

Customer Experience

The New Rules for Accelerating Growth

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I have made these presentations available in hopes that they will be helpful to others.

I only ask that you attribute the content as appropriate.

Thank you and enjoy,
Bill Nussey

<http://www.NusseyNotes.com>

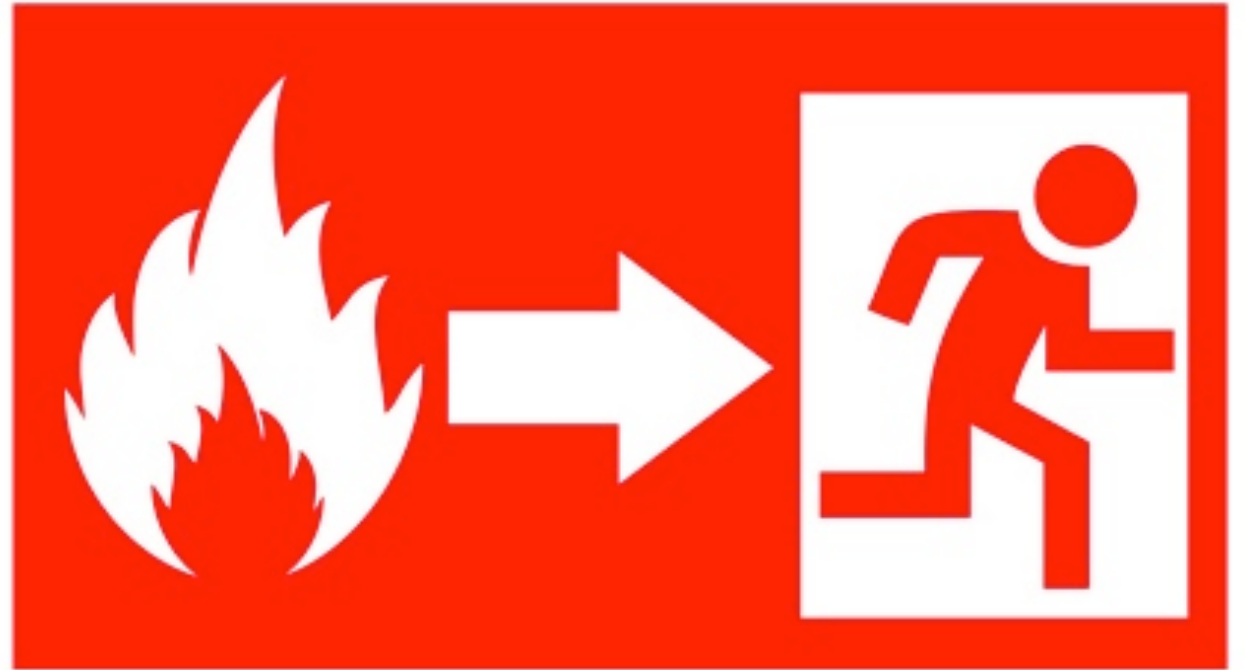
Agenda

- Customer Experience Really Matters
- Step 1: Learn the New Math
- Step 2: Map the Customer Journey
- Step 3: Align Your Organization
- Three Easy Steps To Get Started
- Summary

Customer Experience Really Matters

89%

of consumers began doing business with a competitor following a poor customer experience*



