Chapter 7.2

Customer experience: getting under the skin

This chapter includes:

- Defining the experience from the customer’s perspective
- Understanding what customers value
- How to influence customers
- Creating an experience blueprint – who, what, why, how and where?
- Improving the experience through customer journeys
- Engaging staff to improve and deliver the experience
- Five ‘must dos’
- Ten principles to deploy in your programme

About this chapter

This chapter is all about how to get under the skin of customer experience: what it means to customers, how organisations need to approach designing it and how to influence colleagues and front-line staff to deliver it.

In a world where product quality and price differences have narrowed in virtually all categories, delivering a distinctive and relevant customer experience is the factor that can win the hearts and minds of customers and create competitive advantage for brands.

This chapter describes what a good experience is from a customer’s perspective, exploring what customers truly value and how they can be influenced. It then looks from an organisational perspective at how to gain alignment to a new experience design by establishing an experience blueprint. We focus on how to get started and then how to improve customer experiences through customer journey mapping and management. Employee engagement is key to delivering great experiences and we set out five principles to ensure this is achieved. Finally, we conclude with a checklist of the five ‘must do’ things to get your customer experience improvement programme up and running.
Chapter 7.2

Customer experience: getting under the skin

Defining the experience from a customer’s perspective

Good and bad customer experiences

Start by thinking about when, as a consumer, you last had a great experience. What was it about the way that this company managed you that really pleased you? Was it the product/price performance? How easy it was to use? The way in which they treated you? The consistency over time? The physical environment/ambience?

Next, make a list of those brands where you have had a bad experience – and why.

Firstly, I bet the second list is longer than the first! We are far more likely to remember and tell others about a bad experience than a good one. There’s a minimum level of functional performance and service that we expect and many brands in many categories do not deliver it.

A recent consumer council survey of 2000 consumers which took place over an 18-month period, defined five attributes of both the ‘smart’ company and the ‘stupid’ company. They may resonate with your lists:
This survey is actually great news for you, the reader, and your brand. It reinforces the fact that if you do get the experience right, you really can differentiate yourselves from the majority and that applies to whichever category your brand is in.

Expectations are key and are shaped, not just by what we promise, nor by what others in the category are delivering, but by the best companies in other categories. First Direct sets the standard in telephone dialogue, Tesco in face-to-face care, Amazon in personalisation online.

So consumers use three comparison points:

- Against what we expect from the brand based on the specific promise that was made (and our past experience of delivery)
- Against what we expect from the category
- Against what we expect from leaders

Think about where your expectation and delivery gaps are against these three, and do not set your sights on being ‘best in category’.

Let’s revisit your bad experience list. The words ‘careless neglect’ may well summarise how you felt on many of these occasions. And that language is interesting in itself. Consumers describe good and bad experiences in the way that they feel (their emotional out-take). So to design good or even great experiences we have to not only deliver good functional products and services, but also think about how we want the customer to feel.

“If you are in the service business you are there to serve the customer. If all your competitors have all the functional things sorted out, then the only thing you can focus on to win is the customer experience, the emotional piece.”

David Mead, ex-Chief Operating Officer, First Direct

If you don’t believe this, sit in on a focus group or simply listen to some calls from disappointed customers and listen to the language customers use.
A customer experience model

“A brand is what a brand does.”
Arun Sarin, Chief Executive, Vodafone Group PLC

How a customer feels about a brand is affected by what they perceive the brand to be, what they hear about the brand, and the many and various interactions they may have with it. Their experience is made up of a blend of the company’s physical performance and the emotions evoked and measured against customers’ expectations across all brand interactions.

Figure 7.2.2 Customer experience model

Interactions can be delivered at a hygiene level (getting the basics right) or with a ‘wow’ factor (either delight at something better than obtained elsewhere, e.g. premium or value-added, or surprise – unexpected service beyond the call of duty). Some interactions are more important than others in the customer’s mind, either because they are generally more important (resolving an error is always more important than making one) or because they are more important to the customer at that point in time (a lost credit card on a business trip, for example).

How customers feel emotionally and rationally has a direct impact on how committed they are to a brand and in turn, what they say and do. That is, their level of recommendation and future purchase behaviour, which will be the manifest proof to all stakeholders whether the brand has met its corporate objectives.
Figure 7.2.3  **Leading brands differentiate themselves through experience in both practical and emotional ways**

1. Delivering the basics consistently across all touchpoints in line with customer expectations (accurate statements and meeting promises etc.) e.g. FedEx
2. Resolving problems/queries positively on first contact, e.g. Rolls-Royce and Bentley
3. Recognising the customer appropriately – understanding and dealing with emotional motivations, e.g. First Direct
4. Making a personal connection at the point of contact, e.g. Gap and Richer Sounds
5. Formally delighting on low-cost factors that can differentiate with high impact, e.g. removing shoes when entering a home (British Gas) or staff who smile (Disney)
6. Delivering a distinct experience that is unmistakably from that brand, e.g. South West Airlines and HBOS
7. Delighting through ‘random acts of kindness or fun’, e.g. El Al and Ritz Carlton
8. Involving customers in the category and making them care, e.g. Saturn, Coke and Intel
9. Leading the industry and reinventing the service delivery model, e.g. Tesco, Virgin Atlantic, Amazon and Dell
10. Having committed staff who care and are aligned to the organisation’s objectives, purpose and brand values, e.g. Richer Sounds, Prêt a Manger and REI

Oscar Wilde defined a cynic as “a man who knows the price of everything and the value of nothing.”

Under this definition there are a lot of cynical companies out there! Almost all companies have a clear understanding of their costs, yet 75 per cent of companies have significant gaps in their understanding of what their customers truly value.

**Universal service needs**

Although we always advocate organisations to design experience based on research and insight, our work across countless brands and categories always leads to a set of universal service needs, regardless of category. Time and time again customers say:

“Give me products and services that are value for money, reliable and easy to use.”

“Do what you say you will do.”

“Show me that you care. Appreciate and value my business.”

“Treat me as an individual, not a number.”

“Demonstrate that you know me.”

“Anticipate my needs, regardless of where and when I interact with you.”

“Be there when I need you.”
Or put another way customers want value for money and to feel respected, valued and if appropriate, recognised.

