THE CX LEADER'S MANUAL TO CUSTOMER EXCELLENCE

Brilliant basics & luminous lessons
from 10 top CX leaders

by **Steven Van Belleghem**

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Dear reader

As I look back at the past year, I can see a clear common thread running through the content I created during that period. And I believe that our dramatically changed context may have had something to do with that.

Before I explain what I mean by that, allow me to expand a little bit: the COVID-19 pandemic and all the restrictions to fight it pretty much catapulted us back to basics. We were no longer allowed to travel (initially not even locally), see a movie, go to a restaurant, shop for clothes, work at the office or invite friends over. Our lives were stripped to the bare essentials: we lived and worked from home in the company of our family. And for a while, that was pretty much it. I think that, perhaps subconsciously, the power of these essentials found its way into my content. Some of my pieces were about what I call "brilliant basics": pretty simple rules – general truths almost – for creating a fantastic CX. Other contributions were about powerful CX success stories with tricks of the trade from world leaders like Amazon, Walmart, Disney and Grab.

Writing and recording all this content made me realize the power of what is essential. That is why I wanted to create this book: a compilation of my favourite basic pieces from these past few months with some brand-new unpublished ones.

I wanted to share what I see as the foundation of CX and how top CX leaders envision this in order to inspire you at the level where everything is yet to take off.

Thank you for being such a faithful reader. I hope you'll enjoy reading it as much as I enjoyed writing it.
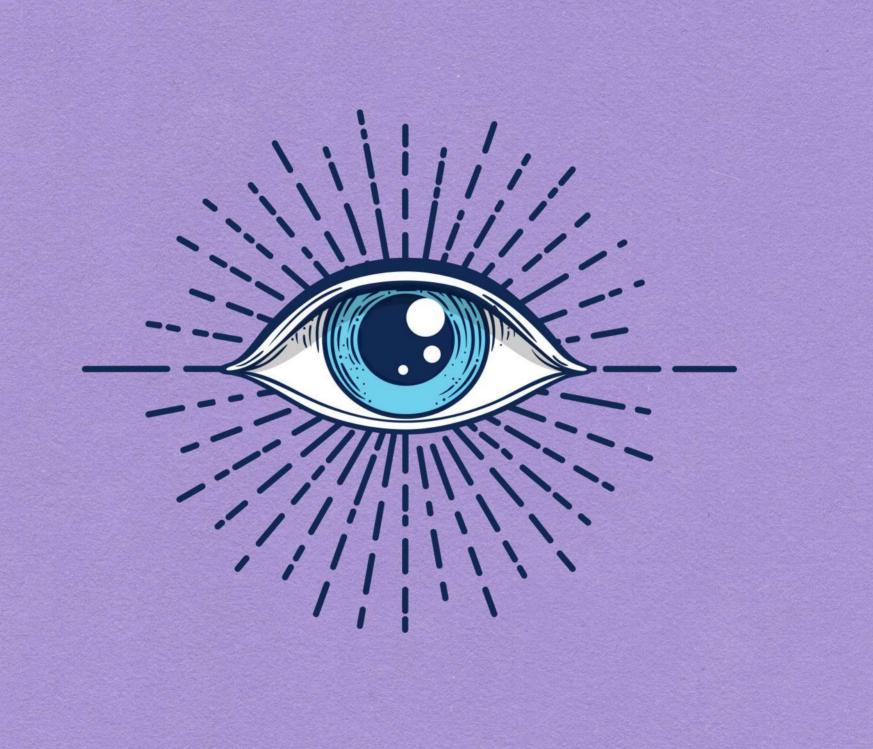
All the best,

Steven

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THE CX LEADER'S MANUAL TO CUSTOMER EXCELLENCE

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Create a powerful vision

At the heart of any successful strategy lies a powerful yet tangible vision, and that's no different with anything CX-related. "Putting the customer at the center" is not specific enough to be able to enthuse and engage your employees. You need to specify which problem you want to solve for the customer, what you will be able to do to improve their life and which mindset should be connected to that.

Don't start from a KPI attitude but focus on an intention mentality and make sure you are truly useful and helpful to your customers. Not just with your core offering, but just as much with the adjacent services that you offer on top of that.

You probably know that I love the example of Lumi by Pampers. With this brand, Proctor and Gamble was able to push a 'boring' commodity like a diaper onto a whole new level, by adding a smart baby monitor and an integrated sleep system for infants into the mix. With this approach, P & G does not just "sell commodity diapers" and it also goes beyond putting "parents at the center of everything it does". Instead, it is a true partner in the life of parents and "helps the whole family rest easier", as their website states. So, just like P & G with Lumi, make sure that your vision is both concrete and appealing.

Make the CX strategy tangible for everyone in your company

Very often, I see a disconnect between the vision and the enthusiasm from the top management about customer experience and the rest of the organization. That's really nefarious. It's crucial that you figure out a way how you can translate your high-level strategy to the life and the context of every last employee. Your goal should be that every employee knows what their contribution will be to this customer relationship strategy. This gives them a sense a purpose as well as a strong connection to your vision. I'll be honest here: there is no shortcut to achieve that. There's no secret ingredient. You will have to find a way to literally convince all your employees one by one. Matthias De Clercq, former Country Manager Belgium at Coolblue, and now my Business Partner at nexxworks told me this great story of how they achieved this at CoolblueBezorgt, which takes care of delivery all of its packages. Not only was the vision of customer experience shared at every major meeting – Pieter Zwart (CEO), for instance, started every presentation with the Net Promoter Score – but the mission was also integrated in the

average working day. Every morning, the delivery (wo) men at Coolblue were shown their NPS-scores of the day before. If they were good, they were celebrated – never cash, but fun things like wearing a crown to work. If they were less so, they were empowered to explain (internally, not to the customer) what they think went wrong and how they could react better the next time. This is how you get employees to share in the vision: by involving and empowering them every step of the way.

100 small projects

This is one of the biggest pitfalls for organizations: I've seen too many of them develop this huge idea and strategy around customer experience. Their vision becomes so big and complex that it's almost monstrous. Most of the time, however, the result is that the execution fails just as monstrously.

What I always tell the organizations that come to me for help, is to make a list of many small improvements that they can solve for their customers. I have seen this time and again: the execution of 100 small items that improve the service for customers will always trump the one of a huge project. And, above all, the impact will be a lot more significant. I love Shep Hyken's example of his friend Jason Bradshaw of Volkswagen in Australia, who was tasked with improving the customer experience for the VW dealerships. He made enormous improvements

over the course of just two years. Not with big sweeping changes but by accumulating little ones. Even "tiny" ones that he referred to as 1% differences.

Intelligence, augmented

Another true basic of cx is to figure out a way how you can improve the level of human service with technology. When I was still giving live international keynotes, pre-pandemic (slowly it's picking up pace again but not yet like before), I often had to spend the night at a hotel, some of which I revisited many times. And so I would find myself checking in at a lobby desk with a friendly human, only to be asked this truly superfluous question "Welcome, Mr. Van Belleghem, is this your first time here?" And then I had to answer them sometimes that it was about my 20th time there, which was always an embarrassing moment.

Did I blame this friendly employee? Of course not. But I did blame the organization. You cannot expect that the individual employee recognizes everyone. But you can expect that a hotel chain has a system in line that shows the employee the customer history when (s)he types in a name. That is what I call IA (intelligence augmented). And it's all about using simple technologies to make sure that your 'humans' say the right thing at the right moment.

Celebrate success when you have an improvement

Many companies never seem happy with what they achieve for their customers. I find this so incredibly sad. They seem to be waiting in this 'not good enough limbo', until they have reached perfection – which will of course never be reached – before they celebrate.

It's fantastic to have an ambitious perspective on how to improve and a steady view on your journey. But it's also so important for the mood of your team to celebrate your small successes in improving your customer experience. You will notice right away that this will give a boost of energy to everyone. The really cool thing is that when you have 10 celebrations, you will be able to look back and just enjoy the fact that you have done so much already. And your employees, too, will have the feeling that things are really moving fotward if you celebrate the success. Even it's just a seemingly small thing like a great personal NPS at Coolbluebezorgt.

Everyone should get direct customer feedback

Have you seen some of those soccer games that were played in empty stadiums in full pandemic? It's extremely depressing. The statistics also show that many soccer teams did suffer from that. And the reason is energy: soccer players are used to getting direct feedback from their customers, the fans. They absorb the cries of joy and encouragement, the "oohs" and the "ahs", and pick up steam again. It gives them a sense of urgency to do better. And when they score, they enjoy this huge celebration.

I think we need the same approach in every organization. If you work in a company where many employees don't receive the direct feedback from customers, then that's a missed opportunity. Every employee should be able to feel the "oohs" and the "ahs" from the customers directly. It will create urgency and a higher level of commitment towards the customer. And it certainly will make for smarter decisions, as Duncan Wardle, who used to be the Head of Innovation and Creativity at Disney explained in my podcast conversation with him: "I would advise to make it mandatory for everybody in your organiza-

tion who's not in direct contact with the consumer to go spend a day per year in their living room." It seems a bit extreme, but it's probably also the reason why Disney is so exceptional at cx.

Keep playing the friction hunter game

I've played the fiction hunter game so many times with customers. It's one of my favorites. Basically, you turn every employee into a friction hunter and invite them to look for any type of irritation or unpleasantness in the customer journey. I also tell them not to focus on big things, but to look for details: a list of small annoyances that are easy to solve. And then you put a name next to each friction and you give that person four weeks to solve it. When that time has passed, you bring the team back together, discuss what worked and what not, and improve what needs improving. And you play that game again and again. Like I said, these don't need to be big changes (they can be, but they must not be), it could just be something really small like changing the place of a registration button on your website so that it's a lot easier to find and access.

After a while, you will have a culture where people are really sensitive for the details in the customer journey, and that will increase the overall quality towards your customers.

Joy, Inside Out

What would Joy do?

One of my absolute favorite movies is "Inside Out" from Disney, which shows you how the human brain – and thus the customer brain – works. The movie shows that we have five basic emotions driving us, of which four – sadness, anger, disgust, and fear – are negative. We only have one positive basic emotion which is Joy, also the star of the movie. So when you realize that 80% of the emotions in our minds are negative, you'll understand why we complain so much or why our customers complain so

much. We can't help that, because that is the way that are brains are wired.

So my invitation to you is this: if you have a meeting tomorrow about your customers and you have the feeling that negative emotions are taking over, stand up and ask "What would Joy do?". And let her take the decisions in your company. Let positive emotions take the decisions. And you will see that that will boost the amount of happy customers. An example would be to focus your online return policy on all of those honest customers that you cater to, rather than to the 10% that might take advantage of you. If you don't, the other 90% are punished for something they would never do, and feel unhappy. Always put Joy in charge.

Always fix it

If something goes wrong during a transaction between you and your customer, don't try to look for the person who made the mistake: an employee or the customer. It's a waste of energy, time and of a good relationship. Just focus on one thing only, which is fixing the problem as soon and as best as you can. If you don't, the customer will have to wait too long for the issue to get resolved and (s)he will be extremely annoyed by the finger pointing. You know, and I know that you will end up fixing what happened anyway, so why not do it immediately, and not risk blow up a perfectly fine and loyal relationship with a

good customer. If you don't, Joy will have left the building. Always focus on customer happiness and skip the annoying part.

Obviously, it's always valuable to check later on what happened and how – without involving the customer – and then fix that process too, so it won't happen again. Even when the customer did something wrong, try to find out why, and if you could have avoided it yourself by making your website clearer or communicating in a better way. But remember: always fix it.

Have no short term expectations

This one will truly be difficult for many organizations because of the tyranny of the Return On Investment (ROI). Does your organization need a return on its investments? Obviously! But I also strongly believe that you need to figure out a customer expectations approach that has a long term vision as well as a short term one. Example: if you perform a random act of kindness, don't expect customers to buy more because of that. If you did something nice, if you've created a great campaign, if you've sent them a gift, don't expect them to do something back instantly. Just believe that that is how you build a solid and honest long term relationship. And keep on doing that without looking for a short-term impact.

It's like going to the gym, really. When you go to the gym for four weeks, you'll notice no results when you look in the mirror. If you go for eight weeks: same. The conclusion would seem that it doesn't work, right? That is why a lot of people stop going to the gym after two months because it seems to have zero impact. Whereas we all know that if you want to have a noticeable result, you need to make that investment for a couple of years. Well, it's the very same with customer experience. For some endeavors, you will not see the difference after two months. Don't conclude that they don't work. See them as a long term investment.

Be fast and fun

This is one of my favorite pieces of advice. It's very simple. If you want to be successful, make sure you are fast, easy, and fun. I see a lot of organizations working on the fast and easy part, but they forget the fun fact. People like to be entertained, to be wow-ed, to be surprised. Invest in that. I will always remember sitting in this brainstorm with Smartphoto and there was this one enthusiastic lady that suggested to send gifts to people who had photographed weddings, anniversaries and all kinds of happy celebrations. Immediately the room buzzed with concerns of privacy, but the manager responded in the best possible way: "Let's just test it: you have a gift budget of 500 euros per month and you'll tell us what happened

after three months." Three months later, that lady entered the room with the biggest smile I have ever seen in my life and a huge stack of emails from customers thanking her. Happy customers make happy employees and the cool thing is that this was not some complex or big change. They just decided to focus on offering fun to their customers.

