The 7 Fundamentals of a Successful Customer Experience Program

Beyond Philosophy

Speaker Panel:
Colin Shaw, Founder & CEO
Zhecho Dobrev, Consultant
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Who are Beyond Philosophy?

We are pioneers in the Customer Experience space.

We work in many countries across several continents.

Thought leadership is our differentiator. We have literally written the books on Customer Experience.

We put emphasis on the emotional side of customer experience.

We maintain links with academia to keep us aligned with the latest breakthroughs.

Evidence based consulting - we look for what really drives business value.
Some of our clients…
Customer Experience a Top Priority

In a recent survey, 80% of respondents said that getting closer to customers and providing them with a differentiated experience is one of their top strategic objectives. Here is a breakout by industry:

- Telecom: 92%
- High-Tech: 90%
- Healthcare/Pharmaceuticals: 86%
- Nonprofits: 73%
- Travel: 71%

Base: 1,004 respondents from midsize to large companies, worldwide. Source: Bloomberg Businessweek Research Services, 2010

Differing Views

The average rating that companies give the customer experience they provide is 3.62 on a scale of 1 to 5, although there are variations by industry sector:

- High-Tech: 4.07
- Professional Services: 3.76
- Healthcare/Pharmaceuticals: 3.47
- Manufacturing: 3.47
- Telecom: 2.94

Base: 1,004 respondents from midsize to large companies, worldwide. Source: Bloomberg Businessweek Research Services, 2010
Increase in Net promoter Score: “As a result of its customer experience efforts, NPS has improved from -10 to +30”

Increases shipping volume. “Maersk correlated a 4 point increase in Net Promoter Scores with a 1% increase in additional volume shipped by customers”.

Training improves Net Promoter Scores in local regions. “Maersk gave regional divisions the option of putting regional customer experience councils in place. The 55 regions that have set up local councils also received a three-day training course in customer experience improvement methods. The firm then did a study comparing regions with and without a council. The result: participating local offices score 10 points higher on their NPS than those offices that opted out”.

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Seven fundamentals of a successful Customer Experience program…

1. Define the Customer Experience you are trying to deliver
2. Plan to engage the senior execs and employees
3. Embrace Customer emotions and experience psychology
4. Identify what drives & destroys value in your experience
5. Design a deliberate Customer Experience
6. Establishing effective governance
7. Implement new measures & remunerate against them
Best Practice:
40 percentage points increase in Net Promoter Score

Maersk Line’s Customer Experience Statement has been developed by management

**Trust**
Be honest, set realistic expectations, follow-up on your commitments

**Cared For**
Know your customer, be proactive, be adaptable

**Pleased**
Take ownership, show enthusiasm, do a little bit extra

This is our goal for every Customer Experience
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Senior management engagement

Realise that they don’t know what they are talking about!

Be opportunistic

You need to gain their respect - Don’t be a ‘yes’ person.

Be enthusiastic!

Show me the money!
Investing in Customer Experience pays off dividends… Literally!

C-level Executives Need to Embrace the Customer Experience

- Investors hate risk
  - strong customer retention = less risk

- Good CE generates superior returns
  - Customer satisfaction is critical for repeat business
  - Repeat business is usually very profitable
  - ...as long as their loyalty comes from their satisfaction and not because prices are low
Employee engagement

- Communications
- Training
- Customer Experience team
- Engagement in experience design
- Ideation
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Experience Psychology

Nature: The need to feel safe – Maslow and Insurance
Nurture: You should have insurance

Conscious: Recommends options for me to keep the cost of my product plan within my budget
Subconscious: Listens to me and acknowledges my concerns

Customers do things
- Customers complain as they can’t understand why they have brought one product but you treat as 5 separate products
- Recommend you to others
- Put phone down when waiting for you to answer
A Customer Experience is made up of all these aspects…
Most organization are one dimensional

Most journey mapping tools just look at the rational experience and miss the underlying cause of an experience

Beyond Philosophy looks at all these aspects

Experience
Rational

Experience Psychology
Emotional
Conscious
Subconscious
How do we know which emotions drive business value?

