

AN E-BOOK BY ANDY HANSELMAN

FORGET CRM. THINK MCR!

Maximise your Customer
Relationships with AI²

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The 8 Key Ingredients of **Maximised**
Customer Relationships, delivered with
AI²

#1 CHOOSE 'EM OR LOSE 'EM!

#2 MAKE IT EASY!

#3 SHOW ME YOU KNOW ME!

#4 'DELIGHT' ME!

#5 SPOT AND DEAL WITH DISAPPOINTMENT!

#6 MAXIMISE OPPORTUNITIES!

#7 LEVERAGE!

#8 BE CONSISTENT!

WHEN CUSTOMERS DO BUSINESS WITH YOU, HOW DO YOU WANT THEM TO **FEEL?**

~~What do you want them to buy?~~ ~~What margin do you want to make?~~

VALUED

UNDERSTOOD

LOOKED AFTER

IMPORTANT

LOYAL

DELIGHTED!

DEVOTED!

Most people say ‘yes’ to all of those words. (Why wouldn’t they?) Some go even further and say ‘Delighted’ and ‘Devoted’! It’s all great stuff... but then they show me their CRM dashboard.

Don’t get me wrong. I’m not anti-CRM. Far from it. Systems matter. Data matters. Insight matters. But here’s what I’ve seen over and over again. Businesses invest huge amounts of time, money and effort in Customer Relationship Management... and then forget about the ‘relationship’ bit.

They track customers brilliantly. They automate efficiently. They segment intelligently. But the experience? It’s average at best. And in today’s world, ‘average’ simply does not win.

CUSTOMER	SEGMENT	SCORE
<u>Mr J Smiht</u>	Tier B	62
Dear Sir or Madam	Tier C	48
<u>Andy Handselman</u>	Tier A	81
Customer #40871	Lapsed	—

A database with lots of names in it... often spelt wrong!

CUSTOMER **RELATIONSHIP** ~~MANAGEMENT~~

THE WORLD HAS CHANGED (AND CONTINUES TO CHANGE)

CUSTOMERS HAVE MORE CHOICE THAN EVER

THEY CAN (AND DO)

**COMPARE YOU WITH
COMPETITORS IN
SECONDS**

THEY CAN (AND DO)

**READ REVIEWS
INSTANTLY**

THEY CAN (AND DO)

**SWITCH SUPPLIERS IN A
COUPLE OF CLICKS**

LOYALTY ISN'T AUTOMATIC ANYMORE. **IT'S EARNED. AND RE-EARNED.**



The businesses that are winning are doing something **Dramatically** and **Demonstrably Different**. These '3D Businesses' are Forgetting CRM and Thinking **MCR**. They're **Maximising their Customer Relationships**... and they're doing it with **AI²**.

AI²: IT'S MORE THAN ARTIFICIAL INTELLIGENCE

AUTHENTIC INTERACTIONS

Genuine, honest, personalised and human



ARTIFICIAL INTELLIGENCE

Insight, timing and consistency



REAL COMPETITIVE ADVANTAGE

AUTHENTIC INTERACTIONS

Giving the best to, and getting the best from, the customers you want. Genuine, personalised, human interactions that:

- 'delight' them
- make them feel valued
- get them to come back for more, spend more and tell other people

ARTIFICIAL INTELLIGENCE

Maximised to help deliver those relationships by:

- predicting customer behaviours
- spotting patterns
- identifying risks and opportunities
- personalising communication
- analysing sentiment
- doing it all consistently

