

Are you experienced?

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Beyond Philosophy's Steven Walden and consumer psychologist Nigel Marlow call for a new model of customer experience – one that takes account of both the psychological and physical aspects of the customer journey.



As customer experience once more becomes a central feature of business strategy, the customer truly is king again. Since the early 2000s there has been a growing realisation that price differentiation is no longer a necessary or sufficient characteristic of a company's product or service offering. The focus has shifted to the customer and how they feel about the business, the brand, the products or services after having purchased and used the company's offering.

“The process of distilling consumer experience into something solid and physical that can be measured objectively is actually destroying experience”

Customer experience management or CEM is the outcome of this growing realisation by businesses that their customers receive some kind of experience, ranging from positive to negative, during the course of buying and consuming their goods or services. This experience occurs every time an organisation interacts with a customer and 'customer experience' is the result of this “experiential journey”, which generates happiness and satisfaction along with a sense of being personally respected and cared-for.

At least, that's the idea. But “building great consumer experiences is a complex enterprise, involving strategy, integration of technology, orchestrating business models, brand management and CEO commitment.”¹ And while customer experience has emerged as the single most important aspect in achieving success for companies across all industries², a recent survey³ found that 60% of customer experience leaders gave a touchpoint-only definition of customer experience management.

These touchpoints are the points of contact that a customer has with a business. These may vary from a phone call, an email, a visit to a store or a click on a website. They also include responses to queries, delivery of goods, after-sales service etc. It is the whole process or journey that a customer has when interacting with a business.

There is an irony in viewing customer experience in this way because it has led to the monitoring and measuring of touchpoints through automatic metrics. Companies are increasingly implementing CEM through the use of

journey maps and software to measure their physical touchpoints. Thus we have timing, calibration and endless feedback questionnaires. Calls are automatically dealt with by electronic response, delay or diversion. FAQs appear on websites to head-off human contact and emails are sent with “no reply” addresses.

This process of distilling consumer experience into something solid and physical that can be measured objectively is actually destroying experience; the emphasis on facts and figures by scientific managers is generating negative experiences for customers.

So what is to be done?

Critically companies need to understand that looking at the physical aspects of touchpoints is not the same as looking at the customer experience. Inside your company you may think customers see everything about your physical experience. In fact, customers only see an impression.

The thing with impressions is that while some details come into sharp relief, others are hazy but still influential. If you fail to understand this impression, you risk investing in areas that customers do not notice.

So while it is no doubt true that the way customers react to your experience - in part - is related to the quality of physical things such as price, download speed and Facebook latency, this is by no means the whole story.

There are two major implications of this more psychological view of customer response that are not considered in the ‘physical touchpoints’ model of customer experience management.

1. The importance of psychological variables

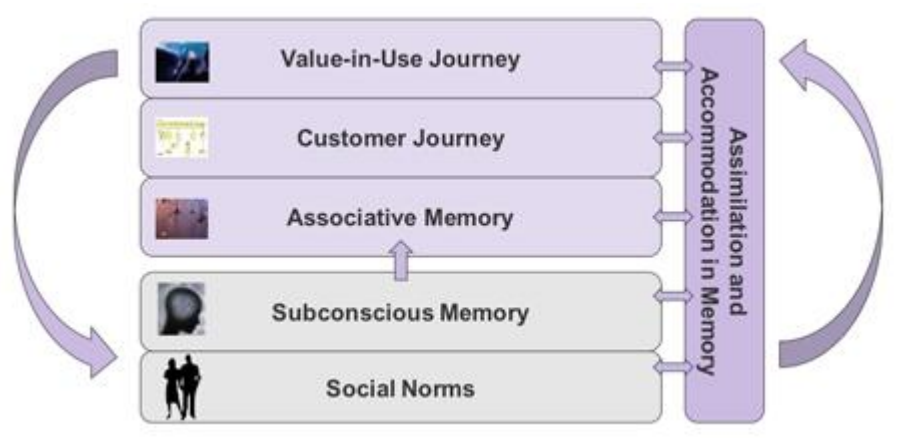
Consider in-store cleanliness, friendliness of customer service and ease of finding products in a grocery store. None of these are physical things in the way that price or latency is, but they are psychological variables that help to inform whether a customer will buy from you or not. With a physical variable you can measure it through behavioural data (without the need for customer interpretation). However with a psychological variable you can only know the answer by asking for an opinion.

The interesting point here is that many times even seemingly ‘hard’ physical things like price are impacted by psychology. Hence, Apple can charge higher prices, get away with crowded stores and offer more proprietary products than other retailers.

2: The importance of emotional and subconscious variables

Returning to the Apple Store, we can see that customers are attuned by prior expectation to notice certain features and believe certain things - that shop staff are technical whizzes; that the products are innovative; that their peer-group think Apple products are the best. It is these subconscious and emotional judgements that will weigh heavily on how the customer rates their experience, even at the physical touchpoint level.

In other words, psychological touchpoints not only create new impacts on an experience but also colour consumers’ impressions towards physical touchpoints. With this in mind, companies need to apply a new model of customer experience – one that takes account of all these psychological impacts on how customers perceive their experience.



Here we describe the components of the model through a simple case study of a consumer buying a mobile phone.

Stage 1: Pre-Goal State

At this stage the consumer has not got a compelling reason to visit a store to buy a phone but that does not mean that they are not receiving information on the company they will buy from or the industry at large. This information is not yet attached to a goal but is judged through social norms and stored in memory.

Social norm

This comprises the set of values and peer-group views that influence how information is received. For instance, information received on a bank is likely to be less well received and to be coloured by prejudice due to the problems in the economy and the inherent distrust of such organisations (unless you are in a banking cohort). These kinds of views will be a benchmark for how customers perceive how they should respond to any information from this source. At this stage, the dynamics of individual personality and self-identity come into play in terms of what norms are acceptable.

Subconscious memory

In this process, memories are being laid down from received information through the lens of what is socially acceptable. At this stage as there is no goal state, memories are latent and ready to be retrieved at any time.

Stage 2: Trigger State

At this stage some goal has been triggered e.g. "I need a new phone; I saw an advert on TV; my friend has that phone, I would like it as well." This leads to the activation into conscious thought of any associations they hold from the pre-goal state.

Associative memory

This is important as these remembered associations are the foundation for how you make a decision. For instance, buying from BP in the USA at the moment immediately raises negative associations that prevent some people from taking an action. These associations clearly come not just from actual experience, but from pre-goal state experience.

Stage 3: Goal State

Here the consumer is starting to interact with the firm.

Customer journey

At this point, the customer is associating the information received about the firm, industry and products/ services

with their goal state. It is at this point we can start to talk about physical and psychological interactions in 'the journey'. For instance, I might start googling the firm, go into a store, browse and buy a phone and receive a bill.

Value-in-Use journey

This is the longitudinal customer journey: what happens when we use the mobile phone over time and how our associations change.

Stage 4: Post-Goal State

At this stage, customers feedback to their original position but with a recalibrated memory through the actual experience of being a customer.

Assimilation and accommodation in memory

It is noticeable in this model of customer experience that accommodation/assimilation in memory cuts across all component parts of the experience. This is because there is constant recalibration of customers associations with the experience over time. For instance, social norms don't stop just because you are in the customer journey nor do you stop receiving subconscious experiences or new associations.

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Reference:

1. Rae, J., (2006). The Importance of Great Customer Experiences. Business Week; November 2006.
2. Peppers, D. & Rogers, M. (2005), Return on Customer, Doubleday
3. Beyond Philosophy: Global Customer Experience Management (CEM) Survey, 2011