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*To deliver quality E-services, government organisations – like businesses – will have to become more focused on relationships with their customers. That's the view of **Dr Neil McBride** from the Centre for IT Service Management Research at De Montfort University.*

## Promoting loyalty among users of your E-services

By Dr Neil McBride

The delivery of government services over the Internet changes our focus. Effective E-government requires the delivery of effective E-service. This will require a change of culture. E-services must be customer centered, not problem centered. E-government developers must be service-oriented, dedicated to service design, service delivery and service quality. We must understand our customers in a networked landscape – and engage them in relationships which are proactive, dynamic, informative and adaptable. But how can this be achieved?

Firstly, the development of IT for E-services cannot be left to the IT department **alone**. IT development within an E-service environment has more in common with film production. The IT staff run the cameras and lights, graphic designers build the sets, **while** the marketers and finance executives write the script. And the results must be entertaining, visually appealing and tell a story.

Our users are our audiences. Previously, when an IT system was implemented, problems could be dealt with after implementation. We could 'throw the system over the wall and hope for the best'. Now a system is exposed to millions of people at the press of a button.

Errors will cost us our audience. Before, our users complained, but now our audience switches off. **Our** customers won't wait for fixes – and so testing must be more comprehensive and wide-ranging than ever before. **And** security is also critical.

### Cultivating loyalty

Added to all this is the issue of loyalty. Any lack of good service will affect loyalty – and undermine use of the service. You have less than 60 seconds to convince your customer to stay **and** six mouse clicks to deliver the service.

Loyalty needs to be cultivated through the practice of service management. Customer involvement is the key to any service, particularly an E-service, **and** we need to encourage ownership by the customer.

We create loyalty through relationship. Loyal customers will support us, wait for fixes, provide feedback, report back on site problems and even provide ideas for fixing them. We breed loyalty by interaction and planned communication with the customer, by generating value to the customer in the relationship and by creating a dialogue.

### Tracking relationships

The development of a loyal relationship with an E-service customer requires the development of the technical mechanism to support the relationship and the design of a management process to ensure relationships progress.

We need software to enable the communication channels, track progression and ensure fast responses. Such software should enable the development of knowledge bases and the sharing of experience so customers become members of a community.

Accordingly, the development of an E-service which generates customer loyalty will require attention to service design, service implementation and service quality.

### **Tangible measures**

Classical service quality issues take on new dimensions when referencing E-services and web site quality provides a tangible measure of E-service.

Responsiveness requires processes to deal with large volumes of communication and increased expectations. E-mail users expect instant responses, sitting and waiting for the instant reply. Assurance requires transparency and information provision to the service user, who must also understand the nature of the service to such an extent that we can modify their expectation. Trust and commitment must be established.

Management perception of customer expectation relies to a greater extent on market research. Service levels must be defined realistically and specifications will involve the definition of a variety of roles, control of a multi-disciplinary teams and teamwork. Realistic standards of performance and communication to customers is vital for the promotion of trust and so over-ambitious estimates must be avoided.

IT managers must have good communication lines with marketing, production/service delivery and distribution, because a lack of communication could become a key problem.

### **More staff needed?**

E-services require specific and tailored standards due to the high customer interaction. Far from reducing staff, an E-service may require more staff because of increased customer expectations, although the actual overall reduction in headcount will depend on how clever our E-service support software is.

The management of service quality will require the measurement of service quality. In E-service, new measures will be required that define customer expectations. Such measures should be clear and transparent. Results should be available to customers and publicised.

### **Shift in mindset**

How do you view your E-service? To attain quality in E-services will require a shift in mindset of the type that has occurred within the marketing industry. There are important lessons we can learn here. Traditionally, marketing focused on the product and success was judged in the short term by how many products were sold.

In relationship marketing, the focus shifts from product to customer. The customers' needs are determined over a long time and any initial losses are offset against calculation of the value of the customer over the lifetime of the relationship.

For example, credit cards yield profits only after two years involvement with the customer. And the insurance industry also now focuses on a developing relationship and the long-term sale of different products to the customer.

Similarly, a shift from a problem focus to a customer focus is required in e-government. The focus needs to change from one on transactions, forms and data to developing relationships with customers, understanding their needs and problems and creating a sense of presence. For IT support staff dealing with how customers use e-government services, this requires concentration on interaction, communication and value.

### **Shared understanding**

The basis of a relationship is continuous interaction to develop a shared understanding. This interaction is two-way - the IT support staff learn from the customer as the customer learns from the support staff.

Communication requires making sure we understand each other and are communicating in the same language. This requires patience and empathy from IT support staff who must understand the customers' language and translate accordingly.

Proactive communication and eliciting customer responses is essential, since unsatisfied customer of an E-service will leave. Value involves understanding what the cost for the customer is of entering into a relationship with us and making sure the customer perceives that *it is worth* that cost.

At the core of the relationship is interaction, both planned and unplanned. In order to understand the development of the relationship, to monitor outcome and evaluate return, we must be able to divide the relationship into logical parts. And these acts, episodes and sequences should be recorded and used to build a picture of the developing relationship.

After each interaction, we should ask: do we know our customers better? Do they know us better? And has a mutual understanding been gained? Such an understanding may lead to increased loyalty and involvement.

### **Committed followers**

We also need to consider the progression of the relationship **because we** want our casual visitor to become a committed follower who habitually uses our E-service to meet his or her needs. We need a customer who comes to know us and act as a loyal advocate and supporter. We reward that with greater intimacy and access to knowledge and understanding of the E-service and its IT support.

Such awareness must come from relationship tracking, the use of customer databases and in IT support the use of the information gathered over a number of acts, episodes and sequences.

**Our** customers should feel that E-service support is interested in them and understands their needs. **I believe that** the motivation of both parties will lead to a relationship dialogue and will result in loyalty, word-of-mouth referrals and advocacy of the E-service.

A strong relationship will withstand a lot of buffeting, problems and inadequate delivery.

### **Key messages**

The IT support world of the 21st century will be very different to our past experiences **and a** shift in focus to customers will change the nature of the service. The IT unit that keeps its customer will be the one that is proactive and forward-looking.

In summary:

- Loyalty is an IT service issue
- Managing an E-service is about managing a relationship
- Planned communication is essential
- Evaluation of acts, episodes and sequences may lead to an improved relationship
- Customers will train IT support as much as IT support trains customers
- We need to provide proactive, personalised contact
- We must be people orientated, not problem orientated.

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- Neil McBride presented his views to a key audience of service managers at the November conference of the IT Service Management Forum ([www.itsmf.com](http://www.itsmf.com)), the not-for-profit international organisation whose members include Microsoft, IBM and Government departments.

- The newly-formed Center for IT Service Management Research at De Montfort University exists to provide a focus for independent research into the area of IT service management. More details can be found at [http://www.cse.dmu.ac.uk/cism/service\\_management.html](http://www.cse.dmu.ac.uk/cism/service_management.html)
- Neil McBride was on the team of a large De Montfort University research project for the UK e-Envoy's Office benchmarking UK Internet and e-commerce performance. The results of this research can be found on the e-envoy's eStatMap web site at <http://www.e-envoy.gov.uk/2000/strategy/estatmap/estatmap.htm>

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