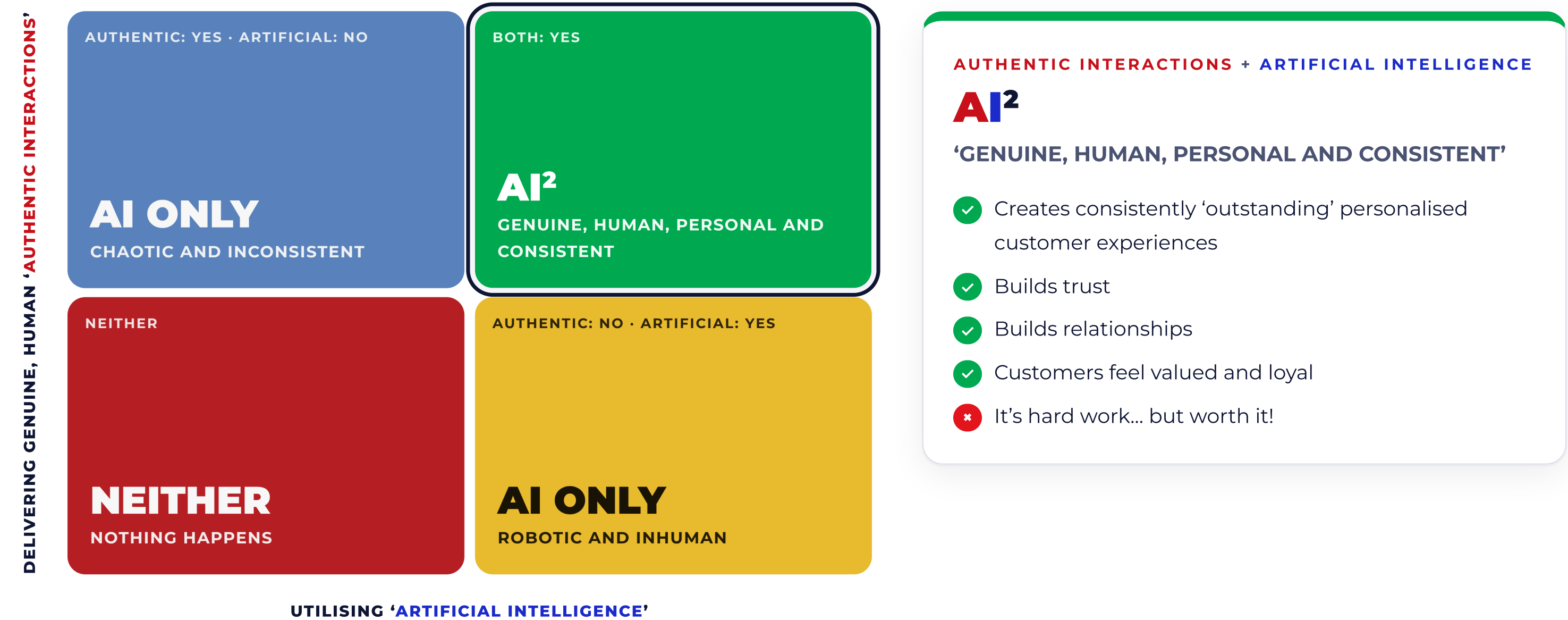
Artificial Intelligence provides insight, timing and consistency.

Authentic Interaction provides empathy, judgement and meaning.

Bring them together, use them together, and you create a **Dramatic** and **Demonstrable Difference**: customers who feel valued, stay loyal, put less emphasis on price and do your marketing for you by 'raving' about you to others!

WHICH BOX IS YOUR BUSINESS IN?

Businesses deliver **Authentic Interactions**... or they don't. They use **Artificial Intelligence**... or they don't.



BUT THERE IS A DANGER...

DOING ONE WITHOUT THE OTHER CAUSES ALL SORTS OF PROBLEMS

ARTIFICIAL INTELLIGENCE USED BADLY

**YOU DON'T BECOME SMARTER. YOU BECOME
ROBOTIC.**

ARTIFICIAL INTELLIGENCE IGNORED COMPLETELY

**YOU RELY ON MEMORY. IT WORKS... UNTIL IT
DOESN'T.**

Both approaches can work, at the right time and place, done deliberately and consciously. When you put them together, something powerful happens. Customers don't just transact...

