

The Need for New CX Strategies for a New Year

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CXSummit
2021

First, a few words about me

40+ years of practical experience

Experience Management (XM)

- Customer Experience
- Employee Experience
- Partner Experience (aka B2B CX)

Combining **data science + behavioural science** to:

- understand why people do what they do
- what they are likely to do next and
- determine how organisations should best respond



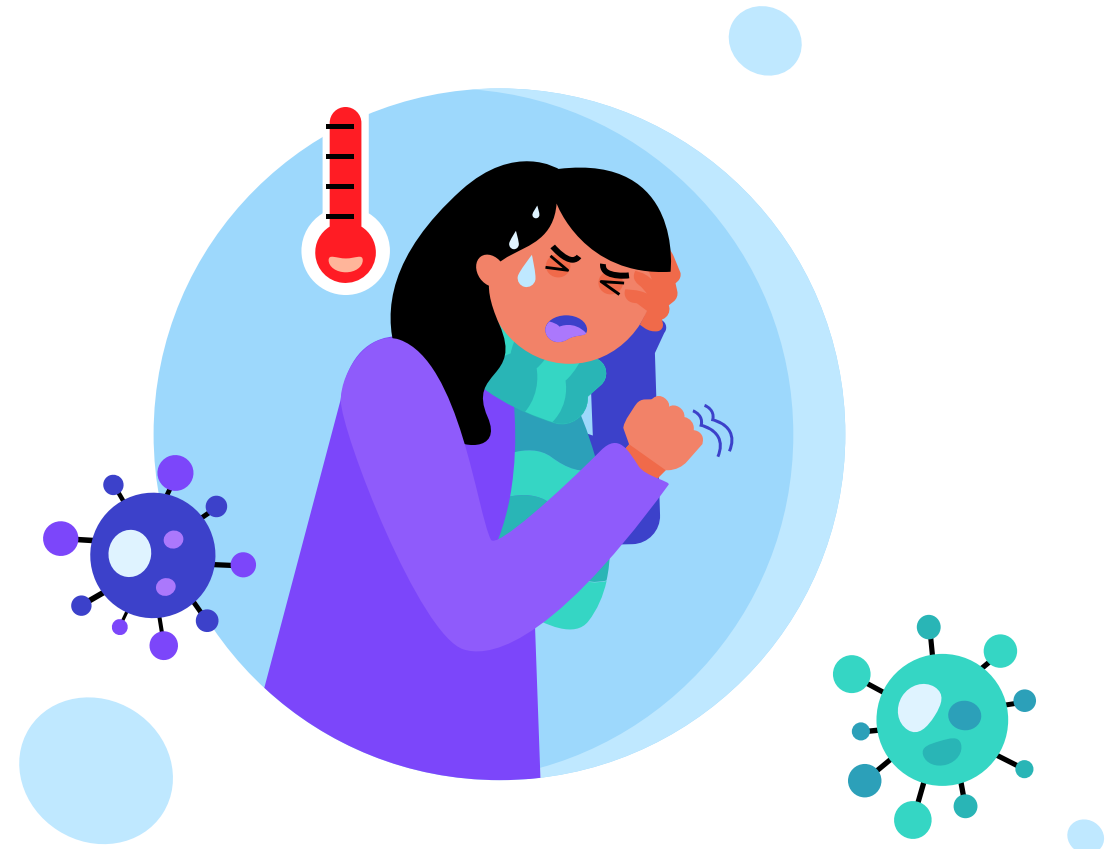
Coronavirus Changed Everything

“Only when the tide goes out do you discover who's been swimming naked” – Warren Buffett

The speed and scale of the pandemic caused **disruption on a global scale**

It affected the **whole of the value chain** – from sourcing raw materials to servicing customers

The behaviour of all parties in the value chain changed (and is still in transition)
- we are **not at the ‘new normal’ yet**



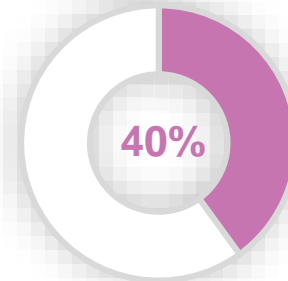
The 'New Normal' will not be a Return to the 'Old Normal'

New Normal?

