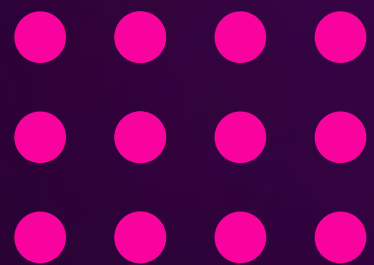


The State of Customer Experience: A Small Business Perspective

Customer experience (CX) is how a customer feels about a company over time. Creating great CX is about positive emotions, building trust, and leaving a lasting impression with customers. Orchestrating excellent customer experience is essential for building brand loyalty and increasing customer retention. It's also becoming increasingly important as more and more clients, B2C and B2B, choose to do business with companies who personalize interactions and prioritize customer satisfaction.

While larger businesses have the resources to invest in Customer Experience (CX), small businesses (and by small we mean <200 employees) face unique challenges in providing an outstanding CX.





CUSTOMERIZATION

Here are a few common **challenges for small businesses:**

1

Limited resources

Small businesses have limited financial resources and less employees to dedicate to a comprehensive customer experience solution. This makes it difficult to compete with larger businesses that have more resources to invest in customer experience initiatives.

2

Lack of expertise

Small businesses may not have in-house expertise in areas such as customer experience design, research, and analytics. Therefore, it is not easy for SMEs to develop and implement an effective customer experience strategy.

3

Limited data and insights

Small businesses may have limited access to customer data and insights, which in its turn, prevents them from objectively understanding customer needs, preferences, and pain points. How can they then build effective customer interactions and experiences?.

4

Limited technology resources

Small businesses often do not have the budget to invest in the latest technology solutions, such as personalized messaging or mobile apps, to enhance CX.



Welcome to Customerization's The State of Customer Experience: *A Small Business Perspective*



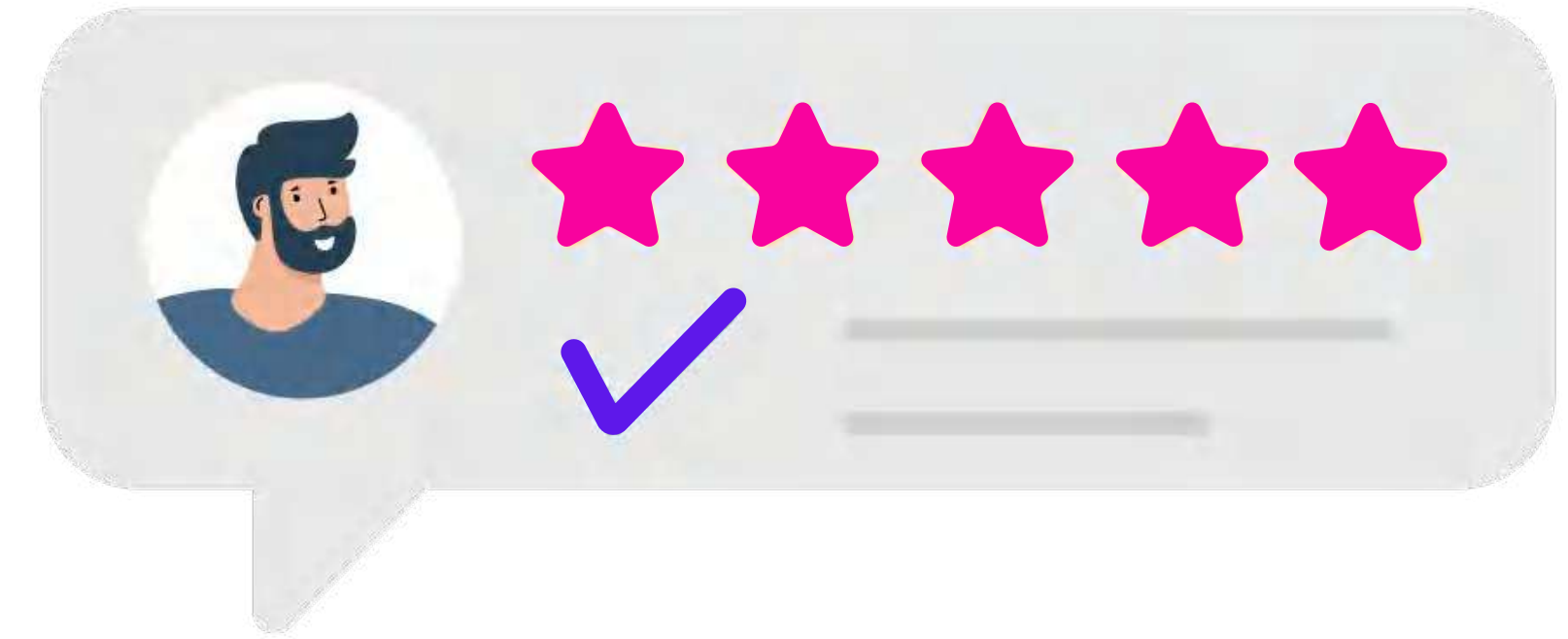
This whitepaper provides an overview of the state of customer experience (CX) for small businesses (<200 employees). It discusses the importance of customer experience and the challenges small businesses face in providing a great one.

It also explores strategies small businesses can use to improve their customer experiences, such as personalization, automation, and omnichannel engagement.

