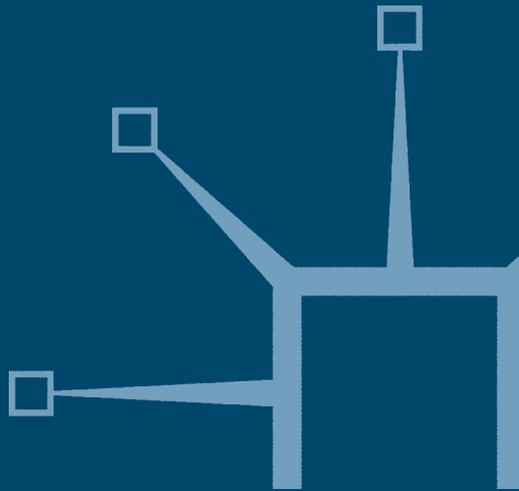# Building Great Customer Experiences

Colin Shaw and John Ivens

9 Managing your customer experience: the Customer Experience Pyramid™

> Nothing happens by itself … it all will come your way, once you understand that you have to make it come your way, by your own exertions.
>
> Ben Stein

There are no truer words spoken than these. Ask the great football (soccer) managers or American Football coaches if they achieved their success by leaving things to chance. Ask them if they have a style of play, a plan for each game, tactics they deployed to win a game. Of course they do. Ask any military leaders if they spend time thinking and planning a battle before engaging in it, breaking down the strategic objectives into the elements that will give them success. Of course they do. Nothing is left to chance: you make your own luck.

> Luck is what happens when preparation meets opportunity.
> Darrell Royal, in James A. Michener, *Sports in America,* 1976

We have always been taught, if you don't know where you are going, how are you are going to get there? In the context of the customer experience, we hope you will already have picked up one of our major themes: how do you expect your people to deliver a great customer experience if you haven't defined what it is? Sure, most individuals will try to do the right thing, but the right thing will be based on what they individually consider to be right and appropriate. Therefore the customer experience will be different in each case, and the Tower of Babel will exist. This will also add to your costs, as there will be overlaps in your contact-points as we outlined in Chapter 4. The key to success, as always, is thinking, planning, implementing and reviewing. The customer experience is no different from other aspects of your business in this. By doing this you will ensure you achieve *Philosophy One: Great customer experiences are a source of long-term competitive advantage.*

Our framework: the Customer Experience Pyramid™

We believe one of the reasons that we suffer from the 'blight of the bland' is that there is no commonly accepted process for the development of great customer experiences. In this chapter we provide you with that process. We

have used this on many occasions, and over time have improved it immeasurably. It is proved to help define and then control your customer experience. Importantly it forms part of a holistic virtuous circle to which we will introduce you in Chapter 13, which we call DICE (driving improvements in the customer experience). The Customer Experience Pyramid™ provides the means of focusing everyone in your organization on the same customer experience, and provides the mechanism for everyone to understand the part that he or she individually needs to play in building great customer experiences. It gives you an insight into how to break down the customer experience into controllable chunks, and offers a method for subsequently managing each of these elements. The Customer Experience Pyramid™ examines the key building blocks that support delivering the correct physical performance, and the emotions that are evoked.
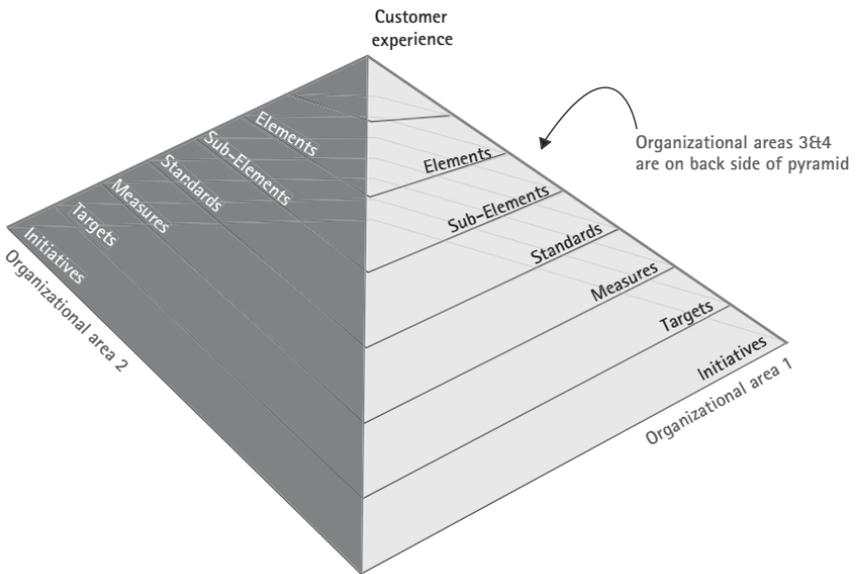

Figure 9.1 The Customer Experience Pyramid™.

