7 Ways You Can Lead the Charge to Transform Customer Experience

An McorpCX Thought Leadership Webinar: The CX practices and perspectives guiding some of the world's largest and most successful customer-centric organizations

June 21, 2018

Customer Experience (CX) is:

"How customers perceive their interactions with your company"

Customer Experience Management (CXM) is: "The collection of capabilities and processes used to systematically design, deliver, and react to customer interactions"

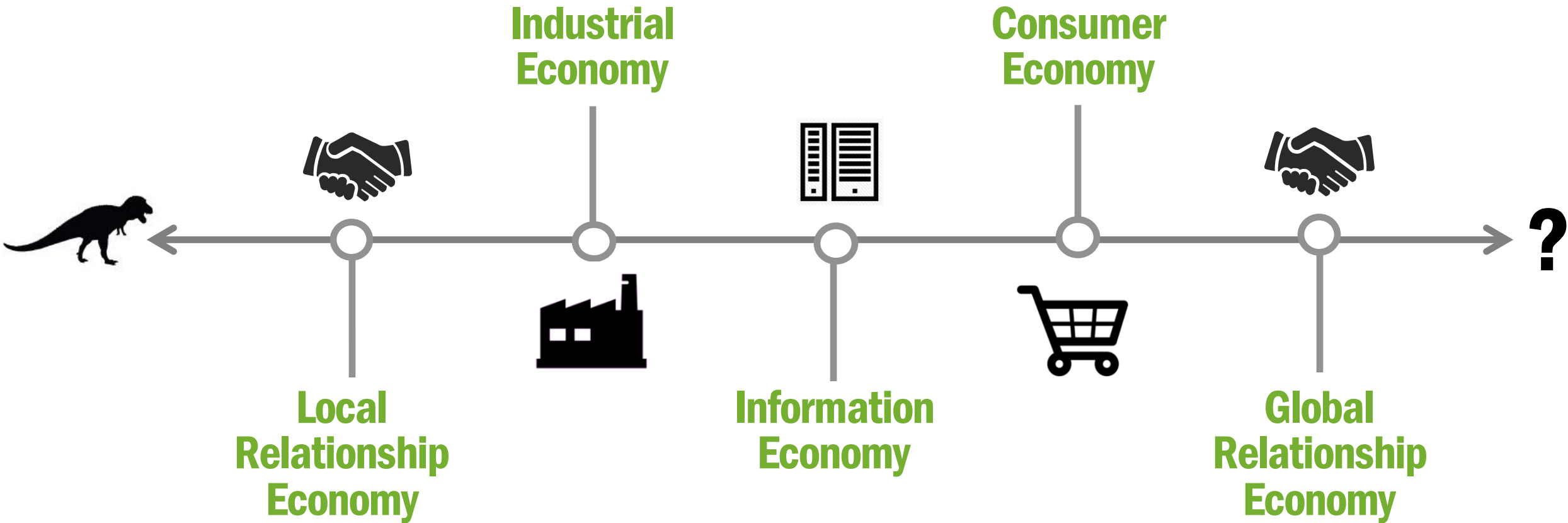# For those of you with 'hands up', you are not alone...

