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Customer experience in business

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Does your customer experience happen by design or by accident?

The simple fact is that most companies do not think through the actual experience that they want to deliver at key times and so they do not actively design in that experience.

As you read this page your company is delivering experiences and it is likely that the vast majority will be a reflection of the person delivering them rather than any well-defined and equipped experience deliberately designed to deliver on that massive investment in creating the expectation.

Consider what changes and why your company might decide to focus and invest more heavily in both understanding its customers and designing experiences?

There is a point in time when the need or desire to provide a greater focus on the customer is initiated and a plan is required, so what are the triggers? Here are a few for you; consider whether they apply in your business:

1. The company has a new CEO appointed and that individual believes in the power of the customer.

2. The company has exhausted all other avenues from cost-cutting to marketing-led sales drives.

3. The company is struggling to differentiate itself from the competition in terms of either product/service or price; of course if this is a start-up then differentiation may be the business driver!

In two out of three cases here the start point is a reaction to business problems – and in the case of the new CEO, the business will probably see the statement as a business problem! Starting from a position of negativity is not usually a recipe for success.

Whatever the trigger, however, having the initial impetus to improve the experience has to be seized and taken forward.

It is critical to success in the customer experience environment to start to use the senior team focus to challenge the way that your company interacts with your customers, this chapter brings into focus the need to never accept the status quo or the 'we have always done it this way' and 'it isn't broken so don't fix it' view. It challenges the reasoning behind a failure to change experiences and looks at the huge often missed opportunity of the digital experience development. We will also consider how many companies fail to even think about designing critical interactions, how 'wow' moments are often actually disasters and show how focusing on high-value interactions can have an exponential impact on customer behaviours.

The reality is that experiences often happen because there is an already-accepted solution – we don't challenge the status quo and ask the question 'is that really the best way to do this?'

For example, why is it that you can only get your car serviced or repaired Monday to Friday 9 a.m.–5 p.m. and perhaps Saturday morning? My need as a customer is to have my car serviced when I don't need it, in my case typically that is in the evening and at night and yet convention tells me that this is not possible. Yet from the garage viewpoint would it not make more commercial sense to have an operation working 24/7 sweating the asset that is a workshop and tools that currently lie idle for over 50 per cent of the average day?

The business of actively designing an experience begins with the building of the expectation of what that experience will be. So it is no surprise that the initial stages tend to be owned by the brand and marketing teams. It is their job to create demand pull from the customer and to create an expectation that the product or service is 'worth trying' and should meet a particular need the customer has – this could be as simple as washing detergent that cleans out stains, to a luxury car that underpins the status or lifestyle of the customer.

Every company board sees the need to 'advertise' and while they might not be able to discern for certain which part of that advertising is having the most effect they see the need to continue to invest in a range of activities.

Every business plan around the world now has a marketing and brand line and it is significant – picture a business that did not have a line in their plan: it would, in short, be seen as commercial suicide.

Of course there is always one and in this case it is 'geek squad'. Its founder Robert Stephens built his business through word of mouth, designing a great experience people would talk about. He is quoted as saying that 'advertising is a tax for having an unremarkable experience'.

One of the main reasons why experiences are not designed to better effect is that there is no reflection of the need to invest directly in the customer experience in the annual planning round. Customer experience is not seen as important enough in the strategic and budget planning to be singled out for specific and significant investment. Equally it is not integrated effectively into the wider budget and plan process; if it is you will begin to question some of the investments that you make.

Let's look at some of the big areas of expenditure that most companies will have as line items annually and consider some questions that you should be asking.

Your company will quite rightly recognise that the development of your data and IT capability is going to be key to continued business success. How could you run without the daily need to upgrade and refine that backbone of the delivery? The thirst for more and more data – big data – through which to better manage the customer knows no bounds in terms of spend.

But ask yourself the following: how much do we spend on gathering data and what evidence do we have that it is actually converting into an improved experience? How much do we take on faith and the belief that if a competitor is doing it we must too? And where is the data actually used to actively bring about change or improvements – perhaps 10 per cent is, but which 10 per cent?

Is data being actively used to improve the actual customer experience?

Companies also see value in market research to learn more about their customers, their needs, their beliefs, their wants – indeed there is a real desire to know everything about everyone! How much is invested each year in longitudinal tracking surveys that rely often on outdated questions that have remained static (for tracking purposes) over many years despite huge changes to customer needs and perceptions?

Remember before you commission research in the customer experience space ask yourself 'how will I actually use what I find out to deliver positive improvements or change?'

Your customers' needs and expectations are constantly changing: how are you keeping up to speed with those current, real-time needs?

