



The Five Core Pillars for Your CEM Strategy

THE FIVE CORE PILLARS FOR YOUR CEM STRATEGY

Customer Experience Management (CEM) is a methodology of measuring business performance based on the voice of the customer at all touch points in order to drive continuous customer-focused improvements.

INTRODUCTION

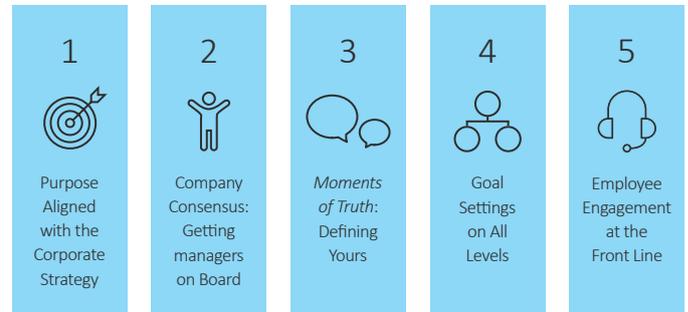


During a Bloomberg Business interview, Jeff Bezos, founder and CEO of Amazon, the world's largest online retailer, said, "A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well."

A brand's reputation, as Bezos highlights, isn't simply a clever marketing ploy, it is a true representation of a company's efforts to impress their customers and deliver on their brand promise. It is, essentially, a customer-focused commitment to live up to a stated expectation – but this commitment means nothing if it doesn't have a backbone to stand on.

What does the backbone of a good brand reputation look like? It can be defined as explicit links to strategy; and these links make everyone in the organisation accountable for customer-driven results. Using Customer Experience Management (CEM), companies are able to transform their focus on customers into more tangible and measurable outcomes, thus, bringing the customer commitment to life.

FIVE CRITICAL PILLARS FOR DESIGNING AN EFFECTIVE CEM PROGRAM



The main challenge for a company here is to design a CEM program that connects their customer commitment through to their final execution. Using the 5 core pillars stated below, a company can effectively design a system to consistently deliver on their brand promise.

PURPOSE AND STRATEGY WORK TOGETHER

Company leaders are responsible for creating the company vision and strategy; however, they must also translate the tone, character, and expectations of their customer commitment onto a tactical framework that supports an effective CEM program. It is effortless for an executive to set the mandate, "let's focus on the customer experience"; but, critical questions need to be answered to ensure that the CEM program is designed to support the strategic goals. Some considerations:

- What is our primary goal as we measure and strive to improve the overall customer experience? Is it reducing customer defection, increasing average revenue per customer, or perhaps even improving employee morale?
- What aspects of the customer experience are most important to our organisation? Should we focus on retail experience, online experience, or call centre experience?
- What are the goals and timing for the CEM program? How should our objectives look in six months, two years, and five years out?

Industry Story – Strategy

The insurance industry is a highly competitive market that relies on excellent service to keep customer satisfaction high. For most insurance customers, their satisfaction hinges on one key experience: the property or casualty claims process, which can be a stressful and confusing, often making or breaking their loyalty to their insurance provider. In order to ensure customers find this experience pleasant, insurance brands need to have a strategy to address key challenges within the customer claims processing journey, including:

- Where and how to continuously improve the claims experience
- How well the claims service is provided between the top and bottom performing adjusters and CSRs
- Why these gaps are so wide and varied
- When brand and revenue growth is negatively impacted throughout the claims process and how to fix this growth

Working with our CEM platform, our insurance clients typically see an average improvement in NPS® (satisfaction score) of 12.0 PTS within the first 12 months of program launch.

That is, with our Listening Platform, clients have listened to the feedback of a collective 90,000 + claims, and have given over 375 employees the tools to learn from this customer feedback, enabling them to identify over 12,600 “at risk” customers (collectively). They have also engaged customers by getting agents to reach out to them and arrange follow-up interactions (calls or emails), which 67% of detractors agreed to do, a move that has directly impacted customer satisfaction (and NPS scores) for the better.

