

Six Essentials for a Stronger Customer Experience

We asked top experts and practitioners for their most useful nuggets of advice for companies embarking on customer experience initiatives. Hint: Share these with your C-suite.

BY LAUREN GIBBONS PAUL

Customer experience has been a key focus for businesses in all industries for several years now—long enough to learn what works well and what does not. We asked experts and practitioners to share their essential ideas on developing and sustaining a strong customer

experience, both for companies just beginning their customer experience journey and for those that need to rejuvenate an existing initiative.

1 Think “omnichannel.” People used to accept that different channels (Web, mobile, social media, in-store, phone) abided by different policies and contained differing information. (Witness the all-too-familiar, “Items purchased online may not be returned to the store.”) Today, however, customers do not necessarily engage with businesses one channel at a time, and it is common to begin a transaction on one channel (i.e., online) and complete it on another channel (i.e., in-store).

In a recent Accenture study, 49 percent of consumers said the best thing retailers could do to improve the shopping experience is to better integrate in-store, online and mobile shopping channels.¹ Meanwhile, a study by Vantiv showed a seemingly infinite variety of omnichannel shopping behavior, all of which requires consistent data and experiences across channels (see Figure 1, “Shoppers Blend Multiple Channels”).

No matter how customers choose to transact or engage with a business, they now expect and deserve to get the same answers, information and treatment wherever they go. Further, if they begin an interaction or dialogue on one channel, customers expect that dialogue to pick up where it left off when they move to the next channel. And that holds true for B2B customers, too.

An example is Sprint Nextel, which struggled with customer experience after its mega-merger in 2005. Two years later, after mass customer defections

FIGURE 1

Shoppers Blend Multiple Channels

Research an item online and then purchase in-store

61%

Research and purchase an item online and then pick up in-store

50%

See an item in-store, research/check price on smartphone and then purchase online

35%

See an item in-store, receive a coupon on smartphone and purchase in-store

29%

Source: Vantiv, 2013

and lots of bad press, then-new CEO Dan Hesse chose “simplification” as his central turnaround task. Reengineering customer-facing processes and data across channels was a major part of that effort. “What drives customers crazy is when they get different answers in different channels and when we have no understanding of where they have been,” says Jerry Adriano, vice president of customer experience at Sprint.

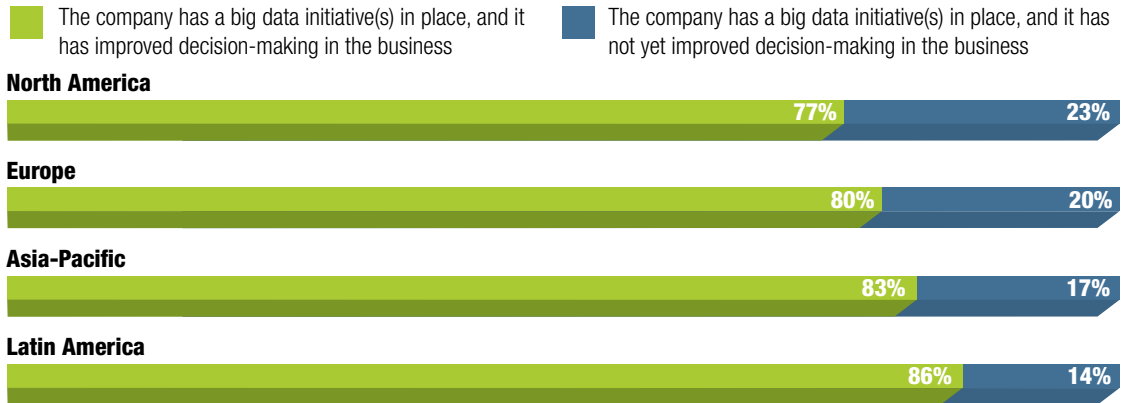
Toward that end, Sprint is working on obtaining a true 360-degree customer view. Whether in the store or the contact center, customer-facing employees are beginning to use a lot of the same knowledge management and CRM tools, enabling them to access much of the same supporting data and work from the same scripts for common customer problems. So,

AN EXCLUSIVE
RESEARCH REPORT
FROM BLOOMBERG
BUSINESSWEEK
RESEARCH SERVICES

1. Accenture. “Accenture Seamless Retail Study.” April 2013.

FIGURE 2 Big Data, Better Decisions

Survey respondents in all regions of the world say their big data initiatives have improved decision-making.



