O₂ business

Customer engagement in the digital age

Maximising relevance to enhance the customer experience

Are you meeting customer expectations?

Engaged customers buy more, are better brand ambassadors, and demonstrate more loyalty than those who aren't. Providing a high quality customer experience in today's connected era must be a critical part of every organisation's strategy.[1]

We all know that it's cheaper to retain existing customers than acquire new ones. Whether you're a business or a public sector organisation, better engagement means less enquiries and fewer complaints, reducing your costs across the board.

But today's customers are getting more demanding. They expect immediate and personalised experiences, constantly comparing organisations and listening to hundreds of voices on comparison and social sites. And they're prepared to follow the leaders as they pull ahead of the crowd.

So what's new?

The UK population is more connected than ever, with mobile devices always in our hands, meaning traditional media engagement has had to shift to the digital world. But we're also seeing a far wider range of digital tools, like self-help websites, better search optimisation, FAQs, and online communities developed for customers and citizens to help each other.

Meanwhile, it's easier than ever to go online to research and consider your buying options, and then to purchase online from price comparison sites. It's a direct result of the digital world we live in, and Toys 'R' Us, BHS, Austin Reed, Blockbuster and Borders are all reasons you need to get it right: otherwise you are putting your organisation's brand, and survival, at risk.

Today's social tools are also double-edged: if a customer has a bad experience, a lot more people hear about it than before. But if you can provide a unique customer experience, that rises above expectations, you'll see far greater impact than a traditional advertising campaign. After all, everyone's after a photo for their Twitter, Snapchat, Instagram and Facebook feeds. And with today's social platforms leading to the emergence of social influencers, creating the opportunity to share an experience can be a very cost-effective way to engage the audiences and demographics you want to engage.

So how can we make sure our digital tools are delivering these better customer experiences?

> "I believe organisations must differentiate their brand on timely, targeted and tailored customer experiences, based on real-time data and analytics."
>
> **Katy Liddell
> managing director Enterprise and Public Sector, O2**

Digital and changing habits

Whether you're a real-world or online business, digital tools are having a massive impact across your organisation.

In 2018, retail software company Qudini surveyed consumers about their experience in retail stores. The results showed that the younger, digital-native demographics were considerably more likely to report having a bad experience. And this matters, because millennials already represent 30% of consumer spend, and growing.[2]

In fact, their complaints weren't about difficult-to-fix issues like store layout, but things like having to wait to be served, poor staff knowledge and lack of available stock – challenges that can, in most cases, be improved using digital technology.

Nina Bibby, O₂'s chief marketing officer, agrees. "The younger generation expects more when it comes to customer service – and they're getting their expectations from their online experiences. Take web page load speeds as an example: we know that the slower a web page loads, the more people drop off the purchase. We need to take that digital experience into real life, into retail."

The social media effect

Qudini CEO and founder Imogen Wethered says: "Millennials and Generation Z consumers are honestly more demanding, more fickle and more impatient. If they receive bad service, 21% of them said they would complain on social media – that's the same percentage as those who would keep quiet and not complain."

And that's a big problem when you consider the growing use of social media across all segments of the marketplace. Adam Wilson, head of customer experience at AEG, responsible for the O₂ Arena, sums it up: "The old adage was that one person tells 10 people about a bad experience. Now they can tell 10,000 people at the press of a button. Whether it's good or bad, a person's experience can ripple out really quickly," he said.[3]

2 Imogen Wethered, Qudini CEO and founder, speaking at the Blue Door conference, part of O2 Live
3 Imogen Wethered and Adam Wilson speaking at the Blue Door conference, part of O2 Live 2018

Digital in the UK in 2018

The number of social media users is increasing year on year. But although 18-34 year olds form the biggest proportion of social media users, the number of older people online is also increasing.

