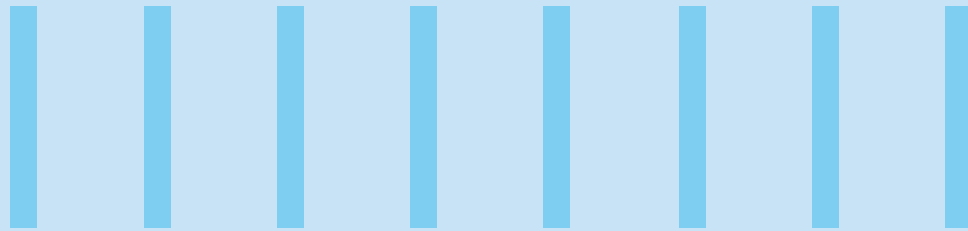




# UNLOCKING SUCCESS: WHY PRIORITIZING CUSTOMER EXPERIENCE IS NON-NEGOTIABLE FOR BUSINESSES



Customer experience is critical to businesses because it directly impacts customer satisfaction, loyalty, revenue growth, brand differentiation, and overall business success. By prioritising and investing in customer experience initiatives, businesses can create sustainable competitive advantages and drive long-term profitability.

Customer experience (CX) refers to a customer's overall perception and interaction with a company or brand throughout their journey, from initial awareness and engagement to post-purchase support. It encompasses every touchpoint and interaction that a customer has with the company, including online interactions, in-store experiences, customer service interactions, product usage, and more.

At the heart of CX lies the mission to build robust customer relationships, nurture loyalty, and fuel business expansion. Achieving this involves a multifaceted approach that includes understanding and meeting customer needs, delivering exceptional service, and creating memorable interactions that resonate with customers, fostering satisfaction and allegiance.

## Critical components of customer experience include:



### **Ease of Use:**

Providing seamless and intuitive experiences across all touchpoints, ensuring customers can easily find information, purchase, and interact with the brand without friction or confusion.



### **Personalisation:**

Tailoring interactions and communications to align with individual customers' needs, preferences, and behaviours, thereby creating a more personalised and relevant experience that resonates with each customer on a deeper level.



### **Consistency:**

Maintaining uniformity in branding, messaging, and service delivery across all channels and interactions, fostering trust, dependability, and a sense of reliability in the customer's mind.



### **Feedback and Listening:**

Actively soliciting and attentively listening to customer feedback to gain insights into their needs, preferences, and pain points, using this information to continuously improve products, services, and processes to serve customers better.



### **Empathy and Understanding:**

Demonstrating empathy and understanding towards customers' challenges, concerns, and emotions, taking proactive measures to address their needs and resolve any issues they may encounter, building trust and fostering more robust customer relationships.



### **Continuous Improvement:**

Striving for ongoing enhancement and innovation in customer experience based on feedback, market trends, and changes in customer preferences, ensuring that the brand remains relevant and competitive in meeting evolving customer expectations.

Overall, customer experience is about creating positive emotions and outcomes for customers at every stage of their journey with the brand. This ultimately leads to increased satisfaction, loyalty, and advocacy and solidifies the brand's position in the market.

Compelling statistics underscore the pivotal role of CX in business success. According to HubSpot research (\*), an overwhelming 93% of customers enamoured with the service they receive are poised to become valuable repeat customers.

This paradigm shift towards prioritising memorable customer experiences is evident across industries, with businesses

transitioning from traditional "customer service" models to crafting transformative CX initiatives. The focus now lies in expanding omnichannel interactions, spanning various platforms like mobile devices, physical stores, and other touchpoints, thereby significantly amplifying customer retention likelihood.

A wealth of evidence from industry studies, exemplars of successful businesses, and key performance indicators (KPIs) attest to the direct correlation between prioritising memorable customer experiences and achieving heightened customer loyalty and business success.

## Industry Studies:

Numerous industry studies have highlighted the correlation between customer experience and business performance. For example, according to Deloitte (\*\*) research, customer-centric companies are 60% more profitable than those not focused on the customer. A Temkin Group (\*\*\*) study also found that loyal customers are five times more likely to repurchase, four times more likely to refer others, and seven times more likely to forgive a company for a mistake.

## Illustrations from Industry Leaders:

Numerous thriving enterprises have solidified their reputations and achieved enduring success by placing customer experience at the forefront of their strategies. Companies like Amazon, Zappos, Netflix, and Apple exemplify this commitment by consistently delivering exceptional experiences across every interaction point. These industry giants allocate significant resources to enhance customer service, develop user-friendly interfaces, and cultivate personalised interactions, resulting in heightened levels of customer satisfaction and unwavering loyalty.



