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

<table>
<thead>
<tr>
<th>Stages of economic development</th>
<th>EXTRACT COMMODITIES</th>
<th>MAKE GOODS</th>
<th>DELIVER SERVICES</th>
<th>STAGE EXPERIENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree of customization</td>
<td>lowest</td>
<td></td>
<td></td>
<td>highest</td>
</tr>
<tr>
<td>Interaction with customers</td>
<td>none</td>
<td></td>
<td></td>
<td>co-production</td>
</tr>
<tr>
<td>Price strategy</td>
<td>commodity pricing</td>
<td></td>
<td></td>
<td>unique price</td>
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<tr>
<td>Value added</td>
<td>none</td>
<td></td>
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<td>massive</td>
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</table>
Attributes of services

- Intangible-dominant
- Inseparable
- Heterogeneous
- Perishable
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.
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

- **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

<table>
<thead>
<tr>
<th>Metric category</th>
<th>Examples of measures</th>
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</thead>
<tbody>
<tr>
<td>Involvement</td>
<td>Unique site visitors, advertising impressions, web-site page views, time spent per session, time spent per page, in-store visits, newsletter subscriptions</td>
</tr>
<tr>
<td>Interaction</td>
<td>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</td>
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<tr>
<td>Intimacy</td>
<td>Satisfaction scores, sentiment in blog and social media posts, call centre feedback, focus group contributions.</td>
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<tr>
<td>Influence</td>
<td>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</td>
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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

- Make reservation → Arrive at hotel → Stay in hotel → Leave hotel
- Greeting → Check-in → Bags to room
- Greeting → Request reservation details → Swipe card → Register → Hand over key → Thank you

- What does the customer want to happen?
- What should the receptionist do (process)?
- What skills, knowledge, attitudes are needed (people)?
- What technological support is required (IT)?
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
Experience Providers (ExPro’s)
SENSE

Primary Elements and Styles

Verbal and visual Symbols and Themes

Overall impressions

Moods

Light
Positive, negative, or neutral
Often unspecific

Emotions

Strong
Positive or negative, meaningful
Triggered by objects, people and events
## EXPERENTIAL GRID

<table>
<thead>
<tr>
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<th>PRESENZA PRODOTTO</th>
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