

# Brand Recall

Brand Recall is the likelihood of instant recollection of the name of a brand by a consumer when prompted with a product or service or any other association with it.

In simple terms, brand recall is a qualitative measure of the consumer's ability to remember the name of a brand. It is a component of brand awareness which measures the spontaneous recall of the brand from memory when the customer is prompted by the product category.

## Importance Of Brand Recall

Being at the top of the mind whenever the consumer thinks of a product category is the ultimate aim of every brand as it not only leads to increased sales, but it also helps the brand carry out its word-of-mouth marketing strategies, referral marketing strategies, etc.

## Builds Brand Equity

Brand recall builds brand equity for a brand's products by ensuring that its superior quality and reliability is etched in the memory of consumers.

## Creates A Competitive Edge

Brand recall is one of the factors that lie at the top of the marketing funnel and reflects the first stage of a buyer's journey. Brand recall signifies comfort and familiarity with a certain brand. It provides an edge over the competitor's brand while making an actual purchase decision.

## Boosts Sales and Market Share

The brand recall for a company is directly proportional to the likelihood of actual purchase of a product or service offered by the brand. It plays a significant role in facilitating repeat purchases.

A positive brand recall ensures behavioural, cognitive and emotional loyalty of consumers towards its existing and potential products and services.

### **Measurement:**

Brand managers can ascertain the effectiveness of the branding strategies deployed for a company by measuring brand recall with this formula:

$$\text{Percentage Brand recall (\%)} = \left( \frac{\text{Survey Respondents who correctly identified or recalled your brand}}{\text{Total number of respondents}} \right) \times 100$$

### **Types:**

#### **Aided Brand Recall**

In terms of aided brand recall, the respondents are given an external hint which acts as an aid for them to recall the brand in the discussion.

#### **Unaided Brand Recall**

Unaided Brand recall implies when a consumer or respondent recalls the name of the brand without any aid or hint.

A brand's value is directly connected to its presence in the memory of consumers. Quite simply, if a customer remembers a brand, he is likely to buy that brand. If he doesn't remember it, he will buy the one he remembers. Thus, for a brand, it is important to set itself in customers memory.

### **Strategies:**

#### **Brand Partnerships**

Brand Partnership is a mutual agreement between two or more brands to help one another in increasing brand recall, exposure, breaking into new markets and providing value-added services to the consumers.

#### **Communicate Well with The Target Audience**

Consistent communication with the target audience enhances Brand recall. Social media can be leveraged through modes like Facebook, Twitter, Pinterest and Instagram. The Brand's followers constantly lookout for updates from them on these platforms.

#### **Develop An Unforgettable Brand Tagline**

One of the most effective ways to draw attention and enhance brand recall is developing an unforgettable tagline. A tagline should be such which points towards the benefits of a product while parallelly conveying the Brand Purpose.

### **Humanize The Brand**

It is a commonly known fact that people respond to people as opposed to a faceless organisation. Humanizing a brand involves connecting the ideas of the company with the people involved with the brand.

The employees, the customers and strategic partners should be used as brand ambassadors of the company and their story of growth with the company must reach out to the audience. This realistic connect will ensure a greater Brand recall for customers.

### **Focus On the Upkeep of Brand Reputation**

It is important to identify and eliminate all the potential reputation risks that may undermine the hard-earned reputation of a brand. While a brand recall is a boon, it may act as a bane if negative recollection takes place in the minds of consumers.

### **Define The Brand Purpose**

Brand Purpose is the reason for the existence of a brand beyond generating revenues. It answers the question “How does a company improve the lives of its consumers” or “What is the idea that drives a particular brand”?

### **Develop Catchy Brand Logo Design**

A brand logo lays the foundation of Brand Identity. It grabs attention, differentiates the company from its competitors and makes a strong first impression in the minds of consumers.

An aesthetically pleasing logo triggers a positive recall about a company's brand. It serves as a great hedge, in case the name of the brand is forgotten, by crystallizing the brand's profile.

### **Create A Brand Story**

Creating a brand story involves making an emotional connect with the audience which becomes a part of their memory. The narrative of the story could highlight conflict and resolution.

### **Build A Brand Personality**

Building a brand personality implies providing human characteristics to a certain brand like competence, toughness, sincerity, sophistication etc. For example, the brand Nike has built its personality as Athletic. Therefore, it appeals to all athletes no matter which sport they play.

### **Define The Brand Proposition**

Brand Proposition is simply the problem which a company's product is solving for the consumers. It is the promise that the brand delivers to its consumers through its product or service.

### **Develop A Brand Profile**

A brand profile is a brand's identity which encompasses all the decisions made by the company's marketing agency in terms of communication, web presence, brand values and preferences, packaging, graphic design, etiquettes of the office staff, brand's take on relevant socio-economic issues etc.

## **Brand Building through Relationship Marketing**

Relationship marketing should not be confused with transactional marketing. It's not about selling or promotion. It's about building customer loyalty by understanding and responding to their needs. And, it's about showing them that you value their business and trust.

