

# **Dynamic Customer Engagement**

FOR  
**DUMMIES**<sup>®</sup>

*Making Everything Easier!*<sup>™</sup>

**Randy Brasche  
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***Dynamic***  
***Customer Engagement***  
FOR  
**DUMMIES®**

**by Randy Brasche,  
John Quaglietta, Allen Wyatt**



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## Dynamic Customer Engagement For Dummies®

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# Introduction



**I**n today's chaotic marketplace, everyone is looking for the one silver bullet to beat the competition. As an executive or manager responsible for customer service or sales, you're probably challenged to find new ways to differentiate yourself and hit your revenue goals.

How can you establish a unique relationship with your customers that enables you to stand out from the competition? How can you create an extremely loyal customer base that will never defect to the competition and will make all of your sales dreams come true?

## *About This Book*

Your silver bullet can be found within this book. It's called *Dynamic Customer Engagement*.

Before you run into your boss' office with this great news, you first need to take a step back, understand the basics, and formulate your own Dynamic Customer Engagement plan. Your unique strategy, effectively implemented, can create brand champions and loyal customers based on the Dynamic Customer Engagement building blocks and your company's unique environment.

By following the recommendations in this book, you'll be on your way to establishing profitable relationships with your customers that can withstand an evolving marketplace and even the fiercest competition.

## *Icons Used in This Book*

Some information we present in this book warrants extra special treatment. The handy way that we identify such information to you is through the use of clever icons. Notice one of these, and you know that you need to take note. Here's what to look for:



If there is something we feel is cool and can help you with all this Dynamic Customer Engagement stuff, we call it out by putting this nifty little icon beside it.



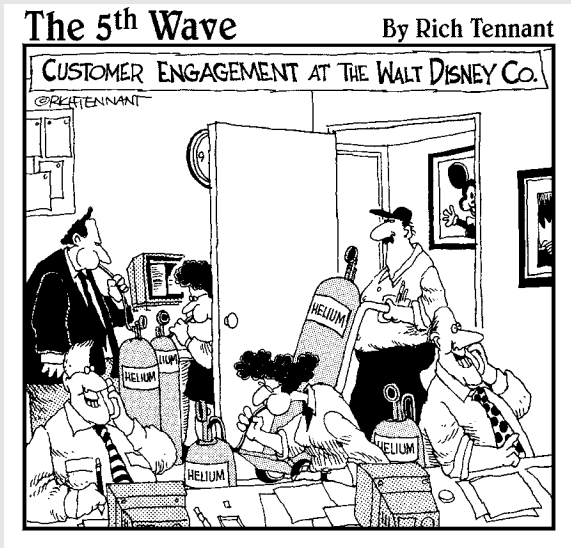
What was this about? We almost forgot! When you see this icon, you may find the accompanying information helpful if you remember it — at least for a while.



Betcha didn't think this was gonna be a technical book, did ya? Well, it's not, but there are a few times where a technical tidbit crops up. While these are undoubtedly interesting, they are not essential to your well-being, and no harm will befall you if you just skip over them.

## Part I

# Driving Growth through Engaged Customers





*In this part . . .*

**T**his part discusses the changing market and why companies are scrambling to retain customers. It also goes over some of the better ways to make customers your best friends.

# Chapter 1

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## Understanding the Changing Market

.....

### *In This Chapter*

- ▶ Understanding the evolution of brand loyalty
  - ▶ Looking at key market trends
- .....

**C**hances are good that you and your company have come up, over the years, with a variety of plans to identify, qualify, procure, and keep customers. Perhaps you've been using the same plan for decades; perhaps you're still casting about for a plan that will work for you. Regardless, you're probably facing some frustration as you recognize that the "old ways" aren't always working and there is no clear-cut consensus on what the "new ways" really should be.

### *Looking at the Basics*

Your frustration is easily understood. Over the past decade, the Web and shifting market dynamics have radically changed the way companies and their brands

interact with customers. In the past, how did you (as a consumer) identify with your favorite brands? Most likely, television advertising and direct marketing influenced your purchasing decisions.



Today, brand decisions are based on a new world order that marginalizes traditional marketing while giving tremendous power to the consumer. Companies are now faced with five elements that tend to erode brand loyalty:

- ✓ Traditional marketing is more difficult with new regulatory and behavior patterns
- ✓ The Internet has introduced a pervasive “sameness” in products and services
- ✓ Multi-channel information sources create new levels of complexity for businesses
- ✓ Customers have new information and purchasing power that they previously didn’t have
- ✓ Building customer relationships is no longer limited to a single company department

This chapter explores some of these earth-shattering trends that erode brand loyalty and present unique challenges in the market.

