A CapricornVentis
White Paper

Delivering a better Customer
Experience

How to Stand Out in the Market?
Deliver a Better Customer Experience

CAPRICORNVENTIS
Beyond Technology

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WHY FOCUS ON CUSTOMER EXPERIENCE?

Walt Disney once said: "*Do what you do so well that they want to see it again and bring their friends*". When some were not even thinking of Customer Relationship Management (CRM), Walt Disney was already into Customer Experience (CEM). He idealised Disneyland with an experience-based concept, and today Disneyland's real product is the experiences it creates. The success of the theme parks, and the customer's loyalty and advocacy is due to that experience.

Because some senior executives perceive customer experience as being something "soft and fluffy", they might not realise that they are in the customer experience business – everyone is. In fact, of the Top 20 global brands (Interbrand 2012), only one company (Walt Disney) could be described as having a predominantly intangible service proposition. A recent statement from Tim Cook of Apple… "*Our goal is to make amazing products that our customer love…really great products that enrich people's lives.*" He is referring to the experience that they want their customers to derive from each purchase. As do BMW: their slogan reads *"the Ultimate Driving Machine."* Just consider the amount of people at Apple who are focused solely on making their products better looking, better performing, easier to use, or at BMW, even refining the 'click noise' on door closure. Each company is acutely aware of the importance of how their customers feel through the use of their products, which endorses the Forrester definition of customer experience…*"is how your customers perceive their interactions with your company."*

Not all companies have the same financial resources as Apple to invest in innovative new product development or indeed, to invest in facilities that can deliver cost leadership in their selected segments. Customer Experience has become a key strategy for companies that want to stand out and outplay their competitors where product innovation or price leadership are not feasible.

Companies such as Apple don't mix up customer experience with customer service. In the majority of cases, people call customer service when they have a problem. So equating customer service with customer experience is like saying a safety net is a trapeze act. The net is important to the act; but if the performer needs to use the net, then something has gone wrong with the show.

The potential benefits are great - research shows that 89% of consumers are willing to pay more for a better Customer Experience. In addition, the #1 reason for a consumer to recommend a company is outstanding experience. On the other hand, 86% of consumers stop doing business with a company after one bad Customer Experience. So where does customer service fit within the customer experience proposition?

To answer this question, Harvard Business Review used a simple analogy to consider the sources of customer loyalty... *"Imagine two pies – one containing things that drive loyalty and the other driving things that drive disloyalty. The loyalty pie consists largely of slices such as product quality and brand; the slice for customer service is quite small. But customer service accounts for most of the disloyalty pie. We buy from a company*

because it delivers quality products, great value or a compelling brand. We leave one, more often than not, because it fails to deliver of customer service."

Service failures not only drive existing customers to defect – they can also repel prospective ones – the *Bad Service Ripple Effect*. For example:

25% of customers are likely to say something positive about their customer service experience. In contrast, **65%** are likely to speak negatively

23% of customers who had a positive service interaction told 10 or more people about it, compared to **48%** of customers who had negative experiences told 10 or more others.

Customers require and expect to have a great experience in every interaction. They expect an efficient service and a rewarding relationship especially when they are emotionally charged, (for instance, a lost credit card, a canceled flight, a malfunctioning phone, a damaged piece of clothing or investment advice) when customers invest a high amount of emotional energy in the outcome. How a company handles these situations, how it provides frontline people with the requisite information and empowers them to put the customer's emotional needs ahead of the company's and the employee's agendas, is critical. Where frontline people are not available, then the customer must experience an alternative channel that is easy to use, understanding and is rewarding.

The Information Age has created a new generation of consumers avid for information. To capture, process and share it. They are more demanding than ever, very well informed, and certain of what they want. The Internet and Social Media have become native to their life and culture and they use it not only to make better choices and decisions – based on articles, opinions and reviews – but also to amplify their messages. An experience can be shared across social media networks within seconds – the ripple effect highlighted above is amplified exponentially. But they are forming opinions about a company, and a psychological relationship, often well in advance of any purchase.

