

Customer Journey: Driving income and growth in tough markets

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Companies are turning to Customer Journey to drive customer value and growth, the latest example is a major mobile phone retailer. Given the tough trading conditions why? What does Customer Journey offer that traditional approaches do not?

Customer Journey describes the series of interactions people have with a company via all available channels such as telephone, web, branch, marketing communications and service interactions. Customer Journey concerns itself with what people do and how they feel about those interactions. It can focus on a specific task (say buying a product) or the entire customer lifecycle.

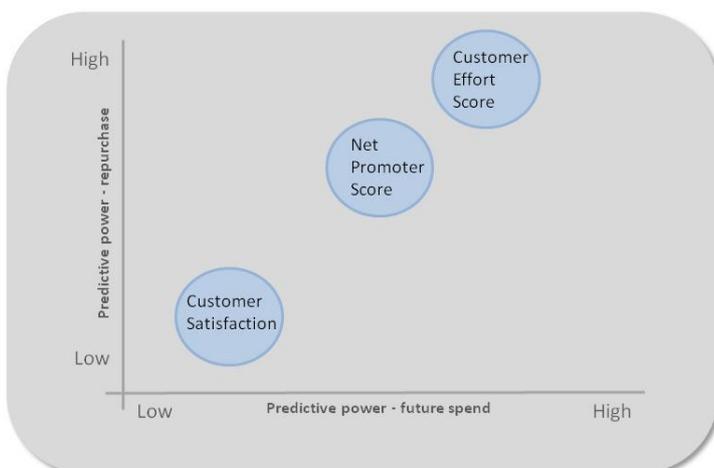
Customer Journey projects encompass a wide range of activities and techniques but, at their heart, they incorporate three fundamental approaches:

1. Customer service design; improving customer service experiences
2. Integrated contact; coordinating contact and ensuring every interaction across every touch-point is consistent with the company's brand values.
3. Customer contact strategy; deciding what to say and offer to whom, when to build more valuable customer relationships.

Although many companies are spending increased time and money changing customer experiences there has been some debate about what customer service design should aim to deliver. One concept that has gained significant traction over recent years is the idea that customer interactions should 'delight' customers. However research published recently in the Harvard Business Review¹ on Customer Effort confirmed what we, and others, have always believed. That above anything else customer interactions must be designed to make it **easy** for customers to do business with you.

Make sure people don't have to move from one channel to another to complete their task, or need to call back later to work out how to install the upgrade they just bought. If people don't find it easy to do business with you, fancy bells and whistles can be irrelevant or even downright annoying.

More importantly Customer Effort is more predictive of repeat purchase and future spend than either Customer Satisfaction or Net Promoter Score.

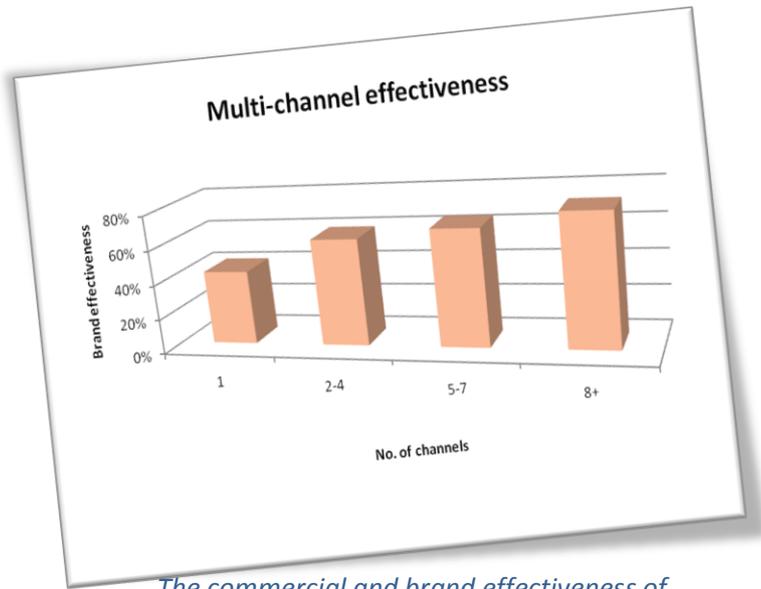


Customer effort is more predictive of future lifetime value than customer satisfaction or net promoter score.

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Likewise the power of the second approach, integrated marketing, is also well documented. For example research published by the IPA² in 2011 showed a clear correlation between the number of



The commercial and brand effectiveness of communications increases when integrated across a number of channels.

