CEX SELLS

Deborah Wietzes
Beate van Dongen Crombags

New inspiration for valuable customer experiences

TABLE OF CONTENTS
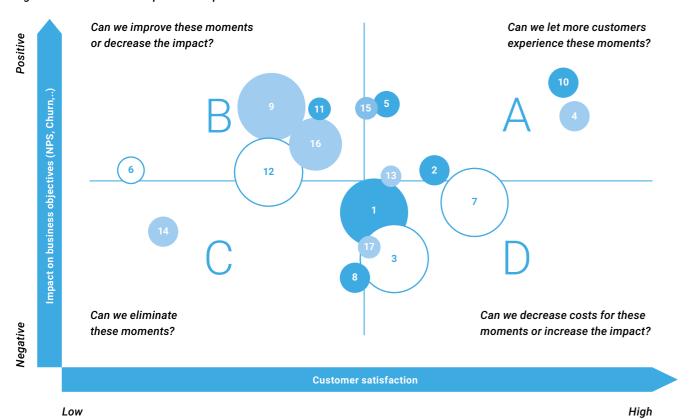
The customer experience impact matrix

The impact per contact moment or per journey can be demonstrated in what we call the 'customer experience impact matrix'. It plots all contact moments or journeys on both the customer satisfaction, that is, the experience, and the relative impact on business objectives. Moreover, the size of the dot indicates the number of respondents that say they have experienced that contact or journey (the frequency). The larger the dot, the more people experienced it. When prioritizing the contact moments or journeys, of course one that is experienced by more people will get a higher priority.

Now let's take a closer look at each quadrant (see figure 1.1) and the consequent strategy. Though we describe the strategies for the contact moments, assuming the customer experience impact matrix is made for one journey, the same applies for the customer journeys if the matrix is made for more journeys. Therefore, whenever we use the word 'moment', you can also read 'journey'.

Figure 1.2 The customer experience impact model

A *Moments with a high customer satisfaction score and positive impact on the KPIs*

You can really set yourself apart from competitors with these moments. These are the moments that emphasize why customers have chosen and keep on choosing your organization over others. This positive impact can even be enlarged by ensuring more customers experience these moments. You can also let the positive experience resonate better. For example, by emphasizing these unique experiences in content marketing or in the customer service contacts.

B *Moments with a low customer satisfaction score, yet a positive impact on the KPIs*

Quite often, these are contact moments meant to simplify processes for your customers, however they do not yet meet expectations. Let's take banking apps. Online banking has already had a positive effect on the business KPIs, but apps increase the number of contacts, which therefore has a significant positive effect. Yet the usage of the app itself is often not entirely what the customer wants. This is in part due to the fact that customers' expectations towards apps are quite often set by experiences in other industries, which are not always easy to follow by large and slow banks. Continuously adding new functionalities and increasing the usability of apps increases the customer satisfaction and moves these contact moments from the upper left quadrant to the upper right one.

C *Moments with a low customer satisfaction score and a negative impact on the KPIs*

These moments are deadly for your customer experience! Customers are dissatisfied and this negatively influences your business objectives. Complaints are an obvious example, but also payments or newsletters can be found in this quadrant. In general, these are the contact moments customers did not ask for and therefore don't like.
The solution quite often is not in the contact moment itself, but in one or more of the previous moments. What caused this negative moment to happen? Is there any way we could have prevented this moment from happening?

Instead of optimizing these types of contact moments, you want to remove them. For example, by investigating what went wrong in the previous moments and changing that, or by minimizing the impact, e.g. by automating the process.
If you really can't change the moment itself or the previous moments, another way of limiting the impact is by immediately following up on the negative moment by a positive moment. That's why some organizations send flowers after a major complaint.

