

White Paper



Touchpoints—embracing, understanding and controlling them—will be a defining factor in how you strengthen customer relationships and drive brand loyalty.

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## Are Your Touchpoints Pushing Customers Out The Door?

Seven ways to identify and fix underperforming touchpoints, and the three reasons you must.

# Overview: The importance of aligning company touchpoints with customer wants and needs

Why managing touchpoints from a customer experience perspective strengthens brand and loyalty.

## Key Issues:

1. Customer experience is influenced by touchpoints you control—as well as those you don't. How can companies create inventories and see what touchpoints exist?

2. Underperforming touchpoints—those that don't meet customer expectations—can drive customers away. How can you understand which touchpoints underperform and prioritize fixes?

3. How can smart companies improve existing touchpoints and create new ones to improve customer experience, bring customers closer, and create stronger brands?

Imagine what your company could accomplish if you had more influence on your customers' perception of your brand. Well, you may have significantly more influence than you think. Because by first understanding your customer interactions (touchpoints), and then improving them, you can improve perceptions of your organization, drive increased sales, retention, loyalty, word of mouth, awareness and more.

Every time you “touch” a customer, online or off, in-person or not, any interaction between or about your organization is a touchpoint. Regardless of where these interactions happen or who initiates or controls them, these touchpoints

encompass every possible type of interaction between a company and its customers, and they all create impressions of your brand.

Embracing the importance of your company's touchpoints—gaining a crystal-clear understanding of how they impact customer experience, controlling those that you can, and influencing those you cannot—will be a defining factor in delivering a better customer experience, building stronger relationships, and driving customer loyalty over time.

# Seven ways to identify and fix underperforming touchpoints.

## Find out what your touchpoints are, and determine how well they do (or don't) work.

### 1. What are your touchpoints?

Companies in your industry likely share a common set of touchpoints that most customers encounter. These, with many more specific to your business, work together to create, define, and deliver the unique experience of interacting with your company.

A technology company's touchpoints might include sales people, Web sites, invoicing, call-center based help desk, product packaging and documentation, online chat, direct mail or print advertising, third-party distributors, warranty cards, store displays, and even the actual product.

In a hospital, admitted patients receive more than 100 "touches" during a typical day, from blood-pressure reading and temperature-taking to meal delivery and doctor visits. Starting with the admissions desk and insurance forms, touchpoints can include radiology, orderlies, and the warmed blanket that patients might get while waiting for a procedure or room.

The room itself is a touchpoint, too, as are the automated messages a pharmacy might send a patient when a prescription is ready.

Understanding what your touchpoints are is the first step to determining how effective they are in delivering a differentiated customer experience. And it's a straightforward concept, but not an easy task.

Fifteen years ago, it may have been simple enough to identify your touchpoints—most of them were pretty straightforward (direct mail, phone call, point-of-purchase display, etc.). But the increasing ubiquity of mobile devices has made the number of social and digital touchpoints encountered throughout the customer lifecycle more numerous and more difficult to manage than ever. So in today's environment of digital disruption, understanding your company's touchpoints will require incorporating the myriad digital and digitally empowered social touchpoints your customers encounter.

### 2. How well do your touchpoints drive customers through your lifecycle?

Effective touchpoints move customers closer; ineffective touchpoints push customers away. Touchpoints are the levers for driving prospects through each stage of your lifecycle, creating (or not creating) new customers. They're also the levers that drive customers through satisfaction, loyalty, and advocacy—positively or negatively affecting share-of-wallet, retention, and positive word-of-mouth.

#### Create an inventory of your touchpoints

First, think through the process of interacting with your company. Figure out where the three basic touchpoint types—human, static and digital—represent your company and brand.

Make sure different perspectives are brought into play (marketing, operations, sales, etc.), and acknowledge there are more touchpoints than those in your control. Look to interactions that may be controlled by your customers, prospects, and third parties, as well as your own organization.

Then identify your customer lifecycle, walking through the different stages of the relationship while laying out the customer's questions, motivations, actions and barriers.

Customers want your touchpoints to deliver an effective, enjoyable experience that makes things easier for them. Do you know how well your touchpoints are doing?

Find out what your touchpoints are, and determine how well they do (or don't) work.

