The Customer Experience Revolution
Coming to everywhere near you

and

How to get the budget from your Board to make it happen
with a little help from Oracle Corporation!

Jennie Vickers of ZeopardSocial
NZ Oracle Users Group Conference March 2013

Zeopard.com

WHY this topic on the NZOUG Agenda?

Board Directors are thinking about Social Media

What Boards are Worrying About

- Legal liability and risk

- Trustworthiness

- Reputation

- Getting locked up

- Social Media out of control and how to control it

Boards and Social Media

• When informally asked in a boardroom, Competia found that **less than 5% of directors** admit having ever used and participated in social media.

• Mistrust is widespread and the issue of privacy is of utmost concern.

"The implications of social media for the board far outreach reputation risk. As the use of social media is rapidly spreading and challenging every single company business model and strategy, it is time for directors to understand the implications for corporate governance."

Competia Canada 2011 When Social Media Matters

Zeopard.com

Boards and Social Media-Australia

Recent research indicates that only 17 per cent of executives have programmes in place to monitor and mitigate reputational risks associated with social network usage.

"Part of the problem is that the space is still evolving; part of it is generational. Most directors came of age in the pre-Internet era, and for many, social media is out of their comfort zone."

Source: BoardMatters Australia:Word of Mouse Report "Do your directors really understand the impact of social media on your nonprofit organisation?"

Zeopard.com

Boards and Social Media-Canada -Investor Relations Focus

63% of 807 companies, report using Twitter for investor relations purposes, while 65% have social media links on their corporate websites.

"Social media demands board attention, yet the topic can be intimidating and confusing for many directors."

44% rate the quality of information they get on social media risks as mediocre or poor.

Only 1% say it is excellent.

Source: Boardmemember.com Canada and a 2012 survey by Q4 Web Systems, a Toronto consulting firm

Zeopard.com

What Do Corporate Directors and Senior Managers Know about Social Media?-USA

"The world has changed, and consumers, employees, and stakeholders now expect to engage with companies and their brands through social media,"

Matteo Tonello, managing director of corporate leadership at The Conference Board.

NB:The survey sample included only representatives from the highest levels of their respective organizations, with the average age of survey respondents in the mid-50s.

2012 research conducted by Stanford University and The Conference Board

SOCIAL MEDIA

Zeopard.com

What Do Corporate Directors and Senior Managers Know about Social Media?-USA cont.

•90% of respondents claim to understand the impact that social media can have on their organization, but...

•only 32% of their companies monitor social media to detect risks to their business activities and only 14% use metrics from social media to measure corporate performance.

•59% of companies in the survey use social media to interact with customers, 49% to advertise, and 35% to research customers.

•Approximately 30% use social media to research competitors, research new products and services, or communicate with employees and other stakeholders.

2012 research conducted by Stanford University and The Conference Board .

Zeopard.com

Boards and Social Media-Global

- In today's hyper-social world, this study found that social media efforts are deeply intertwined with CX outcomes. But yet again, the results showed wildly different results between what executives say they want to do, and what in fact they are doing.
- 81% of execs said they believe that social media is an essential ingredient in delivering great customer experiences, but
- 35% of responding companies still do *not* have social media for sales channels, and another 35% still do *not* have social media for customer service.

Source: Global Insights on Succeeding in the Customer Experience Era Feb 2013 Oracle report

Zeopard.com

Social Media is providing a critical digital platform to connect with Customers

If your strategy is to get closer to the customer and social media is the digital platform to achieve this….

then your board needs to get comfortable with social media before it can embrace everything involved with customer experience

ZeopardSocial conclusions on Boards and Social Media

Good luck getting a project to increase use of social media past a board when and if:

 so few use it, most mistrust it and all the external advisors are talking only about risk and reputation.

As Julia Roberts said in Pretty Woman the movie to the snotty sales woman:

" *Big Mistake....*"

You need to convince your board of the importance of experience and how you cannot do digital experiences without social media so time they got over it!

This is what CEOs are thinking about

Figure 9: Attracting – and keeping – more customers is a key priority

Q: To what extent do you anticipate changes at your company over the next 12 months?

	No change	Some change	A major change	Don't know/refused
Customer growth/retention/loyalty strategies	17	51	31	1%
Strategies for managing talent	23	54	23	1%
Increase in technology investments	25	54	21	1%
Organisational structure	26	52	22	1%
Increase in R&D and innovation capacity	32	50	17	1%

%

■ No change   ■ Some change   ■ A major change
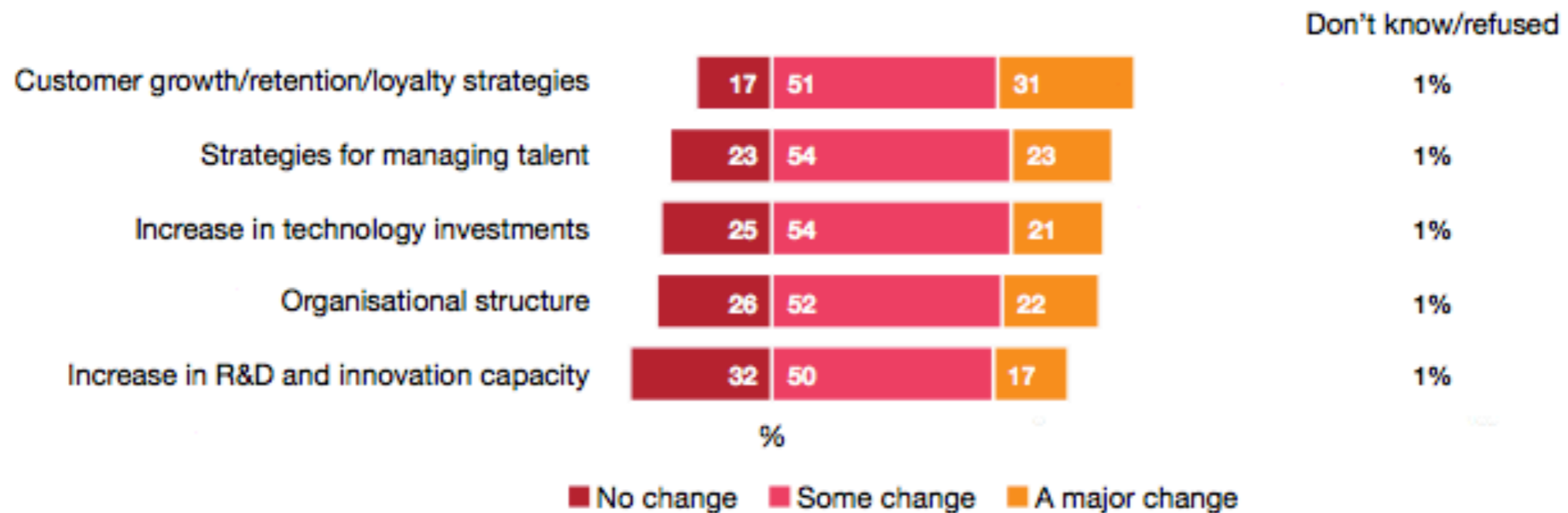
Base: All respondents (1,330)
Source: PwC 16th Annual Global CEO Survey

Zeopard.com

What are NZ Public Service CEOs being told?

Better Public Services Speech by John Key to Auckland Chamber of Commerce 15 March 2012

"I want to see technology used to create a step change in customer service"

Zeopard.com

What are Public Service CEOs now looking at delivering?

Better Public Services Advisory
Group Report November 2011

"Capitalizing on new technology and ways of engaging such as social media will reduce costs and help meet citizens' and businesses' expectations for their dealings with government"

Zeopard.com

What are Public Service CEOs in USA worrying about?

President Obama Executive Order "Streamlining Service Delivery and Improving Customer Service" April 2011

Source: 2011 Federal Customer Experience Survey

Zeopard.com

This is what CIOs are thinking about

Pressure on CIOs
Chris Murphy of Information Week says:

"Make IT measurably more relevant to your customers"

"We're living through a historic shift that makes technology more important -- in fact, indispensable -- to building close customer ties. IT leaders can seize the moment by ruthlessly focusing 2013's goals on the customer who buys their products."

Bob Evans of Oracle writing in Forbes helpfully says:
CIO top 10 for 2013

Here are the top 10 issues I proposed:

1) Simplify IT and Transform Your Spending: Kick the 80/20 Budget Habit.

2) Lead the Social Revolution: Drive the Social-Enabled Enterprise.

3) Unleash Your Company's Intelligence: Create the Enterprise-Wide Opportunity Chain.

4) Embrace the Engagement Economy: Merge the Back Office and the Front Office into the Customer Office.

5) Future-Proof Your IT Architecture.

6) Upgrade "Cloud Strategy" to "Business Transformation Enabled by the Cloud."

7) Transform Big Data into Big Insights, Big Vision, and Big Opportunities.

8) Preside over a Shotgun Wedding: Systems of Record Marry Systems of Engagement.

9) Lead with Speed: CIO as Chief Acceleration Officer.

10) Bend the Value Curve: More Innovation, Less Integration.

Zeopard.com

Future of Computing

1. Search was king of the last era

-as of Sept 2012 overall search volume on web has started to decrease

-now using App driven mechanics to find your content as these provide context around requests ensuring more accurate responses

Forrester Research Blog

Future of Computing

2. Experience will begin to replace Apps
          -customers simply want a great experience
          -design more important

3. Data is the new currency
          Data=currency
          APIs=new banks
          API Management = financial advisor

Forrester Research Blog

Zeopard.com

If all those people are worrying about all those things what next?

What is next is:

Customer Experience

- **What is CX?**

- **What is involved with CX**

Why Me?
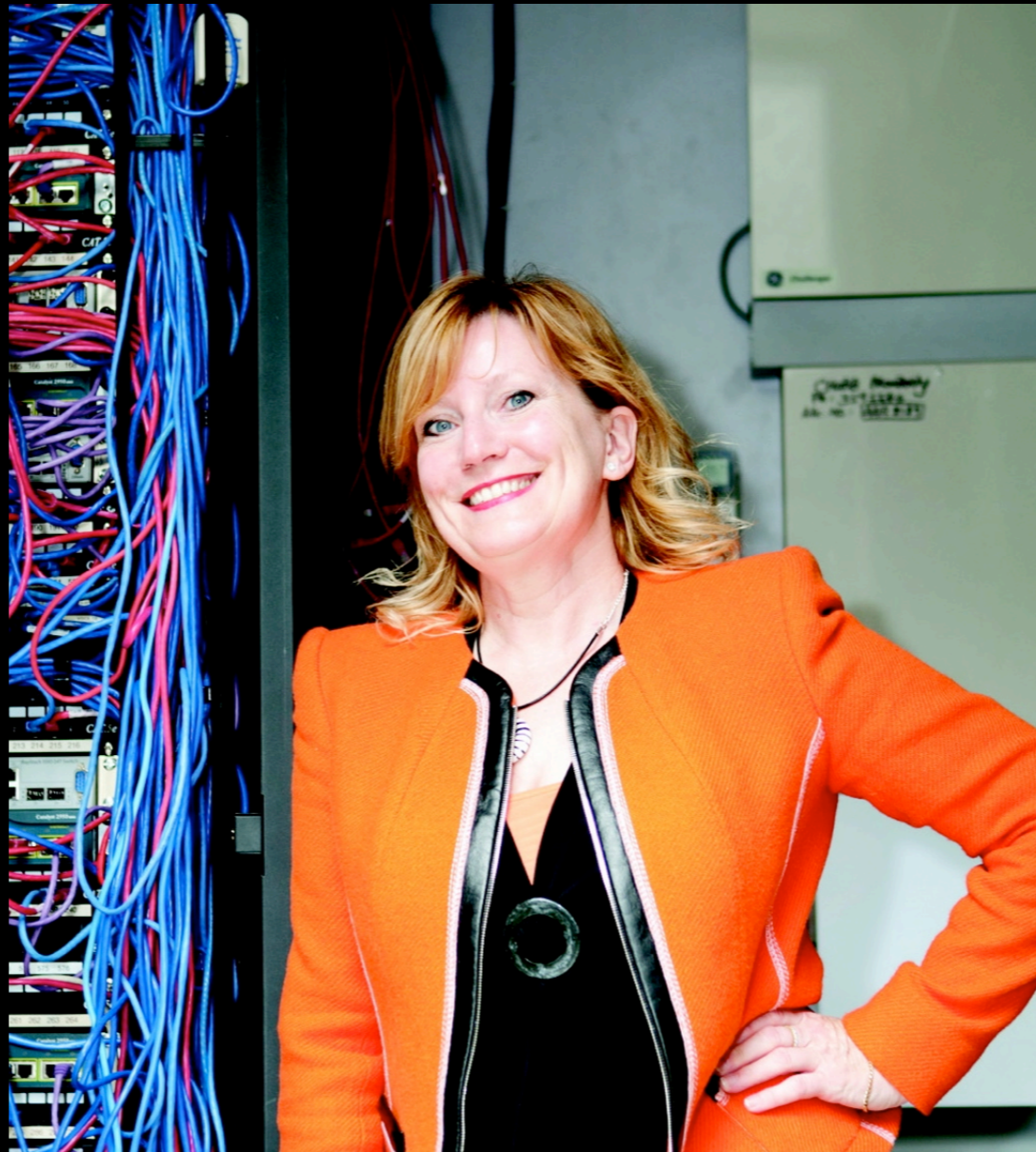
ZeopardSocial and Jennie Vickers and Boards and CX
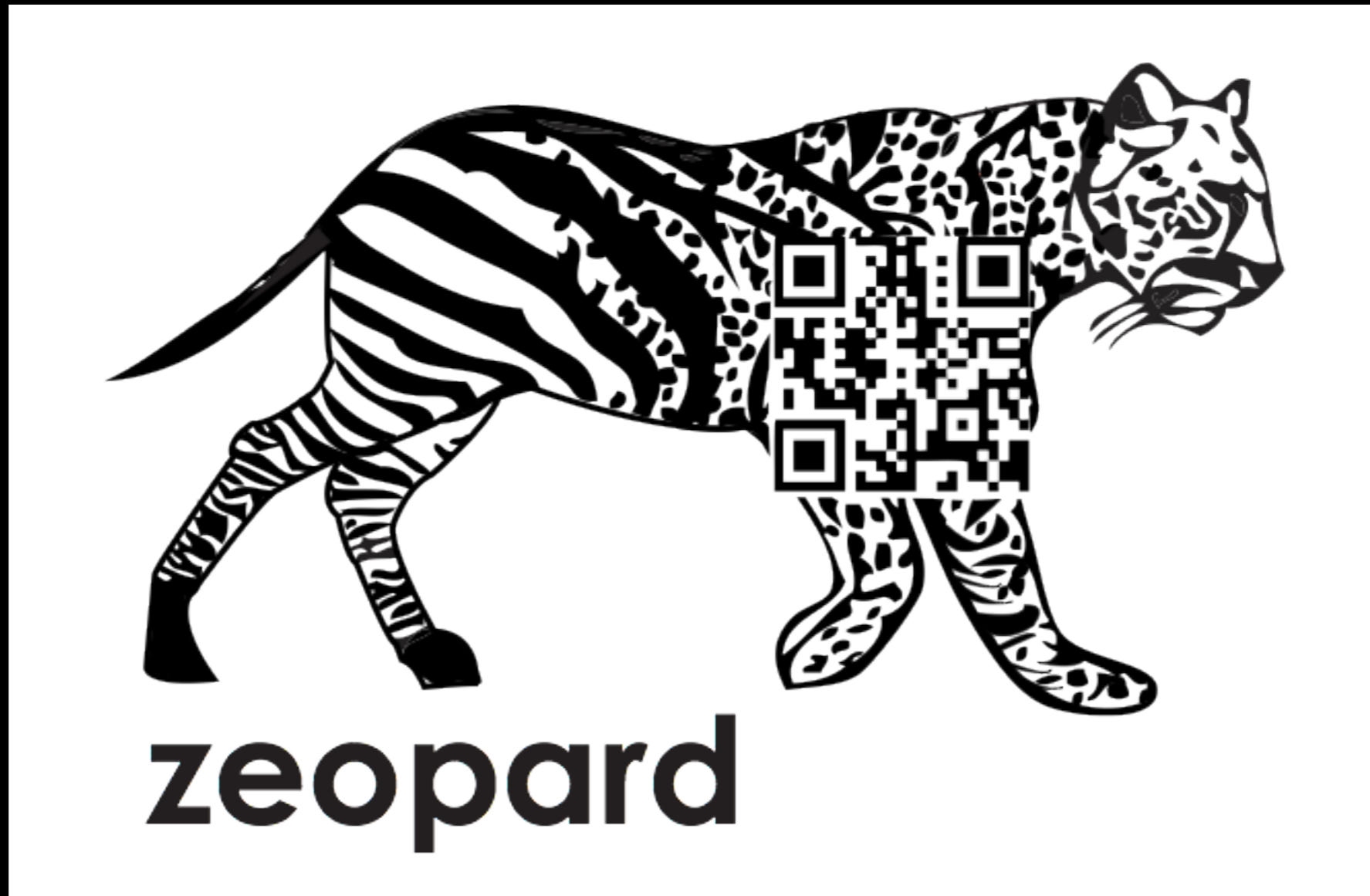
Oracle Open World

Jennie Vickers

- Lawyer and Commentator

  Been involved with Boards for 25 years: first on a Local Council Youth Board at age 14 and then working with or on boards ever since

  Studying Social Media for 8+ Years and now running social media at conferences

- Introducing CX and Social Media conversations to Boards

- Digital Native in Spirit & Early Adopter but not a Techie

Zeopard.com

Why should you care about customer experience?

