

Delivering brilliant customer experiences in exceptional times

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an·thro·lytics™

First, a few words about me

FASCINATED BY WHAT MAKES THE WORLD TICK



40+ years of practical experience

Experience Management (XM)

- Customer Experience
- Employee Experience
- Supplier Experience (aka SRM)

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

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

It's been an extraordinary year

WHICH HAS LED TO DRAMATIC CHANGES IN CONSUMER BEHAVIOUR

- The **conflict in Ukraine**, with unprecedented sanctions imposed against Russia and the significant reduction in cheap fuel import from Russia – contributing to ...
- Highest **European inflation** rates since early 1990's, meaning a squeeze on household budgets and a fall in disposable income
- **Supply chain disruption** – sunflower oil, flour, components, bird flu, ...
- **Covid** peaks and troughs during the year, high rates of other infections,
- **Political upheaval** - in the UK, the death of the queen as well as three governments in under two months

Where we are today

BUSINESSES AND CONSUMERS: WE ARE ALL LIVING IN A 'VUCA' WORLD

Volatile

Unprecedented speed of change, with fluctuations in supply and demand, that can be short-lived and unpredictable.

Uncertain

Typified by an inability to understand what is going on and why, and therefore confidently predict what is likely to happen next.

Complex

Lots of things seem to be changing at once, and the number and variety of these changes make it hard to identify which of these are 'causing' the effects we are observing.

Ambiguous

Working with partial, inaccurate or apparently contradictory data makes it hard to interpret and gain actionable insights.

All of the above are interrelated and interact with each other

Dealing with Volatility

HAVE A CLEAR VISION & PURPOSE, AND BE CONSISTENT

Whilst you may need to be agile or resilient as an organisation, **stay focussed on your purpose** – what you offer that customers need and want – the fundamentals remain unchanged.

Develop **situational awareness** - if necessary, set up 'alerts' that trigger a speedy response.

Shorten your decision-making cycle – reduce the time it takes to detect a shift in customer behaviour, decide what to do and put changes into action.

Keep customers informed of the changes you are making and why.

Be consistent – customers are craving predictability in the face of volatility.

Dealing with Uncertainty

KEEP YOUR PROMISES, EVEN IN THE FACE OF CHANGING CIRCUMSTANCES

Take time to listen – be proactive in looking for new insights, including from new sources, and be empathic – what does this look like from the customers' perspective?

Own your problems – if things don't go to plan, be proactive in finding and owning the problem and fixing it. Any time your process becomes the customers' problem, your CX efforts have failed.

Enable your whole organisation to act horizontally to resolve customer problems (and spot new opportunities). Customers care about outcomes, not causes.

Be predictable – say what you will do, and then deliver on your promises

Dealing with Complexity

FOCUS ON KEY DRIVERS AND KEEP IT SIMPLE

Upgrade your analytics – to quickly identify the causes behind the new effects (changes in customer behaviour).

Focus on the key drivers that you can influence - you can't change the economic situation, but can how you respond.

Don't assume you still 'know your customer' – find out what your customers truly value and why.

*"It ain't what you don't know that gets you into trouble.
It's what you know for sure that just ain't so." – Mark Twain*

Align and collaborate – make delivering on your CX commitments part of everyone's job.

Keep it simple – be clear and concise.

Dealing with Ambiguity

BE AGILE AND PREPARED TO PIVOT (OR DRAW ON CONTINGENCY)

Have a Plan B, C, D and E – bring your planning horizon closer and do more frequent reviews - **explore more scenarios** and prepare 'playbooks' for the most likely or disruptive ones that can be enacted quickly.

Don't wait for certainty – it no longer takes weeks or months for an issue to become a crisis, so be obsessively attentive to what's going on around you and to act on incomplete information.

Embrace risk – try new things, and see failures as learning opportunities, not a reason to apportion blame.

Fail fast, pile on faster – try several things simultaneously; drop the ones that don't work, accelerate those that do.

Be agile – if you keep doing the same old things, in the same old way, you will NOT get the same old result.

Three Big issues for 2023

Play the long game

FOCUS ON LIFE TIME VALUE, RATHER THAN JUST SHORT TERM PROFITS

When times are tough, it is tempting to prioritise quick returns, rather than focus on long term investments, for example:

- Digitalisation as a method of reducing costs, rather than **enhancing customer value**.
- Pushing what you have (via cross-selling and up-selling), rather than **what they want/need**.
- Not focussing on **extending the period of a customer's spending** (tenure \neq loyalty).

Increasing a Customer's Life Time Value (CLTV) may mean making less money in the short term, in exchange for much more money over time.



Affordability vs Value for Money

UP TO HALF OF EUROPEAN HOUSEHOLDS ARE LIVING PAYCHECK-TO-PAYCHECK

(Estimates vary and there is wide range of values) but more people and families have insufficient savings to live without a wage for more than two months without going (deeper) into debt and many have already maxed out their credit.

- More customers are facing a **cost of living crisis** and focussing on dwindling disposable incomes.
- Uncertain about the future, they are **deferring spending** on big ticket items or luxuries.
- **Buying what they can afford**, even if not the best value for money.
- **Prepare for defaults** – more customers that cannot pay their bills.

Customers will remember the brands that **help them to live on a budget** today.



Trust

KEEP YOUR PROMISES

Trust in established authorities has been in decline since the 1970's, but according to the Edelman Trust Barometer, businesses are still more trusted than government or the media:

'Trust is the 'ultimate currency' and underpins any organisation's ability to operate, to take responsible risks and to bounce back from mistakes'. - Edelman

- Identify what is important to your customers and builds trust.
- Align your business and CX priorities to these customer priorities.
- Constantly and frequently monitor performance.
- Act quickly to admit and correct mistakes.

Hard won, quickly lost:
trust arrives on foot and leaves on a jet plane.



In summary

WE ARE 'LIVING IN INTERESTING TIMES' – WHETHER THAT IS A BLESSING OR CURSE IS UP TO YOU!

In the face of

- **V**olatility – be consistent
 - **U**ncertainty – be predictable
 - **C**omplexity – be simple
 - **A**mbiguity – be agile
-
- Play the long game.
 - Offer an affordable option.
 - Establish and build trust.

Finally, be empathic in your dealings with customers and employees.

Thank you!

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