CX Lessons Learned for 2016

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As 2016 rapidly draws to a close, Customer Experience continues to be a "hot topic" on everyone's agenda, but companies are having trouble making progress. The primary disconnects are how Customer Experience professionals present and communicate Customer Experience to the C Suite.

Customer Experience is more than how customers answer surveys (customer satisfaction and Net Promoter). Surveys look backwards and don't help you prepare for an uncertain future. Customers are suffering from survey fatigue so at the moment, many people just answer the survey to get it over with.

Customer Experience needs to be part of a larger "agile" initiative to help the company prepare for continuous change. It's about learning how to use data and adapt to current and future trends.

Real Customer Experience is about:
1. Insight
2. Integration
3. Impact

Customer Insight

Customer experience is about understanding your customers. In order to do this, you need to have an understanding of who they are, how profitable they are, what their preferences are, and the real problems they are trying to solve by using your product, what about your product matters most to them, etc.

Understanding customers begins with segmentation or at least profiles (personas). You should identify the segments that are most important to you because they are the most profitable or they have the most potential to be great customers in the future.

Knowing which segments to focus on helps you better allocate your resources to take actions against these groups and should be the focus of your marketing strategy.

There are 3 main ways to get more customer insight:

1. Clean your customer and prospect list and append 3rd party data to fill in your data gaps and get a more comprehensive picture of who they are.
2. Use mystery shopping, ethnographic research, focus groups etc. to get to know your customers on a deeper level. This means getting out of your office and actually engaging face to face with real live customers. Ask them to tell you about their experiences and what they are trying to accomplish. Listen carefully and observe.
3. Use your in house data analytics to understand the behavior of your customers. This means your campaign data, your transaction data and your online data. Get your analytics team involved in helping you to identify what is happening and to design tests to better predict future behavior.

An example of using insight to help improve the customer experience is Apple's new iPhone app support. Apple noticed that many customers who came to their Genius Bar in store were having problems with their cell phones. By building support directly into the phone the customer can get trouble shooting suggestions, chat with an expert agent and/or make an appointment at the Genius Bar if they still need more help. Smart self services should always be accompanied by a high touch option or a person to person touch.

Customer Integration

Customer Integration involves 2 things. The first idea is being able to identify your customer across platforms. If your customer is using their tablet, cell phone, computer or app we should be able to link the data together to create a 360 view of the customer. This is not easy but it's important to start now in order to fill in your missing gaps.

The second concept for customer integration is the idea that you need to think about your customer insights when you are designing the interactions with customers. The idea is to match the customer needs to the right channel with the right message. The best way to understand this is to create end to end Customer Journey Maps.

The Journey Maps should include customer input, employee input and management input. It should also be supplemented by transaction data, and observational data. This helps us identify the current pain points and gaps in the experience that are needed to satisfy the customer.

When you have identified the pain points and moments of truth then you can begin to work with your team on ideas for how to solve these issues.

A good example of customer integration is American Express. They encourage customers to provide their preferences, remind them to change their passwords, and send alerts to customers whenever their transactions are out of their usual patterns. If the customer uses their mobile phone, computer or telephone to transact American Express will send an alert or contact the customer to be sure all is well and no fraud is being committed.

Impact

Once you understand the customer, and know more about his journey through the various touch-points, it's now time to think about the impact this is having on your organization. How you execute on your insights and integrate them across the customer experience to make a significant impact on your new and existing customers?

First you need to focus your marketing efforts and improvements on the segments that matter most to your bottom line. Then you need to measure to find out how much value you are actually delivering. Start with short term indicators like improved social sentiment, or customer satisfaction. Then move to financial metrics such as life time value, repeat purchasing, and market basket size.

A good example of impact is Amazon. They focus on what customers are buying. They constantly test what they put on each page. They collect customer reviews and display them for others. They use big data to help them create relevant offers at the customer level and use one click ordering to enable the transactions to be simple and easy. They are continuously learning what their customers want and improving their ability to deliver.