



B2B Accounting  
and Tax

# THE HIGHER STANDARD

How Customer Experience Improvements Are Raising  
the Bar in **B2B Accounting and Tax**

Insights from the 2013 MECx Study by

**PeopleMetrics**<sup>®</sup>

# CONTENTS

Executive Summary	1
Introduction	2
<b>A High Performing, Continuously Improving Industry</b>	<b>3</b>
<b>Designing Engaging Experiences for the Accounting and Tax Client</b>	<b>5</b>
<b>Where to from Here...Is Further Investment Necessary?</b>	<b>8</b>
<b>Recommendations</b>	<b>9</b>
About the Study	10
Further Information	11

# EXECUTIVE SUMMARY

The 2013 Most Engaging Customer Experiences (MECx) study was designed to uncover the negative and positive emotional tags associated with selected business-to-business (B2B) industries, including: telecommunications, accounting & tax, and business & office supply. The ultimate goal was to help companies determine where they should focus their customer experience improvement efforts to create a stronger emotional tie with their customers.

## KEY TAKEAWAYS



*Accounting and tax firms are focusing on customer experience improvement and it is working.*

Greater than half of all clients in the study say they have noticed significant improvements over the past 12 months and more clients are engaged today than in 2010.

**Great customer experiences in this sector rely on three things:**

- 1 Personal** speaks to building personal relationships.
- 2 Trust** is about conveying that the client's interests are central to all decisions made by the firm.
- 3 Clarity & Ease** are about making everything clear and easy to understand.



*Scores on what matters most to clients are robust, performing above all other B2B providers.*

With this evidence, firms in this sector may well ask themselves if further investment in customer experience improvement is necessary. The answer lies in the value of engaging a client. Our research shows that Fully Engaged clients allocate 23% more of their budget to their provider compared to those who are On-the-Fence or Actively Disengaged – and just 13% of clients fall into this category. Thus there is an argument for continuing to focus on delivering the experiences that Fully Engage more clients.



*Since this sector as a whole is improving, the firm that decides to shift focus away from customer experience improvement stands to get left behind.*

In fact, with a cross-industry emphasis on advancement, the pressure to innovate and differentiate is increasingly fierce.

# INTRODUCTION

Customer experience innovation and change is growing at an exponential rate for companies providing consumer goods and services. Across the board hotels, banks, health insurers, retailers, product manufacturers and others are relying on customer understanding to design experiences that engage the consumer and, in turn, create higher levels of loyalty and advocacy.

The B2B sector has traditionally been seen in a separate light. We have long assumed that these relationships are different, having distinct client motivations and expectations. We assumed that what clients need from a professional connection is different from what consumers need or want from experiences in their personal lives.

However, some might say that the lines between the two are blurring. Clients bring their consumer experiences to bear in their interactions with their B2B providers. As their lives are made easier and more enjoyable when they research, purchase, use, and seek support from a variety of consumer brands, the hypothesis is that the memory and knowledge of these encounters enters our business lives as well.

In the 2013 MECx, we sought to answer the following questions about the customer experience offered by accounting and tax firms.

1. *Is customer experience growing in importance for this sector?*

2. *How does it compare to the experience delivered in consumer or other B2B settings?*
3. *Do clients need and expect the same things from their relationship with their accounting and tax provider as they do their consumer interactions? What makes a great experience in this sector?*
4. *Should firms continue to invest in improving the client experience?*

## WHAT IS CUSTOMER ENGAGEMENT?

Throughout this paper we use the term Customer Engagement. Engagement refers to the emotional attachment that a customer or client has to a company. Engagement is assessed using a validated, comprehensive measure that links to financial performance. The calculation is based upon individual customer responses to four statements:

**Retention:** “Given the choice I would do business with [Company] again.”

**Effort:** “I would go out of my way to do business with [Company] in the future.”

**Advocacy:** “I would recommend [Company] to a colleague.”

**Passion:** “I love doing business with [Company].”

# A HIGH PERFORMING, CONTINUOUSLY IMPROVING INDUSTRY

Accounting and tax firms continue to be high performers when it comes to engaging their clients. More than half of the clients of all accounting and tax providers are considered Engaged (55%) with just 4% being Actively Disengaged (see **Figure 1: Engagement Has Increased Marginally**). This is on par with well-liked consumer brands such as Whole Foods Markets (58%) and Netflix (55%). There is also a 4-point increase in Customer Engagement compared to the same measure taken in 2010.

