

Module 1. The Origins of Fan Engagement

Unit 1.1

1.1.1 What is a Customer? A History of Customer Engagement

To understand the benefits that fan engagement offers to football and its clubs, we must first understand the concept of engagement and how it has evolved in other people-facing businesses.

First, we are going to talk about the period from the 50s to the present and the way the idea of *getting close to customers* began to grow. We are going to trace the history of customer engagement from a period where businesses were trying to condition us to buy the product to the point that we have reached now. Nowadays, there is such a proliferation of services and products, that the only way that an organization can be commercially successful is by creating a distinct position in the market (brand and values), and, within that context, creating experiences that start to build an emotional bond with every individual customer.

In the 50s and the 60s, the focus was on marketing and sales (and NOT on 'after-sales'.) It was simply a case of 'making the sale' and then moving on to the next customer. In this 'sales' culture, the principal aim was to condition the customer to buy something. Advertising emerged as the main method of achieving this. Posters and TV commercials from that age became iconic.

In effect, the approach to selling a product was to simply say, 'Hey, listen! This product is wonderful. It will change your life! Here's where you can buy it.'

The emerging of the concept of 'after-sales' has been attributed to the U.S. President Kennedy, who, upon recognizing the risk, requested U.S. business to consider the customer more. He allegedly felt that poor 'customer service' would not only have an economic impact but would also damage perceptions of the Nation. We cannot ignore the fact that Kennedy became President during the Cold War, when the 'image of the Nation' was of key consideration, and when a focus on the future was the goal, supported by the economic growth the United States experienced after the end of the Second World War



(Aparicio Cabrera, 2014)¹. From this point, the concept of 'customer service' began to take form.

More than half a century later, the evolution of sales, marketing, and service is clear to see. We have moved from a time when customers were given the 'sales treatment' (with the implied belief that they did not know better) to a time when organizations realize that they need to build relationships with customers and make individual emotional connections with them in order to be successful. They want the customers' commitment and we want to trust them.

We are now in the age of **customer engagement**.

Customer engagement is a business communication connection between an external stakeholder (consumer) and an organization (company or brand) through different channels of correspondence. This connection can be a reaction, interaction, effect, or overall customer experience, taking place online and offline.

It is our belief, underpinned by years of research, that customer engagement has value in sports and, especially, in football (or 'soccer', as it is known in the United States). This course will show how this value is cultivated in football to strengthen relationships with fans, grow advocacy and, ultimately, increase attendance, which is of utmost importance to clubs 'outside the elite'². We are, of course, talking about **fan engagement**.

If we want to further explore the commonalities between concepts of customer service and fan engagement, let us begin by asking the following question:

What is a **customer**?

There are many academic definitions of a customer, but BusinessDictionary.com summarizes them well with the following definition: "A party that receives or consumes products (goods or services) and has the ability to choose between different products and suppliers" (Customer, n. d.).

One's immediate reaction is to say that a football fan is faithful to only one 'supplier', and that is true. But let us explore more.

Back in the 50s and 60s (as explained above) the customer was someone to be sold to, but over the decades, the balance has shifted.

¹ You will find the whole article on <http://www.economia.unam.mx/assets/pdfs/econinfo/385/04aparicio.pdf>

² Those clubs and leagues whose main sources of revenue are TV, sponsorship, and commercials.



Now, in the competitive business world we live in, the customer has power:

Customers know what they want and that extends beyond the product/service, vital though that is. Success requires a laser-like focus on the total customer experience: purposefully designed interactions and transactions at all stages of the customer journey. Underpinning this is a rich 'voice of the customer' program that gives a constant pulse of how well the company is doing in the things that matter most to the customer. Executing better than the competition in these areas will lead to success (Jackson, 2012, para. 7)³

Businesses are evolving ways of ensuring that in markets where the customer wields power; their custom is obtained by employing approaches from the customer engagement 'toolkit'. So, let us explore two examples that demonstrate how businesses create value for customers and ensure their loyalty:

"The first is a personal example. Over the past few years, I have almost exclusively used Prêt⁴ as my place for coffee and healthy snacks. If there's time, I like to chat with the servers and, on several occasions, when I've paid, they've told me 'No, sir. Your coffee is on us today. Hope you enjoy it!'. My reaction is to love them very much! But this is not an ad-hoc incident. Prêt actively encourages its teams to practice 'random acts of kindness'.

My favorite example was in King's Cross Train Station in London when my server was Spanish. As I speak a little Spanish, I attempted a joke by ordering a favorite English cake called 'Victoria Sponge' and describing it in Spanish as '*una esponja victoriana*' (literally, 'a sea sponge from the 1800s'). My server, David, laughed and said, 'that's funny. You can have it all on me!'⁵

To this day, I find that Prêt, of all food retailers, understands Customer Engagement more than any other in that market. You could describe this as 'going the extra mile' but in business circles, it is known as 'added value'. Its purpose is clear: to make you return"

Perhaps the least known element of customer engagement is **service recovery**. **Service recovery** is a company's resolution of a dissatisfied customer's problem, converting such customer into a loyal customer. It is the action a service provider takes in response to service failure. By also including customer satisfaction into the definition, service recovery is a thought-out, planned process of returning aggrieved/dissatisfied customers to a state of satisfaction with a company/service. What we mean by this, of course, is **complaint management**, that is, how to handle the customer when things go wrong.