## ***Realizing Traditional Marketing Is Broken***

Somebody broke traditional marketing and you didn’t get the memo? Unfortunately, there wasn’t a memo. If there had been, not so many people would have been caught by surprise. But it’s a brave new world out there, bucko!

New technology and regulatory laws are restricting the ways companies can engage their customers. When was the last time you watched a television commercial? Most likely, you now zip through commercials by hitting the fast-forward button on your DVR (digital video recorder).

You're probably also thankful that government regulations are keeping those pesky telemarketers from calling during dinner or stuffing your mailbox full of junk. And you're no longer annoyed by those online computer pop-up ads because you're protected by computer security software. The list goes on and on. Ultimately, companies are looking for new ways to captivate today's consumer.

## *Looking at Everything as a Commodity*

The Internet has created a new virtual marketplace where it's almost impossible to differentiate yourself. Some say that the Internet is the great equalizer; it "levels the playing field" for companies of all sizes. This almost leads to a "sameness" among companies, regardless of what they sell.

For example, if you visit sites such as Amazon.com, Expedia, Overstock.com, or your local bank, you'd probably have a hard time telling the difference between books, home electronics, travel packages, clothing, or financial services from competitive sites. It's also very easy for consumers to use popular search or price tools such as Google, mySimon, or PriceSCAN to automatically find the best price from any online vendor.

## ***Communicating via Multiple Channels Creates Complexity***

Today, consumers can exercise their purchasing power on a variety of fronts: in the store, over the phone, or from a computer or smartphone. Although having multiple contact points provides greater convenience for the customer, these various channels are creating new headaches for companies.

For example, a customer may research a product over the Internet, call the contact center with questions, and later walk into a store to seal the deal. In this case, most companies are having separate, compartmentalized conversations with customers — each unaware of the previous conversation. This can translate into missed revenue opportunities, not to mention added frustration for the customer.

## ***Understanding that Customers Now Have the Power***

Do you feel empowered? You should; you're a customer. What did you do in the past when you received dismal customer service? Most likely you carried out your revenge by taking your business elsewhere and bad-mouthing the company to your friends. Sure, it felt good to vent, but it didn't do much to change the company's behavior. Today, customers have a booming megaphone and can forcefully express their displeasure through blogs, focused online communities, or through social media tools such as Twitter, Facebook, and YouTube.



After a bad experience, customers are using these new tools to expose the offending companies to an audience of millions of people and potential customers. As a result of one major blunder with a customer, companies have taken some disastrous PR hits and, sometimes, erosion of shareholder value.

## ***Making Customer Engagement Everyone's Responsibility***

When you think about the customer experience, the contact center probably immediately comes to mind. Today, these activities are no longer confined to the four walls of the contact center. Historically, customer sales and service have typically been synonymous with a single department.



*Customer engagement and experience* requires sales and service to be treated as a business function, handing over the responsibility of the relationship with the customer from one department to many.

The contact center, along with marketing, online sales, back office, outsourcers, branches, and remote organizations all play an integral role. For example, when you call a company to open a new account, an intricate ritual involving many organizations outside of the contact center comes into play.



## Chapter 2

# Achieving Growth

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### *In This Chapter*

- ▶ Defining your best friends
  - ▶ Differentiating through engagement
- 

**F**aced with the challenges business faces today (see Chapter 1 for more), every company is (or should be) re-evaluating how they do business and engage their best customers. How do you give customers what they want and foster a positive feeling about your brand to generate loyalty — all while exceeding expectations?

### *Seeking Great Interactions*

Think about your best friend or, as co-author Allen's 16-year-old neighbor says, your BFF. (Not up with the lingo? BFF means *best friend forever*. In her world, “forever” means until a new BFF comes along.)

Back in the business world, a relationship with your best friend is no different than a relationship with your best customer. The relationship with your best friend spans conversations and experiences over time. Most



importantly, your best friend is loyal, your biggest advocate, low-maintenance, and will always recommend you to other friends.



In the same way, every interaction or conversation with your customers, over time, establishes a positive (or negative) relationship and helps drive your growth objectives.

## ***Making Every Customer Count***

So, you're probably asking yourself, what does your best friend have to do with your company achieving its revenue goals?



