

PROMISE MADE. PROMISE KEPT!™

Operationalizing Your Brand and Customer Experience

Experience Insights Whitepaper, Fall 2012





JERRY I don't understand.
Do you have my reservation?

RENTAL CAR AGENT We have
your reservation, we just ran out
of cars.

JERRY But the reservation keeps
the car here. That's why you
have the reservation.

AGENT I think I know why
we have reservations.

JERRY I don't think you do. You
see, you know how to **take** the
reservation, you just don't know
how to **hold** the reservation.
And that's really the most
important part of the reservation:
the holding. Anybody can just
take them.

(Seinfeld, "The Alternate Side,"
Season 3, Episode 11, 1991)





It's funny because it's true. A brief conversation with almost any customer will reveal that they have had a service experience like Seinfeld's: they're frustrated when a customer promise—the primary reason they chose to do business with a company—is broken, often without a reasonable explanation.

Frontline employees (unlike the one lampooned in the episode) experience similar frustrations: they want to deliver on the promise made, but multiple hurdles prevent them from doing what's right.

An imperative and far too often ignored strategic insight is coded in the comedy: to stay relevant to your customer, it is critical that organizations develop and **reliably deliver** on their compelling brand promise.

This design principle, what Fifth P calls Promise Made. Promise Kept!™, is a vital consideration when operationalizing your brand.



Brand At A Crossroads

In an economy where 70% to 80% of market value comes from hard-to-assess intangible assets such as brand equity, intellectual capital, and goodwill, brand is at a crossroads (Harvard Business Review, 2007). Historically the marketing industry has delivered on the notion of brand from a creative communications perspective.

Best-selling author Ted Matthews argues that brand has evolved beyond message:

"It ain't the logo; it's what people think of you." Your brand is more than a set of creative standards; it is everything that happens in the organization.

Similarly, Customer Experience is too often oversimplified as a "marketing issue." Every interaction someone has with your organization has an impact, positive or negative.

Cumulatively, these experiences form the Customer Experience, and an individual's perception of your brand. The Customer Experience ultimately articulates, correctly or incorrectly, what the brand stands for to customers.

Promise Made. Promise Kept!™

Second only to earnings, organizational reputation and brand value is a pressing concern to senior leaders. What do customers, employees, and stakeholders expect? How does the organization meet those expectations? Does this customer experience uniquely differentiate the brand?

A value proposition that resonates with customers and drives them to do business with your organization (Promise Made) is important, but ensuring customers receive the promised experience during every interaction they have with your organization (Promise Kept) is critical to sales, advocacy, and referral.

This is where and how customer experience happens – at an operational and interaction level of an organization.

There are three interaction types—human, digital and physical—that most directly affect your customer, their experience, and ultimately their perception of your brand. Each must be purposely designed with the brand promise in mind:

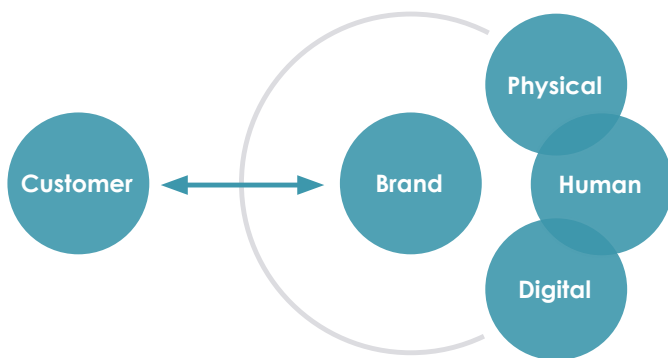


Fig.1 Fifth P's Promise Made. Promise Kept!™ Model

People play an integral role in all three interaction types. Promise Kept lives through both the people that customers deal with every day, and the people behind the scenes that make decisions that will ultimately touch the customers.

Best-in-class Customer Experience organizations (e.g., Disney, WestJet, and ING Direct) understand brand and Customer Experience are part of an integrated business system, and make people a central element of their Customer Experience strategy. They deliberately apply a brand lens to connect-the-dots between their message, or promise, and their operations.

Rather than deploying Marketing departments as “brand gatekeepers,” these organizations inculcate Customer Experience at all levels of management and across all departments, enabling their people to achieve results by design—on a *Promise Kept* basis.