Business to Consumer

Business to Business

Government to Public

Not for Profit to Stakeholders

Professional Services Firms to Clients
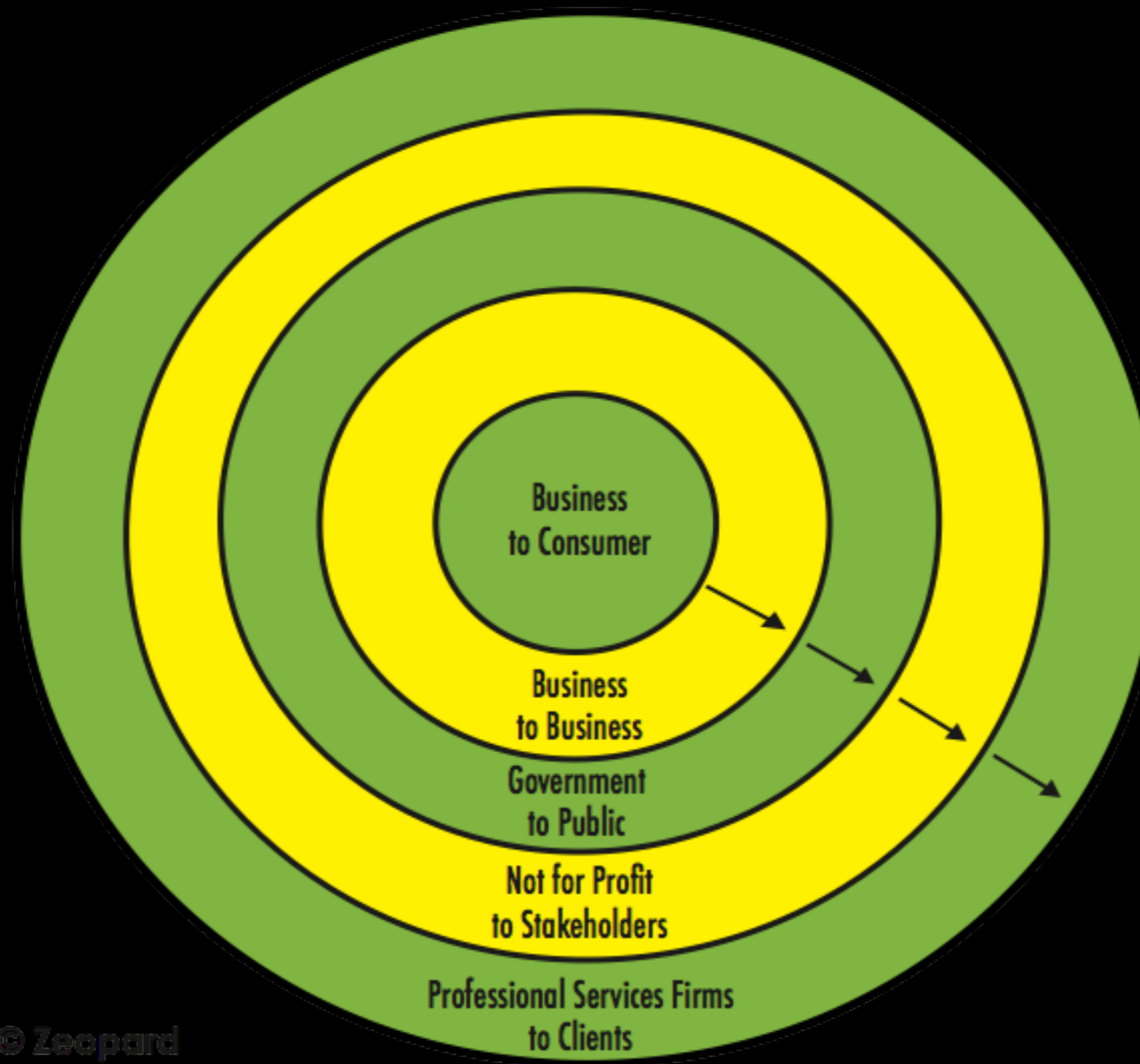
The demand for good customer experience is rippling out. Even Professional Services Firms are not immune.

© Zeopard 2013

Zeopard.com

Why you should care about customer experience

- **Costs 8x more to get a new customer than to keep an existing**

- **Commoditisation has stripped away existing sources of differentiation-CX is it**

- **75%+ consumers posted about negative experience but 70% companies little understanding of conversations going on**

Forrester Research 2011

Zeopard.com

Why you should care about customer experience

- **Costs too much to give bad CX**

- **Superior CX comes from superior employee experience and superior EX means lower staff turnover**

Customer Experience-One of few remaining points of competitive advantage
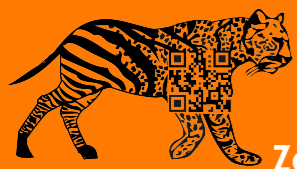
Zeopard.com

DIGITAL EXPERIENCE

Latest research goes further and says:

One of the last remaining areas of differentiation is the ability to provide compelling user experiences through digital channels.
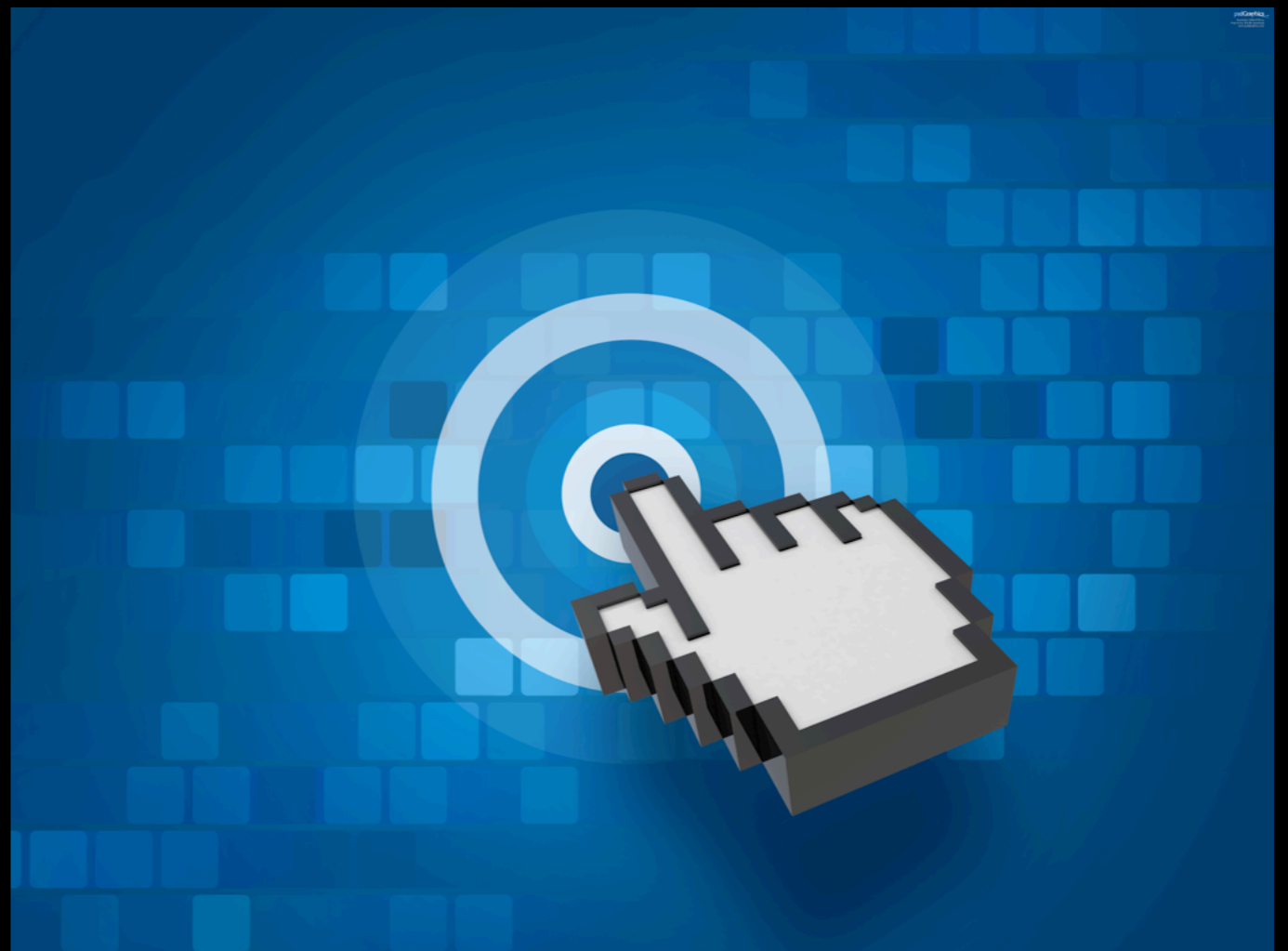
Forrester Research 2012

Zeopard.com

What is CX?

Customer Experience

We are all in the CX business.

Business, Government, NFP, Charity, Social Enterprise, Sport, Education: EVERYONE!

Customer Experience in Action

Customer Experience-Definition

"CX is how your customers perceive their interactions with your company"
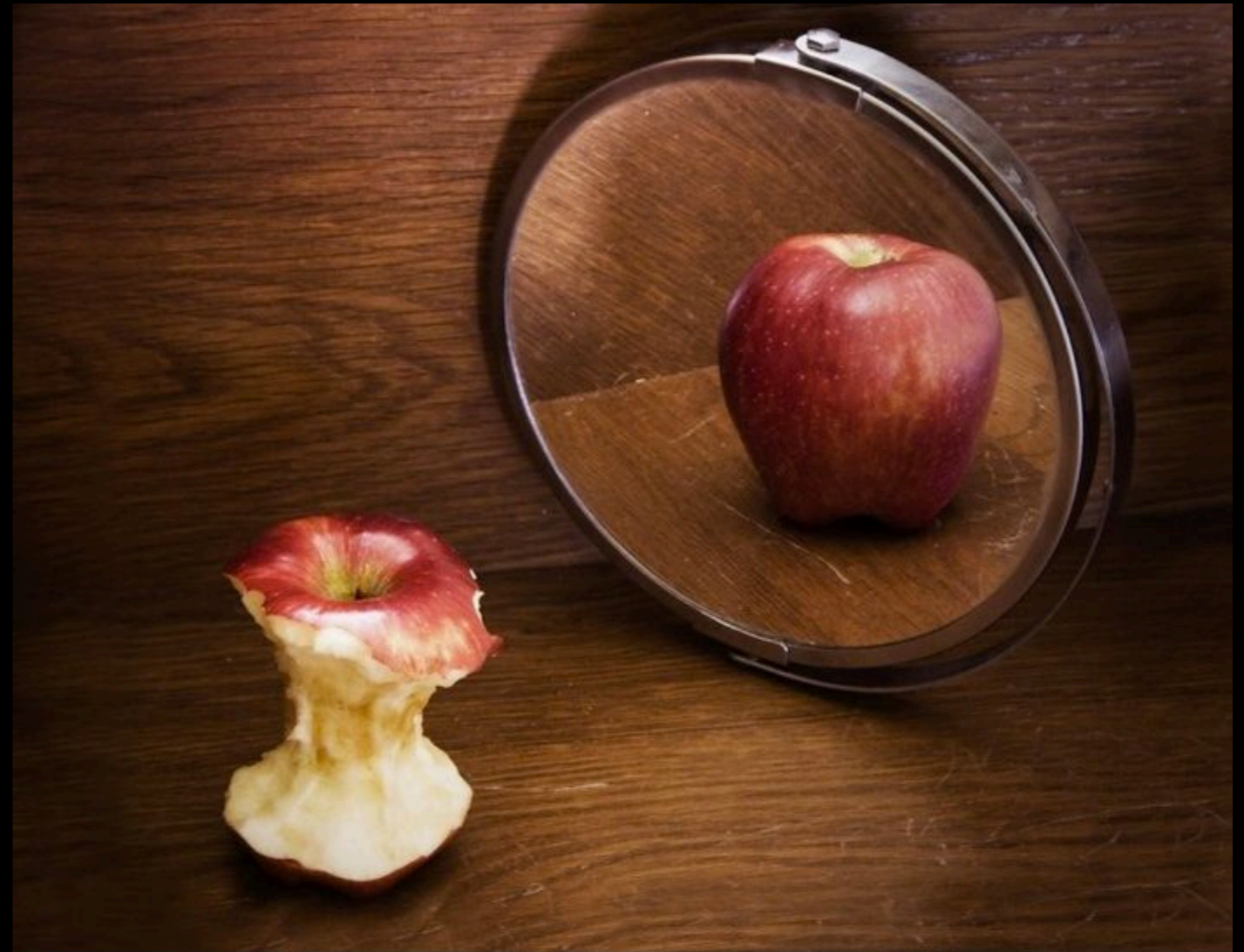
- Forrester Research Inc.

Customer Experience-Definition-From the Beyond Philosophy Group

"A customer experience is an interaction between an organization and a customer as perceived through a customer's conscious and subconscious mind. It is a blend of an organization's rational performance, the senses stimulated and the emotions evoked and intuitively measured against customer expectations across all moments of contact."
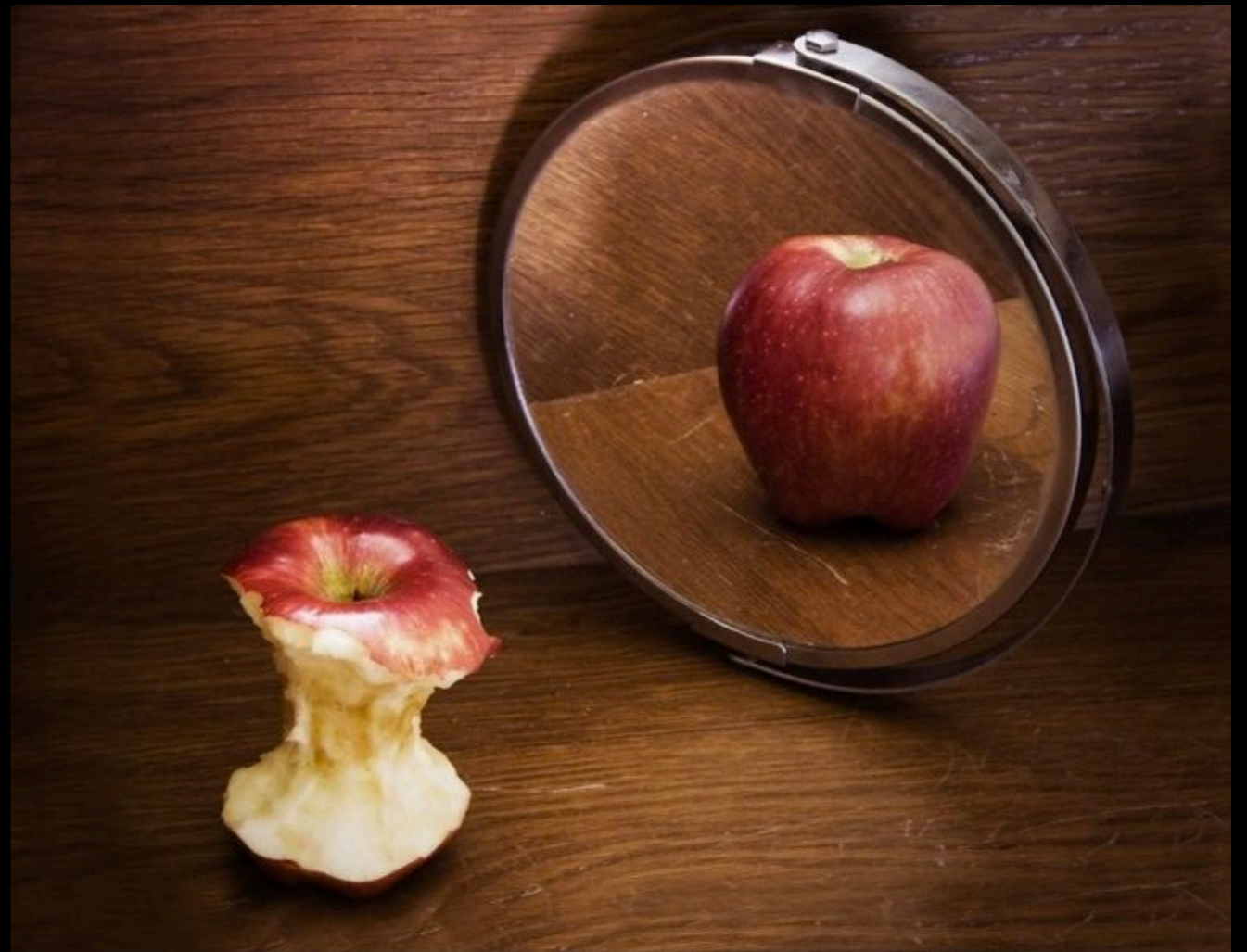
Beyond Philosophy-Definition means :

•Not just about a rational experience (e.g. how quickly a phone is answered, what hours you're open, delivery time scales, etc.)

