
Position Paper

From the pursuit of satisfaction to
certitude:

A shift in marketing and customer
service strategy

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If your front-line employees understand what their job is in terms of pleasing and satisfying customers, their roles played out and reinvented every day to ensure customer happiness and loyalty, perhaps you'd better check whether the outcomes are quite what you expect. Chances are that your customers have transformed themselves – most likely with your help!

Introduction

Those of you who are responsible for ensuring client loyalty by creating customer satisfaction (a key component of mainstream marketing strategy) may, in reality, be achieving the very opposite of what you desire. Instead of engaging customers in a profitable and personalized relationship by providing the right product or service for the right customer at the right time, you may in fact be seeding the idea of customer entitlement! In that setting, customers expect constant improvements, which mean escalating offerings with no end or lasting satisfaction in sight. And this upward spiral of offerings may lead an organization to unwittingly set itself up to compete with itself!

This “no limit” strategy of offerings, the belief that customer satisfaction correlates with customer loyalty (or retention), may have become a hopeless concept that even the uninitiated have grasped in the last ten years.

What is needed is a review of our basic marketing strategies and beliefs, particularly if customer loyalty and retention are not being achieved.

Profound changes

Customers are transforming themselves – we can see the phenomenon every single day. So we can no longer predict with any level of certainty what will work and what won't. Customers are becoming more and more difficult to cultivate and “keep” as they become aware of their innate right to choose – and certainly to reject – any offering, however reasonable by our standards. Our present understanding of the nature and character of customers may be obsolete and unusable. Our knowledge is outdated and is leading to fruitless expenditures on product development, marketing and distribution. Yet our present business doctrine and profound beliefs are still wedded to the idea of building customer loyalty through customer satisfaction.

It is amazing to see organizations investing significant sums to generate a sense of satisfaction in their customers when we all know how quickly that feeling can evaporate. Its life span can range from a few seconds to a few minutes. Any memory trace from a customer's dealings with your organization will be quickly replaced by another supplier's

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proposal. We can imagine the life span of satisfaction, and our capacity to focus on any one thing for any length of time, by noting MTV's success in creating a 1.5-minute story.

We have learned through the years that satisfying customers' needs involves renewing ourselves. From a business point of view, we understood the so-called new market in the context of a generational rebellion. We used targeted demographics and focus groups to launch new marketing strategies. But what makes customer satisfaction a subject for real debate is its dual nature. In fact, hope, happiness, satisfaction – and economics, that dismal science – never did correspond with business realities, one of which is customer loyalty. If this notion has lived on well beyond the point where it stopped obeying any economic axiom, it may be time to rethink just how sound the concept of pursuing satisfaction to secure customer retention really is! Maybe we'll find it's not what it's cracked up to be.

Just as customers gave up the notion of a steady job some time ago, so should we break with the traditional wisdom that customer loyalty is inexorably linked with customer satisfaction. Rather, we should look at what customers are today – and at what they are becoming. There is a relationship between these two, between employment and the consumer state, that I'll explore later.

The breath and depth of customer transformation should be seen as a true value shift rather than a mere generational gap that calls for a refinement of our marketing strategies. The issue is not whether we are capable of holding on to customers through different marketing and service strategies, but rather whether transformed clients are still capable of being loyal to a brand and thus of developing a lasting relationship with an organization. If they are, why are our customers' buying habits so unpredictable and volatile? If they are not, is there a different covenant that needs to be developed between customers and organizations, whether business-to-business or business to customer? How do we stabilize customer relationships?

During this current customer transformation (for there will be others) and through on-going efforts in large organizations to improve marketing performance, ROE, cost per customer and the cost of acquiring new customers, new initiatives have

continued to evolve: CRM (customer relations management) and CVM (customer value management). CRM is a broad set of processes, work systems and practices for managing relations with current and future customers through marketing, sales, and customer services. CRM structures business approaches to enhance customer contact and build loyalty by generating powerful relationships that resist time and competition. Here are some key components of CRM:

- satisfying customer expectations,
- developing close relationships between customers and organizations,
- acquiring and retaining customers,
- improving market share and profitability,
- improving the quality of products and services,
- developing a competitive advantage through customer relations management strategies,
- CRM and CVM brand building.

Despite our best efforts and intentions to focus on customers and brand building, it is still too early to assess the results. While the concepts underlying CRM are sound and solid, most organizations (in North America) look at CRM as a new module to be glued onto the organization. Unfortunately, my understanding of a successful CRM initiative involves realigning functions around a customer strategy, not simply grafting CRM onto the existing structure. Still, these two concepts do offer some good ideas when applied skillfully and with courage, and I'll come back to them later.