THEY TRUST

THEY STAY LONGER

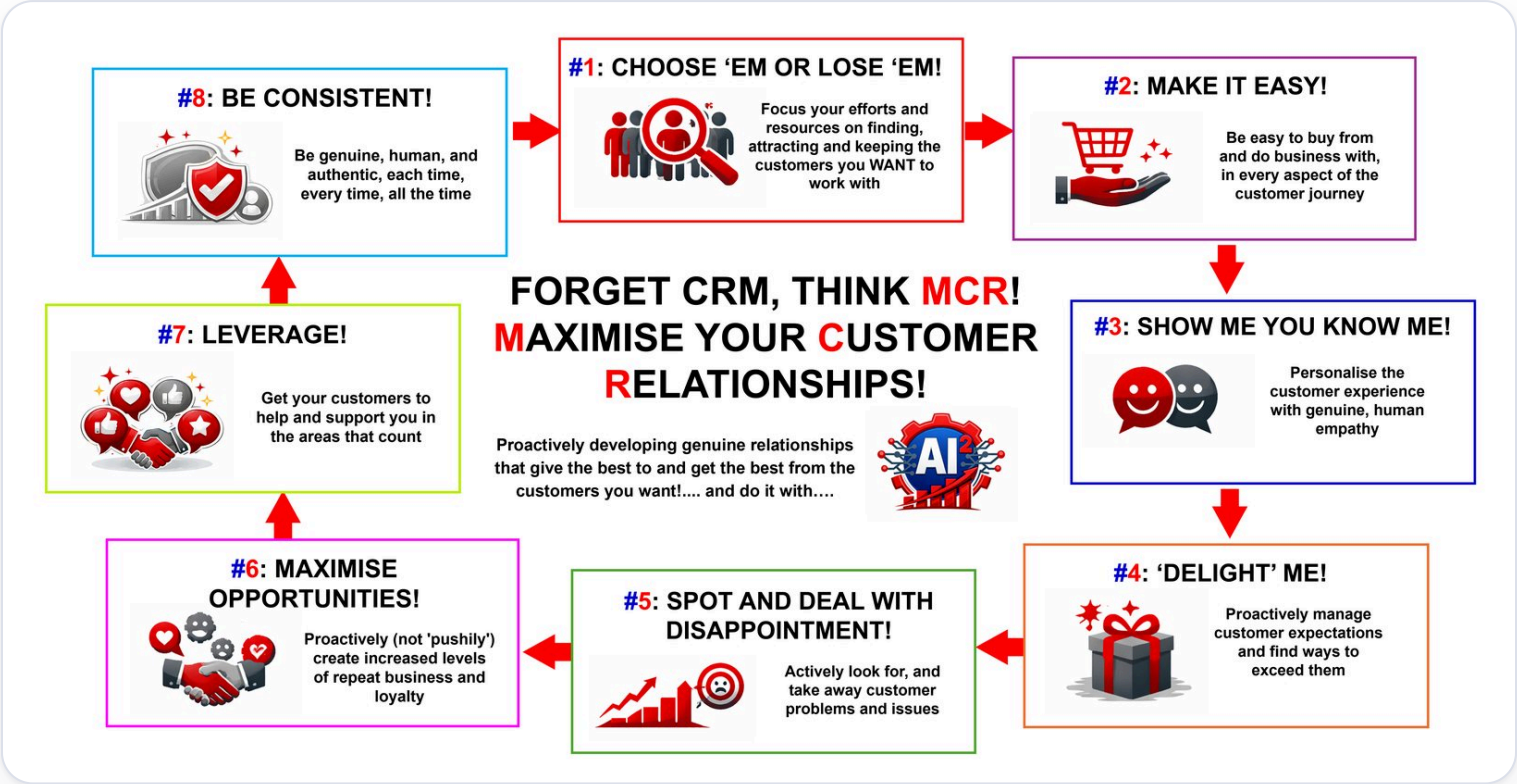
THEY SPEND MORE

THEY REFER OTHERS

THEY BECOME ADVOCATES

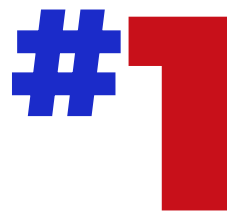
THIS IS NOT FLUFFY THINKING. IT'S COMMERCIAL COMMON SENSE. IT'S **AI**²!

