Unlocking the Hidden Customer Experience: Short Stories of Remarkable Practices That Ensure Success

By Colin Shaw
Dedication

This book is dedicated to my team, who work tirelessly to keep our clients happy, and our training and consultations meaningful. I would also like to dedicate this book to our clients, who remind us every day why we do what we do. Also, this book is dedicated to my followers and readers who are engaging, entertaining, and thought-provoking, providing me with an audience with which to exchange thoughts and ideas, and providing insight I might not have considered otherwise.

Finally, I dedicate this book to my family; my wonderful wife Lorraine and my kids, Coralie, Ben, and Abbie. Without their love and support, I would not be the person I am today.
About Beyond Philosophy

Beyond Philosophy™ is the world’s first operationally focused Customer Experience (CX) company in the world. Founded by Colin Shaw in 2002, we provide consultancy, training, and specialized research. Beyond Philosophy helps guide organizations, either through consultancy work or by training CX teams on our unique tools and methodologies that enable companies to:

- Assess an organization’s Customer Experience
- Understand what drives and destroys value
- Define strategy
- Put in place a road map
- Design an emotionally engaging Experience

We view Customer Experience in four parts: the rational, the emotional, the subconscious, and the psychological.

We are very proud of how we work with our clients:

1. **We are practical thought leaders:** We take a scientific approach: We don’t just look at the rational experience, but also what drives human behavior--emotions, subconscious, behavioral economics, and psychology--and then mix this with a practical implementation. Thought leadership with real-world results. Hence our name “Beyond Philosophy.”

2. **Our experience is extensive:** We are the first operational CX consultancy and training company in the world. Since 2002, we have had the pleasure of serving many of the top organizations across the globe.

3. **We act as your guide and partner:** We’ll help you develop strategy, guide initiatives, and even train your CX team on our tools and methodologies. We do not wish to embed or “camp out” in your organization.
4. **We focus on what will drive value for you:** We do not believe in “exceeding Customer expectations” at every point of contact. We do believe in identifying and focusing on those aspects of your Experience that will drive the most value for you. To help achieve this, we have the world’s largest database of what drives Customer emotions.

5. **We reduce risk and increase performance:** We have a variety of proven tools and techniques to apply to your unique situation. We build a program around what will get you the best results. Through our vast experience, we know what works and what doesn’t.
Beyond Philosophy and its leadership have written and published four internationally bestselling books:


The books are available through the company’s website or through most major booksellers.

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Praise for Beyond Philosophy

“Colin is a true expert in the field of Customer Experience Management. His client-side experience combined with his thought leadership in the area of measurement of emotions lend him and his firm very unique capabilities. He is also one of the best public speakers I know!”

Stephan Sigaud, President, Harris Interactive Loyalty, Harris Interactive

“Inspirational, challenging, out of the box thinking, Colin’s company provides new insights into understanding and working effectively with Customers.”

Chris Jephson, Director, A P Moller Maersk

“Colin is an excellent speaker and a great author, always providing real life examples. Working with his colleagues at Beyond Philosophy, they have been able to establish a framework with good analytical foundations into providing superb insight to the emotions of Customers. As Customer Experience becomes more important to the future of business profitability through greater Customer loyalty, if you ignore to use the knowledge that he wishes to pass on to you then you are in the wrong job!”

Paul Hopkins, Group Director of Customer Experience, Thomas Cook

“Colin and his team at Beyond Philosophy are true thought leaders and innovators in the Customer Experience space. True to their name, his organization pushes thinking beyond the academic into practical. His experience allows him to foresee barriers and propose realistic solutions to drive organization transformation. He is equally comfortable and effective in understanding and influencing the C-suite and as he is with front-line employees. If you want to understand how to improve the experience your organization is delivering to your Customers, you’ll want to talk with Colin.”

John Lanphear, Experienced Customer Strategy Leader, Merck

“Colin and the team at Beyond Philosophy are truly thought leaders in the field of Customer Experience. Their approach to solving one of the most significant
challenges in business is transformational and relevant across multiple industry sectors. The team is knowledgeable, professional and insightful before during and after our engagement. I attribute a lot of my views on the next generation of Customer Experience analysis and excellence to Beyond Philosophy.”

**Loren Barton, Global Innovation, Barclaycard**
About Colin Shaw

Colin Shaw is without question a world leader in Customer Experience. Since 2002, Colin has helped shape the whole industry with his four bestselling books and thought-leading work. This has led LinkedIn, the leading business social media website, to pronounce Colin as one of the top 150 business influencers worldwide. At time of writing, Colin has 141,000 followers on LinkedIn.

In 2002 Colin founded Beyond Philosophy, a global Customer Experience consultancy, and remains their CEO. He travels over the globe from their headquarters in Tampa, Florida. Beyond Philosophy specializes in helping organizations create deliberate, emotionally engaging Customer Experiences that drive value, reduce costs, and build competitive advantage.

Before launching Beyond Philosophy, Colin held a number of senior executive positions at Xerox, Mars, and British Telecom (BT). He was ultimately appointed Senior Vice President of Customer Experience at BT, where he led a team of 3,500 employees worldwide.

Under Colin’s leadership, Beyond Philosophy has undertaken many Customer Experience initiatives with some of the world’s biggest companies, including American Express, FedEx, Maersk Line, Aflac, Aviva, T-Mobile, and IBM. In the case of Maersk Line, Beyond Philosophy helped them increase their Net Promoter score by 40 points in 30 months. This led to a 10% increase in shipping volume. Colin has also advised governments, has been a visitor to the Cabinet Office in No. 10 Downing Street on a number of occasions, and has also spoken to the U.S. Republican party Chiefs of Staff on improving their constituents’ experiences.

A sought-after keynote speaker, Colin’s interactive presentation style uses thought-provoking questions, humor, and real-life anecdotes to engage, entertain, and inform his audience. Colin is a member of the National Speakers Association, and has presented countless keynote speeches. He has been featured as an expert on CNN, BBC TV, Sky News, and BBC Radio. Colin has been quoted in many publications such as *The Times*, *Marketing*, *Marketing*
Week, and Customer Management to name a few.

Colin now indulges in his real passions: creating and managing organizational change, strategic thinking, developing original concepts, inventing innovative but realistic solutions, and critically working out how these can be practically implemented.

Colin is a devoted family man and lives in Sarasota, Florida. He is a keen boater, angler, and supporter of the Tampa Bay Buccaneers and Luton Town Football Club. Colin collects 1966 World Cup Soccer memorabilia.
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Introduction

The Big Gap: Putting Theory Into Action

There is no shortage of philosophers. Likewise, there is no shortage of their philosophies. I hear new ones all the time, and I’m sure you do as well.

The thing about philosophy is that it doesn’t always have much real-world application behind it. Anyone can claim a philosophy, but can they make it work out in the real world?

I used to spend all my time in the real world. My last role in corporate life was leading 3,500 people worldwide delivering service to our Customers. I know how difficult it is to move from strategy into action. Consultants would come in and see me every day and explain to me wonderful theories, but when I asked them how I would implement them, they didn’t have an answer.

When I left corporate life, I was determined that I would be different. So much so that I founded my company, Beyond Philosophy, a global Customer Experience consultancy and training firm. I believe it is essential to have a strategy or philosophy, but you’ve got to go beyond that and do something. You must go beyond the philosophy and take it further into real-life practice. That’s where the real work begins. I dedicated my career to helping organizations take their current Customer Experience to the next level. This book also follows the same lines; theory first, and then how to do it in the real world.

Designed for you to pick up and read a story in 15 minutes or less, I think of this book as “bite-sized” chunks of Customer Experience theory and action. My goal is to become a regular source of inspiration for you.

What do we mean by Customer Experience?

A Customer Experience is an interaction between an organization and a Customer as perceived through a Customer’s conscious and subconscious mind. It is a blend of an organization’s rational performance, the senses stimulated, and emotions evoked and
intuitively measured against the Customer’s expectations across all moments of contact.

Some important points about Customer Experience include the following:

1. It’s not just about the rational parts of the experience, like how many times the phone rings before answering it, or your hours of operation.

2. More than half of any Customer Experience is about how a Customer feels, both consciously and subconsciously before, during, and after the experience.

3. Experiences are not just about the “what” of the experience, but also the “how.”

4. Customer Experience is about how a Customer consciously and subconsciously sees his or her Experience.

When an organization focuses on improving the Customer Experience, it drives the value for the organization, reduces the costs associated with Customer service, and builds a competitive advantage in today’s global and commoditized marketplace. We know this to be true because we have put it into practice for many of our clients. We know this because we took it “beyond the philosophy” and put it into practice in the real world.

Much of what you’ll read here are my philosophies about Customer Experience, formed from my practical work in corporate life and the many successful implementations for our clients since then. You will read about what drives value for business.

One of our clients, Maersk Line, the largest container shipping company in the world, followed the principles we are outlining in this book. Maersk improved their Net Promoter score from -10 to +30 in 30 months. This Net Promoter score improvement increased their shipping volume by 10%. As you can see, this is not just theory; this is how to practically improve your Customer Experience and affect the bottom line.
Even if you are in the business-to-business arena, Customer emotions play a unique part of any Customer Experience. Too many organizations don’t realize this, so they focus on the mechanics and processes of an Experience, but leave the emotional bits undefined and unplanned. In this way, most organizations leave the emotions of an Experience up to chance, which is a dangerous way to operate a business desiring longevity and profitability. Part 1 of this book addresses these emotional connections to Experience and how to design for them.

The emotions that are part of the Customer Experience are both conscious and subconscious. What I mean is that sometimes the Customer knows exactly why they feel the way they do, and other times they don’t. Because of this, it can be difficult to get to the real cause of an issue in your Customer Experience. When you are working to improve your Experience, however, it is essential that you do look at the cues that your current Experience are sending. Part 2 builds on Part 1, bringing in the subconscious part of the Experience, as both combine to help create the emotions you desire for your Customers.

Since the Experience you design is likely not carried out by you, but instead by your employees, Part 3 speaks to the importance of getting employees on board. Making sure your employees believe in your brand promise, are trained properly on how to deliver it, and are invested enough in its success to do what it takes to achieve it, is critical to having a Customer Experience that surprises and delights Customers.

All of this is a great philosophy, but as I mentioned before, what good is philosophy if it is not applied in the real world? Part 4 shows good examples of these philosophies in action...as well as those that could use a little work. Using a blend of recent headlines, anecdotal narrative research, and personal experience, I have highlighted what works and what doesn’t to help round out the book.

I want to thank you for choosing my eBook out of the many options you have from today’s Customer Experience philosophers. I believe that in doing so, you have picked a book that will not only help you see what we are trying to achieve, but also what is possible when your priority is putting the Customer
first in everything you do. And as illustrated in the bad examples of a Customer Experience, what happens when you don’t.

*Colin Shaw*

*Founder and CEO, Beyond Philosophy*
Part 1: The Emotional Experience

When it comes to business, most companies aren’t thinking about the emotional side of their Customer Experience. They don’t consider how the Customer feels, or what emotions they evoke. Instead they are focused on the rational parts of the Experience. Are their delivery times reasonable? Are their calls answered by the third ring? Do their widgets perform to the standards of the widget industry?

The rational side of the transaction is important, just not the only thing that is important. Not only must organizations have a quality product at a fair price that is delivered when it should be, but they must also make sure all of this happens in a way that appeals to the Customer’s emotions.

Emotions are a critical component of a Customer’s Experience. Emotions don’t really fit onto a spreadsheet, but they can absolutely wreak havoc on Customer loyalty and retention if your Experience generates the wrong ones.

With this in mind, let’s explore the emotional engagement an organization’s Experience creates with its Customers, and how that affects the Customer Experience.
The Power of Emotions in Customer Loyalty

What happens when a company you trust has a security breach that compromises your account information, leaving you open for credit card fraud? How quickly does the trust fade? We benefitted from watching two real-time case studies for this idea in the wake of the Target and Snapchat breaches in late 2013.

These were two rather significant breaches of security over the holidays, from two well-known brand names. They were hardly the first of these types of breaches, and sadly they are not likely to be the last.

First, there was the security breach suffered by Target, where transactions that took place between November 27, 2013 and December 15, 2013 were accessed, and the card numbers and Personal Identification Numbers (PINs) of over 110 million cardholders were compromised. The second was when Snapchat, a social media site growing in popularity, had 4.6 million user names and associated phone numbers hacked, which were then posted on a website called SnapchatDB for anyone to see on New Year’s Eve.

Happy New Year, indeed!
Customer loyalty is what a great Customer Experience helps create. It is the standard by which all Customer Experience champions are measured, and it is the reason that, frankly, any organization really gives a damn about their Customer Experience.

Customers give you their loyalty when they have a consistently good Customer Experience that meets or exceeds their expectations, and appeals to their subconscious and emotional needs as well. They reward companies that handle these expectations and needs well with their return business. For as long as those expectations and needs are met or exceeded, the organization can virtually count on these particular Customers’ loyalty.

Target took a beating in the court of public opinion immediately following the announcement of the breach. BrandIndex, which uses the responses of an online panel of 2.5 million respondents who weigh in on corporate reputations, said that initial findings showed Target’s brand suffered a 35-point decline in just one week.

Now, the drop in points could be associated with the crime, or it could be something else. One of the biggest complaints by consumers was they felt that Target’s response was lackluster; the same complaint uttered by Snapchat victims, who only got an apology a full week later when Snapchat finally fixed the problem in the system. It will be interesting to see what the long-term ramifications (if any) from these breaches will be to both of these brands’ Customer loyalty. Lackluster, however, is hardly the word I would want associated with my brand’s response to such a snafu if I was either of these two companies.

Abraham Maslow, the American psychologist born in Brooklyn in 1908, is famous for creating what we now call Maslow’s “hierarchy of needs.” The familiar pyramid teaches us just about everything we need to know about brand loyalty.
You can clearly see that security and safety help form the foundation of a person’s needs. Maslow shows us that safety and freedom from fear are two of the most important needs a human being has, right after breathing and fresh water. When these needs are not met, then none of the higher levels can be addressed. In other words, Maslow says that if a person does not feel safe or free from fear, they cannot move forward.

At Beyond Philosophy we have a pyramid that we use a lot, too.
Unlike Maslow’s pyramid, however, the Beyond Philosophy pyramid shows the Hierarchy of Emotional Value to a Customer’s Experience. This pyramid shows the 20 emotions we discovered in our research that drive or destroy value in a Customer Experience. This pyramid shows us how emotions can generate dollars. For a more detailed explanation of these emotions and your Emotional Signature, please read our whitepaper called, “Emotional Signature® (ES) the role of emotions in Customer Experience.”

Let me explain what you see here:

**Destroying cluster:** These are the emotions that, if evoked, will destroy value. In other words, you will lose the loyalty of your Customer, they will leave you, and you will lose money.

**Attention cluster:** These are the emotions that marketers target with their work. They try to make the Customer feel interested; they try to stimulate Customers to explore what is being offered. But this doesn’t mean the Customer will stay with you. These emotions drive short-term spending, but not long-term spending.
**Recommendation cluster and Advocacy cluster:** If you want your Customers to stay, you need to evoke these emotions that drive long-term value and are measured through Customer loyalty, Net Promoter, etc.

To discover your level of emotional engagement, you need to ask your Customers what they feel about you.

Below you can see a chart demonstrating the emotional profile taken from a case study of Memorial Hermann Hospital System in Houston, Texas. As you see, following our work with them they were doing very well on the positive and negative emotions compared against the hospital sector.

![Chart demonstrating emotional profile](chart.png)

I am pleased to say, the whole idea of appealing to Customers’ emotions continues to gain acceptance. We really began to notice more companies were adopting strategies that addressed emotional experiences after Forrester, in their [Forrester’s 2013 Customer Experience Predictions](#) stated:

> “Emotional insights will take center stage. The idea that happy customers are more likely to remain loyal, try new products and
services, and spread good news about their experiences has started to catch on. Over the past several months, we’ve seen a rise in the number of companies pondering the connection between enjoyment and metrics like satisfaction and Net Promoter Score (NPS). In fact, one global company statistically demonstrated that several emotional factors trump NPS in predicting customer loyalty, effectively dethroning ‘would you recommend?’ as the ultimate question. As firms start to emphasize customer emotion in 2013, we expect to see more vendors developing offerings like Beyond Philosophy’s Emotional Signature, which examines the rational, subconscious, and emotional elements of an experience.”

We are very pleased they saw fit to mention our Emotional Signature® research methodology that quantifies the value of evoking emotions.

This is all great, but the issue becomes what do you do about it? What do you have to change that will drive value?

To answer this, we need to introduce the whole area of the subconscious experience. We don’t have enough time to go into this here, but suffice it to say, there is a big difference between what Customers say and what they do.

