



## PRE-READING ASSIGNMENT NO. 1 (5 pages)

### WEEK 2 SYLLABUS: CUSTOMER VALUE CREATION

#### (The Essence of Digital Transformation)

## CUSTOMER EXPERIENCE MANAGEMENT AND CUSTOMER JOURNEY

*Customer Experience plays a crucial role in digital transformation. Many digital transformation initiatives arise from pain points, business innovation needs and growth or transformation imperatives on the customer experience side. With Customer Journey Mapping, you look at the customer experience and many related customer-oriented processes and plans by putting the customer journey at the center and focusing on the various stages of the customer's life cycle.*

The attention given to customer experience (also known as CX) has grown exponentially over recent years. It keeps doing so with customer experience now being recognized as an essential focus to create business and customer value. Yet, at the same time, customer experience has become a “thing,” a term many people use for various reasons.

People are at the center of all business success. It sounds obvious but in times of digital transformation, one can easily forget it. We're more than our demographic, behavioral and other data – and while data have become increasingly important for customer experience optimization, it's important to look beyond the dashboards as well.

The expectations of people have also changed. The ubiquity of digital platforms in our lives is one of many factors impacting shifts in behavior and demands. We even started speaking about a *digital customer experience*. However, all in all, the essence of CX and customer experience management hasn't changed all too much because in the end customer experience is all about **emotions**.

### Customer Experience Management

Why is customer experience becoming more important today and why do so many organizations still struggle to meet those expectations?



Customer experience is about individual and holistic (cumulative, over a longer period) perceptions and feelings customers have when interacting with any component of your brand and service of your company: support, products, people (employees), applications, marketing, systems and more. In a sense, everyone is a customer: customers as buyers, employees, suppliers and other stakeholders.

The focus on customer experience is caused by the increasing importance of an end-to-end customer experience improvement approach, which in turn is caused by changing customer expectations and customer experiences offered by best-in-class enterprises. Sometimes, in a digital transformation context, organizations look mainly at what has become known as the *Digital Customer Experience*, although digital transformation projects in customer experience certainly can stretch far beyond the sheer digital dimension. Let's not forget that the customer is **one**, even if it makes sense to look at the digital customer experience.

## **Holistic Approach To Digital Customer Experience**

Digital transformation on the customer experience level is not just a matter of the front-end and customer-facing functions, let alone touch points. It's a matter of the whole organization and requires involving the back-end as well. It requires an enterprise-wide approach or a roadmap towards such a holistic approach. In practice, you need to start somewhere and stage, but the end goals require that sooner or later it is done. The enterprise-wide approach is at the same time a starting point and transformational stage.

## **People First – The Customer Experience Priority**

Integrating the back-end and front-end is just part of a transformational challenge on the level of technology and processes. People are by far the most important component of customer experience management and of a holistic customer experience optimization approach. You can imagine a scenario in which a customer-related digital transformation effort is done to improve the customer experience, without the customer using any digital technology in that process.



Although it becomes increasingly rare as digital becomes pervasive in the customer journey and experience, regardless of age and segments. When digital customer-facing processes and interactions, as well as customer experiences, are key in achieving the customer experience optimization goals, make sure these digital touch points and “tools” are so valuable that customers WANT to use them instead of less effective and more expensive ones they prefer today.

## Knowing The Why Behind Each Why

Managing the customer experience (in the true sense of designing customer interactions to meet or exceed customer expectations) and optimizing it leads to clear and tangible results for the business. However, each organization is different. The “why” of optimizing the customer experience (patient experience in healthcare, citizen experience in government, etc.) is essential. The question to ask is not just *what* and *how*, it's also *why*, beyond the obvious reason that satisfied customers are simply good business and that customer service excellence and experiences are the basis.

Individual pain points and answers to the “why” can include increasing customer churn (why?), more dissatisfied customers (why?), anything really with the *why beyond the why* being the key. In other words: improving processes and digitizing to enhance customer experiences is one thing, transformation and the **reasons** for it another.

The customer experience only belongs to the customer and one way or the other will require an enterprise-wide approach. Obviously, this can happen in a staged way and assigning responsibilities but always with a clear roadmap for the end goals in mind. Digital transformation is not digital marketing transformation or customer service transformation. It's all of that and more in a customer experience context.

## Delivering An End-To-End Customer Experience

Customer experience is crucial for the present and future of your business. It always has been so, but in an era of a more autonomous and “empowered” customer who has higher expectations it is even more so.



In the connected and increasingly digital age we live in, the determining factors shaping the experiences we have with businesses are multiplying. We used to only look at face-to-face contacts, interactions across several channels, customer service, products and solutions, the brand as such and other attributes, all close to the business, as being crucial elements of the customer experience – as the ***sum of all experiences***.

In reality, the end-to-end customer experience is defined by much more than that. In fact, the customer experience is shaped by numerous factors that escape the “control” of a business. At the same time customers don’t always want an experience in the “**wow**” sense we often give it. Sometimes they just want to come in your shop, get their product, pay and get out as soon as possible. They want ease over delight. The key reason why the customer experience is and will never be “*in control*” is because customers are individuals, and the core element in the customer experience equation is highly emotional and personal.

## **Customer Experience Management: The Value Is In The Eyes of The Beholder**

The term **Customer Experience Management (CEM)** might seem somewhat of a weird term at first sight and maybe even out of touch with a changing reality. Sure, you can manage many elements that create the conditions for fantastic customer experiences: the quality of your customer service, the response speed of your contact center representatives, the content you create, the quality of the various inbound and outbound interactions, the brand narrative, the touch points where different interactions occur, the overall “ambience” of physical experiences, deep insight into what customers want, the list goes on and will grow. However, you cannot really “manage” the customer experience as such. And the reason is simply: ***customers shape their own experiences***.

## **Customer Experience and Customer Journey Mapping**

**Customer Journey Mapping** is a tool and process that takes out the guess work in customer experience management and design.



A **Customer Journey Map** is a *framework* that enables you to have a more precise view at the customer life cycle, looking at the characteristics, goals, emotional triggers, various stages and touch points of your customers. It's a non-linear approach as opposed to what we still often see in traditional marketing funnel models. Customer journey maps are **dynamic representations**, essentially focusing on customer experience optimization. The **emotional aspects** are virtually always present. Customer journey maps can also be used outside the strict scope of customer experience management. Tip: don't overcomplicate or get lost in theory or, worse, fiction.

Customer journey mapping is usually done using **personas**. In order to be as accurate and as close to the customer experience as possible, customer journey maps take into account key customer questions across various stages or “**moments**” in the life cycle in a less staged approach and use a mix of ways to understand the customer journey and map it in some visual way.

## Customer Journey Mapping: A Holistic Approach

Customer journey mapping can only be properly done when taking multiple inputs, feedback and research sources and methods into account that need to be validated using data, important stakeholders and, last but not least, **customers themselves**. As said before: there's more than digital and dashboards. Customers are out there and, on top of talking to them and asking for their opinions, they engage every day with your business through numerous frontline workers, for instance in your customer service department.

Customer experience optimization is a **holistic task**, involving the whole organization and looking at the customer as an individual, not as an email address or a series of – often disjointed – *contact moments*. The most direct interactions with and experiences of customers occur in the front end and across customer-facing operations. Think about the help desk (customer service, contact center), sales, face-to-face interactions and even some marketing communications. The goal of customer experience optimization exercise is to connect the front office and the back office.

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