The answer is quite simple: An engaged “best friend” relationship with your customers can drive long-term growth objectives in four key areas:

- ✓ **Likelihood to recommend:** Engaged customers make brand recommendations to others.
- ✓ **Willingness to purchase more:** Engaged customers purchase additional products.
- ✓ **Reluctance to switch:** Engaged customers are loyal to a brand or company.
- ✓ **Ability to contain costs:** Engaged customers are low-maintenance (the least-expensive to service).

## The correlation between engagement and growth

Forrester Research recently conducted a study about the correlation between the customer experience and revenue objectives. The model incorporated three major elements associated with loyal customer behavior: likelihood to recommend, willingness to buy more, and reluctance to switch. The results of the study demonstrate a clear link between customer engagement and revenue objectives:

- ✔ **New sales:** Hotels that provided a quality customer experience benefited the most. The annual revenue increase associated with the customer experience translated into a whopping \$311 million. For all other major industries except healthcare, the difference is more than \$260 million per year on a base of \$10 billion in revenues.
- ✔ **Buy more:** The banking and hospitality industries often experience the greatest customer turnover. Fortunately, when providing a quality customer experience, both of these industries can generate more than \$206 million per year from their existing customers.
- ✔ **Word of mouth:** Customers have great memories and always recount their positive and negative experiences to friends, family, and colleagues. These discussions with potential customers, in turn, influence future purchase decisions. This word of mouth dynamic is most significant

*(continued)*

*(continued)*

for airlines, where it represents more than \$118 million per year. Next on the list are wireless carriers, which can gain \$111 million from these recommendations.

Based upon these compelling results, how will you create a customer engagement environment that drives bottom line results?

## Part II

# Creating Dynamic Customer Engagement



*In this part . . .*

**T**his part explains Dynamic Customer Engagement and shows you how to assess where you are. It also explains how to create a Dynamic Customer Engagement plan and the benefits of doing so.

## Chapter 3

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# Understanding Dynamic Customer Engagement

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### *In This Chapter*

- ▶ Understanding the guiding principles
  - ▶ Looking at the building blocks
  - ▶ Surveying your environment
- .....

**D**ynamic Customer Engagement is the measure of the strength of a relationship a company or brand has with its customers over time. It's *dynamic* because you're proactively anticipating your customer's needs and, over time, the output of this anticipation becomes a normal part of your day-to-day business, working its way into your business process.

Sounds simple, right? Perhaps it is better to say that it is "deceptively simple." The deceiving part is that differentiating your brand and company in a commodity marketplace through Dynamic Customer Engagement doesn't happen overnight (but it is within your reach).

## *Listing Your Guiding Principles*

Your company can create an engaging customer experience by implementing a simple four-step framework.



These four concepts can be used to engage customers in ways that make them feel they're in an active, committed relationship with your company:

- ✓ **Convenient:** This is the most basic rule of customer engagement. When your customers want to find you, they require ease-of-contact and short wait times. And, they want you to be available 24/7 through a variety of channels spanning phone, self-service, e-mail, chat, or SMS.
- ✓ **Competent:** You need to ensure that you have the right resources supporting you. This means that people interacting with customers need to have access to all necessary information regardless if the interaction is taking place on the phone, Web, or smartphone. Because every interaction creates a lasting impression, your resources need to get it right the first time — in today's world you don't get many second chances.
- ✓ **Personalized:** Customers like to feel special — don't we all? You need to intimately know your customer the moment they contact you in order to cater to their specific needs. To do this, you need to leverage every ounce of information you have about your customer.

✔ **Proactive:** This is the *dynamic* part in Dynamic Customer Engagement. You need to immediately anticipate your customers' needs — without them having to tell you. Consider the following scenario: Isn't it nice whenever your favorite restaurant makes recommendations based on your preferences? Your customers are no different. You should inform them about relevant products, services, or information. And, every customer interaction is an opportunity to add additional value to deepen the relationship. Your customers will appreciate that you're taking the initiative.

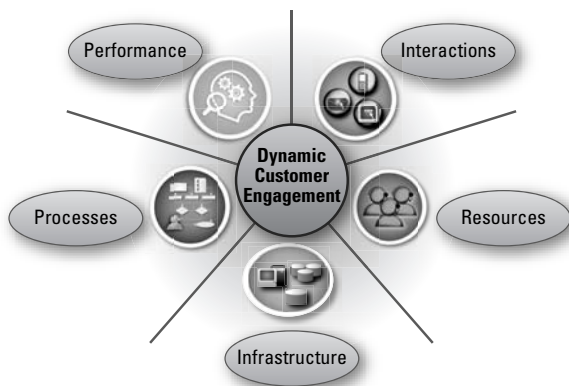
## *Looking at Basic Building Blocks*

Five fundamental building blocks are used to build a customer engagement strategy (see Figure 3-1). The following sections discuss them in detail.

