

THE FORCES OF CUSTOMER EXPERIENCE

The Science of Strong Relationships

Jean-Francois Damais

Ipsos

May 2020



Jean-Francois Damais

Global Chief Research Officer

Jean-Francois.Damais@ipsos.com



FORCES OF CX AND COVID-19

- The COVID-19 crisis has brought significant changes in customers' expectations, attitudes and behaviours. Businesses have to adjust to a new normal
- Of course health and safety will be a big priority but understanding relational needs and how they are changing is key to create new experiences
- Tracking KPIs such as customer satisfaction or NPS is a good way to keep a pulse on customer sentiment, but it is not enough.
- In order to design experiences of the future that truly connect with customers' needs, organisations need to leverage proven frameworks that provide strategic guidance to focus on what truly matters.

STRATEGIC CX INVESTMENTS SHOULD DELIVER A RETURN



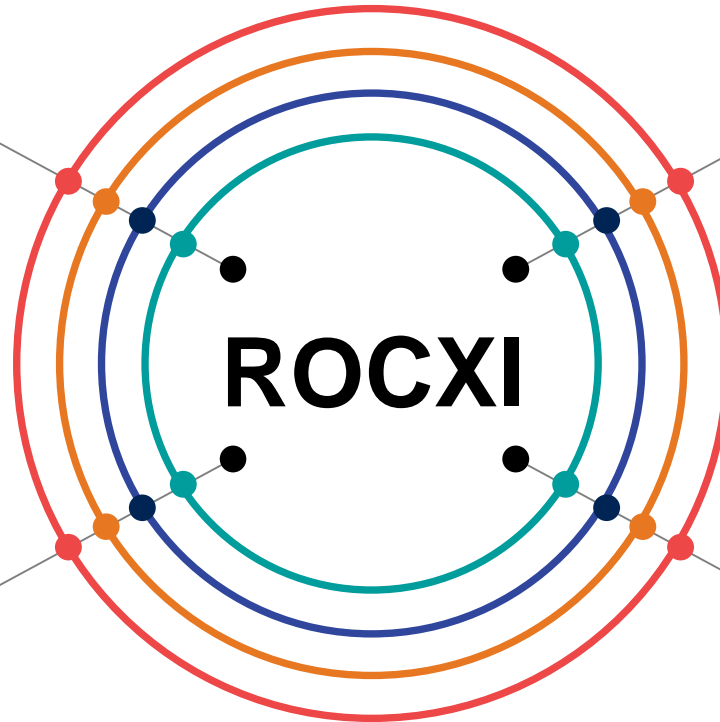
Retention

Customers are retained and at-risk customers are recovered



Advocacy

Customers share their positive experiences with others



Share of Spend

Customers choose you more often



Operational Efficiency

Customers are served in a quality-driven, cost-effective way



A FRAMEWORK THAT WORKS



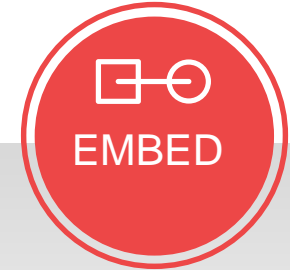
Helping your organisation **engage** around a common CX vision – from C-suite to frontline



Listening to the 'Voice of your Customers' – across all touchpoints and channels. Creating a single source of customer truth



Activating what needs to be done to ensure your CX delivers on your Brand Promise



Embedding the structure and culture to drive continuous CX improvement and customer centricity

THREE KEY PRINCIPLES TO SUCCESSFUL CX DESIGN AND DELIVERY

1.

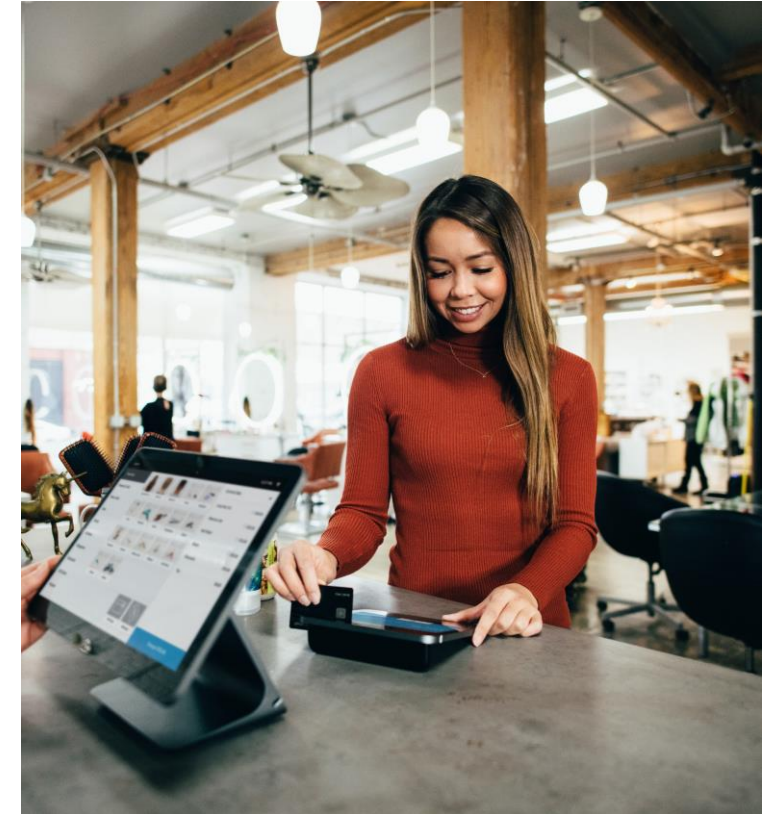
Meeting expectations set by the Brand Promise