We conclude with insights about the future of customer experience for small business owners and recommendations on how to improve CX with technology. We will also shed light onto the financial component as cost factor and ROI are very important for small businesses with limited resources.



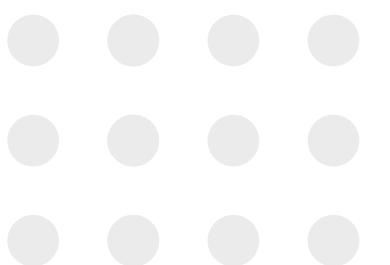
The importance of CX



Customer experience (CX) refers to customers' overall perception of a business based on their interactions with the company. CX has become increasingly important in recent years as customers expect more personalized and seamless experiences. In fact, 88% say experience matters as much as products, according to Salesforce's State of the Connected Customer report.

A study by Forrester Research found that companies that prioritize customer experience see a 5.1x revenue growth compared to those that don't. While the exact ROI will depend on the specifics of each business, research has shown that companies that prioritize customer experience tend to outperform their competitors in terms of revenue growth and customer retention.

So, where is this revenue growth coming from? A good customer experience leads to your customers spending more. In fact, 86% of buyers are willing to pay more for a great customer experience.

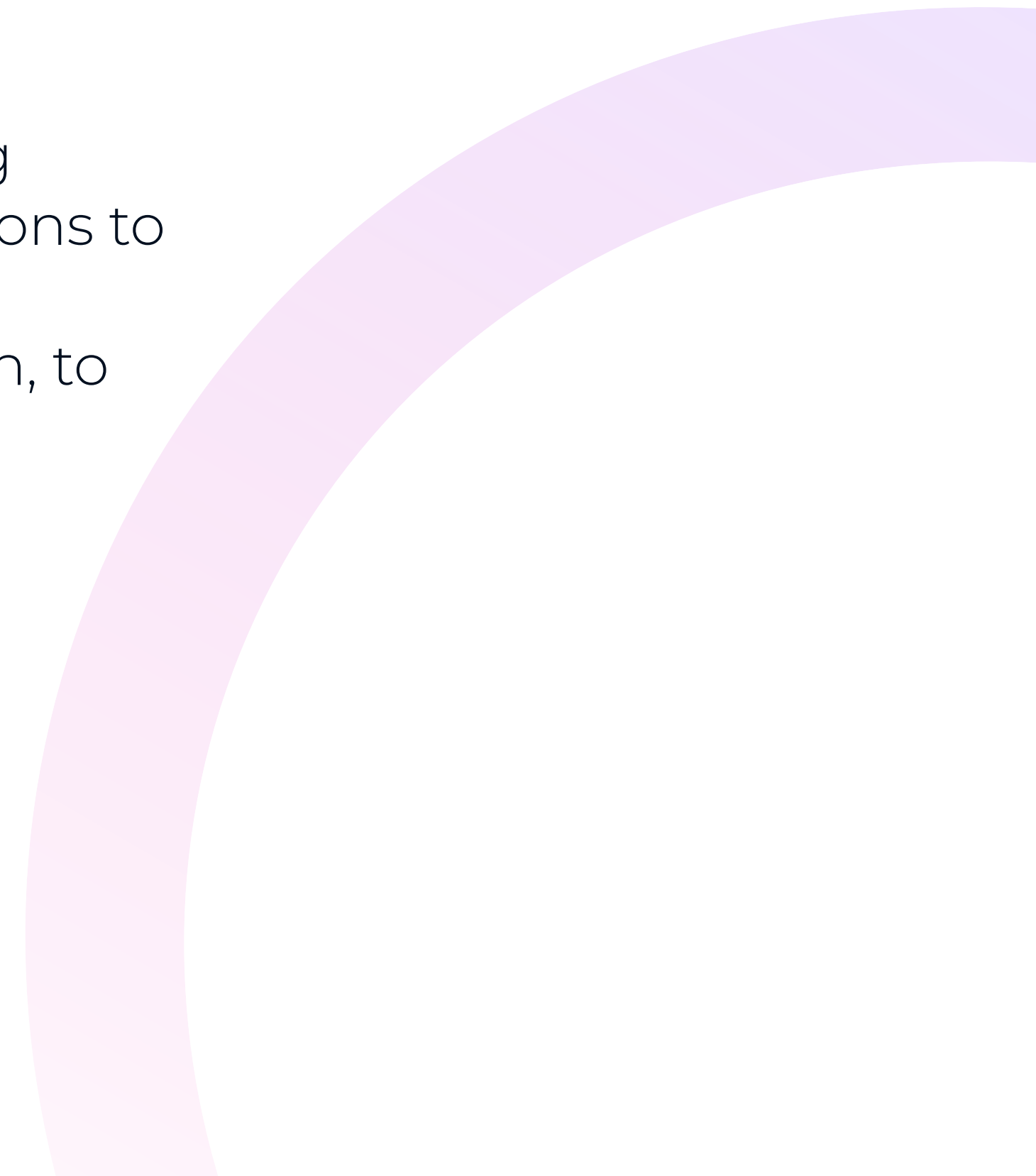


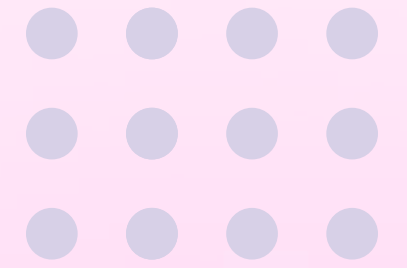


The importance of CX

The global customer experience management market was valued at USD 10.65 billion in 2022 and is expected to expand at a significant compound annual growth rate CAGR of 15.4% from 2023 to 2030.