By the way, if your marketing and customer service strategies are still based on the old understanding of customer satisfaction and on the unwavering belief that people today are not much different from what they were just a few years ago – then you are off the mark!

Brand building, marketing, sales and customer service executives should be on the lookout for shape-shifting customers. They have indeed mutated and, to some managers, they are no longer recognizable! Also, not surprisingly, we are finding that recent customer survey results don't make any kind of sense; in fact, some results simply confuse us, and, what's worse, they don't help us define our marketing strategy!

So, what's the answer?

Let's have a look at some of the changes that have taken place, at some of the signs of transformations still to come and at *certitude* as a key value shift. I believe these elements will help us shape our customer strategies for the next decade. Perhaps, as the title of this document indicates, a forgotten and basic element that I call *certitude* (in contrast to satisfaction) may be at the core of a profound customer transformation.

Customer revolution – or customer transformation

Many authors talk about the customer revolution, or rebellion or uprising. They warn us that “new” customers are now in control, that the revolution is upon us and that we should therefore be prepared for an onslaught of new expectations. We are also led to understand that these expectations will increase exponentially! Creativity and technological innovation are our only hope!

While we can blame this so-called customer rebellion on new technology, new world economies or global and instant communication technologies, the fact is that customers have always been in control and have always exercised their control over organizations and corporations. Think of the Ford Edsel, the city of Brasilia, of Stephen King's online book or Coke Classic, to name a few.

We need to remember, when we use audience blocks, focus groups, targeted demographics, and other “scientific” tools when developing marketing strategies, that people distrust business and they are willing to lie when in contact with you.

As consumers, we have always been aware of what we were buying, who was selling it, how much it really costs us and, especially, how long the product will last. We just didn't talk about it, especially during focus groups – why spoil the fun!

Where the workplace and the marketplace meet

Employment security, or the lack of it, has created a new mindset or outlook in people about their job, their company, their employment prospects and careers – and about consumerism.

Managers have traditionally believed that the cost-cutting and labor-saving devices in their plans and strategies would lead to higher profits, and organizations talked of continued growth.

But are we deceiving ourselves in thinking that cutting costs generates wealth? How can out-of-work people with non-existent salaries buy us out of a stagnant economy?

The lack of intellectual courage to admit to a void in our corporate thinking inevitably leads us to a cost-cutting management philosophy, spurred on by inexperienced and *ignorant* financial analysts, rating the worth of the company's shares!

Customers are the same people we employ! The lack of employment commitment has soured customers' perceptions of “Corporate America.” The current customer transformation has evolved from a traditional search for personal satisfaction to a longing for personal certainty in the future. It is entirely possible that this transformation began at a specific intersection in time and space when the workplace and marketplace met.

The significance of the changes in the relationship between customers and suppliers is unfortunately far greater than anyone had anticipated. The so called “customer revolution” is in reality a calm and calculated transformation due primarily to the new work ethic and work politics. We would be better served if we understood just how the breakdown of trust between organizations and their employees has profoundly transformed customer expectations, beliefs, and their sense of what the future holds.

Marketing intelligence

Some marketing managers openly admit that it is nearly impossible to predict customer behavior, to build and build customer loyalty or to produce reliable buying forecasts. Whether or not they will admit that to their CEOs is another question.

HR managers will remind us that they have been alerting management to changes in the work force for some time now. But who listens to HR staff anyway – especially when financial pressures are ever more relentless?

Survey intelligence

Some senior managers, when I first met them some time ago, reluctantly acknowledged that, even though they had markedly improved their front and back office operations, their customer surveys were showing a growing dissatisfaction with the organization as a whole, with management, their representatives, the product line, the quality of products and services and, finally, with the value they were getting for their dollar!

Many internal employee surveys also showed the same critical appraisal of their organizations. No matter what country or continent, employees are suspicious of anything management says about their future – even when they know the information communicated is true!

With customers feeling at best distrustful, traditional customer service approaches are ineffectual against the negative tide of perceptions. The customer base has been thoroughly transformed through world events and some widely publicized unethical management practices. A growing number of customers reluctantly admit that they are not totally truthful about their feelings: they claim that it's not in their best interest to communicate their true level of satisfaction to suppliers; they believe that some negative feedback will keep them (the suppliers) on their toes, while positive feedback will probably backfire on customers.

