



Strategies for *Transforming* Your Customer Experience

What You Will Find in “5 Strategies for Transforming Your Customer Experience”

We created this e-book to provide you with strategies and actions for *transforming* your Customer Experience.

The recommendations are based on insights from industry thought leaders and research findings from thousands of hours of Voice of Customer (VoC) research conducted by our firm with customers and prospects of Fortune and Growth companies such as IBM, MassMutual, QVC, Microsoft, HMS National and Songza.

Here are the **5 Strategies** we'll provide to help you engage customers and prospects in a competitively differentiating, multichannel experience;

Strategy 1: Understand How Customers Define “Customer Experience”.

Strategy 2: Satisfaction Has Become a Given. *Engagement* is Now the Critical Competitive Differentiator.

Strategy 3: Rethink How You Engage With Customers; the Reciprocity of Value Equation.

Strategy 4: Provide Personalized Experiences and Communication.

Strategy 5: Achieve a Multichannel Experience.

Case study; Echo Award winner, HMS National.

We'll conclude with **12 Action Items to help transform your customer experience.**



ERNAN ROMAN, President of [*Ernan Roman Direct Marketing*](#), was inducted into the Marketing Hall of Fame based on the dramatic results companies achieved with the three Customer Experience methodologies he created: Voice of Customer Relationship Research, Integrated Direct Marketing, and Opt-in Marketing.

Ernan is an industry thought leader, author of “*Voice of the Customer Marketing*”, and author of the widely read, Huffington Post published blog, “[*Ernan’s Insights on Marketing Best Practices*](#)”.

Named by the Online Marketing Institute as one of the “*2014 Top 40 Digital Luminaries*” and by Crain’s BtoB Magazine as one of the “*100 most influential people in Business Marketing*”.

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Understand How Customers Define “Customer Experience”

The starting point for developing your Customer Experience strategies should be to understand *how customers define* “Customer Experiences”.

The following 6 point definition is based on over 10,000 hours of [VoC Research](#) conducted by our firm, [Ernan Roman Direct Marketing](#), (ERDM) for clients such as MassMutual, Norton AntiVirus, NBC Universal, IBM, QVC and Microsoft.

BtoB and BtoC decision makers said that the following **6 points** comprise a competitively differentiating Customer Experience;

- 1 Improve the Customer Experience *across every point of contact* with your organization.
- 2 “Improve the Customer Experience” applies to all elements of the media mix and *all departments* in your organization.
- 3 High quality experiences must be maintained throughout the relationship and “*not just when you are selling or renewing*”.
- 4 Customer experiences must be *driven by individual preferences* regarding: message, timing, frequency and media mix.
- 5 Preferences must drive high quality personalization of communications and experiences.
- 6 Privacy of preference information is essential.

ACTION ITEM

Trust your customers to tell you.

Gather Voice of Customer (VoC) research-based insights regarding how your customers define a *truly personalized multichannel relationship*, and which communications are most relevant at key points in their customer journey with you.

[NFL.com Gets High Scores on Engaging Emails](#)

Email deliverability is now dependent on a sender’s ability to deliver engaging content to subscribers. Since *engagement* has become a key ingredient in ISP’s reputation scores, marketers need to up their game to play by the changing rules or risk poor ROI rates on campaigns.

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Satisfaction Has Become a Given... Engagement is What Counts

Findings from our VoC research indicate that engaging and forming strong relationships with customers has *12 times* more influence on retention and repeat purchases than basic customer satisfaction.

Consider how the following **5 research insights** can help you improve your personalization efforts;

- 1 *Engagement* is now the critical competitive differentiator consumers want.
- 2 Customers have shifted from being passive recipients of 'push' marketing, to selecting companies which *engage, listen to, and act on*, input from customers and prospects.
- 3 Consumers expect companies to *use their preferences* to deliver increasingly personalized offers, communications and experiences.
- 4 Develop truly engaging connections based on content strategies which provide product *education, loyalty benefits, and relevant offers*.
- 5 Customers expect companies to be *actively listening* to their needs and preferences.

