"BECAUSE I'M THE CUSTOMER!"

A Guide to Managing Your Brand

& Customer Experience in the Age of the Customer

By Sam Klaidman and Harry Klein

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Customer Experiences Equal Brand Promises: Except When They Don't (and That's Most of the Time)

This guide was written to help B2B business leaders who are marketing products and services in ways that have become unproductive; resonate less with their target markets; and, are making their job more difficult as they attempt to grow their top and bottom lines.

Lately you've been feeling that things in the business environment are changing and you can't quite put your finger on what it is but your gut tells you it is important. Additionally, one thing you recently internalized is that you need your customers more than they need your company and that was a real shocker!

We hope you'll share your thoughts about this guide with us.

Sam Klaidman	**Harry Klein**
sam@middlesexconsulting.com	hklein@cusotmerengagement.com

See Page 31 for bios and full contact information.

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Prologue

Mary, the VP of Marketing and Jim, the VP of Operations are called into an unscheduled meeting with CEO Bart. Without any introduction or explanation he looked them squarely in the eyes and said, "I just got the results of the brand equity study that I had commissioned. We're in big trouble. "

Mary and Jim were more than taken aback and needed a few seconds to gather their wits. Jim finally stammered out "What do you mean? Our numbers are very good for the most part."

"Yes, but Jim, we're not hitting our growth goals and even our retention numbers are starting to slip," interjected Mary. "In fact, I've heard from a few customers that our salespeople only talk about our capabilities, our capacity and our high quality. They are not prepared to discuss our customer's problems and they certainly don't offer creative solution to these problems. I even learned today that one customer is moving to our main competitor because our approach isn't as helpful as theirs."

Bart, the CEO, looked at them and agreed with Mary that they have a major problem with their approach to customers and that the overall market is starting to feel that the company is out of touch. "Our brand, which our customers held in high esteem until recently, now seems hollow," said Jim. "Our promises to our customers are being received as merely corporate speak. We're starting to see that from our contact center data. Also, apparently there's been a lot of negative chatter about our brand on Twitter and some blog posts and I am starting to hear it from our salespeople."

Sadly, these preceding paragraphs tell the tale of many companies that are on the brink of implosion and are clueless as to what is happening – and why.

To help set the stage, in the remainder of this guide we will frequently refer to these three key terms defined here:

- **Brands** are promises businesses make about the value, benefit and experiences customers will have as a result of purchasing their products and/or services.
- **Customer Experience** is the feeling and opinions prospects and customers have about a business as a result of any and all interaction with that business and its products and services. **What exists in customers' minds IS the brand reality.**
- **Brand Equity** is the incremental revenue resulting from customers' willingness to purchase products and services affiliated with a brand over unaffiliated competitive products and/or their willingness to pay a premium for affiliated products.

The Age of the Customer

In an ideal world, the value, benefit and experience your company promises to customers – the brand – are always delivered. This sounds like a too broadly defined recipe for success, but, in fact, it's a critical factor that many companies overlook.

Once your company goes public with its brand messaging, you begin to lose control. As prospects and customers start interacting with your company, its products and services and anyone seen to be part of your value-chain, the results of those interactions are defining your brand.

The people interacting with your business immediately form their own impressions about what you are all about. If you are able to exceed their expectations, based on the brand messaging, they will be very pleased and will likely start sharing their experiences with friends, colleagues, and strangers via social media. If you disappointed them they are even more likely to share their experiences with results that could quickly upset your business plan. What you do now can make or break your efforts and may even sink the company – the future is in your hands.

Hell hath no fury like a disappointed customer

The disparity between a company's brand promise and its customer experience occurs for a number of reasons. Many companies:

1. Don't understand why their customers really buy from them
2. Don't do a great job of listening to customers
3. Don't have a clear understanding of the customer journey, i.e., the myriad of touchpoints customers encounter, and their performance and impact on how the customer connects to the company
4. Implement goals and compensation plans which do not support achieving brand and customer experience alignment
5. Underestimate the power of social media and the impact that has on the market defining your brand for you in spite of your marketing efforts (especially in the B2B world)

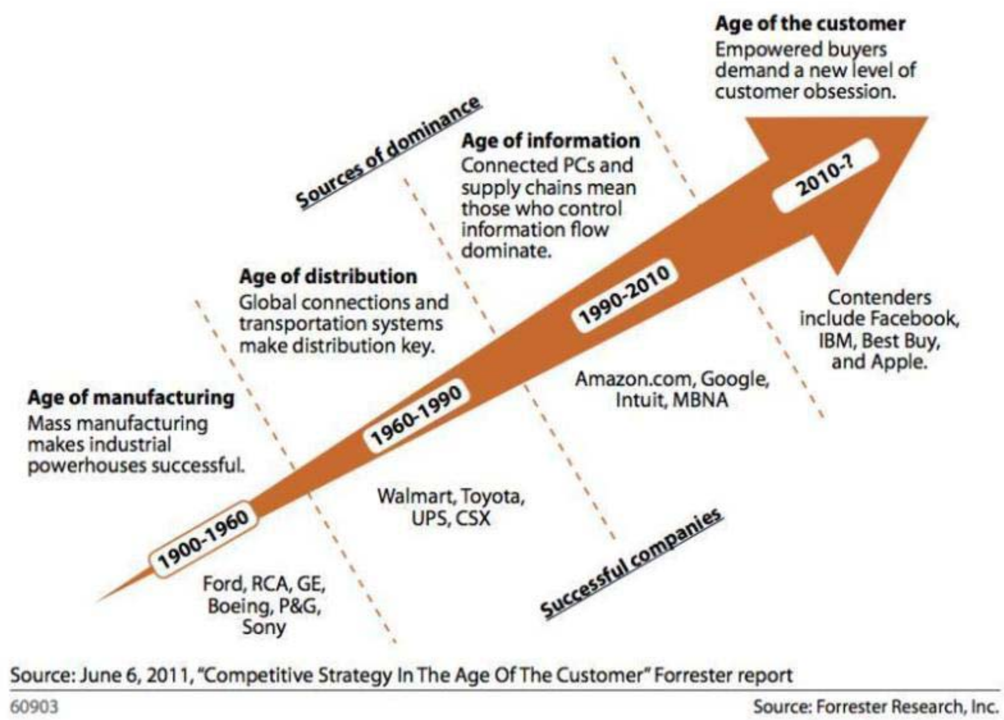
While social media may be more influential today with consumer purchase decisions than corporate ones, this is changing quickly as GenYs and Millenials gain more responsibility in managing corporations.