The Promise Made - Promise Kept!™ Gap

According to Oracle's 2012 Customer Experience Index, 93% of companies responded that Customer Experience is a strategic priority, with more than 25% of respondents identifying Customer Experience as “mission critical.”

The challenge of proactively managing brand reputation and Customer Experience exists within what Fifth P calls the **Promise Made. Promise Kept!™ Gap.**

The Promise Made. Promise Kept!™ Gap considers how this connection is operationalized within the organization. What generally prevents organizations from putting their customer experience strategies into practice is that they are widely oriented towards doing the things that Fifth P calls “Promise Made.”

The gap is closed when an organization meets expectations set in promise made—becomes who they say they are—at every touchpoint, inside and out.



While it may seem cynical, customers are often surprised and delighted when their expectations are actually met (Promise Kept!). When their expectations are managed and met or exceeded, they celebrate those moments in social media.

Similarly, employees tend to be engaged when they are able to say “yes, I can help with that,” and deliver that promise. Rather than finding inefficiencies, they are more likely to discover possibilities that enhance the experience. Most importantly, they become customers themselves. These affinities have a long term impact on profitability.

The Financial Value of Closing The Gap

According to the Harvard Business Review (2007), “firms with strong positive reputations... attract better people [and are] perceived as providing more value, which often allows them to charge a premium. Their customers are more loyal and buy a broader range of products and services. Because the market believes that such companies will deliver sustained earnings and future growth, they have higher price-earnings multiples and market values and lower costs of capital.” Keeping your brand promise is profitable.

Conversely, regularly failing to deliver on the brand promise may cause EBITDA erosion sooner than expected, largely due to customer churn and high employee

turnover. Leaders that lack a true commitment to Customer Experience, or the required Customer Experience skills and acumen, regularly make decisions that undermine the brand promise. Because of this, cost-saving decisions are often made without considering the impact on Customer Experience.

To counter this, organizations must manage the emotional component of experiences with the same rigor they bring to the management of product and service functionality.

Promise Kept design promotes a decision-making process within the organization that is primarily focused on spending effectively to sell more, stabilizing EBITDA through momentum rather than retreat.

Closing The Gap

Closing the Promise Made. Promise Kept!™ Gap begins with knowing where promises are kept in your organization—how your organization *gets things done*. This requires examining the people, policies, processes and systems that ultimately affect the human, digital and physical interactions your organization has with customers.

To design experiences that resonate with customer's functional, accessible, and emotional needs, leaders should apply three core principles:



PRINCIPLE 1

Connect the Customer to the Brand

Emotional responses are difficult to sever and tricky to replicate, making Customer Experience a key differentiation point for any organization. Customers form an affinity to the brand over time, informed by their own experiences and those of others. Great Customer Experiences connect the brand to the customer on a personal and emotional level. Because this relationship makes the brand feel like a part of their customer's lives, Promise Kept is a life-cycle relationship.

PRINCIPLE 2

Connect-The-Dots Internally

Engagement is more than just a buzzword; it's a product of a well operationalized brand promise. Great customer experiences are coded into employee's DNA throughout their journey before they join your organization, in their day-to-day tasks, and well after they leave. A well defined experience purpose, understood and believed by employees and supported by performance measures, will inculcate customer-focused thinking that lives across all departments, in every role, during each interaction.

PRINCIPAL 3

Listen Intently to the Frontline

Inclusivity and transparency are vital components of a great Customer Experience culture. Curiously, many organizations do not embrace the valuable insights from their customer-facing employees to improve their customer experience. Undervaluing frontline employees as "just" service delivery drones that can be programmed to recite a message undermines a company's ability to deliver on a customer promise at multiple levels.



No Laughing Matter

Seinfeld's comedic license aside, the concept is simple in its inception:

Say what you'll do,
and then do what you said.

Implementing it, however, requires deliberate thought and design.

Operationalizing Customer Experience throughout your entire organization is the only way to manage your reputation, and the most effective way to bolster customer trust, employee engagement, and business results. It's relatively easy to make a promise; the hard part is keeping the promise.

And keeping the promise is really the important part.