Thought Leader Insight



Outside-In is our name for centralizing around the conversations customers are having. It is the starting point for naming products and services to be recognizable and the initial scope for web site information architecture (navigation paths) and content strategy.



Denise M. Beckmann,
IBM Worldwide Demand Programs,
Senior Digital Marketing Lead

ACTION ITEM

How many sources of customer feedback are you using to guide your marketing and personalization efforts?

Use all of the following;
Social conversations, customer sat surveys, call center and customer service feedback, and feedback from tech-support and retail reps.

IBM: Innovations in 'Outside In' Conversations and Content

Many companies are annoying customers with irrelevant content, rather than "conversing" with them through personalized interactions. Conversing with customers should now encompass all key points of engagement.

Rethink How You Engage With Customers; the Reciprocity of Value Equation

Please take the time to think about the implications of the following insight. It has the potential to transform your marketing strategies and how you engage with customers.

Dramatic findings from our VoC research indicate that BtoB and BtoC customers and prospects are willing to provide trusted brands with deeper levels of business and personal information *in exchange* for more personalized offers, communications and experiences.

This fundamentally reframes data privacy concerns!

This has become such a consistent finding from BtoB and BtoC research that we call it the [Reciprocity of Value Equation](#).

Following are **5 key VoC findings** regarding Reciprocity of Value:

- 1 Consumers recognize that to receive or access relevant information, they must provide preference information. This applies to BtoB and BtoC customers.
- 2 If they trust the brand, and receive a compelling value proposition, consumers will opt-in to sharing increasingly detailed preference information.
- 3 This reframes data privacy concerns because reciprocity is seen as a meaningful exchange of *value and information*. This information will constantly change, grow, and be enriched through ongoing interactions with customers.

(continued)

ACTION ITEM

- BtoB and BtoC customers will supply deep levels of information if they trust the brand and see value.
- Marketers need to understand how their customers define the Reciprocity of Value Equation with their company.

Macy's Rewards Customers for Providing Tracking Permission

[Macy's](#) PromoAlert program allows customers to [opt-in to receive push marketing](#) via email or text as well as through an Android or iPhone mobile app. Additionally, the company allows customers to opt-in to receive information on [specific events](#), bridal registries, and more.

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Rethink How You Engage With Customers; the Reciprocity of Value Equation (continued)

- 4 As a result of these preference-based interactions, customers are more willing to respond to communications and offers.
- 5 This customer-driven information exchange results in uniquely accurate databases that consistently achieve 25% to 50% increases in revenue.

ACTION ITEM

- Consumers will actively opt-in to sharing detailed personal preference information in exchange for the marketer's promise to deliver relevant information and offers.

Thought Leader Insight



In-depth preferences drive high levels of personalization. Some of the self-profiled preferences we capture include; brand preference, device preferences, notification requests, e.g., targeted mobile push notifications, shopping behavior (browsing, purchasing), collaborative filtering (look alike customers), and geo-location. These are used to determine the most relevant merchandising/offers to be presented to Gilt customers and the order in which those offers appear in their communications, including their personalized website.

Preference-based personalization across our multichannel mix drives engagement by increasing order conversion rates and decreasing unsubscribe rates significantly. Combined, these results drive millions of dollars in revenue every year for Gilt.

Wellington Fonseca
Vice President of Marketing
Gilt



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Provide Personalized Experiences and Communication

Personalization has emerged as one of the most critical competitive differentiators. BtoB and BtoC customers use this as one of the critical factors in determining the company they will choose to engage with.

