

CUSTOMER SUCCESS

By Nick Mehta, Dan Steinman, & Lincoln Murphy

“Customer success” is a bit of a buzzword, but it can be quite hard to pin down exactly what it means and how it differs from existing concepts like customer satisfaction, customer service, or customer focus. How should we define it, and does it have anything new to bring to the party?

This book claims to be the first to introduce customer success to business leaders. Just like the concept of customer success itself, its roots are firmly in the world of software as a service (or SaaS). From there it has spread to subscription models more generally, and is beginning to gain traction in businesses of all sorts.

What is it that makes customer success different? The authors argue that the defining feature is that it is geared around helping customers to succeed, making it easy for them to get what they need, and anticipating those needs as much as possible rather than just reacting to them.

This is driven in SaaS models by the understanding that the power balance has shifted compared to traditional software models. Where customers had been used to high upfront costs and relatively low ongoing costs, meaning that switching is difficult and expensive, the steady ongoing cost of SaaS makes it much easier for customers to switch if they think someone else can meet their needs more effectively.

It’s hardly a new concept. The relationship between attitudinal and behavioural loyalty, the fragility of switching barriers, and the

shifting power of customers in many markets is something that Harvard Business School was discussing in the late 90s. It’s the reason customer lifetime value is such an important concept, and it’s the foundation of the loyalty strategy which Customer Insight believes is the best way to build sustainable businesses.

What we’re seeing now is that some key technology and social trends are converging to make it more important than ever to focus on customers first. The growth of the cloud and the trend toward access rather than ownership make it easier than ever for disruptors to turn markets on their head. Businesses, understandably, are getting nervous...and that’s no bad thing from a customer point of view.

Customer success means orienting businesses to anticipate customer needs, meet them as easily as possible, and work from the basis that helping customers get things done is what defines quality and efficiency rather than any internal measure. That’s certainly distinct from an old-fashioned, reactive, view of customer service; but I think it is treading ground that is already well served by design thinking. In reality, customer success is all about design, specifically designing products and experiences that work well enough that customers have no reason to consider an alternative.

The perspective that it brings, and the case that this book seems to be making, is that customer experience needs to be seen as a hard metric, not a soft one. It’s not



something you do alongside your product, to fix things when they go wrong, it **is** your product. You can't rely on personal relationships to keep customers loyal, you've got to make your experience inherently sticky.

The importance of this message for businesses not yet in the subscription model world is as a warning. Disruption comes, sooner or later, to all industries. If you're relying on inertia or switching barriers to keep customers, then you have a shock coming. What that means, in simple terms, is that attitudinal loyalty (whether customers like you) is more important than behavioural loyalty (whether they keep buying from you), not less.

Would we recommend this book? Perhaps, if you're under pressure to adopt customer success as a philosophy, or if you want a quick grounding in the concept. From a customer strategy point of view, frankly, we found it to be a little "smoke-and-mirrors". There's nothing new here if you're familiar with the ideas of customer lifetime value and design thinking, and there are better books that cover those subjects with much more depth and much less business speak.

The jacket blurb promises "**Customer Success is the first-of-its-kind resource for business leaders who need best-in-class guidance for developing a recurring revenue business.**" If you like the sound of that, then this is definitely the book for you.

