

# Nutshell



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## *Understanding Customer Experience Marketing*

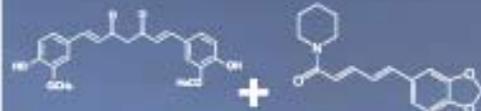
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## *From the Chairman's desk*

Dear Member,

The modern day customers are a much evolved group. They are now self-empowered, educating themselves thoroughly before each purchase decision, engaging your brand via whichever channel they deem fit and expecting excellent service.

Customer Experience (CX) Marketing addresses this challenge by putting the customer at the centre of the marketing strategy, with a strong focus on improving customer experience through engagement. The goal is to stop selling products and services and start meeting customer expectations and delivering personalized experiences.

This issue of the Nutshell attempts to understand Customer Experience Marketing and its nuances. We would love to hear back from you. Do send us your feedback to [isa.sg@insocietyad.com](mailto:isa.sg@insocietyad.com)

Regards,



Sunil Kataria  
Chairman

# Customer Experience Marketing

Customer experience (CX) is the product of an interaction between an organization and a customer over the duration of their relationship. This interaction is made up of three parts: the customer journey, the brand touch-points the customer interacts with, and the environments the customer experiences (including digital environment) during their experience. A good customer experience means that the individual's experience during all points of contact matches the individual's expectations. Customer experience implies customer involvement at different levels – such as rational, emotional, sensorial, physical, and spiritual. Customers respond diversely to direct and indirect contact with a company.

## Customer Experience (CX) Marketing

Your competition is growing and gaining more accessibility to your customers, learning where they stand out and how to ease their pain points. Meanwhile, there has been a customer-facing shift - they are now self-empowered, educating themselves thoroughly before each purchase decision, engaging your brand via whichever channel they deem fit and expecting excellent service. This has disarmed the product battlefield and opened up a new realm for you to conquer in order to win and keep customers: the customers' experience.

Customer experience (CX) is defined by interactions between a customer and an organization throughout their business relationship. An interaction can include awareness, discovery, cultivation, advocacy, purchases and service.



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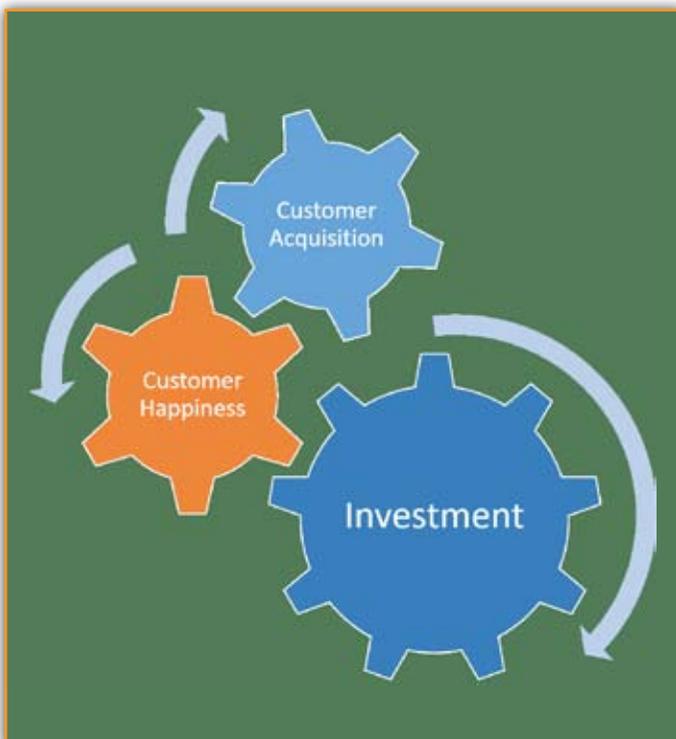


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Customer experience is an integral part of Customer Relationship Management (CRM) and the reason why it's important is because a customer who has a positive experience with a business is more likely to become a repeat and loyal customer.

Marketers who put the customer at the centre of their marketing strategy and focus on improving the customer experience through engagement, practice customer experience marketing. The goal is to stop selling products and services and start meeting customer



expectations and delivering personalized experiences.



