ENRICHING CUSTOMER EXPERIENCE JOURNEY – THE KEY TO BETTER PRODUCTIVITY AND PROFITABILITY

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ABSTRACT

Customer Experience (CX) is the new buzzword in the corporate world. Marketing has evolved through various stages of Sales, Marketing, Customer Relationship Management (CRM) and now Customer Experience Management (CEM). With the advent of Digital Touch points, customers are increasingly using Google, Emails, Facebook, WhatsApp, Twitter, etc. for information research to guide them in their purchase decisions. Companies across the world have realized the importance of this and have increasingly started focusing on mapping / understanding their Customer Experience Journey (CxJ) across Physical and Digital Touch points from discovery to advocacy, for better productivity and better profitability.

However, implementation of the Customer Experience Management (CEM) is proving to be challenging without a holistic approach and total involvement of all the staff from Top Management to Bottom of the pyramid staff. The study will be primarily based on Secondary Research and informal interviews of Senior Executives involved in CRM / CEM implementation.

Attempt has been made in this paper to conceptualize Customer Experience Management using a model and probe into the importance and relevance of Customer Experience Management in today's digital and knowledge based economy from both the perspectives, i.e. Productivity and Profitability. The article will also discuss on the challenges of CEM implementation in companies for effective results, especially in India. The paper is expected to provide guiding principles for effective implementation of CEM in the Indian context.

KEYWORDS: Customer Experience, Customer Experience Management (CEM), Customer Experience Journey & Customer Touch Points

Original Article

INTRODUCTION

Customer Experience (CX) is the new buzzword in the corporate world. According to Shep Hyken,1 Chief Amazement Officer at Shepard Presentations, "Be it customer service, product quality or just the way the customers feel about the companies they do business with, customer experience rises to the top of whether or not the customer will decide to keep doing business with a brand". By corollary, everything a company does in the market, from Customer Discovery to Advocacy, has a role in shaping the customer's experience.

EVOLUTION OF CUSTOMER EXPERIENCE MANAGEMENT (CEM)

Marketing has evolved through various stages of Sales, Marketing, Customer Relationship Management (CRM) and now Customer Experience Management (CEM) (Figure 1)
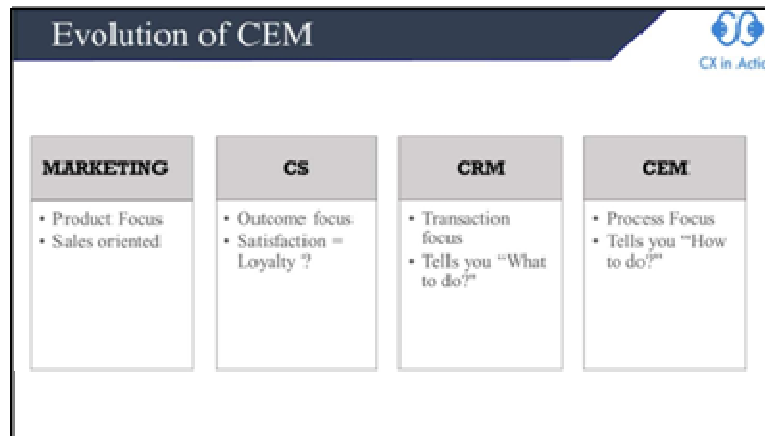
Figure 1

Marketing gave a lot of emphasis on Product Management and Sales, without much focus on Customer Satisfaction (CS). CS took precedence thereafter, with the belief that there is a direct correlation of Loyalty with CS, which is not true in a highly competitive market (Figure 2).
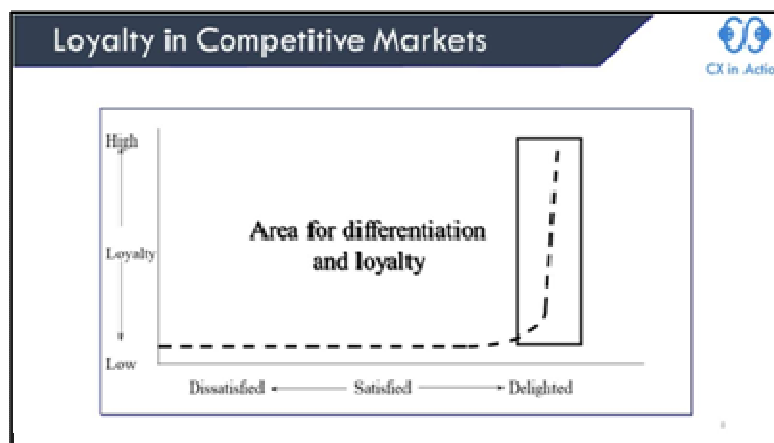

