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More Important Than Ever: Customer Experience

CX is currently the fastest-growing marketing discipline in companies worldwide. Marketing gurus like Dennis Yu and Mark W. Schaefer rank it as the second most important aspect in the coming years, directly after artificial intelligence.

When starting a business, priorities are entirely different from CX. The immediate concern is getting orders, regardless of how. After all, the store rent needs to be paid, as well as wages, salaries, license fees, utility bills, and the company car. Oh, and it would be nice to have a decent salary for ourselves too.

Additionally, there's constant work on new product ideas, improving digital visibility, oh – and the accounting is due again! Often, brand building and strengthening only enter the consciousness of entrepreneurs after several years. This is understandable. CX isn't a constant presence, even though it has been professionally practiced by large companies for decades. But we experience it ourselves. As customers. Every day. Everywhere.

Unfortunately, memories of negative brand experiences often dominate. It seems easier for us to complain about annoying queues, poor customer service, and terrible accessibility. And more and more often, we get the uncomfortable feeling that a company ultimately only wants our "best" – our money.

Never let it come to the point where your customers think: "Is this about me or about my money?"

What about a very positive encounter with a brand then? While it touches us in that moment, in everyday life, the good experience often fades away. Then we simply forget to thank that saleswoman in the store, that advisor on the phone, or that supplier, or to give them an extra nice smile back. Let alone to rate them and their company well on Google and others. But our subconscious doesn't forget. The good feeling remains. And when asked for a recommendation, those moments resurface from the depths of our memory.

Consider this: Each person has 3,000 to 5,000 daily interactions with brands. Insane, right? We might not perceive them in detail, but each of these touchpoints affects us – deep in the subconscious. And all these encounters shape our understanding of brands. Customers no longer weigh rationally the cost-benefit ratio of a purchasing decision but rather how the purchase will feel.

"They may forget what you said –

but they will never forget how you made them feel."

Carl W. Buehner

If you're still not convinced of the importance of CX, I have some impressive statistics for you:

▪ Brands with excellent CX achieve 5.7 times more revenue than competitors lagging in CX.

▪ The likelihood that customers will repeatedly buy from you due to your good CX is five times higher than for companies without good CX. And the likelihood that they will recommend you to their friends is four times higher than for other companies.

And what do you say to these statements?

▪ About 82 percent of all marketers believe they deliver a fantastic customer experience.

▪ However, 90 percent of all customers think that brands provide them with an absolutely lousy brand experience.
Oops! What's wrong there? Is it really so hard to build a sustainably satisfied customer base that happily returns time and again?

Especially large companies invest a lot of time and money into elaborate systems, processes, and software to effectively collect, analyze, and derive insights from customer data to improve the customer experience. Where do all these results and recommendations end up? At worst, in a presentation for the management board, applauded, and then dies somewhere on the server. Without consistent and ongoing implementation, without ever breathing life into the many great ideas. What a pity.

But it doesn't have to be that way. If you've read this far and are thinking, "Well, this CX seems to be able to do a lot, let's see if I can make it work in my company," then I congratulate you already. Because then the topic has reached you and has a good chance of being quickly grasped, implemented, and lived by you. And thereby bringing you more success.

What is CX exactly?

Customer Experience is often confused with Customer Service. However, the latter is just a small part of the CX topic. Customer Service is purely functional, ensuring that the delivered product works

flawlessly, the service reaches the customer in full, and the company immediately deals with any processes gone awry. It's about balancing the two components, "money" and "performance."

And what about Customer Experience? It's not about functional aspects but emotional ones. And as often with definitions: Ask ten people, and you'll get ten answers. Since they are similar, I'll choose the shortest one. It comes from my mentor Dan Gingiss. So, what is CX all about?

"How customers feel about every single interaction with a brand."

The key word here is "feel." As in how they feel.

Think about one of your favorite brands and ask yourself in general: "How does the brand make me feel? How do I feel with it? How do I feel without it? How do I feel before it? And after it? What exactly does it do to me?"

At 14, the Benetton brand helped me feel included or even cool. Some brands seemingly give us a certain societal status – a Rolex wearer probably feels wealthy and exclusive. On the other hand, for a Dacia driver, it's probably more important to be able to afford a car at all, so they can get from A to B. This makes them feel down-to-earth, sensible, and pragmatic.

The range of emotions associated with brands is almost endless, ranging from disappointment, frustration, or rejection to confusion or indifference, and to joy or great enthusiasm.