The ancient architects who built the great pyramids of Egypt and Central America wanted to create something that would last, something they could be proud of and that people would admire. With these goals in mind, they must have spent a great deal of time planning and thinking about how to build the structures. These constructions are testimony to their skill, and remain one of the wonders of the world. For the same reasons we have chosen the pyramid to help implement the customer experience, as we believe people and companies would like their customer experience to stand the test of time, be admired by people and leave a legacy to move us out of the 'grey world' in which we live. In so doing, it will achieve:

Philosophy One: Great customer experiences are a source of long-term competitive advantage.

But as the ancient Egyptians found, it takes time, commitment, planning and a lot of thought. All in all, a pyramid is a very apt symbol.

Using a pyramid is also important as it has four sides. In most organizations there are four major functions: sales, marketing, service and support (which includes HR, IT, finance and systems). Clearly these can change with your company's organizational structure. Therefore the four faces of a pyramid can be used to depict everyone working in his or her own function, but heading towards the same customer experience at the summit. Figure 9.2 shows a view from a helicopter of the Customer Experience Pyramid™ with everyone working towards the summit, in the middle.
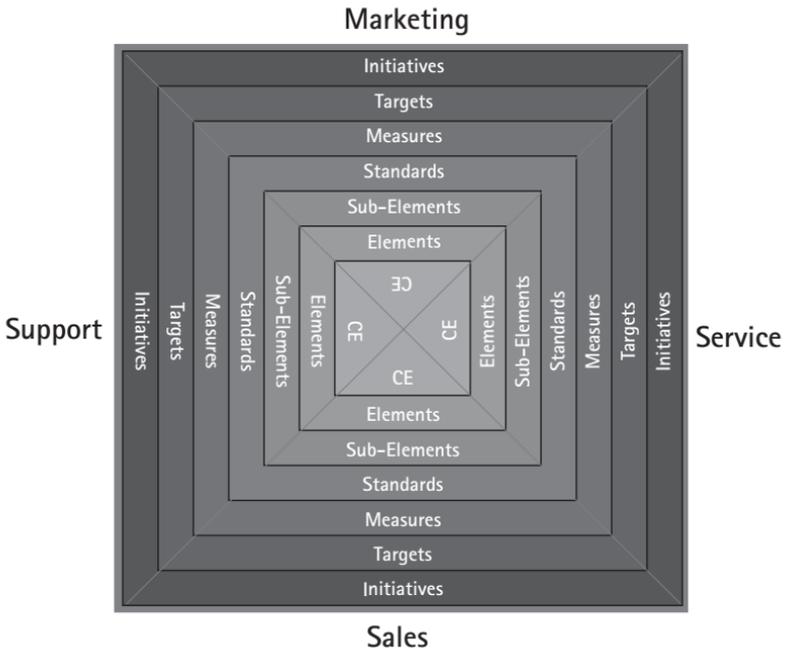
Marketing

Initiatives
Targets
Measures
Standards
Sub–Elements
Elements

Support Initiatives | Targets | Measures | Standards | Sub–Elements | Elements CE · CE · CE · CE Elements | Sub–Elements | Standards | Measures | Targets | Initiatives **Service**

Elements
Sub–Elements
Standards
Measures
Targets
Initiatives

Sales

Figure 9.2 Plan view of the Customer Experience Pyramid™.

To reach the summit there are a number of steps. It is thought that one method of constructing a pyramid was to build it in steps, before the outer layer was put in place, to make it smooth. The same applies to the Customer Experience Pyramid: there are a series of steps you need to take in its construction.

Let us start by explaining the rudiments of the Customer Experience Pyramid.

