

# BOLD

**how to be brave  
in business  
and win**

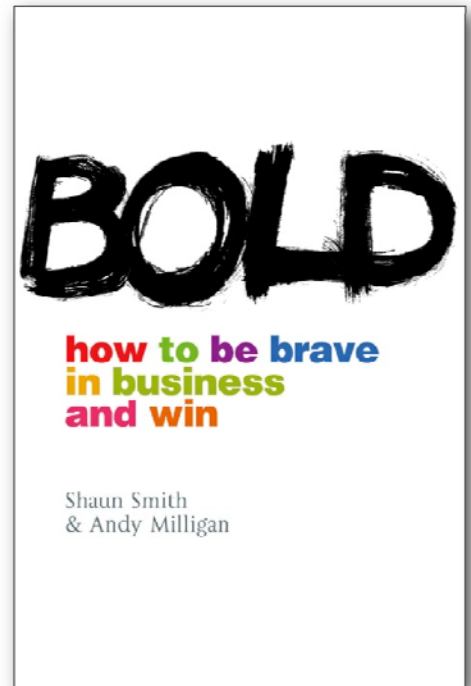
**executive summary**  
a quick look at the book

# Delivering dramatically different experiences

*“From the store windows, the store touch-points, the website, social media or a magazine - it has to be one pure customer experience. Not just to gain market share but to gain mind share”*

Angela Ahrendts, CEO Burberry

Customer experience as a concept has been around for over ten years now but it is still often confused with CRM or considered to be a fancy new name for customer service. In fact, as the research for our book *‘BOLD – how to be brave in business and win’* shows, the brands that are transforming markets are doing so because they see everything they do as part of the customer experience.



Never have consumers had so much choice. You can buy whatever you want, whenever you want from hundreds of suppliers. Because of the fierce competition and the efforts of organizations to improve their performance over the past few years, service is generally good too. But good is not good enough. To get the ‘share of mind’ that Angela Ahrendts talks about, you have to be different to your competitors – in fact, you have to be dramatically different. You have to relentlessly differentiate if you are to win.

This need is being driven by the complexity of the markets in which businesses are competing today. Targeting, locating, communicating and maintaining any form of reliable relationship with customers or consumers, has never been more difficult.

Digital, mobile and web technology has transformed the media landscape into a bewildering array of possible channels and means of communication, many of which are beyond the control of anyone but the consumer. Social media is being used to punish brands or force them to change everything from supply chain policies to marketing tactics, even – as in the case of Gap – an expensive logo change.

For many new consumers traditional 'above the line' marketing is 'below their radar' as more and more consumers turn to viral marketing and social networks for their sources of inspiration. Nobody is sure exactly how the communications and media landscape will look in ten months, let alone ten years.

Business models themselves are changing. Some have been turned on their head by brands like Six Senses Resorts and Air Asia X, and some are broken for good. The distribution and exchange of products, services and information have radically shifted and there are serious questions about the long-term viability of brands that use precious resources. In the midst of all this change - uncertainty or opportunity, depending on your point of view – we have observed two distinctly conflicting styles of leadership in organizations attempting to survive and succeed in this turbulent period.

The first, most obvious and – in our opinion - the most dangerous is that of companies who become internally focused on financial re-engineering and management restructuring. Balance sheet repairs, cost-cutting, trigger-happy redundancy programmes, poorly thought through acquisitions; the corporate equivalent of re-arranging the deck chairs on the Titanic: all the usual signs of a business with, in the words of Jack Welch, 'its ass to the customers'.

### **But we have also seen a different breed of organization emerging...**

These organizations succeed because they have the courage, confidence or just sheer chutzpah to pursue a purpose that is beyond profit; to engage, entertain and educate their audiences; who see their customers and employees as members of a like-minded community; who create an almost cult-like following around their brand – both within and without their organization. They are not just different but dramatically different and push to the extremes the consequences of their desired positioning and strategy.

### **Six Senses Resorts**

You're a high-flying executive used to people being at your beck and call. You've booked into one of the most expensive and luxurious resorts in the world on a tropical island paradise. So when you arrive at the resort what do you expect? Not to be given a rubbish bag and told to take all your litter home with you at the end! But that is how Six Senses' unique experience begins. They want to encourage their customers to appreciate the importance of the environment and their impact on it. They call it 'intelligent luxury'. *'We've got two values'* says Sonu Shivdasani, its CEO *'One is around concern for the environment, and the other is around the guest experience. But the environment comes first'*.

As a result, this brand has created the first zero-carbon resorts for wealthy guests who wish to support 'conscientious consumption' rather than 'conspicuous consumption'.

They are often based on the personality and values of the people who found and lead them, but not always. Sometimes their path has been deliberately chosen by executives to differentiate them from the sameness of companies in the sectors they share. They eschew typical ‘faceless’ corporate behavior and dare to put their shareholders' concerns behind those of their customers, their employees and their obligations to the wider public.

Even during the most difficult times – such as the global financial crisis from which recovery will be long and painful for most - they are relentless in pursuit of improvement, zealous in communication and take action in accordance with what is best for their brand not just their bottom line. But this is not some corporate Quixotic tilting at windmills. They also happen to be incredibly commercial and in most cases, outperforming their sectors. In short, they are bold. Not reckless. Just bold. They stand out from others because they stand up for something.