44M
Active social media users (66% of the population, +5% since 2017)

38M
Active social users on mobile (57% of the population, +3% since 2017)

1h 54m
Average time spent on social media every day

2 of 3
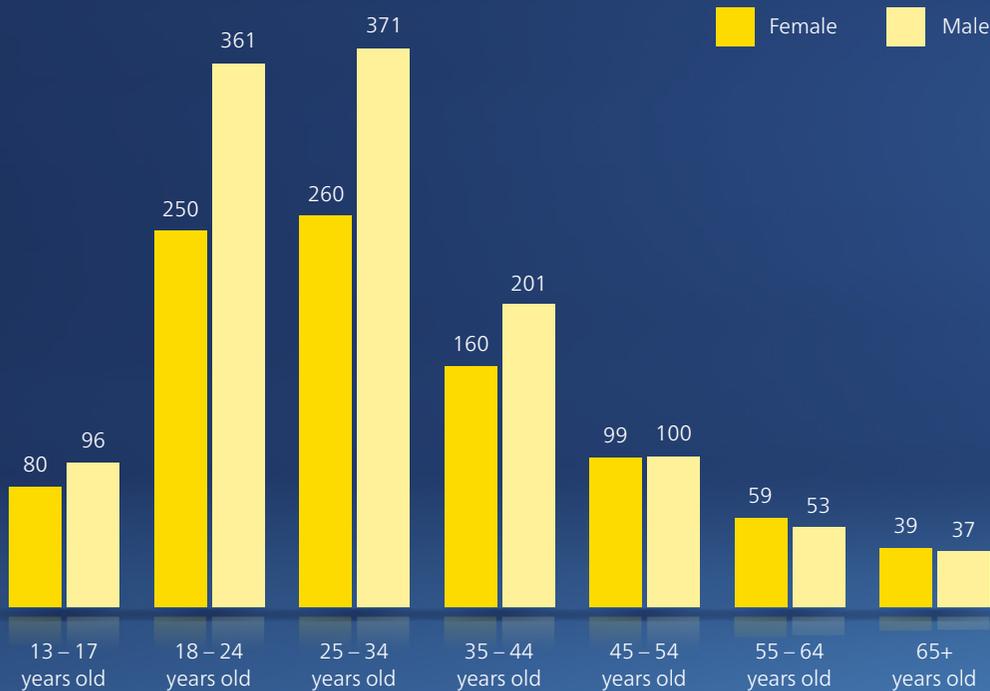Facebook visits are from a smart phone or tablet

The rise of social media

It's digital experience that has the greatest effect on millennial and Generation Z engagement.[4]
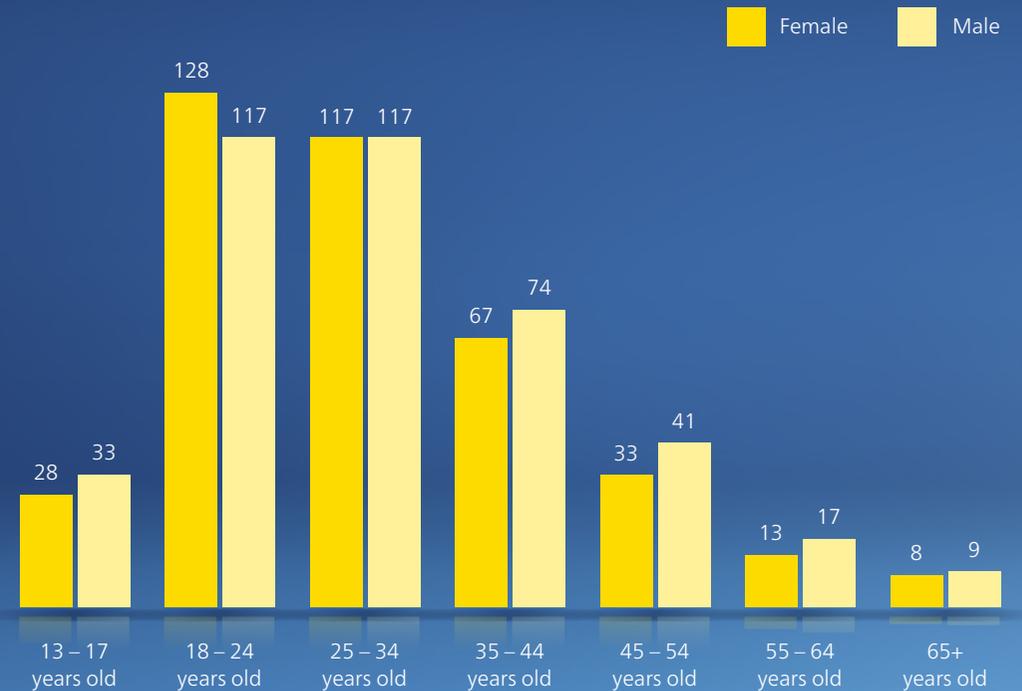
Profile of Facebook's global users
Breakdown of users by age and gender, in millions