How does your experience live up to these universal service needs?

**Getting under the skin**

Understanding what consumers value is fundamental to developing a distinct experience. Traditional qualitative and quantitative research techniques are key to eliciting the important, ranked needs between segments. The best organisations conduct trade-off (conjoint) analysis to understand the interplay of these factors and then construct the proposition accordingly. But this is only part of the story.

To really understand needs we need to get deeper into the customer’s psyche. Fast moving consumer goods (FMCG) companies know this well and regularly spend time in their customers’ homes. There they understand customers’ everyday attitudes to the problems their products solve (or create!) and how they are actually using them.

HBOS, the successful financial services provider, is another company that understands this. It uses a range of ‘consumer closeness’ techniques to bring the voice of the customer into the organisation.

**Figure 7.2.4 HBOS customer closeness techniques**

<table>
<thead>
<tr>
<th>One-to-Ones</th>
<th>Consumer Shoes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stay with the family or an individual for a short while, question, observe, listen to and photograph them (with their permission). Or, accompany a consumer, a couple, friends, a family as they make a financial decision, visit a branch, use a competitor product, see their accountant. Listen, observe and question them.</td>
<td></td>
</tr>
<tr>
<td>Experience the world through your target consumer’s eyes, by first role playing with colleagues. Then attend a real consumer focus group. Contrast your role play with their actual experience to challenge preconceptions.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Safari</th>
<th>Heart Monitor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bring consumers into the idea generation process. Invite them to a day’s workshop, to work in the department for several days, or to several consecutive consumer groups so they are part of the idea generation and improvement programme.</td>
<td></td>
</tr>
<tr>
<td>Walk through a process or experience in the mindset of a consumer or accompanying real consumers. Record what is good and not so good. Identify moments of truth.</td>
<td></td>
</tr>
</tbody>
</table>

How close are you to your customers? Which of these techniques could you use?

**Value gaps**

“Reaching the parts of value that ‘customer focus’ can’t reach” – that’s what Alan Mitchell and his co-authors say their book ¹ is partly about. They say there is a widening gap between the individual’s demand for ‘value-in-my-life’ and traditional businesses’ ability to supply that value. Mitchell identifies seven forms of these ‘value gaps’.

¹ *The New Bottom Line; 2005; Mitchell A et al*
In the past we have used the term ‘customer sacrifice’ to describe what customers have to do to buy or use products and services. What is clear is that if you think about sacrifice from a customer’s perspective (hassle, wasted time, worry, cost and uncertainty about value) the types of solutions you consider do change from those derived from more traditional techniques.

Figure 7.2.5  **Value gaps**

<table>
<thead>
<tr>
<th>Value gaps</th>
<th>Description</th>
<th>Costs</th>
<th>Benefits – examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction</td>
<td>The activities involved in acquiring a good service</td>
<td>The costs incurred in transacting</td>
<td>Delight in a smooth and friendly process</td>
</tr>
<tr>
<td>Integration</td>
<td>Integrating various ingredients together to achieve an overall solution</td>
<td>The costs incurred in integrating; pleasure in exercise of ingenuity</td>
<td>Reassurance that a scenario will unfold smoothly and seamlessly comfort of a close fit; pride in being recognised as an individual</td>
</tr>
<tr>
<td>Customisation</td>
<td>Achieving the best fit to what is needed, rather than just the least worst ‘off the shelf’ fit</td>
<td>the costs incurred in customising what has been acquired; pleasure in creation and use of craft skills</td>
<td>Reassurance that a situation has been properly understood and informed choices have been made; confidence that the wool has not been pulled over one’s eyes</td>
</tr>
<tr>
<td>Buyer-centric information</td>
<td>Information needed to understand a given situation and make choices for the best outcome</td>
<td>The costs incurred in finding and assessing the information; delight in exploration and discovery; pleasure in problem solving and pattern recognition</td>
<td>Reassurance that a situation has been properly understood and informed choices have been made; confidence that the wool has not been pulled over one’s eyes</td>
</tr>
<tr>
<td>Authentic emotions</td>
<td>Responding to emotional needs</td>
<td>Artificially stimulated emotions; negative emotions (e.g. irritation, boredom and jealousy)</td>
<td>Positive emotions, e.g. delight, reassurance, pride and belonging</td>
</tr>
<tr>
<td>Economies of scale and automation</td>
<td>Tasks still done manually (such as washing and ironing), where economies of scale or automation have not yet been brought to bear</td>
<td>Costs incurred in performing them; the time taken, their tedium; pride in homemaking, neatness and know-how</td>
<td>Saving of time, tedium; removal of the guilt of chores not done; reduction of physical effort</td>
</tr>
<tr>
<td>Personal assets</td>
<td>Assets such as ‘my time’, ‘my money’ or ‘my personal information’</td>
<td>Costs of assembling, understanding and managing these assets</td>
<td>Optimal use of personal assets to get the most from life</td>
</tr>
</tbody>
</table>

When British Airways and other airlines recently introduced online check-in from home they were addressing a transaction value gap. There was no value to the customer in standing in a line to check in and actually not that much to the company either. Traditional research would have told them to open more check-in desks and improve check-in processing time, thereby reducing queuing times. The real solution takes away the inconvenience and time associated with a transaction and also for the brand, the cost of dealing with it.

What customer value gaps exist in your marketplace? How could you or others fill them?
Some interactions are more important than others

Some experiences have more impact than others in customers’ minds. These were coined ‘Moments of Truth’ by Jan Carlzon at Scandinavian Airlines. Figure 7.2.6 shows how the feelings provoked at various key stages (MOTs) of the airline journey can be mapped. Getting these interactions right allows companies to reap the benefits; getting them wrong results in erosion of the quality of relationship with the customer. Identifying these and their relative importance is key to focusing on the right interactions. These MOTs are the points where brands are made or broken.

Figure 7.2.6 Assessing moments of truth – an airline example

At moments of truth, consistency of brand promise and brand behaviour is absolutely essential. In the example above, a brand cannot promise a better airline experience if the staff are poorly trained, ill-tempered and rude.

**How to influence customers**

**Sensory and emotional**

To know how to influence customers you first need to consider how customers think.

