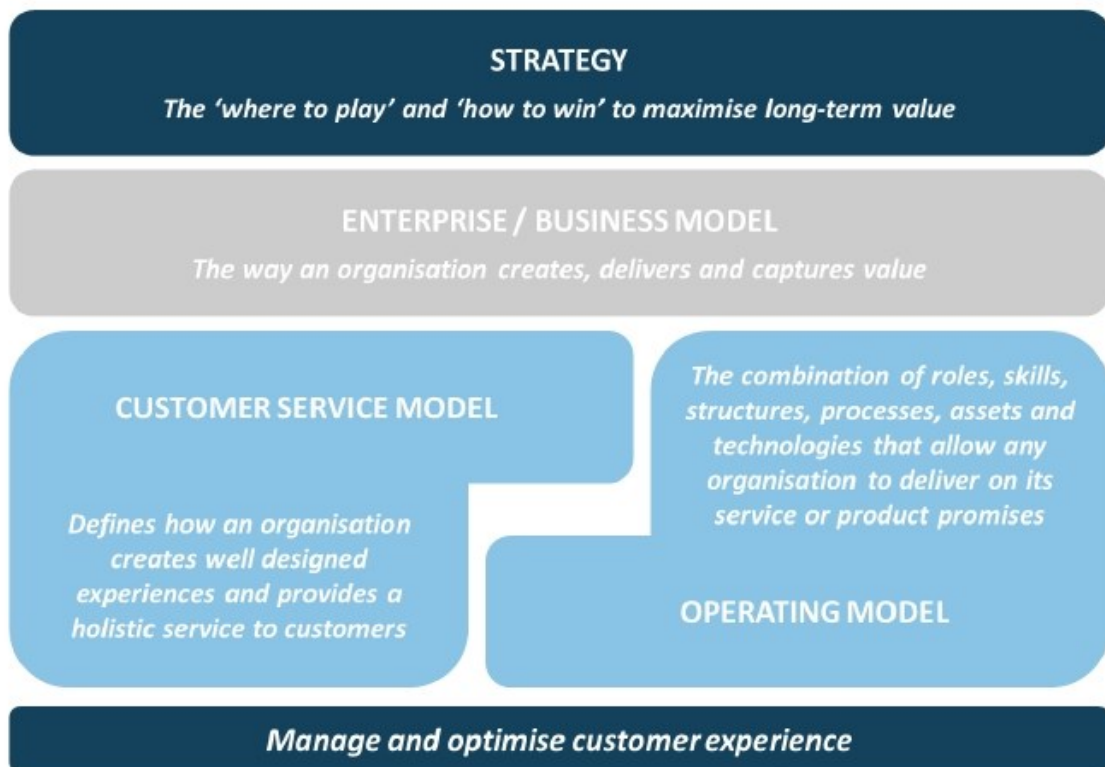


# BusinessPlus+ Newsletter

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## Improving your Customer's Experience

### Introduction



The problem is, in today's social media-obsessed world where keyboard warriors are eager to pounce on any company (or person) that missteps, the world can be told in a click of a button. By that point, it is very hard to control the narrative. Customer experience ("CX") encompasses every interaction a customer has with you. It is a customer-centric view of your brand, focusing on their relationship with you as a business.

There's plenty of evidence that great CX increases customer satisfaction and loyalty and drives positive word-of-mouth through reviews and recommendations. It can have a tangible impact on your brand's reputation and provide a competitive edge by making you stand out among the competition.

It might sound obvious, but to create a great CX you must be customer centric in the way you behave as a business. Customer centricity is about placing the customer at the heart of everything you do. It's about making things seamless at all points across the customer journey.

## Improving Customer Experiences

So, what is the key to creating great customer experiences? There are numerous things you can do, many of them at little cost, to improve CX in your business.

**1. Ask for Feedback** – John Hughes, one of WA’s most successful business owners, still walks the floor daily talking to customers. “*Know your customers*” seems to be one of John’s mantras and no doubt it is a key factor behind his success. Whether it’s conducting satisfaction surveys, focus groups or even a feedback form on your website, make sure you’re listening to your customers to identify their pain points. Better yet, test products and services with them before you take them to market. Talk to your customer-facing staff too, they’re your eyes and ears on the ground.

