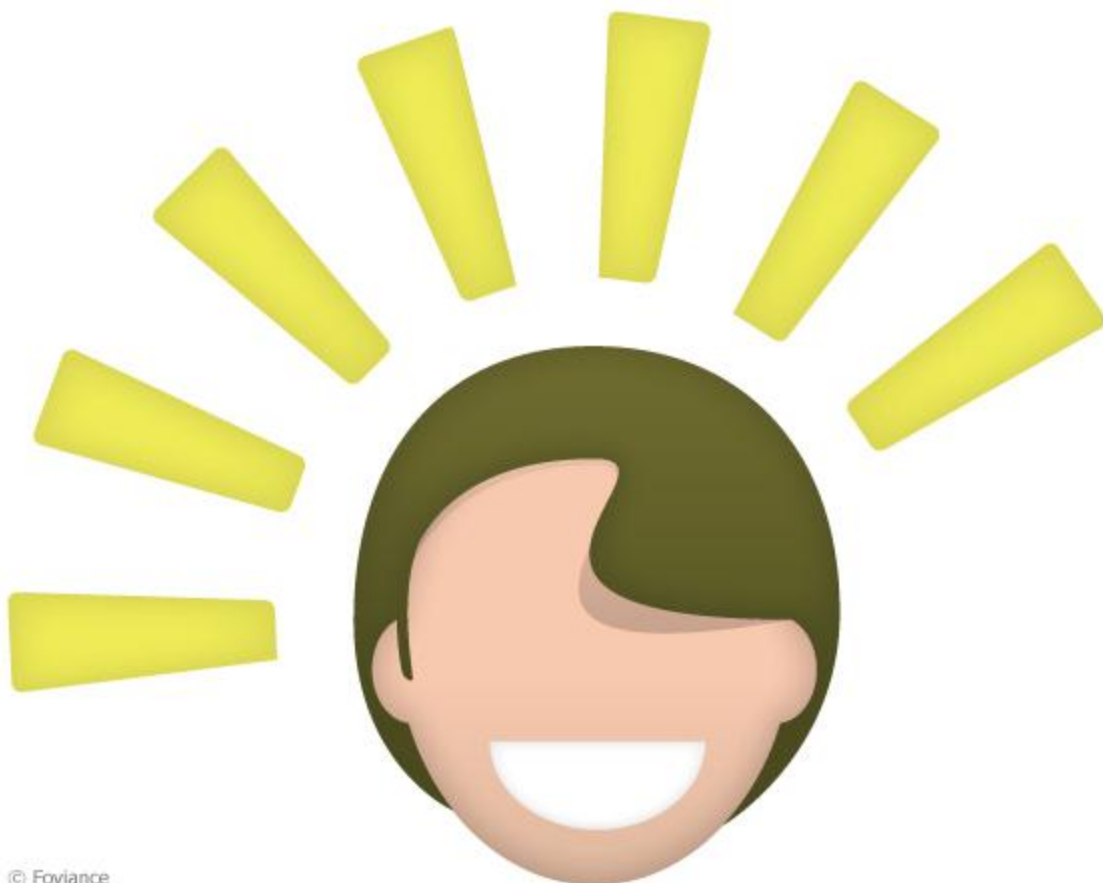


# Achieving a great customer experience

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Ask any CEO how much a great customer experience matters to their business and you will get a consistent reply: it is crucial. The impact of poor experiences on customer attraction, retention and cross-buying has been well documented over the past decades. But today, more than ever, 'Customer Experience' has become the hot topic in business circles. In a recent (June 2010) Foviance / EConsultancy survey, 92% of businesses said their organisation recognised a link between long-term business performance and customer experience – two thirds reporting a strong link . So what makes customer experience so relevant today?

Two factors:

1. The **proliferation of channels:** customers now expect to interact seamlessly with their chosen brand wherever, however and whenever they want. They expect to be able to have access to information literally at the tip of their fingers and increasingly they expect to be able to carry out transactions digitally whenever it suits them. Customer expectations are high and in many cases the barriers to switching are getting lower. Making sure customers have a great experience across an integrated set of channels is challenging to even the most customer focused organisation.