Female   Male

Age	Female	Male
13 – 17 years old	80	96
18 – 24 years old	250	361
25 – 34 years old	260	371
35 – 44 years old	160	201
45 – 54 years old	99	100
55 – 64 years old	59	53
65+ years old	39	37

Profile of Instagram's global users
Breakdown of users by age and gender, in millions

Female   Male

Age	Female	Male
13 – 17 years old	28	33
18 – 24 years old	128	117
25 – 34 years old	117	117
35 – 44 years old	67	74
45 – 54 years old	33	41
55 – 64 years old	13	17
65+ years old	8	9

How do you measure success?

The larger the organisation, the more complex it can be to measure customer engagement. But a consolidated view across your business can deliver results.

"By getting our customer experience right we know that our revenues go up, people stay with us for longer, and that we reduce churn. We lower the cost of managing 'issues' and invest more in other customer engagement programs instead."

**Nina Bibby
chief marketing officer, O$_2$**

Studies show that 86% of buyers will pay more for a better customer experience[5]. So the right engagement strategy could deliver a huge impact to your organisation's bottom line.

But in larger organisations, it can be complex to measure results. Customers or citizens might approach a business or access services at more than one touchpoint. For example ordering a product via the sales organisation, with post-sales follow-up via the customer service team.

"Most large organisations with revenues of more than $1billion have more than 50 customer experience metrics, some as many as 200, and all owned and managed by different people in different parts of the organisation," says Ed Thompson, vice president and analyst at Gartner.

"And some of the statistics gathered don't measure customer benefit at all."[6]

So what's the answer?

Whether your organisation uses measures like customer satisfaction (CSAT), net promoter scores, advocacy, or loyalty, retention and churn statistics, you need to avoid focusing on one only, and you need to share the information between teams.

Most importantly, you need to consolidate the data so you can provide a holistic view of the customer journey. You'll find it easier to see where problems are, and the issues that need to be resolved.

A good example of sharing customer experience information might be for repair staff within a field service department to have access to the average wait time for customers in the contact centre, in real time. It means they can anticipate irritated customers if wait times are high and adapt their approach if they need to.

5 https://www.walkerinfo.com/knowledge-center/featured-research-reports/customers-2020-a-progress-report
6 https://www.gartner.com/smarterwithgartner/how-to-measure-customer-experience/

Are you truly customer-centric?

To successfully deliver customer experience, it needs to be more than a one-off campaign: the concept must be embedded in your culture.

We embrace this approach at O_2. Nina Bibby, O_2's chief marketing officer explains how. "Firstly, you need to have the job function. There's a customer experience director in my team, and she's in front of the Executive Leadership Team once a month. Secondly, you need to embed customers in the business, as we do, so we can speak their language and fix issues if they go wrong," she says.

Putting CX at the heart of O_2

From the beginning, customers have been the focus of our business, even if it increases our costs. Because we know that improving our customer experience delivers a better return. Here are some of the things we do.