³ You will find the complete article on <http://www.clicktools.com/the-rise-of-customer-power/>

⁴ You will find more information about Prêt on <http://www.pret.co.uk/en-gb>

⁵ You can find many more examples of good and bad service on Mark Bradley's books *Inconvenience Stores* (2005) and *Retails of the Unexpected* (2008).



We will look at this concept more deeply in 1.1.2 (below), but let us take the example of Amazon.com. They, unlike Prêt, never see their customers (only their delivery people do.) Therefore, the way they build engagement and loyalty is by making the process of returning a faulty or unwanted item as easily as possible, in ways that transform the customer's experience of raising a query or complaint.

"I ordered a piece of audio equipment: a pretty big purchase for me. There was a fault, which we could not fix. I then engaged in the replacement process at Amazon. They immediately sent a replacement, with the only requirement being that I would have to return the faulty equipment in its original packaging (easy), without cost (bonus) and within 30 days (no hassle). It is no surprise that Amazon has grown so exponentially in recent years".

Exercise:

Which retail, leisure, or entertainment companies do you prefer? Why?

When you use them, can you see evidence of them deploying customer engagement?

1.1.2 The Pre-Eminence of the Customer in Today's Business

As we have explained above, the way that businesses manage complaints has changed a lot in the last 20 to 30 years. If you had a complaint in the 60s or the 70s, you wrote a letter. You waited three or four weeks for a response, and, to be truthful, most businesses regarded complaints as if they were an occupational hazard.

The evolution of customer engagement means that while customers were conditioned in the 60s and 70s to buy and not to expect any form of after-sales, they can now expect their suppliers to try to create deep emotional relationships. Handling complaints well is an example of this continuing evolution.

Bob Johnston published a research work in 2001, entitled "Service Excellence = Reputation = Profit". This research used focus groups and interviews with customers and customer service managers to evaluate the service excellence of different organizations and the financial benefits that good service implies. According to an article published by the Wawrick University Business School on its website (2004), Johnston's work provides new insights into the way organizations offer customer service excellence, which include the development of a particular service personality or style, the need for 'adult' relationships between staff and the manager, complete training and the way organizations can reach both service consistency and a flexible approach. Johnston showed how responding positively to complaints was a method whereby businesses could improve their reputation. A good reputation impacts on the way customers perceive



suppliers, so it is not bad for businesses. It is been suggested that some businesses that provide very good service would prefer things to go wrong now and again just so that they can show customers how much they care for them.

So, let us begin to explore fan engagement as football's equivalent of customer engagement; examine the similarities, question the differences, and attempt to describe its value to the modern football club looking to increase attendance.

In our view at The Fan Experience Company⁶, football is at the start of its customer engagement journey. This can be explained by the fact that football believes (with some justification) that fans are not going to abandon the team they love⁷, nor are they going to go to another service provider (i.e., another team.) But that does not mean we expect to get a bad experience, because everything else that is going on in our lives is very, very positive. The next example illustrates this very well.

Let us take Starbucks⁸, possibly the world's favorite coffee house. To what do we owe their success? To answer this, one must consider *what* it is that they are *selling*. Is it the coffee? Is that what makes them special?

What Starbucks is selling us is the *whole experience*. They are selling us something that we want to be part of. Whether it is their commitment to fair trade, the music that they play or the environment they create in their outlets, it is all consistent wherever you go in the world. Whichever branch of Starbucks you enter, there is something consistent that you are always going to experience; therefore, coffee is just a commodity. That is not the reason why we go to Starbucks. We go to Starbucks for many other reasons, and the strength of the brand and the experience are two big ones.

Compare that with football. Rather, *contrast* that with football. You do not have an emotional or meaningful relationship with coffee, but you do have an emotional connection with football. Football has the one thing Starbucks does not have: **real emotional meaning**.

But what does football do with that? Does it try to build a relationship around that? Does it try to engage people? Does it try to provide great experiences outside the match? Is it consistent in the way it positively engages with its fans? Or does it just rely on the team winning to make its fans feel valued?

⁶ <https://fanexperienceco.com> (re-launching Summer 2020)

⁷ See *Sunderland 'Til I Die* on Netflix, a heart-breaking insight into what a football club means to its city.

⁸ The business was founded in 1971 by Jerry Baldwin, Zev Siegl, and Gordon Bowker in the Pike Place Market, Seattle. More information available in Starbucks.com

So, whichever fan is coming, whether it is a new fan, an older fan, an ultra, a visiting fan, a disabled fan, a mother and daughter or a kid coming to her first match, are they getting that positive experience? The irony is they are not. On the one hand, there is Starbucks with a simple commodity that they present inside a wider experience and that makes them successful. On the other hand, there is football, with which you have the one thing Starbucks does not have: the emotional connection. However, ultimately (and until very recent times), the vast majority of football clubs (especially outside the elite where revenues are required) is to sell you a ticket. If the team is not doing well, perhaps there will be a discount. But that is it. No demonstration of their interest in you as a follower.

Football⁹ has not kept up to date with supporters and fans' needs. The concept of fan engagement offers the game major opportunities to catch up with the rest of the customer-facing business and to start valuing its followers.

