



How to Build a Great **Customer Experience** Management Strategy

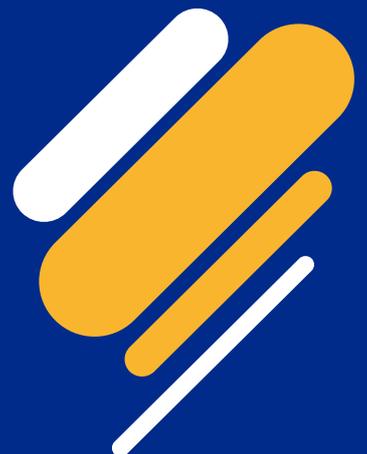


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What is Customer Experience Management (CXM) and how do you build a strategy around it?



It is an interesting time to be a customer. Customers lead more interesting digital lives and make informed choices. They take interesting routes to that final purchase. Data on their journeys can give an insight into what they will do, buy or prefer in the future. Put together data on many customers and you have great possibilities on how to design your CXM strategy.

So what is CXM? In a world that is revolutionized by the digital explosion, customer signals are everywhere. CXM involves interpreting these signals and taking action by designing customer interactions that will not only create a sale but will result in brand loyalty, advocacy and long-term customer relationships.

Today, if you are in the business of managing customers, it is all about customer experiences. You are no longer looking only at the customer's physical engagement with your business but also his or her psychological and emotional needs. Here's how.

Let's say that you are running an ecommerce website. You are analyzing the data in front of you - people who bought your product, as well as those who abandoned their carts. With traditional forms of customer service and management, you will send them mails to reengage with them and get back to that product they abandoned. With customer journey analytics, for instance, you can use machine learning to mine millions of customer interactions and filter the signal from the noise. You can identify the many significant paths that led to the purchase, information that can have a remarkable impact on how you drive your campaigns. It helps you engage with customers on a very instinctive, psychological level. It also helps you predict and understand the next step of their journey.

There are many new and different tools to drive this deep dive into your customer's psyche. Data visualization is a hot new tool that shows you everything about your customer, their behavior, motivation, tendencies, lifestyles and where they are headed next in life. The trick is to understand where they are going and who they want to be in a few years.

Customer experience management impacts the bottom line

According to the [2020 Digital Trends report by Adobe](#), companies with precise customer experience management strategies are more likely to achieve their top business goals.

In the early days, when marketing a car for instance, companies developed customer personas. They would know about a customer named Anitha, who is a 40-year-old mother and uses a sedan.

Today? Here's what we know about this customer!

Brands now know that Anitha has a driver for her sedan because she is always on conference calls throughout her journeys. She is multi-tasking both work and home commitments. She is looking at comfort and convenience more than anything else. These are data points that brands now use to understand their customer journeys.

With COVID-19 throwing the world economy off-kilter, the customer journey has changed considerably, with more customers embracing the digital and online route than before. The recent [Adobe Digital Economy Index](#) tells us that in May 2020, online retail sales soared to \$82.5 billion in the US, a 77.8% jump from last year. Again, online sales saw an 8% decrease when a few states reopened after the lockdown.

There is no doubt that customer experience management can break or make your bottom-line. [According to this survey by Salesforce](#), 80% of customers think that the customer experience is as important as a company's products and services and 57% of customers opt for a competitor when they encounter an unsatisfactory customer experience. It is not just customer service but an overall positive experience that customers demand. They want an emotional connect with the brand, a brand that understands them. How does the customer feel at every point in their journey towards purchasing and experiencing your product or service?

This is the narrative you need to get right.

Connecting the dots and looking at connected customer journey is an important first step in guaranteeing a successful customer experience management strategy.

Here's why customer experience management is so important. [This article in Forbes](#) rightly states that we are living in a time when there is a 'commodity trap.' All of us are selling products and services that are similar or same. A superior customer experience management strategy will make a business stand out and establish itself as a leader in its space. [According to research by Forrester](#), with a superior customer experience, a business can deliver 5.7 times more revenue than its competitors that don't take customer experience seriously. [Forrester also concurred](#) that companies with superior CX drive revenues five times faster on average, as compared to companies that don't take CX seriously.

The difference between customer service and customer experience

Customer service is only one aspect of the entire customer experience.

Here's an example. You want to book a travel package. You talk to the travel agency and your tickets are booked on time. That is good customer service. Customer experience is when your tickets are there way before you expect them, the hotel decides to bump you up to a suite instead of your regular room, and you have personalized a customer's experience using AI. AI can sort through mountains of data and deliver personalized experiences, also automating aspects of travel to ensure a faster customer experience.

Customer service is all about delivery. Customer experience is about understanding individual customer needs, and establishing an emotional connection.

