



Customer experience as a source of competitive advantage

The global economy is currently suffering due to the COVID-19 pandemic, which may have a severe and far-reaching impact on organisations and their customers. Many businesses are taking short-term actions to generate immediate revenues and produce measurable but modest cost savings.

“Customer experience initiatives are often seen as areas where organisations can realise immediate cost reductions supported by the rationale that ‘customers are not able to spend now anyway, so reduced expenditure on servicing them is warranted’.”

A cost driven approach to customer experience may end up damaging customer relationships established over time. Newton’s third law of motion (also referred to as the law of reciprocal actions) states that “for every force or action there is always an equal and opposite reaction.” In this case, the customers will reciprocate the actions taken by the organisation towards them.

Do not treat a customer like a commodity that your organisation can easily acquire and dispose of anytime. If you do not focus on your most valuable customers by providing exceptional service, they may take their business elsewhere.

Besides, customers treated indifferently during bad times will remember the ordeal and may leave you when their financial conditions improve and possibly share with others.

In today’s economy, banks need to accept that experience is fundamental to the value delivered by the organisation to its customers. Essentially the experience is your product, and if it is not there, your customers will look for it elsewhere. Now is the time to take bold actions and change the rules of the game by making customer experience a winning strategy during these tough times.

Here are five suggestions to help you manage your customers during the current situation:

Be true to your brand and purpose. During times like these, every interaction with your customers and partners is an opportunity to demonstrate what your organisation is all about. People are paying attention to how organisations are responding, and purpose-based organisations that show empathy will likely emerge as the leaders during and post the COVID-19 period.

Engage with your customers. Stay in touch with your customers and build a deeper emotional connection with them. Let them know how much you appreciate and care about them. Some of the ways you can achieve closer ties with your customers include:

- Offering advice on how to weather the current economic climate;
- Proactively providing support in times of financial distress (genuine, honest support, and options rather than lip service followed by legal action or repossession); and
- Leveraging data to provide tips on how to reduce expenditure and explore new business opportunities.

Engage with your employees. Staying engaged with your employees, especially the ones who serve your customers, is crucial because they are the face of the organisation.

Engaging with employees will directly translate into a positive customer experience and reduced customer churn.

The employees will also need to assure customers of uninterrupted service, or advise them of any issues that may arise, and come up with possible solutions.

Do your best to take care of your most valuable customers. Every organisation has its most valuable customers, so decide what special services and resources you can be able to provide for them. Although all your customers are important, it may become necessary to make the decision to take care of your most valuable customers first.

Fast-track the implementation of your digital strategy. The COVID-19 pandemic has led to more customers interacting with digital channels more than any single event in our lifetime.

The digital banking model has come to a reality after almost a decade of discussing it. COVID-19 has necessitated reduced operational costs and improved digital experiences. The “new normal” requires a shift away from an internally focused, process-oriented and product-centric approach to a digital-first customer-centric approach, providing for real-time engagement across channels, while leveraging customer data and advanced analytics to provide personalised solutions and experiences to customers.

As the immediate danger eases, you should shift your focus to finding solutions to a well-planned path to recovery and organisational resilience.

You should invest in customer experience during this period. Ensure you stand by your customers during their difficult times - *true friends stick with you in tough times and become friends for life*, and your customers are no different. If you continuously engage with them, they will be inclined to stand by you when they regain their financial health and even recommend you to others.

Do remember to demonstrate that:

1. You value your customers - develop a 360-degree view of your customers.
2. Make it easy to do business with you - offer a seamless omni-channel experience.
3. Earn your customers' trust - offer personalised experiences and solutions.
4. Wow them - focus on moments that matter.

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