“The tangible attributes of a product or service have far less influence on consumer preference than the subconscious sensory and emotional elements derived from the total experience.”

*Dr. Gerald Zaltman, Harvard Business School, Laboratory of the Consumer Mind*
According to Zaltman, customers ‘sense’ first then ‘rationalise’. In his book, *How Customers Think!*, Dr Zaltman asserts that 95 per cent of our processing takes place at a subconscious level. Essentially, we’ve thought about it before we know we’ve thought about it!

This means that we have to examine the subconscious messages we send and what customers feel through all their senses (see, hear, smell, touch and taste). Lewis P Carbone in his book *Clued In: How to Keep Customers Coming Back Again and Again*, writes extensively about embedding ‘clues’ into the experience to deliberately elicit the right sensory and emotional responses.

Airlines have long understood that the cleanliness of the cabin and the tray table is important. Not just because it’s nice for customers, but the message it would send if it wasn’t clean might be: “if they can’t even take care of the inside of the cabin, how well are they looking after the engine?”

Some banks who redesigned their branches to be more like retail outlets pump the smell of money into them to make them feel like branches to customers.

What clues are you sending your customers through your various touchpoints? Think about product design, appearance, environment, IVR, contracts, language, behaviour and paperwork.

Often the most frequent communication channel an organisation has with its customers is its operational communications. Generally, this is the least ‘sexy’ part of marketing and is consequently neglected. One company carried out analysis to understand the various levels of dialogue that it had with customers. It chose four representative customers and then laid out the correspondence (operational and promotional marketing) exactly as it had been sent on a timeline. It then tried to determine the message the customer had received. If you haven’t done this recently, I suggest you do. You might find it rather revealing!

**How do customers buy?**

Next you need to know how customers approach a category. You need to build this mental model into:

- How you lay out your goods and services in all channels
- How you navigate customers through the category and into the various detailed choices

The best brands use this to understand the various stages of the buying process and how customers use various channels to finally make their decisions.

If there is one place where all organisations can make money quickest, it is improving the enquiry management process. Think about how you can capture and follow up customers who have expressed an interested but not yet bought. We’ve never seen a company that couldn’t improve it!
One of the best examples of this understanding being brought to bear is the Dell website (www.dell.co.uk). An enquirer enters by choosing a category: ‘home’, ‘small user’ or ‘enterprise’. You can then navigate further by type of product (notebook, desktop or printer etc) or via a promotional offer. Ultimately as you navigate you end up with three choices that you can then add further options to. The choice is made manageable through the understanding of needs and the buying process. This is built into the architecture of the site. Throughout, they entice you to continue to the next level with messages around great value. Customers customise their own solution and generally end up paying a higher price than they would have otherwise paid, but for something that they genuinely want. Well-designed experiences generate additional revenue and save costs.

“Help customers to find the principal item they want to buy. Once they find it, they’ll relax into the shopping experience and that’s the point where retailers have the chance to build basket size.”

Craig Phillipson, CEO Shopworks.

Does your enquiry management process help your customers buy easily?

Experience stages: perception, interaction and recollection

Finally you need to manage all stages of the experience.

There are three stages to any experience:

- The **perception**: what the customer expects to happen when they interact with the brand
- The **interaction**: what actually happens
- The **recollection**: what the customer remembers after the interaction

Research shows that although companies spend 80 per cent of their resources on influencing perception, it is recollection that creates the highest customer loyalty.

Indeed, most experience-projects focus on fixing specific interactions. Few actually focus on designing the experience in such a way that it is truly memorable.

Small touches can make the difference. Recently, the service engineer who set my wireless network up for me, left me with a branded one-page diagram of my network with useful settings should I need them in the future. A good example of something that is practical, cheap and easy to deliver that was unexpected but reinforces that the company cares. It probably also has a by-product, that it reduces irritating (for the company and me) future calls if there is a problem.

How could you make your experience truly memorable?
The experience perception cycle

The experiences we have form our attitudes and these change our very perceptions, thus tending to reinforce attitudes. This is why first impressions and first real experiences are so very important in any relationship, personal or otherwise. It is also why many companies find it so difficult to change the behaviour of existing customers; because they have started off on the wrong foot.

For example, in a test of beer drinkers, it made a huge difference to the evaluation of the beer whether the drinker thought that he was drinking his favourite brand or whether it was a blind taste test. Consumers consistently rated their favourite brand above the same drink unlabelled. It is this principle that is behind the famous Pepsi challenge, in which consumers try unlabelled Pepsi and Coke drinks. The majority choose Pepsi even though Coke enjoys brand leadership.

ServiceMaster, a leading home cleaning firm, identifies customer hot spots; the key things that they want cleaned and how, and prioritise these parts of the job. Then when the owner returns to review the work, they are more likely to be impressed and more quickly learn to trust the work of the cleaners.

American Express – An intentional experience leads to intentional consequences

American Express is a company with a history of delivering premium value to its customers and its business partners. It realised that customer experience was one of the key differentiators and so set about transforming its entire end-user customer experience. But where should they start, and with which customers? After much discussion, it realised that it had to focus on the first 100 days of the relationship – to start right, right from the start. The theory being: if you set the customer relationship right upfront, the behaviours and attitudes would flow through in business results immediately and then over time. American Express is famous for differential service to its highest value customers and it goes out of its way to recruit disproportionately more high-income, high-value card members. So it focused on high-potential customers first and looked at the various servicing and marketing treatments it could influence in the first 100 days. After detailed analysis, it piloted various approaches across seven major markets.

“The result was impressed customers, who consequently uplifted spend significantly. An intentional experience led to intentional consequences.”

Simon Chrisp, Vice-President, Customer Experience, American Express International

The implications for marketers are simple. Get the purchase, on-boarding and first product experiences designed to deliver as well as they possibly can.
Creating an experience blueprint for your organisation

“If you think you can give experience management to a project team in some far-flung corner of your organisation, think again. To reap the benefits of embedding experience into your value proposition, you’ll need to make it a corporate priority and get buy-in from every nook and corner of the organisation. It takes continuous cross-functional collaboration to deliver a great customer experience. Otherwise, you can expect your experience management programme to pass like a ship in the night.”