Base: 1,217 respondents
Source: Tata Consultancy Services, 2013

if someone walks into a store with a cracked phone screen, he gets the same customer service experience as someone calling into the call center or chatting online with an agent. The result: a more uniform, satisfying experience for the customer. “Now we have a more informed conversation with the customer,” Adriano says. In other cases, companies are ensuring that customers who have turned down a particular promotion via one channel (i.e., email) are not offered a duplicate offer in another channel (i.e., in-store).

2 Nurture customer advocates. Many companies continue to invest in traditional loyalty programs. But that is not enough, says customer experience expert Paul Greenberg, author of *CRM at the Speed of Light*. With many loyalty programs, he says, members concentrate on the discounts and benefits they can receive. Instead, companies should work on creating customer advocates, Greenberg advises, as it is a much more enduring and sustainable source of value. Nurture those with a special interest in your brand, products and services, he says, and do not be afraid to pay them for their work.

Greenberg cites Karmaloop, a \$130 million Boston-based online urban fashion retailer. “Its ROI is not the amount of money it is making but the size of its community, which is an integral part of its strategy,” he says. Karmaloop invented—or was the first to exploit—“community” retailing, in which a group of

elite customers promotes and sells the clothes for the company. These customers receive a unique identifier for their own orders, as well as any they bring in, and they are rewarded for uploading videos or speaking positively about the brand on social media. Greenberg approves of the company’s approach to compensating these high-value customers.

“An advocate becomes an extension of your company. As such, they should be paid. They have some ownership of the brand, too,” he says. The key is to reward customer advocates in a way that shows you understand and value them.

3 Leverage data for actionable insights. According to the Cisco Visual Networking Index, global IP traffic will reach one zettabyte per year in 2015.² With these data volumes—plus the structured data contained in internal corporate systems—more companies are putting analytics plans in place to harvest valuable insights. In a Tata Consultancy Services report, 53 percent of respondents were leveraging big data, and of those companies, 43 percent predicted a return on investment of more than 25 percent. A clear majority, 80 percent, said their big data initiatives had improved decision-making (see Figure 2, “Big Data, Better Decisions”).

Sprint Nextel’s use of analytics helped execute its turnaround of a few years ago. At a point when many

2. Cisco Systems. “Cisco Visual Networking Index: Forecast and Methodology, 2012-2017.”

“We mapped all the customer expectations throughout the customer lifecycle, and we pulled the data to figure out how well we were delivering on those expectations.”

—JERRY ADRIANO,
VICE PRESIDENT
OF CUSTOMER
EXPERIENCE, SPRINT
NEXTEL

customers were defecting to competitors, Sprint tapped a variety of structured and unstructured data sources to understand what was happening both in customers’ minds and in the market. According to Adriano, the company examined data from J. D. Powers and other third parties that regularly survey the wireless industry. Internally, it looked at “voice of the customer” insights gleaned from its transactional data. A third data source was direct customer feedback from escalations to executives and to third parties such as state attorneys general and the Better Business Bureau.

“We mapped all the customer expectations throughout the customer lifecycle, and we pulled the data to figure out how well we were delivering on those expectations,” Adriano says. “We combined the first two sources, customer and operational metrics, which gave us a sense of where we had the biggest gaps.” The analysis showed that the top areas of customer dissatisfaction were network and pricing issues, which Sprint then prioritized.

Businesses in other regions of the world are also pursuing analytics for insights. Singapore-based Lenovo has a center of excellence to monitor social media and plans to integrate social data with its internal CRM system. Rod Strother, director of the digital and social centre of excellence at the PC vendor, says this will enable Lenovo to gain insights into product design, such as tablet screen size preferences among consumers.