2.

Providing the right ingredients to drive strong relationships – functional and relational

3.

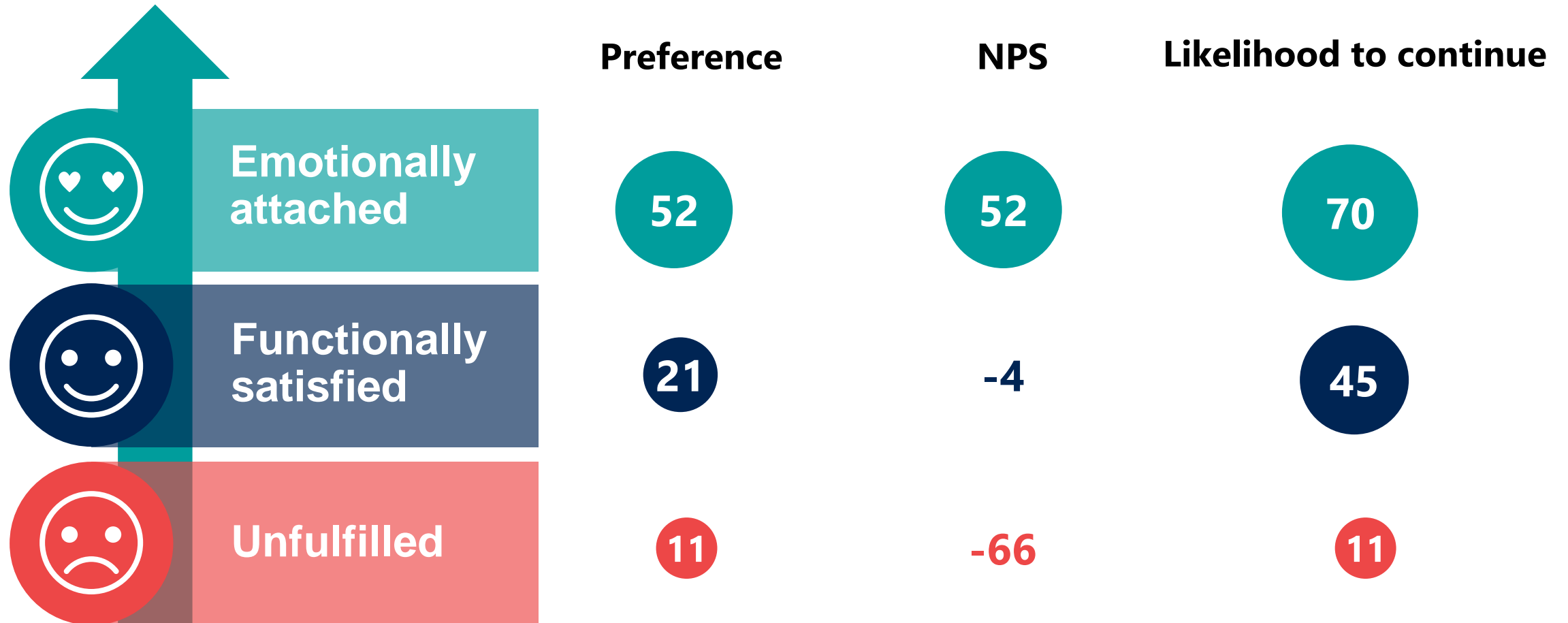
Deploying the right Customer Experience through employees





Our R&D covers
9 sectors + 9,000+ interviews
to uncover what drives emotional
attachment and strong customer
relationships.

