

Serving the Uncompromising Customer



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Executive Summary

In our previous white Paper “Doing Business Right Now – Your Customers Won’t Wait,” we established the importance and necessity of incorporating the elements of service timeliness and product or service quality in providing experiences that excite and delight customers. Based on the 2007 Doing Business Right Now study of marketing and call center managers, the white paper concluded that customers are increasingly demanding tailored experiences and customized service, and are unwilling to compromise on service speed or experience quality. Along with the overwhelming majority of survey participants, we expressed our belief that demands for speed and highly customized experiences would only increase in the future as a result of consumer and competitive pressures.

The white paper highlighted the emergence of a new business paradigm, doing business right now, and revealed the key factors for corporate sustainability and success – speed of service and highly customized experiences. We concluded that organizations which fail to recognize customers’ unwillingness to trade experience quality for service speed (or vice versa) would quickly find themselves on the path to commoditization and price wars.

Results highlights include from “Doing Business Right Now – Your Customers Won’t Wait,” include:

- 85% of respondents report that the demand for speed in interactions is extremely high or high.
- 88% acknowledge that demand for highly customized solutions is extremely high or high.
- 26% expect their organizations will redesign processes to handle growing demands for speed and quality. 24% expect that their organizations will upgrade existing technology. Only 4% expect product improvements.
- 65% identify customers as the primary source driving demand for speed and quality. 15% identified competition. Only 5% identified their superiors as the primary source driving the demand for speed and quality.
- 94% expect that customer demands for speed and quality will increase over the next three years with 52% expecting a significant increase. Alternatively, only 1% expect these demands to decrease and 5% expect no change.

The white paper highlighted the need for organizations to revamp their existing delivery infrastructures in accordance with right now business models. This infrastructure covers any function that operates under identifiable time pressures such as customer service, field service, product management, dispute and fraud. Since the demand for service speed and experience customization is expected to increase, companies will need identify those functions and adapt accordingly before their customers defect to the competition.



Getting Started – Serving the Uncompromising Customer

In this white paper, we will explore the actions that companies should consider taking in order to more effectively serve the uncompromising customer. As we established in the previous white paper, growing customer demands for speed of service and customized experiences will require that organizations review and adapt their business strategies in accordance with right now business models.

In examining the fundamentals of customer experience redesign, it is important to recognize that every touch point matters. A great customer experience must be provided everywhere – the store, service center and website. The necessity for creating and delivering great experiences across the organization (rather than just at the retail store or call center) is due to the fact that an organization's brand and overall value is little more than the sum total of everything that a company delivers to its customers. Beginning with the first time that a company touches its customers be it advertising, website or a sales person, through post sale interactions (e.g. invoicing, shipping and customer service), the sum of all of these experiences influences the quality of the total customer experience and represents the organization's core value proposition.

In the 2007 Doing Business Right Now survey of 385 call center and marketing managers (referenced in the executive summary), participants were asked to rank different touch points in order of importance. Based on their responses, the following prioritized list emerged:

1. Call Center
2. Marketing Campaigns
3. Sales Interactions
4. Self Service
5. Retail Stores

As expected, the call center emerged as the most pressing time-sensitive touch point for customer experience redesign. The call center serves as the customer service provider and is perceived by customers as the public face of an organization. Companies are increasingly recognizing that the call center addresses the vast majority of customer questions, disputes and complaints, and has the power to increase sales or cause a customer to defect with a single interaction. This recognition has driven a growing number of call center managers to utilize customer-centric tactics, such as personalized messaging, tailored experiences and customized service.

Other time sensitive touch points identified by participants (not listed above) include sales quotes, product delivery, technical support, order processing and customer collaboration. Organizations are steadily recognizing that experience quality is not the sole purview of customer-facing touch points such as the call center or telemarketing departments but is also the responsibility of back-office touch points such as finance and logistics. Marketing and call center managers understand that ensuring rapid and customized service, and delivering highly customized experiences at all touch points is the key to building customer loyalty and differentiating their organizations from the competition.



