

Earning Loyalty through Superior Customer Experiences

A 3D bar chart with a fountain pen nib pointing upwards, symbolizing growth and quality. The chart consists of 15 vertical bars of increasing height from left to right. The pen nib is positioned at the top right of the chart, pointing towards the top right corner of the image. The background is a warm, golden-yellow gradient with a subtle grid pattern.

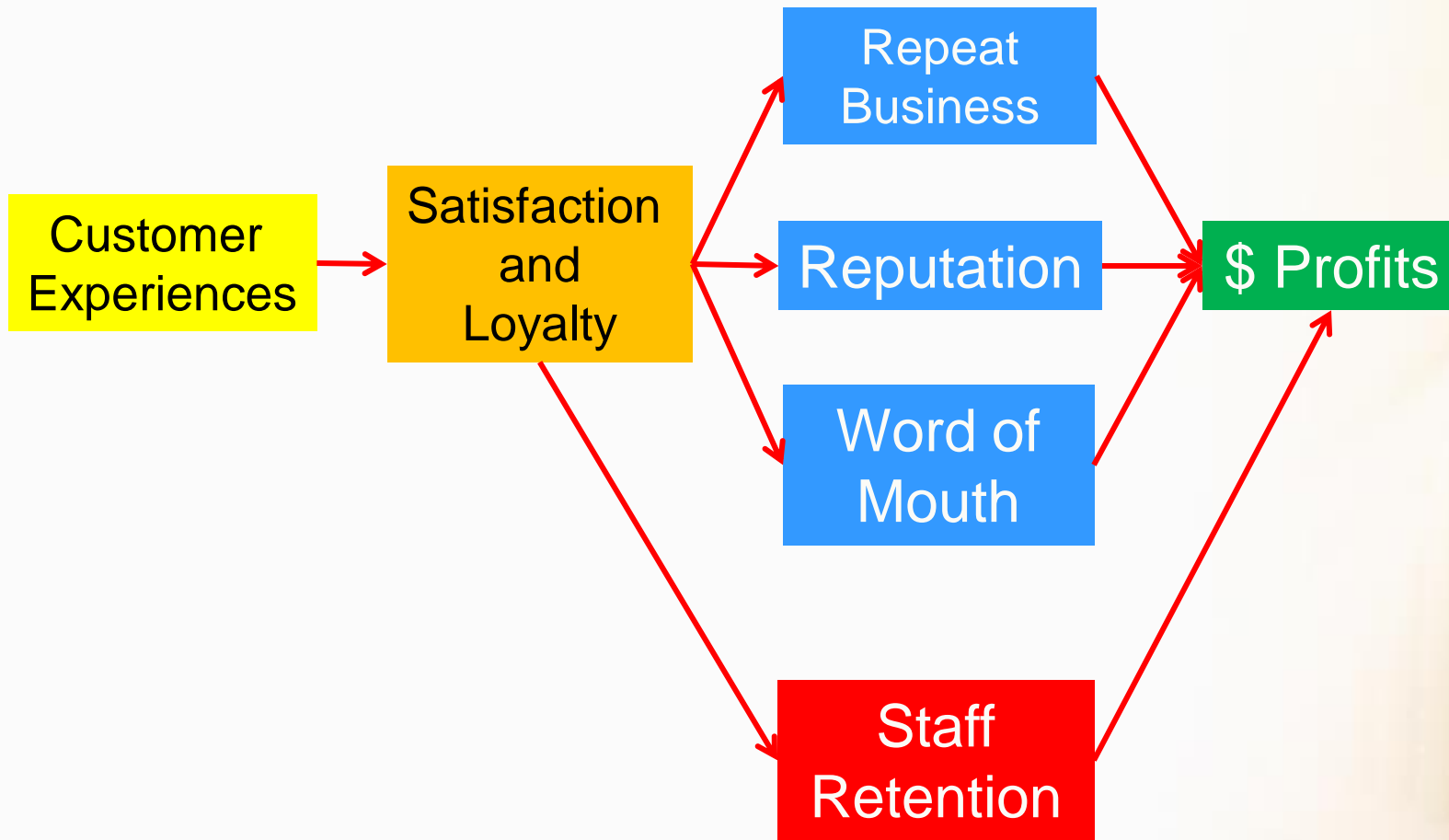
American Society for Quality



What Is Loyalty?