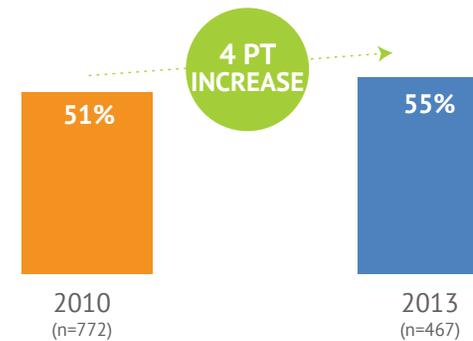
***There is also a 4-point increase in Customer Engagement compared to the same measure taken in 2010.***

Accounting and tax firms are clearly doing a better job of engaging their clients than they were three years ago and are leaving lasting, positive memories – the hallmark of a great customer experience. A full 83% of clients say that their overarching memory of their accounting firm is positive (see **Figure 2: The Emotional Memory**). This is roughly equivalent to the proportion of customers who say they have positive memories of brands like the Four Seasons (87%) and Apple (85%). When compared to other companies providing business services, such as telecommunications and office supply companies, accounting and tax firms deliver significantly more positive memories and associations.

**FIGURE 1**

**Engagement Has Increased Marginally**

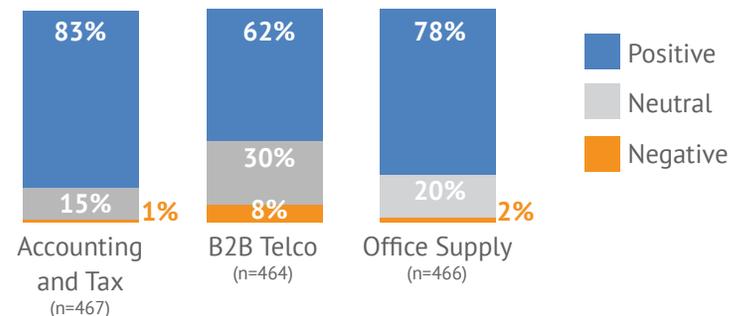
Customer Engagement has slightly increased since 2010.



**FIGURE 2**

**The Emotional Memory**

Comparisons of positive, neutral, and negative emotions by sector.



\*Numbers may not add up to 100% due to rounding

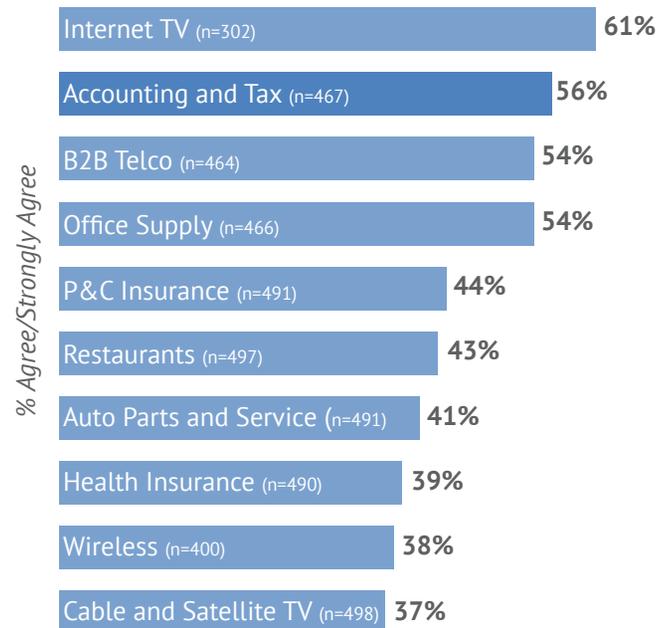
In addition, 56% of all clients responding agreed that the experience has improved in the past 12 months. This is 14 points higher than the proportion of all customers saying the same for their consumer experiences (see **Figure 3: Customer Experience Improvements**). In fact, there is only one industry that has seen higher levels of improvement in their customers' eyes and that is Internet TV providers.

