Customer Experience 3.0

Thomas Kuhn wrote a book rather famous in some circles, *The Structure of Scientific Revolutions*. In it, he argued that our world views are shaped by paradigms of operation that prevail until there is disruptive change. Until a few hardy explorers proved otherwise, the prevailing paradigm was that the world was flat. Until a scientist who risked Papal arrest showed otherwise, we all believed the sun revolved around the world. These world views are paradigms. They establish the rules and boundaries for what we see and think. This idea was reincarnated in more recent times by Chris Argyris and others, who wrote at length about mental models and how they govern our lives.

How we view brands and the customer experience also is governed by these paradigms, or mental models, if you prefer. The brand model goes something like this: The brand is this "thing" or idea that represents the essence of what the company stands for. Yes, there are lots of variations on this theme, including ones developed by Hansa. But the model does not stop there. It also includes how we execute on the brand and what we consider to be management of the brand. For many companies, it means marketing communications – conveying the brand value proposition to target audiences. Indeed this communication has expanded in recent years with the advent of social media. But, we still think and manage brands as if we were advertisers pushing messages out to the receiving audience. As Seinfeld said so well, "Not that there's anything wrong with that."

Meanwhile, we have our customer experience paradigm. Actually this paradigm has arguably shifted more in recent years than brand has. At one time, say pre-Starbucks and other notables like Krispy Kreme (before national expansion), there was no common lexicon that included customer experience. Authors like Joseph Pine (*The Experience Economy*) and my colleague, Richard Whiteley (*The Customer Driven Company*) put new terminology into company conversations and strategy debates. Prior to this "experience" thinking we only talked about customer service, so to speak.

But, now everyone uses "customer experience." It has become the new paradigm in corporate speak. That's fine, but our mental model of customer experience is still constrained from where it needs to go. Many companies still equate the customer experience to "customer service" and they think primarily of call center support. Look into your own company and

ask, what do most managers think about when they hear the customer experience words? If we equate customer experience to customer service, we can manage it. Every company has someone in charge of customer service; managing this paradigm of customer experience fits neatly into organizational structures. This is customer experience 1.0.

> ## Customer Experience 1.0: Customer Service

The other emerging paradigm of customer experience is the still limited, but growing, recognition that customer experience is more than customer service. Indeed, it is the composite of all the ways in which customers interact with a company's products and services. This is customer experience 2.0. The constraint to this paradigm, however, is the issue of who is managing the customer experience? Everybody? Hmm. That poses interesting challenges. While people may give lip service to this comprehensive view, the organizational issue of how to manage it presents a real drawback to accepting in practice a paradigm of the comprehensive customer experience.

> ## Customer Experience 2.0: What customers feel, think, and sense as a result of the composite interactions they have with you.

I get tired of articles that always lay thorny issues on the desk of the CEO. But, if we think about the comprehensive customer experience and what it means for organizational management, this is one issue that needs to be there. Falling short of that, good-intentioned managers will struggle to work cross-functionally and through persuasion and negotiation to get things done. Nothing new to modern corporate management, but nonetheless a constraint to actually delivering a consistent experience that customers value.

If you want to see the customer experience in practice as a working, operating paradigm, look at companies like Amazon, Harrah's, Southwest Airlines, Nordstrom, Zappos, and, of course, Apple. One thing we find in common is the role of leadership in relentlessly driving the execution of a consistent, valuable experience for customers across all touchpoints. If you are a CEO reading this and you say, "Well, I have people in my organization who manage this. Besides, I have other things I have to focus on like quarterly results, investors, acquisition strategy, new product pipeline, major client accounts, etc," then you are missing a major opportunity, indeed requirement, for company leadership.

I am willing to bet anything that if this issue isn't on the CEO's agenda, then your company's customer experience is struggling, caught in a paradigm of what can be done (or not done) and how it needs to be done. This is not to say you don't need customer experience expertise in your company, or that your executive team should not be charged with executing the experience. But you cannot delegate your conviction; you cannot delegate your

relentless pursuit of executing the desired customer experience.

