

Introduction

The reputation of a business may be affected by what its customers think and say about its products or services. This is driven by the experience of customers when dealing with the business. High quality customer service will encourage customers to become regular or repeat users or purchasers. On the other hand, a poor customer experience may damage a business through loss of consumer confidence.



TNT was founded in Australia in 1946 by Ken Thomas with a single truck. Today, TNT is a global business and the market leader in business-to-business (B2B) express delivery services, delivering up to 150 million items per year. It has the largest individual share of the national market and employs over 10,000 people across the UK and Ireland. TNT operates in the tertiary (or service) sector of the economy which provides widely varying services to other businesses and to consumers. The tertiary sector is the largest sector of the UK economy, ahead of the primary (extraction) and secondary (manufacturing) sectors.

The Customer Promise

In 2008 TNT recognised that the increasing expectations of customers meant the business had to make major changes to ensure it could meet their needs. In-depth research showed that customer satisfaction depended not just on the process of delivering the service, but also on how the service was carried out. This resulted in TNT adopting a core strategy focused on delivering a quality customer experience. It developed a two-year programme to implement and communicate its Customer Promise to employees and customers.



In order to achieve the levels of process innovation and continuous improvement that the customer focus strategy required, TNT also needed to ensure the capabilities of its people were aligned to this, particularly in delivering a high quality customer experience. A review of new employees to the company showed that only 10% held qualifications above QCF (Qualifications and Credit Framework) level 2, compared to the industry norm of 52% (as identified by Skills for Logistics Research).

This case study examines how TNT's Customer Promise reflects its core strategy of customer focus and aligns with its corporate values to influence the organisation's culture.

Why is customer focus so important?

Customer service is a series of activities designed to deliver customer satisfaction. The process of providing customer satisfaction is based on an understanding of what customers want and need.

Effective businesses aim to anticipate and meet or exceed these needs. It also requires effective communication. A high quality customer experience needs to apply from initial contact through to after-sales care, whether the customer generates a one-off transaction or regular repeat business.



Factors affecting customer satisfaction

There are many different aspects which underpin customer satisfaction in a business. These include:

- ease of use – educating customers so that they know how to get the best from the service or product and designing services that are easy to use and access
- personal relationships – building a rapport with customers to make them feel valued and that their needs are important, so that they develop an attachment to the service
- appropriate payment systems – enabling customers to pay in ways that are convenient to them and at appropriate times, such as on satisfactory completion of service
- an effective complaints process – dealing with any problems or complaints promptly and making sure customers know of the outcome
- after-sales service – checking that customers have had a satisfactory experience and offering other potentially relevant services to extend the customer relationship.

The various elements of providing a satisfactory customer experience should relate to customer needs. Relevant factors for TNT customers involve:

- on-time delivery – TNT aims to deliver all documents, parcels and freight to the customer's required timescale through its door-to-door integrated air and road network
- 24/7 tracking – TNT's sophisticated online technology makes it possible for customers to track where their consignments are at any time of day, giving them reassurance
- personal attention – TNT can accommodate specific customer requirements for safe delivery of unusual or fragile items. For example, on one occasion, the company transported a life-sized fibreglass Friesian cow from Scotland to a farm in Northern Ireland!



The customer experience at TNT

TNT's market is highly competitive. In TNT's market there are at least 13 direct competitors. TNT's Customer Promise is designed to deliver a competitive advantage, something that competitors will find hard to copy. As well as providing a 'superior customer experience', the Promise:

- supports TNT's market-leading position
- helps to retain existing customers and attract new ones
- motivates staff by demonstrating their valuable input
- provides a means of differentiating the business.

In order to achieve differentiation, TNT has embedded the company's values - 'to be a trustworthy, values-based

company with a reputation for integrity, transparency and compliance' - into its Customer Promise. TNT claims: *'Actions speak louder than words and that when we say "Sure we can", we mean it'*. This 'can-do' attitude and positive mindset affect all aspects of TNT's business.



Demonstrating the Promise

The Customer Promise highlights the expertise and positive mindset behind TNT's strapline 'Sure we can'. It shows that TNT listens to customers and can add value. For example, TNT promises a 'friendly voice at the end of the phone'. To ensure this, TNT's own knowledgeable people deal directly with customers. Its promise 'to resolve problems promptly' is demonstrated by how it intercepts and repackages damaged parcels to avoid goods being damaged and customers disappointed.

Employees are instructed to be honest with customers – even if there is a problem. This fulfils its promise 'not to over-promise'. TNT aims for its drivers 'to do you proud' by training them so there is the same focus on quality customer service throughout the whole process. Its promise 'to look after you' is demonstrated in a variety of ways: by offering a range of delivery options such as door-to-door delivery as well as online booking which allows customers themselves to reschedule deliveries where necessary to make things easier. Its promise 'to keep our promise' is upheld by the fact that the standards are set at the top by the managing director and communicated throughout TNT so everyone is working to the same values.

Other examples of practical changes to improve the customer experience include an online ordering service for customer stationery and an online invoicing option for those customers who want it. TNT monitors and reviews regularly all activities relating to the customer experience, both internally and externally, to ensure it remains fresh for both customers and employees.



Communicating the promise

TNT's people meet with or talk to customers on a regular basis. They are the public face of the organisation and represent its brand values; they hear first hand what customers want or like.