4 Let consumers control the experience. In this social- and mobile-enabled world, individuals are well accustomed to taking charge of their own experiences, whether seeking out product reviews or actually “trying on” eyeglasses online. According to Paul Greenberg, people love this enhanced sense of control. He cites the example of Disney Destinations, which had operated as a traditional travel agency that interacted with customers by telephone for years. Then the company noticed customer dissatisfaction creeping in. “Disney vacations were so complex, there were so many different variables, and it was all changing constantly. You would spend hours on the phone with the travel agent,” he says, “and then something would change, and they would have to go back and reconfigure the whole thing.”

FIGURE 3

Preference for Personalization

Percent of respondents indicating a desired personalization capability from a retailer.

Unique pricing, automatic discounts, free returns, pre-sales based on loyalty/purchase history

55%

Earn and use loyalty rewards in-store, online or on a mobile device

53%

Account completely connected between purchases and loyalty points, both online and in-store

45%

One account to use in-store, online and on a mobile device to make checkout easy and fast

43%

Base: 6,000 respondents in eight countries
Source: Accenture Seamless Retail Survey, 2013

Now, users can configure and book their own Disney Destinations travel online, as they would with Expedia, for example. “Your changes are reflected back to you, so you can control the time and effort you put into building this vacation,” Greenberg says, and bookings are always based on the most current information available. Disney Destinations, he says, gave its customers control of their experience. Feeling in control comes down to how the customer feels when interacting with the company, he adds. “Six months later you might not remember the details of the transaction, but you remember you felt good,” Greenberg says. “That’s the control, the ability to sculpt your own experience.”

Mike Wittenstein, managing principal and senior experience designer at business consultancy Storyminers, advises watching and listening to your customers and understanding what they need by interacting with them. This makes it easier to know what to change. “If you listen carefully, customers will tell you what they want early on, which makes it easier, faster and cheaper to deliver just what they want,” he says.

5 Increase personalization. Large global companies often understand that the local culture will affect

“There are no shortcuts to getting out there and getting to know your customer. You can’t categorize by region. You have to categorize by Millennials, boomers, people with arthritic hands, etc.”

—MIKE WITTENSTEIN,
MANAGING
PRINCIPAL AND
SENIOR EXPERIENCE
DESIGNER,
STORYMINERS

how their customer experience is perceived in different regions. But it is not sufficient to segment your customers by region, Wittenstein warns.

To really serve your customers, you will need to make more meaningful distinctions in customer types. “There are no shortcuts to getting out there and getting to know your customer,” he says. “You can’t categorize only by region. You have to categorize by how people see themselves (Millennials, boomers, people with arthritic hands, etc.)” The goal is to get to know your customers well enough to deliver the product/service combination that is most meaningful to them.

Thankfully, customers seem increasingly willing to oblige. According to Accenture, nearly two-thirds of online shoppers would trade increased privacy for more personalized offers from retailers, as long as they are given options on how their personal data is used.³ A recent Accenture study revealed that consumers desire personalized experiences through every channel (see Figure 3, “Preference for Personalization”).

6 Do not just serve customer needs—anticipate them. Companies serving both consumers and other businesses must understand them so well that they know their needs before the customer does. “Instead of reacting to customers’ needs, we have to point this technology at understanding the context of the customer’s day,” Wittenstein says. You need to understand how your customers are using your products or services and how they interact with your processes. It is critical to understand your customers’ intent, answering questions like, “What is he trying to do?” and, “What would make life better for her?” Says Wittenstein: “The idea is to serve, not just sell. You have to understand the client’s intent and help them achieve it.”