Figure 2

In their quest for growth, the companies started Customer Relationship Management (CRM) under the guise of better customer handling and CS; however, the primary internal objective of CRM was on cross-selling and upselling, based on past customer transactions. Thus CRM provided an "inside out" perspective – using internal customer data for planning all the external customer interactions. To be proactive and bridge the gap between customer expectations and delivery, there was a need to anticipate customer behavior and develop an "outside in" perspective. Thus evolved the concept of Customer Experience Management (CEM). CEM is the collection of processes a company uses to track, oversee and organize every interaction between a customer and the organization throughout the customer lifecycle.

CEM vs. CRM

CEM differs from CRM in its focus and philosophy (Figure 3)

CRM	CEM
Customer Value to Enterprise	Enterprise Value to Customer
"Left Brain" – Objective	"Right Brain" – Subjective
Systems & Transactions	People and Interactions
Functional Value	Emotional Value
"Inside Out"	"Outside In"
Transactional focus	Customer Benefit focus
Lagging – New offerings initiated after customer transactions	Leading – New offerings initiated to bridge gap between Expectations and Performance.

Figure 3

The need for having a holistic understanding of Customer Experience was further accentuated by the rapid growth of Digital Touch Points, which while providing convenience for the customers, has also enabled companies to capture data of customer interactions.

CUSTOMER TOUCH POINTS – THE DIGITAL REVOLUTION

A Customer Touchpoint is any customer interaction or encounter that can influence the customer's perception of the product, service, or brand.

A Touch point can be intentional (an email that a company sends out) or unintentional (an online review of product or company). Touch points can occur long before a customer actually makes a purchase and long after they have made their first transaction. There are Physical Touch Points E.g. Showroom, Staff, Product Display, Marketing Collaterals, etc., and Digital Touch Points E.g. Websites, Email, Mobile Apps, Social Media, etc.

The Digital Revolution has altered the Marketing landscape rapidly. During the era of Physical Touch Points, companies had a better control over their marketing mix. The advent of Digital Revolution has provided not only an opportunity for nimble and agile companies, but also a challenge for laggards. The companies now have an opportunity to utilize various Physical & Digital Touch points – Owned, Paid & Earned, as given below. (Figure 4)

Earned	Referrals / word of mouth	Positive brand feedback / referrals in social media- WhatsApp, FB, etc.
Paid	Advertisements	Outsourced Email campaigns
Owned	Showroom	Website
	Physical Touch Points	**Digital Touch Points**

Figure 4

THE NEED FOR CUSTOMER EXPERIENCE MANAGEMENT (CEM) FRAMEWORK

To understand the Customer Experience in a holistic manner, we need to know the context in which customer goes through his journey of Product Purchase, Use and Disposal (Figure 5)

- **Customer Zone:** Each customer is unique coming with his own mindset and knowledge influenced by word of mouth from Family & Friends, education by Competitors and his Own experience.

- **Touch Points:** The Company interacts with the customers through various Touch Points – both Physical and Digital.
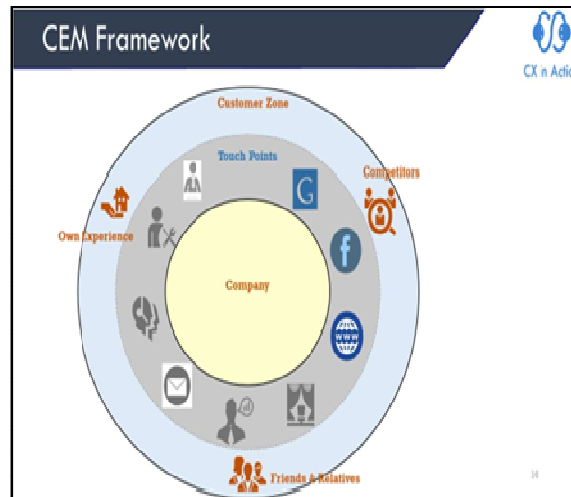
Figure 5

- **Customer Experience Journey (CxJ):** It is in the above context that each Customer goes through various phases of Discovery to Advocacy. It is a journey which starts before Purchase, when the customer goes through the BUY phases of Discover, Research and Select and thereafter post Purchase, the OWN phases of Delivery, Use, Maintain and Recommend. The same cycle is repeated when the customer decides to replace/repeat purchase the Product/Service.