•More than 50 percent of a CX is subconscious, or how a customer feels.

•A CX is not just about the 'what,' but also about the 'how.'

•A CX is about how a customer consciously and subconsciously sees his or her experience.

Loyalty is an emotional commitment.

PERCEPTION IN ACTION AT A SUCCESSFUL CX BUSINESS...

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Customer Experience-Perception:

"Everything you see or hear or experience in any way at all is specific to you. You create a universe by perceiving it, so everything in the universe you perceive is specific to you."

– Douglas Adams

vodafone

telecom nz

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vodafone

Zeopard.com

telecom nz

Oracle Customer Lifecycle

Customer Churn

So if we accept that it is a priority and we know what it is..
what is next and how do we get funding for our CX projects?

What your Board (and You) need to know about why CX Matters in 2013

- **What drives boards and decision makers?**

- **What do they need to understand and know?**

- **What do they think they already know?**
is it right or wrong? e.g around social media

The Experience Economy-This is not a new Fad

"Economists have typically lumped experiences in with services, but experiences are a distinct economic offering, as different from services as services are from goods. Today we can identify and describe this fourth economic offering because consumers unquestionably desire experiences, and more and more businesses are responding by explicitly designing and promoting them."

Harvard Business Review July 1998 Welcome to the emerging experience economy. Joseph Pine and

James Gilmore

Zeopard.com

The experience economy

"As services, like goods before them, increasingly become commoditized—think of long-distance telephone services sold solely on price—experiences have emerged as the next step in what we call the progression of economic value. From now on, leading-edge companies—whether they sell to consumers or businesses—will find that the next competitive battleground lies in staging experiences."
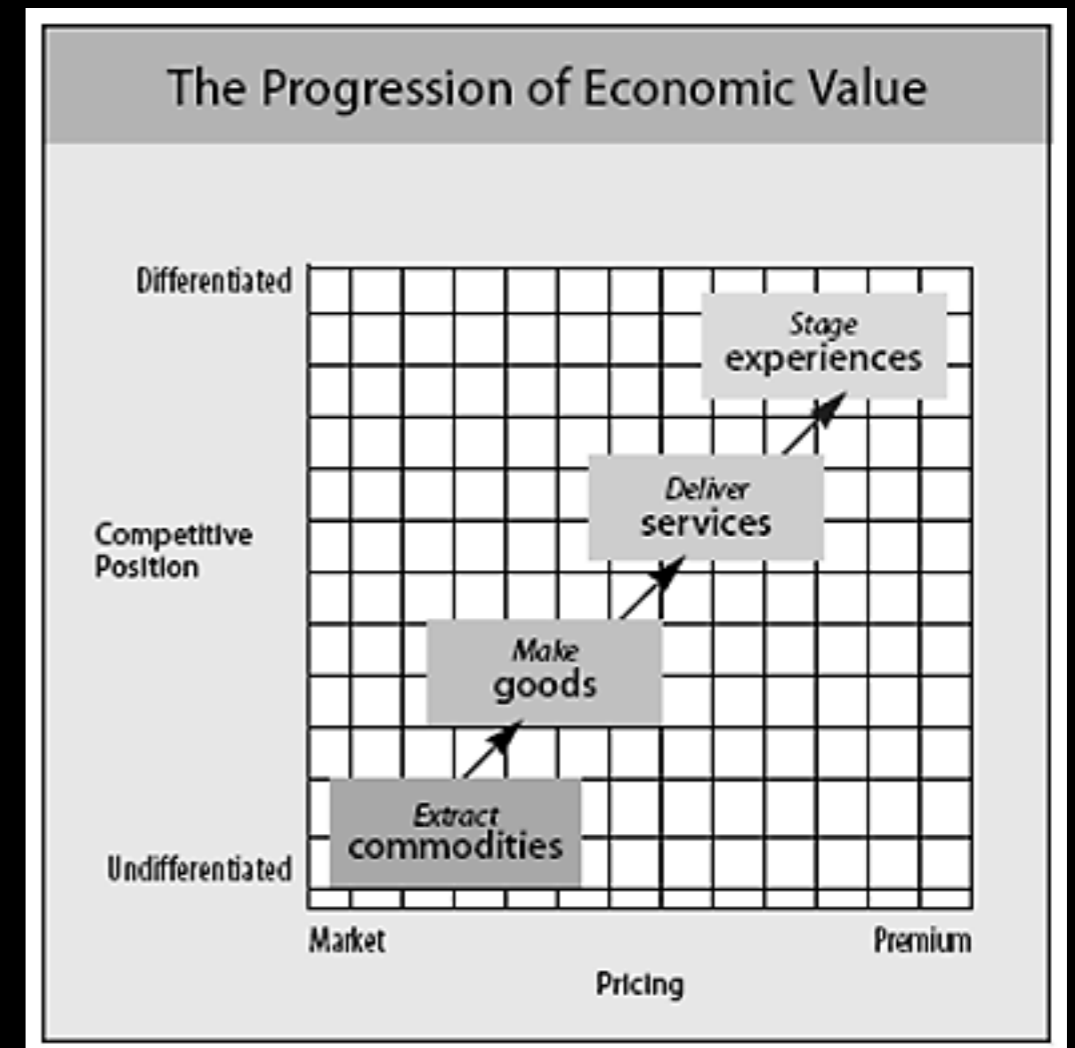
Harvard Business Review July 1998 Welcome to the emerging *experience economy*. Joseph Pine and James Gilmore

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- The times they are a changing!

The Age of the Customer

Age of the customer
Empowered buyers
demand a customer focus

2010-?

Age of distribution
Global connections
make distribution key.

1990-2010

1960-1990

Age of information
Connected PCs benefit
those who control information

1900-1960

Age of manufacturing
Mass manufacturing
boosts industrial
powerhouses.

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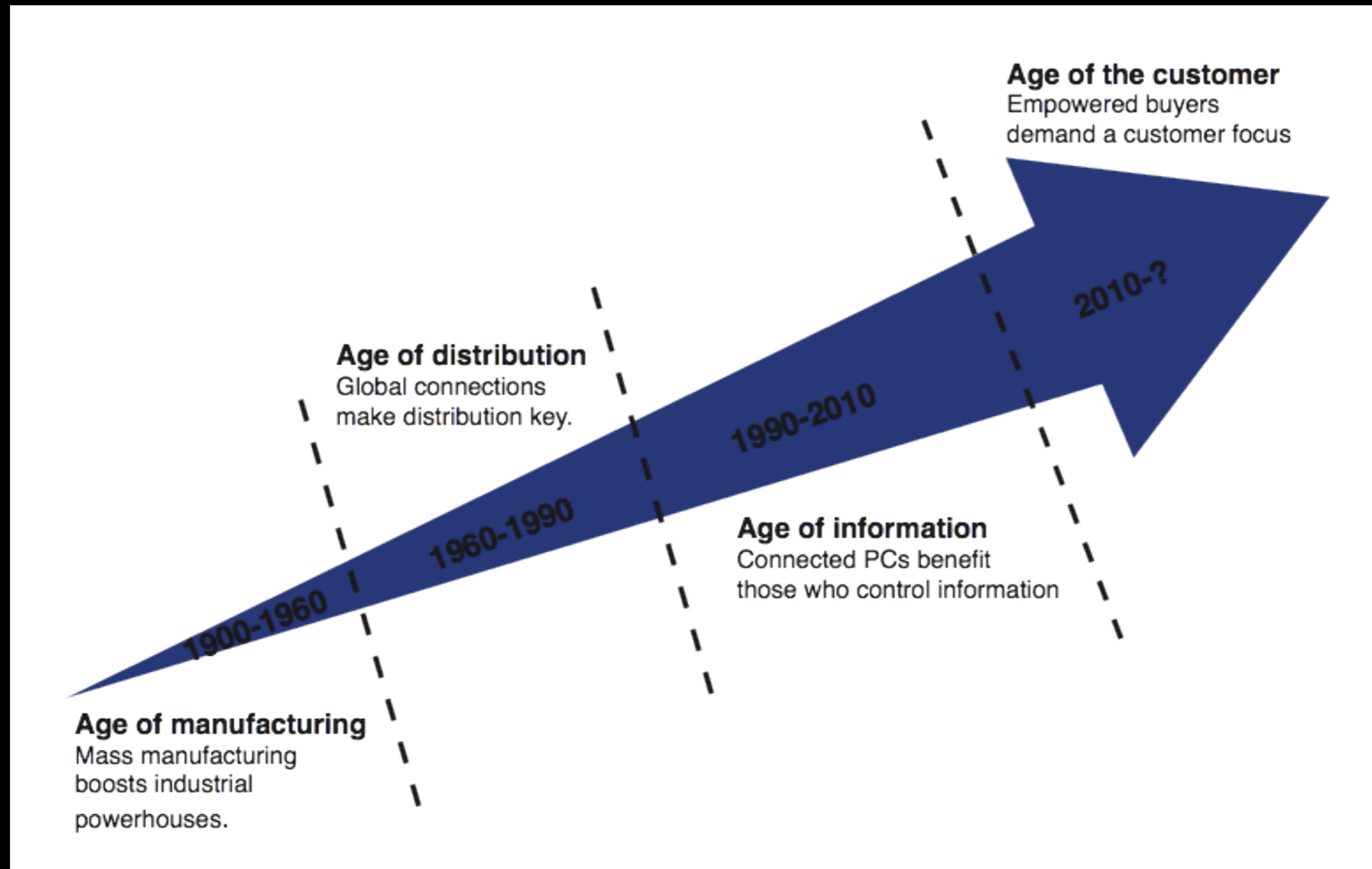
The Future of Computing =
Experiences delivered across an ecosystem of devices
James Whittaker
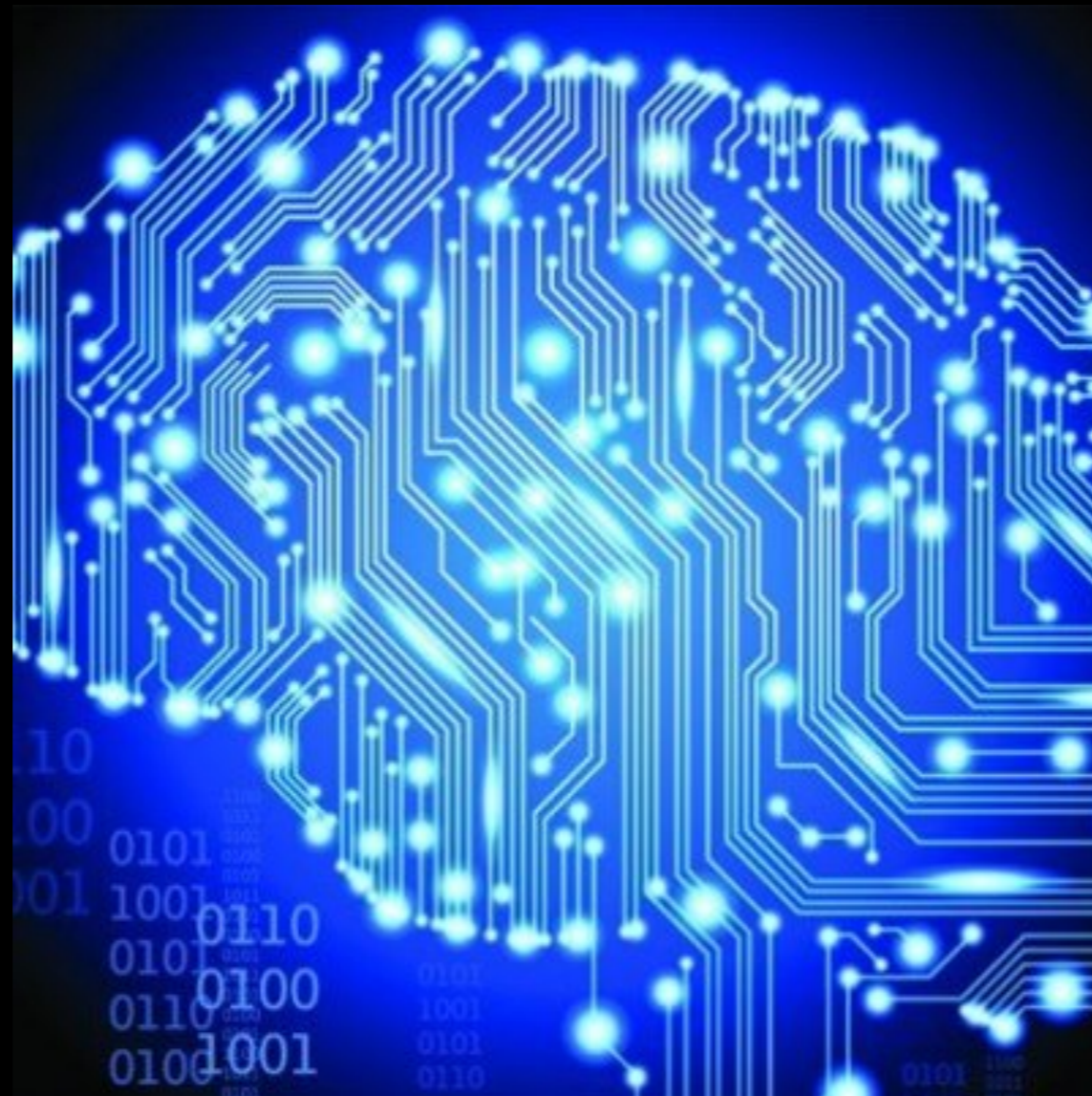
2013 - A transformative year

Ultra connected adults at end 2012:

    42% of online adults in US
    37% in Europe

Predicted end 2013:
    50% UCAs worldwide

UCA=multiple internet at least 3 devices

Source: David Truog Forrester Blog
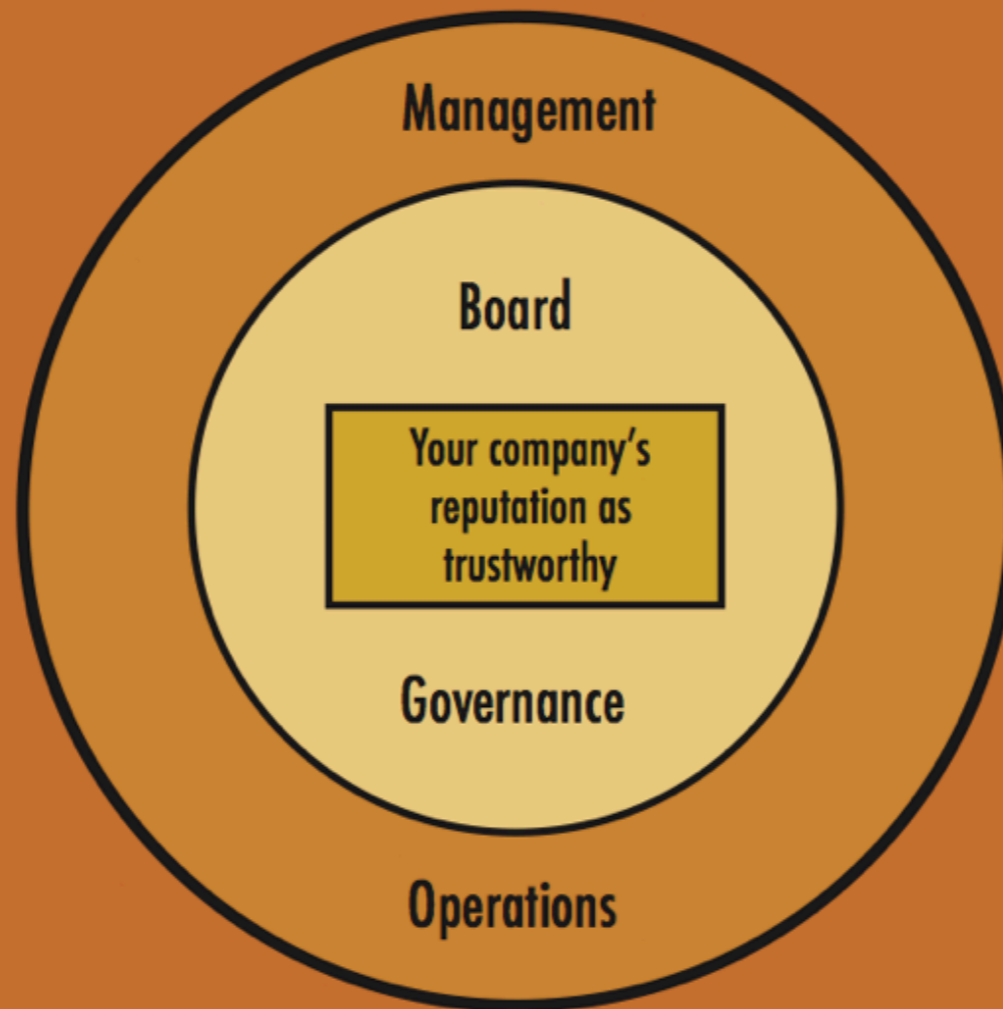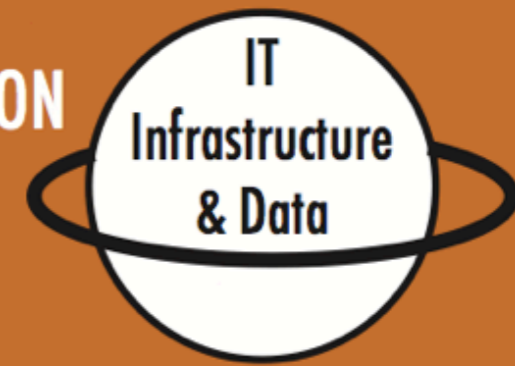
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Business Ethics

- Institute of Business Ethics in London Research studies

- Key message is that organisational trustworthiness had become one of the critical concerns for Boards globally in the wake of the GFC and numerous financial scandals.

- Now about building market confidence through trust, governance and business ethics standards.

ibe
Institute of Business Ethics

Business Ethics Briefing

Issue 30, February 2013

Surveys on Business Ethics, 2012

This Briefing looks at the findings of selected surveys on business ethics issues published in the last year.

IBE: Attitudes of the British Public to Business Ethics 2012

"A substantial decline in the proportion of the public saying that British business generally behaves 'very' or 'fairly' ethically"

Ipsos MORI have been commissioned annually on behalf of the IBE to survey the British public on their attitudes to ethics in business. Three questions were asked through face-to-face interviews in September 2012 among a representative sample of 991 British adults (aged 16 years and above).[1]

When asked "How ethically do you think British business generally behaves?", nearly half of the British public (48%) believed business behaves very (3%) or fairly (45%) ethically, a drop of 10 percentage points from 2011 (58%) (see Figure 1). The sharpest drop, of 19 percentage points, was among 35-54 year olds (down to 47%). There was also a significant drop of 16 percentage points in the proportion of those with children saying business behaves ethically (down to 47%). The group least likely to believe that business behaves ethically was the socio-economic group C2DE (42%).

- Ethical responsible behaviour was rated as the top desired attribute of a business after the February 2011 Christchurch
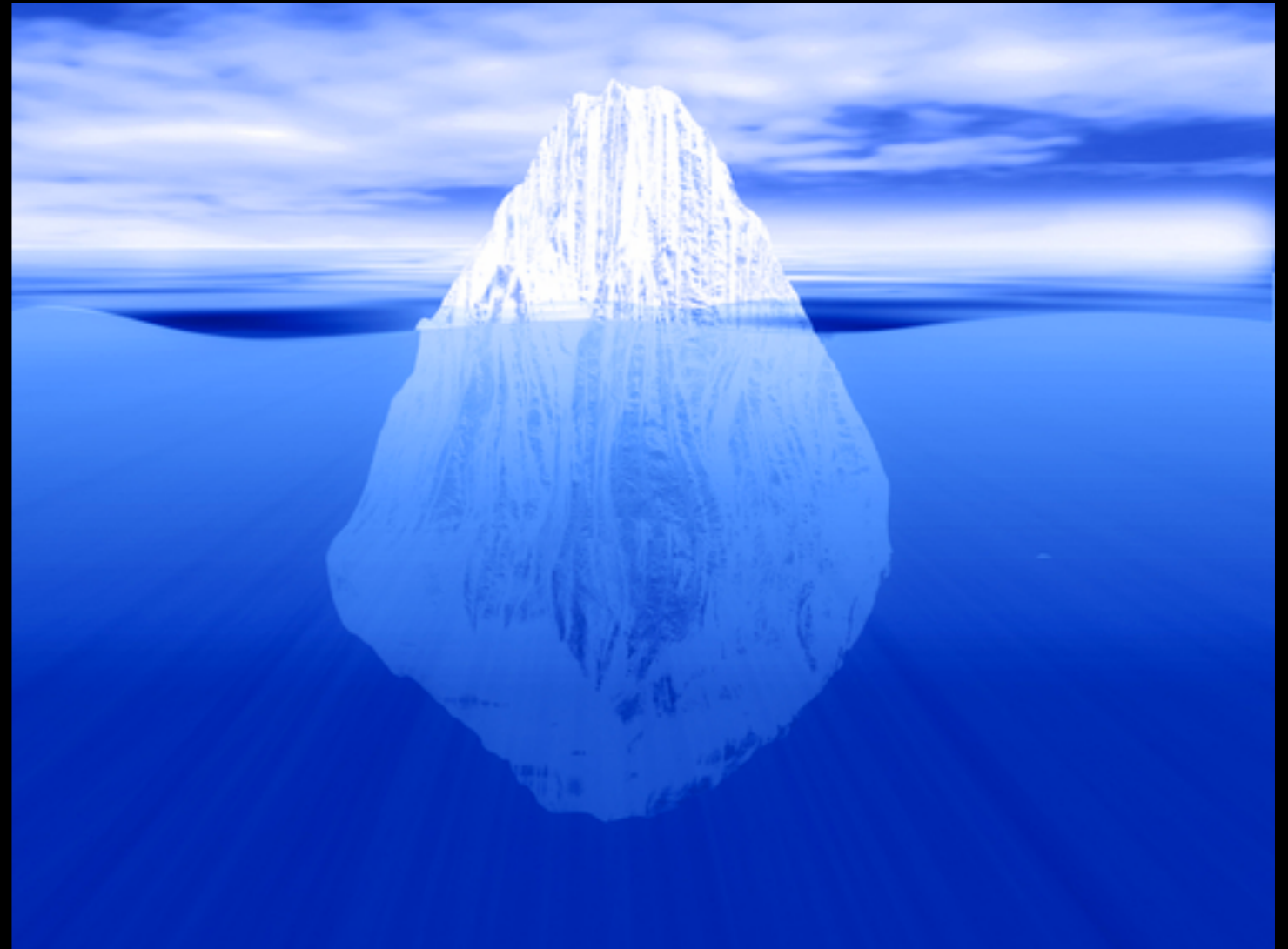
Edelman trustbarometer

- The 2013 Edelmann Trust Barometer (which surveys 55 countries including Australia but not NZ) released in January 2013, identified 16 specific organisational attributes which build trust in organisations in the minds of those surveyed and grouped these into five performance clusters.

- Of most importance to the public when deciding whether or not to trust a company was **engagement** (59%), closely followed by integrity (58%) and products and services (54%).
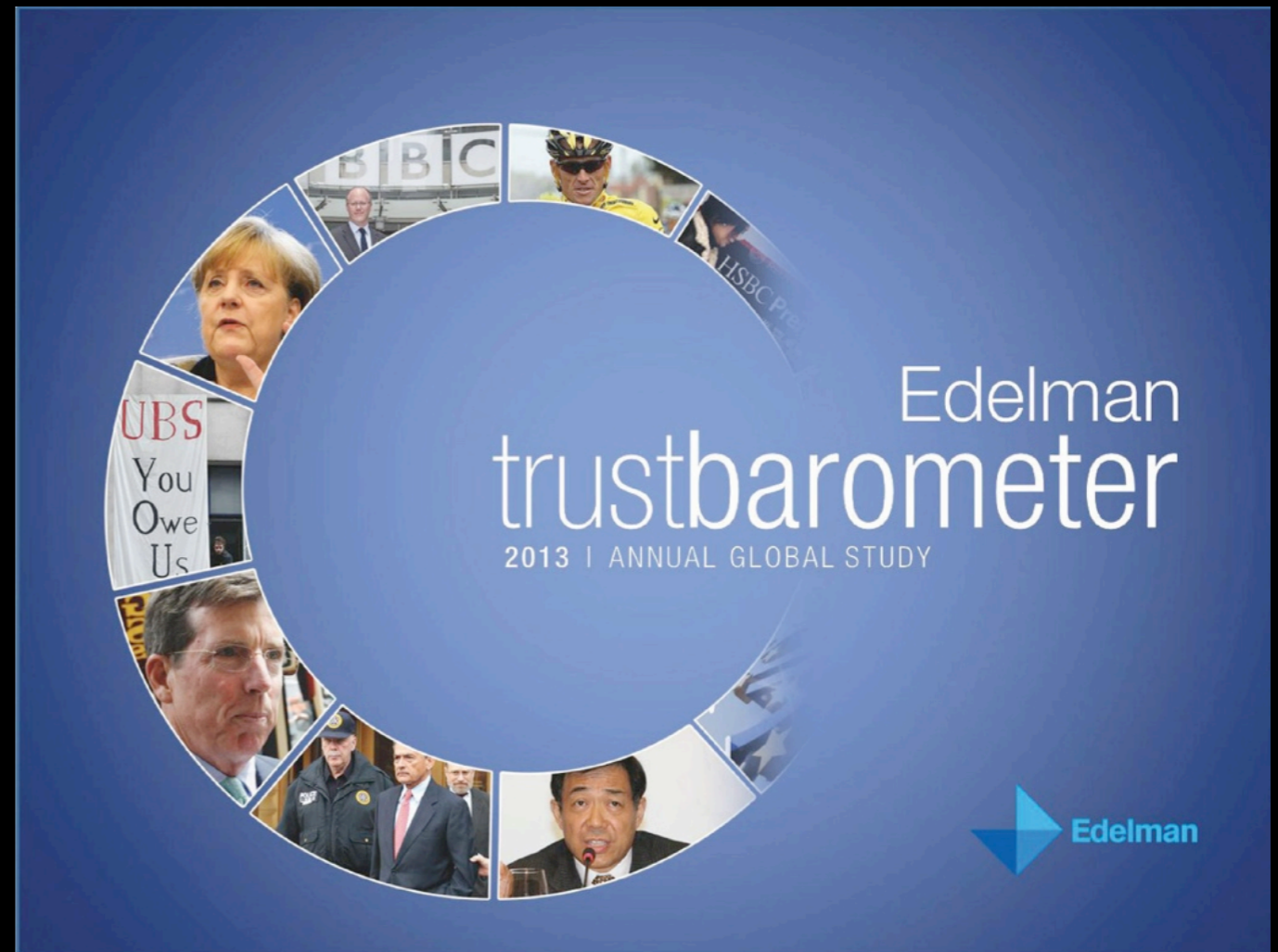
- # Edelmann Barometer

- **Who do customers trust and believe?**

Edelman trustbarometer

- The Edelman 2013 findings, clearly show the **redistribution of influence from traditional authority figures towards employees, peers and people with credentials**. Reflecting on the survey findings, Richard Edelman says:

- *"Running a profitable business and having top-rated leadership no longer, alone, build long-term trust. In fact, these operational-based attributes have become an expectation. Today, business builds trust by treating employees well, exhibiting ethical and transparent practices and placing customers ahead of profits while also delivering quality products and services."*

Pulling it all together for Boards

- "*For a number of years Boards in NZ have looked to establish and maintain their reputation for organisational trustworthiness through a focus on selecting the right management team, good governance, clear values and ethics, robust polices and a hard eye on the bottom line.* "

BEFORE THE AGE OF THE CUSTOMER BOARDS HAD MORE CONTROL OVER REPUTATION

Mainstream Media

IT Infrastructure & Data

Management

Board

Your company's reputation as trustworthy

Governance

Operations

Employees

Social Media

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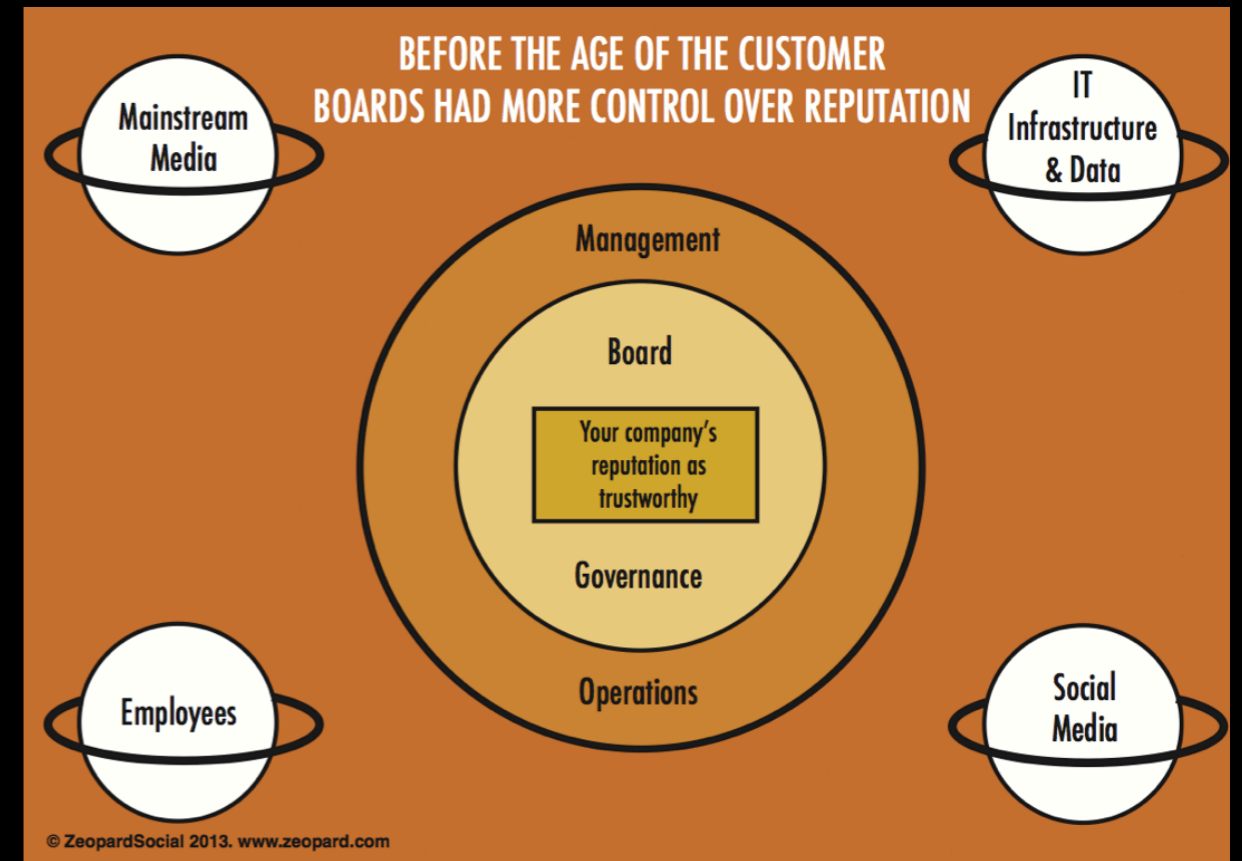
"*Now focus needs to go on demonstrating the attributes that customers, stakeholders and observers believe demonstrate that the business is trustworthy and therefore deserving of their loyalty*"

Zeopard.com

The Good News for the Board

- The good news is that getting this right spells increased profit and growth.

