
HOW TO ACHIEVE ROI ON YOUR CUSTOMER JOURNEY INVESTMENTS BY KNOWING WHERE YOUR CUSTOMERS PLACE THE BIGGEST VALUE

Are you focusing on the right part of the customer journey to drive overall profitability and effectiveness?



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By way of introduction, here's an everyday story of brand switching:

Ben and Julie, a young married couple, decide to buy a new washing machine.

It's a big decision for them and they need to weigh-up their options.

The first is whether to buy the same brand as their existing appliance. After all, they've had it 8 years now.

It's not been an ideal choice though. Unfortunately, it doesn't have a much-needed child lock. Plus, it's been making strange noises for some time.

Even during the warranty period, it had suffered a couple of breakdowns.

Moreover, the brand's aftersales service hadn't been as helpful and as efficient as they'd expected.

So, they decide to go for a different brand of the washing machine.

They spend some time spent researching products online, find a product that seems to meet their needs, in the colour they want, and they order it there and then.

And hope that they'll have a better experience this time.

The company that supplied the old washing machine has just lost a customer and is none the wiser!

How to build brand loyalty by focusing on the ownership journey

Clearly, home appliance manufacturers don't set out to lose customers.

However, churn is the unintended consequence of a relentless focus on B2B sales.

It results from an 'inside-out' view of short-term customer acquisition.

Broadly speaking, this consists of:

- Minimising production costs to meet retail price points
- Introducing new features based on retailer feedback rather than direct consumer feedback
- Prioritising new appliance sales through retailers over supporting consumers with older appliances

In other words, putting more effort into the relatively short repurchase journey at the expense of the much longer ownership journey.

However, the ownership journey is ultimately more important for building brand loyalty and lifetime customer value - including, of course, laying the foundations for replacement product purchases and new product purchases.

When consumers feel fully supported by brands throughout the ownership cycle -for example, through correct installation, help to get the most out of their products, and rapid support in the event of a breakdown - they are much more likely to buy a new appliance of the same brand in the future

This is why forward-thinking manufacturers are shifting their attention to meeting real-life consumer needs not only at the point of a product purchase but throughout the entire ownership cycle.

Moreover, this new 'outside-in approach' is increasingly paying off.

For example, across the UK white goods industry net promoter scores following service interventions have been rising year on year.

Independent surveys such as Domestic & General's TEQ questionnaires confirm this fact.

Indeed, when Indesit won the TEQ Awards in the year preceding the Covid pandemic its NPS had reached +72. This was the highest of any D&G appliance partner in the history of the TEQ Awards.

Focussing on B2C as well as B2B for better results

As noted above, manufacturers have gone through significant changes in their approach to sales, service, and customer experience.

They've widened their focus from B2B relationships with dealers and retailers to B2C relationships directly with end-users.

And in so doing they've learned more about real consumer needs and used the data gathered to develop ever more consumer-friendly products and services.

Let's take the practical example of Electrolux, one of the world's largest white goods brands.

This new approach is exemplified by Electrolux

Some seven years ago, Electrolux, a Swedish multinational home appliance manufacturer, embarked upon a strategic transformation program called 'ConCent' which stands for 'consumer-centric transformation'.

According to Electrolux, ConCent aims to "develop a world-class ownership solutions business model" and to "drive commercial excellence".

However, unlike other companies, Electrolux hasn't attempted to get its transformation 'done' in one large project.

Instead, it allowed its ConCent program to evolve over time to ensure consistent alignment with changing consumer habits and new inputs from the market environment.

**70-80% of all business transformations fail because typical transformation objectives are too ambitious for organisations to execute entirely in the timescales allotted. A flexible program of incremental improvements aligned to changing customer needs is a much more successful approach
Electrolux uses an Agile approach driven by cross-functional teams to put in place the business architecture to support its consumer-centric transformation.**

This is how project "Solaris" was born.

Its main objectives were to:

- Provide an outstanding consumer experience
- Introduce a full omnichannel contact center solution
- Increase contact center efficiency
- Expand direct sales to consumers
- Manage costs more effectively

A clear CX strategy, cross-functional collaboration, buy-in at all levels and role-relevant actions are critical for successful consumer-centric transformations

To achieve the Solaris objectives, Electrolux transformed its IT infrastructure, aligning its tech roadmap with clearly identified consumer and business needs to deliver:

- **AI Automation** -comprising automatic classification of calls, intelligent virtual assistants, auto-populating CRM fields, smart searching of knowledge management articles, and identification of sales opportunities and next best actions to support contact centre agents
- **CTI Enhancement** - including remote access, skills-based routing, and auto-dialing
- **True Omnichannel** - enabling the ability to recognize consumers irrespective of the channel and allowing consumers to pick up where they left off on one channel and continue their experience on another
- **Agent desktop** - integrated agent desktop as a gateway to all functions including performance monitoring and gamification

Technology choice and implementation need to be guided by what customers and employees need most. In the 'outside-in approach' needs come first, and technology is then deployed to ensure these needs are met through effective customer journey management

As this **YouTube Video** makes clear the "Solaris" Project and the ConCent transformation program have been real game-changers in putting consumer experience at the heart of Electrolux's service operation.

So, what can we learn about defining, creating, and monetizing customer experiences?

- **Keep your finger on the pulse-** Make sure you're constantly in tune with changing customer needs and the market environment. It's important to stay flexible and to continually adapt your programs
- **Create cross-functional teams-** Agile CX execution is the key to creating an effective customer-centric culture that ultimately drives monetization
- **Align digital transformation with the delivery of clearly defined customer and business needs** – It's important to view technology enhancements as enablers for business and CX improvements rather than an end in their own right

About the authors

[Olga Potaptseva](#) and [Chris Dunn](#) first started looking into the value of customer experience in home appliances over a decade ago.

At that time, Chris was Service Commercial Director at Indesit Company, and Olga was Head of Consumer Experience and Insight at Domestic & General.

They found that customers with an excellent appliance repair experience stayed on plan longer and reported higher brand loyalty.

As a result of a better understanding the needs of extended warranty consumers Indesit Company (now owned by Whirlpool Corp) and Domestic & General were able to facilitate customer journey improvements, introduce self-service repair booking systems, reduce product replacement lead times, and improve the features of repair protection plans.

Olga Potaptseva is a global CX specialist working with organisations around the world.

An inventor of the CX Implementation Toolkit, certified by the Customer Institute, she leads organisations to become customer-centric and transform their culture, processes, policies, and products.

Her practical approach identifies what really matters to customers and allows companies to gain efficiencies, increase profit and improve their customer feedback in just 6 months.

Olga is passionate about establishing CX as a sustainable business discipline and achieves that as an Executive Director for the Customer Institute, a 7-time Chair of Judges at customer experience awards, a speaker and author.

She has been recognised as one of the Top25 CX Influencers.

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Chris is an independent business consultant with over 35 years international business development experience.

He's a firm believer that placing customers at the heart of your organisation is the key differentiator in today's ultra-competitive business environment.

As a result, he designs and delivers sales and service transformation projects that drive increased customer satisfaction and monetization.

His company's clients include Baxi, Currys, Domestic & General, Electrolux, and Glen Dimplex.

Chris is also a long-standing mentor on the Cambridge Venture Project run by the Cambridge Judge Business School, one of the UK's leading business schools.

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