

Knowledge@Wharton – Wipro Future of Industry Series: Customer Experience Management

New Frontiers in Customer Experience Management Beckon



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More and more businesses are discovering the need to adopt a 360-degree “customer-experience management” approach to remain competitive in today’s new marketplace. This calls for an ecosystem where they can jettison old mindsets, understand customers’ external behavior, engage them across multiple touch points and demolish internal silos to achieve a unified strategy, according to Jayakrishnan Sasidharan, global head of business collaboration & customer experience services at Wipro Technologies and [Yoram \(Jerry\) Wind](#), Wharton marketing professor. In this ‘Future of Industry’ series white paper, produced by Knowledge@Wharton and sponsored by Wipro Technologies, Sasidharan and Wind discuss these new imperatives for organizations.



“Selling in its traditional format has become commoditized — it is all about influenced buying,” says Jayakrishnan Sasidharan, global head of business collaboration & customer experience services at Wipro Technologies. “It is imperative for a business to understand and be part of this change — giving experience at all consumer touch points.”

The digital revolution has enabled customers to reach enterprises through multiple channels — online, through their handheld devices or through social channels. Added to this complexity, customers are embracing technology at a much faster pace than enterprises and they seek similar experiences as they engage with the enterprise, he adds.

“For the customer, each interaction with the enterprise is a moment of truth and customers are unforgiving when their aspirations are not met.

They could switch to a competitive brand in no time.”

In many organizations, chief information officers (CIOs) no longer have complete control over conceiving and delivering “customer experience solutions,” says Sasidharan. Many of these activities are now joint responsibilities that the CIO shares with the marketing and business teams. “The marketing teams have a lot of information about the customer and the product, and have the ability to bring insights that are relevant and contextual for both entities — customers as well as the products/services team,” he adds.

In this emerging scenario, businesses must rethink their customer-experience management models. First, there needs to be a “mental model” to recognize that the combination of “product plus service plus solution” is not enough, says Wharton marketing professor Yoram (Jerry) Wind. The firm must ensure that “its offerings and the business and revenue models center on customer experience.” Further, in order to make this mainstream, the organization must bring the “managerial courage

to challenge and change the current mental models and status quo,” and overcome the constraints of legacy systems.

Second, the firm must show a willingness to “create a culture and organizational architecture that bridges the silos,” says Wind. The organizational architecture encompasses structure, processes, culture, human resources capabilities, technology, and rewards and incentives, he explains. “It calls for a structural change, strict governance and also a cultural shift,” adds Sasidharan.

SWEEPING CHANGES IN CUSTOMER EXPERIENCE MODELS

Enterprises are realizing the importance of “customer journey management” as it helps them understand customer needs across the entire lifecycle, notes Sasidharan. The objective is to provide more and more contextual information and services to the customer and thereby influence buying behavior, in contrast to the “siloed experience” of earlier years, he explains.

Traditionally, customers would go through a “discover and explore” phase before making a purchase, after which the enterprise would try to re-engage the customer and make it a lasting relationship, says Sasidharan. Today, the typical customer reads about a product, checks customer ratings, finds out what people are saying about it on social channels, visits a physical store, scouts for promotions including shipping bargains, and then maybe buys it online or through a smartphone. The challenge Sasidharan sees for the enterprise is to provide its customers a consistent experience through multiple touch points, irrespective of when and how the purchase occurs. “In a multi-device world, continuity is the new consistency,” he says.

According to Sasidharan, the ability to drive personalized and contextual customer services, where businesses “seamlessly deliver their

offerings in a way that drives customer intent,” is another reoccurring theme. For example, firms could deliver discount coupons to customers on their smartphones as they step into their stores. Alternatively, they could track a customer’s location through a smartphone and deliver promotional offer codes valid in that area. “For all these offers and coupons to be effective, they should be relevant to the customer,” says Sasidharan. “It is about making the right offer at the right time and right place.”