Amazon's relentless focus on customer experience is evident in its rapid growth and success. Through personalized recommendations, hassle-free shopping experiences, and exceptional customer service, Amazon has achieved remarkable customer loyalty and advocacy. Case studies highlight how Amazon's customer-centric approach has led to increased customer retention rates and elevated brand reputation.



Zappos, an online shoe, and clothing retailer is renowned for its exceptional customer service and commitment to delivering memorable experiences. Case studies demonstrate how Zappos' dedication to providing outstanding support and creating emotional connections with customers has resulted in higher customer satisfaction levels, repeat business, and positive word-of-mouth referrals.



Netflix's data-driven approach (\*\*\*) to customer experience has transformed the way people consume entertainment. By leveraging complex algorithms to personalize content recommendations and enhance user interfaces, Netflix has significantly improved customer satisfaction and retention rates. Case studies showcase how Netflix's focus on delivering unique and relevant experiences to each user has led to increased engagement and subscription renewals.

Netflix operates as a data-driven organisation, leveraging sophisticated internal algorithms to discern customer preferences and the most compelling TV shows and movie licenses to acquire. As a result, Netflix offers a truly personalised and unparalleled viewing experience.

By prioritising their high-frequency users, Netflix capitalises on the insight that individuals who engage with their platform for at least 15 hours per week exhibit significantly lower subscription cancellation rates compared to others (75% less likely to cancel their subscription than others).

Netflix's data utilisation ensures that each user receives a tailored experience and that no two individuals encounter the same streaming recommendations.



Apple's seamless integration of hardware, software, and services has set a benchmark for customer experience in the technology industry. Through intuitive product design, innovative features, and exceptional customer support, Apple has fostered strong brand loyalty and advocacy. Testimonials from Apple customers highlight how the company's commitment to excellence has enhanced their overall satisfaction and loyalty to the brand.

These real-life examples demonstrate how businesses have achieved higher customer retention rates, increased revenue, and improved brand reputation by focusing on delivering exceptional experiences.

By analysing these sources of evidence, it becomes clear that prioritising memorable customer experiences is instrumental in driving customer loyalty, increasing repeat business, and ultimately contributing to a company's overall success and sustainability.



## Performance Metrics That Matter:

When it comes to assessing customer experience and retention, key performance indicators (KPIs) like Net Promoter Score (NPS), Customer Satisfaction (CSAT) score, and Customer Lifetime Value (CLV) offer invaluable quantitative insights. Businesses that consistently excel in delivering exceptional experiences often boast higher NPS and CSAT scores, underscoring enhanced customer loyalty and advocacy. Furthermore, the upward trajectory of CLV signifies the enduring value derived from cultivating and retaining a loyal customer base.

Research from Gartner (\*\*\*\*\*) reveals that “64% of consumers indicate that the customer experience is more important than price when it comes to the brand they choose.” Undoubtedly, customers seek favourable and memorable experiences, fostering loyalty and prompting return visits and referrals.

But does the significance of customer experience still hold in the face of looming inflation and evolving shopping behaviours favouring cheaper alternatives? The resounding answer is yes. Customer experience is essential in fiercely competitive markets, where consumers carefully consider spending decisions. During economic downturns, CX emerges as a pivotal value centre.

Today, every organisation must deliver exceptional experiences to its customers. Moreover, brands must transcend the conventional CX philosophy and envision their business through an experiential lens. In the coming years, companies, irrespective of size, must acknowledge that customer experience ranks equally alongside other offerings. Why? Because customers no longer merely compare similar competitors; instead, they juxtapose their experiences with one brand against all others they've encountered. Customer experience transcends being a mere business discipline; it embodies the ethos of customer-centric organisations.

Brands often struggle to adopt memorable customer experiences

due to various challenges, ranging from technology gaps to data silos to a lack of skills. Marketers find consolidating data into a single customer view challenging, with information often trapped in individual touchpoints and platforms. Additionally, teams may need more data and technology skills, and standardised data may be lacking, hindering seamless integration across all inputs.

In the Forrester US 2022 Customer Experience Index rankings (\*\*\*\*\*), it was found that CX quality declined for 19% of brands in 2022, marking the highest proportion drop in a single year since the survey began. Furthermore, a mere 3% of US companies were deemed customer-obsessed, a notable decrease of 7 percentage points from the previous year. This indicates a concerning trend of diminishing emphasis on prioritizing customer-centric approaches across businesses.