Following are **5 VoC research findings** regarding personalization;

- 1 Customers and prospects view personalization as the next step in a company's commitment to *service excellence*.
- 2 Transaction-based communication does not satisfy consumers who are looking for companies to understand them, what they want, how they want to buy, and the types of communications they want to receive.
- 3 Using traditional impersonal demographic or interest overlays for targeting is helpful but not accurate enough. True personalization is achieved from preferences provided by the customer which drives actual personalization of communications and offers.
- 4 Customers look to *personalized* follow-up emails as *value-added triggers* to go online and evaluate relevant products.
- 5 Companies must earn the right to ask for increasingly deeper levels of personalized preference-based data.

ACTION ITEM

Check how well your Preference Center is working

Preference centers play an important role in capturing the preference information necessary to drive truly personalized communications.

[Is Your Preference Center Hurting Your Customer Experience?](#)

[Montreal Transit's Innovative App Drives High Engagement](#)

Deep consumer insights and personalized messaging and offerings are now essential requirements for marketers. But many companies are just beginning to understand the unprecedented opportunities that deeply connecting with consumers for engaging experiences can bring.

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Achieve a Multichannel Experience

Today's customer is multichannel. Therefore marketers need to engage and be available across every possible channel.

Additionally, almost all marketing is now digital. Few transactions are completed without some level of digital search, research or interaction, along the customer journey.

All of this provides a unique opportunity for creativity and engagement across the multi-dimensional marketing world.

Following are **6 points** to help you deliver an engaging customer experience across all channels;

- 1 Online and off line are now inseparable. Integration must encompass; Message, Media Mix, All Departments in Your Organization and the Customer Experience.
- 2 Deliver on the expectations of improved customer experiences across *every channel and point of contact* with your organization. Device usage changes by time of day so it is crucial to be where your customers are.
- 3 Multichannel Relevance requires:
 - Right message
 - Right person
 - Right time
 - Right media mix...delivered per individual's preferences.
- 4 Multichannel Marketing that is not driven by individual preferences is perceived as simply *multichannel irritation!*
- 5 Online shoppers view personalization as a critical requirement for engagement. Per VoC research, lack of personalized follow-up communications after online visits or purchases is seen as a *lack of interest* in the customer.
- 6 Per VoC, greater access via mobile translates to a more informed and empowered purchase process. This also results in greater expectations of value from retailers.

ACTION ITEM

Consistency in messaging across channels

Structure your multichannel marketing so that each channel reinforces all other channels.

A consistent experience must be maintained in look, message, interaction, and conversation across all media.

Is Your Customer Service Multichannel?

If you focus on a single channel at the expense of others, you're neglecting a significant portion of your customer base. The same holds true for customer service.

Achieve a Multichannel Experience

HMS National Case Study

Direct Marketing Association's Echo Award-winning HMS National Case Study; How Voice of Customer Insights Helped Change HMS' Culture, The Customer's Journey and **Increased Renewals Over 50%.**

HMS National Overview

30+ year-old company which markets home warranties. The warranties provides coverage against mechanical failures for many major systems and appliances, coverage that is not provided by most homeowner's insurance policies.

HMS National's Goals

Learn how *customers define* their Customer Journey and use those insights to drive new marketing strategies.

VoC Research Objectives

- **Stimulate greater renewal rates**
- Identify what home warranty means to customers
- **Determine how customers define the value of HMS**
- Evaluate claim experiences; strengths and weaknesses
- Understand level of satisfaction with HMS
- **Analyze perception of marketing communications**
- Determine willingness to opt-in and self-profile preferences to drive targeted communications

Achieve a Multichannel Experience

HMS National Case Study (continued)

VoC Research Learnings

- The customer experience, not just the amount of claims paid, significantly impacts renewals
- Customers expect HMS to be proactive throughout the claims handling process
- Regardless of who purchased the warranty, (i.e. home seller or home buyer) engagement is low
- Customers are receptive to self-profiling their interests and preferences

VoC Driven Strategies

- Engage customers *throughout the customer lifecycle* including during the renewal process
- Begin the relationship with a warm Welcome experience
- Deploy Multichannel Mix Per Opt-In Preferences
- Per individual preferences, provide information regarding home repair and maintenance

It's important for marketers to recognize how much they don't know about their customers.

