New Business Reality in the Consumer World

Back in the days of “long ago,” say 1995, there was not much thought given to how business was going to be transacted. There were few organizations that did not have sales professionals. Whether the sales force was 10 or 10,000, it was the sales professionals on the streets “making it happen” for their customers and their companies. Then this little thing called the Internet entered the scene, promising (or threatening) to change the business world overnight. Its arrival felt positively revolutionary.

Indeed the Internet and related technology did change the business world, but the change turned out to be more evolution than revolution. The Internet story continues to unfold today as part of a broader migration to combine technology and human touch to create a very powerful competitive advantage.

One of the leaders in the silent Internet evolution has been Amazon.com. Amazon.com revolutionized how consumers purchased books, but that was just the first step in a much broader vision that included providing consumers with everything from A to Z (hence the logo image), while providing excellent customer satisfaction.

During this same era, we saw Barnes and Noble and several regional groups boldly changing the face of bookselling at the retail level. Huge bookstores with comfortable seating, coffee bars and extended hours were expanding at a fairly aggressive rate. The comparison of these two organizations is striking in both its similarities and differences – similar business (selling books) and target market, but drastically different sales and marketing models. In the years since Amazon.com’s birth, the organization has migrated closer and closer to the retail book store model in terms of the customer experience provided, yet there is still not one Amazon.com retail location in existence.

This migration of Amazon.com is illustrative of the business world at large. Amazon’s original business model did not account for the need for human or social interaction as part of the book purchasing experience. What Amazon and others are now trying to do through social media and customer service interaction is to incorporate a much-needed human element to their business models. While online businesses seek to incorporate more human elements in their approach – reviews, recommendations, Facebook interface, wishlists, like or dislike, online chat with an assistant – they are looking for function in the virtual world to replicate personal interaction and meet the basic human need for dialog (versus monologue).

The 2.0 Effect

Business 2.0 was largely developed as an efficiency model for the customer. But at our very core, we are social beings. Online businesses have begun to embrace the human condition for contact, interaction and social network to create authentic touch points in their customer experience. For the first time, we are starting to see the full potential being realized by leveraging all things 2.0 for the efficiency benefits while addressing the human condition to create a true customer experience. This integrated approach will become a significant strategic advantage as the customer experience becomes the paramount focus.

As we consider the future of business, one significant issue is our ability to communicate on the human level. The world of Twitter and SMS (text) has left us trying to “communicate” in 140 characters or less. Outside of ordering lunch, has anyone in business been able to articulate their needs in this cramped context? As we become more 2.0/technology enamored, we must be vigilant not to reduce our customer experience to a 140-character experience.
The use of technology for technology sake is a flawed and dangerous strategy. The implementation of Customer Relationship Management systems (CRM) in the early 2000’s was both exciting and overwhelming – everyone was going to get one whether they needed it or not. A cottage industry on “How to get the most out of your CRM system” was born and Chief Financial Officers lost sleep over the expenditures that promised customer retention, revenue growth and better account prioritization. The main frustration with sales leadership was more about how to get their team to use the damn thing.

Darrell Rigby and Dianna Ledingham from Bain Consulting wrote in Harvard Business Review in 2004 that CRM done right was a strategic weapon, not just another over-hyped IT investment. As a strategic benefit it made sales professionals more productive and could be used to better understand customer trends and data. CRM started as an investment in technology to increase revenue and reduce costs. To a high degree this was how the systems were sold to companies around the world. Only after years of pain through CRM installation and integration into the sales life of our organization, are we finally leveraging this technology – not as a turnkey answer to sales success, but as one element to create a better customer experience.

A Delicate Balance
Striking the delicate balance of technology and personal interaction is not unique to the sales profession. Similar learning cycles were (and continue to be) experienced across most industries as powerful customer information systems are pared down for maximum impact. For example, in the hospitality industry there is significant benefit to customers for the check-in staff at the front desk to be able to view room availability at any particular moment (important, urgent). Viewing customer’s preferences relative to room décor (less important, not at all urgent) could potentially slow the more critical function in the customer information system.

Our vision now has expanded beyond the CRM world to a complete interface with our customers through social media and technology: e-mail, Facebook, LinkedIn, Twitter, Reddit, WebEx, Squidoo, Live Meeting, Go to Meeting, Get Satisfaction and more. What is going to be different tomorrow? How are we as leaders in the sales community going to have to evolve in order to compete?

Customer Experience
In reviewing what topics are trending in the IT research world, the Gartner Group has begun extensive writing on the customer experience and integrating social networking into the sales and marketing approach. We are evolving to Customer Interface Management (CIM), which will reflect our ability to interface technology, customer information, social network and human touch into a significant competitive advantage.

Here is a simple (but difficult) question about Facebook: why is Facebook popular? Is it the technology or the human interaction that technology provides? Facebook is a “Social Network” that connects our friends, relatives, acquaintances and even strangers at an emotional level via photos, comments, thoughts, likes, dislikes, interests, gaming and unfiltered information about ourselves. As organizations start creating and managing these social networks around their own products and services, we are going to see a dramatic change regarding our customers.

