Customer Experience Strategy: The Key to Bringing Your CX Vision to Life

A proven framework for ensuring you design and deliver experiences that meet—and exceed—your customer's expectations.

September 15, 2016

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Your Presenter, Michael Hinshaw: President, McorpCX

- Teacher (and student) of customer experience innovation and digital strategy
- Guiding executives and their companies on improving customer experience since 2002
- CMO.com columnist and best-selling author: *Smart Customers, Stupid Companies: Why Only Intelligent Companies Will Thrive, and How To Be One of Them*
- Mentor and Teaching Fellow at UC Berkeley's Haas School of Business

Engaging globally, across industries with leading brands

Wide recognition as experience strategy and design leaders
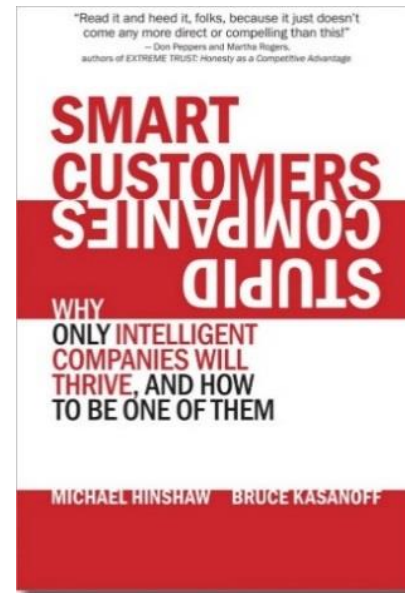
| Media recognition for our thought leadership | Best-selling book on digital and CX innovation | Analyst Recognition as a top global customer experience and digital strategy expert |

"One of the most exciting business books I've ever read."

- Don Peppers
Founder, Peppers & Rogers

Helping the companies we work for do three things:

Understand Their Customers

Improve Customer Experiences

Build Customer-Centric Capabilities
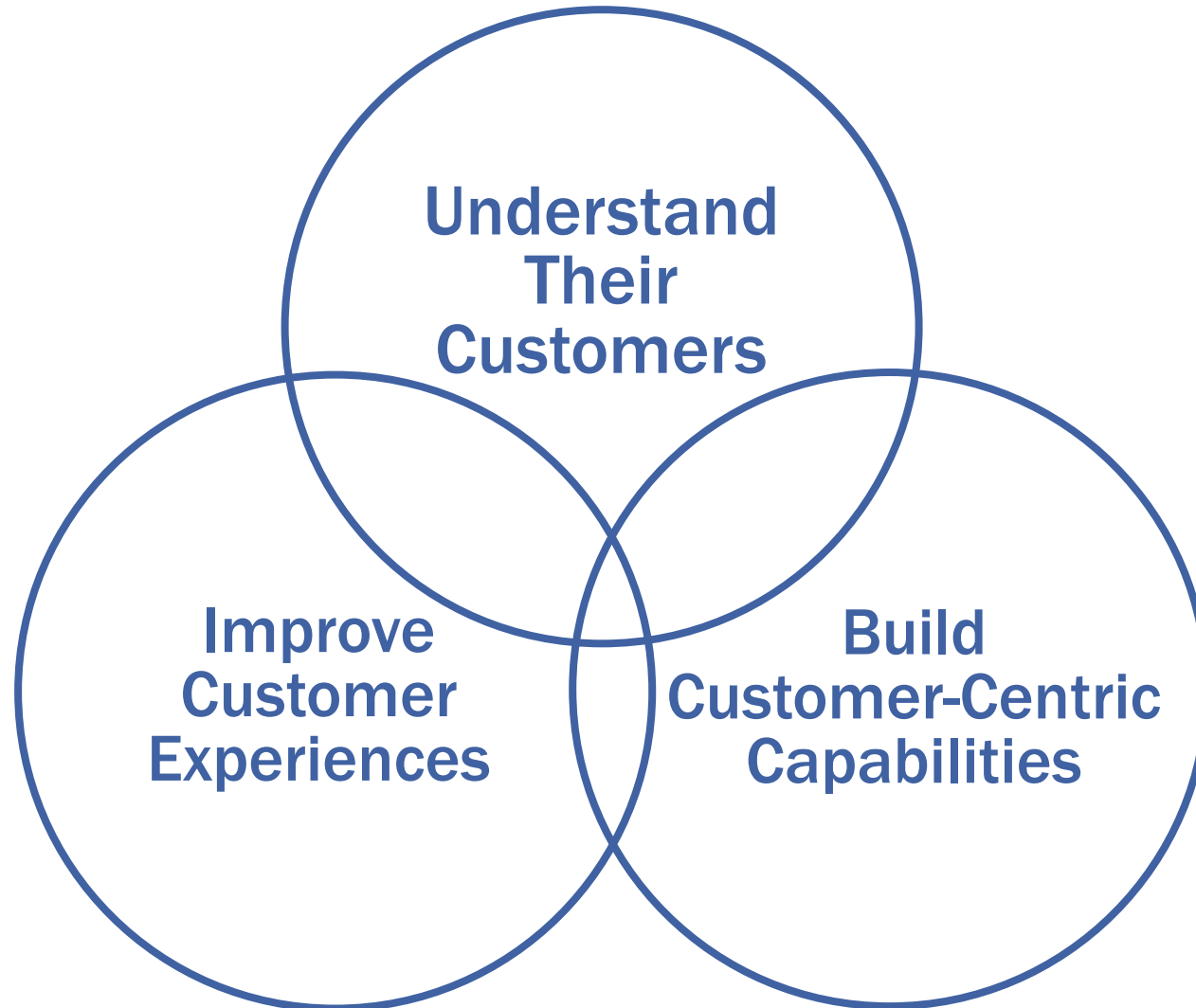
Which is why McorpCX stacks up against the worlds best.

