Change, Choice and Adaptability
Change, Choice and Adaptability: 3 Principles to Guide Companies Through the Customer Experience Tidal Wave

“51% of customers who left companies blamed their exits on bad online experiences.” ¹ – Consumer Conversation report by eConsultancy

“81% of companies also believe they either have or are close to having a holistic view of their customers. In reality, only 37% of consumers say their favourite retailer understands them.” ² – Consumer Conversation report by eConsultancy

Where CX and Mobile Connect

Preparing for change and innovation in any industry seems like an obvious choice for today’s savvy businessperson. Public opinion shakes its collective head at former giants like Blockbuster, Kodak and Blackberry and their inability to adapt to the glaring shifts occurring in their sectors, yet this scenario happens time and time again, and likely will continue to happen again because many organisations continue to make the same costly mistakes:

• They fail to keep their technology or product up with the times.
• They focus on their success in the now, without anticipating the future behaviours and needs of their customers.

While some believe that this catastrophe will never happen to their industry, the truth is that it already is—with customer experience. Specifically, in the modern marketplace, customers are able to switch from one company to the next with unprecedented ease. Armed with transparent information about brands and their competitors, they know where the best deals are and they know how to get them as quickly as possible. If they aren’t happy with their service, they can easily voice their discontent via email, social media and review sites, setting the stage for a plethora of repercussions that range from poor customer satisfaction ratings and high churn rates, to low advocacy percentages and lost revenue. In short, their increased power, choice and visibility have made customer experience technology and management essential for financial success in almost every vertical.

Customer Experience Will Affect Almost Every Vertical

Which verticals will customer experience affect exactly? A 2015 report by research firm Markets and Markets found, “[The verticals in which Customer Experience Management (CEM) is expected to gain traction are public sector energy & utilities; banking, financial services and insurance (BFSI); healthcare, automotive & transformation, consumer goods & retail, media & entertainment, travel & hospitality, and manufacturing.” Globally, they also found that “The North American, Europe, and Asia-Pacific regions are expected to be among the major revenue-generating regional markets for customer experience management. These regional markets are also expected to exhibit high growth during the forecast period of 2015 to 2020. Significant market growth is also expected in the customer experience management markets of the Middle East & Africa and Latin America.”³

The Separation of CX Leaders from Laggards

While the rise of customer experience around the world isn’t surprising to most, what might be is how quickly and aggressively it is dividing industry leaders from laggards worldwide. According to a global survey conducted for Sitecore, investing in good CX practice is not only good for encouraging brand loyalty, it ultimately has a positive impact on bottom line revenue growth.4

The study, conducted with 880 decision makers in six countries, found that for every dollar invested in improving the customer experience, businesses generated three dollars in return. Brands investing in customer experience have seen a 19% increase in revenue in the past 12 months.5

Suffice it to say, those who do not have comprehensive customer experience programs are falling behind like their unlucky predecessors, and without a plan of action to catch up, they will suffer the same fate.

Laggards Aren’t Lagging by Choice, They Just Need Help Navigating the Waters

For most CX laggards, their unfavourable position isn’t by choice. In fact, a very large majority of them are trying to understand the customer journey, pain points and overall experience. They want to work on improving experience and satisfaction levels, but they have several large road blocks in their way. In particular, they:

• Don’t have the proper resources to turn their existing CX technology into an effective solution
• Struggle to apply new CX technology to legacy software and systems
• Primarily operate on one or two customer service channels and can’t justify expenses for multi-channel solutions
• Don’t have the buy-in from executive and C-Suite decision makers to invest in full-scale program solutions

Change Is Constant in Customer Experience, So Start a Program before You Are too Far Behind

The one constant in the customer experience landscape is that it is always changing, and at a rapid pace. A quick look at its evolution over the past hundred and fifty years shows a dramatic pendulum shift from vendors being product-centric, or relying on their products to succeed, to being customer-centric, or relying on their customers to succeed. This focus on the customer is even more prevalent in industries where products and offerings are becoming commoditized and the gap between price differentiation is shrinking, such as in telco and finance.

Technology has played a strong role in the rise of the customer, and it has given them the power to research and compare competitors at breakneck speed, and to voice their dissatisfaction more forcefully and...
effectively than ever via social media and consumer focused websites. Moreover, it has offered customers a wider range of channels to interact with companies on, requiring focused management of their journey, whether in-store, online, by phone, email, or social media and beyond.

Point solutions, or CX technologies that manage one channel, such as phone or CATI, were a good starting point for companies that didn’t expect to expand their customer experience initiatives into full scale multi-channel solutions, but with predictions stating that:

- By the year 2020 customer experience will overtake price and product as the key brand differentiator – Customers 2020, The Future of B-to-B Customer Experience, Walker Information
- By 2016, 89% of businesses are soon expected to compete mainly on customer experience—Gartner
- The global customer experience management market is projected to grow from USD 4.36 Billion in 2015 to USD 10.77 Billion by 2020, at a CAGR of 19.9% during the forecast period, 2015 to 2020—Markets and Markets

The question is no longer, “Will I need a multi-channel solution?” it is “When will I need a multi-channel solution?” Today’s multi-channel platforms open up a door for a comprehensive understanding of the customer. They, “permit marketers to gather and analyze direct feedback (typically via surveys), indirect feedback (social media or call recordings) and inferred data (transactional, web and other operational data). These solutions provide the means to understand customer sentiment and experience, and act on customer feedback through tools such as real-time dashboards, alert systems, customer journey maps and workflow management for service recovery,” states Gartner’s “Market Guide for Marketers’ Voice-of-the-Customer Solutions.”

