CREATING THE RIGHT CUSTOMER EXPERIENCE

Companies in the communications, media, and entertainment industries are using “big-data” technologies, user-centered design, and operational alignment methodologies to more quickly and confidently deliver an end-to-end customer experience that differentiates them in the marketplace.
Service and content providers are investing in customer experience initiatives to gain competitive advantage, improve satisfaction, reduce churn, and create customer advocacy. In a global industry, where markets are converging and technological innovation is quickly commoditized, the ability to set and meet customer expectations—in a way that competitors cannot—is a powerful differentiator.

Customer experience extends beyond traditional customer relationship management (CRM) programs, with their focus on the operational efficiency of post-sales service and support. It encompasses the full range of customer expectations and perceptions—from need recognition, to evaluation and purchase, through provisioning and billing, to the awareness of new needs.

Devising and delivering a differentiating customer experience is not easy. It takes insight, agility, and discipline. Common pitfalls include:

• Strategies based on incomplete or unsubstantiated information
• Unaligned (or misaligned) business, technology, and operational objectives and incentives
• Unforeseen or unaddressed gaps between strategy and execution
• Lack of corporate commitment

The rapid capture and analysis of large amounts of structured and unstructured data from multiple sources is a powerful aid. Combined with user-centered design and operational alignment methodologies, transformation of data into timely actionable intelligence at all levels enables companies to move forward more quickly and confidently to achieve their customer experience objectives.

DEVELOPING A DIFFERENTIATING STRATEGY

This paper, one in a series, focuses on the methodologies and tools that communication, media, and entertainment companies are using to design a customer experience strategy that will differentiate their brand in the marketplace, attract, and retain customers.

WHAT IS IT LIKE TO BE YOUR CUSTOMER?

An effective customer experience strategy starts with a comprehensive understanding of existing and potential customers—their expectations, perceptions, behaviors, and trends.

Because loyal customers spend more, cost less, and recommend services to others, retaining existing customers is a high priority. Customer experience programs that achieve even a small reduction in churn can geometrically improve profit. A large telecom company, for example, recently determined that a single basis point reduction in their churn rate would increase revenue by about $300,000 per month—or more than $3.5 million dollars annually.

While many content and service providers have a good understanding of the cost of lost customers, determining what improvements and investments to make to win and retain customers is less straightforward.

A host of interdependent and rapidly changing factors—business mergers, new technologies, fierce global competition, changing demographics—make identifying, validating, and prioritizing opportunities difficult. The data gathered from traditional customer satisfaction metrics, such as Net Promoter Score (NPS) and customer surveys, does not provide an adequate basis for developing an effective customer experience strategy.

As a result, it is not uncommon for companies to make significant investments in campaigns and programs based on incomplete data or unsubstantiated assumptions. Besides wasting money and effort, the outcome can be significant lost market opportunity.

A DSL services provider in the U.S., for example, saw no improvement in meeting its subscription targets, despite extensive investments in a new lower-priced broadband offering and several marketing campaigns. A subsequent analysis examined how the
THE EFFECT OF SOCIAL INFLUENCE ON CHURN
Content and service providers increasingly find that they need to go beyond traditional customer surveys and NPS to gain the insight needed to develop a customer experience that will achieve their objectives.

Recently, for example, a large wireless company with a high level of churn had invested in multiple marketing efforts to improve customer retention, but saw no improvement.

Among the methodologies and tools that EMC Consulting was able to apply was an extensive analysis of call detail records (CDR) using innovative “big data” technologies that enable the manipulation and analysis of large amounts of data from different data stores. In this instance, analysis of 10 billion calls defining nine million relationships between 2.5 million customers was completed in just one hour.

The ability to capture, store, and analyze CDR data—and manipulate it with data from multiple sources, including subscriber profiles, account status, tenure, demographics, geography, type of device, payment methods, and contract terms—revealed a strong correlation between social influence and churn.

Analysis of the effect of cancellations in a social network also made it possible to identify the individual “influencers” at the center of social networks. These influencers had an exponentially higher probability of taking people, to whom they spoke frequently, along with them if they moved to a competitor.

As a result of this work, the client was able to focus efforts on the needs and dissatisfaction of influencers and prioritize investments in touchpoint experiences most likely to retain influencer customers.

provider’s services were perceived compared to the services offered by its competitors. The study revealed that quality of service, not price, was the determining factor in purchase decisions.

Other service providers have made investments in high-touch phone support services only to discover that their digital-savvy base prefers online self-service. Still others have wasted time, money, and effort on automated services before determining that their sustainable customer experience differentiation is highly personalized service.

