



KUSTOMER

Closing The CX Expectations Gap

Every customer is unique and has their specific needs, expectations of service, and ways they like to engage with brands and people. Every business is different and has its own defined business logic and set of customer experience processes and technologies, aiming to handle those varied and ever-changing customer needs.

The gap between the two is referred to as the CX Expectations Gap.

What if there was a snowstorm or hurricane that delayed shipments of orders to a region? What if everyone wanted to order the the same hot new color, size, and version of the new phone, but inventory ran out? What if the item that shows up at your customer's door is the wrong size and color, or perhaps damaged?



How would your business handle these issues and prevent your customers from being even more upset? And worse, how would you retain these customers and ensure they continue to drive repeat business for your company? Businesses today are running into similar issues, and are unable or unequipped to meet their customer's expectations. For example, 80% of businesses believe they deliver "superior" customer service, but only 8% of customers believe they have experienced superior service from those same businesses.¹ Clearly, there is a chasm between customer expectations and existing business processes. The CX (Customer Experience) Expectations Gap costs businesses an estimated \$1.6 trillion in the U.S. alone.² Closing this gap takes time, people and resources, engineering effort, and money.

When companies don't have access to the right data and lack the full view of their customers, fulfilling their customer's expectations and closing that gap - even with the aforementioned resources - can be difficult. In order to close the CX Expectations Gap, your company needs to define all business processes for every aspect of CX. And the stakes are high. According to McKinsey, "organizations able to understand and skillfully act on complete customer journeys can reap enormous rewards: increasing customer satisfaction by up to 20 percent and revenue growth by 10 to 15 percent, and lowering the cost to serve by 15 to 20 percent."³ Organizations who want to deliver this kind of sustained growth while raising their customer experience bar need to know when to employ customer service and customer support as tactics to reach and impress their customers.

Customer service plays a major role in CX.

Usually, customer service is reactive: it's a transactional interaction where customers need something done and the company delivers. For example, a customer may experience a delivery delay due to a large snowstorm. Traditionally, your customer would reach out and ask for an update in when they can expect their package. Then, your team would respond with an expected date and the transaction would be complete. But what if you could integrate your shipping data, customer information, and inventory data in one place, allowing you to be proactive instead of reactive? Your team would then be able to react to the delay in deliveries ahead of time, view an alternative product that may be locally available, and proactively reach out to the customers before they reach out to you, providing them with a new choice. In this case, your service team would delight customers, resulting in a better customer experience.

Making sure your customer service team is focused on the right customers and has enough time to do so contributes to your customers' experience. For example, if demand spikes suddenly for the same color and size of the brand new phone, and your inventory supply cannot meet demand, today your customer service team's responses to inquiries might focus on the expected restock date. What if you could suggest personalized alternatives that are in stock, pickup in store, and prioritization for VIP customers to avoid refunds? When your customer is trying to check out with the out-of-stock item, they would receive a notification that the same phone model is in stock in rose-gold, instead of black, and would be available right away.

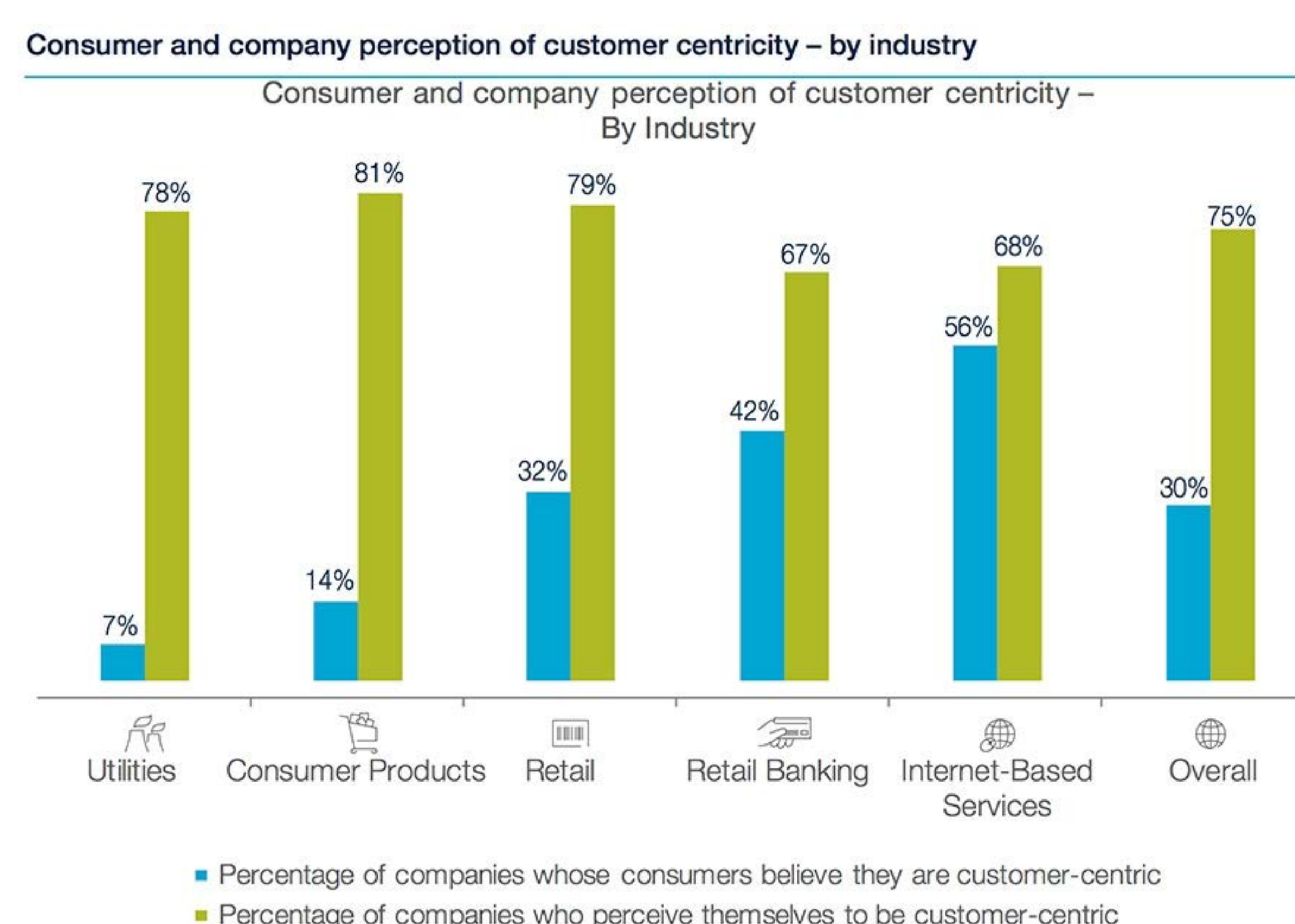
Then, your team could spend more time focusing on VIP customers that have recently shown negative sentiment during their latest interaction. Then with integrated data based on local inventory, they would be able to notify those customers that the exact item that's out of stock online, is available at a store nearby. By automatically rerouting customers with intelligent, personalized suggestions, your customer service team will increase your customer's experience, decrease the number of refunds and ensure all demand is met with the appropriate and timely resolution.