Multichannel, in short, is a game-changing solution that answers many problems in the customer experience puzzle, but only for companies that have the buy-in, money and resources to apply them properly across their entire organization. For those who aren’t at this stage yet, multichannel platforms don’t address their need to start small and to grow out incrementally. This leaves another glaring question: What do organisations do if they’re ready to evolve from a point solution, but can’t afford or get the buy-in for a full scale multi-channel solution?

Point solutions offer an option for companies wanting to start small, but they can have negative returns on investment in the long run. Specifically, they don’t allow the program to grow out, meaning that once the organisation is ready for the leap to multichannel, the point solution and its technology will have to be uprooted or scrapped in order to employ the multichannel solution and its technology. This is a waste of both money and resources, in addition to time and effort by employees, channel managers, IT departments and frontline staff who will eventually have to train on new systems once this infrastructure is in place.

That’s why the future of CX needs a middle ground—one where customer experience solutions expand when and where companies need them to, while having the technology groundwork to lay the roots for a future multi-channel solution. The right CX platform should address each company’s individual needs and maturity level. Gartner in “The State of Customer Experience Innovation, 2016: Customer Analytics Gets Critical” echoes these sentiments, suggesting that, “Trying to tackle too many problems at once tends to lead to failure. It is better to focus on those that will deliver high impact for the business and provide a springboard for future improvements. IT leaders supporting customer experience need to assess and prioritize the CX improvement projects that are most critical to their own organizations’ individual circumstances and challenges. Focus on key projects—don’t get distracted by the size and complexity of the CX challenge: CX is a continuous journey of improvement rather than a fixed destination.”

CX leaders are undeniably poised for growth and success. But they aren’t the majority. The majority of companies are in CX limbo, a state where they want to have full-scale multi-channel solutions and the latest technology, but are constrained by budgets, legacy technology, executive buy-in and proof of ROI. Ready to expand beyond a single solution, they need choices that let them grow their customer experience programs in small steps, to gain “small wins,” so they can justify bigger investments, prepare better CX plans, and get buy-in from all levels of their organisations.

Choice: The Missing Link Between Point Solutions and Full-Scale Multi-Channel Solutions

2 2014 Gartner survey on marketing’s role in customer experience.
With CX technologies offering flexible options between the arena of point solutions and multichannel solutions, struggling enterprises can begin to address many of their roadblocks. Namely, they can:

• Control the speed and growth of the program as it evolves
• Invest in their program on a smaller scale
• Make administrative changes as their CX hierarchy develops and changes
• Lay the foundation for enterprise integration of a full-fledged multi-channel solution when the company, its employees and infrastructures are ready
• Scale benchmarking to the company’s size and goals
• Focus their CX efforts on the main channels of interest with technology that can expand to other channels as the executive buy-in and budget grows
• Have self-serve capabilities in addition to full-service support adapted to the maturity of the project or program

More objectively, these services provide adaptability for your program as the industry, technology and trends change, and when combined with better technology options that offer more flexibility than just point solutions or full-service solutions, organisations will be able to engage their entire business hierarchy from the ground up.

If CX laggards understand the changes occurring in the CX landscape and harness the growing range of choices that are available to them, they can learn to be adaptable with the times. This adaptability will ensure that buy-in for their CX initiatives, programs and projects happen at the right time, with the right resources, and most importantly, with the right outcomes. They’ll be able to swim and even thrive in the CX tidal wave—rather than sink in it—the latter being a fate we have all seen too often with the once successful brands of yesterday.

Adaptability: Finding the Right Fit at the Right Time

Though industry predictions make the future sound ominous for CX laggards, all is not lost for them. In fact, by progressing with industry trends and harnessing technology solutions and service providers that match the maturity and needs of their organization, they can improve their chances of becoming CX leaders.

One critical aspect to cultivating a successful program (regardless of its scale or scope), is the CX team, professionals or experts behind it. As the CX market consolidates and becomes more innovative, many technology vendors are offering the same expertise as service firms—from consulting and benchmarking to program design and strategy—all on an ongoing basis to ensure success as the program or project grows.

For organisations that don’t have the scale or internal structure to employ the right skill-set inhouse, engaging with a professional CX outfit allows a business to more more proactive in their customer experience modelling, allowing a brand to be part of the consumer conversation, rather than merely reacting to situations on-the-fly.

Employing the services of external service firms also brings much needed external perspective. For many brands it can be difficult to take the helicopter view of the organisation, away from the day-to-day, in order to encourage innovative CX initiatives.