This market growth can be attributed to the mounting importance of understanding customer behavior and their preferences, which drives various brands and organizations to implement customer experience strategies, such as regularly communicating and engaging with customers, developing a long-term program, and utilizing automation, to provide the best service performance to customers in real-time.





Why Customer Experience is Critical to a Company's Ability to Grow Revenue

Providing a great CX is crucial for small businesses to differentiate themselves from their competitors and retain customers. Here are several reasons why providing a great customer experience for small businesses matters:

Differentiation from competitors

In today's competitive market, by providing excellent customer service, small businesses can create a positive reputation that helps attract new customers and retain existing ones.

Customer loyalty

When customers have a positive experience, they are more likely to visit again as well as recommend your business to others. Loyal customers become brand ambassadors, promoting the business to their friends, family, and peers.

Increased revenue

Satisfied customers are more likely to spend more money and make repeat purchases. This helps small businesses grow and expand their customer base.

Brand reputation

Positive word-of-mouth and online reviews can help small businesses attract new customers and establish themselves as leaders in their industry.

CUSTOMERIZATION

Customer experience is a huge priority for SMB leaders. A recent report by SurveyMonkey found that over 70% of SMB business owners identified this as their number one priority for growth.

FORRESTER

Planning Guide 2023: Customer Experience
Use Budget Growth Wisely To Maximize The ROI Of The CX Program

FIGURE 2

Anticipated Budget Change For CX Initiatives In The Next 12 Months

Anticipated budget change

| Spending category | Increase | Stay about the same | Decrease |
|---|----------|---------------------|----------|
| Technology | 71% | 20% | 9% |
| Personnel | 70% | 24% | 6% |
| Services | 70% | 21% | 9% |
| Data and research | 70% | 23% | 8% |
| Initiatives, projects, or improvements led by CX function | 71% | 19% | 11% |

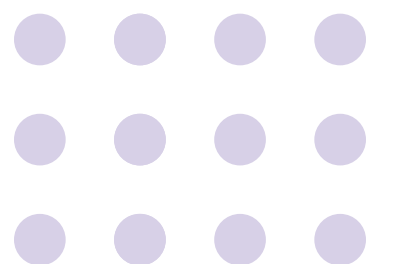
Note: Percentages across may not add up to 100% due to the exclusion of "Don't know" responses.

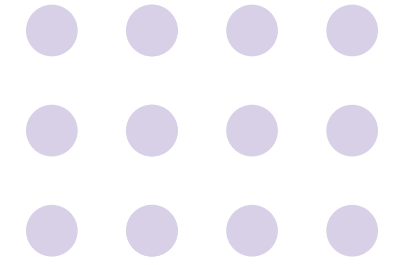
Source: Forrester's Budget Pulse Survey, 2022

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Source: Forrester's Budget Pulse Survey, 2022

Forrester identified 82% of business and technology leaders were focused on investing in customer experience over the year.





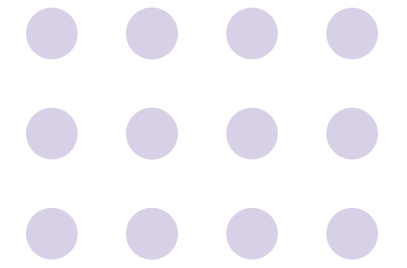
The Challenges of Providing a Great Customer Experience for Small Businesses

While large businesses are investing significantly in customer experience because they have the resources (both financial and personnel), small businesses do face challenges in providing a Customer Experience at the same level. Let's describe the key challenges:

The first challenge is **limited resources**. Despite their size, **small businesses need to invest in technology** and personnel to provide a great CX. They also **have limited data on their customers which makes personalization difficult**.

The second challenge is **time**. Small business owners often have to juggle multiple responsibilities, so they may need more time to focus on CX. Without time to prioritize CX, there can be a **lack of consistency across the CX**, negatively impacting the customer's perception of the business.

Finally, small businesses often **need more expertise in CX**. They may need help knowing where to start or what strategies to use to improve their CX. Not knowing what to do next may cause a lack of **confidence in implementing CX** initiatives. This lack of confidence or direction often leads to analysis/paralysis or even head-in-the-sand behavior where companies pretend the opportunity cost isn't hurting the business.



4 Ways This Guide Can Help You Provide a Great Customer Experience

While you may not have the expertise in-house to implement a customer experience strategy, this is when an effective consulting partner can be a huge help to demystifying what it takes to be effective. Here are 4 ways a guide can help:

PROVIDING A FRESH PERSPECTIVE

An objective view of what is working and not can offer a non-partisan approach to enhancing your company's customer experience.

PINPOINTING PROBLEM AREAS

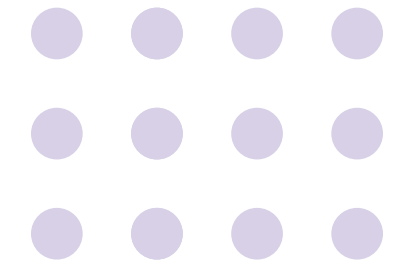
Documenting the current situation lays the foundation for new ideas to solve existing problems

HOLDING YOU ACCOUNTABLE

An objective view of what is working and not can offer a non-partisan approach to enhancing your company's customer experience.