In today's digital age, technology is a crucial enabler of effective customer experience (CX). With the business world increasingly moving online, customers have an abundance of options at their fingertips, giving them more power than ever to influence a business's success. Consequently, delivering exceptional digital customer experiences (DCX) has become a data-driven process. Fortunately, companies have access to many tools and technologies to gather insights into customer preferences and behaviours, enabling them to enhance overall CX.

Despite these technological advancements, marketers continue to face challenges such as technology gaps, data silos, and skill deficiencies. Addressing these issues requires companies to recognise the importance of CX and take concrete steps to improve it holistically across the organisation. This entails investing in people, processes, and technology to consistently overcome barriers and deliver outstanding customer experiences. By prioritising CX enhancement from top to bottom, organisations can establish themselves as customer-centric entities poised for long-term success in the digital landscape.



MarTech (Marketing Technology) is vital in enhancing customer experiences (CX). By leveraging technology, businesses can improve various aspects of the customer journey, leading to more satisfying and memorable experiences. Here's how MarTech can drive CX improvement:

#### Personalisation:

MarTech tools enable businesses to collect and analyse customer data, allowing them to create personalised experiences tailored to individual preferences and behaviours. This includes targeted email campaigns and personalised product recommendations, enhancing engagement and satisfaction.

#### Marketing Automation:

MarTech solutions automate repetitive marketing tasks such as email marketing and social media posting, freeing up resources to focus on delivering high-quality, personalised experiences. Automation streamlines processes and ensures timely communication with customers.

#### Customer Journey Mapping:

MarTech platforms enable businesses to map the customer journey from awareness to purchase and beyond. Visualising the customer journey helps identify pain points and opportunities for improvement, optimising the overall experience.

#### Omnichannel Integration:

MarTech platforms facilitate seamless integration across multiple channels, ensuring a consistent experience for customers regardless of the channel they use. This fosters brand loyalty and improves brand perception.

#### Data Analytics:

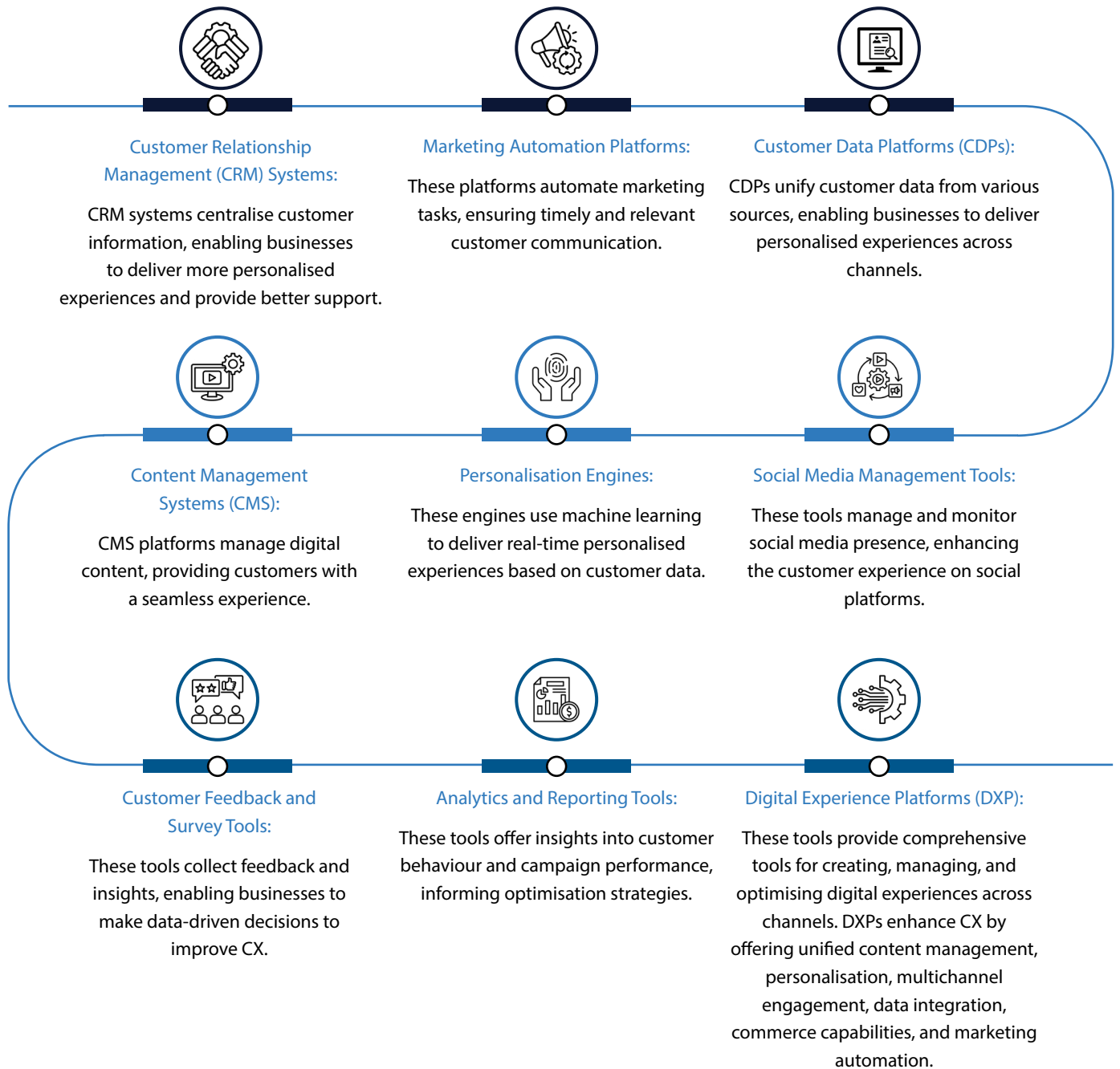
MarTech tools provide advanced analytics capabilities, offering insights into customer behaviour, preferences, and engagement metrics. Businesses can identify trends and opportunities for optimisation by analysing data, enabling data-driven decisions to improve CX.