WE NEED EMOTIONAL ATTACHMENT TO INCREASE PREFERENCE AND CLV

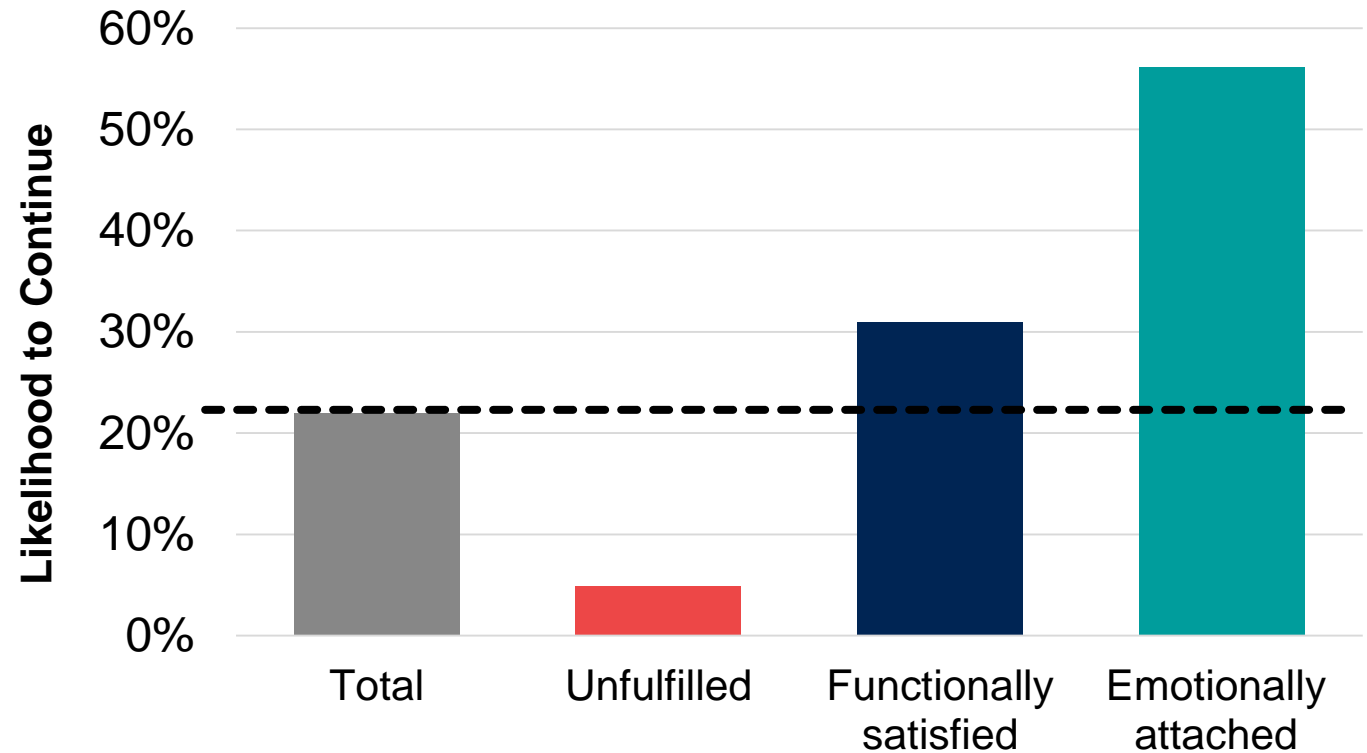


AND EMOTIONALLY ATTACHED CUSTOMERS ARE MORE LIKELY TO BE FORGIVING

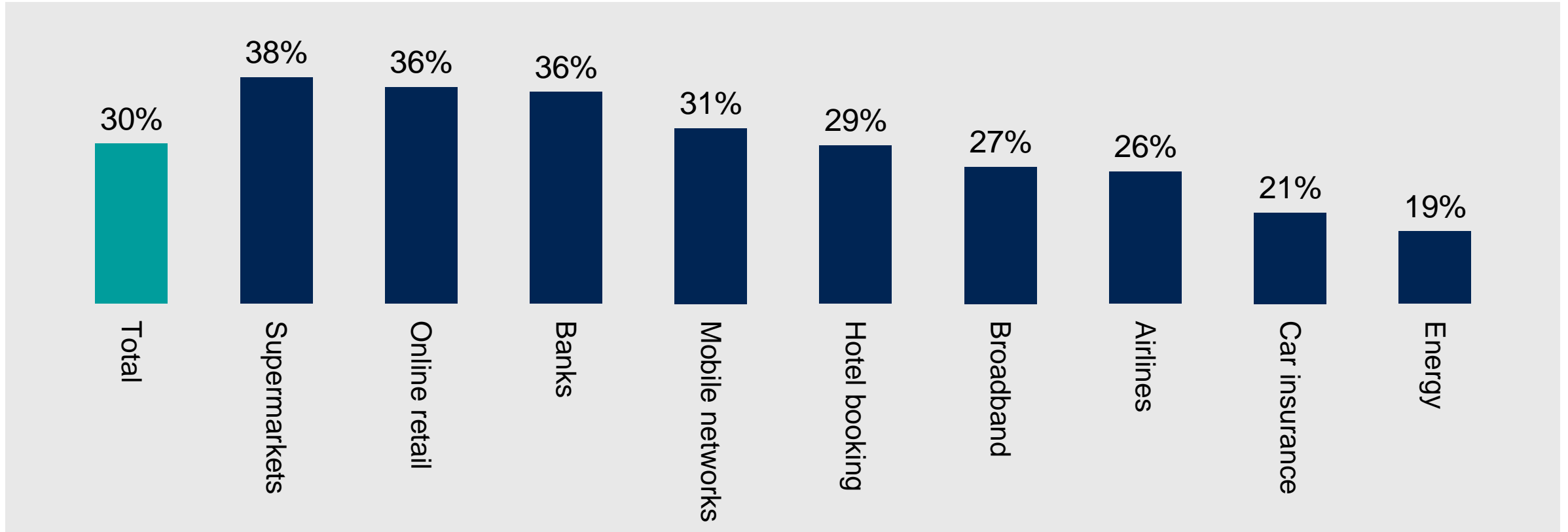
Strong relationships insulate you from mistakes