- As more people move to purchasing and managing accounts online and by mobile, we give them the experience they expect. The MyO$_2$ app has millions of users, and we know a lot of upgrade journeys start there.[7]

- We want visitors to our retail stores to have a valuable visit. So we have dedicated hosts to welcome them and direct them to the right help, whether it's a new phone, an account question or support from an O_2 Guru.

- O_2 Gurus will help anyone with mobile device tips and tricks, or general queries, even if they're not with O_2. We want to help everyone to get the most out of the technology they have access to.

- We communicate clearly and concisely with customers, from start to finish. We take the time to explain complex concepts, limiting the use of technical language wherever possible.

- As part of our development processes, we review everything we create (including new product and pricing plans, device and service options) to make sure it does actually improve people's lives.

- We listen to our customers. Whether you're a public or private sector organisation, we'll assess your key objectives and KPIs, and align this with how we engage and support you.

Don't forget your employees

Improving the experience for your customers will also benefit your staff. As well as engaging with happier customers, it makes their jobs easier, so they can in turn provide an even better customer experience.

"O₂ Wifi has given us the flexibility and strong foundation we need to deliver the kind of digital service customers expect from McDonald's."[8]

Doug Baker
IT consultant, McDonalds

McDonald's is a great example of a restaurant meeting changing customer expectations. Many of its restaurants now have self-serve kiosks and digital menu boards, so the restaurants can trade more efficiently, reducing cash payments and speeding up transactions.

Much of this is based on digital technology and services provided by O₂. "We're underpinning the McDonald's business, so they can give their customers good service," say Tim Hayes, head of customer engagement and partnerships, O₂.

More than just retail

"And it's not just retail where we're delivering value. With secure, integrated connectivity solutions we can ensure workers have the data they need, in the office, remotely, and on the road. It gives them a consistent experience and helps their productivity," Tim adds.

For Sussex Police and Surrey Police forces, O₂ connectivity gives frontline officers secure access to shared databases and systems on a mobile device. They don't have to return to the station to complete admin, saving each officer up to two hours of admin time a day.

More time on the streets means more visible policing, but we're also supporting forces with the move to online reporting, in line with society's changing expectations. Because citizens now expect to be able to log and check the status of services requests online, at any time.

This is a great example of how the right digital experience can also create opportunities for you to improve the way your people work. But you need to make sure you have focus and impact – because everyone else is pushing their digital engagement too.

8 https://www.o2.co.uk/enterprise/insights/mcdonalds

Case study: Delighting audiences at The O₂

O_2 is the naming partner for AEG's music and retail venue on the Greenwich Peninsula in South East London; The O_2. Adam Wilson, AEG's head of customer experience talks about how unique experiences and a focus on customer expectations has led to The O_2 being the busiest music venue in the world.[9]

"We can't upgrade everyone to the front row, but we can look at what else will deliver them a great experience."

Adam Wilson
head of customer experience, AEG

How do you deliver a great customer experience?

Some of our initiatives include:

- **Going cashless** means that customers get served much more quickly. It's also a win for us, as people have time to make more purchases.

- **Creating an O_2 Arena app** extends the Priority experience to cover the whole journey, from buying tickets to directions and booking interval refreshments.

- **Opening the retail village** so there's more to do, to increase dwell time.

What measurements do you use?

We use customer satisfaction (CSAT) scores as a measure. For example everyone who emails in will get an email back asking how the interaction was for them.

How do you tie customer experience in to your culture?

Once a quarter we convene a deep dive improvement panel that covers every aspect of the customer journey. It brings together teams from across the arena, including people who might not otherwise meet, like security, catering and parking. It breaks down silos and gives people time to put ideas across.

The senior management team all do 'back to the floor' sessions. AEG's mission statement is to 'create experiences that wow, thrill and excite'. The people at the top can lose sight of the work that goes into it, and what customers are actually experiencing. So we put them into the box office, on the phones, or at the complaints desks on the arena floors.