Relationship marketing involves finding ways to make two-way communications between you and your customers easy and beneficial. It requires tracking customer activities and providing information, offers and incentives that are tailored to them.

With more and more marketing tools and techniques at the disposal of business owners, relationship marketing is taking on a greater role as

they look for ways to distinguish themselves and create memorable and meaningful customer experiences.

Loyalty programs, referral incentives, even seasonal discounts to current customers all go a long way toward building a relationship that stretches beyond the transaction. Offering rewards, helpful tips and specials enables constructive one-to-one relationships that help you create a great experience for your clients and lay the foundation of long-term brand loyalty.

### **1. Offering returning customers a discount on services.**

Everyone loves a good deal. Therefore, when a customer returns to you, it is a good idea to reward them for coming back. This doesn't have to be a huge discount; it can just be a percentage off of their bill. However, simply acknowledging that you appreciate their business and are thankful they are coming back to you is a great way to encourage loyalty.

### **2. Giving rewards for references.**

Giving your current customers rewards for referring other customers to you is yet another way to show your current customers you appreciate their business. It also helps build up your customer database quickly.

### **3. Offering updates.**

On your Facebook or Twitter page, you can post updates about your business and even your personal life. If you are comfortable with that. This will make your customers feel like they know you. They will have the inside scoop, a behind-the-scenes look at what you are dealing with on any given day. As a result, you suddenly become more human to them. This is important because appearing as a human in their eyes instead of a big, cold, heartless company is key to relationship building. Consequently, it's crucial to personal branding as well. Updating your social-media accounts or website is a great way to humanize yourself.

### **4. Really caring about your customers.**

Your customers will see through any fake expressions on your part. Therefore, when you aim to build relationships with your customers, be sure that you actually do care about their well-being. By treating your customers well, you will be amazed at how willing they become to support your business.

Building relationships and personal branding are intertwined. You simply can't have one without the other. Your work to build lasting relationships with your customers will pay dividends in regards to the growth of your personal brand.

### **Going above and beyond**

Going the extra mile creates a positive and lasting memory for your customers. Delighting your customers beyond expectation builds loyalty. Fans who are more than happy to refer your business to their friends and family.

Here are eight simple ways you can add an "extra touch" to your customer experience if within your means:

1. Offer multiple forms of communication; email, telephone, live chat, Twitter, etc
2. Offer custom solutions based on their needs
3. Offer discounts or store credit for their next purchase
4. Include handwritten notes when shipping products
5. Respond personally to social media comments
6. Respond to reviews (both positive and negative)
7. Be proactive in asking for customer feedback
8. Say thank you

### **Invest in a CRM**

Customer relationship management software (or CRM) allows you to record engagement data and collect information about your customers.

A good CRM should include basic customer information (such as contact details), as well as purchase history and interactions with your brand, sales teams and customer support.

This is the true benefit of relationship marketing. It's not a tactic to generate more customers. It's about fostering lifelong relationships

with customers who trust you. Follow these principles, make them a core part of your business, and you'll attract lifelong customers:

- Get to know your customers by running events and meeting them face to face
- Reward loyal customers with discounts, and consider building referral programs
- Create useful and interesting content to deliver more value to your audience
- Provide a delightful customer experience, and go above-and-beyond to make them happy
- Implement a CRM system to manage and keep on top of your customer relationships

In short, relationship marketing is about adding value, even when you're not talking about your product or service. Adding value, and connecting with your audience directly, is how you build a strong brand.

## Customer Retention

**Customer retention** refers to the ability of a company or product to retain its customers over some specified period. High customer retention means customers of the product or business tend to return to, continue to buy or in some other way not defect to another product or business, or to non-use entirely. Selling organizations generally attempt to reduce customer defections. Customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship and successful retention efforts take this entire lifecycle into account. A company's ability to attract and retain new customers is related not only to its product or services, but also to the way it services its existing customers, the value the customers actually perceive as a result of utilizing the solutions, and the reputation it creates within and across the marketplace.

Successful customer retention involves more than giving the customer what they expect. Generating loyal advocates of the brand might mean exceeding customer expectations. Creating customer loyalty puts 'customer value rather than maximizing profits and shareholder value at the center of business strategy'. The key differentiation in a



competitive environment is often the delivery of a consistently high standard of customer service. Furthermore, in the emerging world of Customer Success, retention is a major objective.

Customer retention has a direct impact on profitability. Research by John Fleming and Jim Asplund indicates that engaged customers generate 1.7 times more revenue than normal customers, while having engaged employees and engaged customers return a revenue gain of 3.4 times the norm.

### **Measurement**

The measurement of customer retention should distinguish between behavioral intentions and actual customer behaviors. The use of behavioral intentions as an indicator of customer retention is based on the premise that intentions are a strong predictor of future behaviors, such that customers who express a stronger repurchase intention toward a brand or firm will also exhibit stronger corresponding behaviors. Customer repurchase and retention behaviors can be measured in a variety of different ways which are enumerated in several award-winning articles published in the marketing discipline. The different studies that also involve different metrics to measure customer repurchase intention and actual repurchase behaviors.