Stephen Blanchette, Director Brand Experience, Vodafone

Defining a blueprint for success requires a business to be clear about the following elements:

Figure 7.2.7  Customer experience blueprint framework

If we define all of these, then everyone in the organisation will be clear what the desired customer experience will and will not be. Working this through with the senior management team can be tough, but is vital if you are to gain true alignment. It will also determine where you are going to start. This model also acts as a great framework for communicating simply to staff what you have decided. This section will examine the components of these elements further:
Who?

Defining who the brand’s target customers are and what they truly value is a vital first step.

How an organisation decides to segment its market and the degree of differentiation in the way it goes to market (propositions, marketing and servicing) is one of the most important decisions a business will make.

Almost all business can be optimised if they address a differential approach based on value and potential.

“In almost every category a small number of high-spending bonded customers make or break a brand.”

Ogilvy Loyalty Index© and BrandZ, Millward Brown

CMAT™ studies show that in most companies 1 per cent of customers are responsible for 30 to 50 per cent of the profit margin of a company. The next chapter in this section shows this in more detail.

The implications are stark – companies must focus on capturing the hearts and minds of high-category users. Hence, the starting point must be to look at the experience of high-value or high-potential customers. Their needs and transaction patterns are often very different to the ‘average’ customer.
Having a clear customer strategy to drive clear objectives is the next step. The best organisations overlay the following factors (normally categorising each high, medium and low) to build specific segments from which they can build a customer strategy:

- Current value
- Potential value
- Vulnerability (risk of defection)
- Credit risk (if appropriate)

You would probably spend more time and energy retaining a high-value customer at risk than a low-value one and less time cross-selling to a low-potential customer.

Think about which customers really make a difference or where there is most potential for value improvement – focus on these first.

**What?**

All businesses need to be clear about their strategy, offering and business model.

We cannot go into depth about corporate and market strategy as this is not the purpose of this chapter. Brands must understand the core category benefits that are required to be delivered. The point we need to make here is that the customer experience needs to be designed to deliver this strategy and these benefits. It needs to be designed within the real competitive context.

As an example, in an intermediated insurance business, price and performance are fundamental factors that have far more influence on overall performance than experience. So, the service strategy needs to enhance these factors, not work against them by adding unnecessary complexity.

In their book *Simply Better*, Paddy Barwise and Sean Meehan set out a compelling argument for simply focusing on delivering the core category benefits better than other companies.

Brands meet these category benefits through a range of products and services and a clearly articulated customer value proposition. It is vital that the brand understands what drives attraction and loyalty as well as dissatisfaction and defection and addresses the root causes. It’s also important that the brand understands the drivers of both customer and product profitability so that the experience enhances the business performance. The business model needs to be crystal clear as does the service model and standards that will fit behind it.

HBOS has an internal ‘communication card’ that lets all staff know:

- Who its customers are
- What promises it needs to make to customers so they choose HBOS
- How they will deliver the brand promise ‘EXTRA’
Why?

The purpose of a brand must be clearly defined for a customer. This must be predicated on customers’ attitudes to the category and their use of the products.

All brands should have a set of values that sum up the brand’s essence and what it stands for to its stakeholders. These values should direct and pervade the promise that the brand creates through its advertising and promotion, and be delivered through various interactions. These are the building blocks the experience must deliver on if the promise is to have any meaning.

When Royal & SunAlliance launched its new and invigorated retail insurance business in the UK under the ‘more than’ brand it followed this approach. In developing its propositions it asked groups of employees how it could be ‘more than’ a normal insurance company, across the key moments of truth.

Experience principles are derived from both brand values and the emotional out-take that the brand wants customers to feel. The best companies deploy them in a checklist format for staff to judge whether or not the experiences being provided and those being considered are ‘brand true’.

Orange (www.orange.co.uk) sets out its experience principles to be ‘easy to use’, underpinned by simple, intuitive and personal products and services. You see this in their communications and products (e.g. the efforts they put into the usability of the product).

Royal Bank of Canada sums up its purpose as ‘always earning the right to be the customers’ first choice’. Similar to the Oskar case study it also defined three words that described how it wanted its customers to feel after every experience and used these to guide the design.

What three words should define your experience?

Oskar – a brand experience designed to fulfil customers’ emotional requirements

Oskar, was the Czech Republic’s third mobile provider, bought by Vodafone in 2005, now being renamed and rebranded Vodafone. Its strategy was and is based on delivering a distinct branded experience and its approach is one the most impressive and comprehensive we’ve seen.

To start with, Oskar elicited from customer emotional reflection interviews a ‘motif’ – an emotional end-frame of how Oskar wanted its customers to feel. This, along with the company’s brand essence and business model, served as the basis for its experience design.

The Oskar management team established a cross-functional team to drive the programme. It then set about auditing its various touchpoints to understand the current experience and look at how well it amplified these principles. Throughout all of this it balanced the customer and employee dimensions. The techniques used included:

- **Experience scanning** – identified the sensory clues they were giving their customers through observation and listening
Chapter 7.2 : Customer experience: getting under the skin

- **Video observation** – reviewed how the customers and employees interact with each other
- **Employee focus groups** – explored how employees were trained, managed and compensated and how this impacted their ability to deliver the experience
- **Preference model** – categorized all of the touchpoints in terms of their negative, positive or neutral impact on customers
- **Customer research** – drew heavily on existing customer commitment research, complaint analysis and mystery shopping

As a result Oskar redesigned its interactions (touchpoints) with the objective to:
- Create positive memorable brand experiences aligned to the ‘motif’
- Enhance business effectiveness

The experience design focused on environmental design, process and employee enablement as well as delight tactics. Standardised ‘sales maps’ simplified the sales process and made the experience easier to navigate for staff and customers through all channels. The roles, attitudes and competencies of all staff were clarified and these were embedded in new hiring and training programmes. To sustain this, they have integrated other good practices from Prêt a Manger and Ritz Carlton such as ‘daily line-ups and ongoing refresher training for front-line staff.

Incorporated into a new retail design are:
- Queueing systems that allow customers the freedom to browse while they wait.
- Innovative seating areas with live handsets which enable customers to interact with merchandise.
- Improved signage and category display.
- Barriers were removed. The traditional counter was replaced with interactive stations designed with the customer and staff collaborating together side by side.
- Online self-care was integrated across all channels.