BUILDING TAILORED STRATEGIES

Documenting the current situation lays the foundation for new ideas to solve existing problems



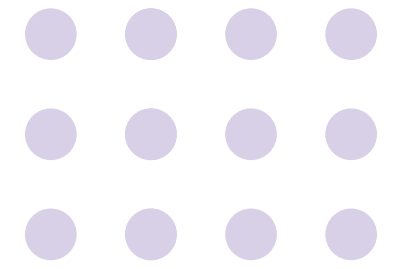
What Are The Key Components Of Customer Experience (CX)?

Customer experience (CX) is built of several key building blocks that are relevant for any company, independent of size, industry, or geography. These building blocks are:

Customer journey mapping

CX begins with understanding the customer's journey from the first touchpoint to the last. Mapping out this journey helps to identify the specific steps the customer takes, any pain points they experience, and record opportunities for improvement. The company needs to get the understanding of what the journeys are in order to be able to improve the layout and connectivity of the touch points.





What Are The Key Components Of Customer Experience (CX)?

Customer feedback

Gathering feedback from customers is essential for understanding their needs and preferences, and for identifying areas where the company can improve.

This can be done through surveys, customer support processes, social media, or other feedback channels.

The 'loop' refers to the circular process of gathering feedback, acting upon what you've learned, and then asking for feedback again.

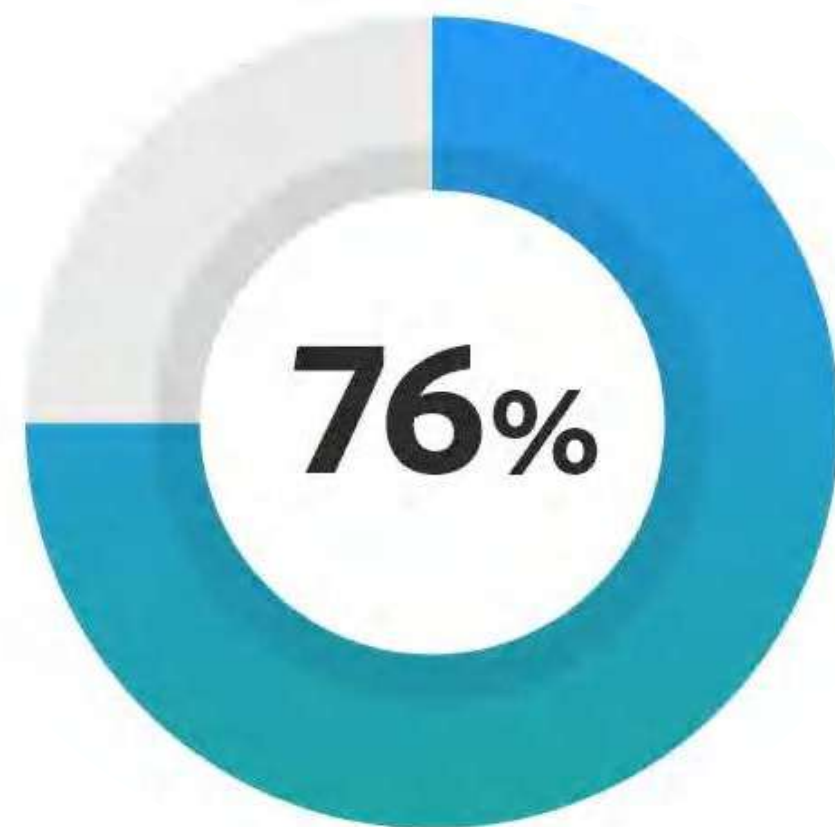
Because this journey is circular, it describes an ongoing process that never really ends, but that should result in continuous improvement.



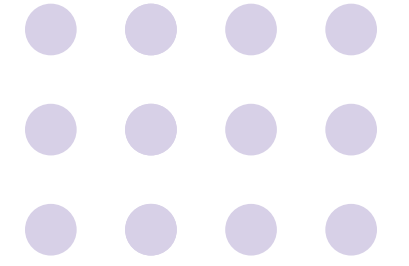
What Are The Key Components Of Customer Experience (CX)?

Personalization

Customers expect a personalized experience that is tailored to their specific needs and preferences. This requires companies to collect and analyze customer data, and to use that data to provide customized recommendations, offers, and interactions.



Customers who say they're more likely to purchase from a company that personalizes.



What Are The Key Components Of Customer Experience (CX)?

Omnichannel presence

Customers expect to be able to interact with companies through a variety of channels, including email, phone, chat, social media, and in-person. It's important for companies to provide a seamless experience across all these channels so that customers feel like they are dealing with one cohesive entity.



Research out of Adobe found companies that have the strongest omnichannel customer engagement strategies see 10% growth year-over-year. Plus, they increase order value by another 10% and improve close rates by 25%.



What Are The Key Components Of Customer Experience (CX)?

Employee engagement

Employees play a critical role in delivering a great customer experience. They need to be engaged, motivated, and well-trained in order to provide the level of service that customers expect. Employees also need the right tools at their disposal, and most importantly, to be empowered to act for the customer.