These studies point to the following general conclusions:

- Customer satisfaction is a strong predictor of both customer repurchase intentions and repurchase behavior
- Repurchase intentions are statistically significantly, and positively associated with repurchase behavior: As people's repurchase intention increases, so does their likelihood to actually repurchase the brand. However, the magnitude of the association, though positive, is moderate to weak—suggesting that intentions and behaviors are not interchangeable constructs to measure customer retention.
- The association between different retention metrics is not always straightforward. It can be (a) non-linear exhibiting increasing or diminishing returns, (b) different for different customer segments), and also vary by type of industry.
- Customer retention is a strong predictor of a firm's financial success, both using accounting and stock market metrics. A study of a Brazilian bank showed that bank branches that were more



adept at efficiently satisfying and retaining customers were more profitable than their counterparts that did one or the other but not both.

In terms of measurement, the intention measures can typically be obtained using scale-items embedded in a customer survey. The retention behaviors must be measured using secondary data such as/ accounting measures of the volume (amount and financial value) and frequency with which a customer purchases the firm's goods or services. This requires that the firm should have a strong customer information management department that can capture all the relevant metrics that may be needed for analysis. In a typical firm, these may come from a diverse set of departments such as accounting, sales, marketing, finance, logistics, and other customer research.

### **Antecedents and drivers**

Customer retention is an outcome that is the result of several different antecedents as described below.

- **Customer satisfaction:** Research shows that customer satisfaction is a direct driver of customer retention in a wide variety of industries. Despite the claims made by some one-off studies, the bulk of the evidence is unambiguously clear: there is a positive association between customer satisfaction and customer retention/ though the magnitude of the association can vary based on a whole host of factors such as customer, product, and industry characteristics. Some companies and individuals have created mathematical models to evaluate customer satisfaction.
- **Customer delight:** Some scholars argue that in today's competitive world, merely satisfying customers is not enough; firms need to delight customers by providing exceptionally strong service. It is delighted customers who are likely to stay with the firm, and improve overall customer retention. More recently, it has been argued that customer delight may be more strongly applicable to hedonic goods and services rather than for utilitarian products and services.
- **Customer switching costs:** Burnham, Frels, and Mahajan define switching costs as "one-time costs that customers associate with the process of switching from one provider to another." Customers usually encounter three types of switching costs:

(1) Financial switching costs (e.g., fees to break contract, lost reward points);

(2) Procedural switching costs (time, effort, and uncertainty in locating, adopting, and using a new brand/provider).

(3) Relational switching costs (personal relationships and identification with brand and employees).

A recent meta-analysis examined 233 effects from over 133,000 customers and found that all three types of switching costs increased customer retention however; relational switching costs have the strongest association with customer repurchase intentions and behavior.

- **Customer relationship management:** Acknowledging the social and relational aspects especially those embedded in services it has been argued that firms can increase retention by focusing on managing customer relationships. Relationship management occurs when firms can take a longer-term perspective, rather than a transactional perspective to managing their customer base. However, all long-term customers are not profitable, and worth retaining; sometimes, short-term transactional customers can be more profitable for the firm. As such, companies may have to strategically develop a framework to manage unprofitable customers.

### **Standardization of customer service**

Published standards exist to help organizations deliver process-driven customer satisfaction and Customer Success in order to increase the lifespan of a customer. The International Customer Service Institute (TICSI) has released The International Standard for Service Excellence (TISSE 2012). TISSE 2012 enables organizations to focus their attention on delivering excellence in the management of customer service, whilst at the same time providing recognition of success through a 3rd Party certification scheme. TISSE 2012 focuses an organization's attention on delivering increased customer satisfaction by helping the organization through a Service Quality Model. TISSE Service Quality Model uses the 5 P's; Policy, Processes, People, Premises, Product/Service, as well as performance measurement. The implementation of a customer service standard leads to improved

customer service practices, underlying operating procedures and eventually, higher levels of customer satisfaction, which in turn increases customer loyalty and customer retention.

### **When to focus on customer retention**

Whether you should focus more on customer acquisition or retention is heavily influenced by where your store is in its lifecycle. A store that started yesterday is vastly different than one that's been up and running for many years.

Take a look at the timeline below for general guidance on your store's potential investment levels.

1. **Just starting:** When you've just started your store there is one thing you should be focused on: getting customers. At this point your acquisition efforts should completely trump retention. Focus on strategies and tactics that will help you grow your customer base.
2. **Gaining traction:** You now have customers and you are getting sporadic sales. At this stage you can begin to introduce retention elements to encourage each customer to buy more. My recommendation would be to start with retention email campaigns that focus on encouraging a past customer to purchase from you again.
3. **Consistent:** You aren't quite an ecommerce juggernaut, but sales are growing. This is the point where you should begin to think about mixing in more retention with your acquisition efforts. You can look at starting a referral and/or a loyalty program as well as getting more serious with marketing automation.
4. **Established:** You are now an established ecommerce store. A common problem for retailers of this size is finding ways to continue to grow. Acquisition may be leading to a lot of one time purchases, but a retention strategy can get customers to buy more often which increases their lifetime value. At this stage, you should be serious and deliberate about your retention efforts.
5. **Well-established:** At this stage your store has made it past the initial gauntlet. You've achieved many early successes and you have a lot of processes and automations in place. Now is the time to focus heavily on retention.

