

Customer Relationship Management

Managing customer experience

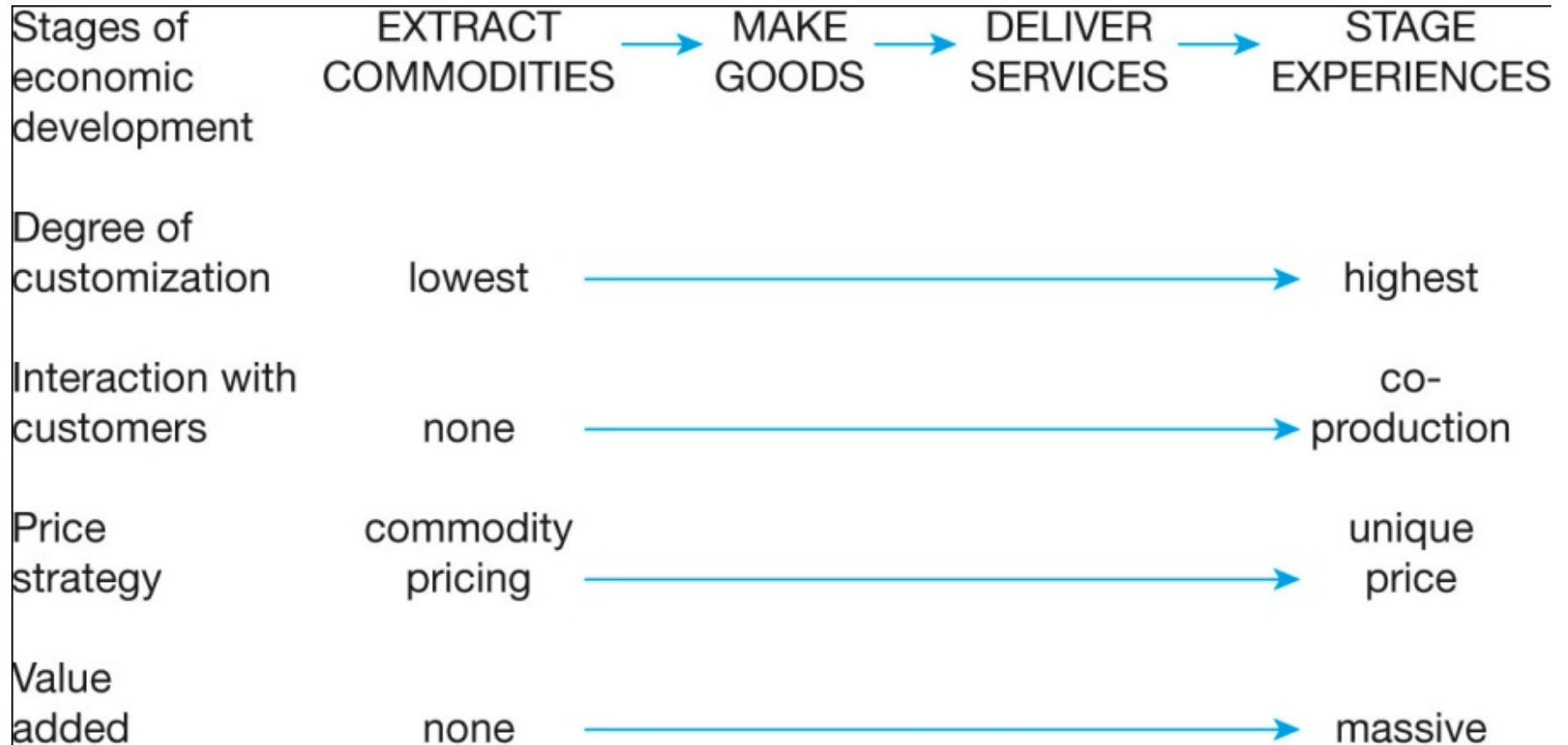
Customer experience defined

- ❖ Customer experience (CX) is the cognitive and affective outcome of the customer's exposure to, or interaction with, a company's people, processes, technologies, products, services and other outputs.

Importance of CX

- ❖ 'It is the “total customer experience” (TCE) that influences customers’ perceptions of value and service quality, and which consequently affects customer loyalty.'

