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I N S I G H T S

# WHAT WAS IT THAT YOU WANTED TO SELL ME?

Bob Pagano and Anthony Bennett

A lot has been written over the past 15-20 years about brands and branding. Trout and Ries gave us "Positioning, The Battle for Your Mind." Malcolm Gladwell gave us the "Tipping Point" and Bernd Schmidt introduced the concept of "Emotional Branding." Then we heard from Peppers and Rogers about the importance managing customers one-to-one through CRM. More recently, we have been inundated with articles and books about the importance of managing the customer experience.

What we have learned from over thirty years working with all types and sizes of companies, reviewing hundreds of research documents, attending focus groups and all sorts of research sessions, not to mention conducting hundreds of executive interviews, is this: *customers today are being subjected to some of the worst service experiences ever.* Despite all of the smart and sensible writings on the subject, little has been done to improve the quality of customer experiences.

The vast majority of research on the subject supports the fact that, at least in America, consumer satisfaction has been relatively flat for the past ten years. With all the latest technology at our disposal, this is truly incredible.

In their American Customer Satisfaction Index (ACSI) Ten Year Report, Claes Fornell and Donald Cook conclude that "improving market segmentation, customization and customer service – with the objective of creating more customer satisfaction – is the key. It would shift demand curves upward and thereby create more consumer surplus as well as superior economic returns. In one way or another, the satisfaction of the customer is related to virtually all aspects of the economy...it is the ultimate economic asset for business, because the sum of the value of all its customer relationships is also the true value of the company." (p. 55-56)

The ACSI Report is very thorough and reflects ten years of careful research by a team of outstanding academics and practitioners. It's truly unfortunate that we have not made more progress toward the design and consistent implementation of more acceptable customer experiences.

We believe there is an explanation for this dilemma and a reasonable approach to a workable solution.

## Contents

- The Changing Nature of Companies, Brands and Buyer Behavior . . . . . 2**
- Seven Conditions Driving Customer Dissatisfaction . . . 2**
- Six Steps for Success . . . . . 9**
- Benefits of Operational Branding . . . . . 12**
- Conditions That Trigger Operational Branding . . . . 13**
- References . . . . . 14**
- Authors. . . . . 15**

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## **The Changing Nature of Companies, Brands and Buyer Behavior**

Let's begin with a basic premise: a company is the sum of its people, the products and services offered and the customer experiences delivered. Over time, a company, like a person, develops a personality as expressed through its offerings and its behaviors towards its employees, customers and other constituents.

When Chrysler was in trouble in the '80s, many people perceived the Chrysler brand through the persona of Lee Iacocca. Whether it's one individual (Iacocca), a group (the Army Rangers) or the entire company (Nordstrom), the way a company "behaves" has an impact on how people view it.

Individual behavior is often determined by the degree of familiarity and comfort level people have with each other, whether they share similar thoughts and feelings or enjoy their differences. Either way, people make choices about who they wish to associate with and under what conditions, and depending on circumstances, they structure their behavior accordingly. The same holds true for companies, their employees and the products and services they sell and support.

When employees feel good about the relationship they have with their employer, there's a greater likelihood it will have a positive impact on others, including customers. The dynamics of an organization can have a significant impact on the firm's interactions with external customers and constituents.

Companies make choices about their behavior – sometimes overtly, and sometimes by default – and they live or die by these choices. When a company makes a promise about a product or service, we expect they will honor it. No ands, ifs or buts. If their employees see it differently, for whatever reasons, the likelihood of success is jeopardized. Explicit actions among people and among a company and its customers is still and always will be the primary driver of a relationship. Intended behavior means nothing here. What is said must be supported by what is done and in a buyer/seller relationship where money changes hands, the buyer holds all of the cards.

Whether it's a product or a company brand, we make decisions about when and how we will engage based on our needs, both functional and emotional. We may not like a particular brand but decide to purchase it simply because the alternatives are not as good. We may feel great about the company based on the work they do in our community but be quite dissatisfied with the products and services they sell. In the end, we control the buying process and represent the final hurdle between product consideration and product purchase.

Given the aforementioned context, here are some of the underlying factors that are making it harder for sellers and buyers to achieve harmony.

