

The Importance of Customer Experience Is Nothing New – But It Is Important

Taken from *The Performance Papers* by Dr Andrew Bass, BassClusker Consulting

There's a great cinema in Birmingham called the Electric. It's been a favourite of mine for years and, although it's changed a lot (including in ownership), it's kept, and continued to develop, a certain sense of the Electric Cinema experience. There was always a home-made cake and coffee shop (rather than hotdogs and popcorn), and the people who served you were movie buffs – one was actually the projectionist. Now it's had a refurbishment there are sofas in the cinema and you can text your cake order to the shop during the movie. You can go and see the same film there or at the Odeon, but it's a very different experience.

I read recently that “customer experience” is the new battleground. Hmm, well maybe. A lot of what I'm seeing said by people on customer experience is what they were saying last year about customer service. They've just done a global “search and replace” on all their copy.

So, is this a notion that's going to be practically useful, or just a way of sexing up an old area? I think for most it'll be the latter. But I also think that a key factor in great businesses is that they, like the Electric Cinema, have always created great experiences (both in your interaction with them, and in your use of their product or service).

And as competition from emerging markets heats up and western businesses look for ways to stay viable (and ideally create new ways to deserve a premium), it's an extremely useful way of thinking about your value proposition, about how design enhances that value and what it takes to deliver it on a consistent basis.

Below I'll provide a six step plan for using the idea of the customer's experience as a bridge between strategy and its successful execution. But first, let's repel those boarders looking to jump on another buzzword bandwagon.

No silver bullet

Before we get carried away, a few observations:

- **Attention to the “experience” is no substitute for good basics.** I recently saw a video lecture on “experiential brands” which held up the Apple stores as a leading example. I browsed a bit for more info and found a really insightful comment to the effect that “Sure the Apple store help-desk staff are really cool, but I'd just prefer it if my iPod didn't break down in the first place...”
- **Experience is just another name for service.** Here we find a slew of cut-and-paste artists who are swapping the word “service” for the word “experience”, in much the same way as they renamed the steward running the train's buffet as the “retail services manager”. Many of the

customer service practices we are subjected to by call centres actually worsen our experience – a lot of older people hate being called by their first names by kids of their grandchildren’s age, for example. Listen to people complain about call-centre service: what they often want is experiential: a feeling of being given some time, some respect, and – a crucial issue for financial service institutions – advice from someone who inspires confidence that they actually know what they are talking about and are not just reading a script. How do you create the essential elements of that experience for your customers?

- **You can’t just bolt it on.** If you put the average nightclub doorman in a dinner suit (tuxedo) and get him to call guests “Sir”, it still sounds menacing – sometimes more so because of the incongruity (of course, this is where the customer experience game get subtle: that sense of menace might actually provide a frisson that customers value). This sense of the deeper experience is where truly thoughtful design makes the difference. Bolt-on wings and go-faster stripes don’t even get you close to the elegance of a car styled by Pininfarina.
- **Many businesses have part of it, but are not consistent.** I booked a ticket for Amtrak from Manhattan to Rhode Island. I did it three weeks in advance from a computer in a suburb of Birmingham, UK at 11.30 pm on a Friday night – it took eight or nine minutes. When I arrived at Penn Station and inserted my credit card into the machine it said (without any further action on my part) “Welcome, Dr Bass” and printed my tickets. It was worthy of the 1970s sci-fi films I was brought up on, and I experienced quite a kick from it. Then I tried to understand from the attendant how to check in my luggage... A Wookiee from Star Wars would have been more helpful.

Six steps to innovative customer experience

Here’s a six step process for using the customer experience idea to increase differentiation, attract a premium, and align strategy with implementation.

1. **Start by setting aside what you think you know about your products, services and existing processes for the moment**

Too many technical experts expect customers and clients to become sophisticated in their expertise. Over twenty years since he did it with the Apple Mac, Steve Jobs again demonstrated with the iPod and iPhone that people like computing devices that don’t act like computing devices. A services example: I hear clients of big-name law firms complaining that their lawyers expect them to pay essentially for essays or lectures on the law, followed by the opportunity to make their own mind up.

If you start with your technology as you see it, you will put constraints on the resulting customer experience. These constraints are at a minimum unnecessary, and are usually dysfunctional, causing lower satisfaction, irritation and choices in favour of the competition if the competition creates better experiences (people pay a premium for iPod often because its user-interface is much easier to use than many other MP3 players – even a 2010 Sony is no match for a mid 2000’s iPod).

2. What kinds of experiences do your customers value?

Think from the standpoint of your customer or client. Ask fundamental questions. What kind of experiences do they value? This has to be done in a deep way – it's not just a matter of banal customer service phrases such as "Is there anything else I can help you with today?" What do people need to see, hear, feel, smell and taste in order to have the kind of experience you wish to create for them?

Look for quirky or cult small businesses for examples. I've already mentioned the Electric Cinema: people like the opportunity to watch a film on the big screen, sitting on a comfortable sofa, with the ability to call up coffee and homemade cake at their fingertips.