There is no denying that traditional push marketing has taken a back seat to inbound marketing, where content of value is used to attract prospects to indicate their interest in your products or services. Also, as content marketing becomes increasingly important, everyone's a publisher – companies and individuals. Even if a company has a track record of publishing information that generates high levels of customer trust, people are more willing to believe the opinions of individuals in the marketplace over company messaging. The opinion of the market – even opinions from strangers – trumps company content.

According to a 2011 study by Cone Communications, "89% of consumers say they find online channels trustworthy sources for product and service reviews." This is very important since, at the end of the day, we are all consumers!

Of more concern to companies is that the "research reveals four-out-of-five consumers have changed their minds about a recommended purchase based solely on negative information they found online. This is up from just 67 percent of consumers who said the same in 2010".

We live in the Age of the Customer and customers are in charge.



This is the result of global connectedness, i.e., the ability to find product and service information, communicate with people and assess and purchase products and services anytime, anywhere.

As a result the well-known Golden Rule has now changed:

Golden Rule 2.0 says "do unto others the way they want to be done unto".

This means we have to consider these new realities:

- Customers are:
  - Social
  - Individual
  - Under crazy time pressure
  - Spoiled by commoditization
  - Becoming more and better informed buyers
  - Constantly communicating about everything that is important to them!

As a result companies need customer and market insight more than ever. According to an IBM study, "as a group, CEOs are investing more in customer insights than any other functional area — far above operations, competitive intelligence, financial analysis and risk management. They are seeking a better understanding of individual customer needs and improved responsiveness."

Consequently, companies have to learn how to listen to ***people***, decide on appropriate actions, implement the decisions and monitor the results to ensure their promises are actually being experienced and that the experiences are delighting (or even satisfying) the people the companies need to pay them for their products and services.

In the Age of the Customer, business success is predicated upon continuously meeting or exceeding customer expectations. The challenge for businesses is that they aren't always the one setting the expectations.

Expectations

We talk about the gap between expectations and experience, so it is important to review the sources of these expectations:

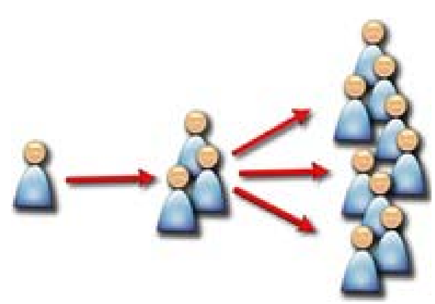
- Organizational promises – Direct promises made by the business
  - Software vendors promise install by dates and costs
  - The widest 4G network
- Competitor's promises and/or performance
  - If a competitor promises or does something well beyond your performance your customers and prospects will expect

    your company to either match or exceed the performance
  - They ship standard items with next day delivery at no additional cost; you ship in three business days and charge extra for next day delivery
- Personnel promises – Your employee makes a specific promise
  - Delivery in 2 business days
  - Easy to use software
- B2C experiences – Already programmed into each of us
  - Fast food will be ready in less than 5 minutes
  - Don't have to rush to doctor's appointment – they always keep me waiting
- Previous experiences with your business
  - My last 2 orders were delivered in 8 business days, therefore this order (even though it is different and complex) will also take 8 business days
  - My iPAD is easy to use so setting up my new Apple computer for business use will take me 15 minutes
- Comments from friends and associates
  - "I asked my business associates about doing business with your company and they all had terrible experiences and stopped buying from you – why should I even consider your company?"
  - "There were tons of recommendations on your Facebook page so I think its safe to buy from you; I will call and start the discussion"

The expectations in the minds of your customers are the only expectations that matter. This is true if the expectations have been set by your brand promise, your customers' direct experiences or the opinion of others presented through all manner of digital communications.

As Brian Millar wrote in his *FastCompany* article *Branding Talk Isn't Helping Your Company. Here's What Should Replace It:*

> "If you promise something clearly, deliver on that promise, and repeat the process, you build strong emotional links to your company with certain consumers. But that's where the value resides: in my head and your head, and your mother's head. And the stuff inside my head is my property.



> If brands exist at all, they exist in the minds of consumers. I can switch my brand of search engine at a moment's notice. Bank accounts and makes of automobile are a bit more hassle to discard, but I can still change my mind about them."

The bottom line is if your business doesn't meet or exceed all your customer's expectations, you are at risk of having your customers defect. While defections are bad enough, the defectors telling 10s to 100's or even 1000's of potential prospects that will never become customers compound the impact even more.

> **Understand this clearly: discussions, comments, reviews and opinions about your products and services and how people feel about their experiences with your business are being held, made and shared with and without your involvement. Customers and prospects have all the tools and information they need to make a purchase decision without ever contacting a vendor.**

Your job is to understand how your customer expectations differ from your brand promises, why they're different and then take action to bring customer expectations and your brand promises back into alignment.

And if that's not complicated enough, you have to do this in an environment where social media acts as a real-time magnifier of individual opinions and experiences. Any lack of responsiveness on your part to social communications is interpreted as a lack of awareness or concern which only serves to exacerbate the problem.

Brand Definition, Execution, Customer Experience and Feedback

There are four business components crucial to this discussion:

Business Component	Explanation
Brand Strategy	**CEO defines brand as part of overall company strategy**
Customer Experience Strategy	**Desired feelings and opinions prospects and customers should have about a business as a result of any and all interactions with that business and its products and services. COO, CMO or CCO responsible.**
Customer Experience Feedback	**Reaction from prospects and customers provided directly and indirectly about the actual brand experience**
Adjustment	**Actions taken based on customer feedback designed to increase brand equity**

If any of these components is poorly executed or missing from the discussion altogether, the only way a company can perform well is to be lucky or have a short term advantage due to technology, patents or monopoly. Try selling that idea to your board or stakeholders.

Brand Equity and Customer Experience

Social media feedback is highlighted in this component flow to ensure that the reader understands that this deserves specific attention.

The value of the brand – Brand Equity – is driven by two things:

- The business's promises to customers
- The customers' experience with the business

If people are willing to purchase your products or services at a premium or choose those products or services instead of a competitor's because of what your brand represents, it follows that revenue will increase. When you fail to create customer experiences that meet or exceed customer expectations, the marketplace will redefine your brand for you and that new definition will spread like wild fire and reduce brand equity.

Consequently, customer engagement must be an integral part of a business strategy and included in the brand definition. The engagement strategy requires that customer perceptions must be captured, analyzed and understood. Touchpoints may need to be adjusted to better deliver customer experiences that meet or exceed expectations or align more closely with the business strategy.