One way to develop a touchpoint inventory is to look at them through the lens of the customer lifecycle journey, and map each interaction across all stages of customer engagement.<sup>1</sup> Typical lifecycle stages can include:

- 1. Discover**—How do prospects and customers find out about your company, products, and services? Your marketing efforts—direct mail, content marketing, promotions and more—are only one aspect of the discovery process. Word-of-mouth from current or past customers, suggestions from online shopping or ratings' sites, in-store displays and more also impact this stage.
- 2. Consider**—What factors influence prospects' and customers' buying decisions? How are they gathering information on a potential purchase? It's not just your people and the marketing collateral on your site. Any third parties you work with, external review sites, social influencers, etc., are also going to affect a prospective customer's opinion and his or her decision to buy.
- 3. Purchase**—How are your products sold? Whether over the phone, in a mall, online, through distributors or resellers, or some combination of these channels, your customers interact with multiple touchpoints when purchasing your services or products. Which are most effective? And how easy are those systems to use?
- 4. Use/Transact**—How well does the service or product perform? How easy is it for a customer with a service issue or other concern to get that issue resolved, or that question answered? The effectiveness and ease of these interactions are determining factors in whether someone stays or leaves.
- 5. Engage**—How emotionally engaged are your customers? Over time, many of your customers will have basic transactional relationships with your firm. Others may become loyal, while still others will advocate. When it comes to encouraging engagement, which touchpoints drive customers to tell others how great your company is?





Even the lowly boarding pass is now more useful, sensible, and smart, with Delta redesigning it in a way that makes their airline customer experience just a little bit better on more than 5,000 flights a day.

### 3. How well do your touchpoints meet customer needs?

So, how do you determine whether your touchpoints are meeting customer needs? It's not groundbreaking: Start monitoring, and listening to, what your customers are saying. This outside-in, Voice of the Customer research is at the heart of understanding how well your touchpoints are working—or not.

Without a platform from which to listen to your customers and analyze their comments, important questions get missed. Questions such as: How do customer attitudes affect their perceptions of a touchpoint? Do touchpoints address the wants and needs of our customer—recognizing that these wants and needs can shift and change at different points during the relationship? Do touchpoints engender customer confidence, indifference, or loathing?

Effective touchpoints meet customer needs—ideally helping to move them to the next stage in your relationship. Touchpoints that don't meet customer needs hinder this progression. The less-than-helpful customer service rep. The difficult-to-navigate website. The opaque phone tree that circles customers endlessly to a nonexistent receptionist. By understanding where needs are met (and where they aren't) you can improve touchpoints, and the experiences they deliver.

### New Boarding Pass: Customer-Centric and Insights Driven



### Old Boarding Pass: Complex, Confusing, and Systems-Driven



### 4. How do your touchpoints make customers think and feel?

People are growing impatient with touchpoints they perceive as wasting their time—how many of us are willing to call a customer service hotline and repeat our account numbers and contact details every time we're put on hold and passed to another representative?

You already know that companies who don't address touchpoints that make people feel ignored and disregarded, will quickly lose customers as these customers seek better service elsewhere. What you may not know is the startling rate at which they'll switch. A recent research indicates that 89 percent of people will switch to a competitor after one poor customer experience.<sup>2</sup>

When you start listening to what customers are saying about your company's touchpoints, you'll begin to get a better sense of how customers feel after they've interacted with you, as well as what they think of or how they perceive your company. From there, you can better understand their expectations, start to meet them, and deliver a better experience as a result.

### Delta's Boarding Pass: Sucking Less, in Action

By looking at the boarding pass through the eyes of its 160 million customers, Delta made dramatic changes that actually simplify their passengers' lives. Even if this redesign shaves off only 15 seconds of the average passenger's time, this translates to 27,778 days, or 3,968 weeks per year. In other words, a lifetime—76 years saved. Every year.

Businesses that have responded to people's expectations, changed their processes accordingly, and delivered on those wants and needs end up succeeding, and gaining loyalty.

Many companies have invested heavily in Customer Relationship Management (CRM) and Sales Force Automation-type systems, ignoring or unaware of the fact that while they do a great job of looking at their firms from the inside out ("When did we touch a customer?"), they have no ability to capture the outside-in customer perspective ("How did that interaction make our customer feel?").

The only way to see how customers feel, and how well needs were met, is to ask them what they think: Was this easy? Enjoyable? Did it meet your needs? In addition to talking to customers, try walking in their shoes. Conduct research through web surveys, interviews, ethnographic day-in-the-life research, etc.

Based on the information you gather, you'll know what does and doesn't work, and why. You'll know what customers are trying to accomplish, and how well you help them meet their goals. You'll know what they think and how they feel. As a result, you have the intelligence you need to fix what's broken, make improvements where needed, and remove touchpoints as required.

## 5. Improve underperforming touchpoints

Fixing touchpoints isn't a complex concept. It may start as simply as improving an existing touchpoint, such as equipping flight attendants with more information to deliver better service. As Jet Blue and Virgin Airlines have proven, a customer-centric approach to touchpoint improvement leads to greater loyalty and repeat sales. Some air carriers have given employees digital tablets so they can access information about passengers' past trips, and use those insights to provide a better experience with even greater relevance to the customer.<sup>3</sup>

Online and mobile banking enable customers to make deposits and transfers anytime, anywhere. Making a bank website mobile friendly is an effective way to improve an existing touchpoint, while meeting a clear customer need. Text message alerts about suspicious account activity allow banks to automatically check in with customers and allow users to quickly respond, rather than go through the process of calling to verify withdrawals or suffering the inconvenience of an account or card "freeze."