These investments are ticked through in the annual spending round because they are 'part of the furniture', yet companies need to think differently today about how they engage with their customers.

Ask yourself these questions:

- Who in your company uses long-term tracking research findings?
- What has changed as a result of these huge investments?
- Would we miss it or what would be different if we stopped them?

All too often market research findings are little more than a comfort blanket for the executive team who can sit comfortably in the boardroom reviewing the annual survey that says their customers are satisfied or very satisfied. Research companies have grown off the back of embedded surveys over the years but they do not get

real access to boardrooms and are unable to underline the value they have provided by connecting this to customer experience change. This space is now being similarly attacked by data businesses claiming to be able to predict our very behaviours based on complex algorithms – in fact, huge investment is being made to achieve this Holy Grail.

You only have to look at some of the spectacular business failures to learn that 'believing the research' can be a dangerous friend in the boardroom as it breeds complacency and inactivity – we only say we are very satisfied until someone presents us with a better option: then we are off!

Remember that most research is retrospective and it can be too late by the time you have collated what is deemed to be enough evidence of the need to change

Worse still, market research is used to kill ideas before they ever get off the ground.

How many times do you ignore your intuition and business sense and instead challenge a team to go away and research a sample of people to consider if it might be a good idea?

The other big area of spend is process engineering or business process re-engineering, which consumes vast resources in businesses and is focused largely on the industrial view of the world and its drive for efficiency and cost reduction. This has over the years spawned a plethora of methodologies from Six Sigma to Kaizen and there are today millions of people working in this discipline.

Their success is typically measured through efficiency and reduced cost to serve or produce – rarely is it measured in terms of the resulting customer experience, or at best where there is a customer experience measure it is seen as a lower order of importance.

The efforts in this space are almost always internally driven and focus on what is best for the company, not the customer. As a simple

example, a bank reviewed its call centre 'process' and decided to eliminate 10 seconds from a call in order to reduce costs – by multiplying 10 seconds by thousands of calls a simple case is made. The reduction meant that the agent no longer said at the end of a call, 'Is there anything else I can help you with today?' In experiential terms this is an important and positive way to close off a call, but in a lean process environment an opportunity to reduce a cycle time.

To put this into clearer focus:

- eMarketer in 2015 estimated that global spend on brand marketing (to create the expectation) was **US$592 billion**.
- Gartner's *Market Databook, 3Q15 Update* estimated **US$4 trillion** spend on IT in 2015.
- ESOMAR's *Global Market Research* report for 2014 shows world research turnover rose 0.1 per cent in 2014 to **US$43 billion**!
- There are no figures for business process reengineering (BPR), but we can assume it will be very significant.

What was the investment in ensuring that the US$592 billion spent on creating an expectation was realised in terms of the actual experience that we as customers enjoyed?

Again no figures exist today, but we can safely be assured that investment directly into the design, management and measurement of the customer experience was a fraction of a fraction of a percentage point of that spent on creating those expectations.

On the upside, the reality is that not every experience needs a fully executed experience design, but there are critical points in any company's interactions with the customer where there is a higher than normal risk of that experience impacting customer behaviours and opinions, and therefore actions.

Failure to take control of these critical interactions and ensure that an experience is both deliberately designed and then staff trained and equipped to deliver it consistently, is a significant business risk.

The customer experience challenge

The challenge is to understand where the inflection points are; that is, where the customer has a high expectation and emotional

engagement and the business fails to meet those expectations during the customer journey. This is an easy way to provide early definition of where to make the major investment in the active design of the experience.

The reality is that not all interactions are equal in terms of their impact on us as customers; intuitively we all understand that to be the case, but how do you highlight the critical interactions in your particular business. This is at the heart of the return on investment from work in the customer experience discipline – being able to directly connect activity that relates to the customer experience and the behaviours and actions of customers that impact on the bottom line of the company. This can be an impact on either side of the balance sheet, from reducing cost to serve, to increasing spend or share of wallet.

The production of an outside-in customer journey map (CJM), tracking and collating all of the interactions a customer has during an experience from the customer's viewpoint, is one positive step to gaining an understanding of the customer view beyond simple company-led research. We discuss how to create a CJM in detail in Chapter 6.

The end-to-end view that an external-focused CJM provides also reveals fault lines in the way that different functions in the company define what 'to be a customer' actually means and how the way they are measured drives their specific understanding and behaviours to the detriment of the business.

For example, a detailed CJM in the financial services credit card business reveals that the definition of a 'customer' varies widely between different departments, and this also means their success rates are skewed as well.