2. **The exponential growth in social media:**

Not only do customers now 'touch the brand' directly through the traditional channels, but they can now interact with it very publicly through social media. Communication with customers may now be 'many-way' with customers having the opportunity to interact concurrently with the brand and with fellow customers. Some of these public interactions are controlled by the brand concerned, for example, when customers contribute to on-line reviews or communities but there are also many the organisation cannot control even if they would wish to – the 'Not eating McDonald's' Facebook group is a good example of this! One short lapse in service standards can be communicated in seconds to thousands of other customers or potential customers.

As access to technology increases and cultural change further embeds new channel usage behaviours into general society, customer experience is becoming increasingly relevant to all consumer-facing businesses. Indeed, 86% of businesses questioned in the recent Foviance / Econsultancy survey stated that their organisation tries to **differentiate** its brand through superior customer experience (almost half stating that it was 'very much a part of their strategy'). Despite this, the majority (75%) say they are struggling to implement a strategy for improvement. This paper looks at some of the reasons why companies are finding it so difficult rise to this challenge and how to ensure a customer focused culture throughout the organisation.

<sup>1</sup> 262 businesses took part in a web based survey conducted June/July 2010 by Foviance and E-Consultancy.

# Becoming Customer Focused

That an organisation needs to focus on customers to improve its customer experience is no great revelation. For some organisations however, this is reflected in little more than a 'box ticking' exercise, where a customer satisfaction survey is considered enough to ensure that the experience meets customer needs. Making it 'great', however, needs something more.

A truly customer focused organisation will have the customer at the heart of all decisions. It will know and understand its customers and how they interact with their company. In addition, its systems and processes will be aligned with customer needs, and perhaps most importantly of all, the management incentives will be integrated across channels to ensure focus on the customer as a whole.

This last issue is where many companies fall down, with separate channels or functions following their own view of what customers need. Their agenda is based on maximising the customer experience for customers and prospects of their area alone with little or no reference to the wider needs of customers as they interact with the brand as a whole. In many organisations, the channel owner's behaviour is driven by personal targets that recognise sales and conversion rates above all else and the focus on customer experience takes second place to a tough, single channel, sales culture. As one senior marketer of a large well known UK media company put it in a recent Foviance survey:

***"...there is a separate business unit ...set up in a different building...they are KPI'd on using the internet to raise revenue and therefore there is sometimes a massive disconnect between that KPI and other KPIs we are working on...their KPI is around monetising the on-line experience and not providing a better customer experience"***

In a world where customers interact with a brand at many different touch-points, a poor experience with one touch point will affect the performance of other channels. For example, a customer who does not get the level of service they need in store (or from a website) may call the helpline, increasing the pressure on the call centre or, of course vice versa. They may decide to purchase elsewhere, ultimately affecting the whole business. In a customer focused organisation, targets, behaviours and communication should reflect this interdependency. The culture of the company will instill a 'faith' in its people that doing the right thing for customers will ultimately be the right thing for the business even if the impact on their own channel P&L is not immediately apparent. Respondents in the survey described the barriers their companies face when trying to change their culture to a more customer focused one:

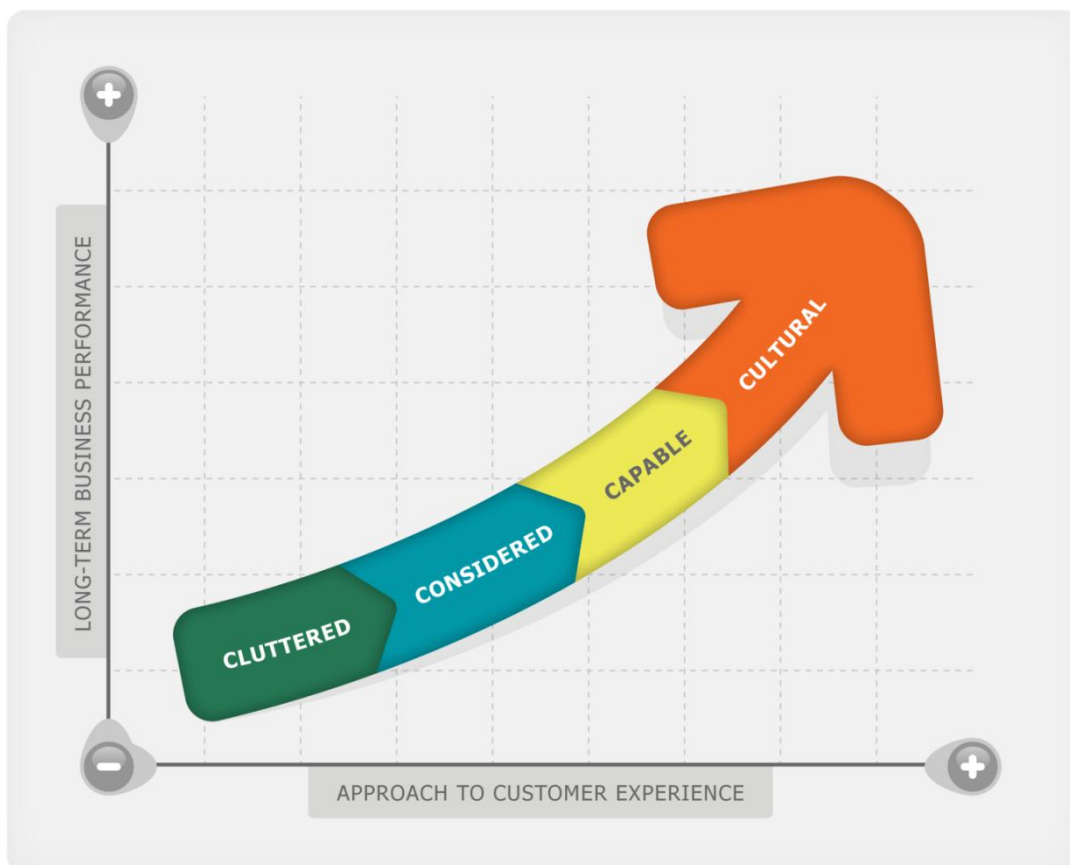
***"The organisational structure is the biggest problem right now. Each silo (PR, Marketing, customer support, hr...) has the right to talk to one type of prospect/customer by using specific channels without any coordination to ensure a relevant experience between those silos"***

***"The greatest barrier is ownership of touch-points. Business cases and by extension budgets are difficult to pin down because there are too many owners. As such budgets are allocated across projects rather than the whole chain. Different priorities are also running across the different business units"***

The Foviance Customer Experience Maturity Model shown below (developed by Foviance 2009©) shows the stages of maturity that organisations pass through as their approach to cross-channel customer experience is developed. The first, Cluttered Stage, is where many organisations find themselves initially as they grapple with multiple channels but no consistent cross-channel strategy. Once a strategy has been identified, companies move through to a Considered Stage, where the organisation begins to understand the issues that need to be addressed and has some customer focus but as yet they have not developed an implementation plan for cross-channel integration. The majority of organisations put themselves on this left-hand side of the curve, still struggling with integration of systems and processes and putting the right leadership and structures in place to enable cross-channel customer focus.

The next, 'Capable', stage describes organisations that have developed a plan and begun to implement it although the integration is not yet fully harnessed across channels. Once ownership of the total customer experience is taken at the top of the company and the strategy is fully implemented, mature organisations have progressed to the Cultural Stage, where a company can truly claim to be customer focused. This requires implementation of a strategy to integrate not only the leadership focus of the company, but systems and processes, the view of the brand and the way that information and insight is collected and used.