When it comes to customer service and its contribution to your customer's experience, it's better to be proactive at the right time, than reactive, so you can delight customers. Additionally, prioritizing your VIP customers based on factors like negative sentiment and personalizing your responses can all contribute to a better CX.

Customer support is another important component of your customer's experience.

If customers have questions about your product or service, they turn to support. Traditional customer support, especially in the B2C world, is reactive. And customer support usually focuses on problems, rather than opportunities. But what if you could focus on opportunities identified for you by your support software? For example, say you notice a few customers with increased negative sentiment contacting your support team about a problem with their latest makeup subscription box. Traditional customer support might just send a refund to customers who complained about the eyeshadow pallet with a pungent odor.

But what if you could instead segment your customers based on those who received the damaged pallet, proactively reach out to those who got the bad batch with a coupon code? Your customer support team would not only be increasing their customer experience, but also the likelihood that they stay subscription customers. Their Lifetime Value will increase as a result of repeat business in the future. In fact, 67% of customers mention bad experiences as a reason for churn, but only 1 out of 26 unhappy



customers complain.⁴ So, if you are able to contact those customers who had a bad experience but haven't reached out, you are keeping them from churning.

The right customer experience - or orchestration of any customer touchpoint from beginning to end of the relationship - is key to closing the CX Expectations Gap.

For most organizations, customer experience is now a key differentiator. According to Deloitte, 62% of customer service organizations view customer experience as a competitive differentiator.⁵ From website site visit to purchase, from ad click to an email asking a question, from inquiry around received or delayed item, customer experience defines the feeling, the user experience, and the emotional result a customer gets when interacting with that company through any channel, at any stage of their buyer journey and lifetime.



If you want to move from a transactional, one-size-fits-all mentality to a lifetime of experiences with the customer, you need to go beyond the ticket. By automating aspects of your customer journey you can ensure customers receive the right experience, product, and service based on their unique needs. When customer service and support teams can see everything about every customer, they can focus on the right actions and engagements needed to increase sentiment and thus lifetime value. In order to close the CX Expectations Gap, businesses need to know everything about every customer. The full customer picture provides teams with the right intelligence to better optimize business service processes with automation, prioritize team member time, and scale your service operations as the business grows, driving increased customer lifetime value.

Resources

1. <https://www.entrepreneur.com/article/228129#>
2. <https://www.accenture.com/us-en/insight-digital-disconnect-customer-engagement>
3. <http://www.mckinsey.com/business-functions/organization/our-insights/six-building-blocks-for-creating-a-high-performing-digital-enterprise>
4. http://www.huffingtonpost.com/vala-afshar/50-important-customer-exp_b_8295772.html
5. <http://www2.deloitte.com/content/dam/Deloitte/us/Documents/process-and-operations/us-sdt-consulting-2013-global-contact-survey-051513.pdf>

About Kustomer

Kustomer is a CRM platform for customer experience, enabling a full view of your customer stories, business process automation, and knowing everything about every customer, to drive informed actions. Used by companies like Slice, Smugmug, Outdoor Voices, and more, Kustomer provides businesses with a full view of every customer's lifetime. Kustomer was founded in 2015 with headquarters in New York City.

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