# Customer Retention using CRM

The business scenario is in constant evolution with the empowered customer accessing unlimited information through the media and internet. The digital revolution has marked a shift in power from the hands of business heads to the customers who are highly aware of the competitive scenario and hence are entitled to freedom of choice amongst their products.

It is essential to maintain a healthy on-going relationship with client. For that, the objective should shift to developing a customer centric framework, which inculcates insights that cater to customer's needs and requirements. Therefore, the business leaders have to start thinking more on the thought-processes of marketers to boost up the revenue scale. One needs to engage buyers into latest trends in the market to offer maximum benefit and here is where CRM is of great value.

The basic objective of a CRM solution is to improve customer retention. Its secondary objective is to increase customer acquisition at a low cost, without jeopardizing existing customer relations and ensuring the smooth transition of a new customer to a loyal, long-term client.

Here are a few ways in which CRM aid in customer retention:

- 1. Builds up a comprehensive viewing of “customer journey” map.**

Gathering data on customer is essential, as it helps keep tabs on the impacts of the marketing strategy, in regards to consumer interaction. Also, needs and demands of the target audience can be tracked. The raw data is not enough to communicate the experiences of customers. Mapping the customer journey helps in jotting down focal points of customer's experience: from initial contact(awareness), through the process of engagement (urging the customer to purchase) and into a long-term relationship (post purchase involvement). Customer relationship management tools helps in providing an insight into the touch points of consumer interaction and post-purchase engagement, in collation with data of the journey map. This will help you asses the strengths and weaknesses of your marketing strategy and also provide

guidelines to re-engage the customer, if the rate of engagement has been less.

## **2. Targets customers through tailor-made offers.**

Every customer has a purchase/ consumption pattern, through which one can extract the point of interaction suitable to engage for further loyalty. CRM software gathers customer's media consumption and purchase history to plot what kind of offers will be appealing to each individual and in turn add relevancy, which will keep the brand recognition value high. Identifying ways to convert customer interest into an actual purchase is the main onus here, which can be achieved through providing discounts and offers to add value to the experience. This helps in building a proactive customer relationship, where repeat purchase would be possible due to smart target centric offerings to enhance the value.

## **3. Helps create Loyalty programs.**

Every brand has its share of loyal customers, whose experience urges them to revert back on frequent basis. Information gathered in CRM software can bring out the varied levels of engagement by the customers, revealing which of the accounts are responsible for the most revenue. This information helps you create loyalty programs for those valued customers. This ensures a proactive relationship with these profitable customers, creating a memorable experience for them and also referrals from these loyal customers, to extend target reach. You can create a list of your most profitable customer, through CRM software. After which, you can start to follow up by letting them know about the rewards and incentives, so that they continue to stay as your most profitable customers.

## **4. Personalizing the interactions.**

A relationship is something that is established between people. CRM software helps you see your customer beyond the roles of revenue. The effects of personalization is of great impact to not only purchase but post-purchase relationship, where it is equally essential to reach out to the customers on a frequent basis, to increase the value of your service. As recent research in the UK found that personalization, user preferences and other relevant information found in CRM software delivers a high impact ROI, with a greater extension in outreach and

new target-base covered. This often happens as the optimized experience urges satisfied customers to refer the services on various platform, hence increasing the point of interest in untapped sections. When finalising the information fields for registering a contact, use personal details such as birthday, hometown so onto personalize your outreach. Armed with this information, you can adjust your follow-up strategies accordingly.

## 5. Helps assess performances

Feedbacks are essential for conceiving and executing a successful marketing campaign. One needs to be aware of the success rate and the shortcomings of his strategy to proceed in making it more effective. There's no better place to obtain it from than the customers themselves. CRM can be utilized here through dashboards to review service execution and pinpoint areas for improvement. Also, metrics to identify repeated support problems examine the percentage of issues are being resolved in a single call. Use this insight to develop incentive schemes that reward staff for outstanding performance in key metrics.

### Strategies

Following are some of the important strategies that should be implemented for increasing customer retention:

- **Changing Retention rates:** There are two basic strategies for changing retention rates:
- **Fixed response higher spending:** Retention rates can be substantially increased by spending more on creating new business strategies or remolding existing strategies to increase retention rates.
- **Fixed spending higher response:** The retention rates graph can also be hiked by implementing changes in business processes without spending anything. However, it's a tough task for organizations to achieve this because it's difficult to increase retention without incurring any cost. Though this approach is preferred but it's not always feasible.
- By taking an example of organizational customer service we can easily compare the above two strategies. The organization could endow their customer service executives and allow them to take quick actions with regards to customer queries and problems. This may lead to increase retention rates without incurring any



cost. But if the organization enhances retention spending by rather adding more customer service executives, queries and problems could be more quickly materialized and hence increase retention rate vastly.

