

SATISFACTION GUARANTEED?

David Batup and Lisa Muller examine how social media is transforming the way customers view their experience, and what this means for B2B selling



Thumbs Down NEGATIVE FEEDBACK COSTS

25%

Of customers will switch provider after just one negative experience

\$1,506

Is the average spend cancelled due to bad customer experiences

45%

Will abandon a purchasing process after two separate interactions

357,000

A single customer could share a negative experience 357,000 times

19%

Will not trust a company after one bad experience

59%

Of customers say that they don't have a relationship with their provider

The concept of customer experience has received a lot of attention over the last two years as an effective means of competitive differentiation and building customer loyalty.

In many markets the barrier to entry is lower than it has ever been, resulting in fierce competition. In these markets, creating positive customer experience is not only a matter of business sustainability but also a matter of survival.

There is nothing new about the impact that a poor experience has in any aspect of selling or fulfilment of services or promises. It is very clear there is nowhere to hide if a company fails to deliver, does not keep its promises or is not responsive to customers when they need support.

Social media is now so widely used, by B2B vendors and customers alike, that sharing experiences with ever-increasing audiences has never been easier. The flip side for companies is that they face dramatic consequences if they fail at any stage of the customer engagement. Consider the recent research findings (see left) from customer engagement company Thunderhead, not

least that a single customer could share a negative experience 357,000 times.

Driven by the knowledge that buying behaviour has changed so dramatically, many companies have realised the need to focus more than ever on customers. This focus is typically driven by customer services, and often supported by programmes such as “putting the customer first”. In addition, such customer-focused companies have gone further to measure customer loyalty, using metric scoring methods such as the net promoter score. They do this on the basis that customer loyalty drives reputation, in the context of market perception and downstream revenues.

FROM PRODUCT-FOCUSED TO CUSTOMER-CENTRIC

Customer experience (CX), as described by global research and advisory firm Forrester) in business to consumer (B2C) markets has become a science. It plays a key part in corporate strategy, and leaders in B2C companies are targeted and rewarded on CX scores. The science clearly shows there are strong links between a good CX and the nurturing of a loyal customer and a bad CX resulting in a highly dissatisfied one. This, in turn, has a direct impact on revenue and market perception.

Forrester has been measuring the impact of B2C CX since 2010, unearthing a very strong correlation between high CX and customer loyalty, leading to significant revenue improvement. Whether it's the willingness to consider the company for another/second purchase, or the likelihood to recommend the company to a friend or colleague, certain industries, such as the mobile phone sector, airlines, hotels, car rentals and credit card providers reveal a very strong CX focus.

SO, WHAT DOES ALL THIS HAVE TO DO WITH BUSINESS TO BUSINESS SALES?

In his 2013 book, *Tilt*, Ivey Business School's Niraj Dawar suggests the focus for value creation and differentiation is shifting away from ‘upstream activities’ like product sourcing, logistics and product design towards ‘downstream activities’ such as the customer interface and customer retention. In other words, to gain competitive advantage nowadays you need to shift your strategy towards the customer, so that you can interact with them in the marketplace.

For Dawar, business success lies in the downstream activities, as he explains: “...value is created in the interactions with customers, competitive advantage is built and sustained in the marketplace, and the primary costs reside in acquiring, satisfying, and retaining customers”.

From a sales perspective the shift to a downstream focus is having, or will have, significant implications:

CUSTOMERS - IGNORE THEM AT YOUR PERIL

Our customers' experience is the one we choose to give them. Customers will then choose to share their perceived experience via social media, potentially reaching millions of future customers.

Consult Accenture defines CX as “...how business customers and their stakeholders perceive the entirety of interactions they have with a supplier company across all marketing, sales and service touch points”. This description emphasises the need for CX to be concerned with every touch point. Accenture has identified CX as one of five key focus areas for improving sales effectiveness.

CX is now operationally described as customer experience management (CEM). This concept is already firmly embedded into business language, coupled with solutions and monitoring to help companies achieve added value for their customers

“To gain competitive advantage nowadays you need to shift your strategy towards the customer”

and to help differentiate themselves from the competition. Last year, Nunwood, a consultancy that assesses the quality of customer experiences delivered by the UK's top companies, published its UK customer experience excellence results. The size and success of the top 20 companies in the survey suggests the CX ‘wave’ has arrived.