**2. Make It Personal** – Customisation is king. No one wants to feel like they’re just a number. If you have ever received an email from a company “*Hi first name*”, you’ll know what I mean. Personalise your communications in all one-on-one interactions. Wherever possible, provide an option for customers to tell you how and when they’d like to engage. Do they prefer email or telephone contact? What products and services best suit their needs? In fact, you may not even need to ask the latter. See point 3 below.

**3. Use Data and Analytics** – You can mine a lot of information about your customers if you’ve set up your data capture in a way that allows for this. Mining and analysing your internal data sets can tell you a lot about customers’ purchase behaviour, product or service preferences and even upsell or cross-sell opportunities. The key to leveraging the information you have, is to ensure you are capturing and storing it in a way that’s useful to the business. Making use of data to achieve an outcome that hadn’t been considered when the data capture processes were originally set up, is worth exploring. Ideally, take the time upfront to create a data strategy that considers what you need to know about your customers and why. This will save you time down the track and give you more flexibility over what you can do with the information you collect.

**4. Develop A Strong EVP** – You could be forgiven for focusing exclusively on your customers when trying to improve your CX. But don’t forget one of the most powerful resources you have at your disposal is the people who work for you. Empowered, engaged employees have greater job satisfaction and their happiness in turn drives the culture of your organisation. A strong **employee value proposition** (“EVP”) that clearly articulates your purpose for being in business, flows through to the experience the customer has when they interact with frontline staff.

**5. Understand the Customer’s Journey** – Undertaking **customer journey mapping** can be a great way to identify where the opportunities lie to improve your CX. A customer journey map is a visual or graphic representation of the key interactions customers have with the organisation, from before they become a customer right through to when they (potentially) leave. A journey map allows you to identify pain points, high volume interactions, moments of truth (i.e., positive interactions that leave a lasting impression), brand, product and service touchpoints and any roadblocks – aspects of the journey that are difficult or could be simplified. It also provides a view of how long they spend in each key stage, what they’re feeling throughout the stages, and where the interactions are taking place (e.g., website, dedicated app, call centre, in-store).

The value of customer journey mapping goes a long way, as it enables your business to:

### See the full picture of the entire customer journey

Journey mapping allows your business to see which part of the customer journey you can improve and personalise.



### Unite teams in delivering one holistic customer experience

Teams can work together leveraging journey maps to resolve specific customer issues and identify focus areas.



### Drive future innovation and evolve product or service offerings

Journey mapping provides a robust understanding of your customers and their needs and enables you to explore innovative solutions for product growth and improvement.



## Getting Effective Customer Insights

You must ground your strategic choices on customer insight; insight is crucial, providing justification and direction to cut through and embed CX improvements. Insights must be profound, and how you use the design process is critical to success. CX is a fundamental strategic choice that no business can afford to avoid, in today's ultra-competitive environment.

So CX vs. Design - are they the same thing? - Simply put, no. However, they do share the same goal: creating an emotional bond between an organisation and its customers. So how exactly are they different?

**CX Is the Outcome - Design Is How You Get There**

## CX Design Explained

The practice of Design can be broken into many sub-sets, with the particular focus for CX comprising **Strategic, Service and User Experience** designs. Let's explore these different types of Design through an example we all understand: a local coffee shop. Most Australians have a local coffee haunt they regularly attend (*mine is Hobart Street Deli in North Perth*). The one beside the park where parents can sit and watch their children play. Or it might be the one with the best-tasting beans, or their fast service with a smile or knowing you by your first name. Whatever the reason for one's success over another's lies in the experience it consciously creates for its customers.

**Strategic Design** considers the ecosystem of an organisation, its business model, strategy, and culture, including people's beliefs and behaviours in the pursuit of creating an emotional bond with customers. To do this, clearly prioritise what your company will and won't do, including adopting principles such as under-promising and over-delivering and focusing on peak-end moments.

Let's consider our coffee shop. Every day it faces decisions that have implications for the short-term and the long-term. What's our aspiration? How will we achieve it? Who's our target market and how will we win their business? Strategic Design states that these decisions need to be made with consideration for how they affect other decisions and to be ultimately guided by customer needs.

The strategic decisions will inevitably affect the service delivered to customers. Service Design is really about the enabling factors behind the scenes of the end customer experience and why, for example, one coffee shop is chosen over another.

