



## Transitioning from CRM to CEM: A Road Map

- A Talisma Corporation  
Whitepaper

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### Executive Summary

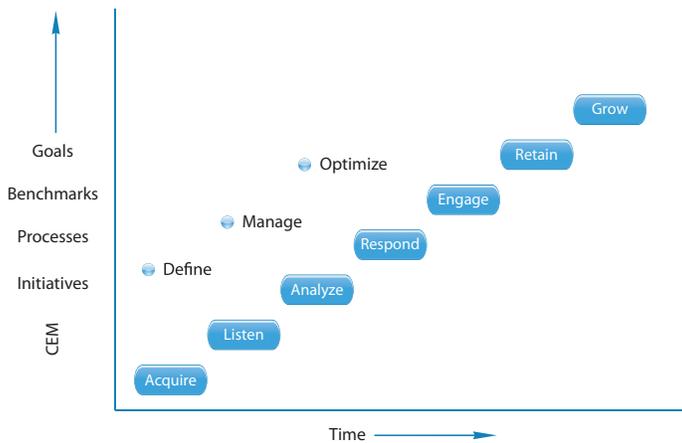
Somewhere out there your customer is right now realizing an experience with your brand. This realization will turn into an opinion soon enough and if you have done your homework, you will be able to lock in that discerning customer for a few more transactions. In a world where customer choices are increasing by the second, customer loyalty is increasingly turning into a wish. Does customer experience management (CEM) offer a way out? Read on to find out.

### Transitioning from CRM to CEM

Traditionally CRM systems have helped firms understand customers. They have also helped unify customer information and offer an overarching view. CRM is mostly about transactions and is operationally focussed on profiling the customer and collecting data for cross sell. More often than not, CRM is aligned with the company's objectives and not necessarily to customer preferences. On the other hand, CEM is all about the customer and by using the right blend of systems, processes and infrastructure, it seeks to improve the customer's experience with the company as an entity.

CEM focuses on positively engaging customers across interactions and use feedback to proactively delight the customer. It is a two-way process that provides customers a clear understanding of a company's offerings and helps executives and managers understand how rapidly customers can form an opinion about the company and act appropriately to either leverage an opportunity or address a grievance.

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To manage customer experience effectively, you must present an integrated series of clues that together meet or exceed customers' expectations. Each of these clues must be packaged well and be designed to simulate the customer mind and evoke a desired response. Customer experience also conveys a brand identity with which people can associate. One of the things you should think about is designing customer experience that is consistent, intentional, differentiated and brings value to the customer. If you do that right, you can create more advocates from your customers. Every customer interaction needs to be monitored and analysed to the last detail to develop and implement perceivable improvements.

## Customer experience imperatives:

- Connect emotionally
- Bring in experiential width and depth
- Communicating customer value
- Incentivising exceptional customer service
- Accountability
- Customer-centric culture across the organization
- Delivering brand promise
- Clear customer engagement strategy

## Towards more enriching relationships

CEM requires a measured migration towards more enriching relationships by delivering better brand experience and through positive customer engagement. While a phased migration to CEM is recommended rather than a 'Big Bang' approach, it is essential to start by revamping your IT infrastructure and revisiting your employee sensitisation projects.

In a service driven economy, the importance of customer experience cannot be underestimated. CEM adds a level of emotion to a product or service hitherto absent. In today's markets, brands that succeed are the ones that draw on positive customer experience. So if you get it right, the rewards include loyalty and evolution of word of mouth brand ambassadors who can do lots of good for your product or service and ultimately improve profitability.

### CEM barriers

- Inadequate processes
- Deficient IT infrastructure or systems not tuned to institutional CEM objectives
- Incomplete view of the customer
- Inability to focus beyond transactions
- Disconnect between teams
- Lack of employee sensitisation\training

The hardest thing for competitors to replicate is the customer experience created by you and since employees are the ones who will ultimately be the most influential force in creating a benchmark customer experience, it is important to engage them suitably in the process. A 'disciplined' CEM approach will necessarily include sustainable employee engagement with focus on motivation levels and an enabling hiring policy that focuses on onboarding people with the right attitude and aptitude who can deploy adequate means to convey appropriately the brand promise. Institutions also have to deploy suitably evolved processes that enable cross-enterprise cooperation to turn customer experience management into a way of life.

In the long term Customer Experience Management will help your institution make a difference help retain profitable customer and create advocates who will help improve company image in the market. The need of the hour is to have an enabling IT infrastructure supported by agile processes and well trained employees to implement your CEM strategies. Remember it is not only about delighting the customer the first time – it is also about bringing the wow factor enough times in your relationship with the customer to keep her profitably engaged with your enterprise.

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So can one define experience? In simple terms it is the sum total of what a customer undergoes beginning from the instance where she hears about your product till such a time that she has used it and is ready to form an opinion. While this opinion may or may not be expressed in words, it certainly does influence the purchase pattern of that customer for certain duration. The key word in CEM is experience. While delivering a product or a service is easy, it is indeed a challenge to deliver an experience.

To develop a CEM strategy, institutions need to work towards modifying a series of activities (internal and customer facing) to deliver a series of positive or even exceptional interactions. These interactions should necessarily be meaningful to the operational context of the customer, be hard to replicate and be distinct and distinguishable from competition. The customer also needs to be roped in whenever and wherever possible to ensure creation of appropriate experience.