Create emotional convenience

Over the last 10 years, we have been focusing a lot on transactional perfection and digital convenience for offering a better experience. But this digital convenience has become a commodity. It's just what people expect today and it certainly no longer makes you special or give you an edge. The challenge today is to create what I call "emotional convenience". What I mean by that is that you

have to understand the human behind the customer: what is the "movie that they have in their head about their future? What are their hopes, dreams, ambitions and fears? Try to play an active role in that as an organization. Make sure you help them emotionally to create more value in their life. This part is about helping the human behind the customer.

Dutch insurance company Centraal Beheer has really understood the concept of emotional convenience. A great example is their 'Uber for handymen' platform Klushulp, where people can hire a handyman for small chores. Because they know that the Centraal Beheer brand is behind it, customers know that they can trust the people on the platform, and they can benefit from a flawless interface and journey too. Since smoke detectors became obligatory in The Netherlands, Centraal Beheer also sell them to customers and help them install so people don't have to figure out which type is compliant with the law, how many of them are needed and where they should be put. CB started to unburden and facilitate the lives of their customers in all sorts of clever manners, moving far beyond the dry but necessary insurance business. They use the expertise, the intelligence and the network that they have gathered in all of their insurance products to create truly relevant services as a partner in the lives of their customers.

Empower employees to choose for the customer

Now, this last one is crucial. If you really want to have a great impact in cx, make sure that your frontline staff is empowered to take decisions on their own in favor of the customer. When something goes wrong, make sure that they don't say something like "I will ask my boss how to solve this". Instead, empower them to solve the problem fast and efficiently on their own, without having them to worry about the cost or the implications. For me, that is absolutely key. Offer them that freedom, that empowerment and support them in that process. And that will make a tremendous impact on how your customers are treated and on how they perceive the culture in your organization.

I love this story from the Capital One bank: one of their customers had spilled orange juice over his keyboard, which resulted in a "2" key that failed to work. Now, this number 2 key was part of his account number which made logging into his banking account impossible. Having posted his problem on social media, a member of the Capital One support team saw it and decided to send him

a brand new keyboard. Because they were empowered to solve a problem that many banks would not have seen as their responsibility, Janeth and Adam made one customer extremely happy and they went viral with the story. Giving the freedom to act to employees really works.

In case of opposing interests: always take the customer's side

When I want to check how customer centric a company is, I ask this one simple question: "how do you react when your own interest and that of your customer oppose each other". Let me illustrate with a very concrete example. Imagine a bank customer with a sleeping account which hasn't been used for the last five years. In spite of the lack of activity, they pay an annual fee for the support and maintenance of that sleeping bank account.

How do you deal with that as a bank, if you have a large pool of that type of customers ? Will you keep silent and just cash in that easy and effortless money? Or will

you actively contact these clients, telling them "Hey, you have a sleeping account, we need to talk". And if you do, will you 'just' suggest that they shut down the account because they receive absolutely no value for the money they spend? Or will you take it a step further and say "Hey, you've been paying us for the last five years while we didn't deliver you any value. We're going to pay you back for that."

From the first to the second scenario, you see the level of customer centricity building up. And that's a mindset which I believe is crucial in order to understand how customer centric you are. So, if you're not sure about it or you want to become better at it, just think hard about how you and your company deal with this type of opposing interests.

the 7 habits of highly effective CX leaders

Stephen R. Covey's bestseller 'The 7 Habits of Highly Effective People' is one of the most influential business books of all times, selling more than 40 million copies and inspiring and transforming leaders all over the world. Coming across an infographic with these 7 habits, it struck me that they were so fundamental of successful human behavior that they were perfectly applicable to people responsible for customer experience as well:

- **Habit 1: Be proactive.**
- **Habit 2: Begin with the end in mind.**
- **Habit 3: Put first things first.**
- **Habit 4: Think win-win.**
- **Habit 5: Seek first to understand, and then to be understood.**
- **Habit 6: Synergize.**
- **Habit 7: Sharpen the saw.**

And so here's how I think that these rules are just as important for CX leaders:

Habit 1: Be proactive

Covey talks about the difference between the circle of concern and the circle of influence. The circle of concern consists of all the things that are out of your control,

like the weather, the economy and mistakes that others make. The circle of influence consists of all the things you can control: like your skills, what you learn or your attitude.

You can either choose to be reactive or proactive. If you're reactive, you'll keep complaining about the things that are out of your control and get nowhere. If you're proactive, you'll not only not complain about the things you can do nothing about, but you'll find out what you can do to improve the situation.

Just like that, highly effective CX leaders are proactive: they don't overly focus on the negative parts of CX that they cannot control. Take the case of a really difficult customer who probably made a mistake in the online order procedure and then tries to pass off that mistake to a faulty website. There are two ways to react to that: put all your time and effort in finding out who made the mistake. If you find out that the mistake is the customer's, (s)he will be annoyed anyway, maybe even livid because they see it differently and might never return, leaving negative reviews all over the web. And if the mistake is indeed yours, the customer won't be happy either, because they will have had to wait a longer time before their problem was fixed. Top CX leaders, however, won't put time and effort in finding out who made the mistake, but they will fully invest in what they can control: do everything in their power to put the smile back on the face of the customer. And do everything in their power to check, doublecheck and improve the ordering system so

that mistakes – even those on the side of the customer – almost never happen.

Habit 2: Begin with the end in mind

Covey believes that successful people have some sort of "map" in their minds of where they want to go in life. They determine their life goals and develop a plan on how to get there. They figure out their destination first and then work towards it.

Amazon has a list of Leadership Principles which is used every day, "whether they're discussing ideas for new projects or deciding on the best approach to solving a problem". The top of that list features "Customer Obsession", which they explain in a very Covey-ish manner: "Leaders start with the customer and work backwards. They work vigorously to earn and keep customer trust. Although leaders pay attention to competitors, they obsess over customers."

I's a "rule" that I often mention in my keynotes and books: a company can only be great at CX if it starts with 'the end', with the customer – not its own great ideas or processes or whatever seems more important at the time – and works backwards from there.

Habit 3: Put first things first

This one is about prioritizing. It seems pretty easy, but we all know that sometimes we get stuck in answering e-mails or in meetings that are actually a lot less important or urgent than we would like to believe. Covey designed a really handy quadrant to help us decide if we should do, plan, delegate or eliminate something from our to do list:

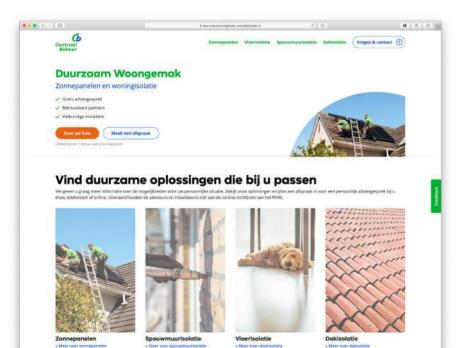|	**URGENT**	**NOT URGENT**
IMPORTANT	**DO** Urgent and important	**PLAN** Not urgent but important
NOT IMPORTANT	**DELEGATE** Urgent but not important	**ELIMINATE** Not urgent and not important

In CX, for me the priority is pretty simple: always focus on Joy (as explained above), on the things that make your customers happy. That should always be the first and last thing on your mind. All the other things, that can sometimes take up a lot of bandwidth, may seem important, but they really aren't, when you compare them to "Joy". Covey's first three habits are about moving someone from being dependent, to being independent. They're about self-mastery, inner strength, character, purpose, and values. The next three habits are about transforming from independent to being interdependent, which is the highest level of what Stephen Covey calls the maturity continuum (from dependence to independence to interdependence). Interdependence is the level where you think like a team or like a family and where you make each other better.

Habit 4: Think win-win

This habit is where Covey tells his readers that business should not be a zero sum game. If there's a loser and a winner – even if that winner is you – the situation is out of balance and will end up becoming toxic. So always go for a win-win situation.

Simply put, if you are a highly effective CX-leader, both your company and the customer ought to win. But I

believe that that simple trade-off between financial value (for you) and product or service value (for the customer) no longer suffices today. Yes, customers expect a great product or a great service, but that's no longer all. They will gravitate towards companies that have a Partner in Life strategy: like insurance company Centraal Beheer helping their customers with the installation of the solar panels that they help to insure. So that's actually Win-Win² for the customer. And even more: today's customers don't just expect a win for themselves, but for the planet and society as well. And so Covey's Win-Win formula has probably morphed into something like Win (for the company) – Win² (for the customer) – Win (for planet and society) when it comes to CX. People are no longer content with a trade-off.

Habit 5: Seek first to understand, and then to be understood

Many people only listen to others with the intent to reply, often even before the other finishes. But you can't understand someone's perspective and feelings unless you really listen to them. And really listening to your customers to understand them isn't as simple as it seems. Let me explain: as I learned from Leslie Cottenjé, CEO of Hello Customer, happy customers will rarely tell you spontaneously that they are deeply fulfilled by what you sell and how you treat them. That's just not how people are wired. The voices we do hear, are those of the angry and very critical customers. We definitely should pay attention to them, and let their feedback inspire us but we also should not let ourselves be lulled into believing that that is THE voice of our customers. They're still a minority. A loud minority, to be reckoned with, yes. But a minority nonetheless.

This is where data and AI comes in, of course: to find patterns, and give a voice to the silent majority, that's just as important – if not more – than the dissenting voices. Leslie told me that when her customers started working with her customer feedback platform 'Hello customer', they are often surprised to understand that what they thought was a very big issue, turns out not to be not such a big deal across the entire customer base. "A lot of organizations come to realize that they have been focusing on the wrong priorities", she told me. For instance, customers who thought that speed of delivery was a top priority, found out that customers found other issues a lot more important. So when it comes to customer expectation, it's very important that you know who you are listening to, who you should be listening to and keep trying to see the bigger picture.
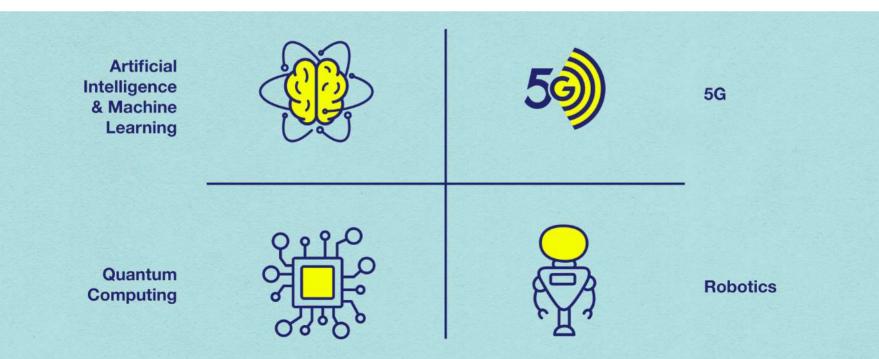

Leslie Cottenjé, CEO Hello Customer

Habit 6: Synergize

The idea behind this habit is that different people bring different opinions, ideas, perspectives, and strengths to the table. Instead of simply tolerating or accepting these differences, we should celebrate and value them. That is why the most effective CX leaders understand that it takes a network to satisfy customers. It's about treating employees right and have them collaborating over silo's, but it's also about finding the right business and platform partners or even collaborate with competitors at times. It's car company Toyota collaborating with city designers, architects and software companies to create a fantastically advanced smart city project (Woven City). Why? Because they realize that mobility is changing so fast that cars probably won't be a big part of cities in the future and knowing that they need others to help them with their vision. Or it's McDonalds collaborating with Uber Eats for their delivery, instead of creating their own chain. Or why BMW teamed up with Mercedes-Benz to develop a car-sharing business. Synergizing with the right partners will always result in a better, faster, more efficient and more frictionless experience for your customers.

Habit 7: Sharpen the saw

This habit is some kind of metaphor of Covey. He describes a guy cutting down a tree with a dull saw and someone else advising him "why don't you sharpen that thing, it will save you a lot of time if you do". But the guy refuses, claiming that he does not have the time to sharpen his saw because he has to cut this tree down.
This anecdote so much reminds me of those company leaders who are so busy with day to day CX work and even cleaning up yesterday's CX messes that they forget to think about the future. And what they miss out on, is very often technologically related. They don't make time to investigate new tools like AI or blockchain, 5G or IoT. Are these buzzwords? Of course, but their competition is probably already investigating if these could help them better implement their CX strategy in any way or other. And when they will start stealing away customers because they offer better, faster and more frictionless services, it may be too late to "sharpen the saw". So, Covey is completely right that – especially when you're incredibly busy – it's always time to investigate how you could make your offering faster, better and more enjoyable.

the biggest myths about customer centricity

Although we have been talking about putting the customer at the center of a company for a very long time now, still so many people misunderstand what it exactly requires. That's why I also wanted to present and debunk some of the biggest myths about customer centricity in this little field guide to CX:

Myth #1: customer centricity is asking customers what they want

Henry Ford's quote "If I had asked my customers what they wanted they would have said faster horses" may be very old but it probably stuck around for a reason. A lot of brands still make the mistake of thinking that being customer centric is foremost about talking to customers, listening to them and executing their needs. But not all customer demands are realistic or even interesting for your other customers. It's great that you organize customer communities, scan the social media and investigate all the place where they leave traces, but that is not

the definition of customer centricity. It's about finding ways of creating real value for most of your customers. Helping them save time on tedious tasks like grocery shopping is a good example, like Walmart did, with their Pickup Towers. It's about making sure that you are easy to work with, like Uber. It's about making them feel great in any way possible, like Tony Chocolonely, by offering delicious candy as well as the assurance that no one was harmed during the making of it.