OBJECTIVE AND THOROUGH ASSESSMENT
In addition to a comprehensive and accurate picture of prospects and customers, a practical and sustainable customer experience strategy requires an objective and thorough assessment of the following:

- **Profit potential**—the revenue and cost impacts of serving different customer segments
- **Proprietary advantage**—the experience your company can deliver better than any other
- **Short- and long-term objectives, metrics, and results**—a plan to provide the ongoing justification and means for achieving customer experience objectives

It is critical that the existing customer experience be fully assessed across:

- All channels (e.g., contact center, Internet, self-service, mobile apps, kiosks, retail stores)
- All touchpoints where customers are aware of or interact with the business

QUICK WINS
These end-to-end assessments often reveal opportunities for “quick win” improvements that will enable the customer to interact more efficiently with the business and have a more satisfying overall experience. Examples of quick win opportunities that can deliver significant short-term improvements while longer-term customer experience objectives are being pursued include:

- **Rationalizing product and service offerings from the customer’s point-of-view**
- **Standardizing language (terminology and visual images) for greater consistency and clarity across channels and touchpoints**
- **Providing greater visibility and/or autonomy for frontline service providers, such as the ability to monitor network outage status, so rather than simply recording complaints, reps can assure customers that problems are being worked on and service will be restored within a certain time period**

OBSTACLES TO ANALYSIS
The feasibility and effectiveness of a customer experience strategy in meeting objectives and expectations are only as good as the data and analysis that goes into the strategy. Common obstacles and challenges to gaining objective assessments and data-based analyses include:

- Limited data sources, such as traditional customer surveys and NPS
- Silos and incompatibility of data stores and formats
- Subjective opinions of executive decision makers
- Incomplete input from stakeholders, especially in frontline operations
- Inability to objectively assess customer experience, business, technology, and operations in an objective and timely manner

What’s required is the ability to capture and analyze large amounts of hard and soft data from multiple internal and external sources in a timely manner. Examples of data sources include:

- Market data and demographic research
- Customer histories
- Customer surveys and interviews
- Focus groups
• Social media
• Interviews with business owners and internal stakeholders in all organizations and at all levels

Examples of analyses include:

• Market trends
• Benchmarks with industry peers and cross-industry best practices
• Customer segmentation
• Customer lifetime value (CLV) analysis
• Churn analysis
• Cost of service

ANALYTICS LAB: QUICK RESULTS—WITH MINIMAL INVESTMENT
Data Computing Appliance (DCA) technologies make it possible to provide a temporary test-bed for prototyping and testing analytic use cases with real data—in just a matter of weeks.

EMC consultants with technical, analytic, and data architectural expertise work with client teams to deploy an onsite “analytics lab” using their existing computing infrastructure including: set-up, preparation of data models, data schema and loading, analytics modeling and scoring algorithms, and testing and refinement.

The temporary lab provides hands-on experience in collaboration on critical business problems and actual use cases with minimal time and money investment. Organizations gain proof-of-concept, experience, and useful analyses and results that help to quickly clarify direction and accelerate informed decision making on next steps, which can include moving forward with a permanent, full-blown production model of the lab.

Fortunately, advanced data analysis techniques and technologies can quickly and cost-effectively overcome data incompatibility and other limitations to provide timely and useful analysis of very large amounts data from multiple data stores—without the need for lengthy and expensive master data management (MDM) and or data integration efforts first.

Techniques and technologies now exist that can help to quickly:

• Capture, access, analyze, and use solicited and unsolicited and structured and unstructured data, including interviews with customers and stakeholders
• Assess business, technology, and operational constraints, strengths, and weaknesses
• Identify gaps/misalignment of business and customer experience strategy, operations, technology, organizations, processes, tools, and measurements
• Deliver industry best-practice benchmarks and competitive analyses
• Identify gaps between current reality and objectives; business and technology strategies; customer experience strategy and operationalization

Within weeks, companies can begin working with objective, data-driven assessments and analyses to develop a sustainable differentiating customer experience strategy that:

• Defines customer interaction at each touchpoint across channels
• Uses the customer’s emotional journey and maps it to touchpoints
• Structures experience to increase satisfaction, differentiate from the competition, create customer advocacy, and achieve other objectives
• Determines what metrics are required to support the pursuit of long-term objectives
SUMMARY

Developing the right customer experience strategy begins with a thorough understanding of customers and their experience, as well as objective assessment of company strengths and weaknesses and market realities. Data-driven analyses, informed by industry, business, technology, and operational expertise and combined with customer-centered design, provide the foundation for a differentiating, practical, and successful customer experience strategy.

WHY EMC CONSULTING?

EMC Consulting has a long track record of helping companies in the communications, media, and entertainment industries to achieve their customer experience objectives.

We can help you plan, design, implement, test, improve, and manage an effective customer experience program that differentiates your company and meets your business objectives.

We offer proven expertise, methodologies, technologies, and tools for managing customer experience programs. We can help you quickly turn data into insight that informs, integrates, and accelerates your customer experience strategy to realize measurable results faster.

Our teams of seasoned experts bring you practical, multidisciplinary experience that spans industry, business, operations, technology, enterprise information management, and business intelligence.

We work with you to help you understand and make the most of what you already have—and develop a clear business case for moving ahead with the right investments to set and meet customer and stakeholder expectations, quickly.

Your EMC Consulting program manager and team can work with you from end-to-end—from initial strategy, through user-centered solution development and operational alignment, to the implementation of metrics and tools to monitor, measure, and improve over time. Or you can turn to us for help with any specific phase or aspect of your customer experience program.