

Evaluating Customer Experience – Part 1

Why?

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Why is CX so important to you?

Leading brands and companies agree that CX – Customer eXperience – is one of the most important success factors for their business. The experience of customers as they interact with your business is what is going to determine your success, even compared to other important factors, such as pricing or the features of the product itself. In this short series of articles, we will examine why and how you should evaluate your customer experience, concluding with the different measures you should pursue. Let's start with why...

Industry leaders across all verticals are focussed on CX

There is a quote, attributed to Walt Disney. "Whatever you do, do it well. Do it so well that when people see you do it, they will want to come back and see you do it again, and they will want to bring others and show them how well you do what you do." It underlies the ethos at Disney, where the organisation has been focussed on creating unforgettable customer experiences for nearly a

hundred years. They even run their own CX summit.

From Apple's legendary service and support (which has suffered some reputational damage with their recent battery / performance revelations), through to Amazon's focus on next-day or even same-day delivery through their Prime service, it is customer experience which transforms brands from the ordinary to the extraordinary.

In June 2017, Forrester Research published a report that stated, "A laser-like focus on customer experience (CX) is the best path to business success. Forrester has proven this by analysing major brands' financial results and showing that they correlate with how customers perceive their interactions with those brands". Similarly, Deloitte have said that the consumer's decision to buy a product or service is impacted by their overall enjoyment of their experience.



Your customer experience is your opportunity to differentiate

The staggering advance in democratisation of technology has put power firmly into the hands of the consumer in many aspects of retail and finance. No longer is it necessary to wander the high street and speak to each bank in turn, to visit broker after broker to find the best deal or trust an adviser with their life. The key information consumers need is at their fingertips – just a few web searches away – and comparing products and offers couldn't be easier. In fact, there is so much detailed information to hand for consumers that it can become overwhelming, leading them to look for reassurance in what others are saying and doing.



Of course, all this information about offerings in our market is available just as easily to our competitors should they choose to go looking, so the way products and services are presented can end up looking incredibly similar. Regulatory compliance in financial services makes it even harder for platforms and providers to differentiate our offerings. When we all have to follow a specific set of rules and show this wording at that point in

the journey, it's no wonder platforms end up seeming very samey. Once a provider of any service is selected, it has become so much easier to switch between offerings that consumers do it without a care. There is a whole industry around switching. Be it energy providers (uSwitch, Flipper), insurance (Money Supermarket, Compare The Market) or banking (CurrentAccountSwitch.co.uk), these services have distilled the process to no more than a few clicks of the mouse. GDPR is likely to open up even more opportunities for these types of play as data portability becomes a reality. Great for consumers, but how are energy providers supposed to stand out to new customers?

It's a fact of life now that customers have more experience using our competitors' products and services than they used to have. If they haven't come into direct contact, they have read the reviews, seen the YouTube videos, browsed the website and read the Ts & Cs – okay – maybe not that!

So with propositions looking similar, sounding similar and every aspect of the product or service on show for all to see, what is going to drive customers to your offering, and keep them there? Since customer experience pervades every touchpoint and every journey, it can be hard to explain, to quantify and to prove up front. So it relies on word of mouth, advocacy and above all, the experience of your existing customers. These things are a huge opportunity to differentiate in an otherwise vanilla world.

A great experience turns customers into advocates

It stands to reason that it is easier and cheaper to sell a product to an existing customer than to a new customer. Especially to a customer who is already convinced of the virtues of your business; who doesn't need to be convinced of the level of service or value for money; who already trusts your brand and knows they will get what they need.

'The probability of selling to an existing customer is 60 – 70%.
The probability of selling to a new prospect is 5-20%.'

Marketing Metrics

Not only will a great experience bring customers back time and again, it will ensure they bring their friends, families and colleagues too and make them want to talk about their experience. People like to tell others when they feel they've made a great decision. Walt Disney had it spot on all those years ago. That was no Mickey Mouse organisation he built.

In the next article of three, we look at how to set your organisation up to successfully deliver a great customer experience.