

Why Your Customer Experience Program Will Fail

We dedicate our very first (but probably not last) book to the best CX team in the world: Corjan, Kees & Stefan. Thank you for making sure that we never took ourselves too seriously and for making us better leaders by constantly challenging the status quo. Just do it!

Why Your Customer Experience Program Will Fail

... and 7 proven ways to avoid it

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Foreword

By Nienke Bloem

How can I go against a Nobel Prize winner? Well, here I go. No guts, no glory.

Dear Niels Bohr, I do love the following quote of yours, which features in this book: “An expert is a man who has made all the mistakes which can be made, in a narrow field.” However, I think you are wrong. In this case, it should be, “An expert is a woman, or let’s make it two women, who have made all the mistakes which can be made, in a narrow field.” And those two women are, *drum roll please*, Aleksandra and Friederike. The authors of the book you are about to read.

The first time I met Friederike in person was on a cold Saturday morning in February, at a hotel in Assen, where the whole sales team of her former employer had gathered for a Customer Engagement-themed sales event. During the preparations for the event, she had engaged with me from her position as a conversion and UX specialist and I got to meet her “red” personality. Very precise, clear on expectations, raising the bar. Two months after this event, she was appointed Global CX Manager and I fully understood why they wanted her for that position. Strong willed, with her eye on the prize. She was the one who would succeed, lead the way, and build the team.

That is where Aleksandra came in. She made an unforgettable impression on me on December 13th, 2018, welcoming me on day one of the CX masterclass for Friederike’s newly formed CX team. She looked meticulous and impressed me with the number of languages she spoke. Within two days, I knew this was a CX lady on a mission: with one eye on the human side and the other on delivering business results. I had the pleasure of designing the tailored masterclass for the CX ambassador program together with Aleksandra, and boy was I in for a treat. She was just on fire, preparing

the script, inviting all colleagues and delivering great workshops. Always with attention to the human element, sharing little gifts and remembering important dates, constantly showing her “green” personality.

After three years, I, as someone who’s been around the block in the cx business, can say that the ambassador program that Aleksandra has built is world class. I have yet to see another program that is as well thought through and as well led as that one. We all know that it is fun to start such programs, but to keep them running and keep colleagues engaged takes determination and stamina.

I could go on about the authors, but what is most important is that I remember Friederike showing her “red” and Aleksandra giving us her “green.” When you combine these colors, they make me think of a fresh apple. You might think, where is she going with this apple metaphor?

Well, my grandmother used to say, “An apple a day keeps the doctor away.” She has long passed away, but I can still hear her say that with a creaky voice. The essence of the saying is what I think we all need in cx. A little bit of red and green a day to keep the cx doctor away. Many cx leaders today need to go see a cx doctor, because they are not delivering the results they should. 93% of cx programs metaphorically end up in hospital!

Dear reader, rest assured, you won’t have to be admitted to cx hospital or even see a cx doctor, because you have picked up this book. This book will show you seven ways to prevent failure. That is the WHY of this book. To help you on your cx journey and be the best leader you can be. To deliver real customer results by having a clear strategy, by engaging leaders and colleagues, by making business cases and, of course, by keeping an eye on the human side.

I had the honor, fun and sheer business pleasure to work with both Friederike and Aleksandra over the past five years. I am not surprised they wrote this book, because for two women so passionate about the cx profession, writing a book about it was always on the cards. You can imagine how proud I was when they asked me to write the foreword.

This book is a must-read for all cx professionals out there. Learn from these two customer experience leaders, who have been there and done that in the world of cx and have the scars and stars to show for it. They honestly share the mistakes they made and how they relentlessly kept going. Their

smartness and stamina delivered results. They grew customer-centricity in several organizations, and they will keep doing so, that's for sure.

You are a lucky person because you are about to read this book full of knowledge, inspiration and the honest CX truth. Friederike and Aleksandra will serve you the CX apple on a plate. Enjoy reading all seven ways to prevent your customer experience program from failing. Implement these ways and your program won't end up in CX hospital. Even better, you will deliver faster, more valuable and more impressive CX results!