Likelihood to continue following a negative experience overall and by emotional attachment



EMOTIONAL BRAND ATTACHMENT VARIES ACROSS SECTORS



DESIGNING AND DELIVERING CX IN A TRULY HUMAN-CENTRIC WAY



Functional



Relational

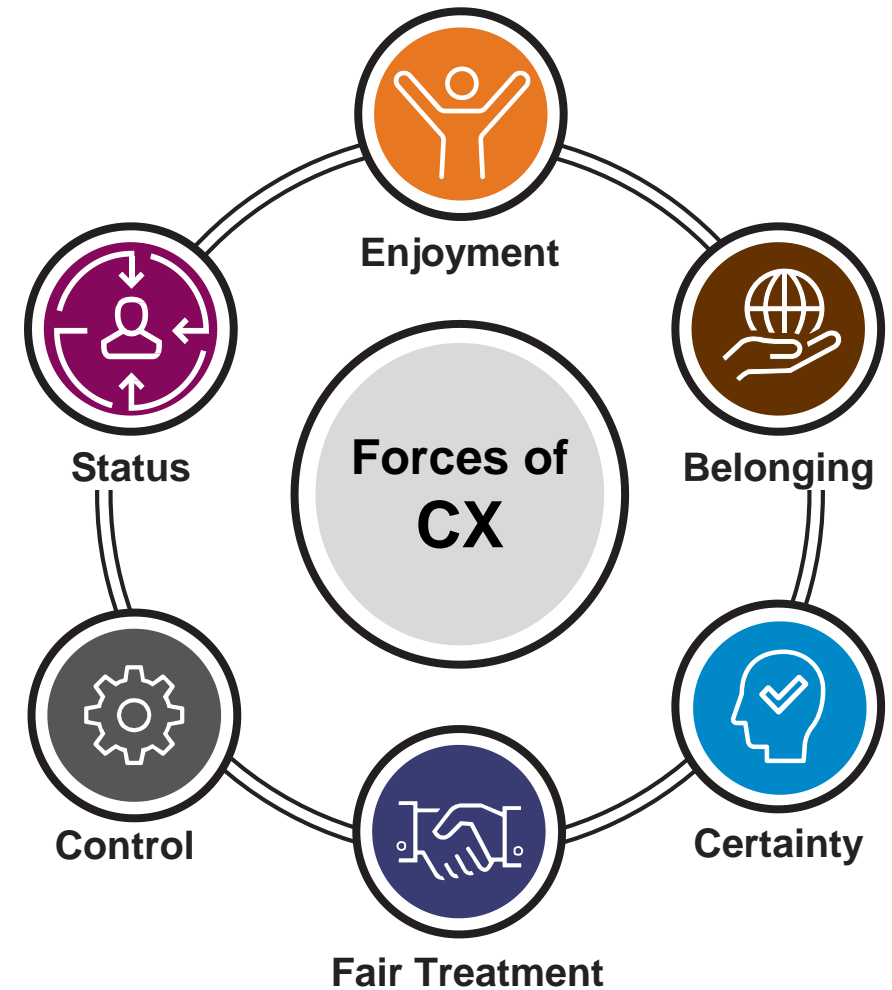


**Strong
Relationships**

INTRODUCING THE FORCES OF CX

The science of strong relationships

- **Fair Treatment**
Make customers feel that there is a fair exchange in their relationship with you
- **Certainty**
Make customers feel that things are clear, transparent and working as expected
- **Control**
Help customers feel in control of the situation and in the driving seat
- **Status**
Make customers feel valued, respected and worthy of special treatment
- **Belonging**
Help customers feel a sense of belonging and show you care about the greater good
- **Enjoyment**
Make customers' lives easier, so they feel a sense of freedom



