

INTERSECTIONS

Where **Financial Institutions** and the **Investment / Insurance** Industries meet

Ninth Edition

Holiday Hugs and Your Customer

5 Trends Affecting Customer Experience

There is a retail clothing store I frequent in Fairfield County, called Mitchells. The owner, Jack Mitchell is the Chairman of five highly successful, family-owned clothing stores in Connecticut, New York and California. He has written a book call “Hug your Customer”¹ and Jack’s methodology has been the subject of a Harvard Business School Case Study. Of course the “hug” is a metaphor and, in this third generation-owned store, it means “any large or small deed that genuinely shows you care.” However, that doesn’t stop Jack from also giving his well-known customers a real hug when he sees them.

Jack has a winning formula that transcends the obvious customer support or service and creates a customer experience (CX). He is convinced that any and all types of businesses can profit by using the “hug” method. I have always been a big believer in looking at other industries to find more creative ways to work in financial services and stimulate your creative thinking, so reading Jack’s book did just that.

Another definition of CX, along the line of the metaphoric “hug” comes from Harley Manning of Forrester Research.² He defines the customer experience as “how customers perceive their interactions with your company.” His perspective and one I agree with, is that “**only** your customers can tell you whether they found their experience with your company useful, usable and enjoyable and that is all about perception.” To quote Anais Nin, “We don’t see things as they are. We see things as we are.” This is a quintessential definition of perception.

In Forrester’s definition, the focus is on “interactions”, not how the brand comes across in an ad or word of mouth. They define interactions as “when the customer has a two–way exchange” and those interactions can happen immediately, over weeks or days to complete a single goal. The timeframe is immaterial to the actual exchange.

I see five overarching trends that will impact the CX regardless if you are a clothing store, financial institution or any other industry.



¹ <http://www.hugyourcustomers.com/the-books/hug-your-customers/>.

² http://blogs.forrester.com/harley_manning/10-11-23-customer_experience_defined.

5 Trends Affecting Customer Experience

1. Imagination

We need to find imaginative ways to connect with our customers. Those products and services that engage our imagination are desired; two examples are Apple and IKEA. I worked in Europe for a number of years and my first assignment was in Paris. When I walked into the apartment that I had rented, the only way you could tell it was a kitchen was because of the sink; no fridge, no shelves, and no stove. IKEA was a godsend and I essentially imagined and then designed the kitchen with a great deal of IKEA assistance.

2. Community

Banks are putting in coffee shops or the equivalent so people feel more comfortable and relaxed as they wait for a CSR. I find it amusing as this is actually how banks and insurance got started... in coffee shops, before the first national bank was authorized by Congress in 1791. Another example is Zappos, who is legendary for their CX, moving their headquarters from Henderson, Nevada to the former Las Vegas City Hall building in downtown Las Vegas, after an extensive \$48 million effort to renovate and make major improvements to the building. CEO Tony Hsieh, who also leads the Downtown Project, an effort to revitalize downtown Las Vegas as a vibrant cultural and economic hotspot, has said he wants "to be in an area where everyone feels like they can hang out all the time and where there's not a huge distinction between working and playing." From my perspective this sounds like a very millennial approach to work and also fun.

3. Escalation of Peer Review

How many of us before going to a hotel or resort look at Trip Advisor. We are taking the word of people we do not know, and yet it gives us a level of comfort. Kickstarter is another great example of taking the power to raise money for a good idea out to a community of your peers. Additionally, Crowdsourcing is adding another opportunity to share your ideas, find the best designs from people you have never met, and raise funds if desired.

4. Co-Creation

KLM Royal Dutch Airline's sandwiches on European routes have new packaging that was designed by students of the Kunstacademie AKV|St.Joost, Avans Hogeschool in the Netherlands. (Say this five times fast!) KLM called the competition "Delicious Art". The students were asked to come up with a design that is "culinary, surprising, inspirational and energetic, and which corresponds to KLM's distinctively Dutch character."

5. Random Act of Kindness

Virgin Atlantic launched Little Red to give their passengers on domestic flights in the UK a different Holiday experience. They provide a Santa and a festive choir to entertain and add an element of fun while people fly. This definitely raises the bar especially if the flights are also on time! I have always thought that having a massage therapist on a flight would help people relax and forget that they are hurtling through the air at an average speed of 500 mph, but so far I haven't flown in a plane with this service.

Tell me about your "customer hugs" or some of the unique ways you have of interacting with your customers.

I will share the most interesting ones next month.

Happy Holidays!

Hugs, (metaphorically of course)



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