For example, Disney knows when they ask Customers what they would like to eat at a theme park, typically people will say they would like to have the option of a salad. Disney also knows that people don’t eat salads at theme parks! They eat hot dogs and hamburgers. Another example is that many people say they are worried about the environment and want products that are eco-friendly. However, when they are offered eco-friendly products that are slightly more expensive than the normal products, they don’t buy them.

This model shows that what Customers desire (i.e., what they say they want) can be very different from what drives “value.” You can place the different attributes or touch points of your Customer Experience over these four boxes.
- **Conscious**: Customers say they desire it, and it does drive value
- **Subconscious**: Customers don’t say they desire it, but it does drive value
- **Deception**: Customers say they desire it, but it doesn’t drive value
- **Invisible**: Customers don’t say they desire it, and it doesn’t drive value

It’s when you distribute the attributes or touch points of your Customer Experience across these four boxes that you really see where to focus your efforts.

**Target, Snapchat, and the Pyramid**

Using our Hierarchy of Emotional Value pyramid, we can predict how the breach will affect future business for both companies. As you can see, at the top of the pyramid are the emotions that drive value which include happy and pleased, which are emotions I am willing to bet very few Target or Snapchat Customers felt about those organizations after it happened. At the bottom are the emotions that destroy value for an organization and include the following:
irritated, neglected, unhappy, unsatisfied, stressed, disappointed, and frustrated. Now there’s a list that I can bet are familiar to Customers who suffered the recent information breaches. Since these are the “Destroying cluster” emotions, dollars do not seem as likely for either company.

Both organizations were the victims of a crime, and it is not my wish to beat them up too much. Victims or not, however, the crimes interfere with their Customers’ feelings of safety, which causes stress and frustration.

If you look at either Maslow’s pyramid, or our Hierarchy of Emotional Value pyramid, that doesn’t bode well for Customer brand loyalty.
I often write about how different ads are coming out that target our emotions and how this is an important part of the Customer Experience. For this reason, an article in The Economist caught my eye that examines why advertisements do this. Simply put, what I learned was that when it comes to advertising, the goal is to make you think fast; i.e. make an intuitive judgment and be a little lazy in your decision-making.

Consider this 2007 ad by Cadbury, a UK confectionary company, which was the subject of the article in The Economist:

Cadbury Gorilla Drummer Drums to Phil Collins (Click to View)

If you haven’t seen this ad, it is a gorilla playing the famous drum break out from Phil Collins’ hit “In the Air Tonight.”

Cadbury created this ad to appeal to the emotions of their audience. It was surprising, funny even. It used good British rock. It really had all the elements to be memorable and brand savvy. Market research said it was simply “Meh”
when it was tested. In spite of this, Cadbury still released the ad. Good thing they did, because it went on to be one of the most successful ads that year with a return on investment for the campaign that was three times the average of other products in their category.

This ad is a great example of making you think fast and be lazy in your decision-making. It’s based on a theory from 2002 Nobel Prize winning psychologist Daniel Kahneman’s book, *Thinking Fast and Slow*, which tells us that our brains are made up of two systems. System One makes decisions using intuition, somewhat automatically. System Two uses rational judgment to think its way to a decision, but requires more effort on the brain’s part. Because of this, System Two is invoked far less frequently, giving it a reputation for being lazy.

Advertisers are appealing to System One. They don’t want you to think hard about the product. They want a quick association that intuitively drives your buying decisions. They target your emotions because they are part of System One, the automatic, intuitive system that makes the majority of your decisions. System Two can’t be bothered, apparently…or at least not as it pertains to which chocolate bar you are going to buy.

Cadbury isn’t the only company that uses advertising that appeals to System One by targeting your emotions. I would argue that most of the advertising you see today does it, and they do it because it works.

Getting your Customers to think fast and lazy is a great strategy for designing your Customer Experience as well. By that I don’t mean tricking them. Deceit is never a great strategy for Customer Experience.

In my book, *The DNA of Customer Experience: How Emotions Drive Value*, I revealed that all organizations have what we call an *Emotional Signature*; the level of emotional engagement that an organization has with its Customers. We developed this concept by measuring emotions through a specialized survey we developed from our database of over one million data points on Customer emotions.

Every organization has an Emotional Signature. Whether you are designing an
Experience to create a deliberate Signature or not, you have one. Many organizations don’t even know what that Signature is until they research it, but it’s there nonetheless.

Every organization has interactions with their Customers through their various channels that can create an Emotional Signature. To gain Customer loyalty, you need to create a Signature that is associated with good emotions like happy and pleased in your interaction with your Customer. With these two emotions as your Signature, your Customers will intuitively choose your Experience over another, without disturbing System Two in their brain (which would have them choose the most rational option for the goods and services you offer).

What is important is that this Emotional Signature is stored in the long-term memory of your Customers. Access to this part of your Customers’ brains is important to keeping their decisions in the realm of intuitive System One. Neuro-Insight, a research organization that monitored the brain activity of viewers while they watched the Cadbury ad, revealed that the ad was successful in accessing long-term memory at three different times. In the case of the Cadbury ad, the gorilla, the drums, and the brand image of Cadbury all peaked the long-term memory centers of the viewers.

So advertisers want to appeal to our emotions so we associate positive ones with their products and intuitively reach for them when we are shopping. It seems logical that most of us would want the same for our organization. By creating an Emotional Signature with our Experience that creates links your Customer’s long-term memory, you can create the same intuitive relationship that appeals to their System One for their buying decisions.

So what can you do in your Customer Experience to engage System One and leave System Two alone? How can your Emotional Signature keep their thinking fast and lazy? These sound like good questions for System Two.

But don’t bother it right now, it’s resting.
In our last chapter we examined why advertisers target our emotions with their advertising. Let’s take a quick look at another company that does this well: Procter & Gamble’s Olympics ads.

Brands that build an emotional connection with their Customers will continue to thrive in our global and commoditized economy. Where better to build this emotional connection than on the broadcast of the Olympics? Procter & Gamble (P&G) understands the importance of building an emotional brand connection with their Customers.

They also know their target audience well, and what makes them feel. In 2012, they had an ad called “Best Job” that depicted the role a mom plays in the forging of a future champion. The tearjerker ad won the Emmy for Best Primetime Commercial, as well as two Gold Lions and three Silver Lions at Cannes.

Not be outdone, they produced a sequel for the 2014 Sochi Olympics, this one called “Pick Them Back Up.” In case you haven’t seen it yet, here it is:

P&G Thank You, Mom | Pick Them Back Up (Click to view)
This ad does a great job of depicting the role Mom’s play in helping future Olympic champions overcome the challenges associated with becoming one of the world’s best in their sports. From picking toddlers up from a crash on their ski’s to kissing boo boos from the ice rink, Mom’s help future champions achieve greatness.

My wife likes to watch things that make her cry. I think she is absolutely mad. Who wants to watch something that makes you sad? Apparently, my wife and most of the other women I know.

“But…I’m not sad!” she says. “I am happy,” she tells me by way of explanation.

Now of course I know she’s mad because who cries when they are happy? Again…my wife, and apparently most of the other women I know. So it came as no surprise to me when she cried while watching the new follow-up ad that thanks moms for, “Teaching us that falling down only makes us stronger.”

Emotional engagement is a critical part of branding successfully to build Customer loyalty. Forbes magazine wrote in 2013, “If you don’t stand for something, you’ll never be able to differentiate yourself on an emotional basis.” In the results of their 17th Customer Loyalty Engagement Index, they revealed that most desire for a brand was driven by emotional engagement, and if you could locate where that emotional engagement is in your category, you will be able to create it with your Customers.

P&G, which is the parent company of Tide, Pampers, and Duracell among others, is targeting women, and more specifically, moms. They are tapping into what creates emotional engagement for these women. Specifically, it points out how much work it is to be a mom and how long it takes. It thanks moms for always being there with a sympathetic ear and a warm bowl of water and Epsom salts to soothe cold, sore feet.

The reason my wife and nearly every other woman I know cry when they see this ad is they all have “been there, done that,” and most importantly, felt like that. Also, as I mentioned before, my wife loves things that make her cry.
Emotions play a really big role in brand loyalty. We associate brands with an emotion at a subconscious level, so it is essential to design a Customer Experience that addresses it. In our white paper, “Implicit Association Test: Measuring the effect of the subconscious on a Mobile Phone Brand’s Value,” we talk about ten emotions that make up the subconscious experience. We show that there are some emotions our consumers are aware of (conscious) and some that they aren’t (subconscious), but that both sets of emotions drive their choices. We believe by taking this into account when you are branding your organization, you can positively influence the emotions consumers feel about your brand on both levels.

P&G is brilliant with these ads. They know whom to target and how to emotionally engage them (read: make them cry while watching the Olympics). As a result of their emotionally engaging strategy, millions of moms will choose their brands on the supermarket shelf over and over again. They have earned their Customers’ loyalty by bringing them to tears.
We have discussed how ads target our emotions, create engagement with our Customers, and result in an Emotional Signature. What we haven’t discussed yet is that they also build your brand. Guinness understands the importance of using emotion to build their brand.

I like to drink a pint with my mates, or a beer with the guys, whichever side of the pond I am on at the moment. Generally, I find the experience is relatable to most men I know. We drink beer, talk about work, sometimes sports, you know…guy things. Much of our time we spend just bantering, or making fun of each other.

What I choose for my pint or beer depends a lot on where I am. For example, I love Guinness dark ale--especially when I drink it in Ireland. Beer purveyors probably hate to hear that, cringing as they read the line. They spend millions in advertising every year to try to change that about me!

Beer commercials in general are comedic and appeal to our more immature nature. Typically these are targeting a younger audience, or the younger man that hides inside our not-as-young-as-we-used-to-be bodies. This is the kind of
branding we are accustomed to when it comes to beer.

An ad by Guinness, however, really stands out from the crowd of its beer commercial compatriots. I suggest you watch it:

**Guinness Basketball Commercial (Click to view)**

It starts with a spirited basketball game where all the competitors are in wheelchairs, leading you to believe it’s a league, or something along those lines, for players who no longer have the use of their legs. When the game is over, however, the players all stand up from their chairs and walk out, except one, the friend who needs the chair. Then you realize his friends are playing in chairs so he can still compete, despite whatever led to his confinement there. It’s a surprise, and an emotional one that tugs at your heartstrings for how great humans can be to one another.

This Guinness ad is not your typical beer ad. Oh, the ad is still manly. It still has sports. It still has a certain amount of trash talk. What it has most of all, however, is an appeal to our emotions, and to a deep-seated desire that most people have to be a better person. Most of all, it appeals to everyone in their target. Whether you are young or old, manly or not, this advertisement appeals to the part of you that values your friends, your choices, and your character.

I like this type of branding because it focuses on addressing the emotion of a purchase or choice. And by that, I mean the subconscious emotions that play into the purchase or choice.

Emotions play a big role at all points of the Customer Experience. For now, let’s focus specifically on the emotions that drive you to choose one product over another. These emotions are critical, because without them your Customer wouldn’t have chosen to participate in your Customer Experience at all. Emotions play an even bigger role in decision-making. Each time we think about a brand, we associate it with an emotion at a subconscious level. This emotional response is essential to designing a Customer Experience that addresses it, meaning creating an emotional association with your brand.

From our extensive research on the topic of emotions and Customer
Experience, we know that there are some emotions our consumers are aware of, and some that they aren’t, but both sets drive their choices. We believe that by taking this into account when you are designing your Experience, you can positively influence the emotions of your consumers on both levels of awareness.

Guinness’ brand is “Made of more,” and the ad shows this in action. Guinness asserts that beer drinking is not all about chasing girls and clever catch phrases. They demonstrate to the consumer how their beer is part of their lives. They illustrate for the consumer how people who do something extraordinary with their weekly basketball scrimmage, also do something as ordinary as drinking beer together afterward. The beer these extraordinary people choose is a beer with something more. So naturally after you view this ad, if you want to be extraordinarily kind, good, and full of character, you choose Guinness, too. As we learned in the earlier in the book, these are the attention-getting emotions at work, the ones marketers are appealing to in their efforts.

For most people, being “more” is what they want to be. Because when it comes down to it, who doesn’t want to be like the group of able-bodied guys that drinks Guinness after their basketball scrimmage in wheel chairs? Subconsciously, people will choose the beer so they, too, can be “Made of more.” To me, this is brilliant marketing and well played by Guinness.

When you brand, you have an opportunity to form emotional responses from your Customers, building a loyalty that retains them. These emotional responses are what make them subconsciously decide to buy your brand. Since the subconscious has so much to do with your decision making process, at least 50% by our estimates, making an ad with such a universally positive response will help you build a brand with a loyal following.

To me, this is where your Customer Experience starts. Sure, it may be a while before many of the people viewing the ad are going to have a beer with their friends. But this emotional connection will drive them to pick Guinness when they do. Every interaction with the company, from the time they see the ad, to the time they when they tell the bartender what beer they want or pick up the carton at the store so they can have a beer with friends, is part of the
Experience too. By branding well, you start your Customer Experience off right.

Companies that consider the emotions of an Experience as early in the process as Guinness did with this ad, will likely be well on their way to designing a great Customer Experience for their consumers. They will have designed an Experience “Made of more,” which, as we know, is what we all aspire to do.
Harnessing the Power of Your Mobile Channel to Increase Traffic in Stores

The mobile Experience, meaning the Experience your Customers have with you on their smartphones and tablets, is rising in popularity as more shoppers embrace the idea of shopping on the go. Once viewed as a competitor to retail, the mobile channel can have a direct positive impact on your retail Experience, and not just with reverse showrooming.

Customers are mad for mobile technology. I wrote on my blog some time ago about The Rise of Mobile Customers and How to Reach Them, and in that post there is an infographic that boldly states there are more mobile devices on earth than people. That’s a lot of mobile devices, and connected to each of them is a potential mobile Customer.

There are ways to use mobile technology to enhance their retail Customer Experience. When I say enhance, my regular readers know I mean you are appealing to both their rational side (the physical experience) and their irrational side (the emotion and subconscious part of the experience). All of these parts make up the Customer Experience. So you need to enhance all of these parts, or you haven’t really improved your Experience the way you thought you would.
Local SEO is Key

In an interesting article on connectivity from Econsultancy.com, discusses ways to reach mobile Customers: Local SEO. Local SEO uses your proximity to direct nearby mobile users who are looking for your service with a local query. \[iv\]

Local SEO is rising in popularity and gaining more all the time. Over 40% of the queries tapped into the screens of smartphone users were local queries like “coffee shops within walking distance” or “kid’s shoe store in midtown.” Google’s numbers were slightly higher, saying that one in every three queries is one of these local queries.

Having a clear and easy-to-understand local SEO page is going to be important to capturing these Customers. However, it is also important to make sure you provide all the relevant information about your business, so that when the Customers arrive they are not disappointed. As we all know, disappointed is never an emotion that is going to drive value for your organization--unless that’s the word that describes your competition’s Customer Experience.

For instance, if you are a pizza place that happens to have one sandwich, a meatball sub, on the menu, you should not list yourself as a sandwich shop. Nor should you try to appear to be an Italian bistro. Pizza shop should be prominent, to set appropriate expectations for your Customer so that when they arrive you will be taking their order instead of watching them look back down at their phone scrolling to the next option.

The implications of this type of mobile technology are bigger than just queries coming in, however. Apparently queries can also be a two-way street. According to Bloomberg Businessweek, you can also send queries out to Customers that are nearby. iBeacons is an application that allows you to contact Customers who come to a zone that surrounds your retail outlet. Another application lets you send out messages using free WiFi and Bluetooth technology. This allows you to send out promos to people passing by who may not have otherwise noticed you. \[v\]
Big Retailers Like This Concept

Walmart, the largest retailer in the US, routinely uses this technology to interact with Customers. One of the things they did was let shoppers preview their Black Friday deals on the mobile site, which I think is a good use of the technology. Another goal of this mobile application is designed to help shoppers find the stores and shop there. Of course, that’s a good thing if the mobile application is helping, because Walmart’s in-store Experience is about as bad as they come.

You don’t want to try to recreate your entire online Experience in a mobile format, however. It is important that when you are creating your mobile Experience that you embrace these types of activities, like local SEO and iBeacons applications, and not simply try to make a scaled-down version of your desktop Experience. I for one am not looking for the same features on my mobile as I am on my desktop. Most of all, I hate when I am on a mobile site and get a bandwidth-hogging video that stops and starts on the spotty network coverage I have or the overcrowded free WiFi I am on, making me far too aware of the color pattern of the spinning wheel of death. When this happens I get frustrated and click away. For any organization, a mobile Customer’s click-away is the kiss of death because the resulting frustration they feel is associated with your brand, whether you are an independent coffee shop or the biggest retailer in the world.

So keep in mind the details when you design your mobile Experience so you don’t end up driving away potential business with a less-than-apt Experience. Mobile shoppers and the Experience they want are likely to keep evolving, just like the technology they use to access it. Clever use of this channel can enhance your retail Experience if you design it properly.