When crafting a good customer experience, you must take into account a customer's ever-evolving needs. People change. Their pain points change too. They want to go somewhere. A great customer experience signals their aspirations and where they want to be next year or in a few years.

Here's an example:

This year, I started buying from an online grocery store that produced healthy food. I loved the customer experience and the products. The company was one step ahead of me in many ways. Just as I was contemplating a keto diet, they started creating keto products! They understood that people who embrace health food tend to evolve in their customer journeys. They anticipated the changes and reinvented themselves.

When you create a customer journey map, you trace the customer as he or she goes through multiple touchpoints and points of contact with your brand and service, from start to finish. The trick to creating a great customer experience is to ensure that you delight your customer at every touchpoint.

The truth is that in today's world, a customer experience is more complex and varied than before. It is not just about making a customer feel good but extends beyond their consumption or experience of a product. These micro **experiences encompass all the interactions and touchpoints** that occur during the customer's relationship with your brand, including the experiences that lead to the actual sale.

Unlike traditional marketing that puts the product at the center, **customer experience management puts the customer front and center** of it all. When developing a customer experience management strategy, you will draw customer journey map to understand their experiences with the brand at multiple touchpoints. The customer lifecycle is an ongoing one. A customer engages with the product, purchases it, gets his order fulfilled and finally delivered. Customer experience management links the final delivery right back to engagement.

How do you improve customer experience?

AI is made for customer experience management. With ecommerce sites, for instance, AI is used to convert the website into the customer's own personal shopper. Use AI and digital intelligence to leverage your data, get usable customer insights, and anticipate your customer's needs in a way a traditional marketing strategy never could.

A customer experience management strategy should have good resolution and feedback systems. Real-time feedbacks matter. Use live chatbots and platforms to address queries immediately.

Another buzzword when it comes to customer experience is **anticipatory CX**. With COVID-19 challenging companies to give it their all, there is urgency among business owners to beat their competition. This is where anticipatory customer experience and service come in. This means predicting what's next in the evolution of the customer's journey with your brand. The secret to cracking anticipatory customer service is to understand what doubts or pain points your customers may have in the future or even those that he or she has not voiced yet.



CX metrics and how to track them



The metrics used to gauge customer experience are the net promoter score (NPS), the customer satisfaction (CSAT/PSAT) score, Customer Effort Score, and churn rate. The NPS tells you how likely your customers are to recommend you.

Customer churn rate shows the total number of lost customers within a time frame. Using a single CX metric throughout the customer journey isn't a great idea. For example, you have ordered a product and are tracking its delivery. A customer care agent asking you to rate their service even before delivery has happened can be very annoying to the customer! It is important to use the right CX metric at the right time during the customer journey.

A variety of new-age metrics are used by companies to measure their campaign reach and success, including metrics like customer acquisition and social media engagement.

Customer lifetime value is also an important factor in determining the success and longevity of a good customer experience management strategy.

When examined closely, customer experiences, scores and feedback reveal gaps in your customer experience management plan. A good strategist collects all the data based on customer feedback, business insights, and operational data to create a live dashboard that has both the metrics and the hard sales numbers. This can help track improvements, campaign effectiveness and direct returns on investments in customer experience.

This is a great article on how to use metrics and calculate the ROI of the customer experience. Apart from discussing key metrics and CX tracking mechanisms, it also tells you how you can gather call center data and track patterns. KPIs help you understand gaps in your performance and strategy. The key is to link data points to business outcomes and work from there.

What is an exceptional customer experience?

An exceptional customer experience strategy delivers a connected and fulfilling experience by doing all the following things right:

Great service across multiple touchpoints: A customer touchpoint is the point of interaction between businesses, brands, products and consumers. A customer experience management strategy focuses on great service from the initial touchpoint to the final delivery. This is done using technology and tools that mine customers and their digital experiences. Apart from tools like intelligent live chat and A/B testing across customer profiles to eliminate speed bumps in customer journeys, businesses can also use AI to leverage customer data. This allows the business to personalize their experiences.

Customer experience analytics: A good customer experience management strategy will give prime importance to analytics. Companies like Amazon and Netflix deliver superior customer experiences because they collect intelligent insights and use it to make decisions. Analytics involves using real-time reports to understand customer needs and forecast their problems. It can also be used to predict business results and customer behaviour.

Analytics help businesses connect the dots, detect patterns and visualize entire customer journeys. It can inform mock product campaigns and can take into account the customer's complete journey. When you integrate your data across the customer journey, it helps customers prefer your brand over others because of the level of personalization.

Omnichannel strategy: There is a difference between a omnichannel strategy and a multichannel strategy. A good customer experience management strategy uses an omnichannel platform. So what makes them different from each other?