Looking at the practical impact of CX on sales, we know the sales team is as much a part of the solution as the products and services that form the solution. In these situations what the customer experiences during a buying cycle will have a significant impact on the final decision. This impact not only influences an individual outcome of a sale, but also the longer-term relationship and customer retention ie. the opportunity to engage further and sell other solutions and services. ➤



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WHO SHOULD OWN CX?

Who should own the CX programme? It doesn't matter, provided the sponsor of the programme has enough leadership support to make things happen. The sales director would be suitable, with the support of the CEO. This way, there is direct linkage between the CX programme and company success and sustainability. As Christine Crandell has concluded in *Forbes*, “It falls to you, Sales, to deliver on the revenue targets you're beholden to. You'll need to lead the entire organisation to a customer-centric approach, sponsor research on the buyer's journey, use your customer relationships to understand how the definition of value evolves over time, get the rest of your peers to change their ways to consistently deliver value, and transform your own cold-callers into relationship stewards.”



buying team they will remember it most at the final point in the procurement process, typically when deciding between the last two vendors on the short list.

Imagine this scenario. A buying team are at the shortlist stage of their selection process. They have decided that either of the last two vendors can build, deliver and implement the solution. In addition, they have established that their project team can work with both vendor teams, and the numbers are about the same.

In your mind you see the buying team as they sit around a table. The door is shut and they have to reach a decision. They have completed their deliberations and the call is too close to make, based on the checklists or scores from their

◀ THE EMOTION BEHIND CX

The concept of CX is a fragile thing. It varies from person to person and company to company, but the one thing we do know is that it is an emotional thing. In the past, we have referred to the concept of ‘E\$’ (emotional dollars) which can be exchanged at every touch point. Your goal is to add value to the customer at every touch point so that you end up at the decision point with a healthy E\$ bank balance.

This is a simple way of looking at the CX challenge, but one which helps the team understand the importance of a strong and successful CX approach.

If you have overdrawn your E\$ bank account then there is a very good chance you are in trouble when it comes to the final decision. In this situation you will discover a mixed bag of good and bad experiences at various touch points. One of my favourite quotes from US author and civil rights activist, Maya Angelou, is still relevant today to the way a selling team can behave towards the buying team. She said: “People will forget what you said, people will forget what you did, but people will never forget how you made them feel.”

It is commonly known that any memory linked with strong emotion, and therefore feeling, remains with us for a very long time if not forever. If you did deliver a good or bad experience at a touch point, then despite what else might be said it will be remembered and impact your E\$ account.

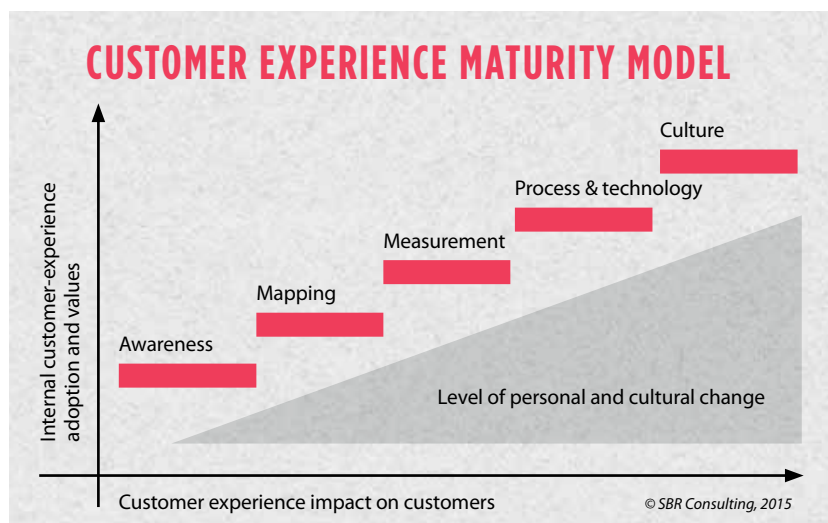
To get an idea of how strong this can be just think back to a situation where you were buying something significant. This could be either as an individual or as part of a buying team at work, and you were made to feel stupid, belittled or inadequate by the selling team. I bet that feeling is still strong. When this happens to someone in the

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evaluation. So, the head of the buying team asks the question, “What do we all think?”