- **Short term loss and long-term gain:** It is not desirable for organization to retain all the customers. But high valued and profitable customers must be retained. Loyal customers who are high valued and are in relationship with supplier for a longer period of time, tend to produce higher profit. They normally require low service cost and are most likely ready to take premium services. They also act like brand ambassadors for the supplier to advocate other prospects to become potential customers. Hence it is essential for the organization to nurture their customers to create a strong bonding with them in short run and then focusing on higher profits in the long run over the whole life cycle of customers.
- **Pricing best customers:** Retention rate also depends on how the pricing of products are managed among the best valued customers. All the customers are always cost sensitive and concentrate basically to buy products on cheap rates. However, cost sensitivity of a customer substantially depends on condition of the market. For example, if a product becomes extraordinarily famous and demanding in market and every customer is tending towards capturing this product then it becomes necessary to focus on technological aspects rather than focusing on the cost. If they do so then the cost sensitivity of these customers is least. Similarly, if a product becomes common in market due to emerging competitors coming up with similar but more prominent products, then in this competition the value of the product decreases and the companies become rarely bothered for them. In this scenario the customers have the right to become highly cost sensitive as they know that they can negotiate with the suppliers to a greater extent.
- **Retention and acquisition link:** Retention and acquisition are interdependent approaches. Take an example of a Gym that provides a very low introductory offer to all the customers to attract them. Many customers are very price sensitive and have the tendency to defect if the Gym increases future membership price. If the Gym also provides the renewal cost to be as low as introductory price then they have a better chance to retain these price sensitive customers. But by doing so they are in risk of



loosing high valued customers who prefer best services and less surrounding crowd. In this case the Gym must implement the strategy to continue taking high membership renewal cost. This process may lead to most of the low value customers to defect but the total profit in retaining the high value customers will be always more. This also helps to uplift the image and status of the Gym by providing best services to its customers which results in acquiring and retaining more high valued customers and generate good profit.

## Experience Management

**Experience management** is an effort by organizations to measure and improve the experiences they provide to customers as well as stakeholders like vendors, suppliers, employees, and shareholders. The concept posits the notion that experiences comprise distinct economic offerings that create economic value and competitive advantage.

Organizations have begun to collect experience data in addition to operational data, since experiences are seen as a competitive advantage. Experience management platforms provide various services to automate the process of identifying and improving experiences across an organization.

Broader than customer experience, experience management now encompasses customer experience along with other areas, such as brand experience, employee experience and product experience, which are all seen as interrelated.

### Management

To create and manage the experiences, businesses must evaluate, implement, integrate, and build experiences from a fragmented landscape. Such needs are met by experience management platforms, which help automate the process of measuring and improving experiences across an organization by coordinating content, customer data and core services, and unifying marketing, commerce and service processes.

Experience management platforms compare multiple layers of data and statistics to enable organizations to identify any experience gaps. They connect operational databases with human feedback, analyzing respondents' emotions, beliefs, and sentiments for a holistic view of the experiences they provide. Their methods include artificial intelligence, predictive analytics, and statistical models.

#### Other uses

While the term experience management is predominantly used in business, it has another meaning. It is used for a special kind of knowledge management that deals with collecting, modeling, storing, reusing, evaluating, and maintaining experience. In that sense, the term is interchangeable with expertise management.

#### Importance:

- **Global pandemic has shifted our world to online/virtual:** Many of our day-to-day activities including work, shopping, communication, etc. are now done virtually using technology. That means a bad experience can easily result in loss of business. For example, employees that get frustrated from bad experiences at work may consider switching to a new job. Customers who can't easily navigate your website or access the information they need, for example, will likely consider alternatives from another vendor.
- **Device and app proliferation:** A constant increase in device models, OS versions, and applications had led to a more complex environment that organizations need to support. For example, IT needs to support a wide range of device and operating system (OS) combinations across their employee base. An app developer needs to make sure the app works on any device and any OS to retain and increase the customer base. And so on.
- **Consumerization of everything:** The expectation for flexibility, choice, and ease of use that originated in consumer-originated technologies has expanded to other areas of our lives, including work style preferences and flexibility.

#### Working:

**Measure:** to effectively measure end-user experience, an organization should have the ability to capture both quantitative and qualitative data. Quantitative is normally data collected by systems like:

- Endpoint management tools that capture data such as device health. For example, how much memory capacity is left on the device or what is the battery life status can impact user experience.
- Application performance monitoring (APM) tools that capture app crashes, hangs, errors, etc. For example, have the ability to measure how long it takes to perform a single task. These tools also often track how users navigate an app and provide more information about user experience while in the app, such as how easy it is to checkout or identify where users typically drop.
- Network monitoring tools track the availability, health, and performance of networks. There are many protocols for network monitoring that look at different aspects of network traffic.

