

A brand new competitive edge

Good customer service depends on a strong brand and employees who care about the image and culture of the companies they work for, Paul Stewart says.

Mr Stewart is co-author of a book entitled *Branded Customer Service – The New Competitive Edge*.

If employees “live” the brand, they are more likely to provide good service, and customers are more likely to buy into the brand, he says.

“Research shows that so much of what makes an impression on the consumer is at an emotional level.”

Mr Stewart, a New Zealander based in Auckland, has written the book with United States-based Janelle Barlow. It was launched last month in 12 countries, including the US, Britain and Australia. It contains several detailed case studies on companies, including Vodafone NZ and ASB Bank.

Ms Barlow is president of TMI US, a partner of the multi-national consulting organisation TMI International. Mr Stewart is a director of TMI New Zealand.

In the past three or four years, businesses globally have become acutely aware of the importance of providing good customer service, Mr Stewart says.

Two factors have driven this: customers have become more demanding; and businesses are facing a tougher environment.

“Over the last few years, a lot more questions have been raised about the integrity of organisations, particularly after what happened with Enron and WorldCom,” he says.

“Consumers have become more cynical about whether there is actually anything behind the increasingly aggressive marketing of company brands.”

Companies are also realizing that in order to develop better customer service they need to make employees feel they are part of an organisation’s culture and educate them in a way that makes them want to invest themselves in the business, he says.

This makes for motivated employees who will work harder to satisfy customers.

One of the ways in which employees can be made to care more about the companies they represent is by being empowered.

Mark Bilton, managing director of New Zealand’s Pod, agrees. Pod is the new name of the company formerly known as Designer Textiles, traditionally a maker of merino fabrics.

“We call it freedom with responsibility. You need to give employees an opportunity to influence their immediate environment, to get them to buy into the company culture,” Mr Bilton says.

This comes with a “high degree of accountability”. But it means greater initiative and a greater say in the way a

business is run.

Empowerment improves employees’ performances, he believes. They will invest themselves more and work harder if they feel they have a say in the way a business is managed.

If employees ‘live’ the brand, they will give good service, and customers will buy into the brand.

Mr Bilton is looking to hire a human resources manager to help develop training and education programmes on these issues for Pod employees.

One company whose success depends heavily on the quality of the services it provides is Air New Zealand. Much time and effort are spent on brand awareness and customer service, spokesman Glen Sowry says.

“Focus on customers is paramount to our business.

We’re selling a product with a lot of competition and there’s not a lot to differentiate one plane seat from another plane seat. What makes the difference is the service you provide.”

Last month, Air New Zealand was voted best Pacific airline for the sixth straight year at the TTG Asia Travel Awards 2004. The airline was voted the best long-haul service provider by readers of British magazine *Conde Nast Traveller*.

Mr Sowry says Air New Zealand has undertaken several initiatives to promote brand awareness and make

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employees feel they want to invest themselves in the business and the service it provides.

“We make sure that staff are aware of what’s going on in the business”.

Chief executive Ralph Norris puts out a weekly email message to staff and every two weeks employees receive an eight page newsletter, which focuses on people in the company.

The airline also has a quarterly awards programme to “recognise and applaud members of the staff for living the values” of the company.

One prime example of the way companies have been strengthening their brands is the growing emphasis among established businesses on developing ties with the community, says Richard Miller, managing director of strategic planning consultancy McDermott Miller.

“These companies carry big supplements to their annual reports showing what they’re doing for the community at large.”

The Warehouse’s 2004 annual report, for example, comes with a “triple bottom line report” that looks at aspects such as the way staff are looked after, as well as the company’s community fundraising and sponsorship efforts and environment-friendly policies.

The Warehouse founder Stephen Tindall and his wife, Margaret, established the Tindall Foundation in 1995, which aims to help New

Zealanders reach “their full potential”, according to The Warehouse website.

The foundation’s “guiding philosophy” is to “help ordinary Kiwis help others and themselves”. It supports groups and organisations in areas such as the environment, family and social services.

According to *Branded Customer Service*, branding awareness must be taught to employees.

One example highlighted in the book is Vodafone NZ. It has implemented several measures to make employees care about the brand and want to provide better service, Mr Stewart says.

Some of these have included changes in the physical work environment to reflect the brand and culture.

The company also developed an internal communications programme in which every message “was infused with the brand and values, including briefings to staff on strategy and communication of company results that were themed, inspirational events”.

As Jan Mottram of the Vodafone NZ human resources department says in the book: “We realised that the only way to create a sustainable point of differentiation was to focus on how customers felt about our brand.”

A byproduct of such initiatives is that people are more likely to stay in a company.

Retaining staff by making them care about their workplace is crucial in these times of severe skills shortages.

With the jobless rate at a record equaling 4 percent low, New Zealand companies are struggling to hire people.

Keeping people happy and keeping them within the organisation also helps increase customer satisfaction and loyalty, says Alistair Watts, managing director at ACNielsen New Zealand.

ACNielsen introduced a model several years ago called “service profit chain”.

“The idea is if you can keep your employees happy they’ll stay with the business.

“Because they stay longer, they have more experience. This in turn ensures the employee maintains the relationship with customers, and gives customers a higher degree of satisfaction”, Mr Watts says.

Customers want stability and people who know their business, so retaining staff who know the company well is important, he says.

Branded Customer Service comes with a “toolbox” of exercises for companies – to help their staff understand branding and their role in delivering it.

Exercises focus on what a brand is all about, what is unique about a company’s brand and “what does our brand look like in action?”.

The book’s research included 780 interviews conducted between January and March 2002.

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