Embracing the 2.0 world has many tangible benefits related to order processing, marketing specific products or services, and making recommendations based on order history. The data management capabilities of today’s technology also lend themselves to vast improvements in tracking trends, problems and opportunities. What technology cannot do is initiate the proactive problem solving process that creates value for your customers. You can use data for trend detection, but in the case of customer migration, the migration may have occurred before your data systems have detected that trend and created an alert.

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What Else is Required?
When sales executives consider where they have to spend their development dollars, you can see that communication skills top their strategic priorities.

Recent research by the Aberdeen Group has shown that the most effective sales professionals are those with the ability to create more meaningful conversations around the “business needs” of their customers.

Three Scenarios
Moving forward, the most successful sales professionals will be those who are truly business consultants. While organizations have spoken about “consultative selling” for years, to a high degree consultative selling has remained an elusive myth. Attempts at “consultative selling” have more often been thinly disguised feature-based selling.

Our sales future holds three potential paths in the experience we provide customers. The first path reflects the majority of the customer contact as a 2.0 technology solution, with the customer initiating the majority of the contact, ordering, social network, systems integration and intranet solution. There is economic value created, but the relationship is controlled mainly by the customer. In this scenario, the organization tends to push solutions, and the unique aspects of the customer business are often unknown. Value creation is generally limited to economic value, making commoditization an ongoing threat.

The second scenario is one which depends heavily on the traditional sales professional role, with interpersonal interaction driving the relationship. This approach requires the sales professional to continually understand the needs of the customer, present solutions to meet those needs and expand the relationship. This method will not be effective if the customer is data-driven or does not place high value on the personal relationship itself. This approach is most vulnerable to any personnel change at the customer organization. Increasingly this approach will not meet the expectation of customers who want to access and manage their own information (which they are now able to do in nearly all vendor relationships).

In scenarios one and two, the future potential is not fully realized by your organization, nor does the customer realize the full potential of the relationship. This is when the customer begins looking for alternatives – most likely a competitor who is offering a value advantage over your strategy.

The third scenario is creating an authentic customer experience leveraging the best possible balance of human touch and 2.0 technology. Consider the consumer experience at the Apple Store – it is an incredible combination of the human touch and the 2.0 experience. The environment that the Apple associates create is all about the human connection to technology. The Apple cloud has every bit of information about your purchase habits and the history between iTunes and the CRM information, but it also requires the ability of the associates to connect with customers and live the Apple business model – connecting the everyday customer to the technology.
Apple’s success is not accident. There are several key steps in this path to the ultimate customer experience.

**Realizing the Full Potential of Your Relationships**

The first thing to understand is that building a relationship involves more than small talk and offering your customer a cup of coffee. For example, my customer experience at the bank actually deteriorated as a direct result of their efforts to improve my experience. I used to get in and out of the bank quickly and efficiently – no lines, no holdups. Recently the “experience” at my bank changed. The staff now greets me, offers me a beverage, talks about the weather or the local farmers’ market etc., and then they direct me to the individual who can help me. They have lengthened my process time without adding any real value. I wonder what customer experience consultant sold them on this idea? Now if I walked into the bank and was greeted with a summary of breaking investment trends or regulation changes that impact me, that would be a much more authentic and valuable customer experience. In this scenario, the bank would strengthen their relationship with me by creating value beyond the traditional bank-customer relationship, essentially by using 2.0 technology and human touch to create a superior customer experience.

**Touchpoints**

Consider your touchpoints at your customers’ organizations and their touchpoints within your organization with two facts in mind. First, customers need interaction. Second, the customer experience is not limited to the sales professional. There is tremendous opportunity to improve the customer experience when touch and tech are combined throughout the numerous customer touchpoints at your organization. Whether it is operations, customer service, design, engineering, technical service and/or support, all of your organization’s touchpoints have information about your customer and information that is of value to your customer. It is critical to focus your efforts on making the customer journey through your organization as productive as possible. Technology drives the data to make this happen. The communication skills of your people drive the positive or negative delivery of that information.

Likewise, the sales professional should always strive to increase the total number of touchpoints by increasing the breadth and depth of the relationships inside your customer organizations. Knowledge literally becomes power for both you and your customer. Increasing and establishing creative touchpoints raises the standard to which the competition is compared.

**Does Your Ecosystem Support the Experience?**

Your organization’s ecosystem has to support all key elements of the customer experience. Your 2.0 systems must support the relationship. Your relationship must leverage your 2.0 capabilities. Along with the technical aspects, your organization’s culture around communication, problem solving, technical support/service, design and innovation must support the optimal customer experience. If it doesn’t, the 2.0 world of social media will soon point your deficiencies out to the world.

The combination of 2.0 technology and human touch has power that creates a sustainable competitive advantage. The combination of a balanced approach and human touch creates synergy.

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Present solutions that meet the needs of the customers that are supported by your organization ecosystems
Customer experience is not some cliché-ridden corporate speak. The optimal customer experience occurs with the combination of technology utilized for ease of business, usable business intelligence for both you and your customer, value and supply chain efficiency, and the ability to build connections with your customers using in-person and virtual social venues to do so. Competitive advantage is produced by creating value beyond the capabilities that your customer has internally. Sustainable strategic advantage is going to be realized in the new business reality for organizations that embrace 2.0 strategies with the human touch to create a superior customer experience.

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