Exercise:

Talk to your football supporting friends. How many attend matches? Of course they want their team to win, but after that, which parts of the fan experience would they like to see improved?

1.1.3 Customer Engagement as Competitive Advantage

It is worth referencing the writer and speaker Simon Sinek here. His take on the 'emotional advantage' that businesses practicing customer engagement achieve is that they understand their fundamental purpose.

In his book *Start With Why: How Great Leaders inspire Everyone to Take Action* (2009), Simon Sinek¹⁰ examines and explores the deeper meaning behind each company's purpose. To paraphrase: all companies know *what* they do and *how* they do it, but they rarely pause to ask *why*.

Add video: https://www.youtube.com/watch?v=u4ZoJKF_VuA

This is a question that football clubs need to ask themselves. A survey undertaken by The Fan Experience Company at Sunderland AFC in 2011 produced findings that underline what can be uncovered if clubs stopped being—let us come out and say it—so complacent. For example, when asked what came to mind when fans thought about their beloved club, the most common answer was 'family'. There are many interesting areas to follow up when you receive a response like this. One of the things Sunderland AFC chose to do

⁹ When we say "football", we are referring to the vast majority of clubs around the world (including elite ones.) However, many leagues and clubs are practicing good fan engagement and they will be featured throughout this course.

¹⁰ Simon Sinek is an English-born American writer and business guru. You will find more about Simon in <https://simonsinek.com/>



was to create an outstanding 'family area' in their stadium concourse, so that parents worried that their kids would be bored would have a solution.

In the business world, there continue to be good examples not only of how businesses create strong customer engagement through their service to customers but also of how they enshrine it in their brands.

There is a very good example in the UK: Marks and Spencer's. It is a long-established department store where, if you have a problem with an item you have purchased, you bring it back and they will always change it for you. No questions asked. This is how they differentiate themselves in a crowded retail marketplace.

"Of course, I've already mentioned Prêt's ability to surprise and delight with their 'random acts of kindness'. I hear and experience countless examples of great acts of customer engagement these days. It is becoming the best way these businesses can differentiate. The price can't do that as effectively".

Nordstrom¹¹ is a luxury department store, with a unique internal proposition. They tell their employees that they can do anything they like (within reason) to make a customer feel special. There was the case of a woman who was looking for a specific dress there, but she could not find it in the right size. The assistant asked her how much time she had. When it was confirmed that she had plenty of it, the assistant offered her a coffee and asked her to take a seat. The assistant then left, visited the other luxury store in town, found the dress, paid for it with her credit card, went back, and presented it to the customer.

Disney is practiced at making its customers feel special, and this goes much further than offering fantastic rides and other experiences. They also know what matters to visitors in profound depth, so they pro-actively enact processes to further strengthen the customer's engagement with the Disney brand.

For example, Disney knows that parents can get very tired if their children want to be in the park all day and do not want to go back to their rooms. So, how can they help these parents, while making sure the kids do not miss out on the 'magic'? Well, while the family is out in the park, Disney room attendants will put a teddy bear on the bed. When the kids eventually come back to the room (accompanied by their exhausted parents), the first thing they will see is the teddy bear. OK, nice touch. But it goes much further. The next day the family will return and the kids will find a note on the bed telling them that the teddy bear has gone on an adventure and they have to find him somewhere in the room! This

¹¹You will find more information on nordstrom.com



quickly encourages kids to want to come back to their rooms before the parents are too tired.

These little things help businesses from all customer-facing sectors develop a **competitive advantage**, for what they do is increase the customer's advocacy for the service provider.

Of course, it is important to recognize here that Disney's fundamental purpose is to delight visitors. Football's purpose is to win and, for the purists, to entertain. It is simply a fact that 'delighting fans' is not part of football's DNA. If we are to advance fan engagement in football, we must recognize that this is a fundamental barrier to success. In other units of this course we will explore the cultural aspects of fan engagement. Elsewhere in this course it will also be explained in detail how an increase in customer advocacy impacts on customer retention and how that drives up revenue¹².

One should remember that service recovery (see above) is just capable, if not more, of generating advocacy in a customer, especially as when things go wrong most customers fear that things will only get worse. This Unit shows how organizations can use customer engagement as a tool for competitive advantage: the more they do these things, the more money they make; the more customers stay loyal, the less money they need to spend attracting new customers.

Exercise:

How easily does your club make it for you to raise an issue, question or problem with them?

How well, in your experience, does your club resolve these issues?

Is there any opportunity for them to improve? If so, what could they do?

1.1.4 Customer Experience as a USP

In this unit we will discuss how a great, consistent customer service can become your organization's USP (Unique Selling Point) or 'point of difference'¹³. This means that factors of products or services are which establish differentiation. If you have success, differentiation would increase customer benefit and brand loyalty.

The brand is important, naturally. Having a clear brand vision and set of brand values is important, but if these values are not visible in day-to-day interactions, then the work is

¹² This is based on the **Net Promoter** model (www.netpromoter.com): this model shows the link between improved customer engagement and 'the bottom line'. There will be further references to this in different parts of the course.