Myth #2: Putting the customer at the center is expensive

Improving a customer centric experience can be done in affordable steps, as I explained above. In fact, that is what I always recommend to my customers: it's often better to change 10 small, but significant things per month and improve the experience by 120X at the end of the year than to make one Big bet of which you do not have the certainty that it will work. Putting the customer at the center of your company goes beyond expensive IoT

driven solutions, facial recognition or other high-end tech (which can be fantastic, of course, but not everyone can afford them). Just remember the enthusiastic lady of SmartPhoto from above, with her 500€ budget and you'll realize how true that is.

Myth #3: Everything needs to be perfect

Fast adaptation is everything when it comes to being customer centric. If the customer changes direction, so should you. So if someone comes up with a great idea, don't over-plan or over-analyse it until it's 100% perfect. Launching something that is 90% good or that will make 90% of your customers a lot happier, is better than to wait too long and miss the boat. But it works the other way around, as well: if 90% of your customers behave well and 10% do not, please don't make the 90% pay because of measures you take to keep the 10% bad guys in check. For example, Zalando made the clear and bold decision not to adapt its return policy because of those few rogues that send in the products damaged or much too late. It does not want to punish its best, most behaved customers and prefers to bear its 'imperfect' (for Zalando, not for the customer, I mean) return policy.

Myth #4: Metrics never lie

Sometimes, companies measure the wrong things, or they use the wrong metrics. In these cases, numbers about customer centricity can lie. Let's say that you would take 'delivering top quality sustainable products' as a strategy and then tie a metric of 'less than 5% returns' to that. You might expect that your team would gather data about the weak spots of returned products and then deliver this feedback to your engineers who could then improve them, which would result in less returns.

But if your team is working towards the metric instead of the strategy, this following scenario would be far more likely: your service team could decide to make the return policy and process so complex, difficult and hard to find that the rate of returns would indeed plummet. This would be a very 'clever' shortcut of your service team, but the result would be a lot of frustrated customers and a dangerous informational blindness about the blind spots in your products. So make sure that you measure relevant things, and above all that you make sure that your metrics will not end up sabotaging the strategy they're meant to support in the first place.

the top

10

most frequently asked questions

about **customer experience**

Over the past years, I've received a great many questions from my audience and fans about customer experience. As diverse as these tended to be, some types of inquiries always seemed to return over and over again. And so I thought it would be useful to bundle the 10 most frequently asked questions about CX and add them to this e-book with the basics of CX:

Can B2B companies use the same customer experience strategies as B2C companies?

The short answer is "yes". B2B organizations can indeed use the same type of CX strategies as B2C companies. But it's also a lot more complex, as they are very distinct types of markets. The biggest difference between them might be that the human relations in a B2B market are incredibly strong.

Many B2B companies for instance have account managers who really make a big difference. Because of this strong human connection, some B2B companies have not yet invested sufficiently in technology which means that they're a little bit behind the line. So in that aspect, of blending the human touch with a seamless tech layer, they can still learn a lot from B2C companies.

Just think along the dimension of data. Many B2B companies now use data to install preemptive maintenance. Spare parts are now for instance proactively brought to a factory based on that information. Kone, for example, is installing sensors in elevators to make sure that no one gets stuck anymore. So you see how data and 'invisible' behind the scene adaptations are really helping to improve the process and the customer experience at the same time. Or think about interfaces. Many B2B companies would gain so much by decreasing the friction in the experiences they offer there.

It's pretty simple, actually: B2B customers, too, are accustomed to easy to use mobile phones and their apps. They have that same standard for their interactions with B2B companies. Examples and cases here are hard to find in B2B, but there are some very inspiring exceptions like the one from Deere & Company and their MyMaintenance application. The latter app helps owners, operators and fleet managers keep up with machine maintenance schedules and repairs in an easy and smooth manner. It allows them to view equipment on a map, see nearby machines, see a machine's maintenance plan via barcode scan, view tasks associated with each maintenance interval, keep track of maintenance costs and view machines that are due or past due for maintenance.

I also see huge opportunities in content marketing for B2B companies. I'm fascinated by how Maersk, the huge container ship company, approaches this. They have millions of followers on their social networks, while they 'just' offer the commodity of all commodities: a huge ship filled with containers. But they never talk about their containers, though. What they do is share stories about

their adventures at sea, about how they are changing society or how they have been playing a role in the weather forecast. They tell really fascinating stories and that's what makes them so successful. A lot of B2B companies are so focused on their product, that they forget that their company has a fantastic story to tell that they can share on platforms like LinkedIn or YouTube. A lot of B2B companies underestimate that sharing their experience with your customers, will increase the bond in a more digital way.

Last, but not least, "intelligence augmented" (IA) is crucial in B2B customer experience: make sure that your B2B sales people and frontline employees have digital tools that allow them to offer a better human service. In Belgium, we have this fantastic company called Showpad which arms salespeople with the interactive and personalized content they need to convince buyers with unique experiences that move beyond nondescript PPT presentations. It's very smart to boost customer experience by enabling your own team with better tools so that they can excel during these precious human moments.

What comes first: customer experience or employee experience?

The link between employee experience and customer experience has always been a very strong one. People love to come up with the example of Amazon when this subject is discussed, claiming something like "Amazon may have happy clients, but so many of their employees are unhappy". True, but when you dive into the research – like I did for my latest business book 'The Offer You Can't Refuse' – what you see is very simple. You can have happy clients and unhappy employees. That can unfortunately happen. But it is an exception.

There is a very strong correlation between happy employees and happy clients. When you have happy employees, it's almost certain that you will breed happy customers. It's not working in the other direction, unfortunately, like the Amazon example illustrates. But great CX does start from the employee. So if you really asked me what comes first, my answer is employee experience, which is the beginning of everything.

How can you make sure that everyone is involved in delivering a great customer experience?

If you want to create a culture that is completely focused on creating a great customer experience, you have to realize that every employee plays a vital role there. Don't make the mistake of putting a small group of elite people in charge of the customer. Organizations need to invest in involving the entire company in putting the customer

first. For instance, co-create a vision with them and let them come up with solutions and ideas to increase the customer experience. Even better, give them the power to be part of the implementation of that process so that their engagement, too, will move beyond creative input. The reason why Zappos was so great at CX was because every last employee was in on it, and they all were empowered to act in the way that they thought would make the customer the happiest.

For me, the most important here is to understand that, here too, you have to invest time in convincing people one by one. There are no shortcuts here. There is no golden magical rule that you can apply to make sure that everyone is involved. No, it really takes time and effort. The more personal effort you invest in it, the more people that will be on board with you. Yes, that's a long term strategy but it is highly effective.

We see an increase in digital usage, but how about our non-digital customers?

I'll be very strict and clear on this one: please don't not use your older, non-digitally savvy customer base as an excuse to lag behind in technology adoption. I always advise companies to take an inclusive approach. If you still have customers that are not part of this digital journey, always try to give them a fantastic service in another way.

But don't let that group hold you back to innovate all the way. When it comes to innovation and customer experience, you should focus on the leaders of the pack, the early adopters. Make sure that you bring digital value to them. If not, you're going to slow down your own evolution.

Should a traditional company copy paste certain CX ideas from big tech players?

We often look at big technology companies as inspiration for excellent customer service. That's also because of people like me who give so many presentations about Amazon, Google, Netflix and Tesla which have all been excelling at customer experience. These giants indeed have truly set the standards in the mobile, social and 4G contexts and really understood how to create a fantastic experience based on those technologies. So it definitely does make sense that we copy paste from them. But at the same time, I would invite you to look at incumbents that have always excelled at reinventing themselves for their customers. They're the type of companies that my business Partner and friend Peter Hinssen would call "Phoenixes", and they are a very rich source of inspiration when it comes to CX.

I'm talking about companies like Disney, Walmart and Target that are really rethinking their business model as

well as their approach towards customers. My current presentations are filled with examples of these types of non-tech companies that are kings at customer experience. And I would invite you to learn from those as well. In my opinion, the world is like one big safari: look around and learn from how other companies are treating their customers. Steal a little bit with your eyes and then apply their successes in your market.

What is the best way to measure the impact of CX?

There's always a lot of debate about how best to measure customer experience. That you need to measure it, is obvious. But to be honest, "how to measure it" seems not the most relevant question to me. You could work with NPS. Or customer satisfaction. That's all fine. The really crucial question, though, is "what do you do with that information"? How do you translate that back to into your organization? Is it just a PowerPoint that you discuss with the board? Or do you drill it down to make sure that everyone in the organization knows about the feedback of your customers?

It's clear to me that the latter is a much more efficient approach. Also, how do you give that feedback back to your customers? Do you talk with the detractors – those people that give you a low score – and talk with them to understand why? Do you connect with the people who

give you a 9 or a 10 to see if they could become an even bigger ambassador of your organization?

In short: the question is not "how to measure it?". The question is: "what do we do with the results?". There's a huge opportunity here to have a higher impact with that precious data.

What do we need to do with the results from our customer satisfaction research?

This question actually builds upon the previous one. Personal contact and feedback are obviously very valuable. If someone rates you just a 3 out of 10, talk with those people. Make sure that you understand why they are not satisfied and find a solution to connect back to them. Sometimes you'll just find out that there's not a good fit between what you do and what they expect. And then you can also communicate that back. But I cannot stress enough how important it is to communicate back to customers. The same goes for those who did gave you high ratings. Ask them why they like you so much. Ask them how you could support them even more. Truly let them become part of your community. If you manage that in a smart way, you can actually create a huge impact on the market. The same with your employees: drill down the results to make these as tangible and as valuable as possible for every employee. And then share that knowledge with them on a personal level.

How can we make our customer experience more unique and not just seamless?

Many people believe that in the end customer experience will be the same in every organization and that the world will be totally grey and boring because we're all doing the same thing. I totally disagree. That would mean that customer experience is only about optimizing processes. I think that's just the bottom of the story. What you need to do is of course, install the processes to make sure you have a fluent service, but the difference is not made with these processes. The difference is made with your own identity. It's made by your own culture. How you implement it will make a difference. And here you need creativity. You need positive energy. And that is the differentiator. The processes is just the basic need.

Where should we focus on if we work in a commodity business?

I'd like to challenge a part of that question first: is there really such a thing as a commodity business? Isn't that just something that happens when we allow ourselves to become boring and by not being unique?
I believe that every organization has a unique story to tell. Every organization can add services on top of the

products that they deliver. If you are in a "commodity" market, just figure out what the services are that you can build around it. If you are an insurance company, maybe you can become a partner in living, like Centraal Beheer did, as I explain earlier. If you are like Maersk that I wrote about above, you're not just moving containers from A to B. No, you're having adventures at sea and you can talk about that. There's always a story. There's always value. Typically, in commodity markets, businesses are so focused on product and price that they forget about the other things that can add value. If you focus on these other parts, services and story, you can truly differentiate yourself.

Digital is great, but can we go all the way? How about privacy?

The issue of privacy only seems to be growing in importance: "can we do all the things that we want to do in customer experience under this strict privacy legislation"? The problem is that we too often begin this discussion by zooming in on the legislation. That's the wrong starting point because you'll always keep yourself in the gray zone. You'll always try to optimize your value within the limits of the legislation.
Start from a different point. Instead of worrying about privacy, worry about customer value. Ask yourself "how can we create the best possible customer value?". And
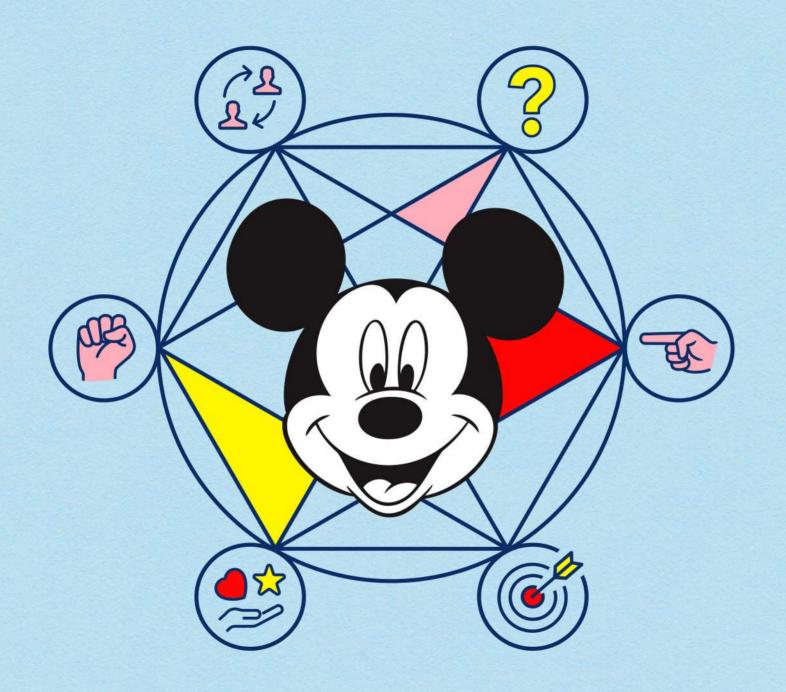
only then zoom in on the second question: "what kind of data do we need for that"? In most cases where you want to create new customer value, you will be allowed to do so. Because your starting point is exactly in the interest of the customer. This mindset is crucial because I really believe that in a few years from now legislation about privacy and data will be a lot stricter than today.
And because of that, your reputation will be an excellent asset, … or your downfall. When the day comes that customers will be able to decide to whom they will give their data, they will only do so to those companies that they trust. Build that relationship of trust now, while you still can. I believe that those companies that – today – are giving most value back based on the data, will be the only ones to have access to customer data in the future. Make sure that you're among them.