Another example is the (now sadly defunct) Hudson's Restaurant and Gourmet Food Shop, again in Birmingham. The original Hudson's was a wonderful coffee house inspired by the eccentric sense of style of its founder Tim Penrose, a former undertaker (!). The basic blueprint was rather reminiscent of P.G. Wodehouse's Jeeves. In its heyday, a large part of the charm of the place (beyond the excellent coffee and highly original sandwich combinations) was the tongue-in-cheek but extremely polite and attentive service, and the mock faded elegance afforded by the lumpy-but-comfortable armchairs, old books and theatrical posters. Tim and his staff were meticulous in providing a unique experience for their customers, who responded by queuing for tables! (When Tim sold Hudson's, the menu and quality remained the same, at least at first, but the experience changed. Over the years, the establishment became 'straighter', the buzz quietened, the menu started to contract and ultimately the business closed – the experience was no longer distinctive enough to attract the custom or the price premium.)

3. Identify the qualities that act as "markers" for the experience

What are the sequences, qualities, tones, colours and interaction patterns that add up to the experience? For example, Hudson's and the Electric Cinema, although providing different services, share some structural elements:

- A home-made feel.
- An eccentric ambiance carrying the stamp of their founder's/owner's personality.
- A very "old-fashioned English" sense of style: the Electric has a 20s art deco façade; Hudson's staff dressed like waiters and waitresses from an Edwardian tea room.

Notice that these sorts of factors add a certain something beyond product and service quality (and, by the way, part of that something is gross margin!). The critical elements are not simply that Hudson's served good sandwiches and the Electric has a varied programme of commercial and art house films. The distinct experiential elements don't add noticeable costs vis-à-vis competitors. But while you can see the same film or get as good a sandwich elsewhere, I have found myself prepared to pay more, and be happy doing so, at places like these.

4. What other experiences and values would be compelling to those people?

If you followed my description of Hudsons and the Electric Cinema, it shouldn't come as a surprise that I and my friends enjoy the Goodwood Revival motor racing event. Although they are very different in content (tea and sandwiches, movies, historic motor racing) they share many of the same structural features which create experiences I find worth paying for. If someone produced a bookshop, or a gym, or a train, with the same elements, I'm pretty sure I'd favour them over all competitors, and pay a premium for it.

That's how you market to me, of course, not to your own customers. But I've found in my own informal research that people generally have this sort of structural template. And further, if you follow the template in packaging a new offering, they'll highly value it.

5. What would have to be there, behind the scenes, in order to produce that?

First ask what experience will your customer most value, and then figure out how to deliver it at a profit. "The Turk" was hoax, the work of Wolfgang von Kempelen in the 18th century, which purported to be a chess-playing automaton. It consisted of a wooden cabinet behind which was seated a mannequin dressed in a cloak and turban. Opening the cabinet doors revealed internal clockwork mechanisms and, when activated, the mechanism appeared to be able to play a strong game of chess against a human opponent. In reality, the cabinet was cleverly constructed to allowed a (small) chess master to hide inside and operate the mannequin.

Von Kempelen, like the Wizard of Oz, and stage magicians through the ages, understood all about customer experience! He started by figuring out the interaction that would impress the client, then worked out a mechanism to deliver it.

Not quite as exciting, but when I started my career in software engineering we took much the same approach to developing user interfaces. We would develop the user interaction (customer experience) first, animating it using a "fake" mechanism, until people were happy with the interaction style. Only then would we figure out the programming needed to deliver the full functionality of the system on a consistent basis.

Once you understand the experience your customer will value, you then reverse engineer the processes to produce it. In this way, you link strategy to execution. Before Disney introduced their retail stores, they build a prototype on an empty studio lot on the advice of Steve Jobs. They tinkered with it until the experience was just right. Only then did they roll the design out.

6. Monitor it, and treat it as a work-in-progress

Once you have a mechanism that generates the intended experience on a consistent basis, establish a feedback loop with customers. Use their responses to improve and evolve the quality of the experience. Surveys and focus groups are useful, but they can introduce noise, as well. Like Lord Seiff, mystery shop your operation yourself. Follow customers around and observe them. That

will give you a much better sense of the experience, as well as helping you assess the results of more formal research.

At the same time, you can use process improvement methods to look for increasingly efficient, reliable and/or robust ways to organise the back-end processes.

In this way, the experience your customer has provides a link between your strategy and your execution that drives innovation and simultaneously allows people to understand clearly how their personal contributions add to the whole enterprise.

Final thoughts

Ultimately, all value has to be experienced directly by someone through their senses. If you are to deliver value, you have to deliver experiences. As mind-bending as it can be, it is therefore highly rewarding to think about your business from the outside; as if the business was a theatre and you were living through the experience it creates. Then ask yourself – would my target customer pay for this?

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If you would like to read more:

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Jens R. Höhnel, CEO / President Europe, International Automotive Components Group (IAC)

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