You simply have to keep in mind the wants and needs of those Customers in your design and how you use it, so you can create a channel that enhances what they love about you in the first place: your Customer Experience.
All of us want to create memorable Experiences for our Customers to foster an environment of Customer loyalty and retention. What do you do, however, if you have unwittingly created impediments that prevent your Customers from remembering key events in the Experience?

One of the biggest stumbling blocks for human memory isn’t what you think it is. It has been proven in a behavioral science study that one of the biggest threats to a Customer’s memory of an Experience can be something as simple as passing through an open doorway.

I am referring to a study published in 2011 in *The Quarterly Journal of Experimental Psychology* by Gabriel Radvansky, professor of psychology at Notre Dame. He and his team found that participants did not remember things as well when they encountered an Event Boundary, which can be something as simple as passing through a doorway. This was true whether it was an actual doorway or a virtual one.\(^\text{vi}\)

The experiment tested their theories in both the virtual and physical world. The
first participants went through virtual doorways on a computer simulation. In each room there were tables with objects on them, which the participants picked up. Once an object was in their virtual hands, they could no longer see it. They would then put it down in the next room and pick up a new object. After a few rooms, they would be quizzed on whether the object pictured was one they were carrying right then, or if it was one they had just put down. The participants did not always remember.

In the physical study, the participants walked through a series of rooms and picked up objects off of actual tables and put them in boxes (so they couldn’t see what they were carrying). They were also quizzed. They didn’t do any better than the participants had in virtual rooms.

Each “doorway” represented a memory episode. Passing through an Event Boundary signified the formation of a new memory, which made it more difficult to remember what they had just seen or done in the previous room.

However when participants were asked about activities in the same room, they exhibited much better recall. Researchers thought this might be because by being in the same room, they were able to keep the context of where the memory was formed, and so were better able to remember.

How Do Event Boundaries Affect Your Experience?

Radvansky’s findings have implications on the retail and virtual Experience alike. It explains how much a Customer is going to remember about your Experience if they have to go through many doorways during it, actual or virtual.

I already explained how the memory of experience is more important than the actual experience, so we know that remembering an experience is key. Therefore, understanding how people remember things becomes key.

Event Boundaries vary depending on the channel you are using. For a retail Experience, it could be a doorway into another room. For a website it could be a new screen. Another example could be transferring a call to a new person in the Customer care center. So whichever channel you consider, limiting Event
Boundaries ensures you are helping Customers form the desired memory of your Customer Experience.

**Or in Other Words…KISS**

KISS. It’s a Prince song, a bit of chocolate, and words to live by as it pertains to Customer Experience. For those of you not familiar with this acronym it stands for: **Keep It Simple Stupid.** Sure it’s cheeky, but it’s also catchy and easy to remember. As we know, memory is key.

Memory is a tricky thing. It is critical for your Customer Experience, but creating one isn’t entirely in your control. In some ways, it isn’t even entirely in the control of the person creating the memory, as there are so many different factors that influence their creation.

Our memory is colored by feelings and subconscious reactions that blend with the facts and change the event in the mind. This is true whether you are remembering your wedding day, the day you crashed your dad’s car into a tree, or even the last time you went to the store.

This means it is important that you help your Customers form good memories of your Experience. Whether that’s with knowledgeable sales people, free childcare for busy parents, or complimentary water bottles for shoppers, you want your Customers to associate your Experience with feeling cared for and satisfied—or in a word, happy.

All of these great things will be useless, however, if your Customer doesn’t remember your Experience at all. Be sure you are making it easier for your Customers to form good memories. Consider how you set up your shop, virtual showroom, or call center procedures to best facilitate this.
The Top Ten Reasons Why Emotions Are Being Ignored in Business

Have you watched the news and seen the terrible sight of starving children in Africa? It always brings a tear to my eye.

Have you watched music videos such as “I’m Gonna Love You Through It,” a song about women getting breast cancer and how their families support them, without failing to feel tearful?

Who can fail to be inspired when they see disabled or handicapped people fight through adversity and undertake great feats of endurance in the Special Olympics and Paralympics?

The human spirit is what defines us. Emotions are what define us. People are driven by emotions.

When the alarm clock rings on a Monday morning, however, we go into work and detach our hearts. We spend our business life working on the marketing assumption that all Customers are rational and logical beings, and only buy based on Porter’s 4 P’s – Product, Price, Place & Promotion.
How utterly ridiculous! Why does this happen? Why is it that something as obvious as making a Customer feel “happy” with you, showing you “care” and “value” your Customers, is so alien to many businesses?

After working in this area for 15 years and writing four books on Customer Experience, here are my top ten reasons why emotions are effectively ignored by many businesses:

1. **Businesses have not had to worry in the past.** Businesses focused on their product and expanding their markets. With globalization, the Internet, and mass commoditization this is forcing people to think of other ways of differentiating themselves, hence the rise of the importance of Customer Experience.

2. **Emotions are perceived as being hard to define and difficult to measure.**

3. **Emotions are soft, fluffy, and difficult to quantify and relate to monetary outcome.** My book, *The DNA of Customer Experience: How Emotions Drive Value*, has gone a long way to dispel this myth and shows statistically how much money can be gained by minding emotions in your Experience.

4. **Business is about numbers. This requires an analytical approach.** In the past there have not been many tools showing the financial return that evoking an emotion in a Customer will generate.

5. **As a result of items 1-4, businesses like logical and analytical people.** These are the people that tend to get promoted and are now in senior positions in companies. These people tend to do what they are good at, the rational or logical thinking. It’s a self-fulfilling prophecy.

6. **Businesses have been traditionally run by men.** Just look at the great TV series *Mad Men*. You see how much women were downtrodden and ignored in the workplace.
7. **Women are better, in the main, at understanding their emotions than men.** Women tend to be more empathetic, but not enough are in positions of authority. We can have a great debate on whether that is nature or nurture and/or societal effects…but let’s not get into that now.

8. **Most senior people in organizations are 50-60 years old.** The median age for a CEO is 55. I am 56. We Baby Boomers were brought up on “big boys don’t cry” and “be a man.” I bear the scars of trying to convince people that emotions are key aspects of dealing with Customers. When I was in corporate life, 95% of my colleagues were left-brain focused. I have struggled daily to get emotions accepted and on to the table to discuss.

9. **Many of the people who are revered in business are the tough, “go get them,” “let’s charge over the hill and kill the competition” macho types.** The people who are experts on psychology, emotions and other “soft” subjects are sorely under-represented.

10. **People may agree that they should focus on emotions but don’t know how to do it.**

These areas are what have stopped people in the past. I am starting to see signs of people really starting to embrace emotions as an important part of the Customer Experience.

Here are two examples.

**Exhibit 1:** I was delivering a keynote speech at a telecom’s event in Miami, and Senior Vice Presidents from a telecom company told the audiences that understanding and designing Customer emotions into their Experience was a key part of their strategy.

**Exhibit 2:** One of our clients, Maersk Line, the world’s largest container shipping company, improved their Net Promoter by 40 points in 30 months by focusing on three emotions: Pleased, Cared For, and Trust.
Emotions have an enormous capacity to improve the revenues of your organization. It’s taken some time, but the revolution has started. I look forward to seeing it blossom and grow.
Part 2: The Subconscious Experience

The subconscious is one of my favorite subjects. I write about it a lot as a result. In the stories that follow we are going to examine how the subconscious helps evoke emotions in your Customers, and how it affects the Customer Experience. I will be using real world examples from the recent past.

A common theme you will see in the coming chapters is that the subconscious is a part of the Customer Experience that has an enormous amount of influence on its outcome. Many organizations are not even aware subconscious Experience exists. Instead, they choose to focus on the rational parts of the Experience.

My thoughts on the subconscious are that it is too large a part of the Customer Experience to leave it up to chance. Organizations would be wise to determine what subconscious signals they are sending to their Customers, and how they can use them to help create the Customer Experience they want instead of the one they have by accident.
The “White Lab Coat Effect” and the Subconscious Experience

How things look has an incredible influence on how we react and how we behave. Indeed, it has been proven to even make rational, normal people go to the extent of killing someone.

My mother always said, “Don’t judge a book by its cover!” I’m sure you have heard that, too, in your lifetime. The sentiment is a common one in our enlightened society, essentially telling us that the appearance of an item is not the way to judge its value. While I applaud the lesson my mother and many other mentors have tried to impart to our young minds in our formative years, I must admit that I don’t think that we are necessarily capable of doing this. We judge things by their appearance constantly, and we don’t know it.

Take real estate as an example. If you pull up to a house that has a huge, broken front window and spray paint on the sidewalk in the shape of a human body, do you go ahead and take the tour or do you move on to the next listing? I don’t know about you, but I would take the tour just so I could write about the crazy house I saw when I was out looking for a new home!
Of course, I’m joking. My point is that we can definitely make assumptions about that house based on its appearance, and chances are we will be correct.

For people, our appearance reflects how we want the world to see us, what we are comfortable in, what we think of ourselves. Some of these appearances tend to conform and present a societal archetype to those who see us.

If you wear a three-piece suit and shiny shoes, you mean business. If you have a facial tattoo and a piercing through your neck, you might also mean business but perhaps a different sort. These are extreme examples and stereotypes, but what I am trying to say is that your appearance says a lot about you and what you are trying to project, no matter how that can be interpreted by the viewer.

**The White Lab Coat Effect**

Face tattoos and three-piece suits can be interpreted in different ways (not to mention the piercing in the neck). One thing we all seem to have in common is respect for the white lab coat. Not only do we see it as an authoritative figure, but we also see it as empowering to ourselves when we wear it.

In a study by the Kellogg School of Medicine, researchers found that students did better on tests that measured accuracy and attention span when they wore the white lab coat. This lab coat, which symbolizes science and medical doctors, apparently elevated the student’s efforts to live up to it. They were much better at concentrating and more engaged in the activity.

What this says to me is that your clothing not only communicates to others how you want to appear, but also that it can change the way you think about yourself. Your clothing can directly affect your ability to perform a task. So consider that when you get dressed in the morning. My mother had another saying: “Colin, you need to dress for success.” She may have been reaching with the book and cover business, but she was spot on with that one.

Let’s go back to the white lab coat. A more disturbing effect of the lab coat was reflected in a series of social experiments where the wearer of a lab coat was seen as an authoritative figure. When you add that to the environment they were in and what they were being asked to do, it provided terrifying results.
In 1961, Yale University Psychologist Stanley Milgram conducted a series of social behavior experiments about obedience. In the study, participants agreed to administer electric shocks to fellow participants in increasing voltages to test how punishment affected learning. The “teacher” administered the shocks and the “student” received them while strapped into a chair, if they answered questions incorrectly. The shocks started at 45 volts and ran up to lethal doses of 450 volts. The final two switches were simply labeled “XXX.”

What the teachers didn’t know was that they were not actually administering the shocks. The protests they heard that started as the shocks got stronger were prerecorded. What Milgram wanted to find out is when the teacher would refuse to continue. His results were terrifying.

Over 65% of the teachers went all the way to the end of the switches. They theoretically gave shocks of lethal amounts to their fellow participants. Many of them asked questions or protested weakly before continuing, but with the mildest of urging from the professor in the white lab coat that it was “essential to continue,” they would administer the next shock.

Besides the fact that these results are frightening, it does prove that what you wear can create an air of authority. The lab coat garners respect, even when you are just an actor posing as a professor and asking people to give other people lethal electric shocks!

**How to Use the Lab Coat in Customer Experience**

Appearance does matter in how people make judgments about other people. What a Customer thinks of you because of the way you look, and what they think of the product they are buying, are an important part of the Customer’s subconscious Experience, an area most organizations haven’t even thought about.

In the cases of the Kellogg and Milgram’s studies, the white lab coat created an air of authority. So when it comes to your Customer Experience, is there a lab coat that your team can wear that will create the Experience you want your Customers to have? If so what does your lab coat look like?
The Customer Experience is absolutely influenced by appearances. How your people dress in a Customer Experience is important, but appearance means more than just the clothing they wear. The individual words they use are important. Even their body language is important. All of these contribute to the Customer Experience, both consciously and subconsciously. We call this the Subconscious Experience.

Apple knows this to be true. They train their geniuses to rub their chins when the Customer is speaking because it makes them appear to be listening and considering the problem. They also teach them to use the 3 F’s--Feel, Felt and Found--that help them acknowledge the Customer’s concern, find a common ground with them, and then suggest a solution. Furthermore, they all wear the shirts with the iconic Apple logo--or in other words, the Apple version of a white lab coat.

You can design a Customer Experience to get the maximum effect by looking at experience psychology. When we are designing the Experience it is imperative to take advantage of the tremendous power of the subconscious and psychological experience. Our Customer journey mapping process is called Moment Mapping®, and we train our clients to redesign Experiences using this methodology.

Experience psychology takes in all the aspects of a Customer Experience. These include the rational parts of the Experience that drive value. A Customer Experience that only takes the rational side of the Experience into account is incomplete. To really know what your Customer Experience includes, you must also consider and understand the subconscious parts of the Experience.

It is in the subconscious part of the Experience that your Customers are most likely judging your Customer service personnel’s appearance. Make sure you are giving them the right signals in their appearance.

We can learn a lot from Apple, Milgram, and even your dear old mum. It’s better not to judge a book by its cover, but since we know we are going to do it anyway, make that cover say what you want it to say. Do it by dressing for success in the “white lab coat of authority” that best reflects the Customer
Experience you have designed. By considering all the factors that make an Experience, you will design a far better Experience that drives Customer loyalty and profits for your company.
How You Make Decisions

What is your first thought when you think of a brand, interact with a person, or view something within a Customer Experience? However fleeting a thought, that split second reveals your perceptions, thoughts and prejudices, both rational and irrational. As I have already outlined, a significant part of our decision-making is made by our subconscious without us being consciously aware of this choice, something that is ironically ignored by most organizations.

A recent study we worked on for a blue-chip mobile phone company is an illustration of this concept. Our researchers used word association with each brand, and measured the response times for the respondents and whether the association was positive or negative.

This Implicit Association Test (IAT) is a measure of a person’s gut reaction to a brand. Like the common word-association test, the team measured the speed with which the respondent associated the word with the brand. In the study, we used both a set of positive and negative words. They were looking at a few things including:
- The extent to which consumers’ subconscious feelings impact the brand Experience.
- How much subconscious feelings drive or destroy value.
- Whether subconscious feelings express themselves differently than how they are normally structured.
- What the consumer’s emotional reaction is to brand logos.

The research yielded a very important fact about why a Customer recommends brands: **50% of the reason was based on emotional reaction.** Another way to say this is that 50% of the reason a consumer recommended a brand was a result of the subconscious emotional response. This is a critical point for a business to understand about its Customers, and one that isn’t easy to control or measure.

We discovered that when it pertains to a Customer’s subconscious Experience, there are nine emotions identified by respondents as relevant to the Customer Experience. They fell into two groups:

**The First Group**

Includes: **pleased, satisfied, unhappy, frustrated, and neglected**
- Are usually covered in Customer satisfaction surveys
- Will come as no surprise to most Customer service experts

**The Second Group**

Includes: **submissive, interested, important, and in control**
- Are usually not covered by most companies

We therefore assert that the second group presents an opportunity for a brand to differentiate itself from its competitors by making sure these needs are satisfied for their Customers.

We also discovered that risk-averse emotions were the strongest for most respondents, as these positive responses that indicated they felt safe, valued, and happy had the shortest response lag time. A shorter lag time indicates that the Customer associates the emotion with the product. We determined with the
mobile phone study that making sure the Customer feels your brand is safe and secure is as important as making sure that they feel the risk of participating is controlled. These emotions play a significant role in buying decisions.

We showed respondents logos and measured their responses. We found that certain images were more likely to evoke either a positive or negative response. For instance, when a simplified, or clean looking logo or image was shown, the positive responses rose. When a more complicated logo or image was shown, the respondents tended to lag more and become more negative.

**What Does This Mean to You and Your Customer Experience?**

Generally, if your Customer is making decisions at a subconscious level, they are responding with a certain amount of emotion. Emotions are harder to track and quantify when you are designing a Customer Experience, especially when they are part of your Customers’ subconscious.

One way to design your Experience and affect your organization’s Emotional Signature is to look at the Experience from the point of view of the Customer. As our study confirms, 50% of the decision is rational and fact-based, while the remaining is purely emotional. If you look at the Experience through the eyes of your Customer you will have a better understanding of the 50% of the Experience that is not rational.

This is why it’s important that your journey mapping tools not only look at the rational side of a Customer Experience, but also emotions, subconscious, and psychological experience. Our journey-mapping tool, called **Moment Mapping** I introduced in the last chapter considers all of these aspects.

As we have said in Part 1, we know that all organizations have what we call an Emotional Signature of the Experience that will drive decisions from their Customers. So naturally by understanding what Emotional Signature your Customer Experience elicits, you can better control the subconscious reaction to your brand and influence positively the decisions your Customers are making.
When I was a young man, the only name in men’s professional tennis was Jimmy Connors. With eight Grand Slam Singles titles and two Grand Slam Doubles titles, he was a winner by definition. He ruled the tennis court throughout the ‘70s, holding the top rank for 268 weeks in his career, including a record 160 weeks in a row at the top spot.

