



The power of a superior customer experience – and how to create it .

A siloed approach to customer satisfaction no longer works. It's time for a fresh, all-inclusive strategy – one that not only provides your customer with a positive experience at every touch-point, but also delivers a satisfying cumulative journey across multiple channels, and over time.

By Brian Williams and Alexia Chianis

THE 21ST Century consumer is remarkably savvy and they set the bar high when it comes to customer experience (CX). **So important is the customer experience to a company that it is now the key differentiator for businesses that wish to have or maintain a market leading position.**

As customers' expectations rise, companies are under increasing pressure to ensure their CX strategies make the customer experience a seamless delight so that their customers will not only remain loyal to the company – but also act as company advocates. Regrettably, many organisations fall short when it comes to creating a successful CX program because they're relying on outdated strategies – focusing on improving touchpoints and modifying existing processes, *without taking the customers' end-to-end experience into consideration.* Near-sighted and disconnected, strategies like these fail to give customers the seamless experience they expect.

This oversight occurs frequently, even among major corporations that invest heavily into CX programs. Australia's massive telecommunications and media company, Telstra, is a prime example.

'Customer experience is bigger than customer service in that it is the full, end to end experience. It starts when you first hear about Amazon from a friend and ends when you get the package in the mail and open it..'

Jeff Bezos, CEO of Amazon.com

On 20 May 2016 Andrew Penn, CEO of Telstra, said "Over the past five to six years we have done a lot to improve customer service. We are a long way from where we started, but if I was unkind to us, what I would say is that we have made most of our progress by *sprucing up our current processes, not transforming them.*"¹ Telstra's efforts at improving customer experience aren't uncommon. "Sprucing up current processes, not transforming them" contributes to the downfall of customer experience programs across every industry.

69% of consumers are more likely to choose a brand – and remain loyal to it – when it provides a simpler customer experience.²

What is clear is that the level of customer experience maturity that a company has developed is critical in the battle for engaging, capturing, and retaining customers. This entails a longer term strategy by the company to ensure that its processes, leadership and staff, tools and platforms are all focused on the customer. For instance, by focussing on the achievement of operational efficiency or product leadership, companies often overlook the customer experience. The fact is, customers are putting more and more demands on companies to give them a painless, seamless experience and those that do have a good chance of winning customer allegiance.

The trouble with touch-points: Why traditional customer-centric strategies tend to fail

When most companies measure customer experience, they focus solely on touchpoints – the individual transactions through which customers interact with parts of their company and its goods and services. This time-honoured approach helps teams gauge their performance when it comes to customer service, but it misses the big picture – the customers'

satisfaction with their end-to-end experience. Worse yet, this approach can create a misleading, overly positive portrayal of customer happiness. **Often, customers are satisfied with individual interactions but disappointed with their cumulative experience across multiple touchpoints over a period of time.**

However, focusing on seamless, simple customer journeys – rather than touchpoints alone – requires an operational and cultural shift that impacts every facet of an organization. This being the case, some company leaders are hesitant about taking the plunge. But according to research that spans a variety of industries, the pay-off can be huge: companies that deliver above-par journeys gain a powerful competitive advantage and tend to come out ahead in their markets.

Only by evaluating the customer experience through the customers' eyes – all along their journey – can a company truly measure customer satisfaction and learn how to make meaningful improvements to it.³

The benefit of a seamless and simple customer journey: Brand advocates

The reward of creating an end-to-end customer experience is multifold. Doing so can enhance customer satisfaction, improve customer retention, and develop customers into brand advocates. Giving customers the experience they want can also increase sales, reduce service costs, and boost employee morale. Moreover, during the process of developing a positive end-to-end customer journey, employees are likely to identify more efficient and effective ways to collaborate across teams, functions, and levels – all of which benefits the company as whole.

A study based on an online survey of more than 12,000 respondents located in eight different countries concluded that going above and beyond to create a simple customer experience is worth the effort. Companies that are most successful at delivering simpler customer experiences weave simplicity throughout the brand experience.

Specifically, they tend to:

- > **Empower:** They bypass traditional industry protocols and standard

operating procedures and give power to customers.

- > **Capitalise on disappointments:** They view underwhelming customer experiences as opportunities to delight their customers.
- > **Minimise friction:** They continually search for pain points in daily processes and take steps to minimise or remove them.
- > **Value time:** They place an importance on time by providing services to their customers where and when they need and want them. Not only that, they're also pro-active about finding ways to make the best use of employee time.

Building a quantifiable link to value

Globally, business leaders are becoming increasingly aware of the importance of CX.

