THECR NETWORK

The Critical Link Between Community and Customer Experience

SNAPSHOT

SPEAKERS
Jeannie Walters (360Connext), Annette Franz (Fidelity Investments)

COMPETENCIES
Strategy

MATURITY PHASES
CMM1, CMM2

SUMMARY

Jeannie Walters and Annette Franz were on hand to discuss the link between community and the customer experience. The highlights of the discussion are noted below:

1. To become truly customer-centric is to understand the experience through the lens of the customer. An organization's community is a great way to understand the customer from his/her unique point of view. Instead of the company trying to paint a world for the customer to fit into, instead try it the other way around. Use the community to align the company with the customer's needs. Fidelity has used a version of this concept through the use of Client Advisory Boards.
2. Hillary asked which factor contributes the most to a successful customer experience. Annette replied that for her, the key is making sure that when building the community, the objectives are clearly stated and people know what they can expect to get out of being a part of the community. It needs to answer to the WIFM factor, i.e. "What's in it for Me?" This creates value for the customer who will derive benefit from being a part of the community. They will, in turn, be invaluable in helping the company to truly understand its customers.
3. Another important link between community and the customer experience is to ensure that the feedback given by customers is heard. Close the loop; let customers know what is being done with their feedback.

Overview

- **Community and Customer Experience:** Jeannie began the call with a Wikipedia definition of customer experience and how it is applied: *"Customer experience (CX) is the sum of all experiences a customer has with a supplier of goods and/or services, over the duration of their relationship with that supplier. This can include awareness, discovery, attraction, interaction, purchase, use, cultivation and advocacy. It can also be used to mean an individual experience over one transaction; the distinction is usually clear in context."*
  - Jeannie wanted to start with this definition because many people – and a good deal of leadership within various companies – think of customer experience as customer service. They think of it as a reaction vs. something that can be proactively designed. A community management professional is so connected each and every day to an organization's customers, who are part of the community. Therefore, there is so much that these professionals can do to proactively design an experience that works better for the company's customers.
- **Cognitive Dissonance:** Jeannie explained this as people's brains working against them. When people have a strong belief system, it is very difficult for them to reconcile what they see with what they believe. They become uncomfortable, which is an actual physiological response. These individuals can experience frustration, hunger, guilt, anger, embarrassment, etc. If the individuals within a company believe that they are working their hardest to provide a great customer experience and someone tells them otherwise, cognitive dissonance is experienced on behalf of that company employee. Therefore, it is important to understand that customer experience is not just one part of the journey. Since the company staff are not in the customer's shoes, it is important to try and understand the experience through the eyes of the customer and what might be happening in his/her life at the moment of the complaint.
  - Jeannie prefers to think of the customer experience as a customer ecosystem. It is imperative to think about customer's real lives. When employees are in the trenches everyday thinking about their company's products and services and brand, it is really easy to assume a lot about a customer. To become truly customer-centric is to understand the experience through the lens of the customer.
    - Jeannie shared one of her favorite examples of this philosophy. PEMCO Insurance is a property and casualty insurance company in the Northwest. They realized that their customers in the Northwest think differently than their customers in the rest of the country. Therefore, they promoted the differences.

They began working with their customers to embrace the things that were important to them, such as cheering for the Seattle Seahawks. They created trading cards based on humorous personas that their customers could identify with, complete with stats on the back of each card. It is an effective way to identify with customers in a real-life way. It does not say: "This is how this guy uses insurance". Instead, it gets right down to the essence of the person. People could identify with that as part of the community, which Jeannie thought was very clever. These personas are on the company website and make the company much more human. This is a great example of embracing community in a really interesting and unique way. It helps to understand the customer from his/her unique point of view. The company did not try to paint a world for the customer to try and fit into it. In reality, customers do not live in that world. Instead, they saw the world from their customer's eyes.

Case Study – Client Advisory Boards at Fidelity

Jeannie raised a very good point in her presentation about the importance of inviting customers into the process. As such, Annette demonstrated this concept in her case study presentation. Fidelity uses Client Advisory Boards on the CX Team. These client advisory boards are housed in the B2B side for workplace investing. Other companies may have customer advisory boards.

