

Managing Your Customer Experience

By John Hansen

To say that financial services providers of all stripes – especially commercial and investment banks – are out of favor with the general public these days is an understatement. Among other things, the “robo-signing” of mortgage documents, reduced availability of free checking accounts, impending monthly charges for using debit cards, and the return of what is perceived to be excessive executive compensation have all contributed to negative public perceptions of these institutions.

While banks may not be able to control all of the items that influence attitudes that the general public have about their respective institutions, they can influence how their own customers and target prospects perceive them. This article will address how banks can positively impact these perceptions by proactively defining and managing their customers’ experience.

What is Customer Experience Management?

Customer experience management is the proactive and deliberate management of key influencers of customer and prospect perceptions of and experiences with your company. Customer experience management (CEM) is often contrasted with customer relationship management (CRM): Customer experience management is all about how your customers and prospects learn about and form impressions of your company, while customer relationship management is all about how you learn about your customers. Together, these can be powerful forces.

Influencers of market perceptions and experiences are called “touch points.” Touch points include where and how a customer or prospect interacts with your firm (e.g., your website, collateral material, call center, emails, ads, customer statements, front-line personnel) and influences that are not direct interactions with your company (e.g., recommendations from friends or social websites, analyst reports, articles about your company). Prospects and customers encounter these touch points as they go from determining their needs to gathering information on, and shopping around for potential providers of solutions to those needs, to applying for and purchasing a product or service to meet that need. Post-purchase touch points would include using that product or service and experiencing a company in all the other ways that a customer might do so (e.g., through interactions with front-line or customer service personnel, statements, or other information from the company). The art and science of customer experience management – and it is a combination of both – refers to identifying the most important influencers (touch points) for your target markets and key customers as they go through the process just described, and proactively orchestrating those experiences toward desired outcomes or results.

Why is Customer Experience Management Important?

Customer experience management is important for a number of reasons. First and foremost is that customers and prospects are going to form impressions of your institution whether or not you manage the interactions they have with your organization. No matter what your company does or does not do, people will visit your website, see or use your branches or ATMs, interact with your employees, etc. They will then form impressions about your company based on those interactions. Without proactive management of at least these touch points, customers and prospects may get confusing and even contradictory messages about your company, and may get different experiences across different channels and/or locations. So, if customers are going to form impressions, why not help them do so – and do so in a way that will increase the bond with, and satisfaction of, those customers?

Customer experience management is also important to building your firm's brand. Therefore, a company's brand is "the promise it makes and the promise it keeps." Customer experience management can help companies manage both the promise made and the promise kept. In terms of the promise made, companies can proactively manage what it communicates at multiple touch points and can ensure that processes or tools are in place to align your company's messaging at each of those touch points. Customer experience management can also be useful – perhaps *most* useful -- in delivering on the brand promise. As noted earlier, customer experience management is about customers and prospects learning about your firm and forming impressions of it. Having your customers understand what your brand stands for is perhaps the most critical understanding that you want your customers or prospects to have about your company.

Additionally, customer experience management – like branding – focuses on both the marketplace's functional needs (addressing what your customer is trying to do or accomplish) and their emotional needs (How does your customer or prospect want to feel? or What does using our brand say about them?). Addressing both functional and emotional needs is critical to creating bonds with, loyalty among and advocacy for your company.

Also, emotional ties can lead your customers to believe and feel that they are part of something special or unique, and that, by being your customer, it says something about them and who they are. The benefits to a customer go well beyond the functional benefits (what being a customer of your company enables him or her to do); it goes to the core of how a customer defines himself or herself. Achieving that level of attachment drives loyalty, repurchase or additional purchase, and also generates word-of-mouth referrals. Together, these results represent the strongest bond a company can have with its customer.

A third reason to think proactively about customer experience management is that doing so provides a focused way to scale as your organization grows. Extraordinary experiences often arise when individual employees go out of their way to address customer needs and/or right customer wrongs. While such actions will always be contributors to great customer experiences, they are rarely scalable in a fast-growing organization. Thinking proactively about how to deliver a consistent, solid customer experience will enable better scaling of

that experience than hoping that new employees will be so customer-focused or that employees will be able to perform these “extra” services in light of rising customer volumes per employee.

Finally, if you are not putting the customer at the center of your thinking, you may be at distinct disadvantage relative to your competitors. Forrester Research cites that a growing number of companies have a single executive leading customer experience efforts across a business unit or entire company. These executives often have titles such as Head of Customer Experience or Chief Customer Officer. Companies such as USAA, Allstate, Mass Mutual and Union Bank are a few of the financial services companies that have moved down this organizational path. A key role for these positions is not only ensuring that the customer point of view is always at the fore in internal discussions and decision-making, but also usually involves some form of defining and managing the customer experience.

Assuming Managing the Customer Experience Matters to You, What Should You do to Move the Ball Forward?

Assuming you have an interest in exploring opportunities in your own company to develop more compelling customer experiences, you can begin to move the ball forward by asking yourself or your organization a few key questions:

- Who are my target customers and what are they looking for in an experience? What are key areas of dissatisfaction in the current experience? (It is important to ask both questions to be able to define the future experience and also address items that are “dis-satisfiers” in the current experience.)
- What are the key touch points that influence customers’ or prospects’ impressions of, or experiences, with our organization? (Like most institutions, your organization has to focus its resources; where might those resources and effort be directed to have the greatest impact?)
- What are customers trying to do -- or desiring to do - when they interact with the touch points your company offers?
- Matching customer needs and goals with our brand, what experience should we aim to deliver across our touch points and at each specific touch point? How can we deliver a truly exceptional experience at one or more touch points?
- What priorities should we set in terms of the touch points on which we focus as an organization and the overall experience we want to deliver?

Asking these questions can begin a useful dialogue and process for making your organization a more customer-focused, differentiated institution. To be sure, addressing these issues can be a holistic and complex process. The organizational structure may need to change to facilitate cross-silo coordination and/or an institutional focus on the customer;

processes, policies and roles or responsibilities may need to be changed or new ones implemented to ensure the right experience gets delivered consistently; and, technology and information systems may need to be revamped to deliver the desired experiences. But, those implications cannot be known – or the right projects or changes initiated – without first defining the umbrella experience. Even if you decide not to make broad-scale changes, just defining a desired customer experience can provide your organization with better alignment as decisions are made every day about what projects to undertake and/or processes to change. A defined customer experience can be the context and glue that aligns these one-off efforts on a day-to-day basis.

Conclusion

This article has defined customer experience management, why it is important and what you can do to move down the path of more effectively managing your customer experience. It also identified the rewards of doing so, from building more loyal and satisfied customers, to driving re-purchase or cross-sales to generating word of mouth referrals (all of which drive your company's top and bottom line). In addition, it raised several important questions to ask yourself and your organization to help you move forward in implementing a deliberate customer experience.

In today's climate of dissatisfaction with financial institutions and banks, being proactive around defining and delivering a deliberate customer experience can both increase your standing with your own customers and prospects and potentially separate you from the competitive pack. At a time when customer dissatisfaction can be expected to lead to customer churn among your competitors, having a compelling promise and being able to deliver on that promise could well generate growth in a stagnant and generally dissatisfied marketplace.

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John L. Hansen is a Director in the National Financial Services Practice at Hitachi Consulting; he focuses on issues related to strategy development and implementation (both at the enterprise and business unit level), strategic marketing (including branding and customer experience management) and organizational change and transformation. John can be reached at (510) 290-4131 or jlhansen@hitachiconsulting.com.

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