### *Interactions*

Your customers have one thing in common: long memories. Every customer interaction with your brand or company creates a lasting impression. Today, companies are challenged to manage many different interaction channels including phone, Web, face-to-face, and mobile devices. This challenge is compounded as customers change interaction channels during a sales or service process.





**Figure 3-1:** Dynamic Customer Engagement building blocks.

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You may have experienced the frustration of a company that doesn't remember your account number, purchasing history, preferences, or recent transactions when you contact them from different interaction channels. That personal frustration should help illuminate the decisions you make within your own company.

Remember, too, that social media is providing another powerful channel for customers to very publicly discuss your product and brand — for better or worse. Frustration is no longer suffered singularly.



Consider the importance of each interaction. A typical airline has over 50 million interactions with customers every year. Most of these interactions are in bursts, say 15 to 20 seconds at a time. But, it is the sum of these relationships that form the lasting impression a customer has about your organization. The opportunity to delight or disappoint can occur 50 million times a year. Every interaction must count.

## ***Resources***

Your reputation with customers is built through many resources, including agents, outsourcers, knowledge workers, at-home agents, and automated systems. Accounting for up to 60 percent of your company's overhead, personnel and systems that interact directly with customers are your Dynamic Customer Engagement ambassadors. Competent ambassadors can make a tremendous difference to minimize costs, while delivering high levels of customer service, combating customer defections, and attaining revenue objectives.

Equipping resources (both personnel and systems) with the right information about a customer and the context of their relationship with your organization is an important part of recognizing a resource's full potential.

## ***Infrastructure***

If you pay a visit to your IT department, you'll probably find a ton of hardware, applications, and other technologies that support your customers. (In IT departments that haven't been cleaned out in a while it may be a ton and a half or two tons.) This may include servers, customer relationship management software, billing systems, and other software. This stuff is the foundation of your Dynamic Customer Engagement structure that empowers every employee responsible for customer service, sales, and support.

Two key points to remember:

- ✓ The infrastructure decision needs to be made in the context of what experience you want to create for your customer.
- ✓ Infrastructure is a building block, but the strength of that block is in direct correlation to how that block is utilized to facilitate and strengthen customer relationships.

## ***Processes***

Every customer interaction incorporates an underlying customer process. Processes are the intellectual capital of your organization. How processes are organized and executed affect the customer's experience with your company.

A customer's experience is the sum of the inputs, outputs, and resources that feed a process. Processes should be viewed as the brackets that contain the experience, and designed in such a way as to focus on the customer.



Great customer experiences are deliberate, and being deliberate means creating processes that center around the customer and are efficient, repeatable, and of value to both the organization and the customer.

Processes are often overlooked as part of the customer engagement experience. For example, calling your insurance company to file a claim automatically initiates a process involving many organizations across the company. Often, these processes are managed independently in the back-office through a Business Process Management (BPM) or Service Request system.

Unfortunately, these systems can't find the right person to do the work and guarantee that it's done on time. Although your initial phone call to the insurance company may have been a pleasant experience, the overall experience is soured if the insurance claim isn't processed quickly.

## *Performance*

No, this isn't an audition for a play or a movie. That type of performance is best left to a different book. The type of performance we are talking about is more akin to the performance of an athlete. If your organization is committed to customer engagement, over time you grow from your first uncertain steps to the performance of a trained sprinter.

Because customer engagement is driving revenue growth, senior executives and business management are now scrutinizing the performance of customer service and sales operations. Unfortunately, most reports or Key

Performance Indicators (KPIs) don't provide a clear picture of how Dynamic Customer Engagement impacts the bottom line. Most KPIs are operational in nature and focus on efficiency or effectiveness from the viewpoint of the organization. They have little to do with overall financial performance or customer experience.

The sum and importance of these operational metrics can be best quantified in two questions to the customer:

- ✔ What is the likelihood you would recommend our product or service to one of your friends or colleagues?
- ✔ Given the experience with our organization to date, would you consider us for future purchases?

## *Assessing Your Environment*

Do you care about the environment? You should — particularly the environment within your organization. Before you can successfully formulate your own Dynamic Customer Engagement plan, it probably makes sense to first take stock of your environment and company. As you do so, ask yourself the following questions:

- ✔ When you think about making changes in your organization, be it a technology purchase, introducing a new process, hiring new employees, or whatever, do you ask yourself the question, “How will it impact my customer?”
- ✔ If you were to sit back today and think about how your company is organized, would you say it is

around a product or service or around the customer? And ask the same question about how you utilize resources.