The commercial results were and still are impressive:
- 57 per cent of visits are now spontaneous (unplanned)
- 98 per cent of customers leave the store with positive or very positive feelings
- 90 per cent of customers found what they were looking for

Oskar won the 2005 DBA design effectiveness award:

“Wonderfully fresh design and engaging approach that obviously made an impact.”

Christian Cull, Marketing Director, Waitrose

**Where?**

It’s really important to understand which channels, touchpoints or journeys have most impact so that we can determine where to start.

A customer journey traces the diverse experiences of a customer with a company over a period of time and records everything from the customer’s point of view. It normally is made up of a series of events that involve a number of individual touchpoint experiences.
To do this it is necessary to understand the importance of the various touchpoints by looking at volume/frequency, the impact of failure and the degree to which the touchpoint can drive satisfaction or remove dissatisfaction. Once the current performance from a customer’s perspective is overlaid decisions can be made.

The size of the bubbles in figure 7.2.9 represent the frequency of transactions and the shading represents the priority areas (light to dark representing low to high priority).

In this business-to-business example this company sends invoices for what is despatched rather than what is received by the customer. These very rarely reconcile because of distribution process issues. Their clients often complain about the administration issues involved in reconciling invoices with their accounts systems and constantly dispute invoices. It is a major dissatisfier. The complaints department’s policy is that ‘we are right’ unless the customer can prove us wrong. There is a major opportunity to delight in the first instance by providing an excellent service recovery.

In prioritising where to start, we always recommend getting the basics right first, then working on issues that have a high potential to dissatisfy, before moving onto those that might delight. If areas cannot be fixed quickly then mitigate them as best you can and put in a good service recovery process. Further priority should be placed on those actions that will have high impact from a business and customer perspective and that can be implemented quickly.
Chapter 7.2: Customer experience: getting under the skin

**How?**

When you’ve worked out what it is that you want to do you have to determine *how* you are going to do it. This requires motivated staff enabled with capabilities, skills and behaviours to deliver the required experience.

To do this effectively you really need to work out your vision in a reasonable level of practical detail. What are you actually going to do differently to customers? Then you can work backwards to what you need your people to be able to do and the capabilities required to support them. In practice, these discussions are iterative as you work out what you want and what is feasible.

For example, we decide we want to give more *relevant* experiences to our customers. Specifically, we want to use service events to trigger marketing communications (through mail, web, SMS and other media), specific web messages and conversations in the contact centre.

We have already determined:

- A data requirement to identify the event on the same day
- The ability to recognise the customer and flag at the point of contact
- A series of treatments to demonstrate the personalisation
- The ability of the operator to act upon the information appropriately

But before you scream out that the systems requirements are far too complex to get delivered in your lifetime, think about how you can do it quickly without these.

Ritz Carlton manages to deliver great personalised service without complex systems. A new guest is always greeted at the reception desk by their name before they have introduced themselves. How? The doorman checks the tags on the luggage and radios it ahead to reception. If you are creative you can often deliver close to what you want without major investment.

*Make your mistakes before you commit lots of money.* The most successful system developments always go through a prototyping stage where users can trial the concept and functionality. It helps users clarify and tighten requirements.

Many companies don’t spend nearly enough time on working out what they really want their customer-facing staff to do and how practical it is to do it real time. If it’s simple and easy for staff to do it, so long as you’ve engaged them and lined up reward systems, they will do it. Are your staff enabled to offer great service?

However, customer-facing systems and processes are often hugely complex. It is often the softer customer service functions and features that get de-scoped and staff end up unable to provide the service required. This has a knock-on effect on the customer’s experience.

*Audit the employee experience just as you did the customer experience and deal with the hygiene issues first.*
Improving the experience through customer journeys

Journeys have to start from the customer’s perspective. In defining a customer journey it is first necessary to understand the customer context. Therefore, understanding the buying cycle and the customer needs during it, is crucial. These, of course, are category- and product-specific but can be generically summarised in table 7.2.1:

<table>
<thead>
<tr>
<th>Table 7.2.1 Customer buying cycle</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Searching</strong></td>
</tr>
<tr>
<td>Becoming aware of a need</td>
</tr>
<tr>
<td>Searching for solutions</td>
</tr>
<tr>
<td>Making portfolio choice</td>
</tr>
</tbody>
</table>

Looking at this from the customer’s perspective leads us to think about the experience in very different ways. It is necessary to consider the overall use customers are putting the product to and the overall outcome they are trying to achieve.

This is never more apparent than when thinking about the consumption of goods, as customers go through different life stages, which include all of the major life events which result in brand and service re-evaluation:

- **Consumers:** job start/change, house move, birth of children, retirement
- **Businesses:** business formation, office relocation, business sale/merger, international expansion

An example of this for consumer goods brands would be to track the changing motivations and needs of both baby and mother as the baby progresses through various food and activity stages and the mother moves from full-time childcare back to work.

In financial services, many companies understand how the needs and motivations (and therefore the products they buy) are very different for people getting married and buying their first home (not necessarily in that order!) than for someone accumulating wealth and preparing for retirement or preserving wealth afterwards.
Mapping and evaluating customer journeys

These six tests of each key touchpoint can help uncover whether or not the desired and distinct experience is being delivered:

- Do we deliver on our brand promises by achieving most or all of our chosen customer experience principles?
- Is the level of proposition delivery differentiated from our main competition for our (highest spending) customers?
- Is it relevant to our (highest spending) customers?
- Is the desired experience being consistently delivered?
- Can we measure internal compliance and external perception for major components?
  - Functionally
  - Emotionally
- Do we deliver or exceed performance?

Telco Case Study

A telecommunication company dramatically improved its SME customer experience and the process they went through was typical of leading companies. Firstly, they looked at customer profitability and determined that 5% of companies were responsible for 55% of their profit and the top 15% for 95%. They were undecided as to whether to differentiate service, recognising that it is not easy to offer a differentiated service proposition in a large Telco, but they decided to carry out a customer journey mapping exercise with the top 15% of customers in mind. Their thinking was that if they got the customer management process right for these companies, they could go on to determine the cost of service provision for different touchpoints and decide if and where they should develop a differentiated customer management/service strategy.