With all this winning in his career, you would think that it was because he loved to win. On the contrary, Connors attributes his stretch of victories to something else, something to which we can all relate. Connors said:

“I hate to lose more than I love to win.”

Connors is not alone. Professor Kahneman explains prospect theory that shows us that we tend to look at things from “gains and losses.”

We all have a high aversion to losing something—even more than we do to making a gain of a similar amount. We have a loss aversion, and the ratio is about 2 or 3:1. He gives the example of betting on the result of a coin toss: if you won I would give you $10, and if I won I would take $10. But most people
won’t take the bet as the odds are not worth the potential loss. However, if I offered you $25 if I won against your $10 if you lost, people would take the bet. The same ratio applies as the amounts increase. This example shows how the perception of losing is harder to overcome than selling the benefits of winning.

A good example of this concept is when Netflix exasperated its subscribers a couple of years ago. Netflix decided to discontinue stocking 1,800 titles to make room for 500 more, part of the natural ebb and flow of their inventory. The public outcry was palpable. Never mind that the offended subscribers didn’t rent the movies being removed, and probably never would have. These Customers didn’t like the idea that they weren’t there anymore for them to not rent. They felt they had lost their option to ignore them.

What Kahneman says, and the Netflix example demonstrates, is that our attitude to gains and losses are very different. We are all like Connors in that we hate losing more than we like winning. We all feel that taking away a service we previously had, even if we weren’t using it, is a loss of value.

Because we are, as humans, irrational by nature, we will feel this loss cannot be overcome by any benefits of a new product or service offered in its place.

**Customer Dissatisfaction is Often Associated with Perceived Loss of Value**

What this means to you is that your Customers don’t want to lose things from their Experience they think they are entitled to as a part of your service. Many Customer complaints happen because Customers perceive they have lost something they were meant to have. This is where the Prospect Theory, sometimes called “loss aversion,” creeps in.

I will give you an example from my own life. Recently I was notified by one of my vendors that I needed to migrate to eStatements rather than traditional paper billing, or I would be charged a fee to continue to get my paper statement. The logical part of me understood that this was only meant to reinforce my use of the online statement, which I had meant to switch to anyway. The irrational side of me was miffed at the notion that I should pay for the privilege of the
company billing me so I could pay them for their services.

The truth was I usually paid the bills online anyway, rendering the paper statement irrelevant. Nonetheless, I was annoyed that the paper statement would no longer be an option for me for free, and instead was considered an extra service for which I would pay a premium.

Changing the way you do business is often a necessary part of the process. Like my vendor above, paper billing is a costly and obsolete way to deliver bills to a client. Moving the Customers to an eStatement is a great way to cut costs and improve service, but only if you can frame it right for the Customer. The important point here is to recognize this is not just about the “what” (the changing of the statement), but more about the “how” (how it was communicated and positioned with me).

After Netflix’s decision to remove the titles, one of these offended Customers appealed to journalist, Dan Ariely, author of several bestselling books on behavioral economics. The disappointed Netflix Customer asked Dan why she was so upset about losing the titles. He answered that, to help her frame the situation in a new way, she should think of Netflix like a museum. It’s not that she lost something she was entitled to, but that the exhibition had simply moved on to feature new works of art.

What is key here is that according to Dan Ariely, for her to make peace with it she would have to change the way she thought about the loss.

**The Importance of Designing This Thinking into Your Customer Experience**

The reality is that designing a Customer Experience is more than just looking at the rational, logical steps of the Experience. Most organizations just map the Customer’s rational journey and don’t think of their emotional journey, and how things like the Prospect Theory play a role.

To avoid the feelings of loss, you should consider how you can frame the change so the Customer perceives an improvement to the service, and likewise its perceived values. Design a Customer Experience in a way that sells the
benefits of the new service to your Customers, instead of only apologizing for what they lose. Even if you can’t minimize the loss entirely, it will go a long way to manage your Customer’s expectations.

We would strongly advocate when designing your Experience you need to look at the Experience from a rational, emotional, subconscious, and psychological perspective to build Customer loyalty. When training our clients on our Moment Mapping process, we run through a number of psychological theories, and design a Customer Experience to meet the Customer’s emotional needs. There are many things, like loss aversion, that Customers are not aware of, but that are affecting their decisions. Using this type of outside-in view methodology, you can look at the emotional state with which a Customer is entering an interaction with your company, and take this condition into account when you design the Experience.

Perhaps if Netflix had used this approach, their Customers would have applauded the pruning of the list to include only the most pertinent and quality titles of modern cinema, instead of feeling a void of missed opportunity for what was no longer available. If my vendor had taken into account that I probably wanted to switch to a more efficient and effective way of billing to be part of a green movement that saves our precious fossil fuels and leafy trees, I would have felt differently about making the move to eStatements.

So while none of us will probably ever win a Grand Slam tournament or be the top seed in the world on the professional tennis circuit, we all have a little Jimmy Connors in us. We all want to win, but we hate to lose even more. We all share his sentiment on our court, which we call consumer transactions.

Knowing that, you can design a Customer Experience that appeals to the winner in all of us by proving to us that there is nothing to lose.
Engaging the Subconscious Shopper

My wife, Lorraine, asks me to pick up some milk at the store. When I go, however, I am just one of a huge number of people who are going to the store for milk. According to a Nielsen report called “Category Shopping Fundamentals,” nothing has more power to drive consumers to the store than milk (59% of instances), closely followed by pet food (56%) and baby food (52%).

I tend to go into the store, grab a basket, and navigate the aisles with her list in mind. I am on autopilot. I grab the milk and make my way to the checkout, still on autopilot. As we learned earlier, this is System One thinking, or automatic shopping.

Everyone engages in automatic shopping. Consider what happens when you buy toothpaste. You probably walk down the aisle and automatically pick the brand you use. It might not even occur to you to look at the other brands.

So I am on System One, automatic shopping mode, getting milk like my wife asked. However on my way to the dairy section, my subconscious mind is scanning things, too. Furthermore, my conscious mind is thinking of other
things, like what work I need to do when I get home, or the fishing boat I need to book for the weekend, or whether I will get home tonight in time to see the game…you know, important stuff. Before I realize it, I will be deep in the heart of the store without being conscious of how I got there.

As I walk around, my subconscious mind sees something and interrupts my conscious mind.

“Wow! Look, cookies on special offer!” my subconscious says. “I like cookies; they go with milk.”

I step out of my autopilot mode and put the cookies in my basket, and then switch back into autopilot. But, even for the briefest of moments, I went into being an engaged shopper and conscious of my surroundings. What’s interesting is that this moment of conscious awareness was the result of my subconscious scanning the aisles at the store.

**Early Engagement of the Subconscious Shopper**

What happened to me at the store happens in countless grocery markets everywhere. Nielsen’s survey tells us that US consumers only consciously choose some of the things that end up in their cart. The rest of the items in there are the result of shopping subconsciously.

Let’s look at this from a food retailer’s point of reference. Nielsen identifies the **Top Five Unplanned (Impulse) Food Purchases**. These include:

1. Candy (non-chocolate varieties)
2. Chocolate
3. Cookies
4. Frozen desserts/bakery items
5. Frozen snacks or appetizers

These items are typically not what Nielsen calls planned purchases. Planned purchases, like milk and eggs, are often chosen while the shopper is on autopilot, letting their subconscious walk them to their location in the store and choose the item and put it in the cart.
The Nielsen study, which analyzed over 50,000 purchases from 100 Fast-Moving Consumer Goods (FMCG), also tells us that people only left home to buy 72% of what ends up in their cart. That means the rest of the cart, or the other 28%, is what we call an impulse buy.

These impulse buys are good news for branders and marketers everywhere, as it indicates that there is hope for them to make it in the cart even if their product isn’t on the shopper’s list when they left home for the store.

**Nabbing the Impulse Buys**

The cookies were not on my list when I entered the store, but they were certainly in my basket on my way out of it. This is one of the 28% of items that Nielsen attributes to impulse buys. So the second part of a marketer’s strategy needs to get the impulse buy from buying *a* product to buying *their* product.

The secret of getting non-planned purchases, or impulse buys, into the cart is to get the subconscious mind to interrupt the conscious mind through the offer, the in-store promotion, or special displays. These are important as they have a meaningful effect on buying decisions, and they will consciously and subconsciously draw the Customer’s attention to the shelf. Another good way to do this is to offer free samples. Even better, using your Customer’s sense of smell can be a great way of jogging people from autopilot, as smells stimulate our brains. Consider the times that you have sampled a product with in-store cooking displays.

**The Subconscious Plays a Big Role in Decision-Making**

As we have learned, when it comes to Customer Experience most organizations focus on the conscious side of their Experience. Unfortunately for these organizations, this is only half of the reason that a consumer chooses the product. The subconscious Experience makes up at least half of the reason a person does something, although admittedly it’s also harder to quantify and control. Hence, ignoring the subconscious part of a Customer Experience is not going to help a brand grow, or even survive, in today’s fast-changing market place.
Nielsen’s study was about grocery purchases, but the idea translates to many industries. Nielsen’s study shows us that the subconscious is always working to create a connection between brands we buy and brands we pass by at the store. Make sure you are doing everything you can to make your Customers’ subconscious choose your cookies as the ones they put in their carts.
What Does Your Experience Smell Like?

When we make a decision to buy a good or service, we do not choose between different organizations’ Experiences, we choose between memories of those Experiences. This is quite profound in my opinion. Therefore how memory is formed becomes important to Customer retention when designing a great Customer Experience.

I wrote about the difference between actual experience and the memory of it in my post, “Why Your Memory Matters More Than Your Experience.” In this story, we will build off this premise and examine the connection between the memory of smells and the memory of Customer Experience. Specifically, how smells connect a certain aroma to a Customer’s memory of their Experience, and how that affects Customer loyalty with your product or service.

In my view this is all about designing an effective subconscious Experience and should be thought through and planned to be a deliberate effect. There is no question that smell is an important aspect of one’s memory. It can convey us to a moment in time, connecting us in an olfactory sense directly to the experience.

For example, every time I smell the sweet, tropical scent of coconut, I am transported to a sunny beach in the Caribbean sipping daiquiris and listening to
the waves crash on the sandy shore. Or how the smell of fresh cut grass recalls the long, lazy days of summer in my childhood when responsibility meant being home before the streetlights came on, and time was spent looking for things to do with my friends of which my mother may or may not have approved.

Marketing companies have tuned in to the power of scent to enhance the Customer Experience. Companies like ScentAir charge $99 a month for retail businesses to use machines that pipe in the aromas that the Customer will associate pleasantly with their shopping Experience. The most successful businesses can do this imperceptibly to their clientele, who unwittingly associate the scent with the store, the product, or the service they are buying.

One example where this practice succeeded is NetCost Market in Brooklyn, NY, which uses piped-in scents for the products they sell. Pleasant smells of chocolate near the candy aisle and fruit near the produce section accompany shoppers as they fill their carts. The store has seen an increase of 7% in their produce sales since they started piping in the scents. x

Other businesses use scents to keep Customers around longer, increasing the opportunity for them to make a purchase. Nike did a study that reported an 80% increase in intent to buy after piping in a scent to their stores. Scent marketing isn’t just for the biggest companies, however. A small petrol station tried using the scent of coffee in their attached mini-mart and saw an increase in sales of 300%. xi

Smell can do more than increase sales and shoppers’ intentions to buy, however. Smells can also help save lives--particularly unpleasant smells. The department of defense has joined the trend of using scents in their day-to-day activities, adding the smells of gasoline, burning bodies, gunpowder, and exhaust to improve the authenticity of engagement training exercises for ground troops. xii Exposure to the negative aromas of the experience prepares the inexperienced soldiers for the ugly reality of battle, helping them focus on the task at hand. This supports the military’s philosophy of “improvise, adapt, and overcome” by giving the trainees a chance to process the unpleasant experience so it doesn’t overwhelm them during actual operations.
Even with all the attention on using scents in retail locations these days, companies could do more using the Customer’s olfactory sense to augment the Customer Experience. This is all part of the subconscious Experience. According to Rachel Herz, professor of psychiatry and human behavior and author of the book “The Scent of Desire,” a smell is just a scent until a person associates it with a specific experience. After the association, the smell becomes a representation of that experience in the mind of the person. Businesses should consider the power of this link and choose a smell logo that associates their Experience with its Customers every time they encounter it.

As a leader in your industry I ask you to consider how you can use smells to transport, transcend, and tweak your Customer’s Experience. What does your Experience smell like? I challenge you to improve Customer loyalty using scents that in turn will create more dollars and cents for your bottom line.
According to a study published in the *Journal of Consumer Psychology*, people are more emotional under bright lights. So depending on what you are going for in your Customer Experience, a rational decision or an emotional one, you need to adjust your lighting to evoke the right response and deliver a better Experience.

The findings were the result of six different studies performed in different lighting conditions. Participants were asked about different things: attractiveness of people, the taste or spiciness of foods, or the aggressiveness of a fictional character. Then researchers analyzed their responses based on the lighting level. They found that in all cases, positive or negative, emotions were more intense under bright lights.

Researchers believe this is because light is perceived as heat and heat triggers emotions. This perception, however, is hardly of the conscious mind. It is instead a product of the subconscious mind.\textsuperscript{xiii}

I routinely do trainings on Customer Experience online and in person as part of my work. We have broken this down into several lessons that build upon one
another so that students will have a comprehensive understanding of the Customer Experience and all the factors that contribute to it. One of the training modules is on the subconscious mind.

Our subconscious is always at work interpreting the signals around us and sending these messages to our conscious actions. We do all of this, however, without the conscious part of our mind paying any attention. Sometimes it happens at the bank when we see pens chained to the table. Our subconscious interprets those chains as the bank saying, “We don’t trust you not to steal our pens, so we chained them here.”

Or when you walk down a darkened alley with graffiti on the walls, your subconscious tells your conscious mind that you are uncomfortable because you sense that it’s dangerous here and that you could be the victim of a crime.

Or when you open a closet door at a hotel to see hangers all attached to the closet bar and hear in your mind the hotel saying, “Hello, Thief! Enjoy your stay, but leave behind our hangers, if you please.”

Our subconscious mind, which makes all these interpretations for us in the above examples, must also tell us that under bright lights, intense emotions are needed. So our sauce is spicier, the women and men are far more attractive, and fictional characters are more aggressive as a result.

So how does this translate into Customer Experience? Well, since the subconscious mind accounts for over half of a Customer’s Experience, it is reasonable to assume that if you put bright lights on an Experience that is driven by emotion, you are likely to get a more intense reaction from your clients. One of the researchers from the study, Alison Jing Xu says, “If you are selling emotionally expressive products such as flowers or engagement rings, it would make sense to make the store as bright as possible.”

Likewise, if you are going to negotiate or need a level head for the experience, say a legal negotiation or a dentist office, perhaps dimmer lights might be the answer. Each organization should consider their own Experience to see what makes the most sense, and adjust the lighting accordingly.
There are several different parts of an experience, particularly in a retail Customer Experience, that are highly influenced by the subconscious. Sometimes it’s the music that plays while shoppers are in the store. Sometimes it’s the sign or placement of a product that gets the attention of the subconscious shopper. Like I covered in the last chapter, some retail Experiences have even tried adding scent to the Experience to enhance the environment and drive sales.

Too many organizations disregard the subconscious clues they give. Whether it’s the chains on the pens at the bank or the lighting in the jewelry store, these signals make a big difference to the perception of the Experience by a Customer. Most companies do not account for them, which means most companies leave this up to chance…and are likely to be left in the dark.
Part 3: Employee Engagement and Customer Experience

You tackled the task of designing a great Customer Experience for your organization. You spent much time and money identifying what is most important to foster an environment of Customer loyalty and retention. After hours of prioritizing, designing, and testing, you finally have the Customer Experience you want to deliver.

So you must be just about there then, right? Not so fast.

Employees are a critical part of having a great Experience for your Customers. To deliver the Experience you design, you need to make sure your employees are on board.

We now explore the ways employees can make or break your Experience. Let’s look at some examples of how to get employees engaged with your Customer Experience design so they make it…and don’t break it.
Seven Steps to Improve Your Employee Engagement

Happy people give you happy Customers. I used to say this a lot when I was in corporate life 12 years ago running 3,500 people in call centers around the globe. If you want to have a great Customer Experience, you must focus your employees as they deliver your Experience.

I believed this so much that when I started Beyond Philosophy and wrote my first book, I devoted one of our Seven Philosophies for building a great Customer Experience to it. Philosophy 4 states:

“Great Customer Experiences are enabled by inspirational leadership, an empowering culture and empathetic people who are happy and fulfilled.”