Building the Customer Experience Pyramid™

Aha! We can break down the elements of the customer experience and then effectively manage them.

We need to proactively and deliberately define and write down the physical and emotional customer experience that you wish to achieve, producing a *customer experience statement* which you can communicate in the same way as you would your vision, mission or values. To do this we first need to break down this customer experience into the individual physical and emotional *elements* that we wish to focus on. As the elements are still quite large, we will need to break them down further into their individual *sub-elements* so they can be managed.

From this we set *standards:* that is, definitions of the standards you wish to attain, driven by the value that the customer places on them. Once this is achieved we need to set both *external and internal measures* based on the chosen sub-elements.

We then set appropriate *targets* which drive, and are consistent with, the chosen properties of the sub-element. Finally, we need to identify *initiatives* that will help us achieve the target, or that will improve the measure for that property or element.

Each organizational area should complete this process from the single customer experience statement, and thus you will get an integrated customer experience across your internal 'silo' organization. You will then be able to use Moment Mapping™ to identify overlaps and gaps, and stop internal initiatives, programmes or projects that do not fit in with this model. This will save considerable costs in management focus and wasted resources that do not ultimately affect the customer experience.

It probably all sounds a bit daunting, but remember:

> Out of intense complexities, intense simplicities emerge.
>
> Winston Churchill

We will use the example of Beyond Philosophy™ Holiday Tours, a fictitious company in the holiday business, and walk you through an example in more depth to get you used to the process. A figure details each stage of the process and what it means to Beyond Philosophy™ Holiday Tours in practical terms. Let us look at these steps in a bit more depth.

Customer experience statement

This is a critical output of the process, so it comes at the end, once you have determined your elements, properties and so on. We are just about to explain this further, but we believe it is important that you have something in your

mind, as an output, to help make more sense of the process. We outlined the customer experience statement in Chapter 5, but to reiterate, the customer experience statement defines what you want your customer experience to be. It answers the question, 'What is our customer experience?' It acts as a central statement so that everyone understands what they are trying to do, and stops the Tower of Babel forming.

Our definition of a customer experience statement is:

> A description of the customer experience, which contains the elements that have been chosen for delivery, written in a way that can be easily understood and will inspire people into action.

The Beyond Philosophy™ Holiday Tours customer experience statement is:

> We want our customers to have a thoroughly *enjoyable* experience on their holiday. We will achieve this through providing a very *friendly* and *accessible* customer experience that they *trust*. Everything we do will be delivered in a *timely* and *reliable* manner that will be second to none. The result of this is that our customers will become *loyal* and will say, 'I would never dream of going anywhere else.'

Elements

An element is a defined and articulated part of the customer experience. Importantly, elements are *both* physical and emotional. In the Beyond Philosophy™ Holiday Tours example, the elements are in italics. This is important: if you only focus on the physical then you are not attempting to evoke the emotion you desire. David Mead, Chief Operating Officer, First Direct:

> We try and make the customer experience a very powerful one in terms of the hygiene factors, fast, efficient, accurate, but these things, the harder edge of the customer experience, are nothing more than a ticket to the match. The thing that makes you win is whether you can make the emotional part of the experience match with the brand and be something that makes the customer feel good. The aspiration of the First Direct customer experience is that we not only sort out their finances but that we actually make customers feel good as well.

Another example is from Steve Harvey, Director of People, Profit and Loyalty, Microsoft:

> If there is one word I would use it would be the 'empowered' word. If we want to give any emotion to a customer it's to make them feel

empowered. To give them access to the information they want. To just give them the freedom to go where they want to be in the world and to do what they need to do. Our software can do that.

What are the emotions you are trying to create? You will probably find these in your brand values, but not always: some companies do have brand values that are entirely physical! However, for the reasons indicated in the last chapter, brand values often do not seem to be made visible to the actual front-end people who deliver the brand and the customer experience.

An element is a top-level component of the customer experience. Elements will vary with industry and company. For example Matt Peacock, Chief Communications Officer, AOL UK, told us that the AOL brand values are innovation, excitement, creativity and trustworthiness. On the face of it, excitement and trustworthiness are the emotional brand values, with innovation and creativity being the physical. Yet you can feel that AOL is creative and feel that they are innovative: as we have said, a brand is a perception. It has to be reinforced by actions to create a perception, and if these four brand values are included as elements in the customer experience statement they will be delivered to the customer.

