



# KPMG Customer First Podcast Transcript

## Emotional Intelligence

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Mike: Hi, this is Mike Flodin with KPMG. I'm Principal in our Customer Service Transformation group here in the US and want to welcome you to the discussion today around creating emotional intelligence and driving customers' emotional connections.

Easy access to products, services and information is more important than ever before. And the use of online channels for shopping has grown significantly as customers gravitate toward touchless shopping and contactless payments.

Recent research shows over 82 percent of customers are more likely to use these digital wallets and cards going forward. Use of chat technology and social media has also grown. We've seen consumers claim they use social channels, web chat, WhatsApp and messenger applications as a means of communicating with their organizations.

Alongside this move away from the physical experience, customers continue to crave that emotional connection they've got with our organizations. The question we're going to talk about today in the podcast is how can we as organizations deliver those connections while we move to the virtual space. We've already seen a significant uptick in the amount of self-service automation and robots using RPA to drive those interactions to non-physical channels. The question is how can we use our brands to build more meaningful relationships, while we really respond to those customers needs and desires for self service channels?

Let me take a minute and have our panelists introduce themselves today. Aditya could you take a minute and introduce yourself?

Aditya (02:05)

Thanks, Mike. Hello everyone. It's an absolute pleasure to be here. I am a partner with the customer and operations practice out here in KPMG India.

Mike (02:41)

Perfect, sure appreciate you joining us today. We also have Katie.

Katie (02:51)

Yeah, great, thanks for having me, Mike. So, Katie Bolla, I'm a partner in our customer and digital practice in Canada

Mike (03:28)

Fantastic. We're going to talk about it in three areas today. The first one being how we can stay emotionally available to our customers as we move to the digital channels. We're going to talk about making private connections with those customers and how we do that, how we do that organizationally. And then finally, we're going to talk about the numbers and what to expect as we really focus on this important topic and how we can make this real. So if we're ready, we'll dive right into the first area — remaining emotionally available. You know, Katie, with every interaction, our customers have the potential to either strengthen or threaten the emotional connections we have with them. How can businesses build this deeper, more meaningful relationship with their customers?

Katie (2:57)

It's interesting, I often have conversations with clients where they asked me about loyalty. And I'm going to talk about loyalty in the context of meaningful relationships. And what they're really asking about is more about a focus on a loyalty program and a point structure. And there's often a confusion I find that many people equate loyalty programs with a relationship or an emotional connection. And what ends up happening is we have a discussion that is still just a transactional relationship. What organizations aspire for, should aspire for, is building those stronger relationships that go beyond the points, because the loyalty program is only the first step to building that deeper, more meaningful and longer-term relationship

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And there's a risk of missing the opportunity to convert transactions into that point free, deeper emotional connection that is so strong that even if the program disappears, customers will come back. And that truly is a deeper relationship, a stronger connection. And one could argue true loyalty. So you asked how you build it. First of all, I just wanted to make sure that there's a clear distinction between what we're talking about here around loyalty and the true relationship. Well, like any good relationship, active listening, clear communication and communication on expectations is important. So oftentimes we see with clients that do this effectively, they lay the groundwork of gathering the information of how, you know, myself as a consumer or customer, have behaved, interacted and transacted with the brand, or the organizations through the various channels. They build the capabilities internally to take that information, that wealth of information they have about me as a consumer, to convert that into insights and action to demonstrate that they're listening, and they value me by creating those what I call seamless or personalized experiences. And then they build an operating model. So, they really have to evolve or transform the organization to be able to deliver and continuously deliver on those insights, to provide the choice to make it as easy as possible for me to choose to build a relationship and to continue that relationship with a brand.

Mike (05:10)

I totally agree. Great, great points. Thank you. You know, Aditya as we think about both in the B2B world and B2C world, what are some of the most important contacts or connections we need to make in those two different environments, to maintain the emotional availability of our organizations?

