

Stop Talking Customer-Centric, Start Being Customer-Centric

9 Tips to Achieve Customer Centricity

Customer centricity is not a new concept. It first appeared over 20 years ago with the advent of customer relationship management. Today, it's back with a vengeance because the power in the relationship has shifted away from the organization to the customer; the customer is now in the driver's seat.

Thanks to the internet and social media, customers are networked and connected, and their influence is continuously increasing. A "bad customer experience" can quickly go viral and can cause an organization a lot of damage to their brand and reputation.

Digital Innovators are Consistently Raising the Bar

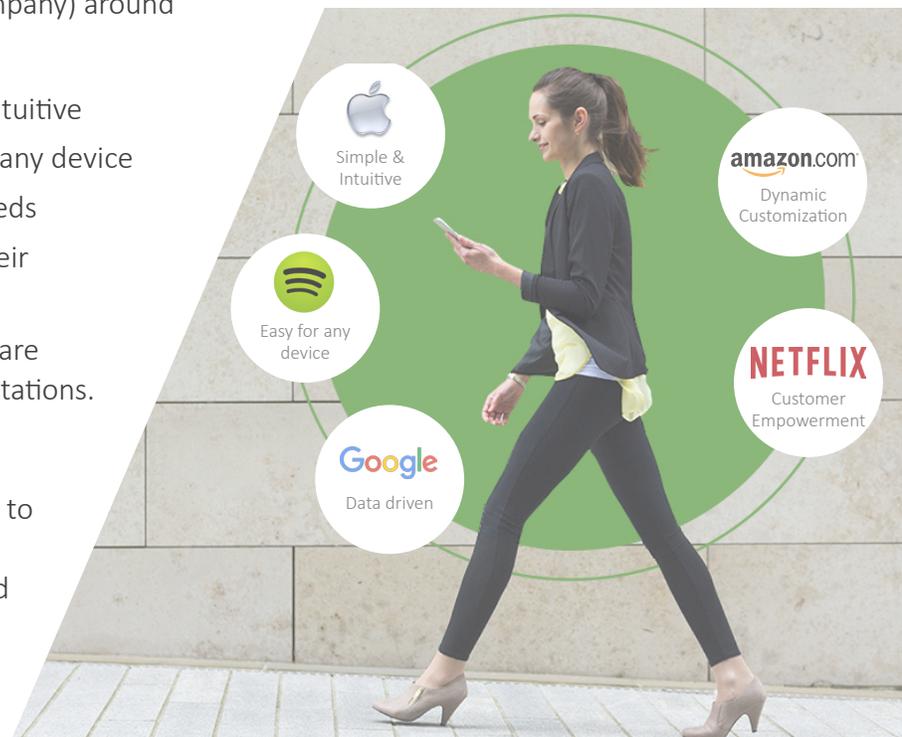
Digital innovators are playing into these customer expectations and have built their value proposition (and frankly their company) around customer expectations, for example:

- Apple makes technology stylish, simple and intuitive
- Spotify personalizes the music experience on any device
- Google uses intent data to anticipate your needs
- Amazon and Netflix dynamically customize their customer experience

The customer experience these digital innovators are offering, in turn, raises the bar on customer expectations. Research from Accenture has found that, "If Google, Amazon, Facebook or Paypal offered banking services, 40% of 18-34 year olds are likely to bank with them." Organizations can no longer just compete within their sector, but need to meet and exceed increasing customer expectations or risk disruption.

