

The Future of the Customer Experience

A Consona CRM White Paper

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Executive Overview

In today's highly competitive business environment, companies must maximize the effect of every customer interaction, no matter the vehicle or the reason for the contact. And those contacts are now coming from an increasing spectrum of channels—including online self-service inquiries and ordering, e-mail, web chat, text messaging, and others. Furthermore, it is not enough to just handle each type of interaction effectively (e.g., a sales inquiry, an order status check, a billing question, or a service call)—all contacts must be viewed as aspects of an ongoing relationship. Think of this as Customer Experience Management—a total focus on the customer relationship in all its manifestations to reflect one unified company face to the customer.

According to Forrester Research: "Customer relationship management (CRM) is evolving from its traditional focus on optimizing customer-facing transactional processes to include the strategies and technologies to develop collaborative connections with customers, suppliers, and even competitors. In this new world, traditional CRM solutions will continue to aggregate customer data, analyze that data, and automate workflows to optimize business processes."¹

Companies are striving to develop a true ongoing relationship with their customers, for the entire life cycle of all interaction, as a means to encourage loyalty and a desire for customers to continue doing business with them—buying more products and services over time. Customers, on the other hand, want good products and services at a reasonable price, and hassle-free dealings with the supplier, but they also appreciate suppliers who demonstrate that they understand the customers' needs and treat them as valued business partners.

Customer service, in all its varied incarnations, is a potential source of dissatisfaction—it is one of those things that is hardly noticed when it is most effective, but extremely harmful to the relationship if not done well every time. Companies must view customer service as integral to the business relationship and focus all phases of customer interaction into one overall effort.

In its report "Key Issues for Customer Service and Field Service Strategies 2008," Gartner, Inc. says: "A positive customer experience can leave a positive emotional impact on the customer, and can lead to increased loyalty, return business and a greater likelihood of advocacy and even individual customer profitability. Organizations that systematically plan the customer experience, and focus on a similar experience across all interaction channels, stand a greater chance of reaping these rewards."²

CRM Has Not Improved Customer Service

When Customer Relationship Management (CRM) systems entered the marketplace fifteen years ago, CRM was thought to be the definitive solution to improving customer service. According to Forrester Research, "Organizations continue to spend heavily on customer relationship management (CRM) — \$11 billion annually by 2010 — to grow the top line, improve the customer experience, and boost the productivity of customer-facing workers."³

Unfortunately, the results of this huge investment have been less than gratifying, as the reported level of customer satisfaction has barely budged over the last decade, increasing by only an average of two percent across major industries and actually declining in some industries.⁴

There have, indeed, been significant improvements in the level of service provided to customers, and the level of information and management capabilities available to companies providing the service. Given that CRM has driven customer service employee efficiency to new heights, and has provided the customer with unimagined convenience and capabilities, how is it that the overall customer experience and satisfaction has improved only marginally as a result? There are two issues: expectations are much higher now, and we believe that companies have traditionally been measuring the wrong things relative to customer service.

The reason customer satisfaction surveys aren't showing improvement is greatly a matter of expectations. The current generations of young managers and executives have grown up with computer technology and the Internet, e-mail, and cell phones. The upcoming generation of workers—the managers of tomorrow—is growing up with text messaging, blogging, Wikipedia, MySpace, FaceBook and YouTube. These customers expect instant gratification and the ability to contact anyone at any time. They have little patience for cumbersome touch-tone menus and music-on-hold. A survey of customer satisfaction will naturally reflect those higher expectations. Companies have been compelled to significantly upgrade customer communications links and responsiveness to simply stay even with expectations as technologies evolve and become more commonplace. Opinion polls are inherently subjective and people's expectations can change over time.

An equally important issue is how we measure service. Most often, we actually measure the time it takes to resolve problems. When a customer contacts the company with a problem, the job of the service rep is to identify what the

¹ *The CRM 2.0 Imperative*, Forrester Research, March 10, 2008

² Source: Gartner, Inc, *Key Issues for Customer Service and Field Service Strategies*, 2008, Michael Maoz, et al., March 2008

³ *CRM Best Practices Adoption*, Forrester Research, January 10, 2008

⁴ The American Customer Satisfaction Index, www.theacsi.com

problem is and either resolve it quickly or route it to someone who can. The most typical measurements revolve around average call handling time, the number of calls it took to resolve a particular problem, and how long it took to resolve each one. Companies produce a “top ten” problems report each month and watch the resolution method and the resolution time. Sometimes, in the best cases, they will take follow-up preventive action to correct the situation that caused the problem in the first place and reduce the number of problem calls for that item in the future. More often, however, the result is an attempt to educate agents on the problem so they can solve it faster in the future.

It’s all well and good to measure the response to customer problem calls and provide agents with some tools to solve the problem faster the next time, but it’s much more important to focus on the issues that caused the customer to call in the first place. If management understands the real issues, they can be proactive in solving the problems so customers won’t have to call in the first place. It would be much better to work at reducing the number of calls, rather than only focusing on making the resolution process more efficient.