Customer Experience Really Matters

29%

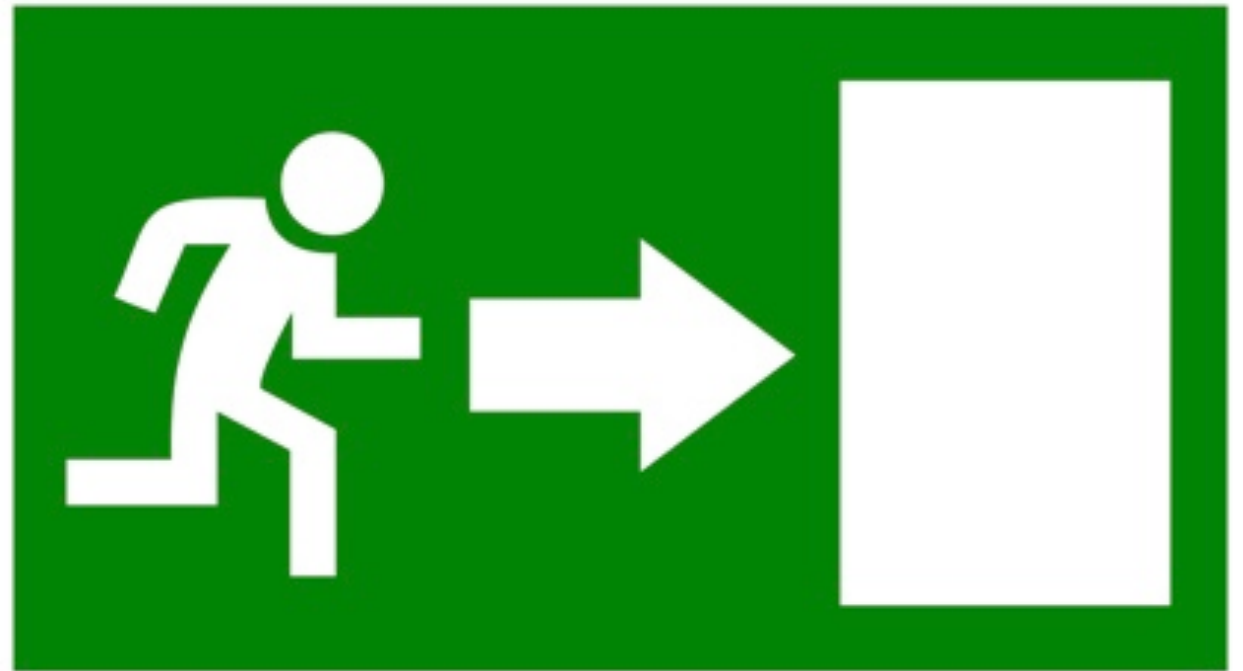
of customers will share a bad
experience on social networks*