You may want to include other emotional elements over and above your brand values. For instance, if you define 'feeling valued' as one of the emotions you want your customer to feel, the question then becomes, 'How can I create an environment where my customers will feel valued?' When you find the answer, you have to do something physical to try to evoke that emotion: maybe put in place a mechanism where you write to customers telling them their business is valued, or perhaps offering some exclusive offers/services to 'valued' customers. There is no point in telling customers that you value them and then removing the account team to reduce your costs. Your words and your actions would be different. There is no point in telling customers you want to provide an accessible customer experience and then having your contact centres open only between 9 am and 5 pm. It is vital that the whole company structure is built around delivering these elements.

You'll recall in Chapter 7 how David Mead, Chief Operating Officer, First Direct, told us that openness is a key element for them and how they have physically laid out and constructed their call centre in order to deliver a feeling of openness.

The problem is that an element can be too big. The old adage then becomes true:

How do you eat an elephant? Answer? One bit at a time …

You have to break down the elements into the sub-elements that make them up. One element might spur two or three sub-elements which could create

three or four standards each, and so on, as depicted in the face view of one side of the Customer Experience Pyramid™ shown in Figure 9.3.

Sub-elements

Sub-elements are the lower-level constituent parts that form an element. Again there can be both physical and emotional sub-elements. A sub-element of the element 'trust' is integrity (see Figure 9.4). So for people to feel they trust you, your people and the company need to act with integrity. You will find that customers have expectations, both physical and emotional, around each of the elements and sub-elements. They will have expectations about what is clean, secure, dependable, safe, trustworthy and responsive.

Standards

Standards are where theory moves to action. For each element and sub-element you need to define a standard, which articulates what you are aiming for. A standard is a statement of what needs to be delivered in order to meet a given sub-element. Barry Herstein, Chief Marketing Officer, Financial Times Group:

> We are systematically going through the business and asking if our performance standards measure up to our brand aspirations. What are
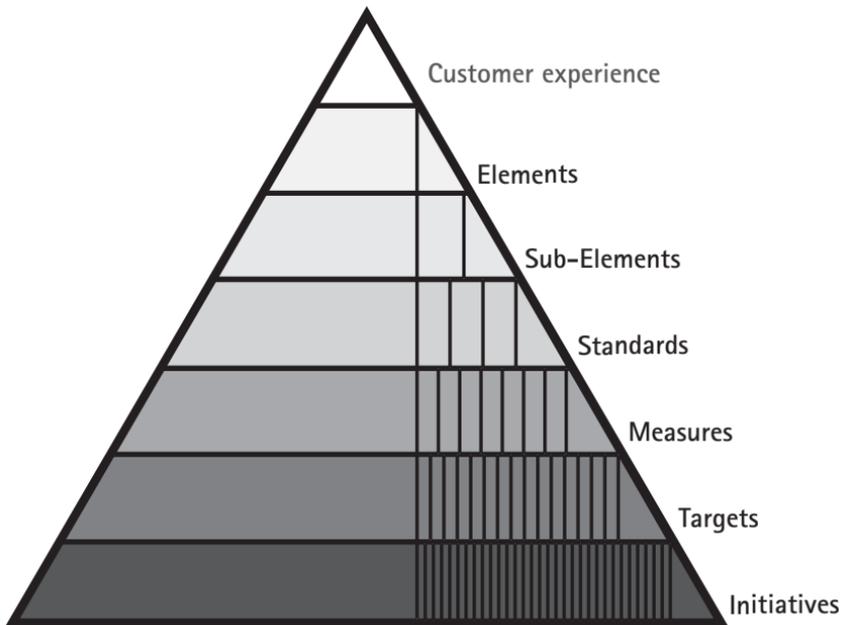

Figure 9.3 One side of the Customer Experience Pyramid™.

acceptable levels? Are there errors in delivery? Someone will always say, 'Well, we benchmarked, and we are still better than XYZ.' I say to them, 'Is that your benchmark? Because it's not mine. My benchmark is that the customer expects zero fault.' It is defined by the customer, not the competition. I think that has been a big mindset change. If you want to let the competition define your business, I think that's a very bad place to go. I think if you define it by customer expectation, you have a better chance of gaining share and satisfying them.