### **Seven Conditions Driving Customer Dissatisfaction**

#### **1. Technology and Rising Expectations**

During the tremendous economic expansion that followed World War II, sellers and buyers cared most about product features. People didn't wake up every day obsessing about their appearance or how they felt. They worked because they had to, and they bought only what they needed.

Advances in technology, the proliferation of new products and the rise of consumer marketing

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have made us more aware of ourselves, our place in the world and the impact we can have on society overall. We care about recycling, avoiding pesticides and taking the necessary steps to make the world a better place to live. Brands that appeal to our emotional needs are often viewed with more favor than those that do not.

In their efforts to thrill us with the latest technology, many companies have lost sight of the value of personal interactions. In the '80s, videoconferencing promised to reduce business travel by instantly linking us, thereby reducing costs and restoring productivity that would have been lost from time spent on planes and in terminals. However, most people quickly recognized that it could not replace a real handshake, the opportunity to engage and bond directly. Similarly, today's voice recognition and other automated customer support systems promise to provide speedy answers to customer questions. Yet, when we record the actual number of steps, time and frustration inherent with so many of these innovations, we yearn for the days when we could just speak to "a live voice" to work out the problem.

It should come as no surprise that many of us are suffering from "screen fixation", whether we're spending more time with television, video games, movies, PDAs and cell phones, our laptops and even Power Point presentations. Our attachments to many of these devices, be it for entertainment or increased productivity, is taking away from the quality time we used to spend enjoying real conversations and interaction with others.

Try calling your phone company to report a loss of service where you live. Keep track of the number of calls you have to make to report the problem and get it fixed. Of all the calls you will make, you might be lucky enough to eventually connect with a live representative, but only after skillful manipulation around their automated system. On at least two occasions you will most likely be cut off just as you are about to be connected. On others, you will receive the all-to-familiar, "we are experiencing heavier-than-normal call volumes and you may be better served by calling us at another time, or by logging on to our website"...and/or..."so that we may serve you better, we will answer your call in the order in which it was received.." which is another way of saying "you're in a long line so either get a good book or write off your afternoon, we'll eventually get to you."

A second downside of technology is the seemingly uncontrollable urge on the part of designers and engineers to overload us with product features that we never use (and never asked for). The average cell phone user's manual is over 100 pages long. When you purchase a cell phone, does the seller explain to you that the device you are about to purchase has dozens of separate feature/functions? Or that 90% of their customers only care about reliably using ten of the feature/functions and most will need special tutoring from a friend, relative or university before they can comfortably operate the device? Or that getting the device repaired will require you to wait in a long line only to find that the cost of the repair will be more than a new device? (Actually, a cell phone replacement battery often costs more than a new cell phone!)

These are just two examples of the millions of company-to-customer interactions that take place every day that reveal a lack of understanding of, and often a total disrespect for, the customer. This growing problem is not limited to consumer purchases; it plagues business-to-business transactions as well.

Advocates will argue that the benefits of this technology make it possible for us to be more efficient, productive and successful. In many ways they are right. However, this same technology, in removing that personal/human link, can negatively impact the customer experience and ultimately,

### **"Screen Fixation"**

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brand perceptions. "A customer's perception of a company or its brand is largely determined by the interfaces that the company deploys to manage its customer interactions and relationships." (Best Face Forward, p. 31) As the ACSI authors note..."people's satisfaction improves more from doing things than from owning things. As a result, the subjective experience with shopping, purchasing and consuming will increase in importance." (p. 3).

The same technology that makes us more efficient also makes it more difficult for us to engage and connect with each other the way we used to. This is taking a toll on our attitudes towards the very companies and people who are trying to win our favor in their bid to gain market share and customer loyalty.

When companies believe they are adding value to our lives through the application of technology, and when what we want is someone who can help us get what we want without aggravation, technology may not be the right answer. "To the customer, the world looks different. Usually, a purchase is triggered by a simple need, such as the need for a small bag of cement for a house addition or a business hotel for two nights in Chicago." (Simply Better, p. 24)

Home Depot and other retailers have now installed self-check-out stations in many of their stores. For many shoppers, it's still faster to check out via a cashier. Why? Because the automated scanners often misread bar codes and are unable to read large items, triggering an embarrassing alarm that tells everyone else in line that you did something wrong. By the time a standby cashier arrives at your station, you could have been on your way home. Many shoppers deliberately avoid automated check out stations because believing that, if they have to take the time to drive to the store, and stroll the aisles trying to find what they need often without the benefit of any help, the least the retailer should do is provide an easy way to check out.