- The 2012 Temkin Group "ROI of CX Research Report" showed that CX is highly correlated to loyalty and loyalty means money.

- CX leaders have more than a 16% advantage over CX laggards in:

- consumer willingness to buy more, consumer reluctance to switch business away and likelihood to recommend.

BEFORE THE AGE OF THE CUSTOMER BOARDS HAD MORE CONTROL OVER REPUTATION

Mainstream Media

IT Infrastructure & Data

Management

Board

Your company's reputation as trustworthy

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Operations

Employees

Social Media

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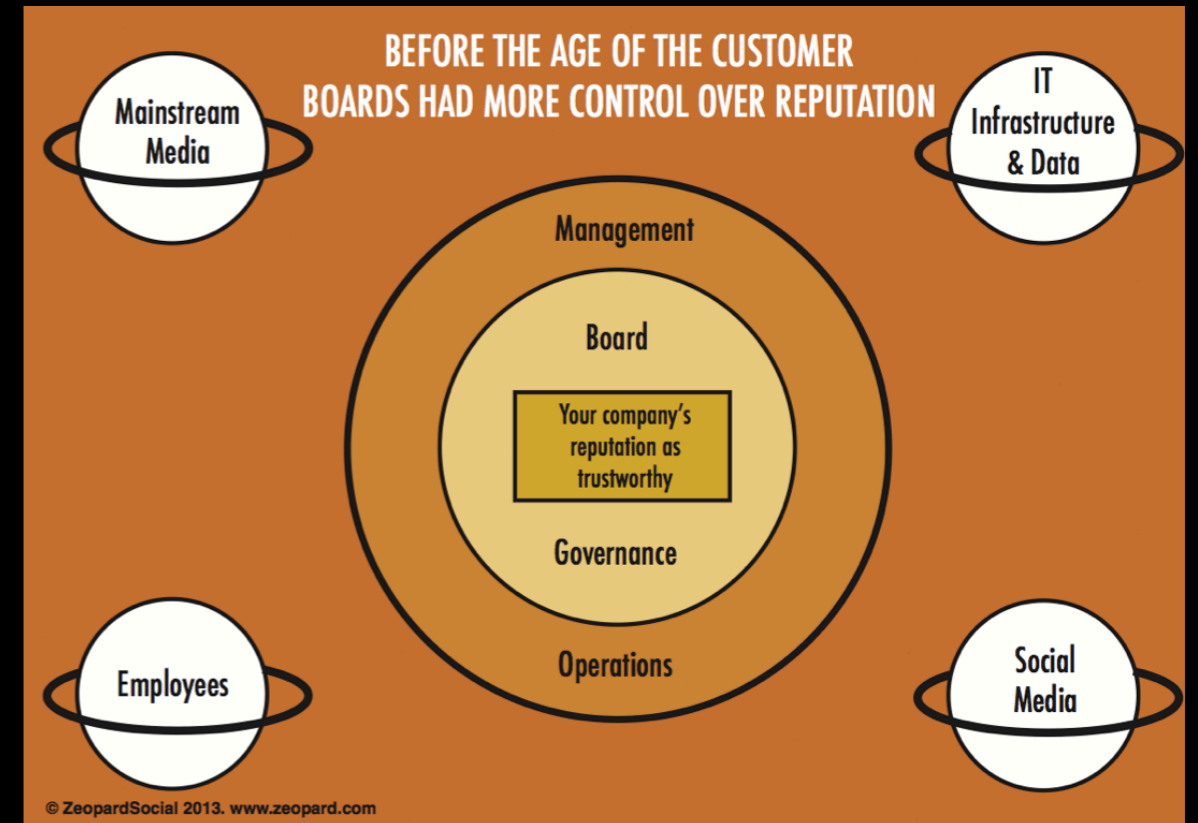
What do you need to tell your Board about CX?

HARLEY MANNING

KERRY BODINE

FORRESTER RESEARCH

OUT
SIDE
IN

THE POWER of
PUTTING CUSTOMERS
at the CENTER of
YOUR BUSINESS

Zeopard.com

Customer Experience-Requires:

Managing your business from the "Outside In".

"Bringing the perspective of your customer to every decision you make so you can see why customers' perceptions are created."

The Expert's Dilemma-Speakers, Lawyers Technical Experts-Keen to tell what we know

Zeopard.com
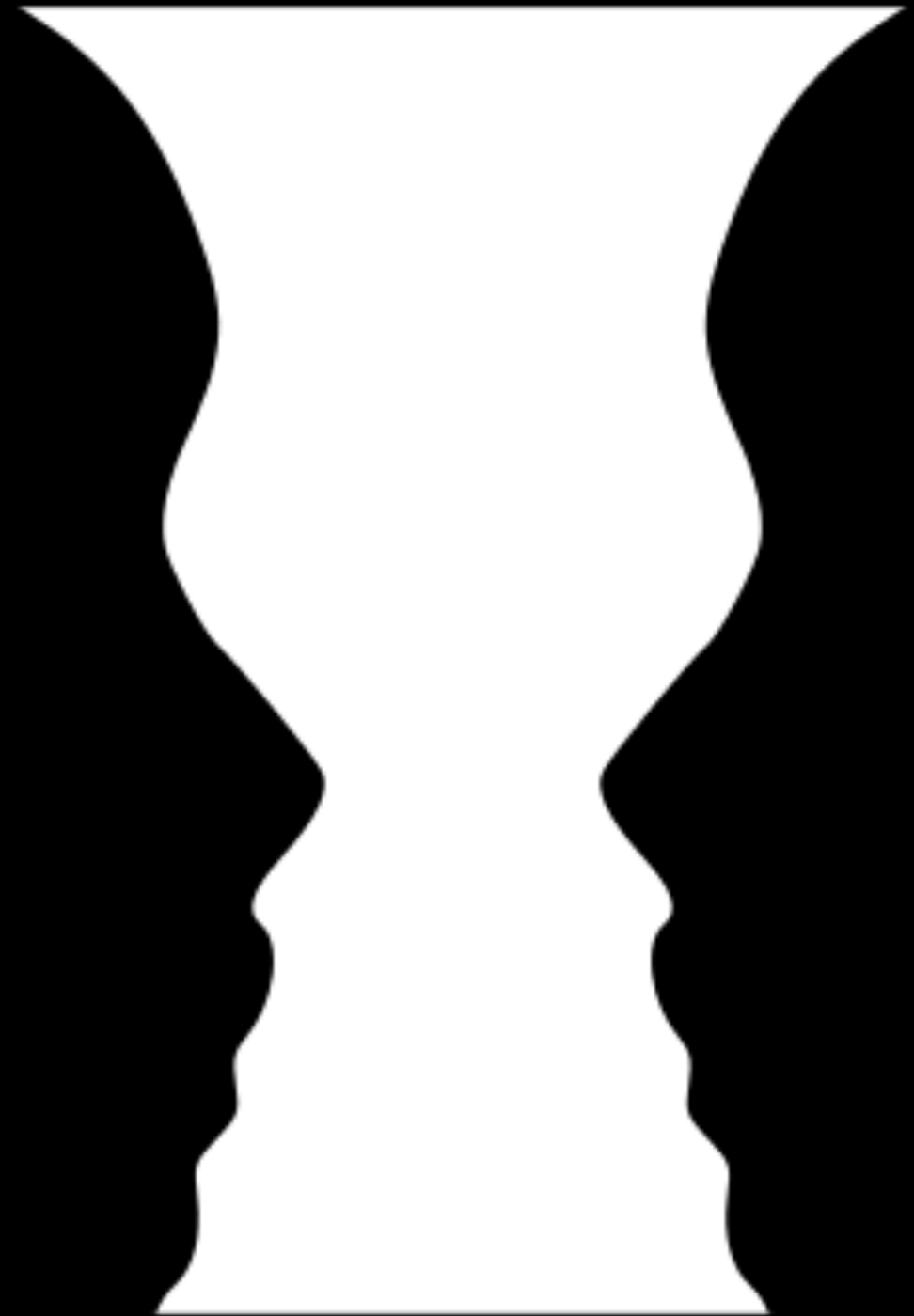
Outside In Putting your Customer at the heart of your business

What do they want?

②

How do
i give
it to
them?

③

CUSTOMER

When
&
Where
do they
want it?

④

①

Who is the customer?

Zeopard.com

A lollipop without a stick is not a lollipop but a sticky mess!
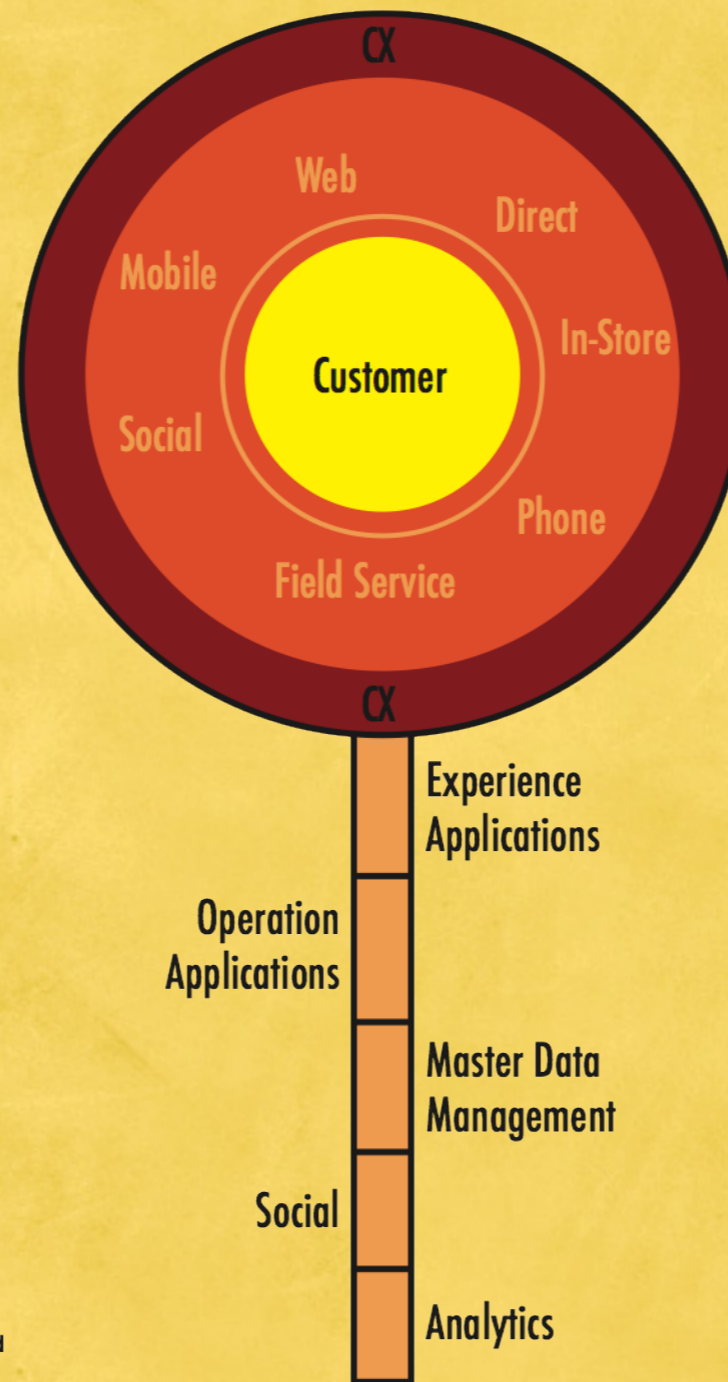
The four areas your board addresses and the bigger picture
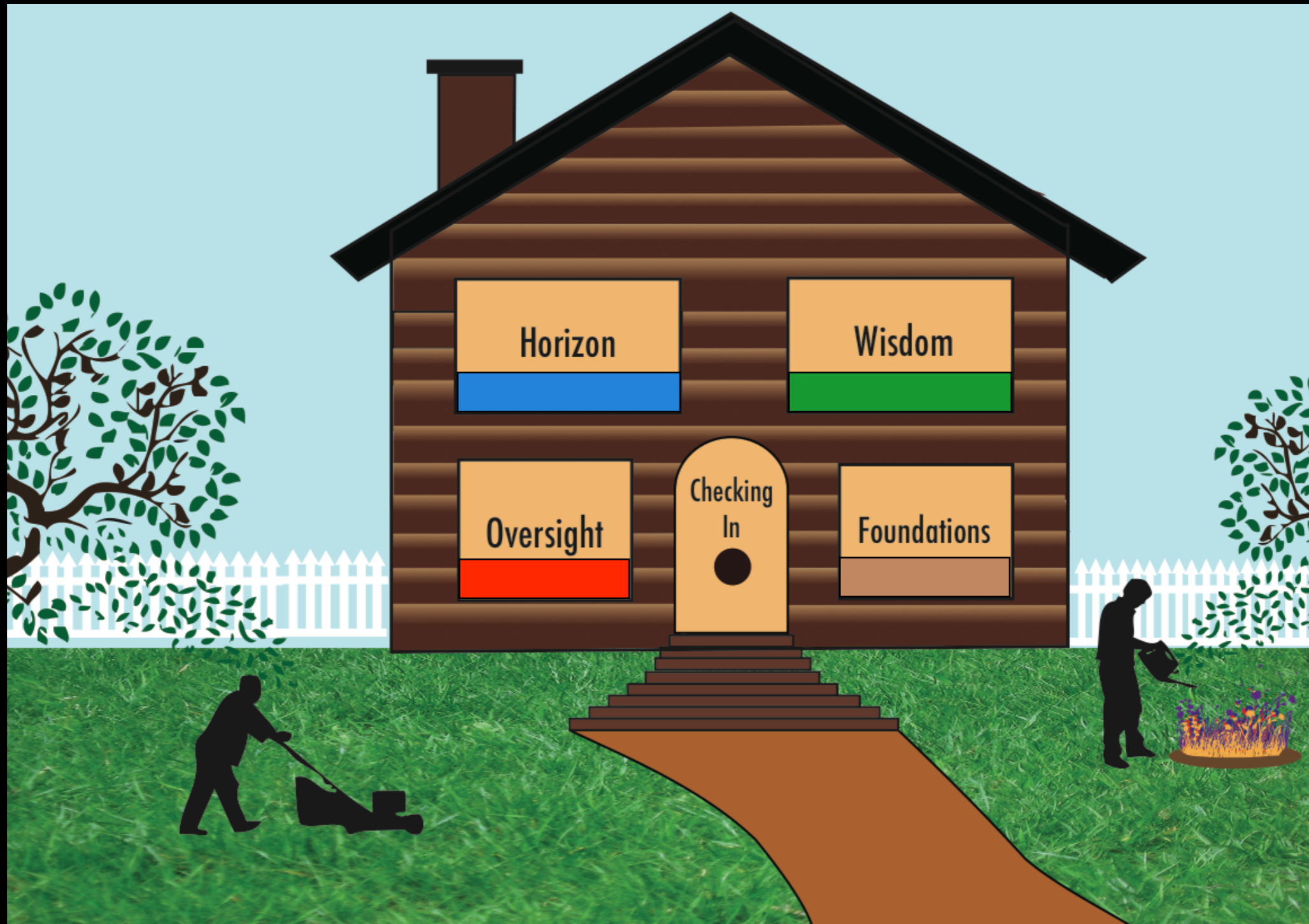
In the AGE OF THE CUSTOMER many forces have a direct bearing and influence on an organisation's reputation for trustworthiness

