

The CMO's Guide to Customer Experience

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Experience Is the Sum of Every Customer Engagement

Successful brands, including those that are thriving in today's challenging environment, put customer insights at the heart of what they do. These companies—and especially their CMOs—know that a vast majority of people (84%, according to Salesforce research) believe the experience a company provides is as important as its product.

It's pretty simple: Brand value is more about how you make people feel than anything else.

The goal is to create an emotional bond between your brand and your consumers. And that comes from how you connect with your customers, as well as how you connect with your real-time customer data to sense and understand everything impacting them. As Deloitte Digital notes in its recent "Creating a Human Connection at Enterprise Scale" report: "Rational considerations may connect customers with brands, but emotions are what bond them in a sense of relationship."

Today's customer experience is made up of every interaction a consumer has with your brand, no matter how large or small. It's the attitude and helpfulness of a call-center agent, the tone a store associate takes, the ease people have navigating your website, the way someone feels opening your package, the tone of your instruction manual, and your ability to respond to someone's complaints.

All of these moments are critical to brand perception and value. They must be understood, measured and optimized just like every other touchpoint in your company's marketing efforts.

The opportunity then becomes: How do you capitalize on these always-on, real-time insights and ensure that each interaction reinforces the brand value, brand promise, and experience you've worked so hard to create?

Answering this question has never been more important, as today's realities are changing how people behave. Salesforce research found that 44% of respondents had decreased their discretionary spending since the pandemic began.

CMOs must become the owners of customer experience within their companies. They have a unique opportunity to activate the entire organization around the customer because they are in the best position to understand how that impacts brand equity and revenue. By integrating experience data into messaging, innovation, communications strategy and product development, CMOs and their teams can seize the moment and make sure their brand makes the cut for consumers.

With more rich insights available than ever before, this opportunity to make a positive impact on the customer experience is unprecedented. So, how can you embrace it? There are three crucial steps CMOs need to take to get it right. Let's dive in.


Tune In to Your Customers to Capture Sentiment

Much space has been dedicated in the marketing press to the importance of having a single view of the customer. But what all of these conversations miss is that the traditional 360-degree view is actually incomplete.

What's missing? Information on how your brand relates to your customers.

That will come from customer experience data. This is data collected from non-traditional sources like call-center logs, direct feedback via surveys or conversations with employees, and observed behavior like visit patterns and wish lists. More on the specifics of the data sources later.





This data is important and can be a powerful addition to the data found in your CRM, because it taps into what is in consumers' hearts and minds. Unlocking experience data allows you to tap into how consumers are feeling, which is your key to relating to your customers and creating long-lasting loyalty.

CMO To-Dos

Expand your internal definition of customer data to include experience data. Think about it like the digital-age version of focus groups. But way better. And way more honest and insightful.

The first type of experience data to pay attention to is direct feedback from your customers. Customers will tell you so much about themselves without you even having to ask, but it's up to you to capture that information so that it can be used to improve their experiences down the line.

For example, a banking customer might mention to a call-center agent that they want to buy a house within the next 12 months. That's actionable experience data that can be used to enrich your view of the customer and tailor marketing messages around things like pre-approving a mortgage.

And consumers want you to use their data to make their experience better. Deloitte Digital's "Creating Human Connection at Enterprise Scale" research found that 49% of survey respondents said they are okay with brands using personal information to send personalized offers and discounts, and 35% want brands to proactively reach out and solve issues when a negative experience is registered.

The second often overlooked source of data is indirect feedback from chat logs, social media and call-center transcripts. All of these are valuable sources and should be mined for insights.

