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MOMENTS THAT MATTER MOST

WINNING CUSTOMER LOYALTY:
WHEN, WHERE AND HOW TO FOCUS YOUR OMNI-CHANNEL EFFORTS

There are many important moments during a customer's tenure with a brand. Customers are continuously considering and evaluating which new and latest services and products are best suited for themselves or their families. Customers make purchases, modify and upgrade existing services and devices. They repeatedly monitor the usage of their service plans, manage their accounts, and pay monthly bills. Should a question or issue arise, they seek an answer or a speedy resolution to their problem. These moments of engagement between customer and brand are called Moments of Truth. While there are many Moments of Truth across a customer's interaction with a brand, certain moments are likely to have a more significant impact than others on a customer's level of happiness with the brand. These defining moments are called **MOMENTS THAT MATTER.**

In today's increasingly competitive environment where customer expectations continue to rise, it is essential to get these Moments that Matter (MTM) right. Brands can maximize returns on their investments by choosing to focus time and energy on a few meaningful moments with their customers. But which moments matter most to customers? What impact do these key Moments that Matter have on customer sentiment and loyalty towards a brand? What should brands do to deliver experiences that evoke positive emotions?

To help answer these questions, Accenture conducted research to understand what drives loyalty and how a brand can impact their customers' emotional connectedness. In recently published research, Accenture introduced a brand-specific measurement of customer loyalty called the Keep Me Index (KMI) which measures the emotional connection between a customer and brand and the impact of that connection on loyalty.

Accenture further analyzed this research to learn more about moments of engagement, channel behaviors, and the impact that various experiences can have on customers. This report introduces a new (but related) measurement called the Individual Keep Me Index (iKMI), which measures a customer's influence on a brand's KMI. Accenture analyzed the relationship between a customer's last Moment that Matters, their individual influence on KMI (or iKMI), and their brand loyalty (likeliness to stay).

THREE KEY DISCOVERIES emerged from Accenture's research and analysis:

WHERE TO FOCUS: There are moments that matter most

WHEN TO FOCUS: The last moment leaves a mark

HOW TO FOCUS: The moment "must haves" are customer flexibility and choice

THE MOMENTS THAT MATTER MOST

Four key moments provide the greatest opportunity for a brand to evoke customer emotion.

In Accenture's annual Global Consumer Pulse Research (GCPR), 43% of customers indicated that their brand loyalty is heavily influenced by customer service experiences.[1] Where brands often struggle is finding the critical places in which to invest to create lasting and meaningful experiences, maximizing loyalty returns.

Respondents to this latest research study were asked to identify the moments that they feel most impacts their level of happiness as a customer of their service provider.

Four specific moments emerged from the pack as the moments that matter:

1. **Resolving a service or technical question or issue**
2. **Paying a bill**
3. **Upgrading or changing service or a device**
4. **Resolving a billing question or issue**

These moments come at different points in the customer lifecycle and represent the key Moments that Matter that are imperative for brands to get "right" in order to most effectively impact customer happiness and loyalty.

FIGURE 1 Percent of respondents who ranked each moment as most impactful on their level of happiness
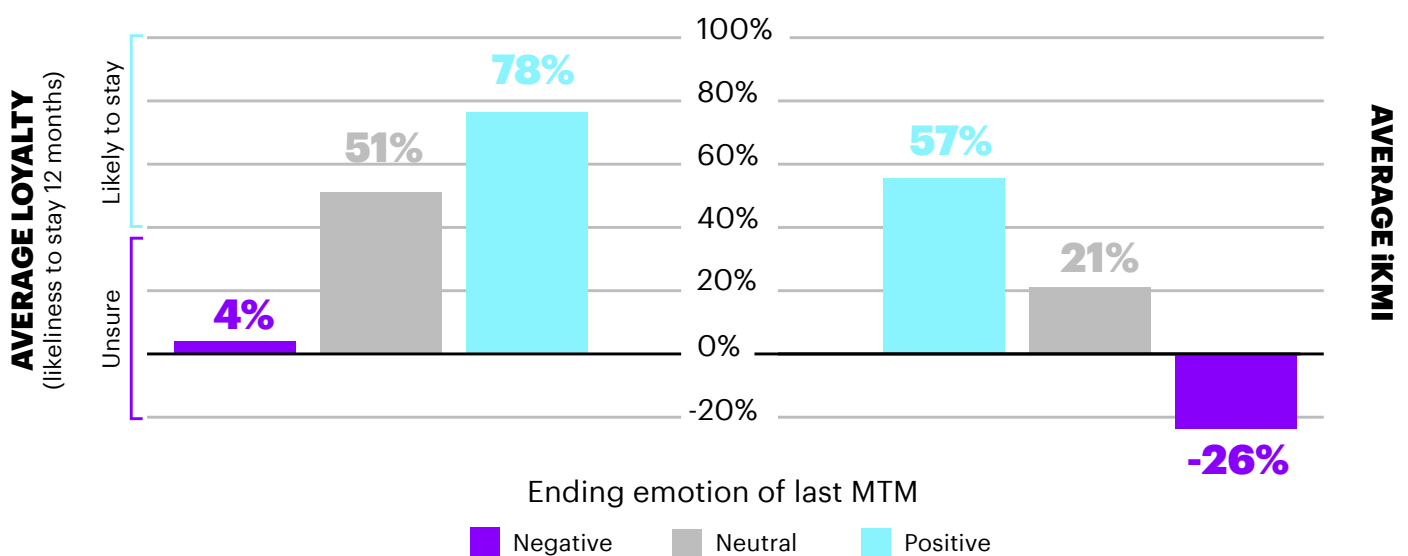