VANGUARD CONSULTING PRACTICES

Depth of Consulting Capabilities (vertical axis: Low to High)

Breadth of Consulting Capabilities (horizontal axis: Low to High)

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Capgemini Consulting

McKinsey & Company

The Boston Consulting Group

Deloitte Digital

Sapient

IBM

Accenture

PwC

Cognizant

BearingPoint North Highland

Bain & Company

KPMG

EY

PA Consulting

A.T. Kearney

"[Their] narrow but deep market position enables McorpCX to effectively serve both the SME market and the largest global corporations"[1]

-- ALM Intelligence: The Kennedy Vanguard

1) The Kennedy Vanguard – Digital Customer Strategy & Experience Consulting Providers

Today, we're going to discuss: Why customer experience (CX) strategy matters; Business and brand: CX strategy implications; CX strategies in action; Bringing your CX strategy to life.

Customer experience occurs every time a customer interacts with a company's products, services, people or devices...

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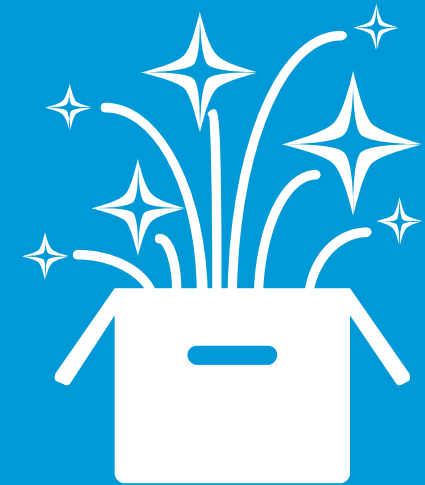# But our customers–and what they expect–is changing

Era of Smart Customers

Less Loyal, More Vocal

Radically Greater Expectations

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In this world of changing customers and expectations, there is one sustainable competitive advantage:

Deliver a better customer (and employee, and partner) experience, across all channels and interactions

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Customer experience also drives significant value:
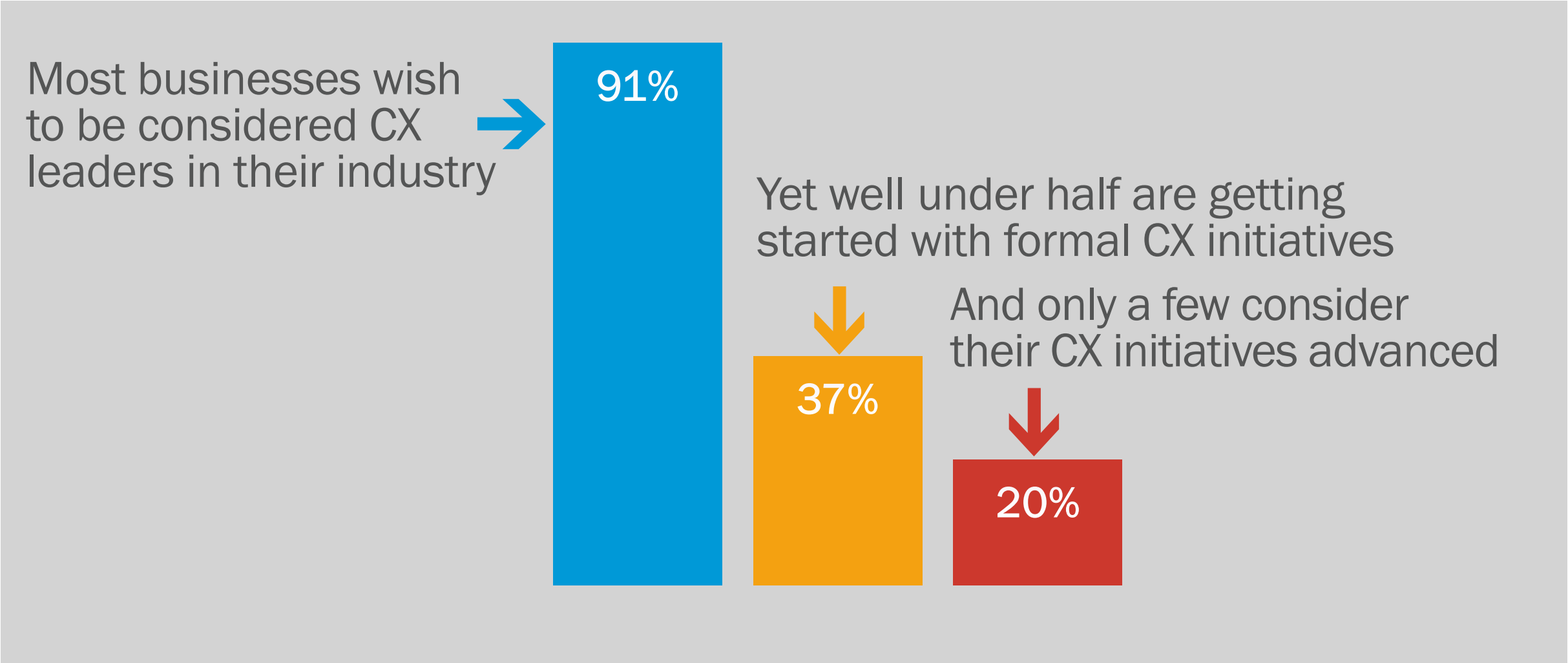
CX leaders enjoy results like...