Measures and targets

We have dedicated a whole chapter later in the book to the areas of customer experience measurement and setting appropriate customer experience targets, so we will be brief at this point. The old adage is true:

If you can't measure it, you can't manage it.

A measure is a means by which a standard can be assessed objectively in terms of performance. There can be internal and external measures, possibly both depending on the importance of the standard. For example, the percentage of orders revised due to inaccurate internal data entry might act as an internal measure of accuracy. The number of complaints received due to wrong goods arriving might be an external measure. The percentage of customers who complain that the product operating instructions are difficult to follow might be a measure of 'ease of use'.

A *target* is an unambiguous statement of the required performance level of a measure: for example, 3 per cent of orders revised due to inaccurate entry, or no more than 4 per cent of customers to complain about the usability of the product instructions.

Initiatives: the power of saying no

Many companies we speak to have many (sometime hundreds of) initiatives in progress, all taking up valuable resources, budget and precious management time. How do you prioritise? The question we always ask is, 'How many of them are about improving the customer experience?' Often we find that most initiatives are not tied into the customer experience. We argue that all initiatives (unless they are specifically about reducing costs in a way that does not affect the customer experience) should be tied into driving improvements in the standards, measures and targets that you have set as part of your customer experience strategy.

In Chapter 12 on Strategy, we explore how the pyramid can be used to stop you pursuing initiatives that are not contributing to improvements in the customer experience.

In Figure 9.4 is a completed version of the Customer Experience Pyramid™ to which you may wish to refer as we walk you through the different stages in a bit more depth. It is quite detailed and does take time in its production, but once it is defined I am sure that you will see that all the arrows are pointing in the same direction. As you can see this process is quite involved. and we have developed a number of tools and techniques, to help define the elements and sub-elements required. For more information please access our web site.

Now this work has been completed it can be used in a number of different ways. First, the importance of the elements and sub-elements may change as you travel through the stages of the customer experience. For example, 'enjoyable' will be more important during the product/service consumption phase than at the pre- purchase interaction phase, when people are booking the holiday. However, 'accessibility' may be more important at the pre-purchase phase than at the product/service consumption phase, as they are already at their destination.

Market places

Different industries and different customer segments will attach a higher importance to different elements. As you can see from Figure 9.5, even for those markets with similar elements, the importance of these in the customer experience will vary by market place (the black boxes indicate the most important elements).

If a retailer has a large computer network which runs its checkouts, if the equipment fails its whole operation will be affected. The company will need to feel confident that its computer service engineers will respond quickly when things go wrong. The computer service company might instil this confidence by locating an engineer at each of its customers' data centres. The customers would feel 'confidence' and 'trust' that someone was there and that they were assured of a very quick response to faults.

The utility market, on the other hand, might see the physical element of 'timeliness' as being key. Many utility infrastructure sites are unmanned and relatively remote, so if a supplier needs entry to a site to service equipment, for example, the utility company will probably need to send someone specifically to meet the supplier and open the site. The supplier will need to offer a customer experience which includes being able to advise the utility company as precisely as possible when an engineer will arrive. Suppliers which only offer morning or afternoon appointments will therefore offer a less 'timely' service and create a less attractive

BEYOND PHILOSOPHY™ HOLIDAY TOURS

Element	Property	Standard	Measure	Target	Initiative
> Trust	> Integrity > Feels confident > Honesty	> Behave in a trustworthy manner > Behave with integrity > Behave in the best interests of the customer > Don't over-promise > Do what you say you will do > Be honest about what you can achieve > Tell customers if it's going to be delayed > Advise customer if product doesn't meet all their needs > Behave like you trust the customer	<u>Internal Measures</u> > % of staff selected as suitable for customer experience training > % of selected staff completed customer experience training > % of all procedures are in line with ensuring customer experience <u>External Measures</u> % of customers who: > agree that they trust us > say they feel like we trust them > think we are honest > agree we have integrity > agree that our people behave in a trustworthy manner > agree that our people act with integrity > agree that our people behave in their best interests > agree that our people are honest about what they can achieve > agree that our people tell them if our products don't meet their needs > were told of any delayed delivery > agree that our people do what they say they will	> 75% of staff in all functions selected for training > 90% of selected staff completed training > 95% of procedures to be customer experience friendly 98% of customers: > agree that they trust us > say they feel like we trust them > agree that we are honest > agree we have integrity > agree that our people behave in a trustworthy manner > agree that our people act with integrity > agree that our people behave in their best interests > agree that our people are honest about what they can achieve > agree that our people tell them if our products don't meet their needs > were informed of any changes in delivery dates > agree that our people do what they say they will	> Implement an assessment centre to select people who are good at trust. See Chapter 7 > Implementing training > Communicate what 'good' looks like to people > Review all order forms > Product training to ensure people understand customer benefits of products > Review reward and recognition systems