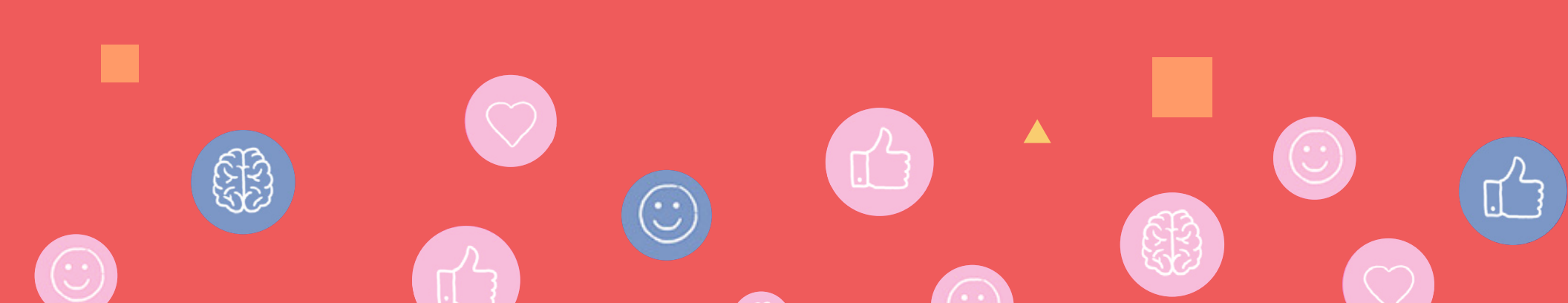
A third comes from your employees—especially those on the frontlines who

interact with customers. Find innovative ideas faster by crowdsourcing with these workers and then integrating these insights into future experiences.

CMO Opportunity

Per the Deloitte study, 39% of people switch brands after a bad experience. Unlocking experience data can be key to making experiences positive for customers.

A view of the customer that incorporates the unique experience each person is having allows for more nuanced, personal relationships. You can engage on the individual consumer's terms. You'll also be able to understand more deeply where they are on their journeys and then optimize the experience with that context and perspective in mind. And marketing teams can become more effective, with the ability to create personalized campaigns that strengthen your customer relationships.



Activate Experience Data

It's one thing to have access to experience data. Now it is time to put it to use. Your ability to elevate the customer experience is based on how well your organization can collect, connect and understand customer information in ways that feel personal and natural across every single touchpoint.

As the CMO, start with the areas that you control: communication, messaging and personalization. The emotional insights you now have on your customers will change how you approach each of these areas.

The rational benefits you've been promoting—such as price competitiveness or product quality—remain important. But connecting those to the experiences your customers have with you gives you permission to build a bond based on emotional factors, such as trust and loyalty. You'll gain a clearer understanding of each individual's human needs and deliver your personalized message on each customer's terms. That's what helps your brand elevate the human experience of customers.

CMO To-Dos

Now that you have a more complete view of the customer, their likes and dislikes, why they buy or leave, you need to work toward activating those insights.





The first thing to know—no two customers are the same when it comes to how often, when and where they like to engage. This is part of the reason the emotional insights from experience data are so important. They can clue you in to the nuances of how individuals like to connect with their favorite brands.

Traditionally, brands have dealt with varying customer preferences by clustering groups of people into broad segments based on demographic or transactional data. But that approach is outdated in a world where customers expect brands to act in response to all the little hints they drop across touchpoints.

For example, one in four of respondents to Deloitte Digital's research on emotion said they'd be unlikely to purchase from their favorite brand again after receiving daily communications. But that also means that three-quarters are neutral or positive about daily communication. Your message cadence, therefore, needs to account to each user's unique preferences.

To create an organization that is agile enough to respond to these nuances, the CMO must push to reorient around nurturing unique relationships that lean into the experience and contextual data the customer provides. You must use the emotional signals you are picking up to adjust marketing and communications on an individual level.