One Question – Many Answers

When participants were asked to list the actions they are currently undertaking to address growing customer impatience and rising demands for tailored experiences and customized service, they provided a wide variety of responses. Based on these responses, the following prioritized list of actions emerged:

Redesign Processes

Processes and policies should enable employees to provide the type of tailored experiences and customized service that customers expect. Processes at every touch point (e.g. call center, R&D and website) should bolster rather than impede the speed and quality of the customer experience.

Upgrade Technology

Organizations should strongly consider upgrading their existing technology in order to allow customers to interact via the channel of their choice (e.g. phone, chat, email, web collaboration and self service). Technology upgrades should also encompass employee tools, particularly in the call center, so that customer facing representatives can service customers efficiently and effectively.

Hire the Right Employees

Bolstering the employee ranks with customer-centric individuals will increase the likelihood of delivering great customer experiences. Organizations should not hire on the basis of operational skills alone but should seek employees who are passionate about customers and that feel personally connected to the organization's mission and core experience.

Increase Information Availability

Employees should have access to certain basic customer and corporate information so that they can speak to customers intelligently, resolve issues effectively, and sell additional products and services. Customer information should include transaction history, case status and complaint history. Corporate information should include marketing campaigns, new service or product releases, and product recalls or defects.

Improve Products & Services

What is new and exciting today will be common and boring tomorrow. Customers will constantly heighten their expectations for products and services, and companies will need to meet those expectations by upgrading their experiences in order to prevent them from defecting to the competition.

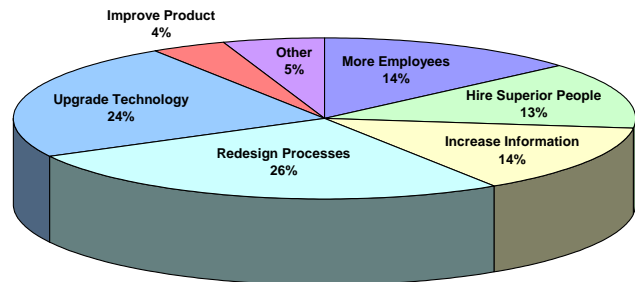


Moving Quickly in Many Directions

The successful execution of right now business strategies requires that organizations utilize a number of different tactics, all of which play a critical role in the creation and delivery of tailored experiences and customized service. Many survey participants acknowledged that they utilize a combination of all of the listed tactics in order to successfully address customer demands for rapid service and customized experiences.

Companies are also employing a number of additional techniques to address right now business challenges which include organizational alignment, cultural change, solution innovation and technology integration. The breadth of approaches currently being utilized by a cross section of organizations illustrates the degree to which companies recognize the challenge of executing right now business strategies and their willingness to take a holistic approach to resolving these challenges. However, while companies agree on the severity and magnitude of the challenge, they differ widely on the optimum approach to addressing customers' right now demands for speed of service and customized experiences. While a majority of companies are redesigning processes and upgrading technology, a growing number of organizations are focusing on information availability and its employees – adding more staff and hiring superior personnel.

How would your organization handle growing demands for speed and quality?



Striking the Balance – People, Tools, Information & Authority

Today's customers are increasingly impatient as a result of their overexposure to ordinary, functional and boring experiences. Customers desperately want emotionally engaging experiences forcing organizations to transform their products and services into these experiences or risk defection. Successfully transforming products and services into engaging experiences requires that organizations address the most important element in their right now business strategies – their employees.

The success of any strategy rests upon the people responsible for its execution. It is, after all, the people through their personal touches that either destroy relationships or create emotional connections with customers. If organizations hire the wrong people, no strategy, product or service will make up the difference. However, people need the appropriate tools, information and authority to successfully perform their jobs. Companies should provide its employees with tools that offer a complete view of the customer; enable them to access any relevant information in real time; and empower them to take complete ownership of customer problems.

Right Now Infrastructure





Processes – The Vehicle for Experience Execution

Many companies have historically utilized transactional-based business strategies and have established a litany of processes to ensure their success. These companies do not encourage innovation and choose to rely on processes as a highly controlled mechanism to address predefined problems. In these environments, the concept of employee ownership rarely exists and each function is simply responsible for another element of the process. An employee who transfers a call to another department is absolved from any responsibility the moment the call is transferred. Companies operating in this framework do not trust their employees to utilize common sense, and evaluate them almost completely on their adherence to the rules. However, a growing number of companies have recognized the limitations and devastating consequences of this approach and have begun adapting their processes in the framework of right now business strategies.