They pulled together and sifted through recent research documentation, looking for customer satisfaction, customer moments of truth and so on. This provided some factual content for the work to come, such as current pressure points and long term ‘hygiene’ issues. They also pulled together the customer management KPIs they had to identify any obvious opportunities/issues.

The next step was to hold a senior management workshop to understand the scope and context of all customer touchpoints, and the possible business impact of an incoherent customer approach. This resulted in a high level Customer Journey map across the whole organisation, and the identification of a large number of touchpoints across all functions and major partners, and some recognition of the possible business benefit of improving the experience. The output of this workshop was a clear framework for what touchpoints, functions and partners should be included in the more detailed journey mapping exercise to come.
The reality of this type of work is that the high level journey map should be carried out looking at all touchpoints, but that the scope of the detailed work should focus on key touchpoint areas.

Key touchpoints were identified through the use of a scoring matrix (see Table 7.2.2), which was designed to identify a rating of the ‘likely impact on the business’. Intuitive scoring rules and weighting are used.

Table 7.2.2  
**Key touchpoint scoring matrix**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Score 5 if...</th>
<th>Score if 4</th>
<th>3</th>
<th>2</th>
<th>Score 1 if...</th>
<th>Score 1 if</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer perception</td>
<td>This is a vital customer step. Failure here will upset the customer. We are much better than competitors</td>
<td></td>
<td></td>
<td></td>
<td>This is not particularly important to customers</td>
<td></td>
</tr>
<tr>
<td>Value to us</td>
<td>Score 5 if revenue value of getting this right is &gt;£x</td>
<td>Score 1 if revenue value of getting this right is &lt;£x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost to us (should include working capital)</td>
<td>The cost of this step is &gt;£x.</td>
<td>Minimal cost incurred</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Error rate (% of times the process fails to deliver the desired outcome)</td>
<td>The error rate is &gt;x</td>
<td>Insignificant number of errors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of re-work (cost in fixing what went wrong to deliver desired outcome)</td>
<td>The cost of rework is more than £x</td>
<td>Minimal cost of re-work</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Therefore: likely impact on the business</td>
<td>High impact on the business</td>
<td>Low impact on business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Most companies notice that key touchpoints (ones with high customer impact, high value, high cost, high error rate and high rework cost) generally involve multiple functions and partners. In the ‘telco’, work groups were set up to examine each of the key touchpoints (KTs) in detail. Table 7.2.3 shows the type of information that was examined for one of the 50-plus KTs.
KPIs (e.g. error rates, costs and customer perception ratings) were available from current work/analysis in less than 50 per cent of the KT tables areas (which is indicative in itself!). For the >50 per cent of KT tables where this information was not available, the KPIs had to be determined. This is a major area of project benefit and risk. Facts and figures are vital for this exercise. Some organisations use tools to structure and hold all this data in an easily accessible manner. Samplings and old-fashioned work studies are normally set up to provide approximate figures. Absolute accuracy in the figures is not required. This is where the project managers previous experience is very beneficial in customer journey mapping.

A review of the 50-plus KT tables identified which were the priority actions, and these were built into project plans in the normal way. The journey maps and KT work have become a fundamental part of training in this 'telco'. It is a requirement that any new system/process project identifies where the new process fits within the customer journey.

### Designing the future journey experience

Leading companies often apply a five-step process to do this. The example shown in figure 7.2.10 (on page 23) is from a consumer home appliance ‘warranty’ event. The company carried out a workshop with a cross-functional group of people who are involved in the delivery of the event. The process used with front-line employees was to ask the following questions:

- If we wanted someone to say we were ‘experts’ in this event what would we want them to think, feel and say?

<table>
<thead>
<tr>
<th>Table 7.2.3 Engineer maintenance site visit: customer requested</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High level process description</strong></td>
</tr>
<tr>
<td>Customer calls service centre for unplanned (not in contract) engineer visit.</td>
</tr>
<tr>
<td>Engineer (or contractor under certain circumstances) visit scheduled using schedule+ and date time (half day window) confirmed with customer</td>
</tr>
<tr>
<td>Engineer submits visit report</td>
</tr>
<tr>
<td>Visit report logged</td>
</tr>
<tr>
<td>Explanatory letter and invoice sent to customer (if applicable)</td>
</tr>
<tr>
<td>Log summaries sent to contractor/product provider/service review team</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Designing the future journey experience

Leading companies often apply a five-step process to do this. The example shown in figure 7.2.10 (on page 23) is from a consumer home appliance ‘warranty’ event. The company carried out a workshop with a cross-functional group of people who are involved in the delivery of the event. The process used with front-line employees was to ask the following questions:

- If we wanted someone to say we were ‘experts’ in this event what would we want them to think, feel and say?
To get them to say this, what do we have to do?

To do this, what promises would we need to make to the customer and each other?

What capabilities would we need to do this?

What’s getting in the way, or stopping us from doing this?

Figure 7.2.10  Mapping brand values to individual touchpoints

The result was not just a well-designed experience, but a set of engaged people who truly bought into, and helped design, the outcome.

British Gas – ‘Doing the Right Thing’

Several years ago, British Gas embarked on a major mission to transform its customer experience, taking its people on this journey under the ‘Doing the Right Thing’ banner.

The starting point was to understand the current customer journeys. It identified around 25 journeys (e.g. getting through to the right customer service adviser, interim boiler breakdown, home move and the debt process). It then carried out high-level analysis on what was broken in these journeys and approximately how much it was costing the business. The first view showed that there was £100 million of ‘value at stake’ in its various customer journeys. This focused management attention on the issues and helped prioritise which journeys to focus on first. It was helped in this process by the fact that its research data is tagged (anonymously) to behavioural data so that it could model which factors made the most impact on customers. It could also model its service profit chain so it knew...
how an improvement in satisfaction and its various components would flow through to the bottom line.

