SUSTAINING COMPETITIVE DIFFERENTIATION

Maintaining a competitive edge in customer experience requires proactive vigilance—and the ability to take quick, effective, and unified action
This paper, the third in a series, examines the need for an ongoing data-driven program of measurement and improvement to ensure that customer experience objectives are being met and are still relevant. For more information on developing a customer experience strategy, please refer to: EMC® Perspective: Creating the Right Customer Experience. To learn more about the elements of a successful execution, please see: EMC Perspective: Customer Experience—From Strategy to Execution.

OVERVIEW
Even by the standards of a rapidly changing, unpredictable world, companies in the communications, media, and entertainment industry operate in an especially fluid environment. Breakthrough technologies, regulatory decisions, social trends, converging markets—all can transform the competitive landscape quickly and dramatically.

MAINTAINING DIFFERENTIATION
Companies investing in the development and delivery of a differentiating customer experience must be prepared to manage and evolve it over time. They need to take the necessary steps to ensure that their market advantage is maintained and evolves as the market changes around them.

A proactive program for monitoring, measuring, and improving customer experience across all touchpoints is critical to achieving their key business objectives—and capitalizing on existing investments.

THE VOICE OF THE CUSTOMER
To effectively evolve and improve customer experience over time, companies need to accurately hear and interpret the “voice of the customer.”

Because experience is the sum of all the perceptions and interactions a customer has with a company and its brand, it takes more than traditional Net Promoter Survey (NPS) scores and periodic customer satisfaction surveys to gain a complete and candid picture of what customers think.

The key to long-term competitiveness is the ability to aggressively “mine” a wide range of sources to better understand customers and their experiences. Feedback should include unsolicited (comments on social sites) as well as solicited (formal surveys) feedback and structured data (choice of standardized responses to survey questions) and unstructured data (customer correspondence). Opportunities for feedback and data capture include:

- Social monitoring (blogs, comments on social networks, websites)
- Frontline monitoring (recorded customer calls, chat logs)
- Transaction data (website, in-store, call center)
- Live customer focus groups
- In-depth customer interviews
- Online surveys
- Online customer forums and customer feedback portals
- Third-party research and surveys

BIG DATA ANALYTICS
As the “digital universe” of customer transactions, interactions, and communications expands, so do the potential sources and types of customer engagement data. In addition to external data sources, internal operational systems, such as order processing and call handling systems, can automatically and continually capture data that can be used to monitor and report on how well different organizations are meeting customer experience objectives.

The wealth of available data brings challenges as well as opportunities. Companies must leverage diverse data streams from within and outside the company to integrate metrics,
and apply business models and rules that present the right information to the right person at the right time to improve customer experience.

Fortunately, “Big Data” platforms and analytics are emerging to help companies analyze very large data sets. These technologies help make it practical to turn huge volumes of disparate data, in different formats, into timely, meaningful intelligence that organizations can use to pinpoint issues, surface opportunities, and inform customer experience decisions moving forward.

• Establish metrics that measure and monitor user experience across all channels (e.g., contact center, websites, mobile apps, kiosks, retail stores, chat rooms) and across the full cycle of customer interactions
• Develop a model to link customer experience feedback to customer behavior (e.g., spend and relationship longevity)
• Analyze and interpret feedback by different customer segments
• Compare current customer behaviors and propensities to past behaviors
• Align customer experience metrics with enterprise business objectives and link financials to metrics to create accountability
• Select metrics to drive target performance objectives
• Perform constant pulse checks; use data to drive action
• Integrate predictive analytics and modeling to proactively identify and address vulnerable customer segments
• Perform multidimensional ad-hoc analysis to uncover hidden connections that drive revenue and customer loyalty
• Empower those closest to the customer to make the right decisions
• Communicate results to the entire enterprise

**Driving Improvements Back into Experience**

Once organizations have identified opportunities for improving customer experience, it’s important that changes be introduced carefully—and in a way that maintains consistency in customer experience.