Our low levels of satisfaction with many products and services is in large measure the result of a company's failure to understand our basic needs and deliver on them. Like the Home Depot example, many firms think that their efforts to woo us with frivolous features will differentiate them from everyone else. Sorry, but most of us don't have the time or patience to be techno-testers.

In his "Eyes on the Road" column in *The Wall Street Journal*, Joseph B. White, referring to findings in a J.D. Power survey, concludes: "For the next few years, the auto industry's challenge may not be to devise all-new proprietary gadgets to stick in the dashboard. Instead, product planners and engineers will need to look for ways to make the technology that's already available more useful, easier to manage or more open to what consumer choose to bring into the car themselves." (WSJ, 8.29.06. Section D1, p. 2)

The current state of customer dissatisfaction may not continue much longer before triggering a significant revolt from consumers and business buyers. People are walking out of stores empty-handed, and they're taking advantage of state protection laws and boycotting merchants who consistently fail to correct product and service problems. They're pushing back on companies that promise the world and then leave them in the lurches when products and services fail to measure up. Even business buyers are more aggressively weeding out suppliers who "don't get it", opting instead to work more closely with a few select partners who are willing to structure their offerings and capabilities to ensure an uninterrupted supply chain.

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## **2. Failure to understand the true costs in both hard dollars and reputation**

Companies are spending more today than ever before on customer acquisition and retention

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programs while, at the same time, doing more market research than ever before. Despite this, the American Consumer Satisfaction Index has been flat for the last 10 years, hovering at an index level of about 72%.

While we tend focus on the negative experiences that customers have with companies, we cannot understate the broader costs to company economics and reputation.

I could describe hundreds of examples that I've heard from many years of listening to customers describe their personal experiences with companies, products and services, and it's clear that their experiences have deteriorated significantly with the passage of time.

When companies fail to respect customers, they short change the investments they have already made in product design, development and delivery. One could argue that the greatest investment costs occur at the front end of the product development cycle. If marketing and execution don't deliver as promised, it's a hefty waste of money. Similarly, the opportunities to achieve the greatest profits occur when we extend the lifecycle with only limited need for reinvestments. When we fail to attract and retain customers, we limit the upside potential and increase the yield loss, leaving assets on the table every time.

Research also tells us that people who have either very bad experiences or conversely, surprisingly good ones, tend to passionately share them with others. "Advocates are much more interested in product and service quality and significantly less interested in price. This results in higher margins and more resistance to the price promotions of competitors. Advocates buy more often, and are prepared to buy more, and stay with you longer. They will also bring new customers to you" . (Managing the Customer Experience, p. 45)

### **3. Business Leaders are Disconnected from Customers**

Despite millions of dollars spent on market research, most senior corporate executives have limited insights into the kinds of experiences currently being delivered to their customers. If they really knew what it was like, they might have a different perspective.

Today's executives are divorced from the realities of everyday life. They work long hours, travel extensively and have limited free time. To make their lives reasonably manageable and productive, they try to avoid the kinds of hassles we put up with every day. They fly via private jets to avoid the hassles of commercial airlines, crowded terminals and the potential risk to their safety. When they're not working, they probably don't want to use their free time strolling down retail aisles, walking through busy malls or dealing with life like the rest of us. Their exposure to the average customer is limited at best. And while they do try to spend time with key accounts, it's difficult to get an honest view of the state of customers with so many other priorities requiring their attention.

Give the above, executives don't have the kinds of deep customer insights they should have, and as a result, they rely too heavily on intelligence from their marketing and research people. In many large corporations, market researchers still spend too much time and money running and rerunning age-old tracking systems that really don't provide the kinds of insights required to understand customer behavior.