## Challenges of Customer Experience Marketing

The largest hurdle to customer experience marketing is not knowing customers well enough to deliver relevant offers and personalized experiences. Gaining a complete, individual view of customers is key, and that means that your customer data cannot be in silos or lack data from social media or other channels.

Companies that have the ability to listen to their customers and treat them well win because they deliver the experiences customers want; they also succeed as a result of their exceptional customer experience, as Forbes contributor, Futurum Research principal analyst and Broadsuite Media Group CEO Daniel Newman explains:

- Customers equate brands with experiences – We associate brands with how they make us feel from customer service to the digital journey to retail ambiance.
- Customers are more demanding than ever – It takes twelve positive experiences to repair the damage caused by one unresolved negative experience.
- Bad customer reviews go viral – Americans mention positive brand experience to about nine people, but mention a poor one to sixteen people.

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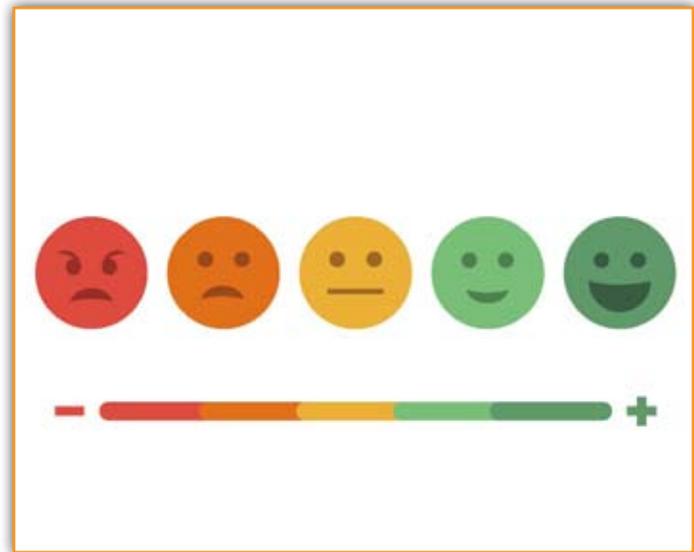
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# Nutshell

- Angry customers have the potential to damage your brand name – Angry customers share on the internet and on social media that which can be disastrous for a brand's image.

Here are eight reasons for your organization to invest in customer experience:

1. Price isn't the only differentiator. People will pay more for excellent customer service and a great customer experience. In fact, American Express found consumers are willing to spend seventeen percent more to do business with companies that deliver excellent customer service.
2. It's not that hard to improve the level of customer service you provide and improve the customer experience of your customers, though it does take commitment, focus, determination, measurement and listening.
3. Happy customers are good customers. They buy more, they buy more frequently and they tell their family, friends and colleagues about your products, service and their customer experience. And referrals and word of mouth are still the most cost-effective marketing you can get.
4. CX doesn't require leading-edge software. However, it does require good customer relationship management (CRM) software and a commitment by everyone in the firm to use it and listen intensely to what the customer is saying and how your organization makes them feel.



5. It's cheaper to retain current customers than acquire new ones, some studies suggest by a factor of seven.
6. Any company of any size can provide consistently excellent customer service and "wow" customer experiences. It's a customer-centric attitude that starts at the C-level and cascades down to everyone in the organization.
7. Happy customers find new customers for you. They provide referrals, testimonials, they share their positive thoughts and experiences with family, friends and colleagues, and they post on social media sites.
8. Improving CX pays for itself. Think of providing good customer service as a marketing investment.

Most companies provide lousy customer service and a negative customer experience. CX is a great way to differentiate your firm from your competition. A customer who has an issue that is resolved is more likely to become a long-term customer and spend more with you over time, than the customer who doesn't complain. Providing great customer service and a "wow" customer experience can help create "raving fans" who will sing your praises to family, friends, colleagues, and even strangers via internet and social media.

A dissatisfied customer leaves and tells their friends, and possibly many others, about what a poor job you did. As such, you're much better off resolving the issue to the customer's satisfaction.