THE 8 KEY INGREDIENTS OF MCR



- #1**
CHOOSE 'EM OR LOSE 'EM!
Focus on the customers you WANT to work with
- #2**
MAKE IT EASY!
Be easy to buy from and do business with
- #3**
SHOW ME YOU KNOW ME!
Personalise with genuine, human empathy
- #4**
'DELIGHT' ME!
Manage expectations and find ways to exceed them
- #5**
SPOT AND DEAL WITH DISAPPOINTMENT!
Look for, and take away, problems and issues
- #6**
MAXIMISE OPPORTUNITIES!
Proactively (not 'pushily') grow repeat business
- #7**
LEVERAGE!
Get customers to help you in the areas that count
- #8**
BE CONSISTENT!
Each time, every time, all the time

They're definitely not 'magical answers' or the latest 'fads'. To be fair, they could be seen as common sense. The reality is that in many businesses, they are not that 'common'!



CHOOSE 'EM OR LOSE 'EM!

Focus your efforts and resources on finding, attracting and keeping the customers you WANT to work with.

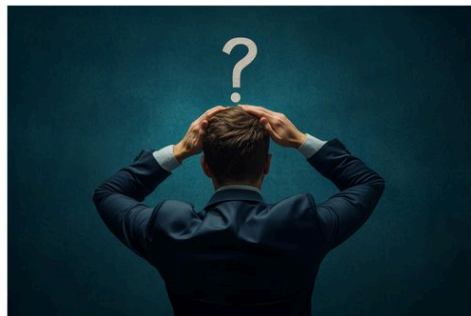
#1: CHOOSE 'EM OR LOSE 'EM!

Focus your efforts and resources on finding, attracting and keeping the customers you WANT to work with



Only **49.6%** of businesses say they know who their 'best' customers are.

Source: Acxiom and Loyalty360



ACTIONS TO CONSIDER....

- Identify your 'best' customers
- Focus your time and efforts on them
- Understand their needs and wants
- Get rid of the ones you don't want!

MCR starts with clarity. Outstanding relationships begin with choice. Not every customer is right for your business.

Some generate profit, loyalty and advocacy. Others consume time, reduce margins and drain energy. **3D** Businesses agree a set of criteria that helps them decide who they want to do business with (and who they don't!), and they empower their people to do the same.

THE HARDEST WORD

THEY'RE NOT AFRAID TO SAY 'NO'

Then they focus their marketing, sales and relationship-building time and money on their 'best' customers.

WHERE **AI²** COMES IN

Authentic Interaction can often mean giving your best customers 'a damn good listening to' to establish what they want, don't want, like, dislike, and what they think of you. **Artificial Intelligence** can help analyse product / service and customer profitability, as well as buying habits and patterns. The combination helps shape where you focus your time, efforts and resources, and how you tailor your messages in frequency and format to those 'best' customers.

#2

MAKE IT EASY!

Be easy to buy from and do business with, in every aspect of the customer journey.

#2: MAKE IT EASY!

Be easy to buy from and do business with, in every aspect of the customer journey



94% of customers who have low effort experiences say they would repurchase.

Source: Gartner



ACTIONS TO CONSIDER....

- Identify 'blockages' in your business
- Ask your people what they are
- Ask your customers what they are
- 'Stand in your own queues'!

Great products or services are the minimum. Customers want the experience of buying from you to be easy, intuitive, enjoyable and 'Authentic'!

CUSTOMERS DON'T LEAVE BECAUSE OF PRICE ALONE

THEY LEAVE BECAUSE OF FRUSTRATION

Staff without product knowledge

Can't reach the right person

Systems that 'get in the way'

Delays

No communication

3D Businesses make sure everyone 'knows their stuff' (and who to talk to about the things they don't), keep their people alert and responsive at every stage of the journey, and proactively remove the blockages to 'outstanding' customer experiences.

WHERE AI² COMES IN

Artificial Intelligence helps you identify friction before it damages loyalty, and embed the systems and processes that create consistency. Whether that's sentiment analysis, customer journey mapping or customer 'drop off' analysis, the key is using the information to identify your 'blockages' so you can remove them. **Authentic Interaction** helps you make it feel personal.

#3

SHOW ME YOU KNOW ME!

Personalise the customer experience with genuine, human empathy.

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Personalise the customer experience with genuine, human empathy



66% of customers expect businesses to understand their individual needs and preferences

Source: Exploding Topics Report



ACTIONS TO CONSIDER....