**“AN EXPERT IS A MAN
WHO HAS MADE ALL
THE MISTAKES WHICH
CAN BE MADE, IN A
NARROW FIELD.”**

– NIELS BOHR, *physicist & Nobel Prize winner* –

Preface

We need to start with some bad news: As you might have guessed from the title of this book, your CX program will most likely fail. That's what the statistics on customer (and employee) experience programs say. Global market research company Forrester found that only 25% of CX professionals say that their CX program actually improves the experience (Schmidt-Subramian, 2015). Bob Thompson (2018), CEO of Customer-Think, shared the confronting truth that 93% of all customer experience initiatives fail. A survey by Bain & Company interviewed 362 CEOs and their customers (Allen et al., 2005). 80% of CEOs believed they deliver superior customer experience. Not just "good" experiences or experiences that "meet the needs," but "superior" experiences. However, only as little as 8% of their customers agreed, and while progress has been made in recent years, we see that this gap still exists. Looking into employee experience programs, which are a more recent phenomenon and are often a few years behind the CX developments, a study by Deloitte showed that nearly 80% of leaders do recognize the importance of employee experience, while only 22% of them rate their own employee experience programs as excellent (Walsh & Volini, 2017). A global study conducted by Gartner found that, on average, companies spend \$2,420 per employee on things like workplace redesigns, flexible work policies and training opportunities to enhance the employee experience, but the return on investment of such EX initiatives is really disappointing. Only 13% of the employees participating in the study reported being fully satisfied with their experience (Gartner, 2019). Shocking, but not surprising to us.

To be honest, our own programs were not any better in the beginning either, despite the fact that the number of books and scientific reports

we've read can fill a library. We have trained hundreds of people in experience management and led multiple big experience programs at different companies, varying from B2B to retail, from e-commerce to insurance and from start-ups to agencies. We took training courses on innumerable topics and visited CX events all over the world. One of us is a Certified Customer Experience Professional (CCXP), the other one a Hofstede Certified Practitioner in Organizational Culture and a judge at the International CX Awards. Together we have studied and worked on meaningful, long-lasting experiences for more than 40,000 hours. But we still make mistakes every single day. We still get things wrong. And we still fall into stupid pitfalls that we could have avoided. You might have heard the rule of thumb that practicing something for 10,000 hours makes you a true expert. Malcom Gladwell popularized it in his 2008 bestseller *Outliers: The Story of Success*. The 10,000-hour rule is easy to remember, catchy and more or less completely false. Anders Ericsson, a psychologist who researched how to become an expert at something, called it a “provocative generalization” and explained that it isn't as widely applicable as is commonly assumed (Ericsson, 2016). We believe that there are many more misinterpretations of research and urban myths like this one out there, which was another reason for us to write this book. Not only because we consider ourselves experts on experience, but also because there are so many pitfalls out there, so many mistakes to be made and so many wrong assumptions like the one just mentioned. Throughout the chapters, we will be reflecting on our own mistakes and discover new ways to avoid them next time.

According to best-selling author Greg McKeown, “reading a book is among the most high-leverage activities on earth” (McKeown, 2022). We share his opinion. Reading books, articles and research has indeed made us better CX professionals, so we're glad to see that you are doing the same. We're not saying, though, that you need to figure it all out by yourself. We have made the mistakes for you, so you don't need to make them. That was our most important motivation to write this book: our passion to help and educate people and to share knowledge. Our aim is to make CX easier for you by giving you a comprehensive guideline on major CX topics, methodologies, strategies and, of course, mistakes to avoid along the way. And as

time is scarce, we hope to save you some by sharing seven major pitfalls in customer experience management.

It makes us proud to be able to provide some contribution to the rapidly evolving CX field. We are both driven by creating memorable and long-lasting experiences and intrinsically motivated to improve ourselves, the teams we are part of and the organizations we work for day after day. But we also believe that we can add value to the CX community by combining our completely different but complementary personalities, backgrounds and experiences.

Friederike: “Like Nienke already mentioned in the foreword, Aleksandra can be described as a very green person. If you are not familiar with the DISC Insights methodology of simplifying complex personalities into color profiles: green people like her are caring, sharing, patient, encouraging and detail oriented. These characteristics make Aleksandra a star when it comes to building long-lasting relationships and communities, because she is brilliant at connecting people and lifting them up. At the same time, Aleksandra is always aware of her own boundaries and guards them fiercely, making sure she can actually finish what she starts. This can be annoyingly challenging when I (again) come up with too many ideas, concepts and tasks to do at the same time, but it helped us in the process of writing this book to set more realistic goals and challenge my own ambition when needed.”