Although process redesign and the elimination of restrictive procedures can assist organizations with the execution of a right now business strategy, their efforts cannot stop there. Companies must reevaluate the role of their processes and recognize that processes should function only to empower employees so that they can provide customers with customized and timely experiences. Processes should encourage employees to resolve out of the box problems, use common sense, accept greater responsibility and deliver faster problem resolutions. However, even flexible processes will never yield positive results if organizations fail to provide their employees with the ability to recognize when flexibility and out of the box thinking is warranted. This requires that companies educate their employees on the economics of customer relationships so that they can understand crucial concepts such as life time value of the customer, customer spending habits and product margins. Armed with the relevant information, employees will be able to apply their knowledge, customize experiences and deliver more financially impressive results.

Many organizations will never succeed at trusting their employees, placing them atop of the organizational pyramid and adapting to the new distribution of power. CEOs and management will often refuse to accept or utilize this shift in power. Rather, they will revert to running their businesses according to the old rules, hoping that a few cosmetic exercises will suffice and that customers will never be the wiser.

Empowering Experience Creators

While companies are increasingly adopting right now business strategies, many fail to recognize the importance of the individuals responsible for creating customer experiences – the employees. Organizations routinely neglect to provide their employees with the authority to provide customers with great experiences. While posters in corporate lunch rooms proclaim organizations' commitment to their customers, those employees most directly responsible for demonstrating this commitment are often unable to do so. These employees regularly need to transfer calls, consult with supervisors and obtain permission to cancel fees. In turn, customers are left frustrated, less likely to entertain cross or up sales, and more likely to defect.

Authority to execute is crucial. This is a concept that many companies refuse to accept or are reluctant to embrace. The notion that the CEO is less important than a customer service representative is not too appealing. However, in reality, the customer will never meet the CEO and the CEO means nothing to him or her. It is the person in the store or customer service center that makes decisions or lends a hand to help the customer. This is the person to whom the customer gives loyalty.



If organizations do not trust their people, they should never have hired them. Since they have in fact hired them, these organizations would do well to not tie their hands and prevent them from doing their jobs. Empowering employees enables them to add their personal touch to the experience. It is, after all, the human touch that creates the emotional bond with customers that later is translated into strong brand preference and loyalty. While product or service features will eventually be matched by competitors, the human aspect of the experiences will sustain the experience because of its sincerity and personalization.

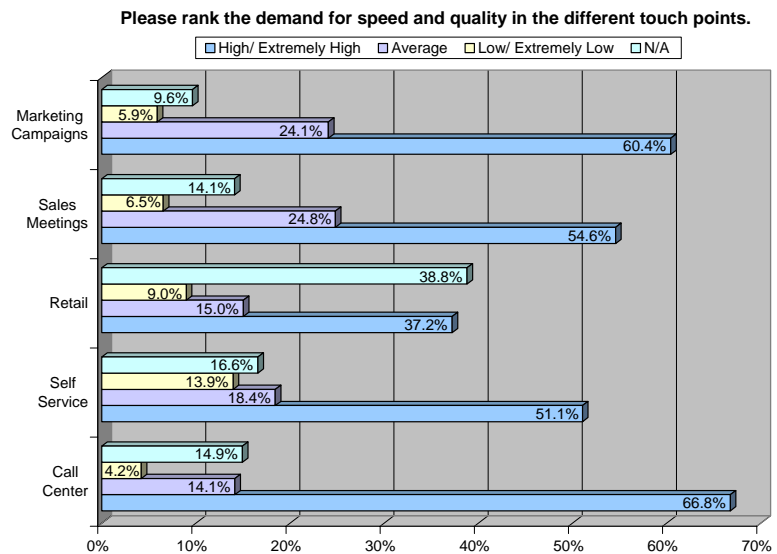
At Ritz Carlton Hotels, every employee is empowered to spend up to \$2000 to solve a customer problem. When a guest approaches any Ritz Carlton employee, that person is empowered to do whatever it takes, up to \$2000 to resolve the problem immediately. The employee owns the problem until it is solved.

