Mu Sigma

Customer Strategy - 2

Do The Math

Chicago, IL
Bangalore, India
www.mu-sigma.com

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Recap from Session 1

The Lexus Story

- 3 million customers walked into Lexus showrooms

- Half of them walked out without buying a car

- 15% did not find the purchase experience up to the mark

- Toyota realized that future growth depends on a sales experience that matches product quality

The Two Levels of Customer Journey

STRATEGIC – VIEW
CUSTOMER LIFE CYCLE

TACTICAL – VIEW
STREET LEVEL PROCESS VIEW

Customer Lifecycle Journey Research

- To **map** customers from the time s/he starts to think about a category/ brand till the customer churns from the category/brand

- To understand customer **expectations and standards** at each point in the customer journey

- To define and track key **metrics** at all the critical stages in the customer journey that add to and erode from Customer Life Time Value (CLTV) or Customer equity

- To compare and to understand - which points in the journey are **weak** and those that are **strong compared to competition**.

- To capture and track customer experience feedback on a **real-time** basis to build consistency and reliability of service delivery

The need for personas

Will

- 52 year old civil engineer

- Works for a consulting firm.

- Travels to Beijing & Shanghai once every 2 months from Chicago

- Once a year Will and his wife Sarah, flies to Hawaii for a week, every year to visit his parents

- Routinely flies United, pays online using United card, once in two weeks
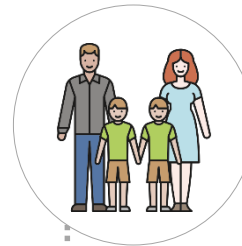
Laurie

- 30 year old school teacher who lives in Albany, NY

- Travels to Florida with husband & 2 kids once a year to enjoy family time

- Twice Laurie found a good deal and went to the Bahamas instead

- Laurie has flexibility around travelling dates which enables her to look for best prices

- She does not have any preference for United, buys tickets online but does not own an airline card, visits United website once in two months to check for prices

Exercise – Understanding importance of Persona in Customer Journey

To understand how variations in personas will affect customer journey for the Retail Industry – online/brick & mortar.

<u>Target oriented shopper</u>

Know what they want and where it is. Not a first time visitor to the store. Walk in, pick up items, pay, walk out as quickly as possible

<u>Exploratory shopper</u>

They have a shopping list, and they are also open to explore new and interesting items. Therefore, they buy more and spend more time at the store than they planned to

<u>Leisurely shopper</u>

They are not fully sure what they want to buy but enjoy roaming around the store. They often stop to look at interesting Items, check out, look at items near cashier, pay walk out of store