Improving customer experience cannot happen without consideration of many business factors, not the least of which is cost. The cost of an experience must be appropriate for the value it delivers to both the customer and the business. In some cases, improving the quality of an experience does not create additional value but the absence of a satisfactory experience is a showstopper. The expected outcome for the customer and the amount of information being delivered or captured must also be considered.

Brand Promises and Customer Expectations Can Easily Get Misaligned

Here is a list of challenges being faced by all businesses today:

- Prospects and customers find that their experiences differ from what they expected based upon your marketing efforts.
- Customers discover that their current experiences are failing to live up to their previous experiences with your brand.
- Business leaders aren't listening to their customers, or they may be listening to filtered feedback from friendly voices.
- Even if the leaders are listening, they do not act. They either don't believe what they are hearing or they don't know what to do about it.

> "Loyalty is earned when brands meet – and ultimately exceed – customer expectations in terms of their needs, wants and desires. As these expectations are in constant flux, using data and analytics intelligently gives you the insight you need to continuously and effectively fine-tune your marketing efforts to best engage your key stakeholders."
>
> —Mark Johnson, CEO of LOYALTY 360

- Business leaders frequently think if the Brand Promise and Customer Experience are misaligned then the brand promise is correct and the customers just don't get it or that someone in the organization is under performing!
- The leaders don't consider whether their customers are free to choose other suppliers or whether they are trapped because of the difficulty of switching. They forget that unhappy customers may continue to buy from them yet still complain to lots of other people.
- Customers now expect to gain access to information when and where they need it. They expect the information to be configured for the device they are using. They expect this to be achieved without them having to do anything beyond look for the information.
- Customers have an inherent skepticism of marketing, sales and customer service interactions. While social platforms that push ads based on online behavior have drawn much criticism and privacy concerns, they have also trained customers that irrelevant marketing or content should never be presented to them.

How different are B2C and B2B businesses?

In many respects they are apples and oranges but, at the end of the day, people make all purchase decisions! Buying a family car is just as much a committee decision as purchasing a new CRM system; each "silo" has its own hot buttons, concerns and restraints. And people behave the same whether they are deciding for themselves or their employer especially given the new economic realities since 2008.

Note that B2Bs are not exempt from the online scrutiny of pre-purchase research. More than 70% of enterprise purchase decisions begin on search engines. Those search results invariably include customer commentary.

Impact of Channels

Channel impact is also a universal problem. Just as Lincoln cannot control what its dealers say and do (but they have a strong influence capability), manufacturers can't control what their channel partners say or do. VARs, system integrators, stocking distributors, etc. are independent businesses and will behave in ways they believe will improve their overall economic condition.

- In both cases the middleman can, and frequently does, distort the brand promises of the principal and either confuses the end user or even makes her feel like she was lied to. In those cases the person who was deceived will take out her frustration by trashing the manufacturer
- Many channel partners believe they know their customers best and therefore set their own expectations about the brands they sell. These expectations may not be 100% aligned with the original brand promises. Expectations set by the channel may be designed to do one thing and one thing only – make the sale. This obviously creates problems for the original vendor.
- Channel partners further compound the misalignment issue due to their propensity to hold their customers close to their chest, locking out the company from having any direct contact or involvement. The channel partner customer feedback may be based on incorrect expectations. If so, the company is stuck between a rock and a hard place.

How can a company meet customer expectations if the company isn't clear as to what expectations were set by its channel partners? And, how can a company modify its expectation setting based on distorted feedback?

Importance of Social Media

Social media continues to evolve rapidly with no end in sight. The infograph on the following page demonstrates how complex this space is currently.

The large majority of these sites offer your prospects and customers a place to voice their opinions about your business as well as collecting the opinions of others. And this doesn't include the millions of blogs in existence.

According to a global study by Satmetrix (a leading Enterprise Feedback Management business):

- Businesses are blind to the threats and opportunities of social media:
  - 39% have no social media tracking in place at all.
  - 51% of B2Bs have no tracking compared to 22% of B2C companies surveyed.
- 55% of companies ignore customers who provide feedback via social media – by having no process in place to respond:
  - This increases to 69% for B2B companies compared to 42% for B2C.
- 67% of companies do not measure or quantify social media – increasing to 75% for B2B companies:
  - For those that do have some form of quantification, 56% just count the comments and followers.
  - Only 4% have any form of sentiment analysis.
- 60% of businesses do not have an integrated social media strategy (they either do nothing, track or infrequently follow up only).
- North America leads the way with 43% of North American companies having a follow up process compared to about 25% in other regions.

Also consider the growth of Facebook and Twitter since 2008:

	Facebook	Twitter
2008 users	100 million users	6 million users
2012 users	900 million users	500 million users

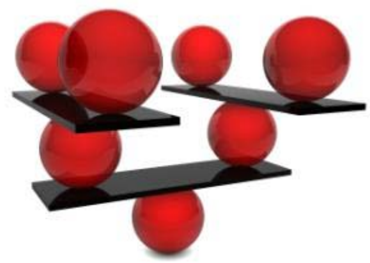
Lastly, we don't want to forget YouTube, a unit of Google. As of January 2012 YouTube was streaming 4 billion videos per day. YouTube is also the #2 ranked search engine. Users on YouTube spend a total of 2.9 billion hours per month (326,294 years) viewing content. While much of this time is watching Lady Gaga, learning about products and services and plain having fun, a recent search (September 2012) of two simple terms produced significant results for companies to be aware of. You must also "listen" to YouTube.

Search Term	# of Videos
"Ford Sucks"	2,910
"Disney Sucks"	6,850

.

Who Owns Customer Experience?

Every action a company takes – from answering the phone at the front desk to the most complex product installation – makes a statement about how the company values customers. These actions are when a brand comes to life, when promises made are either kept or broken. Jan Carlzon, former President of Scandinavian Airline Services called these instances "moments of truth". He defined them as "any time a customer comes into contact with any aspect of your business, however remote, the customer has an opportunity to form an impression."



Functional business units (FBUs) must not be deciding what a proper customer experience is independent of other FBUs. Sadly, however, that's standard operating procedure in most companies. According to an e-consultancy report, "More than a quarter (28%) of companies say there is ownership at board or 'C- level', but without full commitment across leadership teams."

Customer experience must be designed as consistently as your marketing communications or product roadmap. Brand Design and Execution are equals. The customer experience at every touchpoint must support the promise made or implied in your brand design!

Which department in your company is most important to aligning customer experiences and the brand promise?