In addition to quantitative data, organizations that want to manage experience also need to capture qualitative data to better understand the end-user sentiment and capture issues that might not come up otherwise. There are many surveying tools in the market to capture this data.

**Analyze and Visualize:** once the data is collected, organizations need a way to analyze and visualize the data, normally this is done through dashboards and reports. Some tools use machine learning models to provide additional, more advanced insights such as experience scores, or identifying when a KPI is outside a normal range. This enables organizations to get visibility into their environment and make data-driven decisions.

**Troubleshoot:** in case of an issue, organizations should proactively troubleshoot to find the root cause of the issue. In many cases, this is done manually which can be extremely time-consuming and often requires the end-user to be involved in this process. In many cases the amount of data is overwhelming and a more guided approach based on past experience can be useful, for example, in a case where the same issue has happened in the past with another user. Additionally, providing admins with more data in context to the issue at hand can speed up root cause analysis.

**Remediation:** once a root cause of an issue has been identified, the organization would want to fix it. In some cases, the issue can be solved by the user without intervention from the company, for example, a password reset. Ideally, organizations would want to leverage automation and self-service workflows as much as possible to cut down costs and improve the overall experience.

Organizations that are more advanced in their experience management journey would want to transition from reactive issue detection to a more proactive approach where they can identify issues before the end-user notices or their experience is impacted. Additionally, advanced organizations would provide end users with self-service options, providing more flexibility and reducing costs at the same time.

## **Features of experience management software**

### **Ticket management**

The software allows you to log all customer issues. You can use this data to identify customer needs. The platform avails customized automations and ticket routing.

### **Products and inventory**

The management software has an integrated product data base for ease of tracking. You can identify the products people are buying more and associate particular products with specific customers.

### **Customer management**

This feature allows you to analyze customer data. This includes their contacts, product preferences or locations.

### **Integration**

Experience management software can integrate seamlessly with other business systems, eliminating duplication of effort and tasks. For example, integrating your experience management software with your CRM software enhances coordination, collaboration and productivity across your teams. The software integrates well with business systems thanks to the availability of APIs.

# Impact of Service Recovery Efforts on Customer Loyalty

Service recovery refers to the 'actions taken by an organisation in response to a service failure'. Failures occur for all kinds of reasons the service may be unavailable when promised, it may be delivered late or too slowly, the outcome may be incorrect or poorly executed, or employees may be rude or uncaring. All of these types of failures bring about negative feelings and responses from customers.

The goal of service recovery is to identify customers with issues and then to address those issues to the customers' satisfaction to promote customer retention. However, service recovery doesn't just happen. It is a systematic business process that must be designed properly and implemented in an organization. Perhaps more importantly, the organizational culture must be supportive of idea that customers are important and their voice has value.

Research has shown that the customers who, have had a service failure resolved quickly and properly, are more loyal to a company than the customers who have never had a service failure significantly more loyal. Service Recovery practices are a critical element in a Customer Loyalty Program.

Think about your own experiences with service or product problems. Did you get a quick acknowledgement of the problem, speedy resolution of the problem, and perhaps compensation for your troubles? (Imagine if you got a truly sincere apology and not some phony empathy?) Weren't you more likely to buy from that company again because of the confidence you now had in their business practices? That's the key value to effective service recovery and complaint handling customer retention.

One way to think about service recovery is that it is a positive approach to complaint handling. Complaint handling has serious negative connotations; whereas, service recovery has positive connotations. Complaint handling is placating people, minimizing a negative. Service recovery practices are a means to achieve the potential, latent value a customer holds for a company by fostering an ongoing positive relationship. Service recovery has a secondary value.

It creates positive word-of-mouth about your company and minimizes the bad spin that lack of service recovery practices can create.

#### **The Service Recovery Paradox Theory:**

The recovery paradox theory advances the contention that if a service firm exhibits an excellent recovery in the event of a service failure, then the customer's satisfaction may exceed pre-failure levels. While a number of researchers have provided evidence in support of the recover paradox, several recent studies have failed to find such support.

This study theoretically and empirically examines factors that moderate the occurrence of a 'recovery paradox' in the event of a service failure. Research findings indicate that, under appropriate conditions, a customer can experience a paradoxical satisfaction increase after a service failure.

Certainly, the recovery paradox is more complex than it may seem on the surface. First of all, it is expensive to fix mistakes, and it would appear somewhat ludicrous to encourage, service failures after all, we know that reliability ("doing it right the first time") is the most critical determinant of service quality across industries. Second, empirical research suggests that only under the very highest levels of customers' service recovery ratings we shall observe increased satisfaction and loyalty.

This research suggests that customers weigh their most recent experience heavily in their determination of whether to buy again. If the experience is negative, overall feelings about the company will decrease and repurchase intentions will also diminish significantly. Unless the recovery effort is absolutely superlative, it cannot overcome the negative impression of the initial experience" enough to build repurchase intentions beyond where they would be if the service had been provided correctly in the first place.

