

The logo for the Institute of Customer Experience (ICX) is displayed in a large, bold, white, sans-serif font. The letters are thick and blocky, with a modern, slightly rounded feel. The 'I' and 'C' are connected, and the 'X' is composed of two thick, slanted strokes. The logo is centered horizontally and occupies the upper half of the page. The background features a dark, semi-transparent overlay of a laptop keyboard on a wooden surface.

ICX

INSTITUTE OF CUSTOMER EXPERIENCE

ICX RESEARCH REPORT

THE STATE OF CUSTOMER SERVICE 2017

A vintage safari vehicle, possibly a Land Rover, is parked on a grassy plain. The vehicle is orange and black with a roof rack. A person wearing a red shuka (a traditional Maasai garment) stands to the right of the vehicle, holding a spear. The background shows a vast savanna landscape under a cloudy sky. A large tree is visible on the left side of the frame.

“Leading Customer Experience Performance and Professionalism”

FOREWORD



John Ngumi
Chairman, ICX Kenya

Organizations today are increasingly focusing their attention on delivering customer experiences that will not only serve as a brand differentiator, but also directly link to the organization's business performance. With the global rise in customer expectations, it has become incumbent upon discerning brands to not only focus their innovation on product and service improvements, but to also innovate around customer experience

It has been quite aptly said that "Customer experience is the next competitive battleground". No truer words have been spoken, as the great competition by brands for the limited attention of the modern consumer, can only be anchored on customer delight to succeed.

The widespread transformation and rapid growth of the business environment witnessed in Africa at large, is driven largely by the shift in the global economic power. With the highest middle income growth rates in the world, improving governance and ensuing reform-led economic growth, the need for superior customer experiences is imperative to catapult business growth to the next level. This therefore underscores the requirement for brands to evolve to data-driven customer experiences.

Customer experience data remains elusive and it is of essence for both public and private institutions to invest in high quality customer data. Kenya needs to align to the global thrust towards Big Data, and to also be cognizant that data alone doesn't create transformative results, but the efforts to leverage this data for business performance. This research report from ICX Kenya therefore, in line with our mission to be a stand for service excellence transformation in the region, highlights the positioning of customer service in both the public and private sector, and puts the spotlight on priority areas for development towards improving the standards of customer experience in the country.

It is our aspiration that corporate Kenya will utilize the findings herein to inform their strategy objectives and actions, and provide delightful customer experiences with the customer at the centre.

A handwritten signature in blue ink, appearing to read 'John Ngumi', written over a light blue background.

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BACKGROUND OF THE STUDY

Customer service professionals as the guardians of service excellence in organizations, experience varied customer concerns based on their location and industry. It is worth noting however, that many similarities occur across the globe in their aspirations, challenges, and operations. A recent research by business intelligence conglomerate The Incite Group (July 2017), reveals that Customer experience (CX) professionals are most concerned about developing a seamless multi-channel experience for their customers, whose behavior is noted to be increasingly accustomed to switching between channels. This report collated from over 100 customer experience professionals from USA, UK and Canada across diverse industries, highlights Customer Satisfaction (CSAT) and Net Promoter Score (NPS) as the most common metrics used for reporting customer service levels. Measuring customer satisfaction still remains an inadequately addressed subject in this region and many organizations need to make this part of their regular reporting structures.

This State of Customer Service 2017 survey polls over 50 managers on the tools and metrics used to listen to the voice of the customer, and the findings are geared towards helping organizations understand how CX contributes to financial success.

The business environment, investors, and key players alike are becoming increasingly aware of the shift in power from supplier to consumer and the express choice customers make to vote with their wallets. Customer awareness puts pressure on brands and service providers to keep in constant touch with emerging trends, customer preferences, and accessibility options.

The Institute of Customer Experience continues in pursuit of service excellence to provide insights on the different facets of both internal and external customer service customer best practice, and seeks to continually monitor emerging trends to spur innovation. The findings of this study provide a good platform for corporate Kenya to engage and benchmark towards collaborative progress.

OBJECTIVES OF THE STUDY

The objectives of this research study was to assess the state of customer experience in corporate Kenya and to provide comparative highlights against the similar study carried out in 2014.

