SPIGIT®

HOW TO IMPROVE CUSTOMER EXPERIENCE IN AN ERA OF CHOICE

The lifeblood of any business is its customers.

It doesn't matter if you're a large enterprise, small business, or solo entrepreneur with a lifestyle business that operates from a beach in Tahiti. Treat customers right and they'll reward you. But treat them wrong and it could mean the beginning of the end.

The essence of customer service throughout history hasn't changed. What has changed, however, is how customers are able to interact with companies. And the focus these companies put on the customer experience – pre-purchase to post-purchase.

The reality is that it's harder than ever to retain customers, and when you lose them, you may not even know why. This can easily lead to making the same mistakes over and over again.

Both businesses and consumers have a seemingly infinite amount of alternative products and services at their fingertips. They won't hesitate to switch to a competing company if they're not getting the experience they want.

Which leads to why you're reading this ebook: to understanding why driving better customer experiences is essential in an era of choice.

Here are a few things we'll cover throughout this ebook:

Monumental shifts in customer experience

The evolution of 'Voice of the Customer'

How companies leverage crowdsourcing and ideation to surface opportunities that deliver better experiences for customers

Are you ready to dive in? Let's get started.

Historical changes in customer experience

There has been a fundamental shift in power between customer and company. In the past, companies held the power. But things have changed.

The balance of power has tipped to the side of customers due to technology lowering the barriers to entry for new offerings. Customers now have a tremendous amount of leverage in the relationship, which means the experience companies give them isn't just important it's critical to the health and longevity of their business.

How critical?

The cost of a poor customer experience is staggering and continues to climb. Research by Accenture found that in the U.S. the estimated cost of customers switching to a competing company due to poor service is $1.6 trilliona year.

Companies are losing money at an alarming rate due to something that's completely manageable, albeit that it takes a change in mindset and process.

There has been an evolution in how customers share their experiences – good and bad. What once reached close friends and family has ballooned into reaching thousands, even millions of people with one click of a button.

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Technology has given rise to tools, such as Twitter and other instant communication tools, where a customer can air their experiences instantly, all while hiding behind a veil of anonymity...which causes a whole host of other problems.

There are plenty of horror stories of company reputations being ripped to shreds with one tweet, Facebook post, or YouTube video from a disgruntled customer. And with the nature of the Internet, they become part of a company's online footprint, forever.

People have become so accustomed to the instant, convenient nature technology has provided that 64% of consumers (B2C) and 80% of business buyers (B2B) expect real-time communication with companies, according to Salesforce research. These numbers show no signs of slowing down anytime soon, which brings up another important shift in customer experience.

Convenience – a significant factor in how customers make decisions – is increasing in demand. Here's an example: Data from Lux Research shows that for every layer of convenience a consumer receives for food (e.g. delivery, heating, portioned ingredients), they're willing to pay 11% more on average. That's why on-demand services such as UberEATS, DoorDash, Blue Apron, and others are so popular. Convenience matters.

Ultimately, consumers have a louder voice than ever before and more vehicles to express delight or dissatisfaction with brands. And they can do it at scale from anywhere in the world on any device.

These historical changes have forced companies to optimize every step of the customer journey with a sense of urgency.

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It's not enough to have a positive pre-purchase experience but a lackluster post-purchase experience. Every stage has to be remarkable.

In a market where companies are fiercely competing for a larger slice of the pie, customer experience is an absolute differentiator and should fast-track to the top of your priority list.

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Voice of the Customer as a Practice

Voice of the Customer (VoC) – which is the process of capturing customer feedback, expectations, preferences, etc. to enhance products or services – has been a hot topic lately.