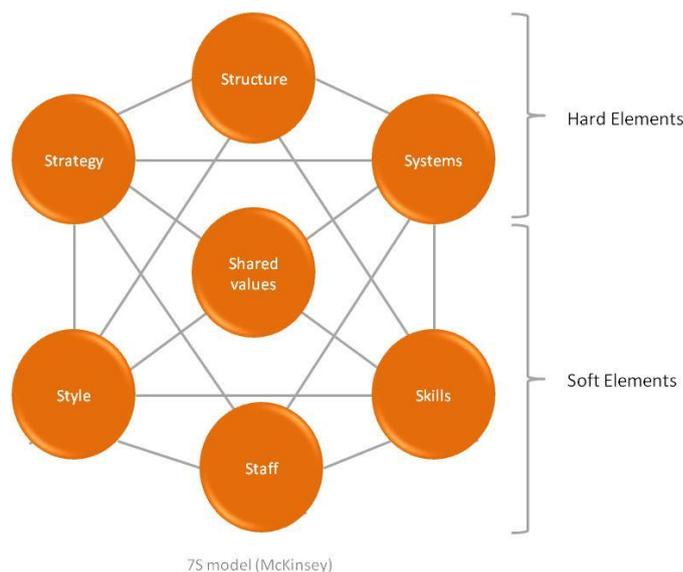
<http://martinwrightassociates.co.uk/articles/how-co-ordinated-contact-strategies-out-perform-tactical-campaigns/>.

channels a message is integrated across and both the branding and commercial effectiveness of the campaign. Thinking tactically McGraw Hill measured a 23% sales uplift when FTF selling is supported by advertising. And, when a motor insurer followed up online quotes with a telephone call within 20 minutes, conversion to sale doubled.

A great many companies have also discovered the benefits of the third fundamental approach; taking a planned, co-ordinated approach to building customer value. See examples from the AA and Future Publishing at

Because Customer Journey combines the benefits of all three each of these proven concepts (customer service design to reduce customer effort, integrated marketing and customer contact strategy) it is little wonder that companies see Customer Journey as a powerful path to growth and profit - the prize can be very sizeable indeed.

The latest company to embark on a major customer journey transformation is a large mobile phone retailer. They have traditionally thrived on high volumes of single sales, 'transactions'. Indeed the company has no customer database and does not pro-actively communicate with customers after



they have made their purchase. They have relied on promotions, advertising and their retail network to capture new customers. However they have calculated that customer journey can help them increase repeat sales and double revenue in 5 years. So the prize can be very sizeable indeed.

Sadly Customer Journey is not easy to do well. By definition it requires the co-ordinated effort of every function and touches on each of McKinsey's 7S's, the hard elements and the soft.

When looking to improve Customer Journey companies have a tendency to start from the wrong end of the telescope. They start from the inside with operational and process transformation led by systems re-engineering. They start with the hard elements of the 7S model.

Naturally therefore companies often turn to the big consultancies for support. The result is long term, large and expensive IT projects and structural re-engineering. As Abraham Maslow aptly said, *“to a man with a hammer everything looks like a nail”*.

MWA starts at the other end of the telescope; understanding your customers better, what they do and want and what you can do that will profitably improve their lifetime value. We don't immediately reach for the systems re-engineering magic bullet. First we do everything we can *within* existing IT constraints to better meet customer needs; designing customer service, integrating contact and implementing a contact strategy. We start with the low hanging fruit.

The great benefits of this are lower project costs, quicker results and a greater focus on continual improvement; measurement, learning, evolving.

Instead of management attention and cash being sucked inward to a large systems re-engineering project, customers can remain centre stage and the soft elements of the 7S's (shared values, staff, skills and style) can begin to be reshaped immediately with practical, customer centric steps as the focus.

Whilst a major IT implementation or restructure may need to follow, doing it too quickly means the benefits can be uncertain and adoption more difficult.

However despite these challenges and debate increasingly companies see Customer Journey transformation as a major driver of growth. Perhaps this is unsurprising; during harsh trading conditions new customers are harder to win. To grow companies find they must make more of every enquirer and customer they have. Achieving this, whilst maintaining margins, requires three things:

1. Make it easier for customers to do business with you – design service to reduce customer effort
2. Support customers better during buying decisions by integrating contact
3. Appropriately engaging customers between purchases to build lifetime value – develop a customer contact strategy

Our team has over 20 years experience of customer journey mapping, designing customer service and developing and testing contact strategies and loyalty programmes for companies as diverse as Halifax, Unipart, Bank of Scotland, Weight Watchers, Abbey, GE , and Nationwide Building Society. To discuss the Customer Journey challenges your company or Client faces contact me at martin@martinwrightassociates.co.uk.

Related articles

[How contact strategies outperform tactical communications.](#)

[Customer contact strategy – timing](#)

[Five steps for successful customer journey mapping](#)

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¹M Dixon, K Freeman, N Torman, *'Stop Trying to delight your customers'* Harvard Business Review, August 2010

²*"New models of marketing effectiveness. From integration to orchestration"* IPA, July 2011.
www.youtube.com/watch?v=6PmWNxdbxAQ