CUSTOMERS EXPECT:

- Relevant offers and consistent messaging
- High quality customer service
- A personalized experience
- Ability to jump channels to complete their customer journey
- Their needs anticipated and exceeded



Make the Shift From B2C to C2B

The bar on customer experience is constantly being raised, and the power in the relationship between organizations and their customers has moved towards the customers. Because of this transformation, we are moving from the Business-to-Consumer (B2C) era into the Consumer-to-Business (C2B) era. B2C companies tend to focus on retail transactions, and the influence in the customer relationship is mainly with the business:

- B2C companies typically operate in a product-centric way, and that is reflected in their operating model
- They use few channels; communication is mainly one-way, from the business to the customer
- Customers are mostly divided into mass-segments based on socio-demographic variables
- Feedback from customers is quite limited
- Decisions are made based on experience and (at best) informed by data
- B2C companies respond reactively to customer needs
- If customer satisfaction is measured, it's a less important KPI than (product) revenue and cost

C2B, on the other hand, is a business model in which the customer creates the value. They do that by providing their data and by being advocates that influence their network. And, businesses consume that value.

For companies to take on the shift to C2B:

- They need to intimately know their customers and see them as a “segment-of-one”
- They need to be able to communicate with the customer via the customer’s channel of choice, bi-directionally
- It means (insight) processes need to be real-time, connected and automated so that decisions are data-driven, and you can proactively respond to and anticipate customers’ needs.
- Customer satisfaction needs to be as important as revenue and cost
- Driving customer advocacy needs to galvanize the organization’s actions





Tips to Achieve Customer Centricity

According to Forrester Research, “Empowered customers are shaping business strategy. Simply put, customers expect consistent and high-value in-person and digital experiences. They don’t care if building these experiences is hard or requires a complex, multifunction approach from across your business. They want immediate value and will go elsewhere if you can’t provide it.”

Customer centricity is not just a matter of making vague commitments to “put the customer first.” You need to build your customer relationships, conversations and service around the needs, preferences and actions of your individual customers on an ongoing basis.

Overall, it means organizations need to BE customer-centric. Organizations say they are customer-centric, but in reality, customers don’t experience it that way. You might know what your customers are doing on their digital channels, but you don’t know what happens in the physical channels. So really, you don’t know your customers holistically.

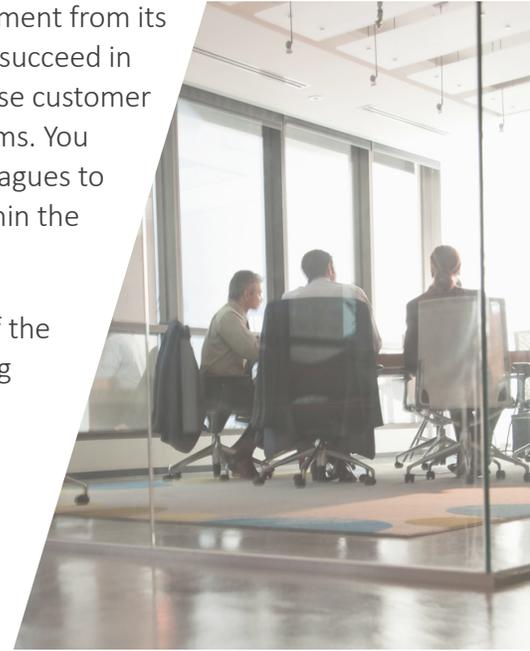
It’s not easy for organizations to become customer-centric. So, what prevents them from getting there? There are roadblocks which need to be overcome. Below are nine tips that your organization can use to start achieving true customer centricity.

Tip
#1

It Starts From the Top

Every organization that wants to be truly customer-centric needs commitment from its executive team. A customer-centric vision and leadership are required to succeed in what, for most companies, will be a cultural transformation. This is because customer centricity requires everyone to be on board, not just customer-facing teams. You can start by demonstrating the benefits and getting as many of your colleagues to experience the customer-centric mind-set to build a movement from within the organization.