In root-cause analysis, issues are escalated to product management to take action to resolve the issue and thus avoid continuing problem calls. The total volume of calls may not decrease, however, as new products bring new issues. Issue resolution can slow the growth of problem calls while freeing up agents to work on new issues. Additionally, average handling times may not decrease as new issues—that may take longer to resolve—emerge, but customers are happier and will reward proactive service with repeat business.

Nevertheless, the root of the problem is that we are applying the technology to deal with the symptoms (customer calls for service) whereas we should be focused on the root cause—that there are defects in the product or service that cause the customer to have to call. Truly, the company with the largest customer service department is likely the company with the worst perceived customer service; more calls means there are more problems to deal with and more chances to displease an already disgruntled customer. The best companies, in a measure of customer satisfaction, are the ones that have the least opportunity to interact with the customer because there is less reason for the customer to call—but they also maximize every contact to reinforce the relationship and the customer’s perception of the company.

CRM system technologies should be harnessed to both improve the responsiveness and efficiency of customer service operations and, at the same time, support product and service improvements to eliminate the need for customer service calls. Further, CRM must be used to exploit evolving opportunities for increasing customer contact through ever-expanding communications options like text messaging, self-service and chat—rather than simply as a means to manage service calls and support selling activities.

What CRM Should Be

There is no doubt that the way customers interact with suppliers has changed, and is continuing to change, enabled by technological adoption within the customer service arena. A generation ago, if a customer needed to contact a supplier, the only real choices were mail, phone or, in some cases, an in-person visit to the supplier’s store, office, service center or representative. Today those options are joined by Internet, e-mail, fax, text messaging, online chat, self-service and, even more recently, Web 2.0-enabled tools, such as blogs and forums, which many forward-thinking companies are using to encourage customer inputs.

These technologies should be applied through the entire customer relationship from pre-sale activities and first contact through order handling, fulfillment, and after-sale service. But we need to keep in mind that these are just the communications links. The real heart of CRM is in the functionality of the applications. CRM systems are essentially database applications that capture, store and manipulate information that companies can use to enhance the value of the customer interaction while multiplying the efficiency and effectiveness of all types of service personnel—essentially anyone who has contact with the customer.

By capturing information from and about every customer interaction, whether that contact involves a human or direct contact with the system through self-service or online activity, and bringing all that information together and making it available to support additional customer contacts and problem resolution, CRM provides the tools for identifying customer needs and resolving issues. Think about CRM this way: it is the core hub for managing customer information. It is the engine that manages customer data, internal processes, interactive processes, sales and operational data. It is essentially the enterprise-wide business system of any company in a services industry.

The customer links are the vehicle for the exchange of information to and from the customer. Today, CRM is largely viewed as and used for internal selling purposes, as well as support. It should be the vehicle for enhancing the customer relationship, in all of its forms. We argue that CRM systems must provide a broad, comprehensive set of applications that unite and manage the entire range of customer contact points from marketing, prospecting and pre-sale through order management, fulfillment and after sale support. In other words, the goal is to support and facilitate customer service for the entire life of the ongoing relationship. This range of software and systems must be fully integrated to completely manage and freely exchange information, making it available throughout the customer life cycle. Few vendors can offer a company the fully-integrated, end-to-end system that is required for such a customer-centric approach.

Companies should view the relationship with their customers as one that is ongoing and evolving. Vital information is collected right from the start—during marketing and prospecting. Additional data is gathered during the sales and ordering management process. After the sale, there might still be more customer contacts for service, support, questions or ordering of parts or supplies. More information is added with subsequent contacts—satisfaction surveys, additional product sales contacts, product upgrades or product replacements. Having the complete portfolio of information available at each stage of customer contact can enhance the experience for the customer, helping to provide better, more complete and thorough service as well as increasing the efficiency and effectiveness of the customer service representative.

While there are point solutions available to address all of these needs, and product suites that address some combinations, the implementation and integration needed to assemble a complete solution is beyond the capabilities and the budgets of all but the biggest and most technically adept companies willing to dedicate untold resources and efforts to the task. Even those that do attempt to do it themselves will fall short of what can be accomplished by a software company that is dedicated to the customer relationship and totally focused on achieving the comprehensive application set discussed herein.

Many customers today are expecting (and demanding) new and more varied means of contact. Phone and mail contacts are dwindling in favor of web-based inquiry, ordering and support. More people are communicating through text messaging, chat and e-mail. Self-service portals are becoming more and more popular. CRM must encompass all of these new communications streams, bringing stored information into the loop to enhance the customer experience. All of these technologies benefit from a comprehensive CRM database and knowledge base support. Only then will a company be able to create a positive experience for the customer, every time there is contact or interaction with the company—even when the contact is because of a problem.