This survey sought to:

- Assess Documentation for customer service and reporting methods
- Determine the positioning of customer service in corporate Kenya in relation to organization leadership
- Establish customer service measurement tools and metrics in use across the different industries
- Assess the measure of customer service budget allocation as against overall corporate budgets as an indicator of strategic placement
- Identify customer service challenges experienced to inform strategic decision making

KEY RESEARCH FINDINGS

- ◆ CUSTOMER SERVICE DOCUMENTATION AND REPORTING
- ◆ CUSTOMER SERVICE POSITIONING AND LEADERSHIP
- ◆ CUSTOMER SERVICE MEASUREMENT AND METRICS
- ◆ CUSTOMER SERVICE BUDGET ALLOCATION
- ◆ CUSTOMER SERVICE CHALLENGES

DOCUMENTATION AND REPORTING

Although organizations have embraced documenting customer service strategies and regular CS reporting, only 17.9% of the reports are tabled to top leadership. A disconnect exists between customer experience practitioners and senior management. Increased executive attention is required if CX is to have relevance organizations.

POSITIONING AND LEADERSHIP

Customer service as a business function with clarity of roles and deliverables is being embraced. However, only 18% of the organizations surveyed has team leaders whose title expressed customer experience. The shift from customer service to customer experience has not been widely adopted.

MEASUREMENT AND METRICS

Customer feedback forms and questionnaires account for 19% of all measurement tools in use. There is need to embrace customer satisfaction tools designed to output measurable and trackable metrics to determine CX trends. Adoption of modern customer satisfaction / experience measurement tools including Net Promoter Score (NPS), CES (Customer Effort Score), CSI (Customer Satisfaction Index) and Customer Experience Measurement is advised.

BUDGET ALLOCATION

54% of the organizations surveyed only allocate between 1- 4% of the total organization budget to customer experience activities. Although organizations acknowledge that customer service is an important driver of business, the budget apportionment is not reflective of this commitment.

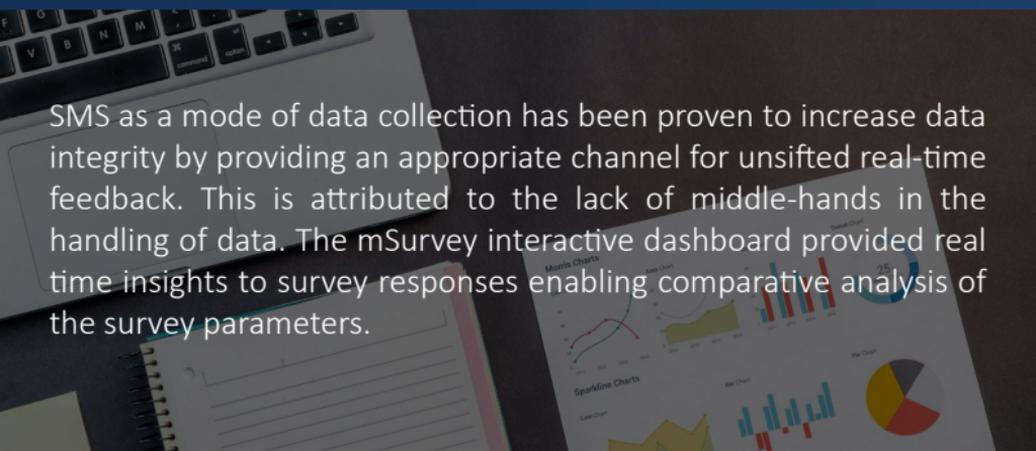
2014 VS. 2017 FINDINGS

A number of similarities have been observed across both surveys including:

- Resources allocated to customer service towards delivering excellence pale in comparison to other business units. This is indicative of a lack of prioritization of customer service deliverables by top management.
- Customer service leadership is largely driven by middle to low level management staff with reporting lines in the organization structure falling at senior management level, and not directorship or CEO level.
- Customer service reporting is often not received at leadership level and outcomes are not plugged in to corporate strategy decision making or cascaded to all staff for internalization.
- Organizations are utilizing customer service measurement tools, however, there is lack of clarity about specific metrics for assessment of service levels and how these are used once collected to make data-driven business decisions.
- Uptake of customer service as a specific unit with roles and responsibilities increased from 67% in 2014 to 79% in 2017.

RESEARCH METHODOLOGY

This study was conducted among 120 respondents directly in charge of customer experience in both private and public sector organizations. The mSurvey tool was used as a data collection channel owing to its design as a real time data gathering and analysis mechanism. The survey platform allowed respondents to participate in the research study via their mobile phones vide application of the survey questionnaire tool.



SMS as a mode of data collection has been proven to increase data integrity by providing an appropriate channel for unsifted real-time feedback. This is attributed to the lack of middle-hands in the handling of data. The mSurvey interactive dashboard provided real time insights to survey responses enabling comparative analysis of the survey parameters.