- ✔ Are you getting the most out of your people?
- ✔ Are your customer interactions compartmentalized within different departments?
- ✔ Are your agents aware of previous conversations as customers jump from one interaction channel to another?
- ✔ How do you utilize your existing customer applications and data to manage customer interactions (for instance, where do you send your high value customers when they call your company)?
- ✔ Do your agents and resources have one singular view into customer applications and data? Do these resources have access to every bit of customer data?
- ✔ Are your back-office resources that handle customer-related work items managed like your front-office/contact center counterparts? As work is sent to knowledge workers, are you aware of resource availability, skill-sets, and current workload? Can you measure the efficiency and effectiveness of specific work activities?
- ✔ How does your organization generate, consume, and act on customer information? Do you use it to strengthen interactions with customers? What metrics are driving your decision-making process? Do you have the appropriate level of business context associated with customer activity?



The answers to some of these questions may expose weaknesses in your environment. But don't fret. By honestly assessing your situation, you'll be in a better place to make the required changes to successfully implement the strategies necessary to implement each of the five Dynamic Customer Engagement building blocks.

## Chapter 4

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# Strategies for Engaging Customers

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### *In This Chapter*

- ▶ Building a Dynamic Customer Engagement enterprise
  - ▶ Strategizing Customer Engagement elements
- .....

**H**ow can you now translate the ingredients for dynamic interaction into actionable strategies that can drive growth and market differentiation? We give you some answers in this chapter.

## *Breaking Down Conversational Silos*

Silos don't only exist down on the farm. They also exist quite naturally in corporate America. The average customer, interacting with the average company, often ends up having many independent conversations with the company across different interaction channels. The problem is that these channels are often managed by



different organizations. Over time, these “silos” must be dissolved so that customers have one conversation with your company.

Wouldn't it be nice if an agent immediately knew about a recent complaint that a customer submitted on your Web site when they called the contact center to follow up? Or knew about their online purchasing preferences and history if they decided to purchase on the phone — or vice versa?



How can you reach this level of customer experience? We like to call this nirvana *cross-channel conversation*. If an interaction begins on the Web and jumps to the phone, it must seamlessly transition — including complete customer data. And agents must immediately have detailed information and visibility about every customer at their fingertips.

Don't pinch yourself; this scenario isn't a dream. You can actually break down customer service and sales silos to create this nirvana. But it requires both a comprehensive technology and operational strategy shift and commitment:

- ✔ **Technology:** Each of your voice, Web, and mobile interaction channels are probably supported by a slew of technologies and applications including contact center/customer service hardware and software and e-mail, chat, and SMS applications. Over the past decade, you've probably spent a lot of money on this stuff. Don't stress; you don't need to throw anything away. Rather, think about how will you use, re-use, and combine the existing technology.

✓ **Operational:** Customer-service and sales silos are traditionally managed by operational fiefdoms. Customers often experience the negative consequences of these fiefdoms because a phone or Web agent is unable to “connect-the-dots” through the many contact center, sales, marketing, and service organizations. You need to get to a place where each of these fiefdoms are “playing nice” in the same sandbox. As a result, your customers will appreciate that you’ve made them a priority by taking the high road and transcending internal politics.

## *Maximizing Your Resources*

Resources — both human and systems — are your greatest assets. Maximizing them requires understanding how to best deploy them to take advantage of their strengths while simultaneously improving on their weaknesses.



In order to do this, your human resources (also known as co-workers) must be made aware of what your organizational goals are in relation to customer engagement. They also need to know their role and contribution to this effort. They must be equipped to effectively do their jobs and given responsibility to act.

A proven strategy used by many is workforce optimization or WFO. *WFO* is about organizing and deploying resources in accordance to their strengths. It’s also about recognizing weaknesses in skills and carefully formulating an ongoing professional development plan designed to increase resource knowledge in key areas.

## The power of social media

Your cross-channel conversation strategy must incorporate the major social media channels such as Twitter, YouTube, Facebook, and LinkedIn. Why? Consider the following statistics: In April, 2009, 250 million Facebook members spent 13.9 billion minutes on its site. During the same period, 45 million Twitter members spent 300 million minutes on its site. These statistics represent a lot of “engaged” eyeballs.