#### Real-time Engagement:

MarTech tools facilitate real-time customer engagement, allowing businesses to respond promptly to inquiries and concerns. This fosters trust and connection, enhancing the overall customer experience.



Here are specific MarTech tools and their capabilities for improving customer experience:



Organisations use DXPs to build, manage, deploy and continually optimise their contextualised digital experiences across multiple channels, such as websites, portals and mobile apps.

By leveraging these MarTech tools and platforms, organizations can build, manage, deploy, and continually optimize contextualized digital experiences across multiple channels. This approach ensures that businesses are well-positioned to deliver seamless, personalized, and engaging experiences that meet customers' evolving expectations, driving long-term success, and establishing a customer-centric ethos within the company.

To further emphasize the importance of building a customer-centric strategy extended to the entire company, it's essential to

recognize that becoming customer-obsessed requires a holistic approach that permeates every aspect of the organization.

By extending the customer-centric strategy to the entire company, businesses can create a unified and cohesive approach to delivering exceptional customer experiences. This approach not only enhances customer satisfaction and loyalty but also drives long-term growth and competitiveness in today's increasingly customer-driven marketplace.

In conclusion, customer experience (CX) is a cornerstone of business success, directly impacting customer satisfaction, loyalty, revenue growth, brand differentiation, and overall business performance. By prioritising and investing in CX initiatives, businesses can create sustainable competitive advantages and drive long-term profitability. However, despite its importance, many companies need help delivering memorable customer experiences, as evidenced by the decline in CX quality for many brands in recent years. MarTech (Marketing Technology) is crucial in addressing these challenges and enhancing CX by leveraging technology to personalise interactions, integrate channels,

automate marketing processes, analyse data, map customer journeys, and engage customers in real-time. By harnessing the capabilities of MarTech tools and platforms, businesses can deliver seamless, personalised, and engaging experiences that meet customers' evolving expectations and drive long-term success in today's digital landscape. By ingraining customer-centric principles throughout the organizational fabric, businesses not only cultivate stronger customer relationships but also position themselves for sustained growth and competitive advantage in the dynamic marketplace of today and tomorrow.

## Sources

\*70 Customer Service Statistics to Know in 2024 (Hubspot)

\*\*Customer centricity: Embedding it into your organisation's DNA (Deloitte)

\*\*\*Temkin Group Report, ROI of Customer Experience, 2018. (Temkin)

\*\*\*\*Information sources: Research Gate, GradeK MBA, Harvard Business Review, Streamlyn Academy

\*\*\*\*\* Nearly 20% Of Brands See Drop In Customer Experience Quality (Forrester's US 2022 Customer Experience Index)

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Accomplished, results-driven consultant brings a wealth of experience in resolving complex marketing technologies and data challenges, optimizing processes, and enhancing customer experiences to define and deliver digital transformation programs. Specializing in choosing and implementing marketing technology, managing, and executing marketing technology projects, as well as evaluating new marketing technologies and recommending how to utilize them to achieve marketing objectives. She has a track record of delivering projects for global multinational enterprises across various sectors and geographies and expertise in strategic alignment, management, and communication across diverse audiences, including business, technology, and marketing teams.

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