Utilizing VoC research insights can help close that knowledge gap. This in turn can be the key for achieving the next level of success.

At HMS, the VoC and associated customer journey had direct top and bottom line impact as evidenced by the over 50% increase in renewal rates.

Douglas Stein
President
HMS National

Achieve a Multichannel Experience

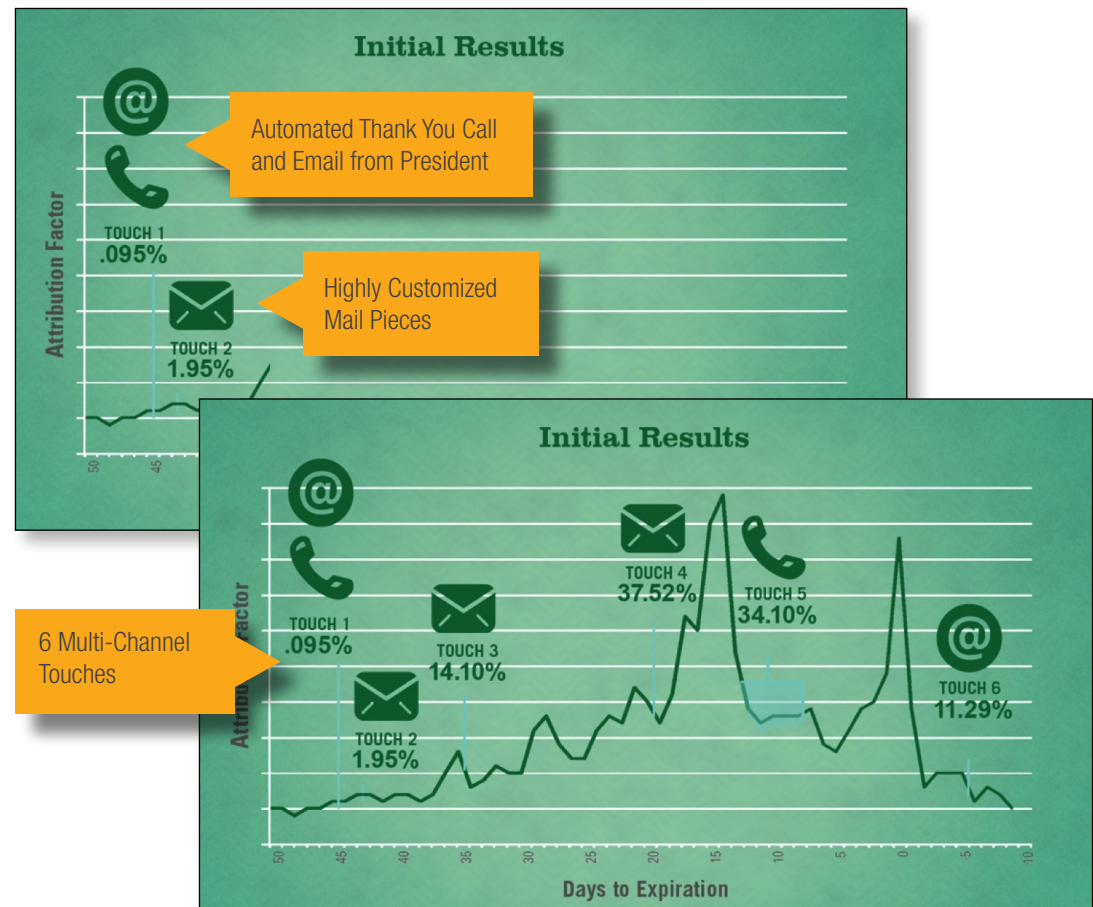
HMS National Case Study (continued)

Pre-VoC

Renewal solicitation via direct mail:

- Started 90 Days prior to expiration
- Single Channel – Direct Mail
4 Touch Points
- Very little customization due to in-house development and fulfillment
- Dated look and feel
- Copy Heavy

Post-VoC

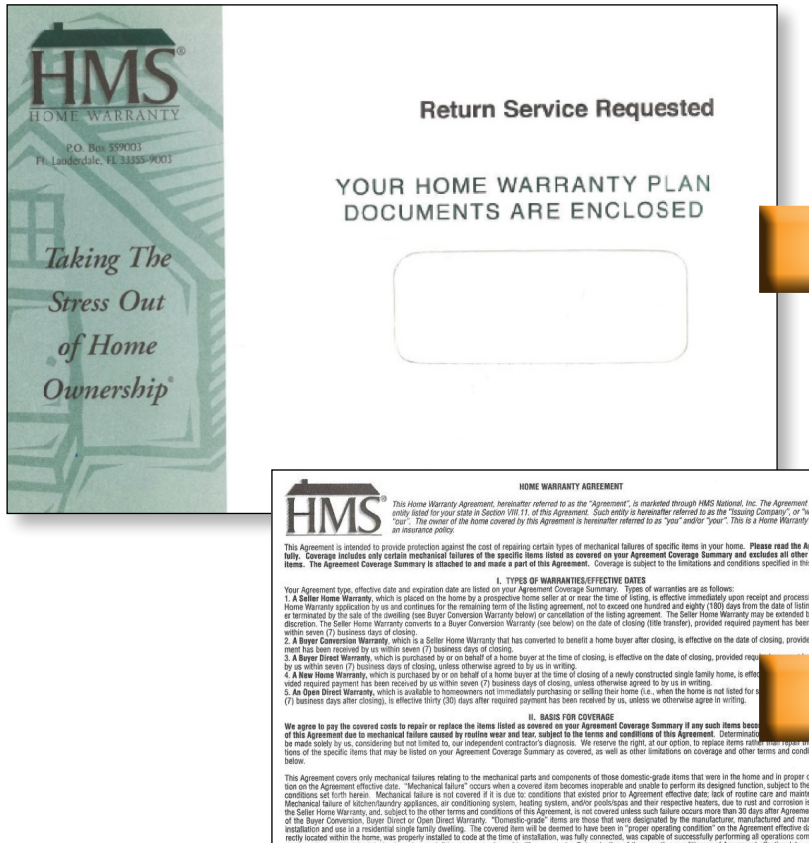


Achieve a Multichannel Experience

HMS National Case Study (continued)

Pre-VoC

Initial touch point was informational without being engaging.



Post-VoC

Leverage early touch points to immediately engage each customer.