Over the years I have come to realize you can have people who are happy, but the reality is they may do very little work! So, happiness is part of what you are trying to achieve, but not all of it, as you can have great fun at work but get nothing done. I now realize this needs updating. The important word that was missing is engaged:
“Great Customer Experiences are enabled by inspirational leadership, an empowering culture and empathetic people who are engaged, happy, and fulfilled.”

Engaged is a really important word. Being engaged means your people voluntarily give you and their Customers their commitment. Engagement means they care for the organization and therefore their Customers. Engagement means they believe in the organization and its goals. Critically engaged means they have chosen to give more of themselves.

If you are engaged, you have built an emotional bond with your organization and its Customers. The question is, “How do you get employees engaged and to wanting to provide a great Customer Experience?”

Let me draw a parallel. We advocate that when designing a Customer Experience you should take a human-centered approach. As we discussed in the first chapter, much of human behavior is driven by emotions, and over 50% of a Customer Experience is driven by emotions.

We believe you need to define the Experience you are trying to deliver for your Customer and the emotions you are trying to evoke, and then design your Experience to achieve this. This means if you want your Customers to trust you and feel that you value them, then you should design your Experience to evoke these emotions. It also means you should look at your Experience and stop doing the things that are opposite to this.

**So How Does This Apply to Employee Experience and Engagement?**

Well, as long as your employees are human beings, then you achieve this in the same way. You need to define the employee experience that will deliver engaged employees.

**Therefore the practical steps to improve your Employee Engagement are:**

1. Define the employee experience you are trying to deliver.
2. Align this to your Customer Experience.
3. Implement psychometric tests to ensure you are selecting the right
people when you hire.

4. Recruit according to the experience you are trying to deliver to your Customers.

5. Design your employee experience as you would a Customer Experience to gain the desired outcome.

6. Ensure the measures and behaviors are aligned to the Customer Experience and the employee experience.

7. Measure employees’ engagement, not satisfaction.

Ideally the Customer Experience you are trying to deliver and the employee experience are the same. Therefore if you want your Customers to feel they trust you and feel that you care for them, doesn’t it make sense that the employees feel the same? Doesn’t it make sense that the type of people you recruit are people who are naturally good at evoking trust or feeling cared for in people?

Let me give you an example. I have a friend who we will call Peter (not his real name). Peter is a great guy to be around. He is the life and soul of the party and wildly entertaining. However, Peter is also a compulsive liar! You can’t trust a word he tells you.

So if you are trying to create an Experience for Customers to trust you, don’t employ Peter! If all you want is a fun experience then certainly, employ Peter!

Back in the day, I decided to put my money where my mouth was, and implemented this concept when we were consolidating our call center. So we defined our Customer and employee Experience, and then put in place a psychometric test to ensure we had the right type of people in the front of the organization. We said that people could take the test as many times as they wished, as we were confident with our methodology. One person took the test six times and failed every time. While I felt sad for the person, I was pleased that the test was robust enough to identify the right people.

Here’s the shocker: over 50% of the people we had talking to Customers were the wrong people! 50%! I was astounded….but when we implemented this our Customer satisfaction went up dramatically.
Therefore the employee experience and the Customer Experience should match. This gives you the most chance of success on both fronts. So in short you need to define the employee experience that should ideally match the Customer Experience, and then design the employee experience around this.

Too many times we see examples of organizations doing the complete opposite. One of our clients wants their Customers to trust them, but they do not trust their own employees, which is quite common! For example, we recently conducted Customer Experience Management (CEM) training. The final event was planned to be a face-to-face event. The procedure employees had to go through to get authorization for travel was so bureaucratic; I was stunned. At every turn their company’s policy suggested, “We don’t trust you!”

Another example is one of the worst managers I have ever worked for. He arranged a development meeting with me. The first meeting we arranged he didn’t show up! The second meeting he was late and spent most of the time fiddling with his mobile phone. The message was clear: He wasn’t interested. As a result, I wasn’t engaged.

These types of things--not coming to the meeting, checking your phone constantly--send important messages to your employees. They say, “We don’t trust you. You are not important. We are cleverer than you are and we don’t care about you.”

These are the important subconscious signals that are bombarding your employees every day of the week. In our major study of staff ambassadorship, 18% of our respondents exhibited high loyalty to their organizations and 20% exhibited low loyalty. Even more importantly, there were strong, almost polar opposite differences in organizational loyalty depending on whether an employee was categorized as an ambassador or saboteur, validating the ambassadorship framework.

To provide a great Customer Experience you do need happy employees, but creating happy employees is only one part of getting engaged employees.

You certainly won’t get happy or engaged employees if you treat them like idiots.
Employee Engagement is a critical factor in having a great Customer Experience. Since so much of Employee Engagement has to do with having the right people in the right position, today’s hiring managers and leaders would do well to hire people who have a high Emotional Intelligence, or high EQ, for positions that interact with Customers.

We know that people with a higher EQ are better at keeping both their emotions and the emotions of others in a situation managed more effectively. These skills can do even more than that. In an article from ScienceDaily, researchers asserted that people with a higher EQ were able to “facilitate interpersonal behaviors for achieving their goals.”

For the article, researchers at Kyoto University put together a social behavior experiment that measured how people with higher EQs were able to manage their fellow subjects in a game. The game was manipulated so the other two participants would purposefully ostracize the third player. Later, the subject who was ostracized would drive the action that could either increase or diminish the rewards for all the players.

What they discovered is that subjects who were identified as having a high EQ would then attempt to manage the motivation of the ostracized subject to retaliate against the others for a better outcome for all the subjects. The study,
published in the open-access journal, PLOS ONE, determined that while a high EQ wasn’t necessarily good or bad, it did enable a person to achieve their goals by managing the emotions of the others.xv

In other words, they have an ability to use their awareness to get the outcome they are seeking. Or in your case as the hiring manager, the outcome you are seeking.

**Getting Engaged at Work**

The emotionally engaged people who work for your organization are emotionally bonded and rationally on board with your goals and processes. They fully support and uphold the brand promise you have created for your company. These engaged employees are the ones most likely to create loyalty with your Customers.

As a leader in your organization, your job is to identify the strengths in your team and new candidates, and match them with appropriate jobs that create the emotional atmosphere with your Customers that you desire. Employees who have a high EQ are more likely to excel in different areas than a person with a low EQ. This is an important consideration when you are hiring your team. Putting someone in a position for which they are not suited results in challenges for everyone, from managers to Customers to the employee alike.

On the other hand, when this is done well, you can create a dream team. I did a series of posts on the different potential members of your dream team have based on personality, working characteristics, and preferences. There were four different types of employees that I profiled: Givers, Matrix Thinkers, Savants, and Champs. Most people have one primary profile, and as a result are naturally more suited to certain types of jobs.

Building on this concept of being suited to some things, it makes sense to look at a person’s EQ when hiring for positions that will have direct contact with your Customers. Who better to be in a job where they are dealing with your Customers than a person who is emotionally intelligent? They are not officially listed as one of these dream team profiles, but if they were they would be “the
What Does This Have to do With Your Customer Experience?

As emotional connections become even more important to creating Customer loyalty and boosting the bottom line in today’s globalized and commoditized economy, the ability to manage emotions will be a more valuable asset in a person’s resume. Why? Because good Customer Experience relies on individuals with high EQs to manage the situation to a good emotional outcome for the Customer.

Think back on a recent Customer service interaction you had, particularly one where you were disappointed or frustrated (two emotions that we know destroy value for the Customer Experience). What was the outcome of that interaction? If it was unsatisfying, can you pinpoint where it went wrong? If it was great, what made it great?

Many times the answer to either of these questions was who you were talking to (or working with, emailing, messaging, texting, or however else you were interacting with them) did something that made you feel a certain way. If they had a high EQ, then I can guess they were able to manage your emotions effectively to a good outcome.

Looking for people with a high EQ is a great strategy when you are building your team. These individuals have the power to help manage a potentially damaging situation into a good outcome. Provided that your EQs are on board with your brand promise, they can help interactions with your Customers become the best part of that Customer’s day…instead of material for the rant they post later on social media about that terrible experience they had with your organization.
Defining Customer-Ready Employees

Hiring the right people for each position is a priority for most organizations, particularly when a position has the responsibility of working directly with Customers. I consult with clients on how they can improve their Customer Experience and hire people who are emotionally intelligent and Customer-Ready.

It is surprising, however, how many organizations don’t give this enough thought. I blame the lack of a Customer Experience Statement (CES), which is a statement for your employees that defines the Customer Experience you want to provide your Customers.

So my question is, if you are hiring Customer-facing employees without a CES, how can you know what type of employee you are looking for? The answer is simple: you can’t.

In order to have the right people, you have to know what defines the subjective term “right people.”

What Does Customer-Ready Mean? Well, That Depends…

Customer-Ready is a term used by author and consultant Jay Forte, a workplace consultant who wrote *Fire Up! Your Employees*. When an employee
is Customer-Ready, it means they are ready to deliver the exceptional service you want for your Customers. It is here that we see what the problem can be. While most organizations have a strong desire for Customer-Ready employees, they really haven’t defined what that exceptional service is.

I agree with Forte on this point. We often find this is true when we consult our clients about their Customer Experience. We ask them, “What is the Experience you are trying to give your Customers?” Many of them have different answers within the same organization. Part of what we guide them to do in the design phase of their Experience is to define exactly what it is that they want to deliver with their Customer Experience so everyone is reading from the same book, as it were.

We call this process defining the CES. This statement tells employees, no matter what department they work in, what the end goal is for any decision they make for Customers. The CES defines how an organization wants to create Customer loyalty and retention. The CES defines the emotions you are trying to evoke in your Customers.

Once you define what you want, you hire people who are naturally good at evoking these emotions, because they are what your organization defines as Customer-Ready.

**Build-A-Bear Workshop: A Great Example of Using CES to Define Customer-Ready**

In our third book, *The DNA of Customer Experience: How Emotions Drive Value*, we explored how some of our clients accomplished this extraordinarily well using a Customer Experience Statement (CES). One example is Build-A-Bear Workshop, who has a goal of supplying a consistent Experience that makes Customers feel cared-for and focuses on their individual needs. If you haven’t had the pleasure of visiting one of their stores, the idea is that you customize a stuffed animal with different accessories to represent your ideal toy.

When founder and former “Chief Executive Bear” Maxine Clark hired employees, she searched for people that could guide their Customers down the
path of their Experience so that, “By the time they [Customers] were done, they had created the most personalized gift possible.” In other words, she sought people who made their Customers feel cared-for, one of the emotions that drives value for an organization.

Clark said this in our book:

“We hire people with this kind of passion and energy. The first thing we look for is people who care. You can train people how to work registers and how to do numbers but you can’t train people to care, that’s what they come with from their background, from their work experience.”

Clark’s strategy clearly worked for her organization. The company grew to have 400 stores worldwide. As a result of her strategy of matching the right people to these positions, Fast Company named her the “Customer-Centered Leader” in 2005’s Customer First Awards. At the time, Build-A-Bear Workshop made Fortune’s list of “Best Companies to Work For” five years running.

**What’s Your Definition of Customer-Ready?**

I’m sure by now you think this is all really great information, but also wondering, “How do I find these Customer-Ready candidates?” That is an excellent question.

We discussed earlier that Customer-facing employees need to have a high Emotional Intelligence (EQ). This is important, but it is equally important to know exactly how you want them to put the EQ to work for you.

My suggestion is that you need a psychological test in the hiring process that identifies how emotionally intelligent each person is. Then look for key characteristics of the type of EQ you want to use for your Experience. Using these guidelines, you can better identify candidates who are Customer-Ready.

So before you sort through the applicants for your position, or begin the long afternoon of qualifying phone calls or preliminary interviews for those
Customer-facing positions, invest some time defining what you want those people to do for your organization. By defining with a CES the Experience you want to provide your Customer, you are able to put that EQ to work more efficiently and effectively with employees who are Customer-Ready.
Successful companies have loyal employees. They also have loyal Customers. The question for researchers and consultants for the past two decades has been how these two groups are related, if at all.

Over the past 20 years, the connection between the two groups, loyal employee and loyal Customer, has been loose at best. However, we may have found a way to connect the two. The foundations of this finding are based in the idea of the difference between employee satisfaction and Employee Engagement.

There is a difference between a satisfied employee and an engaged one, although many organizations do not see it. **Satisfaction** refers to how an employee feels about his or her job as far as compensation and benefits, room for development, work environment, and related conditions. **Engagement** refers to the employee’s desire to go above and beyond what is expected of them to innovate and further company goals based on their discretionary effort.

While you cannot have an engaged employee who is not first a satisfied employee, you certainly could have a satisfied employee who isn’t engaged. xvi
Researchers saw that the need for engagement was critical to companies that wanted to thrive in the new global economy. This was the key to the new generation of business and its related success. What they also learned was that the engaged employees had the best ability to affect the Customer Experience, which is essential to building Customer loyalty. In other words, they bring the Customer the “wow” factor.

**The Challenges of Customer Loyalty Today**

Customer loyalty is tougher to develop these days. Companies face commoditization of their goods and services based on globalization and access provided by the Internet. Increasingly Customers are finding new channels, and in some cases suppliers for their brands. Doing things the way they have always been done will not continue to work for many businesses. They must continue to adapt to new technology and consumer channels to survive.

The only place this isn’t as true is with older generations, like the Baby Boomers and Generation X, who for the most part are still loyal to their brands. They tend to stick with what they know and what has worked for them in the past. This group will usually only change when the pain of the change is less than the pain of sticking with what they know.

The Millennials, otherwise known as Generation Y, are different from the Baby Boomers and Generation X. They grew up in world with the Internet and are more comfortable with technology than any other generation before them. They adopt new ways of doing things faster than their predecessors. They also believe that they should have it the way they want it, when they want it. Generation Y members are, as a group, good shoppers and are likely to employ an aggregator site to find the best price, which diminishes their store or company loyalty. The one good bit of news in analysis of this Generation is that they do like their brands and they are loyal to them.

Not only have the Customers changed, the proven methods of producing loyalty are changing, too. The old tools that were used to create loyalty don’t work like they once did. Loyalty cards were once the 3” x 2” ticket to repeat business.
This is not as true today. The benefits gained from the loyalty program are perceived by today’s consumer as an extension of the service or offer from the company. In fact, I would argue that loyalty cards do not drive loyalty, but instead are more like reward cards. That means that these Customers are likely to bail if they find another loyalty program that has better rewards.

So the question becomes, how can you create loyalty these days when it seems to be passé? The answer is: by creating a positive Customer Experience using the power of your engaged employees.

The Employee Ambassadors are the Missing Piece for Loyalty

Many companies face the challenge of ensuring the brand image and its related Experience make it through to the Customer interaction every time, from every employee. Although employees are trained in the brand concept for how the Customer Experience is expected to go, and even advertised to be, it doesn’t mean they are going to do it every time. Yet in order for the brand to be effective for the expected outcome of the Customer Experience, it must happen every time the Customer interacts with the company. You can see the conundrum these businesses face.

Engaged employees are the ones who believe in the brand philosophy and are committed to upholding it on behalf of the company. They have been compared to volunteers who give their time to a cause they are passionate about. They are passionate about the company mission and goals and are willing to put in the extra effort to make sure they are met. When they are faced with obstacles, they think outside of the box and come up with creative solutions to overcome the challenges. They are what we refer to as Employee Ambassadors.

Employee Ambassadors are the most positive and active employees on your team. They are the ones who truly make your company perform and grow, and while they are usually only about 20% of your staff, they bring the other 80% along with them. They are the most engaged employees of your organization.

There are three traits of Employee Ambassadors.

1. **They are committed to the company.** This fact is the foundation of
being an Employee Ambassador. He or she must be positive about the company and about being a part of the culture.

2. **They are committed to the value proposition.** This characteristic builds upon the commitment to the company in that the employee is also committed to the mission of the company and working toward its expressed goals.

3. **They are committed to the Customers.** Ambassadors understand the Customers’ needs and do everything they can to meet those needs while delivering the highest values in both product and service.

Ambassadors know that the company they work for is a great company, has a great mission, and has great Customers. They are likely also the type of Engaged Workaholics that I discuss in my post, “Are you a Workaholic or an Outlier?” All of these traits of Ambassadors are exactly the kind of thing you find in Engaged Workaholic behavior. Most importantly, this type of enthusiasm is likely to align with the achievement of goals for the company and stronger bonds with the Customers.

In other words, studying these Ambassadors that make up the top 20% of your work force will help you gain insight into how to sell the other 80% on these guys’ enthusiasm. By taking what makes them tick and communicating it to less-convinced coworkers, you will not only improve employee morale but also improve the Experience for Customers. This in turn will drive Customer loyalty.
Engaging Millennial Employees

Clearly there are many places where the generations are not in step with one another, called the Generation Gap. However, there is an area where I think Millennials and Cuspers like me can come together in intergenerational harmony, and that is in their idea of the optimal workplace.

