



1. What are touchpoints.

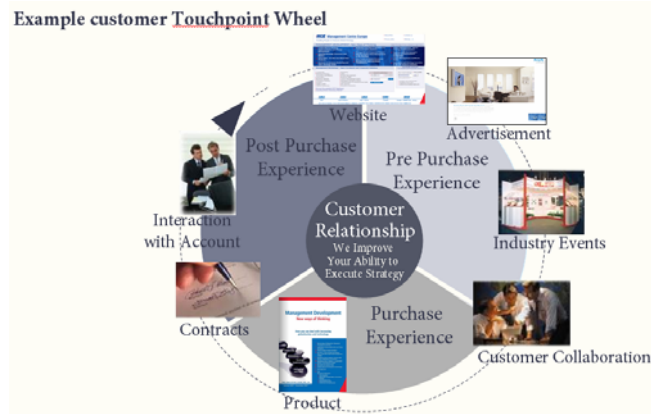
Touchpoints are all the interactions of a company or organization with its (potential) stakeholders such as customers, investors, press, the public, government etc. Touchpoints are “the moments of truth” where the stakeholder meets the company or organization and has an experience of how that company or organization “makes an impression” on him or her, and ensures that is the impression they want to make, and make it consistent!

Example touchpoints are advertisement, the company in the news, websites, a call of a salesperson, an account meeting, in the shop, the product/packaging, use of the product, customer care centers, phone, articles etc.

The company might be product or service oriented, or a government organization etc.

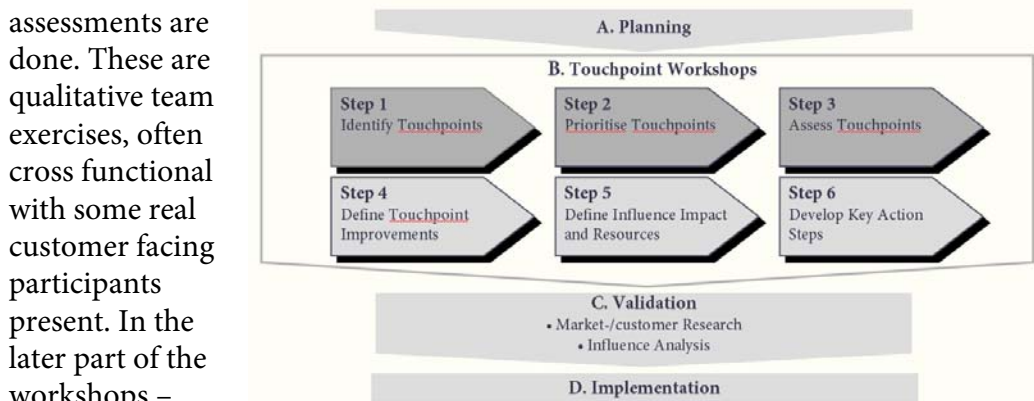
Touchpoints are mapped along the “customer journey”: pre-purchase, purchase, and post-purchase (the “Touchpoint Wheel”).

They are then prioritized, assessed and an ideal state is envisioned. Based on a gap analysis an improvement plan is developed and executed (see example of an international consultancy/ training firm.)



2. Touchpoint Assessment.

A touchpoint assessment aims to improve stakeholder/customer contacts in the pre-sale, sale and post sale experience, and to ensure brand and positioning integrity over all touchpoints. At the heart of the assessment are the workshops where the actual assessments are done. These are qualitative team exercises, often cross functional with some real customer facing participants present. In the later part of the workshops –



when the outcomes are known – the assessment, impact of improvements and actions are quantified. The assessment is built around the brand/positioning of



the company or organization as the reference to measure against. Therefore prior to engaging in a touchpoint initiative, making the brand/positioning (what the company or organization stands for or wants to be in the customer perception) explicit is paramount.

3. How to apply.

The objective of the Touchpoint methodology is to:

- ▶ Deliver on the (brand) positioning – ensure it becomes “live”
- ▶ Build stronger customer relationships by offering compelling and distinct products and services
- ▶ Drive bottom line results

In general, there are three main applications for this robust methodology each with its own objectives and approach.

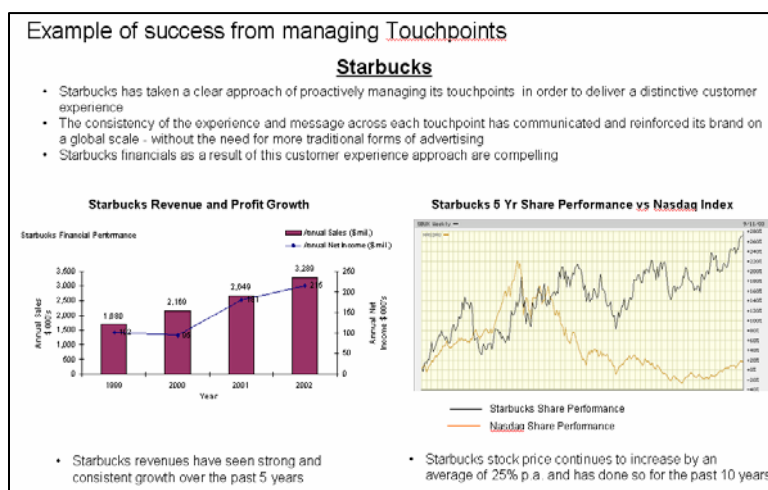
- 1) **Generic or company focus:** The company or organization wants to deploy or reinvigorate their brand/positioning to ensure the whole organization lives the brand promise and behaves consistent with the communication and messaging to their customers and stakeholders. The centerpiece is the customer experience and how employees influence this experience. This requires an education and action effort where touchpoint assessment and improvement programs may play a pivotal role. It takes the whole organization to deliver on the brand promise as advertising and other

