The Times They Are A-Changing

Bob Goehrig
Sterling Master Examiner

Objectives

• Proactively understand the Voice of the Customer to know what the customer wants before the customer knows
• Use social media to build relationships and customer engagement
• Manage your brand to win customer engagement
Sterling Criteria – Category 3 - Customers

How does your organization engage its customers for long-term success including listen to the Voice of the Customer, exceed expectations, and build relationships.

3.1 Voice of the Customer
- Customer Listening – How do you listen to obtain actionable information?
  - Current Customers
  - Potential Customers
- Determination of Satisfaction and Engagement
  - Satisfaction, dissatisfaction, and engagement?
  - Satisfaction relative to competitors

3.2 Customer Engagement
- Product Offerings and Customer Support
- Including determining customer and market segments
- Customer Relationships
- Relationship Management
- Complaint Management
The Epic Battle Between Oreo’s and Hydrox

Milk’s Favorite Cookie Vs. America’s Original Crème Filled Chocolate Sandwich Cookie

- Oreo
  - 1st appeared in 1912 to compete with Hydrox
  - 1/3 of all cookies sold in the U.S. are Oreo’s (10 billion)

- Hydrox
  - 1st appeared in 1908
  - Although on the scene first, it is often thought to be the cheap Oreo knock-off
  - Stopped production in 1999; reintroduced in 2015.
The Times They Are A-Changing
From Mass Production to Mass Customization

“Tell them they can have any color they want as long as it’s black.”
- Henry Ford

Mass Customization

• The new frontier in business competition.
• At its core is a tremendous increase in variety and customization without a corresponding increase in cost.
• Personalized goods or services to meet customers diverse and changing needs.
• This is not possible without listening/learning from the Voice of the Customer and building customer relationships.
Example of Mass Customization
How Many Flavors of Oreo Have You Tried?

• Original Oreo
• Double stuf (introduced in 1975) no new flavors between 1912 and 1975
• Fudge covered (introduced in 1987)
• Halloween (introduced in 1991)
• Banana Split, Berry Burst, Birthday Cake, Candy Cane, Candy Corn, Caramel Apple, Chocolate, Cookie Dough, Cool Mint, Creamsicle, Fruit Punch, Gingerbread, Key Lime Pie, Lemon Twist, Limeade, Marshmallow Crispy, Neapolitan, Peanut Butter, Peanut Butter Cup, Pumpkin Spice, Red Velvet, Root Beer Float, Rainbow “Shure, Bert”, S’Mores, Strawberries and Cream, and Watermelon
• Football shaped, dipping shaped, 100 calorie pack, Oreo thins (40 calories per cookie), deep fried

Oreos Around the World

• China: Green tea ice cream, double fruit in orange and mango
• Indonesia: Vanilla, blueberry ice cream
• Argentina: X3 (3 layers of cookie and 2 layers of cream), Alfajor (X3 covered in chocolate)
• Mexico: White fudge, trio chocolate.
• Canada: Strawberry milkshake
• Japan: Oreo soft cookies, lemon ice
Some Definitions

- **Voice of the Customer (VOC):**
  - Process for capturing customer related information
  - VOC processes are proactive and innovative to capture stated, unstated, and anticipated requirements, expectations, desires
  - Listening to the VOC might involve gathering various types of customer data, such as survey data, focus group data, warranty data, complaint data, social media data etc.

VOC Depends on Customer, Customer Group, Market Segment
Don Chalmers Ford (2016 Recipient)
Top 10 Oreo’s
Or Why didn’t my guidance counselor tell me about this job?

1. Double Stuf (Note: it is spelled with one “f” everywhere except the United Kingdom)
2. Thins Mint
3. Mini Reese’s
4. Mint
5. S’Mores
6. Spring Oreos
7. Lemon Golden
8. Peanut Butter
9. Chocolate Cream
10. Double Stuf Golden
Customer Dissatisfaction is not the Opposite of Customer Satisfaction

- **Dissatisfaction**
  - Fundamental requirements and expectations.
  - Because these are “must-have” requirements, they do not make the customer happy but the absence does make the customer unhappy.