Aditya (05:25)

Great question. The shift has happened in two or three dimensions. And I'm going to do deal with B2C and B2B separately, but the same dimensions. The first is, what's the expectation now? And I think we've seen significantly a change in the expectation in recent times, and the expectation of the B2C customer is to capture the micro moments and the micro experiences. You're talking about large experiences across devices and platforms and channels. But the micro experiences are important, because if a payment has failed at the last moment, but I have gone back and redone the payment, I may not have got a text message confirming the payment is done. It's a very small micro experience, but the email has come in. But that's where you're building the trust and the trust is breaking in one of the channels, can you fix those? Returns for example. The next point we should discuss is the ability to deliver beyond a transaction. And Katie mentioned it beautifully saying how do you create and take this opportunity beyond loyalty? India where we sit, and most of the subcontinent that we service from here, it's a value-based customer, whether it's B2C or B2B. And they would like to see value beyond the obvious, which is price or beyond the tangible value, and each organization has to find that lever. And we should dive deep to understand what's the purpose of existence, and people ask this question. It's a very deep question. It requires further deliberation, the tone at the top, the reason why you exist. Those actually are reasons why you drive that conversation in the market. And last but not the least, is serviceability. I think every time the first sale is good, multiple sales are good, but are you able to service? And here I think the B2C channels have moved. The dot com businesses, the platform businesses have shown multiple but in B2B, serviceability still remains a big challenge. Because you service through a dealer distributor network, you service through a channel partner, you service through a wider organization. And thus, the wider organization remains committed to your overall emotional value of what you're trying to drive in the customer space, it's a very difficult conversation to have. So I think those three dimensions are what the B2B and B2C contrasts are seeing in the marketplace.

Mike (07:36)

Perfect, thanks, appreciate it. Hey, just continuing on with your thought for a minute, you know as organizations move more toward automated interactions, RPA, AI, using analytics to drive interactions to self service channels. And frankly, customers are uptaking those channels faster as we've been talking about how organizations, especially in the B2B space, maintain that connection? As we put more automation in? And customers use those channels more. How do we maintain that emotional connection?

Aditya (08:11)

No, it's a wonderful question, but it's a tough question to answer. The reason is twofold. One is there is no straightforward answer. That's why it's very tough. And second is when you overdo digital transformation, you always have the risk of throwing away too. And I call it beyond one degree of separation from the customer. The balance is a very fine balance that when you automate, how much do you automate, and where do you see your customer going from having digital channels to a physical channel, or from a physical to a digital channel. So let's say if you're selling a product, and you're a product company in a B2B space, there are different channels on which the awareness program can go and the path to purchase can go in. When it comes to the path to fulfil and paths to service, we believe it's a very fine balance of the physical presence in the customer premises, and ability to service the customer by understanding the needs and being empathetic. So we we're helping a big equipment provider in India move from a physical to a completely digital channel. And one of their challenges was, what if the small and the medium enterprise businesses don't connect with them the way larger enterprises do. The reason for that is the small and medium businesses are pretty shy, because they don't understand large brands, although they love to be associated with them. So we kind of move them so they take the insights, deliver these insights on different devices to your front office or their frontline, and then use them to be able to create what we call love points. But that's one way to deal with it. The other way to deal with it is excessive physical movement. This is a laptop equipment provider, a global company in India growing multiple levels in the last three, four years. Now they have an absolute physical supply chain, that goes into the heartlands of India. And one of the challenges is they don't know much about their customer, because it obviously goes through a dealer distributor network. Now the challenge is how do you move them, keeping the same emotional connect into some sort of a digital view. Because they would come in for let's say, warranty claims, they would come in for different marketing campaigns. And they would get what we call gratification. So the fine balance is between gratification and empathy. But Mike, as I said, there is no cookie cutter response for this. Every organization in the B2B space is trying different ways. And the success is absolutely dependent upon what's the way in which your customers are responding to the channel? And does it make economic sense for you to start investing on those channels for the customer to really give you the highest scores on your mpsoc sets?

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Katie (10:54)

