3 Essential Steps to Creating Great Customer Experiences

In our first paper on customer experience (CX), we set out the definition of CX and the importance of CX strategy to company success. As a refresher, CX encompasses the entirety of interactions that a customer has with your company and its offerings. The benefits of a successful CX strategy are higher customer satisfaction, reduced customer churn, and increased revenues. In fact, removing friction from the customer journey was the highest priority for retail banks in 2018 according to **DBR research banking report**.

Now, how can your company get there?

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1 Strategy

2 Technology

3 Culture

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1. Strategy comes from understanding how customer value is created

Start strategizing by first gaining a holistic understanding of how value is created for your customers by your products or services. You need to know your customers — what drives them, what motivates them, what causes them to choose you over your competition. You need to define and quantify customer value over both the short- and long-term. With this insight, you can play on your competitive differentiation and prioritize the transformative activities that extend your advantage, emphasizing all the facets that your customers prize most.

You must understand both your customers' pain and pleasure points at all stages of their journey to get a full and accurate view of what they experience. And you have to be careful not to fall into the trap of thinking you know everything your customers go through. Too often business leaders carry the belief that "I know what my customers want, I don't need to learn anymore." You need to be open-minded and creative. It's not what you perceive is your customers' journey, it's what they actually experience.

And a customer journey is often more extensive than what you have typically considered. Most journeys begin at the point of initial awareness of a product or service to be purchased and the options and providers to consider. Journeys include research, comparisons, and trade-offs; then starts the actual step-by-step purchase flow; and ultimately, a whole series of follow-up interactions: returns, repurchase, and hopefully recommendations to others.

From product focus to customer focus

To create great CX, your company must become customer focused rather than product focused.

To deliver an improved customer experience, many organizations find the need to make significant changes in how they organize and go to market. One area of organizational (and financial) design we frequently see is the pivot from primarily product-centric to customer-centric. If customer experience is to be a differentiating part of your overall business strategy, you need to place customers at the center of your business planning and operational effectiveness. And every part of your organization must share that mindset.

Strategy is the beginning of the journey to creating great customer experiences. Now, let's look at how technology can help you become a customer centric organization.

2. Technology can be used to let customers interact on their own terms

Technology is the second differentiator on the road to creating great customer experiences.

New technology is constantly reshaping and expanding the ways brands interact with their customers. The trend today is to allow the user to drive their own personal journey by exposing back-office processes to them. For example, digital leaders are creating innovative and connected digital products that enable users to interact when and how they want. The customer drives the journey, challenging organizations to rethink their processes to put the customer at the center while ensuring that the journey stays within organizational rails.

Some great examples of how technology can be used to create great customer experiences come from organizations using advanced analytics and machine learning. Using these technologies to understand how one customer's interactions correlate with another's can help personalize experiences. Using integration to connect back-end systems, organizations are enabling customers to have a consistent experience regardless of channel. Another interesting trend is that the same technology is being used across many industries because often business problems are inherently the same, just require different operations or specific industry knowledge.

Five technology capabilities for superior customer experiences

To prioritize from among the growing selection of technology options, think about mastering these five critical capabilities used to create intelligent, connected, customer experiences:

Five technology capabilities for creating superior CX:

1 Insights Understanding

2 Process Mapping, Process Mining

3 Personalization and Relevance

4 Real-time Calculation and Delivery of Engagements

5 Continuous Feedback, Adaptation, and Optimization

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5 Continuous Feedback, Adaptation, and Optimization of CX

By sorting all the possible technology options among these five capabilities, it's easier to figure out what you need and where you need it. TIBCO can help you with all of these capabilities.

In future papers in this CX series, we go into more detail about how to best use the latest technology to create great customer experiences.

3. A customer-centric culture starts at the top

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It all starts with leadership. Leadership must demonstrate that customers matter. While other factors in your business matter too, the way you treat your customers and the employees that support them is tied directly to your profitably. A company's leadership must focus multiple aspects of the business on the customer: service delivery, branding, and processes. Without a strong vision from the top, the company can drift and attention can be diluted by other competing priorities.

Leadership must also work to ensure that employees are customer-literate and analytically prepared. Employees need to know what makes the customer not only happy, but profitable. They need data analytics tools to make decisions and take actions that directly affect the customer experience. This means ensuring that key individuals in an organization are empowered to create, deliver, and improve customer journeys.

Decision-making and continuous learning leads to innovation and opportunity

A culture of agile decision-making also fuels innovation. By empowering every decision-maker, (or every employee to make decisions), you increase contributions that make your product or service better. Innovation can skyrocket.

You also need the willingness to go faster and take chances, to learn and adapt. You must recognize that you will never get it right the first time and that things are constantly changing. It's about being fast, not perfect. If you wait, you miss opportunities. If you are not willing to take chances, you never get the opportunity to hit home runs, or recognize what could work and quickly make improvements without a fear of customer fallout. You need to be continuously learning.

All of these cultural changes require open lines of communication so data can be analyzed and decisions made, ideas tested, learning accelerated, and processes automated.

Conclusion

To be a CX master, you need all three strengths working in harmony: strategy, technology, and culture. First understand how your product or service creates value for your customer and put customers at the heart of your go-to-market strategy. After aligning the culture and the workforce to be customer centric, adopt a culture of constant experimenting and learning to create great customer experiences.

Beyond strategy and culture, technology is the next area of focus. It lets you understand your data and make better, faster decisions to fuel the customer experience and create connections with your customers and ecosystem. Technology can be used to put your customers in control—where, when and how they engage—and to accelerate the pace of change and the possibilities for delighting them with your innovation.

In future pieces of this CX series, we'll outline how TIBCO can help you create a seamless digital experience.

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