

Who cares? \_\_\_\_\_ 

**Moving towards a total customer care experience in 2020**





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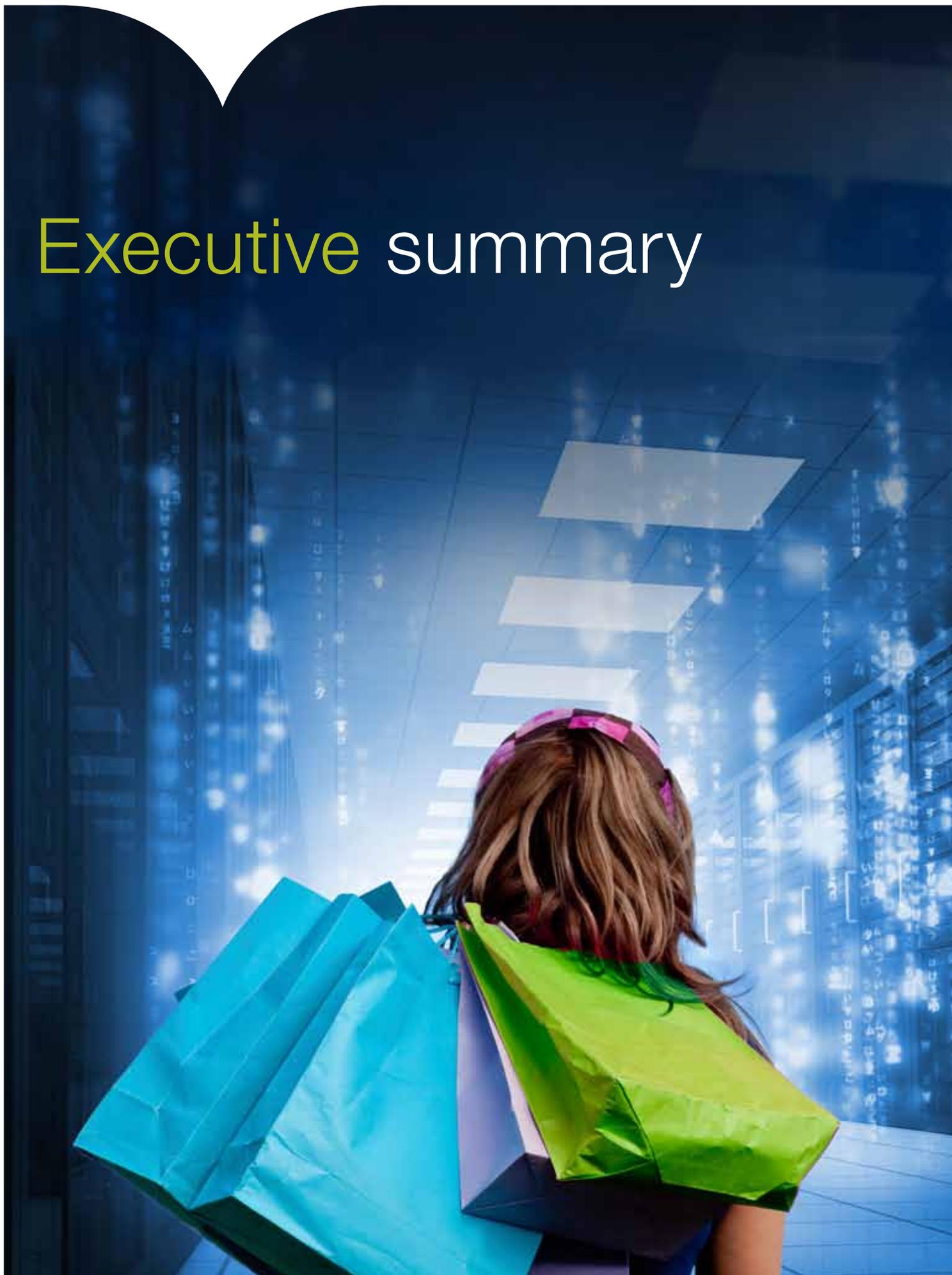
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# Executive summary





This report encompasses the results of a wide-ranging research and analysis exercise into customer care in a business-to-consumer (B2C) setting. The scope of customer care in this research is defined by the six elements of Bonsing (2013):

- 1** Customer service
- 2** Follow-up
- 3** Seek and share, social community
- 4** Review options (product/service)
- 5** Customer in the driver's seat
- 6** Additional services

Being in the midst of a technology and economic disruption, one might overlook the learnings from the past. A brief walk through retail history brings two important take-a-ways. First, general retail history shows that developments outside the retail landscape have had a tremendous influence on retail (e.g. the first mass production of cars by Henry Ford). Secondly, the developments customer care has gone through show a cyclical pattern (e.g. one-on-one human interaction in store, IVR and one-on-one personal interaction through social media).

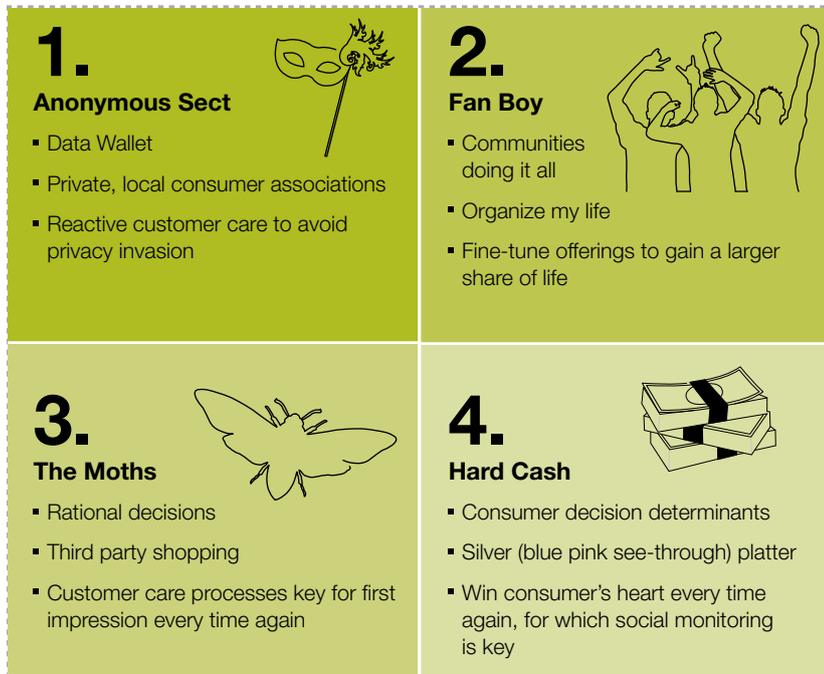
Looking back at how customer care came to be as it is today, factors shaping the retail landscape over the coming years are discussed. Some have a direct impact on customer care, whereas other factors have a more general effect on the retail landscape:

- Population growth and especially the accompanying shift towards a “top-heavy” population results in a larger market to service, whilst the size of the working population stabilizes.
- The interactions between retailer and customer transform from one-way sending by retailers, into a conversation between two equals as data from both sides has become more transparent and accessible.
- The global reach of customers results in a need for a global approach to customer care. Retailers will find it increasingly difficult not to provide service to foreign parties purchasing their products.
- The speed at which technology develops, grows exponentially and customer care processes should be adaptable to new technologies and channels.

- Consumers do not differentiate between physical and digital channels: they expect an integrated approach to customer care from the retailer.
- Resource scarcity is influencing consumers' mindset with regards to consumption: consuming less and sharing products among consumers will affect the retailer.

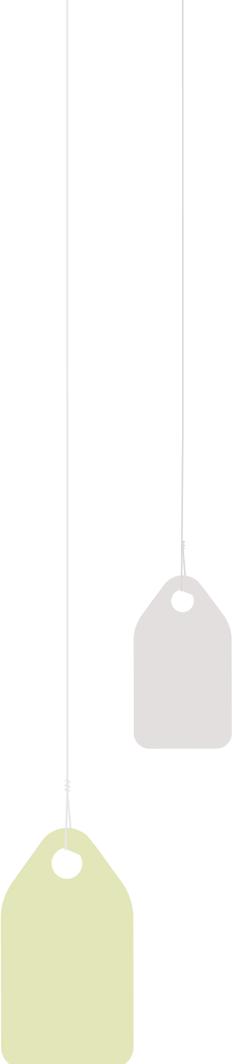
The customer care experts identified two uncertainties (data privacy and customer loyalty) as highly complex and their impact on customer care as difficult to predict. Through scenario planning the impact of these two uncertainties is explored, resulting in four plausible scenarios in which customers would fit and for which companies must prepare their customer care service offerings going forward.

**Figure 1: Consumer types of the future**



Combining the learnings (from the retail history, the factors shaping the retail landscape and the developed scenarios) with the experts' view on customer care, a 2020 vision on customer care is developed.

- A** Reviewing by doing
- B** Customer (co-)creates his driver's seat
- C** Customer advisory
- D** Follow-through
- E** Premium services



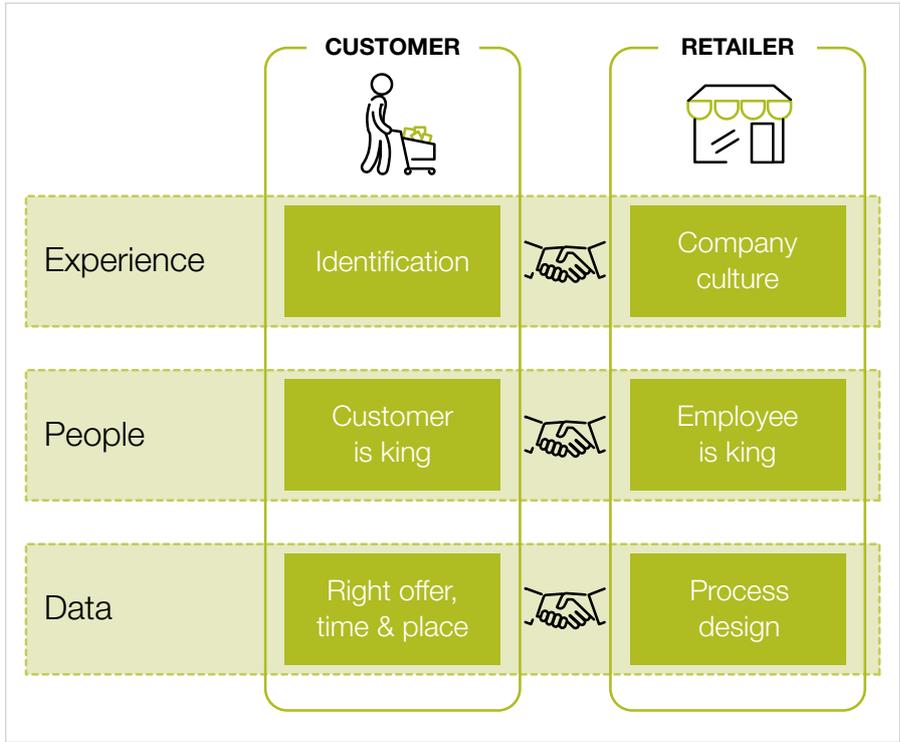
The changing elements of customer care reflect the new definition being given to customer care. Moving from a department solving consumer problems in a reactive manner, customer care becomes an integrated process central to the success of the company.

Based on the expertise of the research team and insights from the experts, five strategic questions are framed. Answering these five questions is essential in determining your business strategy for customer care in 2020. It is not said or implied that choosing one over the other is better or worse: it is about making that choice.

1. Do you want to excel in customer care or not.
2. Follow your customer through every channel or service them in a dedicated channel.
3. Design your customer care to facilitate one-on-one human interaction or maximize automation.
4. Focus of customer care is preventative or reactive.
5. Execute your customer care yourself or outsource (e.g. third party or community).

Additionally, the research team identified three factors that companies regarded as successful in customer care focus on: data, people and experience. These factors translate into different key assets from the consumer and the retailer perspective. The model shows how these assets relate and work together.

**Figure 2: Key assets to customer care**



After answering the five strategic choices presented, the model can be used to guide your business in filling the strategic subjects with the right actions.



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# Preface

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The density increase of retail stores appeared to be an unstoppable trend over the past 20 to 30 years. In the United States the amount of shopping center space doubled between 1980 and 2010, and in Europe the same trend is seen. The Netherlands for example, showed a 25 percent increase of retail space between 2001 and 2009. However, this trend is not supported by an equal, or even somewhat equal growth in retail sales. Too much space with too few sales and other changes in the retail industry have led to the expression “the end of stores” (Cor Molenaar, Professor eMarketing and Distance Selling) or more specifically “the end of stores as we know it” (Ron Johnson, CEO J.C. Penny & former Apple VP for retail in Harvard Business Review).