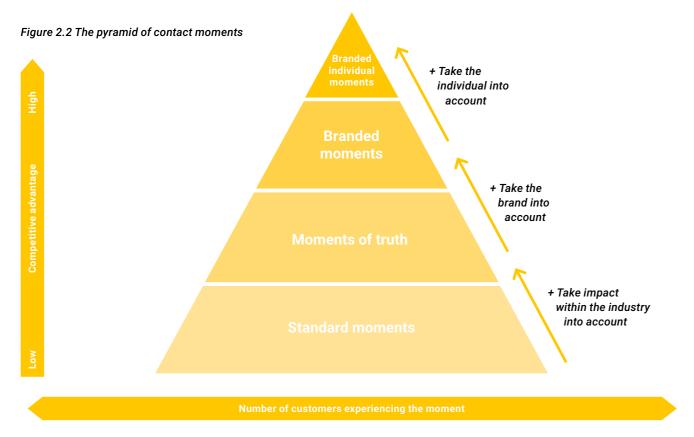**D** *Moments with a high customer satisfaction score, yet a negative impact on the KPIs*

Good news: customer experience is not only about investing. It is about optimizing the resources you have and might mean you are investing in the wrong things, or even that you can save money.
Based on quantitative research, it sometimes turns out that a contact moment has a high customer satisfaction score but still has a negative impact on the business objectives. If you only look at the customer satisfaction score, you might think these moments are important assets to your organization. However, instead of maximizing the number of people that experience these moments, you want to minimize it. Or even diminish these moments completely, since during these moments you are apparently overdoing it: every time a customer experiences one of them, it negatively influences your KPIs.
Think about waiting time. Customers don't like to wait of course, so a lot of companies are investing to decrease waiting time. However, sometimes having to wait for a minute less might influence customer satisfaction, but not the business KPIs. Imagine the costs you could save by allowing a longer waiting time and accepting a lower satisfaction score for this contact moment. You can only do so if you know that this won't negatively influence the business objectives.
Next to savings, you can also investigate why these moments don't contribute to your KPIs; maybe a redesign could ensure they do.

By analyzing for each contact moment both the impact on the customer, i.e. customer satisfaction, and the impact on the

Figure 2.2 The pyramid of contact moments

Brand moments are specific to your organization: during these moments, you want to create an emotional bond with your customers: you really want to connect to them in a unique way, in line with your brand values and thereby exceeding the customer's expectations.

This moment could be a moment of truth: an insurer, for example, could decide to exceed their customer's expectations during the claim moment. But a brand moment could also be a standard moment, for example by surprising the customer when sending the monthly invoice.

You could also decide to create a whole new contact moment, e.g. by contacting all customers who have been a customer with your organization for over ten years.

No matter whether this is a standard moment, a moment of truth or a new moment, once you decide this moment is a brand moment, it should lead to positive experiences.

Some organizations strive to be distinctive at every contact. In our view this is only possible for the so-called 'challenger brands': newcomers in the industry that can define their total customer experience from scratch. They have the resources and don't have to deal with old legacies. Think of companies such as Uber and Netflix.

Branded individual moments

Let's summarize: we started by making the distinction between standard moments and moments of truth. As stated in this chapter, we definitely need to take our brand values into account, leading to branded moments. Are branded moments the most valuable moments then?

In our view, one important dimension is still missing: the individual!

Who is experiencing the contact with your organization? In what kind of context and situation is he or she? What are his or her needs now? We are convinced that it is most effective for organizations to focus on branded individual moments. In order to be valuable to your organization the branded individual moments should be RICH:

- **R**eflecting the brand values.
- **I**ndividualizing the experience.
- **C**ontributing to the business objectives.
- **H**armonizing the customer journey as a whole.

Reflect the brand values

With brand values, an organization creates the image of the company. This unique signature should be experienced by the customer throughout the customer journey. This will not only lead to better customer experiences, but also to a competitive advantage.

Individualize the experience

What valuable means might differ from person to person and according to the situation?

So we need to know when it is relevant to a specific customer in a specific situation and to act on that.

Contribute to the business objectives

Valuable experiences are not only valuable to the customer, but also to the company.

It goes without saying that excellent customer experiences lead to higher customer satisfaction and NPS. So, if this is your main business objective, the two go hand in hand automatically. But what if your business objective is sales growth?

Or cross-selling? Or cost-saving? A clear understanding of the business objectives ensures you focus on these experiences that are beneficial both to your customers and to your business.

Harmonize the total customer journey

No single customer contact stands on their own. Customers have different contacts during different moments via different channels. Since the total customer experience is the sum of all these contacts, consistency is key. Only if you ensure a contact is perfectly in line with the other contacts, does this contact add value to the total experience.