- Get to know your customers
- Identify everyone in the buying decision
- Find ways to 'personalise' the experience
- Do it in EVERY part of your business

TWO WAYS TO SAY HELLO

SHOWS YOU DON'T KNOW THEM

Dear Sir or Madam,

SHOWS YOU DO

"Hi Sarah, great to see you again!" from the receptionist

3D Businesses build personal, 'Authentic Interactions' into every part of the customer journey (even the accounts department, hey, this is revolutionary stuff!). They collect and use individual customer details to personalise the experience, their recommendations and their offers. Not in a 'creepy' way.

Today's customers don't want mass marketing. They want relevance.

WHERE AI² COMES IN

Authentic Interaction creates that personalised experience. **Artificial Intelligence** enables personalisation at scale, without losing authenticity.

#4 'DELIGHT' ME!

Proactively manage customer expectations and find ways to exceed them.

#4: DELIGHT ME!

Proactively manage customer expectations and find ways to exceed them



Delighted customers are **5X** more likely to buy again, **4X** more likely to refer, and **7X** more likely to forgive a mistake.

Source: Bain & Co



ACTIONS TO CONSIDER....

- Identify ways to 'wow' your customers
- Make sure it's genuine and authentic
- Build it into your processes
- Make it appear 'spontaneous'

Customer Delight is about surprising customers with the level of service you provide (in a positive way!).

It doesn't have to cost much. It's often the 'little things', and it's definitely not 'buy one get ten free' (anyone can give things away; it has to make commercial sense!). It's the personal touch. It appears 'spontaneous' (you can actually plan spontaneity!), it makes customers feel valued, and it creates a 'wow'. In some sectors that simply means doing things on time, on budget, with a smile!

FINISH THIS SENTENCE FOR YOUR CUSTOMERS

"YES, THEY DEALT WITH ME PROFESSIONALLY, BUT WHAT COMPLETELY BLEW ME AWAY WAS... ?"

WHERE AI² COMES IN

Authentic Interactions mean people proactively looking for opportunities to delight. **Artificial Intelligence** helps make that happen consistently.

#5

SPOT AND DEAL WITH DISAPPOINTMENT!

Actively look for, and take away, customer problems and issues.

#5: SPOT AND DEAL WITH DISAPPOINTMENT!

Actively look for, and take away customer problems and issues



91% of customers don't always complain when they've had a bad customer experience

Source: Rapide



ACTIONS TO CONSIDER....

- Actively seek customer feedback
- Spot and solve problems
- Ask 'Are you completely happy?'
- Turn 'Disappointment' into 'Devoted'

Unhappy customers rarely complain. They simply leave. So measuring satisfaction by counting complaints is a very dangerous approach.

3D Businesses proactively look for problems and give customers 'a damn good listening to'. They actively seek feedback, build processes to find out what customers really think, and empower their people to spot and solve problems there and then. Rather than get 'scores out of 10', they ask 'Are You COMPLETELY HAPPY?' Yes / No Why / Why Not? They proactively act on the responses!

NOW THAT'S DRAMATICALLY DIFFERENT

\$2,000

Ritz-Carlton staff are empowered (and encouraged) to spend up to \$2,000 to make a guest's experience better, without talking to a manager.

WHERE AI² COMES IN

Most customers accept that things sometimes go wrong. The right **Authentic Interactions** can turn 'Disappointed' customers into loyal advocates, if you spot them and show you care enough to make things right. Effective use of Artificial Intelligence in sentiment analysis and identifying 'churn' patterns can help spot the early warning signs.

#6

MAXIMISE OPPORTUNITIES!

Proactively (not 'pushily') create increased levels of repeat business and loyalty.

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'Happy' existing customers are **50%** more likely to try new products and services

Source: IVESP



ACTIONS TO CONSIDER....

- Identify when customers buy from you
- Identify when they buy elsewhere and why
- Proactively 'educate' your customers
- 'Personalise' offers to them

This is a HUGE opportunity that many businesses are missing. In basic terms, it's the pay-off!