## Benefits of Customer Experience Marketing

By putting customers first and meeting their expectations across marketing channels, marketers deliver exceptional customer experiences that retain customers and build loyalty. The key is to deliver a consistent, seamless experience across all touch-points and ensure that all materials are relevant to them.

Marketers who are successful in customer experience marketing are reaping the benefits, as customers are 5.2 times more likely to purchase from companies with a great customer experience, and case studies show that integrated customer journeys provide a competitive advantage with some companies doubling sales year over year.



When marketers successfully engage in customer experience marketing, they create a strategy centred on customer interests, needs, and affinities. When they improve customer experiences through engagement, marketers create valuable customer relationships for their organizations. Personalized experiences improve the customer experience even more, creating loyal customers that trust the company and spend more on their products. Specifically, the benefits of customer experience marketing include:

- Increased brand loyalty for increased, long-term profitability.
- Increased brand awareness and reach.
- Greater insight into customer behaviour.
- Higher customer satisfaction rates.
- Increased trust.

Here are five checkpoints that your company should focus on in order to get your customer experience strategy up to snuff.

## Sport a User-Centred Design

This is the first checkpoint you put your entire customer experience through. You can erase the need for other fixes along the journey



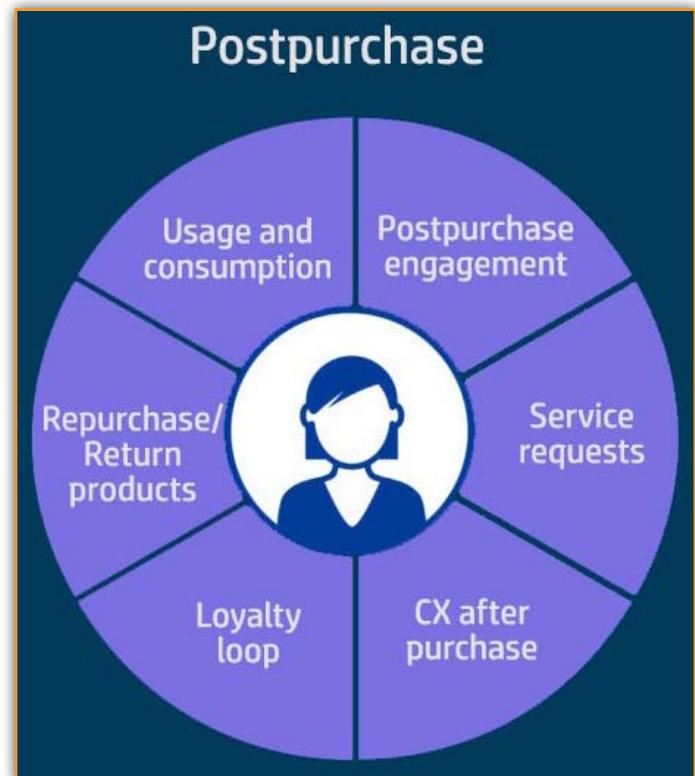
by ensuring that your website, product, or service is intuitively built to cater to your users' expectations and needs.

You need to hire talent which can stay abreast of ever-changing user behaviour and having a smart design is only one fraction of this



equation. Perhaps even more importantly, you need to test like crazy, analyze, adapt, and then test again. A/B testing is a brilliant approach for configuring the best marketing strategies for your business and is also an incredibly intuitive method for testing your CX.

User-centred design is crucial for learning about your customers' needs and wants. This kind of knowledge helps you better cater to the consumer through marketing strategies and, of course, provide optimal customer experience.



### Offer Personalized Engagements

It's true that sometimes, personalization isn't crucial. Some engagements are general and don't require the extra finesse of personalized content. However, when personalization matters, it really matters.

This is important throughout the entire funnel. If your top-funnel visitors have to dig to find relevant information on your website, you are creating more effort and driving a huge wedge



between you and them, especially considering that your competition is likely investing in these top-funnel, personalized experiences.