- **Satisfaction**
  - Requirements that customers are not expecting.
  - Customer can live without them but usually tend to compare satisfiers.

Customer Satisfaction Vs. Customer Engagement

- **Satisfaction**
  - Measures the customer’s experience with your product or service.
  - Did it meet their expectations?
  - Satisfied customers will leave for a competitor’s product or service

- **Engagement**
  - Measures the customer’s commitment to your brand, product, and/or service.
  - Measure of customer loyalty – willingness to advocate for and recommend your brand, product, service.
These customers are engaged!

Say goodbye to sticky fingers!

Dressed Up Digits

Customer Engagement Cycle

- Awareness
- Conversion
- Retention
- Satisfaction
- Acquisition
- Referral
What do the Best Organizations Do?

• Determine Engagement Factors
• Engage Through Great Customer Service
  ° Customer service and relationships are more important than price
• Respond and Recover from Dissatisfaction and Complaints

Best Practices

• Multiple, effective listening methods to obtain customer feedback
• Effective and prompt resolution of complaints and dissatisfaction
• High levels of customer engagement and satisfaction
• Effective and systematic analysis and use of customer data In-depth market knowledge and forecasts
• Systematic consideration of needs and requirements of current and potential customers
• Multiple mechanisms to support customers
• Customer-focused culture that is well integrated with workforce management and development systems
Customer Engagement

• How do you determine key Engagement Factors?
• The Gallup CE11™

Loyalty + Confidence + Integrity + Pride + Passion = Customer Engagement


Net Promoter Score:

NPS asks: “How likely are you to recommend this business to a friend or colleague?” - 9 or 10 – Promoter, 8 – Passive, 0 to 6 -

Alpha Systems, Inc.
Quarterly Scorecard

Sentiment Analysis of Verbatim Comments

## How do you know if your customer is satisfied, dissatisfied, or engaged?

<table>
<thead>
<tr>
<th>Category 1 – Leadership</th>
<th>7.4a Leadership and Governance Results (leadership, governance, laws/regulations, ethics, societal) Note: may also include 7.1 thru 7.5 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 2 – Strategy</td>
<td>7.4b Strategy implementation results Note: may also include 7.1 thru 7.5 Results</td>
</tr>
<tr>
<td>Category 3 – Customers</td>
<td>7.2 Customer-Focused Results</td>
</tr>
<tr>
<td>Category 4 – Measurement, Analysis, and Knowledge Management</td>
<td>7.1 thru 7.5 Results</td>
</tr>
<tr>
<td>Category 5 – Workforce</td>
<td>7.3 Workforce-Focused Results (capability/capacity, climate, engagement, development)</td>
</tr>
<tr>
<td>Category 6 – Operations</td>
<td>7.1 Product/Service and Process Results (product/service and process outcomes, work process effectiveness, supply-chain management)</td>
</tr>
</tbody>
</table>

Note: These may vary depending on the organization

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## Ask Them!

- **Customer Satisfaction:**
  - Customer-perceived expectations met on price, delivery, customer service, value, timeliness, ease of use; customer complaints;

- **Customer Engagement:**
  - Retention, loyalty, willingness to recommend, retention, advocacy, awards, ratings
**Dept. Of Health- St. Johns**

**Customer Satisfaction 2016**

<table>
<thead>
<tr>
<th>Year</th>
<th>DOH-St. Johns Customer Satisfaction (%4s &amp; 5s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>98%</td>
</tr>
<tr>
<td>2012</td>
<td>97%</td>
</tr>
<tr>
<td>2013</td>
<td>97%</td>
</tr>
<tr>
<td>2014</td>
<td>98%</td>
</tr>
<tr>
<td>2015</td>
<td>99%</td>
</tr>
<tr>
<td>2016</td>
<td>99%</td>
</tr>
</tbody>
</table>

Department of Health in St. Johns County
Customer-Focused Results
Mid-America Transplant Services (2015 Recipient)

Customer-Focused Results
Sutter Davis Hospital (2013 Recipient)
Have you ever been to a place that gathers customer feedback like this?

https://www.youtube.com/watch?v=svSGKJFSI-8

What do you do?