Up to 2 times greater customer and employee loyalty[1]

Up to 2.4 times annual revenue increase, per-customer[1]

Reducing the cost to serve customers (For Sprint, 33%)[1]

Typical growth over double that of their competitors[2]

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Executives get this. But have a hard time executing on it[1]

Most businesses wish to be considered CX leaders in their industry →

91%

Yet well under half are getting started with formal CX initiatives

↓

37%

And only a few consider their CX initiatives advanced

↓

20%

Source: Oracle, "Global Insights on Succeeding in the Customer Experience Era", 2013

![mcorp.cx logo]

Why? Great customer experience doesn't "just happen."

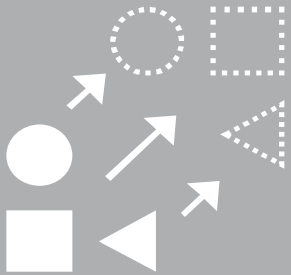A framework for bringing your CX vision to life
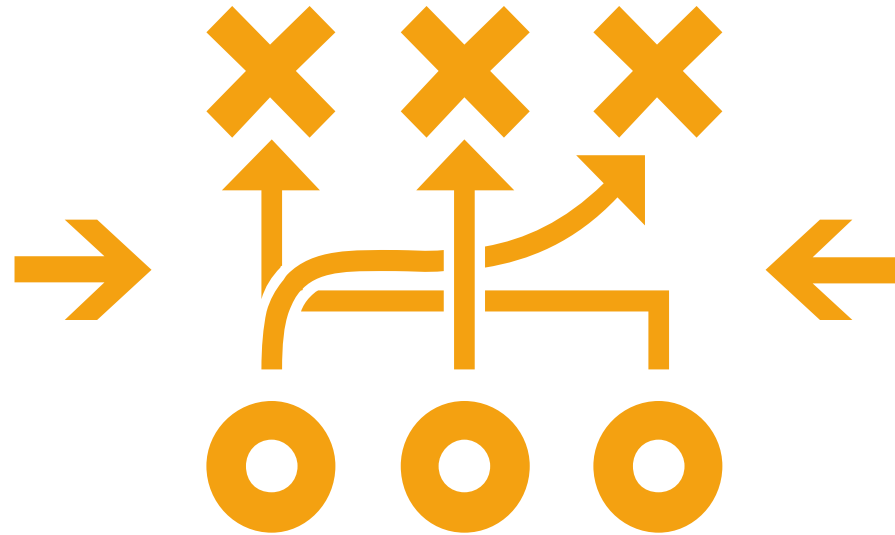
A way to meet and exceed customer expectations

It's planned.

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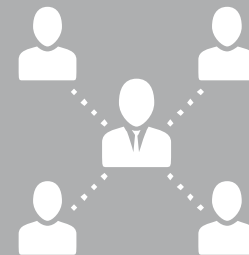# Which is where customer experience strategy comes in.

Aligned to your business and brand strategies

Articulating the customer experiences you plan to deliver

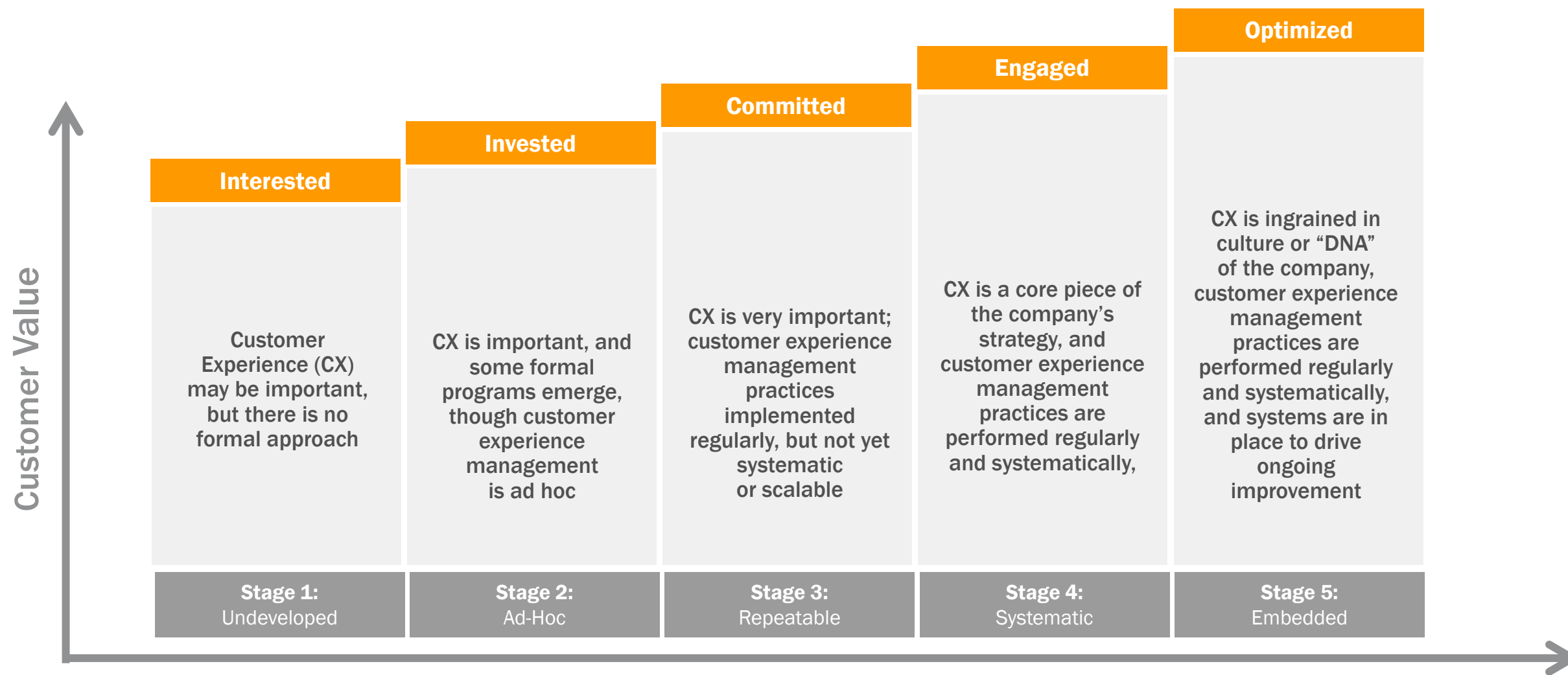**Guiding your people, systems, processes and activities**