89% of companies plan to compete on the basis of customer experience.⁴

Nearly 60% of executive teams want to position their companies as customer experience leaders in their industry.⁵

Yet most customer experience programs fail because they aren't linked to value. When they're not, leaders often fall victim to the misconception that maintaining their existing customer experience is more affordable than providing a superior one. This is understandable – as the short-term expense of implementing a CX program can easily overshadow long-term payoffs if it isn't anchored to value.

Organisations investing to improve CX must know what it is worth and precisely how the improvements will generate value. To realise the financial impact of the customer experience, you must first assess the value of your customer. Consider how much revenue is at risk with your current customer experience, and how much that risk could decrease by improving CX.

To assess the market damage resulting from your current customer experience you must determine what percentage of your customers' encounter problems, the probability of them voicing those problems, and how effective your company is at resolving their complaints. Remember, if you don't know what's wrong, you can't fix it.

How customer experience impacts revenue, price, and word of mouth

These are just a few ways in which creating a great customer experience has been shown to be less expensive in the long-run than maintaining poor CX.

Revenue

Poor customer experience decreases customer loyalty by 20%.

According to data from studies conducted by CX expert John A. Goodman, poor customer experience decreases customer loyalty by 20 percent.⁶ That means that for every five customers that have a negative experience with your brand, you're apt to lose one of them. In other words, poor CX could be shaving 20 percent off your revenue potential. By contrast, resolving a customer problem can raise loyalty as much as 50 percent.

Price point

When customers experience a problem, price sensitivity doubles.

Companies that provide positive customer experiences can maintain higher margins. Not only will most customers pay more for great service, but sensitivity to price is strongly correlated with problem encounters.⁷ When customers experience a problem, price sensitivity doubles. If the problem recurs or they encounter another problem, concerns about price double again. Once again, providing great CX proves beneficial.

Word of mouth (WOM)

Online reviews impact almost 70% of customers' purchasing decisions.⁸

The popularity of online reviews has significantly increased the prevalence of WOM – and its influence on the decision-making process of consumers. According to one recent study, online reviews impact almost 70 percent of customers' purchasing decisions.⁹ Additionally, companies risk losing one out of every five potential customers after they read just one negative review. While positive CX can generate good WOM for your business, negative CX can result in two to four times as much negative WOM.

5 Steps to managing customer experience journeys



Delivering a first-rate customer experience not only helps improve customer satisfaction and decrease churn, it also gives your customers a compelling reason to tout your brand via their social networks. Here's how to get started.

- 1. Create a roadmap of your customers' journey.** Learn how your customers navigate across touchpoints as they move through their experience. By integrating all interactions into a customer journey map you will begin to understand the true customer experience in its entirety.
- 2. Connect the journey.** Understand each transaction and touchpoint in itself, and how it relates to other transactions and touchpoints. To create a seamless customer journey, each interaction needs to be analysed to determine how it contributes to that journey.
- 3. Identify pain points across the customer experience.** Come to terms with what's working and what isn't: where does your company excel and where is it falling short when it comes to delivering a positive customer experience?
- 4. Operationalise and establish priorities.** Share pain points with relevant teams, and then decide what problems your company will tackle first. Create a plan of attack to minimize or remove them.

- 5. Evaluate.** Continuously monitor your customers' end-to-end experience with your brand. Then fix root-cause issues that consistently disappoint your customer. Redesign their journey to create a more rewarding customer experience.

Engaged staff are the underpinning of a meaningful customer journey

The final piece in the customer experience puzzle is an engaged workforce. An engaged employee is better prepared – and more willing – to deliver world class customer service that differentiates your company from its competitors. Engaged employees are also less likely to leave your company. Unfortunately, most employees are not engaged: seven out of 10 workers are either actively disengaged or not engaged in their work, according to a Gallup study.¹⁰ And in the U.S. alone, the Bureau of National Affairs (BNA) estimates that businesses lose \$11 billion annually as a result of employee turnover.¹¹ The good news is, investing in policies and practices that cultivate an engaged workforce can deliver an amazing ROI. In fact, a study conducted by the BNA found that companies with engaged employees outperform those without them by up to 202 percent.¹²

Coxswain Alliance works with organisations to rapidly lift staff engagement and capacity. Combined with



installing new management practices and tools, employees are set up for success by being able to manage and serve their customers much more effectively. As a result, the customer journey is made far easier and more enjoyable, and customer engagement is greatly improved.

The time to bring customers into the heart of your organisation is now. Make them feel understood, appreciated, and heard by optimising their journeys and experiences. Learn more about how the business improvement services offered by Coxswain Alliance can help you improve customer experience.

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