11%

Customer expectations have radically changed

Welcome to the global relationship economy

Industrial Economy

Consumer Economy

Local Relationship Economy

Information Economy

Global Relationship Economy

In this world, every business faces tough decisions

But there is a clear path forward: Customer Experience

CX leaders enjoy results like...
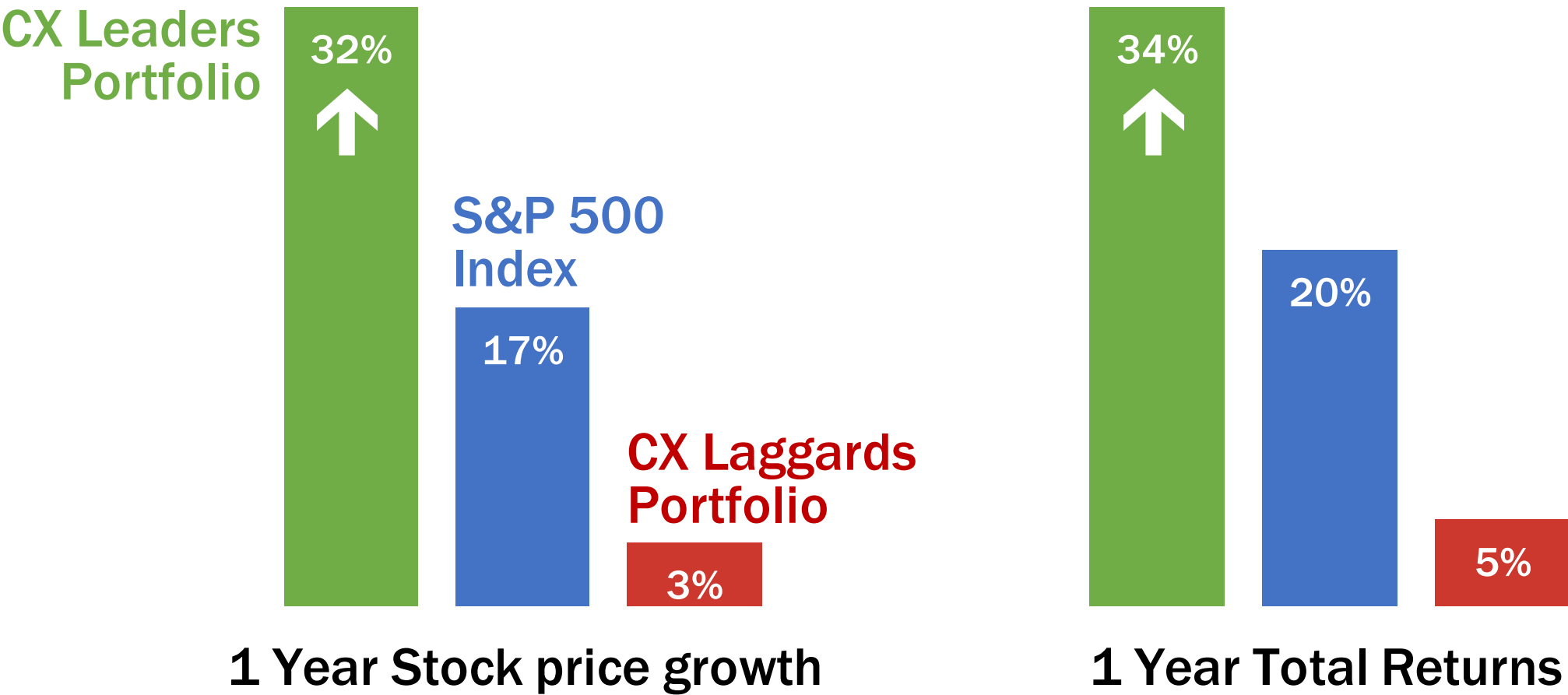
Up to 2 times greater customer and employee loyalty[1]

Customers 4.5 times more willing to pay a price premium[2]

Reduced customer service costs (For one telecom by 33%)[1]

Revenue growth 5.1 times greater than competitors[2]