¹³ For more references, you can see *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*, by Kevin Lane Keller.

wasted. That is why brands have 'points of difference', the distinct differences at the point of the 'sale' of the 'product'.

The brand message of the U.K. retail store chain John Lewis is, as its slogan says, 'never unknowingly undersold', but they are known by the majority of customers for their unique Christmas TV commercials. Every year people get excited wondering when the commercial will be released. It is a unique way of keeping people talking about John Lewis.

Add video: https://www.youtube.com/watch?v=r9D-uvKih_k

"Another example of an organization with unique points of difference would be my favorite one: Prêt, the UK-based, coffee shop (see above).

Prêt is known for its 'freshly made food' but what sets it apart from its competitors is that if any of the food and drink it makes in its outlets remains at the end of the day, it is donated to local homelessness agencies, ensuring homeless people can get a good meal. They have a strong social conscience and are known for that in the UK"

Exercise:

Wherever you are in the world, how many local or national organizations can you name that have distinct and/or unique 'points of difference'?

The key challenge for those who want to create these 'points of difference' is to make them part of the organization's culture, that is to say, 'the way we do things'. BusinessDictionary defines the organizational culture in the following way:

The values and behaviors that contribute to the unique social and psychological environment of an organization. Organizational culture includes an organization's expectations, experiences, philosophy, and values that hold it together, and is expressed in its self-image, inner workings, interactions with the outside world, and future expectations. It is based on shared attitudes, beliefs, customs, and written and unwritten rules that have been developed over time and are considered valid. Also called corporate culture, it is shown in: (1) the ways the organization conducts its business, treats its employees, customers, and the wider community, (2) the extent to which freedom is allowed in decision making, developing new ideas, and personal expression, (3) how power and information flow through its hierarchy, and (4) how committed employees are towards collective objectives. It affects the organization's productivity and performance and provides



guidelines on customer care and service, product quality and safety, attendance and punctuality, and concern for the environment. ("Organizational culture", n. d., para. 1-5)

One thing is to decide to introduce 'points of difference', but another thing is to implement them universally. If you are a large organization with a wide network of outlets, how can you ensure that all of your employees 'deliver'? By simply telling them so will not work (we are humans, after all.) Incentivizing these 'points of difference' is also something that could be considered, but it will soon become clear (to the customer) that this is not sincere or genuine.

What is needed is a culture of engagement: leaders 'walk the talk' (they practice what they preach), and the whole organization is set up to ensure the customer consistently gets a great experience. This means that the brand values are not just 'posters on a wall', but they are activated daily. It means the organization must continually consult its customer base to ensure it has an 'up-to-date' picture of the customer's needs. Complaints must consistently be analyzed to ensure the quality of delivery service continually improves.

When all of these things converge, then you create the conditions for strong customer engagement. So, we can already see that if football seeks to strengthen its engagement with fans (instead of just relying on team performance), it is not just a question of pressing a button.



Unit 1.2

1.2.1 Customer Engagement as a Strategic Concept

Think of the Formula 1 car. Gaining something on your rivals in this sport is not a question of making a big jump forward but finding something infinitesimally small and fixing it. It could be the weight of a tiny screw or the angle of a tiny part of the body. The accumulation of these tiny changes means you get the edge on the competition.

This is the mentality the organizations must have if they want to create levels of customer engagement that give them an edge on their competition. In this unit, we are going to describe a model of organizational design where the fundamental aim is to grow by differentiating, to grow by being the best at serving the customer, where all of the elements combine to ensure you get the edge. This is 'pure' strategic customer engagement (Here's a related article in *Harvard Business Review*: <https://hbr.org/2011/02/the-importance-of-organization>).

Following the description, we are going to work with some examples of what this might look like in different organizations, all the while posing the question 'what does this mean for football'?

First of all, let us examine the dynamic organizations/Service Excellence model, developed in Europe in the 90s. Moving forward is a useful tool in actually understanding how you can apply the customer engagement concept in football. This model for organization design and focus ensures that no internal contradictions are damaging the unity of direction and that there are no mixed leadership messages.

Service Excellence Self-Assessment – Analyze your Organization Using Statements Below

The more consistently the actions (described by the statements below) are performed in your organization, the more 'customer-focused' your culture is likely to be. Think about an organization you have worked in. We will learn how this could work in football elsewhere in this course.

Vision, Values and Leadership

- We have a clear view of our identity/brand/DNA based on intensive research and customer input.
- Our values are widely understood and practiced.

- Our leadership and management behaviors and processes bring our values to life and produce a customer-led culture.
- Our leaders actively champion customers and ensure that the 'voice of the customer' is heard at every level of the organization.
- We invest in developing leadership across the organization, with strong evidence of succession planning, based around established values.

So How Did You Do It?

Leadership is not about telling people what to do. Leadership is about modeling the right behaviors, setting direction and reminding everyone 'why' we are doing this¹⁴. For example, a good leader will spend a lot of time on the shop floor, observing interactions so that when he or she makes decisions that are going to affect customer-facing colleagues, they be informed.

Here's an example¹⁵: Jim Sinegal, former CEO of Costco¹⁶.

Joseph Lalonde (2014) mentions Sinegal and states the following about him:

He's been declared a man of the people. When he was CEO of Costco, you could call his number, and he would answer personally.