A better customer experience doesn't mean reinventing the wheel. Sometimes all it requires is examining the touchpoints you already have and asking how you can make them more in tune with peoples' needs.



A few questions to keep in mind when reviewing your touchpoints: What practices exist in your industry that drive customers crazy? How do all companies in your industry behave stupidly? Identify these types of practices, and wipe them out.



## 6. Remove unnecessary touchpoints

An unnecessary touchpoint can be one that annoys your customers. Or it may simply be redundant. By more effectively allocating resources, eliminating touchpoint redundancy can save money and improve the customer experience.

For example, after mapping their touchpoints and better understanding their customers' experience, one company was able to consolidate three redundant touchpoints into one (scrapping one outright), and improve underperforming touchpoints. The result: a streamlined experience that increased customer satisfaction, and saved the company more than \$500,000 a year.<sup>4</sup>

The bottom line is, almost every company has frustrating, non-value added, and/or redundant touchpoints that can be eliminated. The challenge is identifying those poorly performing touchpoints so you can redirect company resources and eliminate painful customer experiences.

Where might your company find touchpoints that can be eliminated or consolidated? Do you have multiple communiqués at the start of the relationship? Do you require

multiple passwords (like one for the phone, another the web?) or have different forms that you could consolidate into one? It comes down to this: If you can't show how a touchpoint is solving a specific business or customer need, AND delivering at or above customer expectations, it might be time to get rid of it.

## 7. Create an exciting touchpoint that didn't exist before

This is where things can get fun. You can also greatly improve customer experience by creating a touchpoint that didn't previously exist, and that will delight your customers.

For example, Delta was the first airline to enable consumers to book tickets directly from its Facebook page's "Ticket Window." While other airlines had a social presence and used the platforms to share sales and other information with their customers, Delta's Ticket Window service was a clear example of examining multiple, disparate touchpoints—social media and purchasing channels—and creating a new one. Even if Delta still needs to work on the overall experience (what airline doesn't?), the Ticket Window was an effort to bridge the gap between existing touchpoints, streamlining the customer experience in the process.<sup>5</sup>

Another example is UPS MyChoice, an online service that allows users to opt out of receiving those frustrating "missed you" post it notes on their front door and personalize their deliveries, from anywhere. UPS customers can get delivery alerts, sign for packages remotely, re-route packages or more. By allowing customers to see (and manipulate) the data in their existing back-end systems, UPS changed the rules, getting closer to their customers (and learning more about them) while creating a new revenue source in the process.

Pepsi—a brand with product touchpoints that typically consist of convenience store refrigerator aisles—has used digital signs, touch-screen kiosks, tablets and more, giving customers new touchpoints, and giving themselves another opportunity to move people toward a purchase.<sup>6</sup>

The examples are endless. Maybe yours is as simple as a better application, or a single source for customer queries. While the intersection of digital innovation and customer experience is a pretty exciting place to look for new ideas, remember that to truly deliver a delightful customer experience, your new touchpoints must meet real customer needs identified through outside-in, Voice of the Customer research.



## Three Reasons You Must Identify and Fix Weak Touchpoints

It sounds self-evident: poor touchpoints create poor customer experiences which lead to poor customer relationships. If that's not sufficient motivation, here are three compelling reasons for you to detect unmet customer needs, root out your underperforming touchpoints, and fix them.

### 1. Customers are getting smarter. And so are touchpoints.

The relationship between customers and the companies that wish to serve them is shifting. In the past, companies had high degrees of control over touchpoints and significant influence over customer behavior. But in an environment where new technologies and trends are driving radical shifts in customer expectations, any illusion of control is just that—and any remaining influence is increasingly slipping away.<sup>7</sup>

With more mobile devices and increased access to product and company information, we've entered the era of Smart Customers. They're quick, and they'll easily see through inaccuracies and spot salespeople who don't know what they're talking about.<sup>8</sup> With smartphones, social media and mobile apps, shoppers can fact-check (and price-check) a salesperson on the store floor.

Your customers have access to information about your products and services whenever and wherever they want it, and their tolerance for "dumb" touchpoints (and the companies that deliver them) is rapidly disappearing.

### 2. Customer Experience is the greatest differentiator a company can have.

The fact is, a delightful customer experience is hard to replicate. Look and feel, colors, ads, fonts, designs—these can all be easily copied. But the positive feeling customers get as they interact with you through an experience delivered through all of your touchpoints, in the manner that you've designed? That's very hard to duplicate indeed.