The Marketing Funnel

Funnel Stage	Description
Awareness	Perceiving a need
Consideration	Information search – seeking value
Preference	Evaluating alternative value
Action	Purchase – buying value
Satisfaction	Experiencing the value
Loyalty	Confirmation – habit/ bonding/ repurchase
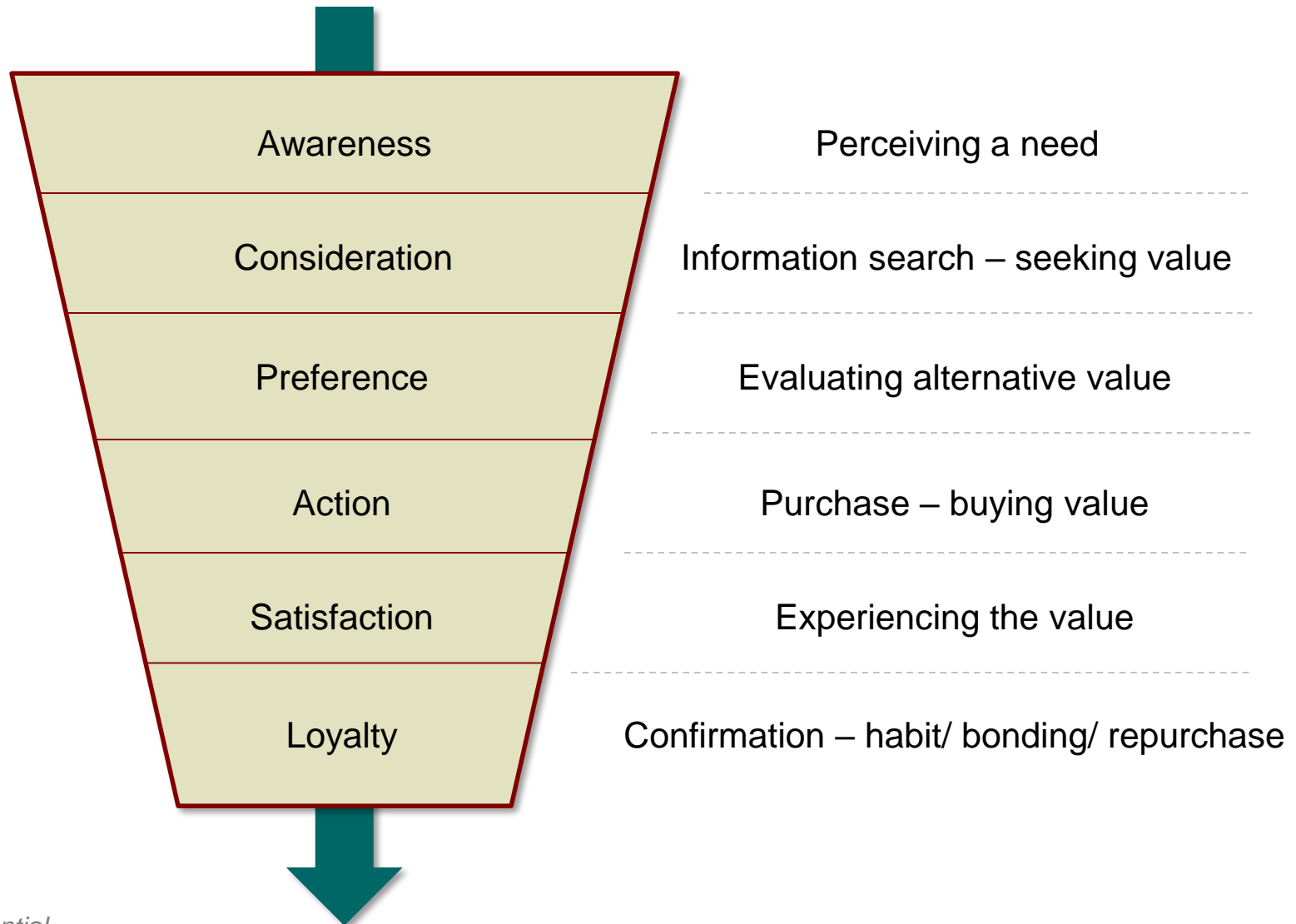
Journey Mapping starts with a Persona

Pragmatic Phil

- Computer takes a long time to boot, crashes frequently.

- Has limited memory causing Phil to delete files for new software.

- He is not a technology laggard but does not need cutting edge tech either

- A PC that can be used both at home and work.