So, these were the questions I'm most frequently asked about when it comes to customer experience. I hope that you found the answers useful. Make sure to let me know what your biggest challenge and questions are about CX too. I'm always curious to learn about the interests and challenges of CX professionals.

PART

2

fantastic lessons from 10 top CX leaders

CX lessons
from **Disney**

Most of you will know that I'm a huge fan of Disney, one of the most cx oriented companies of our times. And so you will understand that **I was absolutely thrilled to interview Duncan Wardle who used to be the Head of Innovation and Creativity at Disney for many years on my weekly podcast show.** We talked about a great many things related to innovation and customer experience, but these are my favorite insights from the talk.

The multiple "why?" method

Duncan is a big believer in asking series of questions: just like when we were young and we asked "why" and then our parents explained and we asked another "why", which could last for a very long time. "Insights that are useful for customer-oriented innovation tend to only appear after 4 or 5 consecutive whys", he explained. According to him, data often only goes one or two whys deep and therefore can deliver faulty insights. "If you run a survey asking people "why do you go to Disney on holiday?", most people might tick the box "I go for the new rides and new attractions". So you could decide to spend $240 million on a capital investment strategy. But if you 'act like a child' and keep digging deeper with multiple whys, you might get an answer like "It reminds me of the times I used to go with my mom and now I take my daughter too". And so you would uncover something that has nothing to do with capital investment strategy whatsoever and everything to do with a communication campaign focused on nostalgia. Especially in these times where AI will strip away between 20 and 30% of the jobs in the Western world, it's crucial that we keep our child-like curiosity and creativity, which is something that the machines won't be able to do in a very long time."

Duncan Wardle, Innovation Speaker

Data and guts

For a very similar reason, Duncan is very big on trusting his guts. "There's no doubt that big data is getting better and better every day", he explained. But if you're only looking at your big data, you're also only looking where your competition is looking. And if you're only looking where your competition is looking, how will you find that one insight that will allow you to innovate in ways that somebody else can't?

Go live with your customers

That's exactly why he would give anyone the advice to "stop being so arrogant and go and live with your customers for a day". "Executives are often so far removed from their consumers that they don't know what's important to them. I would advise to make it mandatory for everybody in your organization who's not in direct contact with the consumer to go spend a day per year in their living room. It will ground you in becoming a consumer centric organization."

It's also why he's not big on organizing focus groups because of their forced and "false" context which does not stimulate honest answers – "they will always tell you what they think you want to hear" – and interesting

insights. "It's a lot better to talk to them in the relaxed environment of their own home, especially if they are with more than two because that triggers what I call the 'self-regulating honesty policy': the husband might for instance answer in a certain 'manly' way, while the wife would add something a lot more closer to the truth like "Oh no, but you said it made you feel like a little boy again".

Purpose before product

We also talked about the importance of purpose over product and the fact that "if you build it they will come" is definitely a bad approach. He gave the example of his work with the world's largest manufacturer of tools like hammers, chisels, and saws. Before his talk, he spent some time at their store and saw the lack of engagement of Millennials and Gen Z who had basically never heard of their product.

So Duncan told the tool manufacturer "They're not talking about prices but about building or remodeling their dream bathroom, dream kitchen or dream house. If you choose to create that purpose, you could become the brand that helps people build their dreams". But the executives persisted: "We make tools, we're really good at it and we're going to expand to Mexico where they have a growing middle class who will now have the money

to buy them." Duncan told them he really doubted that because of for instance the rise of 3D-printing and the fact that we are now able to print houses, chairs, tables and all kinds of things for which we will then no longer need tools. "If they don't act according to their purpose, rather than according to their products, they will be gone in 10 years."

Experience before retail

One of the approaches that made Disney so wildly successful in all of their different endeavors, is what Walt Disney called the "Experience before retail" strategy. And you can see it in every little detail of their amusement parks. It's one of the many reasons why I love them so much. "From the first days onwards, Walt told everyone that "we will not have any customers in our park but guests"", Duncan explained. "Think about the difference between how you feel when you are treated as a customer or when you're treated as a guest, right? That can have a huge impact. Walt also said that "we will not have any employees but cast members that wear a costume, not a uniform. That's a huge difference for their engagement and behavior, too. And with that simple re-expression, he redefined a level of hospitality and experence that has never been replicated or duplicated."
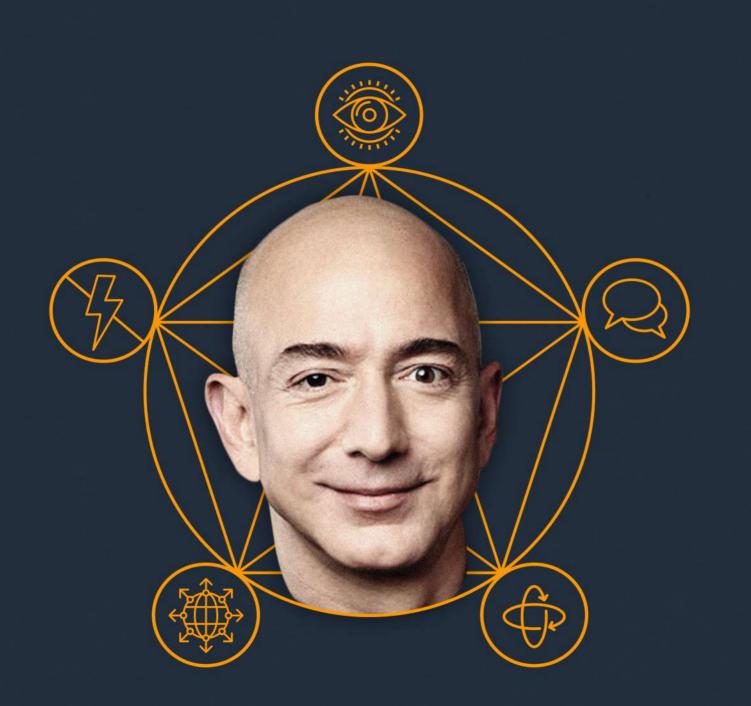
> *"Necessity is the mother of invention and creativity is almost certainly the father. The people who are in fact, the most innovative and most creative are the people with the least amounts of money."*

Duncan Wardle
Innovation Speaker

Don't use lack of resources as an excuse

Just like me, Duncan believes that lack of time or resources is a terrible excuse for lack of customer innovation. I always tell my audiences that they just have to work in small, affordable and manageable steps, which will amount to a lot if you count them at the end of the year. Duncan put it like this: "necessity is the mother of invention and creativity is almost certainly the father. The people who are in fact, the most innovative and most creative are the people with the least amounts of money."

So he told me about the Derby slum in Mumbai where he and his team had to create lighting without any electricity or budget. And the solution they came up with was to use no-label (leaving the label would have diminished the light quality) water filled plastic bottles – gifted by Evian – in the ceiling that refracted a huge amount of light inside the very dark huts during daylight hours. Lack of resources is always a bad excuse for not trying to change things for the better.

CX lessons from **Amazon**

Few companies excel more at creating a phenomenal customer experience than Amazon. It's one of the reasons why the company was able to grow into the largest Internet company by revenue in the world and the second largest private employer in the United States. But the truth is that, under the leadership of its Founder Jeff Bezos, it has worked incredibly hard to reach its success, **always staying true to its vision of becoming "Earth's most customer-centric company." Here's what you can learn from that.**

Build a strong vision & stick to it

In every Annual Report, Jeff Bezos wants a copy of his 1997 Letter to Shareholders attached. That's the one in which he clarifies the Day 1 mentality that lies at source of Amazon's success. It's supposed to be both a culture as well as an operating model that puts customer obsession, a long term focus and permanent innovation at the center of everything that the company does.

This customer obsession and working backwards from their pain points to drive useful innovation has been the company's North Star from the get go. Day 1 is about being constantly curious, nimble, and experimental. Asked about Day 2, Bezos once answered: "Day 2 is stasis. Followed by irrelevance. Followed by excruciating, painful decline. Followed by death. And that is why it is always Day 1." It's this hypervigilance about staying true to the original vision that drove Amazon where it is today.

Day 1 mentality	Day 2 mentality
Focused on customers	Focused on internal challenges
High-quality, high-velocity decisions	Bureaucratic, consensus-based decisions
Experiments to incubate new capabilities	Invests in entrenched capabilities
Embrace failures	Fears failure
Nimble organization structures	Deeply layered organizational structures
Small teams who own what they create	Large teams with many dependencies
Prioritizes long term, sustained value	Prioritizes immediate, short-term value

Enter new markets

Building a strong vision and staying true to it definitely is not the same thing as staying true to your core. Because Amazon is notorious for venturing into new industries that have nothing to do with its original business of selling books.

Long before it became fashionable to diversify your business and enter new markets, in 2002, Amazon launched on-demand cloud computing platforms and APIs via AWS. Few people believed that this was a good move back then. And yet, since 2017, AWS owns a dominant 33% of all cloud services. Its closest competitors are Microsoft

Azure and Google Cloud who have 18%, and 9% respectively, according to Synergy Group.

And since then, it has never been content to stay in its lane, launching services for payment (Amazon Pay, Amazon cash, Amazon Prime Visa), small business lending (Amazon lending), food delivery (in partnership with Olo), pharmaceuticals (acquiring PillPack), healthcare services for employees and family, media (Prime Video) and more.

Make it invisible

Amazon is always at war with friction. It understands that friction is the biggest enemy of its relationship with customer and does everything to eliminate it. So much so that the purchasing process almost becomes invisible. The examples here are legion. We all know its concept of one-click shopping, of which it even owns the trademark since 1999. The subscription model for repeat purchases like toiletries and diapers is another example. As are the Amazon Dash button (discontinued in 2019), Amazon Pay, voice-activated shopping on Alexa and the Amazon Go stores.

Removing any type of friction is always the best way to improve the customer experience. That's why I advise my customers to appoint "friction hunters" in their company, as I explained above.

Be everywhere

Amazon is the absolute top example of the hybrid approach. It's not just the "Everything Store", it's just as much the "Everywhere store" because that simply is where its customers are.

Since Alexa, it has become this always on, always available presence in many households, just a voice command away. But it doesn't just want to be everywhere online. It just as much understands the power of offline contacts, entering the brick and mortar business with Amazon Bookstores, Amazon Go and the purchase of Whole Foods.

Amazon Echo Dot

Amazon also operates more than 175 fulfilment centers around the world in more than 150 million square feet of space, the majority located across North America and Europe. If you want to offer fast and cheap delivery, you need a lot of warehouses. No surprise that it's currently heavily investing in adding more warehouses and growing its fleet of airplanes, trucks and vans. I only think that finding a sustainable balance here will be quite a challenge.

Use storytelling to educate employees

If anything, Amazon is a master at storytelling: true to its vision and strategy, it's been known to find concepts that stick and then repeats them until every last employee, customer and partner knows about them.

Instead of saying something generic like "we really care about customers", it talks about Customer Obsession, the Day 1 mentality mentioned above and providing an empty chair for the customer in board meetings so that (s)he will always remain at the center of every decision. It also seems to love powerful little lists like the Leadership Principles

(featuring Customer Obsession at the top, obviously) or the 6 Customer Service Tenets (No surprise that "Relentlessly advocate for customers" is the first one). And let's not forget about the "One Way Door – Two Way Door" decision making processes or the importance of keeping teams to the size of "Two Pizzas".

It's great PR of course (there's a reason why they are mentioned here) but above all, it's about relentlessly repeating and engraining your company vision in the heads of employees so they feel, breathe and act according to them. If you want everyone in your company – especially if it's a large one – to be on board with your vision of customer obsession, just use great storytelling. And keep repeating the stories over and over.

CX lessons from **Netflix**

Netflix is one of my top favorite companies when it comes to customer experience. I visited them many times during our nexxworks Innovation Tours and was each time blown away by their approach. The company is pretty old by digital giant standards – it was founded in 1997 by Reed Hastings and Marc Randolph – and first started out in the 'atoms' business of mailing DVDs through the mail.

So far, they have been able to reinvent themselves several times, evolving from a mailing service to a streaming service and then also starting their own in-house content offering. And I'm really curious about what they will do in the coming years to step up their game in an ever more vicious streaming war. For now, however, with 195 million subscribers through the third quarter of 2020 and an annual growth rate of 20% or higher over the last few years, the future still looks pretty bright.

As they still are one of the absolute kings in frictionless, tailored and joyful customer experience, I wanted to inspire you with their most useful and successful practices.

Take your product very seriously

It's easy to underestimate the importance of movies and series, but Netflix never made that mistake. They describe entertainment as a basic human need, which feels extra relevant in these pandemic and lockdown-filled times:

"Entertainment, like friendship, is a fundamental human need; it changes how we feel and gives us common ground. We want to entertain the world. If we succeed, there is more laughter, more empathy, and more joy."

"We want to entertain the world": how's that for an ambitious mission?

