

In the following interview, Glenn Urban, author of *Don't Just Relate — Advocate!* (Wharton School Publishing), discusses what customer advocacy means in terms of service strategies, training, customer segmentation, self-service, and other customer service-related issues.

— **Editor**
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Are you advocating for your customers?

Is your organization ready for customer advocacy? According to Glenn Urban, professor of marketing at the Massachusetts Institute of Technology's Alfred P. Sloan School of Management and author of *Don't Just Relate — Advocate!* (Wharton School Publishing), some of the most forward-thinking companies are pursuing advocacy, and he predicts that eventually most of their competitors will have to follow suit.

Is this a strategy your company would be comfortable with? And what would an advocacy strategy mean for customer service? To find out, *Customer Service Newsletter* recently put these and other questions to Professor Urban. Here's a complete transcript of what he had to say.

CSN: What would a customer advocacy strategy mean for the typical customer service manager?

Urban: Customer service is one of the two bases of what I call the "customer advocacy pyramid." Before you do anything about building trust or advocating for your customers, you have to have great quality and you have to have great customer service. Because one of the tenants of advocacy is transparency, and in today's world of the Internet, everybody knows about your mistakes, so if you don't have that foundation, you can't begin to build trust and advocate for you customers.

In general, customer advocacy is a strategy where you invest more in customer service and less in advertising. So you are doing more in terms of satisfaction and quality of product than you are on "push" advertising. There's more leverage in building loyalty and relationships through good service than there is through spending huge amounts of money on big promises with push advertising to get new customers.

CSN: So building a strong customer service operation and ensuring customer satisfaction are first steps in the direction of customer advocacy?

Urban: Yes. Because the whole concept of advocacy is that customers are in power and they have great ability to communicate with each other, so there are no secrets. If you try to skimp on customer service, people are going to tell others, and nobody is going to buy your product because it's not going to fulfill the promise that is expected for it.

CSN: What are some of the important elements of advocacy. How does it work for the service department?

Urban: Well, transparency would be one from the get-go to the end, so when you buy a product you know exactly what the service policies are, what kind of service you are going to get, and that everything's going to meet your expectations. It means you are completely up front with the customer from the beginning. There are no hidden agendas about what you're going to cover in a service agreement, for instance. If you are selling additional extended service policies, you make that clear up front, you don't price those to gouge the customer because they have to have it, but you set a fair price in terms of what you are going to deliver down the line. Your level of trust is based on their believing that you will fulfill on the implied quality of your products. So it's kind of like, "What would I tell my mother to buy?"

Some people price their product so that service is kind of minimal, and others have a premium service policy. What you want to do is kind of give advice to customers about the product and service quality that would lead them to buy the best one that fits their needs. And some people aren't so concerned about long-term service and are more concerned about initial price. So if you are comparing yourself to others, if you are a premium service provider then you want to make that clear up front and you want people to believe it, so that they'll in fact feel good about paying the premium price for it.

CSN: You say that customer advocacy isn't necessarily for all firms. Do you mean that a company that is targeting the low-price position in its marketplace and doesn't have a whole lot of service to offer should not be thinking about it?

Urban: Well, it's hard for that type of company to be transparent and honest with the customer, but sometimes you can say, "If you are looking for the lowest initial cost to buy this product, this is the best one for you. It doesn't come with extended warranties, and it has minimal service policies, but this fits some people's needs." Now, that being said, advocacy as a strategy is going to work better for companies that are the premium providers, because that's the differentiator,

that's the value proposition, that's what you want people to believe as you start in, and often that's the best thing for the customer. But probably customers are less able to judge their long-term needs compared to the short run.

When I looked at companies I found that some actually have officers that are customer officers or vice presidents of customer advocacy. A lot of these kind of people actually come from the service side. And they have an expanded service definition that says service is the whole life cycle, and it's the whole care of the customer. The point is to give the customer a voice, to help those companies meet their service needs better, but also to help them understand their customers so they can give a total response.

CSN: Not too many customer service advocates would come from the sales side of an organization, one would guess.

Urban: Well I think if you look at the people at General Motors who are in charge of the trust strategies there, many of them come out of the division structures where sales is the key ingredient.

And sales has a number of different strategies. One is kind of a product push strategy, i.e., here are our product specs, we give you the sales pitch, we overcome your objections, and you buy the product. Other companies use more problem-oriented selling, where they say, "Look, what's your problem? How do we deal with this? We can help you solve all these problems." And you talk to some of these salesmen who are on the client's side, and sometimes they will say, "Look, sometimes we don't have the best product," and actually recommend some competitive products to fill the gaps. That builds trust with the customers, and they will come back. So people from that type of the sales group actually are good for customer advocacy.

CSN: Can you still be a customer advocate if your CSRs are responsible for selling as well as servicing customers?

Urban: I make it a practice of talking to really successful salespeople — that 20 percent who sell 80 percent of the product — and I cannot think of one exception where the salesperson hasn't said,

"The reason I'm successful is that I've built trust with the customer. I don't push products if the customers don't really need them, and I understand the customer's problems first and then work on the solutions." So trust is really an important advocacy philosophy whether applied to service or sales. But to make advocacy successful, it's got to permeate all of a company's functions, from service and engineering and production through sales and finance as well.