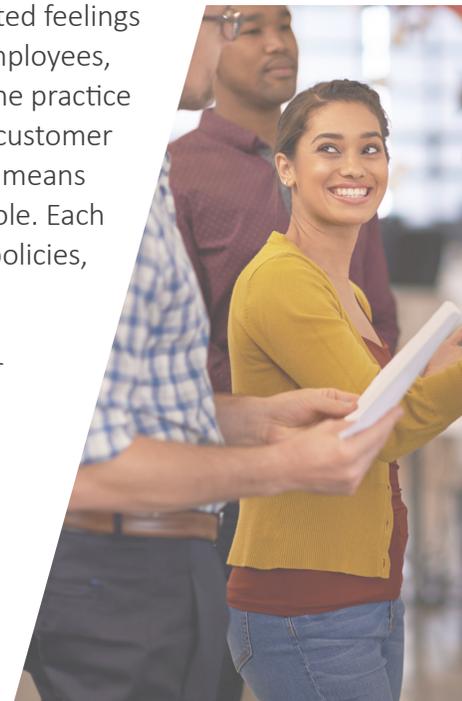
Call centers can be a good place to start because of the omni-presence of the customer, and the pain that is felt by call center operators when delivering a bad customer experience. Similarly for marketers, as they are ensuring a consistent and positive brand experience. But, even more unlikely departments, like fraud or collections, can be where the movement starts. These departments will realize that they are dependent on other departments to provide an exceptional customer experience. And, that's where executive team commitment to customer centricity will make a big difference.

Tip
#2

It's a Value and a Mindset- Ensure Employee Buy-In

Gartner defines customer experience as, “the customer’s perceptions and related feelings caused by the one-off and cumulative effect of interactions with a business’ employees, channels, systems or products.” And, customer experience management as, “the practice of designing and reacting to customer interactions in order to meet or exceed customer expectations and to increase customer satisfaction, loyalty and advocacy.” This means that, to provide an exceptional customer experience, every employee plays a role. Each employee needs to have a customer-centric mind-set; only then will systems, policies, collateral, etc. be designed and implemented with the customer in mind.

All employees are part of a larger system, the organization. Achieving customer centricity requires the removal of barriers that are in the way of employees “doing the right thing” for the customers, and acting on the customer value or mindset. Your organization should want you to share customer feedback and make connections between different departments along the value chain. Often there are rules, policies and procedures – that were created with good intent – that prevent employees from doing the right thing for customers (ex. risk management). Organizations should review, and update their policies and procedures to incorporate a customer impact lens.



Tip #3 You Get What You Measure

Customer centricity will only be achieved if customer-related metrics are part of the company's key KPIs. Without those strategic KPIs, financial or risk trade-offs will always undermine the customer-impact, even with the best intentions.

Once the organization has settled on their strategic customer KPIs and targets, departments will naturally start reflecting on what success means for them, and how they will contribute to the organization's customer success.

Which customer KPI to settle on is not necessarily that important. What is important is to agree on a single KPI across the organization, to start measuring and to set a target. If required, you can refine the KPI along the way. It's the improvement, the delta that counts, especially at the start of a customer-centric transformation.



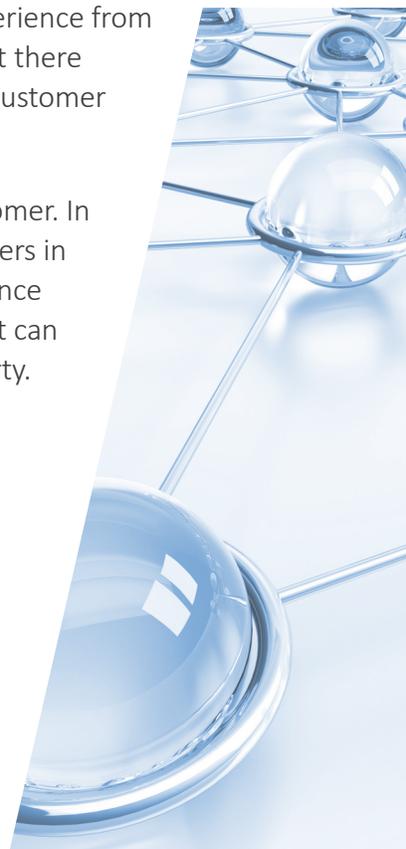
Tip #4 Don't Forget the Wider Eco-System

Companies who want to become customer-centric should map their customer experience from the outside in- from the customer's point-of-view. When doing so, you'll realize that there are other players in your eco-system who you are dependent on to deliver a great customer experience.