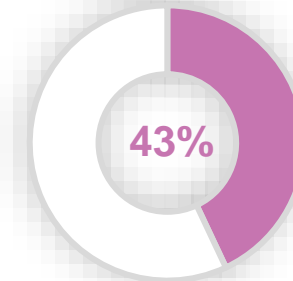
Low Consumer Confidence

- Earn-and-save
- Considered / deferred purchase
- Anti-excess consumerism
- Causal shopping
- Meet, work, and shop online
- Focus on experience & empathy
- 'You need to know me'
- Home / hybrid-working

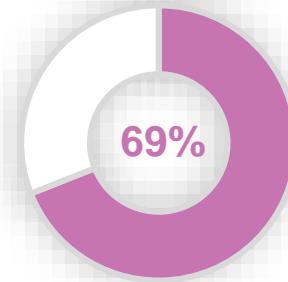
Personal Finances



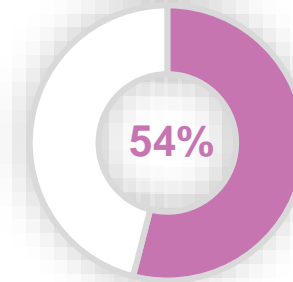
Ability to Make a Major Purchase



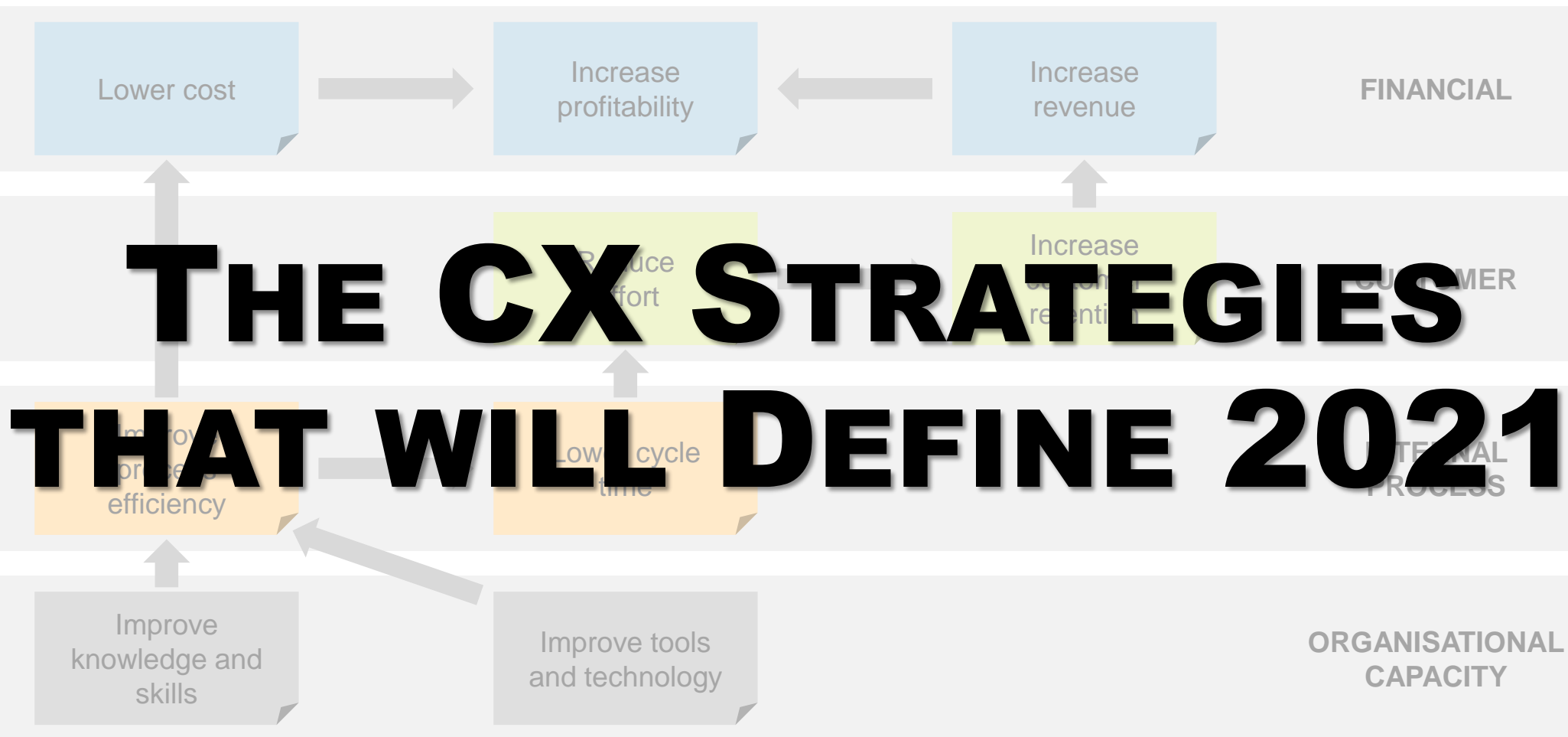
