

Unpacking the Customer Experience

A Clicktools Backgrounder

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About David Jackson

David Jackson, is a founder and Managing Director of Clicktools Limited, a leader in the field of customer experience feedback software. He is widely recognised as an expert in the area of customer focused organisations and a driving force behind the Excellence in Customer Experience programme. Much of his time is spent with clients, working with senior managers to design and implement effective feedback measurement and management strategies and build organisations that can continually adapt to meet changing customer needs.

David is a popular speaker around the world. He has had many articles published, and is an author and contributor to several books, including “Dynamic Organisations: The Challenge of Change” and Becoming Dynamic”.

About Clicktools

We are the leading European provider of products and services for measuring and improving customer experience.

Founded in 2000, the company is a technology based solutions provider. We provide a range of products and services that help companies improve their customer focus.

- Clicktools – web based software that enables an organisation to measure and improve their customer experience.
- Multi channel feedback – collect feedback across all the channels your customers use, including web, email, phone, post, mobile phone, digital TV, IVR, kiosks and handheld devices.
- Feedback deployment and management services – management of all your feedback activity.
- Support services – training, bespoke survey & dashboard development and systems integration.
- Business consultancy – support for management teams seeking to improve their customer experience from Clicktools and our specialist consultancy partners.

We serve leading companies, large and small, seeking to measure and improve their customer experience. Our clients include Amcor, Cheshire Building Society, Economist Intelligence Unit, Direct Line, National Gallery, O2, the One Account, Rackspace Managed Hosting, Royal Bank of Scotland, Unisys, Yamaha, Yorkshire Building Society.



This paper is one of a series written in support of our commitment to help customers exploit the power of Clicktools. The subject of this paper draws on our role as Delivery Partners in the UK Customer Experience Awards; a scheme Clicktools helped to found and one we continue to actively support¹. This backgrounder is an extract from the 2008 Benchmark Report provided to all Awards entrants, authored by David Jackson, Clicktools' Managing Director.

The change of title of the Awards from Service Excellence to Customer Experience has been an interesting exercise. The name was changed for a number of reasons, not least to reflect the fact that these Awards are about how well organisations do in designing and delivering a proposition that customers value. In this respect, the change of name serves to reinforce the importance of the customer. Whilst the Awards have always taken an holistic perspective to an organisation's ability to deliver service excellence, it was felt that service was too narrow a concept. It was all too often focused on the after sales or customer service department and, important as these are, they are far from the whole picture.

The Customer Experience Capabilities model that underpins the Awards encompasses everything an organisation does to consistently deliver a customer experience that profitably wins, satisfies and retains customers better than the competition.

This shift begs the question what is customer experience? Whilst increasingly used in business parlance, there is no accepted definition of the phrase. Well here's what it means to us.

Customer experience is the customer's perception of an organisation formed from their interactions with it, direct or indirect. This encompasses a wide range of factors, as shown in the diagram below.

Good Products

The starting point of any customer experience is the product/service you provide. Whether it is a bank account, a holiday, a bag of apples or a new car, without a competitive product, you are not in the game. They do not have to be market leading in every aspect, indeed many successful companies offer me too products, seeking instead to differentiate on other aspects of the customer experience. I do not underestimate the importance of this fundamental aspect of the experience mix and there remain many opportunities for companies to innovate in this domain and steal significant market share. We can however all think of situations where we have chosen an inferior product because of the influence of other factors.

Easy to do Business with

Customers and companies interact in many ways at many different times for many different reasons. An application for a new credit card, a stay at a hotel or the weekly supermarket shop are all examples of interactions, each with its own intricacies and multi-faceted dialogues. Each involves a customer in a different context, with different moods, anxieties and needs. Creating processes and systems that make it easy for customers to do business with you is vital. How often have you been annoyed to the point of abandoning a purchase by complex, time consuming telephone systems that give you endless options, all except the one that describes what you want to do?

Easy to do business with companies remove obstacles to buying from them. They are accessible and operate with minimal bureaucracy. They put in place systems that develop and maintain a corporate memory of the customer. They avoid the hated technology of telephone answering systems and, most importantly, they employ and develop people that have the skills to make life easy for the customer. Technology has a vital role to play in delivering easy to do business with; rich web sites, comprehensive customer databases and effective enterprise resource planning systems, properly implemented, all have a role to play.



Nice to do Business with

But being easy to do business with is often not enough. Customers increasingly want to deal with companies that are nice to do business with. We have all been faced with

¹For more information about the Awards go to www.customerexperienceawards.com

someone who has provided the product or service we requested, but with an attitude that makes Attila the Hun seem friendly. It's the person who tells you what you want to know or delivers the service correctly but with a brusqueness or total disinterest in you. This sort of service failure is annoying. It leaves you with a bad taste in your mouth, like you have been an unwelcome intrusion into their angst. It leaves you feeling cross that you chose to spend your money to be treated like dirt.