This closed-loop strategy and system has allowed insurance clients to truly understand the customer pain-points during the claims processing journey. It also has helped them address service issues, proving to customers that they care and are willing to go the extra mile to earn their loyalty—a critical mission in today’s customer empowered world.

COMPANY CONSENSUS

Focusing on the customer often results in conflicting emotions and discomfort for midlevel management teams. Some reasons for this initial resistance existing may include fear of accountability and misperception of the desired outcomes. In order to ensure that your managers are fully engaged with the implementation of a CEM program, there needs to be full disclosure on the purpose, the tactics involved, as well as the desired outcome. By having the management team engaged, they will be able to monitor and track metrics from the CEM program and this, in turn, will allow them to do their job much more effectively. They will be armed with the right information; whether this means knowledge that more training sessions are needed for their team or maybe more staff is needed for the centre.

HOW CAN YOU ENSURE THAT MANAGEMENT IS ON-BOARD?

Align Operating Principles to be Conducive with CEM Program Goals:

Be sure operating principles serve the customer commitment. Leading customer-centric organisations demonstrate their ability to execute repeatedly and consistently because they provide their managers guiding operational principles. If the customer commitment is the ‘what’, then the operating principles are the ‘how’.

Access to Resources: People and Otherwise:

Without dedicated resources from the start, CEM strategies are not able to move successfully forward. Program Managers should be brought aboard and supporting resources must be allocated to ensure success of the program.

Industry Story – Company Consensus

The management team at one of the world’s leading banks had a specific need in mind when they engaged with ResponseTek. They wanted to know why 60% of their online loan and mortgage application forms were abandoned before submission.

Using real-time customer feedback, ResponseTek was able to confirm that three of the six reasons for abandonment submitted by these ‘almost customers’ could be improved via internal development resources. Communication with vital departments involved in the process ensured that every department was on the same page and knew what had to happen to fix the issues. Resolving these three issues alone would recover over \$5 million in annual customer revenue.

By connecting the ecommerce team into the project, they were able to initiate a project designed to improve the online loan and mortgage application experience. Within six months, the bank saw a five percent decrease in its abandonment rate, resulting in the equivalent of a seven times return on investment on its CEM solution.

YOUR ‘MOMENTS OF TRUTH’ WITH CUSTOMERS



The instant that a customer interacts with your company, that interaction is converted to a “moment of truth”. Simply put, a moment of truth dictates whether or not your company delivered on its brand promise.

When a company does not deliver on its brand promise, it may create an unhappy customer, which may mean that the company not only loses that customer, but also that customer’s advocacy. Contributing factors to discontented consumers may include a poorly designed customer web portal, long customer service queues, or untrained staff at a retail store. Neglecting to identify and manage frontline performance quality from these ‘moments of truth’ is a sign of a larger problem within the customer experience delivery.

HOW CAN YOU DEFINE YOUR COMPANY'S "MOMENTS OF TRUTH"?

- Conduct an enterprise-wide audit of the customer experience
- Define the range of possible customer experience gaps within the organisation
- Develop a planning framework for CEM systems and processes (What do you want to get out of the process?)
- Create a reporting framework for the continuous monitoring of customer experiences, enabling consistent customer satisfaction

Creating a customer experience lifecycle map can guide the implementation and application of consumer listening outlets. These outlets are required in order to monitor and manage the overall customer experience.

Industry Story – Moments of Truth

When T-Mobile Austria's customer feedback surveys revealed low issue resolution scores, they reached out to ResponseTek to implement a solution that would identify moments of truth (critical times when customers needed to be contacted by agents) while also increasing customer loyalty and employee engagement. T-Mobile realised that their issue resolution techniques were causing customers to churn and needed better oversight and responses from the company and its employees. Customers were calling into the contact centre and their issues weren't getting resolved, meaning that they had to call back repeatedly, a process that not only frustrated them and diminished their loyalty (this was their moment of truth), but also increased contact centre call volume. With Responsetek they used text analytics to categorise customer verbatim keywords into a system that immediately identified customers with issues that could be resolved with a callback. Once these customers were identified, the Responsetek Listening Platform sent alerts and reminders to team leaders and senior agents with instructions to call the customer back. Agents acted on these alerts and called customers back right away, leading to the following astounding results for the company:

- a 69% increase in overall customer satisfaction
- up to a 5% reduction in customer churn
- 20% of customers were more likely to extend their contract

Now, T-Mobile makes sure no moment of truth goes unanswered by employees, improving their services, customer retention and reputation vastly—all benefits that have added to their continued success in the European telecom market.