Informing the prioritization and use of resources

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Because a defined CX strategy is a foundational, best-practice capability of customer experience leaders

Developing better customer experiences

Customer Experience Strategy

Customer Understanding

Design and Innovation

Informed by what customers want and need

"Becoming one" with your culture...

Driving CX design and innovation

And a lens through which to view all else

Governance

Culture

Measurement

Technology

Processes

Driving customer experience maturity, and CX leadership

Customer Value (vertical axis)

Organizational Adoption and Maturity (horizontal axis)

Interested

Customer Experience (CX) may be important, but there is no formal approach

Invested

CX is important, and some formal programs emerge, though customer experience management is ad hoc

Committed

CX is very important; customer experience management practices implemented regularly, but not yet systematic or scalable

Engaged

CX is a core piece of the company's strategy, and customer experience management practices are performed regularly and systematically,

Optimized

CX is ingrained in culture or "DNA" of the company, customer experience management practices are performed regularly and systematically, and systems are in place to drive ongoing improvement

Stage 1: Undeveloped

Stage 2: Ad-Hoc

Stage 3: Repeatable

Stage 4: Systematic

Stage 5: Embedded

Today, we're going to discuss: Why customer experience (CX) strategy matters; Business and brand: CX strategy implications; CX strategies in action; Bringing your CX strategy to life.

The right CX strategy depends on the company you are.

Too Broad?

Just Right!

Too Narrow?

There is no "one size fits all." But there is a straightforward way to find the right fit for you.

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How? Aligning your business, brand and CX strategies.

Business Strategy

Brand Strategy

Experience Strategy

What are your strategies for business success?

What are customer expectations of your unique brand?

What is your plan to meet these customer expectations?

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Take steps to finding the right CX strategy for your org

1.
Understand
what drives
your economic
engine.
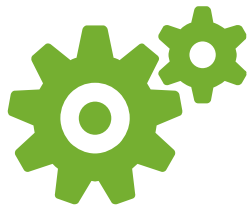
2.
Understand
your promise to
customers, and
what they want.

3.
Understand
implications,
and customer
expectations

4.
Align what you
can differentiate
on to what
customers expect

Step 1: What is your business strategy?