These changes are universal and do not stop at the borders of the retail landscape. Consumer behaviour (e.g. from single to omni-channel shopping), new media (e.g. Google Glass), innovative production developments (e.g. 3D printing) and globalization, are developments that change the rules of the (retailing) game.

Many businesses have a split personality when it comes to customer care. On the one hand, businesses acknowledge customer care is essential to their business' success and understand that thanks to the internet bad service can result in far more damage than before. On the other hand, customer care is often still seen as a cost center, something that one has to do rather than wants to. Most businesses cannot invest more in customer care than they do now without going bankrupt. However, recent studies showed that 40 percent of consumers indicate improved interaction with service attendants as the key driver of increased spending. Additionally, 83 percent states they need some form of support during their online shopping journey and the same percentage (80%) of consumers is willing to pay for this customer experience. To grasp these opportunities, businesses need to change their approach to customer care (as doing more of the same is not feasible).

With this knowledge, this report sets out to clarify the future of customer care in this changing retail landscape. It draws on historical learnings, current best practices and insights from customer care experts on the future of their profession.



By scanning the QR code, you will see interesting, short movies supporting the topics described.



The research was led by SNT's business developer Thomas Blankvoort and Capgemini Netherlands' Consumer Products & Retail principal Jan Kazen. The team was managed by Gwendolyn Graman and included Martine van de Gaar, Nick de Mooij and Michiel Rutteman.

The research team is grateful to the seventeen retail industry experts whose expertise and insights enriched this report. Their contributions during the many working sessions and their vision on customer care were of great value in this research. Special thanks also go to Kees Jacobs, Rick Mans and Sandra Prinsen for their critical review of the report and to Joke Achterberg and Nicole Hartung (Capgemini) for their editorial support and design of the report.

Our goal is to offer a practical document in which a vision is supported by a roadmap offering (customer care) executives a set of actions they can undertake in order to excel in customer care in 2020. We hope this research sparks a productive discussion amongst retail executives, policy makers and industry leaders about incorporating customer care into the DNA of any business.

“ 80 percent of businesses think they deliver superior customer care, whereas customers put that figure at just 8 percent. ”

**James Surowiecki**



# Imagine a world



It's July 15th 2020 and walking home from work John's thoughts go back four years: the first weekend getaway with his girlfriend, Ayla. John, a 28-year old fire fighter, wants to surprise her with his marriage proposal coming weekend but he still hasn't found the perfect ring. While his watch shows the confirmation of the hotel, the same hotel they stayed in four years ago, he sees Emma is leaving him a video message and he connects to her straight away.

Sitting down in his favourite café a hologram of Emma sits down next to John. Emma (Ayla and John's personal service assistant at Greenfield's, their favourite high-end department store) knows he hasn't found a ring yet and asks about the coming weekend. Telling about it, John mentions a small green gem they found in Nainital last time and wonders where it is. Emma searches their interaction history, seeing Ayla once mentioned she keeps a gem found on their first weekend getaway in her memory box.

Emma connects with the jewellery designer of Greenfield's and suggests designing a ring together incorporating that special gem. John, surprised he didn't think of that before, projects a picture of the gem with his watch. After answering a few questions, John gets to see the first design. He still doubts and looks at Emma. She opens a picture of Ayla's hand and looking at her favourite ring she gives some feedback to the designer. John is happy with the next design and asks about the price. Although his watch shows another department store offering a slightly lower price, John asks Emma to place the order. He trusts Emma to ensure the ring is the right size and after all she helped him to get the perfect ring.

While he enters his home, his virtual to do list on the fridge reminds him he needs to bring the gem to Greenfield's to finish the ring. Additionally, his to do list shows that the 3D printer in the building's basement finished his last order. Not remembering sending a command to the printer, John walks down and sees a little jewellery box in Ayla's favourite colour. Surprised, he notes he should thank Emma next time he visits Greenfield's.

Friday morning a courier of Greenfield's opens the delivery compartment of John's car with his NFC device. Placing a small package and closing the compartment, John receives the delivery confirmation on his watch. John smiles thinking of the ring, the jewellery box and the weekend ahead. He is confident Ayla will say yes.

# What's in store for you?

The technologies mentioned in “Imagine a world” already exist and although it is a fictional world, it is not science fiction. It is just one scenario on retailing and specifically customer care in 2020 and could become true as a result of e-commerce and digital retail developments. It was a similar story to this that triggered us to work on a vision for customer care in 2020.

Retailing undergoes this kind of disruption every fifty years or so: the rise of department stores in 1860s, the suburb shopping malls in 1920s and the rise of discount chains in the 1960s<sup>1</sup>. Each wave of disruption does not eliminate what was before, though redefines consumer expectations and reshapes the retail landscape. With e-commerce and other digital retail technologies, retailers find themselves in the midst of a new disruption. E-commerce got off to a bumpy start, but is established now in the mainstream consciousness of shoppers. As often consumers are (way) ahead of the game, and while retailers are still searching for the definition of e-commerce consumers no longer differentiate between physical and e-commerce. Defining, let alone measuring e-commerce will become more and more difficult due to the integration of offline and online retailing.<sup>2</sup>

Additional to these disruptions by technology, the retail landscape and specifically customer care are influenced by (un)certainities and trends. The availability of energy, data privacy and consumers' expectations of response time, costs and channel type to name a few.

## How to use this report

This report encompasses the results of a wide-ranging investigative exercise into customer care. Each section of the report can be read on its own, depending on the reader's interest. The following paragraph briefly presents the outline of the report which can be used to find a particular section of interest.

At the start of this research a clear definition of customer care is set, which can be found on page 13: **How do we define customer care today?** The definition is illustrated by six current best practices in customer care and defines the boundaries of this research.

**Meet the experts** on page 16 and discover who contributed to this research. This part elaborates on the approach to this research and gives insights into the process the experts have gone through.

The report takes you on a brief walk through retail history in **How did we get here?** (page 19). The visualized time path provides you with an overview of developments retail and specifically customer care has gone through, from which some valuable lessons are learned.

Having looked back at how customer care came to be as it is today, **What is shaping our world?** (page 22) presents (un)certainities and trends that are expected to influence the retail landscape over the coming years.

From the overview of uncertainties and trends, two complex uncertainties (data privacy and consumer loyalty) serve as input for the four future scenarios presented in **Where will you be in 2020?** (page 30) These scenarios offer you “memories of the future”, enabling you to recognize signals of change.

Taking the historic learnings, best practices, (un)certainities and trends into account **What does it mean for customer care?** (page 42) presents a vision on customer care in 2020. Customer care is redefined and you are challenged with five strategic choices you need to make to champion it (page 46).

Considering the retail landscape is changing and you want to differentiate your business with best in class customer care, **What do you need to do?** (page 50). The report ends with a “to do list” for you to start today in order to excel in customer care tomorrow.

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<sup>1</sup>IBM NYU Stern, 2012

<sup>2</sup>Q&A Research & Consultancy, 2010

# How do we define customer care today?

**Customer:** “a person who buys goods and/or services from a shop or business”<sup>3</sup>

**Care:** “the provision of what is necessary for the health, welfare maintenance and protection of someone or something”<sup>3</sup>

The report’s focus is on the B2C customer care in retail<sup>4</sup>. As can be derived from the above definitions, customer care is more than the “after sales service” in the customer journey. In the broadest context, one can say customer care is part of each touch point between retailer and customer. However, as this report is part of a broader research program the program board restricted the definition of customer care in order to prevent different expert teams within the program from covering the same topics. As such, the scope of customer care in this research is defined by the six steps of Bonsing (2013):

**Table 1 | Customer Care defined (Bonsing, 2013)**

<b>1</b>	<b>Customer service</b> The classical, after sales customer service: through which channels and at which times is the service accessible, what is the speed of (correct) return to a question, how is the service graded by consumers?
<b>2</b>	<b>Follow-up</b> The way in which the retailer shapes the follow-up to a sale. How is this executed and integrated in the retailing process?
<b>3</b>	<b>Seek and share, social community</b> To which degree is the retailer “social”? Is the sharing of knowledge and experience facilitated, does a community exist, how does the retailer act on social media?
<b>4</b>	<b>Review options (product/service)</b> Is reviewing facilitated by the business? In which stage of the customer journey does this happen or is it only when the consumer initiates? How, if at all, does the retailer respond to reviews?
<b>5</b>	<b>Customer in the driver’s seat</b> The degree to which the customer has the “power” to determine the way he is serviced and informed?
<b>6</b>	<b>Additional services</b> The usage of customer insights to enhance the relation with this customer or to increase sales of products and services?

<sup>3</sup>Concise Oxford English Dictionary

<sup>4</sup>In this report we use the broad definition of retail as set by Shopping2020: all B2C sales and services including travel, finance and retail

## Illustrating the scope

Desk research resulted in more than a hundred examples of best practices in customer care. Most best practices are examples in which the retailer excels in one or two steps as defined by Bonsing, only a handful of businesses are able to champion in all elements. The following six best practices should help to understand the definition of customer care as used in this research.

### Cool blue

#### Customer service

Coolblue puts the customer at the core of their business and (obsessively) pursues customer satisfaction. Everything Coolblue does is in line with this strategy. Coolblue wants to astonish. In other words, Coolblue wants to offer the customer something unexpectedly good. Nearly everything is done to achieve and maintain customer satisfaction. The cherry on the cake; every sales employee has to send five to ten postcards a day to clients, based on a remarkable conversation they had. This way the client receives a handwritten, personal message even before or at the same time of the delivery of the web purchase. It adds a whole new dimension to a web purchase.

### Verf & Wand

#### Follow-up

With a proper follow-up you score points with clients, but you also create opportunities for new sales! At Verf & Wand the customer receives a call about a month after the installation of blinds, asking whether the product (installation) lives up to the expectations. A nice gesture. A year after installation the customer receives another call in which Verf & Wand offers a free check of the blinds. An employee of Verf & Wand visits the customer and adjusts the product if needed. This creates a very positive image towards the customers and at the same time creates an opportunity for Verf & Wand to discuss a possible future sale. In other words, a good follow-up will create goodwill, but also extra sales!

### Betabrand

#### Seek and share, social community

No brand gives its customer a stage like Betabrand. Creating a strong community of fans helping them to develop and sell their products. How? Among other things, Betabrand facilitates a think tank: fans with whom products are co-created. Fans share their ideas and receive parts of the product in return to work on themselves e.g. the "disco"-fabric. What truly differentiates Betabrand however, are the models they use in their communication. Because these aren't models, but consumers. Betabrand only uses photos of "real" people; happy customers wearing Betabrand clothes. Real photos of real fans of the brand. As you can imagine this lifts social sharing to a whole new level (Facebook, Pinterest, Twitter etc.).

### Booking.com

#### Review options

Booking.com possesses large amounts of data and does not hesitate to share this data with their clients. On the website you can see real time how many other customers are online and how much is sold. Booking.com provides transparent alternatives to expensive or nearly sold out items. They also provide open and transparent reviews. This creates trust in the platform and its offerings and access to real and valuable information. This way of doing business is something which other companies could learn a lot from; transparent sharing of customer data in order to serve other customers with relevant feedback and input to improve and simplify the selection process of the customer.

## Bonobos

### Customer in the driver's seat

WOW, the customer decides: Bonobos has service Ninjas working on the customer service; highly educated, creative, smart employees who are above all empathic and capable of coming up with solutions others will not think of. That doesn't just sound special, it is special. Service Ninjas work without scripts and have the freedom to offer the customers the best service. How? There is no script, no manager or protocol that determines the solution. The customer is in charge. A customer who wanted to return a pair of pants received an offer from a Service ninja to exchange the cost of sending the package back with store credit. The method of sending was up to the customer. Slow, fast, € 26 or € 70, it is up to the customer. Whatever is most convenient. This is the customer in the driver's seat!

## The Cloakroom

### Additional services

Most men are not great fans of shopping for clothes. Thanks to The Cloakroom men can spend time on the things they want. The Cloakroom offers a service in which men do not have to visit a store nor have to keep up with the latest trends to look good. This e-commerce platform offers a personal stylist to men who periodically buy clothes. After a short survey on thecloakroom.nl and a call with a personal stylist you will receive a set of ten to twelve pieces of clothing at home. You can then try on the clothes, show them to your partner and, without the fuss of a busy Saturday in the city center, buy a new outfit. You only have to pay for the clothing you keep, the other pieces can be returned by mail.