Today, nearly everything is becoming commoditized. If you think you can gain loyalty by being the least expensive player on the market, don't expect it to last. With more choices and more companies clamoring for a piece of market share—think of every merchant that signs up for daily coupon deals like Groupon—customers bounce from one provider to the next.<sup>8</sup> They might be attracted to a price, but loyalty only results if the experience is remarkable.

With more options and more access to information, people can quickly find alternative options. But if your customer experience is uniquely suited to your customers' needs, you'll differentiate your service and keep your customers close.

### 3. There are opportunities for massive ROI.

Great customer experience helps you keep customers; poor experiences push customers away. The cost of losing a customer is higher than you might think.

Not only is there the obvious economic impairment a lost customer represents, there's also the cost associated with

replacement. Depending on your KPIs and which perspective you subscribe to, the cost of acquiring a new customer is five to 10 times more expensive than it is to hold on to the ones you've got.<sup>9</sup>

Another difficult-to-quantify (but very expensive) result of poor experience includes the impact of negative word-of-mouth, with a generally accepted rule of thumb that a single unhappy customer tells about 10 others of his poor experience. This doesn't take into account the reach of social media, of course, or the power of one really upset customer to get the word out.

On the flip side, 86 percent of customers will pay more—up to 25 percent more—for a better experience. And it has been proved time and again that loyal customers are more likely to not only spend more, but share positive stories of your brand with others.<sup>10</sup>

Finally, a recent study correlates stock market performance to customer experience leaders and laggards—showing that leaders generate far greater returns than laggards. Businesses with the highest levels of customer experience outpaced the cumulative total returns of the S&P 500 by threefold from 2007 to 2012. Companies that neglected customer experience saw a negative 33.9 percent decline in total returns.<sup>11</sup>

So don't let your customer experiences push customers away. Instead, identify and fix your weak touchpoints to transform your customer interactions into experiences that will positively impact your top and bottom line.





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## Here's How to Get Started

- 1. Make your experience suck less, one touchpoint at a time.**<sup>12</sup> By now you know the importance of assessing your touchpoints, weeding out the problems, and systematically correcting them. Create an inventory of what those touchpoints are. Don't be surprised by what's uncovered in the process: opportunities to simplify systems, close gaps, and save time for you and your customers, reallocate resources, and more. Even at the individual touchpoint level, some opportunities will be monumental.
- 2. Remember, the problems you're trying to solve are rarely your own.** They are those of a particular customer. And in order to come up with solutions that meet their needs, you need to understand who your customers are, what they want, and what's important to them. This requires adopting an outside-in approach, conducting customer experience research and surveys and asking customers what they really think, rather than relying on assessments of internal processes.

### **3. Ask Yourself: "How can we make our customers' lives a lot easier?"**

Just like the 1,000-mile journey starts with a single step, the quest to improve the customer experience begins with one question: "How can we make our customers' lives a little easier?" You can start finding answers when you try looking at that question from your customer's perspective—questioning not only how specific touchpoints improve internal processes, but also how they impact the end user. You'll start to see where the barriers to convenience exist. Ask whether those obstacles, inconveniences or unnecessary steps can be refined or eliminated, and you will start to change the customer experience for the better.

## In Conclusion

Identifying the touchpoints and influencing factors that affect the customer experience—and people's decision to purchase your products and services—is the first step in taking charge of the relationship. Failing to develop touchpoints that help retain your customers results in losses in satisfaction, brand loyalty, market share, and profits.

In the end, meeting customer needs is your #1 objective. Closely related to this is the secondary—but also critical—mission to make the experience easy and enjoyable. The key to achieving both these objectives is knowing how your touchpoints drive customers through your lifecycle at each specific stage. Then, make them better.

## How might McorpCX help you?

To learn how we can help you better understand and connect with your customers, visit [www.mcorp.cx/contact](http://www.mcorp.cx/contact) or call 1-866-526-2655.

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**McorpCX** is a leading customer experience services company delivering consulting and technology solutions to customer-centric organizations since 2002.

Our practical approach has led to measurable growth, deeper engagement, and better business outcomes for fast-growth market leaders and the Fortune 100, including Microsoft, lululemon, T. Rowe Price, and Blue Shield of California.

Whether your organization is just beginning its customer experience journey or is well down the experience transformation path, we are experts at driving customer experience transformation in an increasingly connected world.

## How do mobile touchpoints fit into your lifecycle?

Cisco released a study in March 2013 that revealed most consumers across the globe—with the exception of those in Japan and Germany—would be comfortable with their health records being available via the cloud.<sup>13</sup>

The research also indicated three-quarters of responding clients and citizens would pick virtual access to care if they had to decide between human vs technology-based interactions to access care. That was despite the fact that many patients received the bulk of their past care via “in-person medical treatments.”

What’s the lesson here? If you want to give customers better treatment and an easier buying process—without sacrificing profits—give your customers new choices, whether its mobile or the “next mobile.”

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