Love
Trust
Loyalty

An Introduction to Customer Experience

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What is Customer Experience (CX)

Customer Experience is the sum of all interactions that a customer has with a product or service - the memory of which has the ability to impact the customer's continued relationship with the provider.

- The Customer Experience story is either created:
    - Intentionally (by a product or service *provider*)
    - Or by happenstance (by *the* product or service)
- An "Experience" is a present continuous event
    - Starts from the inception of a perceived need
    - Relived every time product or service is engaged
- A "Touchpoint" is every interaction between a customer and a business or its offerings
    - An interaction could be direct (phone call) or indirect (website or marketing material)
- A "Memory" is a recollection of the past
    - It is capable of changing the <u>entire story</u> of the experience, <u>regardless</u> of how great the experience was
- **The most important part of a story is how it <u>ends</u>.**

We must aspire to not only create great experiences, but to create lasting memories.
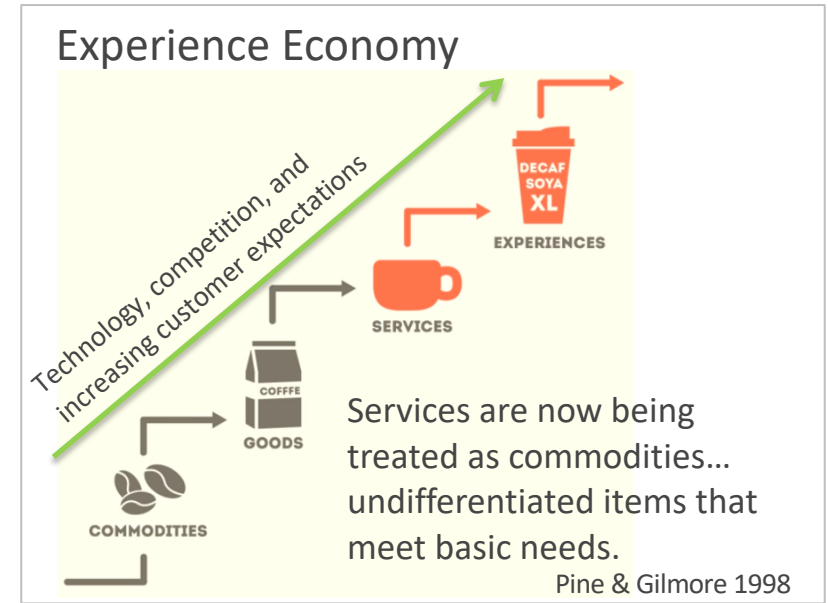
Why is Customer Experience Important?

1. Customers are increasingly choosing products and services based upon the quality of the experiences that they have with them. (Adaptive Path)

2. We are in the experience business whether we like it or not. (Forrester)

3. Services are now being treated as commodities… undifferentiated items that meet basic needs. (Pine & Gilmore 1998)

4. Customer experience drives quality improvements, takes cost out, and promotes revenue growth. (Forrester)

5. Customer experience drives customer loyalty…Loyal customers are worth up to 10 times their first purchase. (Glance)

6. It takes 12 positive experiences to make up for 1 negative one. (Ruby Newell-Legner)

The evolution of organizational strategy and the onset of the age of the customer

According to Forrester, we have entered a time when focusing on customers matters more than any other strategic imperative.

The products and services of today are no longer simply differentiated by features, but by the experiences created to deliver and support them.

Experience Economy

Technology, competition, and increasing customer expectations

Services are now being treated as commodities... undifferentiated items that meet basic needs.

Pine & Gilmore 1998

| Dominant Ages	Age of Manufacturing	Age of Distribution	Age of Information	Age of the Customer
Periods	1900-1960	1960-1990	1990-2010	2010+
Standout Companies	Ford RCA GE Boeing P&G Sony	Wal-Mart Toyota UPS CSX	Amazon.com Google Intuit MBNA	Southwest Airlines USAA Zappos.com Amazon.com

Reference: forrester.com/customerexperience

What feelings does this picture invoke?

Those sentiments have been thoughtfully and expertly crafted for you by the coffee shop that you love the most.