The report on the best practices in customer care can be downloaded from [shopping2020.nl](http://shopping2020.nl). The recording of the presentation of the key findings can be viewed by scanning the QR code.



Figure 3: A selection of companies at which best practices are found



# Meet the experts





This research is conducted with the support of seventeen customer care experts. They represent a wide range of businesses and functions in the retail landscape. Their expertise and insights are of great value to this research.



## Research process

Driven by SNT and Capgemini, research is conducted as to the current status of customer care and pursuant to that a vision of customer care for 2020 is formed. Throughout this research, customer care is approached from two perspectives: the perspective of the consumer and the perspective of the retailer. The two-perspective approach ensures analysis respects the identities of each. More importantly, it translates the different expectations, demands and interests of the two parties to what is most important for them. There is a large divergence in what is important.

## Current status customer care

The seventeen customer care experts conducted desk research, gathering in excess of a hundred examples of best practices in customer care today. Subsequently, in focus groups the experts analyzed and discussed these best practices, identifying the most noteworthy examples.

## Vision customer care for 2020

Pursuing a vision on customer care, the experts combine trends and (un)certainities, mapping which factors will affect the retail landscape in the coming years. Developing four scenarios, the experts explore the influence of two highly complex uncertainties. Using the outcome of this process, a vision is drawn up. The final expert session is used as a last step in defining strategic choices companies must make, in order to be successful in customer care in the retail world of 2020. In order to make the material and choices relevant a set of practical actions is thought up.

### Shopping2020 Customer Care

#### Customer Care anno 2013

1. In which way is (omni-channel) customer care currently carried out?
  - a. Customer service
  - b. Follow-up
  - c. Seek and share social community
  - d. Review options (product/service)
  - e. Customer in the driver's seat
  - f. Additional services
2. What are the current best practices within these focus areas?
3. Which developments within customer care can be derived from these best practices?

#### Customer Care anno 2020

1. What do consumers consider customer care in the omni-channel world of 2020 and which degree of personalization and customer specific approach do they expect?
2. Which role will customer care fulfill as part of the marketing, sales and customer value process?
3. How do businesses need to organize themselves to become best in class?

#### Customer

From the consumer perspective, aspects are investigated which are directly noticeable by the consumer.

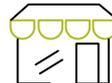
E.g. customer touch points, transparency and the image a consumer has of a business.



#### Retailer

From the retailers perspective, the focus is on those activities a business needs to undertake to fulfill customer care.

E.g. process design and employee training. It goes without saying that aspects from this perspective contribute to how customer care is experienced by the consumer.



# How did we get here?

Customer care is at the heart of retail: 78 percent of consumers drop a transaction as a response to bad customer care and given that winning new consumers is six to seven times more expensive than retaining consumers retailers have a lot to gain.<sup>5</sup>

Being in the midst of a disruption, one might overlook the learnings from the past. Therefore, the timeline shows how customer care developed and moved from face-to-face to call centers back to one-on-one customer care. The timeline starts in the 1860's: generally seen as the start of modern retailing when the landscape moved from local "mom and pop" stores who knew all their customers by name to the modern department stores<sup>6</sup>. The timeline is graphically displayed on the next pages.

The walk through history provides two important take-a-ways:

1. The general retail history shows that developments outside the retail landscape have had a tremendous influence on the market dynamics of retail (e.g. the first mass production of cars by Ford and the Internet).
2. The developments customer care has gone through show a cyclical pattern (e.g. one-on-one human interaction in store, IVR and one-on-one personal interaction through social media). In customer care it is often not something new but the same thing done slightly different: with new technologies customer care is increasing its efficiency.

Having looked back at how customer care came to be as it is today, the next section continues with (un)certainities and trends that influence the retailing landscape in the near future.



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<sup>5</sup>Salesforce, 2013

<sup>6</sup>Rigby, 2011

# RETAIL

1860s

The rise of big cities and the railroad network bring America the birth of the modern department store. Customer service relies on face-to-face interaction; with questions or issues, consumers need to go back to the store



1888

Distance selling revolutionizes with the first Sears catalogue published



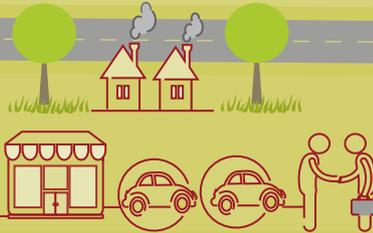
1915

The first supermarket opens in Dorchester, Massachusetts: Upham's Corner Market Co.



1920s

Suburb shopping malls with specialty stores pop up with the first mass production of cars. Customer care is found closer to home



1953

The Netherlands gets its first supermarket, by Dirk van den Broek



The introduction and rapid spread of discount chains challenge shopping mall retailing

1960s



1974

First product with a barcode (UGPIC) is sold; a pack of gum



1979

Videotex is introduced: a two-way message service from which the concept of "teleshopping" is born



1979

Walmart is the fastest company to reach the \$1 billion sales mark



1995

Amazon.com and eBay are launched and speculations in stocks of e- and .com-companies go through the roof



1990

Internet retailing sees the light of day: banking and a shop by Pizza Hut are the first to open online



2000

The dot-com bubble burst puts most retailers in protection mode



2013

"Single's Day" sales reach \$ 5.7 billion through web shops of Alibaba\*. "Black Friday" exceeded \$1 billion in online sales for the first time in 2012



\* At the moment of print total sales on Single's Day 2013 is unknown, the \$5.7 billion represents solely the sales through the Chinese web shops of Alibaba

# CUSTOMER CARE

1876

The telephone is invented, though only working and sold in pairs



1894

With the invention of the telephone switchboard, consumers wealthy enough to own a phone can directly communicate with a store



1960s

The telephone becomes a commodity and call centers emerge dedicated to answering consumer questions and inquiries



1970

Combining touch-tone dialling and Interactive Voice Responses, computers recognize and respond to sounds. Elaborate phone trees and standardized computer enabled voice answers are the new form of customer service



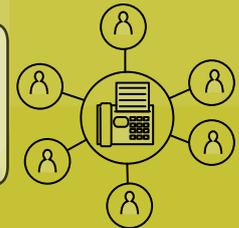
1981

Start of the first loyalty program, credited to American Airlines



1980

Pioneers of the digital rolodexes Robert and Kate Kestnbaum use statistical modelling of data to customize communications with consumers



1990s

The use of CRM software spreads when Oracle and Baan enter the market. Using CRM with a loyalty card, retailers are able to track their customers



1996

Live chat promotes human interaction at first contact for the first time in almost 40 years



1999

Salesforce introduces the world to cloud-based CRM (salesforce.com)



2013

Searching for information on products and services is in the top 3 uses of mobile internet



2008

Using social media, retailers and manufacturers try to offer the same customer interaction as before IVR: quickly and personal answering of concerns and questions



# What is shaping our world?





To this point, neither Google, Apple nor any other supposed innovator has been able to deliver a tool to predict the future. However, based on the insights gained from the wide-ranging exercise, informed guesses can be made. The following chapter presents factors that will influence the retailing landscape and its customer care. These influencing factors result from the common denominators across the best practices, the trend reports of Shopping2020 and insights from the seventeen retail experts.

## Demographic change

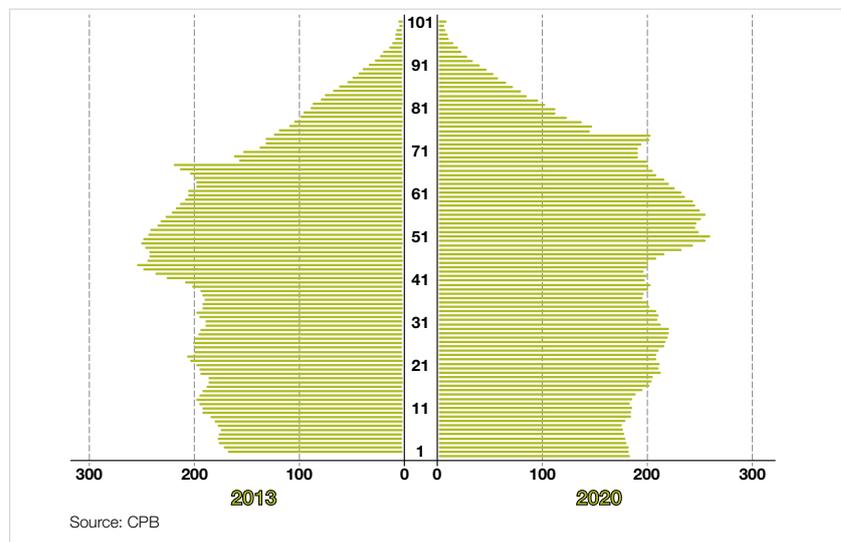
The ratio between youngsters and elderly is shifting as a result of the huge increase in the 65+ population. The Dutch bureau of social and cultural planning (SCP) calculated that this group will grow by 33 percent from 2010 to 2020, whereas the whole Dutch population grows by only 3 percent.

The United Nations projects a world population growth of 47 percent from 2000 to 2050, putting current infrastructure and resources under more pressure than ever before.



Scan for Ted talk

Figure 4: Age distribution development Dutch population



## Resource scarcity

It is an undeniable fact: our natural resources are getting scarcer. Additionally, the number of hectares of land needed to support each person is growing and the kilos of waste is now split into normal waste and 'e-waste'<sup>7</sup>. Sustainability is important to consumers: in the western world this results in re-thinking consumption (consuming less), whereas in countries like Brazil, China and India consumers are more likely to buy sustainable products and are willing to pay a higher price for these products.<sup>8</sup> One of the sustainability questions is: how "green" is it to ship consumer unit products all over the world? The retailer or third-party that will be able to offer worldwide delivery in a sustainable way can fulfill the global longings of the environmentally conscious consumer.

**In short: the scarcity of natural resources alters consumers' mindset.**

## The conversation

In contrast to popular belief, reviewing is about making a better match and not about loyalty points, discounts or upgrades. Consumers' choice options are growing rapidly and one cannot try each option oneself. Therefore, the conversation around products and services are crucial to find an offering that fits consumer's needs. In the conversations about the product and services the free flow of information and the possibility to combine all this information is critical. Businesses can use this information to better match their offerings to consumer needs.

**In short: reviewing of products shifts towards conversations around offerings.**

## Transparency

Increased transparency of (and instant access to) retailers' prices, delivery times, stock, etc. enable customers to easily choose whichever retailer is able to match their needs with the best terms. Customers no longer only have easy access to information regarding price, but are now able to take other factors into consideration that were not as transparent before as they are today.

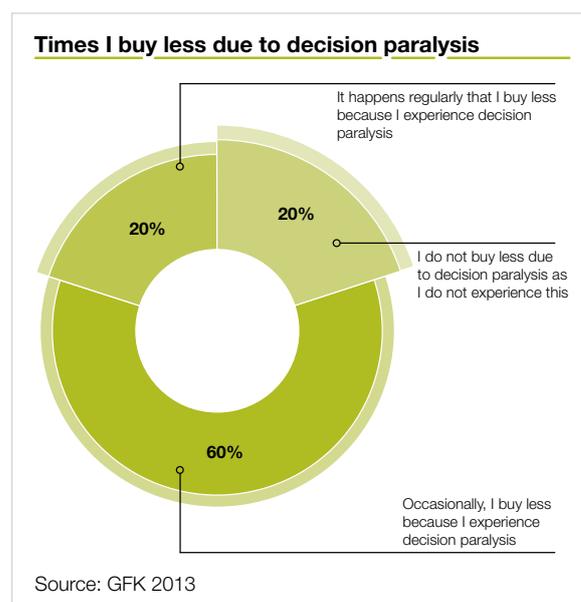
The flip side is customers being faced with infobesitas, causing decision paralysis. As a result these customers need guidance. This provides retailers with a new entry point in earning consumer's loyalty.

**In short: the information is out there and easily accessible for consumers.**



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Figure 5: Decision paralysis



<sup>7</sup>E-waste: the waste from small electronic appliances (e.g. smart phones, computers, televisions) (Q&A Research & Consultancy, 2010)

<sup>8</sup>Shopping2020, 2013

## Legislation

One aspect for retailers that does not bring sudden change or insecurities is legislation, which is often proposed several years in advance and made in Brussels. Legislation that will have a huge impact on customer care is the proposed privacy regulation. This proposal includes the “right to be forgotten” through which consumers can require retailers to remove all data they have on them (see the report by the expert group “Political and Legal” for more upcoming legislations). However, the retail industry has already acknowledged that with the speed of change and complexity surrounding data privacy, legislation cannot be solely relied upon. The Consumer Goods Forum supports the Consumer Engagement Principles initiative to establish a set of commonly agreed principles towards responsible use and ownership of consumer data<sup>9</sup>.