It's the same in our circle of friends and acquaintances: There are a lot of lovable, nice people. But true friendships only develop when we feel better in the presence of these people than without them. We've all probably experienced a friendship that's nice and entertaining in itself – but after an evening with this person, we feel more drained than inspired or energized. That's what we base the decision for or against a relationship on in the long run.

It's similar with brands. How does a brand make me feel? Does it cost me time, nerves, and too much money? Or does it give me an emotional upgrade? Does it seem to know me and my needs like a good friend? Does it offer unsolicited what I didn't even know I would need soon and seems to ask me at every touchpoint, "Are you okay? Can I do anything else for you?"

So, we shouldn't ask ourselves how we as a company define CX for ourselves (so not from our perspective on our customers) but how our customers define CX from their perspective for themselves.

This change of perspective is initially difficult for many of us. Empathy is a mental effort and costs energy.

It can be exhausting, especially for those of us who are more technically inclined and work very factually.

Natural talents and super-empaths are often found, for example, in the healthcare industry. And if I may digress for a moment: Personally, I believe the discipline of "empathy" is worthy of being taught in schools. The world would be a better place if every elementary school child had the subject "Put Yourself in Others' Shoes" twice a week or if we could choose "Empathy Advanced Course" for our high school diploma.

But the business world is not lost yet; we can all learn empathy for our customers. And it's worth it. The first step is a change in perspective, and we can artificially create this by starting with a very simple exercise: We simply buy from ourselves.

Prerequisites for CX Optimization

My friend Fatima used to work at the United Nations in Geneva and has always been a smart businesswoman. When she became a mother and had a house built in her hometown of Marrakesh to spend more time there, she also decided to open her own beauty and massage salon because she couldn't find an ideal salon for herself. She had no prior experience in this industry, except as a customer in other salons.

"So, I put a note in my shop window to look for suitable staff. You can't imagine how many young women came to introduce themselves," she told me over coffee. Each claimed to be very experienced and skilled and to work cleanly, and each wanted to convince Fatima that she was the perfect fit for the job.

"I can do various massage techniques," claimed one young candidate very confidently during her interview. Fatima didn't need to be told twice. "Great, then go ahead." Fatima undressed, lay down on the massage table, and the bewildered applicant had no choice but to apply her skills to the salon owner as best as possible. "It was terrible," Fatima said. "I couldn't have subjected any customer to that. So, I couldn't hire her."

I often think about this little story because it's so simple and poignant. So, we must constantly ask ourselves: "Would we like to be a customer of ourselves?"

In my conversations with clients, I often notice how little they know about their own business processes or have experienced them from the customer's perspective. What thoughts and feelings

do their customers have at different points in the customer journey? Is there any confusion? Unnecessary waiting? The questions in their minds: "And now? What happens next here?"

Hardly anyone looks at their own website or business premises with a fresh outsider's perspective and immediately sees the weaknesses. Does your customer immediately find what they're looking for? Is the next step clear? Do they know what to expect when they click on this or that button? Can they scan at a glance where to find what in your business premises?

Hardly anyone buys anything from their own (online) shop. Nobody sends themselves a package and experiences how it feels to open that package.

The truth is: We should definitely experience this ourselves! And not just once, but at regular intervals. We need to experience firsthand how it feels at different points in the customer journey, where the bottlenecks are, and what exactly that does to us in that moment.

The crucial question is: How does the brand make me feel right now?

Take a test: Invite a neutral person (not a customer!) to your website, your webshop, or your physical store and ask them to express all the impressions and thoughts they have at that moment. It's best to record this with their permission as audio and document it at the end. I'm sure this exercise will provide you with some aha moments and many insights.

To understand our customers and their feelings, it's not enough to just "put on the customer's glasses," as the saying goes.

Because then we would still have our "entrepreneurial eyes." I think the English expression fits better here: To walk in someone's shoes. Or even better: Take off your shoes and hop on the massage table, just like Fatima.

In the second part of the book, we delve deeper into the topic of Customer Journey Mapping – the central and highly efficient method in CX management to scrutinize and optimize the individual stages of the customer journey.

But first, you probably want to know if the effort is even worth it.

What does an excellent CX bring?

Our customers are digital super-networkers who click together the necessary information for their purchasing decisions in seconds.

Prices are as transparent as ever and are compared on platforms. It's certainly no secret that potential buyers on Amazon especially read the one-star reviews carefully to learn about any weaknesses of a product before purchasing.

