

Customer Experience Management Executive Summary

Global Customer Experience Management Survey 2013 Research Paper

“The Rise of the Digital Experience”

Beyond Philosophy

Who is Beyond Philosophy?

[Beyond Philosophy](#) is a Customer Experience Management (CEM) consulting, training and research firm. With headquarters based in Tampa, Florida (USA), we have global reach. Founded in 2002, the company has led the market in CEM working for many well-known Fortune 500 and FTSE brands.

What is the Global Leaders of Customer Experience Management Survey 2013?

The GLS is an annual global survey of the Customer Experience Management market. Its focus is on the current thinking of ‘Global Leaders of CEM’ i.e., leading analysts, corporate leaders of CEM and managers charged with implementation. As such this is a qualitative report, determining how leaders perceive the key market trends. For our 2013 survey, we have focused specifically on the more mature

markets of the USA and UK with some representation from leading experts in Europe and Turkey. Our intent is to uncover upcoming trends from these mature areas.

Methodology

Our survey was concise and focused on 9 specific areas:

1. What are the top 3 companies you **MOST** admire for their Customer Experience?
2. For the number 1 company you **MOST** admire, can you tell us why?
3. What are the 3 companies you **LEAST** admire for their Customer Experience?
4. For the least admired company, can you tell us why?
5. What are the top 3 questions you **MOST** want answered about Customer Experience?
6. On a scale of 1 to 7 where 1 is not important at all and 7 is very important, how important is Customer Experience Management to your company's strategy over the next year
7. What are the key challenges your company faces in the implementation of Customer Experience?
8. What are the 3 top trends you see in Customer Experience Management over the next 2 years ?
9. Do you see investment in Customer Experience in your company increasing, decreasing or staying the same over the next year? If possible please give a %

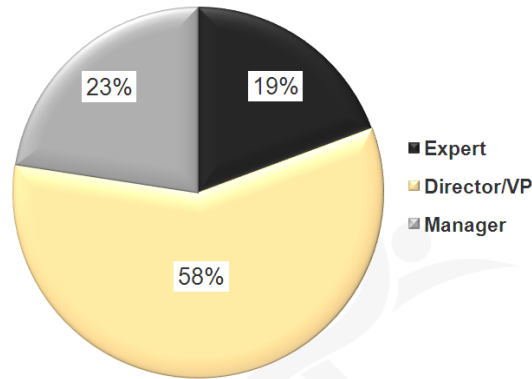


From the previous Global Customer Experience Management (CEM) survey 2011/12, we recognized these as the major question areas.

We have carefully selected 31 global leaders to interview, which this report is based on. The trends are also justified and correlate with the vast majority of public perception, from various surveys and public polls held by Beyond Philosophy throughout the year.

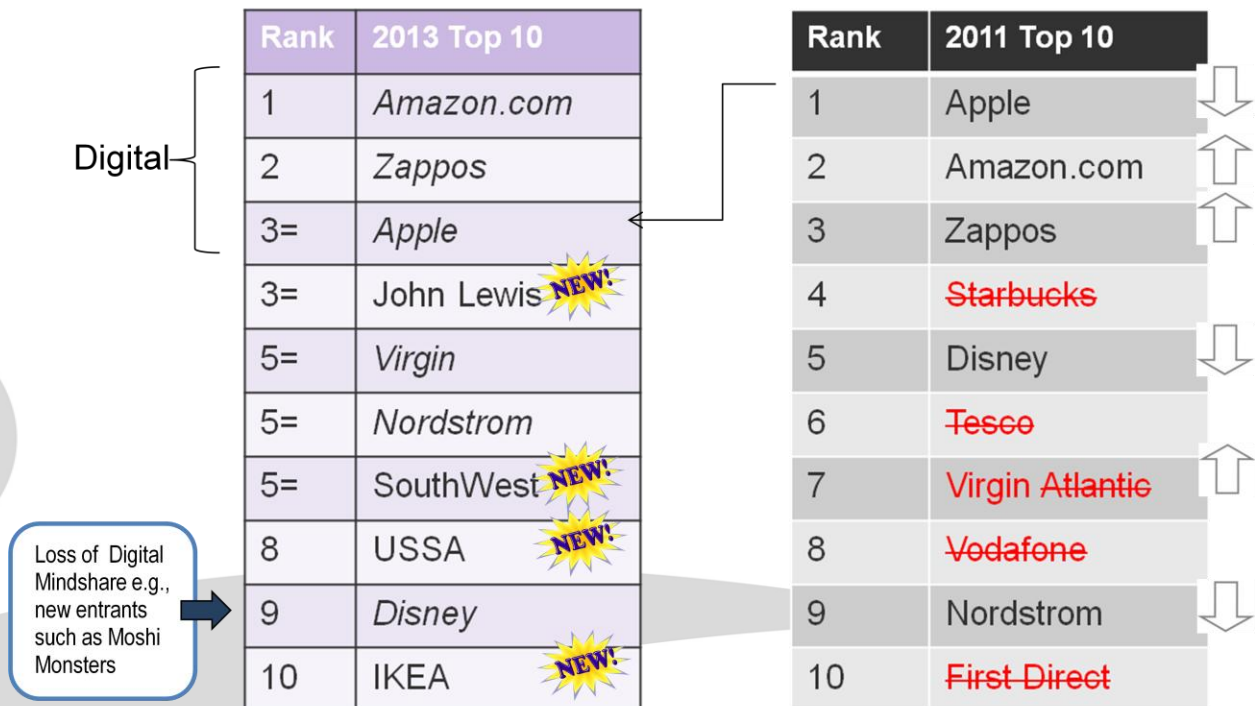
The distribution is as follows:

Sector	Interviewees
USA	19
UK	5
Albania	1
Austria	1
France	1
Norway	1
Poland	1
Sweden	1
Turkey	1



Interview respondents were selected on the basis of their expertise and knowledge of the market. In research terms our aim was to achieve an Expert Judgement sample rather than a sample of 'low expertise' which would potentially skew the findings.

The Top 10 CEM companies



The number 1 company for Customer Experience Management in 2013 is Amazon.com. In our previous survey they were second. These results are interesting because they demonstrate a year on year

similarity in terms of the Top 3 exemplars of CEM and the fact that 60% of the brands recognised as best practice have remained so.

Another interesting finding is in how the movers and shakers have changed.

It is now clear that there has been a changing of the CEM guard. The old stalwarts, Disney and Starbucks, have given way to the Digital Experience brands Amazon.com, Zappos and Apple.

It also seems that broader brand reputation has hit some brands. For instance, the ‘you are not as good as you used to be’ feeling towards Apple post the death of Steve Jobs. Likewise, Disney seems to be losing their way as new competitors such as Mind Candy (with Moshi Monsters) exploit the digital experience to create and build brand equity and characterisation.

Another noteworthy mention is the fact that Tesco has moved from the Top 10 to the bottom 10 list. This is symptomatic of the risk brands face when they get too big i.e., a perception of arrogance towards customers.

Amongst the new entrants, we also see an interesting trend towards ‘traditional’ face to face service. This is related to the digital trend i.e., customers seem to be looking for and are more aware of the need for great ‘person to person’ service. Multichannel excellence is the message.

The Main Reasons for a Great Customer Experience

Reason	Rank	Score
Excellent quality of service	1	10
Excellent communications	2=	5
Quality of touch points (deliberate and consistent)	2=	5
Ease of use	2=	5
Customer understanding	5=	4
Customer culture	5=	4
No RIP off/ honesty	7	3
Excellent quality of product	7=	3
Pro-active problem resolution	7=	3
CE financial return model, innovation, speed of delivery, moments of surprise, social awareness, exceed expectations	10=	2

John Lewis because of their employee engagement as well as their constant challenge of exceeding their Clients expectations

Attention to detail, and employees ability to anticipate and meet customer needs

Because they made me feel I was right about my choice according to my thinking, but they were excellent in making me more clever when I finally chose their solution. Course they were responsive and in a total control of their basics.

Zappos - they are hassle free, go WAY over and above to ensure that my experience is positive AND the individual within customer service directly working with me has the authority to make decisions without going through hoops for additional approval.

Because they deliver fast food in a clean, consistent manner. No matter which Chick-fil-a you go into anywhere in the country, you get the exact same cleanliness and quality of product.