- Compact enough to be able to travel and watch movies with his kids

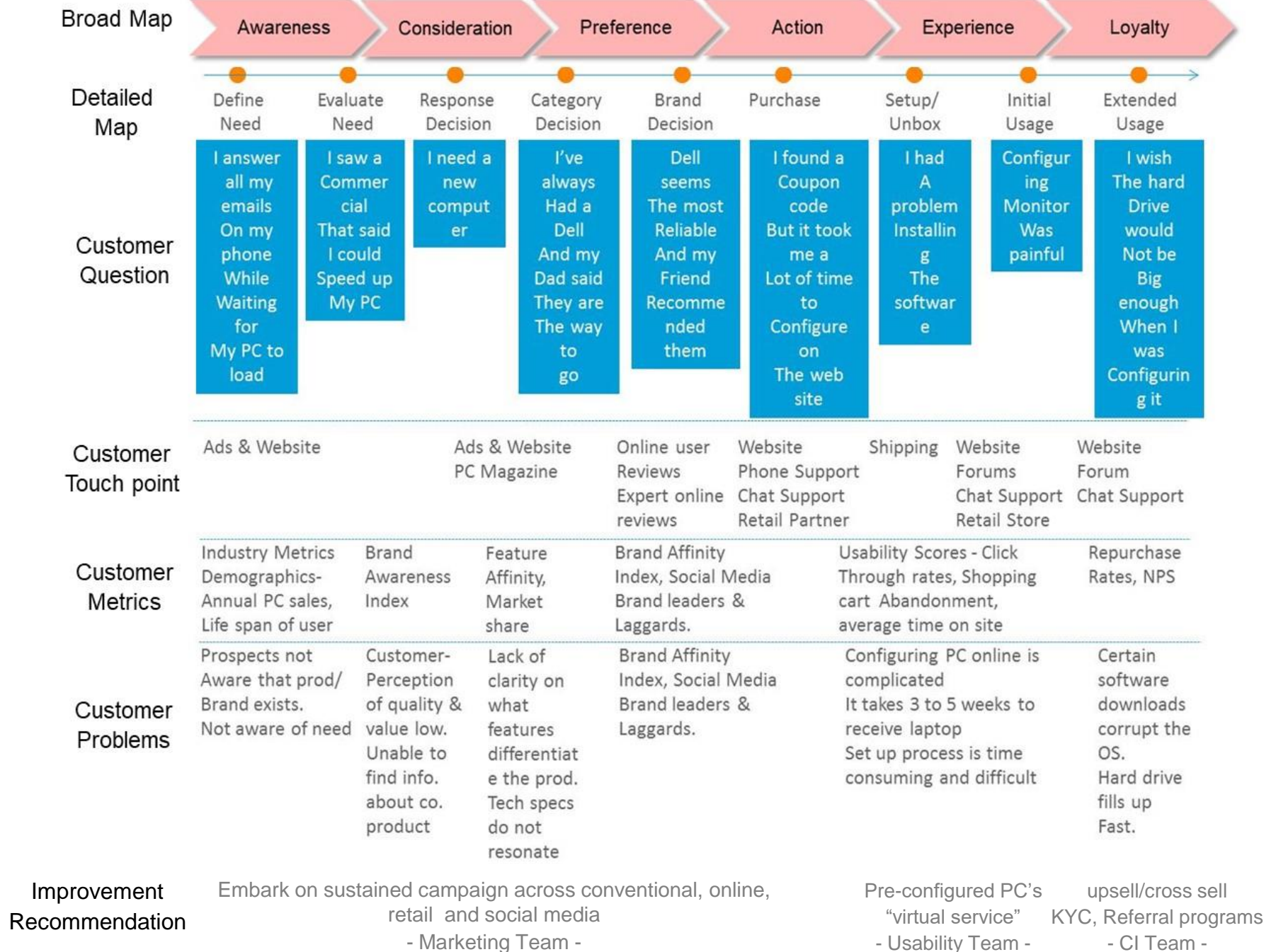|	Awareness		Consideration	Preference		Action	Experience		Loyalty
Detailed Map	Define Need	Evaluate Need	Response Decision	Category Decision	Brand Decision	Purchase	Setup/ Unbox	Initial Usage	Extended Usage
Customer Question	I answer all my emails On my phone While Waiting for My PC to load	I saw a Commercial That said I could Speed up My PC	I need a new computer	I've always Had a Dell And my Dad said They are The way to go	Dell seems The most Reliable And my Friend Recommended them	I found a Coupon code But it took me a Lot of time to Configure on The web site	I had A problem Installing The software	Configuring Monitor Was painful	I wish The hard Drive would Not be Big enough When I was Configuring it
Customer Touch point	Ads & Website		Ads & Website PC Magazine	Online user Reviews Expert online reviews	Website Phone Support Chat Support Retail Partner	Shipping	Website Forums Chat Support Retail Store	Website Forum Chat Support	
Customer Metrics	Industry Metrics Demographics- Annual PC sales, Life span of user	Brand Awareness Index	Feature Affinity, Market share		Brand Affinity Index, Social Media Brand leaders & Laggards.		Usability Scores - Click Through rates, Shopping cart Abandonment, average time on site		Repurchase Rates, NPS
Customer Problems	Prospects not Aware that prod/ Brand exists. Not aware of need	Customer- Perception of quality & value low. Unable to find info. about co. product	Lack of clarity on what features differentiate the prod. Tech specs do not resonate		Brand Affinity Index, Social Media Brand leaders & Laggards.		Configuring PC online is complicated It takes 3 to 5 weeks to receive laptop Set up process is time consuming and difficult		Certain software downloads corrupt the OS. Hard drive fills up Fast.

Broad Map

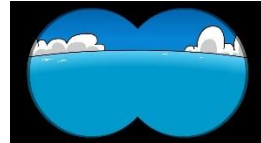|	Awareness		Consideration		Preference		Action		Experience	Loyalty
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Improvement Recommendation	Embark on sustained campaign across conventional, online, retail and social media - Marketing Team -							Pre-configured PC's "virtual service" - Usability Team -		upsell/cross sell KYC, Referral programs - CI Team -

Accelerating & enhancing the problem solving

▸ By having knowledge of all the business functions involved in customer strategy, we can **empathize better** with our clients while framing client context in muPDNA

▸ **Outcome & behavior** in muPDNA **can be framed better** because of better understanding of their customers

