

Customer experience is competitive differentiator - study

Companies that have better customer experience management capabilities, along with a strong customer orientation, enjoy a decisive competitive advantage. This is according to the results of a new American survey from SAS, Peppers & Rogers Group and Jubelirer Research.

Over 150 senior executives from leading US corporations were polled to gauge their customer experience management capabilities in the first annual Customer Experience Maturity Monitor study.

Some key findings:

- Among companies reporting high customer-experience maturity, 81% reported outperforming their competition.
- Companies that reported outperforming competitors also reported higher future investment plans in customer experience capabilities.
- Although 76% of respondents reported that they motivate employees to treat customers fairly, only 62% provide the right tools and training to earn customer trust.
- While 76% reported that customer trust is tied to the financial success of the business, only 60% consider how a proposed action increases or decreases customer trust when making decisions.
- Most companies want to focus on enhancing the customer experience but are pressured for short-term results. Only 42% of respondents agree that their company can do what is right, despite the pressure to make current-period numbers.

"It is becoming more and more evident that the market space has evolved with the new generation. Customers have so many choices and have come to a point where they expect to be treated differently, they have become accustomed to rapid technology changes and are informed and able to choose the most convenient options ie that fit into their life style, personal preference and / or enhance their experience and draw them back," says Mandie Esterhuyse, customer intelligence and performance management solution specialist at SAS Institute.

"Gaining the competitive edge involves outpacing the competitors and gaining customer loyalty which has emphasised the need for constant growth and rapid change as the key for survival and established growth.

"Getting to know your customer from all levels of interaction will create a customer centric view with the aim of optimising each interaction with them and thereby motivating them to come back for more, more frequently."

Infrastructure

Even with information that can improve the customer experience, companies don't always have the infrastructure to share it

effectively. Only 26% of respondents rated their companies as “good” or “excellent” at distributing intelligence to the customer touch-points where it can affect the customer experience. Importantly on 18% rated “good” or “excellent” on creating individual treatment tracks to manage the customer experience across products and channels.

“Getting the customer experience right requires a cultural shift,” explains Peppers & Rogers Group founding partner Dr Martha Rogers. “From the research, we learned that the success of a company's journey toward customer experience excellence is founded upon and guided by a strong organisational orientation toward the customer. It requires a long-term focus that takes into account short-term realities. The research shows that companies are struggling with the balance, but the ones that are taking the longer term view are seeing results.”

“Data becomes live”

“The first step was collecting data, then we realised that we needed to do something with the data and transform it into a useable format and start analysing it to gain the competitive edge. We are now very rapidly moving through an era where the data becomes live and drives the decision-making process based on historical, current and future behavioural trends from different channels all with its own dynamics changing constantly. The cost of maintaining the pace could be enormous if the overall strategy is not reflected and embraced throughout the organisation and the analytics, used on all levels, as a powerful decision support mechanism,” adds Esterhuyse.

Customer-centricity is growing. Companies are beginning to manage organisational performance and customer improvement by incorporating customer metrics as key performance indicators. In fact, 43% of companies rated their customer metrics as “good” or “excellent”. Esterhuyse sees this as progress “Putting customer metrics on the executive dashboard demonstrates a changing focus. It's not going to happen overnight, but this survey indicates that companies are taking steps in the right direction.”

The results are now available by viewing an [American Marketing Association Video Discussion “Multi-Channel Mayhem: Tapping the Customer Experience for Competitive Advantage”](#).

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