

Advisory Outlook



Experience is everything. Get it right

Good customer experience leaves people feeling heard and appreciated; it minimises friction, maximises efficiency and maintains a human element.

What makes for a good experience?

Give customers a great experience and they'll buy more, be more loyal and share their experience with friends. Great. That's what every company strives for. Yet, so many consumers seem disappointed. Call it an experience disconnect: companies tout the latest technology or snappy design, but haven't focused on—or invested in—the most meaningful aspects of customer experience.

What truly makes for a good experience? Speed. Convenience. Consistency. Friendliness. And one big connector: human touch—that is, creating real connections by making technology feel more human and giving employees what they need to create better customer experiences.

People are increasingly loyal to the retailers, products, brands and devices that consistently provide exceptional value with minimum friction or stress. The challenge: use new technology with purpose to make the experience feel more human—without creating frustrations for customers and while empowering employees.

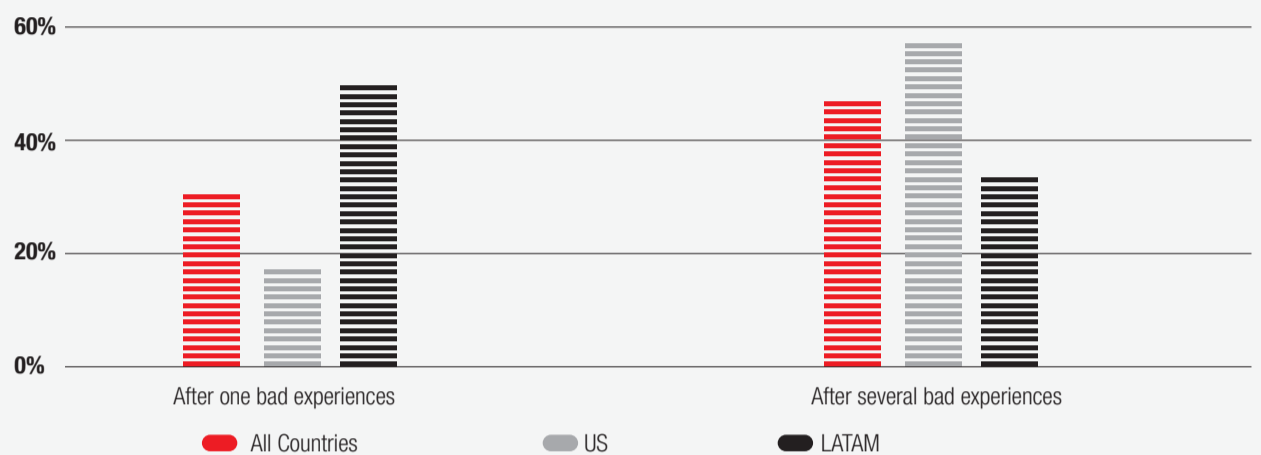
The price premium for getting it right is real—and it's big

When customers feel appreciated, companies gain measurable benefits—including the chance to win more of their customers' spending dollars. The payoffs for valued, great experiences are tangible: up to a 16% price premium on products and services, plus increased loyalty. While every industry sees a potential price bump for providing a positive customer experience, luxury and indulgence purchases benefit the most from top-flight service.

Customers also said they were more likely to try additional services or products from brands that provide superior customer experience. What's more, while 43% of U.S. consumers said they would not give companies permission to collect their personal data (such as location, age, lifestyle, preferences and purchase history) to allow for more personalized, customized experiences, 63% said they'd be more open to sharing their data for a product or service they say they truly valued.

Bad experience on the other hand is driving customers away—faster than you think. If you think you'll have plenty of time to get it right because you're a beloved brand, think again. Imagine losing one-quarter of your customers in a single day. For good. Because that's exactly what could happen after just one bad customer experience. In the U.S., even when people love a company or product, 59% will walk away after several bad experiences, 17% after just one bad experience. 32% of all customers would stop doing business with a brand they loved after one bad experience. In Latin America, 49% say they'd walk away from a brand after one bad experience.

When do consumers stop interacting with a brand they love?



Q: At what point would you stop interacting with a company that you love shopping at or using?
Source: PwC Future of Customer Experience Survey 2017/18

Save the bells and whistles. Get the must-do's right first (right now)

Consumers say that speed, convenience, knowledgeable help and friendly service are the most important elements of a positive customer experience. Prioritize technologies that provide these benefits rather than adopting new technologies for the sake of being cutting edge.

While many companies focus significant time and money on design that pops or cutting edge technology to wow customers, these aren't as essential to the experience equation as many companies believe. Customers expect technology to always work and often don't take notice of it (unless it's malfunctioning). They want the design of websites and mobile apps to be elegant and user-friendly; they want automation to ease experience. But these advances don't matter much if speed, convenience and the right information are lacking.

When customers' expectations are met or exceeded, companies gain measurable business benefits—including the chance to win more of their customers' spending dollars. Slightly more than 36% of consumers say they will likely spend more in 2018.

Mix your humans and your tech well

The overwhelming conclusion is that brands need to embrace humans and machines and ensure that they get the balance right. Technology is critical, but it should enhance the customer service experience, not define it.

Digital channels, with their lower interaction costs have been misappropriated by brands as a way to bombard customers with messaging that has consequently lost its impact. In a retail world where this is often the norm, a live presence can mean the difference between a customer ignoring a purchase and making one.

Of course, technology plays a key role in raising the quality and cutting the cost of human interaction, but its importance may be felt in unexpected places. In many cases, digital tools for

frontline staff that enable rapid onboarding and upskilling, as well as bringing greater quality face-to-face interaction with customers, are what will enable a brand to dial up its impact in the moment that matters.

The fact that multichannel customers who engage face-to-face as well as via digital channels are more valuable to a brand attests to this fact that a mix is critical.

Creating phenomenal customer experiences

Human interaction is important, particularly in situations where technology has failed, or where increased knowledge is required, but employees cannot afford to fall short of excellence in a market where customers have high levels of choice and even loftier expectations.

The reduction of friction and getting the core elements of the experience right – such as convenience, quality, speed and price – will enable brands to charge, and get, a premium from their customers. And it will also mean that they are more satisfied, more loyal and more likely to forgive when things go wrong.

As the report says, “done right, companies can create phenomenal customer experiences and reap the resulting benefits.” These include increased revenue, brand loyalty, quicker adoption of extensions into new categories, more goodwill among customers, and more productive, happy employees.

Far from window dressing, the future of customer experience is the future of brands themselves.

For further insights, download the full report on the future of customer experience:

<https://www.pwc.com/us/en/services/consulting/library/consumer-intelligence-series/future-of-customer-experience.html>

Procurement Bootcamp

Date:

1 Wednesday August - 2 Thursday August

Venue:

Four Point by Sheraton, Plot 9/10 Block 2, Oniru Chieftaincy Estate, Victoria Island, Lagos, Nigeria

Facilitators:

Andrew S. Nevin (Ph.D)
Advisory Partner and Chief Economist

Adedoyin Amosun
Competency Leader, Advisory, Operations

Chidinma Asuni
Advisory, Operation

Oluwafolakemi Fadahunsi
Advisory, Finance & Accounts

Fee: 200,000 NGN per Participant

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