The experience economy



Attributes of services

- ❖ Intangible-dominant
- ❖ Inseparable
- ❖ Heterogeneous
- ❖ Perishable

Classifying customer experiences 1

❖ Planned vs. unplanned

- The *planned* customer experience differs from the *unplanned* because management tries to engage the customer in a positive and memorable way
- The experience may become the 'brand'.

❖ Positive vs. normative

- The *positive* customer experience describes customer experience as it is. *Normative* customer experience describes customer experience as management or customers believe it ought to be.

Classifying customer experiences 2

❖ Commodity vs. unique

- One experience of travelling to work on London Underground is much like another, but co-piloting a jet fighter to celebrate an important birthday would be, for most of us, a unique experience.

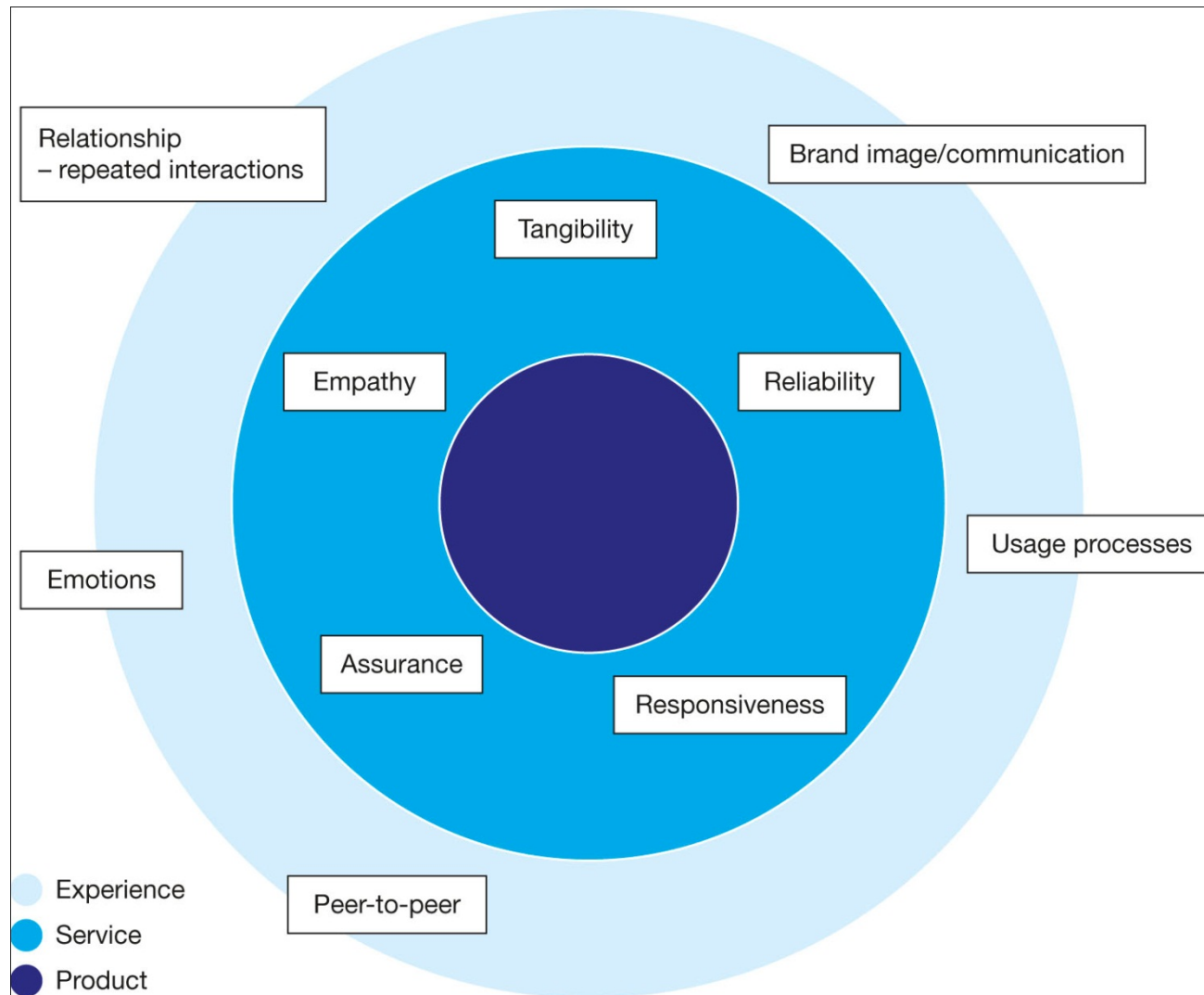
❖ Core product vs. value-add

- Customer experience as the core product: white-water rafting, swimming with dolphins, feeding elephants, paragliding, bungee jumping. Customer experience as value-add: charter flight vs. scheduled flight.

Service quality influences CX

- ❖ Customers experience quality, or lack of it, in their interactions with service providers.
- ❖ CX has been conceptualized as ‘SERVQUAL *plus*’.

Layered model of customer experience



Customer experience concepts

❖ Touchpoint

- Touchpoints exist wherever customers come into virtual or concrete contact with a company's products, services, communications, places, people, processes or technologies.

❖ Moment-of-truth

- Moments of truth occur during customer interactions at touchpoints. These are the moments when customers form evaluative judgements, positive or negative, about their experience.

❖ Customer engagement