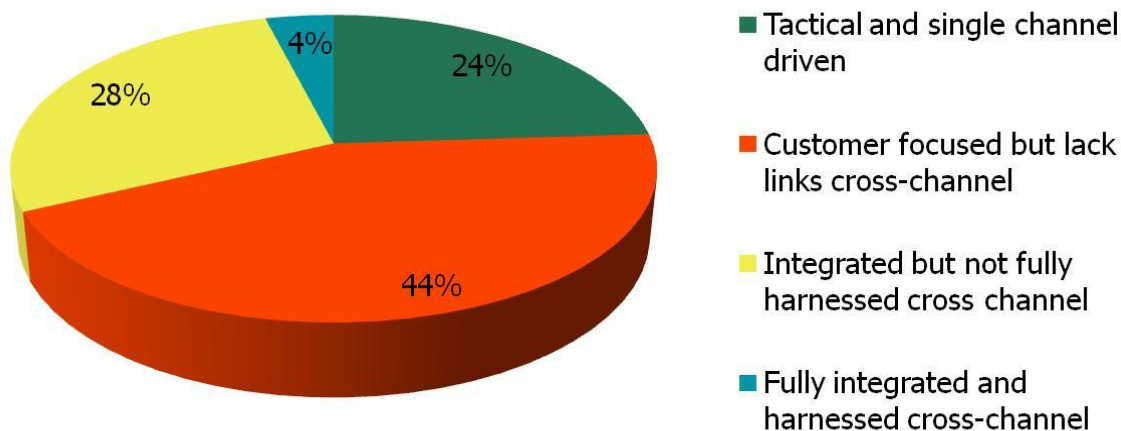
### The Foviance Customer Experience Maturity Model.



## So how many companies have achieved the level of integration required to reach the 'cultural' level?

In the recent Foviance survey of businesses only 4% of respondents felt that their organisation had achieved the integration required to have a single view of the customer.

### Integration of systems and processes across channels



Integrating digital channels with an established off-line business often presents the greatest challenge with customers experiencing different standards and sometimes even different prices and products depending on the channel they use. Not only is this frustrating for customers but it also gives a confusing brand message

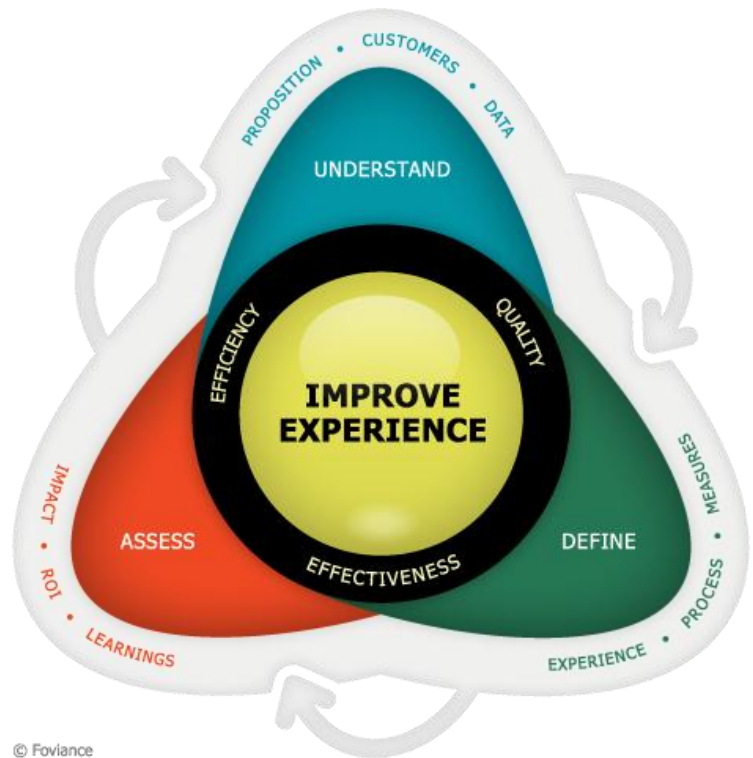
For those companies that recognise a need for more integration, however, but don't know where to start, the next section outlines a framework for improving customer experience including specific recommended start points.

# A Framework for Improving Customer Experience

Companies these days are not short of data. Senior managers are bombarded daily with new pieces of 'information' to help them manage the business. As many managers would readily admit, however, these data often provide little insight and even less direction. So to suggest an information gathering exercise as a start point to improving customer experience may have many a manager throwing up their hands in dismay. But don't be fooled by the amount of data available, there are likely to be large gaps in the true understanding of customers and their needs.

This understanding of both customers, their needs and, importantly, the way in which the organisation is currently meeting those needs is essential. Once it is complete it is possible to define the desired experience based on this understanding and to put in place the processes and measures needed to monitor it. As customer experience is then improved it is useful to assess the impact of the changes and to calculate the return on the investment before re-evaluating changing customer needs to begin the cycle again.

