### CONTENTS

About the Author xiv Acknowledgements xvi

#### Introduction 1

### O1 Put the customer first: if you don't, someone else will 13

The web changed everything, for ever 13

Always start with the customer. Otherwise, how can you possibly know what you need to do to be successful? 17

If you can't beat them, join them: it's okay to mimic successful businesses 20

Think of yourself as a customer service business that just happens to sell stuff 21

Think customer empowerment: what can you do at every step of the way to truly empower your customers? 23

Always empower your staff to deliver the right experience for customers 27

Over to Professor Malcolm McDonald 28 References 29

## 02 Marketplaces and disruptors are eating your lunch (taking your market share) 30

Let's start with the threat element 31

How not to respond to the threat of Amazon and other marketplaces 35

FMCG and CPG brands find new routes to market 36

Exclusive products can help you to defend your position 37

Listen to the voice of the customer 37

Don't cut off your nose to spite your face: marketplaces are an effective route to market 37

Deliver a seamless multichannel experience 37

Consider offering an Amazon Prime-type delivery proposition 38

Keep your friends close and your enemies closer 40 Over to Professor Malcolm McDonald 40 References 41

# O3 Removing friction from the customer's journey: getting the basics right in travel, retail, food and beverage, leisure and financial services 42

The pace of change and disruption is astonishing 43 Let's start with the travel and holiday sector 43

Automotive sector 44

Health and leisure sector 45

Food and beverage sector 45

Newspaper and media sector 46

Utilities and telco sectors - the next to be disrupted? 46

Walk through the customer's journey - regularly 48

Rethink your customer value proposition 49

Adopt customer-facing KPIs 49

Learn from other verticals 49

Train your colleagues to remove friction from the customer's path to purchase 50

Over to Professor Malcolm McDonald 50

References 51

### 04 How to be disruptive in your own business 52

Disrupt to improve 52

Always start with ensuring you get the basics right 53

Let customers help define how you might improve things for them 54

Leverage disruptive thinking to drive innovation 55

Become an agile business 56

Create a culture of innovation 57

Over to Professor Malcolm McDonald 59

References 60

### O5 The role of the store and its new footprint 61

The role of the store 62

From Apple to M&S: instore experiences are polarizing 64

Stores: to be or not to be, that is the question 65

Think acquisition, conversion and retention 66

Continually review how you might remove friction for the customer through all channels and touchpoints 69

Think about how you merchandise and provide discovery and access to products 69

Leverage digital technology in the changing room to drive sales 69

Use mobile tills to remove friction and drive engagement at the point of sale 70

Capture Net Promoter Scores instore (and through all channels) 71

Drive product and brand immersion 71

Extend your range and offer through the endless aisle 71

Add more benefits to customers above simple points-based loyalty 72

Over to Professor Malcolm McDonald 72 References 75

#### 06 We live in a hyper-local world where mobile is key 76

Always think mobile first 77

Balance the approach to apps versus mobile web 78

Leverage iBeacons and free Wi-Fi to drive engagement instore 80

Review our best-practice checklist for apps 80

Plan for conversational commerce 81

Over to Professor Malcolm McDonald 81

References 82

### Organizational design to put the customer first 83

So, who actually owns the customer? 84

The case for change 86

How embedded in the business does digital need to become? 87

Digital transformation of the organization 90

Prioritizing teams for digital upskilling 95

The siloed state of play 95

The roles required to drive change 100

Develop new roles that can help drive customer-centricity 103

Give someone ownership of the customer and their experience, and crucially the mandate to deliver the change required to become a customer-first business 104

Create a customer-first culture throughout the entire business 104

Create a cross-functional team with accountability for delivering customer first 104

Adopt a two-tier organizational structure in areas such as IT – one focused on BAU, one on the road map for new developments 105

Ensure you have a leader who understands what putting the customer first really means 105

Over to Professor Malcolm McDonald 106

References 108

#### O8 Cultural change – must be top down and bottom up 109

The importance of culture 109

Defining culture 110

The cultural shift from a digital perspective 112

A truly customer-centric culture and ethos 114

Use the 6Vs framework to develop your customer-first business culture 116

Surprise and delight customers 116

Lead by example: culture comes from the top 116

Create a cross-functional team to ensure your culture is maintained 117

Always be fully transparent with customers 117

Develop a marketing plan to communicate your culture to both external and internal customers 117

Culture eats strategy for breakfast – never forget that 118 Over to Professor Malcolm McDonald 118

References 122

# O9 Less about corporate, more about social responsibility 124

Retailers must get their act together 127

Millennials' priorities and how big brands are meeting them 128

It's not all about profit 129

Leverage your community 129
Create a long-term plan and clear objectives 130

Inauthenticity can destroy a brand 132

Drop the word corporate and focus on social responsibility 133

Implement a code of conduct for colleagues, suppliers and

partners 133

Make purchasing decisions that put sustainable products first 133 Support your local community 134

Encourage your customers to take part in your CSR initiatives 134 Implement an EP&L – be clear about the value of being socially responsible 134

Over to Professor Malcolm McDonald 134 References 136

#### 10 Retail as a service 138

Why become a service provider? 138

Maintain your relevance by providing services 139

Subscription is delivering a service 140

Which service would work best for you? 143

Can you make customers' lives easier by enabling them to pay a subscription or for auto-replenishment of big, bulky or frequently used products? 145

Enable customers to interact with a live chat service online 145 What services can you offer that enhance the experience of the customer buying from you? Can you help them build, install and maintain what they have purchased? 145