Mike, if you don't mind, I'd love to pick up on a few points that Aditya provided around servicing and both of your questions you just asked, I'd love to add a perspective. There is, I feel, often a lot of attention focused on the key points in the sales process. So how do we generate leads? And how do we convert those leads into sales? And there's less, or sometimes there's a missed opportunity of focusing on building that connection in between the transactions to establish that relationship and to optimize help for our customers, optimize their use of the product or service or brand that we are selling to them. We're seeing a lot of opportunity to provide some innovative services that can be designed to create that stronger connection with the brand in between transactions. And so we talked about how do you create that human connection in the in between spaces. What we've seen is a number of clients have extended the use of, let's say, their physical or their virtual space to offer related services. So an athletic leisurewear retailer that sells clothing and equipment, they've launched yoga groups, personal training, sporting events, mindfulness training. Before the pandemic it was done physically in their space, but now through their virtual communities. And this is about becoming not only a destination to purchase a product and equipment, but also a destination to use it. So building that sense of belonging and connection to the brand and the community. And it ties back to how do you build on and what are some of the trends that we're seeing in terms of how connections are built? Well there's a big sway back, at least in Canada and I see the trend is in many places globally, to local and community based and purpose based. So they want to look for brands and organizations that have a shared sense of values. So that doesn't mean you have to be local, but you need to build that connection with your brand and your products and your services to local. So how do you build the community in the sense of belonging? How do you find the influencers within those communities to build those connections? And that helps to establish that relationship and, what we like to say, the connections in the in between.

Mike (13:06)

Perfect. Well, I'm learning a lot this morning, so thanks. Let's shift gears a little bit and talk about maintaining private connections and how organizations are using big data and analytics to really understand the different views of their customer. So Katie, maybe picking up on what you were just talking about? How are organizations using data, advanced analytics, predictive analytics to really develop that multi-dimensional view of the customer, that 360 view of the customer?

Katie (13:32)

I think most organizations and certainly ourselves, when we started off in our career, we did quite a bit of customer segmentation work. And it often focused on what we had at the time, which was demographics. And what we've come to learn is that there's so much more that helps to explain consumers' motivations, behaviors, intentions and expectations. So when we say multi-dimensional view, it's really important for clients and organizations to start finding and stitching together multiple data sources that could be good proxies for things such as motivations. So why are customers behaving the way they do? What is truly driving their decisions and attention? So where do we as consumers direct our attention and focus? Who are those key influencers? Where do they go for their information to support decisions. That ties back to the comment that I made earlier around building communities and a sense of purpose that leads into connections, So how are customers connecting to devices? What channels do they prefer, through social media chat, web, apps, in person? What information do they best connect with and digest to help inform their decisions? And how do they connect with each other? How do we create that sense of community and belonging that encircles our product or brand. And then lastly, it's important of course because at the end of the day businesses are trying to generate profits and make money, it's really important to have those indicators of how customers trade off time, and money. So, what is the trade off between convenience making it as easy as possible to do what I'm attempting to do with you as an organization, versus value that Aditya, you certainly talked about quite a bit, because at the end of the day, value for money, value for what I'm receiving is still something that is incredibly important. But if you can use those various streams of information to understand how to better communicate true value, that will help you explore new leavers around that value proposition.

Mike (15:36)

That's great, very helpful, thanks, Katie. Aditya, can you talk about a couple of examples of where organizations have used that data. And that's building the community Katie was just talking about, to really provide insight on the view of the customer.

Aditya (15:50)

I think all over it's pretty pervasive, given the fact the platform companies have led the way and more so, because of platform companies. I call platform companies any company, which is using a tech platform or a digital platform to be able to provide a multitude of services and not just limiting itself as a sales engine, or a sales equity or an acquisition, or outreach platform, but they're doing all kinds of services. In India we have a telecom company by the name of Jio and they are doing some fabulous stuff with it, understanding customer requirements, both B2B and B2C. And they don't consider themselves telecom, which is excellent, because the way they're looking at it is that they, as telecoms, is just a means to the end. What they're providing is, let's say, voice solutions, data solutions, entertainment solutions, shopping solutions, and I think Katie brought out a very interesting point when she said about loyalty. I think loyalty is now matter of fact, or given when you talk to large brands, you know, they take your phone number, and that's about loyalty. But I think the customer has become far more mature. You see, with the journeys that the customer is taking, they are now expecting you to use that data you have with all these transactions they have done over the period, and surprise me.