Let's say your organization outsources parts of a business process related to a customer. In general, outsourcing makes things more cost-effective. However, it creates hand-overs in the process, which can cause potentially negative impacts on the customer experience because information can get lost in translation. For instance, a mortgage settlement can be missed because of miscommunication between the bank and an outsourced party. This key customer "moment of truth" gone horribly wrong.

The takeaway here is to make your suppliers your partners:

- Make sure you explain to them your customer-centric vision
- Make sure your customer KPIs are translated into their contracts
- Empower them and reward them to improve the customer experience.
- Your suppliers are experts at what they do, and by making them your partners, the customer experience has the power to become exponentially better. This becomes increasingly more important as your company's eco-system complexity rises and the number of partnerships you enter increases.



Tip #5 Collaborate Cross-Functionally- Organize Around the Customer

The customer doesn't care how your company is organized. They see your organization as one and don't want to hear about how hard it may be to work across departments. The C2B era is not about pushing products to customers. It's about fulfilling customers' needs and ensuring a frictionless customer experience. It's no longer about the product, but about the experience and the customer relationship.

In the short term, this means cross-functional collaboration becomes a must, as the customer doesn't live in a department in isolation. That means breaking down organizational silos, which is not easy, and one of the main roadblocks why many organizations aren't customer-centric.

To be truly customer-centric, organizations must go further- they need to organize themselves around the customer. Brett King, a renowned banking futurist, said in an article, "...by 2020, you won't call your bank accounts checking accounts. By 2022, banks won't have a head of cards or a cards division. You won't differentiate between small business bank accounts and retail banking — customer behavior is what will differentiate the use of a value store. A mortgage will be part of a home buying experience, not a separate experience. If you choose to own a car, you'll order a car with or without financing, but you won't ever sign a piece of paper — the only thing you'll need to do is nominate how much you want to pay each month and where the money for those payments will come from. This is going to take a complete, from the ground up, rethink of every product in the business as we re-task it for real-time engagement, and it has already started." This is certainly some food for thought on the need to organize around the customer.



Tip #6 Make Every Interaction a Connection

For years, interactions or touchpoints have been understood through the metaphor of a funnel- consumers start with a number of potential brands, and at the end, they chose the brand they purchase. But today, the funnel concept fails to capture all the different touchpoints.

The customer journey is no longer a undeviating process, but rather a more complex and convoluted non-linear experience. This means that the lines between traditional marketing, sales and servicing departments are being diluted. They are all responsible for touchpoints along a customer journey.

This also means that every interaction with a customer is a "moment of truth," and has to be as relevant and personalized as possible to maximize CLV and NPS. You want to connect with your customers on a one-to-one manner, and recommend personalized, relevant offers and messages.



Tip
#7

Provide Opti-Channel Engagement

Truly customer-centric organizations are opti-channel- they offer the channels their customers want to use at every touchpoint in the customer journey. And, they allow for (or expect) their customers to want to continue their journey by jumping from one channel to another, be it digital or physical. But “jumping channels” needs to be 100% on the customer’s terms – not forced by your process.

Employing the right technology solutions will allow you to better manage the data, understand customers and exceed customers’ expectations at each and every interaction- no matter which channel they use. Once you are able to engage with your customers via all channels, you can strive for opti-channel engagement by being able to pin-point the channel that’s optimal for each point in the customer journey for each type of customer.

The customer experience needs to be consistent, integrated and seamless – no matter which channel your customer chooses to use along their journey. That’s opti-channel. That’s customer-centric.

Tip
#8

Use Your Data to Build Living Customer Profiles

Most organizations are data-rich when it comes to their customers, and they realize that using that data to build on their customer relationships is needed. In fact, the amount of data in an organization can be overwhelming.

It’s best to start with small steps and expand from there. Start with first-party data – your own data. Connect your data across traditional silos so insights will be born from bringing data silos together. Start with simple data models. The power of big data comes from learning from the amount of data, and your models will become more accurate over time.

