

From your Biggest Disruptors to your Closest Ally



Lloyds Pharmacy, the ubiquitous UK high street healthcare brand, has topped the list of the UK's most customer centric businesses, according to a survey of over 4,000 UK consumers in a new report entitled Customer Quotient (CQ).

CQ is the capacity of a company – or brand – to build strong relationships with its customers. You can think of CQ as it relates to EQ, or emotional intelligence. Just as EQ measures a person's ability to understand their own emotions and empathize with others, CQ measures how well companies are able to understand – and empathize – with their customers.

In a slow growth economy, the businesses that succeed are relentlessly focussed on the customer. It follows, therefore, that the way we assess customer-company relationships should be too. Most of today's measures of customer loyalty, satisfaction, and experience are written from the company's perspective. They generally assess what customers will do for companies. *Will you recommend me? Will you purchase from me again? How was your experience with me?*

CQ includes familiar measures of loyalty and experience, but reframes them through the customer's lens. It captures what desirable corporate "relationship behaviour" feels like from a customer's point of view. You can think of CQ as buying criteria, or an emotional blueprint, of what draws customers to certain brands. *Do you really "get" me (more than other companies)? Do you speak my language? Do you share my values?*

To tap into this emotional blueprint, we've identified five key business behaviours for companies to focus on demonstrating. These behaviours were selected based on their ability to significantly predict outcome measures like intent to purchase from a brand in the future and likelihood to recommend the brand to others.

1. The ability to deliver **superior customer experiences**, respecting customers' time, appreciating their loyalty and making customer service everyone's job, regardless of function or level
2. The desire and ability to provide **emotional validation**, creating a sense of belonging and making people feel smart and proud for being customers
3. An appreciation of **relevance**; speaking the customers' language and sharing their values
4. An **open** and genuine interest in dialogue with consumers, as opposed to continual, even incessant, messaging and requests for feedback
5. An **empathic** understanding of consumers' needs and preferences and an ability to exercise better 'customer intuition' than competitors

These behaviours form the basis of how our CQ scores are calculated.

Lessons from the leader

To be a top CQ performer, a company has to be performing well against all 5 key brand behaviours– embedding the importance of actions that bring things like openness, empathy and excellent customer experiences throughout the business. But our leading brands have some particular lessons to share about creating vibrant – and lasting – customer relationships.

Lloyd's Pharmacy – our top-scoring CQ brand – is acclaimed by its customers for providing them with an exceptional experience. They appreciate that Lloyd's Pharmacy truly respects their time, particularly after recent investments in digital services that allow customers to avoid multiple pharmacy and doctor trips for repeat subscriptions. Customers also feel that at Lloyd's Pharmacy, service is everyone's job. That's no accident, because Lloyd's Pharmacy actively empowers its staff to make decisions to best serve customer interests. It's program 'Customer Commitments' goes a step farther to build the kind of staff-customer empathy that helps to drive those positive experiences, by having staff spend a day in the life of a customer to better understand their challenges. It's these kinds of behaviours that have helped Lloyd's Pharmacy build lasting relationships with customers that provide long-term, steady value to both sides:

“ They're always helpful and knowledgeable. They have a desire to provide good customer service and meet customer expectations. I've used their services for 20 years and they are so helpful to me. ”

Nina Kanin
C Space Health

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