

# Marketing

JANUARY 2004

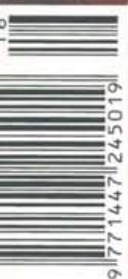
\$7.95

NZ\$8.95

## THE CAT'S MEOW

Sonia Amoroso,  
NSW Young  
Entrepreneur  
of the Year

Print Post No. 09874572 097237523



9 771447 245019





Malcolm Auld is a Telstra customer, shareholder, victim and occasional fan. He's also a marketing author, educator and principal of MAD - an advertising agency. Contact Malcolm on (02) 9976 0900 or email [Malcolm@madmail.com.au](mailto:Malcolm@madmail.com.au).

If the broadcast advertising your brand promotes conflicts with the customer experience at the one-to-one level, the brand suffers, as Telstra discovered recently. In the first of a two-part article, **Malcolm Auld** recounts his experiences and learnings with the telco.

# Do you want service with that?

Recently at my seminars I've been discussing with marketing managers what marketers mean by 'building a brand'. If you ask 10 marketing managers what constitutes 'building a brand' you'll get 10 very different answers. It can mean anything from increasing sales, creating more awareness, increasing market share, changing attitudes, reinforcing a brand's proposition or much more. If you talk to an advertising agency, they'll say it means 'do more advertising' - but they would, wouldn't they?

>>One of the reasons for this discussion is to encourage marketers to seriously consider what elements have the most impact on a brand's value. Generally, marketers in most categories understand that traditional advertising has relatively little impact on a brand, compared to say word-of-mouth referrals, product placement or the skills of a salesperson.

>>If you rank the elements that have

most influence on people buying a brand, they range from (in order of importance) word-of-mouth to face-to-face selling, telephone selling, email, direct mail, to (least important) traditional advertising. That doesn't mean advertising doesn't have a role to play - it's just that we need to understand its role. With some consumer brands, say perfume, advertising has a different role to play than a business-to-business brand in the office equipment category.

>>Many people don't realise that brands are reputations, built by what people say about you, rather than what you say about yourself. If what you say about yourself, through paid advertising, doesn't match the experience the customer has, then your brand will suffer. Take for example the plight of the Telstra BigPond brand.

>>If you've attended my seminars, you'll know about the problems I've endured as a customer. The experience of converting from a dial-up customer to an ADSL customer was quite

unique. I initially rang Telstra to arrange the upgrade to this wonderful new broadband technology. I finally reached a human, told them I had money and was ready to buy. They told me they couldn't sell to me, I had to go online. I responded by saying I was online, the 'telephone' line, speaking in real time, with a credit card in my hand - just like when I pay my bills.

>>They refused to sell to me and sent me to the BigPond website. Back then, the BigPond website was something of a challenge. For over an hour I searched to find where to buy the ADSL and eventually found a page. I keyed my address details and received a message congratulating me on being able to get ADSL at my home. So I placed my order and logged off. When I logged back on I had an email from the Telstra computer telling me I had made an error in the application and needed to reorder. I did so and logged off. For about a month, as I travelled fre-

quently, I would log on and get a message telling me I hadn't ordered correctly, so I'd reorder.

>>Eventually I sent a message stating, "I have money, I'm not good at typing, please help!" In response, the computer sent me an email directing me to call the number I had phoned a month earlier. So I rang back saying, "Hi, me again" and explained my situation. The operator asked for my address, which I gave and was promptly told, "That's not your address". I begged to differ and asked the operator what address was on the computer - and sure enough they had the wrong address, which explains the problems with my order. They had split my home into an apartment block and allocated me a unit. When I asked if they could change their file, I was told, "No we can't, because then the ADSL address will be a different address to the phone line and we won't know where to install it".

>>So I asked if I could order the ADSL

with the wrong address and was told I could. They gave me the wrong address, I placed my order and received a confirmation of the order. I then had a choice of when to have the ADSL installed, so I clicked Saturday and received a confirmation of a Tuesday installation. I rang back to ask why I couldn't have the installation when I requested and was told, "We don't do your suburb on Saturdays". When I asked, "How come it's on the website?" I was told, "That's not my department".

>>Unfortunately in the early days of the ADSL service, there were lots of problems and after considerable hiccups I, like many others, was given a credit for about six months of the service, as compensation for the problems. After the credit was processed I started to receive statements for the months covering the credited period, at a higher rate than I had been paying. I queried these statements and continued to pay my account for the months after the credited period.

>>Eventually I received a notice threatening to disconnect me for not paying the incorrect backdated accounts. I rang Telstra to discuss the problem and explain the situation. I requested the service not be disconnected as I needed it to run the business and that there was a mistake in the billing system - all payments were up to date, except for the incorrect invoices. When I received the final notice to disconnect, I emailed the customer service email address given on the disconnection notice and faxed a copy of the email to the customer service fax number on the disconnection notice.

>>But all to no avail - not only did I not get any response, although the email bounced back as undeliverable, but the service was disconnected at 5pm on a Friday. When I rang Telstra to determine if I had been disconnected, the recorded message said the office hours were Monday to Friday 9am to 5pm etc. As the email service was essential to my business,

I sent another email from an internet cafe and a fax to the person who had written the disconnection notice, advising I was flying to Melbourne the following Monday and at 4pm would like to meet with an appropriate person to resolve the problem.

>>So I flew to Melbourne and turned up at the premises only to find it was a staff-only floor. I waited for someone to emerge and advised who I wanted to see. His secretary came and met me and advised the person was in Sydney that day and she had not received my fax. She introduced me to a CRM manager who met with me in a meeting room. I explained my situation while he took notes and copied my correspondence for the records. Turns out he had no idea there even was a customer service email address, let alone a fax number. The fax number on the letter from his boss wasn't even on their floor - they had no idea where it was - which explains why nobody had responded to my correspondence.

>>The CRM manager immediately had my service reconnected and was extremely gracious in assisting me. Although as we were closing the call to the operator who reconnected me, the CRM manager asked her what address she had on my record and you guessed it - it was the wrong one. So he had her change it to the correct one.

>>Now all this was occurring while Telstra was running ads with a three-word tagline - "making life easier". Maybe if the tagline had read "making life a nightmare" it would have been believable. What it was saying about itself wasn't matching the body language of the service. It wasn't making life easier and whenever you talk to people about your telco problems, they'll pitch in with theirs - that's the power of word-of-mouth.

>>I'm not done with the saga yet - in the next issue of Marketing I'll complete my account of the ordeal with further insights into the failure of advertising to deliver its brand promise. Who knows what might happen to my service between now and then. ■