The research study contained fifteen questions executed as an interactive text questionnaire, providing sufficient opportunity for response. Out of the targeted 120 respondents, 73 responded denoting a 60% response rate of whom 52 fully completed the questionnaire, denoting a 74% completion rate, that provides for statistically acceptable accuracy. Both quantitative and qualitative analysis was conducted to draw the findings and subsequent insights of this study.

FINDINGS OF THE STUDY

1.0 CUSTOMER SERVICE DEPARTMENT

85% of the participating organizations reported the presence of a Customer Service Department. In line with the objective to have CX as a business unit with return on investment reporting, the existence of specific department handling customer experience matters is indeed a high impact corporate investment.



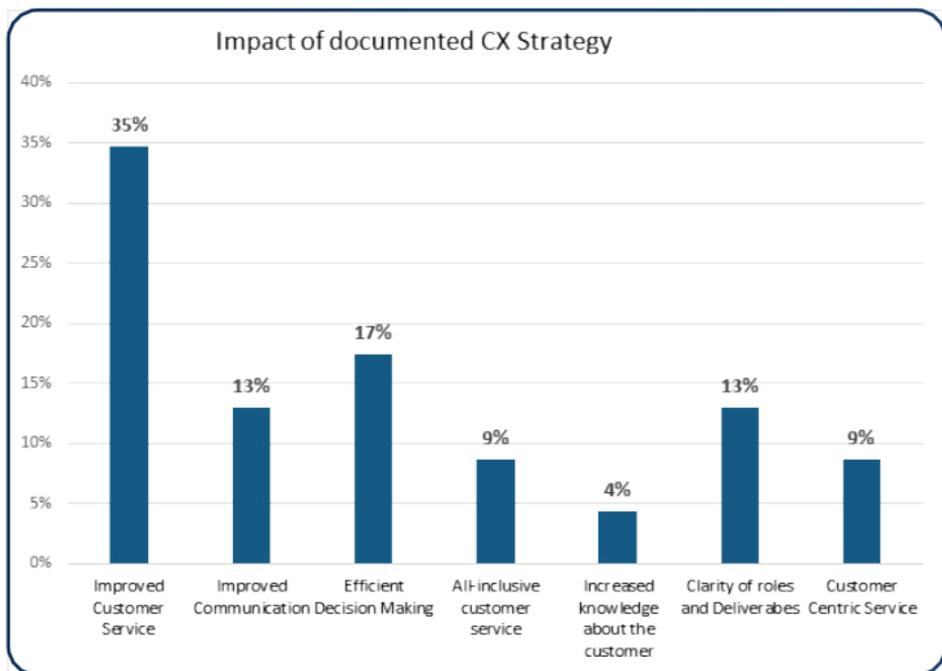
2.0 DOCUMENTATION AND REPORTING

64% of the organizations surveyed had a documented customer service strategy. Documentation is critical to the success of excellent service delivery implementation as CX strategy must form a core strategic pillar in the organization's overall corporate strategy to ensure sustainable business success.



Impact of Documented CX Strategy

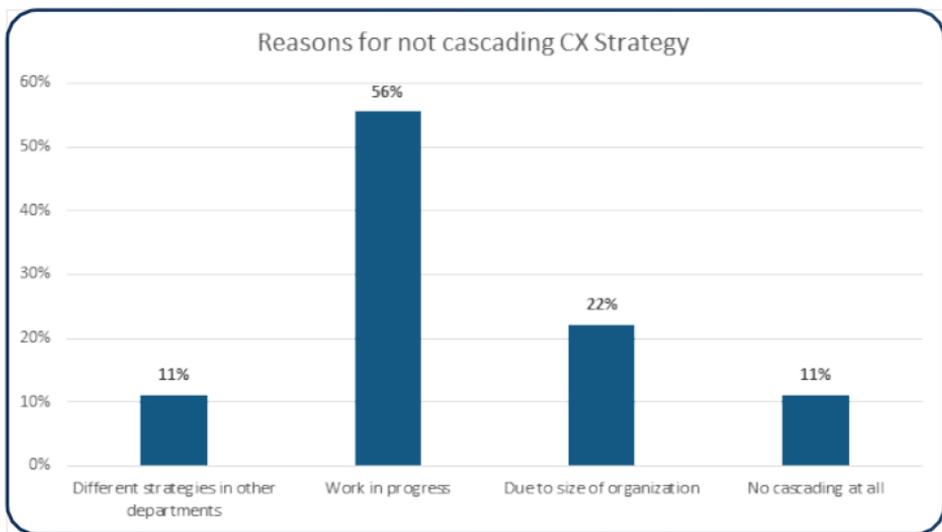
It is observed that documentation of customer experience strategy has significant advantages across the organization. A total of 53% felt there was direct impact on customer service with 35% indicating improved CS, 9% all-inclusive customer service, and a further 9% customer centric service.