These conclusions are somewhat complicated by a recent study that shows no support at all for the recovery paradox. In the context of that study, overall satisfaction was consistently lower for those customers who had experienced a service failure than for those who had experienced no failure, no matter what the recovery effort was. An explanation for why no recovery paradox occurred is suggested by the



magnitude of the service failure in this study a three-hour aeroplane flight delay. This type of failure may be too much to be overcome by any recovery effort. Even in this study, however, strong service recovery was able to mitigate, if not reverse, the effects of the failure by reducing overall dissatisfaction.

Given the somewhat mixed opinions on whether a recovery paradox exists, it is safe to say “doing it right the first time” is still the best and safest strategy. However, when a failure does occur, every effort at a superior recovery should be made to mitigate its negative effects. In cases where the failure can be fully overcome, the failure is less critical, or the recovery effort is clearly superlative, it may be possible to observe evidence of the recovery paradox.

Basically, how do consumers respond to service firm efforts to recover from inevitable service failures such as cable not working in a hotel room or unsatisfactory service in a restaurant. If the service firm can put in order the situation quickly and to the satisfaction of the consumer, overall satisfaction can occur. When there are excessive service failures, it is unlikely the firm can recover.

#### **Why does Service Recovery get no Respect?**

So why service recovery part of every organizations' business isn't processes? No easy answer exists. Perhaps it's the contention between operations and marketing.

**(i) Customer Acquisition is Attractive:** Marketing conducts expensive research, fine tunes the 4Ps that comprise its marketing strategy (Product, Place, Promotion, and Price), and penetrates new customer bases through its sales and marketing programs. Companies spend big bucks on achieving sales growth and expanding market share.

**(ii) Service Recovery isn't Attractive:** It's an operational task that involves negotiating with angry customers. The budget typically falls in the customer service department one of those loathsome cost centres that drain profit. Isn't it easier to just dismiss these upset customers and move on to greener fields?

In some cases, probably it is easier and appropriate. Some customers cannot be recovered, only ameliorated so they don't bad mouth the



organization. This may seem like heresy from a self-proclaimed customer service nut, but customers are not always right. (Great Brook had a person from a Pacific Island nation who contacted us to buy our Customer Survey book. They weren't willing to pay prior to shipment; they wanted to be invoiced. And they wanted an electronic copy of the book. We declined their business.)

However, most customers can be recovered through simple application of the Golden Rule, and those recovered and retained customers become profit centres. They buy more and they give positive recommendations to friends and colleagues, which is the most important form of "advertising."

For a rough calculation on the potential value of a Service Recovery Program in your organization, find out the annual sales volume per customer, then apply the operating profit margin to find the profit per customer. Next, find out the annual customer churn, i.e., how many customers stopped buying from you—especially long-standing customers.

Multiply the churn by the profit margin and you have the potential value of the Service Recovery Program's annual budget. You'll probably find that even reducing a small amount of the churn will more than pay for the program. And this doesn't even include the reduced sales from customers who didn't leave but still have stayed with the organization!

#### **Stages of Service Recovery Maturity:**

Service Recovery in an organization progresses through a series of stages as shown in the Figure.



**(i) Stage 1: Moribund:** There is no complaint handling. Angry customers are ignored. Drugstore.com is an example of a company with totally moribund service recovery practices. Letters to VPs and even the CEO about a damaged shipment go unanswered.

**(ii) Stage 2: Reactive:** Customer complaints are heard, and a response is made. But it's a haphazard process with no defined goals for the response, and no one owning this business process.

**(iii) Stage 3: Active Listening:** At this stage, the response to issues voiced by customers is structured. Specific people have the responsibility to respond to complaints and guidelines are in place for the response. However, it is still reactive.

**(iv) Stage 4: Solicitous:** The critical change from Stage 3 to 4 is the move from reactive to proactive solicitation of customers with issues. The reason is that most customers don't bother to complain. They just move on to other suppliers of products. Haven't we all done this? It's a lot of work to complain! The solicitous role is accomplished by encouraging customer to voice their complaints.

Event surveys (also known as transactional or transaction-driven survey) are a commonly used technique to get issues voiced. The survey design must be such that more than just high level measurement of customer satisfaction is captured. The design must

allow for action to be taken. The desire for anonymity complicates the task.

**(v) Stage 5: Infused:** The pinnacle of Service Recovery Practices is achieved when the complaint identification merges with business process improvement or six sigma programs to support root cause identification and resolution. The owners of business processes that cause customer issues are notified of the occurrences to prompt reexamination of the process design.

In essence, we see two levels of feedback loops. First, feedback from the customer to the organization. Second, feedback from the customer-facing groups to its business partners within the organization. While company culture is clearly critical to implementing this level of feedback management, certain technologies can infuse this information sharing into business practice.

## **Role of social media in Communication**

Social media has taken over the business and personal sphere and has had a long-lasting impact on the way people communicate as social media becomes an integral part of their lives. From social media channels like Twitter, Facebook, WhatsApp to LinkedIn and Instagram, social media has become a portal for discussion.