Social media channels represent a new customer engagement opportunity that must be aligned with your existing voice and Web channels. In the traditional contact center world, customers are segmented and routed to agents based on perceived business value to the company. In a social media world, customer value and segmentation take on new dimensions. For instance, ask yourself these questions about customers:

- ✓ Are they *super influencers*? (In other words, do they have the ability to influence followers or subscribers on a company’s forum Web site?)
- ✓ Do they have large followings on Twitter?
- ✓ Do they have blogs with large audiences and the potential to adversely affect your brand with one posting?
- ✓ How many times have they commented?
- ✓ What is their accuracy?
- ✓ Do they comment positively or negatively about products?

For most companies, cost, quality, and growth objectives are in direct conflict with one another — and with the expectations of your customers. To strike the appropriate balance, companies are investing in optimization initiatives with the goal of gaining visibility into operational performance, streamlining operations, and driving revenue into the business. Through ongoing optimization and edification, workers are happy and challenged — and will become effective brand ambassadors to customers and constituents.

## *Using Your Existing Technology*

Your workforce relies on countless technologies, systems, and applications to engage customers and create brand champions. For most companies, building this environment from disparate and legacy systems may seem like a daunting task.

No, we aren't going to suggest you go out and spend a gazillion dollars on new technology; we don't want to drive you from the room screaming. Fortunately, today's application interfaces and Web standards provide the tools to use what you already have to create a customer engagement infrastructure that empowers agents, customer service representatives, and back-office workers.



You can use the following to actually tie all your systems together, to create a seamless interaction for customers:

- ✔ **Customer Relationship Management (CRM) applications:** Incorporate valuable customer data to manage and prioritize interactions.

- ✓ **Business Process Management (BPM) applications:** Align customer-service processes with business priority and value with the ideal back-office or knowledge-worker resource.
- ✓ **Telephony hardware:** Virtualize disparate telephony hardware systems to manage voice interactions while integrating Web and mobile interactions.
- ✓ **Homegrown applications:** Utilize standards to incorporate homegrown applications into your customer engagement framework.

## *Remembering Your Processes*

Every customer engagement strategy is dictated by an underlying set of customer-related processes. Unfortunately, many of these core processes are detached from the overall customer experience and not prioritized by business value or service level requirements.

Consider the following example: As a high-value customer, you may call your bank to initiate an application for a home equity loan. Your experience applying for the loan over the phone is extremely pleasant. However, those positive feelings and goodwill are eventually extinguished when your application is mired in the back office for three weeks — and you take your business elsewhere.



Although the bank may have prioritized your initial phone call based on your valued customer status, they missed a prime opportunity to similarly prioritize the application (the business process) in the back office to win your home equity loan business.

## *Gaining Visibility into Business Performance*

Today's Global 2000 enterprise is capable of producing millions of data points a day associated with customer activity and engagement. You've probably noticed those data points lying around the office, collecting dust. Phone calls, Web clicks, chat sessions, and purchase history all paint a disconnected picture of an individual customer experience.

Isn't it about time to dust off those data points and do something with them? It really is necessary so that your company can create a complete and integrated view of each customer across multiple products and channels. At the same time, you need to measure the performance of agents, customer service representatives, and other customer-facing resources to determine their impact on your bottom line.

Ultimately, high-performance companies must measure business outcomes in the following areas to guide decisions and ongoing refinements:

- ✔ **Customer segmentation:** Going on customer activity, status, and purchase history, how do you classify customers based on current and potential profitability? This insight determines how individual customer interactions are prioritized, managed, and targeted for specific opportunities. Similarly, by fulfilling the needs of each customer by segment, companies can better engage their most profitable customers for incremental revenue. For example,

by segmenting its customers based on business requirements, the Royal Bank of Canada has grown its market capitalization from \$18 billion to \$50 billion over a six-year period.

- ✔ **Anticipate customer needs:** Predicting customer behavior is essential when engaging customers and creating the optimal customer experience. Your company needs to transform the multi-level customer activity from the phone, Web, and other sources into relevant, timely, actionable insight.
- ✔ **Agent performance:** Agents and customer service representatives are on the front line to minimize customer defections, personify a company's brand, and drive revenue growth. Although today's agent metrics focus on raw interaction details (average call time, calls in queue, and so on), many organizations fail to correlate business outcomes associated with individual agent activity.

For example, you may be concerned that an agent's average call time exceeds the average for all other agents. But what if this agent also had the highest cross-sell/upsell rate within the contact center? Measuring and aligning business outcomes with standard operational metrics is essential as your resource pool becomes the new engine for revenue growth.