How branded utilities can get you out of the commodity trap

A lot of industries are increasingly becoming commodity markets. Think of the insurance industry, the energy market or telecom industry. But also among consumer goods, products are more and more alike. So, buying decisions are mainly driven by price or ease of purchase.

Since it is harder to stand out solely through the product, organizations should try to be different through the customer experience. As mentioned above, branded experiences are key in order to differentiate oneself in homogeneous markets.

The key question is: will customers have enough contacts with your company to experience these distinctive, branded experiences? As an example, an insurance company will in general only have contacts with their customers at the moment of purchase and when the customer has a claim. To truly get out of the commodity trap, organizations need to go one step further. Create more contact moments, generate more possibilities to build your brand and offer more relevance to your customer than only your core products. Organizations need a platform to pull customers towards them: branded utilities are crucial.

A branded utility is a set of services, often digital, created by and linked to a brand. These services are all connected by a central theme that adds value to your customers and

PORSCHE

Building relationships by addressing emotions

Porsche, officially Porsche AG, is the German luxury automobile manufacturer well-known for its high-performance sports cars. Ever since the first Porsche was created in 1947, the company has been continuously striving to create the perfect sports car. The underlying Porsche Principle is simple: always get the most out of everything. After sports cars, Porsche also produces high-end fashion articles like watches, pens and trolleys with the Porsche Design brand.
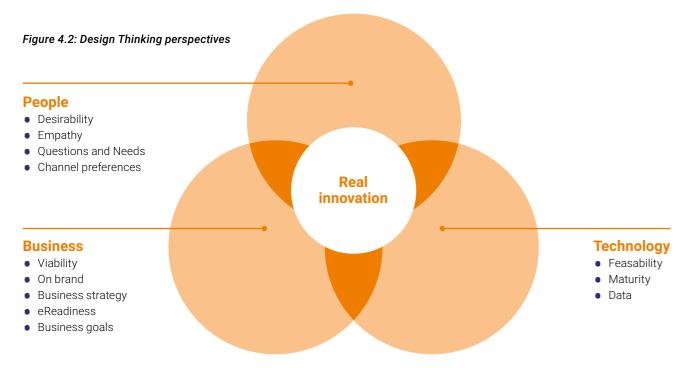
T-MOBILE

A new platform to anchor itself in the lives of customers

T-Mobile, part of Deutsche Telekom, is an international telecoms operator. Worldwide, T-Mobile has close to 230 million subscribers, making T-Mobile the fourth-largest multinational telecom operator.

In the fast changing environment of telecom operators, the company has reinvented their added value towards both its B2B and B2C customers. The need for a solid strategy is high, because the position of T-Mobile as mobile-only player is less solid in the market than the position of all-in-one parties that can rely on their quad play (i.e. internet, TV, fixed line telephone at home and mobile telephone services) which results in a higher exit barrier for customers.

Photo: Tony Webster

Figure 4.2: Design Thinking perspectives

People
- Desirability
- Empathy
- Questions and Needs
- Channel preferences

Real innovation

Business
- Viability
- On brand
- Business strategy
- eReadiness
- Business goals

Technology
- Feasability
- Maturity
- Data

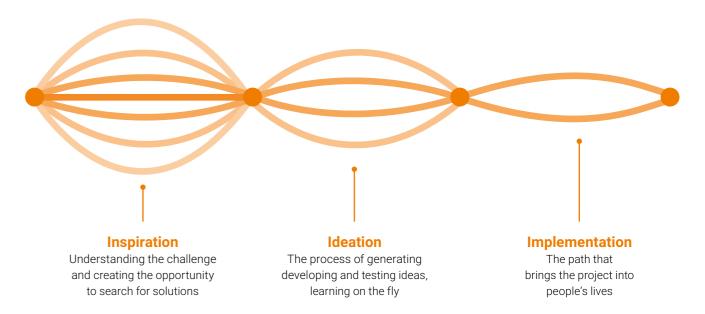## Human-centered customer journeys request Design Thinking

With the agile philosophy, Design Thinking is another way of thinking used by organizations to deal with the rapidly changing world around them.