BEYOND PHILOSOPHY™ HOLIDAY TOURS

Element	Property	Standard	Measure	Target	Initiative
> Time-liness	> Suitable time period > Suitable time > Timely manner	> Ensure booking confirmation is sent in a timely manner > Have timely departure days > Ensure product literature and information is available when the customer needs it. > Ensure that any contact is answered in a timely manner > Ensure resolution of customer issues in a timely manner	*Internal measures* > Booking confirmation details to be sent to customer within 2 days of booking > Have product information available at all customer contact-points > % calls answered within a given time-scale *External measures* > Number of complaints/enquiries associated with timeliness > % of customer who say that they received their booking confirmation within 3 days of booking > % customers extremely/very satisfied with departure day by product > % of customer who say that product information wasn't available to them > % of customers extremely/very satisfied with contact/was dealt with promptly > % of customers who say that any issue was dealt with in a timely manner	> 100% booking confirmation details to be sent to customers within 2 days of booking > 100% of customers who say that they received their booking confirmation within 3 days of booking > 75% of customers extremely/very satisfied departure day by product > 0% of customer who say that product information wasn't available to them > 95% of customers extremely/very satisfied that contact was dealt with promptly > 100% of customers who say that any issue was dealt with in a timely manner	> Implement tail measures > Communicate to people their importance > Set upon reminder systems for tagging time in queues (lines). >

Figure 9.4 Sample of a Customer Experience Pyramid™ for Beyond Philosophy Holiday Tours.

Retail	Utilities
Accessibility	Accessibility
Timeliness	Timeliness
Accuracy	Accuracy
Reliability	Reliability
Confidence	Confidence

Figure 9.5 The importance of elements in vertical markets.

customer experience than those that can specify appointments more precisely.

Do remember that even within the same market place, different company strategies and different products will lead to a different relative importance being placed on different elements. For example, safety will be a key element for passenger industries such as airlines, train and bus operators, whereas it will not be so important to the supermarket sector. This can also provide you with an opportunity. You can look across your market place and define what your competition are doing, and choose a new element that would provide you with a competitive advantage.

Product and market maturity

Variations in the relative importance of the elements and sub-elements will occur in the following circumstances.

As the market matures

Colin loves gadgets and technology; John does not. As soon as there is some new technology available, Colin will go and buy it. He does not mind if the technology is in its infancy and still developing, or the company he is dealing with is not fully geared up to deal with customer enquiries. John, on the other hand, will probably buy it a couple of years later, once all the teething problems have been ironed out. The element of 'innovation' is important to Colin and he is not so concerned about 'reliability', as he knows new technology is fraught with problems. However, when John adopts the technology as the market matures, 'reliability' and 'user friendliness' are critical. You will see from Figure 9.6, what is happening and the relative importance we are each attaching to various elements in this scenario. The

grey boxes indicate high importance and the white boxes low importance, which changes as the product matures.
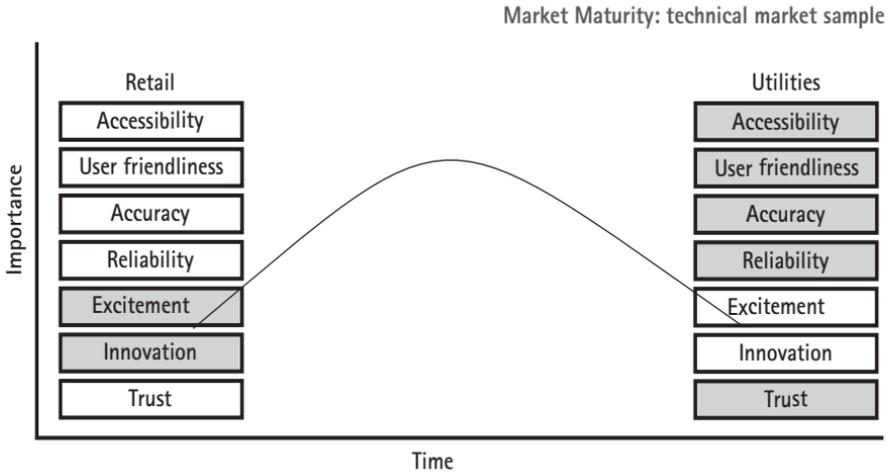
Market Maturity: technical market sample