### **Reactions to Non-Verbal, Emotional, and Social Cues**

In-person reactions to non-verbal, emotional, or social cues are changing in that people don't need to respond to these types of communication when they are online. This leads to less experience and awareness of others' needs based on these types of cues that can only be received from in-person communication.

### **Boredom in Conversation**

Here's a sad social media effect on communication. We are becoming bored when we have real, in-person conversations. People have such a need for social media consumption and that instant, colorful feedback only social media can give, they will often become bored during real conversations, resorting to their phones. This can lead to a decrease in the quality and number of meaningful conversations.

## **Self Expression**

### **Need to Share**

Social media has created a feeling among users that they must share whatever they are doing from restaurant orders, to concerts, to the books they are reading. This can be a social media positive effect because people are getting more exposure to things they might not otherwise, such as new reads. But it can also be a negative effect as it can urge people to become dependent on posting anything occurring in their own lives and painting those occurrences as rosier than they truly are.

### **Sense of Urgency**

No one has to wait for longer than a few hours for a response, and people have come to expect that timeline for conversations. There is so much of a sense of urgency that people are often anxious if they haven't heard back from a family member, friend, or partner in a number of hours.

**Effect:**

### **Increased Civic Awareness**

As social media has changed the way of how we are governed by making the process more transparent, many leaders across the world have the opportunity to voice their opinions and thoughts on priority issues, by giving the people a better understanding of how the government works.

### **Enhanced Business Marketing**

Social media brings everything to you just by click, including everything from news to products and services. The ease of access has taken over the traditional ways of shopping, reading news or even studying and working.

### **Social Justice**

Social media has been successful in bringing people face-to-face with humanitarian issues. Many social work organizations such as animal

welfare, old age associations, fundraising organizations have taken to social media to create awareness about the issues of society.

### **Instant Customer Feedback**

For businesses, social media plays a huge role in how they communicate with their target audience. Customer feedback is the foremost for businesses to rectify their mistakes, get user opinions about their products and services and to build their brand credibility and trust.

### **Emergency Management**

Social media is known to be a tool to amplify messages across millions of people in a fraction of seconds. As man-made disasters, natural calamities or any other emergency, these days being Covid-19, social media has become a savior for the people in need and help in spreading their information, enabling relief funds and supporting them.

### **Sense of Urgency & Need to Share**

No one likes to wait for hours to get responses and expect people to reply in the timeline of the conversations. As the sense of urgency often make people anxious about their family member, friend or partner not replying for a couple of hours.

## **Social Networking and CRM**

It's a familiar story: the marketing department is diligently creating and publishing tweets, Facebook posts, YouTube videos and more all carefully crafted to make the most of each channel and designed to encourage sharing, retweeting and customer engagement. But the audience doesn't come.

Meanwhile, your customers are elsewhere on Facebook and Twitter, having conversations about your organisation discussing you, recommending you, complaining about you and even trying desperately to talk to you. But they're not getting the answers they want.

That's where social CRM comes in. A customer relationship management platform that integrates social media gives you access to the same level of insight you have for more traditional channels, plus the ability to use social tools for communicating internally. You can monitor, track and benchmark your social media communications using familiar tools, dashboards and metrics.

With social CRM you can place the customer right at the heart of your organisation. No more forcing customers to use the channel you prefer. No more losing track of issues when they change channels. You can engage and respond to customers individually and in the way they choose, without compromising your ability to track and manage communications on a global scale. You'll have both a broad overview of your brand's reach and a granular, detailed view of each customer interaction.

Customer service, marketing and sales all benefit from a more dynamic, complete picture of each individual customer, and can make use of social tools to communicate between themselves. You see the cost of delighting customers fall. Your customers see an organisation that listens to what they want and responds in a way that suits them, across multiple channels. Everybody wins.

Your customer care teams can use Social CRM to:

- Deliver customer support via the social media networks your customers are using;
- Interact and engage with customers in real time;
- Talk to each other so that customers get the best help;
- Monitor social media for complaints and resolve issues quickly;
- Find and reward brand advocates and customers who help others.

### **Benefits of Social CRM for marketing**

The combined promise of reduced cost and increased effectiveness is a heady one for any marketer. And while social CRM has a valuable role to play in customer services and sales, it can also revolutionise your marketing effort. It can change your understanding of brand reach and perception, while giving you access to a raft of new information about customer behaviour and opinions. Social CRM can help you deliver:

- Greater exposure in the places where your audiences spend their time;
- Increased engagement and deeper relationships with customers;
- Increased web traffic and conversions and higher search rankings;
- High-quality inbound leads that turn into revenue faster;
- More efficient marketing budgets with higher returns;
- Faster marketing campaigns with better targeting.

CRM system should integrate this data to show all your information in one place.

**1. Traffic and conversions from social media**

- Simple to measure and well understood
- Beware of chasing traffic and overlooking conversion rates
- Use conversion rates to target the best-performing platforms

**2. Fans and followers**

- Remember that not all followers are active
- Use social CRM to segment your audience into follower types

**3. Participation and sharing**

- Details vary from platform to platform
- An effective measure of customer engagement
- Often undervalued