Design thinking has been made famous by the company IDEO, which uses the following definition: "Design thinking is a human-centered approach to innovation that draws from the designer's toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success." Design thinking is a way of thinking which aims for a deep understanding of human behavior and customer needs in order to develop actual problem hypotheses and generate as many solutions as possible.

A challenge is a 'how to' question in which we focus on a certain type of customer in a certain situation; for example, how to make the installation of a device for new customers as easy as possible.

Redesigning the customer journey can mean redesigning a single contact moment, but generally, the problem to be solved is linked to a small set of contact moments: a 'mini' customer journey. In our example, optimizing the installation of a new device might not only mean improving the installation itself, but also setting expectations upfront when the customer buys the device, or sending an automatic message afterwards once the device has been successfully installed.

In the process of design thinking you always follow three steps to get the best solutions for your challenge:
- inspiration
- ideation
- implementation.

Figure 4.3: Three steps design thinking

Inspiration
Understanding the challenge and creating the opportunity to search for solutions

Ideation
The process of generating developing and testing ideas, learning on the fly

Implementation
The path that brings the project into people's lives

1 *Inspiration to understand the challenge and get inspired*

The inspiration phase is all about opening up to new insights regarding the challenge. We expand our viewpoint by gathering information from as many sources of inspiration as possible; from people, business and technology point of view, for instance via customer interviews, customer safaris (where teams go out to experience the realities of customer interaction and experience) questionnaires, data analyses or technology scans. Design thinking helps you to focus on the customer and their situation to reach a broader perspective on the challenge we are facing.

To ensure we are able to define concrete solutions however, we need our challenge to be focused. We select a certain target group (a persona), use customer insights or the design principles (see Chapter 1) to narrow the scope of solutions.

2 *Ideation to generate, develop, iterate and test ideas*

In the ideation phase, we want to create validated prototypes, ready for implementation. In order to do so, we complete a couple of design sprints.

A design sprint is a relatively short but intense period of time where an idea is developed into a validated prototype by a design team of diverse stakeholders.
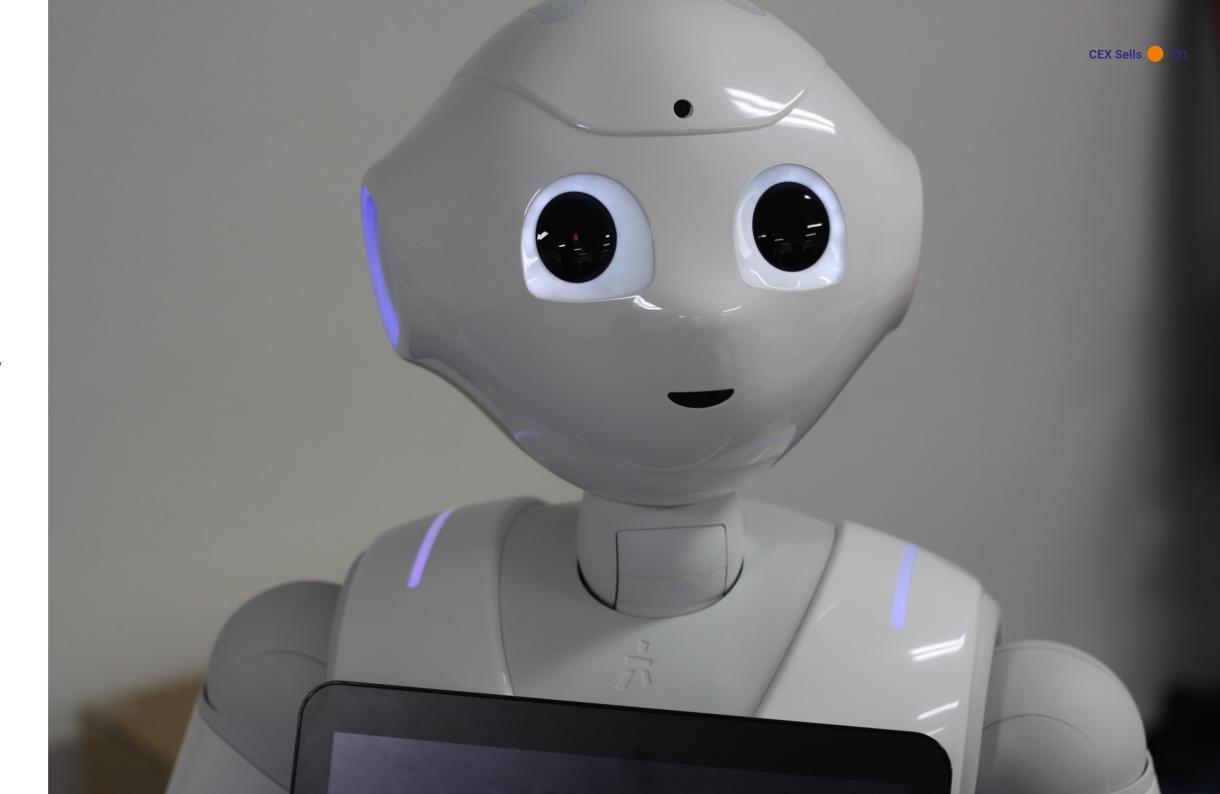
Starting from a persona or proto persona, a design challenge and design principles, together we visualize and develop ideas to innovate on specific touchpoints in a mini-journey.

