

POINT OF VIEW

An uncertain future demands customer experience innovation

These days, you don't have to look very far to see widespread disruption impacting customer experiences. Unprecedented shifts in the balance between the digital and physical worlds, and global interdependence of supply chains have risen to mass awareness.

The misalignment of customer demand and global supply can be catastrophic to businesses that aren't prepared to pivot and prioritize customer experience to differentiate. While once upon a time customers might have been generally sympathetic towards brands as we all navigated this new world of global disruption together, many months later their tolerance has faded.

When both products and customer patience are in short supply, brands must be proactive and transparent. They need to sensibly market and message their products and services, and cultivate experiences that build long-term relationships. It's essential that brands build trust and reassure the customer they have their best interest in mind.

Empty shelves and unknown wait times are frustrating, which is why brands cannot depend on their products as their main selling point alone. Rather, a brand's ability to create and deliver exceptional experiences despite these challenges can give it a competitive edge and catapult it to greatness in the eyes of its customers.

In today's uncontrollable environment, your brand's authentic presence is one thing you can control. In fact, how you respond to these complex times can create an advantage for your brand in the marketplace.

"Customer experience drives more than two-thirds of customer loyalty, outperforming brand and price combined."

– Gartner¹

¹ www.gartner.com/en/insights/top-insights/marketing-2020

Strategies that anticipate audience needs, along with the adaptability to innovate and agility to pivot quickly enable your brand to deliver on its promise to customers through the activation of authentic experiences. We call these the A's to customer experience success: anticipation, adaptability and agility.

Anticipation

In the past year and a half, brands may have felt like the rug has been pulled out from underneath them, or that they've simply lost control over forecasting. Nearly all companies have been forced to react quickly in the hopes of stabilizing business. But as it turns out, brands can engage and win back customers when they're prepared to manage future customer demand.

Since March 2020, we've seen shifts in consumer attitudes and shopping behaviors. We have also seen the transition to, and explosion of, e-commerce. As different industries recover at different rates, one thing is for sure: The loyalty shake up continues.



Roughly 40 percent of consumers switched brands when faced with out-of-stock items.

— McKinsey

According to McKinsey research, roughly 40% of customers switched brands when faced with out-of-stock items.² This alarming statistic begs the question: How can brands protect themselves from customer defection amid the pressure and paralyzing effects of a fractured supply chain, while also looking to capitalize on new audiences that are currently underserved?

You can start by overcoming supply issues. If inventory is the issue, don't put the onus on customers to find updates on availability. Instead, double-down on transparency and proactively bring that information to your customers without them asking. Anticipating their

needs, based on data and digital interaction signals and/or purchase history, can put you ahead of the game.

From a demand perspective, the first step is better predicting demand, and the second step is influencing the very next action. Clear, personalized, real-time communication that doesn't overpromise can help set customer expectations upfront. These efforts can help brands continue to drive loyalty with current customers and re-engage lapsed customers.

Brands can also unlock new growth territories by finding new audiences. Building look-alike audiences based on first-party data can expand your customer base. Your overarching customer experience strategy should define how your brand promise relates to these motivations to help drive the confidence of both existing and new consumers.

Putting audience needs first isn't a new approach but traditional relationship-building tactics may no longer be relevant in our new normal. Anticipating new audience needs puts you in the driver's seat to steer customers down a happy path with your brand — a reimagined happy path that didn't exist before or during the pandemic.

Adaptability

We know scarcity can be scary. The good news is nearly one-third of U.S. customers are willing to accept a substitute for a product, according to Engine Insights.³ Yet, shockingly, most of them receive no assistance in locating a substitute today. If brands can point customers to similar products or a suitable alternative option that's already in their product catalog or portfolio early on in the buying journey, they can prevent a negative experience and customer disappointment.

But what happens when a suitable alternative isn't available? Try anchoring back to the brand's humanity and focusing on the relationship experience of the engagement. At first, it may seem counterintuitive to explore other options outside of a core offering, but in a world where products are unavailable brands need to take ownership of the experience. Empathizing with customers and using data to inform on adjacent offerings in their product catalog or portfolio, or via partnerships

² www.mckinsey.com/business-functions/marketing-and-sales/our-insights/survey-us-consumer-sentiment-during-the-coronavirus-crisis

³ <https://engine-insights.com/blog/surviving-supply-chain-woes-with-innovation-and-transparency/>

with other brands, can alleviate supply chain-related frustrations and deliver real solutions to customers.

Data and customer listening is a good place to start to understand what your customers need. From there, ideation rooted in your brand promise can ensure you are innovating around solutions that are connected to your values — and are in line with what customers expect from you.

As the pandemic reduced some types of demand, it created others. It's important to play the long game, be deliberate and really invest in decisions that nurture lasting relationships. It's not about band-aids that are short-lived. It's about evolving your business practices sustainably, building resilience to defend your brand against future headwinds and being a champion for your customers.

Agility

The last A is agility. Being agile allows brands to swiftly mobilize tactics and adjust to the volatile customer environment that exists today. Digitally agile companies embed customer-first mindsets into their DNA and quickly spin-up intuitive solutions that solve real problems using innovative operating models and agile rhythms.

Optimizing experiences is an excellent way for brands to show customers they are listening and evolving, even when external factors are keeping them from delivering exactly what the customer wants. The great thing about digital experiences is that you can see what works, extremely quickly. Customer feedback, good or bad, is relatively easy to measure. Customers notice improvements that remove friction and prioritize satisfaction. On the other hand, a broken experience on top of an out-of-stock item is a recipe for disaster.

A model for success

To outmaneuver uncertainty and prevent customers from suffering the consequences of a disjointed or inconsistent experience, brands need to engage their entire business from front to back office. By scaling up and unifying their response to customers across all channels, brands can keep from being knocked off balance as availability issues persist.

Empowering your customer care teams can be a starting point for reframing the conversation around product availability and having an immediate impact on customers. Messaging strategies that effectively share delays, offer substitutes or otherwise prevent dissatisfaction along the customer journey may just save the sale — or more importantly, the relationship. Keeping your customers engaged and happy will pay dividends in the future. Prioritizing agility heads off fragility in uncertain times.

Today's unpredictable marketplace provides an opportunity for brands to stand out. As a customer experience leader, you can turn massive complexity into meaningful change by anticipating customer needs, adapting to a new reality and taking an agile approach to activate authentic, unparalleled experiences for your customers. These three A's can focus your customer experience efforts to counteract the woes caused by supply chain dysfunction, future-proof your brand and help retain competitiveness.

Contacts

Joan Smith
+1.602.683.4125
joan.smith@protiviti.com

Jennifer Friese
+1.503.887.9087
jennifer.friese@protiviti.com

Ashley Stelmak
+1.440.915.2035
ashley.stelmak@protiviti.com

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