In the past, customers may have simply expected a flawless product or prompt service. But today, that is the absolute minimum for a successful transaction.

The touchpoints between customers and companies are becoming more numerous and incremental, often taken for granted. Who wants to miss the online tracking of their order? I can watch live as the delivery van turns into my street, hallelujah!

All of this is now completely normal, and expectations are constantly rising. Small businesses do not have the resources for such processes, but they can still do a lot to effectively play to their own strengths.

Those who do not immediately drop the pen after delivering their standard service and are willing to go the extra mile and build a culture of CX will be rewarded. The fact is that CX is the most radical and human factor in marketing.

With a fantastic CX, you ensure that:

- Your company stands out strongly from the competition (Differentiation),

- Your customers are long-term committed to the brand and remain loyal (Customer Retention),

- Your customers act as advocates and constantly recommend you (Outsourcing of Acquisition),

- Your team is more motivated and satisfied due to happier customers, leading to less turnover (Personnel Cost Savings),

- You receive fewer complaints and returns (Cost Savings in Administration and Logistics),

- The value of your company increases, as a better CX justifies higher prices and thus, along with decreasing costs, increases the profitability of the company.

What do you think? Is that motivation enough to finally focus on CX?

Why is CX such a big opportunity for small businesses?

Brand experts estimate that over 90 percent of all companies – yes, even the big ones – don't actually know what brand experience they want to offer their customers or what their target experience is.

There's simply a lack of precise definition of this specific business goal. Where do these companies want to go with their brand? Which of their countless touchpoints and experiences with customers are the most important and make up the majority of the main brand experience? Furthermore, the typical silo structure of large companies often gets in the way of implementing CX quickly and effectively.

Living the shared CX mindset across departments is one of the biggest hurdles for large companies. CX managers often struggle and eventually become disillusioned with their job. They put customers at the center of their thinking and actions, find fantastic approaches, and want to help their company become more profitable with satisfied customers. However, they constantly battle against operational resistance: either not all departments consistently support the CX vision or management has been persuaded by a consulting firm to reallocate budgets elsewhere. CX is a conscious decision for a long-term commitment to employees, customers, and the company itself. It's not just a passing trend.

Either the fish stinks from the head or too many employees and stakeholders roll their eyes when yet another "great new idea" is supposed to be implemented.

Often, these highly empathetic CX managers eventually quit their job because they cannot live out their passion, and their value to the company is ignored.

Necessary process optimizations for a better CX can be slow and cumbersome in large companies. Compliance issues further complicate matters. Priorities are often set in completely different areas of the company, such as sprints for acquiring new customers or short-term campaigns to increase revenue.

Sometimes CX is placed in functional departments like marketing or IT instead of in corporate leadership and then cascaded throughout the organization. A lot of budget and work time is invested in the technology of a Voice-of-the-Customer (VoC) system, incredible amounts of data and information are extracted from it, but hardly anyone takes the time for an honest, customer-centric conversation. As a result, the customers are the first to suffer, and eventually, the success of the entire company.

And what about us small businesses? We don't need to convince management (because we are the management, yay!), nor do we run into compliance issues or have to hold numerous meetings with various departments to preach the benefits of a CX strategy. If we, as the heads of the company,

understand and want the benefits of CX, we've practically already implemented it! How awesome is that?

For my CX diploma, I had to write an exam on the topic of how to get management and stakeholders on board. With cost-benefit calculations, argumentation techniques, and a lot of market research. When I submitted my results, I just thought: What luck that I never have to do something like this again. Because the only person I need to convince is myself!

Since you've read this far, you probably already realize that CX will be a great opportunity for your business in the future. In fact, as solo entrepreneurs, we have some advantages over the global players in several areas that are important for CX.

We are:

- Decisive and flexible,

- Action-oriented,

- Free from competition between departmental goals,

- Often very creative and emotionally intelligent,

- Highly empathetic towards our customers.

And we have:

- Often very loyal existing customers,

- A deep understanding of their needs and feelings,

- Flat to no corporate hierarchies,

- No silo structure within our company,

- A manageable number of customer touchpoints,

- No interest in more bureaucracy, but a desire for quick and effective optimization opportunities.

Honestly, we can work excellently with these and achieve a lot. And that's exactly what we'll be extensively discussing in this book.

A situation like the following happens to me at least once a month: My phone rings.