SHARPENING CUSTOMER ENGAGEMENT PROCESSES

Typically, organizations have focused their customer-relationship management initiatives around reducing the cost of customer acquisition; growing and deepening customer relationships across a company’s multiple offerings; and gaining market share. While these are “good objectives,” they do not include the aspects that address the changing needs of consumers, says Wind. The [Wharton Future of Advertising Program](#) that he co-leads advocates objectives and strategies that engage consumers by assuring them an experience it terms “RAVE” — “relevance and timeliness; actionable; valuable; and an exciting experience.”

Wind adds another dimension: “Augmenting CRM (customer relationship management) with CMR (customer managed relationship).” To achieve this, businesses need to offer each customer a platform to manage their relationship with the company and other stakeholders, he explains. An early example of this is the Sabre data processing system that American Airlines developed along with IBM in 1960. In an industry first, the Sabre system could create and manage airline seat reservations and instantly make that data available electronically to agents at any location.

Sasidharan points to carmakers Audi and BMW to illustrate how customer experience management

is being personalized. In Audi City showrooms in Europe, the company has taken the physical showroom experience to the digital realm. This digital showroom enables customers to create the car of their dreams by using the various permutations and combinations of options available. Customers can visualize their choices digitally, customize them and place an order. They can also experience a digital test drive of their chosen car. A testimonial to the success of this approach is that Audi City showrooms in the U.K. sell nearly 60% more cars than those in traditional formats. Taking this further, BMW in Germany provides a unique interface that allows customers to watch their ordered cars being built on the shop floor in real time. This is aimed at helping customers “connect with the brand” even before they own it, notes Sasidharan.

However, those efforts are “fragmented and siloed,” he adds. “A seamless experience is when these are stitched together by a brand to provide an integrated customer experience from marketing to sales to post sales.”

CREATING THE RIGHT ECOSYSTEM

In order to evolve to the next level of customer experience management, businesses need a sustainable ecosystem within and outside their organizations. Here, they must focus their efforts on four key fronts, says Wind. One, they must encourage user-generated content and use that to engage with their consumers. Two, they need to foster open innovation, such as the platform Apple has created for developing apps. Three, they have to change their organizational architecture to make it agile. Four, they have to encourage and protect “champions” within their organizations “to take risks and experiment with new approaches.”

New marketing technologies provide capabilities in campaign management, collaboration and

rich media solutions that can be used across multiple channels, says Sasidharan. For example, a company could collaborate with a billboard firm, a social channel and a technology firm to enable prospective customers to scan product images on their smartphones, share them on Facebook and use them at a store or online.

Sasidharan notes how the grocery chain Tesco scored in the South Korean market over rivals like Wal-Mart and Carrefour. Tesco created a virtual store in a subway station where customers could scan the QR codes (quick response bar codes) of 500 products from giant photos on billboards, add these to their online shopping carts, pay for them on their handheld devices and have them delivered at a time they choose.

Tesco’s innovative ways worked perfectly for the South Koreans, who consider grocery shopping, even once a week, “a dreaded task,” says Sasidharan. The outcome? Tesco’s online sales increased 130% in the first three months after it launched its virtual store, and it is currently the leading online grocery retailer in South Korea. Clearly, transforming something your consumers dislike into a pleasurable activity can involve the length of the experience spectrum and result in higher sales.

THE ESSENTIAL TOOL KIT

Sasidharan lists the pre-requisites for enterprises that want to achieve “best in class” customer experience:

- Have a blueprint where the entire customer journey is mapped to the delivered experience at each customer touch point. Without this, the enterprise’s efforts become fragmented and siloed.
- Ownership of delivering customer experience needs to reside at the top. Without executive sponsorship and drive, customer experience

management initiatives might not yield the expected result.

- Organizational alignment to drive customer experience is a key piece required to build connectivity between strategy and operations.

Without those, new approaches to enhance customer experience could easily backfire, says Sasidharan. For example, it would be unrealistic

for an organization that wants to change only a small piece of its processes or systems to expect a huge impact in customer experience, he adds. "Organizations need to take a holistic approach through proper investments in technology, people and processes to ensure a connected customer experience."

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