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**SERVICE 2020: MEGATRENDS FOR THE DECADE AHEAD**

A BDO report, written by the Economist Intelligence Unit

SUMMER 2011

Written by

**Economist Intelligence Unit**

The Economist



CUSTOMER SERVICE MEGATREND 02

# COMPANIES MUST MAINTAIN SERVICE STANDARDS IN THE FACE OF

*"the need for speed"*

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**TODAY'S INSTANT-GRATIFICATION ONLINE SOCIETY HAS SHARPLY CHANGED PERCEPTIONS OF CUSTOMER SERVICE.**

While a majority of firms (61%) think expectations from their clients have risen, and a similar proportion (63%) agree that customers expect more personalisation, the stand-out metric is speed: 82% of firms believe that clients expect a faster service than five years ago.

For an online-only retailer like Net-a-Porter, this is a crucial part of its offering: order a dress online by 1pm in London or Manhattan, and have it delivered to your door before the end of the day. "We think that speed is very important, and our customers think it's important too," says Mark Sebba, the firm's CEO. Similarly, for customers who do not like the item, Net-a-Porter will collect it again free of charge. "Our customers are busy people and time is the new luxury," acknowledges Mr Sebba. "Something that helps them avoid having to wait in a post office is important." The firm is planning to open a third distribution centre in Hong Kong so that it can deliver more rapidly on new demand from Asian clients. "With that, we'll be no more than 24 hours from any metropolitan centre in the world," confirms Mr Sebba.

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In short, speed has become a competitive differentiator. Firms that will be able to help their customers save time will leverage this to stand out from their rivals.

Another example is Accor, the global hotel chain that includes a large range of brands, from Sofitel to All Seasons to Formule 1. It hopes this decade to link its loyalty scheme to its door keys, so that customers can check in online, as they do with their flights, and simply use their loyalty card to access their room, bypassing any wasted time at check-in altogether. "In our economy hotels, we will move more to self check-in and web check-in, so that you can move into your room quickly," confirms Jean-Luc Chrétien, Accor's executive vice president for sales, distribution and loyalty.

The same will apply at more upscale hotels, so that guests can check in online or via their mobile devices and go direct to their rooms, but will also include a greater range of options.

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CEO, Net-a-Porter

Our customers are busy people, and **time** is the new luxury

**MARK SEBBA**

The need for speed is seen most obviously in the retail and service industries, but consumers used to getting what they want quickly in their personal lives are also coming to expect the same in their working lives. This has implications for B2B service providers and is reflected in the survey results - while 83% of B2C respondents agree their customers now expect a faster service than they did five years ago, the B2B respondents were not far behind, with 77% agreeing.

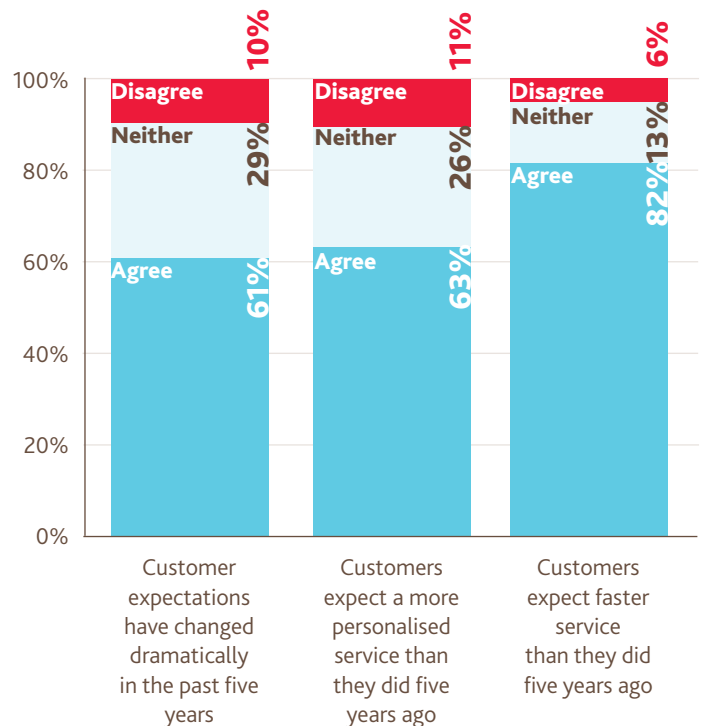
The key challenge for B2B is the inherent tension between providing a faster service and maintaining quality levels. Companies will have to figure out where in their business processes they are able to speed up service delivery and where they will need to push back on the "need for speed" and manage client expectations.

Of course, there are limits. Speed may not mean everything to everyone. Retired consumers among Europe's rapidly ageing population, for example, may not be as concerned about speed as their children, who may be in full-time employment, with children of their own and, in general, have many obligations on their time.

Similarly, in some contexts, speed may not be an important factor, and could even be a deterrent. The self-titled 'Slow Food' movement, for example, literally seeks to offer products that are opposite to fast-food alternatives. But for the most part, firms will face pressure to pick up pace.

CHART 2\*:

Q: "Do you agree or disagree with the following statements?"



\* source: Economist Intelligence Unit

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