Not just top-and-bottom line value, but enterprise value

CX Leaders Portfolio 32% ⬆

S&P 500 Index 17%

CX Laggards Portfolio 3%

1 Year Stock price growth

34% ⬆

20%

5%

1 Year Total Returns

For leaders, customer experience is…

Customer experience builds (and destroys) industries
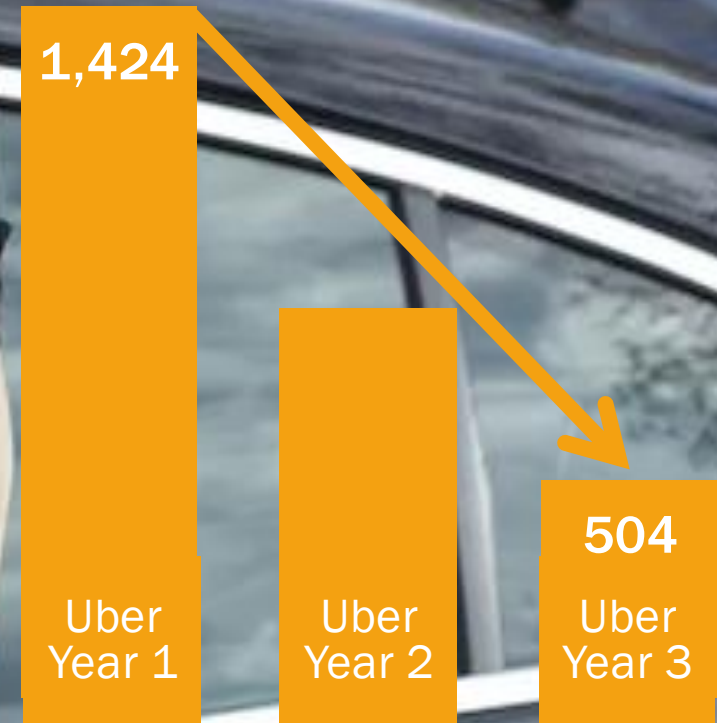
Average Monthly Trips Per Taxicab in San Francisco

Uber Year 1: 1,424
Uber Year 2
Uber Year 3: 504

Companies get this, but they are struggling

91% of businesses[1] wish to be considered CX leaders in their industry

Most have established CX execution practices[2]

90%[2]
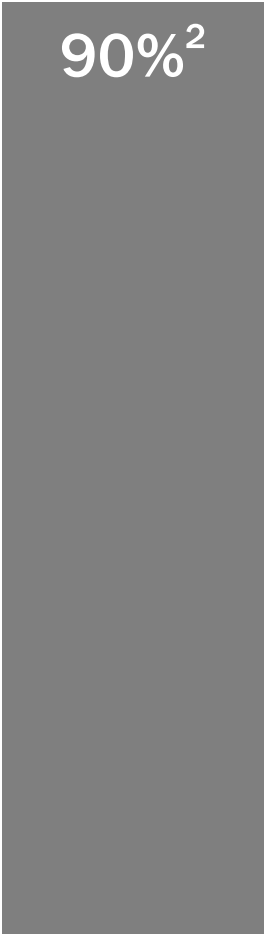
Yet only 6% consider themselves advanced

6%[2]

3%[2]

And only 3% are innovating

In fact, customer experience is stalled – or falling

Because 'transformation' of any kind is never done

Jeff Bezos, Founder and Chief Executive Officer: Letters to Shareholders…

1997: "Obsess Over Customers… This is Day 1 for the Internet and, if we execute well, for Amazon.com"

2017: "Customer expectations are never static – they go up. It's human nature. It remains Day 1."

amazon

And digital transformation isn't just about technology

One
Promote a continuous innovation culture

Two
Create new digital platforms

Three
Change business metrics to drive cross-org collaboration
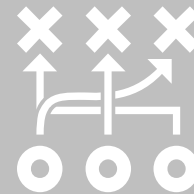
Four
Adopt design-thinking and customer journey mapping

The top four actions undertaken to accomplish digital transformation objectives

United Airlines: Involuntary denial of boarding process

Step 1: Offer $800 travel credit, and hotel for night.

Step 2: If you can't buy them off, make them get off.

Step 3: If you can't make them get off, force them off

Companies need to act as smart as their customers

10:47:23 Watched video attached to Pizza Box
10:48:31 Redeemed coupon for Paper Towels
10:48:59 Checked prices for Dog Food
10:49:07 Ordered Dog Food from another store
10:54:12 Started car
10:54:42 Proceeded west on Main Street
10:55:12 Stopped at House for Sale
10:57:13 Requested Listing Details
10:57:18 Viewed Listing Details
10:57:45 Viewed Video Tour
11:02:42 Requested access to house
11:02:49 Security status verified
11:03:32 Entered House for Sale; Listing Agent Notified
11:18:29 Texted husband from House
11:18:57 Husband accessed online tour

How we get there: Customer experience transformation

The 'discipline of customer experience' is evolving

CX Techniques (2000 on…)

More Tactical, Issue-Driven

Tools like Journey Mapping and Persona;

Metrics like CSAT, CES and NPS

CX Improvement (2010 on…)

More Holistic, Capability-Driven:

CX Strategy and Management Capabilities;

Customer Understanding, CX Design Capabilities

CX Transformation (2017 to ?)