Why has VoC been a frequent topic of discussion? Consider stats such as:

- Best-in-class VoC companies have an almost 10-times-greater year-over-year increase in annual revenue (according to Aberdeen Group)
- 75% of online customers expect help within 5 minutes (according to Mckinsey & Company)
- 95% of customers will talk about their negative experiences with others (according to American Express)

The picture is clear. Consumer behavior is driving the agenda while VoC adds real tangible value to businesses by leveraging customer insights to identify new opportunities for products, services, and markets.
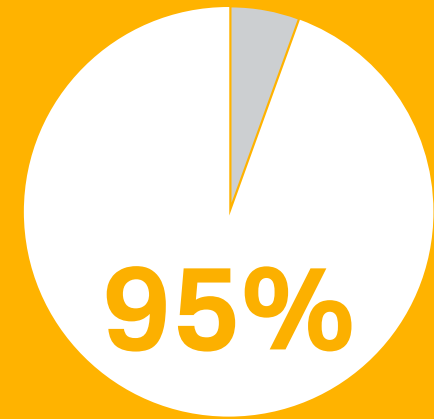
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Despite the benefits of VoC, driving a better experience isn't a matter of waving a magic wand and claiming to be more customer centric. It takes more than that both from a mindset and process standpoint.

Smart businesses today are already rethinking how they meet and exceed customer expectations and, more importantly, going beyond the hyperbole by taking action.

One example of taking action has been the use of Net Promoter Score (NPS), which has grown in popularity over the past decade. While still widely used to check the pulse of a customer base, Net Promoter Score does have its limitations. The measurement has traditionally been used to determine how likely a customer is to recommend a certain product or service to a friend or colleague. While useful knowledge, it doesn't drill down into problem areas in great detail or focus on surfacing solutions.

VoC, on the other hand, allows a company to build a much more detailed map of what their customers like and dislike, where they're running into problems, and any patterns that might lead to new solutions.

As VoC evolves into a discipline, companies are developing robust programs with an aim of producing customer data that translates into actionable outcomes ultimately leading to reducing line items such as customer churn.

How are companies doing it today? The next section covers this in detail.
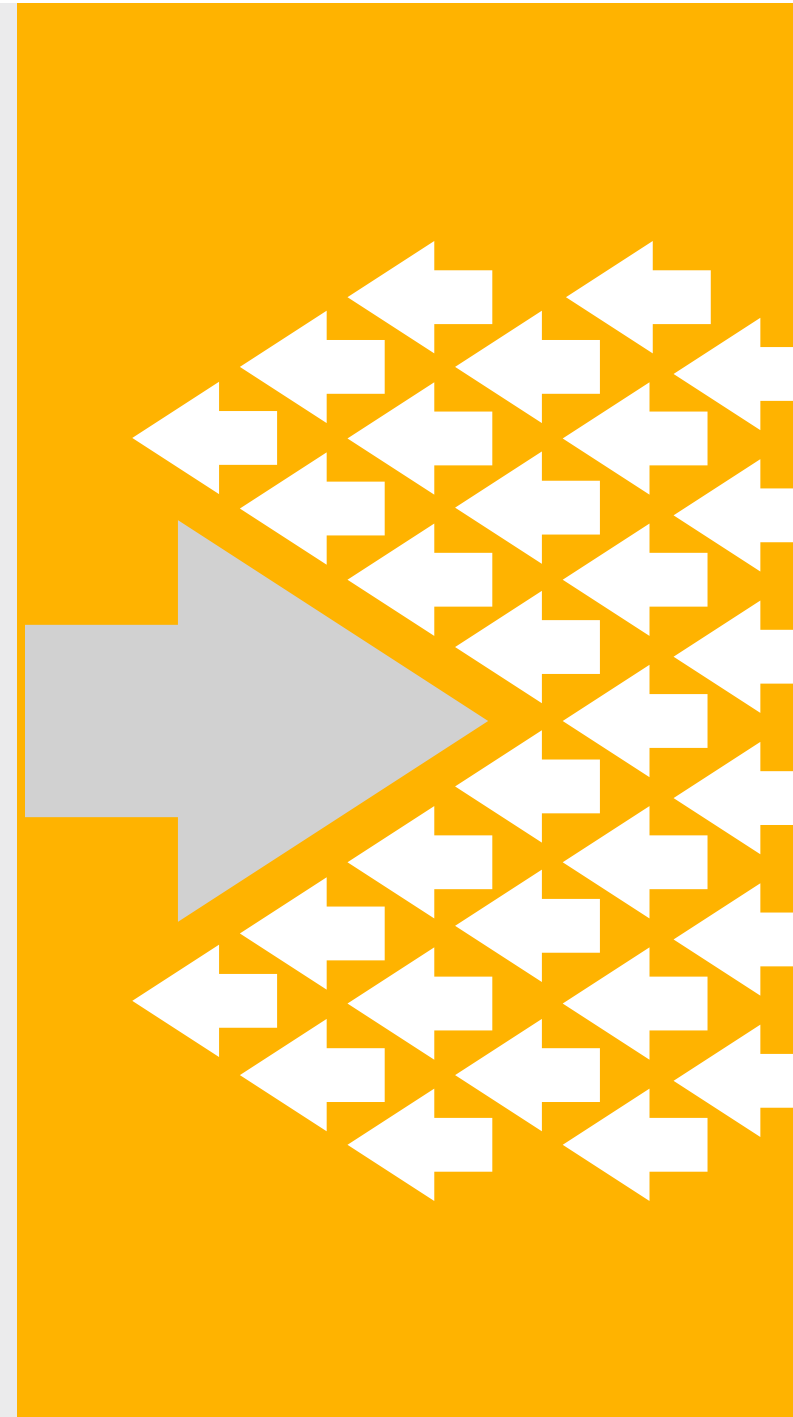
How Leading Companies are improving customer experience by adopting and benefiting from ideation