HERE'S HOW YOU DO IT – OUR ANALYTICAL FRAMEWORK



Assess performance and impact of the CX Forces



DIAGNOSE



Understand whether the current experience drives the right response and identify gaps



PRIORITISE

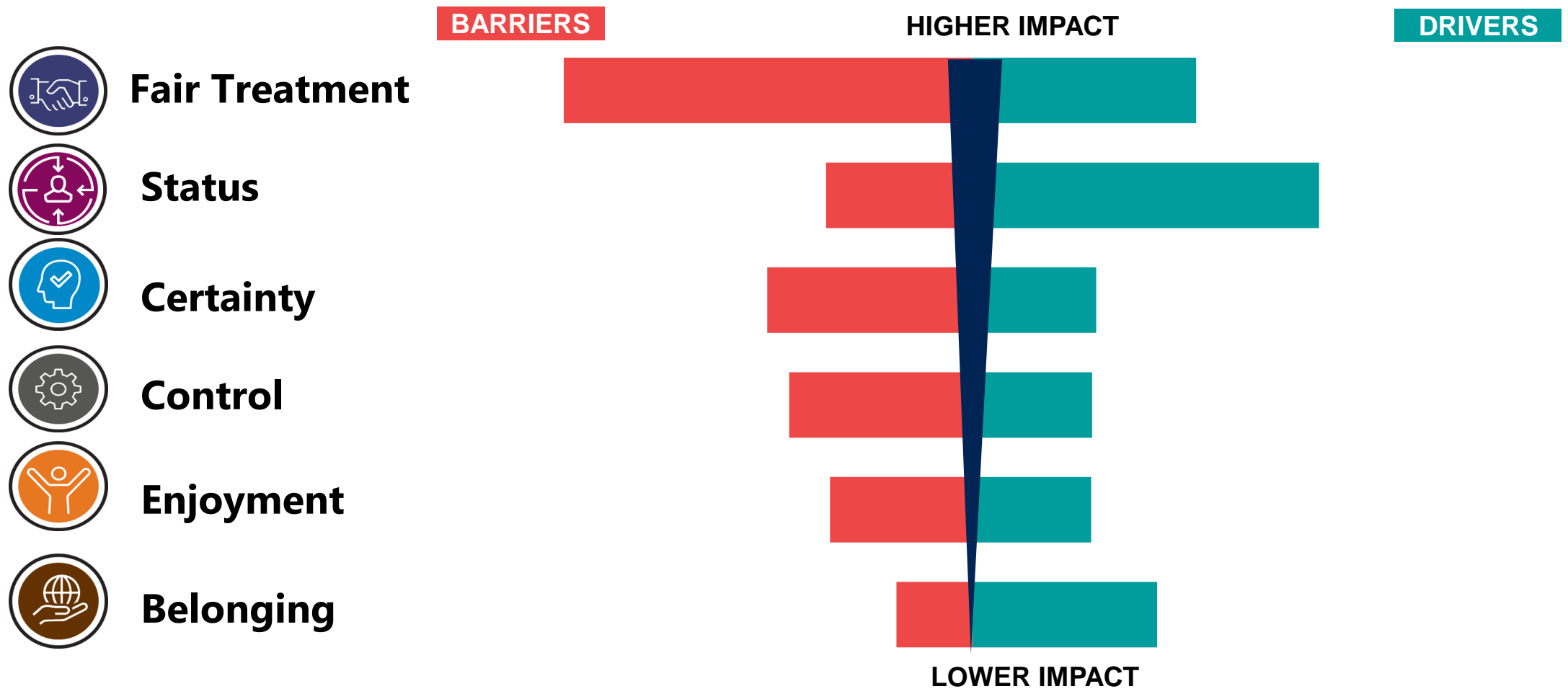


Optimise the CX/journey by dialling up the right Forces when it matters