Integrated, Operating Model-Driven:

CX Vision

Business Operating Model

CX Capability, Metrics and Measures

At the intersection of CX and operational excellence

The Customer Experience
Operating Model: CXOM

Business value realization (The "why")

Measure and Optimize

The financial, business and customer-related goals we aspire to achieve

Business Goals, e.g.
- Revenue
- Cost
- Profitability
- Growth
- Risk Management
- Transformation

CX Goals, e.g.
- Satisfaction/CSAT
- Customer Effort
- Net Promoter/NPS
- Engagement
- Loyalty
- Differentiation

Action rationale (Why)

Business Case

Goals

Needs

Expectations

Preferences

Persona modelling (Who)

Customer Persona

Easy | Enjoyable | Useful

Multi-Channel Journey
(Understand Moments-of-Truth and Painpoints)

Touchpoints

Purchase Touchpoints

Use Touchpoints

Channels

- Print
- Field
- Store / Clinic
- Outdoor
- Contact Center / IVR
- Kiosk
- Desktop
- Mobile (Web & App)
- Messaging
- Social
- Sensors / IOT / Bots

Journeys and Interactions (What)

Customer Journeys

Products and Services

Metrics & Measures

Brand/ Culture

Marketing

People

Process

Data

Technology

Partners

Financial

Legal/ Regulatory

Org Structure

Business modeling (How)

Business Operating Model

CXM Capabilities: Developing Customer Experience

CXM Capabilities: Delivering Customer Experience

CX Strategy | Customer Understanding | Design and Innovation | Governance | Culture | Measurement | Technology | Processes

Measure and Optimize

CX Vision: Who do you serve, and how? (The "who")

The customers we serve, and the experiences we aspire to give them

Business operating model (The "how")

How we operate, to achieve our business and customer objectives

Business Operating Model

People
Process
Data
Technology
Partners

Metrics & Measures
Brand/ Culture
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Products and Services

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Business modeling (How)

Channels

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CX capabilities, metrics and measures

Measure and Optimize

How we manage customer experience, and systematically measure business and customer results

Business ... e.g.

CX Vision | Business Operating Model

CX Capability, Metrics & Measures

CX Goals, e.g.
Satisfaction/CSAT
Customer Effort
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Financial | Legal/ Regulatory | Org Structure

Action rationale (Why) | Persona modelling (Who) | Journeys and Interactions (What) | Business modeling (How)

Business Case | Customer Persona | Customer Journeys | Business Operating Model

CXM Capabilities: Developing Customer Experience			CXM Capabilities: Delivering Customer Experience				
CX Strategy	Customer Understanding	Design and Innovation	Governance	Culture	Measurement	Technology	Processes

Measure and Optimize

Together, the Customer Experience Operating Model

Measure and Optimize

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Persona modelling (Who)

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Customer Journeys

Multi-Channel Journey (Understand Moments-of-Truth and Painpoints)

- Discover Touchpoints
- Purchase Touchpoints
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Journeys and Interactions (What)

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Business modeling (How)

CXM Capabilities: Developing Customer Experience

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- Design and Innovation

CXM Capabilities: Delivering Customer Experience

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- Measurement
- Technology
- Processes

Measure and Optimize

There's a formula for bringing this model to life…

This makes it easier for businesses to prioritize

Everyone Wins!

Decision making is easier and execution more effective!

Companies differentiate, profit and grow!