Loyalty Increases Profits Four Ways



Loyalty's Far-Reaching Effects

- Our research shows greater financial impact from earning more recommendations and larger shares of wallet than from avoiding lost customers in many cases.
- A good reputation buys forgiveness for unintentional mistakes – for a while



Loyalty Is Too Important to Leave to Chance

- We are NOT safe because
 - Customers continue to do business
 - Inertia is powerful
 - Revenues can mask gradual declines in share
 - Customers don't complain
 - Silence can mean they have given up, are apathetic



Customer Experiences Create Loyalty

- Points of Pain (POP)  Negative WOM



- Moments of Magic (MOM)  Recommendations



- Avoid POPs and create MOMs through Customer Experience Management

What Is Customer Experience Management?

- Outperforming, out-innovating your competitors
- Customer Satisfaction on Steroids



Why Customer Satisfaction on Steroids?

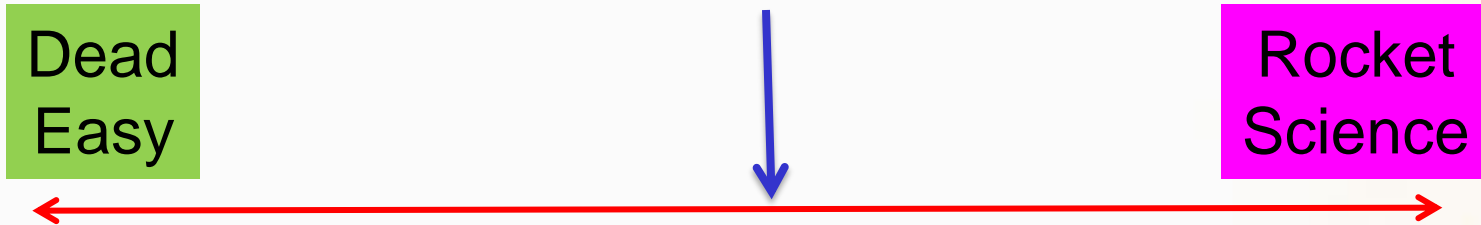
- CEM Is More than Customer Satisfaction
 - POP minimization
 - Solve problems, prevent failures, meet expectations
 - MOM creation
 - Provide WOW experiences that set you apart

- Examples?



Fortunately, CEM Isn't Rocket Science

- It is a repeatable process
- Not dead easy or rocket science



What Does CEM Process Involve?

- C** Commit to CEM, demonstrate its value
- A** Assess customer needs, firm's abilities
- C** Commit again and plan
- T** Touch point teams design improvements
- U** Use and test improvements
- S** Solidify and implement improvements



C: Commit to CEM Concept

C
A
C
T
U
S

Ideally Board of Directors, CEO, C-suite
“discover” CEM for all locations

- Or, sell the idea up the ladder or across locations

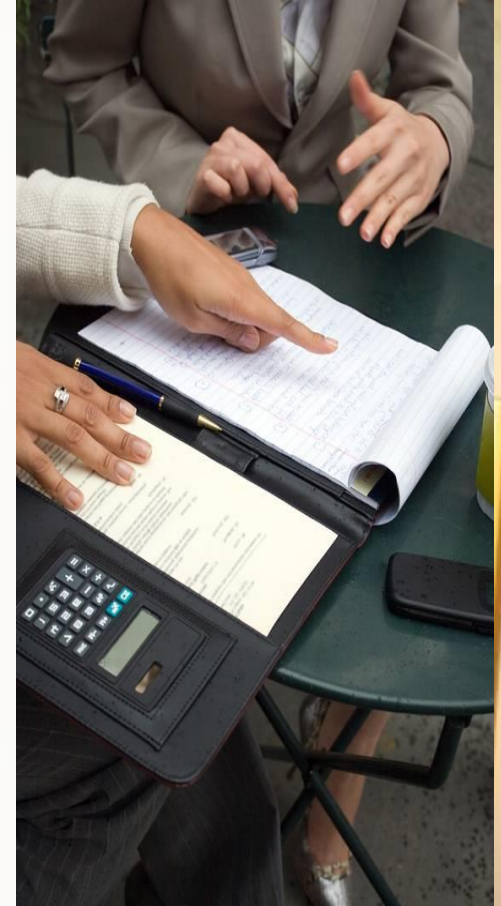


C: Commit to CEM Process

- C** Define scope of CEM process and challenges
- A**
- C**
- T**
- U**
- S**
- Agree on reasons, goals for CEM
 - Identify “customers”
 - Consumers and financial service professionals
 - Doctors and patients
 - Identify all points of contact