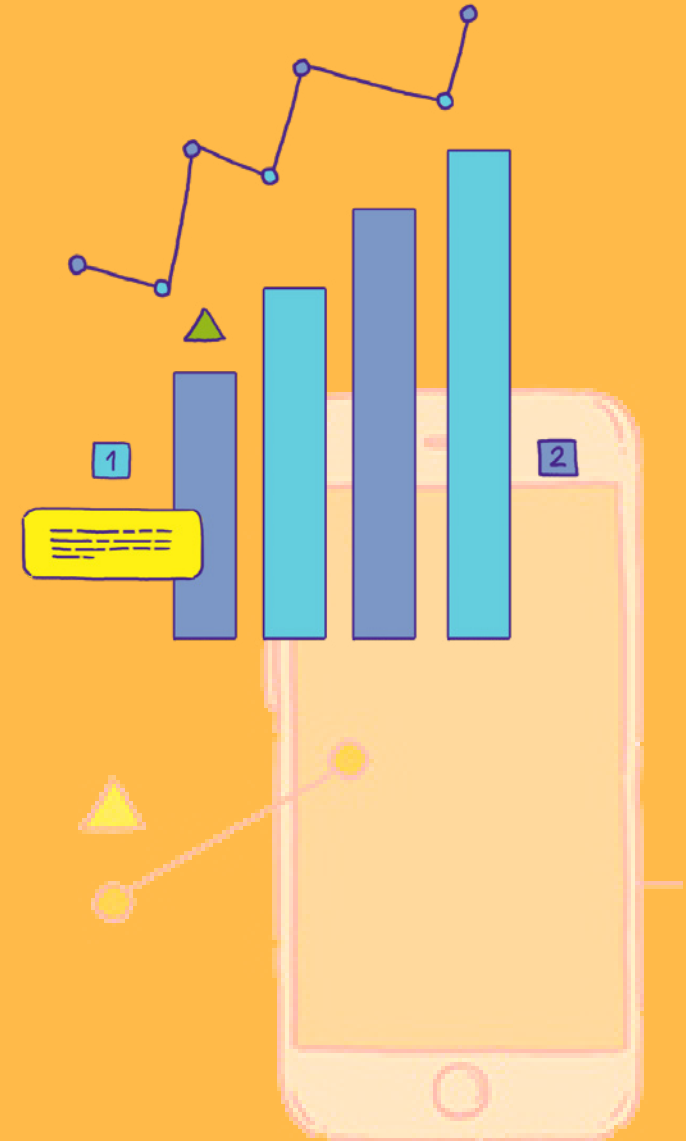
One example of how to collect and analyze experience data is homing in on promoters and detractors. By leveraging sentiment and the experience data you've captured, you'll be able to identify those who feel an emotional bond with your brand and are likely to promote it to their friends. You'll also be able to identify detractors who had a negative experience for whatever reason. In fact, focusing marketing on detractors not only helps rebuild customer relationships, but also can provide operational spend benefits. One company that Deloitte Digital works with saw almost \$40 million in spend savings by optimizing its marketing messaging segments based on promoter and detractor customer experience data.

A brief word about detractors. Most consumers have a good deal of patience with brands. Deloitte Digital's research found that 60% of customers will forgive three or more mistakes from their favorite brands, as long as those mistakes are corrected to their satisfaction. Some people want an exchange. Others simply want an apology. Others might need a gift card or financial compensation. The bottom line is that your connection—the brand-customer friendship, so to speak—and your ability to resolve the conflict in a personalized way can turn something unfortunate into greater loyalty.

High on the list of action CMOs need to take to ensure experience data and emotion are being properly leveraged is investing in intelligent, integrated and interconnected technology. With a system in play that can consolidate everything you know about the customer and assist in the analysis of that information, you'll be able to orchestrate personalized experiences that honor the unique humanity in each and every consumer while demonstrating your brand value.

CMO Opportunity

When you expand how you think about CX and work to activate campaigns and messaging based on emotional signals, you'll be able to create deeper, more meaningful relationships with consumers. As the Deloitte Digital research proved, consumers want brands to use their data for better service and personalization. Don't hold back.





Empower Your People to Be Customer Champions

All of the data in the world can't make up for real, honest human connections. With an expanded view of the customer and a strategy for activating around those insights, you now need to work towards empowering your employees to be more

responsive to customers' needs and infusing more human-like qualities across all touchpoints.

