

Aurea

**CUSTOMER
EXPERIENCE
SUMMIT 2016**
OCTOBER 20-23

CUSTOMER EXPERIENCE ROUNDTABLE

Executive Summary



Customers today expect fast, easy experiences from everyone they do business with. They want fewer barriers, less bureaucracy, and faster resolution. In short, they want it easy, and they want it now.

But is that really all they want? Much has been made about “delighting and wowing” customers, and creating memorable, share-worthy moments at every opportunity. But what is the cost to the business — and how do you know if the investment is even worth it?

To find out what customers really expect, and how much customer service really impacts loyalty, we brought three of the world’s top experts to Austin for a full day of discussion. In this Executive Summary, we’ve captured some of the day’s top findings. We hope they are as valuable to you as they have been to us.

MEET THE EXPERTS



MATT DIXON

spent five years researching what really drives customer loyalty. At this year’s Summit, he revealed why “the dazzle factor” alone fails to deliver, and outlined the four key pillars of creating an easy, consistent experience that drives the ultimate business outcome — customer retention.



DAN HEATH

is a world-renowned speaker and the co-author of three New York Times Bestsellers: *Made to Stick*, *Switch*, and *Decisive*. In Austin, he previewed new ideas from his forthcoming book, including fascinating insights on how to architect powerful customer experiences — what he calls “defining moments” — that stick.



DAVID PLOUFFE

is a board member and policy advisor at Uber, and former Campaign Manager for Barack Obama during the historic 2008 election. At the event, he shared his insights for improving retention and loyalty, and creating better technology experiences for Uber customers and drivers alike.

START WITH A STRONG DEFENSE

Before you focus on exceeding expectations, start by meeting them quickly and consistently.

David Plouffe said it best: “Millennials aren’t buying breakfast cereals anymore, and it’s not because they are unhealthy. They just take too long to clean up.” Customers today want faster, easier experiences — and they’re rewarding companies that meet their needs with increased loyalty and share of wallet.

At his research firm CEB, Matt Dixon surveyed over 125,000 customers globally, representing companies spanning every industry across B2B and B2C. Here’s what they found:

Delight alone doesn’t pay.

Despite the perception that “above and beyond” experiences drive lifelong loyalty, it’s unsubstantiated. Consistently meeting customer expectations has a much stronger impact on loyalty, at a much lower price tag.

Customer service often

(unintentionally) drives *disloyalty*.

Despite our best intentions, customer service interactions often become “hassles” — involving repeat contacts and arbitrary policies and processes that can result in a 4x increase in disloyalty.

Reducing customer

effort mitigates *disloyalty*.

When you remove the barriers and make it faster and easier for customers to get what they need, disloyalty quickly turns to loyalty.



**MATT
DIXON**

The business case for the effortless experience

Very few (if any) CFOs are willing to write a blank check to “delight” customers. But they’re more than willing to make prudent investments that decrease churn, increase customer spending, and reduce costs. According to Dixon’s research:



Customers likely to repurchase from a low-effort experience company, vs. only 4% when the experience is high effort.



Percent of customers will actually increase their spend when experiences are low effort.



Cheaper to deliver low effort experiences than high effort experiences, according to Dixon.

So how can you deliver low-effort experiences? Matt suggests focusing on four critical pillars.

THE FOUR PILLARS OF LOW-EFFORT SELF-SERVICE

1 CHANNEL STICKINESS

Focus on providing fast resolution at your one or two most popular channels, without requiring customers to make multiple inquiries or switch to different channels.

Despite popular belief, you don’t have to allow every customer to solve every issue in every channel. In fact, 84% of customers value ease more than choice — meaning they will gladly sacrifice using their preferred channel in exchange for a more efficient, expedient resolution.

2 NEXT ISSUE AVOIDANCE

Encourage your support leaders to assess why customers call you back. Tenured reps usually know the most common reasons, and even how to prevent them. By sharing this knowledge and taking a proactive approach to preventing downstream issues, you can significantly reduce the effort your customers exert to resolve issues.

At Dyson, customers frequently call to order replacement parts, but customer error means the newly shipped replacement parts often break during installation. To prevent this added frustration, agents now ship two replacement parts instead of one — and walk the customers through key installation techniques proactively.

3 EXPERIENCE ENGINEERING

Teach your support teams how to use language to affect outcomes. At Disneyworld, cast members are instructed to say “The park stays open until 9 pm.” instead of the more negative “The park closes at 9 pm.” It’s a subtle change — but the impact can be enormous.

By simply making a customer feel that you are their advocate — walking around to their side of the check-in desk, for example — you can reduce the perception of effort by an astounding 77%.

4 FRONTLINE CONTROL

Hire smart people, and give them the flexibility to make good decisions. Since customers can do easy things via your self-service channels, your reps are left to deal with difficult escalations — and that requires the right type of worker.

The days of “factory floor” support teams with highly scripted workflows are gone. Today’s best reps are truly knowledge workers, able to tailor resolutions to satisfy even the most complex demands. Measure them with an emphasis on call effectiveness, not always call efficiency.

THEN, PLAY SMART OFFENSE

Create memorable moments that inspire customers — without breaking the bank

The Magic Castle Hotel is #1 of 347 hotels in Los Angeles on TripAdvisor, ranked even higher by customers than the legendary Hotel Bel-Air and the Four Seasons Beverly Hills. Yet it's not even a particularly modern or luxurious property.

