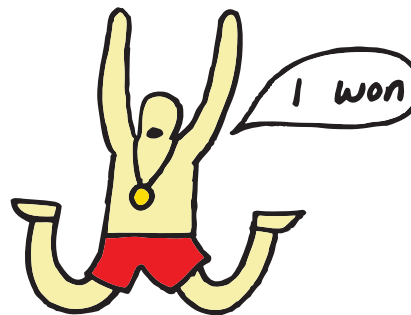
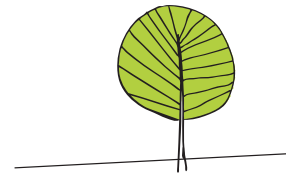

Customer experience management - the big picture



Wikipedia reads 'customer experience management (CEM) is all about the processes and methods used to design and manage a customer's entire experience with a product or a company'.

Research has shown that about 70-80% of all products are perceived as commodities, that is, they are seen as being more or less the same as competing products. Marketers have responded to this in a variety of ways, using branding, product differentiation, market segmentation and relationship marketing, which taken together add up to make customer experience management.

They are five steps to successful customer experience management:

- **Step 1:** Understand the experience world of the customer
- **Step 2:** Build the experience platform
- **Step 3:** Design the brand experience
- **Step 4:** Structure the customer interface
- **Step 5:** Engage and inspire through experience

Step 1 - Understand the 'experience' world of the customer

To do this you need to initially identify just who the customer is. There are basically two types of

customers:

- 1. Individual consumers:** their goal is to obtain the products that meet their personal needs day-to-day and they are affected by design, brand, price etc.
- 2. Business customers:** their goal is to meet specific business requirements and they are influenced by the need to create new value.

Once the customer has been identified then you can divide their 'experience world' into four layers:

- 1.** The broad-based experience, whether it's business or consumer orientated
- 2.** How often the customer will need to use the product or service
- 3.** The experience provided by the product category
- 4.** How highly they rate/believe in the brand values

If you have a customer history then it's important to track the customer experience at key touch-points. The objective of tracking the experience is to develop an understanding of how it can be enriched for the customer. This essentially means following a path that starts with a need, followed by an information search, information processing, decision making and culminating in the purchase.

It's also important to know your competitive landscape by surveying the experiences offered by three generic types of competitors:

1. Direct competitors: What customer experiences do they provide? How are customers being treated and what can you learn from them?

2. New entrants: What do they use to attract their customers and what can you learn from them?

3. Players outside your industry: This is where most of the inspiration comes from. Competitive benchmarking outside the industry can be most rewarding.

Step 2 - construct the experience platform

This step involves positioning and strategic planning. As the experience platform is communicated through the verbal and visual imagery associated with the company and its brand, building the platform can be achieved through:

Experience Positioning: This is used to depict what the brand stands for and should be insightful and multi-sensory. It should end up being tangible enough to immediately know what to do with. Occasionally the position may need to change entirely or it may just need to be updated.

Experiential Value Promise (EVP): This specifies precisely what kind of experience the customer gets. This choice will determine tangible outcomes, such as sales, market share and profitability. When

specifying the promise it can be helpful to think of key criteria including: sensory experience (*sense*), affective experience (*feel*), cognitive experience (*think*), physical experience, behaviours, lifestyles (*act*), and social-identity experiences (*relate*).

Overall Implementation Theme: This is important because it links the positioning and value promise to actual implementation, by stating a clear plan of action and sequence of events that need to occur.

Step 3 - design the brand experience

Brand experience consists of all the static elements that the customer encounters (*e.g. the product itself, logos etc*) and it's necessary to protect the brand experience legally, to keep competitors from copying it. Designing the brand experience involves the following three key aspects:

The Product Experience: This is a union of its functional attributes, how well the thing works (*e.g. special ingredients in a product*), its experience features (*e.g. the hands-on benefits*), how the product works (*e.g. technologies in production process*) and its aesthetics (*design, colours, shapes of the product*).

The Look and Feel: This is the visual identity, including the name, logo, signage, packaging, store design and website branding.

Experience Communications: This includes all marketing communications and information provided around the product or service. It has to provide value, inform and entertain the customer.

Customer Service: It's important not to forget the importance of customer service in the overall brand experience. In particular, the cradle to grave aspect of the customer chain should not be broken as this ensures that the 'brand promise' is not broken.

Step 4 - Structure the customer interface

This refers to the dynamic exchange of information that occurs between the customer and a company. It deals with three types of exchanges and interactions: face-to-face, personal-but-distant and electronic.

Technology can improve the interface experience and it's important to train the right staff. There are three aspects that are central to managing the customer interface correctly:

Essence and Flexibility: It's important that 'what is' communicated to the customer is of the highest quality and meets their needs, whilst flexibility will ensure that customers recognise the human element of the service delivery.

Style and Substance: Style refers to the manner of expressing the essence and flexibility of the interface whilst substance refers to tangibles associated with it, such as 'how' you communicate.

Timing: The management of communication exchanges and interactions over time.

Step 5- Engage in continuous innovation

This can be achieved by any improvement to the customer experience resulting from breakthrough new products, small innovations or marketing incentives. All the innovations should be experience-driven and not product or operation focused, although they can be product related as well as marketing related.

Product related innovation can contribute to customer experience in several ways, e.g. developing new functions of a product, providing new solutions and therefore new experiences, or projecting a new image of relevance, particularly

“To succeed marketing innovations should be surprising, intriguing and occasionally a little bit provocative”

when a new company is no longer seen as relevant (*therefore losing customers and being perceived as old-fashioned*). Customer experience is also important for the development of new products and should, where possible, be integrated into any innovation strategy and plan that may exist, particularly when it comes to the design and testing of new products or services.

The goal of marketing related innovations is to create a big splash in the marketplace. To succeed they should be surprising, intriguing and occasionally a little bit provocative.

In conclusion - the benefits

A recent Bain & Company survey revealed just how commonly companies misread the market. They surveyed 362 firms and found that 80% believed they delivered a 'superior experience' to their customers. But when Bain & Company asked the customers about their own perceptions, they rated only 8% of the companies as truly delivering a superior experience. Clearly, it's easy for leading

companies to assume they're keeping customers happy; it's quite another thing to achieve that kind of customer devotion.

So what sets the elite 8% apart? Bain & Company found that these businesses take a distinctively broad view of the customer experience. Unlike most, which reflexively turn to product or service design to improve customer satisfaction, the leaders pursue three imperatives simultaneously:

1. They design the right offers and experiences for the right customers.
2. They deliver these propositions by focusing the entire company on them with an emphasis on cross-functional collaboration.
3. They develop their capabilities to please customers time and again - by such means as revamping the planning process, training people in how to create new customer propositions, and establishing direct accountability for the customer experience.

Each of these draws on and reinforces the others. Together, they transform the company into one that is continually led and informed by its customers' voices.

This is what we do...



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