**In short: retail industry needs to take responsibility.**



Scan for music clip

## Global

The world is getting smaller (or consumers' worlds are getting bigger) due to increased mobility and the convenience of the internet. Now consumers have access to products from all over the world and retailers have consumers from new, global markets. Although cross-border customer spending increases every year, many factors might slow this growth. One of these factors might be how retailers and brands organize their global customer care, or have not organized this. Customers buying while travelling and experiencing difficulties with the product back home still find themselves calling or emailing to the country the product was purchased in. Even if the retailer is active in one's home country, the product might not be sold or serviced there.

**In short: through consumers' mobility your products travel the world.**

## Technology

The speed at which technology develops grows exponentially (as also explained by Moore's Law). Technology has shown to create its own changes instead of being a means to follow changes. For example, continuous internet connection seems here to stay and will spread like wildfire. “The internet of things” brings uniquely identifiable objects and their virtual representation into day-to-day life; every product is connected to the internet. Through this development, a product (e.g. tools) sends a message it needs maintenance to a service representative who will contact the owner to make an appointment, or a RFID chip that monitors the provision in a fridge and automatically adds products to your shopping list or directly orders them at your grocery stores based on rules the customer determines.

With the development of artificial intelligence (e.g. giving smart phones “brains”) and automation, customer care might not need employees anymore. Whether the technology or the human touch is going to be the differentiator remains to be seen.

**In short: technology is no longer a means to facilitate change; it creates its own change.**



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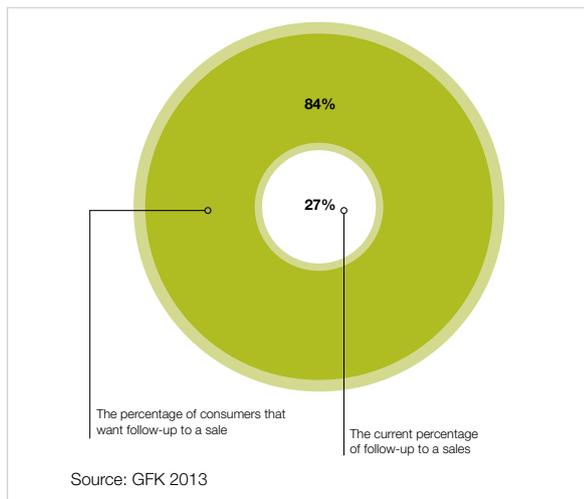
<sup>9</sup>Consumer Goods Forum, 2013

## Loyalty

Current loyalty trends show it can go either way when it comes to consumer loyalty. Yearly consumer trend reports have shown a declining loyalty trend in retailing since 2003<sup>10</sup>. However, certain brands still seem able to capture and lock-in consumers. Some brands have such a big lock-in that it becomes difficult to mix and match brand and product/services offerings. This is a legitimate threat that already exists in the ecosystem war between Apple, Android and Windows. A new battle for consumer loyalty might arise and customer care can be the differentiator.

**In short: consumer loyalty seems only achievable for “the lucky few”.**

Figure 6: Follow-up



## Data privacy

Given the behaviour of consumers and the changing manner in which data is being leveraged by companies, the issue of data privacy and the ability to control dissemination of information has become a hotbed of political and social debate. Two examples that illustrate this are:

1. Target sending a teenager coupons for baby clothes and supplies. Target was able to identify customers going into their second trimester of a pregnancy.<sup>11</sup>
2. Facebook's announcement (October 2013) on a decrease in daily usage of the site among youngsters. According to analysts this results from teens' worries about their future, feeling everything they post on Facebook is scrutinized.

These developments are in stark contrast to the trend of consumers sharing more and more (personal) data online. Although it seems that the current spenders will not stop sharing their data any time soon, in the shifting ratio of youngsters/elderly the retailer might find himself without much data on their future consumers.

**In short: consumers' consciousness of data value grows.**



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## Sharing community

Consumers are sharing their experiences, problems, questions and answers about products and services. Although this is not a new phenomenon (remember the chitchat at the water cooler or the Sunday morning chat at the bakery), it has taken on new proportions through social media, review sites and blogs. Some brands are already taking advantage of their “communities”, e.g. Betabrand (co-creating new designs) and open source platforms like Wikipedia (content created and reviewed by users).

This sharing economy is expected to take on a new meaning due to the scarcity of resources just discussed. Aware of their responsibility for future generations, consumers are starting to organize themselves in such a manner that owning products becomes something of the past<sup>12</sup>. These consumers “share and lend” products amongst each other while they see manufacturers (still) struggling or unwilling to reuse (e-)waste.

**In short: one product does not equal one user.**

<sup>10</sup>Berger, Rietra, Kazen, & Daniel, 2013

<sup>11</sup>Hill, 2012

## Brick and mortar

Since the rise of internet, the retail sector is dealing with a decrease of profit per square meter; consumers search for better deals online and suppliers are able to sell directly to consumers without opening a physical store. Many articles and books have been written on whether digital developments are the beginning of the end of brick and mortar stores. Nevertheless, the term “omni-channel” has become more and more prominent: the combination of physical and digital. In this retail landscape, the physical store has advantages over the digital (and vice versa). Customer care is one of these differentiators. In the physical store, a retailer is able to offer personal service through human, one-on-one interaction, something that cannot be duplicated online. Online however, retailers are currently better capable of using Big Data to personalize offers.

In short: omni-channel is the integration of physical and digital.



Scan for omni-channel customer experience

Advantages brick and mortar retailing offers:	Advantages digital retailing offers:
<ul style="list-style-type: none"> <li>• The shopping experience, shopping as an event</li> </ul>	<ul style="list-style-type: none"> <li>• Broad, unlimited product selection</li> </ul>
<ul style="list-style-type: none"> <li>• Direct access to products</li> </ul>	<ul style="list-style-type: none"> <li>• Peer reviews</li> </ul>
<ul style="list-style-type: none"> <li>• Possibility to touch, test, and try on products</li> </ul>	<ul style="list-style-type: none"> <li>• Easy access to product, price and quality information</li> </ul>
<ul style="list-style-type: none"> <li>• Convenient returns and direct support</li> </ul>	<ul style="list-style-type: none"> <li>• Access at anytime, anywhere and anything</li> </ul>
<ul style="list-style-type: none"> <li>• Pre-selected assortment</li> </ul>	<ul style="list-style-type: none"> <li>• Social engagement</li> </ul>
<ul style="list-style-type: none"> <li>• One-on-one assistance from shop attendant</li> </ul>	<ul style="list-style-type: none"> <li>• Convenience of home shopping and fast checkouts</li> </ul>

## Consumer determines

The biggest uncertainty retailers face is changes in consumer expectations and the speed with which it occurs. A differentiator a year ago is a commodity now (e.g. overnight delivery). As a result of the speed of change, consumers’ shopping behaviour is more difficult to follow and predict: consumers have a broader choice and change their product or service provider more often. These developments make it more difficult to conveniently segment customers into nicely defined groups, resulting in “segments of one”. Whether consumers’ expectations of delivery speed, quality, experience and convenience versus costs are realistic, is unclear, but it is a reality retailers have to deal with.

In short: consumers’ wishes change a lot, and alternatives need to be offered.



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## Consumer behaviour

Consumer expectations are highly uncertain, consumer behaviour however has some strong foundations:

1. Reciprocity is considered for the most part an innate element of human behaviour and refers to responding to kindness with a positive action (and to hostile behaviour with a negative action). With reciprocity a small favour can lead to a sense of obligation to a larger return.
2. Herd behaviour is a typical (irrational) human behaviour influencing markets. Large trends in the stock market often begin and end with bubbles or crashes. Many analysts cite these periods as examples of herding behaviour; irrational and emotionally driven.

**In short: consumer behaviour although not always rational is predictable.**

## Speed of change

Change is perceived to have accelerated over the course of history. This suggests change will only be more forthcoming and that the time to adapt will only become more limited. Different previously identified factors only serve to strengthen the case that change is happening faster and more often (e.g. technology and consumer determines). Start-ups are often better equipped to deal with change and take advantage of new opportunities, whereas established businesses are held back by their restricted agility and legacy.

**In short: changes will continue to accelerate and become more frequent.**



All the aforementioned factors affect customer care to different degrees; some have a direct impact on customer care, whereas other factors affect the overall landscape of retail.

The population growth and especially the accompanying shift towards a “top-heavy” population results in a larger market to service, whereas the size of the working population stabilizes. This lopsided growth will make it (more) difficult to continuously provide one-on-one customer care. The interactions between retailer and customer have transformed from one-dimensional push messaging from retailers into a conversation between two equals. The availability and accessibility of data for both sides have changed the dynamics of interaction and the level of transparency in the content of messaging. Consumers are more educated than ever before about products and services, the minimum expectation is that the counterpart at the company has at least the same knowledge and a little bit more to offer. This means information processes within a business need to facilitate service attendants in becoming experts and more than the equal of a well-versed customer.

The global reach of customers is putting pressure on companies to provide global levels of support and service. Even when a retailer only has a physical presence in one country, it does not have to limit sales opportunities and the potential market. Consumers travel widely and through modern communication products will be shared with a larger audience than was the case twenty years ago. The result is that with this larger diversity in users there also comes a more divergent expectation for the provision of customer care. Customer care processes need to be agile and adaptable to new channels and the presence of its users. In years gone by companies could afford to wait for people to come to them on their terms. Nowadays consumers use technology to get what they want and companies need to leverage technology to service these new channels and markets. Customer care processes must be adaptable. Consumers do not differentiate between physical and digital channels; they expect an integrated approach to customer care from the retailer.

Last but not least, we are starting to see the emergence of “sharing communities”. A place where customers share products, experiences and skills amongst each other. One product ID no longer has to mean one user. This will have a potentially massive impact on the follow-up strategy of companies as they need to ideally direct information dissemination to the entire group and not just one person. Take a product that requires regular service, how do you co-ordinate that and ensure that everyone is compliant in the use of a product?

Customer care revolves around the customer, a customer living in a fast paced world with changing needs and expectations. A customer with emotions, who may require a human touch one time and a simple answer the second. In this challenging landscape and with this highly unpredictable customer companies need to find a way to serve the masses and in doing so make the customer feel that little bit special.

When ranking all the factors in terms of uncertainty there are two which the experts indicated were the most complex (data privacy and consumer loyalty) and who's impact on customer care was the most difficult to predict. Through scenario development, the impact of these two uncertainties is explored.<sup>13</sup>

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<sup>13</sup>There are many factors that influence the retailing landscape, of which a number are indicated here. These factors bring different costs and benefits, e.g. resource scarcity might lead to higher costs of energy, technology might increase costs to stay up-to-date or lower costs by bringing more efficiency. Additionally, there are also factors that influence the landscape of which the research team has no knowledge yet or which cannot yet be foreseen. These factors are acknowledged, though cannot be accounted for.

Where will you be in 2020?



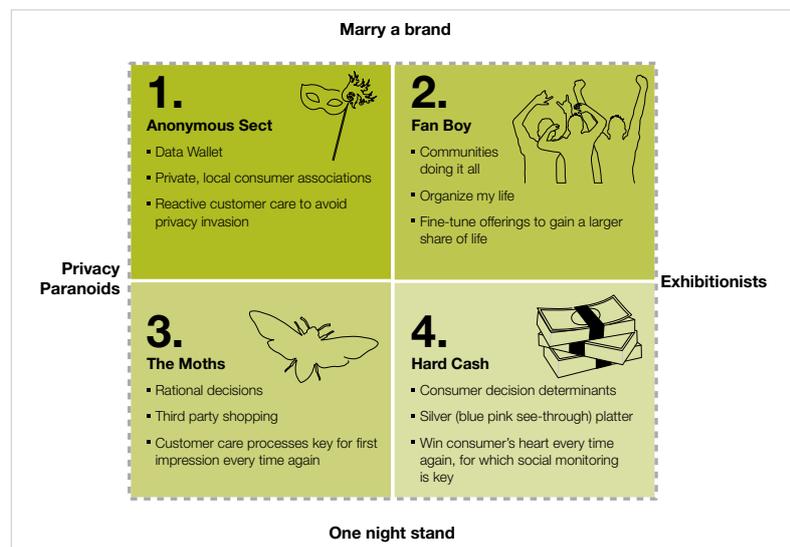


Going forward, there are highly complex uncertainties that must be dealt with. There is an unmistakeable similarity between them; total lack of foresight in terms of their development and influence on retail. Through a process known as scenario development, the impact of these uncertainties can be explored. Developing scenarios along two axes provides four quadrants, four possible futures that on the extreme end of the axes do not and cannot co-exist: scenarios are typically “either/ or” images of the future.<sup>14</sup>

Each developed scenario is an illustration of one of the four quadrants. They may not represent what the actual future looks like, but they do serve to provide an insight into what types of customers companies will have to deal with going forward. From there it is possible to establish a plausible view of the effect on customer care in 2020.