When Lou Gerstner took over at troubled IBM in the early 1990s, one of the first requests he made of his senior executives was to get them reconnected with customers. "I announced Operation Bear Hug. Each of the fifty members of the senior management team was to visit a minimum

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of five of our biggest customers during the next three months.” His objective was clear. Make it readily apparent to our customers that we know how to listen and that we respect their input. (Who Says Elephants Can’t Dance? p. 50)

Similarly, Sam Walton made it a point to shop his own stores, speaking with associates and customers, listening, learning and adopting product offerings to better meet their needs.

When senior executives engage with customers and make it a point to stay connected with the marketplace, sharing stories and offering new ideas and solutions, their behavior sends a critical message to every employee: customers matter, they are the reason we are in business and if I care enough to make them one of my top priorities, you should too.

#### **4. Leadership Turnover is at Record Levels**

Unfortunately, if having less true exposure to customer expectations and experiences weren’t bad enough, the latest numbers on CEO turnover are alarming.

*The Wall Street Journal* recently reported that CEO turnover was up 125% in 2005 compared with 2000, with outside CEO hiring at running at 43%. Worse, CEO tenure has dropped from an average of ten years to four years.

It’s difficult in the best of times to create consistent operational execution. When CEOs come and go, it can disrupt the focus of the organization which, in turn, can lead to inconsistent interactions with customers.

When you examine companies that consistently create great experiences for their customers, you will most likely discover a leadership team with an appreciation for strategic focus, a clear understanding of their vision and mission and the commitment to operationalize their goals by aligning the assets and resources of the firm to create winning company-to-customer interactions.

With the ever-increasing pressure to meet quarterly numbers, a great leader must be able to manage short term expectations while remaining true to the vision and brand platform for the organization. One only has to look at frequent changes in leadership at Ford and GM to understand why America’s position as a leader in the automotive industry is fast coming to a close.

#### **5. Branding is not Advertising**

Advertising is about persuasion. It is created to uniquely express a promise for a product or service and even a company.

Brands live in our minds. A brand is formed through the sum of the experiences people have with a product, service or company. Did the product live up? The brand promise is valid only when we deliver on it. If it fails to deliver, it disappoints, and ultimately loses business. It’s that simple.

Executives miss this distinction repeatedly as they continue to confuse advertising with branding. There is a huge ongoing debate about online versus offline advertising, which misses the point entirely. The best way to build brand is offline – at the interface with the customer. Advertising is but one tool in the marketer’s toolkit and in the end, the decision to purchase is usually the sum of a number of customer interfaces with the brand. When executives fail to see this distinction, it can reduce the more meaningful role of branding as an engine for organizational focus and operational execution.

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Branding a company stamps it with a set of characteristics that will give it unique value in the marketplace. The company must decide what it wants to stand for and then, most importantly, must “operationalize” those brand attributes so that it lives up to the expectations people have for the brand based on the stake it has placed in the ground.

Great companies carefully draw on their core capabilities, their historical successes and other proven strengths to craft their brand promise. They make a conscious choice about how they wish to be viewed by their customers and constituents, and they take measures to ensure that what they say and what they do is reflected in their behavior. A brand by itself is nothing until it has life and meaning.

“The essence of a visionary company comes in the translation of its core ideology and its own unique drive for progress into the very fabric of the organization – into goals, strategies, tactics, policies, processes, cultural practices, management behaviors, building layouts, pay systems, accounting systems, job design – everything the company does.” (Built To Last, p. 202)

The importance of having a set of principles rooted in ideology cannot be understated. Historically, firms derive their brand platform from a “mission”, “guiding principles” or “values statement”. However, that platform must be understood and expressed throughout the organization via employee behaviors and actions both within the organization and outward, with customers. “The strategically aligned firm has optimized the use of its resources, and has given the greatest attention and investment to those areas most relevant to customer satisfaction.” (ASCI, p. 48)

We can’t keep track of the number of major, notable companies we have worked with where the senior executive team was not familiar with the company’s core principles. They were usually aware of the latest advertising campaign but had only limited awareness of the operating principles that were guiding the actions being taken to deliver on promises.