Continuous improvement

CX is not a one-time project, but an ongoing effort to improve the customer experience over time. This requires companies to collect and analyze data on an ongoing basis, and to use that data to make iterative improvements to their operations.

What Are The Key Components Of Customer Experience (CX)?



Customer Experience Strategy Process

from Customer Profile, Promise and Journey to Customer Experience Measurement, Analysis, Improvement



Get these slides & icons at www.infoDiagram.com

Overall, the key building blocks of CX are customer journey mapping, customer feedback, personalization, omnichannel presence, employee engagement, and continuous improvement. By focusing on these building blocks, companies can create a customer-centric culture that prioritizes the needs and preferences of their customers at every touchpoint.



How Technology and Strategic Approach To It Deliver Improved Customer Experience for Small Businesses

Technology and its strategic application play a critical role in customer experience (CX) by enabling companies to deliver a more personalized, efficient, and seamless experience for their customers, with minimal labor.

We've included the **four major CX components** that can and must be supported by technology to provide a best-in-class experience:

DATA ANALYSIS

At the heart of any CX project lies trusted data and the know-how to most effectively use that data. Strategy lays the roadmap for effective data management by tying business outcomes to the project. Technology can help companies collect and analyze customer data to identify trends, pain points, and opportunities for improvement. For example, companies can use customer analytics tools to track customer behavior and identify areas where customers are dropping off in the customer journey. Companies can then decide the metrics that matter to them which in turn will help companies make data-driven decisions to improve the customer experience over time.



2

PERSONALIZATION

Now that you have better available data, small businesses can personalize the CX by using customer data to tailor the experience to the customer's preferences. For example, they can send personalized outbound nurture emails based on the customer's past purchases or offer personalized recommendations when the customer visits their website. If a customer reaches out for support, the customer support agent can also provide more personalized recommendations, offers, and interactions with the purchase history at their fingertips. With the rapid advancement in artificial intelligence (AI) algorithms, the customer success team could have quick access to predictive preferences, and then use that information to provide customized product recommendations or tailored marketing messages to hit their target quota and business goals.

3

AUTOMATION

Small businesses can use automation to streamline the CX. For example, they can use CRM software applications to create a dedicated customer support process that combines customer-centric data for cross-sell or upsell opportunities. Or automate email responses and outbound nurture campaigns to keep in touch with prospects. Automation can also help companies streamline their operations and reduce the time and effort required to interact with customers. For example, chatbots and virtual assistants can handle routine customer inquiries and support requests, freeing up customer service agents to focus on more complex issues. This can help reduce wait times, improve response times, and increase customer satisfaction.



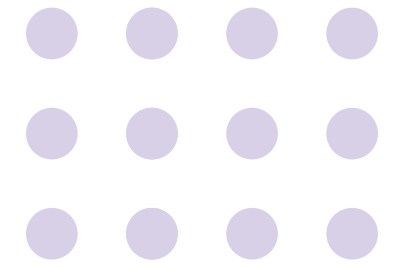
OMNICHANNEL ENGAGEMENT

Small businesses can engage with customers on multiple channels, such as social media, email, and text messages. Omnichannel support allows customers to interact with the company on their preferred channel, which can improve the overall CX. For example, companies can use customer relationship management (CRM) software to track customer interactions across all these channels and provide a consistent experience regardless of how the customer chooses to interact. Nothing is more frustrating for customers than a support agent with no insight into their previous interactions with the company.

The need for CX improvement is urgent: Consumers and business buyers have more choices today than ever, need to make more complex decisions, and ingest more channels to pursue them. In such an environment, simple, integrated solutions to problems—not fragmented, burdensome ones—will win the allegiance of the time-pressed consumer every time.

“The future of customer experience will involve finding ways to use technology to create and maintain positive emotional connections with customers. Despite the human brain’s remarkable inability to distinguish the artificial from the real, organizations will still need to find the magic balance between technology-faced and human-faced experiences.”

[Adam Toporek](#), Customer Service Expert, Speaker and Author



What Are The Recommended Technologies For SMEs To Manage The Customer Experience Well?

There are many technologies (sometimes, too many) that SMEs can use to manage customer experience (CX) effectively. Here are some of the recommended:

1 Customer Relationship Management (CRM) software

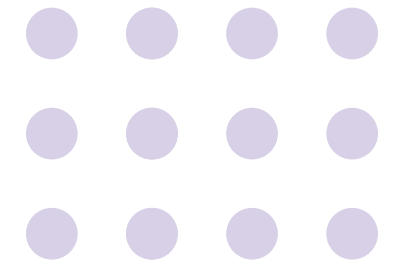
A CRM system can help companies manage customer interactions and data across all channels, including phone, email, chat, social media, and in-person. A good CRM system will allow companies to track customer interactions, manage leads and opportunities, and provide a 360-degree view of the customer. **SME CRM software:** Hubspot CRM, Zoho CRM, Insightly, Agile CRM, Copper.

2 Marketing Automation tools

Marketing automation tools can help companies deliver personalized and targeted marketing messages to customers based on their behavior and preferences. These tools can include email marketing software, social media marketing platforms, and content management systems. **Marketing automation tools:** Mailchimp, Constant Contact, Sendinblue, ActiveCampaign, Drip, Zoho Campaigns

3 Customer feedback and survey tool

Gathering customer feedback is essential for understanding their needs and preferences, and for identifying areas where the company can improve. **Customer feedback and survey tools:** SurveyMonkey, Google Forms, Typeform, Qualaroo, Feedbackly, Zoho Survey.