New processes, features, or functionality need to integrate seamlessly into the established customer environment and operate within existing user-centric interface conventions. New solutions should be incrementally tested, refined, and thoroughly validated with customers, using best practices, such as rapid prototyping, variable testing, and continuous user testing to ensure the quality of the solution.

Introduction of the new functionality into the customer-facing environment must be done using rigorous change management practices. A successful change management program looks across multiple areas such as infrastructure, communications, training, and technical support—all of which should be thoroughly evaluated, defined, and in place before new capabilities go live.

If improvements or new tools are required to help staff perform their jobs more effectively, they should be similarly integrated, tested, and introduced into the existing environment to maintain quality of employee experience and productivity.

Finally, organizations need to “close the loop”—by establishing new metrics to measure the effectiveness of the new solutions or improvements that have become part of the total customer experience.

**Case Study: Building Intelligence into Operations**

A regional telecommunications provider had invested in a customer experience program, but the company’s call center service was not achieving improvement metrics.

EMC consultants with call center and business intelligence (BI) expertise observed operations and interviewed people at all levels to identify and document what was working and what was not. In addition to assessing the current operations, the consultants analyzed existing and potential data sources, and defined requirements for metrics, monitoring tools, reports, coaching, and training.

Agents, supervisors, managers, and executives all lacked realtime visibility into objective performance data—and how performance linked to customer call center experience.

As part of the solution, EMC developed a business intelligence system to automatically extract data from diverse internal and external, structured and unstructured data sources and integrate and transform this information, using analytics and business rules, to provide realtime visibility into operations and performance.

The new system captures and analyzes business objective metrics to track performance and show progress toward goals at the individual, team, and department level. In addition to alerts, trends, and standard reports, managers can see higher-level trends and drill down into raw data to uncover greater insight into customer behavior.

In addition to surfacing areas of concern, the system has identified individuals with areas of performance excellence, so that their strengths can be recognized, rewarded, and shared as best practices with the rest of the staff.

Results include boosts in staff morale, performance, and productivity. The call center has made significant improvements to meet key business objectives with respect to speed of call answer, fewer abandoned calls, successful bridging of calls from service to upselling, and increased sales.

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CONTINUOUS PROACTIVE IMPROVEMENT

Customer experience programs must proactively keep pace with change and identify issues or opportunity for customer experience improvement.

Consultants with expertise in the industry, Big Data analytics, business intelligence, and user-centric design and development can help define metrics and automate the capture and analysis of data from multiple sources. That will help organizations improve customer touchpoints and/or provide meaningful, actionable intelligence to staff at all levels that help drive continuous improvement back into customer experience.

Best practices dictate that enterprises establish their own or outsourced customer experience program management office (PMO) to drive, manage, coordinate, govern, and proactively plan for the evolution of customer experience, while building on the investments that have already been made.

CASE STUDY: CUSTOMER EXPERIENCE PROGRAM MANAGEMENT OFFICE

A global consumer credit card company with operations in 60 countries found its customer strategies repeatedly undermined when internal business metrics and priorities took precedence over customer experience. Uncoordinated efforts by different divisions, working with different external agencies at different times, created a fragmented, inconsistent digital consumer experience.

In 2009, the company’s digital channel team engaged EMC Consulting as a long-term strategic partner to help it establish and staff the firm’s enterprise program management office for digital customer experience.

A dedicated team with expertise in digital user-centric design, solution development, and program management continues to work onsite with the client’s digital channel team in multiple locations today to evaluate, prioritize, and manage all digital customer engagement projects. Proposals are evaluated across three dimensions. What will the targeted customers use? What is technically possible? What can the business viably support?

The PMO has succeeded in establishing and internalizing best practice methods for overall governance; understanding requirements (discovery, analysis, workshops, interviews, research); defining solutions (scenarios, personas, user journey, user experience architecture); creating and refining solutions (wireframes, storyboards, visual designs, prototypes, testing); and ongoing review and planning.