## **6. Company Structures Impede Great Customer Experiences**

Despite numerous examples of alternative organization structures, most companies are still organized into functional silos. This tends to promote vertical integration, making it more challenging for the organization to efficiently assemble the right group of cross-functional people to address customer needs.

Marketing and advertising cannot be responsible for delivery on the brand promise if they do not have the support of the overall organization, including production, sales and sales support. When organized in silos, companies tend to be more inner-directed and find it difficult to operationalize around customer needs. A more recent trend is to organize across functions where teams work together to identify customer opportunities and resolve problems before and after they occur. New thinking suggests that “we encourage brand and marketing management to make the transition from traditional ‘make and sell’ product branding to organizational branding in which the whole organization can be aligned to compete more effectively.” (The Expressive Organization, p. 40))

In addition to organizational barriers, our experience tells us that many firms are doing a very poor job of communicating customer successes and failures within their organizations. Whether people have customer interface roles or work behind the scenes, it’s human nature for them to be curious about their collective performance from the customer’s perspective.

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When we encourage executives, managers and employees to take note of good and bad experiences, it reinforces the importance of the customer throughout the organization. Sharing stories in company and group meetings is a wonderful way to reinforce the customer-centric focus of business and keep everyone firmly grounded in what really drives revenue.

Bear in mind, even the most compelling stories in the world won't guarantee that an organization will improve its behavior.

In their book, "Hard Facts, Dangerous Half Truths and Total Nonsense", Stanford professors Jeffrey Pfeffer and Robert Sutton argue that when an organization "creates porous boundaries between work and the 'rest of life'... it tends to bond people more closely to the organization and in turn yields more genuine efforts to help the company achieve its goals, including those related to serving customers."

They continue to point out that "you cannot have total quality management practices and high quality in one part of the factory and not in another...it's difficult to encourage some close and effective relationships, for instance, with customers, while simultaneously discouraging, denying, or ignoring other relationships...when employees' families, lovers and friends feel like part of the organization, it's easier to persuade them to work on the organization's behalf". (p. 76)

Witness the latest financial woes at Dell Computer. By failing to understand the shifting dynamics of its consumer customers combined with an aggressive consumer marketing push by HP, Dell now finds itself paying catch-up in a market it once dominated.

One example noted in a recent issue of *The Wall Street Journal* article describes how "in 2003 Dell executives decided to hire temporary workers to man their five U.S. call centers rather than recruit more-expensive full-time staff...turnover in the centers had soared to 300% a year from 30% in 2002." (WSJ. 8.30.06 p. A8) Clearly, unhappy part timers, wanting to be promoted to full-time positions, couldn't provide customers with the knowledge and support of those more experienced, full-time staffers who most likely saw their role as a means to an end.

### **7. Skilled Labor is in Short Supply**

Globalization and increased mobility is resulting in a more dynamic and diverse workforce. While anxious to assimilate and succeed, it takes time to become acquainted with new customs and practices. When combined with pressures to meet financial objectives, many firms cut corners on education and training. Placed in customer interface situations without adequate training, those inexperienced workers contribute to customer dissatisfaction.

One could argue that it costs too much to train workers who frequently change jobs; on the contrary, it costs far more when one mistake by an untrained worker results in the loss of a good customer that took years to cultivate. Customers today are time stressed and they notice everything. The slightest mistake can be interpreted as a lack of respect. As an example, they dislike the impersonal nature of answering services and believe that their loyal business is worth more than being asked to listen to elevator music while "on hold." There are countless stories of firms that have lost major customers by underestimating the impact of these shortcomings.

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## Six Steps for Success

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The seven conditions just outlined help explain why customers may be feeling less than satisfied with their product and service experiences. Despite the efforts of many consultants and brand practitioners to prescribe solutions, our experience working with numerous companies across a wide range of industries and markets leads us to the following recommendations:

### 1. Know Your Customers, Really Well!

Whether or not you intend to improve the experiences you provide to your customers, there is no excuse for not being intimately aware of their needs and expectations. It seems foolish in this day and age to have to say this, but rest assured there are many notable firms that do not have a clue as to the customer mindset and are genuinely surprised when they lose business as a result.