What Are The Recommended Technologies For SMEs To Manage The Customer Experience Well?

4

Data analytics and reporting tools

Data analytics and reporting tools can help companies analyze customer data to identify trends, pain points, and opportunities for improvement. These tools can include business intelligence software, data visualization tools, and customer analytics platforms.

Data analytics and reporting tools: Google Analytics, Cyfe, Kissmetrics, Piwik, Mixpanel, Zoho Analytics.

5

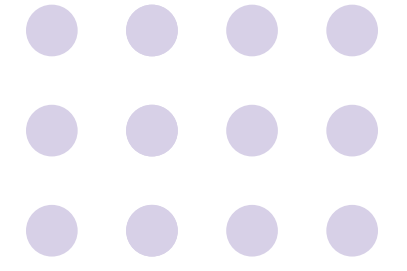
Customer engagement platforms

Customer engagement platforms can help companies provide a seamless and personalized experience across all channels. These platforms can include chatbots, virtual assistants, and messaging apps. **Customer engagement platforms:** Intercom, Freshchat, Tawk.to, HelpCrunch, Userlike, Zoho SalesIQ.

6

Voice of the Customer (VoC) tools

VoC tools can help companies collect and analyze customer feedback to better understand their needs and preferences. These tools can include social listening software, customer sentiment analysis tools, and text and speech analytics tools. **Voice of the Customer (VoC) tools:** Trustpilot, BirdEye, Yotpo, Podium, Reputation.com.

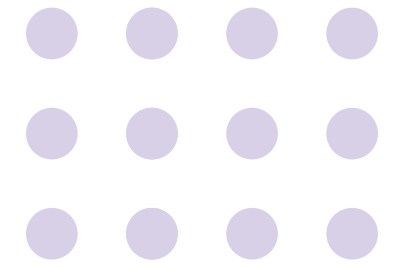


What Are The Recommended Technologies For SMEs To Manage The Customer Experience Well?

Of course, it immediately becomes apparent that this is a significant amount of software. Having a variety of technologies for managing CX can be challenging for businesses, especially for smaller ones with limited resources.

Here are some potential challenges that can arise:

- 1 Integration issues**
Different technologies may not integrate seamlessly with each other, leading to data silos and inefficiencies.
- 2 Training and adoption**
Employees may need to be trained on multiple technologies, which can be time-consuming and costly.
- 3 Complexity**
Managing multiple technologies can be complex and require more IT resources, which can be challenging for small businesses.
- 4 Cost**
Using multiple technologies can be expensive, especially if each one requires a separate subscription or license.



It is apparent that the technology stack for small businesses to manage

CX is different from the corporate level systems in several ways including:

Cost

Small businesses may not have the budget for expensive enterprise-level software. They may need to look for more affordable options or choose software with lower pricing tiers.

Ease of use

Small businesses may not have the IT resources to manage complex software systems. They may need to choose software that is easy to set up and use, without requiring extensive technical expertise.

Scalability

Small businesses may need software that can grow with them as they expand. They may need to choose software that can be easily customized or integrated with other tools as their needs change.

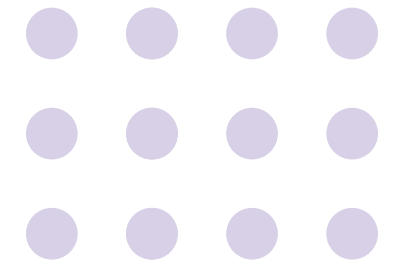
Specific needs

Small businesses may have specific needs based on their industry or customer base. They may need to choose software that is tailored to their industry or niche, or that offers features specific to their customer base.

To address these challenges, businesses can consider using all-in-one CX platforms that integrate multiple CX technologies into a single solution.

These platforms can provide a more streamlined and unified approach to CX management, reducing the need for multiple technologies and simplifying IT management. **Examples of such platforms include** Zoho, Salesforce for Small Business, Hubspot, and Zendesk.

It's important for businesses to evaluate their specific needs and choose the solution that best fits their requirements. In this phase of a project, it can be especially useful to bring in experienced digital transformation small business consultants to act as an advisor and sounding board as you evaluate solutions.

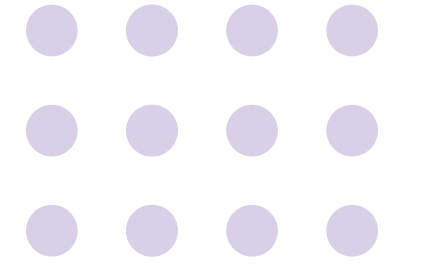


Top 5 Customer Experience Platforms for Small Businesses and Potential Investment Costs

Here are five CX platforms suitable for small businesses, along with pricing considerations:

- 1 Zoho One** Zoho One provides a suite of business software, including CRM, marketing automation, customer service, and analytics tools, starting at \$37/month/user.
- 2 HubSpot** HubSpot's free CRM offers a range of features for managing customer relationships, including lead management, contact tracking, and pipeline management. HubSpot also offers paid plans with additional features, such as marketing automation and customer service tools, starting at \$50/month/user.
- 3 Salesforce Essentials** Salesforce Essentials is a CRM platform designed for small businesses, with features such as lead and opportunity management, email integration, and customer insights. Pricing starts at \$25/month/user.
- 4 Freshworks** Freshworks offers a range of CX-related software, including a CRM platform, marketing automation, and customer service tools, starting at \$29/month/user.
- 5 Intercom** Intercom is a customer messaging platform that provides features such as live chat, email marketing, and customer engagement analytics. Pricing starts at \$39/month.

