

CLIENT EXPERIENCE TRANSFORMATION: FROM THE ART OF MANAGEMENT TO THE SCIENCE OF DIGITALIZATION

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ABSTRACT

Client Experience (CX) is a discipline that is gaining traction across enterprises. CX is vital for the survival of today's organizations due to the increased market competition, which makes product differentiation a massive challenge. To provide excellent CX, companies need to understand their customers' expectations, determine how and to what extent an experience-based business can create growth, and continuously improve and sustain CX by utilizing data analytics and fact-based decisions. This case study integrates the art of CX management with the science of digitalization to enable a seamless experience for clients.

1 INTRODUCTION

Providing an outstanding Client Experience (CX) is important for the survival of today's organizations due to the increased market competition, which makes product differentiation a massive challenge. A company should provide its customer with a great experience to be loyal and share their experience with others. The 2017/18 PwC Future of Customer Experience Survey of 15,000 people from 12 countries found that 73% of participants said customer experience is an important factor in their purchasing decisions. Yet only 49% of U.S. consumers say companies provide a good customer experience today.

CX involves customer's cognitive, affective, emotional, social and physical responses to the company's products and/or services. CX is created not only by those elements which a company can control (e.g., service interface, retail atmosphere, assortment, and price), but also by elements that are outside of the company's control (e.g., influence of others, purpose of shopping, etc.) (Verhoef et al. 2009). To effectively manage this experience, companies need to: (1) understand their customer's journey from expectations to the assessments they are likely to make when it's over (Berry et al. 2002), (2) determine how and to what extent an experience-based business can create growth, and (3) continuously improving and sustaining CX by utilizing data analytics and fact-based decisions (Gentile et al. 2007). To achieve these goals and enable a seamless CX, companies need to leverage new technologies such as mobile applications, social media platforms, virtual reality, Internet of Things, artificial intelligence (AI), and data analytics.

Cognitive analytics and AI are relatively new approaches for CX strategy's design and development. According to IBM's Institute for Business Value, a survey of 1,194 executives in 2018 revealed that 70 percent of the participants believe that their industry is ready to adopt AI-enhanced CX, and three out of four participants predict that AI will play an important role in the future of their organizations. However, companies could face a future in which CX professionals are increasingly concerned with skills relevance. If companies are not gaining AI experience, opportunities with competitors could beckon. Other challenging aspects of CX include understanding customers at an individual level, measuring CX return-on-investment (ROI), and maintaining a CX governance program.

2 THE ART OF CX MANAGEMENT

The art of CX management involves designing and responding to clients' interactions to meet or exceed their expectations. The client journey involves business needs, installation experience, meaningful use, support experience, and purchase or renewal of product and/or service (see Figure 1). Effective management of these steps should lead to greater customer satisfaction, loyalty and advocacy. In this work, we used the Net Promoter Score® (NPS) measure as a way to capture end-users' feedback and their experience drivers. We also utilized numerous quality management techniques (e.g., Customer/Kano Analysis, FMEA, QFD, and 5Why) and engineering management principles to identify and address areas of improvement and lead collaborative teams throughout the improvement process.



Figure 1: The main steps of CX management process.

3 DIGITILIZATION OF CX MANAGEMENT

A framework (Figure 2, left) is proposed for transforming CX, which consists of data extraction and aggregation, client experience modeling, and development of new performance measures. For data extraction, we utilize the company's databases that include CX related information. AI-based algorithms are developed to unify the data and extract key features. A deep neural network model is used to generate predictors for CX and generate customer models. Based on these models, new CX performance measures are derived that consider business growth and ROI as well as the impact of CX of one product or service on other products or services. Figure 2 (right) shows a regression model to help CX teams prioritize key experience drivers that impact client's thinking on how likely they will recommend the product or service.

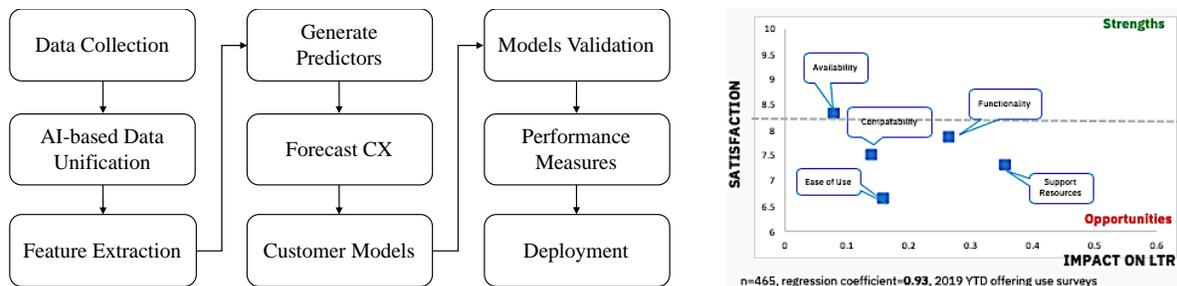


Figure 2: The proposed framework for CX digitalization (left) and regression results (right).

4 BUSINESS IMPACTS

In about 2.5 years, the company has seen significant impacts across all elements of the balanced scorecard. Some significant business impacts include: (1) a gradual increase of the usability/ease of use by 35%, (2) a 4% increase in revenue, (3) time spent on debugging/time to resolution was reduced by 10%, and (4) number of employees applying Enterprise Design Thinking was doubled in two years.

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