A multichannel marketing strategy focuses on several channels – for example, a website, mobile, email and a physical store. The focus is on the sales channels but they are leveraged in isolation. Omnichannel marketing takes a more holistic approach and delivers a personalized experience across all channels. Each channel in a multichannel strategy is a separate purchase opportunity. With an omnichannel strategy, all channels coalesce to lead to the ultimate customer experience, and sales is part of the big picture.

This article from Shopify gives us a superb walk-through example of what makes an omnichannel strategy superior to a multichannel strategy. It uses the example of a mattress purchase. In a multichannel strategy, a mattress business will use a website with a coupon and a cart abandonment system to try and get the customer to purchase. In an omnichannel strategy, the same mattress company can use various social media and online channels to lead the customer through various touchpoints and create a great overall customer experience.

Seamless user experience across channels: An omnichannel strategy requires creating seamless user interface and customer experience technologies across channels. Your customer is shopping in a store, on their phone, laptops, tablets and more. Customers tend to shop across channels and devices. The trick is to create a seamless experience tailor-made to suit different channels but all addressing the customer's pain point, be it costing, shipping or ease of delivery. It is crucial to create meaningful human experiences across key touchpoints.

Hyper personalized experiences: According to Internet Retailing, 69% of customers want personalization but less than 50% deliver it. Customer experience management uses omni-channel data and technologies like IoT to deliver a high degree of personalization in real time. Instead of treating all customers as the same, they treat each customer individually, reaching out to them in personal ways. Companies like Amazon, Netflix and Starbucks are masters in hyper personalization. They leverage data points and create hyper personalized campaigns. Amazon, for instance, **has a recommendation engine that powers 35% of its conversions**. A customer experience management strategy should make use of such advanced tools, combining data science and machine learning to elevate customer experience.

User personas: Creating user personas is a wonderful way of pluralizing customer experience and strategy. Each buyer has different journeys and aspirations. With personas, you can track their needs and psychological motivations. Buyer personas can be gleaned from existing data or interviews. By creating multiple personas, you are tracking the different behaviors, needs and motivations of different customers. Personas can contain a customer's basic information – where they live, how old they are, their education and their work profile. It can then move on to broader profiles, which include their needs, goals, habits and aspirations. It can then include their frustrations and pain points.

Customer journey maps: A customer journey map tracks the customer's complete experience with a business or a brand. It tracks both tangible and intangible aspects. How did the customer feel and what did he or she think when going through specific touchpoints in his or her customer journey? Both positive experiences and negative ones will give you a better picture and help you work on improvements.

An exceptional customer experience focuses on each customer journey. There are as many journeys as there are people and while it may seem daunting to track individual trajectories, tools like AI, live dashboards and customer journey automation can help achieve this.

To create a great customer experience, you also need to leverage real-time analytics and track real-time data to take action in real-time. Real-time customer analytics is when you use software and technologies to track your customer action in real-time. It is a combination of dynamic customer action analysis and reporting on data collected in a matter of the few preceding minutes of a customer's action.

Customer experience expert Blake Morgan **sums it up perfectly:**

Experiences are the things that light up your eyes, or make your blood boil. Companies make our eyes light up or our blood boil as a customer when we interact with them. Let's get personal for a second – for you, an experience you vividly remember may include: your wedding day; the day your child was born; when the doctor was helpful during a time when you or your loved one needed special care. A customer experience you remember: something that used to be hard is now extremely easy; you got something you didn't expect, more than you thought you would; you learned something that greatly improved your life. Why is it that, at work, we forget we are designing experiences for other people? We forget that we are making our customers' eyes light up or blood boil?



Conclusion

Customer experience management is the cornerstone of business longevity and customer retention. The pandemic has created a change in needs, aspirations and priorities in consumers. Customer experience management means leading with empathy but with a keen eye on data and user experience. This can get you one step ahead of your competitors in delivering your customers a superior experience. Stay ahead of the curve with predictive analytics but above all, create strong emotional connections.

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About Suyati Technologies

Founded in 2009, Suyati Technologies partners with clients to engineer great experiences for digital customers. We collaborate with businesses to strategize and implement impactful digital initiatives that position our clients ahead of the competition. We are digital-first and focus on delivering great customer experiences that accelerate exponential growth.

Our approach to customer experience can be summed up in one phrase – Buyer Rhythms [BR]. BR is the deep understanding of your customer by focusing on, and learning from, the repeated patterns they create while interacting with your business. It offers you detailed insights, delivered in a seamless manner within your existing IT ecosystem.

With our niche and rich expertise in CMS, CRM, e-commerce and Marketing Automation, we help companies across the globe leverage their best on web and cloud through our platform integration, data analytics and customer engagement services.

Learn more: www.suyati.com
Get in touch: services@suyati.com