17% reported efficient decision making that is key to facilitating strategic planning. Other benefits indicated include clarity of roles and deliverables by employees 13%, improved communication 13%, and increased knowledge about the customer 4%. These advantages serve to further confirm the importance of ensuring organization responsibility towards delivering excellent customer experiences.

CX Strategy Communication

73% of the organizations polled had their documented customer experience strategy cascaded down to all staff in the organization. It is imperative that CX strategy has ownership by all departments with individual units across the organization mapping their specific departmental deliverables against the set customer service standards.

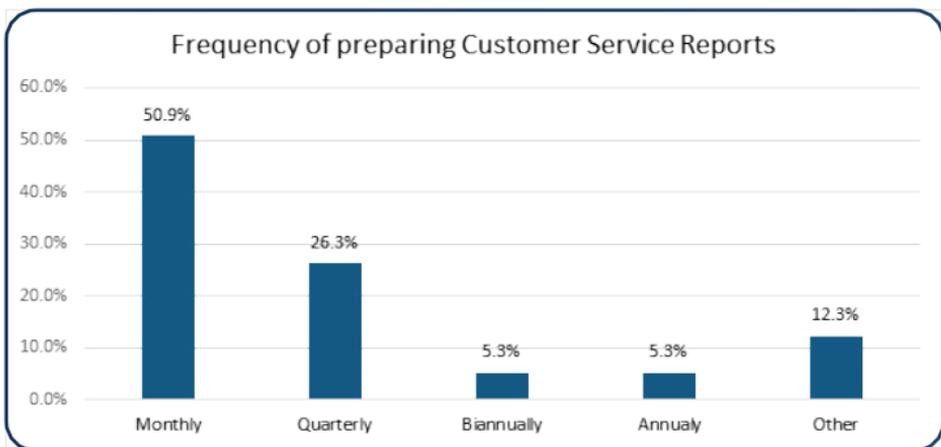


56% of those who had not cascaded the documented CX strategy reported that it was work in progress, 22% indicated that the large organization size (many branches) was a challenge, and 11% respectively was attributed to divergent departmental strategies and no cascade at all. It is critical for organizations to cascade their documented strategy to ensure the whole organization is aligned and coalesces around customer experience effort. It improves the ability to drive implementation and track effectiveness.

Customer Service Charter

62.3% of the organizations polled reported having a Customer Service Charter. It is becoming increasingly important for organizations to not only document their service promises, but to also ensure that these are actively implemented. In line with the documentation and cascade of the customer service strategy, the CS charter commitments need to be responsibility of all staff from different departments, towards success.

Customer Experience Reports

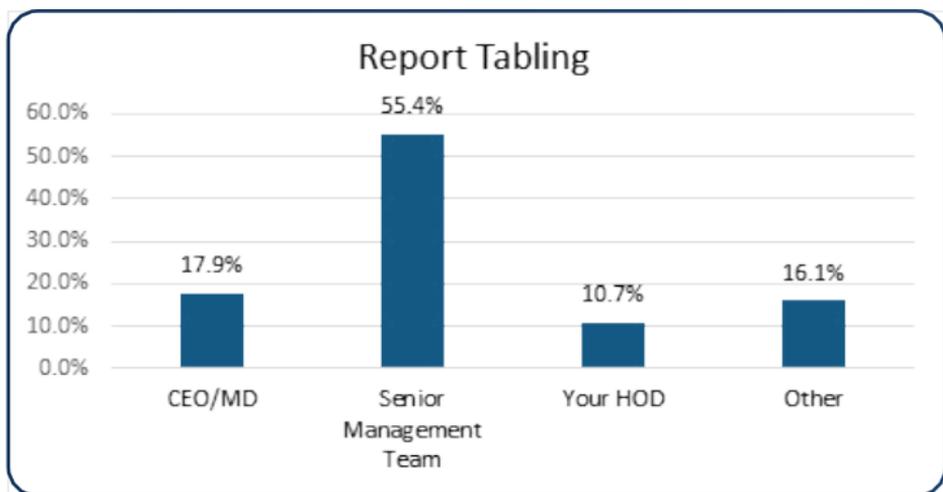


50.9% prepare customer service reports on a monthly basis, 26.3% on a quarterly basis and the rest less frequently. Whereas monthly reports are important to plug into the business monthly reporting schedule, a daily dashboard with CX metrics would be the ideal that organizations should aspire to implement. Improvement and corrective actions arising from these reports, should evidence both transformational and incremental initiatives to ensure the reports are worthwhile in improving customer experience.