**Figure 7.2.11  Journey improvement process**

It started fixing the basics first, removing areas of dissatisfaction before focusing on the drivers of satisfaction. It had a specific and very pragmatic sequential approach to the redesign of the touchpoints:

Understand it – Mend it – Brand it – Protect it – Differentiate it – Re-engineer it

A cross-functional team went through a systematic journey improvement agenda for all the journeys. This established the key metrics (external perception and internal compliance) and British Gas brought these onto the management agenda via a dash board that made all these metrics and journey improvement plans visible.

However, there is no point transforming a journey without a set of guiding design principles. These were built around the brand values and set into a set of service principles, which were not only communicated but also embedded into the business change process, as an additional sign-off criterion. Employees were engaged around the ‘Doing the Right Thing’ agenda in a series of events. A series of hero stories brought this to life in various offices and the content was embedded in training.

“British Gas has made major improvements in its customer experience. It continues to encourage its staff to ‘Do the Right Thing’ for its customers and through its customer experience improvement agenda, its shareholders too.”

Andrew Reaney, Head of Customer Experience, British Gas
Engaging staff to improve and deliver the experience

“In a service business like ours you can only look after the customer by looking after your staff. So the route to creating value from customers is through the management of your people. Good retailers always understand this instinctively and we, at Tesco, regard it as a major priority.”

Terry Leahy, CEO Tesco 2002

Figure 7.2.12  Great service brands know that people are key to delivering the customer experience

How staff represent their company/brand directly affects consumer loyalty
How customers are treated by staff is the number-one reason why people are put off from purchasing
Yet only one in 10 consumers say staff show pride in their products and services
Moreover, staff is one of the top three reasons why customers repeat purchase

Source: Brand Ambassador Study: MCA, 1999 (now part of Enterprise IG)

There are five key principles that the best brands use to engage staff:

1. **Bring customers alive**
2. **Make it real for me**
3. **Align, lead and direct**
4. **Attack beliefs**
5. **Maintain momentum**

**Bring customers alive**

We discussed earlier the series of techniques that HBOS uses to get closer to customers. The output of these types of initiatives needs to be brought alive to staff in accessible and innovative ways. The more these are dramatised in stories, the more impact they generally have.

A telling question to ask is: when did your senior team sit in and observe a focus group. Videoing and showing edited highlights to management can be another way to make this information more accessible.

If management need convincing that there is a problem the best way is to bring alive customers’ real experiences. This is best done in multi-media formats: transcripts of conversations, photos of locations/packaging, hidden cameras (the shakier the better!), or voice recordings of complaints.

Tesco sends its management ‘back to the floor’ for at least one week a year to ensure managers stay in touch with the real world. They are expected to make suggestions for improvements on their return.

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Another organisation gave all senior head office staff the ability to dial in and silently monitor contact centre calls.

You need to bring the pain alive enough to get people to want to act, but actually a customer experience programme should be a positive programme. Ensure you keep the balance in your communication and celebrate success when you have it.

**Make it real for me**

Once underway, engaging people behind the defined customer experience is critical to the success. There are a number of robust frameworks for building employee engagement that mirror the approach marketing organisations take consumers through when winning their advocacy to their brands.

**Figure 7.2.13 Major insurer engagement framework**

<table>
<thead>
<tr>
<th>Awareness</th>
<th>Ability</th>
<th>Attitude</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>I know what is expected of me</td>
<td>I have the skills &amp; knowledge I need</td>
<td>I believe and want to make a difference</td>
<td>I am making a difference for customers and the business</td>
</tr>
</tbody>
</table>

Source: Enterprise IG, 2004

The framework in figure 7.2.13 is established on a number of building blocks:

- **Awareness** Everybody should have a clear rational understanding of the case for change, the magnitude of the journey and what it means for teams and individuals.

- **Attitude** We have started positively to shape people’s beliefs and feelings around the change. We are starting to engage their emotions around the customer experience and brand promise.

- **Ability** People feel confident that they have the personal competences and skills to put the new behaviours in place and start to ‘live’ the experience.

- **Action** There is actual behaviour change as people start to make the brand promise and customer service experience a reality, internally and externally.

- **Advocacy** People ‘own’ and champion the behaviour changes, spreading enthusiasm for them and the business.
‘Make it real for me’ is all about showing people what this wonderful customer experience vision means to them today, in the near future and next year.

The mistake many organisations make is to simply communicate the vision and assume that everyone will work out for themselves that this is a wonderful thing. You must answer the WIFM question for all stakeholder groups (what’s in it for me!).

One of the most effective ways to engage people is to actually bring to life the future experience. Storyboards or video role plays that help people see, rather than just imagine, what the future looks like can be very effective. This is especially true if you involve staff in its creation. The British Gas ‘Doing the Right Thing’ video makes such an emotional impact that it actually brings a tear to most viewers’ eyes.

**Align, lead and direct**

Great leaders lead from the front and back their words up with actions. They ‘walk the talk’. When I work with organisations the first place I look is the senior management team. Are they serious about delivering a great experience and does that manifest itself in what they talk about and what they actually do? What’s on their weekly and monthly management agendas? I also ask them what their most important business issue is. If customer experience isn’t integrally connected to that issue then there is a problem.

Linking customer experience to the key corporate objectives is critical. If you can’t do this then you simply won’t get the support. And if by chance you do, and the business climate changes, you can be pretty sure that it’ll be the non-core programmes that get de-prioritised or cut.

If you follow the guidelines around developing an experience blueprint you should achieve alignment. Sometimes though, you need some success to be able to get into a position where you can have the conversation about creating a blueprint. If you’re in this place then you need to find some quick wins within your sphere of influence that show the benefits of a focus in this area. You will also want to start building a business case to help do some persuading (see the ‘value at stake’ point in the British Gas case study). Using best practice organisations to informally benchmark and show the art of the possible can also be a powerful motivator.

Once you’ve got them on board you need to provide them with the means to manage and direct the experience. Often this means different metrics and management reporting mechanisms.

> “People don’t do what you expect; they do what you inspect.”
>  
> Lou Gerstner

While at BP many years ago, we had many sub-process metrics in our manufacturing and distribution chain. Each one of them was more than 95 per cent against the established standard, which every department deemed to be acceptable, and yet our customers were continually telling us we were not delivering. We established a new end-to-end metric – ISOTIF – In Spec On Time in Full. It was only when we established this end-to-end measure that it became clear that we were systematically failing more times than we were delivering. It helped convince everyone all was not well and created a real focus. The overall
metric that matched the way the customers judged us climbed steadily and quickly as we understood the many interdepartmental issues.

