

The fundamentals of Customer Experience Management



The fundamentals of Customer Experience Management


“The customer is always right?”

There's nothing new in saying the customer is always right, it's been around for over a century, and was popularised by pioneering and successful retailers.

Whilst the customer has always had the final decision in what they buy or the services they choose, they've not always had full insight or an extensive range of choices. But that's not the case now. Customers are more informed, expectations have increased, and choice has widened. Technology has also empowered them, loyalty is now a greater challenge.

Whatever the brand of product or service, **customer experience** is now playing an ever important role and for some brands is a fundamental differentiator.

So what defines good customer experience?

A photograph of two hands, one from the left and one from the right, reaching towards each other to form a heart shape. The hands are silhouetted against a bright sunset over a body of water. The sun is low on the horizon, creating a strong lens flare and reflecting its light on the water's surface. The sky is filled with soft, orange-hued clouds.

“The experience you deliver to
your customers every day,
through every transaction, direct
and indirect, either builds value
for your brand
or destroys it.”

“Managing the Customer Experience”, Shaun Smith & Joe
Wheeler

What defines customer experience?

Customer Experience = your promise vs. customer expectation vs. actual experience

Your organisation

- What you promise & the messages you give
- Your culture & people
- Your values
- Your infrastructure

YOUR PROMISE

Customer experience

The customer

- Their expectation
- Their level of brand engagement
- The effort required to do business with you

THEIR EXPECTATION

Your delivery

- Of products & services
- The channels used for customer interaction
- How you resolve things
- The experience you give customers

THEIR EXPERIENCE

Over promise under deliver, or under promise over deliver?

Every customer, whether buying a premium product or service, or a 'no frills' one, has an expectation. That expectation is set by the promise an organisation makes either at POS, or in advertising or communication messages.

The customer experience comes from the use of the product, service, and any interaction with the organisation. It is the gap between what is promised, what is expected, and what is delivered that results in the perceived customer experience.

To complicate matters customers' interactions are multi channel, can involve several departments, may be over time and can be complex.

Understanding the customer journey(s) is critical but equally important is the organisation's culture. A truly customer centric organisation automatically thinks and acts to offer consistent service for each and every customer, across all touchpoints.

So what defines a customer centric organisation?

The evolution of customer facing businesses

Where is your organisation now?

Typical characteristics of differing customer centric organisations:

Silos

Internal perspective

- Know you should improve customer experience
- “Not my problem” attitude prevalent
- Little or No meaningful customer experience measurement
- All powerful functional hierarchies

Customer perspective

- Generally poor experience
- Unclear of proposition
- Limited means of providing feedback
- Frustration, repetition at touchpoints

Learning

Internal perspective

- Aware of some issues and the impact on customers
- Performance measures tracked but limited linkage to direct actions
- Goals not well communicated across business
- All powerful functional hierarchies

Customer perspective

- Improved experience in some areas but inconsistent
- Promises not met
- Disconnect between organisation and customer
- Frustration, repetition at touchpoints

Enlightened

Internal perspective

- A few high impact plans to improve customer experience
- Performance measures are communicated and acted on
- Goals communicated across business
- Functional hierarchies subservient to customer experience

Customer perspective

- Normally good experience, occasionally let down
- Messages & promises clearly communicated, usually met
- Normally listened to, feels they have a voice
- Service is improved but pockets of inefficiency remain

Centric

Internal perspective

- Customer experience measurement embedded as company culture
- Everyone knows their role in improving satisfaction
- Communication of customer experience measures and achievements is Business as Usual (BAU)
- All functions exist to improve customer experience