Redesigning Customer Experiences at Every Touch Point

Every time customers engage with a company, they come across multiple functions that represent multiple touch points. From a customer perspective, all these touch points and interactions represent the company and create or contribute to the overall experience. Every aspect of the business impacts on the customer experience positively or negatively, and every function makes a contribution to the total value delivered. The value and strength of an organization is the sum total of all the experiences created at all of its functions. What many companies fail to recognize is that they are only as powerful as the millions of decisions made by their employees to create positive or negative experiences. The decisions and choices that every employee makes will either positively or negatively impact customer loyalty, attrition, purchase consideration, referral generation, wallet share, revenue and profit.

When customers interact with any organizational touch point (e.g. customer service, billing, fraud, and product management), they want to feel that its representatives have the tools and authority to resolve their issues quickly and effectively. Customers want to interact with their own personal CEO (chief experience owner) and do not want to be transferred to a supervisor or another department. In order to effectively redesign experiences across all their touch points, organizations must empower their employees so they can take complete ownership of customers and deliver great experiences.

Each organizational touch point has different issues and challenges, and companies should identify these issues and challenges prior to redesigning their experiences. Redesigning experiences for the call center, marketing campaign, sales meeting, self service or retail store touch points requires a detailed checklist that includes the following steps:





Redesigning Experiences: Call Center

- **Acknowledge Time Sensitivities** – Recognize that the call center operates under incredible time pressures where customer service representatives need to resolve customer problems quickly and effectively. This recognition should manifest itself in larger budget allocations for customer service so that call center managers and customer service representatives will have the means to provide great experiences.
- **Educate Your Employees** – A superior employee education program should focus on providing financial data that empowers employees to execute well, and on encouraging them to use their common sense to resolve customer issues. Other aspects that should be covered include skills, caring and sensitivity, and role playing.
- **Redesign Processes** – To ensure customer alignment, exceptions need to be factored into the redesign process. Reexamine complaints and the exceptions resolution process where the first person getting the complaint can address it and get it taken care of immediately.
- **Provide Customers with Options** – Put customers in the driver seat and provide them with alternatives that allow them to feel that they alone command the destiny of their transactions.
- **Recognize Customers** – Review customer transaction history and identify them by name. Ultimately, customers do business with people and it is only fitting that employees know the identities and histories of the people with whom they interact on a regular basis.
- **Keep Customers Informed** – Keep customers “in the know” by communicating expected delays and time frames for resolution. There is nothing more frustrating than being kept out of the loop.
- **Thank Customers for Their Business** – When thanking customers for their business, add a personal touch which shows them that you truly value their business. Personalize the “thank you” by specifying the amount of time that the customer has been with your company.

Redesigning Experiences: Marketing Campaigns

- **Customize Offers** – Personalize offers based on consumer demographics, purchasing patterns and other relevant information.
- **Add Value and Knowledge** – Educate customers by teaching them about something that they did not already know.
- **Communicate Their Way** – Speak to customers via their preferred channel.
- **Encourage Customer Response** – Make it easier for customers to respond to the offer. Inform customers about geographically close store locations, provide more response channels, communicate contact details and extend call center hours of operations.
- **Personalize Language** – Do not employ mass market messaging. Speak to customers as you would speak to someone that you personally know.
- **Update the Call Center** – Proactively inform the call center about planned or impending marketing campaigns so that they can staff and prepare themselves accordingly.



Redesigning Experiences: Sales Interactions

- **Be Prepared** – Always be ready with all relevant information when speaking to customers. Remember that each customer is unique and that different customers require different information.
- **Offer Choices** – Offer customers better and more suitable options. Let them rather than you choose the appropriate solution.
- **Illustrate Value** – Demonstrate to customers the value and benefit of the product or service and how it will improve their lives.
- **Recognize That Not All Customers are the Same** – Don't compare prospects to other customers as each customer has unique challenges and lifestyles. Customers want to hear about the manner in which their individual and unique needs will be addressed.
- **Listen Actively** – Determining how your solution will best serve the customer requires that you ask questions and listen when customers speak.
- **Let Customers Speak** – Resist the urge to interrupt customers when they are talking. Listen to customers as they speak their mind. Prospects will often determine whether sales people care enough about themselves to listen and learn about their problems and concerns.
- **Never Rush an Order** – When orders are rushed mistakes are made, goods are delivered to the incorrect address and items arrive damaged. Simply establish the time frame with the customer and deliver on time as promised.