Understanding customer needs today requires more than traditional research, customer interviews and golf outings with the CEO. It's important to understand what role your products and services play in their life, what is driving their business, what is your role in their success and what are the external influences that may be out of your (and their) control. It means knowing how customers describe your company, the experiences you provide and the extent to which their mind is being influenced to purchase your products and services. Most of all, it means keeping things simple. Every company believes its product or service is the only one worth buying. The urge to pummel people with a zillion features is great for the R&D egos but does little to make the customer's life more manageable. Honda built its brand on simplicity and remains one of the most respected, functional and admired brands in the world. ING Direct's mantra is 'enemies of complexity' and their straightforward approach has attracted over 16 million customers in 8 countries in less than ten years. If everyone else could be so tuned in.

Relevancy is critical and requires that you stay in close contact with your customers and markets. You should always be in a position to answer questions like: what new technologies are impacting their business? What innovations are likely to change the way they do business that, in turn, could affect you? Can you identify broader trends that might be keeping them up at night, and is there some way you can apply your assets and resources to help them?

When you set sales quotas, you are in effect dictating marching orders to generate revenue: sales people will pick up the ball and run with it to make their quotas and earn a nice commission check. Once again, the vertical silo of sales is busy doing its thing. Marketing, meanwhile, is trying to understand not only what can be seen in the company-to-customer relationship, but also what may not be readily visible to others. Exposing new insights is critical to gaining competitive advantage and creating winning experiences.

Sharing insights inside the organization helps keep everyone in touch with the minds of the customers and the relevancy of your products/services to their current and emerging needs.

We continue to be shocked at the extent to which some companies haven't a clue when it comes to their customers. As a business-to-consumer example, Verizon and Verizon Wireless share the same communicative brand name, Verizon. Yet, if you call Verizon to report a problem with your land line and mention that you also have an issue with your wireless service, you are told that they have nothing to do with the wireless side of the business. To the average consumer, Verizon is one brand and they expect to deal with one call center to resolve issues. When I called the main

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office for their land lines business and pointed this out, they acknowledged the distinction but showed little concern for the confusion it might cause and the ultimate impact it could have on the customer experience.

If the President of Verizon had made the same call, we would be rather surprised if he/she did not raise an eyebrow about this.

## **2. Define and Communicate Winning Behaviors throughout the Organization**

If your company has a vision and mission statement, guiding principles, whatever, make sure that you examine two things: first, the extent to which people in the organization know and understand that vision or mission or guiding principles, as well as how they are supposed to behave as a result of their understanding; and secondly, the extent to which the key words in that mission statement (often referred to as desired attributes) are still relevant to your current business strategy, marketing objectives and customer needs. If the key words are not well-defined and understood inside the organization, it's unlikely they will be helpful in guiding company-to-customer interactions.

One of the most common mistakes companies make when they develop overarching vision and mission statements, guiding principles and brand platforms is that they are too complicated. Whether a company has fewer than a thousand or more than one million employees, it is essential to keep key words simple. It's hard enough to get people to arrive at work on time; expecting them to recall and uphold longwinded diatribes is impossible.

## **3. Understand the Economic Value of Customer Experience**

Senior executives speak one language and its common denominator is profitable growth. If you have any intentions of successfully engaging a CEO on the subject of branding or creating winning customer experiences, your argument must link back to the economics of the business.

Despite all of the attention now being paid to marketing and branding ROI, most CEOs still equate branding with advertising, and they will shut down when you explain your customer experience initiatives in an advertising context. Integrated marketing and communications ideas should be presented based on their ability to shift buyer demand. This requires that each idea/execution be designed to trigger a customer purchase.

If you can calculate the average value of a customer's purchase and you can identify what changes in behavior will be required to shift demand, you can rank the drivers that are most important and the extent to which you perform well on each one. With this information, you can calculate the costs to correct negative and increase favorable actions. In most cases, small changes in behavior towards a customer can yield significant results. The cost to align company behavior with desired customer experiences can be subtracted from the increased revenue generated to calculate a total ROI. Knowing your customers and the behaviors and actions you must take to create a favorable response from them is critical to understanding the return on your investment.

## **4. Manage What Matters Most**

While it's fair to say that a lot of smart thinking is represented in the most recent customer experience literature, there's one piece of advice that seems to be missing: don't over-engineer the process!