As unlikely as it may seem the contact center (or whatever you call it) is at the center of your customer's experience. This recent set of data indicates that the contact center agents, those individuals who answer customer calls (phone, chat, and email) and interact with them until they either take care of the issue or move it to

Which department handles customer interactions the most?

94% contact center
42% sales
32% home-based agents
30% customer service

SOURCE: Ventana Research

another department, are responsible for nearly all interactions with your company.

Others may be included in these interactions but they all (almost) begin in the call center. If you are trying to correct alignment issues, the call center is the first place to begin understanding what is going wrong.

Organizational Challenges in the Age of the Customer

In January (2012) the Corporate Executive Board presented the findings of a B2B purchasing behavior study:

> "The survey results were surprising: On average (and with little variation among industries) customers will contact a Sales rep when they independently completed about 60% of the purchasing decision process."
>
> The CEB goes on to define the "60% purchasing decision process" as a gap in the top of the sales funnel, caused by buyers gaining their own information about a product/service.

Where do customers get information? Your web site, user groups, trade shows, word-of-mouth, past experiences and impressions, etc.

The concern for the B2B CMO is managing and controlling this information. First, is control possible? The answer is YES. Is it possible to the extent that you would like…probably NO.

The chart at the right presents a summary of the new challenges for marketing. Additionally:

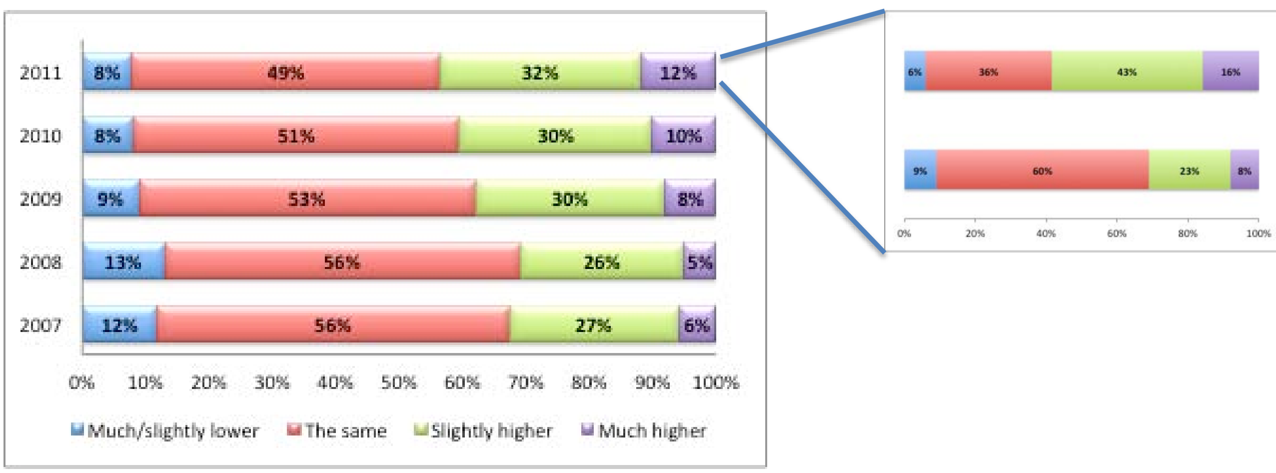
- The role of Service changes to accommodation and human interaction
- The role of sales changes from trying to get an order to solving problems, i.e. consultative selling
- Finally, the notions of B2B and B2C become P2P, i.e., People to People. Business buyers are wielding the same power and control they have as consumers.

Typically, sales and marketing communicate the brand to prospective buyers. Buyers consider and make decisions about solutions based on needs assessments, budgets, purchasing policies and brand promises. *But here's where things can get complicated.*

In many medium to large sized companies, purchasers are frequently NOT the end users of the solution. End users are separated from the original value and experience expectation setting made by the company. The company is likely unaware that its brand has not been communicated properly.

Customers Are Getting More Demanding

A further complication is that expectations change over time. This data from the **[Accenture 2011 Global Consumer Research Study](#)** shows how the rate of upward expectation change is accelerating annually:



The [Parature blog features three questions](#) that companies focused on being great at customer service should be asking from a Forrester Research's Fifth Annual Customer Experience Index.

Parature cites [Megan Burns of Forrester](#):

"Customers' expectations of their experiences are getting higher. They're accustomed to more options, greater control, and a worldwide platform to tell others what they think about the way brands treat them. What brands in one industry do affects what people expect from other industries, raising the bar for everyone at lightning speed."

The Index survey asked:

"Thinking of your interactions with these firms over the past 90 days…

1. How enjoyable were they to do business with?
2. How easy were they to do business with?
3. How effective were they at meeting your needs?"

So what does this all mean?

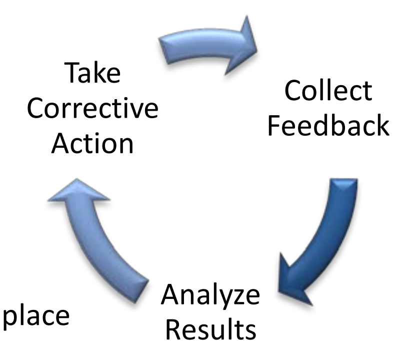
Clearly customer acquisition and retention, service and support, satisfaction and loyalty, and brand equity may all be negatively impacted by the disconnect between brand promises and customer experiences.   Ignore this dangerous issue at your peril.

One last thought before we share our practical solutions for narrowing or eliminating the promise/experience gap:

"The purpose of a business is to create and keep a customer." Peter Drucker

With all due respect and apologies to Dr. Drucker, the purpose of a business is to create and keep PROFITABLE customers.

The Solution



The human element naturally complicates all company/customer relationships. People are fallible. Markets and channels are complicated. Stuff happens. Therefore it requires a ongoing monitoring effort to identify and then minimize any misalignment of brand and customer experience. However, if you do not yet have a strategy to improve customer experience don't feel too bad. According to Econsultancy "Only 26% of companies have a well-developed strategy in place for improving customer experience."

While we recommend a three-part, continuous process we focus much of the discussion on feedback collection (a generic solution) and less on analysis and corrective action since both are highly dependent on individual business factors.

Collect Feedback

There are a number of very effective mechanisms to collect feedback from prospects and customers. The choice of method(s) is generally based on your industry and distribution strategy. This discussion will focus on B2B companies dealing directly with the ultimate business consumer of your products or services

Before discussing methods we should first define the two types of data you can and probably do collect:

- Quantitative – Data that can be expressed as a number. For example, $ per order, telephone hold time in seconds, days from order received to customer delivery.
- Qualitative – Data recorded as text. For example, comments on a survey card, recordings in your customer call center, meeting notes in your CRM system.