By the same token, once your prospects have become paying customers, know that any query you answer must be personalized. Don't neglect your valued customers by displaying information that is geographically and contextually irrelevant to their account, needs, or past experiences with you. Seek out an automated solution that easily enables you to create a personalized experience for your customers.

### **Provide Clear Paths to Resolution**

Not every customer engagement with your brand will be cut 'n dry. Sometimes technology cannot satisfy your customers, and a human touch is required for more urgent issues. When the path to resolution is anything but a seamless straight line, it adds effort to the customer journey and puts a damper on the customer experience.

Rechanneling should be intelligent and immediate. If the first engagement is with a dynamic contact centre or other self-service platform, then escalation to phone, chat, or email should be easy and targeted to the right agent with the right skill set.



Having a clear picture of your customer's needs is a positive side effect of knowing your target audience. Naturally, the course of your customer intel will evolve as your company tests and grows. However, your initial target audience will tell you a lot about the genre of queries you may receive, and it's wise to cater the design and CX accordingly. This is a customer's dream—but it unfortunately does not occur often enough.

### **Don't Forget to Remember Thy Customers**

If you wanna knock your customers' socks off, then make them tell their story only once. Throughout the escalation process, each agent should have the full customer story from every previous customer engagement. They also must show a high regard for customers' time by referencing this information to speed up resolution.

Remembering your customers is a process that harkens back to gathering and analyzing the details of your target audience through market research. Assuming that your company is not the first service they've used within your industry, learn the defaults of the previous companies they worked with and use these shortcomings to better your own service and hone your strengths in a highly saturated marketplace.

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If a customer is engaging with you because of a problem, question, wrong service, or faulty product, they are probably not feeling much like a beam of sunshine. Having to revisit and explain the issue over and over will make their mood nosedive even more. Confidence in your brand will decrease, as it shows a lack of care and indicates antiquated technology where your CRM is concerned. Show up for your customers, and know what they want before they have to tell... again.

## Properly Sync Social

Mobile customer service is in the spotlight lately, and your customers often defer to social channels when seeking resolution via mobile devices. Americans spend an average of thirty-seven minutes daily on social media, which is more time spent than on any other internet activity, including email, according to the Wall Street Journal. It's almost impossible to offer the kind of always-by-your-side support across all social media platforms that is necessary to pacify and even delight your customers.

If you have noticed unresolved questions, comments, and tweets on your social channels, or if your CRM is not syncing and recording these highly valuable customer engagements on social, it's time to invest in a real solution.



Social Customer Service platforms such as Conversocial will put your mind and customer experience at ease. It's the era of the customer, and they're calling the shots. When they pull the trigger on social, you need to be there with the answers they need.

## Seven ways to improve the customer experience

Let's take a look at seven ways to create a great customer experience strategy to help you improve customer satisfaction, reduce churn and increase revenues.

### 1. Create a clear customer experience vision

The first step in your customer experience strategy is to have a clear customer-focused vision that you can communicate with your organization. The easiest way to define this vision is to create a set of statements that act as guiding principles.

For example, Zappos use their Zappos core family values and these values are embedded into their culture; which includes delivering wow through service, being humble and embracing change.



Once these principles are in place, they will drive the behaviour of your organization. Every member of your team should know these principles by heart and they should be embedded into all areas of training and development.

## 2. Understand who your customers are

The next step in building upon these customer experience principles is to bring to life the different types of customers who deal with your customer support teams. If your organization is going to really understand customer needs and wants, then they need to be able to connect and empathize with the situations that your customers face.



One way to do this is to create customer personas and give each persona a name and personality. For example, Anne is 35 years old; she likes new technology and is tech savvy enough to follow a video tutorial on her own, whereas John (42 years old) needs to be able to follow clear instructions on a webpage.

By creating personas, your customer support team can recognize who they are and understand them better. It's also an important step in becoming truly customer centric.

## 3. Create an emotional connection with your customers

You've heard the phrase "It's not what you say, but how you say it"? Well, the best customer experiences are achieved when a member of your team creates an emotional connection with a customer.