Customer Experience Really Matters

86%

of consumers will spend up to 25% more for a better experience*

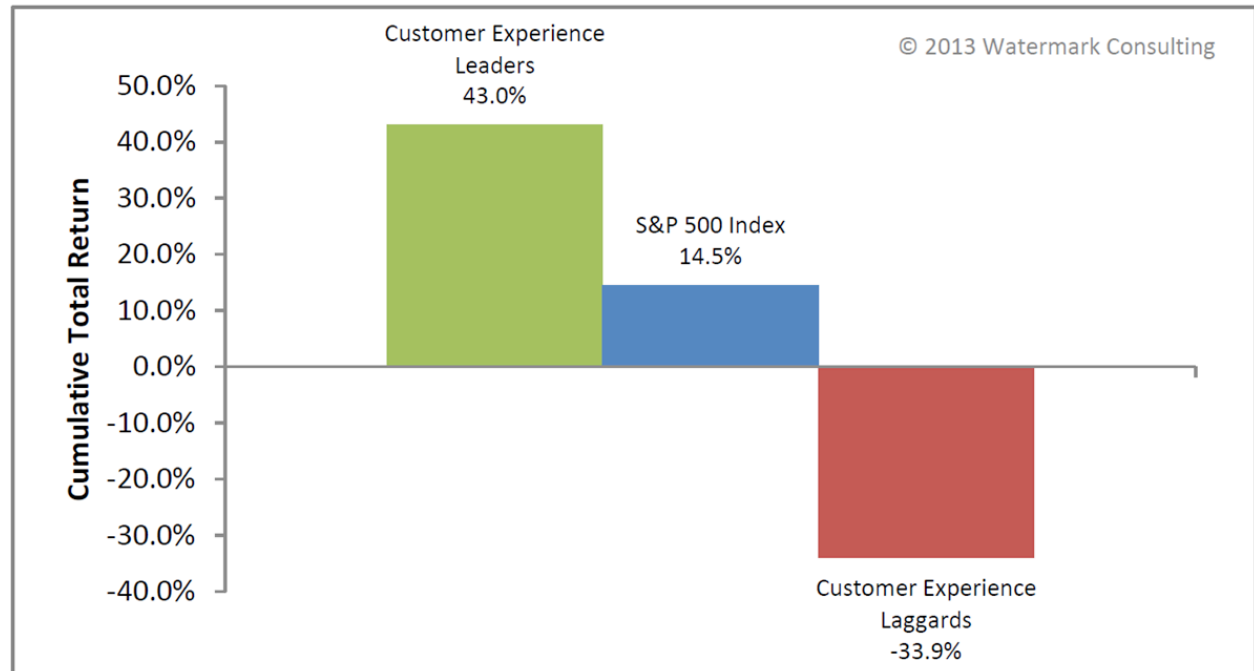


Customer Experience Really Matters

For the 6-year period from 2007 to 2012, the Customer Experience Leaders in the Watermark Consulting study outperformed the broader market, generating a total return that was three times higher on average than the S&P 500 Index.

Customer Experience Leaders Outperform the Market

6-Year Stock Performance of Customer Experience Leaders vs. Laggards vs. S&P 500 (2007-2012)



Watermark defines Customer Experience Leaders and Laggards as the top ten and bottom ten rated public companies in Forrester Research's 2007-2013 Customer Experience Index studies. Comparison is based on performance of equally-weighted, annually readjusted stock portfolios of Customer Experience Leaders and Laggards relative to the S&P 500 Index.

THE STORY OF A GREAT CUSTOMER EXPERIENCE

So, late one night, I'm flipping channels and I come across this old Clint Eastwood movie...

I loved it!



I do what any normal, red-blooded tech-nerd does when he sees something he likes...

I went to Amazon and bought it.



And that's when the magic started.

You see, Amazon didn't see me as just a customer.

And, I didn't fit some generalized audience segment (I'm pretty sure Amazon doesn't have an audience they called "Man With No Name aficionados")

Amazon saw me as a unique guy with unique interests...



So they sent me an email about
another Clint Eastwood Western.

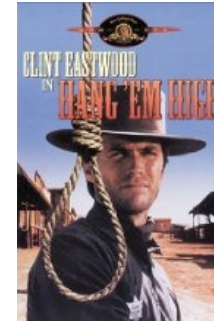
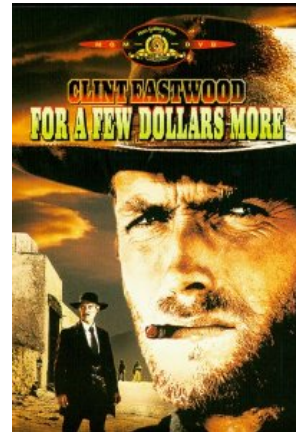
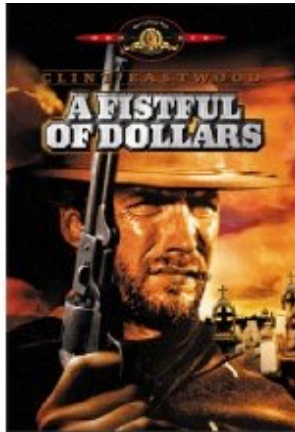
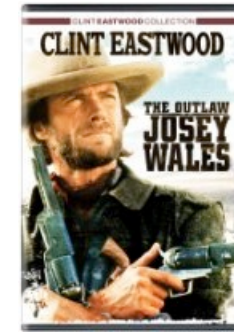


And I purchased it.



And then it got really cool...

They sent me another email and another email and, one by one, I now own them all!



Customer Experience Really Matters

1. Amazon made buying the product I wanted EASY so I bought it from them
2. Amazon knew what I bought and made VERY SMART recommendations
3. Amazon kept making recommendations and I continued buying.
4. They made it so easy, I didn't even look at the price
5. Amazon made a ton of money from me. I'm a very happy customer. They are happy.
6. Customer Experience really matters

Three Keys To Customer Experience

1. Learn the new math
2. Map the customers' journey
3. Align your organization


1

Learn the New Math

CX requires new metrics and new ways of measuring success. In the long term, it's the only way to make the old math work.