A: Assess Customer Needs

- Conduct research with customer segments
 - Points of Pain: Reported problems, lost customers, staff suggestions
 - Expectations: Customer satisfaction surveys, mystery shoppers, needs research
 - Moments of Magic: Focus groups, one-on-ones, benchmark related products or services (hotels, spas), new product research



Dig for POPs and MOMs

- “Easy to do business with” vital
 - Statements are POPs – Unclear, complicated, inaccurate, often cause customers to call
 - Predictability satisfies – Don’t make changes unless necessary
 - Caring creates MOMs – Put customers’ interests before company’s (guarantees), make transactions fun, have information at fingertips



A: Assess What Is Needed to Offer Superior Customer Experiences



- Start with customer groups with largest financial importance
- All phases are important – though some may be more important to loyalty
- Break phases into steps and look for POPs and MOMs at each step

C: (Re)Commit and Plan for Action

- Make go/no go decision and commit resources
 - Identify Champion
 - Involve as many top officers as possible
 - Assign valued staff members to Touch Point Teams – at least one for each phase
- Need to win hearts as well as minds of staff
 - Tie CEM goals to company values



T: Touch Point Teams Develop Ideal CEM Processes and Underpinnings

- Goal: Translate ideal customer experiences into teachable, repeatable, measureable processes
 - Define detailed steps and who is responsible at call centers or elsewhere
 - Process manual, documents, technology and communication are vital deliverables



T: Teams for Getting Started



- Consider Enrolling
 - POP: Accurate, prompt information
 - MOM: Establish rapport, personalize information, service guarantee
- Enroll
 - POP: Accurate, prompt, non-repetitive
 - MOM: Unsolicited tips on accessing info., offer to help with first transactions, welcome email key numbers or links

T: Teams for Daily Business Phases



- Conduct Business
 - POP: Accurate, prompt, easy
 - MOM: Proactive help, personalize recognition of importance, thanks. Humor. Great tangibles.
- Ask Questions
 - POP: Accurate, prompt, non-repetitive
 - MOM: Identify and eliminate reasons to call

T: Teams for Problems Phase



■ Report Problems

○ POP: Follow 6 steps – always

1. Express regret
2. Listen and paraphrase description of problem
3. Ask what they want done
4. Negotiate, agree on solution
5. Follow through on promises
6. Confirm problem is resolved

○ MOM: Proactive service guarantee payouts, explanation from senior person of steps taken to prevent problem re-occurring

T: Teams - Creating MOMs

- People, interpersonal interactions
 - Retail, call center, senior managers
- Signs of personal caring
 - Individualized treatment
 - Follow up after interactions
- Events
 - Create events and interactions



U: Use and Pilot Test Improvements

- Pilot test at one site, small scale
- Pre-train on CEM processes and goals – focus on POPs and MOMs from Touch Point Teams
- Observe and get reactions from customers and staff
- Update process manual, documents



S: Solidify and Implement Best Practices

- Roll out training, technology, reporting
 - CEM training
 - Overview for all groups, specific handouts for each job function
 - CEO or top executive participates in ALL sessions
 - Supporting documents, technology created
 - Begin formal reporting of satisfaction at each phase
- Manage and monitor
 - Weekly at call center
 - Monthly with all managers
 - Annual at planning



Lessons Learned

- Many people and many tools are needed: Research, values, company brand, process manual, benchmarking, pilot test, HR, documents, technology, measurement, training and communication
- Hearts as well as logic involved
- Not rocket science or dead easy
- Process not linear: A puzzle to solve



Is This Right for You?

- Greatest payoff is for service organizations where CEM is difficult to copy
- Best when CEM fits with company values, brand, goals
- CEM needs cooperation from top to bottom and across silos



CEM Can Help If . . .



- See Signs of Decline
 - Customer attrition or cut backs
 - Sales conversion rates down
 - Faster-growing competitors
- Have Ambitious Strategy
 - Organization wants to grow
 - “BHAG” goals
 - Want to be best competitor