He also wanted to be addressed simply. His name tag said he could be called Jim. How cool is that?

Another thing Jim did was to regularly visit the Costco stores. He'd make visits just to tour the store and get to know the atmosphere.

Lastly, he took on a salary of \$350,000. Why? Because he decided he shouldn't make more (money) than 12 employees. (para. 4-7)

Customer Intelligence

- We encourage and act on feedback from customers.
- We have created the processes, systems and behaviors to allow a continuous dialogue with customers.
- We understand the drivers of customer engagement and the relationship between our performance, levels of customer engagement, advocacy and behavior.
- We understand the different customer groups we serve and can reflect this on the way we interact with them.
- We monitor and track customer value, loyalty and retention, and can link engagement levels to likely future behaviors.

¹⁴ See earlier references to Simon Sinek in Unit 1.

¹⁵ You will find the complete article on <https://www.jmlalonde.com/7-examples-great-leadership/>

¹⁶ You can find more about Costco on <https://customerservice.costco.com/>



Here's a great example of how this can work:

The English Rugby Union team, Harlequins¹⁷, had, for a while, a section on their website that proclaimed, 'You said, we did.' Under this heading were examples of fan questions and issues and what the club was doing about them. As progress was made on each issue, so it was reported under the heading. This transparent example of engaging with customer issues helped them to find areas to improve, while, at the same time, making fans proud of their club.

Delivering the Customer Experience

- Our customers find us easy to do business with (proven through the use of customer effort research and scores.)
- We improve performance through continuous improvement.
- We work in partnership with customers to identify gaps in service delivery and to address them. In particular, we encourage complaints and use them to identify the root cause and to aid improvement.
- We can deal with customers over multiple channels in a way that meets their needs and reflects our identity, brand, and values.
- We use new technologies to enhance the customer's experience.
- We excel at service recovery, believing every piece of negative feedback to be a chance to improve

A good example of one small part of this 'dimension' would be the occasion where, in a hurry, you tweet an organization for information. Those that immediately –or within a reasonable period– respond score pretty highly here. Those are the things we expect from the very best service providers.

Question

It is worth asking at this juncture the following: How quickly does my football club respond to me when I have an urgent or specific request?

Employee Engagement

Most of the research into service excellence places employee engagement at the start of the success story. Sears, the U.S. retail business, undertook research¹⁸ and introduced the Employee-Customer-Profit chain which, in short, shows that the more engaged, committed, and positive the employee is, the better the return will be.

¹⁷ You will find the "You say, we did" section on <https://www.quins.co.uk/news/#you-said-we-did>

¹⁸ To read about such research, titled "The Employee-Customer-Profit Chain at Sears" (1998), go to <https://hbr.org/1998/01/the-employee-customer-profit-chain-at-sears>



This may seem obvious, but Sears, as a retailer, was keen to go beyond treating employees well just because it is the right thing to do. The company wanted to prove that it was also good business.

What its members were able to show was that for each point (1.0) increase in employee engagement (identified through internal research and surveying), there is a direct correlation to improved experiences, improved customer engagement and increased retention, advocacy and growth.

So, following the self-assessment theme, here are the statements that would define an organization with strong levels of employee engagement:

- Our people are recruited based on attitude and brand/DNA fit.
- Our people have the right skills and knowledge to exceed customer expectations.
- We recognize, reward and champion those people who epitomize our brand and create and deliver value for customers.
- We give people the freedom and authority to exceed customer expectations.
- We monitor people engagement, act on the findings and create a customer-focused culture.
- Our people work better because they feel good about themselves.

A good example of effective employee engagement would be when an organization encourages its customer-facing employees to participate in the development of customer service initiatives. Firstly, this ensures that the 'reality' of the day-to-day customer interactions is not missed, and, secondly, it shows employees in those positions that they are valued. Many organizations across the globe practice this because they know it makes for good business.

One of the great advantages that organizations with strong employee engagement have is customer-facing teams who are encouraged to make their own decisions in the best interests of the customer. Has anyone attended a football game, bought a drink for their 4-year-old son or daughter and found that for 'safety reasons' the top must be removed? Once in your seat it is inevitable that there will be spills. The football club refreshments employee who sees that there is a youngster will make the effort to leave the top on that particular bottle or drink.

To summarize this dimension in the simplest terms possible (and this is a really important point), people work better when they feel good about themselves. So, maybe the best measure of an engaged employee is that they look forward to coming to work in the morning.



Organization Agility

The fifth dimension on the Service Excellence model we are exploring supports an organization's ability to adapt to change. This continues to test the most agile of organizations, but those whose approach is characterized by the following statements will have an advantage:

- Constructive criticism is part of 'the way we do things.'
- We provide support to our people to be able to deal with change.
- We are excellent at capturing and sharing knowledge and expertise.
- We share information internally about the changing 'sporting' or 'market' environment.
- Our people are at their best when responding to change.

One of the good practices in business (and also sports) is the case when a company or sports organization CEO takes the time to experience his or her customer or game day experience by taking 'a walk in the customer's shoes.'

I hope the above self-assessment questions have not only helped you understand what service excellence and customer engagement are but how seriously they are viewed by growing businesses.

