

How to Improve the Customer Experience

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Efforts to improve the customer experience do little to boost customer satisfaction and loyalty because they fail to connect with customers and anticipate their needs. Marketing, sales, customer service and CRM leaders can use this research and the related reports to learn how to be more successful.

Analysis

Companies that have invested in CRM methods, training, reorganizations, processes and technology during the past 10 years have been able to reduce their sales, service and operation costs, as well as increase their sales and marketing productivity, in many cases. Although that's good news for companies, it's not necessarily good news for their customers. For the most part, CRM technology has not improved the customer experience that much. Customers can do things now that they couldn't do before, such as place orders around the clock or track shipments. But they also now expect increasingly more from the companies they do business with, and it's easier for them to compare competing companies in search of better deals or service. In many cases, the perception is that the customer experience has actually deteriorated (for example, customers are stuck in an automated system when they know their issue requires a live agent). Simply meeting, let alone exceeding, expectations has become an ongoing challenge.

Business leaders may think that IT holds the solution to this problem, but IT, in fact, may hurt more than it helps. Some traditional CRM efforts get in the way of delivering a good customer experience. Things such as spam, rote surveys and even reward programs are not delivering the kinds of good experiences customers want. At most companies, "customer" is poorly defined, and there's no real information on which customers to target and how to discover what they want. Customers also are better at ignoring traditional marketing messages and working the system in search of incremental benefits. Therefore, they seek a reward for their loyalty but are not necessarily emotionally loyal to the company.

Strativity Group's annual customer experience surveys show that many employees are angry about this state of affairs. They think their companies invest more in technology than in people who are better-suited to deliver a good experience to customers. Worse yet, there's little commitment to a real customer quality initiative. Workers at many organizations think their own companies don't deserve customer loyalty. They think the company takes any customer willing to pay, and the executives don't really care.

However, the company directors often do care; and, if trends continue, they're likely to care even more in the future. They view a good customer experience as the best way to attract and keep customers, building up loyalty over time that will spread by word-of-mouth advocacy to generate even more loyal customers. Even these company leaders, however, may not realize how far customer loyalty goes. A lot of goodwill with a customer can be wiped out by one bad experience, and some seemingly loyal customers will just change to a competitor if it offers a slightly better deal.

Marketing managers and CRM leaders need to gain a better understanding of what drives customer behavior, loyalty and satisfaction. Gartner has written this research to educate these leaders and to help in guiding corporate decisions to improve the customer experience.

"Fifty Things to Do Right Now to Improve the Customer Experience" identifies seven basic ways that companies can improve the customer experience, and provides ideas for 50 projects that companies of all kinds can undertake right away.

The following two reports discuss how to better find out what customers really think about your company and what they really need you to do:

- "How to Conduct Better Customer Surveys" talks about why most customer surveys are worthless and outlines an eight-step process that companies should use to get real value out of surveys.
- "How to Integrate Customer Feedback Into Business Processes" discusses why companies need to move beyond surveys and get into enterprise feedback management to boost their understanding of customers and better respond to their needs.

To help determine what kinds of technologies to use, see "Technology's Important Role in Customer Experience Management." This research breaks a myriad of technologies down into two basic types: those that help deliver the optimal customer experience and those that help companies better understand the customer experience.

The market for customer experience management (CEM) software and services is crowded and confusing. No one technology vendor or service provider can do it all, and many providers are simply relabeling CRM technology and solutions as "CEM" without understanding the difference. See "Service Providers That Can Help Design and Enable the Customer Experience" to review your options.

Finally, Gartner provides outside perspectives through question-and-answer interviews from three leading thinkers in today's business world:

- "Q&A: How Peppers and Rogers Suggests Building Real Relationships With Customers" sits down with Dr. Martha Rogers and Luc Bondar from Peppers and Rogers to get some insight into what really makes customers happy and what leads to long-term loyalty.
- "Q&A: Dan Heath on How to Develop 'Sticky' Ideas to Improve the Customer's Experience" gets some perspective from the master of those memorable and effective so-called "sticky ideas," Dan Heath, a best-selling author and consultant at the Aspen Institute.

- "Q&A: Dr. W. Earl Sasser Advises Companies on How to Delight Customers" provides a sneak peek into Harvard professor W. Earl Sasser's latest research on customer satisfaction and why so many programs that are popular today still miss the mark.

Recommended Reading

"Gartner CRM Summit 2007 Explores a 'Critical Phase' in CRM"

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