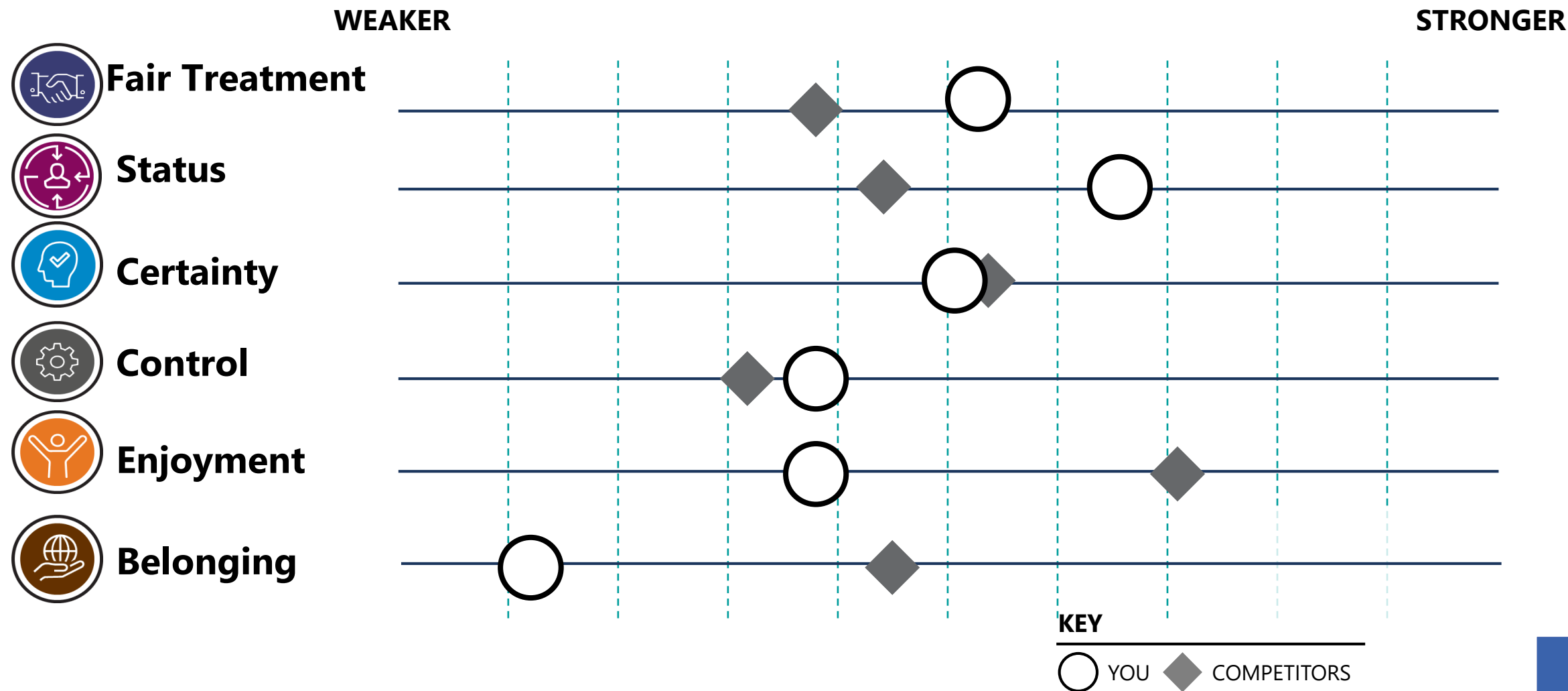
DESIGN

FIRST, WE UNDERSTAND THE RELATIVE IMPACT OF EACH OF THE CX FORCES ON THE RELATIONSHIP AND RANK THEM









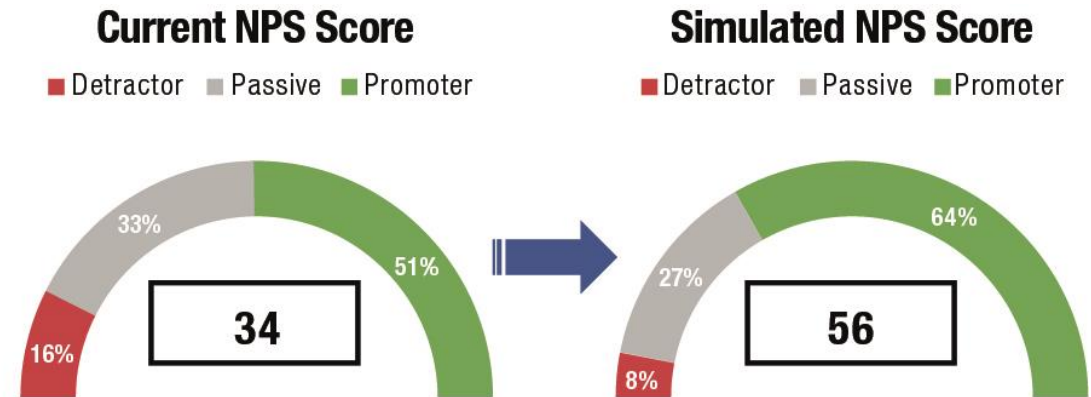
NEXT, WE COMPARE YOUR PERFORMANCE AGAINST YOUR COMPETITORS

to identify ‘battlegrounds’ worth fighting over.