1.2.2 Customer Engagement as a Cultural Concept

In modern times, successful customer engagement is less about the product and price and more about the environment and the experience. This requires a shift from a focus on process, product and price to making more of an emotional connection with the customer, and this only happens when it is part of the way we do things in business. It has to be embedded in the business's culture.

For organizations like Disney, it is clear to any visitor that delighting customers is their fundamental purpose. It is followed so avidly that it has become part of the company's DNA. Disney's mission for their theme parks is the following: "We create happiness by providing the best in entertainment for people of all ages everywhere" (Farfan, B, 2018, para. 3)¹⁹.

It is not to sell, to move products or to maximize retention. These are all outputs of a focus on the thing that makes them different: happiness woven into their culture.

¹⁹You will find the complete article on <https://www.thebalancesmb.com/disney-mission-statement-2891828>



Disney does not ask its employees (and 'actors') to make sales, to shift products or to ask customers to renew. Their focus is simply on delivering the promise: creating happiness.

As is shown in other parts of this course, football faces some challenges if it wishes to make fan engagement part of its culture, since its focus is on winning, achieving sporting glory and maximizing the performance of the team on the field. If it is to wholly embrace fan engagement, then it must first recognize that its mission is, in fact, contradictory to what is required to engage fans and communities.

It is almost as if Disney operated a giant sieve. Every business decision, every customer complaint, every investment choice, they are all sieved through Disney's mission. If they do not serve it, then it is likely the business will reject them.

For many other organizations, however, this presents more of a challenge. A business focused on sales, for example, may find the shift to customer-focus difficult. Sales are woven into their DNA.

This is akin to someone undergoing a personality change. Imagine a lively, talkative, enthusiastic friend, suddenly losing all of his or her characteristics and becoming introvert, reticent, and negative. People's personalities do not change easily. It is usually explained by some form of trauma (Khan & Goldman, 2019), which often relate to changes in health²⁰, but there can also be other reasons, ranging from bereavement, separation, addiction to religious conversion and drug or hypnotherapy (Barber, 2012)²¹.

It is not impossible for football clubs to embrace these ideas –and, as the course will show it, many clubs do it very well. Only a tiny minority has succeeded in creating the appropriate culture.

This is because the aggression and assertion associated with the pursuit of sporting glory are inappropriate for fan-facing parts of the club, and yet it often 'infects' them with the result that a lifelong supporter may receive a dismissive response to his or her request. This can easily be seen in the quality of many football stadiums. Even many of the newest ones do not deliver warm water through the taps to their fans.

“A supporter of a leading Championship club in the English Football League (EFL) told me that he found himself shedding a tear recently because, after 30 years of following his beloved club, he finally managed to get warm water out of the washroom taps”

²⁰ You will find the complete article on <https://www.healthline.com/health/behavior-unusual-or-strange#causes>

²¹ You will find the complete article on <https://www.psychologytoday.com/us/blog/the-human-beast/201212/trauma-resets-personality>



So, it is important that leaders in football clubs (Chief Executive Officers, Managing Directors, Chairpersons and owners) recognize this challenge and have the determination to confront it²².

The Service Excellence model shared in 1.2.1 leads with 'Vision, Values and Leadership', and these are the practices that leaders in any organization need to focus on if they are to create a focus on customers and grow through customer engagement.

How does the leader create the culture and sustain the culture? What do his or her behaviors mean? How can they make sure people see customer engagement as an important part of what they do? You have got the people that work with you as well. How do you engage your employees? How do you make them feel motivated to want to go the extra mile for customers in your business? We do not want them to follow the rules. We want them to improvise. We want them to see opportunities to make people feel valued.

To bring this unit to a close, let us examine those key practices and show examples of what they look like in a typical progressive business of modern times.

- We have a clear view of our identity/brand/DNA based on intensive research and customer input.
 - Example: Mission statements and brands are not developed or invented internally, but based on objective evidence.
- Our values are widely understood and practiced.
 - Example: Rather than just 'advertising' the company values, both employees and customers will see leaders 'walking the talk': showing their commitment to them in the way they operate.
- Our leadership and management behaviors and processes bring our values to life and produce a customer-led culture.
 - Example: If a difficult situation arises, it will be addressed in line with the organization's values.
- Our leaders actively champion customers and ensure that the 'voice of the customer' is heard at every level of the organization.
 - Example: The CEO advertises his or her personal e-mail address or telephone number so that customers can make direct contact. In fact, in companies where this was practiced (including the U.K. bank Birmingham Midshires²³, where CEO Michael Jackson did exactly this.)

²²You will find the complete article on <https://fanexperienceco.com/2018/02/our-guide-to-fan-engagement-leadership/>

²³This British 'Building Society' merged with the Halifax bank in the 1990s.



- We invest in developing leadership across the organization, with strong evidence of succession planning, based around established values.
 - Example: Prospective promotions and general recruitment are focused on the 'values fit' of the candidate. They may have the required skills, but if their personality does not fit the company's clearly stated values, then they will not be recruited.

While this part of the course is focused on the origins of engagement and its application in business, we are setting the scene for its application in football.

If we regard fan engagement as everything a club does to respect, protect and nurture the fan's emotional investment in the club²⁴, then getting the right culture in the club is going to be very important. It is important that, in every 'transaction' the fan makes, he or she feels that the club 'gets it'.