Customers get exactly what they want and need, exactly when they want and need it!
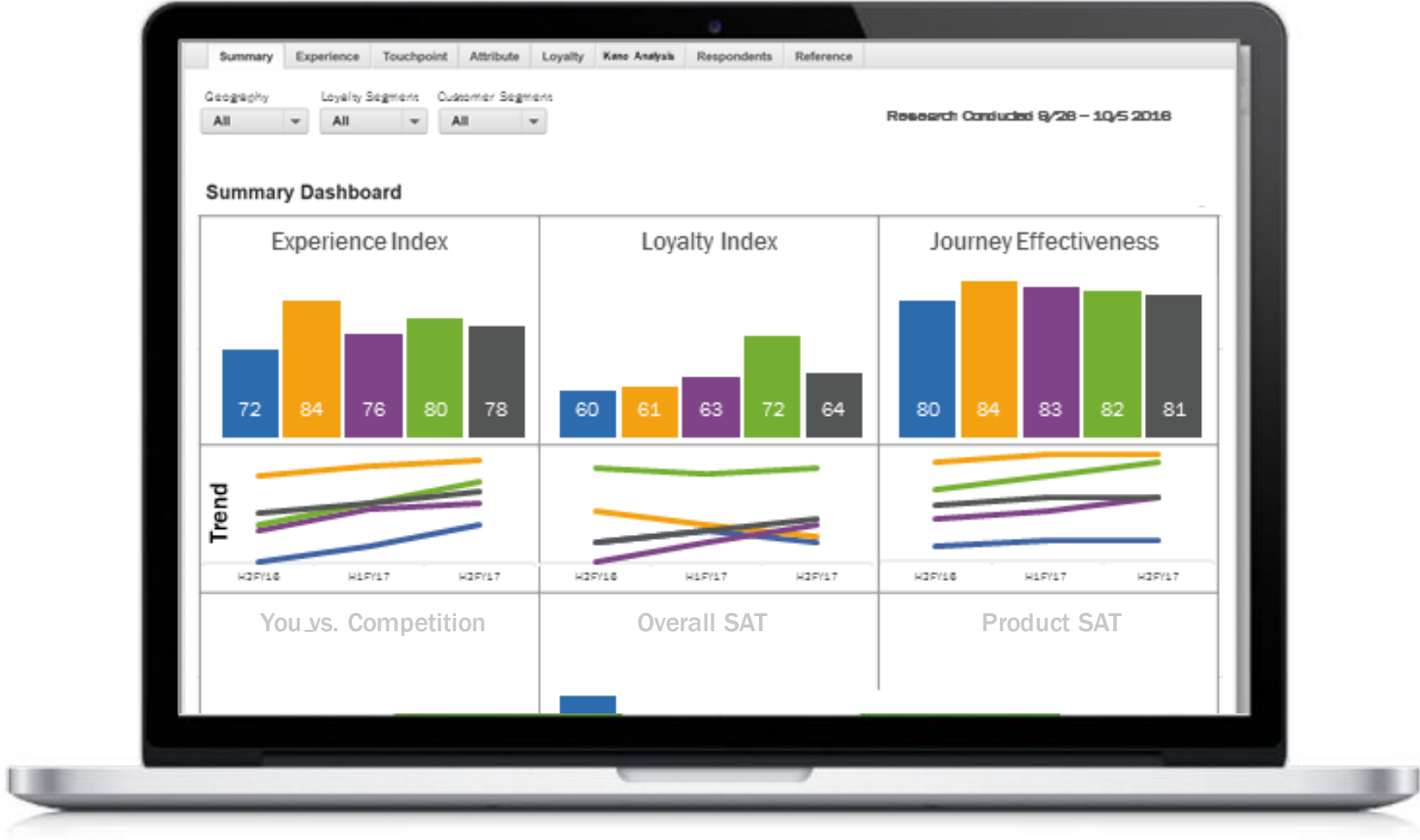
7 Steps to customer experience transformation

Or here

Start here

Or here

1. Embrace digital transformation

"The use of technology to radically improve performance or reach of enterprises…to change customer relationships, internal processes and value propositions." MIT Sloan Management Review