- **Client Advisory Boards:** Annette shared that their customer experience team rests in the workplace investing side. Their customer experience strategy consists of a team of 16 people divided into three groups: "Rocks and Ambassadors", "Customer Insights" and "Customer Outcomes".
    - ***Rocks and Ambassadors:*** Rocks refers to issues identified through the call center. The Ambassador Program is called VOCA – Voice of the Customer Ambassadors. They are designated employees who are hyper-focused on improving the customer experience. There are usually about 100 that are nominated every year. It is a great way to get employees engaged in the whole customer experience discipline.
    - ***Customer Insights:*** This group surveys both plan sponsors and participants (employees who are enrolled in 401K, for example). So, this group conducts the overall satisfaction surveys.
    - ***Customer Outcomes:*** This is Annette's group. This group is more focused on all of the communities. It includes panels that consist of participants and plan sponsors, as well as CABs – Client Advisory Boards.

        - The CABs act as another customer listening post and it complements other listening activities. The CABs are typically targeted groups of customers who have been invited into the process. The particular CAB that Annette runs is an Advisory Board based in the West Coast. As in the example shared by Jeannie, Fidelity has also recognized that the needs of their clientele vary across the country.
        - The CAB that Annette is focused on involves cutting-edge West Coast tech companies, i.e., disrupter, and game-changer types of companies like LinkedIn, Uber and Airbnb.
        - These CABs are usually built around communities of customers with similar characteristics, such as geography, industry, size, role, function, etc. These communities are segmented in meaningful ways that are focused on the right audience, being able to ask the right questions and getting the right feedback from a particular group of customers.
- **<u>Consider the Use of Client Advisory Boards (CABs):</u>** Annette explained how the CABs run within Fidelity:
    - ***Assign a Dedicated Manager for each CAB:*** CABs are run by a dedicated CAB manager.
    - ***Set Objectives and Desired Outcomes:*** Annette's objectives are centered on understanding the West Coast client experience and how their needs differ from the rest of the country.
    - ***Use Trained Meeting Facilitators:*** Trained facilitators are used in Annette's meetings. It is important to have someone who really knows how to engage participants in order to help draw out information. The facilitator helps during those times where the members are shy or reticent to answer questions.
        - The facilitator for Annette's group is wonderful at engagement. There are white boards set up all around the room. He has artists drawing and taking notes on the white boards. That is how the conversations are captured and shared back with members at the end of the meeting.
    - ***Encourage Agenda Input from Members:*** Annette stressed that the community is all about its members. It is about hearing their voice. Annette spends a great deal of time before each meeting calling and talking to each and every person who has been invited. In Annette's case, there are 30 companies invited to these meetings. She will talk to 30

people prior to each meeting to develop the agenda. This ensures that the agenda consists of issues that are important to them.

- ***Focus on Members and Their Voice/Feedback:*** For Fidelity, they do this in a couple of different ways. Once they hear their customer's voice, they do something with the feedback. They also share with them what they as a company are working on and any new product ideas. These are presented to the members to gauge their feedback and make sure they are on track. They also work with this group to let them co-design in design thinking sessions, etc.
- ***Set a Solid Meeting Frequency:*** Annette explained that it is important for them to engage with their members in person at least every six months. Other organizations can do this more or less frequently. The key is to get members engaged throughout the year, follow up with them and close the loop after each meeting.
  - In-between the in-person meetings, Annette will engage with these members via web or conference calls, etc.
- ***Close the Loop with Members after Each Engagement:*** Action is critical to success. It is a way to close the loop. Therefore, it is important to follow up and show the members what was actioned upon. Create an artifact after each meeting so that even those who were not able to attend can feel as though they were there.
- ***Create Value for Members:*** To do this, it means that the members have to find value in the meetings, as well. The company learns from these members and, in turn, the members derive the following benefits:
  - They learn from their peers.
  - They learn about other things happening in the industry, etc.
  - Members are able to drive product decisions and shape the future of Fidelity's product offering.
  - There is a huge networking opportunity for them and knowledge sharing that happens amongst them – even though they are competitors. They enjoy talking to each other and knowing that they are not alone with certain pain points.
  - They gain access to senior leadership.
    - Hillary added that TheCR research has discovered that from a reward perspective, people value having access to leadership and learning. These are much better rewards than monetary rewards.
      - In Annette's CAB, her members are all senior HR executives, as with most of the other CABs, as well. It depends on how the

organization wishes to define community. Some may chose to invite a lower level HR contact or a senior HR executive. The organization can define its audience and who they choose to be a member in that community.