HAVING GIVEN THE BEST TO CUSTOMERS (#2 TO #5), GET THE BEST FROM THEM

**SPEND MORE, OR SPEND MORE OFTEN.
IDEALLY BOTH!**

It's not about forcing customers to buy things they don't want. **3D** Businesses know when, and why, customers buy from them and from competitors. They educate customers about everything they can do, and they give every customer-facing person the confidence and competence to make the most of those relationships 'Authentically'.

WHERE **AI**² COMES IN

Growth doesn't come from new customers alone. It comes from deeper relationships, built through **Authentic Interactions**. **Artificial Intelligence** helps identify the opportunities, and who you can create them with.

#7

LEVERAGE!

Get your customers to help and support you in the areas that count.

#7: LEVERAGE!

Get your customers to help and support you in the areas that count



83% of satisfied customers are willing to refer others, but only **29%** actually do without being asked.

Source: Texas Tech University

**ACTIONS TO CONSIDER....**

- Ask your customers for ideas
- Ask your customers for referrals
- Ask your customers for testimonials
- Ask your customers for recommendations

‘Devoted’ customers tell others, become ‘evangelists’ and spread the word at every opportunity. Others need prompting.

Testimonials, referrals, recommendations, ideas, suggestions, or just a bit of feedback: **3D** Businesses work out what would help them move forward, and proactively (not ‘pushily’) get working on it.

SATISFIED CUSTOMERS ARE VALUABLE

ADVOCATES ARE TRANSFORMATIONAL

Creating them often means simply asking.

WHERE **AI² COMES IN**

Authentic Interactions are an integral part of creating advocates. **Artificial Intelligence** helps you maximise it, and do it consistently.

#8

BE CONSISTENT!

Be genuine, human and authentic, each time, every time, all the time.

#8: BE CONSISTENT!

Be genuine, human, authentic, each time,
every time, all the time



Businesses with superior customer experience generate a **14%** advantage in revenue growth compared to the CX laggards

Source: Forrester Research

ACTIONS TO CONSIDER....

- **Understanding** - Ensure everyone has it
- **Build** systems to support that
- **Engage**, empower and enable people
- **Reward** and recognise your champions

The final, and perhaps most important, ingredient. Exceed a customer's expectations and, by definition, they come back next time expecting more (which is a good thing!).

3D Businesses embed **MCR** into 'the way we do things around here'. Not mission statements and posters on the wall, but behaviours that are spelt out and lived by everyone.

3D BUSINESSES THINK UBER**U**

Everyone **Understands** what's expected and behaves accordingly

B

Systems and processes are **Built** to support those behaviours

E

People are **Engaged**, empowered and enabled to deliver

R

They're **Rewarded** and recognised for doing so

WHERE AI² COMES IN

Authentic Interactions build trust. **Artificial Intelligence** supports measurement, monitoring and improvement, and creates **CONSISTENCY!**

NOT JUST BEING 'NICE'. NOT JUST TECHNOLOGY.

3D Businesses don't use Artificial Intelligence for Artificial Intelligence's sake. They find where it has the most impact and use it to support their Authentic Interactions.

AUTHENTIC INTERACTION

Genuine, personalised, human experiences that make customers feel valued. This is the key driver of MCR.

ARTIFICIAL INTELLIGENCE

Maximises time, energy and resources to create consistency. It should never:

- ✗ Replace empathy
- ✗ Automate insincerity
- ✗ Remove accountability
- ✗ Create robotic communication

A GREAT PLACE TO START

1

FIND YOUR ADVANTAGE

Identify where AI can help you create competitive advantage

2

FIND THE BLOCKAGES

Look for them in your processes

3

FIND THE FRUSTRATIONS

Your customers' frustrations, and your team's!

4

JUST DO SOMETHING!

Make sure your people have the skills and 'know-how' to make it work

5

MEASURE AND BUILD

Monitor it, measure it and build on it

THE BUSINESSES ADOPTING THE **AI**² APPROACH WILL BE (AND ARE) **THE ONES** **THAT WIN!**

The future (and the present) doesn't belong to the businesses with the most data. It belongs to those who use it 'Intelligently'... and 'Authentically'.



FORGET CRM. THINK **MCR**.

WANT MORE? GET IN TOUCH

Andy Hanselman is a keynote speaker, business consultant, trainer and author who helps businesses become **Dramatically** and **Demonstrably Different**.

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