

# THE SCIENCE OF RETENTION

One of the most fundamental CX-driven business objectives today is to retain customers. Customers are precious things and when we are fortunate enough to secure one we need to ensure they are with us for the long term. The below lists the 7 key elements of a Scientific CX Retention System and, importantly, the questions that need to be asked to determine whether each activity is being achieved (and how significant the gap could be)

## Know your customer



Know their needs, wants and expectations. Understand their profile as segments and personas. Understand how they relate to you and your business in terms of their journeys and how their needs, wants, expectations and journeys differ by attribute and how they relate to today's Digital-First-But-Not-Digital-Only Multi-channel customer.

### How are you doing?

1. What are their journeys, touchpoints and needed experiences and how do they change?
2. What do they expect and need for long term loyalty and retention and how is that changing?
3. Why do your customers stay and why do they leave?
4. What is the case for and benefit of retention by customer and segment and what customer attributes influence and impact it?
5. How do they respond to your retention actions?
6. What are your competitors doing for each customer segment?

## Deliver the right experience(s)



Given your customers' needs and expectations, deliver those when they want them, where they want them, through their channels of choice, in a highly personalized manner.

### How are you doing?

1. Have you designed a true Digital-First-But-Not-Digital-Only Multi-channel Customer Experience' that meets your customer needs specifically driving and enhancing Retention for the right customers?
2. How does the delivery of that experience and its personalization and variance by channel impact Retention?
3. How does that match your competitors?

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## Understand your business and how you offer value



How does your business align with your customer's needs, wants and expectations, and how does your business operating model deliver on those. Also, how does your customers' experience relate to your CX Metrics (ease, effectiveness, engagement, etc.) and their correlation to business metrics (revenue, margin, profit, etc.).

### How are you doing?

1. What is your overall benefits case for retention?
2. Do you have and what is your 'Retention methodology and framework'?
3. Who is responsible for Retention (overall, by operating unit, product, market)?
4. What is your Customer experience Operating Model (CXOM) in terms of channels, people, products, services, people, process, information, technology and brand?
5. How does your operating model deliver on your customer expectations?
6. What are your key business measures and metrics and how do they relate to your CX Metrics and measures?
7. What are your CX capabilities including customer understanding, technologies to design, deliver and measure your experiences in a way that delivers business results?
8. What is your CX or customer centric culture from executives to success associates?
9. How does that meet or exceed your competitors?

## Measure the customer experience and its correlation to business impact



Measure the customer experience everywhere you can with a robust Metrics System and Architecture that has predictable correlation to your Business Metrics. Listen to the Voice of Customer through relationship and all available channels, including Journey Analytics, Machine Learning and AI driven insights.

### How are you doing?

1. What is your Retention-focused CX Metrics Framework and Architecture for Perception, Behavioral and Operational Effectiveness, Ease and Emotional Empathy and Engagement of your Customer Experiences?
2. How do you gather Voice of the Customer and integrate Voice of Analytics to impact Retention?
3. How do those metrics relate to your customer persona, segment and journey and prediction of Retention issues and Success?
4. Specifically which CX Metrics are proven to influence your Retention Understanding and your Retention Success and which do not?
5. Who is responsible for those retention Measures and Metrics?
6. How do those CX Metrics correlate to your Business Success Metrics?

## Analyze For Understanding and Insight?



Analyze the information you gather to increase your understanding with respect to your customers relationship perception, operational affinity and competitive positioning. Specifically in Retention 'Why They Stay and Why They Leave' and 'Who should you retain and how to retain them'.

### How are you doing?

1. How do you Analyze your measures and metrics to Predict Retention actions and Retention Success?
2. How do you prove and continuously update your proof that the measures and metrics you gather actually drive the business results you require?
3. How do you communicate and socialize that proof to your leadership and employees?
4. How do you continuously update your correlation and driver algorithms in light of changes in business, market, customer expectations or your understanding?

## Act, Respond, Engage & Improve



The most important thing is action. Immediate response to customer issues, including systematic changes to your business experience in terms of changes to your products, people, organization, or wherever required. Engage with customers how they want to be engaged with.

### How are you doing?

1. What is your response mechanism and how do you respond to communicated and perceived customer issues that will drive them to leave or stay today or tomorrow?
2. What is your breakdown of preventative churn reduction (proactive response to experience elements that will likely churn, and reactive response to a cancellation or churn request)?
3. How do you measure your response and improvement effectiveness?

## Continuously Manage & Improve your CXOM and CX Capability



The most improvement must be systematic and built into an agile business operating model. Business moves at 'the speed of digital' and customer expectations move as fast. Constant improvement is a critical success factor.

### How are you doing?

1. Who is responsible for continuous improvement of Retention (overall, by operating unit, product, market)?
2. What is your process for metrics driven, customer centric continuous business improvement to enhance retention?
3. How does your understanding and measurement drive short and long term business operating model improvements to drive retention?
4. What are the key things 'you know, don't know and know that aint so'?
5. What is your executive support for a customer metrics driven business model?
6. What do you do to communicate the success?