This indicates that a growing awareness and commitment to improving the client experience exists within the accounting and tax sector. While the 2013 MECx didn't focus specifically on how firms were achieving these results, broader trends offer some clues:

### FIGURE 3

#### Customer Experience Improvements

Customers are reporting that the experience has improved over the past year.



#### 1. Increased focus on listening to customers

According to a new report by Markets and Markets, *Customer Experience Management Market and Voice of the Customer Analytics Market*, the voice of the customer market is expected to expand to \$6.61 billion by 2017 up from \$2.68 billion in 2012.

#### 2. Rise of the Chief Customer Officer

According to *Outside In: The Power of Putting Customers at the Center of Your Business* over half of all Chief Customer Officers are found in B2B companies, with financial services and business services ranking among the top three industries with a Chief Customer Officer. In addition, across industries CCOs are experiencing a rise in their influence. According to Forrester Research's report, *How Chief Customer Officers Orchestrate Experience*, 85% of CCOs in 2013 sit on the executive team. This is up from 50% in 2012.

#### 3. Understanding of the role of culture

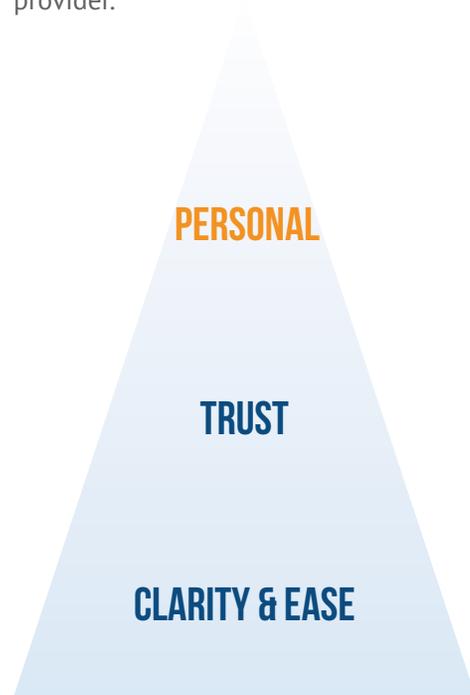
The Temkin Group's *2013 State of the Customer Experience Profession* report ranks customer-centric culture among the top three focus areas for customer experience professionals.

# DESIGNING ENGAGING EXPERIENCES FOR THE ACCOUNTING AND TAX CLIENT

## FIGURE 4

### An Engaging Accounting and Tax Experience

Accounting and tax clients want, first and foremost, a personal relationship with their provider.



According to *Forrester's Customer Experience Pyramid* a great customer experience includes three things: It meets the customers' needs, is easy, and is enjoyable. While this model is strong and applicable across many consumer sectors - hospitality, retail banking, restaurants to name a few - there is a need to test its relevance in the B2B context.

The 2013 MECx has shown that for B2B relationships, these elements are slightly different. In addition, we found a fourth element is essential to creating high levels of engagement - trust. Specifically, clients who make or influence the decision to work with a given provider, or who interact with them daily, need to know that their partner is making decisions with their best interests in mind.

For accounting and tax specifically, an even more distinct model emerges (see *Figure 4: An Engaging Accounting and Tax Experience*). The most important aspect for these clients is establishing a personal relationship where the provider knows “me, my business and my preferences”, followed by trust and finally clarity and ease – making everything simple, and easy to understand.

This quantitative insight was backed up by a thorough review of all client comments. In these comments, clients explained why their experience was particularly positive (or negative, in the rare instances where that was the case).

The types of comments that clients made when discussing their experiences within each of these are included in the table below:

**KEY ELEMENT: PERSONAL**

**IN THE CLIENT'S WORDS:**

- +** *The employees are friendly, knowledgeable, and care about you as a person.*
- *They do what we need done, expect to be done, but they do not really get to know my company. They are very money focused, bottom line focused. Sure, they get my business into the high profit zone but they do not have good bedside manners at all. They are black and white, interact directly and use as few words as possible to interact with the company. We are on the fence of switching over to our OWN people taking over that part of the business.*

**KEY ELEMENT: CLARITY & EASE**

**IN THE CLIENT'S WORDS:**

- +** *She is a friend of the owner and we have a very casual atmosphere at the office. She is nice, as well as professional, and she makes the accounting easy for me to understand and around tax time....she is a godsend!*
- +** *They are on time. They answer questions promptly and clearly. I understand what they are explaining in terms that make sense to me and my business.*

