




Mastering Customer Journeys to Enhance Customer Experience and Gain Competitive Advantage

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Introduction

In recent years, customer experience (CEX) has become a major differentiator and competitive advantage for many companies such as Walt Disney, Amazon, and Lexus etc. Successful organizations know they are in customer experience business. Conversely organizations which are not in the business of customer experience are easy to spot. Organizations delivering high CEX can have higher financial payoffs also. Let's look at Walt Disney example of CEX.

“Everything Speaks to the Customer¹”: Disney World Example of Customer Experience

Typically, a customer in retail business uses his/ her senses such as touch, feel, and smell, sound to make buying decisions and experience the product / service. The Walt Disney company² uses it very well e.g.

1. Sight: 70% of body's sense receptors are located in our eyes making sight the greatest transmitter of setting. Disney carefully plans and decides What customers see and What they do not see.
2. Colour: For fun, Disney uses bright colors whereas for adventure they use hot red colors. Orange colour is used for action. Colour of office carpet, uniform of cast (employees) is all carefully used.
3. Smell: There are 5 million receptor cells in our human nose and smells are stored in long-term memory. Positioning of popcorn stations in the park is carefully planned.
4. Touch: Skin is the largest organ in body. In water rides, timing, direction, force of water etc. is planned to maximize customer experience.
5. Sound: There are 33 sound zones along the parade route using sophisticated sound systems so that Guests (Customers) can enjoy every sound at its best.

It is no wonder then; Walt Disney is the all-time Oscar champ Until 1980s, businesses were competing on product features.

In another example. Seven minutes - That's how long it takes financial-technology start-up Kabbage to approve a small-business loan—nearly 5,000 times faster than the 20 days it takes a typical bank. It's no wonder that customers' experiences with technology organizations have not only altered their behavior but also raised their expectations about how interactions with all businesses should work.

Knowing CEX Is Important Is Not Enough.

An organization knowing that they are customer experience is not enough. They need to understand how it helps perform differently from competition. Gaining competitive advantage and deliver wow customer experience is not easy. It calls for sustained leadership commitment to customer experience, developing a shared vision on service excellence which is simple and easy to relate to customer by employees, mapping, managing and mastering customer journeys, using technology to transform customer experience, being innovative, bridging service quality gaps², building staff competencies to support customer experience strategy etc.

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81% of marketing leaders responsible for customer experience (CEX) say their companies will mostly or completely compete on the basis of CEX in two years. Yet only 22% say their CEX efforts have exceeded customer expectations.

- 2017 Gartner Customer Experience in Marketing Survey

This paper is focused on two essential elements of customer experience:

1. Understanding fundamental wants, needs and expectations
2. Mapping, managing and mastering customer journeys.

1.1 Understanding Fundamental Wants Needs and Expectations

To begin with, organizations need to understand what will be a great experience for their customers. There are lot of tools and techniques available in Quality Management e.g. Quality Function Deployment, Market research studies, Service reviews. E.g. Taxi companies might have thought that reducing wait time for customers ordering a cab will be enough. But companies like Uber, addressed fundamental need of transportation for customer and gave them greater control, convenience, comfort, real time communication, cost advantage using latest technologies and thereby transforming customer experience.

In Service Quality Gap model², Figure 1 developed by Dr. Parasuraman, Dr. Valarie Zeithamal and Dr. Leonard Berry, this is the first gap known as “Market Research / Listening Failure”. Strategy is to develop a clear understanding of customer needs, wants and expectation including what will delight the customer.