The Generation Gap is hardly a new concept. Gaps have appeared between parents and children through the ages. So I guess I shouldn’t have been surprised when my son and I discovered one between us. It manifested itself in a strange place…with moisturizer.

My son Ben works for BBH in advertising. Ben was telling me about a new trend for grooming products for men, including moisturizer.

I looked into this a little bit after we talked. Skin care was projected to be a $735 million business the following year. That is just one section of the immense men’s grooming market. In the US, 42% of men say they participate in skin care in the shower. To be clear, they are not talking about washing their skin, but extra care like scrubs and (can it be true?) moisturizer.
To one of us, moisturizer is for sissies who are afraid of marring their beautiful countenance with freckles, wrinkles, or any other form of sun damage. To the other it’s a statement of manliness. Even as I type it, I can’t wrap my head around it. Where did I go wrong in bringing up Ben?

And there it is: the Gap.

So I don’t get moisturizer, but I do get the way that Millennials want to work. I believe their creative thinking and innovation are an excellent solution for the future of Employee Engagement. This generation that brought us the “selfie,” video game controllers that have far too many buttons to master, and men’s moisturizer have an excellent idea of how they want to work.

**Millennials Want It All, So Give it to Them…at Work.**

By 2025, Millennials will make up 75% of our workforce. These are not like any group of workers that has come before them. They use social media platforms to build their individual brand and freelance websites to start their own businesses, and regular employment is typically viewed as their “day job.”

They want to work in collaborative environments (read: no cubicle farms) with a clear path to advancement, and if they don’t see one they jump ship.

This presents a challenge to business-as-usual. As these demanding consumers and employees drive more of the free market, businesses will need to adapt their Customer and employee Experiences to compete.

**How to Get the Selfie Generation to Work for You**

There are two areas businesses today need to strategize to attract and retain this new generation: Customer Experience and Employee Engagement.

The *Washington Post* ran a slideshow of an office built with the Millennial worker in mind. The most obvious difference in the workplace was that there was not a cubicle in sight. Workers don’t even have assigned desks. Instead they employ a practice called hoteling, a name given to describe how the
employee doesn’t have an assigned workspace but instead reserves a common one for the days when they are going in to the office. The areas can be collaborative in nature or individual workspaces. White noise is used to dull the ambient noise to provide employees a certain amount of focus without undue distractions. For their personal items, they have a locker complete with an outlet for charging their technology inside.

The innovations go on and on, but the idea is the same: This is a new way to work using the technology available to create a work environment that compliments a change in social norms.

The point I got from this is that Millennial workers don’t see themselves tied to an office. They fancy they are like contractors who work where they want, when they want, and sitting by whomever they want.

The brilliance of this office set up is that these Millennial workers are easy to turn into an engaged employee by offering them an environment that works with their creativity and innovative perspective on their role in the workforce. It says, “I get you and want you to be a part of my team.”

**The Importance of Employee Engagement**

Employee Engagement refers to an idea that has emerged in the past two decades. Before that time, companies were focused on the happiness that employees felt about their job and its related compensation and benefits, work environment, and personal development opportunities. These feelings, however, describe an employee’s satisfaction.

Employee Engagement takes employee satisfaction one step further. Measuring Employee Engagement requires delving into the willingness of the employee to invest personally in their work. Engaged employees work like it is their passion to meet the goals and mission of the company. They use this passion to further the goals of the organization through innovative thinking and creativity.

**How to Create Engaged Employees**

Employee Engagement thrives in collaborative and cross-functional
environments. Engaged Employees are critical to creating a positive Customer Experience. Their efforts to solve problems and create “Wow!” moments for the Customer on behalf of the mission are what drives value to the Customer Experience and create Customer loyalty.

I wish that I had the recipe book for how to create engaged employees in five easy steps. It’s not as simple as that. There are many factors at work in every unique situation, so there is no one-size-fits-all formula to follow for getting engagement from your workforce. That being said, I think engagement starts with a solid foundation of leadership with a specific goal in mind. Then I think you add in good hiring and screening for the types of people you introduce to your work force. Now add in listening and collaboration. Bake for 6-12 months and see what happens.

Recipe aside, Millennial workers are going to need different methods of motivation to become engaged employees. Workplaces will need to adapt to this need and adopt these ideas of the new worker to differentiate themselves in a global marketplace. Employee Engagement requires a business focus on more than just job satisfaction and compensation as motivation for performance.

Companies that focus solely on money as reward can sometimes create an individualistic environment whose motivation is more selfish. This can also create silos where members of the team, or even entire departments, are working on their own with no interaction with other departments. This environment disrupts the workflow of a company, and ultimately the Customer Experience. This is not a company where Employee Engagement thrives.

Ensuring motivation comes in many forms besides money contributes to the employee’s ability to get on board with the mission and promote it. This will go much further in fostering an environment that creates engaged employees---Millennials, Xers, and Boomers alike.

Speaking of invigoration, I have to ask all of you men and women alike, did you moisturize today?
“The Customer is always right” is a tenet of Customer service. It’s akin to a Customer service law. The truth, however, is the Customer isn’t always right and sometimes, when a Customer is really unreasonable, it’s okay to fire them.

Around the holidays, my Facebook feed had a great share from Liberty Bottleworks, a Washington-based company with the tagline “The only American made metal bottles in the marketplace.” Apparently, an unhappy Customer had posted their displeasure about their Experience with Customer Service and perceived lack thereof one holiday weekend on the company’s Facebook page. The COO and co-founder of the company, Ryan Clark, had a different take on what happened with her order. He returned her money and fired her as a Customer. Here are some excerpts from what he had to say:

“The buck stops with me. This will I am sure will (Stet) upset you but...my Customer service team will not be helping you on the weekends.”

And:
“We pride ourselves on doing things well, we pride ourselves on doing things right, we pride ourselves on doing theing the American Way. Not instant gratification 24 hour shopping on Thanksgiving type of American way but family and country type of American Way. The way our grandparents did things type of American way.”

And of course:

“Please be advised we will not be shipping you your order you will not be charged. I will not do business with anyone that threatens my employees the way you have.”

And my favorite part:

“Merry Christmas!”

Sometimes Customers are unreasonable. It’s OK to fire Customers. Many people think being Customer-centric means you need to give Customers everything they want. You don’t. You need to define who you want your Customers to be and focus on them. Focus on providing an Experience that gives them the things that drive value for you and them.

Clark mentions near the end of his post how he does not want to do business with someone that treats his employees poorly. This is good for employee morale. It’s OK to fire Customers, especially if they are being abusive to employees.

As we have said, Employee Engagement refers to the level that your employees support and promote the brand promise you have created for your organization. For example, if you say in your branding that at your store there’s a friendly smile on every aisle, then your employees are the ones smiling in the aisles.

Dealing with a belligerent and rude Customer is not a catalyst for happy and fulfilled employees. Telling your employees that they no longer have to take what the Customer is dishing out when the Customer has crossed the line
shows them that leadership values them. It inspires them to keep smiling in the aisles, or on the phones as the case may be. This is better for all the other Customers, the ones you want.

Of course, we don’t have the benefit of the Customer’s side of this story. Let’s hope that they did cross the line and were threatening employees, otherwise my chapter should be called “What to Do When the COO Blows His Stack on a Facebook Rant!”

Of course, you can’t fire every dissatisfied Customer. In fact, small business owners can’t really afford to fire any of their Customers. Paul and Sarah Edwards, co-authors of *Middle-Class Lifeboat*, shared some guidelines for how to keep your cool when Customer service is getting heated. From knowing what makes you lose your cool, to waiting until you are calmer to respond to the Customer, their suggestions are all good points for developing Emotional Intelligence.

Emotional Intelligence is the ability to control one’s emotions and the emotions of others. What the Edwards’ suggest are the types of behaviors that can help you do just that. Emotional Intelligence is a critical skill for both leaders and employees who interact with Customers.

Customers are an important part of the Customer Experience, but so are your employees. Be sure you are doing all you can to create the best possible Experience for your core Customers. When it isn’t enough for those particularly difficult Customers, don’t be afraid to let them know that their business is no longer needed.
Part 4: Examples of Good and Bad Customer Experiences

Brands are a part of our everyday life. That is not an accident. There are teams of people and entire companies devoted to making sure brands are a part of your life.

Brands each have a reputation. Some of them do a brilliant job of upholding the reputation they promise Customers with their brand messaging. These are brands that work. These brands are continually improving themselves and setting the bar higher for both Customer and Employee Engagement.

Others do not do as well delivering an Experience that supports their message. These are brands that don’t work, or Cautionary Tales as I call them. Sometimes things don’t work. Maybe it’s because of a mistake, or maybe it’s because it wasn’t meant to be. Maybe it’s a result of arrogance or hubris. With the benefit of hindsight, it’s easy to see where these organizations went wrong in their Customer Experience. The real question is whether they can learn from their mistakes.

In Part 4, we explore some of the ways successful brands are continuing to deliver on their brand promise, and the ways others are falling short. These next few stories show us recent examples of both the triumphs and the Cautionary Tales for Customer Experience.
Disney is one of my favorite Customer Experiences. They use the phrase “The Magic of Disney” to help describe the Experience they create for their guests, and I would say they achieve “magic” with all the things they have thought of, trained for, and delivered time and again for their guests.

Disney is not complacent, however, so they are always trying to push the Experience boundaries to the next level, and what they are currently working on will undoubtedly continue to take their magic to the next level.

Many of our clients say that price is the key issue in the Customer Experience. We spend a great deal of time saying it’s important, but not the key issue. The Disney parks are a great example of this. Going to Disney is not cheap, and yet Disney parks are more popular than they have ever been. Despite hikes in prices, attendance is at an all-time high. In the California parks, cast members and their families were blocked from using their “complimentary” passes during the busy summer months for the first time two years ago.

The result of all this popularity can be long lines and lots of hassles for those
who are there to soak up a little Disney Magic. For anyone who has waited 45 minutes only to get hustled through a hug and photo with Mickey himself, the Experience can feel anything but magical.

Technology is one of the magic wands Disney is wielding on their Experience for the future. With a little pixie dust and a whole lot of “Bibbity-Bobbity-Boo,” they are going to transform their guests’ Experience by removing some of the frustrations (long lines, no seats at the show, etc.) that can mar the park Experience. The new Experience will work like this. Guests will buy their tickets online. Then they will have the option of planning their day, meaning which shows they will attend, what rides they will ride, when they will eat lunch at the Blue Bayou, etc. Then Disney will deliver in the mail a MagicBand—a wristband that will have your personalized itinerary contained in its snug little confines.

With the MagicBand on your wrist, you have the whole experience of Disney World with a wave of your hand. Or in other words, like magic. You can arrive at the show with just 30 seconds to spare and still have a seat. You can bypass the lines at your favorite rides because you have a preselected time to ride them. You can also buy food, drinks, souvenirs, and merchandise with a wave of your hand, as the band will be linked to your credit card.

So this new MagicBand is an example of why I admire Disney as it pertains to their Customer Experience. Their brand is Disney Magic. They see that the popularity of their parks is starting to hurt the Experience, so they respond by coming up with a new, hassle-free way to experience the park.

There are other examples of how they keep up their brand of magic. They recently did this in their stores, too. Disney just redesigned their retail Experience to be the best 30 minutes of a child’s day. From interacting with favorite characters, to a movie theatre screening one of their hundreds of films or shows, their stores are now much more than a place to grab a few action figures or the latest princess outfit.

Disney also does a great job with their Customer Experience culture and Employee Engagement. Having your employees buy into your brand promise
and living up to it every day is integral to having a great Customer Experience. Disney thinks of this and has from the beginning. They have four keys that they use as a foundation for everything they do, and they train their employees in these concepts. For Disney, the four keys are:

1. **Safety**: They are committed to maintaining their safety and the safety of others in all they do.
2. **Courtesy**: They are committed to maintaining a positive attitude and being courteous and respectful to guests of all ages, going above and beyond to exceed their expectations.
3. **Show**: They will maintain their character and be show-ready at all times.
4. **Efficiency**: They will use their time and resources wisely so that guests can get the most out of their visit.

As you can see, these are all Customer-focused ideas designed to help Disney keep its brand of magic up to a standard that makes their parks “The Happiest Place on Earth.”

What I admire about Disney is their longevity as Customer Experience leaders. It’s no surprise that Business Insider named Disney #14 on the list of “20 Most Valuable Brands in the World.” Reported to be worth $28.1 billion, the House of Mouse is up 3% from the previous year. Interbrand, who composes this list every year, praises Disney for their Imagineering, which is their term for coming up with an original idea and inventing it. Interbrand says their value is derived from an ability to create a TV show or movie that they then can profit from using merchandising, toys, theme parks, and video games.

At Beyond Philosophy, we believe a constant focus on seeing the Experience through your Customer’s eyes can be the difference between an excellent Customer Experience and one that feels less magical. Disney is an excellent example of using that focus from the outside in to create an Experience that keeps their Customers coming back. Soon with the MagicBand, you can wave your hand so you won’t have to wait behind all those loyal Customers for almost an hour to meet the Mouse that started it all.
In 2014, Google topped *Fortune’s* “100 Best Companies to Work For” list, a place they have been happy to occupy every year since 2012. This honor is hardly a surprise because Googlers are an empowered team. The empowered culture Google created is exactly the kind of culture that creates an excellent Customer Experience.

**Inspirational Leadership Enables Great Customer Experience**

Organizational cultures, both positive and negative, affect the Customer Experience. I mentioned in Part 3 that my third book breaks down the Customer Experience into seven different philosophies and stresses the critical role that leaders, culture, and people play in the building of great ones.

Considering the fourth philosophy which describes a culture that is “Enabled by inspirational leadership, an empowering culture and empathetic people who are happy and fulfilled,” it’s no surprise that Googlers feel that way about where they work. Larry Page, CEO and Co-Founder of Google, had this to say about building a great company culture:
“It’s important that the company be a family, that people feel that they’re part of the company and that the company is like a family to them. When you treat people that way, you get better productivity.”

Google clearly has happy people. In the recent survey of 1,301 employees, employees gave Google a 99% rating on great challenges, which includes training and chances at advancement. Google also scored 99% approval on atmosphere, great rewards, and great pride of working there. In addition, they scored 98% on great communication and great bosses. One employee said in the survey:

“Innovation is the driver of everything we do. I can take pride in that. No one settles for less than their best.”

Innovate, they do. An example is the Google Helpouts, a service where users can ask experts by way of video for help with a project.

**How to Google Your Culture**

Google are experts in how to treat people. My nephew works for them in San Francisco. They have free food, places where you can have a nap, and more excellent perks. It’s worth mentioning when you are making pots of money like Google does, then it much easier to do loads of things for the staff.

So maybe you don’t have nap pods at your work, or even free food or drink. That’s okay though. Most of the Googlers in the article on Great Rated say that while they love the rewards of their jobs, they are equally excited about “working with smart people in a well run organization.” In this case, I would say well-run is the same as creating an empowered culture.

**Empowered Cultures Create Empowered Employees**

I define an empowered culture as the type of organization where people who are encouraged to make decisions themselves determine the policies that create great Customer Experiences. In empowered organizational cultures, the employees are given the responsibility of seeing a situation through to the end,
and management is less formal and more open to positive criticism.

**Empowered cultures are easy to spot if you know what to look for:**

- The employees feel valued and believe that their voice counts.
- They seem to have a sense of purpose, both on and off campus.
- They work harder to promote the company’s objectives because they feel a sense of ownership in them.
- They are proud of where they work and take their responsibilities seriously.

**Customers also know when they are dealing with an empowered organization:**

- They can feel it when the employees make decisions on the spot.
- They benefit from the follow-through from the decisions that the employee made.
- They feel that instead of talking to just one of the team that they are talking to the owner.

**What Google Knows and What We Can All Learn From Them**

Empowered means “to give power to or authorize.” You need to empower your team to get the kind of results that Google gets.

It can be hard to let go of the reigns and trust your employees to do what’s right by the Customer. Google shows us that when you do it the right way with the right people, you get excellent results. You can release potential for innovation you never dreamed was possible in the past.

Page had this to say about his role as a leader:

“My job as a leader is to make sure everybody in the company has great opportunities, and that they feel they’re having a meaningful impact and are contributing to the good of society. As a world, we’re doing a better job of that. My goal is for Google to lead, not follow that.”

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So as a leader in your organization, it is your job to let go and give your team the opportunity to have the same empowered experience. Then your people can do their job of making your Customer Experience one that I write about in my next book.

How do you empower your employees in your culture?
Amazon made some groundbreaking moves in Customer Experience design that were truly remarkable. Even though they were already top rated for their Customer Experience, they are not content to stop there. They continually find the next way to surprise and delight Customers and prove repeatedly that they are a Customer-centric organization.

In my post, “A Message to Wall Street,” I talk about the letter Jeff Bezos, Founder and CEO of Amazon, wrote to shareholders detailing how his focus was to put Customer Experience as their highest priority. This approach has attracted criticism in the past because analysts have long believed that Amazon should be making more money by now.