These prices are subject to change, and there may be additional costs for add-ons or premium features. It's important to evaluate the specific needs of your business and choose the platform that best fits your requirements and budget.



What Other Considerations are Important for SMEs, Such as Training and Consulting?

Consulting costs can be a significant factor to consider when implementing a CX platform, and rates can vary depending on the platform and the consulting provider.

Generally, consulting rates for platforms such as Salesforce and Microsoft Dynamics tend to be higher than for platforms such as Zoho or Freshworks. This is because these platforms are often more complex and require specialized expertise to implement and customize.

However, it's also important to consider the overall value of the consulting and training services and the potential return on investment (ROI) that can be achieved through the successful implementation and use of a CX platform.

Higher consulting rates may be justified if the provider has a proven track record of delivering successful CX implementations and can help maximize the value of the platform.

Ultimately, the cost of consulting and training services should be evaluated in conjunction with the overall cost and potential benefits of the CX platform itself, as well as the specific needs and budget of the organization.

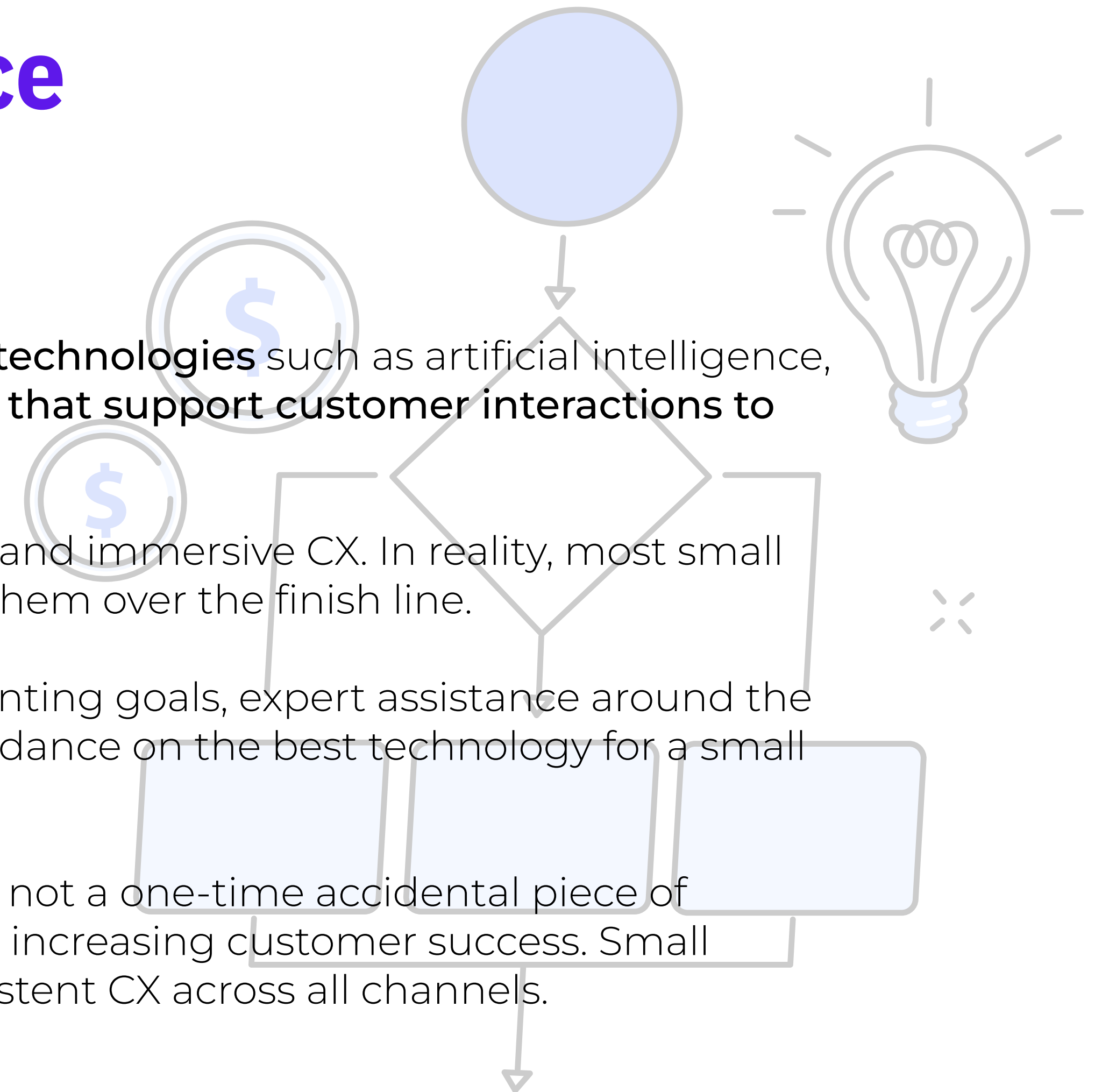
The Future of Customer Experience for Small Businesses

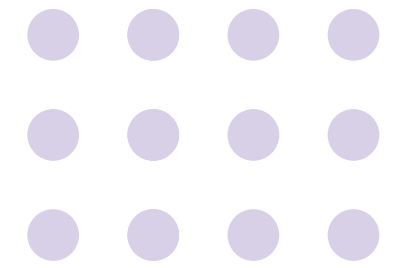
The future of CX for small businesses will likely involve using **emerging technologies** such as artificial intelligence, machine learning, and conversational AI, **as well as business processes that support customer interactions to drive revenue.**

These technologies help small businesses provide a more personalized and immersive CX. In reality, most small businesses will also need a guide and implementation experts to help them over the finish line.