One of the best examples of creating an emotional connection comes from Zappos, when a customer was late on returning a pair of shoes due to her mother passing away. When Zappos found out what happened, they took care of the return shipping and had a courier pick up the shoes without cost. But, Zappos didn't stop there. The next day, the customer



arrived home to a bouquet of flowers with a note from the Zappos customer service team who sent their condolences.

Research by the Journal of Consumer Research has found that more than 50% of an experience is based on an emotion as emotions shape the attitudes that drive decisions.

Customers become loyal because they are emotionally attached and they remember how they feel when they use a product or service. A business that optimizes for an emotional connection outperforms competitors by 85% in sales growth.

And, according to a recent Harvard Business Review study titled "The New Science of Customer Emotions", emotionally engaged customers are:

- At least three times more likely to recommend your product or service.
- Three times more likely to re-purchase.
- Less likely to shop around (44% said they rarely or never shop around).
- Much less price sensitive (33% said they would need a discount of over 20% before they would defect).

#### 4. Capture customer feedback in real time

How can you tell if you are delivering a wow

customer experience? You need to ask – and ideally you do this by capturing feedback in real time. Send a follow up email to every customer using post-interaction surveys and similar customer experience tools to automate the process. Of course, it's possible to make outbound calls to customers in order to gain more insightful feedback. It's also important to tie customer feedback to a specific customer support agent, which shows every team member the difference they are making to the business.

#### 5. Use a quality framework for the development of your team

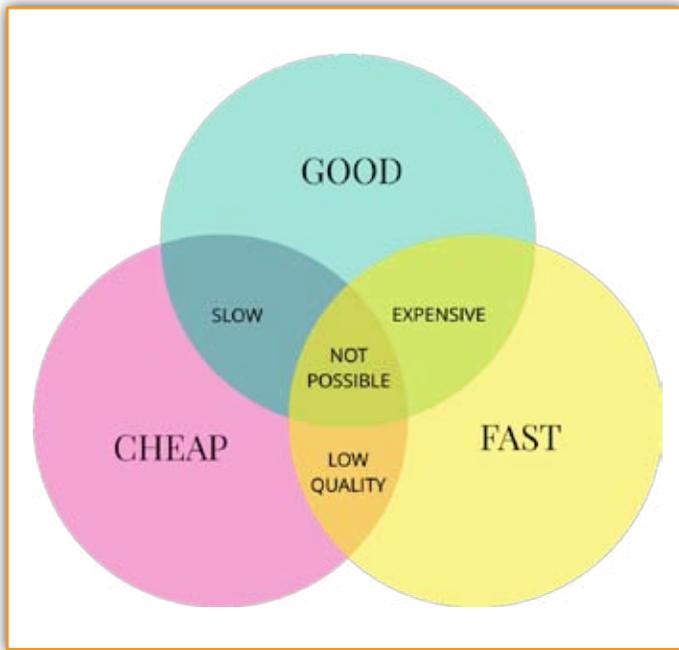
By following the steps above, you now know what customers think about the quality of your service compared to the customer experience principles you have defined. The next step is to identify the training needs for each individual member of your customer support team.

Many organizations assess the quality of phone and email communication, however, a quality framework takes this assessment one step further by scheduling and tracking your team's development through coaching, eLearning and group training.

#### 6. Act upon regular employee feedback

Most organizations have an annual survey process where they capture the overall





feedback of their team; how engaged they are and the business's ability to deliver an exceptional service.

But, what happens in the eleven months between these survey periods? Usually, nothing happens. And this is where continuous employee feedback can play a role using tools that allow staff to share ideas on how to improve the customer experience and for managers to see how staff is feeling towards the business. For example, using project management software or social media tools, you can create a closed environment



where your organization can leave continuous feedback.

## 7. Measure the ROI from delivering great customer experience

And finally, how do you know if all this investment in your teams, process and technology is working and paying off?

The answer is in the **business results**.