Installing / activating — 7%
Browsing — 7%
Checking usage — 7%
Down-grading — 8%
Purchasing new service or device — 8%
Resolving a billing question / issue — 11%
12% — Upgrading / changing service or a device
18% — Paying a bill
21% — Resolving a service or technical question / issue
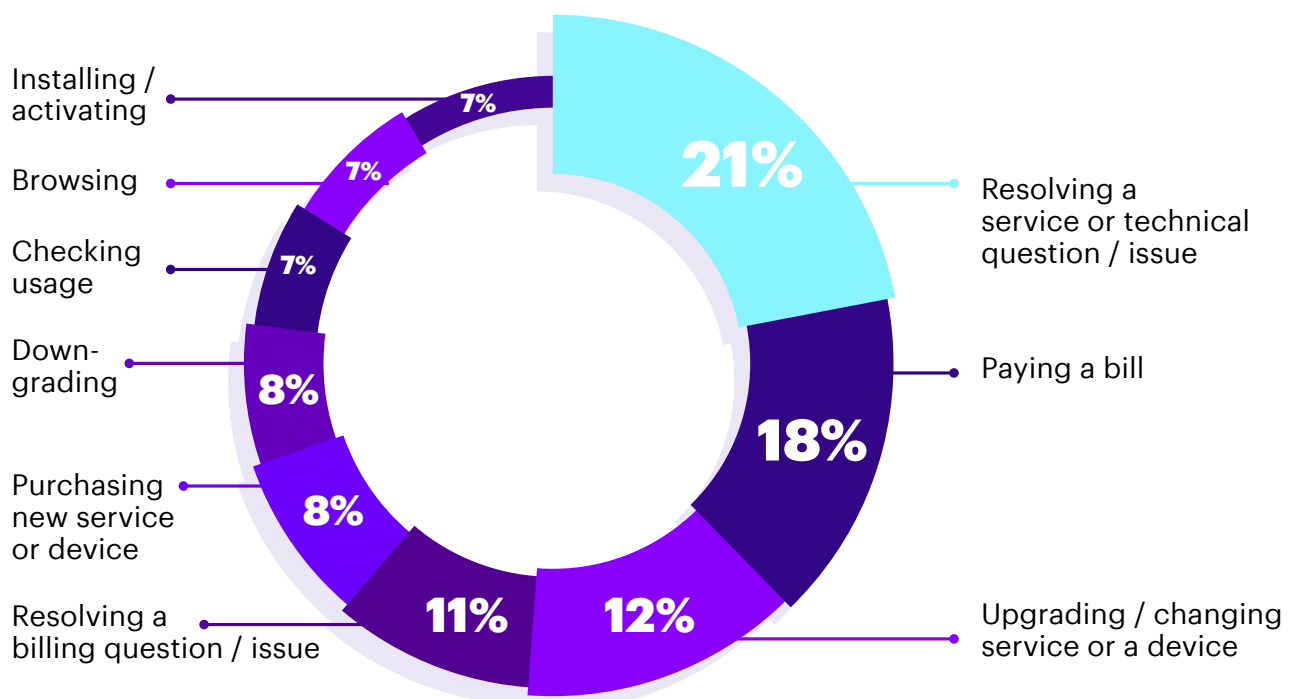
THE LAST MOMENT
LEAVES A MARK

Moments that Matter have a direct and lasting impact on sentiment and loyalty.