Churn
Employee Experience
Architecture
IT Infrastructure
Ethics
Board Governance
Reputation
Peers-Consumers
Social Media
Databases
CRM
Knowledge
Academics/Experts
Media
Management
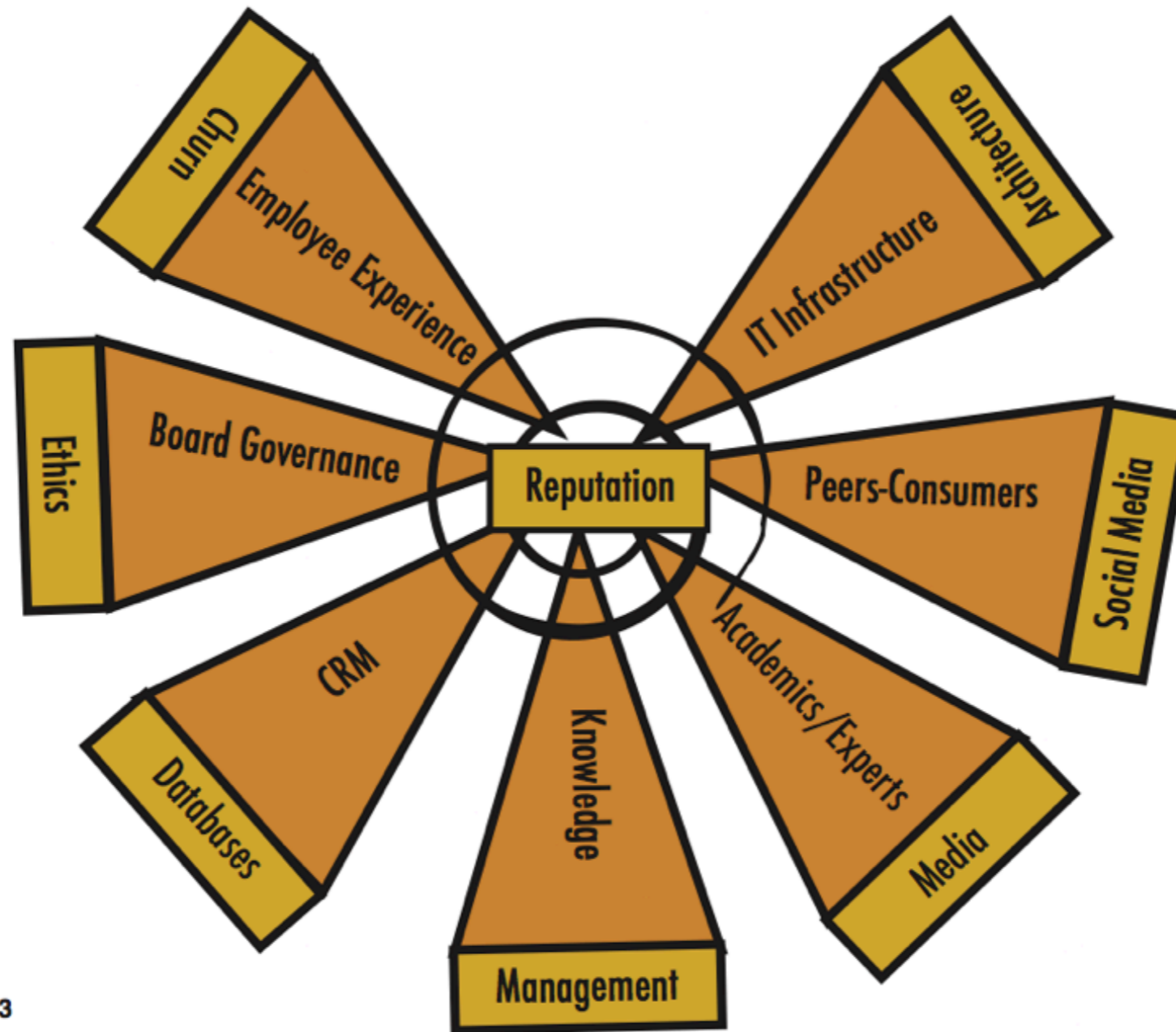
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Employee Experience
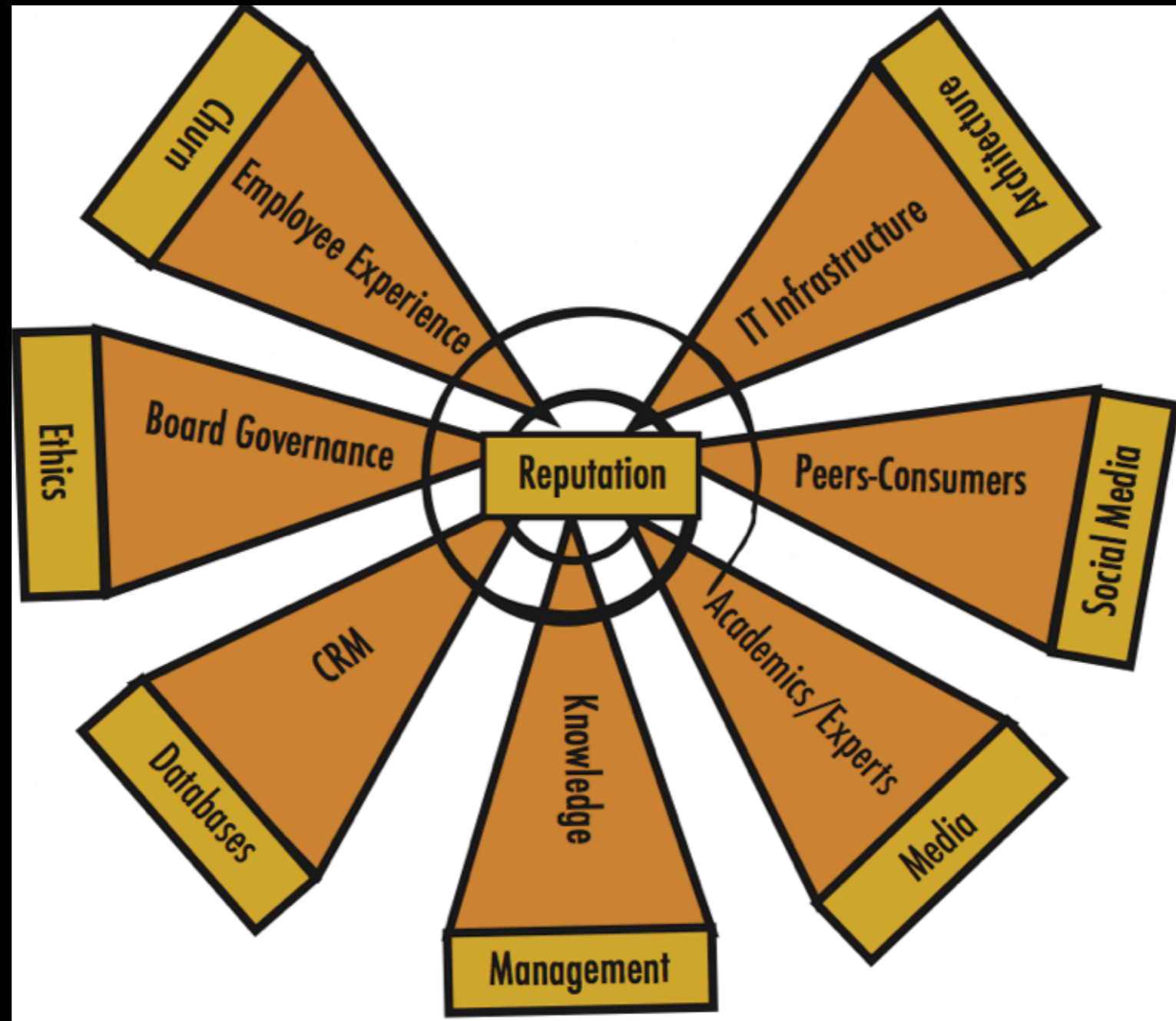
Employee Experience
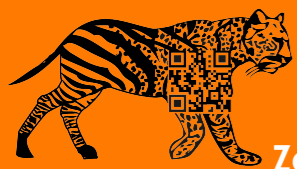
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Better Employee Experiences precede the best Customer Experiences
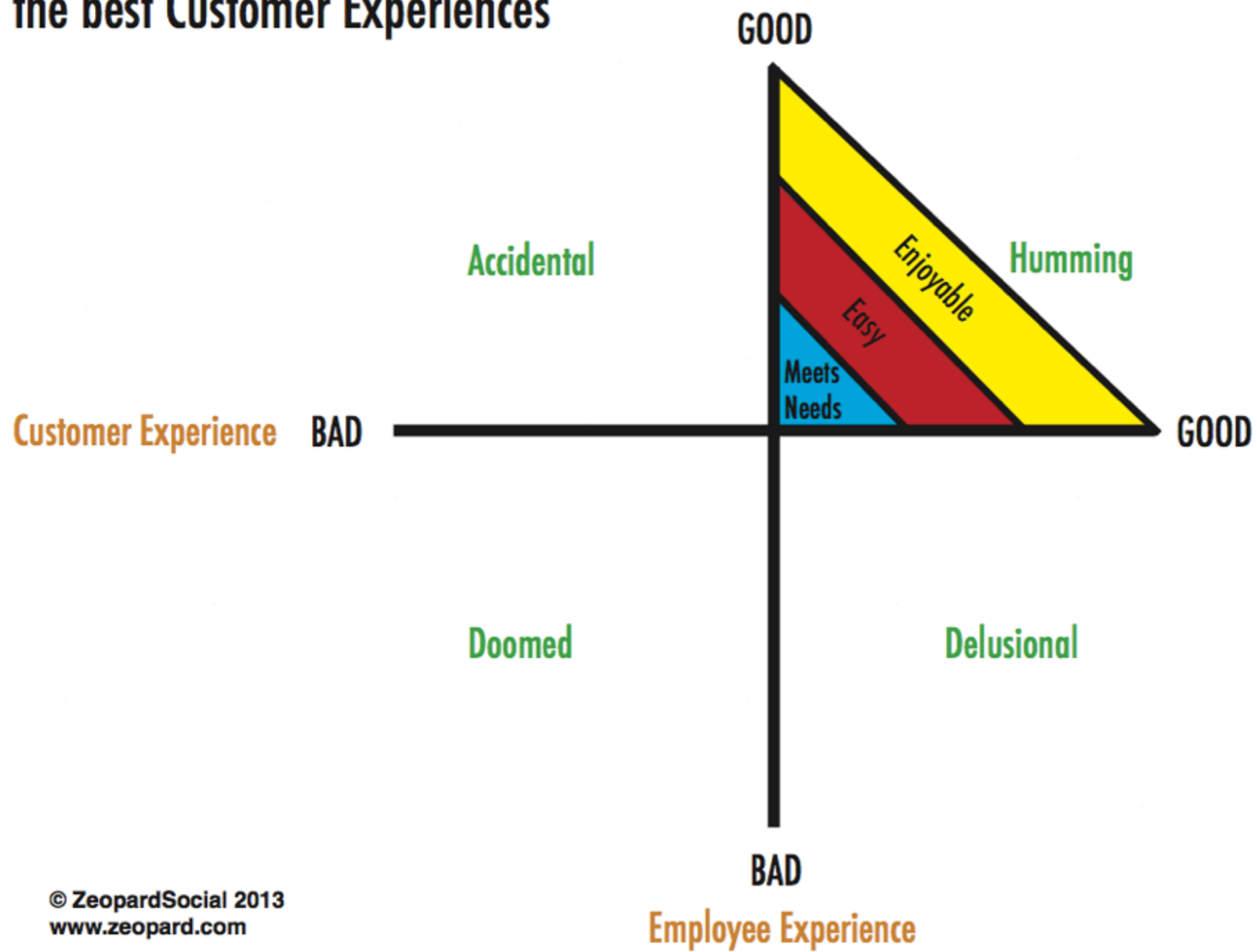
Sovereign Insurance-Winners of a 2012 Temkin CX Excellence Award-only NZ company to win

"Sovereign Assurance of New Zealand's strategy is to create customer engagement and advocacy through effortless experiences, with a program of initiatives around four key levers: customers front and center, stickier relationships, maximize touch points, and focus on value."

Knowledge Management
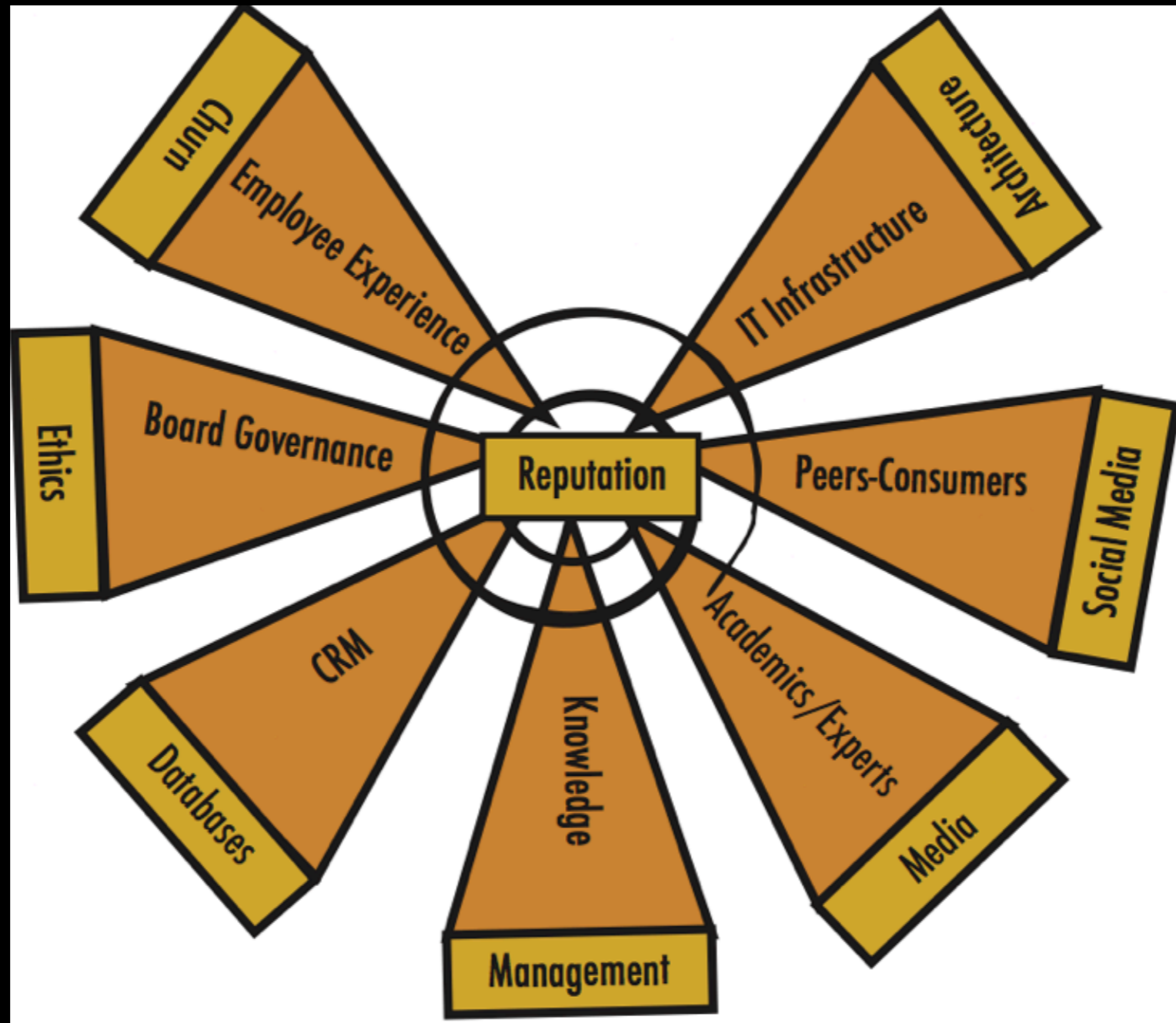
telecom nz

Zeopard.com

Social Media
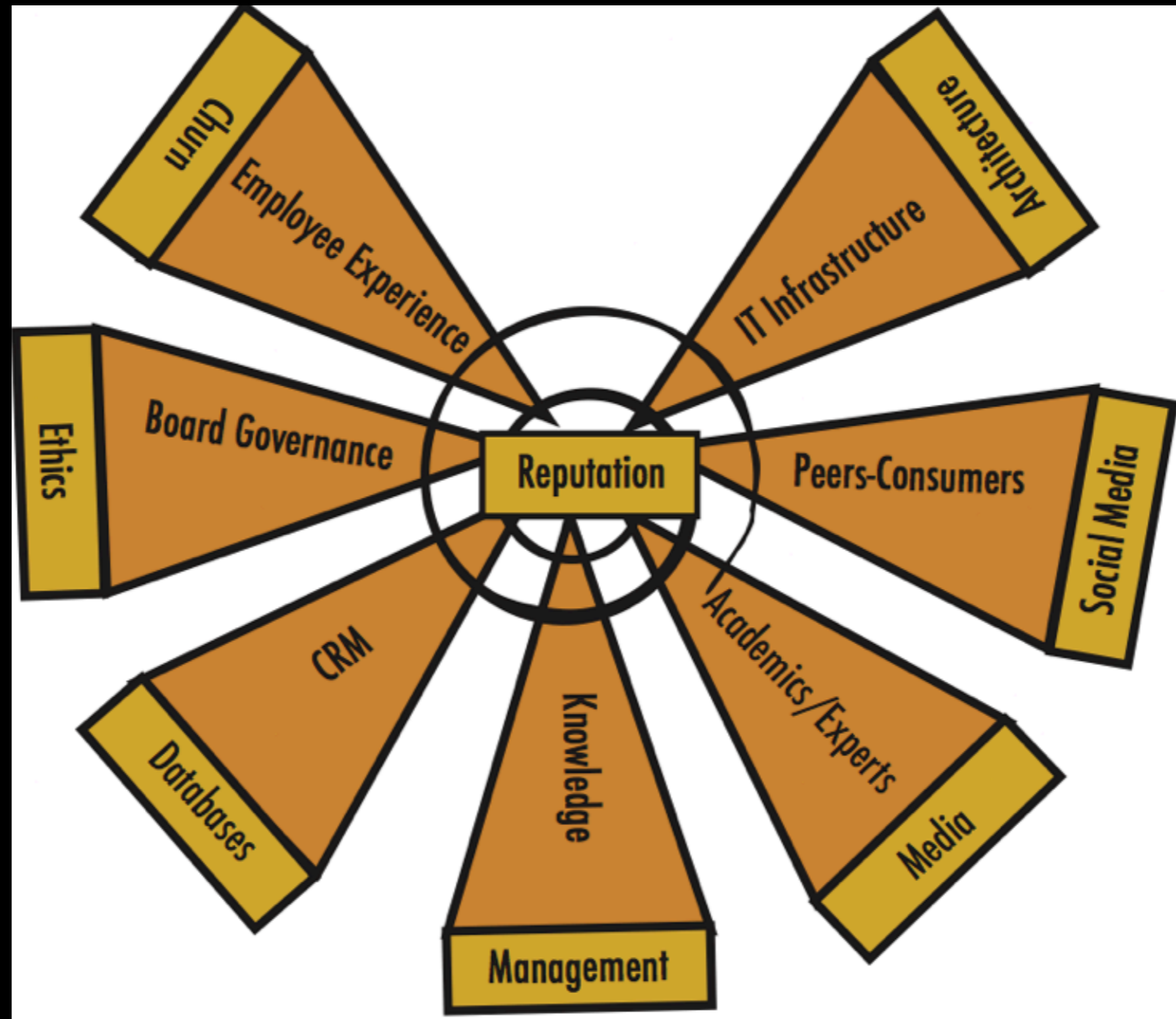
Help your Directors make sense of Social Media so they can make sense of CX