Whether customers give real or contrived feedback, a new relationship archetype is forming. Let's call it cold-blooded and uncompromising. As a result, some organizations are recording 60% to 85% levels of customer satisfaction – and some of them are happy with those results!

Whether or not this pattern has taken, or is taking shape in your organization, many companies still build their marketing strategies on customer satisfaction levels, when we know how unreliable and ephemeral such impressions can be!

Here's a case in point.

Failed customer satisfaction challenge

In 1997, a large manufacturing multinational was looking for a unique customer service training program. Their last customer service survey had revealed significant dissatisfaction with the com-

pany, their representatives, the policies affecting product guarantees, etc. In fact, customers were critical of just about everything, except the product itself. Although the level of product satisfaction was consistently higher than other survey items through the years, subsequent surveys in 1999-2000 showed a significant decline in customer confidence in the company's core product.

These negative results were unexpected and surprised just about everyone in the organization because, for the first time in their history, management had to explain why customers were unhappy instead of celebrating their loyalty and satisfaction. They had to explain failure.

At first they couldn't explain the results, nor were they comfortable discussing them. Wanting to do something about a situation neither completely under their control nor fully understood, they were seeking a remedy for the negative feedback from their customers. They wanted another training program, even though they had invested heavily in their customer service culture and its structure in the three years prior to the survey. They had doubled their customer representatives in their customer service units worldwide. They had given their employees and management staff state-of-the-art "customer delight" training programs. The organization was confident it could maintain its dominance and retain its customer base against the competition. It was already in full gear trying to please and delight their customers when they got the bad news from the latest surveys!

Unfortunately, those survey results showed a potential loss of between 10-12% of their customer base within 2-3 years if the level of dissatisfaction persisted. Employees couldn't resist the temptation to mock their supervisors: "You mean we have to do more that just delight them now?"

Interpretation and analysis and the personal agenda

To better understand those survey results, I met with a large number of their customers in North America, Europe and Asia. I came to understand that their customers and the organizations for which they worked were not necessarily unhappy with my client. In all cases, whether customers were satisfied or not with the supplier, we observed that they were driven by their own personal

agendas. Some key people were angry and outraged at the treatment they had received from a number of other organizations, including their own! People were using their customer status and surveys as an outlet to let off steam and to push their own agenda. This they did this by voicing their anger at any supplier at hand.

I first discovered survey-agendas in 1985 while doing some follow up interviews with customers. The results were surprising and suggested something was up! Customers freely admitted they were actually happy with their supplier and that they were, in fact, the best in the business. They just wanted something more, they couldn't put their finger on it, but they would wait and see what happened. The smiles I got while they were giving me the lowdown on my client were spine-chilling. This is the kind of information that cannot be captured through traditional surveys.

Other customers, even more angry and frustrated, had a lot to say. They talked about how they were treated on the telephone, the broken promises on delivery dates, the runaround to get information, the voice-mail systems, and the perceived lies about just about everything.

Customers wanted to tell us what was on their mind. While they usually began with what made their jobs difficult, soon the discussion would come around to their own agenda and it became clear that they wanted my client to know that they would answer surveys any which way they fancied. This wasn't business – this was personal.

I can recognize anger. I'd met it before as a line manager, when I was told my employees were staying out on strike for an extra day even though we had reached an agreement. They were still angry. Anger can't be talked away. It unfortunately has to run its course.

The tension and stress we found in our customers was palpable and probably justified, because they were the ones who would ultimately be responsible within their organization for any deficiencies on the part of suppliers.

The customer relationship

Since 1980, many organizations have experienced similar problems and issues. The similarity between organizations is remarkable – employees

attending customer service training programs told the trainers they had observed subtle changes in their relations with their own customers. After listening to hundreds of employees from two dozens organizations on three continents, I concluded that customers were undergoing a tremendous change in the way they were developing relationships with suppliers. Private agendas were also in play when dealing with customer service representatives or front office staff.

As recently as five years ago, employee and customer surveys showed similar negative results. It soon became obvious that the development programs offered staff were a training ground for employee transformation and, by extension, the transformation of their own customer temperament and personality. During training programs, employees would learn about or explain new customer behaviors to colleagues. They would exchange new ways to deal with difficult or impossible customers and would often compete to see who could come up with the most horrific encounter. Managers, pressured to get better results, would also display new behavior, short-circuiting their own representatives to deal directly with customers. This, in turn, generated new horror stories at a higher level in the organization.