Aleksandra: “Friederike on the other hand, being the red personality type, is the most driven and determined person I know. When she sets her mind to something, there is no force on earth that can stop her from achieving it. We are like this perfect blend of two opposites – not only from the character standpoint, but also skill wise – complementing each other and bringing out what’s best in both of us. Friederike’s enthusiasm to achieve goals is contagious and inspiring; people just instinctively follow her lead. And yes, she can come across as pushy sometimes. Just imagine our writers’ retreat in idyllic Italy: beautiful weather, breathtaking landscape, me trying to slowly go with the flow, think the content through (hello, green side), and Friederike powering us through 10 hours of writing for 10 consecutive days. Luckily, we had tons of pasta, wine and limoncello to compensate for that pressure. At the end of the day, thanks to her drive and ambition, we got this book done.”

The differences between us are also reflected in the chapters of this book. Aleksandra wrote the first three chapters about authenticity, culture and employee experience, while Friederike did the chapters on strategy, business casing, leadership and operational excellence. That's why you might notice a change in writing style from Chapter 4 onward. We hope you don't mind.

There will be lots of quotes and book recommendations in this book, because it is also supposed to be a tribute to all the experts, authors, keynote speakers and CX influencers who inspired us along the way and taught us so many wise lessons. We added QR codes leading to videos and other online resources in the bibliography to invite you to broaden your knowledge beyond this book. However, we have found that most of the publications and books around experience management focus on how to do things, but they fall short of mentioning the pitfalls, the red flags, the traps or things to avoid. This book aims to make sure you get a more complete picture and therefore to increase the success rate of CX programs. That's why every chapter includes summaries of common and not so common mistakes to avoid, basically the kinds of things we wish we would have been told when we started designing our own CX programs years ago.



**“WHEN YOU KNOW
YOUR WHY, YOU’LL
KNOW YOUR WAY.”**

– MICHAEL HYATT, *author* –

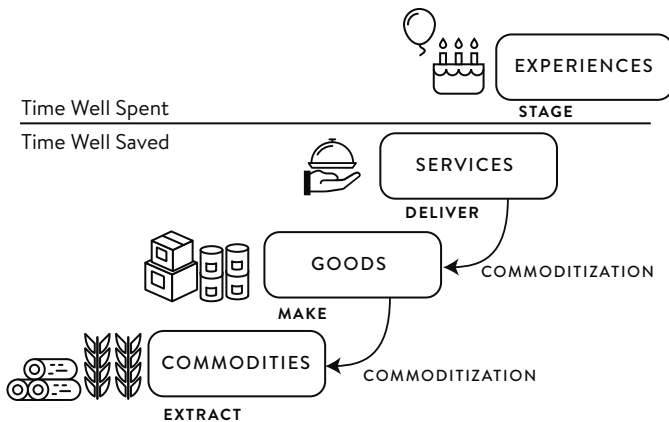
Introduction: Brain or Heart?

Before we look into the most common mistakes that make CX programs fail, and how to avoid them, we would like to begin by defining the context and some starting points for experience management in general. “If you know your why, you’ll know your way” is our opening quote for a reason, because, without understanding your own drive and the pitfalls that come with it, it’s more difficult to build your program and make it a success. We differentiate two different approaches you can follow: the brain and the heart. The brain is data driven, based on facts and seeking profits. The heart comes from feelings, being authentic and genuine. If you use these angles in relation to customer experience, it leads you to your CX purpose. Do you do it out of love for customers or because your data is telling you it will generate more profit? If it’s the latter, let’s look at some numbers.

Improving customer experiences is unbelievably profitable. By improving experience you can improve your business results and make your shareholders happy in the process. Customers with long-term tenure cost less to serve, less to attract and deliver more recommendations than any other customer type. You would be mad not to focus on retaining them. The monetary value of great experiences has been proven over and over again. Just to list a few examples:

- A 2% increase in customer retention has the same impact on profitability as cutting costs by 10% (MacDonald, 2022).
- Companies that excel at customer experience have 1.5 times more engaged employees than less customer-focused companies (Temkin, 2016).
- The probability of selling to an existing customer is 60-70%. The probability of selling to a new prospect is 5-20% (Farris et al., 2015).