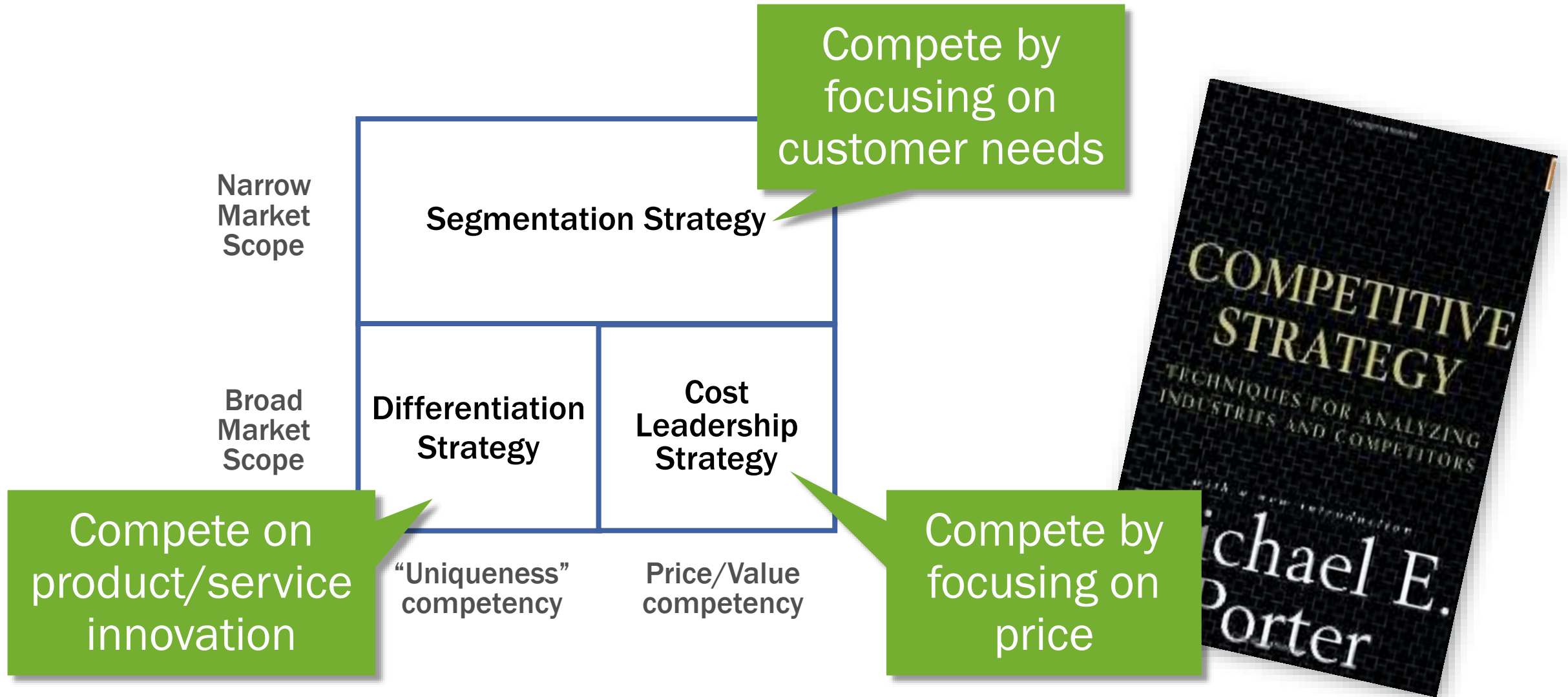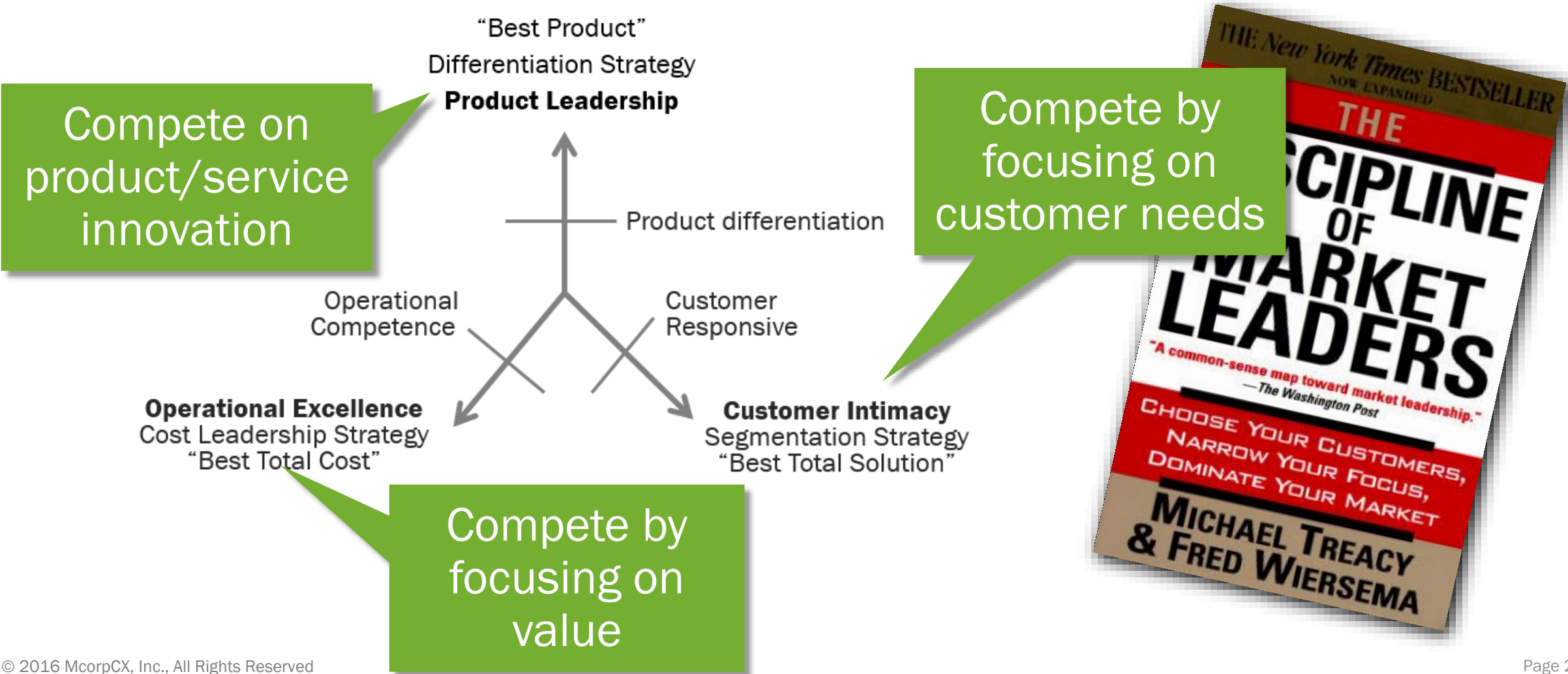## Thousands of companies, competing on one of three core strategies

Price

Products

Segmentation

Porter's generic model (1980)

Narrow Market Scope

Segmentation Strategy

Compete by focusing on customer needs

Broad Market Scope

Differentiation Strategy

Cost Leadership Strategy

"Uniqueness" competency

Price/Value competency

Compete on product/service innovation

Compete by focusing on price

Discipline of Market Leaders (1993)

Compete on product/service innovation

Compete by focusing on customer needs

Compete by focusing on value

"Best Product"
Differentiation Strategy
Product Leadership

Product differentiation

Operational Competence

Customer Responsive

Operational Excellence
Cost Leadership Strategy
"Best Total Cost"

Customer Intimacy
Segmentation Strategy
"Best Total Solution"

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Step 2: What is your brand strategy?

