

MRS Awards 2020

Business-to-Business Research

Winner

Motif

City and Guilds Group

Driving action to build brand loyalty

This is a story about change, about how looking at something in a different way, with an innovative approach, can shake things up for the better and how a new dynamic can disrupt passivity and transform a business.

A highly successful educational organisation was making strategic changes to meet new business challenges. City and Guilds Group has a 140 year history in training – helping people, organisations and economies develop their skills for growth. The C&G Group consists of 6 customer-facing brands offering learning products and services to a range of customers that include employers, educators and learners across the globe. Across the C&G Group there was a strategic focus on putting customer need at the heart of its products and services as a means to attract, retain and grow their relationships, and it had recently launched a Customer Experience Programme team to work across the Group. The team included senior stakeholders from across the Group who could drive engagement and change in their brands.

Within the C&G Group, different brands had developed their own ways of understanding customer satisfaction with separate CSI programmes that did not align. While there was some engagement with these programmes, each business had varying success in telling the customer story and driving action from the insight. The C&G Group, therefore, wanted to take a more aligned approach to understand its customer experience via research and insight – moving from thinking in brand silos about customer satisfaction to a consistent and strategic customer-centric approach that would drive continual Customer Experience improvement.

A new research programme needed to reinvigorate, unite, and add an action-orientated thrust to the existing understanding of customer satisfaction. It needed to explore Customer Experience in a consistent way across brands and global markets, go beyond providing a simple scorecard tracker and ignite a passion in senior stakeholders and colleagues across the Group to drive improvement for customers and enhance business outcomes.

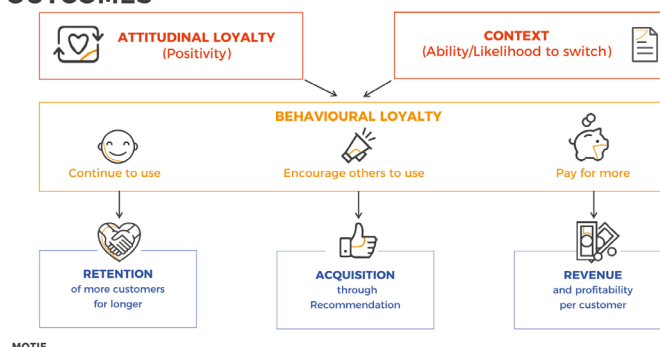
In early 2019, Motif was commissioned to revitalise the programme and provide new insights to shape business actions and drive change. Our understanding of how to improve Customer Experience through our innovative approach to decoding Customer Loyalty, rather than simply tracking satisfaction, stood out. This was a true meeting of minds – 2 organisations committed to rethinking established norms and taking action on insights.

That March, Motif and the C&G Group embarked on the first wave of the new programme. Change can be a scary thing, so we needed to make gradual changes to maintain stakeholder buy-in. The C&G Group stakeholders knew and trusted the NPS metric as a way of tracking customer satisfaction, so, for the first wave, we kept it as the lead metric and focussed on harmonising the programmes and eliminating the inconsistency of measurement. Alongside The C&G Group CX Programme, we strove to create a survey with universal relevance and sufficient flexibility to address the idiosyncrasies of each brand.

This was just the first step towards genuine change. Whilst Motif had taken reporting forward – diagnosing the drivers of NPS and creating more actionable insight – for wave 2, Motif needed to create a paradigm shift in the way results were understood for it to inspire action.

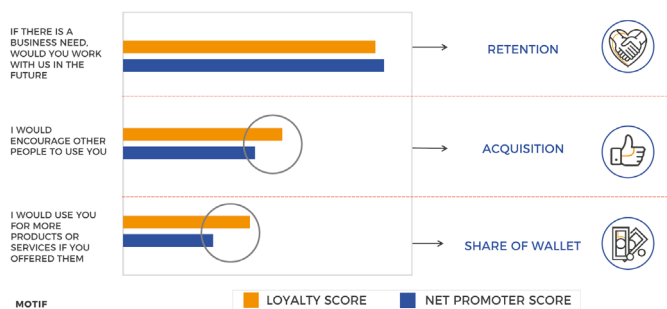
Based on the evidence of wave 1 and through our work with other clients, we have identified loyalty as a key lens to interpret customer response and power business change. We know that building loyal customer relationships is the foundation of success for all brands and we've been able to prove its impact on business performance via extensive R&D. We have seen that a consumers' attitudinal loyalty drives loyal behaviours which in turn powers three key business outcomes – retention, acquisition through recommendation and increased spend. This dynamic underpins our approach to every project and forms the basis of our loyalty model and its metrics – **you can read more about our model in figure A**. Crucially, because the C&G Group was focussed on using its CX Programme to drive customer-centric action, we knew that applying our model with its strong link to commercial impact would be a gamechanger.