What do you think springs to mind in the heads of the others around the table?

Logic? Rational thought? No, what comes to mind is the way they feel about the last two vendors. We have established these feelings were formed by the experiences they had when working with the two selling teams during the procurement. In other words, we are looking at the quality of the CX during every touch point with the sales team and supporting cast.



Their comments and input to the decision will be considered, but driven by emotion. What is expressed will have a layer of logic and rational thought, but what is really influencing the comments will be an underlying layer of emotion. If overall they have had a bad CX journey with one vendor, then the thoughts in their heads will be, “There is no way on earth I want to work with that team” or “It will be over my dead body”.

Therefore, any positive or negative experience the members of the buying team have had during any touch point of the buying cycle will remain clear in their minds when it counts the most.

Of course this would include all the members of your selling team and partners. Their behaviour and attitude will contribute to or destroy the impact of good customer experience. In a marketplace where differentiation is increasingly hard to achieve, that old adage “People buy from people” was never more appropriate and where possible they will buy from people they feel they can: **trust** to keep their promises; **work with** through good and bad situations; **rely on** to be open and honest in their communication; and, where possible, **like**.

In a McKinsey interview with Lynn Vojvodich the CMO of Salesforce.com, recently stated: “The relationship with the customer doesn’t end at closing the sale. It’s also about how you serve that customer. When you are in a business like Salesforce.com, which is a subscription-based model, our success is completely predicated on our customer’s success.”

This is interesting because she is suggesting that CX is extending to the success of your customers in the context of the adoption and use of your product or solution. Anyone who operates a subscription-based commercial model will be well on the way to knowing this. If not, and your model is more product-or solution-based, then there is a strong pointer here that extends beyond a successful implementation or fulfilment. It could be that you should consider a customer-success element to your CX strategy or philosophy.

But despite a CX wave supported by most major companies and underpinned by research from some leading analysts, there is still worrying management complacency towards the subject.

GET THE CX BASICS RIGHT

Genuinely brilliant CXs may be rare, but how do you at least aim for that? There are many excellent CX models around on to how to improve CX and therefore your competitive advantage. But, where do you start? Using a simple CX maturity model

CX: SIGNS OF MATURITY

MATURITY LEVEL	DESCRIPTION	NOTES
Awareness	At least top managers are aware of the role of CX in the success and sustainability of the business	CX should form a key part of the company strategy, even to the point of measures being identified in the annual report
Mapping	All the touch points for the life-cycle of a customer are known	This includes all customers eg. new, existing, partners, strategic. A CX flightpath exists, with key processes, owners and systems mapped to each touch point
Measurement	There is a measurement for each major touch point	Each measurement is derived from customer feedback and revisited regularly for new and existing customers. The results drive clear actions and outcomes
Process & technology	Processes are revisited and where necessary re-engineered to improve the CX	Results from feedback and measurements are actively used to reassess the effectiveness of company processes. Re-engineering improves them
Culture	The values, attitudes, training and staff behaviour support a culture of excellent customer experience	The company’s behavioural DNA supports ongoing improvement of CX. Recruitment, training, performance reviews, promotion and rewards all reflect the commitment to improving CX

and matrix (see opposite and above) will help you in the initial phases of assessing and putting together a CX approach or strategy. This can be used to help drive a board-level discussion about:

- Why CX is important?
- What needs to be done?
- Where do we start?
- How will we know if we have been successful?
- Is there a business case for doing it?

Most companies will by now be aware of the importance of the impact of CX on their current and future business. But the number of companies that are actively doing anything meaningful about it declines sharply after the awareness stage. CX maturity, however, can be aspired to and, with enough effort, achieved.

For sales, the importance of CX cannot be stated highly enough. As one sales director once commented, “In sales, second place is first loser.” Today, first place is no longer guaranteed through brilliant selling or excellent products or services.

In part 2 of this article, in the next edition, we will be doing a deeper dive into the key elements in each level of the maturity model.



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