Image: Weebly.com

Example of an everyday customer experience
Getting a cup of coffee
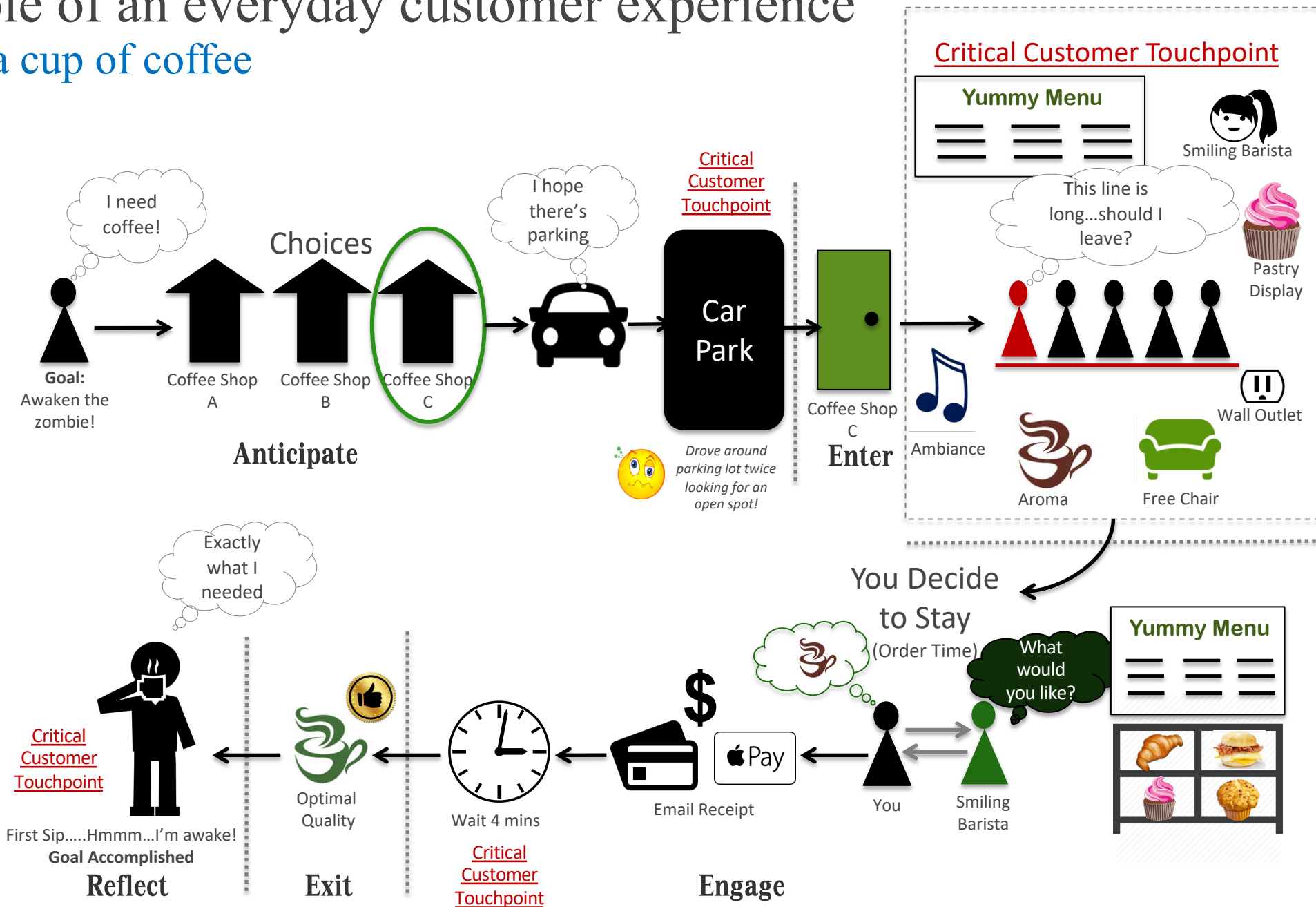
Empathy is critical to the design of meaningful customer experiences

Empathy is the:

- Sense that you understand and share another person's experiences and emotions

- Ability to share someone else's feelings

- Engagement of emotional skills coupled with the mental capacity to envision the entire customer experience

- Humility to understand the motivations of another

Empathy is the foundation of every exceptional customer experience

Organizations must align customer experience with company culture

To have a successful customer experience strategy and operating model, "a company must have a culture that aligns with them - and leaders who deliberately cultivate the necessary mindset and values in their employees." (2018 Harvard Business Review)

- Creating alignment between customer experience and company culture starts with:
- Aligning customer experience with the foundational company values that dictate employee decisions, goals and behaviors.
- Having a clear, aspirational and motivational vision and mission that articulates where the company is going
- An intentional expression of the desired customer emotions throughout the customer journey

Companies that are successful at this alignment are able to increase revenue and customer loyalty

Thank You!