Tabling of Customer Service Reports

55.4% of customer reports are tabled to Senior Management, 17.9% to the CEO or Managing Director, and 10.7% tabled to Head of Departments. Whereas it is positive to note that there is upward tabling of reports to both mid and top level management, it would be of great importance for customer service reports to be cascaded to all departments.

All members of staff need to understand the impact of their roles in delivering customer service excellence and to listen to the voice of the customer for continual improvement.



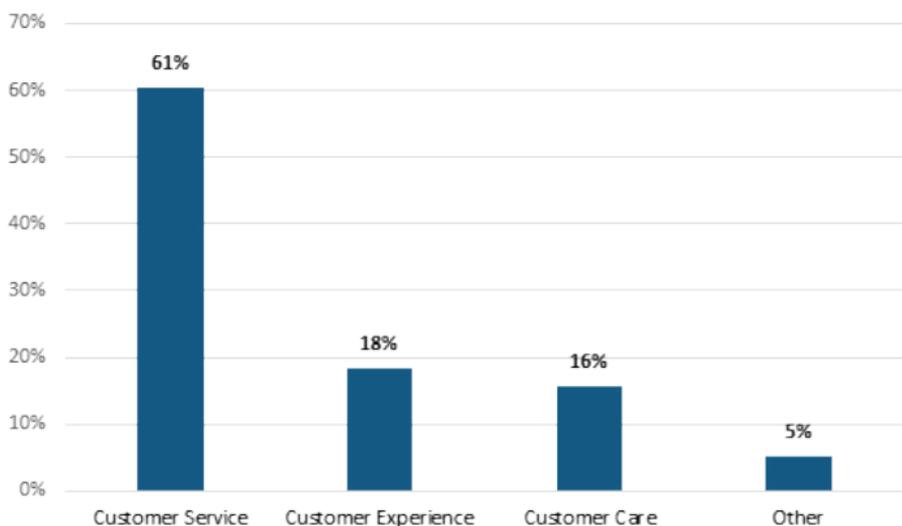
3.0 CX LEADERSHIP

61% have the term customer service in their titles while 18% use the term Customer experience. Customer care appears in 16% of the titles, and others include: Public relations manager, senior principal relations manager, service delivery manager and service quality manager.

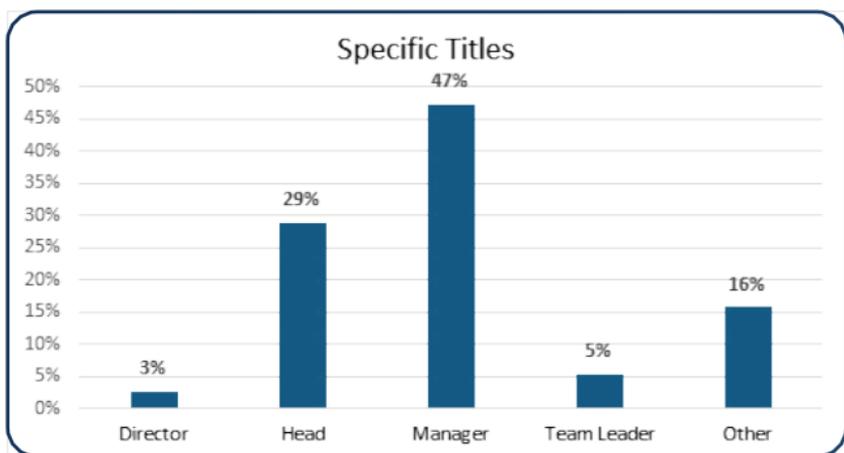
“Only 18% of the participants used the word customer experience in their titles”

This is indicative that the shift from customer service to customer experience has not been fully embraced. More work needs to be done to entrench customer experience that is strategic and cuts across the entire business.