• Brief Exercise:
  ° What are three things you do/ could do in your organization to better understand the voice of the customer?
What do the best organizations do to clearly understand customer requirements?

- Appropriate Segmentation of Customers/Market Groups
- Determine Requirements
- Social Media and other web-based technologies are becoming increasingly important to listen and learn

How do you determine customer segments?

- Segment by:
  - Product/Service
  - Geography
  - Demographics
  - Targeted market groups
  - By means of communication
  - Past customers
  - Potential customers
  - Communications channel
  - Individually (Social media)
Jon Timmerman – formerly of Ritz Carlton

• “We’re starting to get a better big-data analytic understanding of what customers want by cohort, by geography etc...”
• “Through mega analytics I can tell you what a 19 year old Chinese male wants when he walks into a restaurant...”
• “That has to be balanced with an understanding of what customers want at an individual level.”


3.1a(1) How do you use social media and web based technologies to listen to customers, as appropriate?
What is Social Media?

- Social media is a non-traditional way for people to interact in which they create, share, or exchange information in a virtual community.

- A group of internet based applications that allows for the creation and exchange of user-generated content.

- Social media differs from traditional media in many ways including quality, reach, frequency, usability, immediacy, and permanence.

- It is portable, pervasive, and powerful.
Google Search: “Facts about Hydrox cookies”
3 of the top 4 sites are for Oreo NOT Hydrox

15 Cream-Filled Facts About Oreos | Mental Floss
mentalfloss.com/article/67027/15-cream-filled-facts-about-oreos
Mar 6, 2017 - Hydrox might seem like an Oreo knock-off, but these cookies actually came first, debuting in 1908—four years before the Oreo.

REVIEW: Leaf Hydrox Cookies (2015) - The Impulsive Buy

You Won’t Believe These 13 Insane Facts About Oreos - Cleverpedia
www.cleverpedia.com/wont-believe-facts-oreos/

10 things you may not know about Oreos - AOL Food - AOL.com
https://www.aol.com/article/2016/02/12/10-things-you-may...oreos/21311896/

Social Media – Building Relationships

• 71% of consumers who experience quick/ effective response are likely to recommend compared to just 19% of customers who do not ~ NM Incite
• Companies that engage/ respond to customer requests over social media, those customers end up spending 20% to 40% more ~ Bain & Company
• Companies delivering customer support through social media achieve superior gains – 7.5% vs. 2.9%. ~ Aberdeen
• Average number of people a social customer will tell about a bad customer experience: 53. ~ American Express®
Companies that engage customers achieve higher levels of success!

IL Punto Ristorante

Great Customer Experience: Lego

Thanks for sending us an email! We are very sorry to hear about you losing your Jay minifigure...

## Most Popular Social Networking Sites

<table>
<thead>
<tr>
<th>Site</th>
<th>Unique Monthly Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>900 million</td>
</tr>
<tr>
<td>Twitter</td>
<td>310 million</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>255 million</td>
</tr>
<tr>
<td>Pinterest</td>
<td>250 million</td>
</tr>
<tr>
<td>Google+</td>
<td>120 million</td>
</tr>
<tr>
<td>Tumblr</td>
<td>110 million</td>
</tr>
<tr>
<td>Instagram</td>
<td>100 million</td>
</tr>
<tr>
<td>VK</td>
<td>80 million</td>
</tr>
<tr>
<td>Flickr</td>
<td>65 million</td>
</tr>
<tr>
<td>Vine</td>
<td>42 million</td>
</tr>
<tr>
<td>Meetup</td>
<td>40 million</td>
</tr>
<tr>
<td>Tagged</td>
<td>38 million</td>
</tr>
</tbody>
</table>

Despite Growth of Other Sites
Facebook Remains King

Percent of adults who use the following social media sites:

- Facebook: 71%
- LinkedIn: 22%
- Pinterest: 21%
- Twitter: 18%
- Instagram: 17%

Source: Pew Research Center, Sept. 2013
High Levels of User Engagement on These Sites
Frequent Posts Are Necessary to Maintain Interest

Source: Pew Research Center, Sept. 2013

Who uses social media?

