

An Effective CEM Design

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MORE DATA VERSUS BETTER DECISION-MAKING

It is very hard to imagine a business today that does not have some form of a customer satisfaction program. Rarely do we go through a purchase today, from a cable service to ordering pizza, from a visit to the auto dealer to any commercial Website, without being bombarded by a two question pop-up survey or a two minute survey. This is all part of the technology revolution in CEM and big data that preaches to us that more customer data means better decision-making by management. Does this mean that businesses have embraced a fundamental shift from product orientation to customer orientation which should impact their customer relationships? Are they all enjoying higher levels of customer loyalty and business growth today than a decade ago? The evidence is sparse, and we seem to be where we were, with just more customer data. A plausible hypothesis is that there are good CEM programs that can help businesses build customer relationships in a meaningful manner, and there are others that produce a lot of data to micro manage specific operations that may or may not have any impact on long-term customer relationships. So, it begs the following question: What makes a CEM program truly effective in driving loyalty and business growth?

A CUSTOMER'S VIEW OF LOYALTY VERSUS A BUSINESS'S VIEW OF LOYALTY

In a recent conversation with my banker about their wealth management program, I asked a question on why they focus all of the feedback they receive on the performance of the account executive? Do they really believe that my relationship with the bank and my loyalty to the program can be explained by the rating I give to the account executive? He paused for a moment and said, "NO - but that is the only contact experience we can

control so we focus on it." This little exchange gets to the heart of the issue in CEM design. As paradoxical as this conversation appears, this is not an uncommon situation. Many businesses seek to build long term relationships with customers based on customer life cycle values. By the same token, customers *look back* to their journey with the brand and decide whether the brand earned their long-term relationship and loyalty. This look back is an evaluation of their journey on high impact experiences, and should be part of any CEM program and can be structured as a relationship survey.

BUILDING BLOCKS OF AN EFFECTIVE CEM PROGRAM

There are three key building blocks in any effective CEM program. This comprehensive approach helps tell the complete story of customer behavior to the strategic leadership team of a brand or business. It helps them understand their customer/client behavior to develop a customer centric growth strategy.

1. Customer Journey: It is critical to understand the customer look back with the brand or business to learn about their propensity to be loyal to the brand. A relationship feedback survey to evaluate past high impact

experiences could serve this purpose. In the case of a wealth management program, look back feedback could include financial performance in up and down markets, expertise in guidance and explanations, stability of wealth management team, etc.

2. A customer journey consists of different events where customers experience new purchases, onboarding, consider the brand promises versus execution and problem handling and resolution. Customers expect different, but consistent, brand strengths in these events. It is critical that these experiences be measured in detail by customized feedback modules.
3. Finally the CEM design should measure service transactions customers experience on an ongoing basis. This feedback is critical for operations management.

It is the combination of these programs that effectively navigates the customer to loyalty, and that drives specifically, the desired business growth.

For additional information on Market Probe's new CEM design and proprietary Advocacy metric, visit us on the Web at www.marketprobe.com.