WE CAN MODEL THE RETURN ON IMPROVING THE FORCES TO HELP FOCUS INVESTMENT

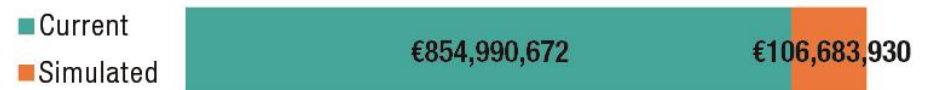
Please select a segment and % increases for the drivers and characteristics		Total	
	Current Performance Score	% Increase	Simulated Performance Score
 Fair Treatment	9.07	5%	9.53
 Status	9.22	5%	9.68
 Certainty	9.66		9.66
 Control	8.775		8.75
 Enjoyment			
 Belonging	9.53		9.53
Tenure (% high)	65%	10%	75%
Account type (% premium)	66%	10%	76%
Account size (% large)	38%	10%	48%



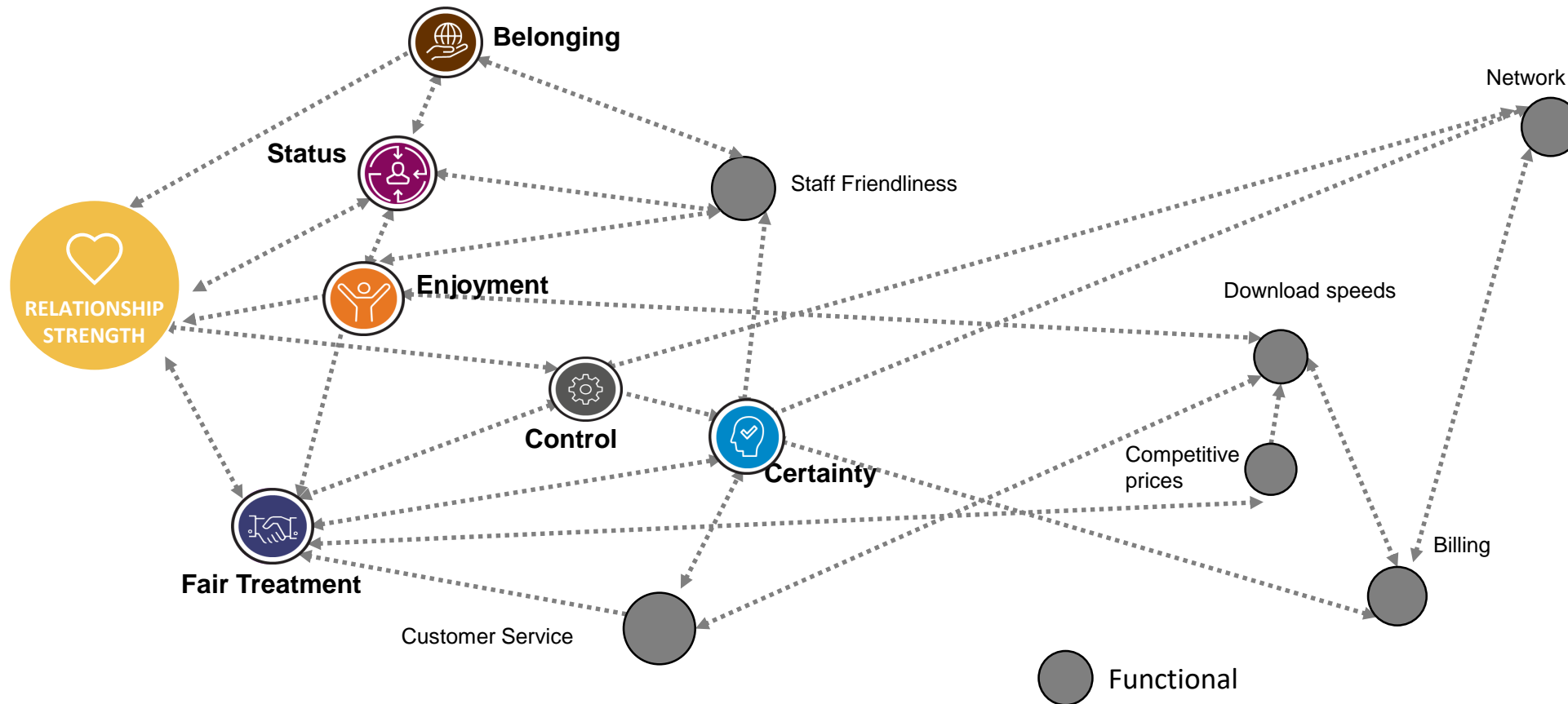
Average Increase per Customer = €7,112



Total Increase (assuming 15,000 customers) = €107m

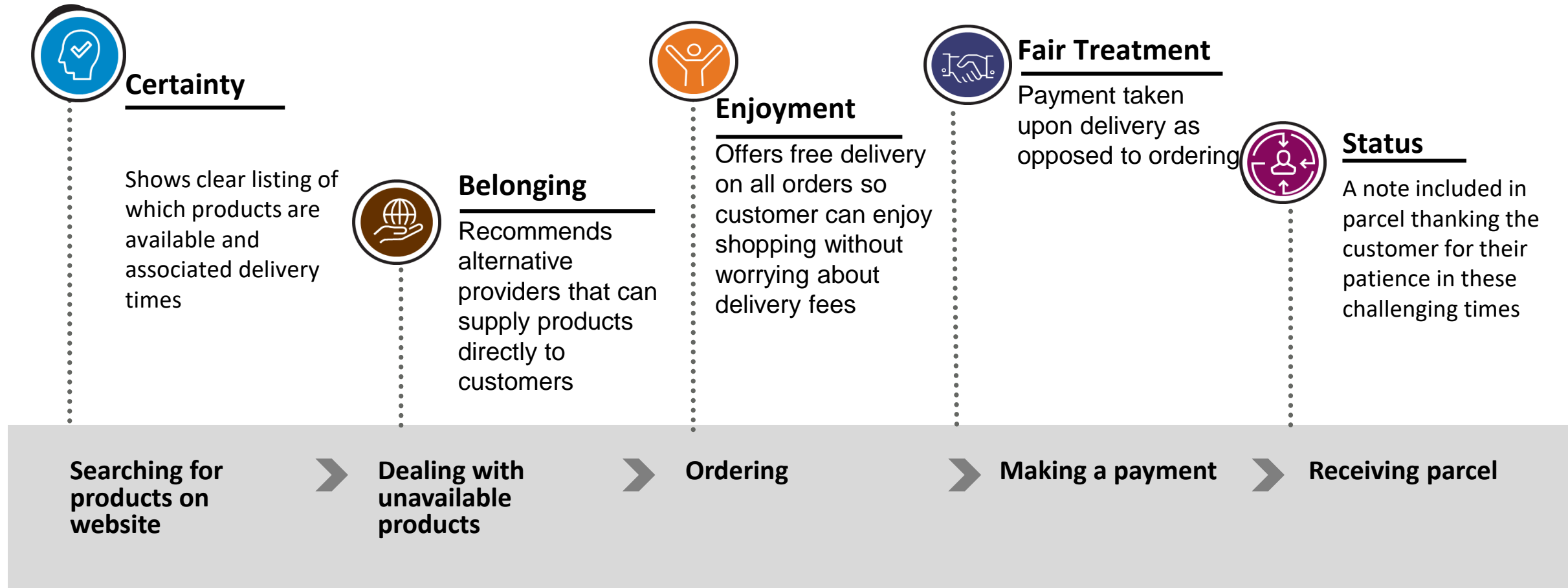


WE CAN LINK FUNCTIONAL ASPECTS TO THE CX FORCES



OPTIMISE THE CX/JOURNEY

An online shopping journey



Customer journeys



Enjoyment



Belonging



Certainty



Control



Fair Treatment



Status

**Relationship
Strength**



Retention

Customers are retained and at-risk customers are recovered



Advocacy