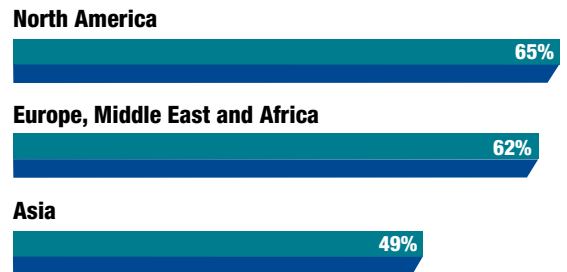
Anticipating customer needs is a win for both companies and customers. Businesses can serve customers better at a lower cost, and customers feel they are well served. Wittenstein gives the example of Apple’s approach to scheduling appointments for customers who walk into its retail stores. Apple employees are trained to size up customers on the

3. Accenture. “Today’s Shopper Preferences: Channels, Social Media, Privacy, and the Personalized Experience.” November 2012.

FIGURE 4

Global Interest in Customer Experience

Respondents were asked to rate how important “delighting customers” would be to their customer service operations in 2014. (percent of respondents indicating high priority)



Base: 318 respondents
Source: Bloomberg Businessweek Research Services, 2012

spot and route them to the technician or salesperson who will likely be the best fit. “They pay careful attention to the customer’s intent, and then they tee everything up to serve them,” he says. If you just bought a new computer, the staff knows what types of things you are likely to ask about. “Then they wrap the resources of the store around you,” he says. Customers end up with the sense that Apple understands their every need.

Summary

Companies around the globe are intent on developing a strong customer experience (see Figure 4, “Global Interest in Customer Experience”). Creating a compelling and profitable customer experience requires a new way of thinking that reflects changing customer behavior, particularly around mobile, social and omnichannel behaviors. It often requires different processes, along with technologies to enable those processes. By learning from experts and practitioners, companies can keep up with customer experience trends and become more customer-centric. •

Lauren Gibbons Paul has written extensively on customer relationship management and customer experience management topics for more than 15 years. She has written for Peppers & Rogers Group, Forrester Research and leading business technology publications.

This research project was funded by a grant from SAP.



—BERNARD CHUNG,
SENIOR DIRECTOR, SAP

SAP Delivers Customer Experience

SAP offers marketers the solutions to help them capitalize on big data insights, champion customer experiences and streamline marketing—with a choice of cloud, hosted or on-premises solutions to accommodate your business needs today and in the future.

SAP Delivers the Essentials for a Strong and Sustainable Customer Experience

To better understand how companies can launch and sustain their customer experience programs, Bloomberg Businessweek Research Services spoke with Bernard Chung, Senior Director at SAP. A frequent blogger and speaker, Bernard is passionate about helping other marketers transform their organizations in today's dynamic and challenging environment.

Q: How can companies develop deeper customer insights?

Today's business managers need to level the playing field of knowledge by gaining unprecedented insights about their customers and their markets. With solutions like SAP Audience Discovery and Targeting—running on SAP's HANA in-memory computing platform—marketers can quickly gain key insights into large customer data sets. This, in turn, facilitates the iterative process of discovery and insight that people naturally go through when working to learn more about complex, fast-changing topics. Additionally, SAP's Sentiment Analytics solution provides insights into how the market is responding to your products, brands and latest campaigns. It also detects trends and identifies potential public relations issues and opportunities so you can address them before it's too late.

Q: What is the current thinking on “customer value?”

The full value of customers extends beyond the sum of their current purchases. It also includes their future purchases, based on what they've done in the past, as well as any influence they may have on other prospective customers. Many businesses fail to make this connection and only take into account short-term returns when developing their customer experience strategies. With solutions like SAP's Customer Value Intelligence product, businesses can pull in relevant customer information to provide the full lifetime value of customers and customer segments to develop meaningful strategies that will maximize customer value.

Q: How can companies engage with customers throughout the customer journey?

It's clear that today's customers engage with organizations through multiple channels throughout the customer journey. Organizations should clearly define each customer journey map and understand all the channels of interaction. They also need to ensure that customer preferences and contextual information from previous interactions are carried forward and used for all future customer engagements. Integrated solutions like SAP 360 Customer can provide a consistent customer experience across channels—including social and mobile channels—facilitating customers through the entire lifecycle, with personalized and relevant interactions.

For more information about SAP's customer experience offerings, please visit this Web site: www.sap.com/marketing

Sponsored by