As demonstrated in Accenture's KMI report, there is a strong correlation between a brand's KMI and customer loyalty. Further analysis also shows a strong correlation between a customer's last Moment that Matters, his individual influence on KMI (or iKMI), and his likeliness to stay loyal to a brand.

If the customer's last Moment that Matters was positive, sentiment and loyalty were higher; if it was negative, sentiment and loyalty were lower. What's most interesting, however, is that a positive moment has the strongest influence on loyalty, while a negative moment has the strongest influence on what customers think, feel and say about a brand (iKMI).

FIGURE 2 Correlation between ending emotion of last MTM and Loyalty (a positive MTM greatly influences loyalty, and a negative MTM greatly influences iKMI)

AVERAGE LOYALTY (likeliness to stay 12 months)

Likely to stay — Unsure

78%
51%
4%

AVERAGE iKMI

100%
80%
60%
40%
20%
0%
-20%

57%
21%
-26%

Ending emotion of last MTM

■ Negative   ■ Neutral   ■ Positive

This reinforces the power of positivity: The last moment—be it customer or brand initiated—MUST evoke positive emotion. Accenture's GCPR research found that 77% of customers feel a brand earns their loyalty if they take immediate action when they are unhappy. Reversely, the same study found that, after a bad experience, 38% of customers shifted a portion of their spend to another provider and another 39% immediately stopped doing business with the brand.[1] By proactively and reactively providing experiences that delight, brands can be confident they are increasing their customers' likelihood of loyalty as well as retaining (if not growing) their customer base.

These findings are corroborated by Accenture's GCPR Research, which also found that there is power in positivity and risk in negativity.

77%
of consumers feel a brand earns their loyalty if they take immediate action when they are unhappy.

After a bad experience...
38% of consumers shifted some spend elsewhere

39% immediately stopped doing business with the brand

MOMENT MUST HAVES: FLEXIBILITY AND CHOICE

A flexible, dynamic, persistent experience is a "must have" for brands to drive higher iKMI and profitability.

Brands must provide channel CHOICE because...

Preferences vary. Each respondent was asked to reflect on the last time he engaged with his service provider to complete his chosen Moment that Matters. *Which channel did they use first to initiate that moment?* While the results showed diversity of channel choices across human, physical and digital channels, there were also clear behavioral patterns that align to the various moments that brands should incorporate into their channel strategy (See Figure 3).
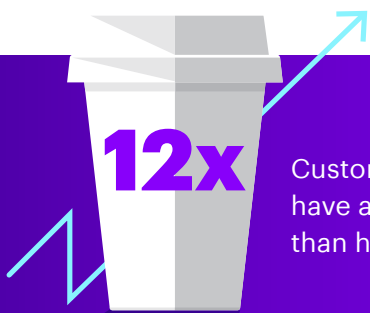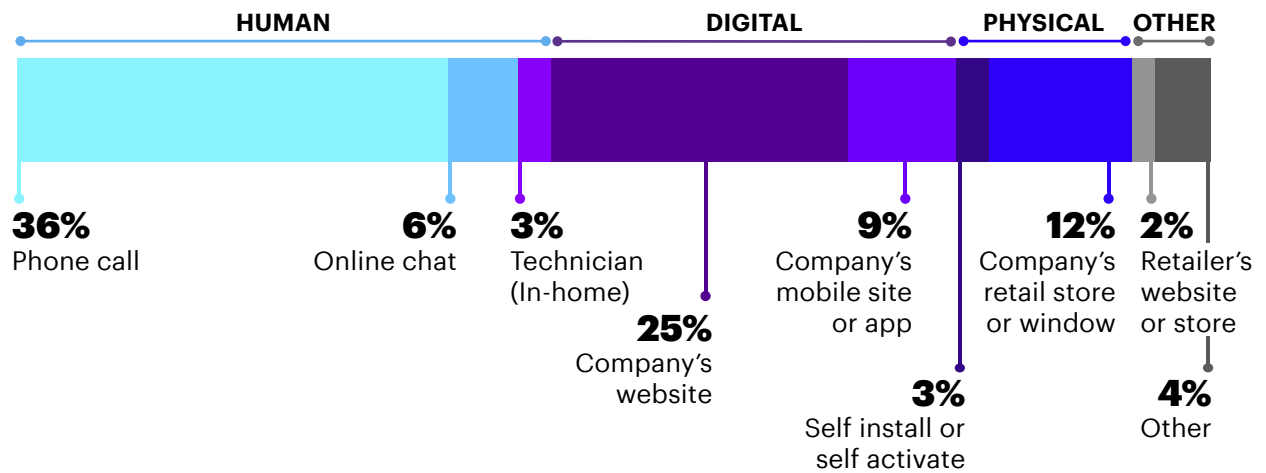
Reasons vary. There were many reasons why customers initially chose one channel over another. While "convenience" was the top reason customers chose a particular channel, customers' perception of convenience is clearly subjective given it ranked first across all channel types—human, physical and digital. Customers were happiest when a provider's experience allowed them to accomplish what they intended to do—when, where and how they chose to do it.