The four scenarios for customer care differ along the axes data privacy and consumer loyalty. The uncertainty of data privacy is well founded given the recent turmoil surrounding the NSA (bugging of phones etc.), explosive increase in use of SnapChat (application on phones that allows people to send pictures and messages that self-destruct within seconds of being opened), and the habits attributable to generational differences of users regarding the sharing of personal information. Consumer loyalty has continued to do well under challenging market conditions, but for how long

**Figure 7: Consumer types of the future**



<sup>14</sup>Koelemeijer (2013)

can that continue? The loyalty of consumers is constantly being tested through the increased availability of comparison material and the ease with which consumers can switch brands and products without giving up (perceived) quality.

The horizontal axis divides consumers on their behavior toward data privacy: either consumers share a rich set of data with retailers (exhibitionists) or they do not (privacy paranoids). Thus, in “Fan Boy” and “Hard Cash” a retailer is able to know everything he wants to about his customer. The customer is comfortable sharing information and having his information be used by the company. For the categories “Anonymous Sect” and “The Moths” retailers have a very limited view on their customers as these customers disclose as little as possible about themselves.

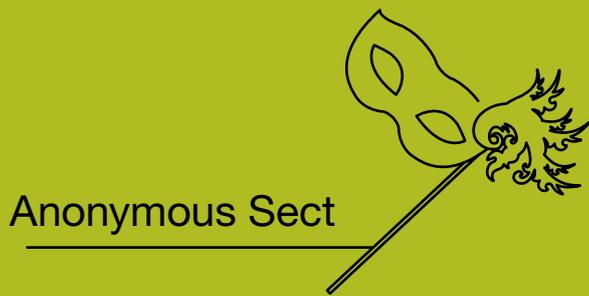
Along the vertical axis, the two extremes of loyalty are named. On the one end you have those people that commit themselves (almost fanatically) to a brand without regard for price and relative quality, this axis end has been aptly titled “marry a brand”. On the other end of the spectrum are those people that have no allegiance, every time they shop they will do so objectively seeking what is best for them. For the purposes of this exercise this axis title is “one night stand”.

The resulting four quadrants provide four typologies of customers, each with a unique set of characteristics based on the aforementioned uncertainties (loyalty and data privacy).

Anonymous Sect	A sect is a closed community from which no information is shared with the outside world. Members of such sects show extreme loyalty and are hesitant to invite others in.
Fan Boy	Fans always want to share and express their love and connection with e.g. the boy band or brand. It goes without saying that fans are very loyal to those people and objects they adore.
The Moths	Moths prefer to stay in the dark, without anyone knowing about them: as soon as you turn on the lights they will fly off. Without being noticed moths hop from clothing piece to clothing piece, indifferent to whether it is a sweater or a dress they will enjoy whatever satisfies their needs.
Hard Cash	If you “have it, flaunt it” is what characterises Hard Cashiers. And by sharing all their information, they expect the best deal in town and for it to always to be personalized.

The aspects one can be more certain about result in some similarities between the scenarios. Demographical changes, resource scarcity and legislation are but a few of the factors that will undoubtedly impact any future scenarios. On the following pages, the four scenarios (Anonymous Sect, Fan Boy, Moths and Hard Cash) are presented. Each scenario ends with a timeline providing a preview of the potential newspaper highlights on events and retailers’ actions in the years leading up to 2020.<sup>15</sup>

<sup>15</sup>The scenarios are fictional. They have a illustrative purpose and are therefore drawn on the extreme ends of each axis



Physical retail is thriving. Consumers prefer brick and mortar stores as they can be more anonymous here than online. Physical retail and non-personalized products mean retailers can collect less data on consumers and products are more easily shared amongst each other. Consumers are very loyal to a selected number of brands, though retailers are unaware who these consumers are. Loyalty can be earned through different means, but important for consumers is that the business is open about which data they save and how this data is used. Consumers still compare prices, search for product information and reviews online, as long as their privacy is guaranteed.

#### **Data Wallet**

The data awareness started with youngsters who early in their lives were confronted with the downside of sharing everything on Facebook, Twitter, RenRen and Google. No Big Data scandals were needed to start this trend and slowly the more elderly consumers are influenced by the awareness, attitude and actions of youngsters. Social media sites, retailers and many other businesses more often receive the consumer request to “be forgotten”. A start-up grows exponentially when it launches the “Data Wallet”. An app in which consumers can save all their data and select and share each type of data with selected parties (e.g. when shopping online for new glasses, sharing only prescription data). The big success lies in the fact that the app saves data on the local device, is encrypted online and the app developer cannot access the data.

#### **Private, local consumer associations**

Consumers organize themselves in local, private associations. Online retailers, especially those known for their lack of data protection, experience a huge drop in the number of shoppers, though revenues do not drop equally drastically. The increased total order value indicates that consumers buy together through their local association, and delivery of these orders is often at a temporary post order box. Data from online transactions can no longer be used to segment single consumers, but retailers find ways to use data from the current visit/transaction to improve the same visit/transaction.

Additionally, the local consumer associations facilitate the sharing of general products among the members. Consumers do not want to own all the products they only use occasionally. With increasing pressure on production and personal resources (e.g. available storage space) a ladder, lawn mower and bread maker are among the first products to be shared.

#### **How customer care is affected**

In this scenario retailers no longer need to proactively seek interaction with their customers, setting customer care back in its classical setting: responding to customers’ questions and complaints after they approach the retailer. A proactive follow-up is often not possible as consumers might see this as an invasion of their privacy or abuse of “their” data. This also results in less (segmented) data for the retailer to base decisions on. Segments of one will disappear and market, trend and (anonymous) transaction data gains in importance again.

Compliance to the new privacy legislation is paramount; to communicate openly about data saved and giving the consumer the choice of which data is saved linked to their person and which data can only be saved anonymously. Customer care processes need to be re-designed in order to comply.

Customer care will be impacted by the sharing of products among multiple users. Not only are products used more often than before, one product has multiple first-time users who need support, tips and tricks or advice. Easy to find and accessible without registration how-to clips will be a first step in preventing an over burdening of the customer care department.



### **2013 Is there still something called “privacy”?**

Consumer awareness of the widespread collection and use of “private” data increases. Youngsters experiencing the drawback of sharing drop their social media accounts and set up their own networks on personally owned servers. The country’s biggest food retailer stopped offering discounts only to registered loyalty cards and re-introduced their anonymous discount card.

### **2014 CCO Greenfield’s: “If consumers want, every customer (care) interaction is a first.”**

Mary Glass, CCO Greenfield’s says it is up to their customers to decide what Greenfield’s knows about them. With this statement, Glass responds to the increasing wish for data control and anonymity. “We treat every customer as a new customer whose loyalty we want to gain.”

### **2015 Small, local customer associations pop up.**

Customers are organizing themselves in local customer associations. Through this third party identity, people shop online whilst preventing personal data sharing. Retailers provide unique discount codes to each association. “If we have to deliver just one big order to one address, this aligns with our green goal. Fewer resources are needed and our carbon footprint reduces”. Of course, the unique codes also enable the retailer to get a grasp on the size of the association.

### **2016 The right to be forgotten.**

Greenfield’s, Europe largest department store launched their new customer relationship platform. Once consumers log-in, they can see exactly which data Greenfield’s has saved on them since they first registered. Consumers can add and delete data, taking complete control of their “data settings” and can even “be forgotten” by deleting their account including all data.

### **2017 On the spot predictive models.**

The European Retail Association and a large IT development company are currently fine-tuning a data analytics tool based on self-learning predictive models. Using current interaction data the tool is able to adjust the offer and look and feel of the retailer’s website in real time. “It has been a process of trial and error, as customers do not want to feel you are invading their privacy, but we do see an increase in sales through all channels when personalizing anonymous user behavior.” The predictive models are based on current interaction data; no customer history is saved or used.

### **2018 Greenfield’s searching for highly educated employees to staff their stores.**

Greenfield’s started a new hiring and training program for personal service assistants in their physical stores. Learning from their web shops insights, they acknowledge the power of personal attention in each consumer interaction. “We see that approaching each customer as a new customer and truly wanting to gain that customer loyalty, we needed to change the role, behaviour and skills of our shop attendants.”

### **2019 Data Wallet grows with 245% in H2.**

The start-up “Data Wallet” experienced an exponential growth in users. Offering consumers a secure way to store and share their data, Data Wallet is quickly creating a global footprint and developing the new standard for personal data management.

### **2020 Combines a flawless process with the strength of personal engagement.**

Greenfield’s announced sales growth after introduction of their new customer program. The program, combining human interaction with anonymous current interaction data, is seen as a great success as the retailer sees an increase of customers and sales. “We see an increase in our sales, but more important, we see an increase in customer coming to us for additional services. For us this indicates that our loyal base of customers is growing and we are earning their trust .”

## Fan Boy



General retailers find themselves in rough waters as consumers identify themselves more and more through brands. This results in the need for a hero, a face that represents everything the brand stands for. With this personification of brands, the emotional relations with these organisations are almost inter-human.

Brand engagement is essential: consumers share their data with retailers in order to be served personally and consumers share their experience of products and services widely. Loyal consumers are more than just consumers: they are advocates, market the brand and help other consumers with questions or issues.

### **Communities doing it all**

Consumers are very happy to share their experiences with the products and services offered, they provide in-depth reviews, tips & tricks and how-to's on multiple (social) platforms. Consumers find each other in communities and are helped by peers. In case of a big issue, e.g. a worldwide recall of a product, the retailer can facilitate a few local consumers who will offer support to all other consumers.

The communities are fully committed to one brand. Open platforms often see a "war between brands", in which brand fanatics share their awesome or awful experience with a (competing) brand. Retailers tap into these open platforms to gain insights in what they can improve, offerings they can add and which consumers not to focus on. Retailers cooperate with the consumers: they test products, participate in the design and innovation process and their communities contribute to the brand equity.

### **Organize my life**

Consumers increasingly base their lives around brands; brands that help them get the most out of life. Brands know a lot about a consumers' life and based on this data they expand their offering. Brands will broaden their offering as a mechanism to get and stay in consumers' lives. OwiTecs is no longer just a computer retailer: they are a total entertainment provider (music, movies, television, books, magazines, holiday snapshots etc), a bank, an insurance provider, and software and hardware developer.

Consumers trust their brands with their data and trust the brand will provide in their needs, allowing push of new product or service offerings. The lock in of a brand is so big it becomes difficult to mix and match brand and product/services offerings. For practical and emotional reasons this means consumers tend not to leave their brands any time soon for a new brand - unless that new brand has a very tiny, very specific market niche.

### **How customer care is affected**

Customer care takes on a whole new meaning. The classical customer service is done by consumers (communities) and the retailer can focus on how to improve their offer, gain a larger "share of life". Consumer care processes need to be adjusted so Big Data can be handled. Data is the base to fulfil consumers' needs. Because consumers share all their data and experiences, they expect the retailer to use this data. Additionally, data from open platforms needs to be used to fine-tune one's offerings.

Customer care is about making consumers live hurdle free and to create engagement and a personal relation with the consumer: "Hi Dave, good to see you again. I see the sneakers you bought previously are improving your running performance and that your wife started running as well. Maybe start training for the New York marathon? Here are some hotel & ticket options."



### **2013 Welcome Big Data.**

Retailers and brands finally tap into the platforms where their fans meet and express themselves. The value of Big Data lies not only in customer data but also in how the other brands are discussed.

### **2014 Retailers notice shift in customer care requirements.**

Retailers see a decrease in questions and complaints reaching them as consumers seek help from peers. The focus of customer care shifts to supporting and servicing those brand evangelists that actively and successfully help other consumers. Personal data is used to identify these consumers, identify their needs and help them with information (sneak previews), status rewards or monetary rewards.

### **2015 Automation is key.**

OwiTecs and a European app developer launched OwiTecs' new customer care automation. Online and offline collected data is brought together, analyzed and key findings are shared with the research and development team. Consumers with questions are automatically linked with consumers with answers, so a personal connection can be made. OwiTecs CMO E. Grey "We invested heavily in this development as we believe customer care is all about reducing degrees of separation: first time contact leads to first time resolution."