Know what you sell

At the same time, the people at Netflix also realize on a deeper level that they sell 'attention' rather than entertainment. They know that they aren't just competing with other streaming services— but rather with anything that takes consumers away from its services. That's why its 2018 earnings report stated that "We compete with (and lose to) 'Fortnite' more than HBO."

This has tremendous repercussions on the customer experience as it means that Netflix has to constantly battle for attention in a big red ocean and has no other choice but to offer absolute top quality experiences and products.

Use science to measure, test & repeat

That is why everyone at Netflix is not just focused on the customer, but absolutely obsessed with them. Here's how former Netflix VP of Product, Gibson Biddle, describes the difference:

Customer focus	Customer obsession
Listen to what customers say	"Test & Learn" via consumer science
Understand customers' current wants & needs	Invent & deliver on unanticipated future needs
Focus on customer satisfaction	Aspire to long-term customer delight
Provide better product than competition	Pioneer new frontiers, with less competition
Balance customer satisfaction & margin, to build a business	Lead with customer delight, ensure work is hard-to-copy, & higher margins to follow

At Netflix, the customer is constantly under scrutiny: not just through analyzing personal profile data to better recommend the right movies and series, but just as much through focus groups, usability sessions, one-on-ones and demographic or cancel surveys. After which the assumptions that flow out of these inputs are A/B tested. Netflix' obsession goes a lot further than data, algorithms and fantastic personalization. Though the latter is obviously what sets them apart, as Reed Hastings describes it: "If the Starbucks secret is a smile when you get your latte, [Netflix's secret] is that the Web site adapts to the individual's taste."

They are in fact so serious about this that they call it "consumer science": using a scientific methodology to form hypotheses, test them in order to build a culture of customer obsession and to discover what delights the customers. Consumer science is the driver behind their ultra-tailored experience and it's also the reason why its inhouse content – like Black Mirror and The Queen's Gambit – is so exceedingly popular.

Focus on Joy

But it's not just testing, data and algorithms that makes Netflix an absolute king of customer experience. They are one of the most human brands as well, with an exceptional customer service. One top of a wide range of self-help solutions in case of problems, English live support is available 24/7 (local from 8.00 till 23.00), through live chat or via phone. And each of the customer support members is fully trained to focus on 'Joy' instead of second guessing the customer.

I love this personal example that Ian Hall writes about: "Last night I was passively watching (or more listening than anything) to Eco-Trip with my daughter while we fixed dinner. All of a sudden the sound gets all garbled. I figure the encoding is off and think nothing of it until this morning I receive the following email. Now THAT is customer service. Netflix knew I might be upset (or at least have noticed) the interruption and so, proactively, they allowed me to request a credit for a small amount of my bill. Now while 3% of my bill isn't really going to add up, it makes me FEEL 100x better. And here I am gurgling over my feelings and the attention Netflix pays to their customers."

This is customer service done right: if something goes wrong, don't wait for the customer to call to fix it. Fix it before that and make him or her feel good in doing so.

Chase and delete anger, friction and frustration

Some of the best innovations come out of solving real problems. When Netflix started out as a movie rental service, Hastings was obsessed by "Making the movie experience so much better than the regular video rental that everyone wants to do it." He went beyond positive CX, and offering 'Joy' and wanted to completely redefine the experience.

For those who are too young to understand how video rental worked: you had to go to the store, find the right movie out of the hundreds of possibilities which could take ages and then there were the annoying late fees. Netflix offered lower prices with monthly subscriptions and got rid of late fees and you no longer had to go to the store (as they sent you the DVD via the mail). The first approach was not very ideal of course, so Netflix took a deep dive into the consumer journey and foresaw that instant-access entertainment – streaming – could easily solve all customer frustrations in the matter. And they have been chasing anger and frustration ever since to keep enhancing the experience.

Happy employees beget happy customers

Last but not least, Netflix understands the competitive advantage of happiness, not just of its customers but of its employees as well. Though not all great customer experiences are rooted in great employee experiences (take Amazon warehouse workers, for instance), every great employee experience does rub off on the customer experience. Netflix' CEO Reed Hastings understands this better than anyone else: he and his colleagues think just as rigorously about people and culture as they do about digital streaming and content. They make sure that they hire the right – people "who will put the company's interests first, who understand and support the desire for a high-performance workplace" – and then they empower them to make the most creative and impactful decisions, that will always trickle down to the customers. The Netflix culture manifesto states: "Our core philosophy is people over process. More specifically, we have great people working together as a dream team. With this approach, we are a more flexible, fun, stimulating, creative, collaborative and successful organization." The latter has obviously just as much to do with employer branding in a raging talent war as with fostering creativity, innovation and continuously seeking better experiences for customers.
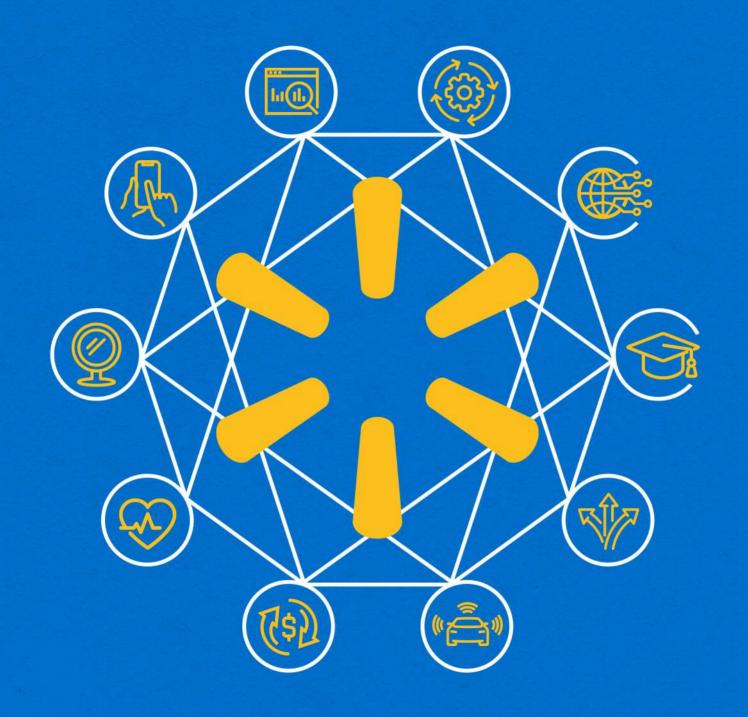
CX lessons from **Walmart**

Every last person working in marketing and customer experience knows about Walmart founder Sam Walton's legendary quote: ***"There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else."*** It's a fantastic illustration of Walmart's incredible journey of growth and reinvention, always driven by the ever evolving customer. And it's also why I wanted to investigate here how Walmart keeps transforming itself to keep offering a better CX.

"The most important thing about Walmart is the scale of Walmart. Its scale in terms of customers, its scale in terms of products and its scale in terms of technology", Anand Rajaram, head of Walmart Labs, once stated in an interview. And we all know that with great scale comes great data: the retail giant collects about 2.5 petabytes of unstructured data from 1 million customers every hour. So no surprise that technology, automation and data are the main fuel of its current reinvention in CX.

Follow the data

Predicting and managing the supply chain in the most accurate and efficient of manners, became an enormous asset to offer the best customer experience in the COVID-19 era. And so the retail giant has successfully invested a lot in creating an intelligent flow in a fully integrated data system. An example are the "internet of things" sensors across over 2,200 trailers to give real-time information around the quality and freshness of its deliveries.

The beating heart of Walmart, of course, lies in its stores, and so it would never make the mistake of only measuring online traces: a physical store uncovers motivations and buying trends you wouldn't necessarily uncover online. And so it spots and uses instore purchase patterns to create a customizable and enjoyable consumer experience.

But it obviously understands the value of online data too: from its website, the Walmart Grocery app (one of the number one shopping apps in North America, in continuous battle with Amazon for the first place) and member data of Walmart+.

Automate it

Walmart is the perfect example of my "When digital becomes human" concept. It continuously tries to expand and update the automation of recurring services in order to be able to focus on the human side when it's needed the most.

It's all about convenience, speed and helping customers save time: from a touch-screen tire-search kiosk and a Toy Explorer to the famous Walmart pickup towers. It's also currently accelerating its digitization to create "smarter stores", with shelf scanners to monitor product volumes, robotics and computer vision cameras to increase efficiency and contactless payment. At the same time, it's piloting "hybrid locations" which are supercenters with "micro fulfilment centers" in the back to speed up pickup and delivery.

It also invested in augmenting human intelligence with the Ask Sam voice-assistant app, which was designed to help associates better serve customers and do their jobs more effectively.

Be Hybrid

Retail lives both online and offline. There's no way around it. Walmart is one of the greatest at combining the best of both worlds. And so it offers tons of possibilities that cross the bridge between online and offline. Like the Walmart Pickup Towers which make sure that customers never have to wait in line if they have something delivered in-store. Or the Click and Collect online grocery pickup in stores or as a drive-in service. And the Express Delivery in up to two hours, which is up and running in about 1,000 stores and soon available in nearly 2,000 total stores.

The hybrid Scan & Go app allows shoppers to scan items with their phone as they gather them into the shopping cart, then scanning the final total on a self-checkout machine, pay with their phone's digital wallet and walk out. If an item is out of stock, a shopper can scan its UPC code and add it to their online cart to be ordered later. Walmart even experimented with drone delivery. And let's not forget about the deal with Shopify. The latter allowed its merchants to list their wares on Walmart's website and to expand its capacity to deliver more orders to more customers. The result was that Walmart's third-party platform, Marketplace, doubled in size last year.

The paid subscription Walmart+, then, is also a perfect example of blending online and physical shopping experiences: it offers free delivery of online purchases as well as brick-and-mortar benefits such as fuel discounts and streamlined checkout processes.

Lifelong learning

More than any other retailer, Walmart understands the importance of lifelong learning for its employees to keep up with the ever changing customers and market. It's a huge task to train and retrain your 2.3 million associates around the world, of course.
One of the biggest training challenges for Walmart was that associates cannot be trained in the store and so it uses virtual reality as an immersion tool which makes the training more fun, satisfying, efficient and fast. What might require 90 minutes of classroom training can now be completed in 20 minutes.

Enter new industries

This is a dynamic that we've seen happening in a lot of the world's leading and most innovative companies: giants like Amazon, Toyota, Google and Ping An are no longer content (some for quite some time already) to stay in their own industry's lane and Walmart is no different here.

Self-driving cars

Earlier this year, it announced that it's investing in Cruise, GM's self-driving vehicle subsidiary. About five months ago, the companies started working on a pilot program to use Cruise self-driving vehicles for deliveries in Scottsdale in Arizona. Very recently, they decided to take that relationship to a new level. Investing in their own automated logistics to ensure speedy, safe and efficient delivery makes a lot of sense, obviously.

Financial services

For years Walmart has offered prepaid debit cards, domestic and international money transfers, bill pay services, tax preparation, instalment financing, and other financial services through its partnerships with Green Dot, NetSpend, American Express, MoneyGram, PayPal, Jackson Hewitt, and other providers. And in January of this year, it announced a strategic partnership with fintech investment firm Ribbit Capital to "develop and offer modern, innovative and affordable financial solutions." Ribbit's investment portfolio includes well-known fintech companies including Robinhood, Credit Karma, and Affirm.

Healthcare

Walmart already invested in 20 clinics staffed with doctors and dentists that offer affordable dental, x-rays, and office visits. And its 4700 domestic stores feature pharmacies that also have been effectively dispensing prescriptions at very affordable prices. But recently, it has made the bold move of acquiring telehealth provider MeMD, planning to offer nationwide virtual healthcare services to further advance its ambition to be a market leader in this sector.

Know your competition

It may sound underwhelming but it's also very clever of Walmart to follow and sometimes even mirror the paths that Amazon – its biggest competitor - has taken over the past years. In many ways, it's easier for a newer, tech-driven and resilient company like Amazon to stay ahead of the market and a lot less obvious for an incumbent like Walmart. And let's not forget that second-to-market players tend to have lower R&D costs as they can benefit from the innovations that were pioneered by the first-to-market players. So it's no more than common sense that you would know your fiercest competition by heart and do anything in your power to surpass them.

In fact, many of the Walmart innovations were inspired by Amazon: Walmart+, its $98-a-year membership plan, for instance, mirrors Amazon's Prime and under-prices it by about $20/year. Its scan-and-go technology also partly reflects an Amazon concept, that of the Amazon Go stores.

Though it can be dangerous to move as the second, if your company is agile and fast, there can also be a lot of benefits to such a strategy.

Become a superapp

But perhaps the most interesting concept that I read in my research was Karen Webster's theory that all of the investments described above, are a sign that Walmart is striving to become a superapp, similar to those in China, like WeChat: some sort of "interrelated ecosystem of physical and digital". If you add all the things described above together, it seems to be pointing in that direction: "the expansion of its third-party marketplace with Shopify; the focus on healthcare via Walmart Health centers; the investments in eCommerce, logistics, supply chain and inventory to match demand with supply and consumer fulfilment preferences; the promise of Walmart+; the JV with Ribbit Capital to provide banking services to its customers and employees; and the availability of BNPL options with Affirm to appeal to a new user demographic." All of these decisions have been made to move Walmart from a "preferred destination" to the consumer's "primary destination", to paraphrase CEO Doug McMillon's Q4 2020 earnings report.

All in all not a bad ambition for a 59 year old company with firm roots in the brick and mortar world.