Best Practices

The following is a summary of best practices as shared by participants within the discussion:

- **Truly Understand the Company as Seen Through the Customer's Eyes:** Jeannie stated that oftentimes a company will try to identify with its customers by assuming all of these different things about them. Yes, they might be all of those things, but a better way to understand their customers is to see these customers through their eyes. Therefore, Jeannie likes to take it a step further by thinking about the grumpiest customer on his/her worst day. That is often your customer, even if they fit the other description given to them by the company. Who are these people? What real life challenges do they have outside of the company's products and services and community? How can their needs be addressed by looking at the customer in this way? That is the power of community. By assessing the customer's needs in this manner, it helps to open our minds and move past the cognitive dissonance idea. Jeannie believes that this is critical, especially for B2B. For example, many times within a community the company's products and services have been given different names and acronyms, names and acronyms that were not part of the company's marketing plan. It is vital to hear this because it will help to address customers in their lives. In other words, this is how the customer sees the company's products/services, so this is how the company should be speaking to them.
    - Moosejaw Clothing is an outdoor clothing retailer out of Michigan. They started off locally, but have grown by offering their customers an incredible virtual experience that allows them to be a part of the company's brand. They tie their brand into various customer experiences. Customers take pictures of themselves in different parts of the world wearing the clothing in places like Mount Everest. They are able to share the experience in a community-driven way so that they feel a part of something bigger. It is a clever way to incorporate community with the customer experience, but it really is about listening and hearing customers in the way that they need and want it to be heard.
- **Understand what the Community Statistics Say about the Customer Experience:** Jeannie explained this by sharing an example from a few years ago. On Facebook, it was noted that the airlines had the best customer experience. Those who travel quite a bit may dispute that statement. Perhaps customers were using the Facebook channel to find a community because

they have been stopped so many times throughout their journey in trying every else. Jeannie stressed that the customer experience must be viewed through the lens of what it means to the customer. A great example of this is KLM. They have a real-time expectation set. The monitor on their website will move according to the amount of time that they expect it will take to get back to a customer request. They are helping the customer in that moment in their real life. It comes down to inviting customers into the process. If this is done, the customer will provide many insights.

  - That said, Jeannie cautions against any type of bribery because it does not yield long-term results.

Lessons Learned

The following is a summary of lessons learned as shared by participants within the discussion:

- To help participants appreciate the concept of understanding the customer through the eyes of the customer vs. the company lens, Jeannie relayed a story from Greek Mythology. In this story, the Greek God was so in love with his own beauty that he could not love back. His enemy brought him to a pool of water and he became so obsessed with his own reflection that he fell in and drowned. This is what could happen when a company obsesses over its brand vs. what the brand can give through the community. Customer experience is about helping the customer's own community experience by ensuring that he/she feels heard.
- One participant shared that in her consultancy experience, a majority of organizations have not connected customer experience and community. They look at customer experience as a physical experience. For instance, financial institutions look to build a new branch or a new model of branch that touches customers by using iPads and different technologies to create a better experience. However, it is still about the physical space of interacting with their customers and using technology through it. Connecting to community is still leading edge. Jeannie added that the integration between the listening part and the action part is just not connected.
  - Jeannie has seen wonderful communities that are managed well and customers feel heard in the beginning, but then nothing happens with their feedback. Eventually, customers will stop sharing feedback if they feel that nothing happens with it. Needless to say, Jeannie does expect that it will evolve. The evolution process will be very slow, however. It comes down to leadership. They need to understand that even billing needs to be integrated in the customer experience journey. Sometimes an invoice is the only regular communication that an organization has with its customer, but the leaders do not consider that part of the customer experience. Nor do they consider marketing as part of

the whole customer experience. Speaking the language of the customer in the branding and marketing strategy is an effective way to show the customers that they are heard. This is why the evolution will be slow. Furthermore, if the company must report to shareholders every quarter and that drives decision-making, it makes it very difficult to implement a long-term strategy that will address some of these issues.