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It's impossible for most companies to identify, let alone manage, every touch point with customers. What really matters is to identify and manage those points of interaction between the company and the customer that are likely to have the most immediate impact on their decision to buy. This is not to suggest that proactive steps to create moments of delight or unexpected surprises with customers do not create value. But it makes more sense to build winning customer engagement strategies at key leverage points in the buying process as the first step.

Drawing on your “winning behaviors” to redesign key touch point dynamics, you will be better able to create small victories before taking on the bigger challenges. Small successes often create internal advocates, who are willing to enthusiastically lobby for the value of redesigned customer experience initiatives.

“According to the logic of strategic alignment, weak performing attributes with high impact should be the focus of improvement efforts...when impact is low and performance is weak, the data suggest that the customer neither demands nor is willing to pay for improvements in this area...strategically aligned companies are those that perform well in areas that have the greatest impact on customers, do not waste resources improving areas of little or no importance to customers, and get the basics right.” (ACSI, p. 46)

Keeping the process simple makes it easier to deploy inside the organization and increases the likelihood for consistent execution.

### **5. Operationalize Across and Down the Organization**

We referenced the structural challenges that many organizations face in terms of their inability to address customer challenges using multi-functional solutions. Most experts would agree that the shift to an organization that puts the customer at the center of the business is not something that happens overnight. If anything, it's a long journey that takes time.

We believe that it makes sense to reacquaint all executives, managers and employees with the “new” brand platform, at least initially. One way to do this is to identify areas where your customer intelligence suggests you may be losing business, or may be at risk from a shift in market dynamics. Assemble a small cross-functional team to brainstorm customers' current versus desired experiences and identify the steps that could be taken to better align your offering with their expectations. Once again, draw on your “winning behaviors” to re-engineer the customer experience, calculate the costs/benefits and decide how broadly you want to apply the agreed-upon changes. In most cases, it will require that you enlist a range of cross-functional colleagues to ensure that the solutions you are recommending reflect a sense of shared ownership.

As a follow-up, it often helps to launch a small number of (two to three) customer experience initiatives (pilots) to “pressure test” the platform, in order to generate proof that approaches are working and should be expanded more broadly.

You should also consider the value of operationalizing the brand platform in functional departments such as human resources, sales, CRM, etc. In human resources, you will want to understand the extent to which your current employee population is aligned to deliver on the kinds of customer experiences you are trying to create. It may require that you redefine your talent value proposition, recruiting guidelines, competency models and employee rewards and incentives to better reflect the aspirations of the new brand platform.

Last, you can commit resources and bestow senior responsibilities to people who have experience managing and building customer relationships. Many firms are now creating positions for “Director of Customer Experience”, “Manager of Brand Experience”, and “VP Customer Advocacy”, etc. However, the value of these roles will only be realized if those in charge are empowered to create seamless, cross-functional solutions to consistently address basic customer needs and proactively develop and implement new and competitively differentiated company-to-customer interactions.

## 6. Stay Engaged

Using vision and mission statements, guiding principles, a brand platform or other frameworks to define the ways you would like your company to be viewed by your customers, prospects and other key constituents is an important first step to the establishment of the core behavioral guidelines you will use to influence company-to-customer interactions. While many companies are able to reach this important milestone, they are far less successful translating these into action. For all the reasons mentioned, “operationalizing the brand” is a difficult but critical driver of successful customer experiences.

The process of “living the brand” is a never-ending one because, as markets change, customer needs change. When needs change, they often require that adjustments be made to the behaviors at work within key company-to-customer points of interaction. Staying engaged in the customer experience management process is a job for the whole organization. When the organization operates with a keen knowledge of customer expectations and experiences, it is far more likely to find ways to deliver them.