The New Accounting of Customer Experience

From	To
Avg Call Duration	Avg Resolution Time
# of contracts per month	# of months per contract
Cost-per-contact	Customer Effort Score (link)
Customer satisfaction	Customer advocacy (NPS, Forrester's CxPi)
Revenue from new customers	Revenue from new and existing customers
Days in sales cycle	Days to customer success



Maersk Line correlated a four-point increase in its Net Promoter Score (NPS) to a 1% increase in shipping volume from its existing customers

Image by marco schoone

2

Map The Customers' Journey

Look at every touch point along the way, from the first time a customer hears about you to the last time they think about you.

Quit treating your customers like an audience...

Start treating your customers as individuals

YOU CREATE THE ROADMAP AND LET THEM NAVIGATE IT ANY WAY THEY LIKE...

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Most businesses today treat their customers like tourists at giant attractions – big crowds all experiencing the same thing at the same time.

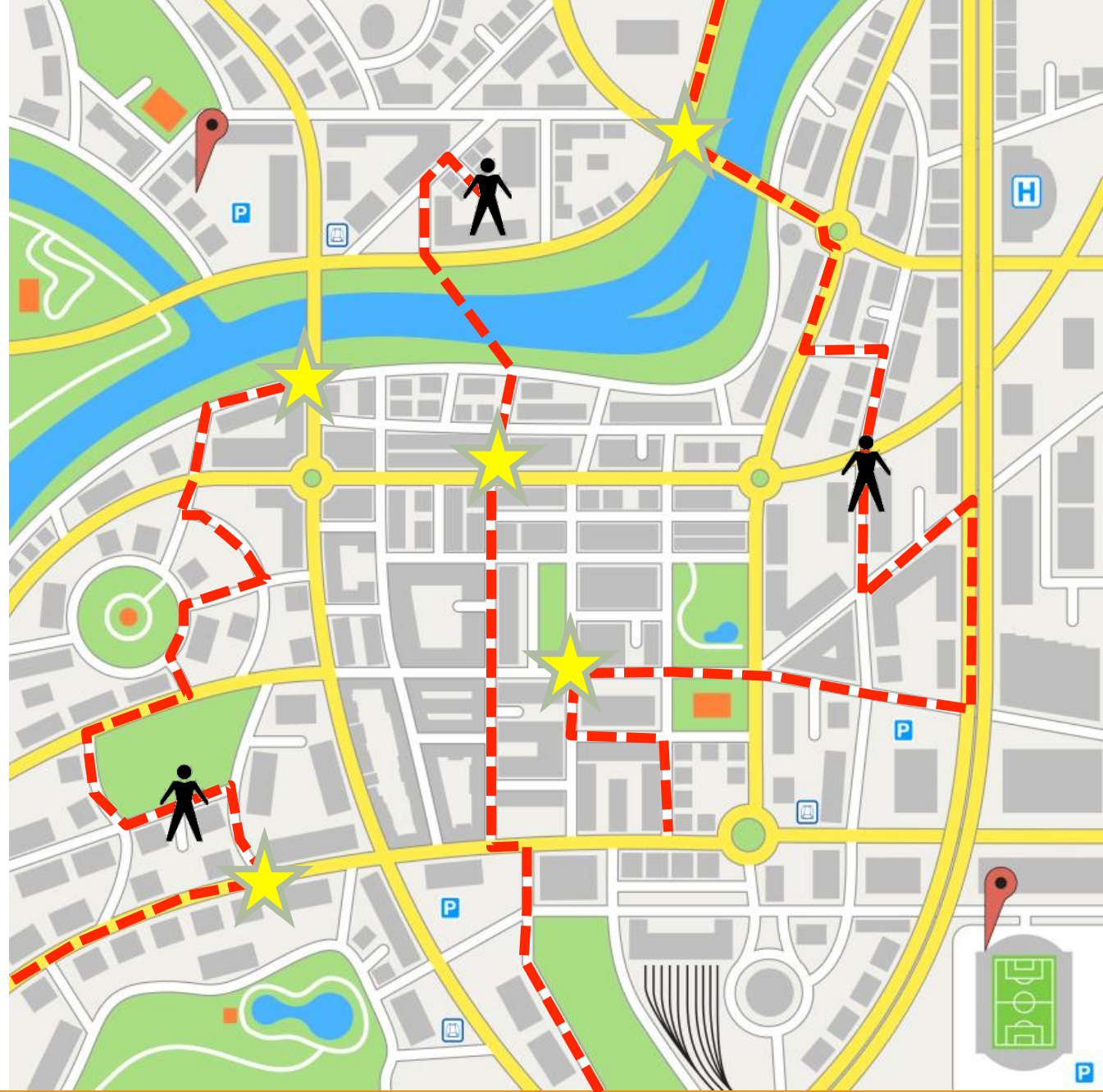
Great businesses go one step further. They put their customers in smaller groups and take them through a series of different experiences. It's like a virtual tour bus that drives tourists around a city to a predefined sequence of attractions.