2. Determine your metrics and measures

3. Develop a deep understanding of your customers

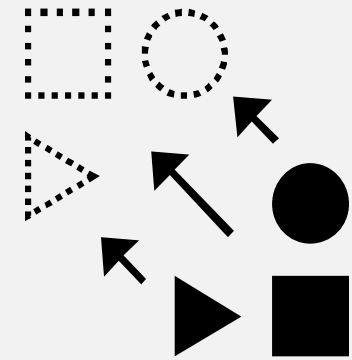## What you know about your customers

VoB

What customers say they want and do

VoC

What customers actually do

VoA

4. Define your customer experience vision

Goals

Needs

Expectations

Preferences

Multi-Channel Journeys

Discover   Consider   Purchase   Use

5. Build customer experience management capabilities

Capabilities to develop better customer experiences:

Experience Strategy	Customer Understanding	Experience Design

Capabilities to deliver better customer experiences:

Governance	Culture	Measurement	Technology	Processes

6. Enable a customer-centric operating model

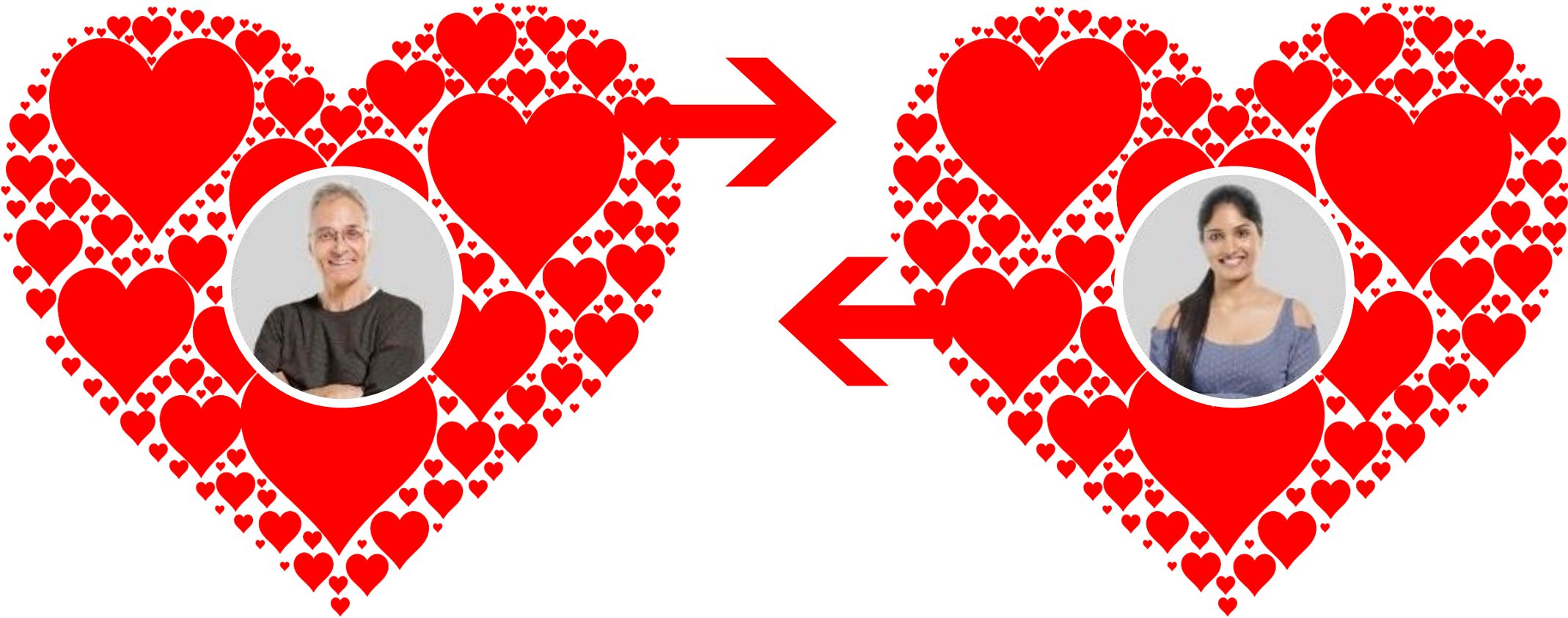# 7. Empathize with and advocate for your customers

Yes. You can help to lead this transformation

Customer Experience Needs YOU!

Transforming your customer's experience, and yours

Thank you!

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