If you are just trying to push products on people that they don't need — or extended warranties, or products and accessories they don't want — that's going to destroy the relationship or make it less functional. If, however, you are building on the trust and in a very transparent and honest way explaining to them the new products that you're offering — "these could fit your needs" — then, in fact, you can use sales as a trust enhancement. If the customer calls about a product defect and you handle it properly, he's going to listen to what you say about other things you might recommend. If on the other hand, you've done a mediocre service job and say, "Look, for \$9.99 you can buy this" — that's going to make a bad job even worse.

So you really need to develop a strategy at the top that says we're going to be advocacy-based or trust-based — or are we going to be a traditional push-pull marketer where we do whatever we have to do to get the sale, and we give customers one-sided communication and hot deals and big promises and incomplete information, so to speak, and just go for it. So there's a danger one way or another, but it's probably got a big upside potential because it can help you make real the benefits of the trust and it can help you build the trust.

I just had a personal experience recently. I was talking to Cabela catalog's service side. I had been fishing, and I broke the pole. I called them and said, "The pole is two years old, and I'm not sure you cover this kind of thing." But they looked at my records and said, "Oh yes, send us that pole back, and we'll give you a new pole." And then the agent said, "What kind of fishing were you doing?" And I told him the kind of fly-fishing I was doing. He said, "You know, we've got these new fly rods that we've just introduced with this new high-tech fabric. Can I switch you over to sales for some information about it?" So the service person switched me to a sales

agent, saying, “This is Glenn Urban. We just worked out a service problem, and could you tell him a little more about our new line of fly-rods?” So then I got this person who was a real expert in fly-fishing, particularly the type of fly-fishing I was going to be doing, so it was an easy sale for them.

That is cross-functional integration. A lot of times advocacy falls apart because people work in silos, and they don’t connect things around the customer experience rather than around their own functions.

CSN: There are still going to be people who say that sales and service should be kept separate.

Urban: But it seems that there are a lot of synergies to be gained there. And having everybody on the same page with a good CRM [customer relationship management] system or a good data system helps a lot.

CSN: Many service organizations are trying to move customers toward self-service. Can you maintain a sense of trust and of honesty and the sense that you are advocating for the customer if they’re not dealing with a live person?

Urban: Self-service is a dangerous strategy if it’s not done right. If a customer gets on an automated answering system and goes through some menus and doesn’t get anywhere, doesn’t get any satisfaction, that can be really bad. On the other hand, if a customer goes on the Internet and gets a virtual agent who has some intelligence, and if there is a link that customers can use if the virtual agent obviously hasn’t solved their problem, then it can work. What many customers really hate is a service system that purposely neglects to provide a phone number. That’s what I call a trust buster.

On the other hand, you don’t have to have every customer talking to a very expensive live agent. I’ve done a lot of work with virtual advisors — they have personalities and some intelligence built in. They can be pretty expensive — you put a lot fixed costs into them to make them work — but they can be very effective and save money in the long run. But it has to be very carefully done and monitored in terms of trust.

CSN: The quality has to be high in terms of the information that’s available through such a system,

and the customer has to have an outlet to a live person to prevent them from becoming frustrated?

Urban: Yes. You have to build the intelligence into the system. And frankly, I don’t mean to insult service people, but often a service telemarketer or personnel is working from a menu of questions to ask and kind of specified answers, so when they get to a place where they can’t solve the problem, they’re not much help anyway. That kind of functioning can be pretty well substituted by a virtual persona on the Internet.

CSN: What type of training would you suggest for customer service reps to make them more like customer advocates?

Urban: I’d start them out by giving them one of their company’s products with a problem and tell them to call the service center, and then go through the customer experience. Another way is to have customers in for focus groups and have CSRs behind the mirrors. Let them hear customers talk about their experience in calling the service function and what happened. You can also have CSRs listen in to service episodes that are drawn from real experience and have them critique them. Then have the manager say this person made this mistake, and this is a major mistake, and so forth. It’s a kind of a sensitivity training.

And of course you have to make sure that your incentives are in line. If you are monitoring and rewarding your service people by how many calls they do in an hour, you can’t expect them to get a lot of customer advocacy out of that.

CSN: In your book you say that, in some cases, incentives can undermine customer trust. But they can be useful if they are aligned with your customer advocacy goals?

Urban: Absolutely. Hiring the right people and providing the right incentives and the right training with the right philosophies and strategies are critical to success.

CSN: Are there any particular traits that customer service managers can look for in terms of hiring the right people?

Urban: Yes. It’s a little bit elusive, but empathy is one important trait — if you can sympathize with the

person on the other side. Ten percent of customers might be fraudulent or causing trouble, but most customers are calling in with a real problem. Look for candidates who can put themselves in the customer's place, understand their problem, and help them solve it.

