

# Improving Customer Experience

“Offering products or services alone isn’t enough these days: organizations must provide their customers with satisfactory experience. Competing on that dimension means orchestrating all the ‘clues’ that people pick up in the buying process.”

That’s the introductory quote to a report published by MIT Sloan in April 2002. In the two decades since, this view of customer experience has only continued to snowball in truth and relevance. As the world of business has moved online, the need to identify, understand, and optimize the ‘clues’ a business sends to its customers has never been more fundamental to an organization’s success.



In this guide, we’re going to look at how a company can improve the experience that it delivers to customers, through using challenge-driven innovation. As well as discussing how, we’ll also explore why any business should prioritize customer experience, and some of the ways in which our clients have been able to succeed in this area.

## → What Is Meant by Customer Experience Management?

A key starting point in understanding how to use innovation to improve the customer experience is knowing exactly what the term means. Far too many businesses still believe that customer experience and customer service are synonymous, which explains why these organizations are not doing enough on both fronts.

Customer Experience has a much broader scope. It refers to every single interaction and experience that a customer has with a company, from the very start of their journey to the very end. By widening the boundaries of focus in this way, businesses become better equipped at identifying flaws in its customer experience offering, and how to remedy them.

## → Reasons for Improving Customer Experience:

While it may seem obvious that a reason to improve customer experience is to ensure paying customers keep coming back, the purpose of focusing on customer experience extends beyond that fundamental point. Much like the purchase journey customers go on, the journey to delivering a great experience is a largely intuitive one. By putting in the foundations for great customer experience now, companies are better positioned to grow year on year. Over our years of running Challenges in this area, we’ve found that these other reasons can be summarised in the following points:

**Reducing customer churn:** a key metric that businesses measure success by is a low customer churn rate. By addressing faults in customer experience, it is less likely that a prospective customer will leave before spending money, keeping churn rates low.

**Drives revenue growth:** when customers aren’t churning, they’re spending. In providing an experience that customers want to come back for, a business shores up custom going forward, leading to a natural growth in revenue.

**Builds brand loyalty:** as an extension of increasing revenue growth, a business is also seeing increased brand loyalty. As this continues, these customers may even become ambassadors for a brand, encouraging their social circles to spend money with that company as well.

## ➔ What Are Organizations Already Doing?

With the importance of creating a great customer experience front and center of so many business propositions, it is not surprising that organizations are seeking ways to optimize it.

Our work with clients has seen organizations in several different fields run Challenges in this area. Through this, we've picked up some pointers on the most effective ways in which companies have achieved this goal.

**Capturing pain points:** there's no point in fixing a problem without understanding what it is. Challenges that capture customer pain points give organizations great insight into the areas that need improvement.

**Improving a process:** as customer experience isn't just about service, processes around how a company operates can negatively affect it. Companies that run Challenges on potential process improvements can be improving the customer experience without even realizing it

**Co-Creation:** customers have opinions about the good and bad side of any experience. Challenges can be run that involve customers from the get-go, allowing businesses a direct line to the issues that its target audience is facing.

**Developing Products:** customer frustrations aren't always about something not working. It could be that there's a product they'd like to see a business offer which it currently doesn't. Running Challenges which involve customers in the development process affords organizations the chance to work with the audience that any new offerings are targeted towards.

**Running Competitions:** a lot of the work to get any crowd involved in innovation Challenges has to do with incentives. By running competition Challenges, businesses can refocus internal and external crowds on the basic "what", "why", and "how" questions that underpin any successful customer experience.



In this guide, we've looked at what the customer experience is and why it is so important to businesses around the world. Having explored the reasons why any organization would seek to improve its current customer experience offering, we've also identified ways in which companies are already exploring ways to improve.

A business simply cannot survive without customers. By focusing on the quality of the experience first-time customers have, a company can ensure growth is a continuous reality by keeping their customers happy.



## ➔ About Wazoku

Wazoku is a pioneer in open innovation, crowdsourcing, and innovation at scale. For more than two decades, we've been helping our clients deliver sustainable and scalable innovation practices. As both for-profit and for-purpose, our software and expertise have been used to gain competitive advantage and overcome humanitarian crises around the globe, all of which are underpinned by the belief that anyone can be an innovator.