Exemplary Customer Experiences	
Company	**Customer Experience**
Zappos	Wow
Banyan Tree	Pampered
Apple	Cool design; user friendly
Pret a Manger	Fresh
Harrah's	Exuberantly alive
BMW	Ultimate driving machine
Nordstrom	Personalized
SWA	Cheap, fun
In-N-Out Burger	Underground menu

But in the words of Ronco-type ads, wait, there's more. If you believe your company's mental model of the customer experience and how it should be managed is in need of revision to be more comprehensive, I have unsettling news. The customer experience paradigm as a composite of all the touchpoints customers have with you is out of date. No sooner might you migrate to this customer experience paradigm and you will find yourself looking at the need for another mental model of what needs to be done to win with customers.

This takes us to the brand. So many times I have seen companies undertake customer satisfaction and other surveys to figure out where they are falling short and what they need to improve. (Repeat our Seinfeld quote here.) While companies can prioritize improvement efforts based on this feedback, from a strategy standpoint it can become a bit of a random walk.

The customer experience is a business strategy, or at least it ought to be. The brand represents what you stand for, your point of distinction, the essence of the value you deliver to customers. The brand, however, is not just something that is managed in MarCom. Customers don't view your company and your brand in siloed touches. If you ask customers what your brand stands for, they don't say, "Well, let me think about the last ad I saw." They judge your brand based on their total experience with your company over time. Indeed, they form a mental "gestalt" about your brand that reflects more than the sum of the parts, more than any one interaction or the total of their interactions with you, whether with service, product, website, or myriad other touchpoints. The brand is the experience from the customer's perspective.

The next shift in paradigm needs to recognize that not only is the experience the brand from the customer's view, but the company needs to look at the brand and the promise behind the brand as the core of everything that needs to be driven into the customer experience. This is customer experience 3.0.

You don't have to think about this for long to see what I mean – A company cannot say the brand is one thing in marketing communications and then not embody that brand in the rest of customer touchpoints. As a friend and former manager of mine said, "File that under 'D' for doesn't work." "Walk the talk has concrete meaning in building brand equity.

So, the brand is the experience. The experience needs to live the brand. How is your company approaching this? Do you have a brand promise that is known and that underlies everything the company executes? Are managers at all levels aligned with that promise? Are touchpoint experiences managed to embody

that promise? Do your customer satisfaction surveys incorporate feedback on your brand promise implementation? What is the paradigm your company is operating under?

Here's the challenge: We all form mental models and paradigms of the way the world works and the way the company should work. If your paradigm for customer experience is "customer service," you are two steps behind. If your paradigm is customer experience without integration of the brand, you are one step behind. Customer Experience 3.0 is what we see leading companies following, and we also see it inherently in brands that build enduring equity.

Did I say that moving to this new paradigm was easy? I hope not. The other thing Thomas Kuhn pointed out was the difficulty and risk in breaking an existing paradigm. It aint' easy. But was anything ever worth going after easy? Don't emulate Apple. Be the unique groundbreaking, paradigm-shifting, customer-loving wow in your business. Integrate your brand into the customer experience.

Hansa has worked with companies to integrate their brand into their customer experience, to revamp their customer research to mirror this paradigm, and to enable organizational change to manage a customer experience that lives the brand. If you are interested in continuing the conversation, please contact us below.

Hansa provides a full range of qualitative and quantitative research services. Our experienced research and consulting team, including PhD-level statisticians, uses innovative, data-driven methodologies tailored to our clients' research needs.

We pride ourselves on our ability to truly understand the voice of the customer and translate that voice into winning strategies for brand development, marketing communications, customer relationship enhancement, and product/service innovation.

> ## Customer Experience 3.0: The Integrated Brand & Customer Experience:
> ## The purposeful delivery of your brand promise into the comprehensive set of ways that customers interact with you over time.

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