The attitude of staff is one of the biggest reasons customers walk away, defect and badmouth suppliers. When asked in research by MORI "In the past three months have you been put off from purchasing a company's product or services as a result of", the top rated cause was the attitude of staff. JD Power research into car purchasers tested the importance of the attitude and quality of the dealer as well the quality of the car. Good car, good dealer topped the ranking of willingness to repurchase at 40%. What is interesting is that a combination of bad car, good dealer at 24% was more important than good car, bad dealer at 16%.

Whilst being nice to do business with is vital, niceness alone is not enough. Consider how you feel when you come across the really nice, friendly and effusive member of staff who cannot do too much to help you, but is unable to because they don't have the right information, skills or responsibility. They are apologetic and clearly want to help but can't. These friendly incompetent organisations create an overwhelming sense of frustration.

Customer in Control

This facet of the customer experience is an extension of the products and way you do business. Long gone are the deferential customers that would take what you had to offer and be grateful. Today's customers want to choose; choice about the product, how and when they buy and even how and when they pay. They also want the tools and information to make an informed decision, both about their initial purchase and, where appropriate, on their continued use of it. Forward thinking companies are finding ways to empower their customers to make decisions that reflect their values, lifestyles and needs.

Take the green movement as an example, where some customers want to know about the environmental impact of their travel. Some airlines will help you to offset the CO2 arising from taking a flight by giving you the option of purchasing an offset that reflects the flight booked.

Sophisticated financial service customers want to be able to review and manage their transactions. I manage my offset

mortgage online using tools that allow me to develop and test saving and spending plans to see what effect they have on my repayments loan term. Some mortgage suppliers provide calculators to help applicants work out the best product to suit their needs. Mobile phone companies allow potential buyers to compare phones against criteria they select.

Some would argue that these are just marketing gimmicks but that misses the point that many customers want to take greater control over their purchasing and use of products and services. It's the "I want it my way" world. I want a choice of channels that are completely interchangeable. I want to do business at times that suit me. I want to buy on-line and collect in a local store. The companies that fail to find ways to give the customer control will increasingly lose out to those that don't.

A few companies are going beyond this and enrolling customers in the design and development of products, a topic I shall return to in a later chapter.

Value for Money

Of course customers want all this at a price – nothing new there. They want to feel that they have achieved value for money. For some this will be the cheapest: credit card companies know that some customers, who they call rate tarts, will move for the best rate. Others recognise the value of companies that go that bit extra in some way. Superior experiences have always commanded a price premium, whether that results from a better product, exclusivity, peace of mind or some other aspect of the customer experience.

Value is a function of cost vs perceived benefit. The problem is that it differs for every customer which is why increasingly sophisticated segmentation is needed. Tesco operate with over 200 customer segments, driven by the comprehensive data they collect via Clubcard, their loyalty card scheme.

Reputation

Companies can get everything described thus far correct and still fail to convince the customer that they are the right choice because of what customers think about them. A sullied reputation can turn an advocate against a company.

Is this really an element of customer experience: isn't it stretching a point? From the company's perspective it may well be but customers don't compartmentalise what companies do. As far as they are concerned, employing child labour or losing customer data are just signs of a company that doesn't really care about the customer.

Even worse, often the customer does not base their judgements on facts but on rumour or accusation. Word of mouth (a topic discussed elsewhere in the report), accelerated and amplified by the internet quickly spreads the stories, influencing more and more people.

Designing Winning Customer Experiences

Winning customer experiences – those that profitably win, satisfy and retain customers better than the competition are achieved by design. They address the six points discussed above and, naturally, begin with the customer's perspective to the fore at all times.

A good starting point for companies seeking to build winning customer experiences is to understand the customer journey. Many companies have developed detailed maps of their customer journeys, setting out the needs of the customer, the way the interaction is to be delivered and how performance should be measured. Whilst it sounds simple, and it is not rocket science, it is often much more complex than it first seems. For example, who knows what the customer really needs at each stage of the journey? What does a company do if different customers value different things? Clicktools has developed Enterprise Feedback Architecture™, a proven approach to designing and implementing winning customer experiences backed up by measurement systems that focus on what matters to customers.

Here are five questions that you should answer when designing each stage of the customer experience across the entire journey:

- Who are our chosen (target) customers?
- What are their needs, expectations and concerns and how can we help customers address them?
- What emotions are we trying to engender in these customers?
- How will we deliver against these expectations and to what standards?
- What measures and feedback are needed to ensure we are performing well?

The customer's perspective at this design stage is critical; without it the experience will not reflect the real views of the one group that is the focus of the exercise. I have seen a number of companies fail at this first step by not involving customers in the design of the customer journey.

It is complex because customers are not logical, homogenous or predictable. Good companies design their experiences to deliver differently to different customers. Hewlett Packard

goes so far as to create two organisations to serve its two major customer groups – business and consumer. Each has its own senior executive responsible for the total customer experience.

Customer experiences are measured by how the customer feels about them – their perceptions are reality. This is not a new concept – perceptions have long formed a fundamental element of measurement.

Remember, every organisation is perfectly designed to achieve the results it does. Has your organisation purposefully designed a winning customer experience?