Business Strategy

Customers' Expectations of Brand

Price
$

Customers will expect you to deliver the lowest prices on your products or services

Products

Customers will expect you to innovate, with products and services that "wow" them

Segmentation

Customers will expect products and services perfectly fit to their needs

Step 3: Understand what customer's really want

Identify target segments and journeys	"Voice-of-the business"	Qualitative voice-of-the-customer	Quantitative customer research	Data analytics
Whose experience are we trying to improve?	Gather internal views of what we believe their experience to be	Gather open-ended customer perspectives	Quantify all aspects of the experience across audiences	Analyze data to identify gaps and opportunities

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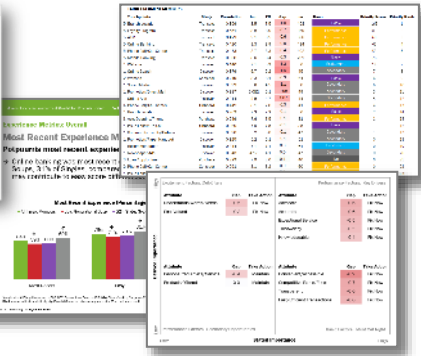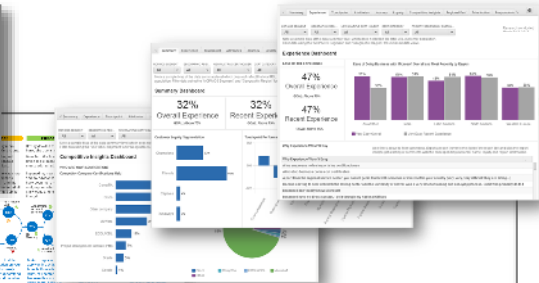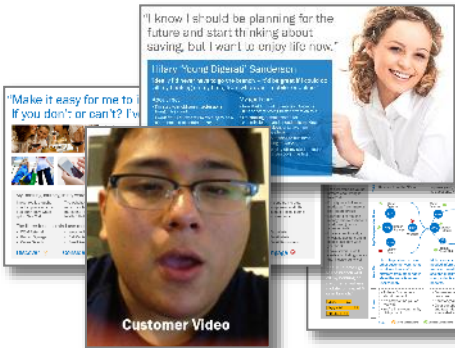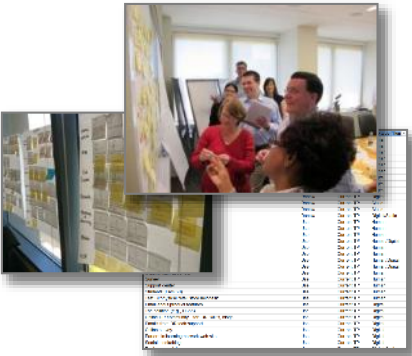
Step 4: Align with these to find the right CX strategy

Business Strategy	Price	Products	Segmentation
Brand Strategy	We give you the lowest prices, and best total cost	Innovative products and services that will wow you	Products and services designed specially for YOU
Then Customer Experience Strategy Needs to:	Deliver the best possible experience as simply and cost efficiently as possible	Continually develop and deliver products, experiences and services that delight and amaze	Enable the creation of personalized products and services 'fit' for each customer

CX strategy can be based on one (or more) core pillars…

Automated	Simple	Intimate	Personalized
Customized	Self-Service	Transparent	Educational
Guided	Proactive	Tailored	Collaborative
Informative	Accessible	Social	Open

Today, we're going to discuss: Why customer experience (CX) strategy matters; Business and brand: CX strategy implications; CX strategies in action; Bringing your CX strategy to life.

How do leading brands use CX strategy to lead?

| Expectation: Lowest Cost | Expectation: Personalization | Expectation: Innovation | ? |

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Walmart: How leading brands use CX strategy to lead

Walmart
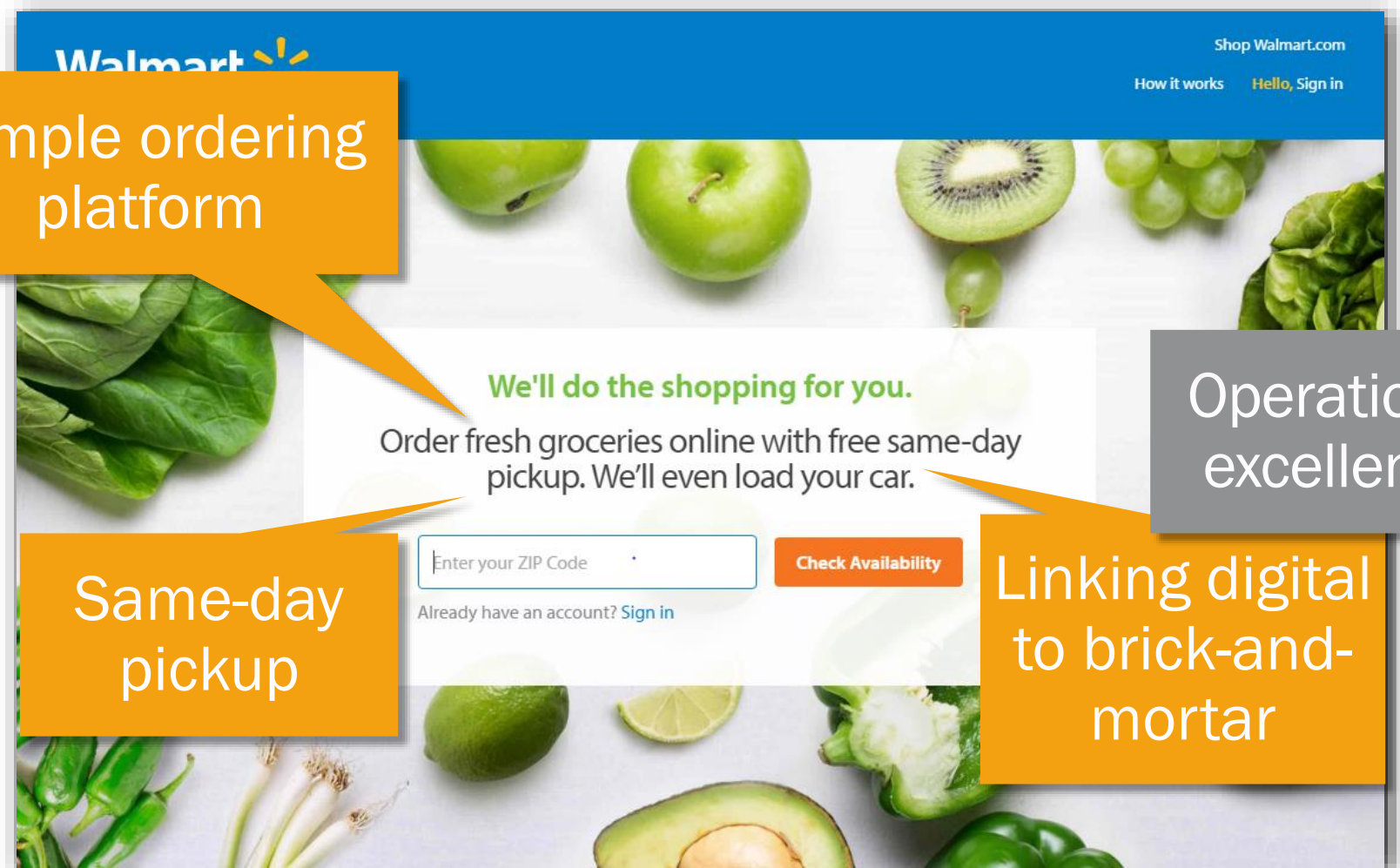Save money. Live better.