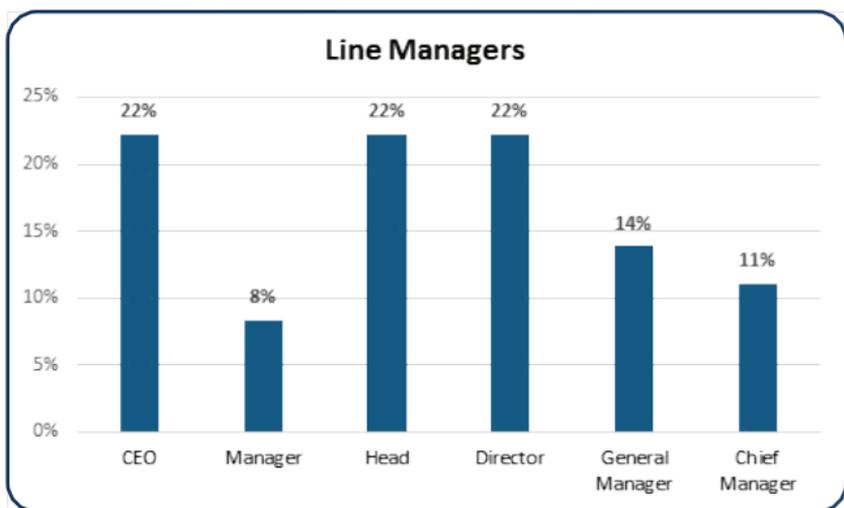
Job Titling



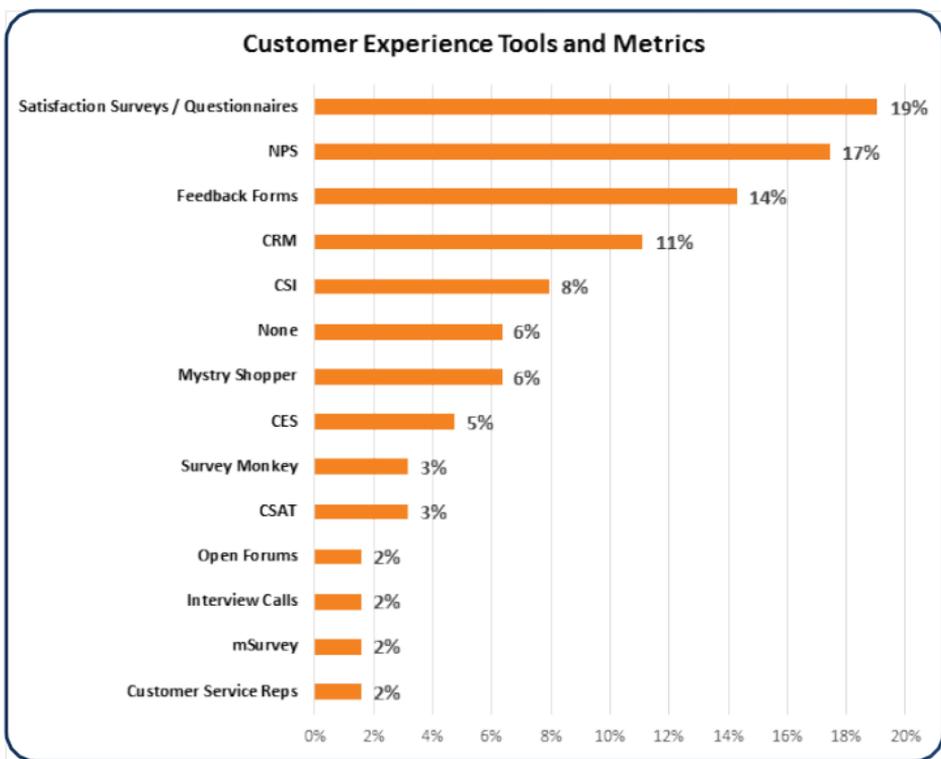
47% have a the Manager, 29% have the word 'Head of' (Customer Care, Client Service, Customer Experience, Customer Service), 5% team leader and the other 16% include senior consultants, principal associates, customer service coordinators and service officers.



66% of the Line Managers are CEOs, directors and Business heads at 22% respectively. Reporting to managers formed the balance 34%. It is best practice to have the person leading CX report directly to the organization's top leadership, at par with other critical functions in the business including finance, human resources, marketing, and operations.