messaging only communicates what the company is committed to doing. The typical approach is a series of master-classes sponsored by (executive)

management and supported by communities and sharing best practices. Typically this approach involves a mix of participants from business and corporate/functional areas at a level that allows having an impact on the organization when cascading the training.

- 2) **Specific or project focus:** Now the objective is a specific business or business line that wants to

- ▶ Ensure consistent behavior to deliver on the brand promise



- ▶ Improve customer relationships
- ▶ Generate immediate business impact

Applying the touchpoint methodology now takes the shape of starting an improvement program that is clearly focused on business results. This is kicked off with a touchpoint assessment – the six-step workshop – involving a mix of key people in the business of which a number are customer facing, e.g. account management. Where the master-class approach takes two-day sessions, this approach requires a one-day workshop. However, effort upfront should be spent to ensure executive sponsorship and follow through.

One example is a Semiconductor Digital TV business where Julian Humphreys (CEO of DTV) says: “A one day workshop using the three brand pillars and the touchpoint tool already proved to be extremely useful for Digital TV in order to set the right priorities in our strategy moving forward”. Below an overview of the outcome of his February 2004 workshop already spawning improvements in the customer experience with real business value.

■ A co-ordinated approach on improving DTV's performance at key customer Touchpoints suggests significant business impact

Revenues		Costs		
Revenue Impact Combined Benefits from all 4 High Impact Touchpoint Improvements		High Impact Touchpoint	One Off Costs	Recurring Costs
<ul style="list-style-type: none"> ■ ATI are a key competitor ■ Initiatives should enable share to be taken from ATI ■ ATI current 2006 revenues forecast at \$200m ■ Estimate 30% can be taken e.g. Samsung or Panasonic business = \$60m in 2006 ■ Ability to take large company business from ATI should open up further market share from small customers ■ Impact based on improved market leading position ■ Assume an addition 10% of the market is secured (total market of \$600m) = \$60m ■ Total incremental revenues = \$120m ■ Estimated that Philips DTV operates at approx 25% gross margin ■ This equates to profit benefit of \$30m ■ Total \$30.0m = € 23.6m (p.a. after 2006) 		Design in + support management	<ul style="list-style-type: none"> ■ € 1m one off process change cost ■ New tools involve 3 man years @ € 150k salary = €450k salary cost 	<ul style="list-style-type: none"> ■ 30 people @ € 100k = €3.0m salary cost
		Executive & Key Account management		<ul style="list-style-type: none"> ■ 5 additional interactions per year with top 6 customers ■ 50% of these to be "live" ■ € 200k travel and expense costs
		Early demonstrations to architects/decision makers		<ul style="list-style-type: none"> ■ 20 man years at € 150k each = € 3m salary costs
		SW vendor program	<ul style="list-style-type: none"> ■ One off ISV payments for transfer cost to Philips estimated at € 1 m ■ Training = 1 man year at € 150k 	<ul style="list-style-type: none"> ■ 2 man years to target ISV's at € 250k each = € 0.5m salary costs
		Total	■€ 2.6m	■€ 6.7m p.a.

- 3) **Awareness focus:** The objective here is to address specific audiences in companies that want to move to a more customer centric approach helping them to become aware how they are perceived by their customers. Usually these companies tend to be more product/service driven and need to understand the realities of customer perceptions as compared to what they/their people think that customers think of them. The idea is to prepare the groundwork for initiatives that bring about a better focus on customers and improve customer relationships. In this case only the first three steps of the touchpoint assessment workshops will be applied and will take half a day. Since these companies often do not have a well articulated brand positioning, a crucial effort in the preparation is to craft one for the purpose



of the workshop. This is not meant to be THE brand positioning – that requires a serious initiative and major effort in its own sake –, but needed as a first pass reference for the step 3 assessment of where the company stands in the eyes of the customer.

4) Economics.

Indicative economics of the three applications mentioned in paragraph 3:

- 1) Generic or company focus (master-class):
This involves preparation and communication, prepare a carrier case, the two-day assessment workshop and reporting outcome.
Two facilitators are needed.
Total costs excluding expenses are X per master-class. This incidentally is a fraction of what usually is spent on campaigns to ensure people can deliver on the positioning or brand promise.
- 2) Specific or project focus:
Same as above, but a one-day workshop needed.
Total costs excluding expenses are Y.
- 3) Awareness focus.
This involves preparation, crafting a (brand) positioning for the purpose of the workshop, a half-day workshop, discuss outcome.
One facilitator needed.
Total costs excluding expenses are Z.