

# Chapter 11

## Customer Experience: The New Competitive Advantage for Companies That Want Their Customer at the Center of Their Business

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### ABSTRACT

*The impact of increasing advancement in digital technologies is driving massive changes in contemporary business enterprises affecting every dimension of society, especially the way individuals buy, research, and interact with one another and with leading brands. This chapter explores case studies of specific leading brands to illustrate this principle with the purpose of better understanding how end-to-end customer experiences (CXs) can be maintained and improved. It begins with a detailed example of the cost of not adapting to the evolving changes in consumer behaviour, specifically the expectations of new generations of “digital natives” with a focus on the user experience (UX). This is followed by an analysis of six customer experience (CX) principles that deliver value, relevance, and superior CXs. Finally, this chapter highlights the importance of embracing a holistic customer-centric culture and offers valuable considerations for businesses seeking to make customer experience their new competitive advantage.*

### INTRODUCTION

The advent of the internet and the consequent digital revolution has provided every industry with a vast proliferation of businesses selling similar products and services. Over the years research shows the “paradox of choice”, whereby more options for consumers lead to poorer outcomes (Scheibehenne et al., 2010). Across contemporary industries, the main differentiator is no longer products, but experiences that complement products (Abramovich, 2018). For centuries businesses ruled by logical, rational decision makers, with no room for emotions, (Norman, 2004, p.10) even as customers were driven by impulse, by emotions and by subconscious compulsions (Zaltman, 2003, p.8). This chapter argues for

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the importance of embracing a customer experience strategy within organizations, which requires an understanding of the customer's needs and wants where circumstances change with time. This chapter analyzes how and why Waveix (fictitious name) a technology camera-related empire with historic basis on photography missed the turn and filed for bankruptcy in 2012. Many companies stubbornly follow the same strategy for decades without realizing that the land under their feet changes quickly. This is exactly what happened to the photography company.

This chapter introduces some issues and concepts that lie at the heart of the shift in business dynamics, especially that of the changes in consumer behavior. As such an understanding of multi-generational behavior is very important for the success of customer experience planning. Therefore, the author will briefly examine two important generations, Millennials and Generation Z, and how these generations have been transforming the way businesses operate. The main aim is to deliver a strong understanding of the customer experience with a focus on the user experience in this time of increasingly complex and changing consumer behavior. After years of research, the author of this chapter wants to describe how customer experience consultants helped We Love Dogs (fictitious name), a dog accessories brand to regain trust and relevance by integrating six important principles for a superior customer experience strategy. The customer experience strategy was a plan of 12 months that included constant hard work from both teams and continuous improvement over time.

## **BACKGROUND**

Three industrial revolutions and the rise of new technologies and novel ways of perceiving the world have together caused a deep change in modern economic and social structures (Schwab, 2016, p.11). In the contemporary milieu, autonomous vehicles, digital personal assistants, robots in restaurants and clinics, wearable technologies, smart homes, 3D printing, and voice activated devices are fundamentally changing not only the lives of individuals but also the way businesses operate. In fact, Jagdish Seth (1972) predicted that the theory of buyer behavior grows rapidly and broadens alongside these changes. Unfortunately, many companies today are not agile enough to reconfigure, re-engineer or adapt to consumer expectations and market demand or as fast as their competitors (Goodwin, 2018, p.2). For centuries big companies benefited by the advantage of their size, however the internet and the changes in business dynamics means that historical heritage is becoming more of a liability for brands as it makes the change and adaptation harder. Today, the main challenge for businesses is to deal with the repercussions of the ever evolving digital era: specifically, the loss of customer relationships, increased competition and the speed in which companies may lose their competitive advantage in this commoditized world (Ernst & Young, pp.1-8).

## **MAIN FOCUS OF THE CHAPTER**

### **When the Land Turns Upside Down for Waveix**

Over the past few decades technology brought many changes and led to great opportunities such as greater flexibility, reactivity and product individualization, however it has also brought significant challenges in the 2010s, such as rapid technological change, increased legal requirements and changing customer

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