their income reduced, people may have suffered a bereavement, or dealing with mental health – so, it is vital that organisations take action to treat vulnerable customers fairly."

To achieve good outcomes for vulnerable customers, businesses should take action to:

Source: Guidelines to treat vulnerable customers fairly, FCA

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Designing CX for Transparency and Trust

As consumers increasingly adopt digital technology, the data they generate can create opportunities for businesses to make deeper emotional connections with frequent buyers and an understanding of how to communicate with customers in more personal ways. However, following high-profile data breaches (**Uber in 2016**, **Facebook in 2019**, **easyJet in 2020**, and **LinkedIn in 2021**), consumers are ever-more sensitive to how their data is stored, used, and protected.

Deloitte's ***Consumer Privacy in Retail* survey** noted that 47% of consumers felt they had little to no control over their data. Results also indicated that consumers were more likely to trust businesses with their data if they were satisfied with the company's privacy policy, specifically to how their data relates to better pricing, discounts, or offers as incentives.

CCW Europe Digital's Uwemedimo says: "Without transparency organisations run the risk of undermining customers' trust, which will hurt competitiveness in the long run. With companies now having to address a growing list of global and state privacy regulations it really puts the onus on brands to build out their key data missions, to be more selective with the types of data they collect, and provide end-value to customer's for how they are using their data."

Businesses need to take proactive steps that seek to enhance consumer privacy and data protection, which will in turn demonstrate brand authenticity. Respondents of CCW Europe's survey say their top priority over the next 12 months is to implement initiatives that bring together data privacy and personalised experiences to create meaningful and long-lasting relationships with customers *(see Figure 4)*.

How Amazon Strives for Authenticity Through Data Transparency

Amazon's principled approach to privacy begins with three key actionable priorities: transparency, customer control, and security. To achieve this, Amazon builds privacy directly into their products and services by making it easy and intuitive for customers to learn more about how they collect, use, and share their data.

Amazon shared in a blog: "We are one of the very first retailers to allow customers to view their browsing and purchase history from "Your Account" and manage which items could be used for product recommendations. Customers can also easily view all their shipping addresses, digital content purchases, and device information, and manage their payment methods directly from their account too."

Amazon explained customers simply want to be in control of their purchasing journey from the offset, so "we make it easy for customers to choose their privacy settings that make the most sense for them."

FIGURE 4:

Top Initiatives Customer Management Leaders Plan to Implement over the Next Year*

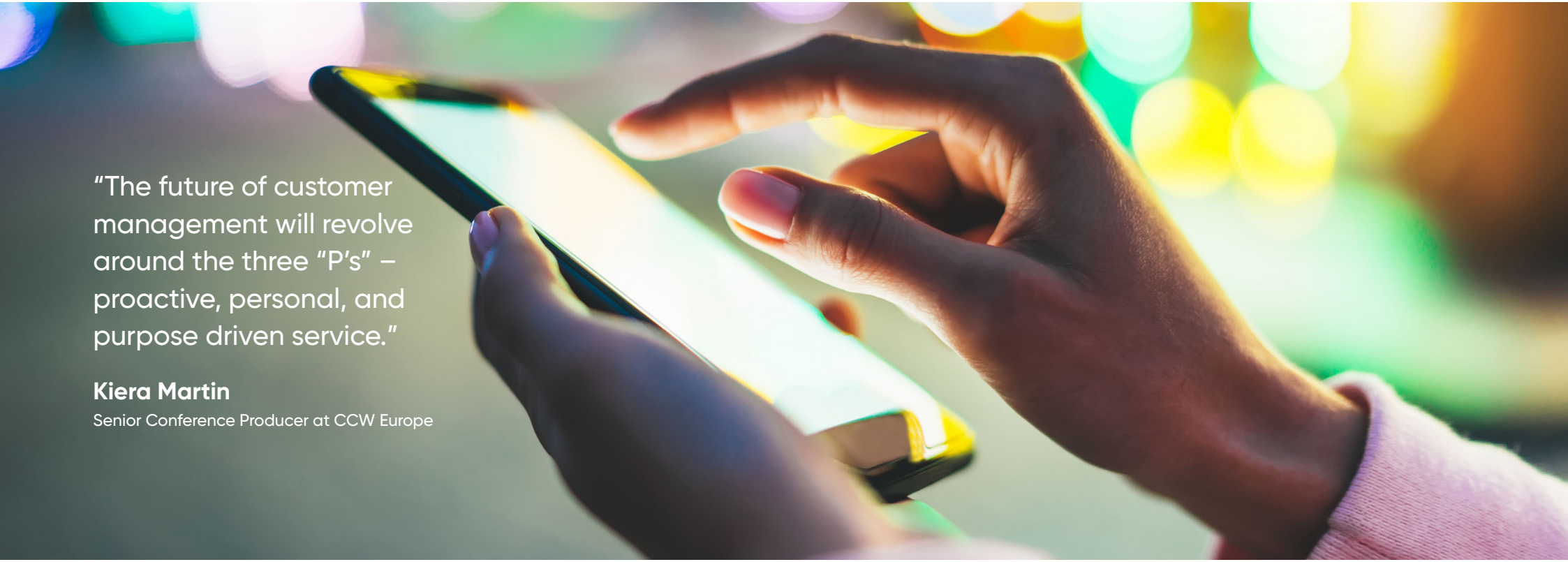
*Respondents had the option to select multiple answers

Source: CCW Europe

Authentic Human-Centred Service Design

For businesses to fulfil the promise of authentic customer management and create long-lasting relationships that matter, they must offer customers greater agency to design their own experiences and journeys. Customers will feel heard and seen if businesses can deliver humanised experiences that are honest, open, and truthful, which in turn, will cultivate repeat purchases, improve customer loyalty, and ensure genuine connections with customers are formed.

"As the industry increases its focus on authentic human-centred service design, I see the future of customer management revolve more heavily around the three "P's" – proactive, personal, and purpose driven service," CCW Europe's Martin explains. "The real winners in CX are those taking their customer effort from mild to non-existent with a proactive communication strategy, ensuring they are offering personalised products, and creating purpose-driven initiatives for customers and employees based on their motivations and aspirations."



"The future of customer management will revolve around the three "P's" – proactive, personal, and purpose driven service."

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