The graphic below shows the Foviance Framework for improving customer experience through the continuous process of understanding, defining and assessing.



## The Foviance Framework for Improving Customer Experience©

Each stage of the Framework forms an essential basis for the following stages, with the clear start-point of developing a true understanding.

## Understand

When asked – ‘who exactly are your customers?’ – many companies find it difficult to give a succinct answer, but without knowing who customers are, it is impossible to fully understand their needs. A good understanding of not just who customers are, but also their needs and priorities is essential. Key questions to ask to identify whether a complete understanding exists are:

### Do we know exactly who our customer are?:

Conducting a meaningful segmentation of the market where it is split into groups of customers, or segments, who share similar characteristics but are different from other groups, is the first step to understanding customers. A good segmentation, together with a detailed understanding of the demographic, behavioural and attitudinal profile of different segments within the customer and prospect base is essential as a basis for understanding customer needs.

### How do customers interact with touch-points across the company?:

Many organisations have grown new channels organically over the years as technology has enabled new ways of interacting with customers. These have, by necessity, been bolted onto existing channels to provide greater flexibility for customers, often confusing the pathways customers take in their interactions with the company. Walking with customers in their everyday lives and watching how they find their way around these different channels can be an enlightening experience! This type of research captures information about behaviour in the context of people’s real world environments and can be especially useful to obtain unarticulated needs and motivations and to paint a picture of how customers interact with the brand at all levels.

### Do we understand the needs of specific customer groups?:

Once key groups of customers have been identified, and an understanding of how they interact with the brand has been developed, it is helpful to quantify and prioritise their specific needs from each channel. The key issues that the organisation focuses on in terms of development, training, improvement in systems and processes and innovation should be those that influence customer satisfaction the most.

Many tools and techniques exist to help organisations see exactly how they are perceived by customers. The most useful are those that measure or monitor the **actual** experience delivery and those that look at the **impact of the experience** on customer opinions. Understanding the standard of the actual experience, using tools such as usability testing, mystery shopping and website analytics can give feedback on exactly how and where the customer experience may be going wrong and where it is working properly. These approaches provide **objective** recommendations on potential improvements and, provided the issues being tested are those that are important to customers, can be extremely valuable in providing an understanding of basic day to day interactions with customers.

What these techniques will not show, however, is the **impact** of the experience on customers’ views of the company and where customers would most like to see improvement. For this, companies need to listen to the voice of customers. Focus groups, customer satisfaction surveys, and social media listening will all give invaluable feedback on what it is like to be a customer.

Many organisations have customer satisfaction surveys in place and may have an overall Customer Satisfaction Index (CSI) or Net Promoter Score (NPS) that is regularly reviewed by the board. These often fail to provide an impetus for change, however, either because they are not focused on the issues that really drive satisfaction or they are not sensitive enough to change. Companies see scores that stay the same every month despite obvious changes in delivery of the experience. Customer satisfaction surveys should provide feedback that is clearly actionable at all levels within the organisation - critically, they should drive change within the organisation. Well designed surveys, possibly linked to employees' incentives, can form the backbone of management feedback on the customer experience and the impetus for change.

This understanding of customer needs, together with an honest appraisal of how the organisation is delivering against them will highlight the main opportunities for improving the customer experience. The next step is to design an experience that **truly** meets these needs.

## Define

Once a thorough understanding of the actual customer experience and the feedback customers give has been unearthed, the insight gained needs to be acted on. The desired customer experience should be closely defined taking account of the understanding of customer needs already developed. This stage should look both strategically (longer term) and tactically (day to day interactions) to define exactly how the experience can be improved.

A useful place to start when defining the customer experience is with customers themselves. 'Customer Centric Design' starts with a blank sheet of paper and looks at the journey that customers would take to achieve an objective. For example this might be going to a store to look at a product, finding out more information/comparing prices on the web, making a purchase by phone or making a return. Customers help to identify the ideal 'customer journeys', taking account of business objectives, across channels to achieve their specific aims. Scenario development and concept modelling, where specific journeys are developed further into storyboards or prototypes that can be tested with real customers, can help to further refine the view of the ideal experience to add to an understanding of how specific needs can be met at each point in the roadmap. This can include looking at processes for dealing with service failure, should it occur, and the optimum channel(s) through which to manage resolution of the problem.