- Engaged customers are more committed to the brand or firm than customers who are just satisfied.

Four forms of customer engagement 1

❖ Cognitive

- does the customer know our brand values? Does the customer know about our sustainability awards? Does the customer know the name of our local sales rep?

❖ Emotional

- does the customer like the experience offered by our firm? Does the customer prefer our offerings to our major competitors? Is the customer excited about our new product launch? Customers who are engaged might express a sense of confidence, integrity, pride, delight or passion in the brand.

Four forms of customer engagement 2

❖ Behavioural

- how often does the customer visit our website? How long does the customer dwell on the website? Does the customer click through to our newsletter?

❖ Social

- has the customer used our Recommend-a-Friend programme? Does the customer 'like' our Facebook page? Does the customer join our Twitter conversation?

4Is engagement measures

| Metric category | Examples of measures |
|------------------------|--|
| Involvement | Unique site visitors, advertising impressions, web-site page views, time spent per session, time spent per page, in-store visits, newsletter subscriptions |
| Interaction | First-time purchases, videos played, community contributions, warranty registrations, loyalty card registrations, requests for free samples, comments in social media, click-throughs on banner ads, photos uploaded |
| Intimacy | Satisfaction scores, sentiment in blog and social media posts, call centre feedback, focus group contributions. |
| Influence | Content forwarded, friends invited to join online communities, word-of-mouth, creation of user-generated content, invitations to join member-get-member program, content embedded in blogs |