TNT recognises that its Customer Promise will therefore only be effectively delivered if its employees understand every aspect of the customer relationship.

Part of setting up the Customer Promise involved communicating the change both within the organisation and externally to customers:

- Employees received a letter from the MD announcing the Customer Promise. TNT also arranged workshops to ensure everyone had the same information. It organised a job shadowing scheme so employees could understand how their roles affected other staff and potentially the customer. Alongside this, various communication tools were used to refresh the messages for all employees. These included a pocket guide, a key ring, posters, an internal magazine and videos on the intranet.
- Customers received new literature. These included the MD's letter, an information pack for new customers and a regular customer magazine, as well as direct mail about the Customer Promise to 300,000 existing, lapsed and prospect customers. TNT also set up a new feedback option on its website for customers to give their views on the service.



Entrepreneurial culture

TNT encourages its people to 'think on their feet'. They are expected to seize opportunities and not just meet customer requirements but also exceed them. This is part of the organisation's entrepreneurial culture. TNT encourages people to make decisions for themselves (based around documented procedures and values), rather than wait to be told what to do. This helps to give faster responses to customers.

TNT also set up an employee suggestion scheme, called l'dea. Employees can make suggestions for improving working practices and TNT can learn from its people as well as helping them to develop. This is part of its two-way commitment model.



Recognising the people behind the promise

Employees are one of the most important resources a service organisation has and TNT's ability to deliver its Customer Promise rests in its people. Effective organisations need engaged people who have the skills to deliver the company's aims and objectives. This needs a two-way commitment. Employees need to be committed to the organisation; the organisation needs to support and reward its employees.

TNT recognises the contribution its people make in different ways. First, it invests in developing people, offering a variety of career options from driving to marketing. It carries out a training needs analysis for new employees. This assesses their existing skills and abilities in order to identify the training and development requirements that employees may have in order to carry out their current roles effectively. This also helps them to progress their career within TNT.



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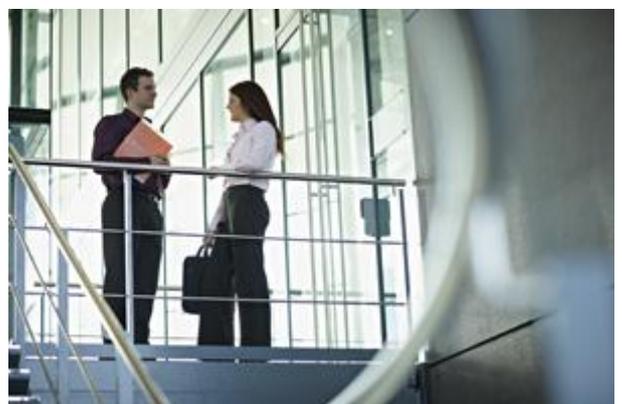
Training and development

TNT provides the training people need to do the job (learning the specific skills and knowledge required to work in the TNT way), as well as opportunities for personal development. TNT was one of the first 16 businesses to achieve Investors in People (IiP) status. This is an independently accredited standard awarded to organisations that demonstrate commitment to people development. Investing in people helps to increase customer satisfaction and leads to more business.

TNT's focus on enhancing people's wider capabilities as preparation for future roles in the company leads to a 'win-win' situation. Employees gain from good jobs with prospects. The organisation gains from employing people who are able to promote its brand values and deliver exceptional service. Developing people helps to ensure the company has the right skills in the workforce to improve performance today and grow the business tomorrow.

Examples of TNT's training and development programmes include:

- a foundation degree with Hull College – this is mapped to national qualifications and focuses on the logistics industry. This is a great example of workplace learning and bridges the gap between academic study and work



- a foundation degree with Coventry University – this is mapped to national qualifications and focuses on management and leadership
- a five-year apprenticeship programme for young people in vehicle maintenance - this ensures that TNT has the skills it needs to keep its fleet up to standard.

Reward and recognition

TNT people are recognised in other ways. Employees are encouraged to move between roles to learn more about the company. This form of job enrichment means employees experience variety at work and improve their skills in different areas.

TNT also offers the opportunity to develop and progress within the company. Around 70% of supervisory roles are filled internally. Graduates who start working for TNT are expected to take on management roles within five years. High performing teams and depots receive recognition and rewards through TNT's awards schemes. TNT's 'Delivering More' scheme rewards and recognises those employees who have gone beyond the call of duty. Over 4,000 awards are made each year.

Conclusion

Effective customer service involves meeting or exceeding customer needs. However, customer service is not just about what you do for your customers, it also concerns how the service is carried out.

TNT monitors and measures performance to ensure its activities are delivering the strategy. For example, it conducts telephone interviews each week with a sample of customers to review their perceptions of its services and assess levels of customer loyalty.



Delivering results

Since TNT's strategy of focusing on the customer experience was set up in 2009, it has delivered strong results:

- TNT has achieved the highest levels of customer satisfaction in its market measured on 31 aspects linked to the Customer Promise.
- The Customer Promise programme has increased productivity and generated savings overall of almost £660K.
- The company achieved its targets in 2010 and 2011 despite the difficult economic climate.
- 100% of new operations employees will have a relevant qualification, making TNT the industry leader.