So why would 2,857 customers take the time to visit TripAdvisor and give the hotel a nearly 5-star rating? The answer is the Popsicle Hotline. Guests can pick up a red phone by the pool and order from a menu of popsicles, which are delivered poolside on a silver tray by a butler in white gloves.

Guests are also offered unlimited snacks and free laundry service. These little details cost pennies compared to major remodels and costly new amenities, and they drive both repeat and new word-of-mouth business far more effectively for the hotel than big-budget ad campaigns or incentive programs would.

Assuming you're already running great defense by consistently meeting customer expectations with fast and low-effort customer service, how can you make your experiences more memorable?

Focus on creating peak moments

Customers have a high tolerance for "average," so every moment of every experience doesn't have to be amazing. But by creating a small (and cost-conscious) element of surprise, you can inspire customers to share their experiences with others. Consider these examples:

- Having cable TV installed is a notoriously underwhelming experience. To stand out from competitors, one cable company arms its installers with handheld vacuums to clean behind any and all furniture they move during every service call. It's an extra detail that surprises customers, and gets rave reviews.
- At Pret a Manger cafes, every counter worker is allowed to give away a designated amount of free snacks or coffee throughout the day to anyone they choose. Today, 28% of Pret a Manger customers report having received something for free — and the company believes the positive impact has far surpassed the expected results from a more traditional loyalty program.
- At Southwest Airlines, the "fun" flight announcements delivered by the crew result in far more than just social media shares and likes. They're one of the strongest profit drivers the company has identified, directly impacting what passengers on board spend with Southwest the entire year after a flight.



**DAN
HEATH**

A CASE STUDY: HOW UBER GOES THE EXTRA MILE

Uber board member and policy advisor David Plouffe has spent much of his career thinking about what motivates people to take action and how technology can help. As President Barack Obama's Campaign Manager in 2008, he focused on getting more people to the polls, and leveraging technology to completely transform how candidates engage and raise funds from their audience.

At Uber, hundreds of thousands of new riders and drivers sign up for new accounts each day. Here's what they've learned about staying ahead in the customer experience game:

Make your technology and services as good as the best in the world

Customers don't judge your company vs. your competitors. They judge you vs. Amazon — one of the few companies in the world that consistently meets or exceeds expectations.

Always A/B test

Even when customer experiences (and business results) are great, they can always get better. Uber is hyper vigilant about testing new ideas continuously — from testing UI enhancements to seeing how subtle shifts in language impact conversion.

Don't erode the experience

Uber is a simple, "clean" business model. It's easy to get distracted by customer feature requests for lower cost service offerings, car seats, ultra-luxury offerings, etc. But in pursuit of expansion, ask yourself: Are you diluting what made your experience effortless (and thus valuable) in the first place?

Keep the steps to a minimum

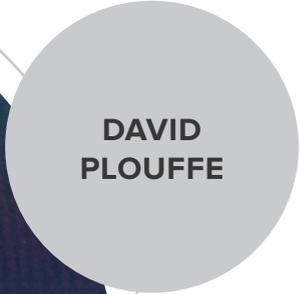
Nobody wants to call you, or print out a form. At Uber, they keep the interface simple and the choices to a minimum, so customers can get service faster. In fact, their mantra this year is "back to basics" as they work on a major initiative to simplify and streamline the app user experience.

Stay ahead of rising expectations

The first few times you use Uber, you're thrilled that a car comes to you in seven or eight minutes. But eventually, you get used to it and eight minutes becomes too long. Never stop looking for ways to reduce customer effort. The bar is constantly rising, and it's up to you to stay ahead of it.

The Aurea logo consists of the word "Aurea" in a white, sans-serif font, enclosed within a white square border.A photograph of David Plouffe, a man in a dark suit and light shirt, speaking at a podium. He is gesturing with his right hand. The background is a dark blue screen with white and red text.

**CUSTOMER
EXPERIENCE
SUMMIT 2016**

The name "DAVID PLOUFFE" is written in a white, sans-serif font inside a light grey circle.

**DAVID
PLOUFFE**

EXPERIENCE SUCCESS

Our main focus each year at the Customer Experience Summit is helping you discover new ideas for driving more loyalty (and profitability) from your customers.

As we grow, it's important to us that we strengthen and reaffirm our commitment to you.

This year, we used the gathering in Austin to introduce our new branding, which we call "Experience Success." With this evolution, we're sending two important messages:

First, the experience you have with us is incredibly critical to our and your success, from your transition as you first become a new Aurea client after an acquisition to your day-in-and-day-out experience with our products, services, and support. We know that last piece, more than anything, defines how you feel about working with us.

Second, the experience your customers have with you is equally critical to us. Our mission is to provide the technology behind the world's greatest experiences, making it easy for you to deliver low-effort service and high-reward "peak moments." However your customers engage with you — on planes, at theme parks, or by buying industrial equipment — we're designing our products to help you build, manage, measure and improve your customers' experience with your brand.

We hope you find this Executive Summary of our 2016 Customer Experience Summit valuable.

If you have any questions about the Summit or the content we covered, please reach out to us at f1@aurea.com.

Aurea