So far you've read about the changes happening in customer experience and the emergence of Voice of the Customer as a practice.

Now, how are leading companies in financial services, manufacturing, and energy (just to name a few) pioneering a new way of driving better customer experiences at scale? Read on.

What if you could have the reputation of a brand that listens?

What if you could provide your contact center with tools that would enable and empower them to provide a higher level of customer service?

What if you could engage and challenge your customers to provide and vote on ideas to improve their experience?

As the demand for better experiences throughout the customer journey skyrockets, companies are turning to ideation to tap into the collective intelligence of their customer-facing departments such as call centers, customer success representatives, and other support staff to surface solutions.

Why ideation? Simple: Somewhere in the minds of your employees – even customers and partners – are ideas that can radically transform your brand experience. Ideas you might not have even thought of otherwise.

Think of ideation this way: If you were attempting to fix traffic congestion in a city due to an influx of complaints, you wouldn't rely on one person's ideas – an executive for example – to solve the problem. Instead, you would want to hear ideas from a host of people including traffic experts, call centers, and individuals who deal with traffic on a daily basis. And from there collaborate to identify the best solutions.

One area to note is the importance of having a large number of people (also known as a "crowd") involved in the ideation process. This enables you to maximize the number of quality ideas you get as a result.

So, how does ideation help fuel your customer experience efforts? Here's one example to consider.

89%
of companies

Expect to compete primarily on customer experience.

– Gartner

EDF Energy

As one of the largest electricity generators in Europe, EDF Energy has over 14,000 employees and over 38 million customers worldwide.

EDF Energy

In the wake of change in the energy industry – due to disruptive technologies, a move towards digital, and the rise of the connected home – EDF Energy found itself in a position many companies do in the face of disruption. They had to adapt to the changes that were occurring in their industry, and identify opportunities to improve the relationship with their customers to drive a competitive edge.

To leverage the collective intelligence of 14,000 employees, EDF Energy deployed Spigit's ideation management software to establish a way to source, rank, and collaborate on ideas based on the impact they had on a given business objective.

The first ideation challenge they launched to their employee-base was to identify products or services they could create to improve customer experience and cost effectiveness within one year.

Why was this particular challenge important to the company? Customers routinely complained about their energy consumption being higher than their usage. They attributed the issue to EDF Energy's meter accuracy.

As EDF Energy sourced ideas, employees voted and collaborated, and the top ideas began to surface, one stood out from the rest: a smart home app that worked out the

Leverage the collective intelligence of
14,000 employees

running costs of appliances for customers. The best part? The idea came directly from a Call Center Operative in the Customer Complaints Department. In other words, an individual who talks directly to customers on a daily basis and listens to their problems.

Not only did the app make the lives of customers better by giving them more knowledge around the consumption patterns of their appliances, it turned into a product that had other benefits including:

- **Reducing the complaints raised on meter accuracy and consumption and time taken to resolve**
- **Saved cost of having to arrange and attend meter tests**
- **Helped save costs on resources and recover outstanding debt quicker**

One simple idea from an employee on the frontlines of customer support turned into something much, much more.

