

HOW TO Transform the C-Suite INTO Customer Experience Champions



MEDALLIA

The Challenge of Creating C-Suite Buy-In

You know that delivering great customer experiences can create far-reaching benefits for your company — and contribute to its financial success.

But as great as the benefits are, delivering these experiences isn't easy. No one person — or even one team — can make it happen by themselves. It needs to be everyone's job.

And that includes the C-suite.

Members of the C-suite have their own set of priorities, and customer experience initiatives often aren't on top of the list. While they may intuitively know that delivering good experiences to customers helps the business, chances

are they haven't thought about its impact in a tangible, measurable way.

So how do you demonstrate to each C-suite member that a focus on customer experience isn't a re-prioritization, but rather, an opportunity to bolster their existing priorities?

This eBook is your guide to doing just that. It provides a framework for conversations with five different C-suite roles — including answers to common questions and best practices from leading brands that speak to the priorities of each role.

Click on one of the roles below to get started.

The CEO



The COO



The CFO



The CMO



The CIO





THE Chief Executive Officer

For any initiative your company takes on — and every challenge it faces — the buck stops with the CEO. The CEO holds ultimate responsibility for the operations of the organization and for the company's performance.

Of all the C-suite members, your CEO is the most likely to already care about customer experience — and about getting the rest of the team to care as well. But they might not realize just how much it can impact your company's ability to innovate or the financial results you deliver to shareholders when you get it right.

THEIR BIGGEST QUESTION ABOUT CUSTOMER EXPERIENCE

Given your CEO's broad purview, they could raise any of the questions included in this eBook. But before they do, the best CEOs will likely start by asking:

“We’ve got a number of important initiatives. Why should I prioritize our customer experience more than I already do?”



48%

of global CEOs are actively addressing customer growth and retention strategies, making it the second-most common priority overall.

PwC Global CEO Survey 2014¹

WHY THE CEO SHOULD CARE ABOUT CUSTOMER EXPERIENCE

Good experiences make customers spend more with your company and stick around longer.

Your CEO might suspect this intuitively, but research has proved it definitively. A Medallia study recently published in the Harvard Business Review found that in transaction-based businesses, customers who receive the best experiences spend 140% more over the next year than customers with the worst experiences. And in subscription-based businesses, customers who identify as receiving the best experiences continue to subscribe for an average of seven times longer than as those who feel they've received the worst experiences.

“Macy’s survived and thrived for 152 years. By adapting to the current demands of our customers, we can be here 152 from now if we keep the customer at the center of all decisions.”

TERRY LUNDGREN—CEO, MACY’S

CEO can use customer voices to determine the impact of innovations before rolling them out broadly.

The best CEOs are always looking for ways to improve their company's offerings—and have to evaluate countless suggestions brought to them by people across their organization. When your CEO has insight into the entire customer experience, they can quickly and easily test innovations on a smaller scale to determine their impact on customers. This can be an incredibly powerful way to prioritize future investments.

Understanding the entire customer experience helps CEOs align their teams around customer needs.

Good executives try to keep customer needs at the center of what they do—but what's keeping them all on the same page? Visibility into the customer experience helps everyone in your organization see your company as your customers see it.



Mercedes-Benz

CEO BENEFITS IN ACTION

MERCEDES-BENZ USA

Mercedes-Benz USA knows that listening to customers is a critical step in identifying market opportunities and developing innovative offerings. Analyzing customer feedback helped them identify a market opportunity for expedited service — a higher-margin offering — and test it at selected dealerships. These tests showed that the service was a hit. Mercedes was then able to roll it out nationwide

under the name “Premier Express,” already confident it would be a successful value driver.

Mercedes-Benz USA CEO Steve Cannon described his commitment to customer experience in this way: “I am 100% serious about this customer experience program. It’s going to be my legacy—to create a customer experience that fits with our tag line ‘The Best or Nothing.’”

THE Chief Operating Officer

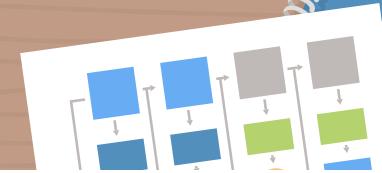


The Chief Operating Officer is responsible for keeping the company's daily operations running smoothly and is concerned with increasing quality, improving operational efficiency, and keeping employees properly organized and trained. All of these factors affect the experiences your company provides — but with so many balls to juggle already, your COO might think they only need to be an observer of the customer experience instead of an active participant.