▸ The jargon introduced here will help **communicate with clients** in their own language and builds confidence in us

▸ By ensuring that all the aspects discussed here are included in the representation of muPDNA, we can reduce the time taken and definitely exceed client expectation in terms of **comprehensiveness**

Exercise

Target oriented shopper

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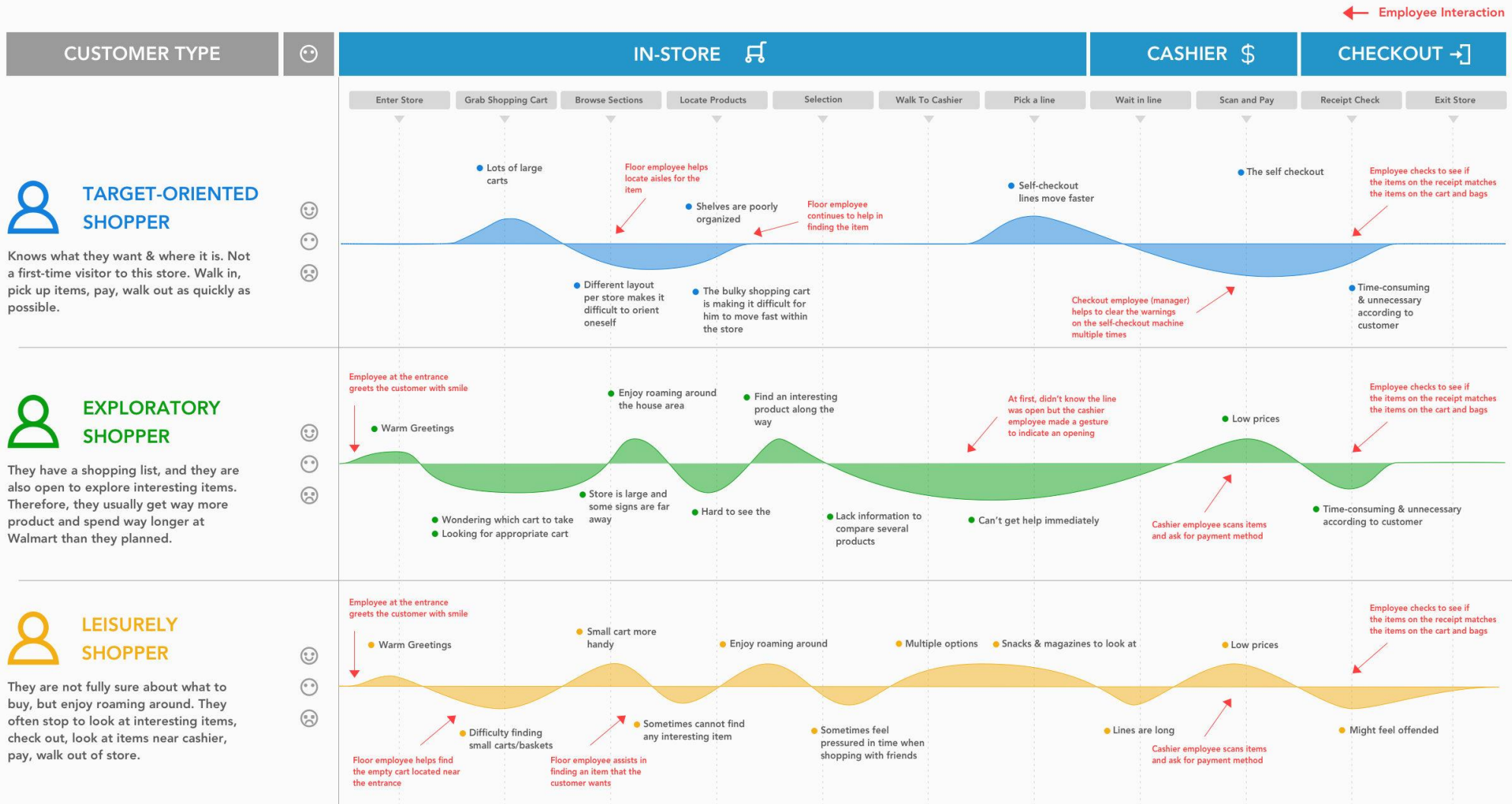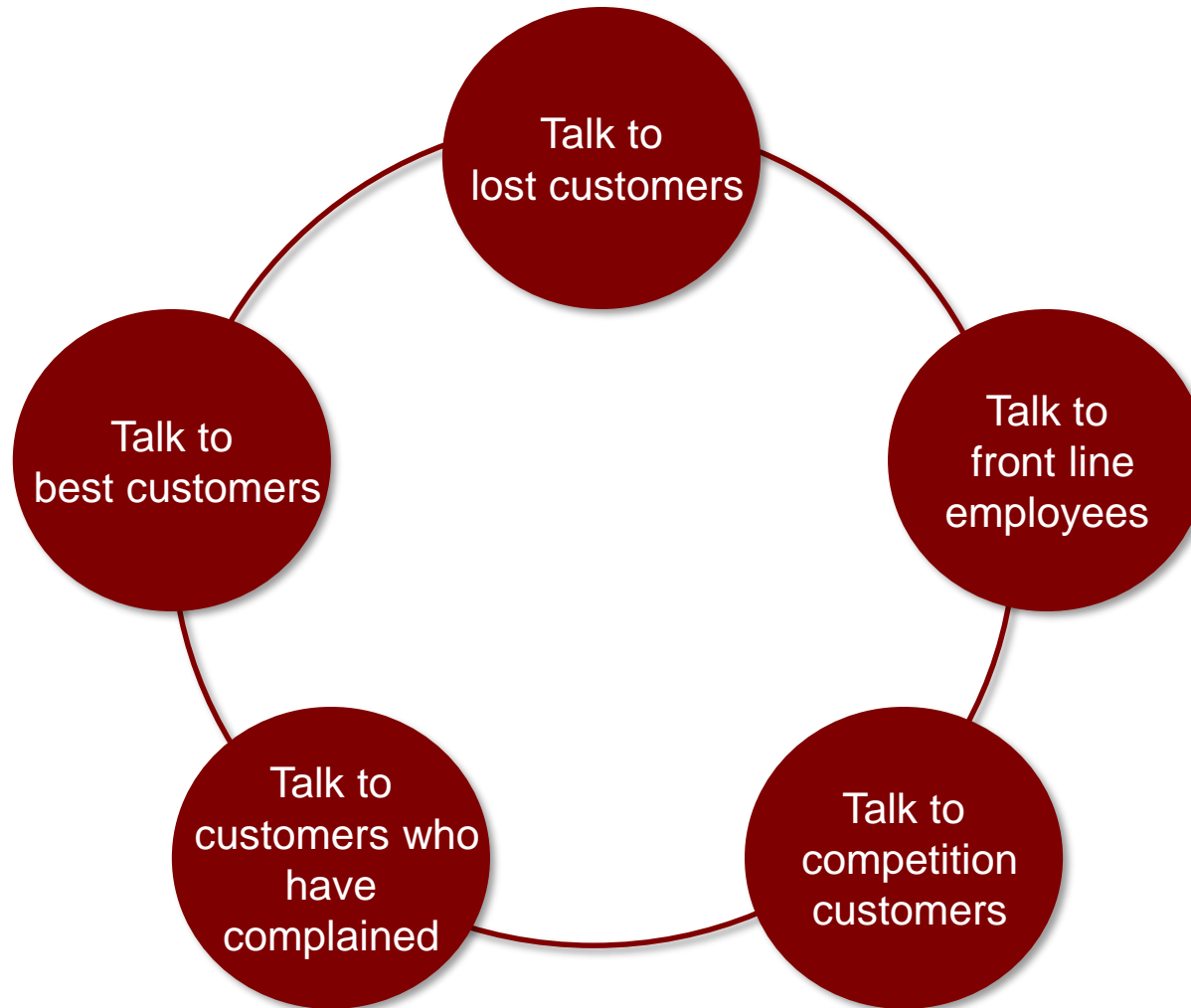
Leisurely shopper

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Create a customer journey within the store for each of these customer personas

Store Journey

Customer Journey Research – The starting point

Customer Journey Recap

▶ A Customer Journey Map can range from a 30,000 feet view or a street level view

▶ The focus is on touch points – the moments of friction or delight where companies can differentiate themselves . Touch points happen before, during and after sales.

▶ It provides a customer lens to experience as compared to a process or departmental view of customer experience

▶ There are clearly defined metrics at every point in the customer journey to understand what's going right and where experience is breaking down

▶ Customer Journeys can map experience from minutes to years and can include any kind of experience. Examples

– The shopping experience at Carrefour from parking to unpacking

– The birthing experience from admittance to the hospital to taking the baby home

– New customer download experience from software trial download to installation to long term customer

Thank You