### **2016 Sustainable tailoring.**

OwiTecs is the first computer manufacturer to market a computer made of independent building blocks. The company sees this as the solution to the increasing demand for tailoring and accompanying pressure on resources and sustainability.

### **2017 Physical retail needs new approach.**

Retailers return to the streets, opening new physical stores to ensure a personal relationship. New stores follow the example of Coffee shops in 2013, trying to create a home away from home. Shop attendants do not have sales targets to reach, but are trained to create a personal relationship with the consumer. Consumers when leaving are asked about their satisfaction regarding the experience, and this is the most important KPI for shop attendants.

### **2018 OwiTecs in search of unique data.**

After years of actively seeking out customer data from social platforms, and combining this with transaction history, OwiTecs is now researching ways to collect unique data on their consumers. "Consumers share and every retailer can find information on each consumer. We see value in unique data, to enrich the consumer profile above and beyond our competitors' profile of this consumer."

### **2019 My brand, my life.**

Through multiple adjustments in their customer care approach, OwiTecs locked itself into their consumers' lives. "Customer care is way past "patch up screw ups" or increasing sales. It is focussed on running people's lives more smoothly: their finance, their wardrobe, their holiday." OwiTecs understands their consumers depend on them, customers expect them to use their personal profile data not only wisely and safely but to increase and personalise their services.

### **2020 Brand name is no longer just a label attached to a product.**

Brands now have control over large amounts of personal data and customers are for a large part locked in to the brands they use. Most people have a personal mix of a few global brands (i.e. fashion, technology, lifestyle, health) and a few tiny niche brands (i.e. food, shoes, beauty products) that they tend to stick with for long periods of time. These brands sometimes compete for a customer's share of wallet and sometimes partner up to serve their mutual customers.

## The Moths

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When the economic crisis of the early 2010s finally reared its head, the rational shopper was already here to stay. Consumers are happy to make a new rational decision for each purchase that needs to be made. The consumer prefers seeking contact with the retailer rather than the other way around. Availability of product, manufacturer and retailer data is very important, though the consumer himself is not likely to share much data or engage in communities. If the consumer perceives a retailer saving and/or using his data without prior consent, that is the last time this consumer buys here.

### **Rational decisions**

During the crisis, all consumers were forced to make more rational, price based decisions. The elder consumer still remembers a time where everything was abundant, whereas the younger consumer is spending their first money in a sober economy. Even now the economy is brighter, consumers still are very rational in their decision making. Youngsters move with ease through the transparency of retailers and brand data. They are familiar in the use of tools to quickly select the most suitable supplier to fulfill their needs. No longer are rational decisions based on price/quality ratio. Factors as speed of delivery, sustainability, support ratings etc. are taken into account as well. Although they rather not share any personal data, product and service reviews are very important to this consumer in the decision making process.

### **Third party shopping**

Aware of the value of their data, consumers are careful in sharing this data. In order to avoid their data being captured by retailers, consumers seek ways to shop (online) without leaving a trail. Independent third-parties see the light of day, facilitating anonymous ordering and deliver through automated processes.

### **How customer care is affected**

Without the abundance of consumer data, customer care is not able to proactively support consumers. Customer care can only be provided at the request of the consumer or in physical stores. The importance of the “first impression” returns to the retail landscape, both online as well as offline. Processes need to be flawless, the first time and every time again in order to not lose the rational consumer. In order to accomplish this, the fundamentals need to be in order: when consumers approach customer care, response time should be acceptable and answers need to be correct the first time.



### **2013 Trackless shopping.**

The European Retail Association forecast an exponential growth of consumers wanting to shop without leaving a data trail. A few online retailers are already facilitating guest accounts through which consumers can order products to pick up in a physical store. "The market and trend data we derive from anonymous data is enough to improve our service to our consumers"

### **2014 Pull service only.**

Liesting, Germany's largest department store, announced it will no longer offer push service. "We respect the privacy wishes of our consumer. In order to serve them, we ensure our own data is up to date and easily accessible. We are re-locating our employees to our call centers and help desks: when consumers approach us for service, our trained service assistants are here".

### **2015 Paint&Wall and supermarket combine power.**

Paint, wallpaper or blinds are products a consumer is not aware of on a daily basis. In a unique cooperation between Paint&Wall and Eurocoop, the wall specialist is going to enhance consumers shopping experience in the supermarket chain. In this way, Paint&Wall expects to become and stay top of mind without tracking consumers and the use of consumer data.

### **2016 Worldwide ban GoogleGlass.**

For the first time ever, a worldwide ban of a consumer product is announced. GoogleGlass did not comply with the new privacy legislation stating consumers should be able to be anonymous if wished. In the physical retail however, GoogleGlass announced to the retailers who their wearer was, enabling the retailer to collect data on its consumers.

### **2017 Unbranded shopping.**

Thuiswinkel.org forecast a growth in retailers requiring manufacturing capabilities, resulting in many products being unbranded. Retailers take advantage of the growing trend of consumers choosing their products on the basis of ration instead of emotion and brand loyalty.

### **2018 New affiliate platform guarantees total transparency.**

The European Retail Association developed an affiliate platform that combines 25 decision determinants with real-time information from retailers and manufacturers. The new platform facilitates consumers in their decision making more than a price/quality ratio. A few unique determinants are: data needed to be provided to shop here, data saved by organization and re-use of resources in new products.

### **2019 Facebook and Google no longer on stock market.**

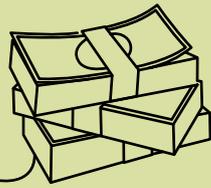
After Google and Facebook no longer invested in their European websites and support, the two former data giants announced this morning their de-listing and privatization. After a decrease of almost 90% in their received data, both companies no longer see a sustainable business model.

### **2020 "The Neighbours" goes international.**

Only two years after their European spread, the service of "The Neighbours" expands worldwide. Offering a way to shop fully anonymous by automated third party payments and pick-up locations, "The Neighbours" is fulfilling consumers' wishes of trackless shopping.

## Hard Cash

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Consumers expect “exactly what I want, when I want it, how I want it”. The only way retailers can win consumers’ cash is by meeting their every need. Fortunately, retailers are able to get insights into consumer needs as the provision and availability of data is abundant. In addition to sharing their own data, consumers share their experiences of a product or service on different (social) platforms. Retailers can collect rich data sets on their consumers and their own performance.

As consumers decide with whom to buy, based on their (changing) needs, consumers are not loyal to one retailer or brand. The retailer who is able to cater to these needs time and time again might think he has a loyal customer base, but as soon as competition is able to better cater to their needs, the consumer doesn’t think twice and switches.

### **Consumer decision determinants**

Most consumers remember the times only price being a transparent determinant. Back in those days, it was easy to compare prices, though all other decision factors needed more digging and it was often too much trouble to figure out. Nowadays when a consumer does not need the lowest price but quickest delivery, highest service rating or smallest carbon footprint, this is as straight forward and transparent as price was back in the days.

Affiliate websites and apps include up to 25 decision determinants on which consumers can easily compare different retailers. Not only are many determinants transparent and easily accessible, they are continuously updated as retailers change, e.g. their delivery speed according to changing market demands. There are also retailers that make a deliberate choice to cater to (only) one or two choice determinants. These retailers are able to outperform the competition on these one or two factors, ensuring a certain consumer base.

### **On a silver (blue, pink, see-through) platter**

Consumers expect to be catered to all their needs. Needs that change constantly and in which determinants’ importance differ per product, service or moment of buying. Retailers that are able to offer their product or service on the figurative silver platter earn consumer’s cash. Although consumers’ needs change, retailers are able to change their offering based on the consumer data available. Having abundant data, insights in consumers’ needs are better than ever before. Retailers generate revenue when they use this data to serve consumers when, where and how they want. The retailer has to ensure he is the number one choice every time again.

### **How customer care is affected**

Consumer loyalty or brand equity no longer brings value to the proposition and investments in these areas decrease. As consumers’ cash has to be won every time again, retailers invest in those opportunities that directly translate into revenue.

Customer care heavily relies on consumer data: gathering and analyzing this data to serve consumers’ needs. Consumer data is a combination of transactional data, social data and data from unique sources. Social monitoring tools are essential to collect data and respond to consumer questions, complaints and compliments.

Through automated processes, abundant consumer data is turned into consumer intelligence used to adjust offerings to consumer specific needs. Although this complete process is automated at many retailers, a few invest in their customer care employees and (human) interaction with their consumers. These retailers focus on those consumers for whom the factors relating to service ratings and personal approach are most important.



### **2013 Loyal customer does not exist anymore.**

The European Retail Association announced a tremendous drop in customers' loyalty. In a recent consumer survey, consumers indicate to make a new decision where to shop with every purchase, based on changing decision determinants.

### **2014 Importance of consumer and market data skyrockets.**

In order to serve each consumer with the perfect offer, EZPZ (pronounce: eezeepeeze) has started a new data program. Combining the consumer data from social media, with their own transactional data, EZPZ is one step ahead of competition. "When one of our consumers announced something on one of their social accounts about moving, this new program will ensure a pop-up with the next order to ask about the new address."

### **2015 Decision determinants specialization.**

Several retailers are mapping their customers' decision determinants. From each transaction the factor that made the rational customer of today decide to buy with them are derived. Plotting this information against the market and competition data, retailers are surprised to see that low price is not the sole determinant. Speed of delivery, personalization of the offer and other factors do play an important role in winning the customer.

### **2016 One website, 15 million landing pages.**

EZPZ announced that with the fine-tuning of last year's data program it is now able to adjust its landing page on 50 different determinants. In this way, they are able to offer a personalized website to each consumer, automated.

### **2017 Retailer Liesting launches new proposition.**

With knowledge gained on customer decision determinants, Liesting announces it will serve only those customers whose determinant is "speed of delivery". "We decided to go to market with this new proposition, focusing on consumers for whom speed of delivery is key. Making this choice, and thus also choosing not to serve other needs, we are able to set up a sustainable business model."

### **2018 Customer loyalty gets new meaning.**

In an interview with the European Retail Association a new meaning is given to "loyal consumers". No longer does "loyal consumer" indicate an ambassador of a brand like in 2013, but those customers who buy with the same retailer every time again. "Customers make rational decisions: to serve them and make them returning customers is the new loyalty. An excessive database is key."

### **2020 EZPZ does it again.**

In 2016 they were the first using consumer' decision determinants to offer personalized landing pages. Yesterday EZPZ launched their new customer program in which they are able to combine customer, competition and market data to adjust their product and service offerings real time. They are now able to give real-time advice on which combination of determinants like speed of delivery, personalization of product, price and service will serve the customer best. "Customer Care is not a separate department of our business; it is the core of our business. This enables us to give personal advice to each customer, offering them what they need in a sustainable manner."

## The prevailing scenario in 2020

So far, a number of factors shaping the retail landscape over the coming years are discussed. Two of these factors are indicated as most uncertain and their impact on customer care is substantial. A deep dive into these two factors (privacy and loyalty) brought forth four plausible scenarios in which to segment customers.

After detailing the scenarios, the experts are asked in which direction they expect the market to develop. Although it is stated that all four scenarios are plausible, it is expected that consumers are for the most part indifferent to brands and consumer data remains abundant. This is supported by related research findings, showing that 67% of consumers is willing to share their data. It is acknowledged that the younger generation is more data-conscious and less willing to share all their data. However, it is not expected that in 2020 consumer data will be hard to come by. The experts expect consumers to be truly loyal to a limited number of brands or retailers, and indifferent about a majority of them. It goes without saying that retailers want to be one of those brands consumers are loyal to.