Figure 6 represents the Customer Experience Journey (CxJ).

Figure 6

Key points to be noted in a CxJ are:

- **Unique Mindsets:** Each Customer comes in contact with the Company / Brand with his/her own unique mindset based on his/her past experiences with the product, word of mouth from Normative and Comparative Groups (Friends & Relatives) and information from Competitors. They expect the companies to understand their unique requirements and address the same.

- **Digital Influence:** Each stage of the CxJ is substantially influenced by the Digital Revolution. Customers now discover about their needs through social media and gather information on the internet through customer reviews etc.

- **Flatter Structure / Empowering Frontline:** In this Digital era, customers expect quick response and attention to their needs. It is necessary to suitably train and empower the bottom of the pyramid customer interfacing staff, so that actions in response to customer needs can be taken Just in Time (JIT) and Right First Time (RFT). Computerization and high speed internet connectivity have enabled companies to have on line approvals. Thus the conventional process of obtaining approvals from Supervisors / Managers is being done away with, leading to flatter structures.

CEM IMPLEMENTATION

Bernd H. Schmitt[2] has provided a CEM Implementation Framework (Figure 7) in his book "Customer Experience Management: A Revolutionary Approach to Connecting with Your Customers" recommends a 5 stage implementation process as narrated here-in-under;
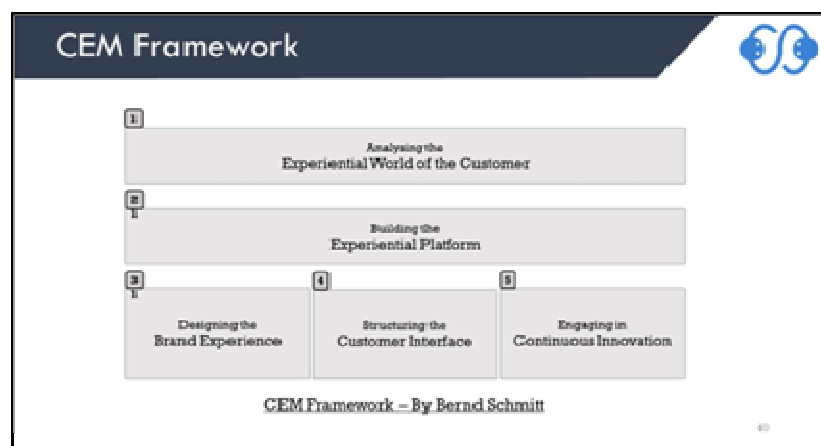

Figure 7

- **Analyzing the Experiential World of the Customer:** The first step of the CEM framework provides original insight into the customer's world. This CxJ Framework can be used to map the CxJ. The Company can relate broad-based lifestyle and business trends to the usage situations and ultimately to the brand – a process that Prof. Schmitt refers to as "funneling."

- **Building the Experiential Platform:** The Experiential platform is the key connection point between strategy and implementation. It includes a dynamic, multisensory and multidimensional depiction of the desired experience (referred to as "experiential positioning"). The platform culminates in an overall implementation theme for coordinating subsequent marketing and communication efforts and future innovation.

- **Designing the Brand Experience:** After deciding on the Experiential platform, it must be implemented to yield the required brand experience. The designing of the brand experience includes;

  o Experiential features and product aesthetics that can serve as a jumping-off point for the customer's brand experience.

  o An appealing "look and feel" in logos, signage, packaging, and retail spaces.

  o Appropriate experiential messages and imagery in advertising and collaterals (physical and digital).