In a series of weeks, we validate visualized ideas with real customers through lean testing methodologies and based on test results, we iterate and improve ideas, learn from failure and refine our prototype to make it ready for implementation.

CARREFOUR

Spicing up the in-store retail experience with humanoid robot 'Pepper'

Retailer Carrefour, established in 1959 in Annecy, France, is considered one of the most recognizable retail brands in the world. With more than 12,000 stores and e-commerce sites, a presence in more than 30 countries, and more than 13 million customers around the world every day, Carrefour is a company that has every reason to be at the forefront of customer experience innovation.

Technology is at the heart of Carrefour's innovation efforts

Over the years, Carrefour has built up a reputation for being in the forefront of retail technology developments and it has been a frontrunner in introducing technological customer facing retail innovations. Carrefour has piloted and also implemented a wide range of retail technology innovations in the last couple of years. To mention a few:

- Digital walls, and sensors to help customers locate promotions, innovative multiservice terminals, and virtual fitting rooms to enhance and personalize the shopping experience.
- Contactless payment and mobile payment solutions.
- Pikit, the connected device for easy shopping; it enables customers to scan their products so as to add them easily to their online shopping list.
- Home delivery, drive, click & collect, automatic pick-up points, etc.: Carrefour offers customers a complete digitally supported services portfolio for ordering, delivery and collection.
- A connected shopping trolley, with a tablet connected to the trolley push bar, that: shows promotions and discount coupons, digitizes shopping lists, makes products easier to find (thanks to in-store geolocalization), and enables customers to express their preferences and give feedback

Although the above list of retail technologies is already impressive, the most eye-catching retail innovation of recent years certainly has to be the introduction of humanoid robots on the retail shop floor. These friendly human-like machines have up until now mostly acted in a store host role, providing entertainment and information to retail shop customers. The presence of these robots has been successful in the way that they are able to create a unique customer experience touch point; most of the brief encounters result in positive amazement and a smile on the face of the customer.

Robot 'Pepper' - a friendly shop host with a lot of potential

Pepper is produced by SoftBank Robotics and Aldebaran Robotics SAS. Standing 1.20 meters tall, weighing 28 kilograms and making use of four directional microphones, a 10.1-inch touch display, and both a 3D and 2D camera to interact with Carrefour's customers, Pepper is said to be designed to 'make people happy, help them grow, and enhance their lives'. With all the technology on board to support the ability to read the emotions of others, and generate own emotions based on the analysis of expressions and tone of voice, Pepper as a machine is very capable of creating a human-like interaction with people. Additionally, the experiences from a single Pepper are uploaded to a cloud- based Artificial Intelligence system, enabling other units to learn and apply the experiences from a distant unit to their own environment.