Every employee within your organization has to be responsible for the customer experience. And that means that the CMO—as the owner of CX—

has to reach across departments like product development, sales and customer service that are typically outside of their traditional purview. But this is necessary to drive the operational initiatives and cultural changes that drive these deeper connections with individual customers.

It also requires you to have in place a strategy to measure the impact of your new human-focused approach. Otherwise, you'll have no sense of whether your efforts are doing what you've intended them to do.



CMO To-Dos

First things first. Focus on employees on the frontlines—call-center staff, retail associates, service reps and the like. The importance of investing in the right data, tools and role-specific information for employees is hard to overstate.

Deloitte Digital analysis found that no matter how long a customer had been with a brand, the experiences that most often broke the emotional bond were service-related. At the same time, issues such as how quickly customer service issues are solved and the helpfulness of employees contribute significantly to building consumer-brand trust.

It's critical that you find those who are willing and excited to champion the customer, and make sure they have the resources they need to execute. For example, you will need a clear workflow to educate frontline reps on your new campaigns or empower them with key messages to be used during critical moments.

It also means taking a second look at your organizational structure, connection points and incentives to make sure your people are set up to collaborate—working across departments to solve customer problems. Fundamentally,

you need to challenge what value means and think more critically about building it based on customer relationships to form the meaningful connections and loyalty that high-quality human interactions can create.

Perhaps the most important thing you can do is work towards operationalizing your approach to customer experience. This starts with building a centralized view of your customer so that your organization can align on a unified perspective. This allows brands to readily use the data to influence marketing actions.

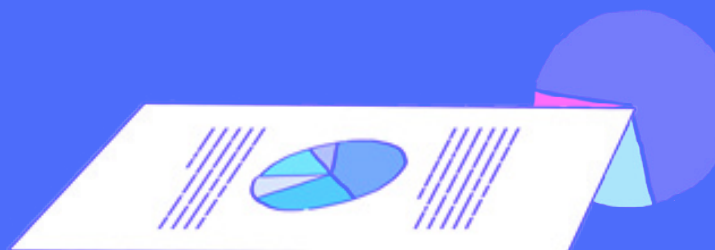
Next, organizations need to empower their people with systems and workflow that can help those on the frontline engage and react based on the customer perspective. Data should then be organized so that people can visualize role-specific insights. These CX insights provide you with a clearer view of each customer's voice and perspective.

Your ability to use this data will create more human moments and richer experience data. And that can then be folded back in to create a productive circle of continuous experience improvement.

CMO Opportunity

Loyalty is something you can't buy. But it is something you can create and that can drive real business value. Consider this: 63% of respondents to the Deloitte Digital study said they are more likely to forgive a mistake by a long-term favorite brand than one they've done business with for a year or less. And four out of five said they would promote a long-time favorite brand to their friends and family. In today's environment, you can't afford to wait to build these kinds of deep, meaningful relationships.

While customers might experiment with other brands due to price or other seemingly rational considerations, they will come back to you if you can deliver a better, more human experience. The key to doing this is upleveling every aspect of how you manage the customer experience. From expanding your definition of data to activating experience signals to empowering employees to take action, it's up to you as the CMO to be the ultimate customer champion. It's within your power to use experience data as a lever for change, so get going.



About Medallia

Medallia is the pioneer and market leader in Experience Management. Medallia's award-winning SaaS platform, the Medallia Experience Cloud, leads the market in the understanding and management of experience for customers, employees and citizens. Medallia captures experience signals created on daily journeys in person, digital and IoT interactions, and applies proprietary AI technology to reveal personalized and predictive insights that can drive action with tremendous business results.

About Deloitte Digital

Deloitte Digital connects creativity with technology for business—bringing empathy, ideas and experiences into all that it does. Whether it's driving results through data, engaging customers at every step of their journey, or getting a handle on the cloud, Deloitte Digital knows that being successful in a digital world means focusing not only on technology, but on the human and the moments that matter most in real lives. By thoughtfully designing offerings to elevate the human experience, Deloitte Digital is creating sustainable business futures and making an impact that matters to its clients and to society.



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