All these experiences have shown people how to be focused and totally centered on their own needs. In consciously denying suppliers the customer loyalty they deserve for the trustworthiness those suppliers have worked so hard to achieve, this customer transformation has created "a use or be used" business relationship.

So, instead of a relationship based on providing the right product or service for the right customer at the right time, what we are now witnessing is a customer pondering "How much can I get, at the cheapest possible price, with the best quality and best service?" We should also anticipate "What's the most I can ask for before being turned down?" Maybe you've already come across this customer behavior!

Certitude: The unconscious value

Ease, convenience, security, and an assurance of the same consistent level of service has evolved over the last 30 years of consumerism. A little

"certitude" in a turbulent world probably has more value today than the quality and refinements we were looking for a few years ago. Since uncertainty is one of the greatest angst generators we know, certitude is clearly an antidote and it is a fundamental value for customers, a value that will continue to gain worth as instability continues.

Let's be clear about this. In the present business environment, the quality customers seek is not necessarily perfection. But the quality does have to be consistent and reliable.

Ironically, what's great or delightful is interpreted as an accident, a come-on, a trap, and a lure, because in the end we suspect that it will either not last for long or that we will have to pay for it.

Certainty and customer delight

The basic issue people have with customer delight programs is the belief that nothing is free and that any delightful aspect of a product or service is factored in as a cost one way or another. As we all know from personal experience, when a supplier tries and succeeds in exceeding our expectations, we react with surprise and glee. However, once that initial good feeling has faded away, we display behavior that often cancels out any chance of becoming loyal customers. We don't have to look too far to find an example. After being surprised by outstanding service, I have often heard the comment that what was experienced must have been happenstance, a fluke, an accident! "It's too good to be true!"

More often than not, the extraordinary service or product is not repeated, for a number of valid reasons. And that reinforces the customer's perception that a remarkable product or service is a chance happening, something that shouldn't be counted on.

Some organizations are still going full out trying to outdo themselves with satisfaction and better-than-satisfaction strategies, customers are responding with disloyal behavior and attitudes. These are and should be understood as a reflection of their growing awareness of supplier errors, slip-ups, come-ons, marketing lures, lies or exaggerations, or one-time wonders.

While I'm not promoting the type of certainty that dulls the senses, such as the same bland colors,

layout and style of an hotel room, for example. What I am suggesting is that, whatever your standards, they should be met every time, 24 hours a day, for all customers. Those standards should be reviewed to see if the organization should improve its offering to bring it closer to customers' needs, and the performance of back and front office processes should also be reviewed to ensure customer certitude at every turn.

To commit to delivering certainty requires a repositioning of service or product proposals and the certification of those responsible for the same implementation day after day in order to guarantee certitude – think of it like ISO certification. And, however paradoxical it may seem, any over-performance would work against the organization's ability to retain customers – unless, of course, every new extraordinary service or product offered immediately becomes the new standard for the whole organization! I'm not saying it's impossible to achieve, just that it hasn't been done yet!

Let's entertain the possibility that people will eventually tire of always being on the lookout for something more, something better, something different, without ever being, or feeling, satisfied.

Why not make contact easy instead of complicated? (Think of all those automated telephone-answering systems that make your customers do all the work!)

Why can't customers simply get what they expected and were promised – as opposed to being surprised? Achieving a level of comfort with little energy expenditure and having service readily available are fundamentals that customers value – perhaps more than in the past.

CRM, CVM and certitude

Technology enables organizations to know their customers better than ever before because the information available is amazingly detailed and potentially valuable. Systematically documenting features of customer relationships has become indispensable.

No one today can honestly say that they can rest on their laurels, or that their company will exist in perpetuity! Consequently, organizations have reviewed their marketing strategy and have chosen to go to the next step in servicing their customers

and adopted the CRM (customer relations management) and CRV (customer value management) approaches to customer relations.

The success to date in developing new business, achieving customer satisfaction and retention through CRM and CVM approaches is, at best, unpredictable and mixed. Very few companies have succeeded. Those who did questioned everything about their approach to customer service and were prepared to make real changes to their organization.

From the most sophisticated CRM strategies where complex calculations are performed to evaluate the right moment for up-selling the right product to the right customer, to a simple understanding that CRM helps retain customers, most marketing and front office CRM project managers nevertheless target customer satisfaction as their key marketing strategy and measurement tool. However, new ground is being explored: What performance level is required? What will it cost? What should we measure to know what performance level will impact customer retention and our competitiveness?