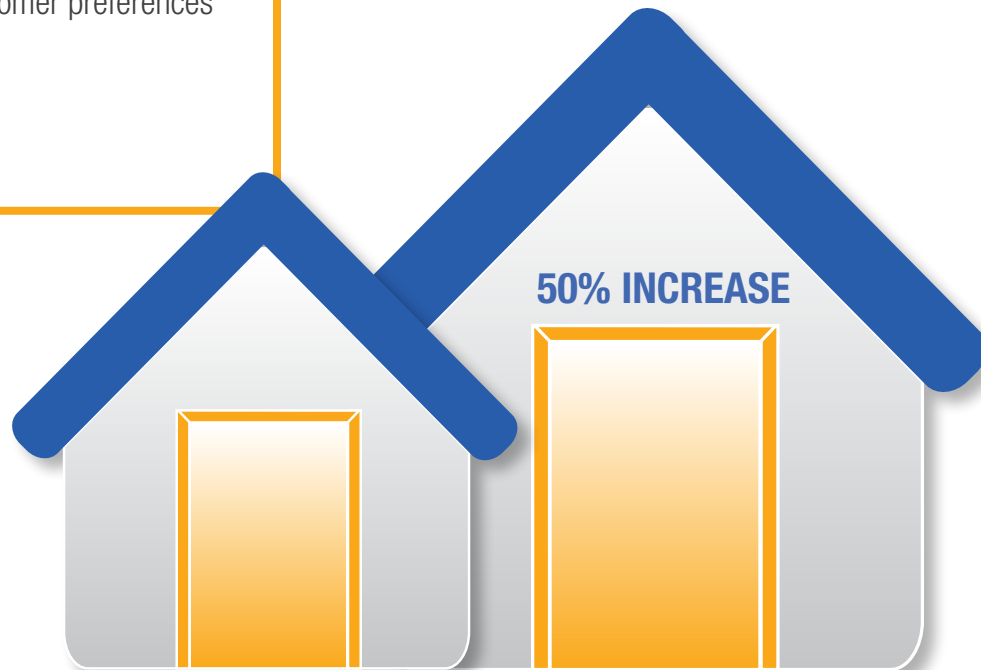


Achieve a Multichannel Experience

HMS National Case Study (continued)

VoC Driven Results

- Achieved over a **50% increase** in renewal rates
- Additionally, enhanced product offerings justified a **20% price increase**
- HMS is now focused on further improvements driven by the collection and utilization of individual customer preferences (based on reciprocity of value)
- Winner of DMA's coveted Echo Award



12 Action Items to Help Transform Your Customer Experience

- 1 Be humble. Acknowledge what you don't know about how your customers define engagement. Listen to your customers.
- 2 Understand how customers define the Reciprocity of Value Equation with your company.
- 3 Create opt-in preference databases to drive true personalization of communications and offers.
- 4 Achieve frictionless, high-value engagement across every medium in the multichannel mix.
- 5 Customers engage with your messages across multiple media. Ensure message and brand consistency across all your media.
- 6 Communications should reflect the "personalities" of the individual media used by customers to engage with your brand.
- 8 Each medium should reinforce the other, i.e.; On-air reinforcing Social, Mobile reinforcing Web, etc.

Be where your customers are, i.e., push mobile during commuting hours, holidays, etc.
- 9 Select channels that serve the customer: texting an offer is intrusive. Using it as a reminder for something they want is a value.
- 10 Avoid turf and silos; ideally one team should manage all customer touch points.
- 11 Make customer listening a part of every functional *area*, not just marketing.
- 12 Deliver high quality customer service in every channel. Marketing has to take responsibility!

Resources For You

ERDM Resources

Customer Experience Case Studies; www.erdm.com

Huffington Post published blog, "*Ernan's Insights on Marketing Best Practices*"; <http://ernanroman.blogspot.com>

Our latest book, "*Voice of the Customer Marketing*", McGraw Hill; www.erdm.com

Other Resources

Direct Marketing Association; www.the-dma.org

1to1 Media Newsletter Signup; <http://www.1to1media.com/profile.aspx>

1to1 Updates; <http://www.1to1media.com>

CMO.com; www.cmo.com

CRMC (Customer Relationship Management Conference); <http://www.thecrmc.com>

CRMC Newsletter Signup; <http://www.thecrmc.com/news>

Customer Think; <http://customerthink.com>

DM News; www.dmnews.com

DM News Newsletters; <http://www.dmnews.com/newsletters>

eMarketer; <http://www.emarketer.com>

Marketing Profs; <http://www.marketingprofs.com>

Target Marketing Magazine; <http://www.targetmarketingmag.com>



ERDM specializes in conducting Voice of Customer research to identify Customer Experience strategies that generate significant increases in response and revenue.

Clients include IBM, MassMutual, QVC, NBC Universal, Microsoft, Norton AntiVirus and Songza. As a leader in providing VoC research-based Customer Experience guidance, ERDM has conducted over 10,000 hours of interviews with client's customers and prospects to gain an in-depth understanding of their expectations for high-value relationships.

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