The purpose of the humanoid robot Pepper at Carrefour's retail shops

Some examples of the scenarios that can be witnessed in the Carrefour shops are: Pepper…

- …welcomes customers and provides information via the integrated tablet on its chest about promotions, discounts and the MiCarrefour app.
- …provides customers with suggested recipes based on a specific ingredient that customers give as input, and subsequently gives directions as where to obtain the ingredients.
- …initiates interactive play with children through games, dances, selfies and short conversations.
- …provide customers with the opportunity to give feedback on their shopping experience – by entering a rating on the tablet on its chest.

Carrefour believes that innovation is all about observation and listening to customers. The company further states that there is no better place to find out about customers' expectations, needs and desires, and to test and experiment these, than in the store itself. The introduction of Pepper on the shop floor of the

Carrefour retail stores is completely in line with these beliefs and at the same time it is an excellent example of how two of the cornerstones of Carrefour's retail vision have been brought to life almost literally through the use of technology:

- Combining convenience and enjoyment. Making day-to-day life easier by offering choice and quality, and turning shopping into an enjoyable experience: this is what guides our business as a retailer every day.
- Omni-channel and customer experience. The customer at the center of the Carrefour ecosystem. Carrefour develops solutions and services to offer the best possible experience to customers in its stores and online.

The effect of Pepper on customer experience metrics

While the introduction of robots in the retail environment at a first glance seems like a step away from the human-centered and personalized approach commonly seen in retail, a closer look reveals quite the opposite. The encounters between Pepper and Carrefour customers can be described as friendly and amusing social interactions, where customers - if they feel the need - can ask questions and request Pepper's assistance. When Pepper suggests recipes based on customer's input and assists customers in finding the required ingredients in the right aisles, it is very clear that the robot triggers a pleasant surprise during the daily groceries routine. An encounter with Pepper is a unique in-store experience that enables Carrefour to make impact during what customers would normally consider a routine activity at best.

The impact of the Carrefour customer-Pepper interactions on brand loyalty and other relational customer experience metrics still need to be measured. However, it is clear that Pepper is able to put a smile on customer's faces, thereby not only boosting the transactional customer satisfaction, but also positively affecting the overall customer relationship.

What your organization can learn from Carrefour:

- The introduction of new technologies in the core processes of your organization should not be standalone decisions, but should be part of an overall strategic innovation and customer experience program.
- Pilot new technologies in the natural environment to get the most reliable and valuable customer response and feedback.
- Dare to try new things. Being at the forefront of customer experience innovation means presenting your customers with truly discerning customer experiences, without having any guarantees on the outcome. At the same time it is a true opportunity to amaze customers, reap their smiles and build your brand as a customer centric organization.
- Ensure your innovations are in line with your organization vision.

THE MARRIOTT INTERNATIONAL

Using design thinking to redefine the role of hotels and kickoff internal change

Marriott International Inc. is a leading hospitality multinational with more than 6,000 hotels and lodging facilities in 122 countries and territories and over 1.2 million rooms. This makes the Marriott the largest lodging company based on room count. The American company operates 31 brands differentiating between classic and distinctive brands and ranging from select to luxury brands. Its brands include the Ritz-Carlton, Bulgari Hotels & Resorts, the Sheraton and Westin Hotels. The company was founded by J. Willard and Alice Marriott and guided by family leadership for nearly 90 years. The family helped shape the modern hospitality industry. The Marriott was for instance the first hotel company worldwide to offer guests the option to book reservations online.

Customer EXperience (CEX) is hot! Nowadays it is more and more difficult for companies to be distinctive through the products they offer. So it is key to stand out with services offered in addition to these products. Focusing on the customer experience is needed. A lot of companies realize this, but only some are successful. They understand the theory and the process to get there, but what they lack are concrete tools to translate the theory into practice.

'CEX SELLS' is an inspiring book for companies that want to deliver distinctive customer experiences in order to achieve their business objectives. Deborah Wietzes and Beate van Dongen Crombags discuss the various ingredients needed to deliver perfect customer experiences. They include ingredients to define and design the optimal experience, but they also describe what is needed in the organization in order to be able to deliver and manage that desired experience. They show how front-runners worldwide have optimized their customer experience, and what other companies can learn from that.

A book that will definitely inspire you to improve your own organization's customer experience.