Organizations that have adopted CRM and/or CVM strategies admit that the quality of the products and services offered their customers were below their own expectations and had to be improved. More often than not, the quality of services and products varied from acceptable to very bad, which generated customer turnover of 10-25%. They reacted by introducing the CRM approach to acquire new customers and grow their business. However, many corporate managers believe that poor back and front office performance will somehow be transformed with this new approach, which should remind us all about our tendency to fall for the latest gimmick, to seek "the magic bullet" – been there, done that!

Organizations that have aligned their resources with mainstream marketing approaches based on the concept of customer satisfaction are in more danger than ever before because their promises to their customers are unreliable and unrealistic. To compensate for unreliable performance, many have invested heavily in technology as a way to improve service. The results are usually disappointing.

The certitude standard

Promises made to customers are usually substantial and constitute a real challenge to achieving consistent results.

A "certitude" level of performance should be instituted as the basic standard for customer service and retention objectives. This will call for an alignment of the whole organization to meet that standard.

As we have seen, customer satisfaction may be very expensive – and elusive! A marketing strategy based on a true understanding of customers should be firmly rooted in providing what's promised, what's possible and, yes, what's very profitable.

While customer behavior patterns don't change easily, they can be unreliable when it comes to shaping our business strategies. Sometimes, customers will continue to be predictable and behave according to their basic values, sometimes not.

Whether or not you believe that your customers have changed significantly, we are probably in the middle of a shift from what they were to what they are becoming – lucid, informed – and cynical.

And, whether or not we like them, business models and marketing strategies should reflect these customer characteristics. The underlying issue, of course, is delivering on our promises. This does not take time and money. What it does take is attention to detail and focus on the right things. Simply put, unreliability will pull the rug right out from under you just when your new product or service has been assessed as a potential winner.

Is certitude just another way of redefining customer satisfaction? Or is it a yardstick to measure real performance? Does it matter? Does it matter that satisfaction is the wrong performance indicator?

Implications of the certitude standard

For those who still believe that we have no option but to satisfy our customers the old fashioned way, consider this: We have altered the true meaning of service and quality over the years by assuming that people will accept our offerings if we are respectful and friendly. In return, we hope we have happy and loyal customers because we are nice to them.

Obviously, if your track record is not perfect, customers and employees alike expect good treatment. As a result, the quality of the treatment becomes your standard!

Those happy, perky, but ineffective employees handling your customers will infuriate them. Customer rage isn't just an accident of our times – it's a phase most of us, as customers, go through. Such aggressive behavior is a precursor of transformation. As I said at the outset, we are mostly responsible for the customer transformations we are witnessing today. They would not have been generated without a great deal of bad products and services, designed and delivered despite your best intentions and standards.

The time for us to carefully review the practices, traditions and systems we have created in the name of "satisfying" clients is at hand.

Be aware, though, that our comfort level with a customer service strategy that has taken over 60 years to create and deploy in the hope of generating customer loyalty is going to be a formidable barrier to overcome.

The deployment of certitude-class products and services requires a new vision of what to offer, strategies to deploy, new work practices, and the creation of new traditions. A review of business routines is also needed to identify which practices or systems are working for or against your objectives.

And introducing a standard of certitude clearly represents a set of separate tasks and a shift in marketing and customer service strategy.

Faced with the unreliable every day, customers crave for the certain, the predictable, the sure and the tested. And it could be that – in reaction (or retaliation!) to the successful implementation of certitude standards – customers will respond to your offerings with their own certitude-class buying patterns!

Conclusion

This essay is mostly about customers, about discovery, character and history. The content is derived from consulting assignments where I had the opportunity to listen to people of all ages, customers and sellers alike. Being a natural

skeptic, I wanted to understand how people behave and how we could predict their decisions. Based on recent experiences with senior managers from around the world, I could not accept the established precepts of satisfaction, loyalty and retention as we understand them today because they just didn't hold up to scrutiny.

I wanted to know more about the remarkable relationships that underpin most business transactions. Most of all, I wanted to explore why I was unable to reconcile the present premises of our business strategies with emerging customer behavioral patterns.

It is clear (to me, at least!) that all is not what it appears to be. We are witnessing a true customer transformation, one that will probably continue as instability persists.

Certitude is a powerful antidote to uncertainty. Certitude is measurable and enduring, not unreliable and fleeting like satisfaction.

Perhaps certitude is a human requirement, especially today. Perhaps the need for certitude is primary to our psyche.

AJH