As the experience is defined it needs to be constantly evaluated against the knowledge of the customer and their needs (preferably with user testing) to ensure that development is moving in the right direction. Then, finally, once the changes have been defined, careful consideration can be given to the measures that need to be put in place to assess the impact of the changes and their return on the investment. The resultant improvements in the customer experience should drive increases in customer satisfaction and it is important to be able to track this, both to check on the effectiveness of the actions and to demonstrate return on the investment made.

## Improve

Improving the understanding of customers and their needs as well as defining and testing the customer experience will not, in itself, result in improvement in the level of service offered to customers. There will be many recommendations for change that need to be implemented.

It is likely that some high impact improvements will be easily achieved through relatively small scale changes – such as an improvement to website usability or some staff training. However, to enable a step change improvement will require a programme of business change.

Achieving business change is one of the greatest challenges that many businesses face. A customer experience improvement programme such as this may require changes to:

- Company values
- Company culture
- Organisational structure and remuneration
- People's behaviour (employees and customers)
- Recruitment
- Systems
- Processes
- Channel designs
- Technology
- Measurement frameworks

Changing employees' behaviour is often the greatest barrier to improvement. This can be helped along by communicating the business case upfront. Understanding (and quantifying if possible) the consequences of **not** making changes, is generally recognised as the best start-point for initiating change (Kotter's 8 step change model, Step 1: create a sense of urgency) and is paramount in changes that require cultural change throughout the organisation.

After that an implementation plan will help to focus change where it is needed and ensure that the focus remains on delivering the vision of the experience defined during the concept development stage.

## Assess

Last but most certainly not least is the important step of continuous assessment and re-evaluation. Whilst defining the improved customer experience it is important to define a measurement strategy alongside it. Change should deliver value and it is crucial to be able to demonstrate this. In addition, as technology moves on and competitors change their offer it is important to be able to keep on top of changing customer needs.

Many companies use Dashboards to display key customer experience insight such as customer satisfaction scores, convergence rates and call centre monitoring data. Managers can then keep on top of customer experiences and drill down further to understand what and where any problems lie. Data can be used to monitor the changes, predict future behaviour and to further develop services to meet emerging needs. Part of the assessment may require a calculation of the return on investment of the initiatives taken.

## Conclusion

Achieving a consistently great customer experience can, at times, feel like looking for the Holy Grail. The key to success lies in a clear understanding of customers and their needs. This forms a firm basis for improvement and will point the way for experience innovation.

The change process will undoubtedly need to consist of many small steps, with each step taking the organisation closer to a customer focused organisation. Companies need to have high expectations of what can be achieved and to celebrate each achievement. The payoff in the short and longer term will certainly make it worth it.

### About Foviance: better customer experiences

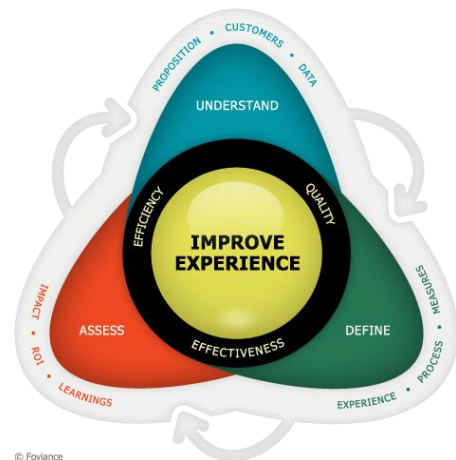
Foviance is a cross-channel customer experience consultancy to the world's leading brands. We help clients drive business performance through better:

- Customer relationships
- Marketing effectiveness
- Use of technology
- Customer focused culture

We use our proprietary Foviance Framework© to help clients understand, define, assess and make improvements to their customer experience.

Our expertise includes:

- Customer experience strategy
- Customer insight
- Customer experience testing
- Customer analytics
- Customer experience and services design
- Client knowledge development



Foviance works with each client to solve their single or multi-channel challenges in the area of customer experience using a range of established tools or proprietary solutions.

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