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How to Create A Proactive Customer Experience

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My last blog addressed moving from Customer Relationship Management (CRM) to Customer Experience (CE) management. This blog will show how to make your CE proactive. Being proactive means *controlling the situation by causing action rather than waiting to respond to an event*. Being proactive usually cuts response cost by two-thirds.

3 Approaches to Proactivity Based on the Certainty of Your Data

1. Act on what you know is *about to happen* to the customer.

    -   A medical center has a cancelation for an MRI appointment and the CRM system knows that patient B wanted an earlier appointment. The scheduling system *immediately* texts the patient to see if they can come in early, delighting the patient and retaining the revenue from the appointment slot.
    -   An internet company notes that a customer's movie download is slow and unsatisfactory. It emails the customer an apology and refunds their money *before* the movie is over.

2. **Predict what *will probably happen* and take action or warning/educating the customer.**

    -   A power utility, using smart meter data gathered in the first third of the billing period, sends notification emails to customers whose energy consumption will result in a significantly higher bill; 55 percent of customers open the emails. Many customers take conservation actions; customer satisfaction rises double digits and energy consumption and high bill complaints decline significantly.

- A motorcycle company sent emails to customers living in northern states at the beginning of Winter stating that if they stored their bikes outside during the winter, their battery will most likely go dead—creating an unpleasant surprise the first riding day in Spring. A $40 battery charger was sold on the website to prevent the problem while generating revenue.
- A car dealer knows that customers are often shocked by the $110 repair labor rate. A sign is placed in the waiting area and behind the cashier stating, " Our labor rate is only $110 and see all that you get," with a list of benefits such as free loaner cars, certified technicians, etc. The best defense is a good offense.

3. Predict what *might happen* (customer mistakes or third-party actions) based on previous experience with similar customers in similar situations.

- A finance company texts the customer *two days* before a late charge will be applied, reminding them of the payment due date—delighting the forgetful customer.
- A utility reduces the customer's uncertainty by texting a confirmation message to the customer the afternoon before a service visit. This prevents the customer having to call to confirm that the visit is still scheduled.

4 major benefits of the proactive approach:

1. You respond to events in a more orderly, efficient fashion on your timeframe rather than reaction to the customer's call, resulting in an investigation of the situation from scratch.
2. Proactive communication often prevents typical customer problems, which cause an average of 20 percent damage to customer loyalty.
3. You create a positive surprise and demonstrate the company's competence.
4. You reduce employee frustration by eliminating customer errors and unnecessary repetitive service contacts.

Prerequisites for a proactive CE process:

- There must be the same customer ID across all major data bases.
- Operational systems must have the capability to flag and report prevalent failures.
- The CRM system must be driven by the above operational failure reporting.
- The marketing and sales departments must be willing to warn customers in advance.
- If the company is monitoring the customer's behavior, you should obtain their agreement to be monitored.

How to start building a proactive program:

Take two actions to implement a proactive CE system. These actions work from both ends of the experience back to action in the middle.

1. Map the customer journey and identify the key unpleasant surprises customers encounter. For each surprise, identify what internal operational system flags the failure or event—that information can be fed into the CRM system to drive the proactive action.
2. Analyze your current service workload and classify all contacts that can be anticipated and/or are preventable.

The results of these two activities will highlight the best candidates for proactive intervention. As I noted in my last blog, start slowly, experiment and measure the impact. Better a small success than a big disaster..

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