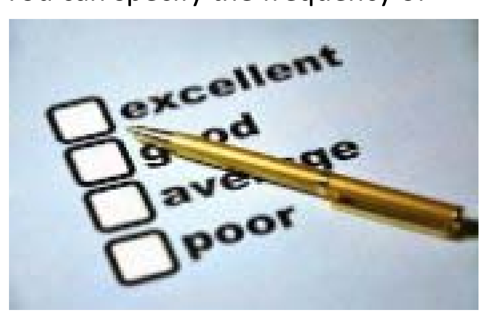
We will not describe specific methods to analyze either type of data, but please accept that there are very good software programs to analyze the quantitative data and new technologies are making it relatively easy to analyze speech and text data. In all cases the end goal is to convert this raw data into actionable insight.

Here is a list of the most useful feedback collection methodologies:

- Google Alerts
- Customer Surveys
- Social and Traditional Media Analysis
- CRM System
- Employee Feedback
- Customer Journey Mapping
- Customer Advisory boards
- Benchmarking
- Key Account Relationship Program
- Events: Face-to-Face and Online
- Consultants, Industry Analysts and Other Subject Matter Experts

Google Alerts

- Google alerts and other search driven information feeds are invaluable for staying on top of market opportunities, market conditions, target companies, key market influencers and more.
  - Google alerts are one of the best and most cost effective (the service is free) ways to monitor what people are saying about your company (and yourself). You can set up a a series of Google Alerts for each key word you identify such as company name (one search for each way it may be used), individual name, product name, industry, competitors, etc. You can specify the frequency of receiving an e-mail with links to all new posts.

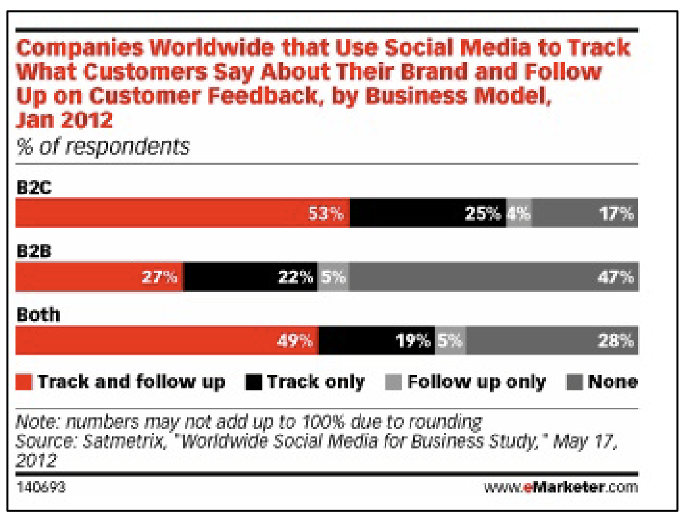


Customer Surveys

- One of the traditional methods used to collect customer feedback is surveys. In fact, this area has matured to the point that trying to navigate all your options requires specialized expertise.
- To summarize the two basic types of surveys:
  - Transactional. This survey measures customer satisfaction with your company's performance at individual touchpoints. For example, after a customer talks with accounts receivable (AR) about an invoice question she may receive a two-question survey that asks "How satisfied were you with your recent call to get an explanation of your invoice" and "why?"
  - Relationship. This survey does not focus on specific experiences but asks customers about their feelings towards the company in total as well as specific areas (touchpoints) but at a high level. Questions like these are typically included:
    - How likely are you to repurchase from us? Why?
    - How easy were we to do business with? Why?
    - If you could change ONE thing about being my customer, what would it be? Why?

Social and Traditional Media Analysis

- As noted, social media is becoming increasingly important as a source of customer and prospect feedback.
  - Currently, slightly over 50% of worldwide B2B companies are monitoring what is said about their company on social media. And we are convinced this number will grow in the coming years.



- The vast and rapid adoption of social media means that EVERYONE can be a publisher. Content marketing is the norm. B2B customers are publishing about their industries, challenges, opportunities and successes. B2B companies must be reading what their customers are publishing
- Industry and financial analysts, business news outlets, industry associations, industry lobbyists – anyone touching your industry is a publisher, either through blogs, email newsletters or micro-blogging (Twitter, LinkedIn and others). They are

generally well tuned into what is being said about your company and can either confirm other information or even identify new situations that you did not find out about from any other sources, read them.

An example of the power of tracking industry blogs from Fiona Czerniawska at the Source Blog…

> It's hard to distinguish between Big Four firms – at least that's what we thought. But our recent research with 400+ clients tells us otherwise.
>
> There are certainly areas where clients do think these firms are hard to tell apart; "they're all much of a much-ness", was how one of them put it. Certainly everyone associates them with financial management and regulatory-driven work: no surprise there. And almost everyone says their people are "good", though rarely anything more than good, even if their knowledge of specific industries tends to be rated highly.
>
> But look a little more closely, and a different picture emerges.
>
> Our research mapped what clients want against what they think individual firms are capable of providing. In particular, we examined the capacity of firms, as seen by clients, to sell new services to existing clients, to work in different ways, and to adopt new delivery models. What emerged was that PwC and Deloitte are associated with a wider range of services outside of conventional management consulting (we focused on technology and implementation) than KPMG and Ernst & Young. Clients talked of KPMG in a wide variety of conventional consulting areas, but very little outside it, and they associated Ernst & Young with financial and risk management more strongly than they did the other Big Four firms.
>
> When it comes to their way of working, all four firms are seen to have strong technical capabilities, but once again there appeared to be a split: more people commented on the good cultural fit between PwC and Deloitte, and their organisation, and their ability to work alongside their staff in an integrated team, than they did for KPMG and Ernst & Young. It's important to remember that what we're talking about here are clients' perceptions, rather than empirical evidence, but perceptions tend to be important because they say a lot about what business clients will hand to which firms.

CRM System

- If you have a call center or sales force automation system, then you have a treasure trove of feedback from your customers. Unfortunately, much of it will be in the form of "verbatim" (text comments) which, depending on the quantity, they can be analyzed reasonably well be individuals until the amount gets to be so large as to require automation
- Typical data found in these systems is:
    - Product questions or problems
    - Customer plans

    - Comments about doing business with you
    - Competitive insights
    - Lost business reports
- You already have this information – it is relatively valueless until it is turned into insight and then acted upon.

