

## An experienced hand

Customer Experience Management can help CRM software attain its ultimate jackpot—customer satisfaction and loyalty

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**I** imagine this nightmare scenario. You're a hotel and casino chain that's undertaken a multi-million dollar CRM installation in order to better

know—and grow—your customers. A loyal customer—let's call him Joe Highroller—checks into your property in Atlantic City and your CRM database alerts your staff on the boardwalk that Joe requires a \$10,000 marker, a *Wall Street Journal* in the morning, and a bottomless 7&7 at the tables.

If your goal is to provide Joe with a consistent, memorable and distinctive experience at your property, your bases are covered, right?

Unbeknownst to you, Joe is only issued \$5,000 in credit, the *Journal* arrived after check out, and the flow of scotch was... a trickle. Joe checks out disappointed and underwhelmed, never to be heard from again, and you're left to wonder why.

Clearly, just knowing his preferences and purchasing behavior was not enough to drive customer satisfaction, or most importantly, retention.

An extreme example? Sure, but for every successful CRM installation, the customer service landscape is littered with CRM projects that didn't quite hit the jackpot. In many applications, CRM has a great big blind spot. While CRM effectively pulls information about the customer to benefit the company, it lacks any insight into the

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customer's actual experience with that company across all of the crucial experiential touch points that add up to the elusive combination of "satisfaction" and "loyalty."

No amount of CRM technology lets the company "see" the guest's experience from the guest's point of view, meaning many of the supposed benefits of a CRM program are applied in a vacuum.

#### Experience counts

An integrated Customer Experience Management (CEM) program can help fill in those blind spots and complement the potentially powerful data collected in a CRM project. Put plainly, where CRM is weak, CEM is strong. By focusing on the experiences of customers and how those experiences impact behavior, CEM

addresses both the quality of the company's execution and the efficacy of the result.

By aligning the customer's needs with the company's ability to fulfill those needs, a CEM application can work hand in hand with CRM to create loyal customers—for life. CEM is clearly part of CRM. It is *not* separate and distinct, but can act as a means for companies to leverage their existing CRM programs for *qualitative* as well as quantitative insight in their customers.

Much like the robot in the *Terminator* movies that couldn't comprehend human tears, a CRM program may miss the elements that are at the core of any customer relationship—a series of very personal and emotional interactions and experiences. CEM is designed to examine and understand what drives these interactions and to align the organization so that it can consistently deliver

what the customer craves, both on a physical and emotional level.

With a quality CRM system in place, customer needs and wants are steering the company; with Customer Experience Management factored into the mix, the *delivery* of those needs and wants takes center stage.

#### Blueprint for change

Among the elements involved in a successful CEM support program:

- **Standards and practices development**

— As every successful coach knows, without a good game plan, you can't win the game.

This process enables a company to design, write, organize and communicate the standards required for employees to deliver the desired cus-



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tomers experience—every time. This answers the question “who are we?” for every employee, from the CEO straight down to the junior assistant keno dealer. This “game plan” will serve as the backbone of any CRM program.

• **Customer service and leadership training** — Put the game plan into action before your team hits the field. Make sure your employees have the proper skills and resources to deliver customer service excellence and have authority to do so. Eliminate the tired refrain of “I’ll have to check with my manager.” Empower your employees to resolve problems and create exceptional experiences on their own. Regardless of the impressive technology involved, CRM won’t engage people without the right human touch.

• **Customer and employee research** — Is the game plan working? How exactly do you deliver on your brand promise? Are you satisfying your customers and engaging your employees? What do you do (or not do) that drives loyalty? In the words of the legendary former CEO of General Electric, Jack Welch, “the three most important things you need to measure in business are customer satisfaction, employee satisfaction and cash flow.” Answering these questions, and keeping Welch’s philosophy front and center, allows a company to better utilize the data gleaned from CRM to service the customer, not the company.

• **Quality assurance** — When all is said and done, are you and your employees following the game plan? Whether through site inspections, mystery shopping, call center monitoring or spy satellite imaging (just checking to see if you were paying attention!), making sure the plan is being followed both in your service and facilities is crucial. The best-laid plans can be undone by a rude dealer, a bowl of lukewarm soup or a dirty guest bathroom. This is the final CEM piece to help nurture a CRM project to full potential.

Used together, these elements of a CEM program can ensure that the customer experience promise you make is being delivered to the customer in ways that CRM is ill-equipped to handle. Blind spot eliminated.

### **A sound investment**

With CRM investments in the millions, it doesn’t pay for a company to turn penny-wise and pound-foolish when it comes to the actual customer experience. By investing in the quality of that experience, the company has a far better chance of driving loyalty and, by extension, increased profitability.

Though you may have heard the old adage expressed several different ways statistically, it is considerably less expensive to keep an existing customer than to woo a new one. And more and more managers and marketers alike are figuring out that a CRM-based loyalty program alone doesn’t necessarily generate loyalty. In fact, a recent study from the Cornell University School of Hotel Administration indicated a very weak correlation between the two.

So what were the key drivers of repeat business, if not a loyalty program? It turns out amenities and employee service were far more important factors in creating customer retention.

“[Casinos] might consider redirecting some of their...expenditures toward strengthening human resources and improving guest experience,” opined Judy Siguaw, the Cornell professor who authored the study.

Hmm...employee training and empowerment and guest experience—where have we heard that before? Sounds like putting the “loyalty” back into loyalty programs is a task for the CEM professional! Clearly, these programs can be inefficient investments if the customer service is not delivered properly.

So after all was said and done, what ever happened to Mr. Highroller? Turns out the casino had a CEM program in place as well. His dissatisfaction was instantly registered in a customer satisfaction e-survey. The survey was flagged by a regional manager via a real-time alert system, who soothed Joe’s frayed nerves with a weekend in Vegas. The team at the Atlantic City property was referred back to its standards and practices materials and a trainer flew into AC that night to conduct a refresher course, just in case.

And when the mystery shopping team showed up two months later—you guessed it—scotch and soda, on demand! **CJ**

Rob Rush is CEO of LRA Worldwide, a leading consulting and research company specializing in Customer Experience Management. LRA offers an integrated suite of services designed to measure and improve service quality, employee performance, customer satisfaction, retention and profitability. Clients include units of Starwood Hotels & Resorts Worldwide, Inc., MGM Mirage, Boyd Gaming, Hyatt Hotels, the PGA TOUR, Indianapolis Motor Speedway, Troon Golf and others. You can visit the LRA Web site at [www.lraworldwide.com](http://www.lraworldwide.com) or contact Rob directly at [rob.rush@lraworldwide.com](mailto:rob.rush@lraworldwide.com).