Figure 9.6 Market maturity: technical market sample.

Different products

Different products lend themselves to different emotions. For example, 'trust' is an important part of the customer experience when buying life insurance. 'Thrill' and 'wonder' are important elements when on a tour to the Grand Canyon.

The 'reliability' of a car is more important than the reliability of a toaster. If the car breaks down and you are in a dark and strange place you have a problem. If your toaster breaks down you can always grill the bread.

Customer segmentation

When buying a computer, many older customers will rate it more important for the computer to be 'user friendly' than will the youth market, which has grown up with computers.

Vertical markets

Mike Ashton, Senior Vice President of Marketing Worldwide, Hilton Hotels told us what they are trying to do to improve their customer experience:

> We are really dissecting the whole process. We have modelled which elements are most important to our customers. In addition, that obviously helps us to prioritise where we make our investment.

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These types of decisions can be taken with the use of the Moment Mapping™ process we introduced earlier in the book. In Figure 9.7 you will see how you can map the important elements and sub-elements at each stage of the customer experience. This again helps define customer expectation and define what you are doing from a physical and emotional point of view at each point.
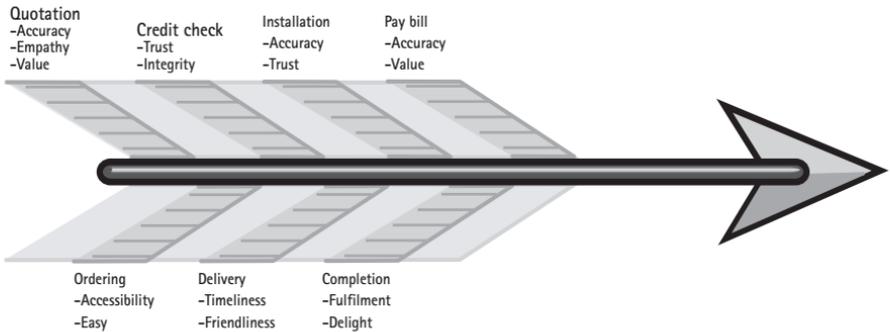
Quotation
–Accuracy
–Empathy
–Value

Credit check
–Trust
–Integrity

Installation
–Accuracy
–Trust

Pay bill
–Accuracy
–Value

Ordering
–Accessibility
–Easy

Delivery
–Timeliness
–Friendliness

Completion
–Fulfilment
–Delight

Figure 9.7 Moment Mapping™ element mapping.

Are you serious about the great customer experience? The John McEnroe test

Before you select the physical and emotional elements and sub-elements, we would like you to think for a moment about the implications. You need to consider whether you are really serious about implementing your customer experience.

Each element and sub-element will have some customer value attached to it, and you need to research and rank which elements have the highest value to your customers. Each element will also require you to do something to implement it: invest time, invest money, invest resources, kill traditions, start taking action, stop taking action. During this phase people will repeat the words of John McEnroe, the famous tennis star, as he screamed at the umpires at Wimbledon one year:

You cannot be serious!

So let us consider some of the implications of your selection of elements. In Chapter 3 we discussed trust as a common brand value and gave some examples of the implication of this value. Colin was recently advising a director of a large insurance company on its customer experience:

Director: We are looking to re-launch our brand and would like your view of how we can tie that into the customer experience.

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Colin: OK, great.

Director: Yesterday we had a brand workshop and came up with some brand values which we feel should be reflected in the customer experience.

Colin: Yes, you are totally right, they should be. What values have you come up with?