If we draw on everything covered in this module, we can begin to see what is required from a club that wishes to enjoy the support of its fans, through thick and thin.

Exercise:

How does a CEO or Managing Director create and/or sustain a customer-focused culture? How can he/she make sure people see customer/fan engagement as an important part of what they do?

In this module we have traced the evolution of customer engagement from the sales focus of the 1950s and 1960s to the present day, where relationship management is a key objective for any customer-facing organization. The key to creating outstanding levels of customer engagement is embedding all of the related processes, practices and behaviors into the business (or football club), and that is most easily achieved by creating the customer-focused culture which the Service Excellence model sets to support.

As we move in time, organizations of every type are working hard to create the right culture with the right leadership, the right approach to recruitment; the way they support their existing employees and the way they endeavor to ensure the quality of the customer experience is second to none. There are certainly some examples of clubs which have sought to set themselves up in this way, to nurture the emotional investment of their fans and to reflect the club's identity and values on the decisions they make. Nevertheless, they are a tiny minority of all football clubs.

The opportunity is huge.

²⁴ See other units from this course for more detail on current definitions of fan engagement.



If clubs can create a culture of fan engagement, they will benefit in so many different ways. Instead of ignoring or delaying their response to a fan's query, they will act immediately. When things go wrong, they will not only put things right but also 'go the extra mile' for the fan, and also make sure any learning goes towards improving the experience for future fans.

There are many, many hidden benefits of this approach. As the satisfied fan talks to his or her friends, works for colleagues and family about his or her experiences with the club, then external perceptions (which are usually neutral to negative) begin to soften.

Other units in the course will look at the progress customer engagement has made in other sectors. Compare this with what is happening in football, and describe what football could do to catch them up, but with this working knowledge of the development of customer engagement (and related concepts) students wishing to pursue a career in Fan Engagement will have an edge on their competitors.

1.2.3 Customer Engagement: Key Principles and Practices

If you wish to grow your customer base through creating emotional bonds, you need a cultural response from the organization, not just operational plans. It is hard for organizations which have followed 'rules' to simply start getting people to engage at a human level; this is why all of the key principles and practices in a modern, customer-facing organization are designed to sustain a culture of engagement.

We have, in this course, featured the Service Profit Chain²⁵ showing how an organization's investment in its employees (especially its customer-facing ones) will positively impact on the customer experience and, by definition, sales.

Bob Johnson's research in 2001 (Service Excellence = Reputation = Profit) took us from a place where people understood that an organization's reputation was important to a place where they began to appreciate its negative or positive impact on the bottom line. His study highlighted that, of the principal elements creating reputation, the highest-regarded organizations were those that were 'easy to do business with'.

What this implies is that the following factors (the five main ways a customer determines value via the SERVQUAL model²⁶) are going to be of prime importance to a business wishing to lead on customer engagement:

²⁵ The article "Putting the Service-Profit Chain to Work" is available on <https://hbr.org/2008/07/putting-the-service-profit-chain-to-work>

²⁶ The SERVQUAL model is featured in many services marketing textbooks, usually when discussing customer satisfaction and service quality. It was developed in the mid 1980's by well-known academic researchers in the field of services marketing, namely Zeithaml, Parasuraman and Berry.

Reliability

In effect, we are talking about 'keeping promises' here. When an organization promises you it will do something, does that actually happen in the timescale and detail promised? Organizations whose levels of service are consistently reliable create strong levels of trust in customers, and it is self-evident that a customer is less likely to leave a reliable service provider for one they do not know, even if the 'price' is lower. *Caveat emptor*²⁷.

When the phone rings and a voice says, 'Hi, Mr. Bradley. You asked me to give you a ring about your car this morning, as you said you were busy this afternoon.', this might not sound like much, but even if they do not have the answer to my query yet, they have clearly listened and met their promise of coming back to me at a specific time.

Responsiveness

This is about how well the service provider meets the requirements of the customer. All things being equal, employees follow the correct processes and provide a consistent level of service to customers. However, from time to time, circumstances will demand that a particular customer needs particular help. Perhaps, they need a product the next day, and the usual shipping takes two to three days, or maybe they have broken a heel on their shoe.

The responsive organization encourages and develops its employees to 'go the extra mile' and match the service delivery to the specific need of the customer. As one can see with the example of Reliability above, the result is that the customer's perception of the value provided by the organization improves.

Assurance

This dimension relates to the professionalism and knowledge of employees and their ability to inspire trust and confidence. This is particularly relevant to financial services, as people will want to make sure the advisor they are dealing with can answer all of their questions about the product. Compare it with others available and, also, demonstrate professional qualifications. A good professional will be able to pinpoint the pitfalls of different products, give relevant examples of how this would affect the customer and his or her financial plans.

Trust is the main currency when it comes to assurance, and trust, as one can imagine, is something every business wishes to create and sustain.

²⁷ Latin for 'Let the buyer beware.'



Tangibles

This dimension is losing its predominance, as its key elements –physical facilities, equipment and appearance of personnel– are maybe less important these days than they were in earlier times. Back in the 80s, it was unlikely that a bank would hire a Financial Advisor with a nose ring and a facial tattoo, but in areas such as the written accuracy of communications, spelling, grammar and presentation, there are some standards that are still expected.