**KEY ELEMENT: TRUST**

**IN THE CLIENT'S WORDS:**

- +** *They consistently give 110% to my company's best interests. You know what you are getting from them. They never drop the ball.*
- +** *They really care about getting the company taken care of. They are never in a hurry or rude but rather nice and accommodating. They explain everything to the best of their needs and do what they can to make sure the company is taken cared of properly.*

***Accounting and tax clients place greater value in aspects of the experience that are personal, professional and trustworthy, and make it easy to work with the firm.***

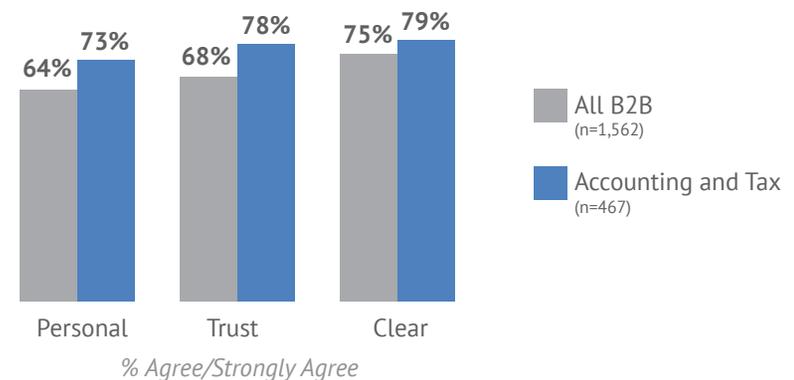
Based on an analysis of all of the open-ended feedback, accounting and tax clients place greater value in aspects of the experience that are personal, professional and trustworthy, and make it easy to work with the firm, and firms are delivering.

In keeping with the high levels of performance for this sector, accounting and tax firms are delivering on these three important elements (see **Figure 5: Accounting Firms Are Delivering Key Elements of an Engaging Experience**). Scores range from 4 to 10 points higher than other B2B sectors across all key elements.

## FIGURE 5

### Accounting and Tax Firms Are Outperforming the B2B sector

Accounting and tax firms excel at delivering the elements that matter most to creating an engaging client experience.



## WHERE TO FROM HERE...IS FURTHER INVESTMENT NECESSARY?

Many companies struggle with proving the ROI of customer experience improvement efforts. For example, the retail banking portion of the 2013 MECx uncovered that 76% of bank executives say that they have not yet made the case for customer experience investments.

Knowing this, and knowing that accounting and tax firms are performing above many other industries when it comes to engaging their clients and delivering noticeable improvements, the question surely should be...at what point do we see diminishing returns? Is more really necessary?

***Fully Engaged clients allocate 23% more of their budget than clients who are Actively Disengaged or On-the-Fence.***

This research has shown that there is a strong, positive correlation between levels of Engagement and share of wallet. We asked all participants from companies with 5,000 or more employees to indicate the proportion of their total budget they allocate to a given provider and then crossed that with their Engagement level. The chart at right (see **Figure 6: The Impact of Engagement on % of Budget Spent**) clearly depicts this relationship – showing that Fully Engaged clients allocate 23% more of their budget than clients who are Actively Disengaged or On-the-Fence.

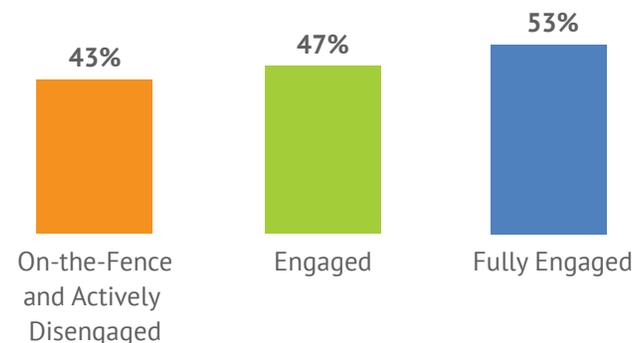
As Engagement declines so does the proportion of the total budget allocated for services from a given provider.

Furthermore, while more than half of accounting firm clients are Engaged, just 13% fall into the Fully Engaged category – the group that brings the greatest value to the firm.