THEIR BIGGEST QUESTIONS ABOUT CUSTOMER EXPERIENCE

I need things to move like clockwork. How can a focus on customer experience make my operations more efficient and increase margins?

Why should I include customer experience results with my current metrics?



50%

of COOs see “discovering and supporting growth opportunities for the business” as an important part of their role.

Ernst & Young’s 2014 DNA of the COO survey²

WHY THE COO SHOULD CARE ABOUT CUSTOMER EXPERIENCE

A unified view of the customer experience helps COOs keep the whole organization running consistently and efficiently.

Customer pain points—instances of friction and frustration—often occur when different parts of the organization don’t share knowledge about individual customers and thereby contribute to an inconsistent overall experience. This friction can increase customer churn and result in negative word of mouth for your company—consequences your COO definitely cares about. But the COO might not notice these broken processes if individual departments are running smoothly on their own. In order to stay fully informed about their organization, your COO needs to be able to see how it’s performing from the customer’s perspective.

Additionally, when customers are happier, your organization has to use fewer resources to keep them. Good COOs understand the value of getting it right the first time—and having less support requests to field as a result.

Understanding the customer experience helps COOs ensure partners and suppliers are providing reliable service.

By the same logic, a purely internal perspective doesn’t always reveal where partners’ missteps are causing customer friction and making your company look bad. Keeping a close eye on the end-to-end customer experience helps your COO identify problems before they get out of hand.

When the company has a great customer experience, employees are easier to retain.

Employee attrition can be an organizational nightmare and a major resource drain. It’s impossible to avoid completely, but employees are more likely to become dissatisfied when they can’t see the impact of their work and aren’t empowered to deliver experiences that meet customer needs. Your COO can avoid both of these situations by keeping employees across the organization in touch with customer data and by using customer expectations and sentiment to inform employees’ day to day tasks.

“Left on its own, almost any organization evolves in a way that leads to what I call ‘valueless complexity.’ People assume that things are done in a certain way because that is the way they need to be done. Very often, however, what has actually happened is that a practice developed for a very specific time and purpose has crept into processes that it was never intended for.”

MARV ADAMS—COO, TD AMERITRADE³



COO BENEFITS IN ACTION

GLOBAL TOY MANUFACTURER

This Medallia customer has wired customer voices into its operating DNA. It knows that problems in its supply chain can cause customer dissatisfaction, and, therefore, uses feedback to drive improvements to internal operations as well as to customer-facing touchpoints like retail locations, call centers, and online stores.

In Europe, the company analyzed its customer feedback and found that delivery delays were causing a continued decline in customer satisfaction. Armed with this data, the company instituted a major

operational change: moving its shipping warehouse to a more central location. Customers immediately started receiving orders up to 24 hours faster on average, and the company's Net Promoter Score (NPS) improved.

In the UK, the company used a similar strategy—ultimately changing shipping carriers as a result of customer feedback. Again, it saw a significant NPS increase as a result.



THE Chief Financial Officer

Your Chief Financial Officer evaluates the costs and rewards of any potential business investment. With more worthy investments than budget to fund them, CFOs are masters of triage—and are always on the lookout for ways to help projects run more efficiently.

From a financial perspective, your company's customer experience infrastructure might initially appear to be more of a cost center than an engine for revenue growth. To get the CFO on your side, you'll have to convince them otherwise.

THEIR BIGGEST QUESTIONS ABOUT CUSTOMER EXPERIENCE

What financial impact will customer experience investments yield?

Are customer experience changes really more critical than other investments?

What additional costs would we incur by changing our customer experience?

86%

of CFOs see finding new sources of growth as a major strategic challenge

McKinsey & Co.'s 2013 Global Survey⁴

WHY THE CFO SHOULD CARE ABOUT CUSTOMER EXPERIENCE

Customers who receive good experiences cost less to serve.

