

MARKETING

Customer experience needs renovation, not decoration

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Marketers need to remodel their customer service. Image credit: Moncler

By SARAH JONES

NEW YORK As marketers look to overhaul their customer experience, many are just skimming the surface with superficial makeovers, according to a Forrester analyst.

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In a keynote address at Forrester's CX NYC forum on June 19, the researcher compared the difference between what brands are currently doing and what they need to be doing to decorating rather than renovating a house that needs structural work. More thorough overhauls that break the mold and put the customer at the center of all decisions have proven effective for brands.

"Without meaning to be, we've behaved too much like we're decorating," said Maxie Schmidt, principal analyst at [Forrester](#).

Extreme makeover

According to Ms. Schmidt, brands' customer experience plans are still largely disconnected from the overarching company strategy. And when brands try to reorganize, they are often left with setups that create different silos.

When marketers attempt to tackle the customer experience, she says it often ends up coming out as a campaign. This is akin to a designed brochure for the hypothetical house that needs work.

She compared digital innovation to an air fryer, an appliance that seems cool but serves the same purpose as the existing oven. Ecommerce and personalization efforts, meanwhile, are similar to a welcome sign.

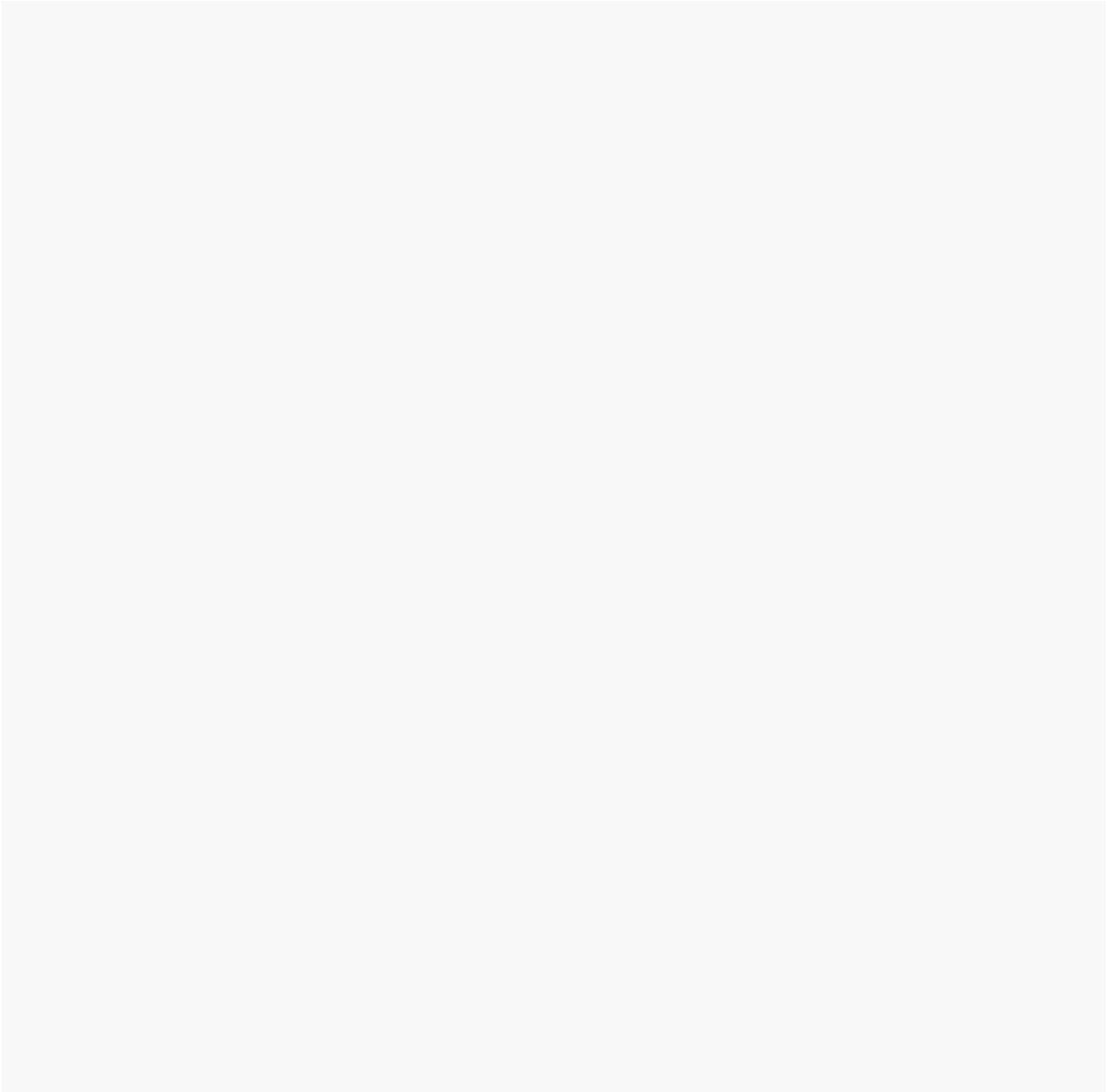
But after all of these surface level facelifts, customers are still left outside rather than being inside the house.