I've also learnt a lot from O_2, particularly around why and how you should talk to customers in a way that is simple and easy, yet emotive, in every interaction.

9 https://www.iq-mag.net/2019/01/the-o2-world-busiest-venue-2018/#.XGGNjtL7SM8

Digital consumer behaviour

The average consumer spends over four hours a day on their devices. It's why you need the right digital technologies in your customer experience portfolio.

60%
of consumers were loyal to brands that tailored their experiences to their preferences and needs

51%
said they would buy from a brand they had never heard from before if there was a better offer and experience

44%
of companies say they don't have the tools to use data in order to create compelling, personalised, real-time experiences[10]

10 https://www.adobe.com/uk/modal-offers/econsultancy_digital_trends_2018_report.html

Bringing digital experiences to life

Customer experience is an end-to-end process, and everything along that journey needs to work together, and in real-time. The right engagement tools and methods will depend on your customers.

It all needs to be seamless, not overwhelming, and appropriately timed. Digital allows for more insights, analysis and action. Like knowing if people have opened emails, and which auto-journeys have helped them discover more product info.

Supporting technology

It's important to make sure your underlying technology is in line with your customers' expectations, as in these examples.

- A customer coming into a shop and looking at a tablet, checking stock and ordering a product, expects the underlying technology to be secure and reliable.

- Online ordering needs to be synced up with distribution – customers want to know where their parcels are. Organisations offering one-hour delivery windows deliver a better experience – but only if the delivery is on time, or you can keep the customer updated about delays. Real-time matters even more.

Ultimately, the technology you choose will depend on the results you want. It's why we take the time to understand our customers' businesses and what they want to achieve, and make sure that the outcomes are at the heart of everything, from design to delivery and in-life management.
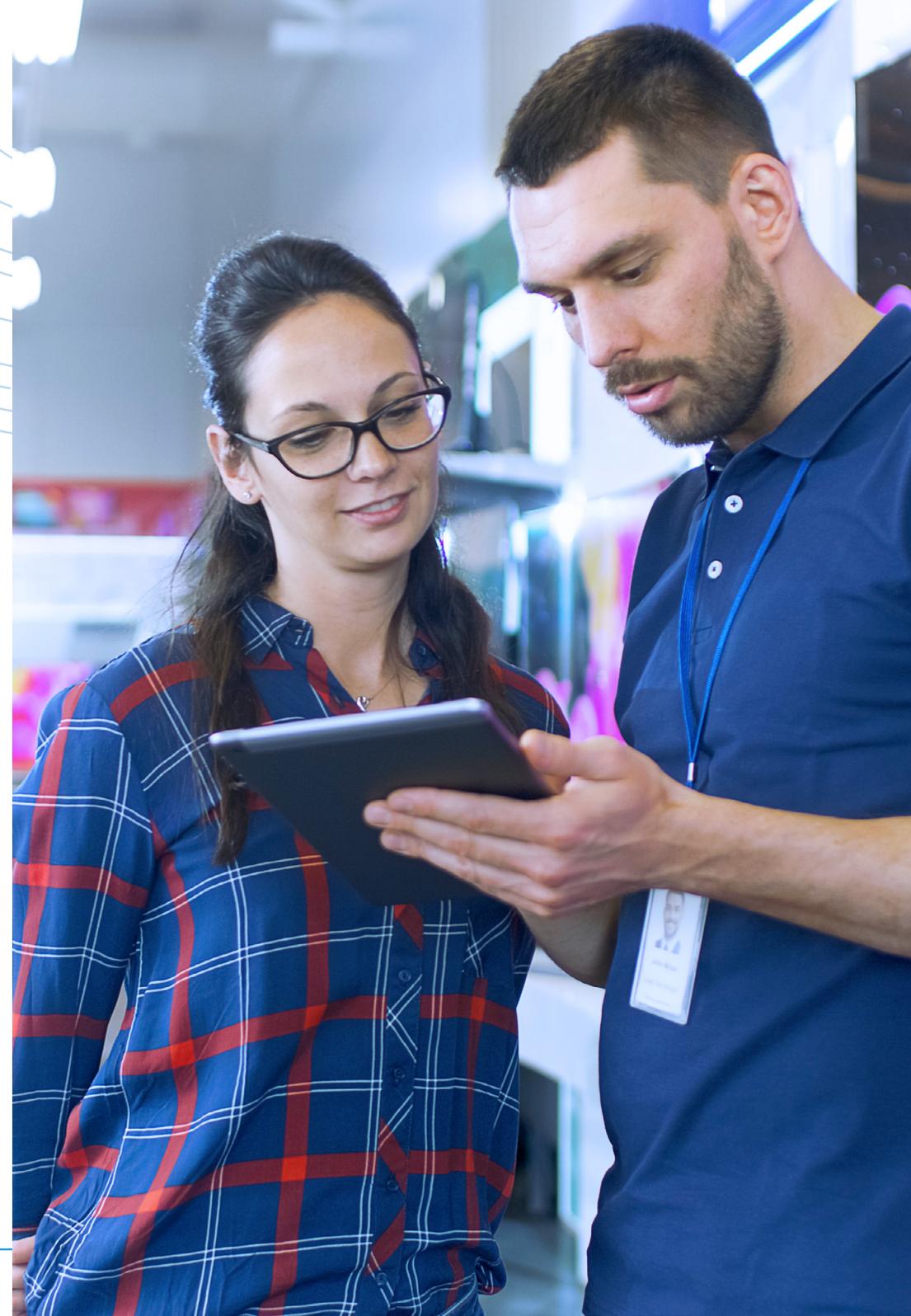
Digital experiences at O_2