CX lessons
from **Starbucks**

I think it's safe to say that Starbucks is a true love brand, with fans all over the world being genuinely happy when they encounter their favorite drink in a foreign city. That's not a coincidence, of course. **Starbucks worked hard to get where it is today – almost 33.000 cafes globally, about half of which outside the US, in 83 countries in total - and it works even harder to maintain that position in a pandemic world where retail and touch have been severely under threat.** It goes without saying that their customer experience obsession has played an enormous part here. This is what we can learn from them with regards to CX.

Reinvent a commodity

As stated in part I, I often get the question "Where should we focus on if we work in a commodity business?". I always confront these people with questions of my own, when they do: "Is there really such a thing as a commodity business? Isn't that just something that happens when we allow ourselves to become boring and by not being unique?"

Every organization has a unique story to tell. Every organization can add services on top of the products that they deliver. If you are in a "commodity" market, just figure out what the services are that you can build around it, as I explained in part I. Starbucks completely understands that. When they launched themselves, Americans bought coffee beans in the store and made their coffee at home, resulting in low coffee quality and experience. They believed that US customers might embrace the Italian coffee culture, if they only added local elements to mix Italian coffee culture with the US culture and created a personalized experience. And to make sure that the customers would keep coming back they invested a lot in customer service and in-store experience.

There is no such thing as a commodity. If it's boring, make it interesting again. Starbucks did it with coffee, Nike did it with sneakers and Lumi did it with diapers. And so can you with your products.

Keep diversifying

You can drink your favorite Starbucks beverage almost everywhere in the world: Europe, the Americas, Africa, Asia and Oceania. Starbucks knows that diversification is not just linked to product and service, but to location as well. It literally has the ambition to be everywhere, in cities and increasingly in suburbs as well.

But it does diversify its products and services just as much. From new types of (seasonal) flavors, to premium segments with a sub-chain of top-tier stores, the Reserve Roastery & Taste Rooms, or new forms of payment, pick-up and delivery: it keeps investigating how it can offer a better experience to customers. An important part of this strategy is offering a seamless blend (pun intended) between the online and offline contact points: ordering via the app and picking it up curb side on designated parking spots, having the drinks delivered through Uber eats or even ordering through the Alexa skills marketplace. Especially in so called "commodity" businesses, diversification is key to keep reinventing yourself along with the customer.

Know when to adapt, and do it fast

Prior to the pandemic, Starbucks had already discovered that about 80% of US transactions were "on the go". So it was already planning to facilitate that direction for its customers. When the pandemic hit, it was prepared. But being prepared does not equal to knowing how to react quickly to certain trends, of course.

Starbucks did have that intelligence of reaction and speed, though. Partly because it had no other choice, partly because it was prepared and partly because, as an organization, it was agile and resilient. And so it was able to quickly scale its minimum-contact concepts like the Starbucks Pickup, (order via the app and go to a pick-up only location), its drive-thrus (from 60% of its stores to 80%), walk-up windows and curb-side pickups. You have to realize that this fast shift was not easy for a brand that had a unique and physical "third place" strategy: "the place between work and home that customers could go to meet friends, get work done, or simply hang out". But they were able to realize the transformation with great success.

Save the world

The "Save the world" strategy is one of three pillars in my latest book "The Offer You Can't Refuse". Here they are, to refresh your mind:

1. **Transactional convenience**
2. **Partner in Life**
3. **Saving the world**

I believe that companies that want to stay relevant in the coming years, will need to find ways to turn the immense environmental and societal challenges that we are facing into opportunities for both their customers and themselves. I'm not talking about nicely sounding but empty slogans and missions but about genuine endeavors to change production, collaboration, energy use etc. in ways that are better for all.

Starbucks has for instance made the commitment to purchase 100 percent ethically sourced coffee. And today, it is only 1 percent away from meeting that goal. What's more, a Microsoft blockchain solution allows its supply chain participants to trace both the movement of their coffee and its transformation from bean to final bag. Starbucks also has a strategic partnership with Feeding America, donating food at closing time. It also supports farmer loans and forest conservation programs and

creates opportunities through education, training and employment. It's continuously looking to reduce its environmental footprint through energy and water conservation, recycling and green construction. And it aspires to be resource positive – storing more carbon than it emits, eliminating waste, and providing more clean freshwater than it uses.
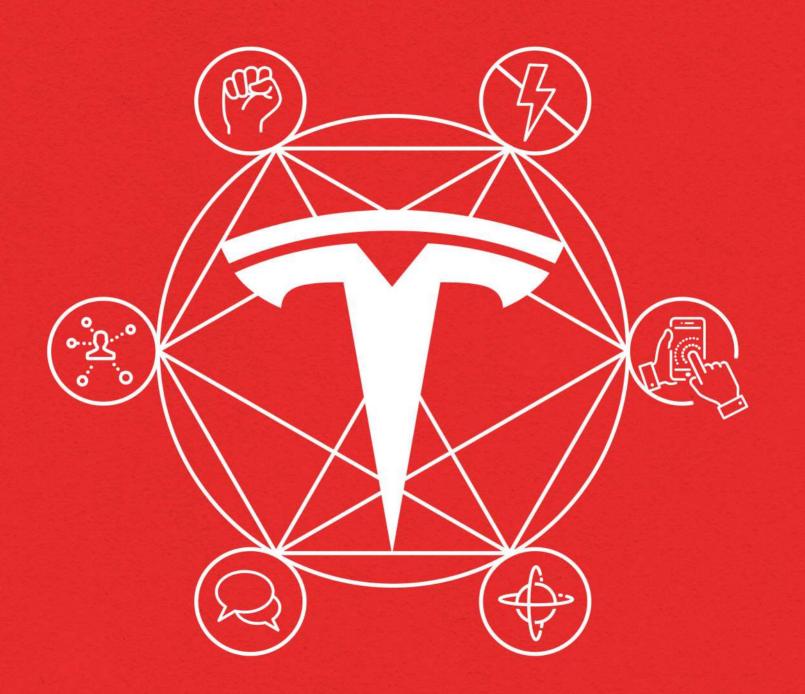

Focus on employee experience

I stated it before in this e-book, but how you interact with your employees immediately reflects on how they treat your customers. Treat them right and they will be happy and that happiness will be passed on to customers. Howard Schultz too - CEO of Starbucks from 1986 to 2000 and from 2008 to 2017 – was a big believer in the fact that happy employees would lead to higher customer satisfaction.

Starbucks employees are in fact called partners. They are purposely paid more than the industry average and receive many perks, like health coverage, profit sharing, training support and all kinds of bonusses. For instance, Starbucks offers 100 percent tuition coverage for employees through a partnership with the Arizona State University. Since the launch of the program in 2014, more than 6,500 partners have earned first-time bachelor's degrees. It's also very focused on driving diversity, through veteran and refugee programs or youth hiring initiatives.

CX lessons from **Tesla**

Tesla has the reputation of having a staggering NPS score 96. If you know any of their customers, you'll have noticed that it's really a love brand, with a very dedicated following. As this company truly excels at offering a fantastic customer experience, I wanted to list some of its best practices in order to inspire the readers of my blog. You'll clearly notice a red thread, running through all of the methods below: the company and its rock star CEO Elon Musk understand that it's more than about just offering a great product. **It's about realizing your place on the planet and respecting that. It's about staying true to a deeper mission and about all the services that you augment your product with. It's safe to say that Tesla is not "just" a car company.** Here's what you can learn from that.

Create a movement

Tesla is not just selling cars. It has a mission to "accelerate the world's transition to sustainable energy". And you can feel that mission – of making the lives of its customers more sustainable and helping save the world – through everything that it does. It's about committing employees around something bigger than "just a job" and helping customers feel as if they are a part of a higher mission, of a movement. And Tesla customers are truly something special: you can really feel how committed they are to the brand.

This commitment is not just about image. It's more than nice slogans on the wall. Elon Musk, for instance, refuses to see other car companies as competition but rather wants to gather them around the same vision. He also open-sourced all of Tesla's patents and even praised its rivals for their progress on electric vehicles.

Chase the friction and remove it

One of the biggest frictions in the automobile industry is the bad sales experience, which is often described as a time-consuming hassle. Car salespeople have the reputation of being pushy and frankly sometimes even a bit dishonest. So if a company comes along and removes the biggest friction and annoyance of its industry, customers will really appreciate that and favor this approach over all the others. If you want to differentiate your offering, always look for the typical frictions of your industry and find a way to solve them.

Offer self-service

One way that this typical industry friction is eliminated, is by moving the entire sales process online. All the information you need to configure and buy one of their cars, and schedule a pickup can be found on their website. The price listed is the final price and there's no useless and stressful haggling as is normally the case. So the most annoying part of buying a car just becomes a self-service process, with the customer entirely in control from A to Z, almost like ordering your groceries online.

Tesla still has fancy showrooms with Customer Experience Specialists (not Sales people), but these are there for test drives and 'old school' customers who really prefer the human touch.

Stay as close as you can to your customers

Tesla really understands the importance of being in the lead. It allows customers to stay in control of their own buying journey. And at the same time, it owns the entire customer relationship, from start to finish. Car companies often collaborate with dealerships for selling and servicing their products. There would be nothing wrong with that, except for the fact that these dealerships have a very traditional approach, which Tesla really wanted to get rid of. So it sells the cars directly to its customers, without any third parties being involved. The result is that it can control the messaging and relationship and can offer a consistent experience.

Augment your products

Another way to push CX to a new level is that Tesla doesn't just offer a fantastic product, but augments it with great services and experiences. Knowing that finding charging stations are a challenge, they have put together a large network of them across the US and Europe, conveniently located near hotels, shopping malls, restaurants and on highways. For those customers who feel that a 50% battery charge in only 20 minutes is too slow, they can even exchange their car's battery for a new, fully charged one in 90 seconds (at a cost, obviously). The company is also known for really listening to and incorporating the feedback of its customers: it makes about 20 engineering changes every week to its Model S vehicle. They do that in response to what customers tell them about their driving experiences, or to data insights gathered on how customers use their cars. On top of that, 80% of the repairs can be done outside a service center and mobile service repairs are even complementary. Software updates, then, happen overnight and leave the customers feeling as if their cars keeps reinventing itself. If there are any issues which cannot be solved at distance, they'll pick up your car, provide you with a replacement and repair it.

Tesla really is a perfect example of Philip Kotler's concept of the "augmented product", where the nonphysical part of the offer – the experience, the service, the mission and the brand – is what brings it to a higher level.

Be honest and transparent

Last but not least, honesty and transparency are an important part of the Tesla brand, too. That's probably a part of its strategy to set itself apart of other car brand who are a lot more conservative and closed in their communication. A story you often come across is how the delivery dates of the Model 3 kept being pushed back because of manufacturing issues. Customers were becoming disappointed and worried. And so Tesla decided to be completely honest about its challenges. Elon Musk even directly responded to concerns voiced on Twitter, with honest updates on the situation.

Problems and mistakes happen. Customers will understand that, as long as the communication around them happens openly and honestly.

CX lessons from **Grab**

Singapore-based superapp company Grab's success story is perhaps one of the most impressive out there. **Though it started out as a simple taxi-hailing app, it quickly evolved beyond its core business into fields like mobile e-payments (GrabPay) and food delivery services (GrabFood). And so, since its inception in 2012 it evolved to become Southeast Asia's first "decacorn" (startup with a valuation of over US$10 billion) operating in Singapore, Malaysia, Cambodia, Indonesia, Myanmar, Philippines, Thailand, Vietnam and Japan.** So how did Grab become so successful and end up in Fast Company's 'Most Innovative Companies' list? Here are some of the incredibly intelligent tactics they used.

Think about partner Experience

There has been a lot of talk about employee experience being the backbone of customer experience lately. And I truly believe that happy employees beget happy customers. Grab is taking this approach one step further, by creating a fantastic and empowering partner experience with its drivers. This stands in sharp contrast with how other platform companies in the US treat their drivers or other local entrepreneurs. In fact, I learned from my nexxworks business Partner Pascal Coppens that this relationship driven platform approach is typical for Asian cultures. Alibaba and Didi, for instance, use the same tactics.

This continuous attention for improving the lives of its drivers has its roots in a very concrete challenge that dates from their early days in 2012. Back then, the average Singaporean taxi driver could not afford smartphones and did not know how to use them. So Grab first gave them smartphones on a payment plan. And then the Grab team went into the field to explain the technology to these drivers at airports, shopping malls and gas stations. Not just the Grab app but other tools too, like WhatsApp and Google Maps. And this close relationship of feedback and enablement of drivers and addressing socio-economic challenges has since then been deeply engrained in Grab's company culture. Not surprisingly, its driver-partners earn 32% more income per hour compared with average worker wages of other platforms. This close partner relationship is for instance why Grab is continuously striving to make rides more profitable for drivers. A great example is the collaboration with Cargo which allows the drivers to sell a selection of snacks, toiletries, and phone chargers during their trip, on which they make a 25% commission. They can easily earn an extra $300 a month that way. Or there's the Grab Small Business Booster Program aimed at helping small businesses in Southeast Asia adapt to the COVID-19 new normal. On top of that, between March and April 2020, Grab rolled out over 100 initiatives to help drivers- and delivery-partners, frontliners and communities who were struggling because of the pandemic. In partnership with insurance company Chubb it also offers insurance solutions for its driver-partners. Using the Grab app, they can protect their vehicles, livelihoods and families, with access to loss of income insurance, per-ride schemes, personal accident policies and motor insurance. It's clear that Grab is a great fan of the "Pay it forward" principle: help your drivers as much as possible and they will help your customers as best they can too.