Director: One of our values is trust, and we want to evoke this as an emotion in our customers

Colin: Good, so I assume that would be one of the key elements in the customer experience?

Director: Yes, we believe so.

Colin: What does trust mean to you?

Director: It means that people would trust us when we deal with them.

Colin: Does it mean you will trust them?

Director: Yes, I guess so. Trust is a two-way street.

Colin: OK. Can I ask, how do you take your orders with customers today?

Director: We ask them to complete a contract.

Colin: Do you do this with established customers?

Director: Yes we do it with everyone.

Colin: Does this have lots of small print?

Director: Yes, it does. Why?

Colin: If you sold your best friends your old car, would you ask them to sign a contract with lots of small print?

Director: Of course not.

Colin: Why wouldn't you?

Director: Because I trust them and they trust me.

Colin: So why do you treat your established customers as new customers? Do you think this demonstrates that you trust them?

Director: No, I guess not.

Colin: Therefore, as you can see, there will be a number of things you will need to change if you are serious about trust as an element of the customer experience.

Director: Hmm. I see.

Colin: If you were to change the way you took orders from your existing customers and didn't treat them as if you had just met them, wouldn't this demonstrate to these customers that you trust them and then they may reciprocate?

Director: Yes it would. That's a good idea.

You must take the John McEnroe test with your elements and sub-elements. You have to be honest with yourself about what you choose for your customer experience. There is no point in saying one thing and then doing

another. Some of the low cost airlines around the world have taken the decision not to implement CRM systems and initiatives to capture customer details and usage patterns because it is too high a cost. This is not wrong: it is a positive choice, and as such it is fine. It is being honest about what you are prepared to do and what you are not prepared to do.

When the ancient Egyptians built their pyramids they had a number of enablers that helped them. They had designed systems and processes over the years to cut and remove the blocks. They had human resource departments – and based on the many films we have seen, the way they selected and treated their people leaves a lot to be desired! They had project management, leadership, a culture and an organizational structure. These were all the enablers that contributed to the building of the pyramids. Nothing has changed. Today we have the same enablers. Hopefully, we have just become more sophisticated in our approach to these enablers. However, these enablers are vital to building your Customer Experience Pyramid, as they will underpin the structure. The previous chapters examined each of the enablers and explained how they are the foundations of great customer experiences.

Finally, in the construction of your customer experience definition, we would recommend that you treat it with the importance you would a vision or mission, and involve a number of people, so they feel they own it. It is
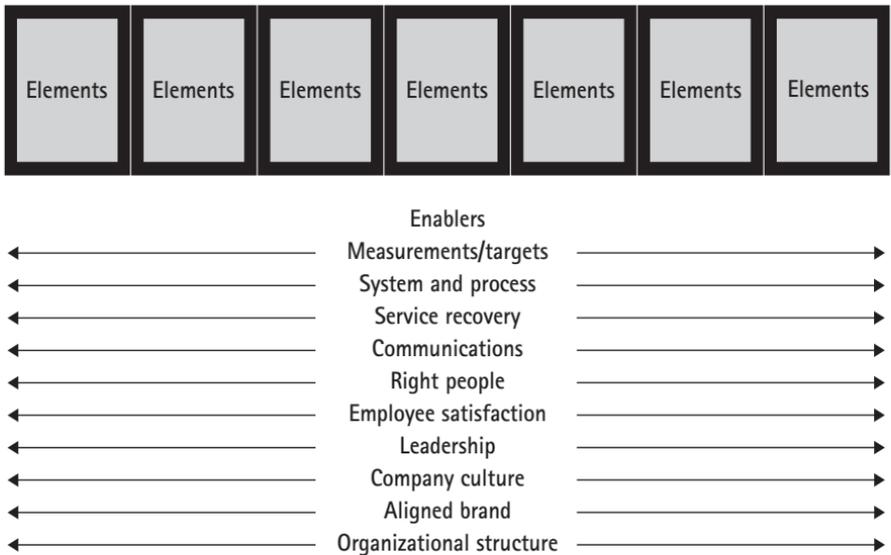

Figure 9.8 Customer experience model diagram.

therefore entirely possible to manage your customer experience across your organization. It will help you in focusing your activity and focusing on building great customer experiences.

The whole world steps aside for a man who knows where he is going.

Anon