Credit card company example…
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Organizations are obsessed with fixing the basics

**Question:** Which of the following elements describe best the CE you are trying to deliver?

**Source:** Beyond Philosophy original research ‘Seven key ingredients for a successful Customer Experience program in Telecoms”, 2012
Subconscious:
Not desired but drives value

Conscious:
Desired and drives value

Invisible:
Not desired and does not drive value

Deception:
Desired and does not drive value
Priority Order of the Attributes
(Combined desirability and current value)

Top Ten

- as a company that keeps its promises
- delivers the best value for money
- I feel like I have a relationship with
- products meet or exceed my telecom needs
- as a company that is setting trends
- Appropriate information messages are sent to me
- Positive presence of the company in my local community
- is a brand that I can relate to
- Speed of problem resolution
- Helpfulness of Customer Care Agent

- launches innovative products in the UAE market
- Consistency when dealing with customer care
- keeps me informed of offers relevant to me
- Services are activated on time
- Knowledge of Customer Care Agent
- Service engineer can answer my questions
- Reliability of network / services
- Quality of network / services
- Speed of network problem resolution
- Fully informed of any delays with service activation
- Quality of information on IVR (Interactive voice menu)
- Simplicity of customer care IVR (interactive voice menu)
- Full information provided about new products and services
- Acceptable waiting time
- web Self Care enables me to manage my account
- makes me feel special
- Speed of billing / payment problem resolution
- Speed of activation for products and services
- Confirmation of services set up correctly
- Accuracy of bill
- Convenient bill payment/recharge options
- Ease of sign up process
- Clarity of advertising
- Spoken to on a language of choice
- Convenience of store location
- Friendly greeting in store
- Simplicity of bill layout
- Timeliness of bill delivery
- Choice of bill delivery method
- Waiting time to be served
- Fully informed of waiting time
- Appearance of retail store staff
- Look and feel of store
- Appropriate literature in store
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Customer Centric
Yet, are businesses operationalizing emotions?

Do you use customer journey maps within your company?

- Yes: 70%
- No: 30%

Have you defined what emotions to evoke at certain customer touch points?

- Yes: 85%
- No: 15%
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Who owns the Customer Experience?

CEO (President)

- Marketing
  - Customer Experience
    - Majority
    - 2nd option

- Operations
  - Customer Experience
    - 2nd option

- Customer Service
  - Customer Experience
    - 2nd option

- Sales
  - Customer Experience
    - Minority

- Independent Cross-Functional CE Unit
  - Mature approach

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Five Stages of Organizational Customer Experience Journey

### Natural Stage
No need for Chief Customer Officer and control over departments

### Enlightened Stage
- Chief Customer Officer
- Authority over other departments
  - HR
  - Ops
- Inputs into Operational Budgets
- Sets the customer measures and is responsible for achievement cross-functionally:
- Sets the cultural framework

### High End Transactional Stage
- Equal authority to any of the functional groups
- Decisions have to be signed by the CE member
- Veto rights
- CE people introduced earlier on in the process
  - two gate entries e.g. in the design phase and later on in the final testing phase
- Meet the board twice a month
- Appointments to talk to the CEO

### Low End Transactional Stage
- Responsible for:
  - customer measures
  - Prioritise initiatives
  - Facilitate changes
  - Consult other department
- However:
  - Dispose of limited budget
  - No authority to:
    - affect change in other departments
    - access budgets in other departments

### Naïve Stage
- Study Customer Expectations
- Analyse Cust. Feedback
- Identify Problems
- Findings passed up the chain for others to act

Responsibility → Authority
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The Customer Experience Pyramid™

Sales & operations are on the backside of Pyramid

Customer service
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QUESTIONS
Thank you!

Colin Shaw
Founder & CEO
@ColinShaw_CX

Zhecho Dobrev
Consultant
@ZhechoDobrev

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