Zeopard.com

Why you should care about social media

- 86% of consumers will pay more for a better cx

- 89% began doing business with a competitor following a poor cx

- 79 % who shared complaints about poor cx online had their complaints ignored.

- #1 Platform supporting Customer Experience

Source: Harris Interactive 2011 Survey for RightNow(pre Oracle acquisition)

Zeopard.com
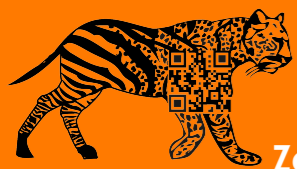
Social Media: Making sense of platforms using the humble Kiwi Pie

I am eating a #Pie	**twitter**
I **like** being pies	**facebook**
This is where i get my favourite pie flavour.	**foursquare**
This is a photo of me eating my pie.	**Instagram**
Here i am talking about a new pie range I love.	**You Tube**
Here is where i used to work, making pies.	**Linked in**
Here's a collage of pies.	**Pinterest**
Now listening to the American Pie soundtrack.	**last.fm**
I've joined a circle of other people that love pies.	**g+**
There's a conspiracy around a new pie.	**reddit**
I'm writing about new places to buy pies.	**WORDPRESS**
I'm reblogging pies.	**tumblr.**

Community

Connect
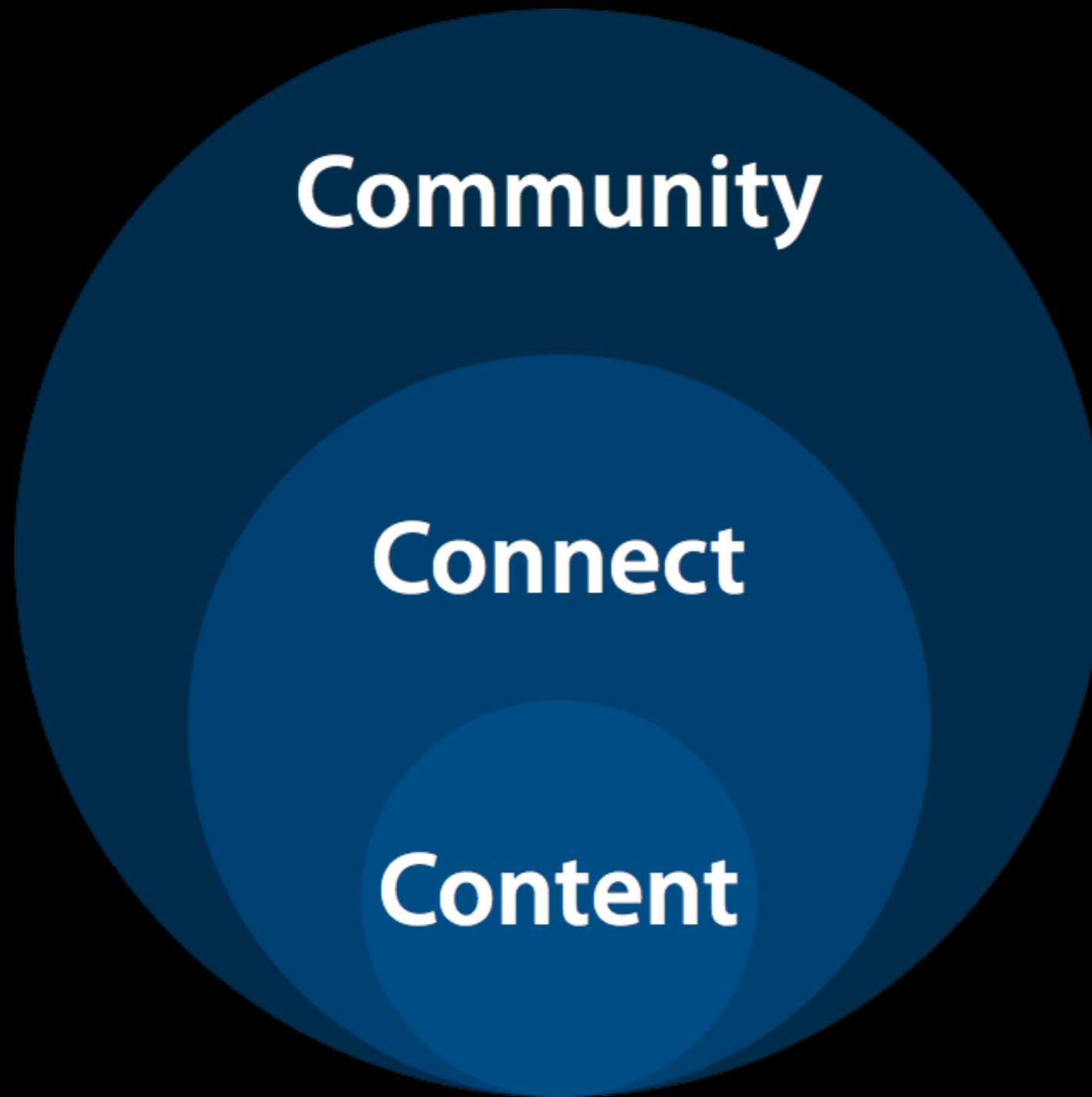
Content

Need Content, Monitoring and Metrics

Zeopard.com

George Rakkas and Rising Storm

Pick a selection from the menu there is one to suit every occasion!

The 6 Disciplines of CX from Forrester Research and explained in book "Outside In"

1. Strategy

• Customer Understanding

• Design

• Measurement

• Governance

• Culture

3 Key Elements for creating great CX

•Connect & Engage

•Know More

•Make it easy & rewarding

Source:Customer Experience White Paper Oracle July 2012

Zeopard.com

3 Stages in Evolution of CX

- Acquisition - increase sales & adoption

- Retention - build trust & strengthen relationships

- Efficiency - reduce costs & effort

Zeopard.com
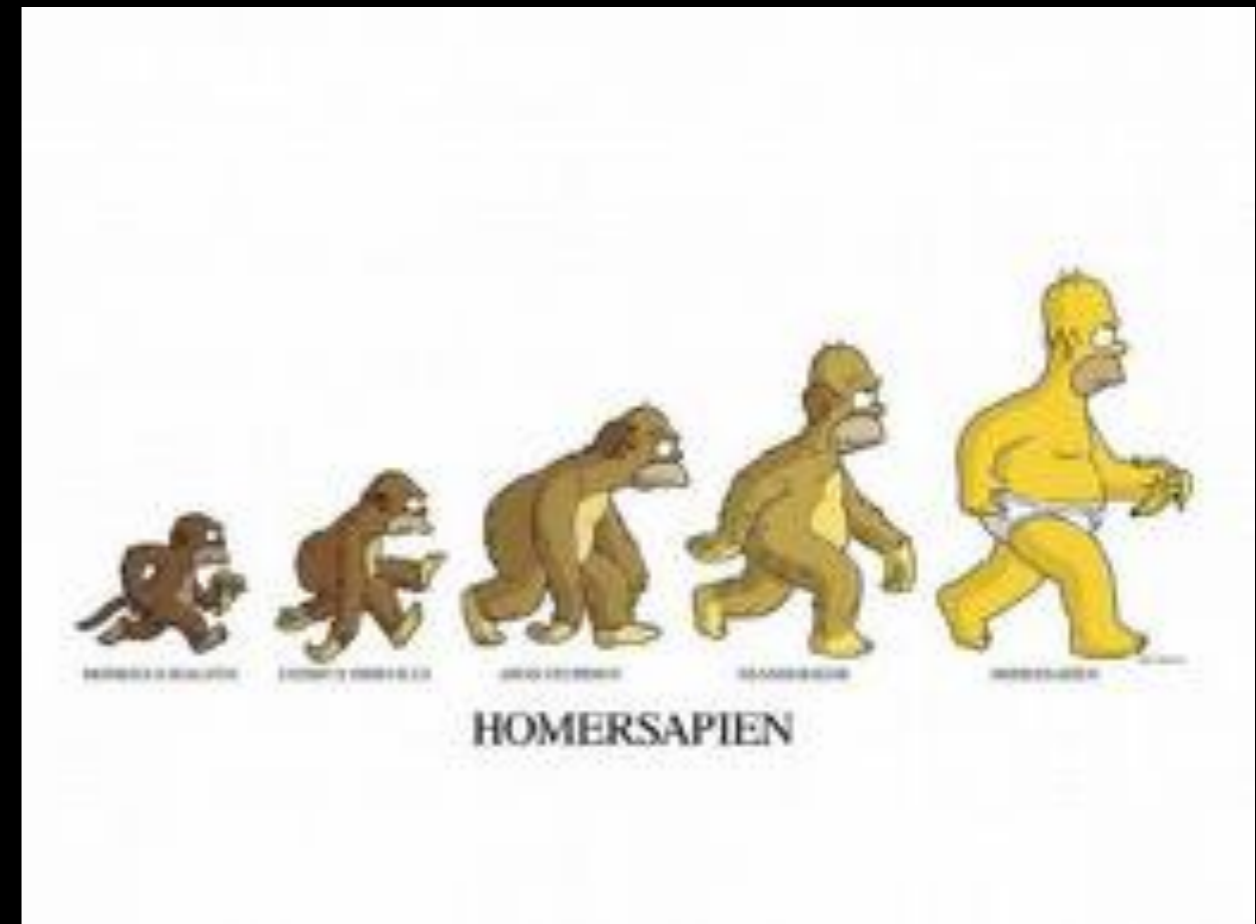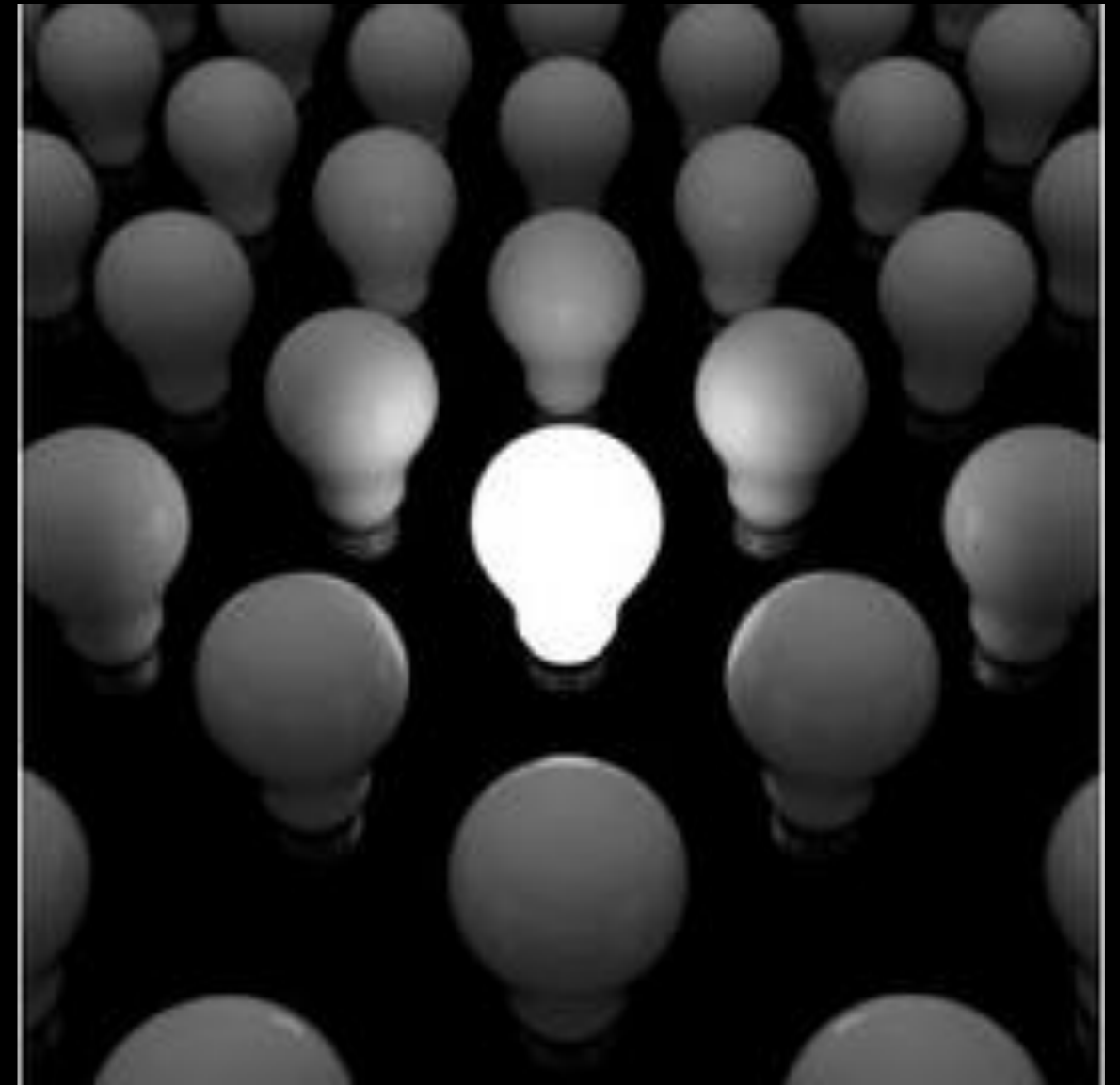
6 CX Practices need to excel in

- Strategy Practices

1. Customer Practices

- Design Practices

- Measurement Practices

- Governance Practices

- Culture Practices

Source: Forrester Research

Zeopard.com

5 keys to delivering a compelling customer experience

- Focus on the contact centre - optimize resources for dealing with critical enquiries

- Focus on speed and simplicity with an emphasis on in contract resolution

- Monitor and respond to social media complaints and provide effective resolution.