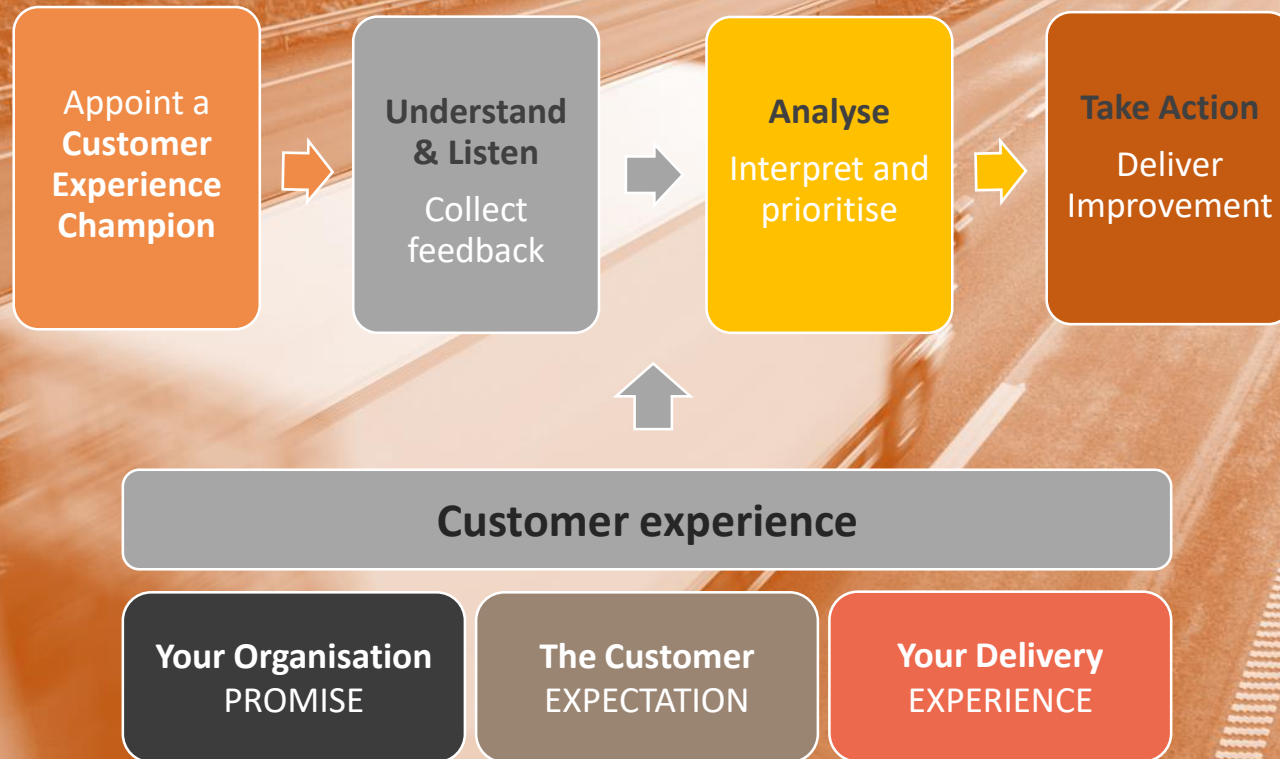
Customer perspective

- Seamless experience across all customer service teams
- Promises are clear, commitments are met
- Feels valued as a stakeholder, not just a source of revenue
- Contact with organisation is fast, efficient and personal
- Easy to do business with

Unintegrated
Customer Culture

Customer Centric
Culture

How to move to a customer centric organisation



Understand and Listen – To your organisation

Before you can align your product or service with expectation you need to understand the **Promises** being made; where they're made; and whether they are consistent:

- From an internal perspective, what is your proposition, what are the benefits/functionality/differentiation and how are these conveyed?
- Do external communications and promises match these features?
- Are ALL messages aligned across the business? Are there silos? Do marketing messages encourage a particular customer action, but parts of the business are unaware or unable to deliver on these promises? Is the business geared up to meet demand?
- How consistent are messages across all media?
 - Press releases
 - TV
 - Email
 - Product collateral
 - Sales messages
 - Website
- Where are the gaps?
- If using external contractors do they know what you have claimed to deliver? Do they understand why it's important?
- Do you understand what your **customers' expectations** are of the product/service you offer. Can you deliver?

Listen to your staff

- How do staff view your processes? What works and what are the barriers to working efficiently?
- Are they empowered to resolve customer issues?
- What is their view on the products/services you provide?

Understand and Listen – To customer expectation

What is a customers **expectation**? How have they interpreted your offer? Are you aiming on delighting them (or disappointing them)? Do you make it easy for the customer to do business with you?