Amazing businesses build experience roadmaps for their customers – it's like hiring a personal tour guide for each customer.

Before the tour, each customer can share their interests, their budget and their pace.

This lets each unique customer's experience unfold as they follow their own path at their own pace.



Ideas for Mapping Journeys

Create the map AND create a list of every touch point

Apply a disciplined, data-driven approach to focusing on the highest impact touch points (you can't do them all at once). Improve the touch point. Rinse and repeat.

Focus on the most important points – the “moments that matter” or the “Wow moments”

Use cool software that automates and drives each customer's individual journey across the web, mobile, social and physical touch points.

Discipline is everything. The details usually count more than the big stuff (hint: the little things are often more annoying because they look like sloppiness or apathy).

Test. Measure. Test. Measure. Test. Measure. Test. Measure. **Do** try this at home. Your results **will** vary.

3

Align Your Organization

New flash: your current org structure and policies are probably making it a lot harder to deliver an amazing customer experience than you think

Great Customer Experience is Hard

“The problem with customers is that they don’t always want to work around your business structure”



Ideas for Aligning Organizations

Purists will tell you to have everyone report to a CXO but it's not practical for most companies

Give bonuses or modify compensation structures around key CX metrics

Add CX attributes into role definitions for recruiting and promotions

Cross-departmental CX "Tiger Team" supported by named executive sponsors

Let your line-level customer-facing employees solve it for you – give them the latitude and authority to make their own decisions around customer experience →→

Let your employees drive alignment for you:

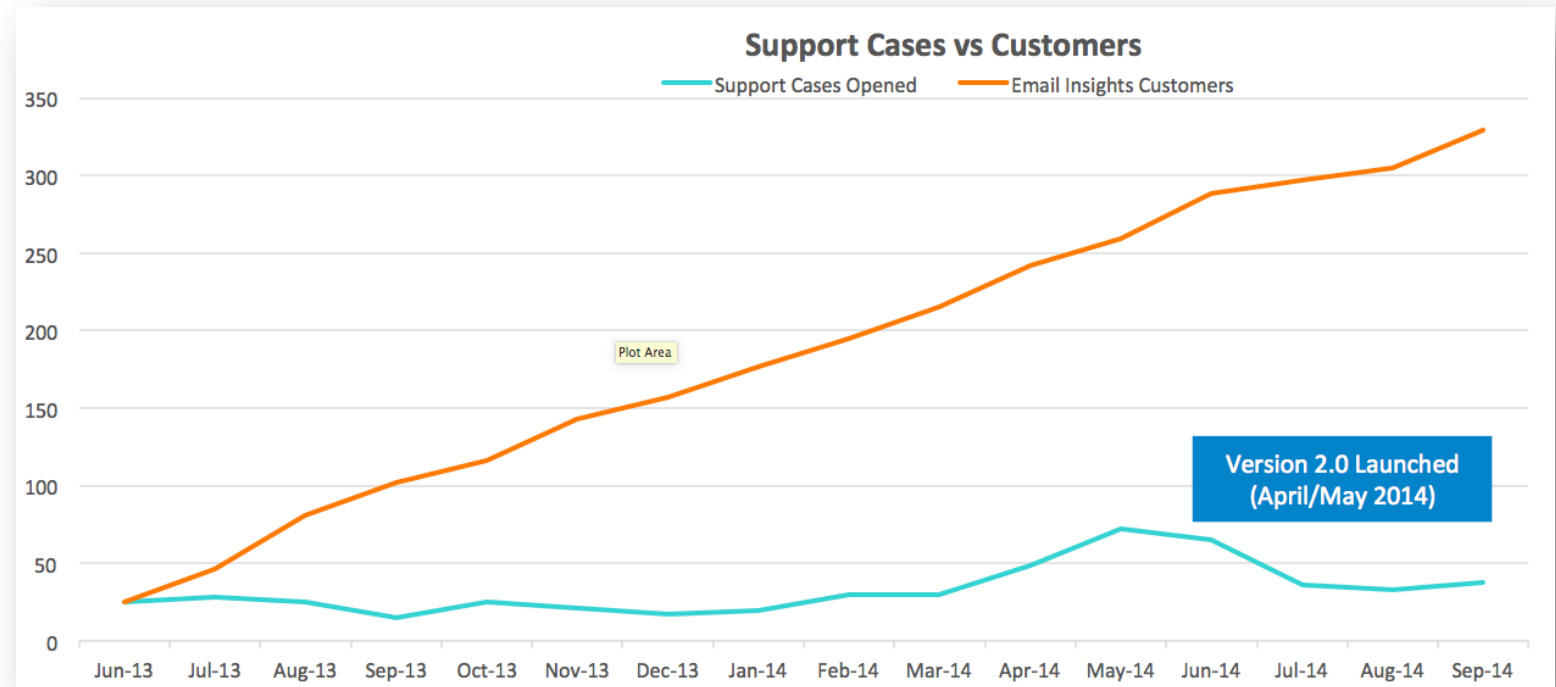
"We entrust every single Ritz-Carlton staff member, without approval from their general manager, to spend up to \$2,000 on a guest. And that's not per year. It's per incident." – Simon Cooper, President, Ritz-Carlton

Case Study: When Support and Product Align

My favorite chart at Silverpop:

The Email Insights App – new customers versus support cases

The EI developer sat down regularly with support to understand where customers were getting stuck and he made lots of small changes every few weeks that collectively kept the support case volume nearly static



THREE STEPS YOU CAN
TAKE NOW

Three Steps You Can Take Now

1

Start a CX listening project

- Find out what frustrates your customers
- Ask your happy customers what makes them happy
- And, make sure to ask your employees – they may have the best insights of all
- Uncover the patterns and key themes, document them and communicate them
- This is the first step in your CX Manifesto

Three Steps You Can Take Now

2

Recruit your CX champions

- Find the people in your organization that want to embrace CX
- Make sure to include some top execs – without them, it'll take a lot longer
- Make sure to include representatives from different departments
- Form a council that meets regularly to research and share industry practices
- Start to social CX into everyday decisions and reporting

Three Steps You Can Take Now

3

Get some quick CX wins

- Start small and don't boil the ocean
- Find the easiest thing to fix that annoys your customers the most
- Define and test out some CX improvement pilots
- Don't be afraid to run your pilots manually till you know they work
- Measure the results and add them to your CX Manifesto