You can begin with bringing marketing and CRM data together, and then expand by adding data from other silos – other first, second and third party data. You’ll then be able to connect the dots (and the data) of who your customers are and what they need. By doing this, you will soon find that your data is the language of your customer relationships. Your customers are more than their socio-demographic information; their preferences, behaviors and context are the attributes that will help you in making your next interaction into a connection with increased personalization and relevancy.





Learn From Customer Feedback

An important part of becoming customer-centric is to gather and learn from customer feedback. For that to happen, you need to make sure that customer feedback is available to employees. And, then you need to have the right operational disciplines in place to make sure it is acted upon.

This is one of the core principles from the world of Process Excellence (Kaizen, Six Sigma, Lean). PDCA (Plan-Do-Check-Act) is very effective here, as it's a repetitive four-stage model for continuous improvement in business process management. This works for individual customer experiences delivered by front office employees, often facilitated through coaching. It also counts for other departments, for instance, when designing marketing campaigns and systems, etc.

The aim is to have continuous learning so you can have continuous improvement.

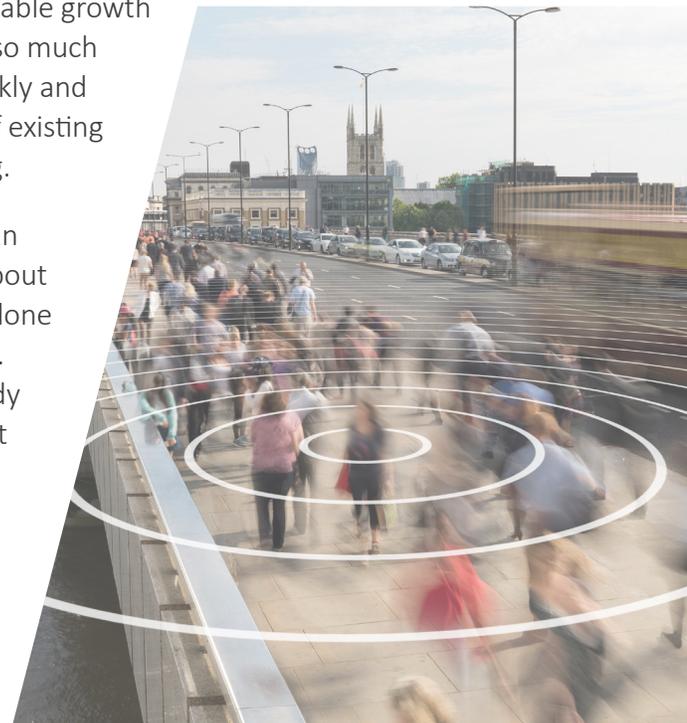


Your Journey to Data-Driven Customer Centricity

Data-driven customer centricity is crucial for the long-term, sustainable growth of any data-rich company in today's digital age. Your company has so much customer information, but unless you can use this intelligence quickly and effectively, it's wasted. You must leverage the enormous amount of existing customer data your company has stored and is constantly receiving.

Your customers are very powerful, and they give you a lot of value in the form of their data. They expect you to use that data to know about previous interactions they had with your brand, even if they were done through another device or channel, regardless of the issue or topic. You need to extract that value immediately, so that you can be ready for the next connection with that customer, or even better, use that insight to anticipate what they might need next.

Customer-centric success depends on selecting the right technology, and crucially relies on the capability and expertise to realize the technology's full benefits. Your solution should give you individualized customer intelligence to engage with a completely customer-centric approach.



NGDATA®

NGDATA accompanies its clients on their journey towards achieving true customer centricity - from the day a client is committed to a data-driven, customer-centric vision, until the day the business transformation is complete and the desired business outcomes are realized. NGDATA's next generation customer data platform, Lily Enterprise™, is the central nervous system of the customer-centric organization, and the single solution to power your customer experience.

Visit us at www.NGDATA.com.