Why is this example important?

EDF Energy is a great example of how engaging an employee base through ideation can be used to surface opportunities that can address disruption or capture customer sentiment before it goes viral on a social network such as Facebook.

Final Thoughts

By now you understand the changes that are happening to customer experience, the emergence and importance of VoC, and how companies are leveraging ideation.

To wrap things up, let's highlight a few final takeaways.

As consumers demand better experiences and more convenience, companies must evolve how they approach customer experience in order to compete in an increasingly digital world that provides more consumer choice. Companies that fail to do this will find it harder to acquire customers and experience higher customer churn as a result.

Takeaway #1

When you bring employee and customer feedback together, you can better understand:

- Identify where problems lie
- How to stop doing things that aren't working
- How to improve processes and services to make them more customer friendly
- Identify new revenue streams

Takeaway #2

VoC is emerging as not just a practice but a discipline that companies are building robuts programs around.

Takeaway #3

Companies in all industries are turning to ideation to leverage the collective intelligence of their entire employee and customer base to uncover solutions.

Spigit Fuels Successful Voice of the Customer Programs
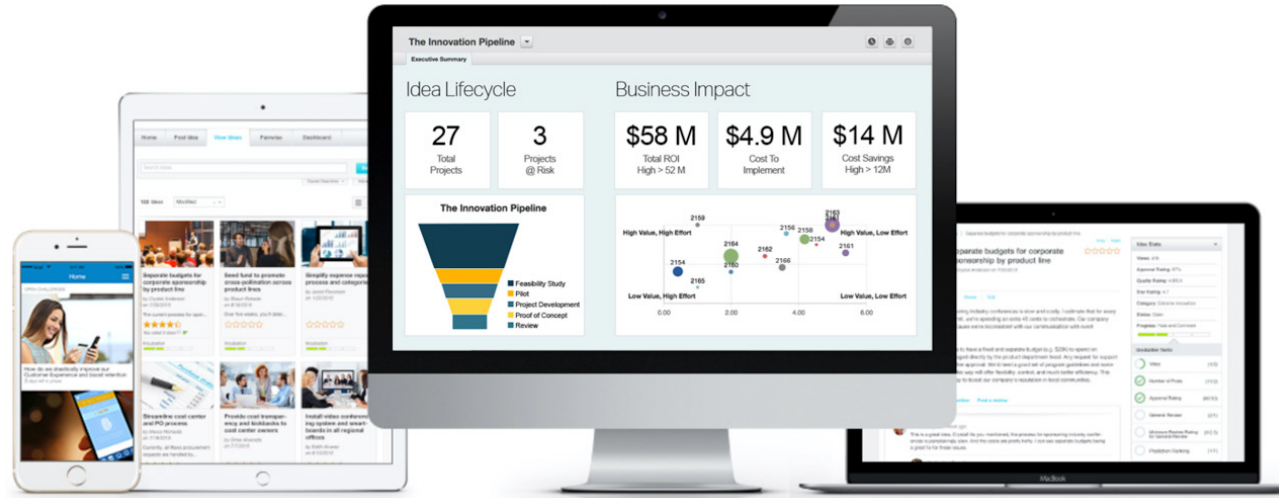
Behind any effective customer experience program is a technology that enables collaboration and ideation at scale.

Spigit enables you to harness the collective intelligence of your employees, customers and partners to solve today's problems, maximize tomorrow's opportunities and accelerate innovation.

Imagine being able to solve your company's customer experience challenges by easily identifying great ideas that reduce customer churn and complaints, improve the customer-to-business relationship, and provide better products and services.

Spigit brings an ideation management platform that scales across your enterprise to surface the best ideas. The Spigit platform is backed by proprietary crowd science algorithms and a proven methodology that together deliver bottom line business results.

Spigit's ideation management platform enables organizations to create and manage a pipeline of ideas to drive new business strategies, product development, operational efficiencies, and employee engagement. With Spigit, business leaders find the best ideas, make the right decisions, and foster a culture of innovation.