Figure 8: The prevailing scenario in 2020

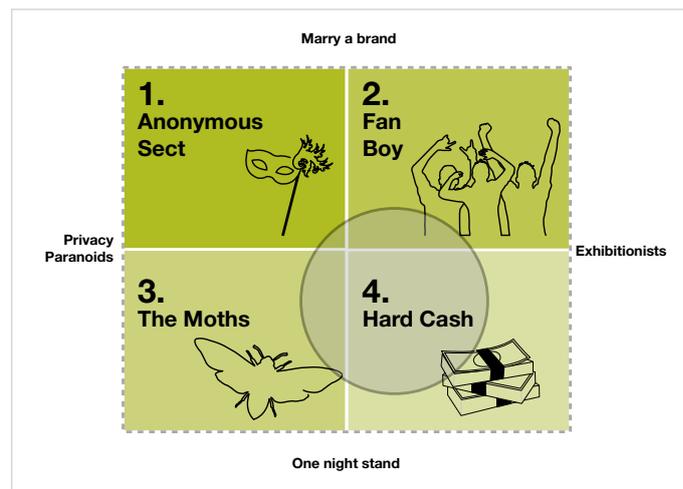
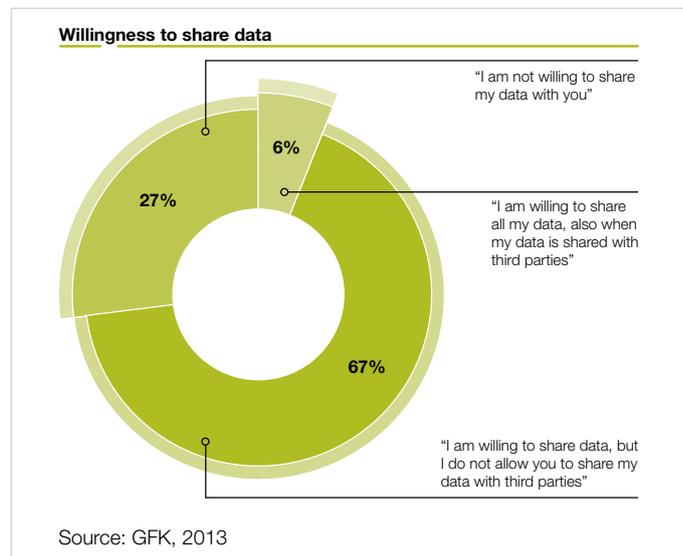


Figure 9: Willingness to share data



# What does it mean for customer care?





“The best way to predict the future is to create it” and companies should endeavour to do the same.

General retail history shows it is often something outside the retail landscape that shapes it. It is prone to cyclical, innovation and technological breakthroughs. “Old” processes can be executed smarter, more efficiently and at a lower financial cost. One should not expect new outcomes from doing the same thing in a smarter or more efficient manner, thus the approach to customer care needs adjustment so new outcomes can be established.

Numerous influences are set to reshape the retail landscape over the coming years; lopsided population growth, information transparency, sharing of products, changing technologies and customer expectations. On top of that unforeseen dynamics also play their part. Being able to adapt to these changes is critical to achieving sustainable growth and meeting expectations.

Detailing scenarios for customer care on two complex uncertainties (privacy and loyalty) provided “memories of the future”. These memories help you recognize when one of the scenarios unfolds. Of the four scenarios, it is expected that the battle for consumers will take part mostly in the quadrant “Hard Cash”.

**Table 2 | Bonsing’s definition of customer care**

<b>1</b>	Customer service
<b>2</b>	Follow-up
<b>3</b>	Seek and share, social community
<b>4</b>	Review options (product/service)
<b>5</b>	Customer in the driver’s seat
<b>6</b>	Additional services

Nowadays, customer care is a back-up for a bad experience with a product or service. This is reflected in the definition of Bonsing (2013, see table 3), in which the first element is the classical, after sales customer service.

In 2020, repairing mistakes, malfunctions etc. through customer service will not be the core activity of customer care. Businesses will want to use customer care to add value, new sales opportunities and increase loyalty amongst customers. The balance will shift, but it is a utopia to think that traditional customer service will no longer exist as many countries have legislation to protect customers.

Combining the learnings with the experts' view on (the future of) customer care, a vision on customer care is developed. The following pages present this vision; an outlook on customer care in 2020. Each element of the vision is accompanied by an anecdote, illustrating customer care at work. These elements are not sequential steps, but complementary parts that intertwine to form a total customer care experience. In the awareness and selection phase of the customer journey, customer care provides advice, reviews and product information. Once the sale is closed, customer care builds the long term relationship with the customer through e.g. premium services and the follow-through. In short, customer care takes place throughout the whole customer journey.

- A** Reviewing by doing
- B** Customer (co-)creates his driver's seat
- C** Customer advisory
- D** Follow-through
- E** Premium services

### Reviewing by doing

Reviewing is an intuitive process: consumers review while using the product through (anonymous) usage of data and analysis of facial expressions. In 2013 these two technologies exist, but are not yet being used to this end. In 2020 we may live in a world where review options exist in for instance camera detection software at airports (analysis of facial expressions and behaviour to measure anxiety or anger) and through live feeds that customers can post to a service center.

In 2020 consumers share intuitive reviews on social channels or the retailer's platform and sometimes add their conscious review to it. Retailers continue to request reviews from their consumers, however the moment this request is sent reflects the sustainability of a product (e.g. a review for a product that should last a lifetime is requested 5, 10 or 50 years after purchase).

Reviewing is a continuous process and can occur not only after use of a product or service. Companies use it to better understand the entire chain of customer interactions with them. For customers it means that at any given time they have the ability to provide insights and get answers to questions they might have.

“ A flight attendant, Elsa, is collecting the dinner trays. Her cart measures the weight of each tray, analyzing how much of the food is still on it. Simultaneously, onboard cameras analyze the facial expressions of the passengers. After finishing her round, Elsa receives an alert on her tablet, showing Mr. De Rey on seat 4f hardly touched his food and his facial expression shows dissatisfaction. Walking up to seat 4f, Elsa asks Mr. De Rey if there is anything she can do for him as she noticed he did not enjoy his dinner. Surprised, Mr. De Rey acknowledges the food was way too salty for his liking. Checking the food stocks on her tablet, Elsa offers Mr. De Rey a low-salt meal.

When Mr. De Rey leaves the plane, he posts his intuitive review to the airline website, adding how proactively Elsa turned his dissatisfaction into a positive experience. ”

### Customer (co-)creates driver's seat

In 2013 customers have a limited grasp of their own data and are limited in their choices of what is available in the market. Service options are limited to what companies are willing to provide. Companies think it up and the customer chooses what he wants.

In 2020 customers will have a better grasp on the data that is made available; they will not live by the choices granted to them from the companies. In 2020 customers will think it up and companies will have to deliver.

“ Nick visits his favourite restaurant at least twice a week. Sometimes he craves sushi, other days he prefers Italian or Dutch. After a short discussion with friends they jointly decide on what to eat and how much they want to spend. On entry to the restaurant, he shares this data with the location.

His phone shows which table is available for him and he walks to it. Through holograms, projections and lighting the setting is transformed to reflect the food of their choice. Nick shares the menu with his friends who are still on their way and orders his favourite dish through the location's app. On arrival of his friends, the restaurant is notified the party is complete and dinner is served. ”

### Customer advisory

The classical, after sales customer service moves towards a pro-active service aiming to better match product/service to consumer needs. Companies will improve information flow to customers and aim to alert customers to problems before they become visible to customers. Proactive customer service is as much about one-on-one human interaction throughout the customer journey as it is about relying on new technologies to learn more about the customer needs and to match these perfectly.

A new KPI is introduced: First Time Match. This requires proactive advisory services instead of focusing on repairing the damage afterwards.

Retailers need to facilitate their community to execute customer service. Through "community care" the retailer is still able to offer one-on-one service. He does not have to execute it himself. The borders between consumer and company fade away: consumers are actively involved.

“ Searching for a new dining table Ann finds some options on manufacturer.com and wonders which table would be best, the large oak table, or the fancy white design. She hits the interior decorator button. Wow! She can use her glasses to see how they appear in her own living room. The large oak table definitely matches her taste, and it fits nicely in the centre of the room! She did not expect that!

When her oak dining table is delivered, Ann notices some scratches on the table top. She scans the surface with her Glasses and sends the video to manufacturer.com. A computer analyzes the images of the table, the video of the shipment and concludes the scratches resulted beyond the influence of Ann. Within five minutes Ann is informed that she can either have a new table delivered or have a community member visit her to redo the tabletop and show her how to maintain it. As the message informs her that the maintenance includes sandpapering the table top, Ann rather would have a new table delivered and informs the manufacturer about a convenient delivery date and time.

Upon delivery of the new table she receives a complementary maintenance kit and an apology from the delivery team for the damage and inconvenience. ”

### Follow-through

Through technological developments, retailers create more opportunities to approach consumers and liaise with them. Follow-through is no longer only about after sales follow-up, it is a process to extend the customer life cycle and lock in consumers. Many retailers learned from the eco system lock in from Apple, Android and Windows and translated this to their service offering.

The follow up as it is known in 2013 does not disappear, though it becomes more automated. With every product connected to the internet (the "internet of things"), the product itself is an integrated part of the follow-through. E.g.: a drill monitors its own maintenance and alerts the owner through a message that service is needed.

“ Theo bought a new SLR camera. During his holiday he tries to make a night shot, though cannot make that perfect picture. Doubting his settings, he connects with his personal virtual service attendant (through his camera). She sees his screen and settings of his camera on her screen and asks Theo what kind of shot he wants to capture. With her experience in photography she is able to guide Theo to the correct settings of his camera, and gives him advice from her own experience; leading to that perfect shot. ”

### Premium services

With automation driving efficiency improvements the opportunity to provide premium services will set companies apart. The main focus of premium services is one-on-one human interaction. These premium services are optional and only offered against some sort of compensation. Based on sales and market data companies are able to determine the price elasticity of the premium services.

Premium services have a direct correlation with ROI: sales of services.

“ Casper and Adil are building an awesome LEGO® structure together; Casper from Amsterdam, Adil from Moundou.

All LEGO® building blocks are connected to the internet and the LEGO® app can determine their location to other LEGO® building blocks. So when Casper builds one part of their construction physically, the LEGO® app shows this digitally to Adil. In the app, the two boys can build together on their construction, designing new building blocks and finishing the construction digitally as they do not have all building blocks physically. When the construction is complete, they can buy the new blocks through the app. ”

Changes in the elements of customer care reflect the new meaning of customer care. Moving from a department solving consumer problems in a reactive manner, customer care becomes an integrated process of the whole company.

In the following chapter, this vision is translated to five strategic questions, challenging you to re-think your approach to customer care.

Which **choices** do you  
need to make?





If one wants to champion in something, one needs to make a choice. The best practices are all derived from businesses that made a deliberate choice, whereas some of the worst cases showed retailers “stuck in the middle”.

**Thus, the first step in delivering best in class customer care is to make a number of strategic choices.**

Based on the expertise of the research team and insights from the experts, five strategic questions are drawn. Answering these five questions is essential to determine the strategy of your business towards customer care in 2020. It is not said that choosing the one over the other is better or worse: it is about making that choice. These decisions are strategic as customer care should not be approached as a separate entity; customer care intertwines with all your business processes. Additionally, these choices are made for a longer timeframe; six to seven years and challenge you to re-think your approach to the care of your customer.

### **1. Do you want to excel in customer care or not?**

Those businesses that decide to excel in customer care will want to make customer care part of their DNA. These retailers are able to win consumer loyalty and/or charge a premium if the offered customer care is differentiable and facilitates to surprise or take that extra steps towards customers. As seen at Zappos, HR plays a key role in the service oriented approach. Cost driven retailers still need to offer customer care in compliance with (local) legislation.

### **2. Follow your customer through every channel or service them in a dedicated channel.**

Consumers are channel hoppers and one should decide whether you offer customer care through these changing channels, or oblige consumers to make use of predetermined channels. The first approach requires a flexible process that can be adjusted to many channel types, whereas offering customer care through a (limited) predetermined set of channels raises consumer’s expectations of customer care through these channels.

### **3. Design your customer care to facilitate one-on-one human interaction or maximize automation.**

Human interaction is widely considered the more expensive alternative, but some companies will choose the win in empathy over anonymous automation. One-on-one interaction wins the hearts of your customers, though to facilitate this, automated processes need to be in place to optimize information flow to your service attendants. These processes differ when one strives to fully automate customer care handlings. Amazon is showing that by having data and business processes in place, customer care can be fully automated.



#### 4. Focus of customer care is preventative or reactive.

With a preventative focus, customer care is more about advising customers (e.g. flawless product - needs match) and adjusting your offerings based on feedback (e.g. re-occurring issues received by customer care leads to product recall or improvement). Whereas reactive customer care focuses on solving the issues out there already instead of anticipating them.

#### 5. Execute your customer care yourself or outsource (e.g. third party or community).

Hotels have been outsourcing their housekeeping for years as third parties can offer a better service against more attractive terms. If the retailer is not able to offer the customer care he aspires to, a third party might. Whether this is by facilitating a consumer community or co-sourcing with another business comes second.

For each business the answers to the five strategic questions will differ, as will the execution. There is no “one size fits all” approach to it: different industries (e.g. electronics versus beauty products), different customer segments etc. all play a determining role in making the appropriate decisions and executing a strategy.

## Making the choice

As discussed previously, the experts were asked in which direction they expect the market to develop, resulting in a market division as visualized in figure 10. The experts expect the market to develop towards scenario 4 “Hard Cash”; consumer data is abundant and consumers easily swap between retailers and brands. Within this mindset, the five strategic decisions are made.