General Economy



Political Situation



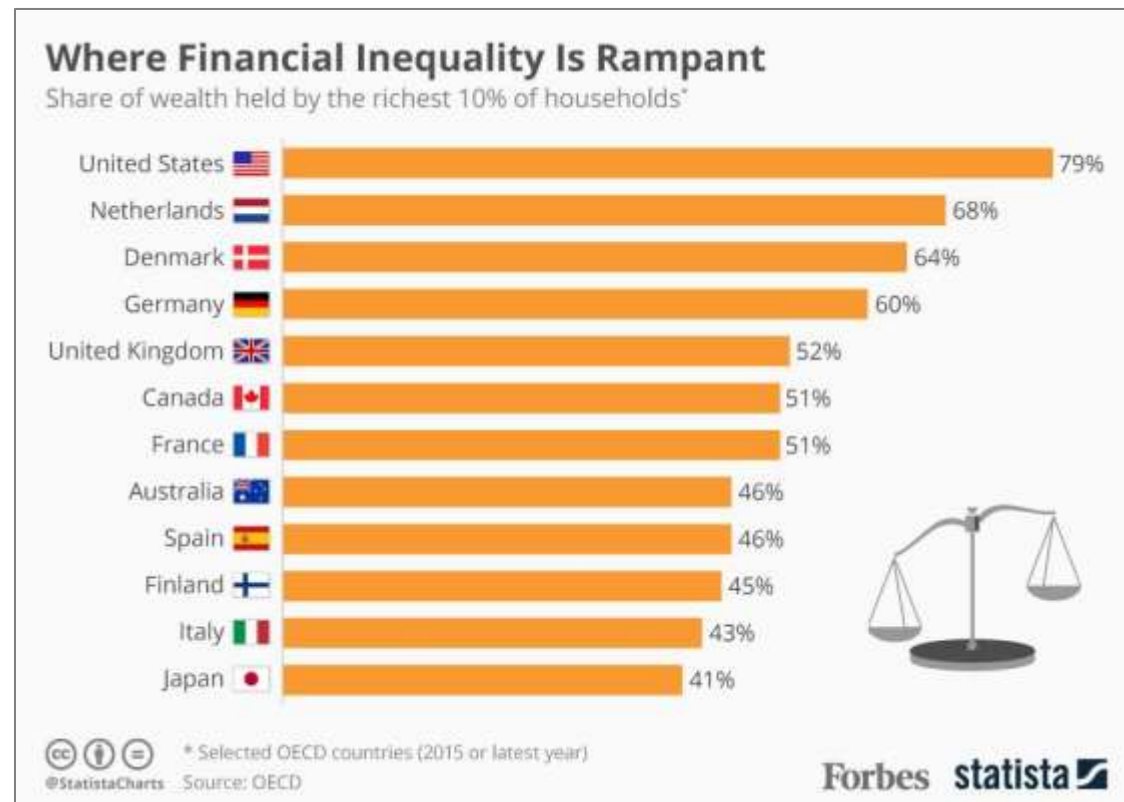
Source: Retail Week, 2021



It Starts with a Re-Examination of Organisational Purpose

Customers, employees and investors are starting to **value more than just 'wealth creation'**, especially when the wealth is unequally distributed

There is a growing realisation that organisations need to focus on the interests of **more than one stakeholder group** (i.e. not just investors)



