Customer experience: your defence against financial pressures

In today’s challenging economic environment, the most valuable resource is a happy customer base. To get and keep that resource, businesses must create a fulfilling customer experience.

Enhancing the customer experience that your organisation offers might not seem an obvious priority, especially in an uncertain economic environment. However at this time, more than ever, organisations should be focusing on getting the experience they provide to their customers absolutely right.

Most organisations have already mounted initiatives aimed at improving customer satisfaction, and believe that they have achieved an acceptable level. But now that customers are becoming more cost-conscious and competition is increasing, are you satisfied that your organisation is doing all it can to ensure a continued share of wallet while keeping costs under control?

Capgemini Consulting believes that focusing on the customer experience provides an organisation with a unique opportunity to target both top-line growth and bottom-line cost reductions. Using our approach, organisations attract and retain customers whilst also cutting wastage in the customer management value chain.
Moving the goal posts

In an increasingly commoditised environment, companies need to find a way to stand out from the crowd. While there are many ways to differentiate an organisation from its peers, a unique customer experience is one of the few ways to foster an everlasting feeling about a particular organisation. Another advantage of providing a truly differentiated customer experience is that it cannot be easily replicated by the competition.

Consider BMW. This company distinguishes itself in the luxury automobile market by not just selling a vehicle, but by selling an experience associated with buying and driving one of its cars. BMW advertisements often appeal to the ‘emotion’ of driving. Dealers have been known to maintain contact with buyers in the run-up to vehicle delivery, building up the customer’s anticipation of the day they become a BMW driver.

Post-sales service is also a pleasurable exercise. Most BMW showroom and service centres provide customers with free Internet access, a bar and video games where customers can race each other while they wait for an oil top-up. With touches like these, BMW has succeeded in moving the goal posts for other upmarket automobile manufacturers.

A good customer experience helps reduce the cost of ‘churn’ and the relatively high cost of sale associated with customer acquisition. This is particularly true for businesses that have contracts that they wish their customers to renew on a regular basis.

Cut the cost, not the service

Developing a customer experience strategy can help businesses to understand what its customers consider as value, and identify opportunities to save money by eliminating waste – that is, costs which don’t contribute to customer repurchase. An example might be the practice of putting chocolates on hotel pillows, which costs an average hotel £50,000 per annum. If investigation shows that the chocolates do not affect the guests’ decision to return to the hotel, then all this expense could be eliminated.

Providing a valued customer experience does not have to be expensive. Low cost airlines are having much success, not by offering complimentary gourmet coffee or first class seats, but by delivering an expected experience to customers at the right price. Simple changes to the customer value chain at the right place at the right time can provide an experience that customers talk about, and more importantly return to experience again and again.

Dare to be different

The first step towards defining a customer experience is to decide what you want to be known for. Successful companies dare to be different from their market peers by coming up with a unique offering. Where could your organisation be different? We have a model that will help you make the right decision.

Once a business has agreed on how it wants to differentiate itself, it needs to achieve consistency in every aspect of customer experience if it is to communicate that differentiation. A customer dealing with a business may quickly disregard a good customer experience as a ‘random’ event, or attribute it to a ‘nice’ individual. It is only when they have had repeated and consistent positive experiences that the customer begins to associate the high-quality experience with the business. This consistency will then lead to brand trust and further sales.

For an organisation to deliver a consistent customer experience, it must establish a customer experience vision that is understood across the organisation, and reward its employees for delivering that experience. But how does one define an experience that is relevant – that is to say one that customers will value?
Defining a relevant experience

With our robust, logic-based processes and toolsets, Capgemini Consulting helps clients implement change quickly and safely. Typically, we deliver short projects to get our clients started on the Customer Experience Transformation journey, while equipping the client’s own team with the tools and training they need to continue the journey.