EVERYBODY!

Social Media usage continues to increase, particularly by older adults aged 65 and older (increased by 150% since 2009); and by adults aged 50-64 (increased by 50% since 2009)
Who Uses Social Media?

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>72%</td>
</tr>
<tr>
<td>Women</td>
<td>76%</td>
</tr>
<tr>
<td>18-29</td>
<td>89%</td>
</tr>
<tr>
<td>30-49</td>
<td>82%</td>
</tr>
<tr>
<td>50-64</td>
<td>65%</td>
</tr>
<tr>
<td>65+</td>
<td>49%</td>
</tr>
<tr>
<td>HS grad or less</td>
<td>72%</td>
</tr>
<tr>
<td>Some college</td>
<td>78%</td>
</tr>
<tr>
<td>College+</td>
<td>73%</td>
</tr>
<tr>
<td>Less than $30k/year</td>
<td>79%</td>
</tr>
<tr>
<td>$30,001 - $49,999</td>
<td>73%</td>
</tr>
<tr>
<td>$50k - $74,999</td>
<td>70%</td>
</tr>
<tr>
<td>$75,000+</td>
<td>78%</td>
</tr>
</tbody>
</table>

Percent of internet users within each group who use social networking sites.

Source: Pew Research Center, Jan. 2014

Social Media Usage by Local Governments

<table>
<thead>
<tr>
<th>Social Media Technology</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>92%</td>
</tr>
<tr>
<td>Twitter</td>
<td>78%</td>
</tr>
<tr>
<td>YouTube</td>
<td>59%</td>
</tr>
<tr>
<td>Instant Message</td>
<td>56%</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>50%</td>
</tr>
<tr>
<td>GoogleDocs</td>
<td>26%</td>
</tr>
<tr>
<td>Flickr</td>
<td>17%</td>
</tr>
<tr>
<td>MySpace</td>
<td>11%</td>
</tr>
</tbody>
</table>

By contrast, 36% of 16-29 year olds used a library web site within the past year.

Reliance on Social Media Increasing Among Coral Springs’ Business Customers (2007 Recipient)

What are the best ways for the City to communicate with your business? n=403

Social Media: Measuring Success

1. Benchmark your performance
2. Set goals
3. Identify metrics
4. Track leads through forms and landing pages
5. Measure at appropriate intervals

Social Media Success: The Metrics

- Conversation Volume
  - Number of Interactions (Over time)

- Demographics
  - Location, gender, and age

- Level of Influence
  - Overall reach online

- Sentiment
  - Positive or negative attitudes

- Share of Voice
  - Percent of discussion volume

Reference: “Your Brand SUX”, Turning social sentiment into opportunity, Microsoft Dynamics, 2014

Now for something completely different: Senior Texting Codes

<table>
<thead>
<tr>
<th>Code</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATD</td>
<td>At The Doctor’s</td>
</tr>
<tr>
<td>BFF</td>
<td>Best Friend Fainted</td>
</tr>
<tr>
<td>BTW</td>
<td>Bring The Wheelchair</td>
</tr>
<tr>
<td>BYOT</td>
<td>Bring Your Own Teeth</td>
</tr>
<tr>
<td>CBM</td>
<td>Covered By Medicare</td>
</tr>
<tr>
<td>CGU</td>
<td>Can’t get up</td>
</tr>
<tr>
<td>CUATSC</td>
<td>See You At The Senior Center</td>
</tr>
<tr>
<td>DWI</td>
<td>Driving While Incontinent</td>
</tr>
<tr>
<td>FWB</td>
<td>Friend With Beta Blockers</td>
</tr>
<tr>
<td>FWI</td>
<td>Forgot Where I Was</td>
</tr>
<tr>
<td>FYI</td>
<td>Found Your Insulin</td>
</tr>
</tbody>
</table>

What do you do?