**Service Design** focuses on making the functional aspects outside of a core product/service easy to use. Service Design considers the entire experience ecosystem, including stakeholders, employees, partners, processes, systems, and technology. It would look at how staff are trained and communicate, the level of self-service or table-service, how foot traffic is managed, how orders are taken and delivered quickly, and even the waiting experience. Service Design must also consider the supporting systems behind it, like Point of Sale (POS) and Customer Relationship Management (CRM).

While Service Design takes a broad and holistic view, **User Experience ("UX") design** focuses on the customer touchpoints across the experience. These are the moments the user interacts with the service to achieve what they want to do.

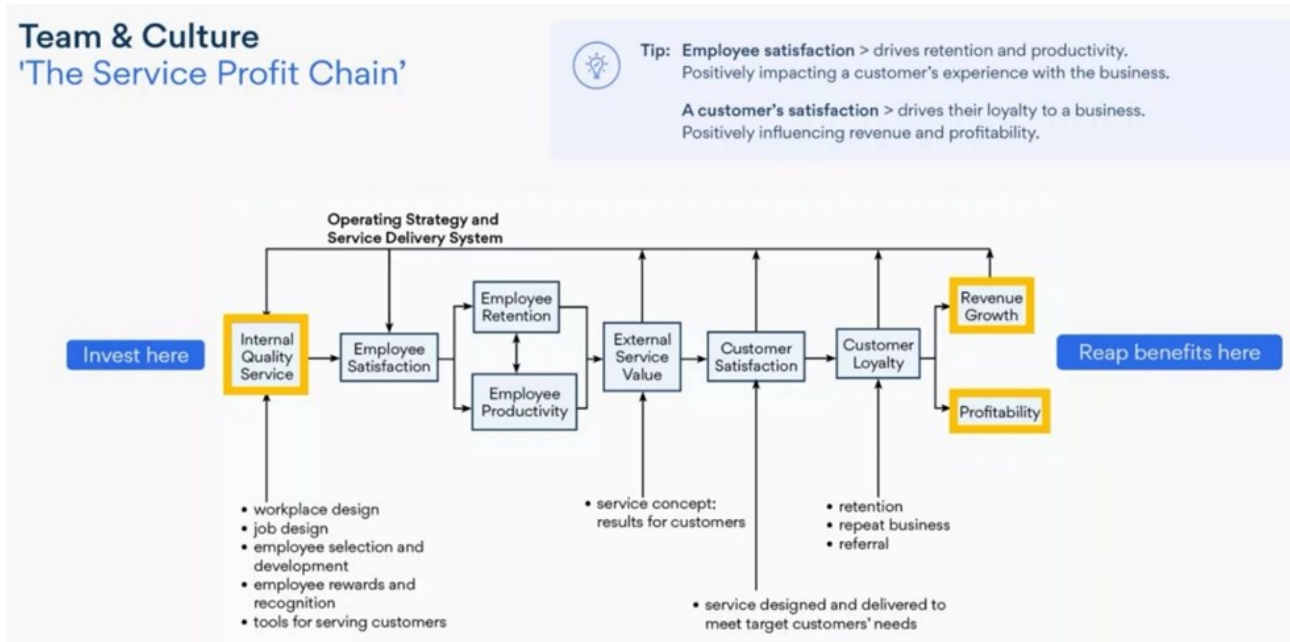
For example, our coffee shop needs to determine how users can view the menu: is it a blackboard on the wall, a paper menu on the table, or on their phones? The same goes with taking payment; do customers pay upfront or after their coffee? **The UX design is how the business facilitates the interaction.**

## Conclusion

These are just a few considerations, but there are many more ways to achieve CX gains – from creating omnichannel experiences through to apps and new technologies that generate breakthrough experiences. **However, the basics still work - look to under-promise and over-deliver;** your customers will appreciate this. It'll catch them off guard, and importantly, it will delight them. Under-promise and over-deliver is one of the easiest ways to achieve great CX.

Importantly, **great CX is key to customer retention and growth.** Get it right and it will likely improve your brand reputation, reduce churn, and increase business profitability.

The diagram below succinctly summarises the approach businesses should take to improving their customer experiences and create “raving fans/referrers” that will grow your business.



### Additional Resources

For a copy of the McKinsey & Company article “Experience-led growth: A new way to create value” published in March 2023, please click the link [HERE](#).

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