Companies need to center their experiences to focus on creating value for customers. This could mean monetary value, or it could be an emotional or functional benefit.

One of the brands successfully bringing consumers to the heart of its customer experience strategy is T-mobile. The wireless carrier's CEO set out to change how his company did business.

Taking customer insights gleaned from customer service calls, the mobile firm turned itself into the "uncarrier." T-

mobile gives its employees and customers access to its C suite, and it changed how customer service queries are handled, assigning consumers to a specific call center so they always deal with the same assigned group of representatives.



This one is for YOU. #GetThanked Download the T-Mobile Tuesdays app to get free stuff EVERY week -- just for being a loyal customer. No strings attached. Ltd. time. Qual'g plan req'd.

A post shared by tmobile (@tmobile) on Jun 6, 2016 at 1:48pm PDT

Part of T-mobile's strategy involves thanking its customers. Instagram post from T-mobile

This approach appears to be working for the carrier, as its revenue grew 67 percent from 2012 to 2017. During the same timeframe, it has also grown its client base.

Another example of a customer-centric experience remodel is Australia Post. The company created a customer experience team that works across channels, making decisions based on the value created for consumers.

Similarly, home energy supplier E.on realized that its customers valued sustainability, and incorporated tools into its customer experience measurements to gauge its performance based on metrics including its eco-friendliness.

Innovation and renovation

Retailers and brands are hungry for new technology that can help engage customers on their terms, and Neiman Marcus' Innovation Lab serves as an example of how to do so effectively.

At Luxury Interactive 2017, the head of Neiman Marcus' Innovation Lab walked the audience through the origin of the group and some of the ways it has experimented with different aspects of the customer experience to positive results. A key theme of the talk was that technology can serve as the perfect bridge between the digital and the physical worlds.

Amid all these developments, the executive stressed that technology is not the end goal in itself. Rather, it is only a tool for reaching the real goal: creating a retail experience that is engaging and enjoyable for consumers ([see story](#)).

While there are many ways that brands can drive innovation, the common theme among them all is that they are focused on improving customer experience.

In a new report on how innovation is driven in the fashion and beauty worlds, iVentures singles out product innovation, business model innovation and operational innovation as key to improving customer experience. This presents a helpful guidepost for luxury brands as they develop their business models to deal with the changing tides of retail ([see story](#)).

For brands that might think that they cannot get enough people on board to make a significant change, Forrester's Ms. Schmidt quoted a University of Pennsylvania study that found that the tipping point for altering opinion is lower than expected.

"If you want to change the majority opinion you only need 25 of stakeholders on board," Ms. Schmidt said. "This is a tipping point for a change of the magnitude that we're trying to accomplish."

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