

## Smart Companies Leverage Customer Access

We often talk about the internet and technology changing the way businesses works. What we should really be saying is that the internet and technology are changing the way that customers behave. This is because customers now have direct access to services that in the past required some sort of intermediary. The first industry to really feel the heat of direct customer access was travel. Both travel agents and airlines had to change their business models.

Companies which embraced technology and not only provided direct customer access but also delivered a unique online experience have prospered. Those who have resisted or delivered a poor customer experience have suffered and failed. Travel agents who acted as intermediaries and were focused on booking flights had to re-focus on travel packages and other value added services or go out of business.

The airline industry gained direct access to customers, but had to deliver more competitive fares and became transformed by low cost airlines.

And now it's not just airlines: think about Airbnb and hotels, Uber and taxis, etc.

Industry after industry has had to transform or die.

The ability to directly access information, compare products and pricing, and immediately order online, has significantly affected businesses, from publishing to banking, grocery shopping to clothing, and gaming to gambling.

So the challenge for the future is not about using technology, it is what good business practice has

always been about: delivering an outstanding customer experience.

The only difference is that the platform has changed from face to face to electronic.

At the recent CMO conference in KL, S Y Lau of Tencent shared a wonderful example of how technology is transforming customer service.

He ordered a luxury car (I'll spare their blushes by not naming the brand) ten months ago, but the dealer could still not tell him when it would actually be delivered. He was not being kept informed of progress by either the dealer or the car company, and was having to initiate all the contact calls and inquiries himself.

Compare this to an online drinks delivery service S Y uses. He orders an Iced Milo on line. His order is confirmed and an estimated delivery time provided, plus he can click on a delivery progress map. So he can actually track the 'courier' coming down the street to deliver the Milo to his office.

This is good for the F&B company because the customer is more likely to be at the door to accept the drink, so faster turnaround. And better for the customer who can anticipate exactly when he can enjoy his drink. Cost of the car: serious big bucks! Cost of the Milo 10 Renmenbi (less than \$2).

Which company has exceeded customer expectation, and can expect re-orders?

Which company is customer focused not product focused?

Which company takes its customers for granted and works through an intermediary? And which gives the customer direct access?

Piyush Gupta the CEO of DBS Bank recently said that disruptive new business models in the financial industry could soon push slow-moving banks out of business. "In the next five years, our industry is going to go through cataclysmic disruption", said Gupta.

For example, new investment portals like Nutmeg and Wealthfront are bursting onto the scene, providing information, analysis and advice. They allow customers to build their own portfolio, and buy, sell, and monitor their investments in real time. At minimal cost or fees.

Compare this to banks who provide standardised, formulaic, investment funds with little analysis other than 'trust me because I'm a bank', and take a large sales commission. Banks will lose this business and the handsome fees that they currently enjoy.

Again, the middle man or intermediary will be eliminated by direct customer access. The customer will pay less, and likely have a better experience, and be in greater control of their investments.

So direct customer access is not just about lower prices or better information. It is about the experience that the customer enjoys. The convenience, ease, added values, better information, and the unexpected benefits.

I recently ordered a book on Amazon which had not yet been printed. Amazon kept me informed of the likely delivery date, and then confirmed the actual delivery date (with a tracker so I could see where the book was in its journey).

This was followed by a message that the actual price of the book was less than they had originally anticipated, so my credit card would be charged the lower price upon delivery.

And with each communications came 'other people who bought this book, also bought these', and 'other people who liked this book also like these', etc.

Great sales technique, relevant information, an outstanding experience, and high customer

satisfaction.

It's not about selling and fulfilling the order...it's about delivering a unique and outstanding customer experience via a different platform.

So Companies not only need to embrace technology and change their business models, they also need to apply the same customer satisfaction focus online as they did when dealing with customers face to face.

Sadly many Companies don't deliver customer satisfaction in either domain. Especially, if I may bite the hands that feed me, most banks and car companies which are almost all internally focused and concerned about selling product, not delivering customer satisfaction.

They may play lip service to customer satisfaction, but it is rarely part of their ethos. Customer satisfaction is usually translated as smiling at point of sales or service. There is little effort made to understand customer needs, tailor products to meet these needs, and ensure that those products are delivered in a way which surprises and delights the customer.

That is why measuring customer satisfaction is so important. Customer satisfaction can be gauged by comparing customer expectation versus customer experience. The gap between expectation and experience is a critical measure regardless of the platform being used.

And of course this experience gap is amplified by social media and word of mouth: a positive change in customer satisfaction can deliver a huge upturn in business. And vice versa....

So the best companies are driven to exceed customer expectation when dealing with customers both face to face and online. Delivering a customer experience which surprises and delights and is talked about.

*Is your industry being transformed by direct customer access?*

*How is it changing your business model?*