  - Jeannie shared a story of a contact center that became frustrated with their organization because people were calling in with the same issues over and over, yet there was nothing in the way that they documented these issues that reflected what the customer was saying. There was no code that matched, meaning the information just disappeared. Therefore, the contact center put together their own strategy to respond to their customers in a way that helped them. Afterwards, they collected testimonials to bring to the leadership to say: "This is what our customers are saying. This is what we already did about it. Now we need to scale this throughout the rest of the organization."

- One member asked if the rate of speed in the evolution process was different based on the size of the company or the industry. Jeannie replied that it depends on how customer experience is defined. In retail, they have to be super innovative in terms of what they provide for the customer experience. Nordstrom has always been a leader in customer experience and community because they are continually figuring out what is next on the horizon and being a step ahead of it. They acquire companies when they see that their customers have a need for a product or service that they do not currently provide.
  - As far as the size of the organization, when companies start with an entrepreneur, they can often be successful almost in spite of themselves. These entrepreneurs realize that their companies need to provide something beyond just the product or service. However, when it comes time to scale these smaller, entrepreneur-type businesses, they run the risk of moving away from the customer. The magic that they have come to enjoy can fizzle if they are not careful. Companies like Zappos start with that and then add products and services because they know they have that ability. That is the difference.
  - In the larger organizations, sometimes it has to start with a product group or a community. Software-as-a-Service is an example. The tech guys wanted to talk to each other and realized that they could do this across other products, as well. So, it is a matter of looking for those opportunities and empowering the different groups to take advantage of the opportunities as they appear. Scale of any kind is a challenge for the customer experience because they have to live up to it.

- One participant wondered if the customer experience was more effectively created when a company had its own platform vs. the mass channels like Facebook, Twitter, etc. Annette replied that she has seen examples where that has been successful. It is usually with the tech industry groups. Adobe is a prime example. Annette is not sure which platform they use, but they have it set up in a way that customers can come in directly, speak with company representatives and offer insights. That feedback goes directly to Adobe's engineers, who are then able to use those suggestions immediately for R&D. Connecting the end user with the design engineers is a highly successful customer experience strategy.
- Annette was asked if she has considered taking the CAB meetings to a virtual setting. Annette replied that since Fidelity is a financial institution, they are heavily regulated, which poses a challenge. Virtual is new for them, but they are looking into it. Given that Annette works with the West Coast group, they are very forward-thinking and super busy. The idea of working virtually appeals to them. Again, this is brand new for Fidelity, but they are exploring it as a way to show the group that they are listening to them and that they understand that they do business differently. Accordingly, they want to shift the experience for them.
- Hillary asked which factor contributes the most to a successful customer experience. Annette replied that for her, the key is making sure that when building the community, the objectives are clearly stated and people know what they can expect to get out of being a part of the community. It needs to answer to the WIFM factor, i.e. "What's in it for Me?" Fidelity set up these Boards for a reason. Plus, they wanted customer input and they cared about the customer experience. That is the key to success, as well as following up with the feedback and closing the loop.
  - The PEMCO and Moosejaw examples are also a strong instance of reflecting back to the customer so that the customer can identify with the company. It comes down to figuring out what your customer needs you to be to them.
  - Some departments come up with their own customer experience mission. It will spread from the inside out and become very powerful as other departments adopt the same mission. When the values of the customer are aligned with the values of the company, magic can happen.
  - Another participant added the importance of authenticity. The customer experience needs to be authentic to the brand and to the company. That is a difficult concept for companies to understand how it all fits together because it will be different for each company. Jeannie agreed. The beloved brands of today have that authenticity and it cannot be copied.

Additional Insights

Hillary asked participants whether or not their companies had a customer experience discipline and if yes, if it was integrated with their community program. Participants replied with the following:

- Those on the call who have customer experience as their business do, of course, work to tie the customer experience with their client's community program and/or work to do it for their own businesses.
- The others on the call do have a customer experience discipline, but are working towards tying it to their community programs.

Resources

- As mentioned in the discussion: http://www.360connext.com/blog
- As mentioned in the chat: http://www.cxwebinar.com/
- As mentioned in the chat: http://www.cx-journey.com/
- As mentioned in the chat: http://360connext.com/3-ways-to-boost-your-customer-service-listening/