Capgemini Consulting has developed a six-step approach for helping clients deliver an experience that is relevant to the customer. Our approach is all about understanding what customers ideally want and currently get, identifying the organisation’s optimum market positioning, and then finding ways to align the two. Our team helps organisations to understand their customers from the customers’ own perspective. Many organisations believe that they know what their customers value; however, their view is usually based on the opinion of the sales force or the product engineering team and may not be in sync with that of the customer.

For example, a phone company responded to customer complaints about complicated bills by redesigning the layout of the bill and expanding online help. However, after analysing the problem from a customer’s perspective, it became apparent that customers were having trouble understanding the complicated pricing policy, and not the format of the bill.

While analysis of typical customer scenarios provides insights that help to improve customer experience, businesses should not ignore extreme or exceptional customer experiences. An example might be their treatment of a customer who overlooks a bill, as opposed to being unable to pay it. Inappropriate experiences at times like these can result in lost customers or costly rework.

Focus groups, labs and customer satisfaction surveys rarely provide the complete insight one needs; one needs to observe customers in the ‘jungle’ – that is, in their own environment: at work, at home, in the pub and so on. For example, consider the airline industry. How many airlines employees really know what it is like to be an economy class customer? They can find out by conducting mystery shopping, with both competitive airlines and their own company.

One customer-centric organisation, Four Seasons Hotels, provides a ‘familiarisation stay’ as part of its employee orientation programme. Every employee is given a free night’s stay for themselves and a guest, along with free dining. While there, employees are asked to grade the hotels on such measures as the number of times the phone rings when calling room service, and how long it takes to get room service orders to the room. Practices like these help employees understand what it feels like to be in the customer’s shoes.
Collaborate with us

Customer Experience Transformation is about spending your money cleverly, investing in what customers value and eliminating what they don’t. In an average of 12 weeks, we can help you to understand what it is that your particular customers value and to find ways to deliver the experience they want.

To show how the Capgemini Consulting approach can add value to your business, we would like to offer you a half-hour taster session where we come with you into your ‘jungle’ to help you experience what your customers experience. Do you dare to accept the Capgemini challenge?

Customer Experience online

Why not go to the Customer Experience website and take part in our online discussion forum, view expert opinion on the challenges of the customer experience, and to see how global organisations, such as Orange, have worked with Capgemini Consulting to define their own customer experiences.

www.uk.capgemini.com/customer-experience

Patrick James
Vice President
Global Marketing, Sales and Service
Capgemini Consulting
E: Patrick.James@capgemini.com
T: 0870 366 0262

Gaye Andrews
Head of Customer Experience UK
Marketing, Sales and Service
Capgemini Consulting
E: Gaye.Andrews@capgemini.com
T: 0870 195 1093

About Capgemini and the Collaborative Business Experience

Capgemini, one of the world’s foremost providers of consulting, technology and outsourcing services, enables its clients to transform and perform through technologies. Capgemini provides its clients with insights and capabilities that boost their freedom to achieve superior results through a unique way of working—the Collaborative Business Experience®. Present in 36 countries, Capgemini reported 2007 global revenues of EUR 8.7 billion and employs over 83,000 people worldwide.

Capgemini Consulting is the Strategy and Management Consulting division of the Capgemini Group, employing 5,000 consultants worldwide. Leveraging its deep sectorial and business expertise, Capgemini Consulting advises and supports organisations in transforming their business, from strategy through to execution. Capgemini Consulting delivers successful outcomes by working side by side with clients to identify the best solutions to critical business challenges.

Our unique ‘outside-in’ approach

Current investments in IT-led CRM projects have helped organisations improve their interface with their customers, yet their customer satisfaction levels tend to remain at mediocre levels. Why is this? Part of the problem is the perennial difficulty of ‘seeing ourselves as others see us’. When an employee receives a customer complaint, basic human nature will drive that employee to excuse it as a ‘blip’. Hence there is a need to get an ‘outside-in’ view from an impartial advisor who can adopt the customer’s perspective.

Capgemini can provide a team to help you identify what engages customers and what puts them off. Our knowledgeable and experienced people equip client staff with tools, training and knowhow, so that they quickly become self-sufficient in optimising the customer experience for themselves.