Outcomes vary. Data also showed that the experience a customer had in the first channel and the outcome of that channel engagement impacts their subsequent channel choice. Regardless of the first channel type, if a moment was not resolved in that first channel, the average customer (56%) turned next to a live agent. Why? Nearly half were told to or felt they had no other option. Most others wanted an opportunity to ask, explain, reason or negotiate, or thought going to a human would be the fastest method.

Brands must connect those channel options for FLEXIBILITY

It's not enough to simply provide channel options to appease a variety of customer preferences, reasons and intentions. 75% of consumers indicated they expect to be able to use multiple channels to complete a moment, picking up where they left off, without having to start over or repeat themselves.[1] Furthermore, the research found that customers who use multiple channel types to complete a moment have a iKMI 12X higher and are typically 15-25% more profitable[1] than human-, digital-, or physical-only customers!

FIGURE 3 MTMTM broken down by the first channel used

| HUMAN | | DIGITAL | | PHYSICAL | OTHER |

36%
Phone call

6%
Online chat

3%
Technician
(In-home)

25%
Company's
website

9%
Company's
mobile site
or app

3%
Self install or
self activate

12%
Company's
retail store
or window

2%
Retailer's
website
or store

4%
Other

12x

Customers who use multiple channel types to complete a moment
have a **iKMI 12X HIGHER** and are typically **15-25% MORE PROFITABLE**
than human-, digital-, or physical-only customers.[1]

For issue resolution,
customers more often
turned to live agents
(**76% FOR SERVICE
ISSUES; 83% FOR
BILLING ISSUES**).

For moments that occur more
regularly (like paying a bill,
checking usage information),
a majority of customers chose
digital channels. **(62% FOR
PAY BILL; 69% CHECK USAGE)**

If a moment was not
completed in that first
channel, the average
customer **(56%) TURNED
NEXT TO A LIVE AGENT**.

For moments that involved
shopping, **PURCHASING
OR UPGRADING** services
or devices, customers'
first channel choice was
**EQUALLY DISTRIBUTED
ACROSS HUMAN, DIGITAL
AND PHYSICAL**.

**75% OF CONSUMERS
EXPECT** to be able to use
multiple channels to
complete a moment,
picking up where they left
off, without having to start
over or repeat themselves.[1]
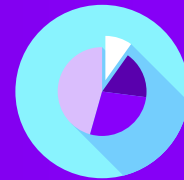
ONLY 13% OF CUSTOMERS
find digital-physical
well aligned.[1]

THE OMNI-CHANNEL
IMPERATIVE

While this research helps brands identify where, when and how to focus their efforts to influence customer loyalty, it also underscores the critical need for brands to deliver a continuous experience across human, digital and physical channels.

Traditionally brands have a tendency to approach customer experience by breaking down moments and touchpoints to the most addressable segment—by function or channel, typically aligning to their own internal organizational structure.

The reality is, customers don't operate this way. This segmented approach might be an internally effective division of ownership and revenue for a brand, but it often results in a modular, disruptive, and frustrating experience for the customer—the person who should be at the heart of the approach. In reality, a customer might start, stop, and/or continue a moment in and across various channels and elements of his lifecycle (thereby cutting across business functions). As such, flexibility and choice are "must haves."

Delivering the best experience for a genuinely diverse customer base is all about Omni-Channel: creating a consistent, continuous and dynamic experience that allows customers to engage across a variety of channels on their own terms, based on their own intentions. Brands who continue to operate in siloes and don't persistently connect Moments that Matter to provide flexibility and choice will fail to win and keep their customers. **Instead, successful brands will drive loyalty, keep customers and win new market share by making strategic and effective investments in a purposeful Omni-Channel experience.**

ABOUT THIS RESEARCH

The scope of this Moment that Matters research was focused specifically at the Communications industry and digitally surveyed more than 4,200 U.S. customers who subscribe to and regularly interact with some major North American wireless and cable/satellite service providers.

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Accenture's Omni-Channel thinking
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FOOTNOTES

1 Accenture's 2016 Global Consumer Pulse Research

ABOUT ACCENTURE

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