Measuring customer experience is one of the biggest challenges faced by organizations, which is why many companies use the "Net Promoter Score" or NPS, which collects valuable information by asking a single straightforward question:

*"Would you recommend this company to a friend or relative?"*

## Five marketing strategies for best customer experience

Customer experience management is one of the top three strategic priorities of 45% of businesses for 2019 to 2020, found a recent global survey. Will your business focus on improving CX? Beef up your brand marketing activities with these strategies.

### Put the basics in place

This marketing strategy is already understood,



but some startups haven't even sorted out their branding basics. Start with building trust and security among customers through your business policies, including the following:

- Customer service policy
- Shipping policy
- Return policy
- Customer data privacy policy
- Money-back or satisfaction guarantee
- Payment workflow

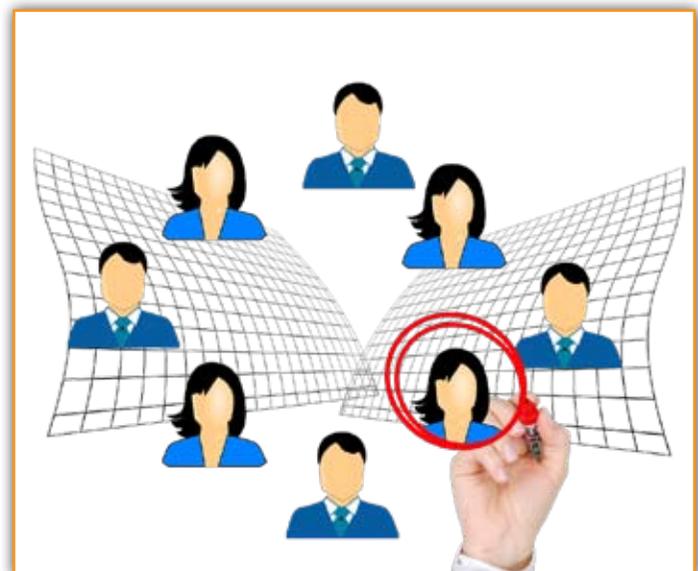
To provide the best CX, all members of your organization should know these branding basics by heart - not just the customer service team but also the marketing team. Your social media specialists, for example, can provide a positive customer experience if they know how to deal properly with dissatisfied customers who post complaints on social media.



Make your processes and branding consistent. You know what frustrates customers the most aside from defective products? It's poor customer service.

Especially in larger companies with multiple teams, processes with inconsistent information and interpretations leave customers confused. Your print and social media ads promise one thing, yet your customer service people interpret it differently. If you were a customer, wouldn't you get mad and switch brands?

Make excellent customer service a key part of your company culture. Communicate your company's processes clearly and consistently across the organization. This way, people from different departments are always on the same page when dealing with customers.



Same goes for branding. Your employees and target market must know what your brand stands for. Create your company's branding guidelines, making sure that all brand messaging, materials, and activities are consistent and spot-on.

**Build and sustain an emotional connection with your customers**

Successful brands delivered twenty-two



emotionally positive experiences on average for every negative experience, based on the findings of Forrester’s 2018 Customer Experience Index. In contrast, poor-performing brands delivered just two positive experiences for each negative experience.

Is your brand delivering more positive UX (user experience) than negative ones? If not, work harder to appeal to your customers’ emotions. Creating and sustaining an emotional connection with your customers is simpler than it would seem. Here are some ways to do it:

- Be proactive in solving problems through fast data analytics to reduce customer complaints.
- Respond promptly to customers’ messages on social media. (Who doesn’t hate waiting and being ignored?)
- Let customers know you value their feedback and act on it fast.
- Acknowledge their pain-points and empathize with them at all touch-points.
- Make their buying experience memorable through a personalized “thank you” message and giving away discounts and coupons after a purchase. Check other great CX ideas to make your online shoppers happy and keep them coming back to you.
- Personalize your messages to customers. Even a mere mention of their first name does wonders!