CSN: Some companies try to segment customers in terms of the level of service they will receive. Is there any way that customer advocacy can coexist with that sort of customer segmentation? Can you get away with providing different levels of service to different customers?

Urban: Well, that's a tricky one, because that's kind of a discrimination where you give your good or big customers better service than your new customers or your smaller customers. And as people learn about that, if they consider themselves equal customers, they get pretty upset. On the other hand, designating people as premium customers does make sense, because those are the ones that are doing a lot of things for you.

I like the kind of transparent approach to that where you are up front on your service schedule, and you say, "We provide everyone with good service, but some of our customers are extra special, and they earn that status by having sales volumes of so much and repeat business of so much. And we invite you to join that group." But it probably is irritating to people if they learn that other customers are getting service that they're not. And of course, with new customers you have to be careful because if you give somebody who is not yet a known customer the lower level of service you may not get them to that upper level.

Probably a good message to get across to your readers is that they have a strategy that implies that more resources are committed to service at every level. That leads to more repeat business and word of mouth to other customers, and could well be a reallocation from the increasingly less effective pull methods of aggressive media advertising.

CSN: What are some of the ways in which a company can create value through its service department?

Urban: Well, the value of the product is how well it performs under use, so the more you make that use effective the better that's going to be. I think the very best service groups have always been trying to maxi-

mize that value. Probably with advocacy what you want to do is sit down and creatively talk to your product people, your customers, your service people, and say, "How can we do this better, how can we add more utility to what we're doing?" Maybe it's in part of understanding the wider use environment than just the product to help people. Take P&G with its Pampers site for mothers as an example. They're not just selling Pampers on the site; they're giving people information to help them be a better mother, to get through their pregnancy, to understand all the difficulties involved.

And probably in advocacy you tend to widen your product line to fill the full use need, rather than try to get more share in a very narrow definition of the product, because you are trying to deliver that value utility. So I think as time goes on we'll see a lot more of benefits selling than product selling. And you will define it as wellness of your pet, for instance, or the happiness of your family as opposed to a single functional product.

CSN: How can a company measure the success of its advocacy efforts?

Urban: Well, you're going to see some bottom-line things like growth in sales and profit at the highest level. You need to get some data on repeat business and repeat volume for customers, and if you're doing a good job you'll be getting a larger share of the wallet of your customers. Then there are a lot of attitudinal measures you can take — measuring trust and people's attitudes over time.

We've done quite a bit of experimentation where we've varied slight characteristics or other trust characteristics, and then measured the attitude changes and behavior changes. In autos, for example, people considered General Motors cars more often after being exposed to a competitive drive experience, where they can drive GM versus other cars. And that carries through to when they did consider the GM car they would have a higher preference for it, as well as to the end where we did a large market research study and found that 10 percent more of the people exposed to the drive experience bought the car. So the whole hierarchy from awareness, attitude, preference, behavior, and final bottom line are good to monitor. If you're doing this as a major strategy, you should be

monitoring all along there. Customer satisfaction with service would be a clear attitude preference measure there as well.

CSN: Your book discusses the “rules of marketing based on the theory of advocacy.” Could you suggest any “rules of customer service”?

Urban: If you want to compare extremes, under the old push-marketing theory, you would try to minimize service costs; under advocacy you would maximize service investment in quality. In the old push environment you would also use the upfront things — marketing and sales approaches — to sell the product; with advocacy you would use good quality service and word of mouth to sell the products.

CSN: What are the most important ways in which customer service needs to change to become more of a customer advocate?

Urban: They have to have real service policies that deliver value, so they have to be very conscious of repeat business and the word of mouth and the loyalty that’s going to come from that. Companies will also have to do more listening in to what the customer is saying about the service experience. I also think that service should be much more integrated with sales, engineering, product design, and the total marketing effort of the company.

CSN: For an advocacy strategy to work, it’s got to be something that permeates an organization and not just one segment — whether it’s sales or service or engineering. Advocacy has got to be something that goes throughout the company.

Urban: And I think that’s why you see the rise of

some of these vice presidents of customer advocacy to help do that cross-functional integration. But it’s a big cultural change for many organizations.

When I talk to executives, about a third of the people say, “Aha, this is right on. We ought to be doing this.” Another third says, “Are you crazy? Trust your customers? Give them all the information? Where have you been, in an ivory tower?” And then the middle third say, “Well this is kind of interesting, but it sounds like too tough a job for me to take on. You have to talk to my boss. You don’t know what I’m up against.”

It really requires leadership at the top and all the way down through the organization to do it, and it’s a big revolution. But the people who do it, I think, are going to be rewarded in this new power market. And I think it’s going to be harder for other people to catch up. At the end of the book I call it the “Advocacy Imperative” — that if the other person is doing it, you’re going to be in trouble, so for a lot of people it’s not going to be a choice after a while. If you start losing the trust of your customers, you’re going to be out of business. And you can’t get that trust back very easily. Particularly if somebody else is doing it right. Customers are going to say, “Why should I switch? Even if they make a mistake now and then, I know that they deal with me fairly and honestly over the long run, so I’m going to stick with them.”

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