- The department/provider responsible for adding prospects into the system views a customer as a 'lead generated' regardless of whether they apply for the credit card or not.
- The team that vets the application and issues the plastic considers a customer as being the person who has received their plastic within the set time limit, whether they use the card or not.
- The team that handles card activation views someone as a customer once they have successfully activated the card – yet if

that customer fails to transact or has the card 'at the back of the wallet' not as their primary card, then from a business perspective they are never really customers.

Despite a series of green lights at individual levels, and indeed payments being made for success, they are just an unrecovered cost.

Given these varying definitions between departments, it's clear to see that in terms of the customer journey, the teams are never going to be aligned.

Aligning these different definitions and providing a common measurement across functions is a simple way to begin to provide a common understanding of what a customer truly is – so in this case no one gets a green light or payment until a prospect has become an active and trading primary customer.

Remember that what gets measured gets done – look at how different owners of the customer experience are measured and align measures across teams

You do have easily accessible information and data locked away inside the company that can help to highlight the inflections and pinpoint where the customer value is being created and destroyed within the CJM.

What are your top five customer complaints: which part of the journey do they refer to?

We as customers tend to expend our energy complaining because it really matters emotionally. Where is the company getting positive feedback from customers, and what is it that you are doing that is causing that to happen. At its simplest, consistently good experiences are about fixing the problems and doing more of what you are doing well. If the positive feedback relates to a specific individual, what are they doing that others are not – can you raise the profile of that individual, can you export an approach or an idea they have had?

Using 'moments of truth' and 'pain points'

The convention for defining these key interactions and inflection points is to talk about 'moments of truth' and 'pain points', and quite often these two collide at a particular point where the experience is both important and painful, which presents an opportunity for a double-win. This provides a simple way of deciding how to prioritise activity as it offers a win–win for both the company and the customer.

My preferred way to look at both of these is to consider the level of emotional investment being made by the customer, and it is usually true that both moments of truth and pain points are points at which we as customers are more emotionally invested than at other times.

For example, in the insurance world when you have an accident or your roof leaks you are in a significantly enhanced emotional state and therefore much more likely to remember 'how someone made you feel' at that point. It is at that point that the expectation and indeed the customer promise that has been made in the brand advertising crystallises one way or the other.

So in the case of an insurer who used the line 'we won't make a drama out of a crisis', what happened when that call is made is the defining moment in the relationship. If that conversation begins with 'hello, what is your policy number?' rather than 'hello, firstly can I check are you ok, now if you can give me your full name I will find your policy details' the customer reaction is going to be different. The cost to the company of the difference in the opening words is zero but the impact on the customer is huge. The true impact of the experience is felt at the point of renewal where the customer votes with their feet about how they felt.

Remember you need to consider all of the senses in customer experience – language is cheap to change and powerful as a part of the experience design

The experience at an ATM needs to be functional and intuitive: the interface needs to be clear and easy to use and it needs to deliver the simple transaction. However, the act of a face-to-face opening of a bank account is much more complex and is a critical point in the relationship between customer and bank. Persuaded by the advertising and perhaps friends' recommendations, a significant investment is being made by the customer – yet even after opening the account it may then remain 'dormant' as the customer fails to activate it as a consequence of how they felt during the 'opening experience'. This is the perfect opportunity to design an experience in detail and ensure that the members of staff delivering that experience are both trained and equipped to ensure that the experience not only matches but also exceeds the expectation. This means not only the 'process' but also the environment: from seating to lighting, the smells, sights and sounds, understanding the emotional state of the customer, and responding to both spoken and unspoken needs. Investing at this point has the potential to create a significant lifetime value benefit. We will look at this in more detail when we consider how to set about actively designing an experience in your company.

Remember a customer is not a customer until they are actually doing business with you consistently and have accessed all the benefits that are available to them

The internal pain point is not having a specific line in the business plan for customer experience. Any spending that is undertaken tends to be 'project related' and therefore discretionary, having to be begged for and easily cut in times of adversity.

Remember you need to insert the customer experience design into the annual planning process

Can we really design in 'wow' experiences and do we want to?

When it comes to customer experience we often see companies trumpet a story about an employee who has gone the extra mile, and we all have our anecdotes about how someone has done something extraordinary to help out a customer. The problem with these so-called 'wow' experiences is that behind them there is usually a failure. It is the heroic efforts of an individual that saves the day and becomes newsworthy. On the positive side, that can show the business culture in a positive light – do what you need to aid the customer, use your initiative. But of course the real challenge is to avoid the need for the heroic recovery in the first place.