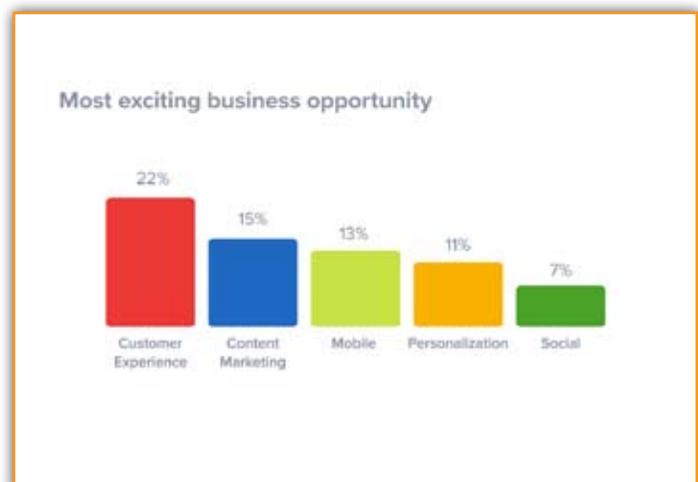


## Use AI to improve customer service

Artificial intelligence (AI) is shaping the digital marketing industry in more ways than one.

AI’s most significant impact is on CX management, particularly in online shopping. A study on AI and chatbots found that when an online store uses AI, 49% of consumers would buy from it more often, and 38% would share their experiences with family and friends.

Delivering personalized, interactive customer experiences is the biggest benefit of tapping AI for your marketing strategy. Some of the world’s leading brands - including Google, Apple, Microsoft, Skype, and Amazon - are doing it through chatbots. Such AI-powered



technology allows businesses to help customers find an item they need, score the best prices and deals, view recommendations, and more.

AI can even help you serve customers before they ask for it. Starbucks, for instance, uses AI to suggest orders before customers decide on what they want and to guess their orders in their next visits.

## Measure customer experience

You can't continuously improve customer experience if you don't measure it. A simple CX metric is the Net Promoter Score (NPS). Simply ask your customers to rate on a scale of 1 to 10 their likelihood of recommending your product or company. It's fairly easy to implement, which is why many companies use it, including Amazon, Airbnb and Slack.

Go beyond quantitative surveys, too. Measure CX qualitatively by hiring a market researcher to dig deeper into your customers' needs, behaviours, and perception of your brand.

## Customer Experience Marketing Best Practices

As companies strive to become customer experience leaders, they need to implement customer experience marketing best practices. First, creating memorable experiences for customers means helping them interact with



brands in new ways. Experiential marketing involves feelings, senses, thoughts, actions and relations. Experiences that are holistic include people's lives and conversations and get them talking about brands and products in a positive way. Research shows that consumers are more influenced by word of mouth when making a purchase than by print media, television, movies, and brand websites. And, McKinsey finds that experiential brand experience is the most powerful form of word of mouth.

Other customer experience marketing best practices include:

- Aligning business and brand strategy with customer experience strategy.
- Treating customer experience improvement as a discipline.
- Understanding what customers see when they interact with your company.
- Improving small things but keeping an eye out for big improvements.
- Knowing your return on customer experience improvements before investing in them.
- Getting all stakeholders involved and onboard with customer experience improvement.
- Approaching customer experience improvement as an ongoing process.

The majority of marketers understand the importance of improving customer experience.





Without our customers, we couldn't even be in business. They're central to everything we do—and we need to treat them that way. But too few companies are making customer experience a key factor in planning their marketing campaigns.



The traditional marketing mix consists of the product (or service), place, price and promotion—i.e., the “4 Ps” of marketing. Now, customer experience may not start with a “P” like the others, but thinking about how customers touch your brand is crucial to how they perceive and interact with it. In fact, building customer loyalty begins at the first touchpoints many prospective customers encounter - your marketing.