- Integrate different customer touch paths to deliver a consistent customer experience

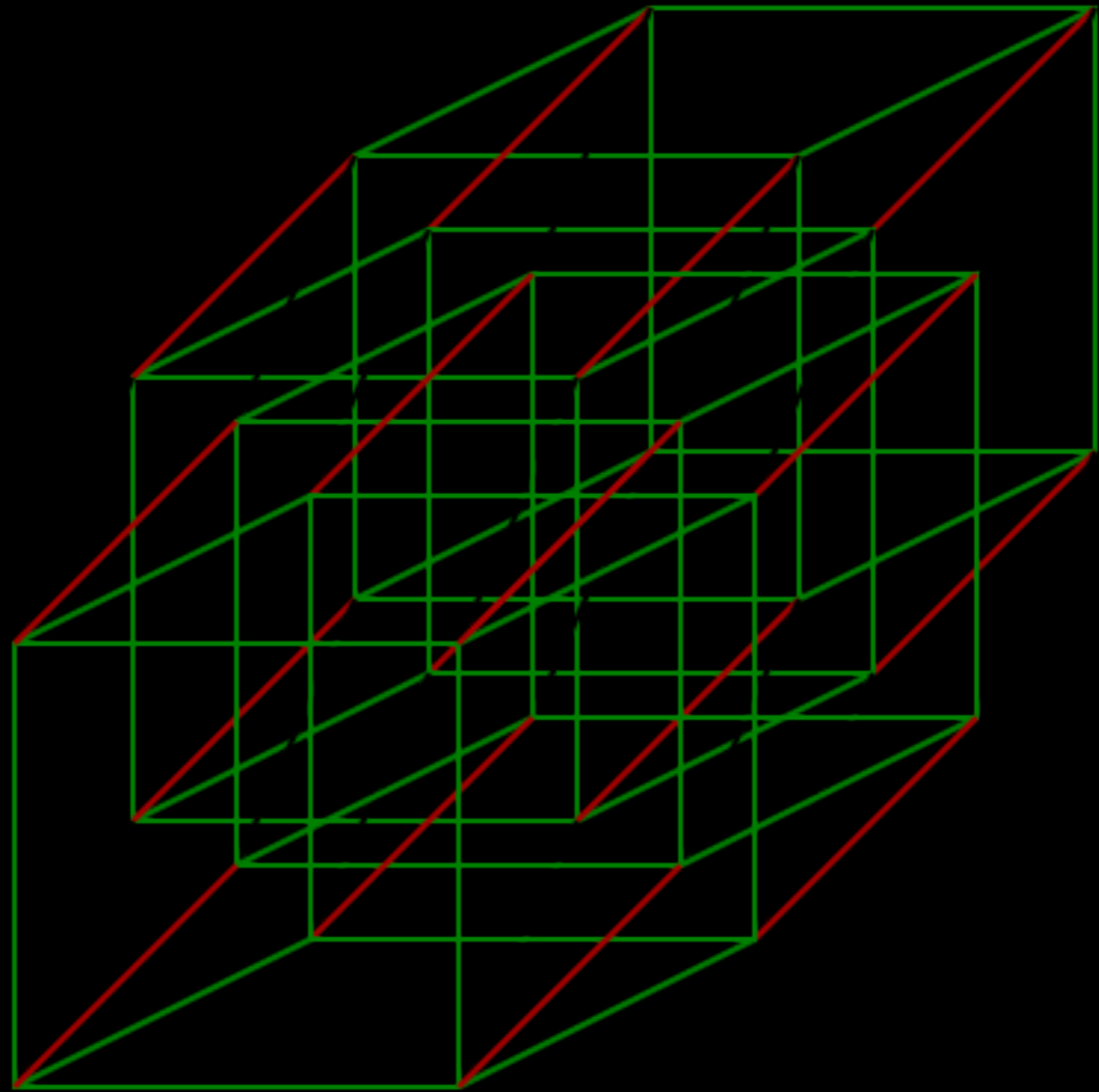- Justify loyalty through excellence - innovate audience interactions

Source:Customer Experience White Paper Oracle July 2012

Zeopard.com

3 Dimensions of CX

- Functional

- Accessible

- Emotional

From 2013 Temkin CX insights report

Zeopard.com

5 qualities of great CX

- Consistent voice

1. Connected interations

- Personalized journey

- Efficient service

- Rewarding relationships

Zeopard.com

6 laws of CX

1. Every interaction creates a personal reaction.

- People are instinctively self centred

- Customer familiarity breeds allignment

- Disengaged employees do not create engaged customers

- Employees do what is measured incentivised & celebrated

- You can't fake it

Source:Temkin Group:Six Laws of Customer Experience

Zeopard.com

Power lessons for CX Leaders

- CX is political

1. CX is cultural

- To thine own CX be true

- Many business problems are really CX problems

- The right data is better than more data

- Build CX into your brand

- Become a CX expert.

Source: Oracle White Paper Feb 2012

Zeopard.com

Path to Excellence

- Purposeful leadership

- Employee engagement

- Compelling brand values

- Customer Connectedness

Source: Temkin Research

Zeopard.com

Putting all of this together

With a little help from our friends at Oracle

- Seth Godin
- CX resources-white Papers, blogs, videos, models
- CX Products
- Oracle sharing its own journey from Inside Out to Outside In

Zeopard.com

Customer Journey Mapping
The new alternative to the tired old Strategy day!

While thinking about CX do not ignore:

1. Mobile-increasing prominence

2. IT Stuff

- Privacy

- Legal-Brand Alignment

- Your People

6. Trust Drivers and Deciders

- Creativity and innovation

- Generational issues
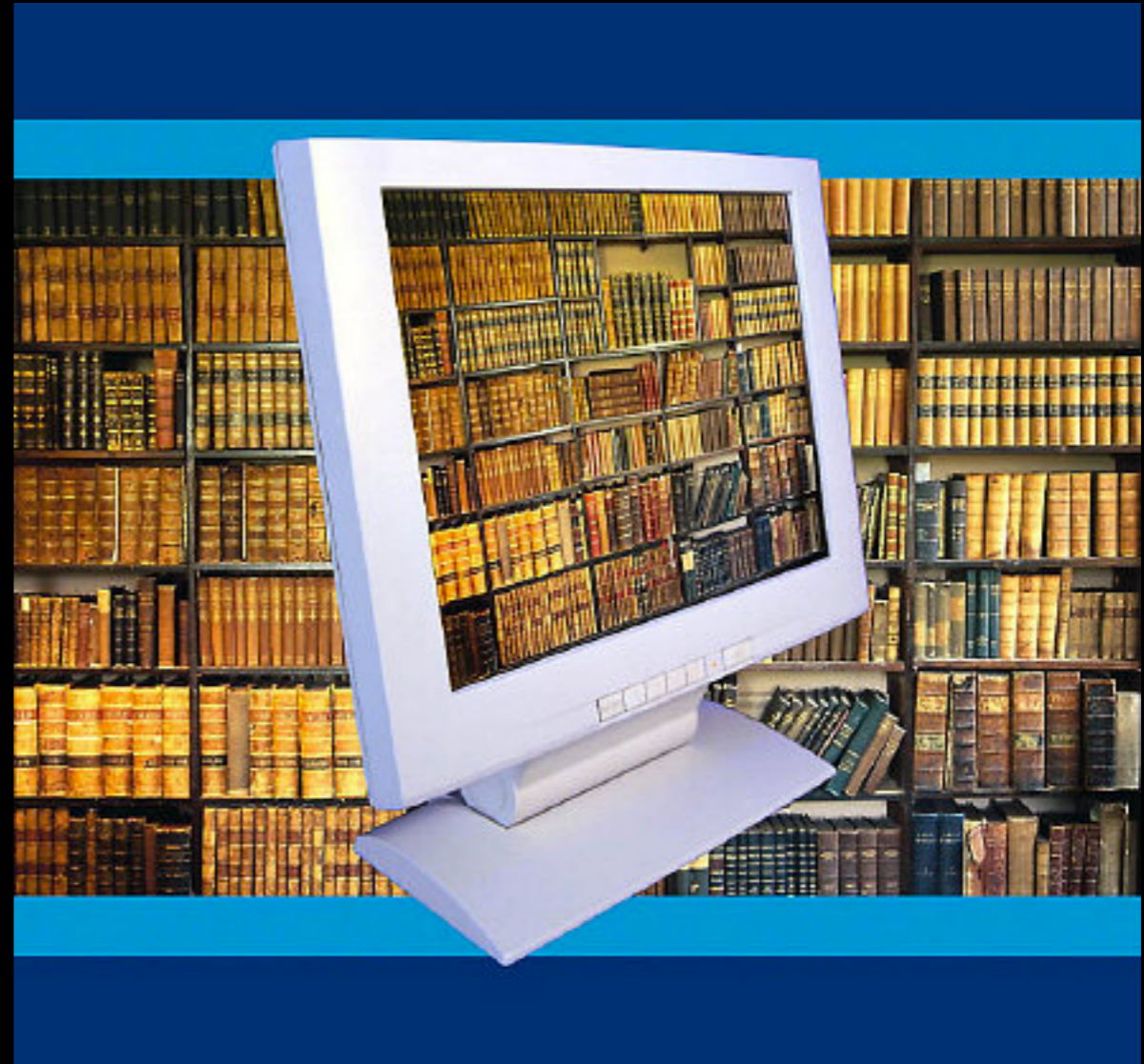
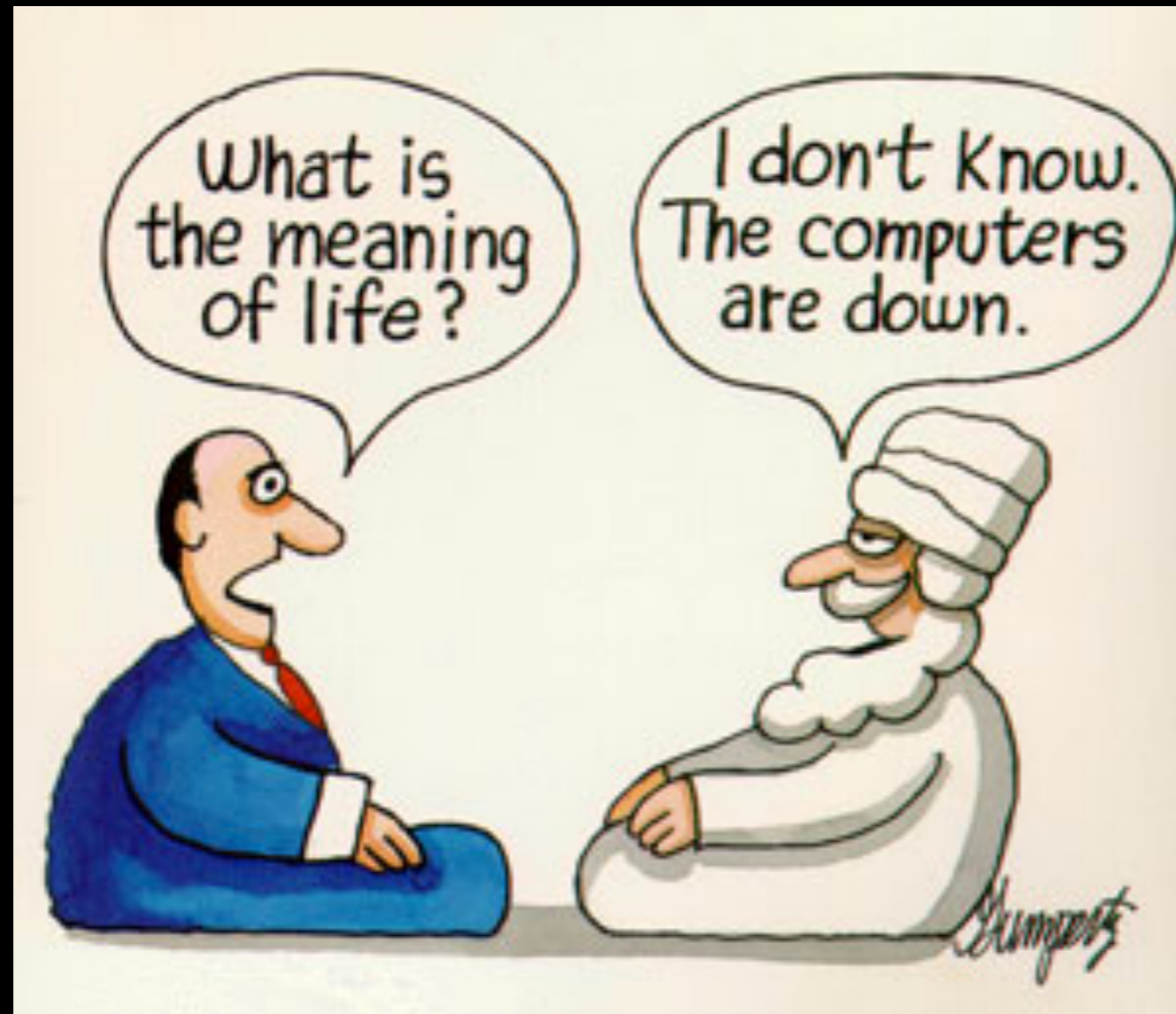- Context Context Context

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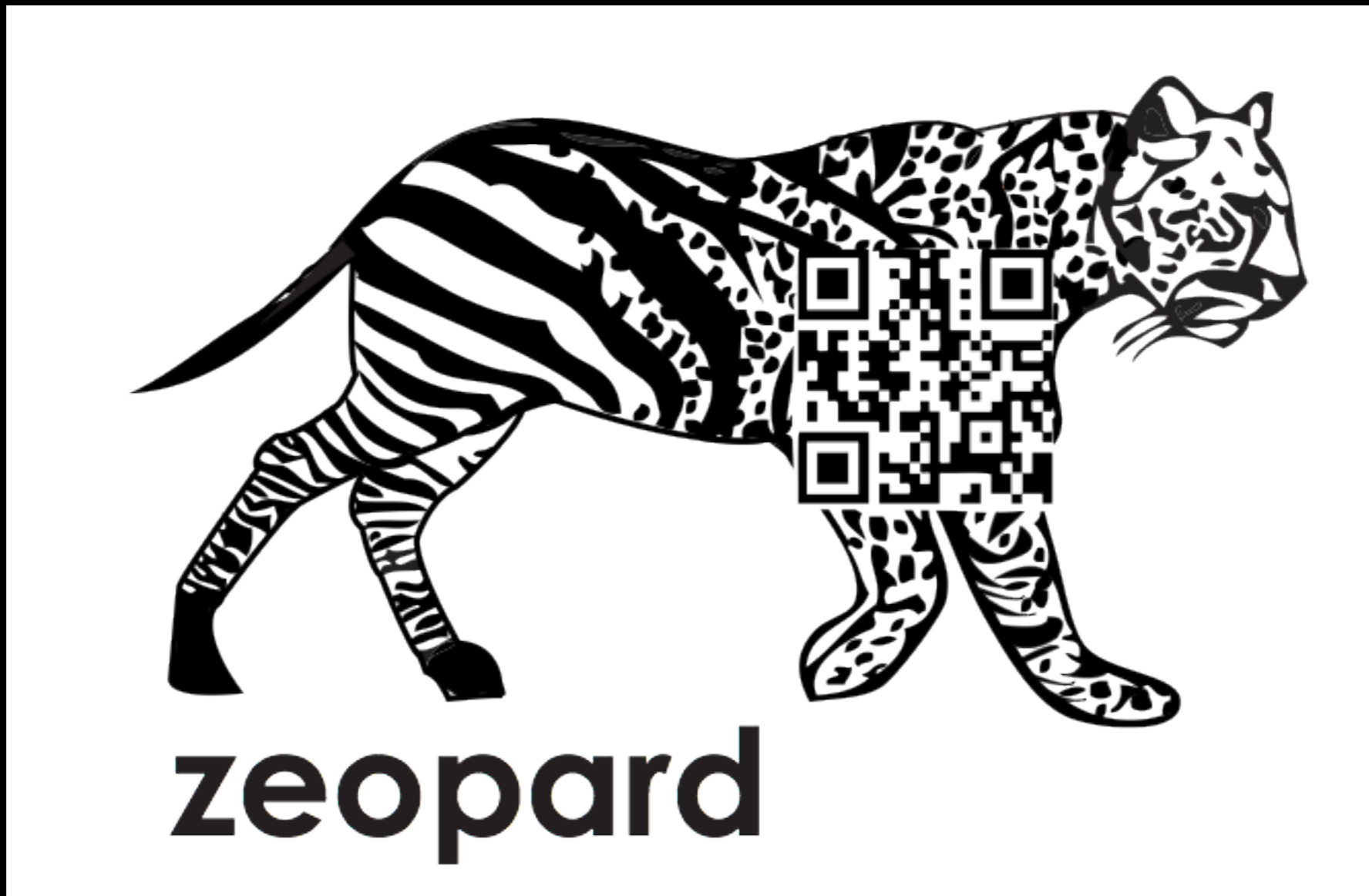
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Temkin

CX Matters

Beyond Philosophy

What does all this mean for all of us?

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