However, it would make little commercial sense for a company to deliver these 'wow' moments every day; indeed they would soon no longer be 'wow' moments but the norm, raising the bar on everyday expectations.

Your challenge is to create a consistently good experience that meets the expectation created by your brand and to know where it is possible to exceed those expectations at a critical moment.

To illustrate this, consider the following scenario. A small, bespoke travel company puts a bottle of wine and handwritten note in their returning customers room as a unique and private welcome. As the business begins to grow, a smart marketer put this into the brochure. Now, what was a 'wow' moment becomes an expectation that can then lead to complaints if the wine does not appear or the note is not delivered!

Remember that 'wow' moments are the exception. Truly great experiences are about consistency over time

While taking the learning from the travel company and not industrialising the 'wow', it is possible for a company to actively design in a 'wow' moment that has specific impact at a specific moment in time.

To illustrate what I mean, I designed an experience for an estate agent (or realtor in the USA) around the moment when a buyer takes possession of their new property. Bearing in mind that this is most likely the biggest single capital outlay an individual ever makes and that it may be some time before they are going to be a customer again, the challenge was to leave a lasting positive memory without taking over the positive memories of the day. The solution showcases my mantra that small pieces of data used to great effect are far more powerful than cyber warehouses of data that are never used and cost you to store!

So picture the scene: the agent is showing a couple around a potential property, they move into the garden where the agent talks about the space and casually asks, 'Do you enjoy gardening, what flowers do you like? Personally I love geraniums.' The couple reply 'white roses', and the conversation moves on. The agent returns to the office and makes a note of the answer, one single piece of data. If and when the customer finally buys a property the agent then arranges for a vase of fresh white roses to be on the kitchen surface ready for when they walk in. The flowers alone are a nice gesture; the magic is that they are their favourite flowers – that creates the mini 'wow' which even if not noticed consciously will have been noticed sub-consciously in the melee of the day.

Remember we are in the memories business in customer experience and this is about designing for positive ones; attention to detail is critical to success

It is the cumulative impact of small changes that creates an improved experience and contributes to an evolution of the customer culture. Small things equal BIG IMPACT

The digital experience challenge

The rise of digital has added another layer of complexity to the customer experience – some experiences are now entirely digital,

while through a customer lens a growing number are now expected to be seamless across channels. The ability to create an amazing online experience can often be at odds with the switch to the physical experience. For example, the huge growth in home shopping has created a whole new need for a delivery experience to match that online experience. As Amazon experiments with 'drone deliveries', the appetite for immediacy available online is seeing the development of same-day deliveries and Sunday deliveries being seen as the new benchmark. Equally the volume of home deliveries is creating a whole new market outside the accepted channels of postal service, and major logistics companies. Small-scale local operators and hubs based out of your garage add both experience improvements and risks in equal measure. The web site experience is analogous with brand advertising in the sense that it can easily create an expectation of service and experience which is not replicated once the channel switches to call centre, traditional bricks and mortar location or a physical delivery happens.

Remember that from the customer perspective, experiences are seamless and there is an expectation of consistency across channels – but different internal owners of parts of that experience cause inconsistency. You must take a longitudinal view of the total experience to spot inconsistency

Even car buying is now a multi-channel experience, with much of the purchase decision being researched and made online before the customer switches channel and goes to the physical showroom. At that point the customer has knowledge and expects the salesperson to have at least as much and more knowledge than they do – all too often the showroom fails that basic test, the power moves to the customer and respect for the brand is impacted.

The irony of customer experience is that your end customer typically has a better view of your experience than your company as they are exposed to the end-to-end experience not just parts of it.

Organisationally, companies have responded by setting up specific 'digital' teams that work in that environment and optimise for their world – in effect they have added another level of inconsistency to the customer experience. It is critical that any online experience expectations are commensurate with the other channels that a customer will touch as part of their overall interactions with the company. The customer has the advantage of seeing the various parts of your business, while the individual internal teams typically just seek to optimise their component and are not exposed to the upstream and downstream components.

Remember in customer experience terms you are only as good as your weakest link – sometimes you need to slow down development in one channel to provide a consistent and not jarring experience

Things to think about

In summary, the customer experience discipline is still emerging from the shadows, but it is beyond question the case that your business cannot leave the delivery of your critical experiences to chance. That means that understanding what matters to customers, actively designing critical experiences, equipping teams to deliver on that design and connecting the customer outcomes to the bottom line are now business essentials. Every company should have a line in the annual plan to cover the active

development and management of their customer experience. This does not even need to be incremental: as a start point you should consider investing a mere 10 per cent of the brand and advertising budget directly into the delivery of an experience that matches the expectation – that makes perfect sense.