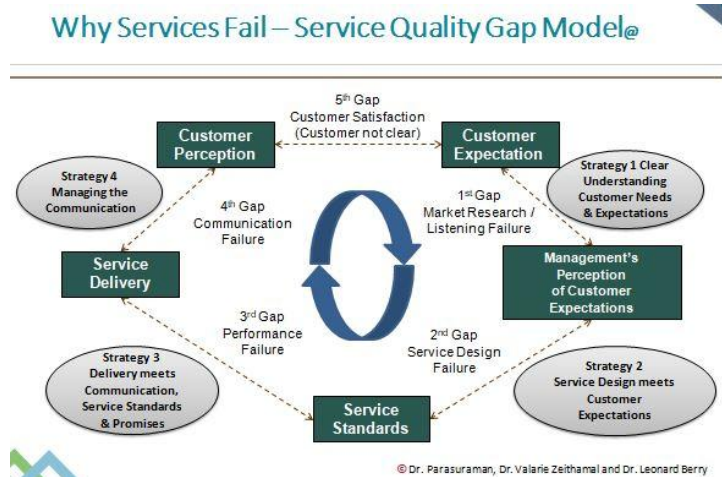


FIGURE 1

1.2 What Excites Customer Today Will Become Norm Tomorrow – Kano Model.

In 1980s’ Professor Noriaki Kano, Japan developed Kano Model³ Figure 2 a theory for product development and customer satisfaction. The Kano model is useful in gaining a thorough understanding of a customer’s needs. Dr. Noriaki Kano isolated and identified three levels of customer expectations i.e. what it takes to positively impact customer satisfaction. The figure below portrays the three levels of customer needs: Expected, Normal, and Exciting.

Exciting Needs are product/ service features and properties that make a company a leader in the marketplace. The highest level of customer expectations, as described by Kano, is termed the wow level qualities, properties, or attributes. These expectations are also known as delighters or excitors because they go well beyond anything the customer might imagine and ask for and

builds customer loyalty. However what is important to note is, over time, as demonstrated by the arrow going from top left to bottom right, in the Kano model, wows become wants become musts E.g. Selfie feature in smart cell phone was an Exciter when it was first launched. Today it is no longer an “exciter”.

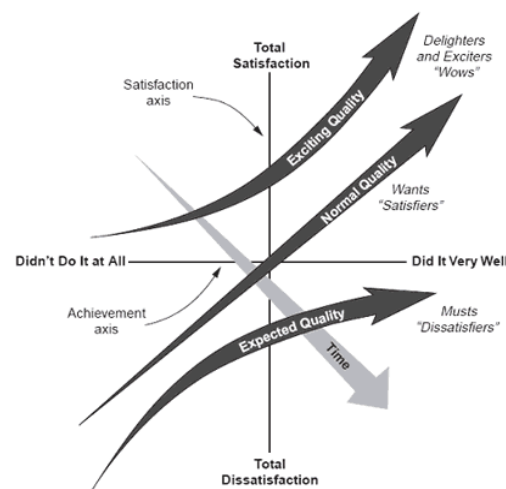


FIGURE 2

1.3 Not All Drivers of Customer Satisfaction Contribute Equally to Customer Satisfaction.

In one of the major airports⁴, customer experience program was designed to solve an airport's problems serving travelers. Study revealed that characteristics such as Restroom cleanliness, Availability & quality of post security seating, Relevant and timely journey information, Entertainment for long-stay passengers etc. were some of the most important drivers of passenger satisfaction while other characteristics such as Easy of drop off, Retail variety, traffic flow outside were relatively less important. Figure 3 Study revealed airport was only meeting their expectations and was not delighting them on any of the important drivers of satisfaction.

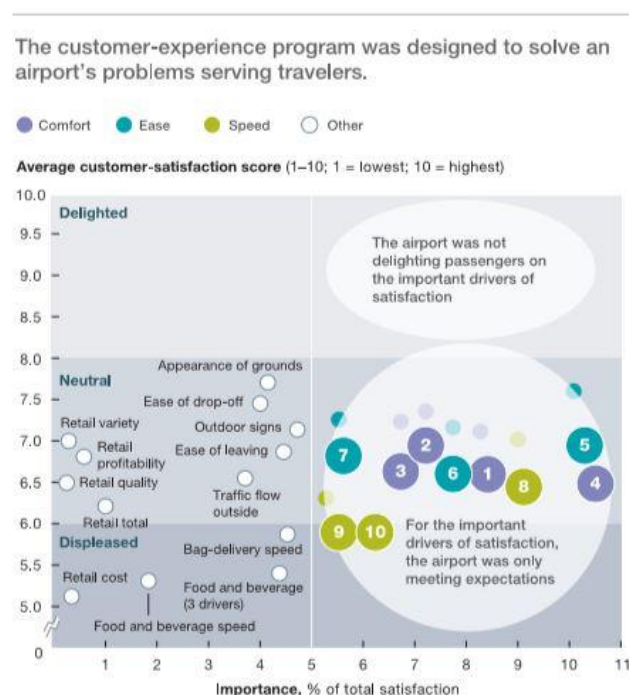


FIGURE 3

What is important for organizations is to know what are major drivers of customer satisfaction are and focus more on them so as to enhance customer experience.