While making money is important, however, it is not the driving force behind the longest living entities in the new millennium. Bezos and Amazon’s team have long had a tradition of focusing on a Customer-centric company. Here are three of their latest moves that prove they mean business when it comes to Customer Experience.

#1: Prime Music is Music to Customers’ Ears
Amazon has a hit with Prime Music. Chances are that if you are a Prime member and haven’t already checked out the music streaming service, you will likely lose a couple hours of your day exploring what you can add to your music library for no additional charge.

Amazon is famous for being focused on the Customer Experience. Prime Music is no exception to the tradition of Customer centricity for which Bezos and his team are known. In the letter from Bezos on Amazon’s website it stated:

“In designing Prime Music, we wanted to remove the barriers between you and the music you love. We removed cost. You can listen to the entire Prime Music Catalog for free – it’s included in your Prime membership. We removed interruptions. Don’t worry about have your music constantly disrupted by ads...you won’t hear any. We removed listening restrictions. Choose exactly what song to listen to, repeat your favorite song over and over again, or download music to your phone or table to listen offline.”

It’s funny but each of those examples given in the letter are almost exactly what drives me mad about some of the other music streaming options. Amazon has again shown that they are putting the Customer first when they design their Experience.

#2: A Mayday Button for Customers

Speculation is that the popular Mayday button currently part of the Kindle FIRE HDX Tablet’s suite of services will likely be replicated by imitators. Currently, the response time is 9.75 seconds. That’s right, in under ten seconds you can have a tech support specialist helping you right from your tablet to get you out of whatever sticky situation you find yourself in.

Salesforce is likely to replicate this Mayday button concept with the SOS button. What are they going to discover? ZDNet’s article says they will likely learn that it takes a lot of time, money, and staff to get the response time to less than ten seconds. And like Amazon discovered, they will see that the SOS button will get a little abused. According to the article, some of the pressing FIRE HDX “Mayday” problems have been to sing Happy Birthday or to help a
person make a peanut butter and jelly sandwich. xxiii

While this type of service may not seem very natural to the Salesforce team, the Amazon team knows that this is just another extension of being Customer centric. Every time they field a marriage proposal over the Mayday button, they know that they are building engagement…and not just between the bride and groom.

#3: Getting HBO Programming on Instant Video

Another move by Amazon made the Prime membership the only way to get access to some of HBO’s content without subscribing to HBO. The first rounds of shows are its older catalog and shows that are now concluded (read: no Veep, Girls, or Game of Thrones, to name a few). xxiv

The new shows will be added in time. This was a big step for HBO and Amazon, and a partnership that will definitely be a good deal for subscribers.

A Long Tradition of Customer Centricity

In my first book, I talked to Robin Terrell, who was then the VP and Managing Director for Amazon UK. He was describing how they were using Customer information to create a more personalized Experience, providing suggestions based on your most recent purchases, or saving a series of items you had looked at recently. That’s old news now, of course, but that’s because of Amazon. They were doing it all the way back in 2000.

He also talked about how they took preorders during a Harry Potter release, creating the anticipation and excitement that accompanied the book’s release. It was an online version of waiting outside the shop the day the book was released. Even better, however, was that the 65,000 Amazon Customers who pre-ordered got their books delivered on their doorstep before the shops were even open. Talk about surprise and delight!

Terrell explained to us that they looked for ways to enhance the online Experience. In addition, they worked to create a culture for employees of putting the Customer first. He described to us one way that they do this:
“Everybody who works at Amazon will spend time in one of our frontline operational areas, either packing boxes at the distribution center or answering email queries from Customers in the busy run up to Christmas. It’s important because it gets everybody to realize how important everyone else’s jobs are. It also shows people where the Customer Experience comes from.”

Amazon is always upping the ante in the game of Customer Experience. Other companies want to imitate them. But I would caution them to remember that Amazon puts the Customer first in everything they do. By imitating Amazon’s service without being committed to the philosophy behind the service, the organization is not as likely to yield the same results.
Julian Richer, founder of Richer Sounds, the largest independent HiFi and TV store in the UK, set the bar extremely high for C-level suite executives on how to improve Employee Engagement. He has set up his company in a trust that, upon his death, will roll over to his employees. He is, in fact, giving them the business after he is gone.\textsuperscript{xxv}

When asked why he did this, Richer explained that the company was his life’s work. With no children to leave it to, he believes the ones who helped make it the success it is today should be the ones to have it after his death. He believes with their leadership, his life’s work will survive after he is gone.

Richer Sounds is already one of the models of Customer service excellence in the UK, as well as an example of how to create real Employee Engagement. Now, it is designed to become employee owned. In fact, in the latest Which? poll, a survey of over 14,000 people in the UK that ranks the top 100 companies for Customer satisfaction based on Customers’ experiences, Richer Sounds got five out of five stars for both Customer Experience and price, a
Employee-owned companies are rare in the UK, unlike the US where it is growing in popularity to build organizations based on this principle. Another example of a company that is making employee-owned work for their experience is the John Lewis department stores throughout England. For those of you in the US who aren’t familiar with this brand, it is a lot like Dillard’s or Nordstrom. Along with this retail line, they also have a supermarket chain called Waitrose.

John Spedan Lewis, founder of the company, created the Partnership by signing away his personal ownership rights, establishing a company that was both commercial and democratic, and owned by the employees who are referred to as Partners. He called his Partnership program an industrial democracy experiment. He wanted the employees to have active involvement in the company’s success.

It’s no surprise that John Lewis was fifth overall on the Which? survey. Happy employees make happy Customers.

Lewis and Richer are a different kind of leader than most. Their experiments in a new way to engage employees are an example to all the C-suite level executives about what is possible in the realm of employee motivation and engagement.

One C-level executive who should take note is Ryanair’s CEO, Michael O’Leary. In case you are wondering why I said that, simply listen to these three quotes (listed in an article called “Michael O’Leary’s 33 Daftest Quotes”) straight from the man himself about what he thinks about employees:

#1: To a Ryanair employee who dared to join the Live Twitter Q&A O’Leary was bungling: “Get back to work you slacker or you’re fired.”

#2: On his opinion about the value of staff: “MBA students come out with: ‘My staff is my most important asset.’ Bullshit. Staff is usually your biggest cost. We all employ some lazy bastards who needs a kick up the backside, but no one can bring themselves to admit it.”
#3: On his compensation in relation to his team: “I’m Europe’s most underpaid and underappreciated boss. I’m paid about 20 times more than the average Ryanair employee and I think the gap should be wider.”

I bet it will come as no surprise to you to hear that Ryanair was listed as one of the three worst on the Which? survey...

In earlier sections, we have discussed how Employee Engagement is a critical aspect of your actual Customer Experience. As I said before, happy employees make happy Customers. Without your employees on board, the Customer Experience you have in mind will stay right there, in your mind, ignored by the people that are supposed to do it.

As I mentioned earlier in Part 3, all organizations need to have a Customer Experience Statement (CES). Once you have this CES, you use it to train your employees, particularly the ones that have touch points in the Experience with your actual Customers. The CES makes sure that everyone knows what you are trying to achieve, which obviously is of particular importance to the people who are working with Customers.

For this Statement to be effective, however, you need to have the buy-in of the ones that work with Customers directly. You can create a beautifully worded CES that effectively communicates your desired Experience and deliver it through every possible channel you can think of to your employees, but if they can’t or aren’t willing to do it, it will simply be meaningless words on a page.

Richer and Lewis are pioneers in new ways to create Employee Engagement. Their strategies are extreme, to be sure, but they are effective. We can all learn from their example of ways we can engage our employees more, and as a result get the Experience we really want for our Customers.

What can you take from Richer Sounds and John Lewis to your employee programs to create more Employee Engagement in your organization?
Lululemon: Have They Lost Their Customer Center?

Lululemon announced a drop in profits in mid 2014 that had pundits weighing in about the future of the high-end yoga wear company. With profits at $19 million in 2014, compared to $47 million just 12 months prior, clearly something is wrong. Had lululemon has lost its Customer-center.

A Brief History of the Past Year for Lululemon

Lululemon is known for stylish, $100 yoga pants and an excellent in-store Experience. Unfortunately, due to headlines over the past 12 months, it is also known for pants that are transparent when you bend over, or that pill or shred over time, but still cost $100.

They recalled the too-sheer yoga pants, but they couldn’t recall their CEO, Chip Wilson. The company suffered terrible backlash from their Customers when Wilson claimed that the reason the pants pilled or shredded over a short amount of time was because some women’s bodies weren’t appropriate for their pants. Their thighs touched, which caused them to rub together and resulted in damage to the pants. After that PR gem was released to the press,
Wilson’s days leading the company he founded were numbered.

Wilson apologized and stepped down from his position. Because he is the CEO, however, it reflected on the brand, and in this case the brand promise. It damaged the Customer Experience…shredding and pilling it if you will.

**So…What Happened to the $28 Million They Lost?**

Despite his resignation, as a major stockholder in the company Wilson still kept a close eye on the leadership. Right after the announcement about the profits last June, he lashed out at current board members claiming they were running the company into the ground. His complaint is that they are focused on short-term results instead of on the quality of the product, the culture at lululemon, and building a brand.

Too many companies take short-term profit at the expense of long-term gains. Moves that are inwardly focused on the organization instead of outwardly focused on the Customer usually result in cuts to increase profits. These cuts nearly always result in changes to the Customer Experience, and not the kind that enhance it. What Wilson is seeing is that currently lululemon leadership is doing exactly that to the yoga wear brand, and it shows in the loss of profits.

Wilson, who has had so much criticism for all the things he did wrong as CEO, has this one right.

**Competition Emphasizes the Need to Better Your Customer Experience**

Something else is happening at the same time lululemon has been struggling with image issues: Competition. Gap introduced its Athleta line, and New Balance has made moves to capture some of this lucrative market. That’s just a couple of yoga wear competitors. So clearly, competition for yoga wear dollars accounts for some of lululemon’s eroding profits.

Competition makes it more important than ever to differentiate your Customer Experience. Repeatedly, it has been proven that people are loyal to a company that treats them well even if they aren’t the least expensive option.
Lululemon is a product that commanded a great price because it had great quality and an excellent in-store Experience. The brand was popular because of these two things. The fact that you could buy pants that were similar at any number of stores for a fraction of the price didn’t matter to the lululemon Customer.

I would also argue that since lululemon gets a premium for their pants, Customers naturally have a higher expectation for them than a pair that was less than half that price. What I mean is that if your $29.99 pair shows wear in a couple of months, you aren’t as perturbed. But if you spend $100, you expect better quality, and you certainly expect them to cover your…well, you get the picture.

So if you are frustrated with the quality of your $100 yoga pants, embarrassed that you might have shown a little more than you intended in the studio the other day, and insulted because you heard that your thighs were the problem with the pants, why wouldn’t you take your money to the cool new yoga wear store just three stores down at the mall?

So Wilson is right. Lululemon has lost their focus on the Experience and is coming out of their pose as the top dog in the yoga wear market. It’s time for them to take a deep ujjayi breath and rid themselves of their Customer Experience toxins. By getting back to providing the Customer Experience that they were known for, and the quality of pants their Customers paid for, they may again find their center…and some of the profits they were missing this quarter.
I hate Ryanair. Apparently, according to the New York Times, I am not alone. Many people hate Ryanair. Enough that the shareholders in the company are holding the CEO’s feet to the fire about how the company is treating Customers as they announce that they may not achieve their profits forecast.

For those of you not acquainted with this airline, Ryanair copied the Southwest airline model. At the time I wrote this, they were the largest budget airline in Europe and were rapidly expanding.

However in their effort to recreate the success of Southwest, they left out one key ingredient to Southwest’s recipe for success: excellent Customer service standards. It shows in Ryanair’s Experience from the very beginning, and comes from the very top.

The complaints about Ryanair are varied, from paying $95 to print a boarding pass at the airport, to paying $80 for bags deemed too big by Ryanair’s standards. But it doesn’t stop there. Nearly all Customers complained about the rude employees that herded, goaded, and in some cases bullied them into compliance of Ryanair policies.
The CEO often sets the standard for Customer service for a company, and Ryanair’s CEO, Michael O’Leary, has an attitude towards Customers that is appalling. It is as if the fact that they have very cheap flights means they not only lack Customer service, but also that they cross the line into abuse.

Here are just a few things he has said about Customers in the past:

- “We think they should pay 60 Euros for being so stupid.” (Regarding the boarding pass fee)

- “You’re not getting a refund so **** off. We don’t want to hear your sob stories. What part of ‘no refund’ don’t you understand?” (When Customers complain and demand a refund)

- “Anyone who thinks Ryanair flights are some sort of bastion of sanctity where you can contemplate your navel is wrong. We already bombard you with as many in-flight announcements and trolleys as we can. Anyone who looks like sleeping, we wake them up to sell them things.” (Regarding the in-flight experience)

Employees are also a critical part of a great Customer Experience. Feeling valued and appreciated goes a long way toward creating the kind of engagement that delivers the Customer Experience you want for them. Here’s what O’Leary seems to think about his employees:

“MBA students come out with: ‘My staff is my most important asset.’ Bull****. Staff is usually your biggest cost. We all employ some lazy ****** who needs a kick up the backside, but no one can bring themselves to admit it.”

(Sigh.)

Customer Experience is about a mindset. It’s about a mission to design and create a deliberate Experience for the people that frequent your company. Unfortunately, the mindset at Ryanair is combative with Customers, made obvious by O’Leary time and again. If is this is the example he sets for his team, what results can you expect from the employees?
Unfortunately, as Dr. Muhammad Taufiq al-Sattar can tell you firsthand, it results in a despicable Customer Experience. After learning that his wife and three children had been killed in a fire at his home, he tried to get an earlier flight home. The surgeon, who was based in Dublin at the time and flew home to see his family on weekends by way of Ryanair, was charged $253 to make the change to an earlier flight. Ryanair committed to refunding his money\textsuperscript{xxxi}, but this may be too little too late in the court of public opinion.

To be fair, no one is required to fly on Ryanair. If you do, you realize that to have cheap flights you must sacrifice some of the extras. To keep costs low after all, they have to cut somewhere. At the very least, however, employees could smile and be polite. That doesn’t cost anything.

Southwest has built a company on this concept. According to the American Customer Satisfaction Index (ACSI) scores of 2011, Southwest scored 81 out of 100, the highest in the industry and 17 points above the second-highest rated airline. I can only imagine what the ACSI score would be for Ryanair. I wonder, is it possible to have negative numbers for that score?

In our \textbf{Naïve to Natural} model, we talk about the four stages of a company in its journey to become Customer centric. We would call Ryanair a Naïve company, which is the least Customer-centric type of organization. In fact, Ryanair is a classic example of a Naïve company.

Companies typically recognize they need to become more Customer centric when they feel pressure in their bottom line. I have been waiting for this to happen with Ryanair and I think it may have just happened.

Ryanair is feeling pressure to get more profits, so O’Leary is under pressure to initiate change. In recent articles at the BBC and \textit{New York Times Business News}, O’Leary admits that they need to address the “issues that unnecessarily annoy the customer.”\textsuperscript{xxxii} He also takes responsibility for the abrupt culture which he attributes to his own character flaws. The same article points out that this is a result of pressure from the shareholders who believe these transgressions to the Customer are affecting profits.\textsuperscript{xxxiii}
In my opinion, it may be too late. People really resent Ryanair. Some people I know talk about them with such disdain it is amazing. It is more of a hatred than a dislike. It is going to take more than fixing issues that unnecessarily annoy the customers to overcome their present Customer Experience condition. Moving from Naïve to Natural is going to take much work and commitment from the whole organization.

And it wouldn’t be bad to offer a few free drinks from the trolley down the center aisle.
How Hubris Killed Nokia

I love stories. They tell you so much about life. Some of the best stories come from Greek mythology, which has such resonance that they give us some of the words in the English language today, like hubris. Hubris means "excessive pride or self-confidence; arrogance."

In ancient Greece, there was no greater sin against the gods than hubris. A mortal that displayed hubris, when a human had such excessive pride or self-confidence that they dared to compare him or herself to the gods, was usually swiftly and savagely punished.

It can be seen repeatedly in Greek mythology. There was the story of Niobe who compared herself to the Goddess Leto; both her children were struck dead and she was turned to a stone that always wept for them. Also, the human Arachne who challenged Athena to a weaving contest; she lost not only the contest but also her human form when the goddess changed her into a spider.

In recent times, this manifested itself as a mobile phone equipment company that did not see the change in the market when a competitor introduced a new phone that turned the industry on its ear. As a result, it ended up being sold to a
computer company for a sum that was less than a third of its annual billing just five years previously!

**Hubris: It Gets Them All in the End**

In 1999, there was no other phone to have than a Nokia. They were at the top of their game with a market share that made them the envy of all other mobile phone companies. Their phone was so big that *The Matrix*, the biggest sci-fi, futuristic movie of the spring of 1999, had their heroes wield a Nokia 7110 with a spring action slider that popped open for a dramatic effect.