• Brief Exercise:
  ° What are three things you do/ could do in your organization to better build customer engagement?
  ° How would you know if you were successful?

How do you manage relationships with customers to manage and enhance your brand image?

Your brand is what people say about you when you are not around.
  ° Don McEachern, President and CEO
    North Star Destination Strategies
Building Your Brand: Seven Components for a Comprehensive Brand Strategy

1. Purpose
2. Consistency
3. Emotion
4. Flexible
5. Involvement
6. Loyalty
7. Awareness


Vision isn't just to sell furniture, but rather, to "create a better everyday life."

Building Your Brand: Seven Components for a Comprehensive Brand Strategy

2. Consistency


3. Emotion

Building the Oreo Brand: Emotion

- Oreo ice cream
- Oreo donut – chocolate donut with vanilla cream filling
- Easy Bake Oreo mix
- Oreo pie crust
- Oreo Jell-O
- Oreo candy bars
- Oreo cheesecake

Building Your Brand: Seven Components for a Comprehensive Brand Strategy

4. Flexible

Building Your Brand: Seven Components for a Comprehensive Brand Strategy

5. Involvement

6. Loyalty

Zappos

The Best Man and His Shoes

“Zappos has earned a customer for life”


7. Awareness

Awareness: “The Solution Should be More Memorable Than the Problem.”
- Los Alamos National Bank (2000 Recipient)

Bill Budd I've been getting a ton of broken Oreo's lately. Like to the point where almost every cookie in an entire pack, the cookies either split in half, or in 3 pieces.
· · 5 · March 14 at 8:22pm

Oreo Hi Bill – That doesn’t sound right! We’re so sorry that this has happened to you and would like to get this reported. Can you send us a private message with the package's UPC, Best Before Date, and include the numbers and letters that follow? Thank you.
· · 2 · March 15 at 2:36pm

Branding: Florida Department of Health

OLD

NEW
Branding: Pasco County

Sterling Criteria Alignment Chart – Category 3 ‘Customers’ Linkages

Workforce
• Capability, Capacity, Culture, Climate
• Change management
• Workforce / Leader Development
• Learning & Dev Effectiveness
• Career Progression

Leadership
• Mission Vision Values
• Organizational Governance
• Communication / Org Performance
• Ethical & Legal Behavior

Strategy
• Strategic Development
• Innovation
• Work Systems & Core Competencies
• Strategic Objectives
• Action Plans

Customers
• Potential, Current, Competitor, Segmentation
• Satisfaction (Dis), Engagement, Complaints
• Product Offerings
• Customer Relationships

Operations
• Product & Process Design
• Innovations Management
• Process Efficiency / Effectiveness
• Supply Chain Management
• Safety / Emergency Preparedness

Results
• Product and Process
• Customer
• Workforce
• Leadership & Governance
• Financial and Market

Measurement, Analysis & Knowledge Management
• Performance Measurement & Agility
• Performance Analysis, Review & Improvement
• Continuous Improvement & Innovation
• Org Knowledge Management / Learning
• Data, Information, Information Technology
The Road to Better Customer Focus

1. ID Key Products/Services/Processes
2. ID Key Customers
3. Determine/Validate Requirements
4. Develop Appropriate Measures
5. Determine Customer Satisfaction/Engagement
6. Determine Dissatisfiers
6. Improve Performance

Questions & Answers
What Have You Learned in this Session?

Objectives:

• Proactively understand the Voice of the Customer to know what the customer wants before the customer knows
• Use social media to build relationships and customer engagement
• Manage your brand to win customer engagement

Any Questions?

Closing

• Certification Candidates:
  ° Hand in evaluation and get your card punched

Call Sterling for more information about examiners, assessments, and training

(850) 922 - 5316