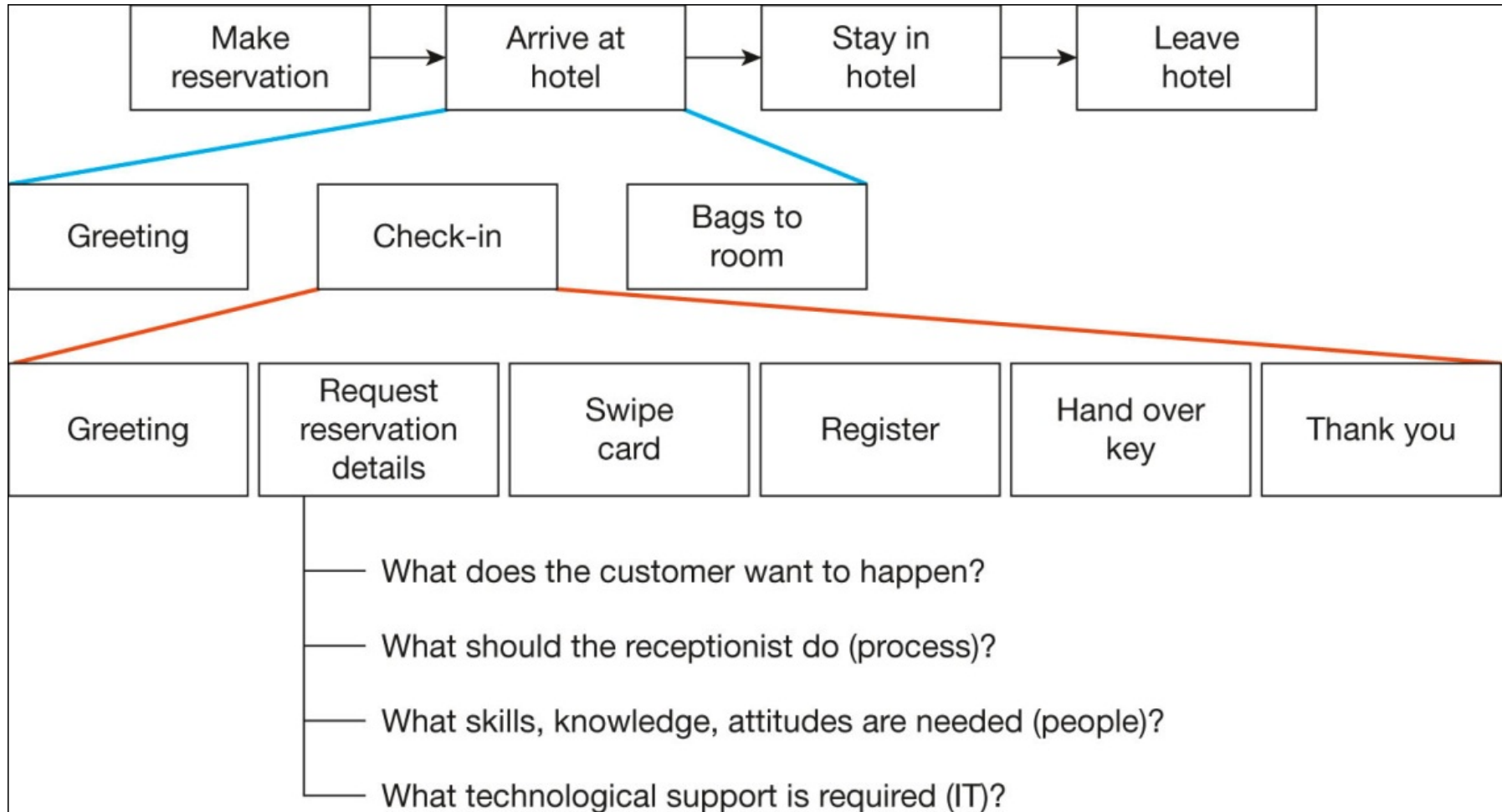
Desired customer experience outcomes

- ❖ Companies that consciously design customer experience want to evoke strong, positive engagement.
- ❖ Such engagement might be expressed in a sense of confidence, integrity, pride, delight or passion.

How to understand customer experience

- ❖ Mystery shopping
- ❖ Experience mapping
- ❖ Ethnographic methods
- ❖ Participant observation
- ❖ Non-participant observation

Experience map of a hotel guest



Key questions for customer experience managers

1. What sort of outcomes do our customers want to experience?
2. What is the current customer experience?
3. What tools and strategies are available to close any gap between current and desired experience?
4. How can we measure whether we have succeeded?

CRM's connection to CX

- ❖ The way CRM tools are used influences CX at moments of truth.
- ❖ Not every CX programme used CRM tools.
- ❖ Appropriate, well-deployed CRM tools can enhance CX.

Features of CRM applications that improve CX

- ❖ Usability
- ❖ Flexibility
- ❖ High performance
- ❖ Scalability

Communications

Visual/verbal identity

People

Product presentation

**Experience
Providers (ExPro's)**

Web Sites

Co-branding

Environment



Strategic

Experiential Modules



SENSE

FEEL

THINK

ACT

RELATE

SENSE

Primary
Elements

and

Styles

Verbal and visual
Symbols

and

Themes

Overall impressions



The framework is based on: Schmitt and Simonson, "Marketing Aesthetics," The Free Press, 1997.