ATTACHMENT A - LOYALTY DRIVES BUSINESS OUTCOMES



We introduced the loyalty model to the C&G Group as an alternative to NPS, which was embedded as the lingua franca within the organisation. Through our extensive R&D which involved over 10,000 interviews, we were able to demonstrate that the loyalty score is robust and credible, which in turn inspired excitement around the possibilities our model enables. The C&G Group were drawn to the model for its simple, yet innovative and rigorous approach to driving commercial outcomes. We ran a series of workshops with C&G Group stakeholders to demonstrate the value of switching to Loyalty and away from purely focusing on NPS. A key factor in encouraging this switch was the evidence from our R&D which demonstrated that our loyalty model is more effective than NPS alone in predicting future behaviour (there is a closer relationship with those likely to recommend or spend more and the loyalty score than there is with NPS). This means the link between our Loyalty score and business outcomes is stronger (**see figure B**). In addition, the Building Blocks within the model enable us to pinpoint precisely the areas of Customer Experience the different brands of the C&G Group need to focus on.

ATTACHMENT B - LOYALTY IS A STRONGER PREDICTOR THAN NPS FOR 2 BUSINESS OUTCOMES



When the time came to set-up wave 2, stakeholders were fired-up by the strategic possibilities presented by our approach to exploring customer loyalty and excited by the potential business benefits. They were enthusiastic about engaging with survey development and introducing loyalty to their teams – this level of collaboration proved vital in making the programme a success.

When we shared wave 2 findings in October 2019, the response was exceptional. Stakeholders described it as ‘a gamechanger’. They were particularly enthused by the ‘Degrees of Loyalty’ segmentation aspect of our model. This identified the degree of loyalty customers had to each of the C&G Group brands based on their positivity towards the brands and likelihood to switch to rivals. ‘Degrees of Loyalty’ is based on 7 segments - our analysis established the proportion of the brands’ customer base in each segment and, crucially, the key factors the C&G Group needed to focus on to move customers into more loyal segments. What gave this analysis real commercial teeth was the application of the C&G Group financial data (i.e. average spend per customer) so that we could demonstrate the pounds-value benefit of enhancing customer loyalty.

Our research showed that there was a varying level of loyalty across C&G Group’s brands, with each one having its own unique strengths and weaknesses. However, a common factor was that there are big opportunities in rewarding loyalty and adapting services to customer organisations’ needs.

The programme and the loyalty thinking which drives it have fundamentally changed the C&G Group’s mindset towards its customers and how research data is used. Stakeholders no longer talk about abstract customer satisfaction scores which, for them, seemed separate from business performance. Instead, they talk about developments to the Customer Experience which are likely to improve business outcomes. The ‘Degrees of Loyalty’ segmentation language is becoming embedded at the C&G Group and the CRM team are working to apply the segmentation to their customer database. There is now a real desire to harness the voice of the customer and use insight as a key strand in shaping future business strategy. Nicky Pattimore, C&G Group’s CX Programme Chair summed up the programme’s impact:

‘The work our CX Programme and Motif have partnered on has prompted a sea-change in the way we think about researching customers in the business. We value it as a vital input into strategic decision-making and, as a result, there’s a real thirst to hear the voice of the customer across the organisation.’

Meanwhile, Shuba Krishnan (Customer Experience and Insights Manager) highlights the programmes power to drive action:

‘Working with the loyalty model has been a game-changer. We can now draw a clear link between customer attitude and their behaviour, and we can begin to model the ROI of potential CX improvements.’

The C&G Group has asked Motif to complete a further wave of the programme, including a qualitative element to explore in even greater detail the levers which could enhance customer loyalty.

We are proud of the programme and the partnership between Motif and the C&G Group. It perfectly demonstrates the power of a collaborative relationship between agency and B2B client in driving cultural business transformation. It highlights how fresh thinking changes perspectives and enables businesses to reach strategic goals – in this case enhanced customer-centricity with commercial impact on retention, acquisition and spend.