

## When the Tough Get Going



7 guiding principles to craft a great customer experience when budgets are tight

**HISTORICALLY** when we've faced tighter budgets and volatile markets, out of necessity, our efforts get focused, things tend to get done with less time and/or money and greater efficiencies are drawn out of our employees. We seem to get *better*. More *focused*. More *creative*. More *effective*.

And so it is with some hindsight that, when I hear "doing more with less", I prefer to see it as a reminder that opportunities are plentiful to build customer loyalty and prosper when budgets are tight. But it isn't easy and here's why:

**1. With fewer dollars to spend we need to be much more deliberate deciding where to spend them.**

That means prioritize, prioritize, prioritize. It may mean going back to the basics and ensuring we can consistently deliver on our current promises before making new ones. To take care of our existing customers – particularly our most profitable ones — before aggressively spending on new customer programs.

**2. Customers are not behaving the way they have historically.** Traditional segmentation strategies don't work as well given that customers are not behaving the same way as their neighbors or as they have in the past. Their attitudes have

changed. Expectations are higher. Loyalty is fickle. Trust in our ability to consistently deliver against our promises is paramount to loyalty.

**3. Customers have options. Options means they can abandon us faster.** That means being diligent about removing any and all barriers that may cause existing customers to go elsewhere or new customers to defect before they even begin. To create great experiences for customers trying new channels and to make it even easier to do business with us.

## A new customer environment

Over the last 20 years customers have been waging a battle with companies for control over what they buy, how they buy it and how it should feel.

Customers have won. High net worth customers use automated services even though we give them personal account managers. Less profitable customers continue to flock to our branches and retail locations even after we build less costly self-serve channels just for them. Customers are increasingly impatient with poor customer service and not only take their business elsewhere but also go out of their way to tell others.

**Given today's economic uncertainty, 'doing more with less' has to be our new mantra...**

**but then, for great marketers, that has always been the case.**

That's why, despite tighter marketing and operational budgets, we can't escape hearing about the myriad of "customer experience" initiatives being launched these days.

As with any new discipline, there's a lot of confusion about what customer experience really is and even more confusion about the incremental benefits it will ultimately deliver. After all, what would we do differently in a customer experience environment that we aren't already doing in a customer service, customer relationship management, service quality or any other discipline focused on attracting and retaining customers?

The difference lies in stepping back from advertising programs, new product development, traditional research and the latest technology to take a discerning look at our business from the customer's perspective. (Who has the time to do this with big budgets to spend? We are long overdue.) If we are honest about what we see, this new and deliberately customer-oriented perspective will highlight both the *rational* and *emotional* characteristics of the relationships we have with customers. After all, it is the *emotional* memories of the experience, which stay with our customers long after the transaction is over.



A report from Customer Futures stated that, “For many years organizations have focused on satisfying the tangible, rational needs of customers through an emphasis on products, pricing, processes, etc. Passion, loyalty and advocacy are driven most strongly by emotions rather than reason; and emotions are a strongly human phenomenon.”

**Companies don't plan to create poor customer experiences...**

**they simply don't plan to create good ones.**

Greater focus on the *emotional* aspects of a customer relationship is gaining momentum for good reason. 95% of customers said their customer service experiences can make or break a relationship with a particular brand or company, up 10% from the previous year.

Equally important, customers are telling us that “just good customer service” is the most important way to show appreciation for their business – more than rewards, loyalty programs or gifts.

Regrettably, a great service experience is the toughest thing to deliver consistently, with every employee and across all channels. Companies don't deliberately plan to create a poor customer experience — they simply don't plan to create good ones!

Most customer experiences have been shaped over the years by countless tweaks and adjustments to accommodate new markets, products, channels or management styles. Most companies have the customer experiences they have by accident.

Great experiences start with deliberate thought. Here are 5 key imperatives to consider:

## 1. Be clear where you are starting from

If you are starting a new business from scratch you have the luxury of crafting the ideal experience without consideration for anything or anyone but the customer. Lucky you! For the rest of us, we must take into consideration legacy systems, existing employees with established skills and habits, a myriad of interdependent operational processes and rules/regulations bogged down in history.

In this atmosphere, crafting a new and improved customer experience requires a soft touch... and a cautious, deliberate plan.

Organizations usually have a good handle on what their internal processes are and *think* they have a clear picture of how the customer interacts with them. However, few companies have an end-to-end, all-encompassing view of how customers actually engage with them — particularly in the contact center.

Given that as much as 90% of all communication with an organization comes through the contact center, the foundation of a great (or not so great) customer relationship often starts and can certainly end within the contact center.

## 2. Pay attention to your contact center

The often-bashed and under-funded contact center is often the only direct, human interaction your customer has with a human being. This means that the lasting impression customers have of an organization rests squarely on the shoulders of the customer service representative, help/support desk agent, telemarketer or email response agent.

This fact should be disconcerting given that, in most companies, front-line staff cannot put into words why customers should do business with them.

The old adage “you are only as good as your last [job/performance/novel/etc.]” is so true in this situation. It is human nature for our customers to form their impression of us based on their last interaction. That's why Disney pays a lot of attention to their parking



lots, McDonald's to their trash disposal, retailers of all kinds to their cash register line-ups ... and why every organization needs to pay more attention to their contact center.