The millions of viewers of that film salivated over that awesome new phone, wondering when it would be available at their local mobile phone store. It was the smallest and lightest phone on the market. However since it cost around $1,250 very few of these millions of viewers would own the phone.

The phone was the natural choice for the movie because Nokia dominated the phone market from 1998 to 2012. The annual revenue for the Finnish company, which employed 100,000 people in 120 countries, was $30 billion at one point.

Then on June 29, 2007, Apple introduced its iPhone. Nokia was nonplussed. They still had 47% of the market share. They said the phone would be good for the industry, that handsets would naturally become more high-end.

I had a meeting with Nokia when the iPhone came out. It was clear to me that they had their heads firmly stuck in the sand. All they could say was that the iPhone battery was rubbish and no one would use it once they figured that out.

The Gods of Consumerism were unimpressed by Nokia’s response. They were quick to abandon Nokia when they rested on their laurels of enormous market share and failed to respond to Apple’s innovative phone. They bought up all the bad-battery phones that Apple could make. All the while, Nokia’s market share shrank by double digits each year.

**Oh, How the Mighty Have Fallen**
So what happened to the mobile phone giant? They had great phones. They had market share. They were perched atop the mobile phone world for nearly ten years. How did it unravel so quickly, in just six short years?

The answer is simple. They did not have the emotional loyalty of their Customers.

Emotional loyalty is key to branding. It helps you weather competition and hang on to your market share. It is the reason that when faced with a decision, consumers will choose your product without even fully understanding why they did it. Emotional loyalty is the difference between being a mobile phone juggernaut, and being the featured brand on a segment of a TV show called “Where are they now?”

Nokia is in the news right now with a very public fall, but the truth is that they are just one of many of the mighty who have fallen. Try to find a Blockbuster store these days. It seems those late fees really got under consumers’ skin and they let Blockbuster know it as soon as a better alternative was available. Remember the Kodak kiosks in nearly every mini-mall parking lot? The only place you’ll find one of those these days is on a movie set of a period piece set in the “good old days.” Of course that kiosk was in the parking lot in front of now-defunct Circuit City. Also, let’s not forget Pan Am, “The World’s Most Experienced Airline.”

My point is that things change. New companies come in and shake up the market, leaving the old guard wondering, “What happened?” if they don’t respond. Companies that forget to brand with emotional loyalty will suffer the same fate as these giants of their industry--once mighty industrial leaders who are now Cautionary Tales to businesses today.

**Building Emotional Loyalty is Difficult for Some Businesses**

Business likes to shun emotion. The old saying goes, “It’s not personal; it’s business.” Traditionally, businesses like to focus on the measurable and predictable side of transactions. Business people like to focus on building a product and expanding market share.
There are several reasons why they don’t like emotion. Businesses haven’t had to do much of this before today; they are unused to taking the emotion of a decision into account because the old way of measuring rational responses was enough. By making sure they were creating a good product and growing market share, they were able to ignore the emotional side of the transaction.

That strategy is not as effective as it once was because today it is a different world. There is globalization to consider. There is the access that the Internet gives consumers. Finally, both of these factors mean that there is a commoditization of products. There is no way a business can thrive, or even survive, simply by focusing on the rational side of the transaction.

When a company focuses on differentiating itself on Customer Experience… well, that’s a whole different story. Apple gets this concept almost as well as any other company out there.

Apple is a master at Customer Experience. They make sure they think of everything, right down to the way they stand when they talk to Customers on the store floor. Everything they do is designed to make their Customers feel like a part of the club. They have done such an excellent job that Customers put the Apple decals on the back of their cars. Have you ever seen a Nokia sticker on a car? Me neither.

So by ignoring the innovation of Apple and ignoring the importance of designing an emotionally engaging Experience, Nokia suffered from an acute case of hubris and the Gods of Consumerism put them in their place--as a subsidiary of a computer company.
Blockbuster: The Next Cautionary Tale

Blockbuster shut down their remaining US stores in early 2014, signaling the end of the large chain video stores. If ever there was an example of a company that missed the mark on Customer Experience and payed the consequences, Blockbuster is it.

It used to be you couldn’t find a strip mall in a suburban area that didn’t have a large yellow-and-blue-signed Blockbuster video store amongst its tenants. Now you can’t find a large yellow and blue sign hardly anywhere--unless of course it was one of 50 individual franchises.

I am a fan of Netflix. I haven’t always agreed with all of their moves, and sometimes I have criticisms about how they handle changes. In spite of that, I am a fan and a subscriber.

When Netflix announced a new way to handle the business of renting movies, Blockbuster didn’t respond. Blockbuster believed it wasn’t necessary. They had the lion’s share of the movie rental business and had no interest in making a change to their tried-and-true business model.

Over the next five years, Netflix whittled away at the market share. At first, the
idea of having to wait for your movie to come in the mail was a challenge for new Customers. Once they tried it though, Customers found they liked getting movies in their mailbox and sending them back whenever they were done watching them, with no late fees.

Now, I am a fairly organized bloke. I can get my travel documents and overnight bag packed in less than 15 minutes. I am a champion multi-tasker who can blog and watch a soccer match at the same time. But I was challenged by the deadline at my local Blockbuster. I am quite certain that I helped keep their ledgers in the black for years in the early 2000s.

While I understood their return and late policy, it grated on me. Not only that, it was inconvenient with which to comply. Furthermore, Blockbuster made it worse by moving the deadline to return your movie from 9 pm to 5 pm. For working people, that doesn’t “work,” does it?

Unfortunately, they weren’t done. They then moved the deadline up to 2 pm, or some other ridiculously early time. I honestly don’t remember…it’s been so long since I rented a movie there. My point is that their Customer Experience always left me feeling hassled.

So when I had a better option, where I returned the movie when I was done with no late penalty, I took it. Furthermore I didn’t even have to go to the store to do it but instead sealed it in the red envelope and dropped it in the outgoing mail. Now I don’t even fool with envelopes; I stream movies and other programs directly.

Blockbuster tried to respond to Netflix, but they were too late. After Netflix was crushing them, they came up with an online movie service. They also abandoned the confounding late fee policy. Blockbuster stores across the country all had huge banners that read simply “No More Late Fees!” but it was too late; their Customers had moved on. I remember thinking snidely one day as I read a banner while driving by my local Blockbuster where I had paid countless late fees, “Of course there are no late fees…I’m with Netflix!”

Blockbuster suffered from hubris. Blockbuster exhibited hubris when Netflix announced their business model and they didn’t respond. This is a lot like
Nokia, who decided not to compete with Apple’s iPhone. Now both companies are paying the price for their hubris and for not paying attention to what the Customer wants or the Experience Blockbuster and Nokia were providing.

Luckily, more companies understand the importance of what the Customer wants and the Experience they are providing. In our 2013 Global Leaders of Customer Experience Management (CEM) Survey, we learned something very interesting this year. For the first time, our leaders identified their biggest issue to be incorporating the CEM philosophy into their corporate culture. In previous years, the biggest issue has been demonstrating how an investment in CEM would perform in an ROI analysis. To us, this shows that more organizations believe in the importance of Customer Experience, and less are trying to convince themselves that it is worth the time and money.

Netflix is still a pioneer in improving Customer Experience. In August, Wired.com described Netflix’s future plans for their Customer Experience. They have plans not only to improve how they suggest movies for your queue, but also for ways to figure out who is in the room watching (by using a camera attached to the system, like your Xbox) so they can combine the interests of the individuals to suggest that will be a winner for everyone.xxxvi Once you get over the weird idea of the camera seeing into your living room, this is an innovative idea and indicative of their commitment to providing the best possible Customer Experience.

So Blockbuster will go the way of Nokia, not with a huge corporate “merger” (read: acquisition), but a splutter and gasp into brand oblivion. After all, there are only 300 stores left, a far cry from the ‘90s and early 2000s when there was a store on nearly every corner in the US. They will serve to future mega-brands as a Cautionary Tale of what happens when you forget to listen to what the Customer wants because you are too busy counting your market share.
Is Walmart the Store it Used to Be?

At the time of this publication, Walmart is the biggest retailer in the world. Even so, the Customer Experience is terrible. How can I say this? Let me give you the view from a Customer’s perspective--more specifically, mine--from a visit to Walmart:

All I needed was some fishing line, so I did what millions of people do every day to get something they need: I went to my local Walmart. I found the fishing line, got a couple of other things, and went to the checkout.

I won’t bore you with the whole situation at the checkout, but as an expert on Customer Experience, and an author of four books on the subject, I like to think I know a little about how to create a great Customer Experience. To be honest an average Customer Experience would have sufficed but I didn’t even get that.

The wait time was horrendous. I complained to the checkout clerk about the time it took to be served. She decided to inflame the situation by being very rude, so I asked to talk to a manager. I now
understand why the clerk was rude. The manager was worse! After the manager walked away I could hear her complaining about me to a coworker, in a loud enough voice that she knew I could hear.

While I thought about this experience and their awful behavior, I could hear a phone ringing and ringing. I overheard one of the customer service staff say they were not going to answer the phone because it’s “only a customer” and she was “too busy.”

This experience was a classic case study of how NOT to deal with Customers. As a result I have decided never to go back Walmart. The only good news about this whole mess is that I can use this as an example of what not to do in our Customer Experience Management training sessions.

Walmart has been a juggernaut of retail for going on 30 years. The discount prices and large selection are an example by which all other discount retailers are measured. They dominate the marketplace as the Number One retailer. They have figures that report that two-thirds of Americans shop at the store every month.

However, I have to ask, “Is Walmart the store it used to be?” The answer is no.

Walmart’s announcement about their earnings disappointed Wall Street in late 2013. They are also making cuts to their projections for future quarters. Walmart Chief Financial Officer Charles Holley blames caution at the consumer spending level as the culprit for their problems.

I am not convinced by this explanation. I thought that during a recession low priced stores did better? Their low prices should be a draw, not a deterrent. For the very reason Holley cites as the problem, Walmart should be doing well. I would also point out to Holley that if you provide a poor Customer Experience, and people like me refuse to go back, your sales decline. Consumers are telling another story about why Walmart is disappointing the stockholders.

It seems my trip was par for the course for many Walmart shoppers. In my case, however, at least the fishing line was there! That’s more than many of
these shoppers can say. If you don’t have the items the shoppers need, sales decline.

When I heard this announcement, a quick search on the web revealed articles from Bloomberg.com that talk about the Walmart Customer Experience, using real world examples. There were several stories from real shoppers that gave specific examples of what frustrated them about their Experience.

I was able to narrow down their complaints into five main areas.

1. **Can’t get the items they want.** Many shoppers complain that they go to Walmart with a list, but can’t get all the items on it they want. They leave with three of seven, or even worse, one of seven. Many of them complain that the store has empty shelves and spaces that will stay that way for a long time.

2. **No one is there to help anymore.** More than one of the shoppers said they couldn’t find an employee to help them. I have experienced that many times.

3. **Long checkout lines.** Consumers from stores all across the country complained about checkout times. The average amount of time was 15 minutes. One couple had a strategy where they would wait until right before they checked out, and then one of them would run to get the ice cream because otherwise it would melt in line! Many consumers said they just abandon their purchases and walk out empty-handed.

4. **Unpleasant experience.** It’s no surprise that many former Walmart shoppers are willing to pay more money, drive further, and go to more than one store to avoid their local Walmart store. When asked why they would do those things, they said that Walmart was an unpleasant experience and it was preferable to go somewhere else.

5. **Poor Customer Service:** Many of the consumers felt driven away by poor Customer Service. One man said he was told that he should get his watch battery changed at a pawnshop since no one there
knew how to do it. Others described asking where to find something and the employee pointing vaguely in a general direction. Again this has happened to me.

When one considers these five complaints, clearly the problem is an operational one, not an economic one. Every complaint here is the result of a lack of employees, a lack of concern for the Customer Experience by the employees that are present, and a clear loss of service for the consumer. Since we know that an excellent Customer Experience begins with Employee Engagement, then the ones that work at Walmart are clearly not engaged, or even happy, for that matter.

There was a time when Walmart employees were happy. They enjoyed excellent benefits, regular hours, and competitive pay, and were valued as one of the most important resources at the organization. In the ‘90s, their ads were built around employees, featuring them as ambassadors to the public that invited the Customer to come in and explore their retail paradise.

Today, you would think all the associates must be somewhere else because you can be certain that they aren’t at the store helping you find things, putting inventory on the shelves, or opening up one of the 27 closed registers while you are waiting in a 15-minute checkout line.

Walmart added 455 stores in 2013, which makes the total number of their stores worldwide 4,055. The number of employees, though, have dropped since 2008 by 20,000. So not only do they have fewer employees, but they also have more stores to spread the employees around!

So the employees left on the job are not happy. Go onto YouTube and see the videos posted there. Walmart employees say they are overworked, they are undertrained, and they are constantly behind in their tasks.

Not to mention all those interruptions they have with super-demanding Customers that call on the phone!

It would be relatively inexpensive, according to some experts, for Walmart to add more to their staffing. For a company that made over $17 billion in profits,
the costs only add up to $448 million. Sadly, it appears that earnings are everything, and profits are more important, so it doesn’t happen.

Walmart is an excellent case study of what happens when your operation and devotion to making the quarterly earnings report results in decisions that hit short-term goals but have long-term negative effects on Customer Experience. Walmart has long been the leader in retail. However, if they continue on their course to expand the retail space and not the retail employees or their engagement, they can definitely expect to earn less than $17 billion in profits every year.
Conclusion

What Does This All Mean?

We have reached the end of the book now, where it is essential to consider what we have learned; or in other words, what this all means in the context of your Customer Experience. More importantly, we need to take this information on finding the hidden Customer Experience beyond the philosophy and put it into action for your organization.

One of the most important things you need to know upon finishing this book is that a Customer Experience is much more than your product, price, and process. These things are important, almost like a ticket to entry in today’s economy. They are not, however, all the parts of a Customer’s Experience. More than half of any Customer’s Experience has to do with how they feel about the Experience.

When it comes to Customer Experience, it is important to remember all the hidden parts that make it up. These include the emotions felt before, during, and after your Experience. Some of the most important and impactful emotions your Customer feels are at the end. These emotions will color their memory of your Experience and could be the difference between coming back to your company or moving along to your competition.

Along with the emotions the Customer feels in their conscious mind, the feelings that they have subconsciously are also an important hidden part of the Experience. In this case, the subconscious feelings are so hidden that the Customers themselves don’t even recognize them. It is these subconscious feelings that drive many, if not most of the decisions your Customers make, however, so they are important to consider and understand in your Customer Experience design.

A part of the Customer Experience that is also important, if not hidden, is how your Employees feel about your organization and its brand promise. Employee satisfaction is great, but Employee Engagement is what makes your
organization great, at least as far as Customer Experience is concerned. In many ways, you need to design your Employee Experience the same way you design your Customer Experience. You want employees to feel as happy and pleased about where they work and what they do as you want Customers to feel after their Experience with your organization.

These hidden emotional and subconscious parts have a huge impact on your Customer Experience. Those organizations that recognize this impact and implement strategy and design to create deliberate emotional responses are the companies that set the standard for everyone else. Whether it’s Disney who continually improves their guest Experience at their amusement parks, or Amazon that adds new services and features that surprise and delight Customers, these organizations are breaking new ground all the time for what is possible and achieve greatness.

For every Disney or Amazon, however, there is a Ryanair or Walmart, who disregard the hidden parts and create bad Customer Experiences that frustrate and disappoint their Customers. Or worse, their lack of Customer-centric focus facilitates a brand’s fade into oblivion, like the Nokia and Blockbuster examples I included. The truth is that despite the progress made in accepting the importance of having a great Customer Experience by most organizations, the majority of them in operation today are still disregarding these important hidden factors of Customer Experience.

The good news is that the tide is turning. For over ten years, we have been saying that Customer Experience is the great differentiator of businesses for the future. It will be the battleground where Customer loyalty and retention are earned, and in many cases won. At first, few took us seriously, but over time our predictions became more widely accepted. It is encouraging to see more organizations realize this to be the case, and change their strategy to reflect Customer-centric values.

I have a favor to ask: If you enjoyed this book, will you please write a review of it? As you know, there are a lot of books available and your review will help mine stand out to others who would like to learn more about the hidden Customer Experiences that we covered here.
Please feel free to contact us if you have any questions or comments about anything you read. We welcome your inquiries and insights. We have a saying here at Beyond Philosophy: “None of us is as clever as all of us.”

I hope you have enjoyed reading this ebook about the hidden Customer Experience. I hope you have learned much from these short stories, both in what to do and what to avoid. May it help you create the Customer Experience you want for your organization, where the Customer comes first in everything you do, taking you beyond the philosophy and helping you set a new standard for what is considered remarkable.
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