...Needing an Evolution of Customer-Centric to Stakeholder-Inclusive



CUSTOMERS

Want great products and services at acceptable prices

CHANNELS & PARTNERS

Provide access to markets, and generate revenue, in exchange for regular supply at competitive prices

SUPPLIERS

Create and maintain supplies, in exchange for ongoing work and prompt payment

GOVERNMENT / REGULATORS

Generate national wealth through creation of products and jobs, whilst protecting consumers, encouraging competition and caring for the environment

OWNERS / SHAREHOLDERS

Expect a good return on investment (although many are now starting to look to 'ethical investing')

EXECUTIVES

Have a 'Fiduciary Duty' to optimise value on behalf of shareholders in exchange for rewards. Formulate strategies for business growth and resilience

MANAGERS / EMPLOYEES

Put the strategy into action and create value

SOCIETY / COMMUNITY

Create jobs and wealth, minimise negative impact on local community and global ecosystem

Holistic Management of the Value Chain



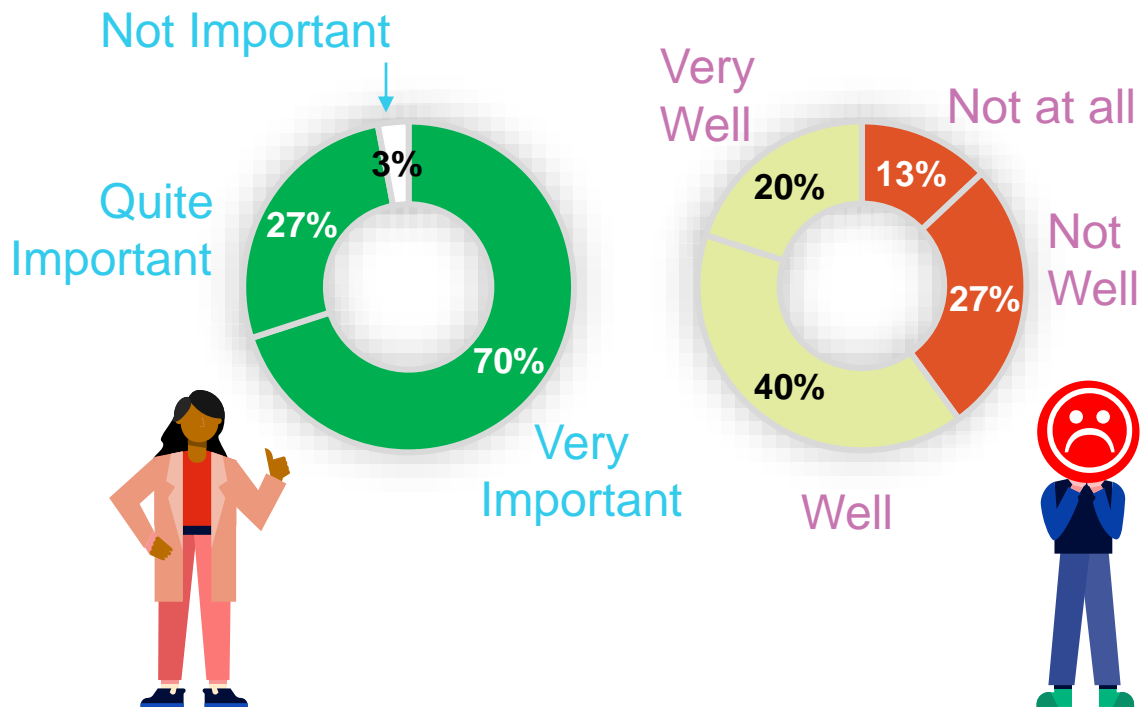
The customer is at the end of a very long 'value chain', **any part of which can fail**

Your brand is who the customer blames for a service failure, irrespective of actual cause

Covid-19 highlighted how **interconnected** we all are and how **fragile** a value chain might be

As well as Flawless Execution, Customers now Demand Empathy & a Human-Centric Design