Unhappy customers cost your company money. They force you to allocate more resources to support infrastructure, and hurt your bottom line through returns and placatory discounts. So when customer experience investments help improve the underlying causes of customer dissatisfaction, your company won't have to spend as much overall to keep them.

Listening to customer voices helps CFOs prioritize investments across their entire business.

Your CFO's plate is overflowing with potential investments — and paying attention to the customer experience can help prioritize them. By connecting customer feedback to financial results like spending behavior and retention, your CFO will be able to see and determine the impact of investments that play a role in the

customer experience.* And once they're able to see this impact, it will be easier for them to tell which areas need the most improvement — and where investment dollars will have the biggest financial impact.

***Additional Resource**

For an example of this financial linkage in action, check out **The Revenue Impact of a Great Customer Experience** — which includes research that was featured in the Harvard Business Review.

[GET WHITEPAPER](#)



CFO BENEFITS IN ACTION **PAYPAL**

Customer service and support teams can be massive cost centers. Every request for help costs a company money, and these costs can skyrocket when large numbers of confused, dissatisfied customers are overtaxing support services with repeated requests for help.

Recognizing this fact, PayPal evaluated its end-to-end customer experience and found 20 recurring pain points that were causing frustration for its consumer and merchant users.

PayPal knew this frustration was a burden on its organization. So it tested and rolled out fixes, and ended up reducing customer issues by 40 million in one year. That's a lot fewer service hours to account for. The improvements ultimately boosted customer engagement as well, increasing PayPal's overall transaction volume by over \$2 billion.



THE Chief Marketing Officer

Your Chief Marketing Officer is in charge of creating awareness for your company and its products. They do this by crafting a brand that maps to customer needs, creates market differentiation, and drives demand. CMOs have traditionally done this through advertising and other one-way conversations. But with the Internet increasing the impact of individual experiences on consumer purchasing decisions, brands are now being built from the bottom up — as a sum of the individual experiences they deliver to customers.

THEIR BIGGEST QUESTIONS ABOUT CUSTOMER EXPERIENCE

What is the brand impact of delivering a good customer experience?

How can a good customer experience help me increase demand?

How will paying attention to the customer experience help me understand my market and competitors?

77%

of marketers say it is essential or very important to deliver an effective customer experience for their company.

Accenture's 2014 CMO Insights survey⁵

WHY THE CMO SHOULD CARE ABOUT CUSTOMER EXPERIENCE

Creating happier customers means creating an army of word-of-mouth marketers.

Consumers increasingly rely on widely available third-party reviews and recommendations when forming an opinion of a brand. Your CMO is likely looking for a social media strategy that makes these kinds of reviews work in your favor — and there's none better than delivering experiences your customers are proud and excited to talk about.

"The relationship you can have with consumers is all-encompassing now, very personal, because it's a two-way conversation. This is great, but also very difficult because we as CMOs, in particular, really have to learn to let go of control."

FRANCES ALLEN—CHIEF BRAND OFFICER, DENNY'S⁶

Listening to customer voices helps the CMO understand what drives retention and attrition.

Good CMOs are always thinking about the selling points and offerings that generate the most demand amongst potential customers.

Customer experience data shows your CMO what's driving the most satisfaction in your customer base — and what's driving dissatisfied customers away.

Customer experience insight sheds light on market trends, and shows how you stack up against your competitors.

Customer experience data is a crucial complement to competitive research. It tells you which of your key differentiators actually drive customer satisfaction and which ones are missing the mark. In aggregate, it can also quickly surface new market trends that traditional market research would take months to identify.



CMO BENEFITS IN ACTION

BEST WESTERN

Marketing departments often handle social media on their own, but Best Western has found success by unifying social feedback with other types of customer data — and empowering frontline employees to engage with it. The company uses surveys to seamlessly drive customer reviews to social sites like TripAdvisor, and also sends alerts to individual properties the moment they've been reviewed, allowing them to respond promptly.

This strategy helps Best Western learn from social feedback, improve customer experiences, and ultimately enhance its social reputation. As a result, socially engaged Best Western properties have increased their TripAdvisor scores by an average of 30%. Additionally, one third of all Best Western properties have earned TripAdvisor's Certificate of Excellence — an honor bestowed upon the top 10% of the site's properties.