Employee Feedback

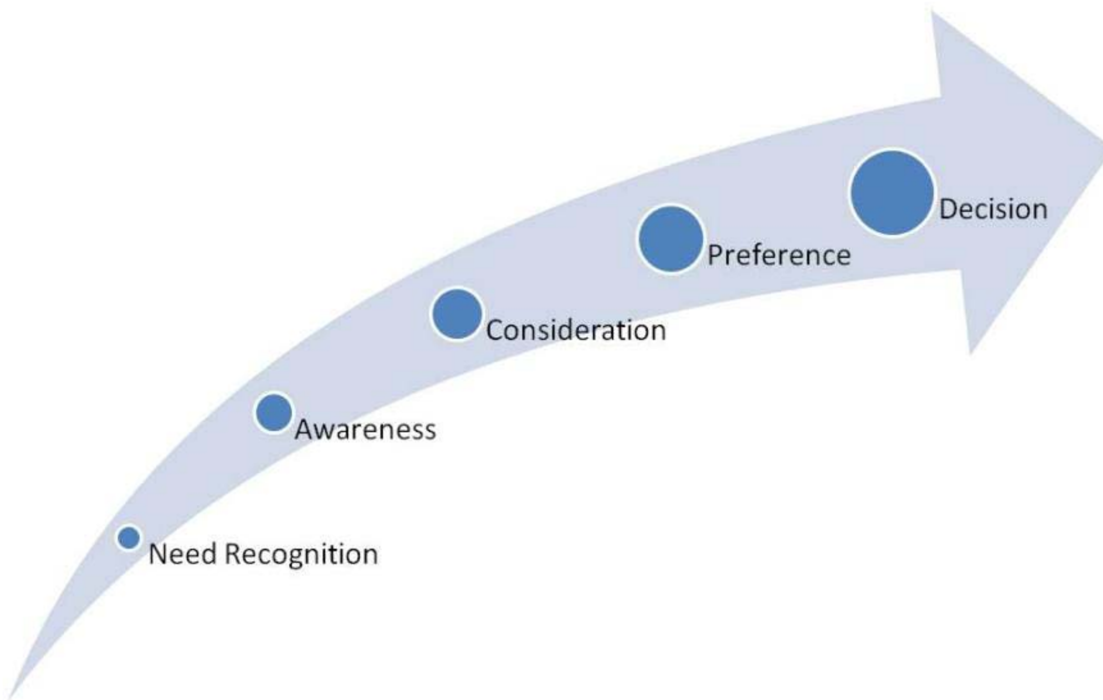
- Analyzing your data is important, but so is getting feedback from the people who are entering that data. Your customer-facing team members can help make the data come alive with the stories and experiences they can share that don't get captured well in systems.
- Consider an employee advisory board that contributes to customer experience strategy and touchpoint design.
- Measure levels of employee engagement. If they feel undervalued and unappreciated, customers will likely internalize employee lack of engagement as poor service.
- Consider developing social platforms that enable employees to communicate and collaborate beyond functional silos. Let them share their ideas for business process improvement with others. Give them the opportunity to ask for input on dealing with a specific customer, product or service issue from an internal subject matter expertise.

Customer Journey or Touchpoint Mapping

- One of the most difficult things for organizations to do is to walk in the shoes of their customers. Too many customer-facing processes are designed to make things easier in the back office, not to deliver the right experience at the right time to customers. The question then is how to develop touchpoints that make sense to both the company and the customers.
- The first step is documenting the journey customers take to learn about a product or service, make a purchase decision, maximize the value of their purchase, receive support, see opportunities to create new value, and recognize new needs. In order to ensure the right impression is formed, companies need to consider several things:
    - What are the experiences that will result in revenue generation with the right audience?
    - What should a prospect or customer think, feel and do for any and all interactions with the company?
- The customer journey can be viewed in two phases:

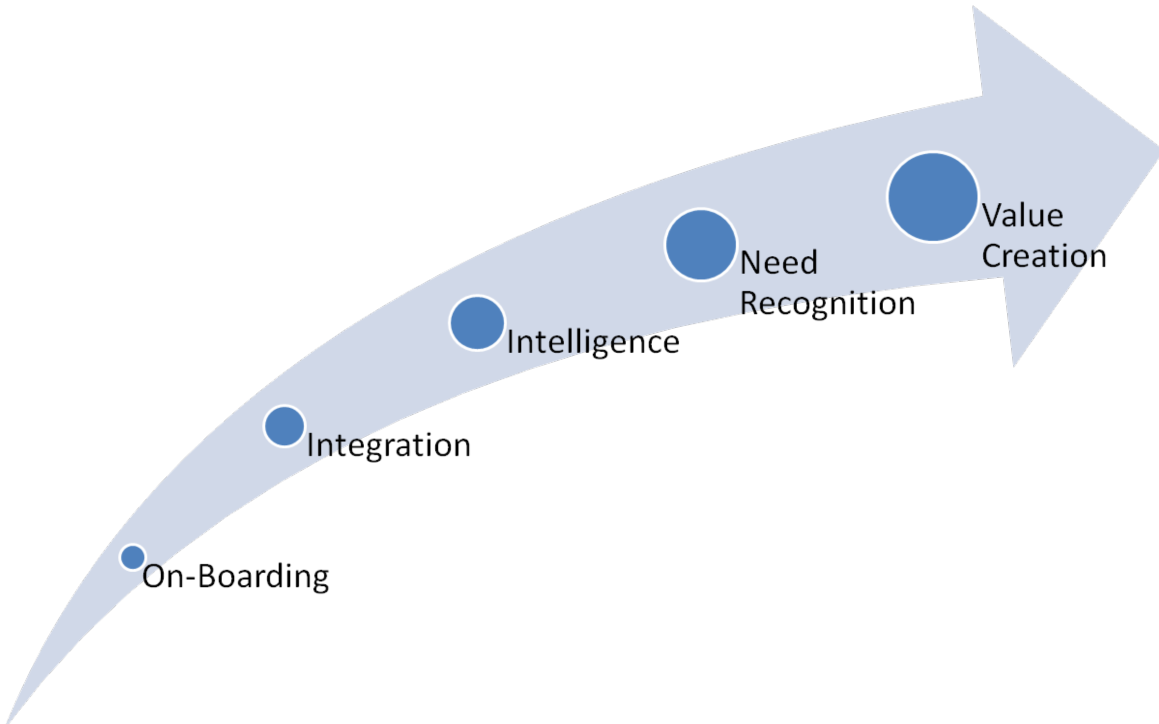
    1. Phase 1: Problem to Purchase
    2. Phase 2: Purchase to Value Creation

Phase 1 includes all the steps from the time a prospect recognizes they have a need and ends with a purchase decision.