### FIGURE 6

#### The Impact of Engagement on % of Budget Spent

Fully Engaged clients allocate more of their budget to their preferred provider.



## RECOMMENDATIONS

Companies in this sector are clearly making inroads – driving up higher levels of Engagement and delivering an experience that clients perceive to be markedly better than what was delivered 12 months previously. These are significant successes.

These relatively strong levels of performance indicate that companies are growing in customer experience maturity. At the beginning of the customer experience journey there is often a tendency to focus on fixing what is broken. After that, the focus shifts to elevating and differentiating the experience. For accounting and tax firms who choose to continue up the ladder, this will require inventing new and different ways to engage clients.

This will start with knowing what matters most to clients and the experience they receive. The three aspects identified by this research that drive the most value are:

1. **Personal Relationships:** Creating personal relationships where the individuals interacted with clearly show that they know them, their preferences, and their business needs.
2. **Trust:** Building trust through demonstrating that the firm is making decisions with the customer's needs in mind.
3. **Clarity & Ease:** Specifically ensuring a clear understanding of work steps, progress, scope, issues, etc.

High performing accounting firms are at a crossroads. They can choose to focus on innovation and differentiation in order to continue to raise their performance. Or, they can decide that their current high performance is good enough. Choosing the latter, however, does not necessarily mean that the competition is taking the same route. The greatest risk for this sector is standing still while others continue to climb.

### ABOUT THE AUTHOR

#### Kate Feather, EVP



Kate Feather leads the customer experience transformation group at PeopleMetrics. In this role she acts as strategic consultant on many key accounts, is responsible for the firm's Research & Development projects and is a frequent speaker and contributor to publications on topics related to customer experience.

# ABOUT THE STUDY

## About the 2013 MECx

From 2008 to 2010 PeopleMetrics conducted the Most Engaged Customers (MEC) study. This was a project that examined the unique drivers of Customer Engagement in multiple industries. In 2013, we brought the project back under the new name of Most Engaging Customer Experiences (MECx) and with a greater emphasis on the emotional components of an engaging customer experience.

## Industries Included In the Study

### Business-to-Consumer

- Auto Parts and Service (Retail)
- Cable and Satellite TV
- Insurance (Auto & Home and Health Insurance)
- Internet TV
- Restaurants
- Retail Banking
- Wireless

### Business-to-Business

- Accounting and Tax
- Telecommunications
- Office and Business Supply Services

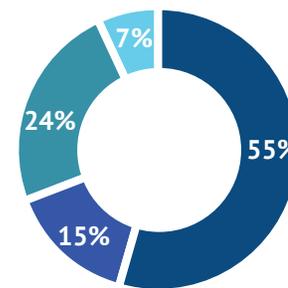
## MECx: B2B Accounting and Tax

The B2B accounting and tax portion of the study was fielded in Q2 of 2013. It included feedback from 467 B2B accounting and tax clients.

## FIGURE 7

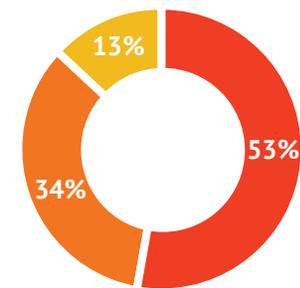
### About Our Research

Breakdown of study participants by company size and decision-making role.



### Company Size

- <500
- 500-999
- 1k-9,999
- >10k



### Decision-Making Role

- Makes the Decision
- Influences the Decision
- Interacts with the Provider

\*Numbers may not add up to 100% due to rounding

## FURTHER INFORMATION

If you are interested in MECx research from other industries in this study, please email us at [info@peoplemetrics.com](mailto:info@peoplemetrics.com)



### About PeopleMetrics

PeopleMetrics works with companies who believe that people are the heart of their business. Our Voice of the Customer (VoC) and Voice of the Employee (VoE) solutions help companies emotionally connect with their customers and employees. Our approach combines strategic consulting, intuitive software, and insights that help companies deliver consistently great experiences.

**Are you ready to transform your customer experience?**  
Get in touch.



Call us at 215.979.8030



Email us at [info@peoplemetrics.com](mailto:info@peoplemetrics.com)



Visit us on the web at [www.peoplemetrics.com](http://www.peoplemetrics.com)