Empathy

As this dimension suggests, the more ‘human’ an interaction, the more value created for the customer. A server who asks after your family, who remembers that you were going on holiday and asks how it was, who remembers your favorite coffee and has it waiting: all examples of empathy. It is about understanding the customer’s position, circumstances or needs, and responding with warmth and compassion.

Exercise:

Think about the service providers you currently use. They could range from your bank to your supermarket, your coffee shop to the guy who repairs your bike. Use the following chart to rate how well each one scores against the above RRATE dimensions:

Business	Reliability	Responsiveness	Assurance	Tangibles	Empathy
1					
2					
3					
4					

Use a scale of 1 to 5, where 1 is poor and 5 is excellent. Which one emerges strongest?

1.2.4 The Future of Customer Engagement

How will customer engagement develop in the future?

This question is important for football, not just because it cannot be seen to be left behind but also because future developments will allow the sport to become closer to its fans and find ways to add value and to engage them further.

Let us start with a quote from a report on the *Freshworks* website: “47% of consumers globally have higher customer service expectations of their favorite brands than they had in the last two years” (The feature of customer engagement, n. d., para. 2)²⁸.

This is a natural result of businesses not standing still. They continuously strive to improve levels of engagement so that, faced with increasing choices, customers remain loyal, customer relationships are strengthened and their higher levels of advocacy lead to many more new customers. But, in improving levels of service, businesses are also creating a world where customers expect more and more.

Another quote from the *Freshworks* report:

The customer of the future will be better informed, more empowered and will have significantly higher expectations. Customers are and will continue to exercise unparalleled power in choosing brands and products that serve them best. In the world of competitive, fast-moving, commoditized businesses and a wealth of options, customer experience will become the differentiator (The feature of customer engagement, n. d., para. 3)

Technology is evolving at a rapid speed, too, and that is also influencing customer expectations. Mail order might be growing rapidly as an industry, but until recently, it was always quicker just to visit the store and buy. These days your desired products can be with you in hours. You sit in bed on a Sunday night and see a recommendation for a good book. All you do is make a couple of clicks and you will be reading it the next day.

As a consequence, customers are expecting this of every provider. If you can resolve an issue with a Financial Services provider via Live Chat, then why should not you be able to do that with the local town hall? If I can buy a ticket for music concert with my phone, then why cannot I do it for my local football team?

Average or inconsistent service will no longer be tolerated, and outside some specific sectors (leisure, entertainment, etc.), almost everything you want will be managed online. The service you receive will also need to match and, indeed, exceed the levels of service you receive now. Every transaction will be hassle-free; every query will be resolved in minutes; service from the world’s largest brands will be designed around your particular requirements, even down to your personal characteristics.

However, there is also a more concerning side. For example, the U.K. government is creating an app to track COVID-19. Many people on social media welcome the innovation,

²⁸ You will find the complete article in the next link: <https://www.freshworks.com/customer-engagement/the-future-of-customer-engagement/>



but worry that the government would use their personal data for other means, so they are actively declining the opportunity to participate.

There have been widely reported outrages at the way that large social media operators have allowed other parties to use personal data.

There have been allegations about that Facebook and Cambridge Analytica (a data company) allegedly having harvested and used social media data to influence the result of the Brexit referendum in May 2016 in the United Kingdom and the 2016 U.S. Presidential election (Meredith, 2018)²⁹.

There is clearly a balance to be had. Data protection requirements are not there to prevent organizations from using personal data in ways that benefit the customer, but they must be with the customer's agreement, and the data can only be used for a limited number of uses.

For example, 2016's EU law regulation GDPR (General Data Protection Regulation) aims primarily to give control to individuals over their personal data and to simplify the regulatory environment.

"Take a simple example. I have bought records by a particular artist from an online store for several years now. Once the store knows a new one is to be released, it proactively contacts me (before other customers) as they know I like the artist's music. Were it not to do so and I were to miss out on a special limited edition release as a result, my perceptions of value from the store would drop significantly".

There is a balance to be had. Customers want their data to be used (if they grant permission) for their benefit, not for the hidden needs of others. The Big Brother that George Orwell wrote of in his dystopian novel *1984* may, indeed, be upon us.

But expecting the future to be all digital misses an obvious fact: we are human. As the recent global pandemic has shown, people dislike it when their freedoms are curtailed and they are separated from their friends and family. As restrictions begin to be lifted, people are looking forward to re-connecting 'in person' with their favourite people: the guy who owns the local bar, the deli owner who is so well known around the area and all of the independent retailers whose unique character cannot be replicated by virtual transactions.

²⁹ You will find the complete article on <https://www.cnbc.com/2018/03/21/facebook-cambridge-analytica-scandal-everything-you-need-to-know.html>



“I spoke to a number of practitioners about the future and while there is a consensus on the increasing use of technologies such as ‘virtual reality’ no one could be clear about how the world of customer engagement might look in 2030”.

This module has presented the history of customer engagement as a precursor to defining and exploring the term *Fan Engagement*. Football faces many challenges with falling attendances, competing leisure activities, societal changes and many other factors.

If it does not adapt, many clubs outside the elite will not survive.

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