Get out of your own lane

Companies of today are no longer content to stay in the 'lane' of their own industry. Diversification has become a big part of innovation, and Grab is completely on board with that trend. It may have started out in the mobility sector, with a ride-hailing app but as time ticks by, it keeps venturing in other mobility-segments and even other industries.

At first, Grab 'only' diversified its mobility offering. GrabTaxi – originally called "My Teksi" – expanded with GrabCar (using personal cars instead of taxis) and motorcycle ride service GrabBike. Later GrabCar+ (with higher-end cars) was added, as well as GrabHitch (carpooling), GrabExpress (last mile delivery), GrabCoach (large passenger vehicles), GrabFamily (with child restraint seats for young children below 7 years old) and GrabPet (with drivers who have received training in pet-handling). They were later all added to the simplified flat-fare structure JustGrab.

Grab understands the power of niches like no other, but realizes just as much the value of jumping to other industries. From passenger mobility, it moved on to packages and food with GrabFood food delivery and the GrabExpress courier service. In 2016, it launched the GrabPay payment service as a digital payment service among third-party merchants, allowing users to use the app for purchases outside of ride-hailing as well. The year after, it acquired Indonesian online payment startup Kudo to integrate its platform in Grab's payment system. This was Grab's first step into expanding fintech services.

In 2018, it then went on to launch Grab Financial, which offers payment, insurance, and financing services. At the end of last year, it was even granted a digital bank license in Singapore in order to further expand its financial services offerings. These financial power moves are in fact very similar to those of the Chinese Alibaba Group and its financial affiliate the Ant Group. Asian platform companies love to think further than the payment functionalities of their initial offering. And that's because they understand that the customer experience does not begin and end with their own product and service but is impacted by the entire context around it.

Think in ecosystems

Rather than completely reinventing the wheel when launching in a new segment or industry, Grab focusses on forming partnerships or even acquiring players who have the experience they lack. It works with governments, banks, insurers and telco players in order to make transportation and transactions safer, more affordable, and more reliable. Its collaborations are numerous and too

much to sum up, but here are some of the most visible examples.

In Thailand, Grab collaborates with Krungsri Finnovate, the corporate venture capital arm of Bank of Ayudhya, to provide financial services on its platform and promote "sustainable banking" through financial inclusion. The full digital banking license mentioned above was acquired in a consortium with Singapore Telecommunications Ltd. in a Singapore government initiative to attract technology firms into its financial sector. It also signed a partnership with Chubb to provide innovative, customized and cost-effective in-app insurance solutions throughout Southeast Asia.

Hyundai and Kia, too, partnered with Grab to increase EV usage in Southeast Asia and Microsoft invested in Grab to improve user safety and experience with artificial intelligence and facial recognition. Marriott International, then, has a partnership with Grab as well: it integrates its platform across its service portfolio, including food delivery, payments, transport, and advertising. Few innovation approaches match the speed and convenience of creating an ecosystem with smart partnerships. The more fully formed services a company can offer on top of its existing offer, the better customers will be served. And Grab has truly excelled at this approach.
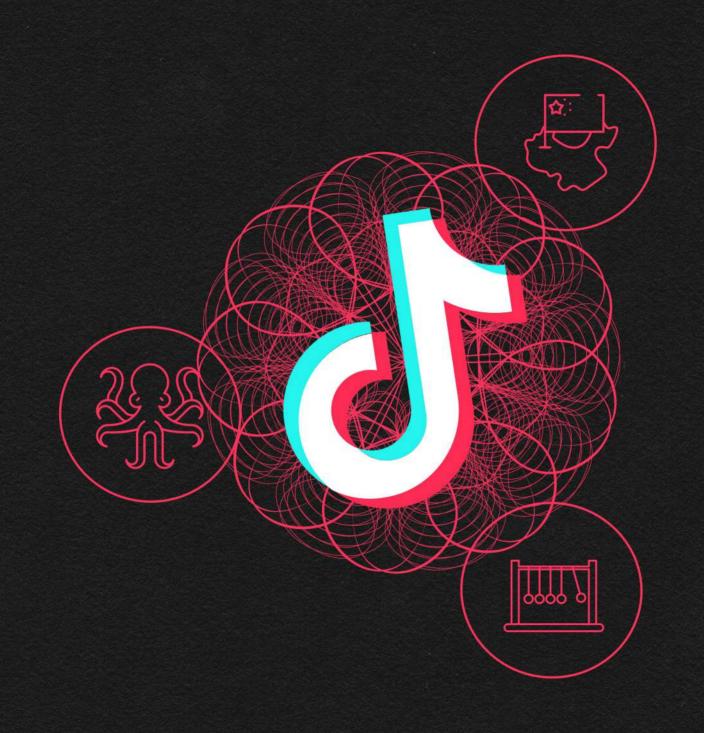
Offer a fantastic experience

Lack of safety is unfortunately still one of the most important forms of friction in ride-hailing. Which is why Grab invests a lot of money in improving user safety and experience. The example above from Microsoft is a very important project here, using artificial intelligence and facial recognition to verify both the drivers as well as the passengers (as the driver's safety is just as important as that of the passengers, as we learned in part 1). It also uses the customer experience platform Sprinklr to listen to what customers like and dislike on social media and safety is a big part of that: like picking up mentions of drivers' reckless behavior like riding motorbikes on pedestrian paths.

The "Share My Ride" option in the Grab app also allows passengers to share their ride details with loved ones, which is not just convenient (so they know when you will arrive) but also a form of reassurance for people who aren't feeling comfortable when riding at night. Trip monitoring technology, then, is used to track deviations from the planned route, as well as unplanned stops that will trigger a notification on the passenger's app to check if he or she is fine. Grab also uses telemetric data to detect crashes and trigger an emergency call for an ambulance. But it's not just the safety that's focused on. Grab wants

the overall customer experience to be perfect. When it comes to food delivery it uses a top of the shelf data driven approach. It for instance predicts which delivery partners can deliver orders – using which mode of transportation – in the fastest time based on location, food preparation time estimation, real-time and historical traffic data, delivery distance, and more. It helps delivery partners take the most efficient routes and reduce any idle time so that they can earn more. Machine learning and AI models also allow it to track down food demand gaps in certain cities and closing them by establishing and expanding cloud kitchen networks, giving consumers access to more cuisine options.

With this data-driven philosophy, Grab is permanently on the lookout for how it can offer more innovative, safer, more convenient and ever more fantastic customer experiences.

CX lessons from
TikTok and **ByteDance**

I had the pleasure of interviewing China tech speaker and author Matthew Brennan for Steven's Weekly Podcast on the occasion of the launch of his book "Attention Factory: The Story of TikTok and China's ByteDance". I've always been fascinated by the success story of ByteDance, its news platform Toutiao ("Headlines") and its video-sharing social networking services and apps TikTok and Douyin (which is the Chinese-specific counterpart to TikTok), so it was great to talk to someone who really knew the ins and outs of these Chinese giants. You can listen to our interview on my podcast channel 'Steven's weekly podcast' as well, but these are my top learnings from our conversation.

Channelling the octopus

This is one of the behaviors of Chinese tech giants that I find the most intriguing. They start with one application and then evolve into a broad platform, entering many other types of markets. Even when there is already an established player there. For instance, even though WeChat, Ali Pay and Ant Financial were already offering very successful financial services, ByteDance has also been launching FinTech services and it's also moving quite aggressively into other saturated areas like gaming and education.

Matthew explained that dynamic with pointing to the Chinese "traffic is king" logic: "if you have a large user base and a significant amount of traffic, you should be able to use and convert that into a variety of different services. And certainly that's one thing ByteDance absolutely does have: massive amounts of traffic and users. TikTok, for instance, has 600 million active users per day, spending between 30 and 45 mins there. That's a lot of attention to leverage."

Matthew called this high diversity in services with "tentacles" of many different business lines, the "octopus model". Often, among their very rich ecosystem, there are only one or two real "cash cows" but the others are created and

fostered for a very specific reason: to avoid being disrupted. "These companies are paranoid about something coming out of left field and becoming a threat to their business. And, actually, that's exactly what ByteDance did to Tencent in the last few years with short videos." Perhaps the most important of all, this ecosystems thinking provides excellent CX to the users, as they can do so many things in just one place, without needing to switch platforms. TikTok users, for instance, no longer need to leave the app if they want to buy the dress that their favorite TikTokker is wearing. Users love octopuses too.

Forcing users to react

Matthew believes that it's not so much the 'killer' algorithms that make ByteDance and TikTok so powerful, but "how the product is constructed". Facebook only receives information if you choose to react to something, and most people react when their emotions are heightened. Combined with the fact that we are often mindlessly and speedily scrolling through content, not reacting to something does not necessarily mean that you don't like or dislike something. TikTok however, is structured very differently: "the content hits you straight away and you have to make a reaction to that content", explained

Matthew. "There are two choices: either swipe up, meaning you don't like it, or you watch it, meaning that you do. So, TikTok cleverly built in that even by not reacting, you are still giving a very strong indicator to the algorithm of what your content preference is."

So when you don't react on Facebook, they basically know nothing. But when you don't react on TikTok, they still receive information. And that is why their algorithms is so powerful: not because it is better than Facebooks, but because it is continuously fed with very clear and strong content preferences which allows it to learn so much faster.

As a side note, I just want to add that this makes their product highly addictive, even more so than the Western social media and that, even though this is commercially highly interesting, we also have to think about the ethical side of this. This ethical side of tech, by the way, is one of the reasons why I wrote my novel Eternal.
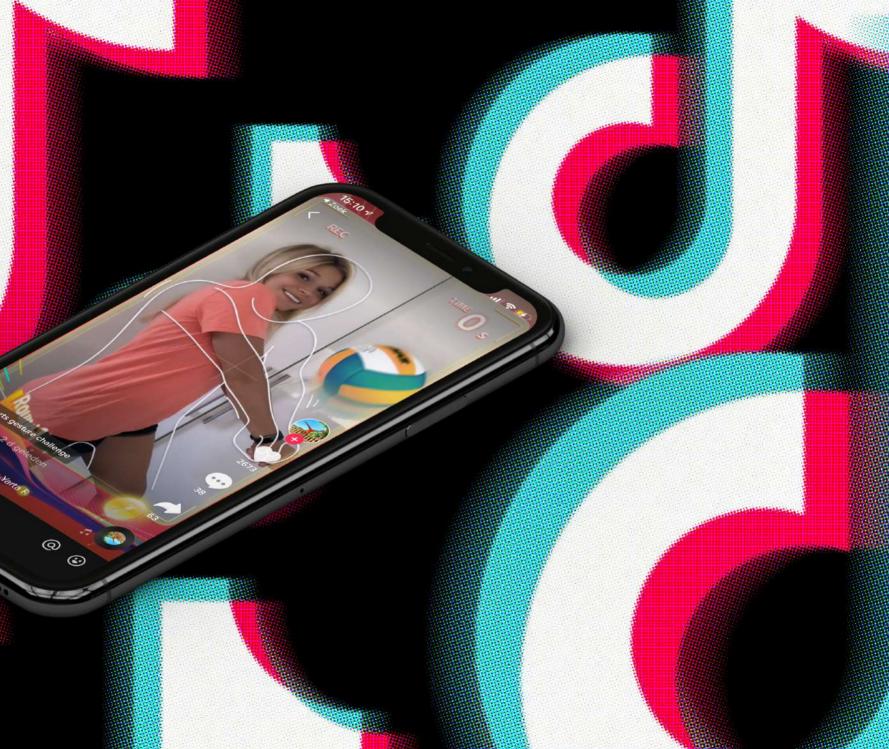
Making China Greater

Now, this one is a little bit special, because the dynamic for this enhanced citizen experience (rather than customer experience) does not come the Chinese tech giants, but from the government.

"There's a general and very clear trend that the Chinese government is expecting these very profitable and fast growing internet companies to not just chase a clear benefit for themselves but to drive a clear benefit for Chinese society as well", explained Matthew. Basically, they are asking "what are you doing to make China a better place?". A lot of people refer to the slogan of "Tech for good" here. And so a lot of the local internet companies are trying to specialize in certain areas.

Pinduoduo, for example, one of the largest e-commerce platforms is trying to specialize in agritech and opti-

mize the value chain in rural areas. Tencent, then, is pivoting away from gaming – as the government is very concerned about game addiction – towards industrial internet, which is enabling a digitalization of traditional industries like education, healthcare and finances. Last but not least, ByteDance, has chosen education as their 'tech for good' focus area. "It' one of the areas that the founder Zhang Yiming feels very passionate about", explained Matthew, "seeing that there's a lot of potential to use theirs recommendation technology to personalize courses."

I'm sure that you might be skeptical about this "tech for good", as we've been warned so much over here about the privacy and safety issues of trusting our data to Chinese apps like TikTok, but the dynamic really is here to make China better, not the entire world. Also, we all know that China is not exactly the most democratic country in the world, to say the least, so talking about making China a better place, seems almost cynical. Why do I mention this anyway? Well, because I am really intrigued by the government steering companies towards practices that are good for citizens, not just for the happy few and/or the company's own benefits. If we could find a way to organize this on a global level (make the world better, not just China), then we could be onto something.