FEEL

Moods

Light

Positive, negative, or neutral

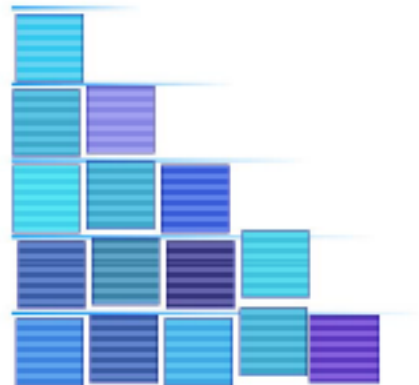
Often unspecific

Emotions

Strong

Positive or negative, meaningful

Triggered by objects, people and events



THINK

THINK Concepts

Convergent

Divergent

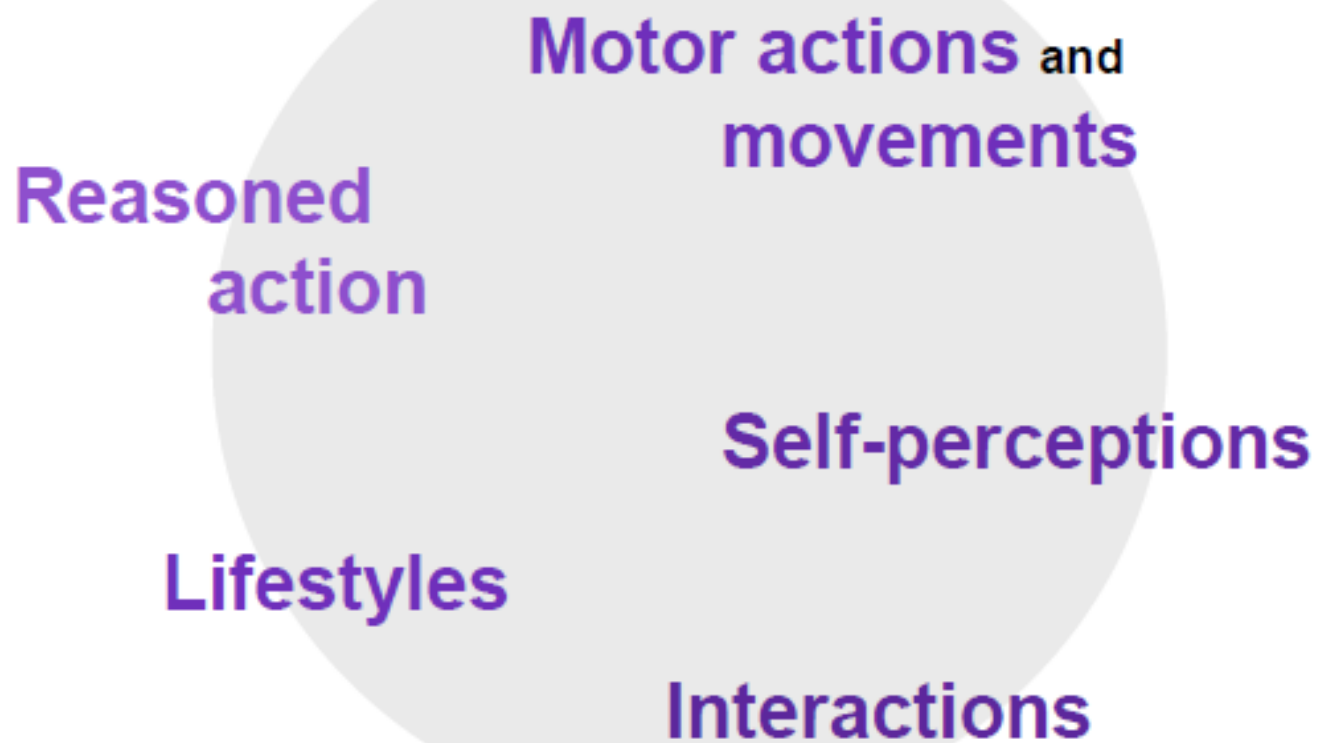
Directional

Associative

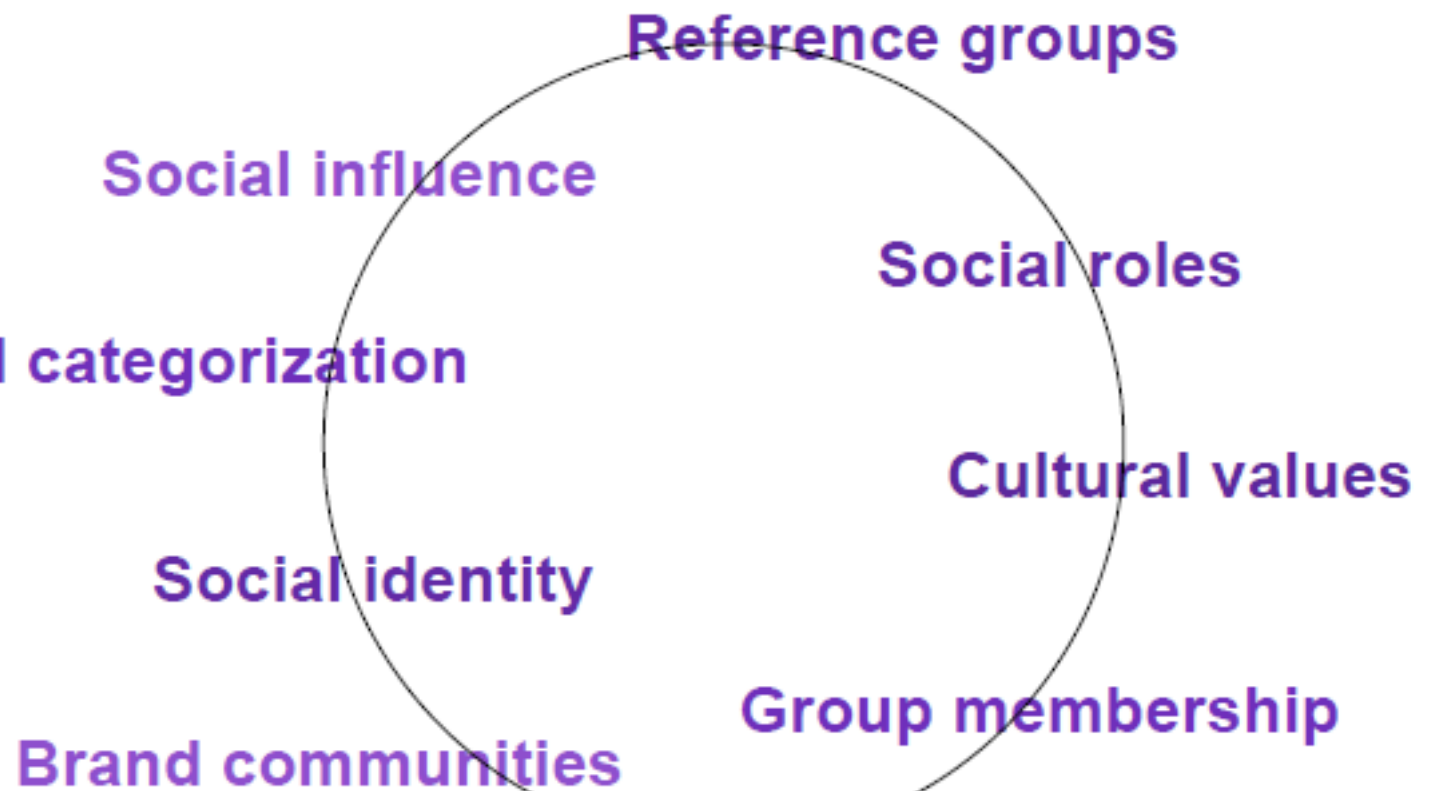
THINK Campaigns



ACT



RELATE



EXPERENTIAL GRID

| | COMUNICAZIONE | IDENTITA' VISIVA | PRESENZA PRODOTTO | CO-MKT | SPAZIO FISICO | SITO | PERSONE |
|--------|---------------|---------------------|----------------------|--------|------------------|------|---------|
| SENSE | | | | | | | |
| FEEL | | | | | | | |
| THINK | | | | | | | |
| ACT | | | | | | | |
| RELATE | | | | | | | |