Mapping, Managing and Mastering Customer Journeys

Though most organizations know how customers engage with them, it is still quite useful to map end-to-end customer's journey in detail. As part of simplifying customer journeys, government entity in UAE mapped customer journeys for all of its services. It was quite an interesting and revealing experience. During customer journey mapping workshops, many of the participating teams / functions were internally focused on their own functional point of view rather than customer point of view. It helped identify all the key touch points with customer, design communication messages for customers, identify various stakeholders involved at different

Enhanced transparency of customer journeys helped teams from different functions clearly see how their work contributed to overall customer experience.

experience.

Mapping journeys also help customers and organization track the progress / customers order e.g. status of shipment or house mortgage loan application.

Project Sunrise: Designing Customer Experience Using Customer Journeys for Passengers of World's Longest Non-Stop Flight from New York to Sydney

Project Sunrise is interesting and exciting. As part of world's longest nonstop 16,200 kms. ultra marathon flight from New York to Sydney, Qantas airline, using Boeing 787-9 Dream liner

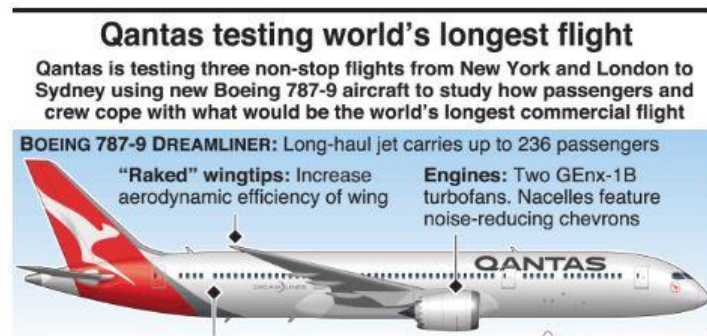


FIGURE 4

stages of customer journeys, establish/ revisit key measures of performance from customer point of view as well as for their internal business needs.

and functions were responsible for which parts of the journey. They all together, as one team, felt responsible for designing and delivering customer

aircraft, planned how the passengers (and crew) will experience the journey Figure 4. Qantas designed the "Flying Laboratory" with 40 passengers and crew to know the effects of long flight on them with the objective of minimizing the inevitable downside of long jet leg – soul crushing, body buckling jet lag.

"Experiment" was designed for different stages of travel such as Before travelling, Off the ground, Two hours into flight, Four hours in, Fourteen hours in, Seventeen hours in and Preparing to land. Passengers were provided with equipment to monitor and tests their heart rate, blood pressure, oxygen saturation levels. Even memories and moods were monitored through scientific questionnaires etc. Specially designed dishes were important part of the experiment. E.g. two hours in flight, passengers are served poached prawns with chili and lime to "fire them up" - to keep them awake and "tune" them with Sydney time zone.

Organizations like Qantas and many more make huge effort and investment to understand customer needs and design customer experiences through mapping customer journeys.

Customer Journey Example

Customer journeys can be long, stretching across multiple channels and touch-points, E.g. house mortgage loan customer journey might include learning about options, preparing documentation, submitting an application, opening an account, with some twists and turns on the way and so on. It can often last days or weeks. For some services from the Government, journeys can last for weeks, months and even years. Figure 5 provides an example of a customer journey for an auto loan from a bank.

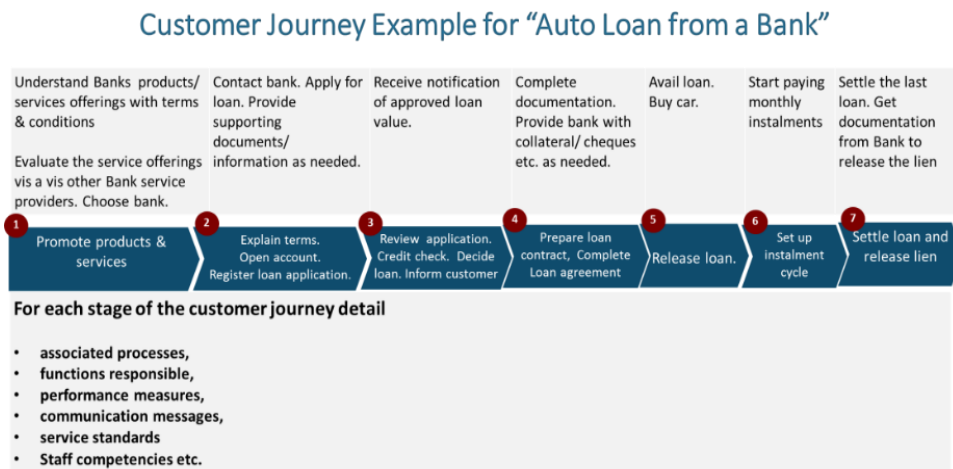


FIGURE 5

Customer Journeys Some Interesting Findings

a. Not all customer journeys impact customer satisfaction equally:

E.g. for opening bank account journeys, Transparency of fees, Ease of communication with the bank and Ability to track the status of on boarding process accounted for 42% of overall satisfaction. Whereas characteristics such as Courtesy of staff, Timeliness of call backs and Clarity of documentation had limited impact on customer satisfaction.

Only small number of customer journey capabilities (three to five out of 15), account for over 40% of overall customer satisfaction. - McKinsey & Co⁵

- b. **Digitization improves CEX. But customers do not always need automation especially when things go wrong:** With digitization of services, speed and convenience for customers will enhance the CEX. But only to a certain limit. When something goes wrong, customers want to talk to a person not to “IVR Machines” widely used by call centres like banks, airlines etc. Organizations need to make sure they also have people in place to talk to customers. Best is to have a combination of machines and people.
- c. **Front end staff should be champions of CEX:**
Customer service front end employees should be made champions of CEX as delivering customer experience requires engaged, empowered and inspired employees with energy and passion to serve customers.
- d. **Business to Business (B2B) CEX lags behind Business to Customer (B2C) CEX:**
B2B customer journeys are typically more complex, long and quite technical in nature. B2B requires continuous interaction involving multiple teams from different functions. In addition, product/ service offering for B2B need customization to suit individual customer needs.
- e. **CEX programs if executed well, they usually reduce costs** or are, at worst, cost neutral. Successful CEX projects in private sector typically achieve cost reductions of 15 to 25% within couple of years.
- f. **Manage end to end customer experience from customer point of view:** i.e. pre-sale, during sale, post sale e.g. from selecting which car to buy to purchasing a car, using it, servicing it, selling it off. Move from touch points to end to end customer journeys from customer point of view.
- g. **CEX is important for Government Entities also:** CEX is applicable for all types and sizes of private companies in B2C and B2B. Same is true for Government Entities serving Government to Government (G2G), Government to Business (G2B) and Government to Citizen (G2C).

Customer experience should cover entire end to end customer journeys

Benefits / Use of Customer Journeys

Mapping, managing and mastering customer journeys has many benefits covering almost all aspects of business i.e. People, process, technology, governance, transparency, communication etc. It truly helps create a customer centric organization. Some of the benefits are:

- a. Identify all the key touch points with customer and use it to design communication messages using appropriate channels.

- b. Identify internal communication needs at various stages of customer journeys and use it to enhance communication and coordination among various internal stakeholders.
- c. Identify external stakeholders involved at different stages of customer journeys and use it to build and manage relationships to serve customer better.
- d. Employees see how they are contributing to CEX.
- e. Identify and link required processes to the relevant steps in the customer journey and manage them effectively to ensure consistent service delivery.
- f. Eliminate / radically reduce unnecessary work and complexity from customer-facing processes. Can use Value Stream mapping / Lean techniques.
- g. Enhance transparency among internal and external stakeholders' helps customers and organization track the progress / customers order.
- h. Identify employee competencies needed at various touch points and use it to train people.
- i. Plan and conduct audits as per customer journeys from customer perspective.
- j. Develop performance measures from customer perspective covering end to end customer journeys. Use actual performance to improve CEX and operations.
- k. Reinvent / continuously improve and innovate customer journeys and CEX.
- l. Design customer satisfaction measurement instruments considering end to end customer journeys.

Empower employees to deliver superior CEX.

Conclusion

For a Quality professional it is interesting and heartening to see application of Quality Management concepts such as “Customer Needs to Customer Satisfaction Cycle”, Process Mapping, Design of Experiments, Plan-Do-Check-Act, etc. being used by companies even today to design, deliver and enhance CEX.

Central to any successful CEX program is understanding, identifying, mapping, managing and continually improving end to end customer journeys from their perspective and using it to create a truly customer centric organization, align people and deliver memorable positive experience for customers & differentiation over competitors.

All types of organizations, including Governments and NGOs, can benefit from mastering customer journeys.

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