The Future

As a business grows and becomes more sophisticated in its use of CRM to enhance customer intimacy, its CRM “system” often grows through serial acquisition of specific point solutions, held together through the efforts of a continually challenged IT department. Looking at the success of the major players in the CRM software business, one primary advantage that they provide to the market is the integration of applications across a range of CRM functional needs, as well as a strong framework for improved business processes. The risk in relying on a single vendor for CRM is that the company’s success becomes dependent on the vendor being able to stay ahead of the company’s needs for increased functionality and breadth of application capabilities.

Among the integrated CRM suite vendors, there are two common weaknesses that limit the benefits available to their systems’ users. First, CRM suite vendors tend to fall short in their understanding of how all of the processes work together. It’s not enough to simply share or exchange data; the potential synergy inherent in the interaction of customer-facing processes must be a part of the underlying design of the integrated application set. Also lacking is a vision of what it truly means to be customer-centric in the 21st century. How does any company retain more customers, improve customer satisfaction, and develop increasingly profitable ‘relationships’? How does a company move the relationship from simply buying and selling a product to something more substantial?

To-date, there is no single, comprehensive solution that exhibits these characteristics. An effective technology approach should be the result of a new vision of how organizations transform the way they view their customers, how they communicate with them, and how they include them in the decision-making process by actually listening and responding to them according to their needs.

The marketplace has spoken, as evidenced by the less-than-impressive customer satisfaction scores that result from reliance on today’s CRM solutions. In order to meet the demands of their customers, companies need a complete suite of integrated, highly adaptable and flexible capabilities developed according to a clear vision of the customer relationship and how it is evolving. This vision recognizes that there is a backbone of information running through the application set—sales force automation, marketing automation, customer service and support—that puts the focus squarely on providing the optimal customer experience.

As a company firmly embedded in the center of the CRM industry, Consona CRM takes these issues very seriously. What can we, as a leading developer of technology within the CRM industry, learn from this experience and what can we do to improve the results of our efforts and those of our customers? Consona CRM has a vision of what a complete CRM system should be and how it can be used to truly improve a company’s customer service—both by effectively managing the customer interactions and by exploiting the system to support product and service improvements.

Consona CRM is dedicated to providing a suite of products to manage what we believe to be the future of the customer experience. Today, companies attempting to build the comprehensive support system necessary to achieve this goal have to deal with too many vendors and invest too much time, effort and money to the task of integrating disparate systems together. And even with this kind of investment, user companies can never achieve the level of integration and interoperation that can be delivered by a software company that understands the need and is dedicated to building such a system.

The CRM suite of tomorrow consists of a significant number of applications covering the entire range of the customer relationship from marketing and pre-sale through sales, fulfillment, after-sale service and beyond. In order to bring the relationship into control, the applications must be completely integrated around a comprehensive database that manages all of the information needed to provide the ultimate in service through every type and method of contact. This level of integration is virtually impossible to achieve by tying together packaged components from multiple vendors. The (single) supplier of this future CRM solution has to have the vision of what customer experience management truly is and should be, and create the fully integrated system to support that vision.

Integration is the key. The applications must have access to all of the information produced and managed by every other application in the set. In addition, the system must include analytics, quality monitoring and strong workflow capabilities to enhance the management functions inherent in the CRM applications.

The basic applications are all available, to some level of evolution and sophistication, in the software marketplace

today. However, no single vendor currently offers the full suite of functionality envisioned, from a single source, fully integrated and supported as a single product suite. Do-it-yourself integration is often attempted by those who understand the importance of comprehensive, integrated CRM, but it is expensive, difficult to achieve successfully, subject to limitations (funds, time, talent), and difficult to maintain through each vendor's fix and upgrade cycle. It has to come from a single vendor with the right vision, built to work together, and fully supported.

Consona is committed to being the first supplier to bring this comprehensive CRM system to market. Many of the pieces are already in place and the rest will follow.

Consona CRM offers solutions that help an organization address each of the key parts of a "best service" strategy, with the vision, dedication and resources to build-out tomorrow's comprehensive, integrated CRM. For growing companies with complex, ongoing customer relationships, there is no better solution set available. Already, Consona offers the best in operational process enablement and self-service capabilities coupled with the best software quality in the industry.

About Consona CRM

For companies with vital and multifaceted customer relationships, and those offering complex or technical products/services, Consona CRM offers a wide range of fully integrated CRM and KM solutions. These highly-scalable and configurable products are available in pre-defined product bundles or as stand-alone solutions that span service and support, sales and marketing functions.

Over 1,300 customers across more than 50 industries worldwide are using Consona CRM solutions to manage process efficiencies, drive revenue, increase customer satisfaction, and enable extraordinary customer experiences. For more information, visit us online at www.consona.com/crm, e-mail info@consona.com, or call (888) 8 CONSONA.