So how are we using digital technology at O_2 to engage our own customers?

MyO_2 app. With millions of users, our customer service and account management app is very user friendly and full of useful information. We know a lot of upgrade journeys start there.

Priority. Our industry-leading digital loyalty programme gives customers more of what they want. From early access to tickets, to discounts and perks on everyday offers.

And we've just extended the experience to cover the whole concert-going experience, engaging you from ticket purchase to concert date.

We'll send customers the act's latest album or new songs as they're released. Then, nearer the time, we'll send information about travel or how to access the Priority lounge. For a recent Michael Bublé concert, for example, we used augmented reality (AR) to enable people to take a selfie with him.

> "People are spending time on their mobile devices. What we're doing is engaging them through these devices with their passion points."
>
> **Nina Bibby**
> **chief marketing officer, O_2**

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Little things can make a big difference

Meet Ruth. She's just like you and me. Whether she's at home, work or taking time out, she can't help noticing the way different organisations engage with her. And her expectations are high.

How can O₂ help?

A happier, healthier home.
When we're juggling family and household needs across a network of different businesses and organisation, we want the same thing from all of them – services that deliver on our expectations.

- Like using secure mobility to enabling healthcare providers to deliver care in the community, where it's needed most.

A smarter work environment.
We expect the same level of technology at work as we do at home: mobile devices, apps and connectivity that give us a shortcut to greater efficiency.

- Like the secure and reliable data communications that make it possible for security companies to deliver rapid response to alarms and incidents.

Greater leisure experiences.
We all expect a seamless connected experience across devices, wherever we go, whatever we're doing.

- Like Charge to Mobile, which makes it quick and easy for content providers to charge digital purchases to a customer's mobile phone bill, or Pay & Go credit.

Carry on reading

Read the case studies about how O₂ helps deliver customer experiences for people like Ruth.

Visit **connect.o2.co.uk/ experience-with-ruth**

Start the move to greater customer relationships

Could better digital technology help you to deliver amazing new customer experiences?

Wherever you are on this journey, O₂ can help you achieve better results. To find out more, visit **o2.co.uk/business** or get in touch on **0800 955 5590**.

O₂ **business**