Great Customer Experience remains attached to service quality. This means a focus on:

- Good employee engagement
- Exceeding customer expectations
- Making the customer feel good
- Resolving problems i.e., great troubleshooting
- Fixing the basics i.e., ease of use
- High touchpoint quality
- Deliberate and consistent

In addition it is about creating great customer stories. Moments of surprise that become part of the corporate folklore. Here is an example from AMEX:

“When they did something wrong they went overboard trying to fix it. I had made reservations for my 15th wedding anniversary with my husband on my AMEX card as a surprise for him. It was in Laguna Niguel, CA and we were going to stay in a room on the concierge level. I knew my husband would be quite impressed and I looked forward to surprising him. Unfortunately, for some reason they sent the confirmation addressed to my husband so he opened it and found out my surprise. I was very annoyed and contacted them to complain that the reservation had be made under my name and my credit card and they had ruined the surprise. They came back on the line and told me as a result of their mistake they had moved us from the concierge room to the Presidential suite for the three night stay which was well over \$1000.00 /night cost. They also met us at the front desk when we arrived, had a dinner reservation waiting and had strawberries and a bottle of champagne cooling in our room. Now that's a grand example of a customer experience when the supplier make a mistake.!!!!”

Management Implications

Customer Experience Management requires two approaches which we can encapsulate in emotional language:

1. Reducing the negative emotions in an experience
2. Creating positive emotional moments

This emotional understanding requires a good understanding of exactly:

- A. What your current experience is
- B. Where your current experience should be going

In Journey Mapping language this is about defining the ‘as is state’ and the ‘to be state’. Critically this requires a full understanding of the Journey hence we would advise reviewing your maps for emotional and subconscious intelligence (do you understand the full Customer Experience? Or just the physical/ rational side); creating a set of scenarios that will both move the emotional dial and consider the internal culture i.e., what is your employee engagement like?

The other question that is often asked is about ROI. Where is the return? The answer must come in having a clear view of your value proposition:

Strategically: you are looking to create a more personal and memorable experience that differentiates your company from the competition and delivers long-term, loyalty based returns.

Tactically: you are looking to find and pilot small, medium and large-scale changes that are all part of a change to a more customer centric culture.

The Bottom 10 CEM companies

Rank	2013 Top 10
1	Comcast
2	Ryan Air
3	Any Bank
4	AT&T
5=	Tesco
5=	United Airlines
5=	AOL
8	Wal-Mart
9	British Airways
10	Facebook

Brand Equity loss due to bad press

Losing Brand Equity as lagging behind the times: negatives from 60% of UK sample

Losing Brand Equity as lagging behind the times

Loss of Digital Brand Equity due to bad press

The bottom 10 CEM companies are fairly unsurprising. We can surmise that many of these brands are exemplars of poor performance, whether you have used them or not i.e., their brand is just associated with 'bad' CEM.

In summary:

1. Comcast is a regular poor performer on CSAT surveys.
2. Ryan Air is well known for poor performance i.e., stories abound in the mind of the consumer of having to pay for everything on board
3. Any bank is an interesting response by our expert audience i.e., the industry reputational problems are very high and hit all banks. Unfortunately their ability to respond is constrained by their cultures which remain traditional, hierarchical and measurement constrained.
4. An interesting finding is that Tesco are now on this list. Before our Expert Audience had them as a best performer. This is a sure sign of a failure to change.

- Other previously good performers such as British Airways and Facebook again reflect the impact of bad press has on the 'brand halo' and the 'resting on our laurels' response of big organisations who soon find themselves undercut by more aggressive and swift of foot rivals.

The Main Reasons for a Poor Customer Experience

Reason	Rank	Score
Poor quality service	1	15
No care	2	8
Poor problem solving	3	7
Poor communication	4=	6
Rudeness	4=	6
Poor quality product	6	4
Focused on money making	7=	3
Complex to deal with	7=	3
Inconsistent or no experience	9=	2
Not met my needs	9=	2
Aggressive ads	9=	2
Lying	9=	2

Lack of customer service follow up when problems arise. Constant calls with no resolution to the problem for all three companies. It's disgraceful. The customer gets the runaround. No seems to either know what to do or cares.

No interest in solving customers situations out of the basic delivery, even if inflicted by Ryan Air. Rude personnel

Tesco. Terrible product, stores, very few staff and utter contempt for customers....they do not value their Staff and they do not understand the importance of customer retention

Nothing there call center people ever say is true. When technician comes to visit to sort out problem, it's always something different than what their call center people diagnosed and recorded it as.