THE Chief Information Officer



Your CIO is responsible for your company's entire approach to information. In addition to traditional duties like overseeing data security, other C-suite members increasingly rely on CIOs to spearhead tech investments and even develop their company's digital strategy. These duties often encompass infrastructure used to manage the customer experience.

THEIR BIGGEST QUESTIONS ABOUT CUSTOMER EXPERIENCE

How is the customer experience relevant to our company's IT infrastructure?

Why should I pay attention to the customer experience beyond its digital aspects?

61%

of CIOs have part of their compensation tied to corporate revenue or profit goals.

CIO Magazine's 2014 State of the CIO survey⁷

WHY THE CIO SHOULD CARE ABOUT CUSTOMER EXPERIENCE

Insight into the customer experience allows CIOs to better prioritize tech investments across the entire business.

CIOs have to make decisions around tech investments, but prioritizing those and understanding their ultimate impact can be tough.

What CIOs should realize is that all investments — even those on the backend that are only employee-facing — can impact the customer experience. Therefore, by being in touch with customer feedback, CIOs can better glean the current impact of their tech systems and better plan and prioritize future investments.

To build a good digital experience, CIOs need to understand how it will fit with the rest of the customer experience.

As the resident IT expert, your CIO plays an important role in supporting the teams that manage your company's digital face. They may even be managing it themselves. A recent study⁷ by CIO magazine found that a quarter of global CIOs are responsible for launching new products and opening new markets — making it increasingly critical for them to understand how customers are interacting with the company through digital channels.

And digital channels require wide-ranging insight to get right. They might exist in a separate business unit from touchpoints like call centers and storefronts — but from your customer's perspective, digital and physical touchpoints are all steps in the same journey. If there's too much friction between them — especially in a digital context — today's consumers will often give up and leave.

In order to help your company avoid this friction — or even spearhead initiatives that directly reduce it — your CIO needs to understand what is and isn't working for customers everywhere they are. This knowledge will help them design and support digital offerings that keep customers engaged instead of driving them away.

“Today, digital marketing is a joint activity in our company, with marketing in many cases looking directly to us for better ways to reach our customers.”

ED STEINIKE—CIO, COCA-COLA⁸



CIO BENEFITS IN ACTION

GLOBAL E-COMMERCE COMPANY

Customer pain points are particularly risky in the digital world, where a few moments of friction are enough to send customers packing—and where competitors are always just a click away. Recognizing this, one leading e-commerce company, which has over 25,000 employees and billions in annual revenue, assigns each of its digital touchpoints to an owner whose sole responsibility is analyzing and improving that touchpoint's experience.

As part of this process, the company uncovered several pain points that were driving customers to speak negatively about the company to others—which included concerns about data security. To solve for this, the company rallied its team of touchpoint owners and began to address the issues right away. Since then, it's witnessed significant improvements and has earned an average 9.1 out of 10 satisfaction score for its digital experience.

The Conversation Doesn't End Here

Once you've gotten the C-suite's attention with these benefits and stories, there's still much to do before they'll sign off on any improvements. They'll likely want to move the conversation into the context of your company — how it could go about achieving these benefits and what the impacts would be.

If you have any questions, we're here to help. And we can share more stories and best practices from customers who have been down this road before — including two of the world's top three accounting firms, the world's three largest luxury auto brands, multiple Fortune 50 industrial conglomerates, America's largest luxury retailer, eight of the world's ten largest hospitality brands, and the world's largest energy distribution company.

Interested in finding out more?

[EMAIL US](#)

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ABOUT MEDALLIA

Medallia® is the Customer Experience Management company that is trusted by the world's leading brands, including Four Seasons, GE, Marriott International, Nordstrom, Sephora, and Zurich Insurance. Medallia's Software-as-a-Service (SaaS) application enables companies to capture customer feedback everywhere the customer is (web, social, mobile, and contact center channels), understand it in real time, and deliver insights and actions everywhere—from the C-suite to the frontline—to improve the customer experience. Founded in 2001, Medallia headquarters are in Silicon Valley. Medallia has offices in New York City, London, Sydney, Melbourne, Hong Kong, and Buenos Aires. Learn more at www.medallia.com.

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