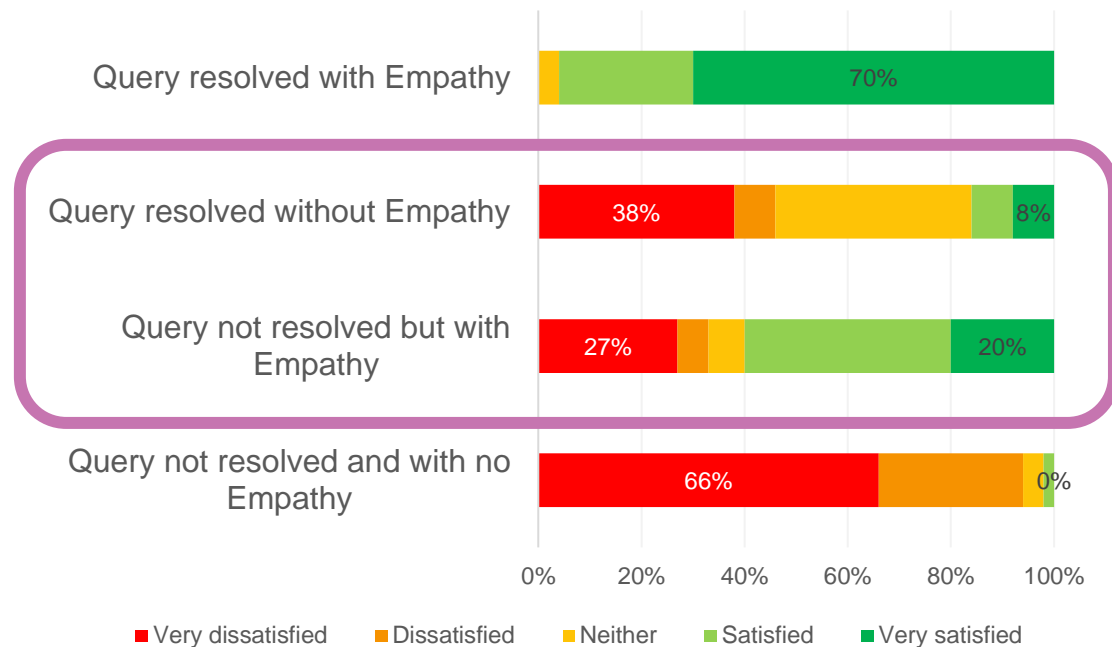
97% of customers said they value empathy, but 40% say it is lacking in Customer Service



02 February 2021

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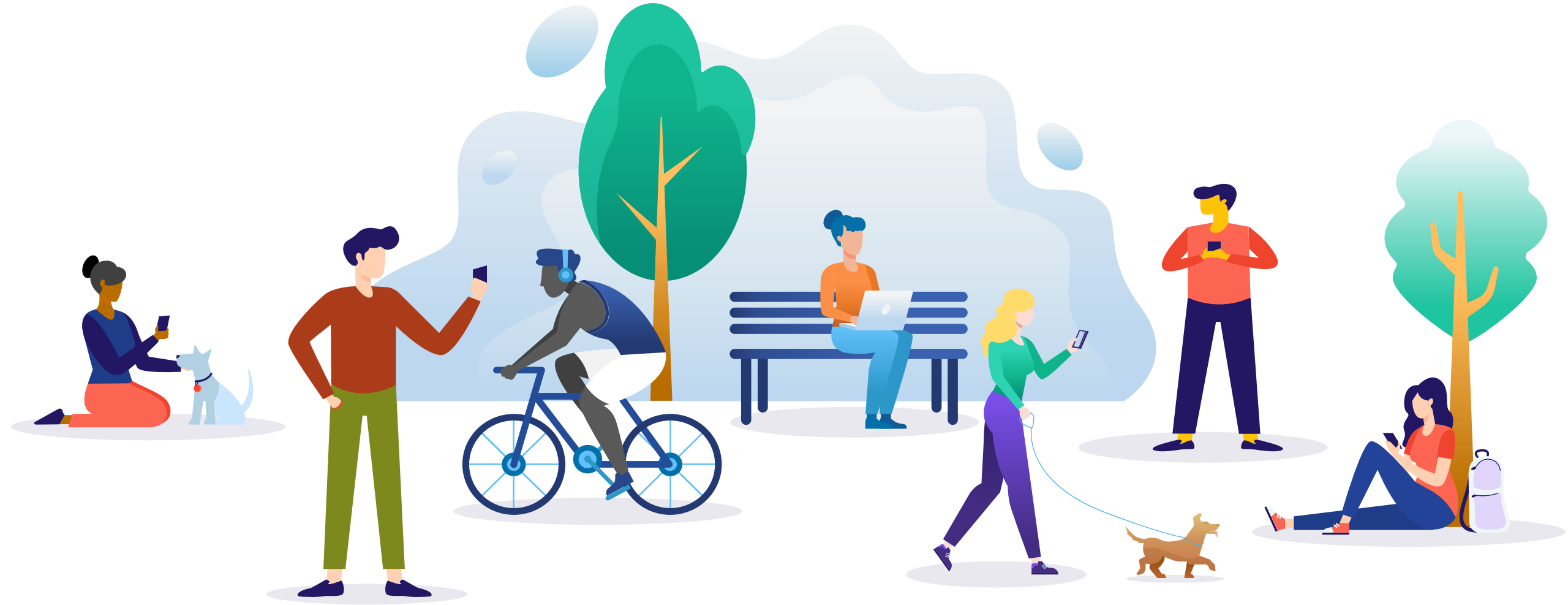
Empathy influences satisfaction