REVISIT, REVALIDATE, AND REFRESH

In addition to continual monitoring of key performance indicators (KPIs)—driving incremental improvements that keep customer experience programs on-track and meeting customer experience objectives—organizations should periodically revisit and revalidate their overall customer experience objectives and strategy.

The objective of this effort is to make sure that major shifts in strategy are not required in response to changes in the market or in the organization itself. For example, have the revenue or cost impacts of serving specific customer segments changed in a way that impacts profit potential? Has the company’s proprietary advantage—the experience it can deliver better than any other—changed? Is there a brand identity issue that needs to be addressed?

An annual review with primary stakeholders is a good practice. A broad reconvening of stakeholders in the event of major change is probably also in order—whether that change is external, such introduction of a new competitive product in the marketplace, or internal, such as a business merger or acquisition.

PROACTIVE ENTERPRISE PROGRAM MANAGEMENT

Companies that have made the investment in developing and executing a differentiating customer experience strategy should establish a program management office to proactively plan, drive, and oversee customer experience, for the entire enterprise.

The PMO helps assess, plan, coordinate, and improve how all functions of the company interact with customers across all channels and touchpoints. It guides ongoing investment in the customer experience program and oversees all aspects of planning and implementation of the customer experience program and helping the company to maintain a unified customer-centric focus across the enterprise.

It is typically the responsibility of the PMO to:

- Anticipate the impact of market, business, technology, and organizational changes on customer experience
- Make adjustments to the corporate customer experience strategy and structure over time as market conditions change
- Implement proactive, data-driven, customer-centric best practices to measure performance
- Ensure that incentives, skills, training, resources, and processes align with customer experience objectives at every touchpoint

SUPPLEMENTING INTERNAL RESOURCES

Often internal organizations have other priorities or do not have resources with the experience to program manage or implement the execution of a customer experience program.

Whether a program is executed completely in-house or leverages the expertise of outside agencies, companies must make sure that strong end-to-end program management is in place. Indeed, the hiring of outside contractors without effective planning and strong oversight can increase the risk of start/stop efforts, gaps and misalignments, and wasted time and money.

Experienced program and project management, whether provided internally or by a trusted partner, is critical to providing end-to-end accountability and workstream coordination necessary for success.

SUMMARY

Sustaining a differentiating customer experience over time takes the ability to evolve that experience, smoothly, and in a unified, integrated fashion as customer expectations change, technologies evolve, and new markets emerge and mature.
The ability to rapidly capture, analyze, and act on large amounts of data—from multiple sources and across all customer touchpoints—is central to providing the realtime visibility, actionable intelligence, and strategic insight needed to make informed decisions and improvements that enable companies to maintain their customer experience advantage.

A centralized customer experience program management office, with responsibility for planning and overseeing customer experience enterprise-wide, can help organizations recognize and anticipate customers’ changing needs, wants, and buying patterns—and then meet those needs by delivering superior customer experience at every touchpoint.

WHY EMC CONSULTING?

EMC Consulting has a long track record of helping companies in communications, media, entertainment, and other 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 solution development and operational alignment, to the implementation of metrics and tools to monitor, measure, and nurture improvement over time. Or you can turn to EMC for help with any specific phase or aspect of your customer experience program.

RELATED PAPERS IN THIS SERIES

EMC Perspective: Creating the Right Customer Experience

EMC Perspective: Customer Experience: From Strategy to Execution

Most recently, the PMO helped lead the company in launching new digital services to the company’s 100,000+ business customers—small, medium, and large companies across the globe that do business by accepting credit and/or debit cards from their customers.

Previously the organization had no online business services offering at all, and all business customer interactions were handled via a dedicated call center.

Now business service projects are underway to provide those customers with digital services, and a single PMO oversees and leverages synergies between both the consumer and business customer digital channels.

The joint client and EMC PMO has managed delivery of the first small initial business service, based on extensive end-user research, in what will be a rich and competitive menu of online business customer services planned for delivery by the end of 2012.

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