Long lines, poor follow up, and unskilled or uneducated employees. Inflated pricing that I had to fix myself, and unnecessary favoring of political customers.

I don't like that every time I call or email I get a different person. I just want to deal with one person. Every time I get someone new, I have to explain my situation all over again. When they have emailed be back, it takes an entire day. The problem is still not resolved. I feel stupid putting this much energy into trying to give them money.

Virgin are by no means the worst but they are the company I least admire because customer experience has been relatively well engrained into the Virgin culture. They appear to have fallen into the trap of resting on their laurels because they still enjoy relatively strong brand loyalty. 31 inch seat pitch on some intercontinental flights, indifferent cabin crew. Rude and abrasive staff are all hallmarks of a company that has forgotten the customer is the creator of their wealth. At some stage the customer will rebel and Virgin will suffer hugely.

Poor Customer Experience remains attached to service quality and lack of care. This means a focus on:

- Lack of problem resolution
- Not deliberate and consistent
- Poor communications
- Lack of concern from employees
- Rudeness
- Lack of empathy
- Lack of employee engagement

- Lying
- Complexity when it should be easy
- Lack of staff training

Management Implications

As with the best list, employee engagement is crucial. Interestingly there were fewer comments on poorly performing websites and more comments on difficulty of communication when a problem arose. In addition, the human interface is critical. Customers are much more attuned to remembering disrespect or a surly attitude.

We would encourage a review of your Journey Maps with the express intention of removing the negative emotions. We would also encourage a review of the problem resolution process as this tends to be a highly memorable and shared moment.

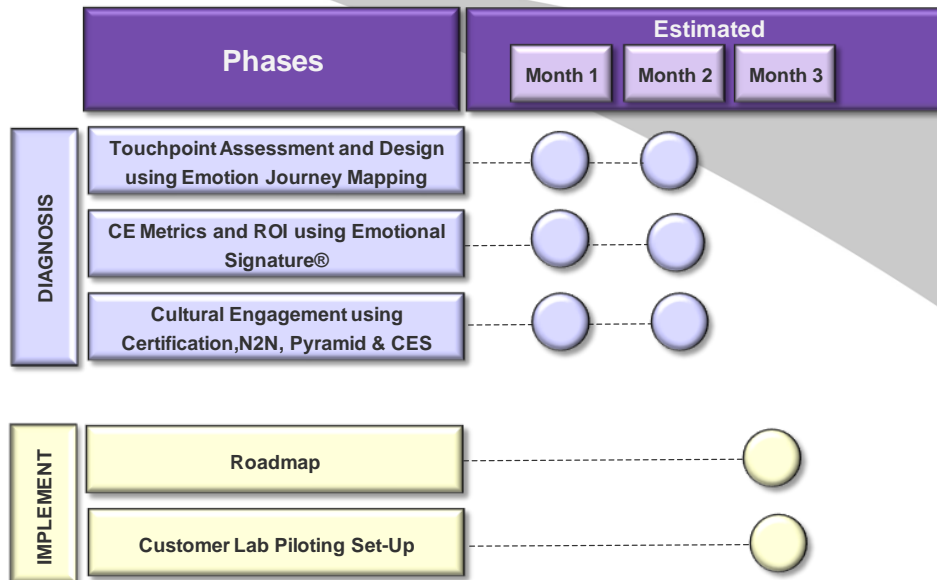
What are the top 3 questions you MOST want answered about Customer Experience?

Reason	Rank	Score
How to execute CE?	1	20
How does CE effect Financials ?	2	18
How to engage culture/ leadership?	3	12
How to get great customer feedback?	4	8
What are the future trends in CE?	5	4
What is CE?	6=	2
What software tools are there in CE?	6=	2
How to hire for CE?	8=	1
What is best practice CE?	8=	1

Our expert audience identifies practical execution as the number one issue. This is an interesting finding as previously it had been a concern for demonstrating ROI. Likewise we see an increasing emphasis on cultural and leadership engagement and less of an issue around 'getting it' i.e., understanding what CE means.