Customers share their positive experiences with others



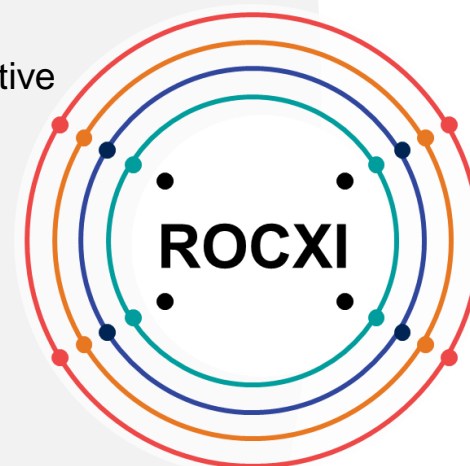
Share of Spend

Customers choose you more often



Operational Efficiency

Customers are served in a quality-driven, cost-effective way



THERE IS A LOT AT STAKE...

- Meeting customers' functional and relational needs in these difficult times will certainly have positive consequences on customers' 'emotional attachment' and goodwill
- Brands therefore need to strive to understand, adapt to, and anticipate these needs to strengthen customer relationships
- Do we truly understand the forces that are at play in customers' minds? Doing so is a critical first step in the design of customer experiences that can foster strong relationships and drive competitive advantage.

THE FORCES OF CX





Thank you!

Jean-Francois.Damais@ipsos.com

<https://www.ipsos.com/en/forces-customer-experience>

<https://www.ipsos.com/en/customer-perspective-ipsos-podcast>

<https://www.ipsos.com/en/staying-close-your-customers>