Source: 'Empathy in Customer Service' – Genesys/MyCustomer 2020

Inspiring a Humane Organisational Culture

“Culture eats strategy for breakfast” – Peter Drucker

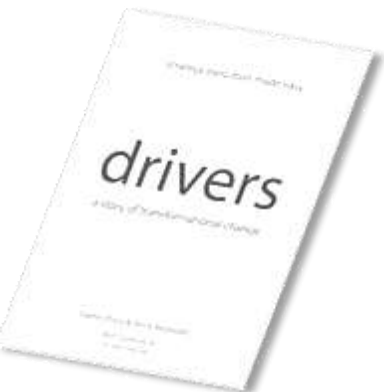




Cultural Change Starts at the Top and Must Engage the People

The Vision To Results framework allows leaders to set up a really solid platform for transforming employee motivation and performance in delivering the organisation's goals

- **Set Direction** – provides clarity; what is the goal? Why is it important? What does the data say? And, how to inspire the change
- **Engage & Excite** – Often overlooked, this section focused on gaining 'buy-in' and gauging willingness to change
 - **Enable & Execute** – Align execution around best practice, allocate the work and ensure accountability
 - **Sustain Momentum** – Measure and celebrate success, adapt to change and identify future requirements.



- 1 Set Direction
- 2 Engage & Excite
- 3 Enable & Execute
- 4 Sustain Momentum



Rational Emotional

The 'Dash to Digital' Becomes a Marathon

In 2020, many businesses had to (complete their) **transition to digital** in a hurry

Those that did it well are **'doubling down'** in 2021, as customers become more comfortable with digital-first engagement

Those that did not do so well will have to **catch up in a hurry** if they are to protect market share