## Chapter 5

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# The Benefits of Engagement

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### *In This Chapter*

- ▶ Achieving differentiation in a commodity marketplace
  - ▶ Cutting costs
  - ▶ Meeting or exceeding growth objectives
  - ▶ Relishing engaged customers and employees
- .....

**S**o, if you do execute your own Dynamic Customer Engagement plan what can you expect? When you're done, what sort of dramatic changes will you see in your business? In this chapter, we discuss some of the tangible benefits your company can experience after completing its Dynamic Customer Engagement transformation.

### *Growing Market Share and Wallet Share*

Run down to the local garden store and ask them for a packet of market share seeds. Get several and plant them out behind your office. This is an easy way to grow market share, right?



Actually, the best way is through implementing your Dynamic Customer Engagement strategy. Once your strategy is hitting on all cylinders, you'll be building a base of high-value, committed customers.

Customers with a history of positive interactions are more likely to consider new products and services from a company they already do business with. Similarly, prospective customers will be attracted to buy since their friends referred them to you.

Knowing a customer's transaction and service history, marketing professionals can better tailor product and service offers to their customers' needs. In no time, you'll be increasing your customer lifetime value (see sidebar) and gobbling up market share.

## *Minimizing Customer Turnover*

It almost goes without saying that engaged and happy customers are less likely to defect to the competition. In an era where customer turnover is high for certain industries and the ability to switch to a competitor is simple and seamless, Dynamic Customer Engagement can ensure that your customers stay put.



When you do it right, engagement can even turn unhappy customers into loyal brand fans. (Resolving a complaining customer into a happy customer is a win-win!)



## The importance of customer lifetime value

You know that it costs more money to attract new customers than it does to keep existing customers. That's because keeping existing customers is associated with ongoing revenue, a metric that is sometimes measured by something known as *customer lifetime value*. This is an estimate of how much money a company will make from ongoing relationships with customers. Unfortunately, many companies boil the ocean and employ a ton of mathematical and scientific formulas to determine how to do this. The better way to keep customers happy is to establish a best friend forever (BFF) relationship with them (more on that in Chapter 2). Enter Dynamic Customer Engagement.

Dynamic Customer Engagement *is* customer lifetime value. If you consistently create the best customer experience, your customers will continue to buy more and recommend you to friends and colleagues. This isn't rocket science and you don't need a complicated formula to figure it out.

## Differentiating Yourself

No matter what industry you're in, Dynamic Customer Engagement helps you stand out from the crowd. Given that many products and services are difficult to differentiate, customers will take notice when your brand is

engaging them in unique, valuable, and exceptional ways. Every touch point — online, in person, over the phone, e-mail, or paper-based — where customers interact with your brand and company is an opportunity for competitive differentiation.

## ***Reducing the Costs of Doing Business***

Engaged customers are always less costly to service. Why? On average, loyal customers require fewer resources because they call back less and have fewer unresolved issues. In addition, by increasing customer loyalty, your company can actually decrease the sales and marketing efforts of selling new features or products, as these customers will tend to keep buying from you.

## ***Creating Happy Employees***

Your customers aren't the only ones who benefit from Dynamic Customer Engagement. Employees, agents, and other customer-facing folks will experience a more fulfilling work environment because they're working with happy (and not irate) customers. In addition, employees are challenged (in a good way) when they work on higher-value activities focused on increasing customers' lifetime value.

## Chapter 6

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# Ten Steps (Okay, Eleven) to Engagement

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### *In This Chapter*

- ▶ Pulling it all together
  - ▶ Creating an actionable plan
- .....

**B**efore you start down the road of formulating a strategy and executing it tactically, you must stop and realize one thing — an effective Dynamic Customer Engagement Strategy starts with putting the customer at the center of everything you do. This chapter goes over some steps you need to take.

### *Gain Executive Sponsorship*

Executing a Dynamic Customer Engagement strategy necessarily involves looping in countless organizations across your company. Not an easy task! Although you're passionate about this initiative, you will be challenged to single-handedly marshal support and resources across multiple and often conflicting internal organizations.



The success of any Dynamic Customer Engagement initiative requires executive support. Where to start? Start with your senior-level executive. From there, connect the dots with other senior-level managers and executives responsible for customer service and sales. Once you gain critical mass with your executive team, you'll find that this process becomes a lot easier.