4.0 CUSTOMER EXPERIENCE MEASUREMENT TOOLS

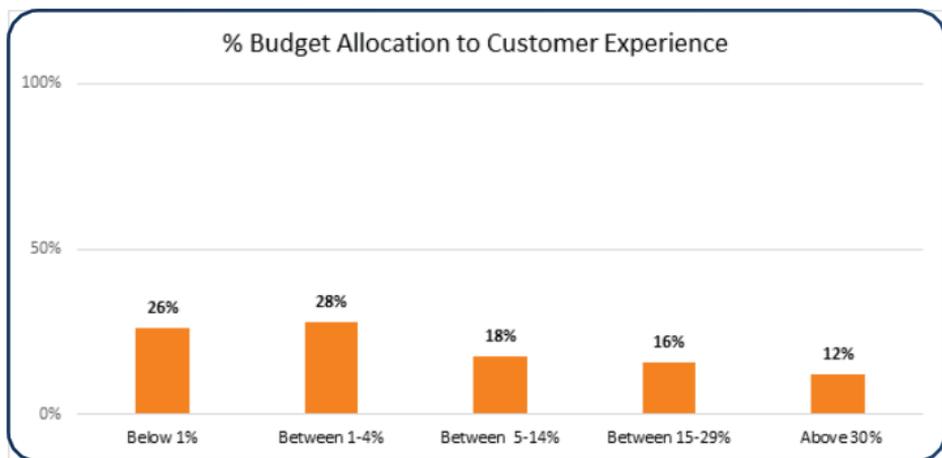


It is observed that although the poll enquired about tools used to measure customer experience levels in the organization, the feedback provided by respondents, includes a mix of both tools and metrics. The specific tools in use are mentioned as Satisfaction Surveys/Questionnaire, Feedback forms, Mystery Shopper, Survey Monkey, Open Forums, Interview Calls, mSurvey and Customer Service Reports; and the measures/metrics as CRM, CSI, CES and CSAT.

There is a general competence gap by organizations to distinguish between measurement tools and reporting metrics/indicators that needs to be bridged to ensure CX reporting is trended.

5.0 CX BUDGET ALLOCATION

Most of the organizations had customer experience allocated at most 4% of the total budget allocation accounting for 54% of all the respondents. Only 12% of the respondents reported a budget of above 30% allocated to CX.



Only 12% of the organizations have a CX budget that accounts for over 30% of the organizations budget. 54% fall below 5 percent and the rest in between. The budget allocated to CX is insignificant as a factor of the total corporate budget and can therefore not be expected to generate any meaningful gains for the business.

The drive to reduce customer effort and increase customer delight through seamless, intuitive processes, provision of systems that give a 360 degree view of customers, automation of manual processes that are error-prone and affect quality of service experience, implementation of systems that promote Customer relationship management, provision of sufficient human resources and technology adoption to enhance experience, that is the desire of all organizations.

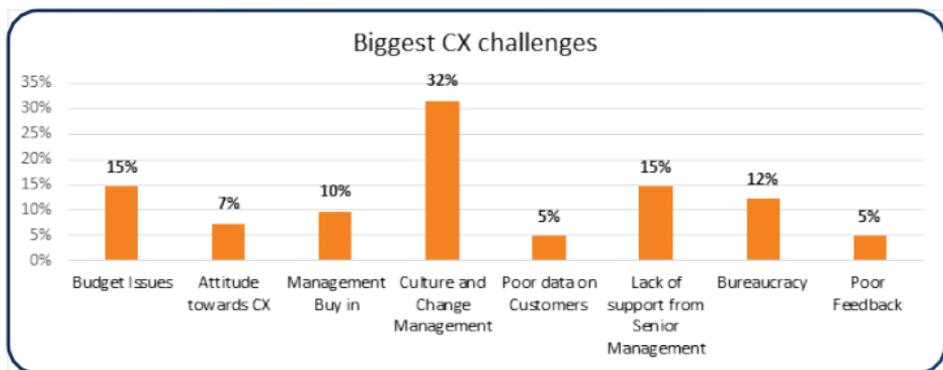
To achieve these gains, adequate budget allocation which translates CX gains to bottom line benefits needs to be allotted.

6.0 CUSTOMER EXPERIENCE CHALLENGES

The biggest customer experience challenges expressed by CS leaders point to culture misalignment from the organization's leadership. With 32% indicating the need for culture and change management, 15% indicating lack of support from senior management, 12% indicating bureaucracy, 10% indicating lack of management buy in, and 7% attitude towards CX; a significant representation of 76% in total, is indicative of leadership disconnect.

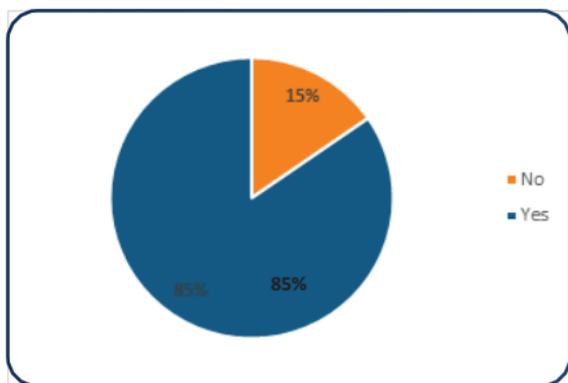
Organizational culture is driven from the top and these challenges have their root cause embedded in the failure by leadership to be strategic about CX. The challenge expressed on budget issues forming 15% is also symptomatic of the low positioning of CX in the organization's priority listing.

