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Improving Customer Experiences - Is It Still Important Or Is Price The Only Thing That Matters?

By Scott Glatstein

Has the economic downturn minimized the importance of the Customer Experience?

In Chapter 5 of my book, *Strategy Activation: How to Turn Your Vision into Marketplace Success*, I talk about how important it is to improve your holistic customer experience to differentiate your company from your competitors. As products and services continue down the inexorable path toward commodification, it is the ongoing customer experience that drives customers to choose one vendor over another.

However, in the past two years, as the economic downturn has forced significant changes in customer behavior, many have questioned the importance of the overarching customer experience. These naysayers claim that in tough times price is the only thing that matters. Customers, they say, are more likely to accept a bad experience as long as they are getting a good deal. This perspective, however, is not confirmed by the data.

When Money is Tight, Customers Expect an Even Greater Customer Experience...

The most recent Harris Interactive Customer Experience Impact Report surveyed consumers on how they engage with companies both online and via phone, what they find frustrating, and how negative and positive customer experiences affect them.

They discovered these facts that are startling to most business owners today...

- 87% of the surveyed consumers stopped doing business with an organization or company because of a negative customer experience. That's up from 68% reported just two years ago.
- Even during tough economic times, the significance of customer experiences does not dwindle. More than half (58%) of consumers polled said they will pay more for a better customer experience during a down economy.
- Consumers stated that the most important thing companies could do to encourage them to spend more is to improve the overall customer experience

So, it's clear that even when finances are tight, people still value good service.

Why This Study's Results Are Not Surprising To Me...

When money is easy to come by customers are likely to be more forgiving. Consider this restaurant dining example...

When the economy was booming many couples found themselves dining out twice per week or more. With eight to ten dining-out occasions per month a single bad experience is easily forgotten. However, when belts tighten, monthly dining-out occasions may settle back to just two or three. With fewer opportunities to "splurge" on an evening out couples and families now demand that each experience justifies the expenditure of limited funds. Thus a bad experience like poor service, long wait times and cold food makes a bigger impression and stays with us longer.

Once you have a bad customer experience, you may wait months before you visit that restaurant again – and that's if you ever go back. Plus, you'll probably tell your family and friends about your experience. This will make them think twice before they visit that restaurant.

Real Proof That Bad Customer Experience News Travels Far...

A recently published Forrester Research report, "How Customer Experience Drives Word of Mouth" cites:

- Consumers tend to discuss bad experiences with more people than they discuss good ones
- Gen Xers, as a group, tend to tell the most people about a bad experience
- Gen Yers are the chattiest in general. They are more likely to tell someone about a good experience. They are also the most likely to share a bad experience.

So, don't you think that you should find out right now exactly what your customers are saying about your organization's performance over the past eighteen months? Have their experiences diminished in the wake of corporate austerity? As we begin to see the recession bottom out, now is the time to explore this issue; to find new ways to improve the customer experience; to ensure that your customers have only good things to say!

About the Author

Strategy Execution Consultant Scott Glatstein, President of Imperatives LLC turns market opportunities into record breaking profits even in a recession. Now, with his new book, "Strategy Activation: How to Turn Your Vision into Marketplace Success," Scott unveils his groundbreaking plan for improved customer experiences and higher strategic profits. Get your FREE Sneak Preview at: <http://www.strategyactivation.com>