## *Ask the Tough Questions*

Create your own list of self-assessment criteria that spans the five Dynamic Customer Engagement building blocks (interactions, resources, infrastructure, processes, and performance). Once you're aware of gaps and weaknesses, you'll be in a better place to formulate a cohesive strategy and plan of attack. For a good starting list of questions, see Chapter 3.

## *Don't Forget IT*

After you and your business executives formulate a Dynamic Customer Engagement strategy (with a rock-solid ROI), there's one major item that you may have forgotten: the IT organization.



Although many business decisions drive IT requirements, the IT organization is required to implement any solution. Existing investments, migration plans, technology platforms, security, data management, and other variables need to be taken into consideration. So, engage your IT organization early in the strategy-development process.

## ***Break Down the Walls***

Organizational silos create interaction challenges whenever customers change interaction channels (phone, Web, or mobile) because these channels are managed by different fiefdoms and may be unaware of previous conversations.

Technology walls create a separate challenge as critical customer data and applications are inaccessible or present multiple views to those interacting with customers. As you build support for your Dynamic Customer Engagement initiative with key executives, determine how they can help you break down these walls.

## ***Engage the Back-Office***

Whatever happens in the back office has a direct effect on the front office/contact center: If a customer request or process is broken in the back office, the contact center is the first to hear about it. The back office *must* be part of your Dynamic Customer Engagement strategy. As such, every customer-related work item, process, or fax should be treated with the same care and urgency as an incoming phone call.

## ***Invest in Web and Mobile Channels***

Over the next few years, the Web will become the primary hub through which companies interact with their customers. At the same time, mobile devices will also

become a primary means for delivering a quality customer experience. The traditional phone will still retain a vital role in your customer engagement strategy — but will be focused on high-value conversations. Your company needs to incorporate Web and mobile (and traditional telephone) channels into a cohesive strategy to remain competitive and relevant in a changing marketplace.

## *Use What You've Got*

Most companies turn queasy whenever presented with a new business initiative. Often, this scenario creates a perception where companies need to spend more money for additional technology on hardware, software, and IT resources. Today, companies can leverage many of the common Web standards and protocols to incorporate existing technology investments as part of a Dynamic Customer Engagement initiative. Assess your existing technology environment and determine how it can support your customer engagement initiative.

## *Create a Feedback Mechanism*

As you engage your customers, you're going to learn a lot from them. Many of these data points will be collected from customer conversations on the phone or through Web-clicks and online purchases.



You need to transform this massive mountain of customer data into actionable insights and decisions that help you continually improve your customer engagement process while understanding what your customers want.

## ***Empower Your Resources***

Resources — both human and systems — are your greatest assets, because they interact with your high-valued customers. As Dynamic Customer Engagement ambassadors, your resources must always be fully leveraged, empowered, and optimized. As a result, your technology infrastructure and workforce optimization technologies must all work in harmony to ensure that resources are always improving and have access to necessary data and tools.

## ***Take Risks***

Dynamic Customer Engagement is a new initiative for most companies. What might work for one company may not work for another. However, you should not be afraid to take risks and experiment to improve sales and service performance. The key is to first clearly define and understand what you're trying to accomplish and then assess measurable outcomes. No pain, no gain.

## ***Get Help***

If you're thinking to yourself at this point, "Dynamic Customer Engagement is something we want to pursue but I'm not sure we have the time or experience to do so," don't worry. Help exists in many forms. Our main goal by sharing these valuable nuggets with you is to simply say, "times-are-a-changing," and successful companies over the long haul need to better engage customers. Dynamic Customer Engagement is a proven strategy to do so.





If your company needs assistance, there are many qualified organizations in the marketplace to help you. We recommend consulting with one or many of them. They all possess different experiences, but typically share a common goal of improving the customer experience and providing insight from various industries that you can best use when formulating your strategy.

# Stand out from the competition!

How do you keep your existing customers? How do you find new ones? By engaging them and making them happy. As an executive or manager responsible for customer service or sales, you're probably challenged to find new ways to differentiate yourself and hit your revenue goals. This book shows you how to dynamically engage your customers and make your customer experience dreams come true.

- **Get a grasp on the changing market** — *things are changing out there and you need to know what's going on*
- **Grow your customer base** — *and find your new "best friend" customers*
- **Create Dynamic Customer Engagement** — *differentiate your brand, build relationships, and anticipate needs*
- **Recognize the benefits** — *cut costs, grow, and make customers happy*

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## Open the book and find:

- **Guiding principles and building blocks for customer engagement**
- **Questions to help you assess where your company is now**
- **Tips on how to build customer engagement**
- **How to create your own engagement plan**

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