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Now, that's where the power of AI the power of algorithms the power of going deep into the data comes in. I'm a long-distance runner so I'm on almost every other running app you can think of. And what has happened, there is a significant change of how brands have started engaging with us. I recently ran the virtual London marathon. With the amount of information, I could share with the organizers, and they were sharing with their set of partners who gave the consent, what they came back with to me was not stock products. I thought I, as a customer, as an avid sportsman, got very specific examples on what is my fueling strategy during running, what kind of charities based on my interest I could be a part of, and what should be my pre-running experience, given the weather conditions of the previous night in Mumbai. But that's super personalization. But at the same time, it adds that emotional edge to it because somebody understood me and didn't send me the weather conditions in London. So I think those are the nuances of how people are now using data to do it. But I think the balance is very important. We talked about that, at what point does the use of data become too much. I think that balance is important because we've seen on the other extreme, and these are not great examples, of companies, say credit card companies, bombarding you with products, which are absolutely not in your segmentation because that's not the product you want to associate with. They have tied up something on their supplier side. Going forward, the better the balance, the stronger the connect would be in my mind with the customer.

Katie (18:53)

I think Aditya you brought up a good point that we can't have a conversation about personalization and leveraging client or customer data without the heightened information, security and privacy. And I know especially, I'm coming from Canada where, when we've done some recent research, Canadians are amongst the least trusting in terms of sharing their personal data, and there's this heightened awareness now of data and privacy. And during this time there's a heightened awareness around my safety and my security. So it's my physical health. It's the safety and security of the product and service and now of my data. And I think that organizations that do it effectively certainly have a robust privacy and security framework that doesn't just cover them for today, but also about the future. So there certainly has been recent [news reports](#) and spotlights on organizations that have started to capture images of customers to support facial recognition to drive wayfinding. And they didn't have the privacy protocols the consent processes in place to collect that information. And that's still considered personal information. I think it's very important Aditya, as you talk about the power of information and the balance, that it's also matched with really good privacy and security protocols and frameworks that address both today's information as well as your future intended information. I'm sure you've seen that too.

Mike (20:23)

Very good, very interesting and great points all the way around. You actually just hit on the third topic we're going to talk about, which is some of those more important considerations as we move transactions to different channels and make it more seamless. I think the issue of privacy, security and building confidence that organizations have the best interests of clients at heart, is one of the key issues there. So thanks for hitting that Katie. As we like to wrap up the session today, I'd love to hear from both of you one of the most important pieces of advice you have as we think about maintaining emotional connections with customers. What are your parting thoughts or advice you would give to our customers?

Katie (21:03)

So Mike you asked about building strong emotional connections. And one of the key pieces to that is a seamless experience. And I know omni channel is talked about to death, and it's a loaded word. But when we talk about omni channel, it's really about creating that seamless interaction where customers can pick up and drop off through one channel and pick up exactly where they want to in another channel. And we've seen some clients that focus and do great work on certain parts of the journey but neglect the other. So a perfect example is a client complaining, or observation that they start their sales journey through a virtual chat bot. But then at the end of that interaction, they're asked to fax in their paperwork. Or similarly you might be able to get a notification through a text message that it's time to book an appointment or a service to get something done, but yet you have to call in to book that appointment. So it's really important when we're thinking about building the trust and building these emotional connections that we're really thinking end to end to create that seamless interaction and just make it easy for them to want to have a relationship with us.

Aditya (22:15)

I think three points Mike. My first is pause. And I would like all brands to take a pause and look at what's changing in the customers' space. And the pause is to go back and reflect the purpose. These softer attributes are very important right now, to understand what's the customer strategy going to be going forward in the short and the medium term, and in the long term? Is there a change that is required? The second is, we've been hearing about this whole fast forward button on digitization. But be careful, don't do it for the sake of doing it, do it with the purpose. Which means digitization should make a significant change in the lives of your customer, rather than looking at your internal processes in terms of efficiency, improvement, or in terms of reach, or in terms of just growth. And the third aspect is how do you create relationships for a lifetime. Now, that's the difficult one.

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But if you have paused and if you have created the right connects, and you're able to capture micro moments, the journey can get started. Because this is the when the customer is really willing to give you that ear if you are able to emotionally connect. But at the end of it, always understand that the customer knows exactly how and where that emotional connect comes. And they will give you signals. But as long as you're listening, you can capture them. If you're not listening and you don't have enough tools and technologies and toys listening to them, those signals will pass off as lies.

Mike (28:01)

Perfect, thanks Aditya, really appreciate it. Folks, that wraps up our cast today. If you have questions as we move forward, as you think about what Aditya and Katie have talked about today, feel free to reach out. Thanks so much for your time.

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