On-Premise Shifts to Cloud Platforms & Partners



To **leverage global expertise and R&D** without hiring expensive talent

Deploy more quickly, delivering a MVP sooner – especially SMEs

Pivot as demands and strategies change – a **flexible ecosystem**

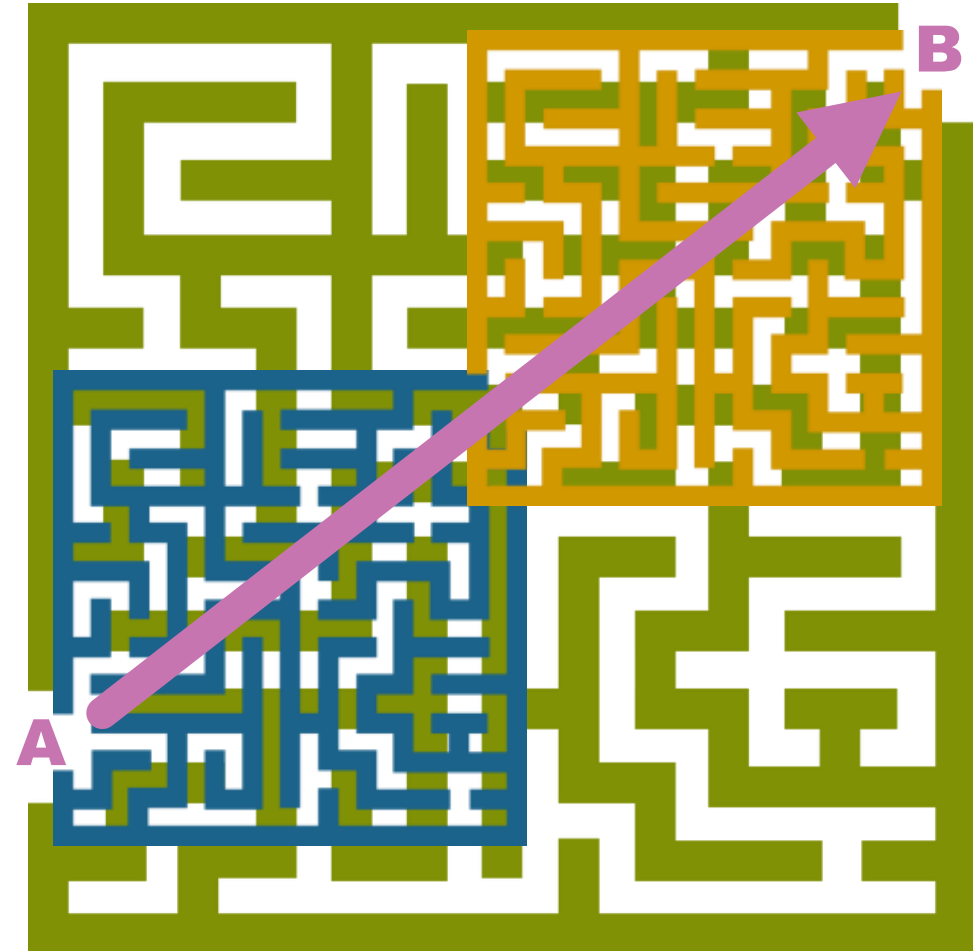
Competitive differentiation comes from **how it is used** and **with whom**, not how it works

Interaction Management → Experience Management

Customer Journey mapping and analysis is not enough – think ‘**experience landscape**’ - customers rarely live linear / sequential lives

Product managers need to consider the broader **context**

Experience developers then incrementally improve individual interactions (‘**micro-experiences**’)



'Profiles' Gives Way to Hyper Personalisation

"There is no such thing as an 'average customer'" - Martin Hill-Wilson

Profiles are a heuristic - we use to represent a homogenous group of customers – 1:X

Whilst they approximately fit a group of customers, they **rarely fit any specific customer**

In the age of digital and **mass-customerisation***, customers are starting to demand a true 1:1 relationship – they **expect you to know them** and **anticipate their needs** and wants.

*customerisation = personalisation + customisation

Brands

- WhatsApp
- Apple
- Coca-Cola
- KFC
- ZARA

Daily Routine

- Coffee
- Presentation
- Smartphone
- Laptop

Goals

Make a big impact with professional slides, charts, infographics and more.

Frustrations

- Working from home
- Wasting time
- Pace of career progression

Motivations

Make a big impact with professional slides, charts, infographics and more. Build personal brand

Event Influencers

- Technology
- Cultural
- Peers
- Hype
- Networking



Ad-hoc Insight Becomes Embedded Decisioning



CX strategy relies on **listening to, and understanding customers**

VoC programs are now common, but **rarely feed directly into operational decisions**

A by-product of digital is the potential to **generate a tsunami of data**

Data is not the new 'black gold', some of that data should be used to **drive operational systems**, all along the value chain

Adoption of New Measures of Performance



Many of the ways that organisations measure themselves today are derived from concepts formed in the late 1800's:

That there is one perfect way to do anything and once determined that should become the standard against which performance is measured

Measures and KPIs designed for the industrial era of mass production are **not suited to the experience era** or hyper-personalisation

In Conclusion...

- Covid-19 was, and remains, a **globally shared experience**
- **It forced change** upon us all, some of which will persist
- It also caused us to **re-examine assumptions**
- **and expand our thinking**, in both breadth and depth
- **2021+ will be what we make of it**
- **The 'new normal' is not yet fixed**, so we must remain flexible
- ...but we can be sure that our **customers will demand more** of us!

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Thank You!

Questions?