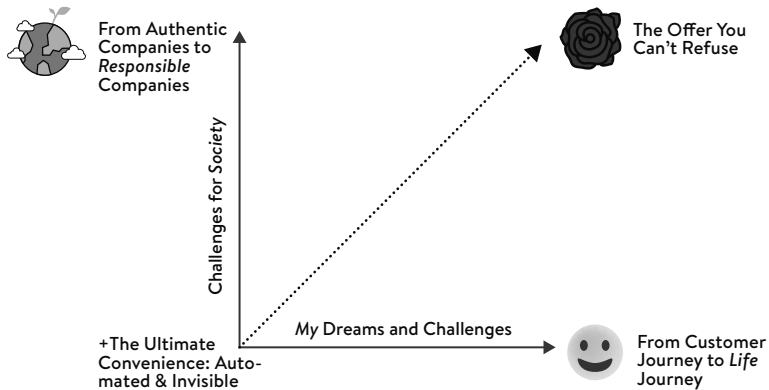
We will get into the business case of cx in Chapter 5, but for now it's important to understand that a great customer experience is a money spinner rather than a nice-to-have. Setting yourself apart from competitors is also more important than ever. In what Forrester calls “the age of the customer,” brands can be easily canceled after one poor customer experience going viral (McNabb, 2013). Customers these days hold the power by being able to compare services and prices online, by having the luxury to choose between dozens, if not hundreds, of brands for one product and are guided by reviews and influencers. This forces companies into the commodity trap and a race to the bottom. Commoditization isn't new, it has been around since forever as a natural occurrence of maturing industries. It's actually a good thing because it is the economic engine for the growth of businesses worldwide. In their revolutionary 1998 book *Welcome to the Experience Economy*, the godfathers of cx B. Joseph Pine II and James Gilmore describe the progression of economic value, pointing out that as society and its economy evolve, so do customer needs and wants, which means that companies have to adapt to their customers in order to keep or gain competitive advantages.



According to the authors, the best way to escape the race to the bottom is to invest in differentiating experiences. Successful companies focus on helping customers spend their time well and getting value out of it instead

of only looking at saving time and making processes more efficient. Efficiency and seamless processes are easy to copy and have been demoted to obvious minimal requirements for customers.

In his book *The Offer You Can't Refuse* (2020) about the future of cx, keynote speaker and cx guru Steven Van Belleghem takes it a step further. He adds corporate social responsibility and customers' life challenges into the mix. Just like Pine II and Gilmore, he explains that good products at a good price are no longer a differentiating factor. Van Belleghem argues that companies need to add value on multiple dimensions to make sure that customers stay loyal to them now and in the future. He calls the post-Covid years a "turning point in history" and sees it as a new wave of customer expectations and behavior. In his opinion, automated and seamless interactions, which result in the ultimate convenience, are the starting point for a good transactional experience, but not sufficient anymore. It's the new normal.



As you can see in this graph, Van Belleghem (2020) suggests that companies focus on creating life journeys instead of just customer journeys. He also advocates for adding value to customers' lives by helping them achieve their dreams and tackle their challenges on the one hand, and for adding value to society and the world on the other. He explains that people expect companies to take their responsibility. 74% of the population wants to see CEOs stand up to solve the world's problems and make it a better place.

We love this approach of focusing on creating life journeys, and will elaborate more on this topic in Chapter 4 about strategy. To us, it feels closer to the heart approach, with profit growth as a byproduct rather than a goal in itself. It is a genuine outcome of how you appreciate your customers.

Which approach do you prefer? Heart or brain? In this book, we do not choose between the heart and the brain. We find them complementary and equally important. In the 7 chapters on the 7 ways to ensure CX program success by being aware of the biggest mistakes to avoid while building your CX program, we will describe pitfalls related to both approaches. But it is up to you to decide which one resonates more with you – the heart or the brain – and which one to use in your own CX program in order to be more successful.