### Completely Integrating the Customer Experience into Marketing

Though this is changing quickly, marketing is still more art than science. You need to see where your market and customers are headed before they even arrive there. It's tricky, but for those executives who truly understand who their customer is, it can be a well-oiled

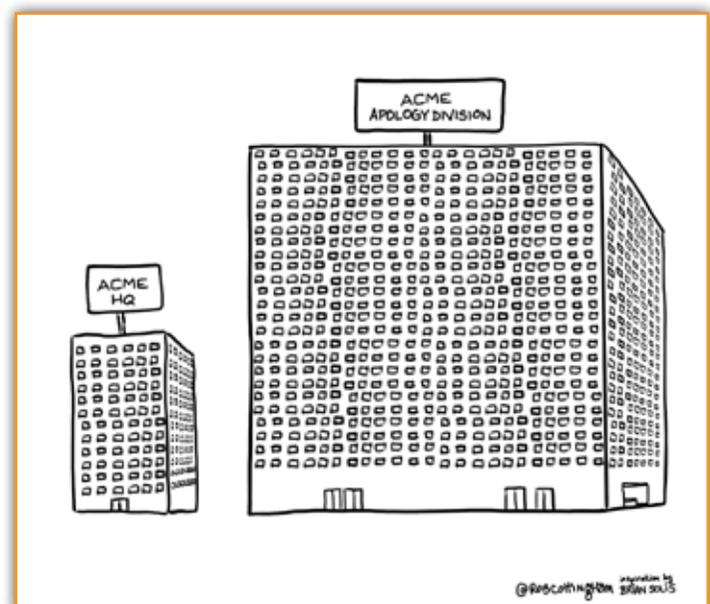
machine. For executives at Hallmark, UPS and Verizon Wireless, integrating data regarding the customer experience into their marketing campaigns has become essential to their businesses' success and building loyalty.

### How Hallmark, UPS, and Verizon Use Data in Their Marketing Strategies

Lisa Macpherson, SVP of Marketing at Hallmark, said their customers want transparency and authentic interactions. And that insight has led the company away from strictly calendar-based, seasonal marketing campaigns.

Instead, they're leaning more on behavioral and transactional data to connect with customers better. It's no longer about a generic Valentine's Day advertisement, but messaging targeted to what a customer has purchased in the past. They even go so far as to mirror the tone and style of past purchases in their communications (e.g., intimate, heart-felt marketing messages reflective of customers' cards.)

Alan Gershenhorn, Chief Sales, Marketing, and Strategy Officer for UPS, talked about how they leverage the company's unrivaled knowledge of supply chain and logistics to make personalized strategy recommendations to business customers. UPS claims to be in the business of “helping [their] customers



become more successful.” But there’s actual substance behind that statement. By building the marketing relationship on specific new revenue and cost saving opportunities mined from the customer’s history, UPS is truly making customer experience the “5th P.”

At Verizon, they’re unlocking the power of customer experience in lifecycle marketing. Ken Dixon, VP and CMO, said Verizon uses a customer’s purchasing history to create specific product recommendations or advise a customer that it might be time to upgrade his or her software to receive all the latest and greatest benefits. But they take it one step further. Verizon is also looking at the purchases of people who recently upgraded from your phone model—using the preferences and experience of similar customers to improve the quality of their recommendations.

## How YOUR Company Can Incorporate Customer Experience into Marketing

So, all of this is well and good, but what can your business do right now to start bringing the customer experience into your marketing? The one common thread throughout Macpherson, Gershenhorn and Dixon’s answers was this: use what you already know about your customer, and simply start using it better.



## The Customer Experience Funnel



Most likely, you already have your customers’ purchasing histories. Take a page from Hallmark, UPS, and Verizon and delve right into what your target market buys from you, as well as things like when, where and how they do. Understanding your customers’ past behaviors helps you to anticipate how they want to interact with the company. Do they prefer for you to make product suggestions? Would they rather want you to speak to them based on their needs of that season? By thinking about what you already know about the customer and their experience preferences, you’re able to focus all of your marketing efforts around them and show your company is authentically interested in providing the best experience you can.

So, maybe customer experience doesn’t start with a P. But understanding your customers’ preferences does. And if you can understand and deliver on those, you’re on your way.

## Conclusion

Customer expectations are higher than ever and word of mouth travels fast! And as the customer becomes even more empowered, it increases the importance of the customer service experience. Customer experience is an area that needs constant nurturing and care and with a greater focus on customer experience strategy, companies will realize a positive impact on customer loyalty, higher retention and increased revenues.

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