- How easy is it to find, understand, or purchase your products/service?
- What have you promised about the product/ service and does it meet expectations?
- Do supporting processes/ systems make it easy for the customer?
- Is problem handling efficient? Is it built with the customer in mind?
 - How easy is it to get in touch through preferred channels?
 - During contact, do your staff have access to customer details/ history?
 - Do staff own customer issues and are they empowered to deal with customer queries/ issues?
 - To what extent are you able to resolve customer queries immediately/ first time?

Listen to your customers

Before measuring your performance in delivering your product/service you need to understand your customers expectation.

- What journey have they been on?
- What is it they expected at each stage?
- How often do they expect an interaction?

Understand and Listen – About delivery performance

How well do you execute what you promise? Does your **delivery** meet expectation? What are the touchpoints on each customer journey? Map the vital moments that define the relationship.

When and how does the customer comes into contact with the brand? When researching; when purchasing; when needing a repair/service; when they have an issue; during payment or renewal?

Which channels bring you into contact with your customers?

- phone
- email
- social media
- website

What is the purpose of each touchpoint?

- From the customers' perspective?
- From the brand's perspective?
- From the staff perspective?

Listen to customers

- What is their experience at each touchpoint in their journey? Does it exceed, match or fall short of their expectation?
- Is it easy to engage with you?
- What is their experience with the product/service (away from touchpoints)? Have they had problems, how were they resolved?

Listen to stakeholders

- Voice of the employee - do they feel they/the company are delivering a good service?
- Are customer service people empowered to resolve issues?
- Are external providers able to meet your promises?
- Are Sales/Account managers setting realistic expectations?
- Are you developing the right products/services?

Analyse – Define which metrics to use



Choosing the right metric(s) to use and track is crucial to a successful CX programme. It is not true that one metric alone works in every situation, so care should be taken when selecting which metric(s) to use and track:

- **NPS (Net Promoter Score)** - a popular metric for tracking brand Promoters and Detractors
- **C-Sat (Satisfaction score)** - a useful metric in understanding the overall experience
- **CSI /Customer Satisfaction Index)** – a useful overall compound score that can be weighted based upon multiple elements of product/service attributes or experience
- **CES (Customer Effort Score)** - tells you how easy you are making it for your customers to deal with you

In addition it is worth considering what additional metrics are available?

- i.e. staff numbers, revenue, volumes of interactions at different times, sales by channels...
- Measures from customer facing systems, i.e. first response & average handling times, failed or lost calls, speed of resolution...

Analyse: Interpret & prioritise

Effective **action planning** relies on robust interpretation and prioritisation. To maximise the return of investment an organisation needs to focus its effort on the areas that will have the most impact to acquisition, loyalty and retention.

Utilising advanced analytics enables the organisation to:

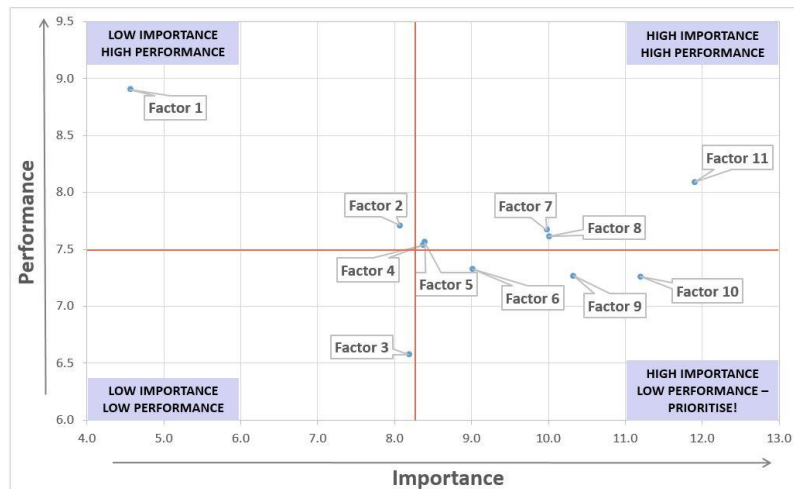
- Identify the **key drivers** of behaviour
- Identify any root causes of dissatisfaction
- Map out all the actions and prioritise them

By evaluating the difficulty and effort required for each action and their relative priority enables to make informed decisions based upon:

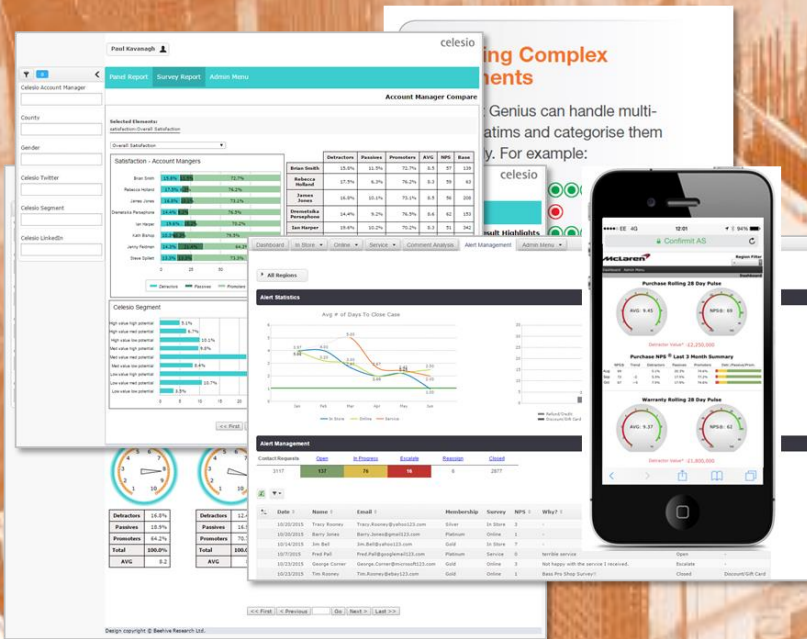
- Cost to implement (spend)
- Difficulty (the effort to implement change)
- Time (how long it will take to resolve) i.e. quick easy wins vs. strategic change
- Value to the organisation (ROI)

These steps will maximise the **return of investment** of the CX programme

Key Drivers Matrix



Analyse: Interpret & prioritise



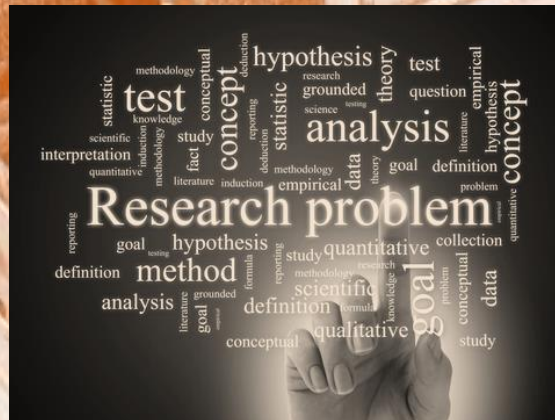
Real-time online dashboards enable the organisation to track trends across multiple touchpoints in the customer journey.

Text analytics enables the organisation to:

- **Measure sentiment**
- **Code verbatim for deep dive analysis and tracking**

Verbatim analysis is not limited to direct CX survey programme feedback. It can also be integrated with analysis of verbatim comment from:

- **Social media channels**
- **Direct customer emails**
- **Indirect feedback forms (e.g. web based)**
- **Call centre feedback**



Take Action - 1:1 customer engagement

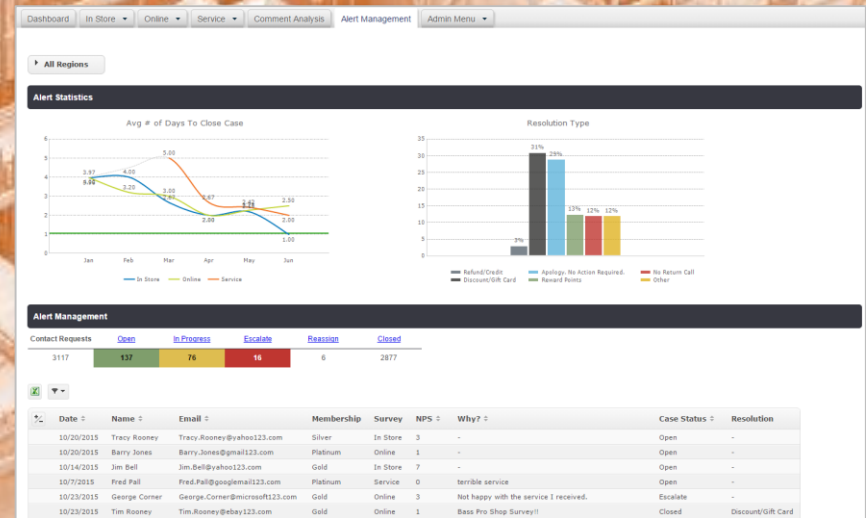
Adopting a real-time customer engagement alerting system enables an organisation to rapidly respond to customer discontent. These can be managed by:

Feedback alerting system

- Rapid action based alerting based on threshold low scores from customer feedback; notification of an individual customer's issues

Case management system

- Ongoing management of alerted cases where key employees have access to relevant customer cases that allows:
 - Logging of actions taken, follow up actions required and further actions needed
 - Escalation to senior management/colleagues
 - Real-time dashboard linked to KPIs and verbatim
 - Case status logs (pending, open, escalated, closed...)



From: Satisfaction@beehiveresearch.co.uk
 Sent: 08 November 2011 12:23
 To: branch.manager@yourcompany.com
 Cc: Regional.manager@yourcompany.com
 Subject: Purchase Experience dissatisfaction alert

Alert information:

- This alert was triggered from the Purchase Experience survey
- The respondent has not requested follow up contact
- Full information about this case can be accessed by logging into your online report. Please use the link below and the username/password sent to you previously.

Respondent information:

Personal ID: 12345678901234567890

Respondent's survey response:

The customer has rated your branch in the following way:

Survey Question

Overall purchase satisfaction
 How would you rate your overall satisfaction with the complete purchase experience using a scale of (1) = Very Dissatisfied to (10) = Highly Satisfied?

Score: 7

Thinking specifically about Branch X, how satisfied were you with the following where (1) = Very Dissatisfied to (10) = Highly Satisfied?

Communication

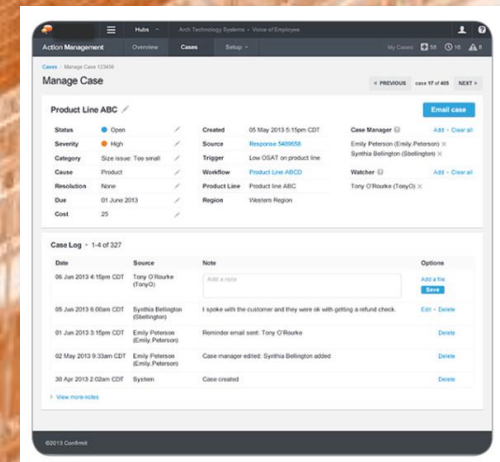
- Prompt and polite answering of the telephone
- Prompt and polite response to your email enquiries
- Getting through to the person you wanted to speak to on the telephone
- The range of products available

No answer given

Recommend branch

How likely would you be to recommend Branch X to anyone else in the future?
 The scale goes from: Not At All Likely = 1 to Extremely Likely = 10 where 'Already here' is also scored as 10

Link to branch alert report - (log in with your personal Username and password):
 branch.login@yourreport.com
 If you are having any technical or other problems in relation to the CSI programme please contact
 Youcomen@beehiveresearch.co.uk



Take Action - Define action plans and implement improvement

Action Planning

- Importance vs performance – targeting areas high in importance and low in performance
- Optimise customer loyalty – identify which issues lead to highest proportion of lost customers
- Set up a task team(s) responsible for agreeing action plans, implementing change strategy & following through on plans
- Keep measuring outcomes and benchmark against earlier findings

Drive cultural change

Appoint a CX champion who needs to be empowered to:

- Ensure clear and consistent 'Promises' are conveyed to customers and employees
- Review your CX programme results and compare to the common characteristics of a truly customer centric organisation
- Identify 'silos' and organisational barriers/inconsistencies to excellent CX
- Embed CX to be every employees concern (not just customer facing)
- Empower staff to resolve issues





Customer Experience becomes...

“...the way we do things around here”

Beehive Research

We'll help you create an effective customer
experience programme

0203 714 4174

beehiveresearch.co.uk