GOAL SETTING



Many organisations are unsuccessful with their execution of CEM programs because they have not yet established explicit departmental goals around the customer experience.

Using business rules, technology systems and customer-facing processes, CEM programs can be customised exclusively for each department, helping achieve a unique set of goals and performance targets. An example of this customisation can be seen using first-call resolution (FCR). This metric is most meaningful to call centres as it is an essential customer-facing productivity indicator, critical to driving customer satisfaction. FCR, however, may not be as useful for the retail environment where the metric they would use would be customer conversion. For this reason, it is imperative to have CEM program levels designed specifically for your company. This enables you to customise what information different levels/departments are able to view and in what format.

WHAT KIND OF METRICS SHOULD YOU CONSIDER WHEN DESIGNING A CEM PROGRAM?

- **Marketing:** Click-through rates (CTR), survey completion rate, brand reputation
- **Sales:** Staff professionalism and product knowledge, early life churn, renewal rates
- **Product & Fulfillment:** Complaints ratio, abandonment rates, return rates
- **Service & Support:** First call resolution (FCR), NPS®/advocacy, agent utilisation rates

When customer experience management goals are defined, it allows for continuous, real-time, valid measurement, across all customer-facing channels – including the Web, phone, SMS, and retail store.

Industry Story – Goal Setting

A well known mobile industry player set the goal that they wanted to turn their customers into enthusiasts. And while this may seem like a fairly broad goal, their CEM program had a well structured, tactical framework to help them achieve their goal. Using ResponseTek to design their ideal CEM program, they were able to track and monitor consumer feedback, comments and complaints in real-time. They made use of this information to help improve their service, as well as to connect with the consumer at a higher level. Within 5 weeks of implementing the program, they witnessed their average customer satisfaction score increase by more than 10%!

FRONT LINE ENGAGEMENT



Although staff may understand the company's customer commitment and why they must operate in specific ways, this does not always guarantee engagement. In order to succeed, front-line staff must embody the enthusiasm, ownership and customer commitment that the organisation is asking for. Managers must find creative ways to engage staff and ensure unity in spirit to achieve the common goals. After all, an unhappy customer could mean an ex-customer.

WHAT CAN YOU DO TO GET EMPLOYEES ON BOARD AND INVOLVED?

- Employee-level reporting and scorecards for daily performance and productivity, as well as identification of individual coaching and training opportunities
- Recognition of staff, including productivity and performance progress
- Implementation of rewards to encourage high achievement and consistency in efforts
- Team celebration for ongoing communication of group achievements, shared goals and cultural alignment

Industry Story – Front Line Engagement

An industry leader in telecommunications engaged with the ResponseTek Listening Platform suite and created an outstanding employee recognition program, Kudos. Utilising the in depth real-time reporting that ResponseTek provided, they were able to track customer satisfaction by call centre agent. At the end of each quarter, agents with satisfaction scores closest to 100% would get rewards such as trips, electronics, and extra vacation days!

In creating Kudos, the company was able to motivate and engage their front-line agents to strive to do better. They were able to see any areas of improvements that some agents may need, and in turn, provide that training. With the number of 100% satisfaction scores increasing, the company is well on its way to dominating the telecommunications industry.

CONCLUSION

Adhering to these five pillars will contribute to the success of any CEM program, regardless of a company's hierarchical structure or geographic breadth.

- Purpose aligned with corporate strategy
- Company consensus
- Defining moments of truth
- Goal setting at all levels
- Engaging frontline employees

Tied directly to the bottom line results and market share, customer experience management creates guiding principles for a long-term, healthy organisation that is supported by strong customer relationships. In connecting the vision for customer commitment to a CEM strategy, any company is able to yield quick and measurable impacts in today's consumer-driven economy.