Therefore any Customer Experience strategy needs to manage the interactions as if there were an infinite loop – a seamless experience - that is reinforced with each interaction over time, before, during, and after the purchase.
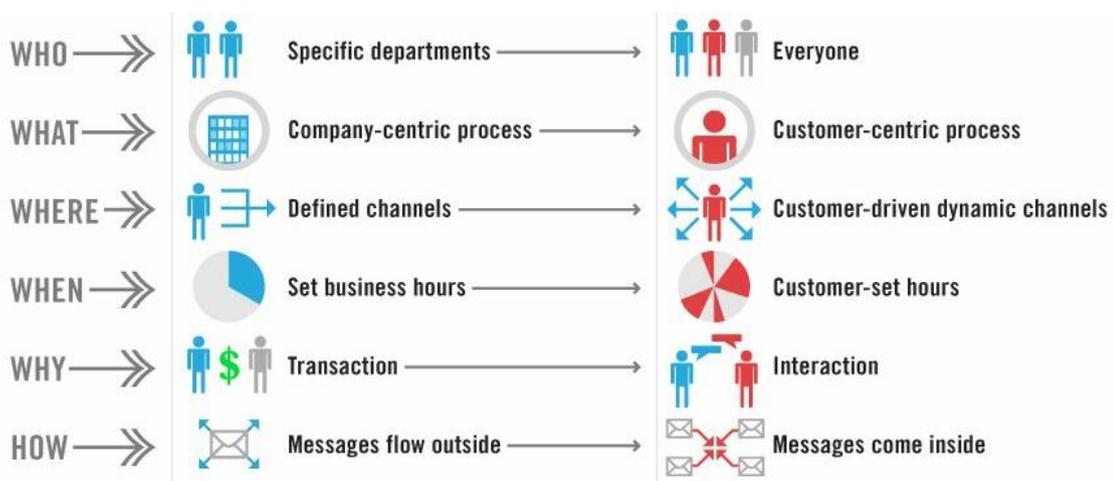

Lets look how.

WHAT TO DO THEN?

So far everyone agrees. Companies have to start focusing and investing on Customer Experience. But how is that done? Do they need to change their products or services? Do they need to change their brand? Do they need to change their internal processes? Do they need to change the way they manage or engage customers? Do they need to replace (or re-train) employees? Do they need to change strategy? Do they need to change technology?

Almost certainly it is not necessary to change everything. Probably it is not even necessary to change much – sometimes a small change can have a big impact. Obviously it always depends on what is already in place (Strategy, Culture, Process, Technology, etc.) and what is intended. And what is intended may change depending on the company, the sector, the market, the customer. But to provide a better Customer Experience there is always some common denominators.

The challenges of delivering a better Customer Experience are…

WHO	Specific departments	→	Everyone
WHAT	Company-centric process	→	Customer-centric process
WHERE	Defined channels	→	Customer-driven dynamic channels
WHEN	Set business hours	→	Customer-set hours
WHY	Transaction	→	Interaction
HOW	Messages flow outside	→	Messages come inside

… And as Greg Gianforte (Founder of RightNow Technologies) explains in his book "Eight to Great: *Eight Steps to Delivering an Exceptional Customer Experience*" (2008) there are 8 main steps to provide a better Customer Experience.

The first step is to have a very comprehensive source of information – **establish a Knowledge Foundation**, as Greg Gianforte rightly says. A company can only deliver knowledge if it has that knowledge, and it will only be able to do it effectively and efficiently if it can succeed on accumulating, managing and providing access to that knowledge. If the knowledge is only on subject matter experts heads or spread across some documents or databases the company will have a hard time understanding the customer, and also delivering whatever the customer wants, wherever and whenever he needs it. This source of information should incorporate two main types of data: knowledge about the company, its products and services; and knowledge about the customers, partners, and competitors.

That common repository – that holds everything anyone needs to know, either customers or employees – will enable the second and third main steps to provide better Customer Experience: **Empower Customers** and **Empower Employees**. Customers no longer have the time to wait for the company to have availability or will to attend them. Waiting for a company to "do them a favour" can be frustrating. More and more customers prefer a quick, intelligent and ubiquitous assistance. And the company's employees have to be knowledge-empowered as well, so they can be able to assist the customers as subject matter experts (even if they are "newbies"), providing consistent and coherent information, regardless of the time, channel or enquiry.