- **Need Recognition** –customers and prospects identify a need or opportunity to improve their business or life. Companies can participate in this phase by ensuring they are educating the market about the value they offer.
- **Awareness** – prospect finds a specific company's solution.
- **Consideration** – experiences with the company (information and contact) encourage the customer to consider the company as a potential solution provider.
- **Preference** – experiences with the company result in the customer preferring a solution over others.
- **Decision** – experiences with the company result in a purchase decision.

Phase 2 includes all the steps from the time a new customer begins making use of their new product or service and ends with Value Creation.



- **On-boarding** – welcoming a new customer and beginning the relationship (starting the work for which a company has been hired, implementing a product or service, etc.)
- **Integration**– the active management and assessment of the product or service after the initiation stage has been completed, i.e., development/building/creating is complete and production usage has begun resulting in operational excellence.
- **Intelligence** –accumulating all previous learning from the Initiation and Integration stages, conducting additional fact-finding and research, assessing performance of the customer and the vendor, the vendor deciding what level of further relationship investment is warranted from a financial return standpoint, and developing a deep and keen understanding of the customer's long-term strategic goals.
- **Need Recognition** – the activity associated with helping a customer understand the new opportunities that exist to enhance their business.
- **Value Creation** – the active management of developing a partnership with the customer to become an inextricable part of the customer's performance, find opportunities to drive innovation, create new value, and gain recommendations from the customer for new business.

The job to be done then is to design touchpoints that address each of the above steps and successfully move a customer through the entire cycle successfully.

It's also important to understand which touchpoints are "necessary and sufficient", i.e., "good enough" and which ones need to provide some wow factor. No touchpoint should detract from the desired experience. The challenge is knowing when good enough is good enough versus when you must create and deliver a truly memorable experience.

Customer Advisory Boards

- Every company should think about having a customer advisory board in order to receive deep and regular feedback from a variety of customers. Consider using these boards for feedback on any and all matters that impact customer experience.
- For customer advisory boards to be successful the C-Suite must be strongly represented. The message must be sent that customers' time is not being wasted, that their feedback is getting directly to senior management and that they are helping to create new value for all parties.

Benchmarking

- In addition to using available information to compare your business against other important businesses there is another metric worth considering. In the last 5 to 10 years, industry has become enamored with a measurement called the Net Promoter Score (NPS). This score is calculated from the answers to a single question: "On a 0 to 10 scale, where 0 is definitely unlikely and 10 is definitely likely, how likely are you to recommend company X to your friends and colleagues?"

  9-10 are Promoters
  7-8 are Passives
  0-6 are Detractors

  NPS = % Promoters - % Detractors

  Reports showing NPS score range by industry are available for many industries and will give you an idea about how your business compares to the industry in total.

- The absolute NPS Score is interesting but the long-term trend is the second best way to decide if your management of customer experiences is achieving your objective. ***The best way is revenue/profit growth!***

Key Account Relationship Program

In the B2B world the 80/20 Rule still applies – approximately 80% of your revenue or profit generally is derived from 20% of your customers. (They may not be the same 20% for revenue and profit but that is another challenge you as a business leader need to face.) But it is critical for you to learn how this most important group of customers feels about doing business with you.

- Key Accounts programs usually involve some level of customer segmenting to reflect a combination of value, strategic importance, market visibility or value as a reference account. You may then have to further segment based on products, services, territory, type business, etc.
- You then have to collect feedback in ways that will be most efficient and meaningful for your customers.
    - Executive level conversations, i.e., peer-to-peer conversations between similarly ranked executives.
    - Key Account Relationship Survey. – Same as a relationship survey except focused on key accounts and so may probe additional areas of mutual interest like:
        - How well you partner
        - How much did you contribute to customer's strategic plans, etc.?
            - Is your business trustworthy?
            - How likely are they to recommend you?
    - To be successful, these interactions should be held at least annually. The more data collected the better your business can adapt to the needs and wants of your key accounts.

One of our clients was a software company selling a Workforce Management solution. In our key account survey we asked the customers to identify the company they deal with that is "best-in-class". We expected to see our client mentioned but were surprised to see that IBM, Oracle or SAP were most frequently mentioned. When we followed up with the "why" question, we heard "workforce management is an enterprise software application and we think IBM, Oracle or SAP is much better." Imagine being the CEO of this $35 million business and finding out the competition is the big 3 in enterprise software. This insight had a major impact on sales, marketing, support and professional services.

Events: Face-to-Face and Online

- As long as human beings remain in their current form factor, face-to-face meetings – 1:1, 1: many, many : many – are going to be important for getting work done. As technology continues to advance the situations requiring a face-to-face may diminish. But given all the non-verbal cues humans receive by being in someone's presence, face-to-face meetings will never totally disappear.

- Seminars, conferences and trade shows are all effective platforms for listening, sharing and servicing customer relationships. Companies must maximize the effectiveness of events by integrating them into their communications strategy and not treat them as stand-alone touchpoints.
- Online events, such as webinars and virtual conferences, have a major advantage over face-to-face events – the lack of travel time and expense. But that advantage comes at the loss of the intimacy provided by being face-to-face. Online events can be delivered in real-time and on-demand and can be repurposed to meet all manner of communication needs.

Consultants, Industry Analysts and Other Subject Matter Experts

- Credible third-party experts can be very useful in assessing customer experience and brand alignment, competitive analysis, process improvement, Voice of the Customer and many of the other feedback methodologies previously listed.
- Conduct a web search for professionals that practice in the areas in which you need help. Read their blogs and white papers. View their presentations. You will typically find useful tips and best practices that you can implement.
- Follow these experts on LinkedIn and Twitter to ensure you keep abreast of their newest and best ideas and advice. Engage them in social conversation and ask relevant, pertinent questions that others will also find interesting. These experts will answer your issue and provide "free" consulting. (We know how this works first-hand as we participate in these social discussions all the time.)

Analyze Results

Turning data into actionable insight into implemented decisions is the objective of the analysis phase. In fact, there will be minimal or no ROI of all the previous activities without taking action. The goal is to identify the touchpoints that are destroying Brand Equity so you can stop doing what you are doing and also the touchpoints creating Brand Equity – so you can do more of the same.

- Knowing where help is needed is useful, but knowing what actions to take is priceless. You may have to look at operational data in conjunction with survey results to actually find out specifically where improvements must be made.
- Be sure to use the analytical results in conjunction with your understanding of your business. It is quite possible to get wonderful answers to the wrong questions or have too few results upon which to make major business changes. Common sense mustn't get lost in this process.