- **Structuring the Customer Interface:** The Brand experience is largely static (once designed, it remains much the same for some time). Comparatively, the customer interface is dynamic and interactive and needs to be structured properly. This must include all sorts of dynamic exchanges and contact points with the customer such as face-to-face in a store, visiting the client's office, automatic teller machine at a bank, check in at a hotel, e-commerce engagement on the internet, etc. It is important to structure the content and style of this dynamic interaction to give the customer the desired information and service in a user friendly manner. The interface design must have multi-sensory appeal and incorporate intangible elements like; voice, attitude, and behavioral style. There must be experiential consistency over time and coherence among various touch-points.

- **Engaging in Continuous Innovation:** The Company's innovations must reflect in the experiential platform. Innovations include anything that improves end customers' personal lives and business customers' work life, and can range from major inventions to small innovations in the product's form. Marketing innovations might consist of creative launch events and campaigns. Innovations demonstrate that the company is a dynamic enterprise that can create new and relevant experiences on an ongoing basis. Innovations can attract new customers and build customer equity by helping a company sell more products to existing customers.

BENEFITS OF CEM

CxJ Maps provide a mirror to all the Company staff – from Top Management to Bottom of the pyramid Front line staff, on how their Strategies, Structure, Systems and Work impact the customer experience directly or indirectly. Some of the benefits of CEM include:

- **Optimizing Staffing Cost and reduced staff turnover:** As Chris Daffy[3], world renowned Customer Experience Specialist says "There are only two categories of employees; the first who serve customers and the second, who serve the first category who serve the customers. There is no place for anyone else in an Organisation". Thus CEM and CxJ provide a central view of how each employee impacts the Customer Experience, thus providing a clear focus on relevance and redundancies. This results in sharper Job Descriptions in line with CxJ, thus optimizing the staffing. CEM also engages all the employees with a larger purpose of Customer Experience, thus resulting in reduced staff turnover.

- **Optimising Sales and Marketing Cost:** The companies provide a large number of Physical and Digital Touch Points for better accessibility of product / brand information and ease of purchase. By virtue of variety and complexities of these Touch Points, they are managed by different parts and functions of the Organization, resulting in lack of Consistency and Continuity. The target customers who are common to all these Touch Points, get confused and disillusioned and get lost in the process. CxJ and CEM enables a holistic perspective and a common framework to the entire company, thus eliminating redundancies and providing Consistency and Continuity of messaging. This not only optimizes Sales and Marketing costs, but also results in better customer experience.

- **Better Customer Loyalty and higher Sales:** CxJ and CEM provide the company with a strong foundation for continuously engaging with the customers, recovering potentially lost customers and reduce the cost of new customer acquisition. This results in better Customer Loyalty and better opportunities for Upselling and Cross selling.

CUSTOMER EXPERIENCE – THE INDIAN CONTEXT

In India, there is a burgeoning awareness of importance and benefits of Customer Experience. As per EY report on "Dialogues in Delight; Customer Experience Trends in India 2016", there are many leading companies setting the standards for Customer Experience in India, led by Amazon India.

The need for providing better Customer Experience and the long term benefits associated can be understood from the trends discussed below in specific industry segments.

- In Automobiles, Understanding the Lifetime value of the customers and importance of Customer Retention is being emphasized.

- In Hotel Industry, there is organizational and employee focus on CX, with need for understanding and addressing each customer's unique needs being emphasized.

CX Measurement is being practiced by most of the companies primarily through Customer Satisfaction Surveys, Customer Meets / Events/Forums, CRM Cells for complaint monitoring and follow up, Mystery shopping, Social Media monitoring, etc.

Some of key challenges faced by CXOs (Chief Experience Officer) in offering the best Customer Experience(CX) are:

- Maintaining consistent experience across multiple channels

- Measuring and tracking CX across the entire journey

- Limited technological solutions in the field

- Customer interface issues such as attrition and lack of training

There are good examples of Amazon India and Big Basket who provide consistency and continuity in managing their CxJ from Promise to Delivery, as well as post-delivery actions.

CONCLUSIONS

Customer Experience Management is a new and exciting field, which is providing a holistic approach for today's rapidly changing customer expectations. There is an increasing awareness of CEM approach and its effectiveness in improving Productivity and Profitability. However, most of the companies are still in the infancy stages of CEM implementation, with very few companies in the world having comprehensively mapped the entire Customer Experience Journey and applied the same in practice. In India too, the awareness on CEM is growing, although the focus continues to be mostly on "reactive" CRM practices and customer feedback, rather than "proactive" CEM implementation.

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