**For 95% of customers, customer service experiences make or break relationships**

**45% prefer 'just good' customer service over rewards, loyalty programs or gifts<sup>2</sup>**

### 3. Know who you are designing the experience for

Many organizations strive to create the best customer experience possible assuming 'one size fits all' will work without ever considering whether the experience they have created is right for their key, target customers. After all, not every individual wants or appreciates the same type of experience. Different levels of experience, ages, needs, personalities and (yes) levels of profitability, all drive unique requirements. Given that it is typical for 20% or less of all customers to account for 80%+ of revenue, it is imperative that we be highly targeted — particularly when budgets are tight. With that in mind, start with your existing *profitable* customers. Look at the end-to-end experience and target 'pain points' which, over time, may tempt customers to experiment with other providers. Don't count on inertia or apathy to assist you with retention when customers are revisiting their options daily.

### 4. Prioritize from the customer's perspective

When faced with the daunting task of 'fixing' or 'rebuilding' a customer experience end-to-end, it is natural to focus on what we know how to fix — like operations or systems or training — rather than try to understand what customers want and value.

That is why many companies retreat to lower prices when business is suffering. Certainly lower prices will attract a certain sub-segment of the market in the short-term, but lower prices alone will not sustain a business over the long haul. Customers who come for price will leave just as quickly for price.

Given that 'outstanding service' is the number one reason customers do business with a company and

'poor service' the primary reason they leave, even during tough economic times, customers will almost always favor a better experience over a better price.

So how do we figure out what customers *really* want

from an experience with our organization? Traditional approaches suggest we simply ask them — but research is costly, survey 'fatigue' is rampant and customers often don't behave the way they say they will or think they do. As a direct marketer by trade, my natural bias is to tap into their *actual* behavior and *real* dialogue for insight. To simply *listen*.

### 5. Leverage Quality Monitoring for clues

Customers leave us clues with every interaction. Contact center call recordings, emails and web chat sessions offer a plethora of insight largely because, as was previously noted, this is where the majority of customers go when they run into difficulties, have questions or when things go wrong elsewhere in the organization. And while most companies do monitor



these activities, they do so largely for compliance or agent performance purposes. When you really listen, oh what a story they tell!

Given that QA specialists are already reviewing calls/emails/chat sessions, either directly or via analytics tools, take the time to capture other key customer attributes that speak to emotion and root cause. If we listen for the clues, count them and map them to the point in the customer's journey which contribute to 'pain points' (irritating areas of dissatisfaction)

or 'combustion points' (areas which contribute to defection or abandonment), we will quickly discover where to focus our efforts. From experience, it will usually come down to a handful of root issues which contribute to the greatest customer angst.

## 6. Align your brand promise to the experience

Despite all the attention given to customer experience of late, it is rare to find an end-to-end customer journey that accurately reflects the promise a company makes via their brand advertising. If your brand promises "simple" but your channels are essentially complex, customers will quickly become disillusioned and defect. If your brand commits to being "customer focused" but your processes do not empower employees to be that way, trust will inevitably erode.

**When the end-to-end customer experience is aligned with brand promises, a multiplying effect occurs that is significantly more engaging than just a well-recognized brand name.<sup>3</sup>**

At the end of the day, regardless of what we think our brand represents, customers will see it as a simple collection of experiences they have with our organization.

Brands establish customer expectations and, therefore, customers must be able to see 'the promise'

come alive in their day-to-day experiences with our organization. That is the essence of corporate branding – what our company stands for and promises to customers.

The underpinnings of a truly great experience lie in careful attention to those things that matter most to the target customer coupled with deliberate and consistent delivery at every point of contact. With this in mind, it is critical to go back to the brand to determine how we should design, fix and/or recreate the customer experience.

A senior executive of a major North American financial institution recently told me that they are focusing on continually improving the customer experience, particularly during tough economic times, because *"when this is over, and it will be over, we want to make sure that our customers remember we were there for them."*

## 7. Keep an eye on the ever-changing future

As we work to improve the customer experience in the short-term, it's helpful (and necessary) to have a clear picture of where we are going 3-5 years from now. This vision of what is possible will serve as an invaluable guidepost as we form our plans today. Having an eye to the future ensures that we don't just fix problems for today but also position our experience to differentiate us from our competitors in the future.



## GET TO KNOW US!

**VEREQUEST** is a consulting firm founded in 2002 specializing in driving and sustaining the quality of the customer experience in a multi-channel environment. We work with our clients, each a leading organization in N.A., to win the hearts and loyalty of customers.

VereQuest has had much of our success in companies where customer-to-employee engagement is critical to building loyalty and reducing costs. Through our unique team of customer experience coaches, proprietary technology and wealth of experience we provide our clients with reality-based analysis and actionable insight critical to sustaining profitable customer relationships and reducing operational inefficiencies.

Get in touch with us today to get to know a little more about us and how we may be able to put our expertise to work for you and your organization.



Email [info@verequest.com](mailto:info@verequest.com) to receive a free copy of our Customer Journey Mapping eBook to learn how to build customer journey maps with your own team.



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