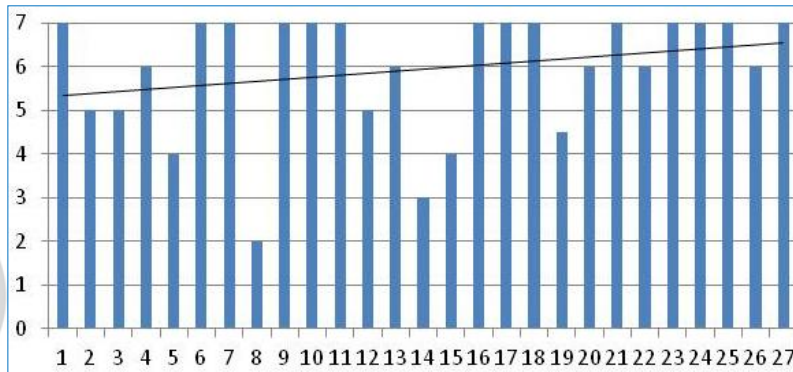
Management Implications

Building in an effective toolkit to execute CE is essential; hence, we see an increasing demand for CE certification, which is a reflection of this need. To execute CE effectively we have worked with organisations to build their CE roadmap. This tends to be focused on parallel streams an example of which is shown below:



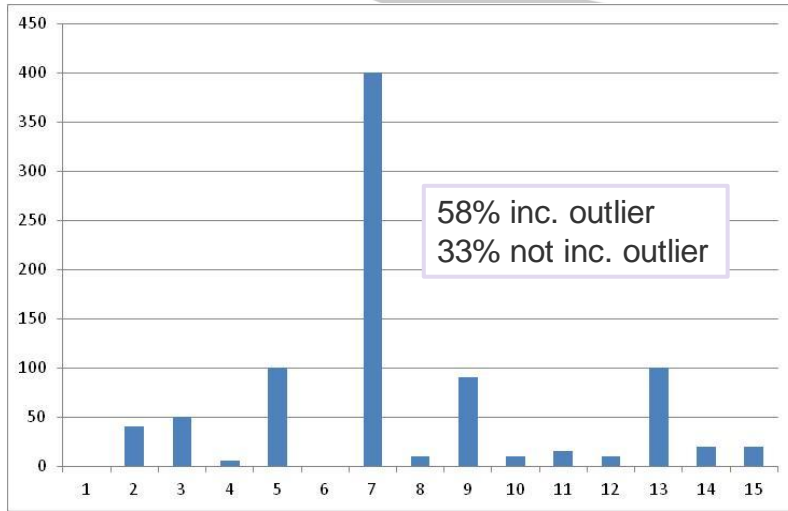
Here there is a diagnostic phase that looks at CE measurement and ROI, touchpoint design and cultural engagement. There then follows the design of the roadmap and the setting up of a pilot implementation programme (with relevant measures of success).

How important is CE?



In answer to the question, *on a scale where 1 is not important at all and 7 is very important, how important is CEM to your company's strategy over the next year?* Our expert audience being CE focused tended to be positive i.e., average of 6. There is confidence in CEM by those 'in the know'.

In answer to the question, *'Do you see investment in Customer Experience in your company increasing, decreasing or staying the same over the next year? If possible please give a %'*. 68% of our expert audience stated an increase with 3% saying a decrease and 29% saying unsure or staying the same. Of those who stated an increase, the amount of increase in investment was predicted to be 33% (not including the outlier).



What are the key challenges your company faces in the implementation of Customer Experience?

Reason	Rank	Score
Corporate Culture	1	12
Demonstrate ROI	2	9
Cross Silo	3	5
Right People	4	4
Processes	5	3
Multichannel	6=	2
Understand CEM	6=	2
Corporate structure, demonstrating value for money, NPS drivers, Not just flavour of the month, ideation, raising expectations, customer insight, budget	8=	1

Based on our expert interviews, corporate culture was deemed the number 1 challenge, just above demonstrating ROI. This is the first time it has been on the number 1 spot and shows again the importance of practical implementation. Companies are now moving beyond the theory and into the practice where they start to face real difficulties in terms of legacy mindset.