The fourth step is to **enable multi-channel**. With the rise of internet, social media and mobile devices usage, customers expect and demand companies to do business through whatever communication channel is the most convenient for them at any given time. A customer might hear about a product in social media, select it on a mobile app, purchase it on his laptop whenever he gets home, and collect it at the nearest store. This transition between channels should obviously be simple and smooth, making it easy for a customer to leap from a channel to the other without hassles and providing a seamless experience.
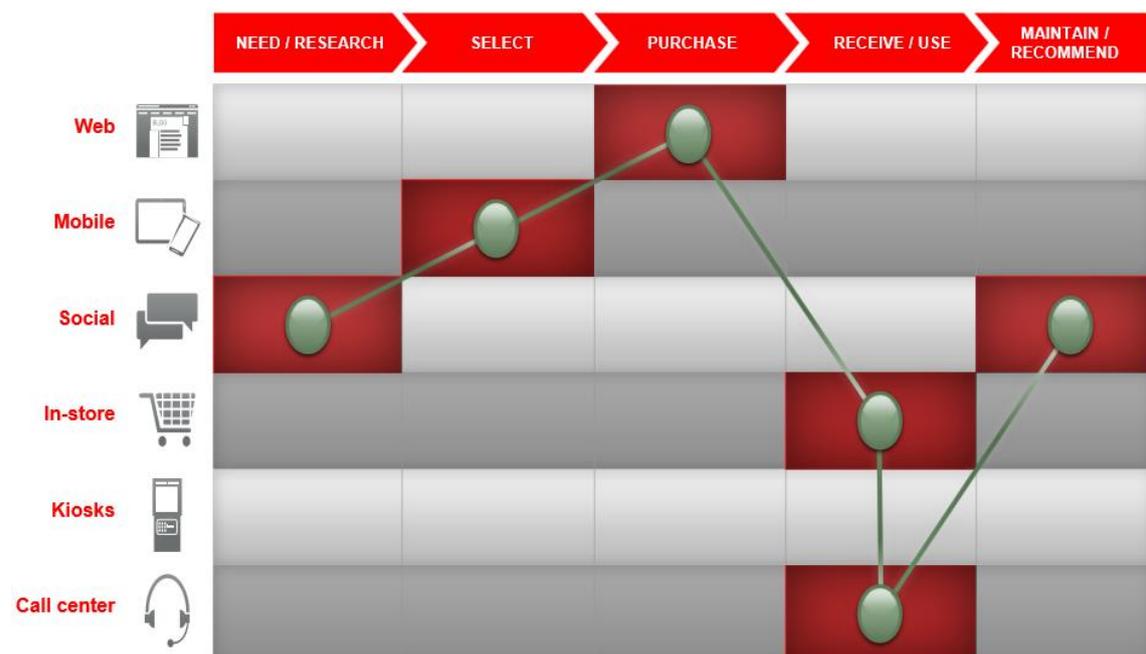
Listen to what the customer has to say **and be responsive** is the fifth main step to deliver a better Customer Experience. Customers' feedback is invaluable because it gives a real sense of how the company is performing. After having customers' feedback it is important not only to address their concerns but also be responsive, letting them know that the company is taking their inputs into account in order to evolve and meet their expectations. Making them feel valuable, integrated in the process, and part of the company. The voice-of-the-customer should be captured, reviewed, analysed and evaluated, helping the company to identify trends and pull opportunities.

Design a seamless experience is the sixth, and one of the most critical steps to deliver a better Customer Experience. At the eyes of a customer, a company is just a company, not a cumulate of different teams or departments. Therefore it is very frustrating for him/her to be dealing with a particular department of the company and the employee doesn't know what the other department did or said previously. It is key to build bridges that will join the silos and create an intuitive and easy to use environment in which everyone interacts seamlessly in contrast to multiple siloed channels, systems and processes, leading to fragmented and negative experience.