SUMMARY

CUSTOMER EXPERIENCE

Three Components

1. Learn the new math
2. Map the customer journey
3. Align your organization

Three Steps You Can Take Now

1. Start a CX listening project
2. Recruit CX champions
3. Get some quick CX wins

THANK YOU

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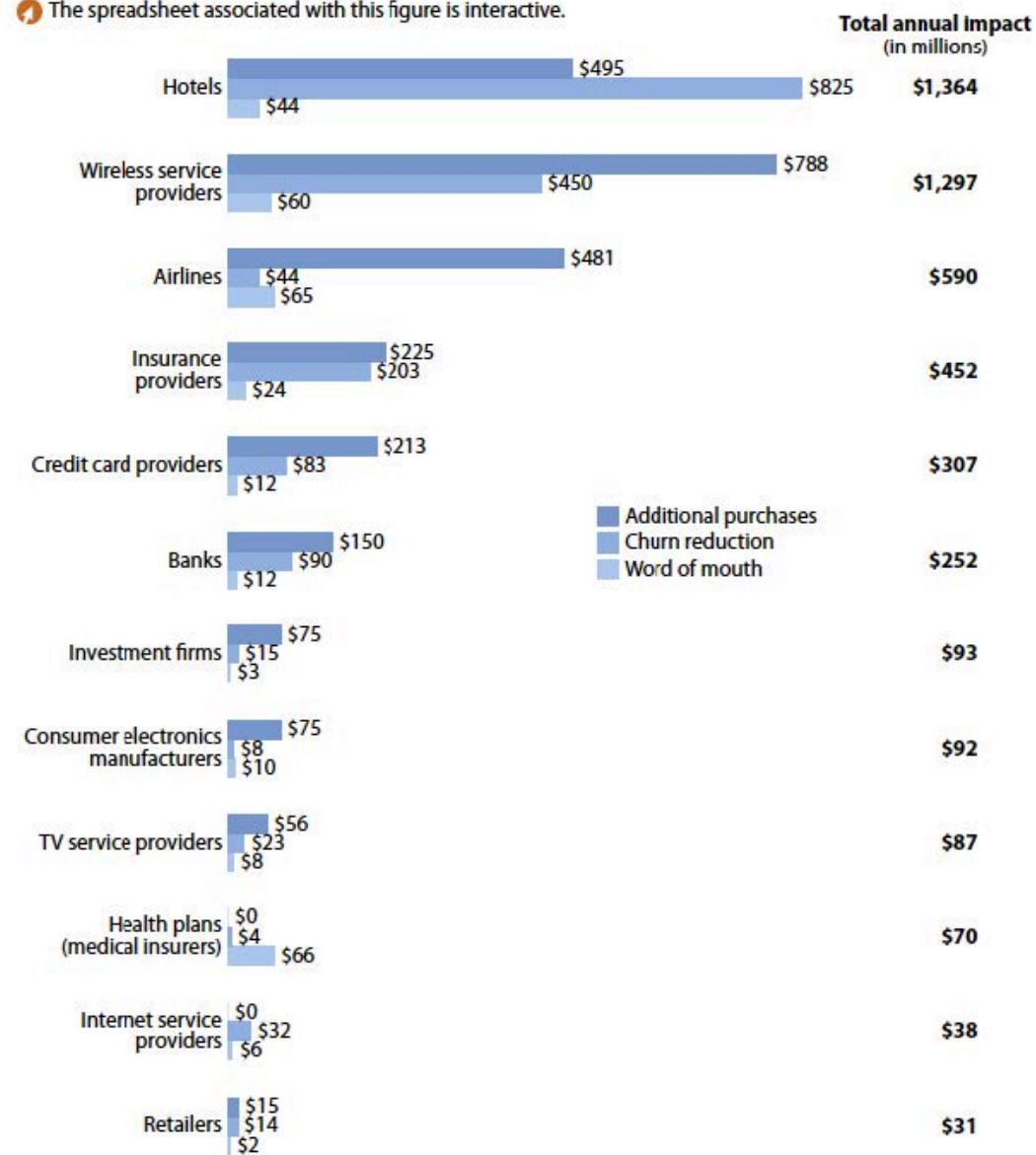
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SUPPORTING MATERIALS

Figure 3 Better Customer Experience Drives Millions In Revenue Benefit Across Industries

The spreadsheet associated with this figure is interactive.



Base: US online consumers
(numbers have been rounded to the nearest whole number)

Source: North American Technographics® Customer Experience Online Survey, Q4 2011 (US)