Expectations:
Lowest Cost

CX Strategies:

Simple

Self-Service

Simple ordering platform

Same-day pickup

Operational excellence

Linking digital to brick-and-mortar

Source: www.Walmart.com

USAA: How leading brands use CX strategy to lead

Expectations:
Personalization

CX Strategies:

Tailored

Intimate

Empathizing with members lives

Understands customers so well they can give marriage advice

Customer Intimacy

Serving a single, well-defined customer

Apple: How leading brands use CX strategy to lead

Expectations:
Innovation

CX Strategies:

Accessible

Educational

New 'Genius Grove'

On-Site Classes and Educational Sessions

Product leadership

Extending the concept of a "store"

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Amazon: How leading brands use CX strategy to lead

amazon

What are their strategies for business success?

What are customer expectations of their brand?

What is their plan to meet customer expectations?

~~Expectations: Lowest Cost~~

~~Expectations: Innovation~~

Expectations: Personalization

"Our vision is to be **earth's most customer centric company**; to build a place where people can come to find and discover anything they might want to buy online."

"Customers will expect products and services to be **perfectly targeted to their needs**."

To create a personalized shopping experience... driven by innovation, and delivering the best total value

Source https://chat2engage.com/future-apple-stores-tech-support-trees/

Amazon: How leading brands use CX strategy to lead

Source https://chat2engage.com/future-apple-stores-tech-support-trees/

Today, we're going to discuss:

Why customer experience (CX) strategy matters; Business and brand: CX strategy implications; CX strategies in action; **Bringing your CX strategy to life.**

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Bring your customer experience strategy to life

Aligned to your business and brand strategies

Articulating the customer experiences you plan to deliver

Guiding your people, systems, processes and activities

Informing the prioritization and use of our resources

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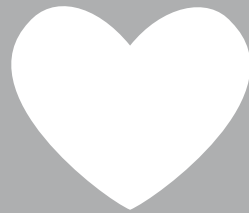
Articulating a customer experience strategy: USAA

Articulating the customer experiences we plan to deliver

USAA®

Given our strategies, what <u>member</u> experience should we deliver, and to whom?

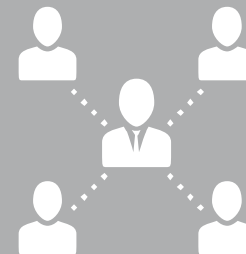| **Whom do you wish to serve?**	→	**How do we want them to feel?**	→	**How does that align to our goals?**
We proudly serve military members and their families		That we understand and anticipate their unique needs, and will go above and beyond to meet them.		By driving greater member loyalty, we will significantly increase the lifetime value of each member.

Note: This is a FICTIONAL example strategy based on publicly available information as well as our assumptions, and is NOT IN ANY WAY reflective of nor does it purport to accurately represent USAA, their business, their plans or strategies, or their relationships with their members.

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Articulating a customer experience strategy: USAA

Guiding our people, systems, processes and activities

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Knowing who we serve and what we want them to feel, how do we consistently deliver against this?