The 10% represented by poor feedback and poor customer data is also worth noting given the central role data is increasingly playing towards in customer experience delivery.

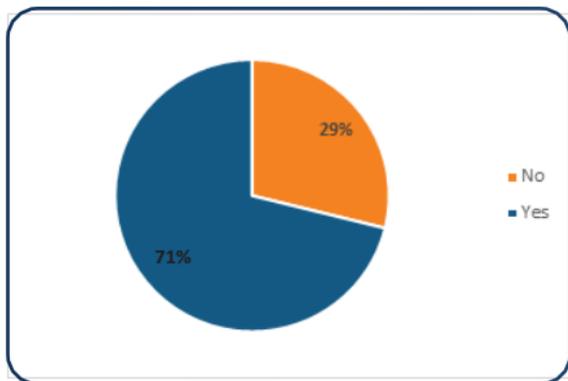


7.0 CUSTOMER SERVICE TRAINING AND NETWORKING

85% of the organizations polled conduct customer service training. Customer service is ranked as a basic skill that should be possessed by all staff both front and back office, for seamless service delivery. It is interesting to note that although the occurrence of training is high, the impact of the training programmes delivered need to be evaluated to assess relevance and business transformation.



Customer Service Training



CX Networking

71% of customer service manager are in touch with colleagues in industry. There is need for strengthening of consultative forums for the CX profession to enable professional discussions, policy development, and the formulation of national standards. Membership to the CX professional body needs to be institutionalized to enable knowledge transfer, industry benchmarking and continual improvement.

8.0 CORPORATE CX ROLE MODELS

The following companies were rated by the respondents as giving the best customer service in Kenya:

STANDARD CHARTERED BANK

SERENA HOTEL

CHLORIDE EXIDE

NAKUMATI HOLDINGS

MADISON INSURANCE

TOTAL KENYA

NIC BANK

CHASE BANK

SAFARICOM

ICEA LION

JAVA HOUSE

BARCLAYS BANK

BRITISH COUNCIL

KCB

KENYA AIRWAYS

DOMINOS

I&M BANK

APA INSURANCE

CUBE MOVERS

AIRTEL KENYA

The mentions are highly skewed in favour of the service industry of the service industry, especially organizations with high customer transactional contact. That customer experience excellence is the preserve of the service sector is a myth that needs to be debunked and the voice of the manufacturing sector needs to be more felt in this conversation to challenge the status quo.

9.0 WAY FORWARD

The key findings from this research indicate that the state of customer service in corporate Kenya will benefit from a deliberate effort to place customer experience at the core of all corporate functions; recognizing its cross cutting nature and central role in ensuring business sustainability. As such several initiatives need to be adopted.

- There is need to have specific customer experience metrics and KPIs linked to the overall organization's strategic targets. These need to be measurable and appropriate measurement systems implemented and reviewed regularly. The use of technology for CX assessment cannot be overstated.
- The CX organisation structure and reporting line needs to be redefined across industry with CX reporting directly to top leadership and providing strategic direction for the whole organization.
- The return on investment for customer experience excellence needs to be defined, collated and reported to ensure a direct link between customer experience initiatives and the organization's bottom line.
- There is need for consistent customer experience communication across the organization, including strategic intent, performance levels, and continual improvement initiatives. Documentation and cascade of CX strategy will ensure consistent delivery at all customer touch points.
- The culture of customer experience excellence needs to be driven from top leadership to set the organizations positioning for CX. This includes both the championing of CX activities, as well as resource allocation from both the financial and human resources aspects.

10.0 CONCLUSION

Key highlights identified in the 2014 report continue to play out in the 2017 survey with the need to put more efforts in CX positioning, resourcing, implementation and measurement. Concerted effort needs to be put in place to find tangible results for the question on ROI for customer experience focus.

This research has shown that there are significant steps that have been made to improve customer service and the resultant customer experience in corporate Kenya, and it is evident that these efforts are observably impactful.

There are however critical gaps that need urgent address by key stakeholders from the public and private sector alike. With the current global competitiveness, a national re-orientation towards customer satisfaction is necessary to drive the Kenyan economy. Adoption of a common goal toward customer centricity and service excellence by corporate Kenya, will deliver economic gains to be harnessed for national sustainability.

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