

Designing the Customer Experience

How customer centricity can give your company a competitive edge.

Every company knows the value of loyal customers and the greater cost of attracting new ones. Customer relationships are top of mind and relevant in almost all functions in a company. Companies also experience how transparent the world has become and the fact that customers evaluate far more information than price, function and quality of a product before they make a purchase decision and begin a relationship with a company.

Today, companies need to think harder about how, when and where a customer interacts with the company and where experiences are created. To make things even more challenging, but also more inspiring, are the vast possibilities to interact with the customer. Interactions take place in all kind of touch points such as department stores, catalogs, websites, blogs, social media, events and so on makes up only a fraction on possible ways of interacting with the customer.

In this article we want to present why companies need to be more customer centric to create real differentiation and a competitive edge. And how it can be done by the design of how your customer experiences your company. We also want to share our experience of what can be the first steps in creating outstanding customer experiences.

The Importance of Customer-Centricity

The relationship between a company and a customer is the sum of the rational and emotional experiences that the customer has with the company over time. There is no escape from this reality:

A company always provides an experience for the customer, either good or bad. The customers can easily benchmark between similar products and offerings. The company offering the best experience sets the standard for an industry. The key to grow your business is to design and improve those experiences to be satisfying, exciting and mutually beneficial.

To what level are companies already providing an outstanding customer experience? Research in the field and our experience shows that there is still room for improvements in most industries. Other industries may serve as good benchmarks, such as luxury brands, certain airline and car companies. Often there is a discrepancy between how a company and a customer value an experience, where the company often over values its efforts to meet a customer expectation. Many companies have a great opportunity to get a competitive edge and to be admired by their customers by focusing on the experiences they create.

One example of a brand acting on Customer-Centricity is the bicycling apparel brand Rapha – Funded by Simon Mottram, he envisioned a brand revolutionizing the cycling market. What Rapha has focused on from day one is working with the experience of the brand. Rapha is presenting itself and the products in an inspiring and relevant context. Branded content such as films and image series sell the aspirations and situations

associated with the brand, as well as the products themselves. The products have a truly “Rapha” design look that breaks with the traditional look of bicycling clothing. Relationships with the customers are being built by the possibilities to travel with Rapha to iconic cycling locations, promoting loyal customers by providing unique collections, selling memberships to a Rapha cycling club, blogs, and so on. Rapha clothing is being sold with a 30-50 % price premium over other brands. www.rapha.cc

The Customer Journey and Customer Touch Points

To have a common definition and a view of what a good customer experience is, it is vital for the improvement of the same. Often there is a common view around a company vision and goals, but that is not enough. Visions and goals tend to be too general to provide true guidance for the work designing customer experiences.

A customer embarks on a journey with a company. A customer journey starts when they become aware of a company as someone who could fulfill their needs. The journey “ends” when the customer becomes an advocate of the company. Traditionally, the point at which the customer has used a product or a service has been the critical point of this journey, although other parts of the journey also matter to deliver the most optimal customer experience.

Mercedes-Benz USA, started a program of product concierges. The program aims “to take better care of our customers” because of the “increasing complexity of our product line and the increasing level of technology. For us, in our customer car journey, a concierge is someone who is there to your service, to answer your questions and to solve your problems.” Steve Cannon, CEO of Mercedes-Benz USA, Automotive News, November 8 2014.

During the customer journey a lot of interactions take place in touch points between the company and the customer. These touch points can be the interaction in a store, paying a bill, making a service appointment or ordering a product on a company website. A company needs to know how many touch points they have to manage and the ones that are critical for the customer experience. In our work helping companies to become more Customer Centric we have discovered that these touch points are truly unique for each company and they tend to be more numerous than expected by our clients.

Customer touch points and the responsibility to handle them are spread over different corporate functions. In the past, the delivery of an outstanding customer experience has usually been a marketing task, but not anymore. The delivery requires the co-operation and alignment between most corporate functions, but especially between marketing, sales and IT. A recent Harvard Business Review article¹ described how innovative companies have created a different kind of marketing organization. An organization type that is more interactive and more collaborative with other functions in a company, rendering the marketing function becoming more effective in designing outstanding customer experiences.

¹Harvard Business Review; July–August, 2014

Challenges in the work designing customer experiences

To start, the information is out there, waiting to be retrieved among the existing and potential

customers. Often, the information is already in the hands of a company through collected data from company-customer interactions waiting to be mined and analyzed. A company needs to have a sense of what kind of emotions it would like to evoke in a customer to be able to benchmark how well it's doing. It is a task of manifesting a brand and what it should stand for in a customer experience. Companies now have the possibility to move from a subjective and intuitive process to a more Customer Centric, information, and fact driven process in creating, testing and improving customer experiences.

Turn every stone

A company needs to examine and map the whole customer journey and its touch points to better understand how the customer interacts with the company. A company needs to know how well they fulfill the customer's physical and emotional needs, and also, if unsatisfied needs could be identified. Both qualitative and quantitative research is vital input for making potential improvements.

*Great Customer Experiences are designed "Outside In" rather than "Inside Out".
-Shaw and Ivens*

Measure the right metrics

It is imperative for a company to measure the right metrics. Customer relevance is a key word here. It is a challenge to get to know the customer and their needs and preferences. With the right partner for market research, a company can reveal valuable information that easily can be transformed into action, building greater customer experiences. Another challenge is to identify and define the right customers to focus on. Customer segmentation based on value and potential helps a company to allocate, often scarce resources, where they create most value.

Prioritizing the Right Actions

There are a vast number of possible activities to be launched to build customer experiences. The difficult part is of course to choose the right ones. A company will get true and effective guidance in the work prioritizing activities by cultivating a more Customer Centric approach for their business.

A well-known outdoor power equipment manufacturer had the difficult task to prioritize from 183 product innovation ideas alone. This company turned to OSG to get help match customer needs to the product innovations by the company. We were able to help our client identify the most attractive innovations resulting in 10 new break through products.

We have helped clients build tools allowing them to test development initiatives by prototyping them and match them against true customer needs. These are effective tools since the testing can be done early on in a process and guide the right, customer approved, ideas to be launched into the market.

Moving Forward

We hope this information has been interesting and valuable to you. Please, feel free to share it with colleagues and other people in your network. We look forward to starting a dialog with you about this topic and sharing more information about our knowledge and experience in this field.



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About OSG

OSG is a Catalyst for Customer Centered Marketing. We help companies to become truly Customer Centric through a blend of marketing research with consulting services that define strategies and develop operational plans. Whether rolling out new products to market or reshaping market positioning, our clients rely on us for gathering the information necessary to make strong strategic business decisions.

Find out more us on www.optimalstrategix.com