Redesigning Experiences: Self Service

- **Encourage Self Expression** – Allow customers to personalize their experiences and co-create the product or service that they're receiving.
- **Build Customer Connections** – Encourage customers to interact among themselves so that they can offer recommendations, provide advice, and discuss products and services.
- **Remember the Customer** – Build emotional connections with customers by remembering their past transactions (e.g. routine withdrawal amounts from an ATM) and common requests.
- **Call the Customer by His Name** – Personalize greetings and acknowledge the length of time that the customer has been with your organization.
- **Surprise Your Customers** – Add something that customers do not expect. Be generous and show your customers that this experience is a building block to a long-term relationship. Give them something beyond their expectations and always factor a surprise in your experience. It will carry a great weight with your customers and will be appreciated.
- **Guide Customers to New Adventures** – What excites customers today will bore them tomorrow. Think about what else you can do for your customers. Recognize the importance of customer emotions and aspirations, and design the experience from that perspective. Never settle.



Redesigning Experiences: Retail Store

- **Educate Your Employees** – A superior employee education program should focus on providing financial data that empowers employees to execute well, and on encouraging them to use their common sense to resolve customer issues. Other aspects that should be covered include skills, caring and sensitivity, and role playing.
- **Expect the Unexpected** – Employees should never sound ignorant and be surprised to learn about a product recall, new marketing campaign or upcoming product release from customers.
- **Encourage Self Expression** – Allow customers to personalize their experiences and co-create the product or service that they're receiving.
- **Illustrate Value** – Demonstrate to customers the value and benefit of the product or service and how it will improve their lives.
- **Recognize That Not All Customers are the Same** – Don't compare prospects to other customers as each customer has unique challenges and lifestyles. Customers want to hear about the manner in which their individual and unique needs will be addressed.
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- **Never Rush an Order** – When orders are rushed mistakes are made, goods are delivered to the incorrect address and items arrive damaged. Simply establish the time frame with the customer and deliver on time as promised.

In Summary: Experiences are Critical for Success

Experiences are the core of what organizations do and are the unique identity of their business, products and people. While organizations cannot determine whether customers will enter into relationships with them, they are able to create the best possible experience that will attract and keep the customer. Many companies do not succeed in creating these experiences because they fail to understand the prevalence and expected growth of customer expectations for speed of service and customized experiences. Successful companies recognize this trend and set out to learn more about their customers so that they can redesign their processes, upgrade their technology and train their employees with their customers in mind. However, these companies do not employ a single approach to experience redesign. They appreciate that different customers expect different experiences at different times and places, and strive to deliver customized experiences at every organizational touch point for each individual customer. Ultimately, the most successful companies recognize that the culmination of these great experiences will ultimately increase customer loyalty enabling organizations to charge premium prices, increase purchase consideration, drive referrals and gain larger wallet share.



About Strativity Group

Strativity Group, Inc. is a global research and consulting firm advising organizations on creating lasting, profitable relationships with their customers and employees through the transformation of their strategies and execution to revolve around the customer experience.

Strativity Group, Inc. works with both Global 2000 companies as well as emerging businesses around the world. Our clients include Nokia, Computer Associates, SAP, American Management Association, Seagate Technology, Honeywell, Siemens, Dimension Data, FedEx, CATIC, Circle K, University of Pennsylvania, The Fund, Capital One, Jacada, Wyeth, Sage, Herbalife, Akibia, National, Lockheed Martin and Crown Plaza Hotels & Resorts and Nordea.

About RightNow Technologies

RightNow (NASDAQ: RNOW) delivers the high-impact technology solutions and services organizations need to cost-efficiently deliver a consistently superior customer experience across their frontline service, sales and marketing touch-points. Approximately 1,800 corporations and government agencies worldwide depend on RightNow to achieve their strategic objectives and better meet the needs of those they serve. RightNow is headquartered in Bozeman, Montana. For more information, please visit www.rightnow.com.

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