If a company wants to deliver a better Customer Experience it cannot stick to reactive communication by answering customer's questions. Companies have to take the initiative and **engage customers proactively**, in order to solve problems before they occur or answer questions before they are even raised. There are several aspects of proactive communications that are important for enhancing the Customer Experience: send the customer the information that is most relevant to his/her case; engage through the customer's preferred channel; and personalise all communications.

Finally, to deliver a better Customer Experience is not enough to put in place a strategy and implement these actions. It is very important and necessary to continuously improve. For that, companies need to **measure** the effectiveness and efficiency of their work in a daily-basis – analysing trends, employee's performance, etc. – and not only **improve** it but also **present** it to managers, executives or even customers. Also they need to **analyse** the customer journeys, experiences and behaviors in order to acquire a better knowledge of the customer and the market.

HOW TECHNOLOGY CAN ENABLE IT?

1. Establishing a knowledge foundation

Establishing a knowledge foundation doesn't mean that companies have to do a gigantic effort of gathering all this type of information from their current or legacy systems and databases. Or even perform a costly and time consuming input of other data in the knowledge foundation beforehand.

On the contrary, they just have to be able to seed the knowledge foundation and then take advantage of an **intelligent** and **self-learning knowledge base** – much more than just a handbook – to capture information over time on the daily interactions with employees and customers, in order to better help them.

Learning continuously from those interactions – working on structured or unstructured data – infusing knowledge from the entire ecosystem and delivering real-time, relevant information at every touch point, the key benefit of the knowledge foundation comes from the easiness to seamlessly create, store, search and share information

The on-going and dynamic approach to knowledge management will ensure that companies have an accurate and up-to-date knowledge foundation aligned with the customer's needs. The information gathered will not only help employees to deliver a better Customer Experience, but also it can be used by customers for self-service.

2. Empower Customers

One of the best ways to Empower Customers is provide self-service, enabling them to help themselves whenever and wherever they want, with no waiting and at the point of need. With the advent of internet technologies and mobile devices **web self-service** has become crucial.

With a rich, dynamic and self-improving source of information in place, companies are ready to provide customers a highly effective web self-service. With this, customers can quickly pinpoint the information they need, finding the answers without any assistance. To enhance the experience, the search should be easy to use and available in several ways like plain text, keywords, or product/category-based.

But a very good source of information is not the only way to provide web self-service. Another raising tool for customers to self-service in the web is the peer to peer communities, where customers can help each other by sharing their experiences. And it is also proven that things like *Most Popular Answers* sections many times help customers find an answer without any type of search.

Self-service saves the customer of having to wait for an employee to pick up the phone or to answer the email. It delivers the relevant information in real-time and is available 24 hours, not only during business hours or strict times. Furthermore, self-service

deflects emails, calls or chat sessions from the contact centre, avoiding employee workload and overhead, therefore saving costs.

An effective web self-service must include many ways of presenting the content in order to better answer and clarify the customer. Answers should include clear text, forms, images, diagrams, videos or guides that can immediately be helpful for customers. One answer displayed in the web self-service can respond to thousands of customers at the same time, preventing thousands of calls or emails.

By tracking the way customers use web self-service, and by analysing the feedback given on the information viewed ("*was this answer helpful?*") the company can have a rich insight into the customer's needs and issues. Also, the search terms and the most commonly accessed content can help the company know better the customers and address most common issues/questions.

3. Empower Employees

Being on the frontline, employees need to quickly access the knowledge foundation, and that knowledge has to be even broader than the one available to the customers.

To be able to deliver a consistent service, regardless the channel that the customer uses to contact the company, employees need to see the same information that is available to customers via self-service. But to provide an experienced, qualified and specialist service they should also have access to extra knowledge that might not be appropriate to publish online.

To make timely and accurate decisions an employee needs a **360-degree view of the customer** data. The more relevant information about the customer, the better experience the employee can deliver. This information must be available in the screen the employee sees while helping the customer, avoiding flick through different screens. This single and comprehensive view of the customer will help employees to assist more effectively and in less time.

Sometimes that relevant customer data is dispersed in many applications and systems, and there is a need to collect and aggregate that information to present to the employee. In this case, integration is needed to bring that information to the employee's screen and the right tools should be used to achieve this crucial requirement of empowering the employees.

