

Growth Principle #7: The Customer is King!

How to boost your market appeal and really connect with customers.

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Companies have long harped on the importance of "the customer," but one look at today's business climate makes it clear why the customer must be the focus of even greater attention. Most smart organizations have already milked as much revenue as possible from efficient processes. Products and services go from concept to reality in a matter of months, competition is fierce from players around the globe, and margins grow thinner as markets mature. Against this competitive landscape, it's clear that businesses must look beyond faster, better, and cheaper products and transactions to nurture an environment of long-term growth.

Over time, your profits will come primarily from providing customers with rich experiences that keep them coming back to you over and over again. And please remember that a rich customer experience doesn't simply mean better customer service - it means a paradigm shift in the way you engage with customers and allow them to interact with you throughout the buying process.

The Customer Experience

The total customer experience is the sum of every interaction the customer has with your company, from first contact through after-sales support.

Total customer experience = product experience + transaction experience + interaction experience

Product experience is the most fundamental. Is the product or service excellent? Does it solve a problem? Does it exceed expectations? The transaction experience covers the actual exchange of information, goods, and services for money. For example, when you're making an online purchase, one of the first things you notice is whether or not the website is easy to use. So ask yourself... Is the shopping process intuitive? Would you feel secure using your credit card? Is your team friendly?

The new battleground for customer supremacy is the final piece of the equation: the interaction experience. Interactions are qualitative rather than quantitative. They're driven and enhanced by a company's knowledge of the customer's personal preferences and the company's ability to maintain contact and adapt to new desires. Customers prefer to do business with companies that understand their unique needs and preferences. If you can provide a great product or service, and combine it with an amazing total experience, you will be able to increase revenue and remain competitive.

Forward-thinking companies understand this.

The Building Blocks of Loyalty

If customer loyalty is a necessity for success, how do you ensure that your organization has adopted the mindset and implemented the necessary changes to shift from customer transactions to customer *interactions* – from order fulfillment to customer experience?

Change your Service Model. The total customer experience will increasingly depend not on routine, easy-to-automate processes, but on unpredictable, hard-to-automate reactions. Rules and policies should be replaced by options and exceptions. Empower your staff and reps to be flexible and accommodating, and you'll improve your customer's experience exponentially.

Update Business Processes. Most personalized solutions require a core database of customer profile, preference, and usage information. But often this information is retained in department databases or resides with third parties. Companies must integrate data that not only helps them understand the customer, but also helps the customer understand the company - and they must create simple, seamless processes that really work.

Develop Multiple Channels of Communication. A large part of creating positive experiences is allowing customers to communicate with you when, where, and how they desire. Your network is critical for orchestrating any number of customer interactions via paper, phone, email, internet, social networking, web video, wireless and more.

Monitor and Reward Loyalty. You can't reward loyalty if you can't measure it. Every modern company claims to track customer satisfaction, but my experience shows that not many companies convert those findings into organizational change. Businesses interested in moving from a transaction model to an interaction model must think of ways to create procedures and policies that identify and reward repeat purchases and customer loyalty.

Collaborate to Improve EVERYTHING. The customer's experience is cobbled together with the actions of any number of third-party functions, from design and manufacturing to sales, delivery, and service. Businesses have long invested heavily in optimizing operations within small organizational divisions, but today the biggest opportunity for creating a satisfying customer experience is through collaboration among departments, partners, vendors and external service providers.

The Experience Rules

Without question, the customer experience is the new frontier for driving revenues and profitability. Core experience is so important that many top-notch leaders are now making customer preferences the fundamental unit of business analysis (rather than the dollar amount, the purchase timeline, the product bought, or the location). Businesses will need to make significant changes to stay competitive and drive growth. This time around it's all about the customer experience, and those companies that create the most satisfying interactions will reap the greatest rewards.