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What Are the Benefits of a “Test and Learn” Approach to Customer Experience?

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Application leaders responsible for customer experience should use “test and learn” to find out quickly what a customer really wants from your organization.

What are the benefits of a “test and learn” approach to customer experience?

- Employing test-and-learn helps address key challenges in customer experience.
- A test-and-learn approach strengthens the adaptability of organizations and makes them more nimble.
- Further benefits can be seen via recent examples of organizations launching their own test-and-learn initiatives.

More Detail

Test-and learn can help address the following customer experience (CX) challenges:

CX Challenge 1: Organizations Struggle to Know What Customers Really Want From Them

CRM applications that were put in place to automate processes for the organization, and that have been implemented at different times, often are not understood as to exactly what they are doing for the customer or how customers are experiencing their interactions with the organization.

This has created a Chesterton's Fence¹ paradox for organizations. Not fully understanding why these applications were put in place or how they work together to deliver a customer experience, organizations are not sure how they will get the improved customer experience results they are seeking if they change them. This has them asking themselves "How can I be certain that the CX technologies will deliver an experience that our customers will like?"

CX Challenge 2: Insufficient Data Analytics Skills

Voice-of-the-customer teams use the surveys and focus groups, as well as any digital customer data that is available to them, to try and answer this question. However, organizations may not have all the skills and resources to go through all that data. Moreover, data quality issues can also slow decisions down.

Digitalization has led to new data streams, but data quality and integration of data from many customer-facing systems remains challenging, and can create decision uncertainty. More workers with data science skills are needed to comb through all of this data to determine customer requirements.

Challenge 3: Organizations Falling Behind the Pace of Their Customers

Customer wants and needs are constantly changing, and they demand that organizations respond to their needs in real time. Companies are unable to keep up with this pace and still be certain that the decisions they make about changes to customer experiences are the right ones.

A Test-and-Learn Approach Strengthens Organizational Adaptability

Organizations must include testing and learning as part of designing (or redesigning) both physical and digital customer experiences. This is true even when there is data that suggests that this is the correct approach to the customer experience. There can be issues with the data ranging from the quality of the data, the sample size of the data, the sources of the data or the age of the data. In the past, customers have been known to say they like one thing and then do the exact opposite in the real world. Therefore, organizations need to incorporate a test-and-learn process into the design of customer experiences. For example, a customer may have said they wanted a smartphone app to

manage their relationship with an organization, but once they download it they never use it again, or delete it, leaving the organization with a “zombie” app that it must continue to support.

By establishing a test-and-learn mindset, organizations can use small, piloted changes to an experience and compare that pilot results against a control group to see if there really is an impact on the customer experience. This approach (called product experience, user testing or user research) is not uncommon in the world of digital commerce, where web sites use A/B testing to confirm which design gets more sales. Marketing organizations also use A/B testing to see which of two campaigns drive the most customer demand.

It is this model of testing — and learning from the results of the test — that needs to be expanded to both the digital and physical worlds. In other words, the customer experience journey mapping process. For example, one case from Gartner’s secondary research showed that, in 2018 the German supermarket chain Aldi tested an application that allows customers to complete their shop and pay without going to a register, and would be automatically charged for their purchases once they left the store.

Organizations Are Reaping the Benefits of a Test-and-Learn Approach

Gartner’s secondary research organization conducted research into organizations that issued press releases where they state they are trying something new on a small scale and are using a test-and-learn approach to see what customers really want.

An analysis of these releases has shown that organizations are taking actions using a test-and-learn approach to see what customers will actually do, and if they will like it before launching new apps, processes or even physical environments (such as stores or branches).

Additionally in 2018, Amazon was well known for opening its first Amazon Go store in Seattle, Washington. The store opened to employees on December 5, 2016, and to the public on January 22, 2018 and as of 2021 there are 30 Amazon Go locations.

Recently, the company announced Amazon Style shops will sell clothing as a way to continue its test-and-learn model in new areas.

Another example was the U.K. supermarket chain Asda, which partnered with consumer brands to bring the new product lines to store in a refillable format, as it steps up its efforts to help customers reduce, reuse or recycle plastic packaging.

It is approaches like this that will enable organizations to use “test and learn” to find out quickly what a customer really wants from your organization.

** Attention: research are originally in English and I have translated it into Chinese by Google Translate as instructed by Peter. In case of any discrepancy between the English version and the Chinese version, the English version shall