The second place to look is front-line supervisory management. If these people are well trained, competent, enabled to do their jobs and have the appropriate spans of control to manage their people, then whether the service is good now or not, it will be in the future. A key objective of any programme is to help these supervisors to coach their people and demonstrate to them what the experience should be. If you can motivate these people to deliver your message to the front line on a daily basis you will succeed.

Invest in tools that will help supervisors direct their people to deliver the right experience.

**Attack beliefs**

Organisations that take the customer experience truly to heart are able to make changes that positively affect the very DNA of that company. However, to achieve this you almost always need to attack and shift one or two of the core beliefs of the organisation. People take their cues about what is important from a wide range of formal and informal sources (just like customers!). The following model shows how many different factors shape these beliefs. You really need to address all of them.

In thinking about each of these, think about how these get the organisation to behave. It will give you a clue as to which ones are causing the most problems. What gaps do you have? What do we need to do personally?

**Figure 7.2.14 Cultural model**

![Cultural model diagram](image_url)

Chapter 7.2: Customer experience: getting under the skin

You’ve thought now about the beliefs that are driving the wrong behaviours in the organisation. One of the most effective ways to build momentum in an organisation is, early on, to find what we like to call a ‘dramatic symbol of change’.

**Figure 7.2.15 Dramatic symbols of change**

<table>
<thead>
<tr>
<th>Makes a difference for customers</th>
<th>Attacks staff belief system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manifestly supports distinct experience</td>
<td>Puts money on bottom line</td>
</tr>
</tbody>
</table>

In response to declining customer satisfaction scores, a large home shopping company established a cross-functional customer experience team. Early meetings were interesting but you could tell that the body of senior managers assembled didn’t really believe the organisation was serious. The belief, built from management decisions over the last few years, was that commercial considerations always overrode customer considerations. They made a list of the key things driving complaints and dissatisfaction. This included the perennial issue of the opaque wording on invoices that didn’t label credit charges as clearly as they should. When this was raised, the director in charge ‘couldn’t understand the hesitation’ and simply instructed the change. This small and seemingly irrelevant change was a clear symbol of change. The news ‘leaked’ out of the group and went a long way to attacking the belief.

What’s your dramatic symbol of change that will convince your sceptics that your change programme is serious?

**Maintain momentum**

Too many customer focus programmes are one-hit wonders that are great when they get kicked off but quickly dissipate once real business issues start to apply pressure. The key is to sustain the activities we discussed earlier in this section and embed the programme into key organisational processes. This always requires an ongoing internal engagement programme that is tailored to the various audiences.
When the author led the drive to ‘world-class customer service’ for Mobil across Europe, we developed a very simple mantra. Start right, right from the start. You’ll remember American Express used this to describe the customer experience and it’s no surprise that the employee experience is built on similar principles. You might not have responsibility for HR policies and processes but influencing them is really important if you are going to positively change over the long term.

**HR checklist: have you changed or influenced the following?**

- Recruitment profiles
- Competencies and behaviours
- Job descriptions
- Training and induction programmes (for front-line staff and team managers)
- Task and role design
- The employee joining experience
- The reward and recognition systems
- Coaching and appraisal processes

A brave way, to ensure that there can be no retreat, is to make your commitment visible to customers.

AAMI, an Australian insurer, has a great approach to sustaining its commitment to continuous improvement of the customer experience. It publishes a customer charter that sets out what customers can expect from AAMI. If AAMI breaches any of its commitments it compensates its customers with a $30 payment. The majority of these payments are actually initiated by staff rather than customers. Now in its tenth year, the charter sends a clear message to customers and staff that the brand is committed to doing what it says it will.

**Have you embedded the five principles in your programme?**

- Bring customers alive
- Make it real for me
- Align, lead and direct
- Attack beliefs
- Maintain momentum
Conclusions

There are five ‘must do’s’

1. **Bring the current experience alive**
   Find creative and financial ways to bring home both the pain of the current experience and the opportunity if it is improved.

2. **Ground the vision**
   Establish a blueprint. Be clear about what the organisation is trying to achieve, what role the experience plays in these goals and what the barriers are to its achievement. Paint a picture of what the future might look like and get the senior team to sign up to the direction.

3. **Mobilise the organisation around priority customers and journeys**
   Carefully determine where maximum impact can be attained for customers, employees and the business and set up a cross-functional team to map these touchpoints and journeys and determine detailed solutions.

4. **Fix the basics and deliver quick wins**
   Remove the ‘dissatisfiers’ first and get the basics right. Ensure that you find some dramatic symbols of change that make a difference to customers and really attack existing beliefs.

5. **Enable your staff to deliver**
   Focus on the elements that prevent staff delivering the experience you want and remove them. Review and change metrics to align with what you want. Involve and engage staff in designing solutions.

Figure 7.2.16 should help as a good aide-memoire for you in designing and delivering your new customer experience.

**Figure 7.2.16  Top 10 principles to guide your customer experience design**

| 1. Customers - be clear what you want customers to think, feel and say as a result. |
| 2. Focus and differentiate - focus on highest value/potential customers first. |
| 3. Moments of truth - all interactions are not created equal: some are more important in driving commitment than others - focus on these. |
| 4. Events - think about clusters of touchpoints. |
| 5. Hygiene before delight - fix the rotten things first. If you can’t, be brilliant at service recovery. |
| 6. Brand - amplify your unique brand through embedding brand values and customer experience principles into touchpoints. |
| 7. The experience does not have to be expensive to be good. |
| 8. Think big, start small - you might want to re-engineer your experience in its entirety but you can improve it immediately tomorrow. |
| 9. Outcome-focused - make sure it changes how you manage your customers. The project must be customer outcome-focused with agreed milestones. |
| 10. Address beliefs - to change both consumer and employee behaviours we must address beliefs. |
Further reading:


2. State of the nation IV: QCi www.qci.co.uk

3. The New Bottom Line, Alan Mitchell et al.


5. Clued In: how to keep customers coming back again and again, Lewis P Carbone, FT Prentice Hall, 2004