Management Implications

Getting the right Governance and Culture in place is a critical issue. As companies start to get 'practical' they are realising that the execution of a great Customer Experience requires a supportive culture and

cross-silo governance. How to get there requires activity across both the diagnosis phase – where are we falling short – and the implementation phase – we want to execute this change but we are stopped by these ways of working. We would advise undertaking a CE maturity assessment (such as Beyond Philosophy’s N2N programme), engage leadership in CE metrics (with Emotional Signature) and actioning change both external and internal through customer lab.

What are the 3 top trends you see in Customer Experience Management over the next 2 years?

Reason	Rank	Score
VOC data and analytics	1	14
Social Media	2	10
Personalisation	3=	5
Big Data	3=	5
Mobile	3=	5
Technology	6	4
Employee performance	7	3
SME market focus, measuring CE, effectiveness vs. quality, user experience, process improvement, digital, abandon CEM (ROI issues), supporter and channel performance,	8=	2

It is interesting that our expert audience by a long way views the management of new forms of data to be so critical: whether in the form of VOC analytics, social media or big data. This mega trend is driven by the increasing implementation of CRM related solutions and software and new ways of collecting customer data. This also relates very strongly to the trend towards Digital Experience.

Management Implications

Management needs to ensure that the right skillsets and technologies are in place within VOC programmes. In addition, that data collection is not there for the sake of it, that it is actioned and analysed correctly. For instance, we often see a legacy within insights towards traditional survey methodologies and a lack of acceptance and engagement with social media. As data analytics becomes increasing sophisticated, how companies (a) manage this firehose of data (b) interpret it adequately into meaningful insight will become crucial to success as will (c) its acceptance as a strategic necessity at board level.

Likewise, Social Media offers the opportunity to create new value propositions with your community of users. Trends such as Crowdsourcing, Freemium, Nano-Segmentation, Gamification and numerous other new business models starting to develop through Digital Experience need to be considered.

Summary

We can summarize the top trends as follows:

1. The massive rise of the Digital Experience driven by technological maturity and the increasing importance of the Digital Generation to the economy as they start to move into employment.
2. A trend towards authenticity. In other words, the digital experience requires a human face. It is this human face that is deemed a critical trend in great Customer Experience e.g., how to reflect empathy and ease of communication in a digital channel or call centre environment.
3. The impact of technological innovation which is boosting research and insight analytics
4. The criticality of demonstrating ROI in Customer Experience programmes. This remains a major issue and a potential destroyer of CEM if it cannot be resolved e.g., lack of a link to ROI will start to degrade the importance of CEM.
5. How to execute CEM is now the number 1 issue as companies move from theory to practice. The issue is that too many companies lack investment in CEM, caught between wanting to use CEM as a differentiator but not investing sufficiently in it due to lack of demonstration of success. The danger of this approach is that many firms risk under-investing in CE staff, buying the cheapest rather than the best resource which can only lead to a self-fulfilling prophecy.
6. The changing of the CE Guard as Disney and Starbucks fall down the Top 10 list and the Digital Experience brands, Apple, Zappos and Amazon.com start to be the new best practice examples of CEM (note that creating an immersive environment for your audience is a key to success – witness the success of Mind Candy’s Moshi Monsters over Disney’s website experience)
7. Tesco and British Airways are falling behind due to a ‘sitting on their laurels’ approach to CE.
8. We see employee engagement as critical to great Customer Experience. Too little attention is paid to this where companies lack investment in people, fail to create the right cultural environment and focus on buying the cheapest resource.
9. CEM is still critical to the business agenda.
10. Emotions are increasingly recognised as a critical feature. Negative emotions are key descriptors of a bad Customer Experience (e.g., rudeness), positive emotions are key to a good Customer Experience (e.g., empathy and care).

The webinar of the results can be found here: <http://www.beyondphilosophy.com/thought-leadership/webinars/global-leaders-of-customer-experience-management-survey-the-results-are-announced>

Contacts

For more information on this report or Customer Experience in general please contact:

Beyond Philosophy Global Headquarters

550 North Reo Street
Suite 300
Tampa
Florida. 33609

Toll Free: +1 866-649-6556
Outside USA: +1 914-301-3293

International Contact Numbers

London, United Kingdom:	+44 (0) 207 993 4318
Sydney, Australia:	+61 (0) 2 8607 8980
Johannesburg, South Africa:	+27 (0) 10 500 8056

www.beyondphilosophy.com