It goes without saying that for every business, the choices are made based on company specific characteristics, metrics and goals.

Figure 10: The prevailing scenario in 2020





## Hard Cash

Consumers share all their data expecting something in return: service on a silver platter. Retailers need to use the abundance of data to serve a customer when, where and how he wants. Customers are not loyal to one brand, they make a new decision at every purchase crossroads. They will buy from that retailer that serves their current needs the best.

### 1. Excel in customer care

To win the customer, customer care has to be part of the business DNA. Customer care being central to the organisation and DNA means it is an entry point for all data. Data allows the company to offer the customer what he wants, when he wants it, how he wants it.

### 2. Follow the customer in the channels they use

If you are not servicing through the channels the customer wants you to, the customer will choose your competitor.

### 3. Processes facilitate automated handling

In order to adjust the offering to changing needs, data is collected, analyzed and used to adjust the offering to consumers' need based on a set of rules.

### 4. A proactive focus

The company needs to be one step ahead of problems and consumers to keep winning them over. A proactive focus entails sharing information with consumers to prevent malfunctions, unhappy users and show that the company is transparent in its way of doing business.

### 5. Outsourcing customer care

Optimize cost structure means companies need flexibility and expertise against attractive prices. This does not mean you should look only at traditional outsourcing methods, e.g. customer driven communities.

In the final chapter of this report, a tool is provided to translate these strategic decisions into a roadmap; practical actions to undertake to champion in customer care.

What do you need to do?

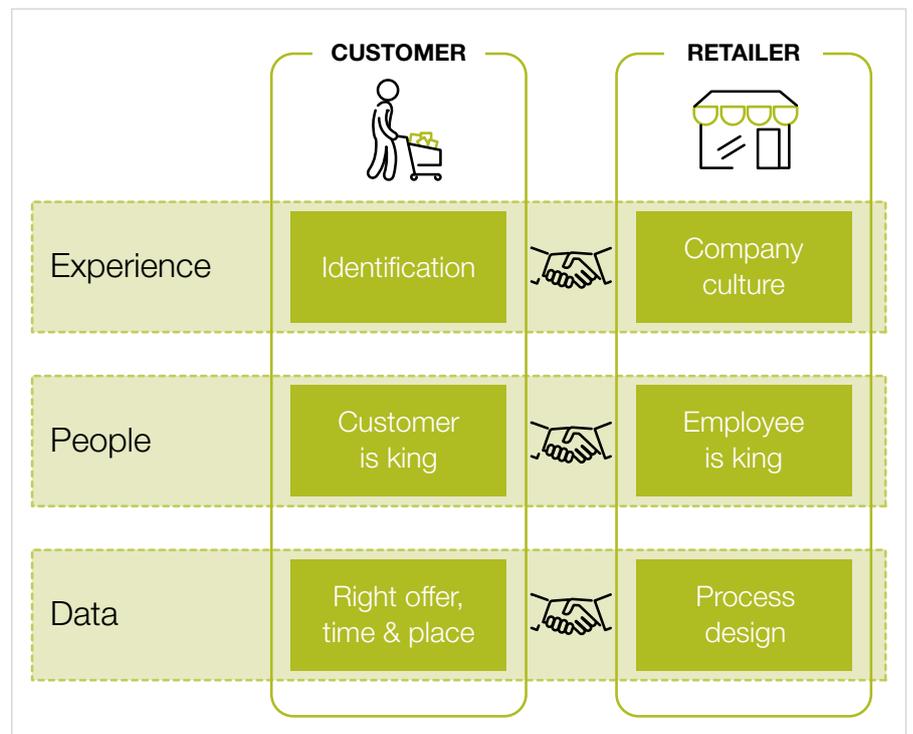




In today's retail landscape very few retailers champion in a total customer care experience. Throughout the research it became clear that those that do, do so for the same reason: they are decisive and committed. Additionally, the research team identified three factors of increased significance that these successful customer care companies focus on; data, people and experience. These three factors translate into different key assets from the consumer and retailer perspective. The model in figure 11 shows how these different assets intertwine.

After answering the five strategic choices as presented previously, the model can be used as a tool to guide your business from the strategic decisions to actionable steps to undertake.

**Figure 11: Key assets to customer care**



The two examples illustrate how all assets are addressed in best in class customer care. They also show that customer care can be approached starting at different assets. It is argued that by 2020, about 100-150 retailers use these assets to offer a unique customer care and thereby setting a new standard.

Amazon	Zappos
<p>Amazon structured its processes in such a way that consumer's information in back-end systems can easily be used by the front-office. This information is available through several channels. This enables the front-office to efficiently serve the consumers. Amazon's goal is to provide such an efficient selection, purchase and delivery process that the consumer feels no need for human interaction: a flawless process.</p> <p>Amazon's customer care is focused on data. A single view of data through all channels and in all processes is the basis of the power of customer care at Amazon. However, it is not just data, Amazon has a strong culture and creates a powerful feeling of identification towards customers.</p>	<p>Zappos is living proof of the effect of a strong company culture on the WOW-moments a customer experiences. To achieve this strong culture new candidates have to follow a four week training in culture, the core values are part of the employment contract and at the end of the four week training \$ 2000 is offered to the candidate for leaving the application process (to test the level of dedication). Zappos knows how to motivate their employees in a successful manner thereby exceeding the expectations of customers all the time.</p> <p>Zappos' customer care is focused on people and experiences. Without the right underlying data this high level of customer care would not be possible.</p>

As the examples<sup>16</sup> show, there are different approaches to customer care. Summarizing, a top-down look from the consumer perspective prescribes what is needed, whereas a bottom-up look from retailer perspective shows how this can be enabled. The tangled hands between the two identities visualize the increasing cooperation between consumer and retailer (or the dissolving border between the two).

## To be a champion

Being a champion in customer care, as in anything, does not happen overnight. One needs to practice, try, adjust and practice again. After making the strategic decisions, the next question is "where to start?". The three assets key to customer care: experience, people and data provide a starting point.

The five strategic decisions are made with a focus on a market in which consumers share their data openly and are not loyal to brands. From this perspective, the first actionable steps toward a total customer care experience in 2020 are drawn up, using the presented model as a guideline.

<sup>16</sup>Amazon is the sole shareholder of Zappos stock, though both approach Customer Care from a different angle.

## Hard Cash

Consumers share all their data expecting something in return: service on a silver platter. Retailers need to use the abundance of data to serve a customer when, where and how he wants. Customers are not loyal to one brand; they make a new decision at every purchase cross-roads. They will buy from that retailer that serves their current needs the best.

### Strategic choices:

1. Excel in customer care
2. Follow the customer in the channels they use
3. Processes facilitate automated handling
4. A proactive focus
5. Outsourcing customer care

## Experience

### Advise your customers

**Goal:** to serve consumer needs and reduce returns.

- Train employees in advisory roles.
- Trigger customers to share data.
- Equip employees with tools and information on customers.
- Set KPIs accordingly (e.g. "First time right", Net Promoter Score etc.).
- Incorporate new role of service attendants in your HR policy.

**Results:** more cross and up-sell opportunities.

### Engage your customers in your processes

**Goal:** to foster loyalty and ensure customers are receiving what they want.

- Learn from other retailers doing this.
- Design and implement processes facilitating customer engagement.
- Invite customers through e.g. idea box.
- Communicate how engagement results in better offerings.

**Results:** always exceeding consumer expectations.

## People

### Make customer care part of your proposition; your company DNA

**Goal:** to differentiate from competition and know your customer.

- Appoint all employees as service attendants.
- Include customer care in strategic discussions and target setting.
- Set a clear mission for customer care within the organization.
- Have customer care generated data serve marketing, sales, R&D and HR.

**Results:** a 360 view / understanding of customers.

### Ensure continuous innovation

**Goal:** to innovate in more than just product.

- Make customer journey central to all processes.
- Empower employees and customers.
- Learn from other industries and specialisms.
- Be open to change.
- Challenge your employees.
- Have a selective recruitment policy.

**Results:** always exceeding consumer expectations.

## Data

### Master data analytics

**Goal:** to provide the right offer, at the right time, in the right place.

- Set up a BI department (serviced by customer care data).
- Implement (big) data analytics tooling.
- Collect & analyze consumer data.
- Distribute BI to all channels and departments / processes.

**Results:** automated personalised offerings.

### Automate simplicity

**Goal:** optimize balance in automated processes and human interaction.

- Identify standard returning questions/ issues.
- Outsource or automate consumer access to bulk issues.
- Facilitate consumers to engage in customer care.
- Identify where human interaction or personal touch increases customer value.

**Results:** value adding (human) interactions with customer.

Pursuing different results (e.g. having a profitable customer care instead of a cost center) means adopting a new approach. This report should serve as a catalyst for changing the way you view and approach customer care. Managing the process on the basis of the three key assets means embracing the challenge of making customer care a fully fledged part of your strategy and goals. Only then can you manifest change within your organisation and expect to lead the way in 2020.

# Last Word

## Paul Nijhof on customer care



Paul Nijhof

Paul Nijhof is the CEO B2C of Group 3Si (part of the Otto Group) and is responsible for the e-commerce department of 3Si. From 2000 to 2007 he was the Customer Service and Operations Director at Wehkamp BV, after which he became the CEO of RFS Holding BV (until 2013) and had the overall responsibility for RFS Holland Holding and its online retail formats wehkamp.nl, Fonq, Create2fit and financial service provider Lacent BV.

### Customer care in 2013

Customer care differentiates you from your competitors. If you want to be successful in a B2C market, you need to incorporate customer care in your strategy. Don't approach customer care as a cost center, rather as an opportunity to create loyalty. This means investing and innovating in customer care, having your data and information processes in place, structuring the knowledge of your data and employees to serve your customers.

Having incorporated customer care into your strategy, all that remains is to go and do it. For me, customer care is about prevention with the customer in charge. We are striving to provide processes in which self service is facilitated so the customer takes away a part of our work and we can focus on making a difference every time. However, if something goes wrong, we need to be able to solve the issue in a quick and efficient manner. I learned a long time ago "it's when something goes wrong that you are able to win a customer for a lifetime". This is something I take with me everywhere I go.

### Customer care in 2020

Predicting the future is hard to do, but also a lot of fun and a great impulse to think beyond current limitations. The questions that are keeping me occupied include: will drone delivery be a new standard in delivery options in 2020? What will the effect of 3D and even 4D printing be on current retail models? How does it influence customer care and the support services that are wanted and needed? Will companies like my own have hard goods to sell or will we only be dealing in intellectual property?

Major changes continue to come our way, and this means customer care too. Technology will grow in relevance, and combined with superior knowledge it means that overall human contact should become less. Those moments of human contact that remain will have a huge bearing on the ability of a business to set itself apart and make that customer one for life.

The world continues to evolve, becoming a truly global market one step at a time. Customer care can facilitate this development or it will lag behind and remain the cost center that it is still often perceived to be. In our day-to-day hectic lives customer care could become (provided it gives the answers we are looking for) something customers would be willing to pay for - a certain peace of mind companies can offer. Are you ready for that?

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## About Shopping 2020

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How do consumers shop in 2020?

Shopping 2020 is a research program whose goal it is to answer the following central question:

“How do consumers shop online in **2020** and which actions need to be undertaken on an **national, sector** and **company** level upon that Dutch **B2C** selling companies can act on this successfully, **nationally**, within **Europe** and **globally**.”

The motive for this research program is that the current retail, finance and travel landscape is changing rapidly and despite the current economic crisis, companies have to reposition themselves in order to survive beyond 2020:

- Changing consumer behavior (from single- to omni-channel);
- Disintermediation of the value chain (producers sell directly);
- Rise of new media (Google glasses, voice/virtual recognition)
- Product digitalization (gaming, 3D printing);
- Internationalization and global hyper competition (Amazon, Walmart);
- etcetera...

Many of the developments are universal and reach across multiple industries and sectors.

More information can be found at [www.shopping2020.nl](http://www.shopping2020.nl). Here you can find all (intermediate) reports of all expert groups.

### **Shopping 2020**

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## About SNT

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SNT is your 24/7 partner for reliable high quality customer care service solutions.

SNT has been providing customer care solutions since 1985, and is the market leader in the Netherlands. The clientele is made up of a multitude of A-labels in amongst others telecom, banking & finance, utilities, lotteries and government. SNT has a variety of sourcing options available to its clients including an offshore location in Surinam, locations throughout the Netherlands and the possibility to work at the client site. Currently SNT employs in excess of 3500 people who all propagate the “passion for customer contact” that sits at the heart of the company values.

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