

Customer Experience

3 Ways Companies Get Customer Experience Wrong

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Summary. The pandemic changed the world and customer expectations, and the most successful companies recognize that their customer experience needs to change in turn. But many leaders are deploying the same digital customer experience (CX) strategies that... [more](#)

Most businesses profess to having a “customer first” philosophy. And many have created their own customer experience (CX) function to fuel higher customer retention, brand reputation, and recurring revenues. But, many companies’ CX strategies have fallen out of sync with post-pandemic customer realities.

As a strategic marketing adviser and executive coach for the past three decades, I’ve seen in my day-to-day work and private CMO cohorts that many leaders are deploying the same digital CX strategies that they used in 2019, thereby risking customer defection and dissatisfaction at a time when they can least afford it.

Here are common CX missteps I’m seeing — and strategies to address them before your competitors seize the opportunity.

1) Prioritizing Cost Management at the Expense of Strategic Investment

During uncertain times, it’s tempting for companies to obsess over boosting the balance sheet. In fact, most of my coaching clients are striving to replicate Google’s ambition to become 20% more efficient. But this leaves companies vulnerable to competitors who also focus on boosting customer-facing value to improve the bottom line.

For example, one of my clients, a profitable publicly traded firm, recently experienced a six-month stock price dip. The CFO immediately froze all new marketing initiatives, and they required every executive team leader to find at least \$1 million in expenses to cut.

For the CMO, this represented a missed opportunity to invest in identifying new customer segments, to fortify their retention strategies, and to experiment with new CX programs. The CMO brings a rich set of experiences from her previous roles — such as strategic account planning, customer advisory board programs, and brand-fortifying thought leadership strategies. Investing in just one of those areas would have paid for itself by sparking long-term growth at a time when their sizable competitors were cutting back. But her company's singular focus on expense reduction made it difficult to pursue such growth opportunities. It felt like a short-sighted strategy that was making the company penny-wise and pound-foolish.

2) Relying on Old Segmentation Strategies

CX leaders have been trained to define addressable customer segments (such as psychographics and demographics) and to create sophisticated customer journey maps (which are used to define customers' common challenges and buying patterns). Yet they're generally ignoring one of the biggest changes since the pandemic: customers' desire to understand a company's stance on diversity, equity, and inclusion, climate change, and other social issues.

KPMG's 2022 CEO survey found that 69% of executives surveyed noted higher levels of stakeholder pressure to improve ESG (environmental, social, and governance) reporting transparency — an 11% increase in only a year. It's unlikely that this is a fad. These topics have climbed to the top of customers' priority lists. They reflect a person's values. But you seldom find them on modern-day customer journey maps.

After reviewing several journey maps, I found that most only include superficial data, such as demographics, job functions, hobbies, and common pain points. Very few describe the values behind *why* buyers chose a certain software tool, snack brand, or vacation getaway.

3) Treating Employee Experience (EX) and Customer Experience (CX) as Separate Silos

You'll hear some leaders say that the "customer is always right". Yet that strict policy can also lead to costly attrition of top people, too many priorities, and team burnout.

Salesforce recently teamed up with Stanford and Columbia Universities on [research](#) that showed that only one in three companies have designed a seamless integration between their customer experience and employee experience initiatives. And when they're not aligned, the research team suggests that companies may be missing out on as much as a 50% revenue bump.

Addressing These CX Challenges

To address these modern-day CX challenges, here's what I recommend:

1) Craft CFO discussions around value creation, not just expense reduction.

Many CX leaders downplay their value, focusing on activities versus outcomes. One executive recently boasted about juggling ten different buyer personas — a nearly impossible feat with their lean CX team.

When confronted with cost cutting conversations, consider these reframing strategies:

- Show how CX investments drive incremental revenue, grow share of voice, accelerate current revenue streams, or fuel higher lifetime customer value. Stop using terms such as “program delivery” and “support.” These position your initiatives as transactional and nonessential.
- Ensure that your CX metrics align with your organization’s strategic goals — especially those that the CFO reports to the street, such as revenue growth and operating margins. CFOs seldom care about vanity metrics, such as number of followers. Nor should you.
- Invite an Financial Planning and Analysis (FP&A) colleague to project planning and status meetings. They will feel more like collaborators versus adversaries — increasing the chances that your strategic CX investments will get serious consideration during the next planning cycle.

2) Integrate customer values research into traditional segmentation exercises.

According to ValueGraphics CEO David Allison, CX strategies built exclusively around demographics miss the mark. He and his team looked at 750,000 surveys in 152 languages about audience values, wants, needs, and expectations. They were astounded to find that “people in any demographic cohort are, on average, only 10% similar.” ([Full interview here.](#))

Want to know what your ideal audience cares about? You can either conduct values research, schedule one-on-one conversations, or both. If you’re facing a time or budget crunch, these questions will help you get started:

- Why do you [go to work, attend concerts, buy new clothes, etc.]? Tailor the question to where your audience would experience your brand.
- You just won the lottery. Why would you give away half of your winnings?
- You're writing a letter to your younger self from 10 years ago. What would you say, and why?

3) Align EX and CX goals and incentives.

In a [2019 HBR article](#), Andrew Chamberlain and Daniel Zhao cited myriad correlations between high employee engagement and higher American Customer Satisfaction Index (ACSI) scores. Apple, Trader Joe's, Costco, and Johnson & Johnson still top the list of great places to work. Here's something else they share: impressive ACSI scores.

Taking cues from these brand juggernauts, where can you improve EX and CX team collaborations? How can you align incentives across those teams? Where can you streamline technology platforms for both groups? How can EX and CX metrics earn their rightful place alongside board-level operational and financial reporting?

In addition, ensure that your employees have a say in how you design customer-focused programs. In the [Experience Advantage study](#), Salesforce reported that "employees who feel trusted and who feel they can take risks in their roles are 1.5 times more likely to consider themselves top CX supporters." One of my global clients hosts a monthly employee recognition program for team members who best model the company's values. In 2022, they celebrated 32% revenue growth and a twenty-point employee engagement score improvement.

The pandemic changed the world and customer expectations, and the most successful companies recognize that their customer experience needs to change in turn. By engaging cross-functional teams in CX discussions and understanding customer values, leaders can ensure that their brand remains relevant for years to come.



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