CX lessons from
Warby Parker

Warby Parker, the American online retailer of prescription glasses and sunglasses, has the powerful reputation of being one of the most customer centric companies out there. They are also a perfect example of what I call the three pillars of 'The Offer You Can't Refuse', also the name of my latest book.

Warby Parker is a true master of the customer journey, with flawlessly automated interactions, frictionless experiences combined with warm human interventions. But they are also continuously striving to become a partner in the life of their customers, not just offering great eyeglasses, but little by little, moving into the healthcare space as well, with vision care and eye exams. Last but not least, the "saving the world" approach is deeply etched into their DNA as – from the very beginning – for each pair of glasses that they sell, they offer a pair to those in need through the 'Buy a pair, give a pair' program. This is how Warby Parker became one of the most successful companies out there in the area of customer experience.

Get the hierarchy of "whys" right

A company's "why" and the customer's "why" are not always the same, but that does not mean that they are not equally important. What is crucial, though, is that you do have them both and that you get the order right. Warby Parker accomplished exactly that.

The founders started their company to solve a real problem: eyeglasses were overpriced while there was nothing in the production to justified this. So they decided to sell glasses online – they were one of the first to do that (though not the first) – and cut out the middle man in order to bring the prices way down.

But they wanted to go further with this simple "glasses on faces" philosophy. Though their price was a lot better than the competition, some people still would not be able to afford them. So, from the get go, they integrated the "Buy a pair, give a pair" into their offering. And that has become the "Why" of the company: it's the reason why their people get up in the morning. Because, let's face it, "I help everyone in the world, including those in need, see" is a better reason for that than "I sell cheap glasses". But the founders also realized that offering cheap glasses online and donating them to those who could not afford them, would not suffice to make them successful. It

would make customers like them, but not love them. As Neil Blumenthal, co-founder and co-CEO of Warby Parker, puts it: "We wanted to hit the points that would most likely compel people to buy glasses, hence our hierarchy of messaging: fashion first, value second, social mission third."

The latter is something that I see a lot of companies do wrong: though "saving the world" may be their own personal why, you need a fantastic product, service or experience first if you want to be able to sell enough to make a real impact on the world. Tony's Chocolonely is a fantastic example of that: great mission, great internal "why" (slave-free chocolate) but above all, they offer an exquisite and unique product to the customer.

Always follow the customer

It's clear that Warby Parker always puts the customer first, continuously integrating feedback, asking them questions, surveying them and tracking the NPS score with the utmost attention. This "always follow the customer" approach has made them extremely agile and resilient. You can see them constantly adapting and they have done so from the start: founders Jeffrey Raider, An-

drew Hunt, Neil Blumenthal and David Gilboa originally set out to build an online only store, but as more and more customers started to ask if there was a place where they could try on the glasses, they realized that they would have to open retail stores as well. And today they have about 100 stores, spread all over the US.

Their offering too, keeps adapting. After regular glasses, they added sunglasses and later versions for children. They also stepped away from standardized models and started to sell models that were adapted to people with more narrow or broader faces. And since the end of 2019, they also started to offer contact lenses under the new brand 'Scout', together with prominent competing brands like Acuvue, Alcon and CooperVision, by the way. And recently, as I mentioned, they have been moving into the healthcare industry as well, offering eye exams and vision tests, both online and in some of their stores.

A touch of tech magic

Warby Parker understands like no one the 'magic' of tech-nology when it comes to removing friction and offering a better experience. Just to give a few examples, their Prescription Check app allows its customers to renew their prescription for $15 with a laptop, an iPhone, and their current pair of glasses without the need (and price)

of visiting an optometrist.

They were also one of the first companies to launch an easy shopping function on Instagram. And, last year, there has also been a lot of buzz around their Virtual Try-On app, that allows people to try on virtual frames through augmented reality with Apple's Face ID. But, being true pioneers in the online-meets-offline approach, they have also always offered the possibility on their on-line shops to try 5 "real' pairs of glasses sent to a customer for free to allow them to test them in the comfort of their own home.

They also provide personal fashion advice with the visual recognition tool 'Find your fit' to analyze shoppers' faces and provide personalized recommendations for glasses that are the best match for a customer's type of face. Digital and human always go hand in hand at Warby Parker: in each store, customers are always greeted by a super friendly host with the right tools to help them through the process really easy. Anyone talking to any of the well-informed and well-trained sales associates, can also ask them to look up all of their order history, so that the offline and online experience can merge flawlessly.

Employee first

It should be no surprise that Warby Parker also has an employee first policy. As founder Blumenthal explains it: "If you hire smart, friendly people and empower them to make decisions, they'll always act in the interest of customers. Miserable customer service is usually the result of miserable employees. Great customer service is the result of happy, talented, well-valued employees."

So the company puts serious resources and energy into hiring the best customer experience associates possible and it empowers them with the tools they need to make customers happy. The company also has a strong focus on lifelong learning: it offers for instance twice-yearly 360-degree reviews as well as management workshops, speaker sessions, book clubs and many more to help its employees evolve. The company's social "why" – putting "glasses on faces" all over the world – plays an important role in recruiting and retaining talent, too, of course. It's clear that Warby Parker understands like no one else how to build a company that lasts, by focusing on multiple sides at once – price, looks, employees and even the world in general – but always getting the order of the chain right: fashion first, value second, social mission third.

CX lessons from **Trip.com**

Even though they are barely known in the West, trip.com (formerly Ctrip) are the biggest travel agency in China with about a million daily active users and almost 50% of their customers from overseas. Though the latter changed dramatically with the pandemic, of course, they are still the number one in China. **Their ambition is to become the number one globally before 2025. And it seems that they are well on their way, as they are close to overshadowing both booking.com or Expedia.** I've become fascinated with this fast growing company over the years, especially since I visited them several times with our nexxworks Innovation Tours. That's why I decided to ask my nexxworks business Partner and China keynote speaker Pascal Coppens about what makes them so special, and what we can exactly learn from them. Here's what I learned from him.

Have a strong experience-driven purpose

Trip.com's purpose goes further than just offering convenient travel products. They see it as their purpose to make travel a smooth, fun and educational experience. Travel in the West is either business-related or fun, but Chinese people want to be guided into an entertainment and educational environment. And you feel that through their entire app and all their services. A great example is that they offer lessons - in their offices or in the app – for the Chinese on how to behave overseas and improve their way of traveling with respect for the local environment and culture. And they will enable their community to learn from each other as well, allowing them to share tips and tricks in the app.

Use data for good (for the customer)

Trip.com is extremely tech driven. Much more than its popular counterparts. But what's special about that is that they offer quite a radical promise to their customers, one of honesty and transparency. What Pascal meant by that was that they thoroughly rely on data and feedback and AI algorithms to get to the heart of what customers want in order to give them a fantastic experience. But at the same time, the promise they make is that they will never abuse this data. It's about creating a culture of trust between them and their users. If a person has more money, they will never recommend the most expensive hotels, unless they feel and know that they would want that. And if you're on a super tight budget, they will recommend very low budget hotels that still are ok in terms of quality.

Everything in the app, too, is in the open. It's basically like a completely transparent Chinese menu without any hidden things and very clear conditions. And what's also impressive is that they use the data they have to help their partners – hotels, transportation, insurance, restaurants etc. – offer their customers a better experience as well. They might tell them about safety, and the importance

of traveling in smaller groups. Or tell them that they need to offer a water cooker and slippers in their rooms, because Chinese people find this really important. The insights from their data helps their partners make better choices so the end-customer has the best experience. At the end of the day, even if their partners are very important, they will always pick the side of the customer. According to Pascal the great difference between tech driven companies in the West and in China, is that the former use the tech to optimize while in China the tech is more often used to give a better experience. It's an enhancer, as is the case with trip.com.

Think like a superapp

Travel has so many facets, and it seems that trip.com tackles them all. It makes perfect sense from a CX point of view, actually: it's a real hassle to reserve a hotel somewhere, then book air travel, then look for a car to lease, then find a provider for your travel insurance when you have to move in different websites and apps. So imagine how much smoother the ride is for the customer if (s)he can do all of those things within the confines of one app, which is exactly what trip.com does.
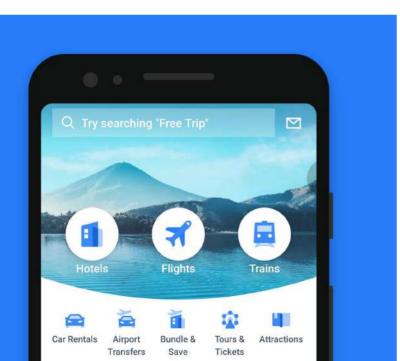Not only do they offer about 60 different products, like hotels, air transportation, trains, busses, medical travel

and even an exclusive niche product like a 200.000 dollar tour around the world, but their app has an incredible amount of functionalities as well. It's in fact really a superapp, like WeChat, but specifically focused on the travel industry: from applying for a visa to Thailand, to insurance, to borrowing money, get vouchers or tax redemptions, trip.com helps you with all of them.

Always solve the problem

The travel sector is a very emotional industry: people really want their holiday or their business trip to be perfect. Most of us (unless there is an emergency) won't be bothered much if an Amazon package arrives two days later, but if there is an issue with air travel or our ride share is late to bring us to a business meeting from the hotel, we get very frustrated. And so trip.com is very much focused on being ultraconvenient and on solving problems. A beautiful example is their fantastic customer service. No matter where you are, at what time, someone will always pick up the phone within 20 seconds. Despite the fact that more than 90% of their service solutions are software chatbots, they still have more than 10,000 employees picking up phones 24/7 anywhere in the world. They're fast, friendly and will do anything to help you. Pascal once called them when he had 5 minutes left to

cancel a room and they made that happen, no questions asked. This "people helping people" approach has always been at the heart of their offering, according to him. But they also integrate these interactions in their data so as to make their app, chatbots and services even better at the same time. Everything is measured and then the learnings are integrated back into the offering.

A great example of their speed of reaction and excellent service is how they messaged all travelers who were in Las Vegas at the time of the shooting to help them get flights out of the city instantly. And they also organize community group chats for travelers in the same city so they can help each other out, for instance when someone forgot something at a hotel.

Treat your employees like your customers

It was great to hear Pascal talk about how a CX leader like trip.com does everything in their power to offer a great employee experience. Jane Sun, the CEO of trip-com, for instance is a big advocate of diversity and female empowerment and she makes sure that 50% of the workforce are women. They also do everything they can to make life easier for employees who want to get pregnant (where other companies are often stressed about this). They don't want them to have to choose between children and their career. In fact, they want every employee to feel good and empowered: team spirit is for instance continuously stimulated with awards and other incentives.

Trip.com

A few parting words

So that's it. These are my personal top favorite basics when it comes to creating amazing customer experiences.
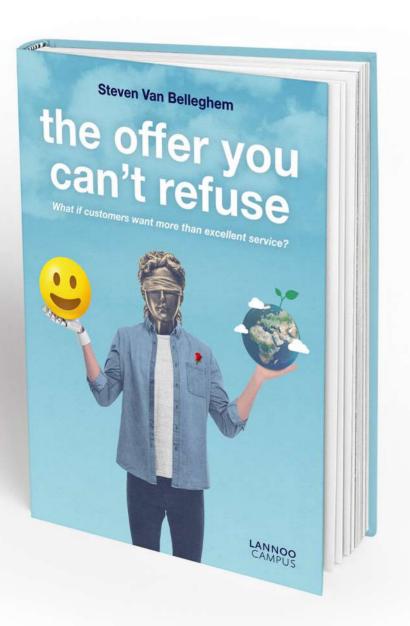
Perhaps most of all, running through a lot of these stories, I love how ethical behavior - towards customers and employees – is increasingly becoming more important. How a deeper sense of purpose, not just for them, but for society and the planet too, seems to be blooming. Companies are no longer just in the business of selling products and services. What they are doing is helping employees becoming better at what they do and helping customers become better versions of themselves, by trying to understand the 'movie' that they have in their heads about their future. Companies are now in the business of answering or soothing hopes, dreams, ambitions and fears.

That may seem naïve to you. But, as I write in my last business book The Offer You Can't refuse, I firmly believe that if your company does not invest in going beyond selling goods and service, in an ethical and transparent manner, it will get into trouble down the line. Because this is what most people will come to expect, what governments will (so be preparing for that now) eventually enforce and what the planet leaves us no choice but to chase.

Thank you so much for reading my work.

It's an honor to count you as a part of my network.

Warm regards,
Steven

This last decade has been characterized by the introduction of 4G, social media and mobile services. These technologies have given rise to a new minimum in terms of customer experience. Customers expect ease of use, friendly and empathic staff, omnichannel services and competitive prices. In the years to come, customer experience will reach a whole new level. Naturally, technology (5G, quantum computing, robotics and AI) will play a key role in customer expectations, but it goes way beyond that. Invisible and automatic interfaces will become a necessity but the ultimate ease of use will no longer be enough to come out on top. Automation is but the first step. But what if customers start to have expectations that go beyond convenience? In addition, companies will have to play an active role in their customers' life journey. As a company how can you help consumers' dreams come true and eliminate the obstacles in their day-to-day lives? And finally, companies have the opportunity to tackle concrete world problems together with the customer. The world is facing unprecedented challenges: climate, healthcare, government budget deficits, mobility… How can a company involve its customers in the solution to these problems? The combination of automation, being a partner in consumers' lives and solving actual social issues will be the guiding principles for the successful business of the next decade. For consumers, the combination of all these elements constitutes an offer they can't refuse.

You can check out all my books via

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