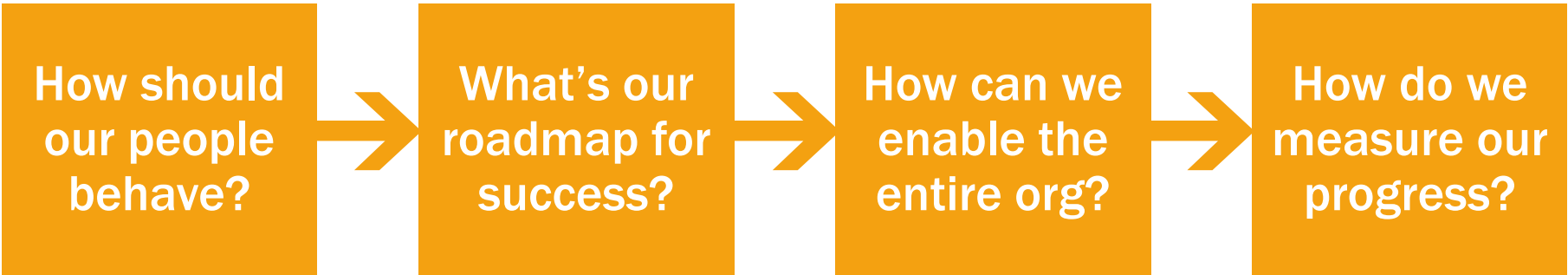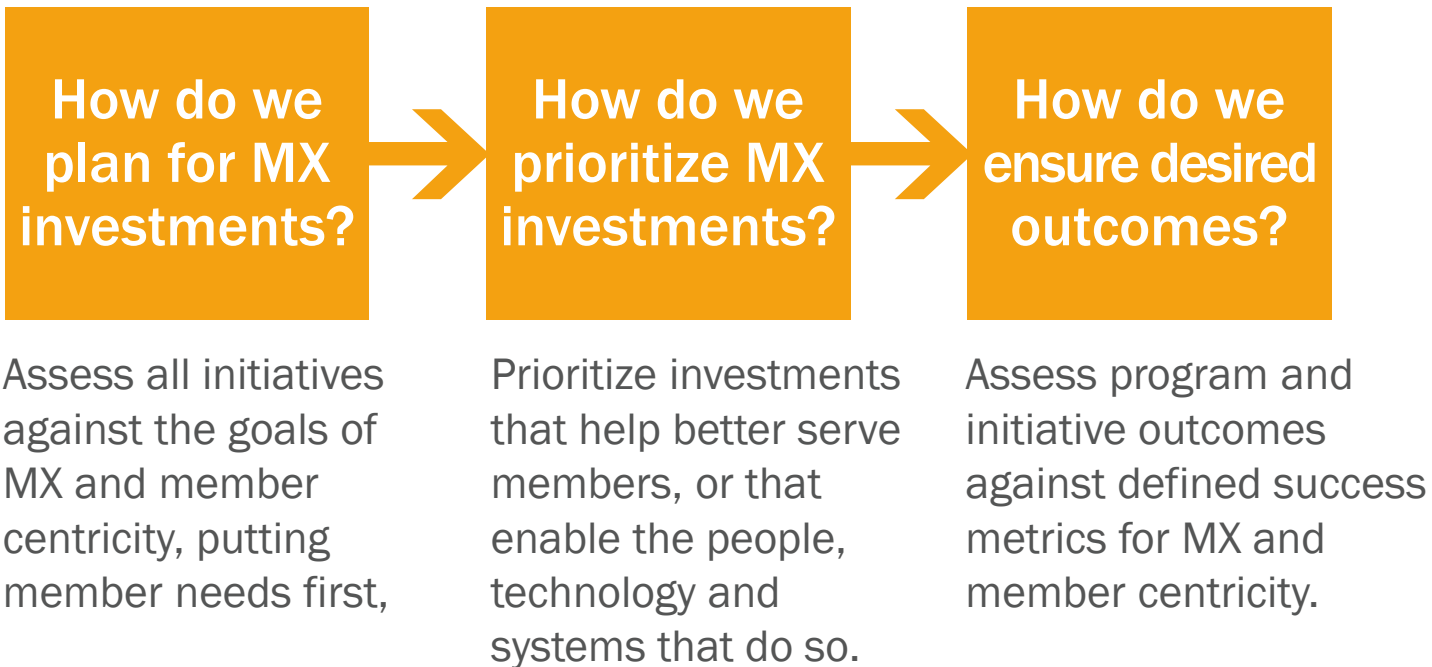| How should our people behave?	What's our roadmap for success?	How can we enable the entire org?	How do we measure our progress?
Empathize and engage with members, always considering their needs before short-term profits.	Invest in deeply understanding the needs of our members, and delivering empathetic experiences across all channels - leveraging technology, automation and processes to do so.	Educate and empower our people, and give them the tools, authority and incentives they need to help members achieve their financial goals.	Customer (and employee) loyalty, measured by willingness to recommend, quality of experience and share of wallet.

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Articulating a customer experience strategy: USAA

Informing the prioritization and use of our resources

USAA®

Given our desired member experience, how do we best allocate our resources to design and deliver it?

How do we plan for MX investments?	→	**How do we prioritize MX investments?**	→	**How do we ensure desired outcomes?**
Assess all initiatives against the goals of MX and member centricity, putting member needs first,		Prioritize investments that help better serve members, or that enable the people, technology and systems that do so.		Assess program and initiative outcomes against defined success metrics for MX and member centricity.

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In closing, just a couple things...

Common CX Strategy pitfalls: When companies don't...

Socialize the CX strategy broadly, across the organization	Define what the implications are at the role and employee level	Assign a CX leader to ensure socialization and adoption
Make CX strategy a cross-org lens for planning and decision making,	Filter product, service and CX design through the lens of CX strategy	Measure how well the organization is delivering against the CX strategy

Customer experience strategy: 6 key takeaways...

1. It's hard to be customer-centric without a plan to guide it

2. To build your plan, engage broadly and collaborate with leaders and stakeholders across your organization

3. Align CX strategy with your business and brand strategies

4. Ensure clarity around who you wish to serve, and the types of experiences you plan to deliver to them.

5. Define, socialize and activate it to drive desired behaviors.

6. Use your CX strategy as a lens to prioritize initiatives

Any questions? Let's talk…

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