WHEN YOUR CUSTOMER EXPERIENCE STRATEGY IS STUCK IN NEUTRAL

Avoid these six common mistakes, move out of marketing's planning zone, and get to execution.

By John Bardawill

Customer experience is at the heart of change in every progressive organization today. Why? Because there's only so much Marketing can do to cut through the clutter; there's only so much Sales can do to successfully bring in new customers; and there's only so much Service can do to retain those customers. But a cross-organizational focus on customer experience? That's what will help your company develop lasting relationships, generate more revenue and enhance retention.

Most organizations wouldn't disagree with this, but many get stuck in strategy and analysis mode when trying to enhance customer experience.

It's a condition I've seen most often in large organizations where much of the current strength is based on a history of success. Still riding the wave of significant past wins, large organizations often don't seem to have the drive to significantly move beyond the status quo.

Inaction can feel comfortable, but just like the slow boiling frog, by the time a company realizes there's a problem, it can be too late.

The heat has been rising on the financial services industry for years and only recently with the rise of Fintech is the industry waking to the reality that they have to do something now. It's too early to tell which bank will move into execution mode first, but my money is on the one that stays closest to its customer.

Ironically, the customer is often the thing companies lose sight of when they start planning customer experience strategies. That's because process improvements and service improvements often get lumped in together – and because service delivery gets confused with customer experience.

In our work helping more than 50 companies out of the strategy-only mode and into successfully implementing a customer experience plan, we've come across six common mistakes. If you recognize any one of these as recurring in your organization, you might want to look further into why it's happening and what value fixing it can bring to the table.

MISTAKE #1: Creating a plan that is based on internal activities rather than on changing customer behaviour. Some activities can sound good on paper, but do they really help the company improve business results in the long run? A strategy that aims to reduce customer complaints, for example, can quickly devolve into an internal project focused on trying not to lose customers. Instead, look to improve your business results by moving customers to purchase. You can do this by identifying key measures that you can track and move, and then identifying what you need to do to see those measures move.

MISTAKE #2: Seeing basic improvements for more than what they are. Many companies tend to look at process improvements as elements that will drive better customer experience. While that may be true, look at it from a customer perspective.
Let's say there's a back office billing process that results in a higher than acceptable level of errors. Addressing this will mean fewer calls from customers regarding their invoices, right? But when you improve this process you're actually just fixing something customers simply expect should have been working correctly from the start. It's a table stake.

What you're trying to generate is client-recognized change by implementing service improvements that will make a difference to your customer and serve as a differentiator in the marketplace.

MISTAKE #3: Not using the customer as a common rallying point. Every area of your business has different objectives. Sales might be focused on quotas, Marketing might be targeting an awareness goal, and Service might be trying to reduce call volume. Somewhere, these objectives have to align, and the only thing every department can truly get behind is the need to serve the customer. Until you agree to do that, everyone is working from different perspectives and on different objectives.

MISTAKE #4: Forming a retention committee. By definition, a retention committee is trying to keep something you are in the process of losing. If the value proposition for the customer is no longer there, your chance of successfully keeping these customers is already pretty low.

It's best to focus on enhancing customer experience and improving the relationship with the customers who are still loyal to you. To be clear, there's nothing wrong with setting up a customer retention committee, it just shouldn't be done at the expense of establishing better accountability within the organization. Ultimately, it must strengthen your existing customer relationships.

MISTAKE #5: Putting too much faith in your Net Promoter Scores. Since their introduction in 2003, NPS scores have been widely adopted as a means of measuring the loyalty that underlies a company's customer relationships. To think this one score can tell us all we need to know about whether a customer is likely to recommend the product or service is missing the boat on how to manage and measure customer experience. Too often, companies rely on NPS as not only the sole measure but also as the key proof point to demonstrate they are customer focused.

NPS is a great measure of what your customers think of you and your brand, but what information it provides is only historical. It's a past reflection of what has already taken place, and restricted by what questions it asks. What it doesn't tell you is why customers feel the way they do, what you should do differently, and how customer experience can be made better.

MISTAKE #6: Treating Customer Experience strategy as a project. Too often organizations create a customer experience committee that consists of people juggling multiple priorities and still have their "day jobs" to do. The committee's progress slows down and then the whole "project" comes to a halt.

Instead, customer experience strategy should be run by a team of dedicated people, whose sole job is to learn, develop strategies, and support the organization in enhancing customer experience. Not only does this approach allow for changes to happen more purposefully, but it also sends an internal signal to all other employees about the importance of the change, and that it's here to stay. It's not a side project – it's a new way of running the business.

It's helpful to think of customer experience as more than just service improvements or in terms of satisfaction scores. It's a journey grounded in the continuous conversation you can have with your customers. There's learning what they want and then learning what they will want going forward. With that knowledge, organizations can be confident that their execution will be successful because their activities are based on what the customer will recognize as a deliberate effort to work with them and not simply a change in process that makes the organization function better.

John Bardawill is the Founder and Managing Director of TMG International, a marketing and sales consulting firm that develops and executes customer-focused strategies to drive profitability. John leverages his 25 years of international marketing and management experience to help clients translate marketing, customer experience and change initiatives into meaningful action across their organizations.