Ensure that there is clear 'shop my way' messaging in all channels and touchpoints 146

Use the service framework created 146 Over to Professor Malcolm McDonald 146 References 150

### 11 Winning the hearts and minds of customers in international markets 151

Consumers are happy to buy across borders 151 What are the opportunities offered up by internationalization? 153 Current approaches to internationalization 153 Key drivers for success 158

The great mall of China 159
US brands need to travel better 160
Key blockers 162

The 11Cs of internationalization 163
Choose the right *country* to expand into 163
Understand local market *consumer behaviour* 164
Localize customer *communication* 164

Localize for culture and climate 164

Offer localized customer service 164

Understand the value chain and proposition of your *competitors* 165

Offer the appropriate currency and payment types 165

Know what good conversion looks like and how to deliver it 165

Consider the most appropriate channels to market 165

Think localized content 166

*Crew*: consider staff resourcing and structure for internationalization 166

Determine how you will gain trust in new markets 166

Over to Professor Malcolm McDonald 166

References 169

#### 12 Customer-centric marketing communications 171

Growth hacking in more detail 173

Capabilities and skills required in modern-day marketing 174

Don't underestimate the value of viral marketing 175

Proximity marketing: get closer to your customers at the 'moment of intent' 176

'See now, buy now' fuels instant gratification 177

Attribution should lead to integration of teams and activity 179

Ensure you have the right mix of digital and brand-building and awareness activity 184

Drive the attribution of all marketing activity: ensure that you have the right mix of skills, and ideally in a more integrated and less siloed structure 185

Make sure to focus on customer retention as well as acquisition 185

Be clear about the customer's journey and where the owned, bought and earned touchpoints with the customer come into play and what your approach will be for each 185

Think about growth hacking and how you can leverage viral marketing to more cost-effectively spread the word 186

Look at leveraging proximity marketing to provide a better instore experience for customers 186

Focus on experiential marketing as this will drive the engagement and involvement with your brand, products and services 186

Over to Professor Malcolm McDonald 187

References 187

### 13 A new framework for the marketing mix: the Customer Mix or 6Ws 189

The '6Ws' framework 189

Is the Marketing Mix still meaningful? 190

Be a victim or a victor - you decide 191

Introducing the Customer Mix 191

Adopt the Customer Mix – live it, breathe it, integrate its approach into all that you do 200

Throw away the Marketing Mix, it is 20 years past its sell-by date 200

Focus on 'what's next' for the customer 200

Understand this: if you don't look after your customers, someone else will – it's a battlefield out there. Do you have a plan to win the war? 201

Over to Professor Malcolm McDonald 201

References 203

## 14 Strategic social media and its importance to the whole organization 204

Customer service 204

CRM 206

Multichannel 207

Advertising 207

Marketing 207

PR and influencer marketing 208

HR 209

Innovation and product development 209

Know the channels that serve you best 210

Treat social media as a strategic driver of opportunity for your business – it is not only a promotional vehicle 212

Resource social media effectively – don't just give it to the youngest person in the room to look after! 212

Ensure that levels of service and response times are appropriate 213

Don't be anti-social – social commerce is a tangible

opportunity 213

Think of the opportunities and the potential threats you are not currently addressing as a result of still treating social media as a tactical promotional tool 214

Over to Professor Malcolm McDonald 215

References 215

## 15 The impact of AI, augmented virtual reality, machine learning and voice on customer experience 217

AI is the fourth industrial revolution 217

A voice-driven world 219

AI drives multichannel engagement and supply chain efficiencies 219

AI delivers deeply personalized product recommendations 221 Logistics and delivery 222

Think about where AI can improve your value chain 227

Leverage AI to improve customer service 227

Use AI to deliver more personalized experiences 228

Don't ever forget that you need a fall-back position when AI cannot answer the customer's question! 228

Over to Professor Malcolm McDonald 229

References 230

#### 16 The rise of the 'ations' in driving differentiation 232

Premiumization 232

Customization 234

Me-ization/personalization 235

Retailers are slowly starting to get personal 236

Deliver personalized experiences for core customer segments 238

Provide the ability for customers to customize their products 238

Consider the opportunity to create more premiumized products or services 238

Over to Professor Malcolm McDonald 238

References 240

# 17 Understanding customer behaviour: turning data into actionable insight and the key drivers for customer relationship management 241

Clean up your act, or at least your data 242

GDPR: General Data Protection Regulation 242

ROI = return on involvement 243

Move from customer transactional management (CTM) to CRM 246

The hierarchy of CRM 248

All consumer sectors should leverage customer sentiment 251

Propensity modelling 252

Build a relationship with customers, don't pay lip service 253
Understand the hierarchy of CRM and how it helps customers 253
Segment your customer base – there is no such thing as 'the customer' 254

Measure and work towards the lifetime value of your customers 254

Build a list of what is important to your business as actionable insight in order to improve performance 255

Test and learn: fail fast, learn what works best and continue to improve it. Learn what doesn't work and don't do it again! 255 Loyalty is not a given, it has to be earned 256 Over to Professor Malcolm McDonald 256 References 257

#### 18 So where do you start to transform your business? 259

Customer-centric transformation journey framework 259

100 practical ways to improve customer experience 266 Index 271

Please visit:

www.koganpage.com/100-practical-ways-CX

or:

www.100practicalways.com/customerexperience

to download a printable **best-practice checklist for apps** (as detailed in Chapter 6).