CEM places emphasis on increasing customer participation by giving the customer more incentives to share her feedback. Customer feedback has to be collected at the most micro level possible and offer management a clear understanding of the drivers for customer experience and act on them immediately to bring forth perceivable change. CEM offers what CRM was originally intended to – offer measurable returns by measuring customer experience through a combination of finely calibrated analytics and decision metrics.

## Increasing expectations, inadequate processes and integration

Service providers are increasingly realizing that they are ill-equipped to deal with soaring customer expectations. A major lacuna in customer service is lack of integration between front and back-office in organizations. Customer and customer-related information are managed in diverse disjointed silos that delay service and increase documentation, not to mention creating a drag on your brand.

Business challenges such as customer centricity, competitive differentiation, cost efficiency and compliance can be addressed by technology. By transforming and integrating your core systems including customer channels and back-office you not only gain agility but also move towards gaining a unified view of the customer. Further, embedded analytics in channels help by giving in-depth insights into transactions, buying preferences

and upcoming cross sell and up sell opportunities. The customer management workflow which was hitherto an open ended one is now more definitive with more check points and insights.

With front office-back office integration, businesses can offer a unique and repeatable experience to customers. Through such integration, the company is able to project a unified view of itself to customers who are able to interact with the institution as one entity across all touchpoints, products and transactions.

## Weaving a customer experience

The initial blueprint for a typical customer experience management project must include an outline of what it implies for different scenarios and touchpoints. Simply put you may call this as a desired future experience. The initial blueprint can be designed at the board level and the details for various internal teams can be evolved through discussions by operational managers. After eliciting customer feedback at an operational level, you need to distil it further to ensure that it continues to sustain customer interest and drives loyalty.

### Facts you cannot ignore:

- Customer Satisfaction is passé. Customer Loyalty and Advocacy should be your new objective
- Acquiring a new customer costs more than 5 times the cost to retain an existing customer!
- 85% of customer attrition is caused by poor customer experience and not pricing or competition!
- Discerning customers are devoting more time to research and select their purchases.
- Fault lines between processes, teams, and channels are exposed in every Customer Interaction

Every customer interaction can lead to an experience. Customers, sub consciously or otherwise organize a series of clues into a thought stream that finally feed into a set of impressions. Customer might sense or perceive or feel the absence of certain things and every product or service or the employee or the environment in which the offering is delivered offers vital clues for that are compiled in the mind of the customer and ultimately metamorphoses into an experience. Every interaction carries a clue within itself.

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## CEM Roadmap:

### Listen

To the voice of the customer on a channel of her choice. Emotions constitute the bulk of any experience and by running proactive customer connect programs, customer perceptions should be collated, measured, analysed and addressed. Embed business analytics tools can help institutions look at transactional behaviour, purchase cycles, scope for reference and service expectations.

### Create benchmarks

Establish performance indices to study progress towards CEM. Select key indicators to study the impact that a CEM programme is having on your customers- specifically if it is having a tangible impact on the relationship. By implementing a best-practices driven CEM framework and incorporating customer feedback, institutions can establish minimum customer satisfaction levels and work towards raising it at periodic intervals.

### Target multiple channels

The more channels you target, the more chances are that you will hear from your customers. Any forum, social media site, event, newsletter or any medium that allows or even incentivizes feedback should be on your radar. As mentioned earlier, the focus should be on gaining a single view of the customer across channels and transactions. Business analytics can again help here.

## About Talisma Corporation Pvt. Ltd.

Talisma Corporation is the leading provider of enterprise customer experience management solutions to global institutions. Our offerings drive loyalty, strengthen customer outreach initiatives and enable relationship management covering interactions on traditional channels, such as sale, service requests and call center communications and new ones such as social media while maximizing customer lifetime value. Our CEM approach incorporates Talisma's consultancy services, implementation strategies, vertical-specific best practices and software designed to seamlessly transition your institution to a comprehensive CEM regime.

Talisma's customer base spans BFSI, Higher education, Aviation, Government and Retail verticals in over 26 countries. Talisma is a fully owned subsidiary of Campus Management Corp., a leader in enterprise software and services.

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### Integrate

Systems, processes and people to gain a one view of the customer.

### Collate best practices and knowledge

To offer a consistent experience and evolve a decision support framework in the organization. The data collected should be used to measure the impact various decisions are having on customer satisfaction and whether the institution is now in a position to leverage cross sell and up sell opportunities.

### Actionable Insights

Any changes in customer behaviour, buying preferences or even lack of interaction must be studied and analysed to gain actionable insights that feed into the decision making framework mentioned above to carry the customer experience forward.

### Incentivize CEM among employees

Connect employee incentives to customer satisfaction. Employee training programs are an integral part of a CEM initiative.

### Segment and personalize

Segment customers based on common characteristics and beyond. Once a CEM maturity level is attained, institutions should focus on delivering personalized experience to customers based on demographics, buying preferences, delivery channel and most importantly profitability.

### Differentiate

Explore areas where your organization can offer a different and repeatable transaction experience to customers.