From understanding the current state of CX in the business to documenting goals, expert assistance around the business processes that need to change is a must-have. In addition, guidance on the best technology for a small business can be a game-changing experience.

A guide is the secret sauce to making a great customer experience. It is not a one-time accidental piece of happiness but a well-thought-out strategy for maximizing revenue and increasing customer success. Small businesses should continue to focus on providing a seamless and consistent CX across all channels.





Recommendations for Small Business Owners

Small business owners can improve their Customer Experience by:

Linking CX to business outcomes

Small businesses should tie the customer experience they want to create to the goals they have for their business.

Investing in CX

Small businesses should prioritize CX and allocate resources accordingly.

Collecting customer data

Small businesses should collect and analyze customer data to personalize the CX.

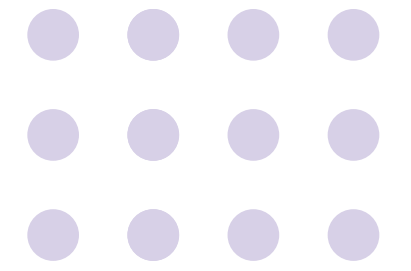
Using automation

Small businesses should use automation to streamline the CX and free up time for other tasks.

Focusing on consistency

Small businesses should focus on providing a consistent CX across all channels.

From the pre-internet dawn of segment-of-one marketing to the customer journey of the digital era, personalized customer experiences have unequivocally become the basis for competitive advantage.



Recommendations for Small Business Owners

Personalization now goes far beyond getting customers' names right in advertising pitches, having complete data at the ready when someone calls customer service or tailoring a web landing page with customer-relevant offers. It is the design target for every physical and virtual touch-point and AI increasingly powers it.

Two of the most significant success factors in small businesses effectively implementing a strategic CX for their customers are technology and a guide to provide the guardrails around the project. Here are other key pieces of a great customer experience that small businesses should focus their efforts on:

Communication

Clear and effective communication is essential for a great customer experience. Small businesses should communicate with customers promptly, professionally, and in a friendly manner. This includes responding to inquiries and complaints in a timely and respectful way.

Personalization

Personalization is a key factor in creating a positive customer experience. Small businesses should strive to understand their customers' needs and preferences and tailor their products and services accordingly. This can include personalized recommendations, targeted marketing, and customized products or services.

Convenience

Convenience is another critical component of customer experience. Small businesses should make it easy for customers to find and purchase their products or services. This can include having a user-friendly website, offering online ordering and delivery options, and providing clear information on products and services.

Follow-up

Following up with customers after a purchase or service can be an effective way to create a positive customer experience. Small businesses can send personalized thank-you notes, provide helpful tips and resources, and ask for feedback to improve their products or services.

Quality

Quality is a crucial factor in creating a positive customer experience. Small businesses should focus on delivering high-quality products and services that meet or exceed customer expectations. This includes ensuring that products are reliable, durable, and meet customer needs.

By focusing on these key components of customer experience, small businesses can create a positive reputation and loyal customer base, which can lead to increased revenue and growth.

We can now help our customers achieve automation at scale that was previously unimaginable a decade ago and for small businesses - mostly just a dream.

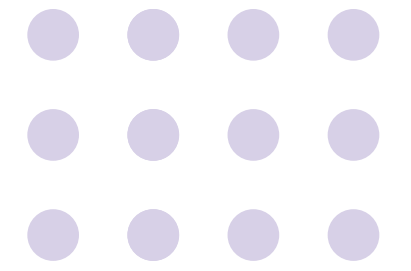
Conclusion

Providing a great CX is crucial for small businesses to differentiate themselves from competitors and retain customers. Despite their challenges, small businesses can improve their CX by personalizing the experience, using automation, and engaging with customers on multiple channels.

The future of CX for small businesses will likely involve using emerging technologies. Small business owners should invest in CX, collect customer data, use automation, and focus on consistency to improve their CX.

By implementing these strategies and recommendations, small businesses can provide a great CX that will help them grow and succeed in a competitive marketplace.





About Customerization

At Customerization, we focus on supporting your business technology transformation.

Technology can drive more business; where will it take you? You must prepare for the road ahead. Have a plan for roadblocks and challenges. Being positioned to take advantage of the speed of technology can help you grow.

Digital transformation requires a technology strategy to map the journey to success. We help you create this roadmap and select technology to achieve your goals. We don't make the software you select; we make the software you select work better for you. At Customerization, CRM consulting services is our specialty – we help you use technology like Zoho CRM and Microsoft Dynamics365 to automate business processes that achieve your goals.