It is critical for the employee to have an **interaction context**, i.e. a history of the passed interactions the customer had with the company. It prevents the employee from asking the customer the same questions, and also gives him a track that can lead to the right answer and quick resolution. This makes average handling times shorter and saves customer the frustration to tell their story again and again.

As employees are normally the first to face customer's issues they should be able to point out the need to modify or update the knowledge base. Therefore, they should be allowed to **propose or create new information to include in the knowledge base** so it is always complete and up to date. This is an important way to ensure that the information provided is well aligned with what the customers need.

4. Enable Multi-Channel

Customers are channel-agnostic and expect companies to deliver upon their promises online, in-store, on social, on the phone, etc. And there is a crucial point in here: the **information made available** should be **the same across all communication channels**, otherwise the customer will get different answers in different channels, losing the confidence in the company and having a negative experience.

To successfully serve customers across multiple channels, all **interactions** should be **managed similarly and unified**, instead of being treated as separate silos. This will avoid a customer receiving a phone call addressing an issue that was already resolved by email, which will be perceived as bad management and incompetence. Also the customer is expecting an experience that offers a consistent voice and connected interaction across all channels.

For example if a customer cannot find the relevant information using self-service, it should be easy for him to submit a question through a web form or an email. And ideally, when the question comes in, the employee should be able to know what content the customer consulted in the self-service so that the reply does not give the same information that was found useless.

The choice of which channels to use is very important. Offer more channels than those the company is prepared to deal with will end up in bad customer experiences. Different companies in various industries and markets may provide phone and email, whilst others may add web self-service and chat, or even community forums. It is always down to the customer's preferences and type of product or service.

Trying to direct customers to the most appropriate channels is also very important as it will not only turn the communication more effective and efficient but also reduce costs, provide better experience and ensure that the employee's team is well allocated.

5. Listen and be Responsive

There are many ways of **capturing the voice-of-the-customer** that will help understand customer's expectations, preferences and aversions. One of the most easy, cheap and efficient way to reach out to the customers is using surveys and social media.

Surveys should be used in various ways in order to capture the right answer in the right time. Its content should also be suitable to the type of survey and how it reaches the customer. It should not be long or time consuming for the customer.

Surveys should be used to assess the company's performance through generic questions, and they should be sent to a segmented target. Others should be triggered automatically at the end of interactions to sense the customer's satisfaction using questions related to what was provided moments before, in order to capture customer's insights.

Listen to what people – customers, prospects and influencers – are saying about the company in **social media** is currently mandatory. The company should be also able to analyse the sentiment to figure out what people sense and like, and try to understand if they intent to purchase. But the approach to social media needs to be accurate and filter out the noise.

Almost 80% of customers claim their posts on social media are ignored by companies. To deliver a better Customer Experience, companies have not only to listen but also be responsive, engaging and responding directly to customer's posts and comments.

6. Design Seamless Experiences

The disruption between a company's departments or teams that causes frustration to the customers happens not only due to the lack of communication between those departments or teams but also because of the existence of many siloed channels, systems and processes.

Customers expect to find continuity and a consistent and coherent voice when they are dealing with the company. They expect a strong and seamless connection across channels, employees, departments and themselves. So companies should design and enable seamless experiences across the organisation, in order to overcome not only the external but also the internal boundaries.

Designing a seamless experience to the customer is as important as designing a seamless experience to the employee. Therefore companies should be able to **improve collaboration**, align their business processes, and **build workflows** that seamlessly interact between channels and departments ensuring seamless handoffs between all those touch points.

7. Engage Proactively

Engaging proactively with customers will not only enhance the Customer experience but will also reduce costs by saving a huge amount of inbound communications.

The first, and probably the most important aspect, is to use the customers' information to select them, sending the information that is relevant to their particular case. **Personalisation** is something that makes customers feel valued, and sometimes can be achieved with simple things (e.g. customer's name on top of message).

Another important aspect is to engage through the customer's **preferred channel** and beware of spam or harassment. Customers don't like to have their mailboxes full of emails from a company, or some call centre agent calling them every day. The communication has to be selective in terms of times and frequency. And it is mandatory to have the opt-in and opt-out options that should be respected.