## Benefits of Operational Branding

The advantages of operational branding are numerous:

- It creates organizational focus by clearly defining the behavioral attributes and related actions the organization will take to create winning customer experiences
- It defines how the company will conduct itself to execute its business strategy: achieve profitable growth from loyal and supportive customers, increase shareholder value, attract the best talent and design and deliver excellent products, services and experiences that customers need and want
- It promotes the values, beliefs and core capabilities of the organization in ways that leverage strengths and drive revenue and profits
- It optimizes the yield on investments by ensuring that the organization is being managed toward those tasks most relevant to meet/exceed customer needs
- It creates an environment that is favorable to conduct business
- It builds trust and predictability in financial markets
- It presents the firm as a desirable place to work and grow, ensuring that future talent needs can be met
- It leads to the establishment of a reputation that transcends the category and places the firm in elite company

## Operational Branding. Defined.

The ways companies allocate their assets and resources to create and sustain winning experiences for customers and prospects.

- Knowing what brand experiences matter most to customers and what it will take to profitably deliver them
- Identifying how the organization currently performs and where it should make changes
- Making the organizational and operational improvements to support change
- Developing a brand promise that can be profitably operationalized in the organization and consistently delivered to customers and prospects
- Establishing performance metrics that continually monitor the relationship between customer desired experiences and the organization’s ability to profitably deliver them

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## Conditions That Trigger Operational Branding

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Operationalizing your brand is not about reinventing the company, although it can inspire reasons to embark on a longer term transformation of the organization. While operational branding should be institutionalized in the business processes, there are a number of triggers that can jump-start your efforts:

### 1. NEW BRANDING, REPOSITIONING OR BRAND IDENTITY PROJECT:

The most important question you can ask is “why are we doing this?” If you hire a brand identity firm to address a dated logo and image, you should use the opportunity to determine the extent to which you are leveraging the core values, beliefs and capabilities of the organization to best advantage. Is the firm clearly united behind a brand platform that, when applied to influence the actions and behaviors of the organization, will create winning experiences for customers? If not, the project could be a logical first step toward a broader set of changes designed to increase alignment between company and customer.

### 2. NEW CEO:

New leadership can represent an opportunity to revisit the alignment between your organization and the customer. If the new CEO has been accustomed to active customer engagement, input and feedback, try to understand how much weight it carries. Consider building a case that illustrates the scope of unrealized customer opportunities and the potential downside risks that could be averted if the organization were better able to align assets and resources in more customer-centric ways.

### 3. LAUNCH OF NEW PRODUCT OR SERVICE:

New product introductions can be excellent testing grounds to explore more effective customer engagement strategies. When the Scion brand was introduced, key customer touch points were identified and engineered to support the desired brand “essence.” Conversely, when United Airlines launched the “United Rising” campaign several years ago, they failed to activate the campaign promise with travelers. The results were disastrous.

### 4. CUSTOMER SATISFACTION SCORES ARE POOR:

Whether a business-to-business or business-to-consumer context, low satisfaction scores, customer complaints, etc., are a sign that your organization is out of sync with customer expectations. Remember that today’s customers not only measure your performance within your product/service category but also against the broader range of experiences they have with out-of-category brands. When scores are low, you need to re-examine the customer’s buying process and identify where your behaviors/actions are weak, then take appropriate steps to modify them.

### 5. MERGER OR ACQUISITION:

When organizations merge (whether different companies or within the same company), opportunities for customer dissatisfaction increase. Not only are customers more alert and sensitive to changes but competitors will use the situation to call out potential weaknesses. It’s important to understand customer expectations for change and develop a plan to proactively engage them in order to overcome any reservations they may have. Better still, use the opportunity to redefine behavior in the category and put your competitors on the defensive.

### 6. PRICE INCREASES:

While most firms are cautious about raising prices, those that are confident about their value proposition are more likely to view the event as an opportunity rather than a challenge. Most of us will pay more for better service, responsiveness and consistency. A price increase is an opportunity to reexamine your value proposition and your ability to consistently deliver great customer experiences. If you are winning with customers, a price increase is less likely to have a negative impact.

### 7. NEW CATEGORY COMPETITOR:

New category entrants may try to upset the customer experience equilibrium. Amazon.com certainly proved this when they began to sell books via the Internet. They changed the business model and, with it, the customer experience model. When this happens, it’s important to reexamine the impact a new entrant will have on the existing customer buying process and its likely effect on your current company-to-customer interactions. Re-engineering your behaviors and processes may be necessary to counter such moves.

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