- How do we analyze all the information we collect using the 11 steps in the previous section? We use a three step approach:
    - We look at the each data set individually. Sometimes the right action is to communicate with the source of the information or to share documents with customers or co-workers but sometimes the data will drive more robust corrective actions.
    - We integrate data sets as appropriate. As an example, looking at customer transaction survey responses on a case-by-case basis, and then factoring in the reposts from your key accounts programs, your advisory boards and other high level feedback will provide a holistic view of how your company is perceived in your key accounts and this analysis will guide you to take specific actions.
    - We integrate data sets with operational and financial data. Using the results of the analysis just mentioned with internal performance measures will help justify additional actions.
    - Here are examples:
        - Customer feedback, sorted by touchpoint, must be combined with employee experiences and observations similarly sorted, the results of informal customer communications and, if necessary, a benchmarking study against others with like processes to determine next steps.
        - The information in your CRM system is specific as to contact, date/time, problem description, employee and usually solution. CRM data can shed light on every customer touch point, how well they're working, how well your employees are managing touch points, how well FBUs are cooperating and collaborating and more.

One can't perform this analysis in a vacuum of course. We recommend determining your most important key performance indicators and determine how the data and analysis you've conducted maps to those KPIs.

Take Corrective Action

So what to do? Let's consider a company where it's KPIs include revenue to plan and meeting customer expectations.

The following 2x2 matrix shows you what high level steps you should be taking when you find your business in any one of the four strategic situations you may encounter:

Profit to Plan	**Align Experiences with Strategy** Financials are very good but your CX needs work – upgrade the experiences you deliver to your customers and verify that these new experiences will be consistent with your new strategy.	**Continue with Status Quo & Monitor** Profits meet or exceed plan and customer experience meets or exceeds expectations – keep doing what you are doing
	Upgrade Experiences & Verify Strategy Both your financials and your customer's experience are unsatisfactory – this calls for a fresh look at your business plan and tactics since what you are currently doing is not working.	**Align Strategy with Experiences** CX is very good but profits are below plan – change your strategy since it is not producing the financial results you expected but be careful to not mess up the very good customer experiences.
	Below Customer Expectations	Meets or Exceeds Customer Expectations

In the top right quadrant your profits meet or exceed plan and customer experience meets or exceeds expectations – keep doing what you are doing.

In the bottom right quadrant, CX is very good but profits are below plan – change your strategy since it is not producing the financial results you expected but be careful to not mess up the very good customer experiences.

In the top left quadrant your financials are very good but your CX needs work – upgrade the experiences you deliver to your customers and verify that these new experiences will be consistent with your new strategy.

The bottom left quadrant is always trouble; both your financials and your customer's experience are unsatisfactory – this calls for a fresh look at your business plan and tactics since what you are currently doing is not working.

A Special Case about Dealing with a Multichannel Strategy

Gaps between vendors and the channel need to be narrowed and eliminated where possible:

- Recognize that Channel is also a key account customer, not just a revenue conduit
- Include channel in strategy setting
- Solicit and act upon feedback of the channel
- Ask Channel for customer access
  - What does vendor have to do to share customer feedback/insight?
- Ask Channel if they could change ONE thing about being your channel partner, what would it be?
- Segment causes of the gap based on unmet expectations regardless of source
  - Lack of brand communication
  - Disintermediation of brand message by channels
  - Poor customer facing execution
  - Disengaged employees
  - Poorly targeted markets/prospects
  - Strategy and execution are aligned but not what customers want
    - Lack of commitment to customer centricity, meaning strategy and execution tactics are developed without needs of the customer top of mind

Conclusion

The Age of the Customer requires companies to religiously adhere to the belief that customers' perspectives will shine a light on what experience needs to be created in order to enjoy business success.

When the importance of customer perspective permeates corporate culture, the result, in many cases, is an empowered employee who can identify and solve an experiential problem without any management intervention. Problems solved on the front lines by employees who understand their corporate culture solve problems in ways that are not only beneficial to the customer but also beneficial and respectful to the financial, operational and other functional groups within the company. Employees empowered to "do the right thing" while keeping the needs and goals of the business in mind are a great source of innovation that drives efficiencies and customer experience improvements that make standard operating procedures more effective for all concerned.

We recently heard a story by a technical support person at a major computer networking company who had a "big" customer problem and solved it by chartering a jet plane and packing it with new equipment, sending it (along with himself) to the customer's location, and proceeding to exchange the non-functional equipment for new gear. How do you think this customer would answer any of the suggested survey questions? All top box (highest score) for sure!

Everything we described in this guide is within the capabilities of any size company. It takes dedication, hard work, a focus on your customer and most importantly a motivated and engaged workforce to properly take care of your customers in a way they want to be taken care of but the results will be worth it. Not only will you be differentiating your company from the rest of the pack, but you will be creating a significant barrier to entry for new competitors.

Now competitors merely keeping up with your business will not be enough to encourage them to defect from you, they will have to do better! And since you have a head start and momentum your competitors will have to achieve much more than you did in a much shorter time and, if nothing else, that will give you an opportunity to best them in another area, such as product or services value for money. Think of how demoralized your competition will become when they discover they are not just behind you in the CX arena, but now also in another arena that will require them to try and focus on two different paths while you and your team watch them dilute all their efforts. That is the reward for being first to be best!

Authors and Contact Information

Sam Klaidman, Principal Adviser, Middlesex Consulting

Sam is principal adviser at the Middlesex Consulting, where he offers advisory services to small- and medium-business clients in the areas of business planning, services, customer experience and growth. He is widely published in magazines like *American Laboratory*, *Inside Technology Services*, *Loyalty 360*, *ExecutiveBrief* and *Survey*. He can be reached at Contact info:

sam@middlesexconsulting.com

www.middlesexconsulting.com

508.877.1924 or 774.217.4247

LinkedIn (http://www.linkedin.com/in/samklaidman)

Twitter @SKlaidman (http://www.twitter.com/sklaidman)

Harry Klein, President, Customer Engagement Strategies

Harry sleeps, drinks, eats and breathes all things "customer". His customer-centric marketing, business development and management skills have contributed to the growth and sale of two small companies to Morningstar and Softbank Japan.

Harry has been helping companies ensure their touchpoints, communications and processes enhance the value of customer experience and contribute to higher life time value.

Contact info:

hklein@customerengagement.com

www.customerengagement.com

781-559-8202

LinkedIn (http://www.linkedin.com/in/harryklein)

Twitter @CustEngagement (http://www.twitter.com/custengagement)