The proactive engagement can be **planned, targeted and scheduled or automated**, triggered by an engine that bases its decisions in business rules and customer behaviour. But it always has to deliver, through all channels, highly personalised relevant communications based on complete customer history.

8. Measure and Improve

Customer Experience can be measured using the traditional **objective metrics** as Conversion Rates, Average Order Value (AOV), First Call Resolution Rates (FCRR), Average Call Times (ACT), Average Handling Time (AHT), Customer Satisfaction (CSAT), Net Promoter Score (NPS), etc. But it can also be measured using the responses of **subjective assessments** requested to the customers.

It is crucial to have an **overview** of everything that is happening on the **ecosystem**. A better Customer Experience will depend on a clear view of the customer's behavior, employee's efficiency, processes effectiveness, quality of the data and the ability to cross-reference all this information.

Having all this information in **real-time** and displaying it in reports and dashboards should also something to look at and make available for the evaluators and managers to be able to easily and quickly get all the information they need and take actions accordingly.

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CONCLUSION

All these steps will help companies deliver a better Customer Experience. But it is not mandatory to address all of them at once. This can be done in a phased approach, prioritising areas, dealing first with the more pressing issues and leaving the rest for later.

Companies who are capable of carrying out all these steps will surely improve customer satisfaction and employee morale, save costs, and stand out in the marketplace. Better Customer Experience drives loyalty, advocacy, and repeated business.

At the end of the day, a better Customer Experience makes opportunities grow, augments sales, eases customer acquisition, and improves customer retention, hence growing revenue and profit.

Benefits

Efficiency
reduce costs and effort

Reduce inbound Emails
Reduce inbound Calls
Reduce Employee Training
Reduce Average Handling Time (AHT)
Reduce Average Call Time (ACT)

Retention
build trust and
strengthen relationships

Increase First Call Resolution Rate (FCRR)
Increase Customer Satisfaction (CSAT)
Increase Net Promoter Score (NPS)
Increase Loan to Value (LTV)
Decrease Churn

Acquisition
increase sales and
adoption

Increase Number of Leads
Increase in Average Order Value (AOV)
Increase Conversion Rates

ABOUT CAPRICORNVENTIS

CapricornVentis (CVL) is a specialist business technology consultancy company that focuses on the areas of **Business Intelligence** (BI) and **Customer Excellence** (CRM/CEM) and, and their facilitation through the use of good technology.

We work with our clients to *Blueprint* the business requirement, focusing on process (what you do), information (the main ingredient) and people (the internal and external stakeholders). This allows us to closely align each client's business requirement with the technologies we recommend and provide.

We only select technologies from leading vendors that are robust, proven and cost effective. These technologies, when integrated by our professional services team, are part of a proposition that enables us to deliver the level of business value that our clients desire.

Our Core Proposition addresses the key business challenges directly impacting the customer and / or the operational processes and information needs internal to the business:

- **Business Transformation**. Helping our clients to identify, define and migrate to new ways of doing the same business, or new business strategies entirely.
- **Process Improvement**. Looking at ways to improve the efficiency and effectiveness of operational processes through better procedure and better technology..
- **Performance Management**. Measurement and measurement against target (KPI). Deciding what to measure/monitor, how to measure it and how to use the output to actually drive improvement.
- **Business and IT Alignment**. Bringing appropriate technology to the business model and the people managing it. Not just leveraging the technology, but shaping it to the needs of the business that speaks to the highest value and ROI.
- **Customer Excellence**. Leveraging the best available technology and solutions to make it easier for customers and employees alike to transact and achieve their aims. More informed, faster, easier, any time, any place and via any channel.

Our proposition is shaped by 1) the most current innovation and ideas, shaping how winning companies engage with their markets, 2) the technology itself, how it is changing and the potential it brings, and 3) our experience and resulting approach and methodology.

We have clients across a range of industries including Financial Services, Public Sector, Local Government, Energy, Utilities, Life Sciences, Retail and Food. You can derive best practice, innovation and ideas relevant to your industry, as well as leveraging what works in other industries.

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