We wanted to investigate companies who we believe demonstrate this boldness and share the stories of what they do, how they do it and most importantly, perhaps, why they do it – their purpose. The result is a book called ‘*BOLD – how to be brave in business and win*’. It is the story of 14 inspiring brands and their remarkable leaders. Brands like Burberry, Virgin Galactic, Six Senses Resorts, Zappos, O2 and AirAsia X.

## These companies are BOLD in different ways

- Some are bold because their purpose is ‘heroic’ – whether it be to fly into space or save the planet.
- Some are bold because what they do is so dramatically different to what has been done before – whether it be a logistics company that treats its employees as a key asset in a commodity market or a bank that acts like a fashion store.
- Others are bold because they have stuck to their principles regardless of the ‘market norms’ – whether it be an advertising agency that refuses to pitch for new business or a retailer whose sole purpose is to create ‘wow’ moments for customers.

All are bold because they have an unshakeable belief in what they stand for and let their actions follow their beliefs.



# What these brands do differently

We believe that being bold is an attitude of mind but is evidenced by what people do and thus how any organisation acts. So anyone and, by extension, any type of company can be bold if it wants. The key is that it must be willing to behave accordingly, not just claiming it does bold things. As Gav Thompson of O2 puts it, *“Don’t tell me how funny you are; tell me a joke that makes me laugh”*. So we looked at how these companies actually behave and what they do differently.

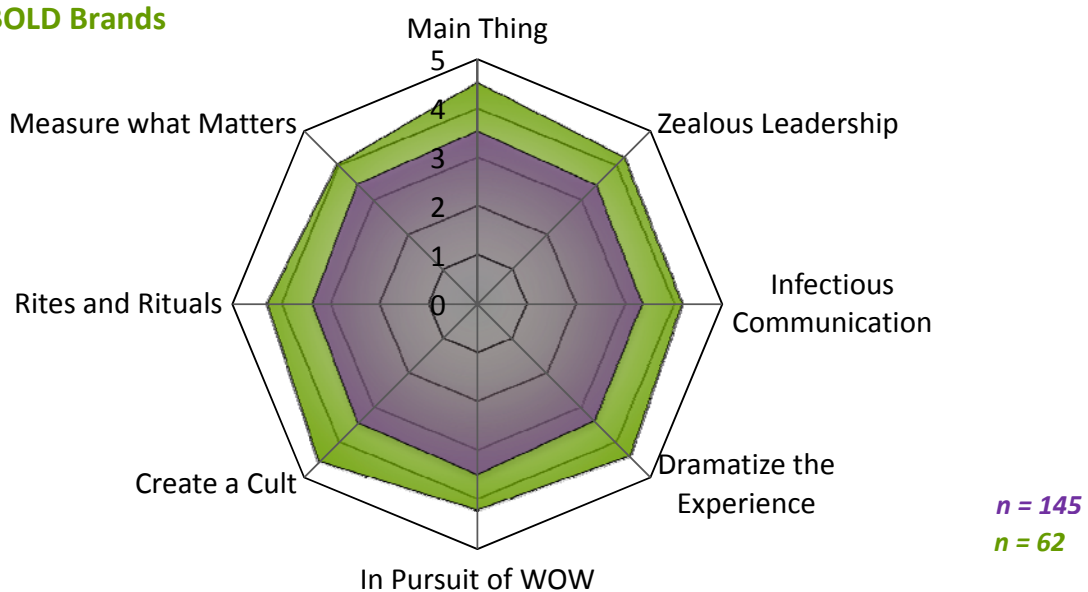
We conducted intensive in-depth interviews with a cross-section of executives from the short-listed brands. From these we identified eight key practices and 40 behaviors that seemed to explain ‘boldness’.

Finally, we conducted a quantitative survey with executives recruited randomly via leading customer experience portals to compare the BOLD brands against average companies on these practices.

So what were our findings? We found that the BOLD brands outperformed the comparison companies by a significant degree on each of the eight practices. The BOLD companies scored an average of 4.3 on our five point scales across the eight practices versus 3.4 for the comparison companies. Almost a full 1.0 difference is a dramatic difference. In particular, the BOLD brands scored significantly higher in three areas: The Main Thing, Dramatize the Experience and Create a Cult. (See below for a full explanation of these practices.)

● Comparison Brands

● BOLD Brands



# So what are these eight practices and the characteristics of the BOLD brands we found from our research?

## 1) Keep the main thing the main thing

Each of the brands we studied has a sense of purpose that is communicated simply and powerfully throughout the organization. Innocent, the smoothie maker, calls this focus *'keep the main thing the main thing'* and this sense of purpose led to its absolute insistence on only using natural ingredients in its products even though this makes production significantly more difficult and expensive.

Sonu Shivdasani the founder of Six Senses, the award winning luxury resort says *"We've got two values. One is around our concern for the environment and the other is around the guest experience, but the environment comes first"*. As a result, the brand refuses to fly in and sell branded waters in its resorts because of the impact on the environment. Luxury guests are more used to being told what they can have rather than what they can't have, yet this is what Six Senses does. They call it *'Intelligent Luxury'*.

## 2) Demonstrate zealous leadership

Having a purpose is one thing, remaining true to it quite another. What struck us were the lengths the BOLD leaders go to in order to personally behave in a way that is consistent with their view of the world. Sir Richard Branson, Sonu Shivdasani, Angela Ahrendts; these leaders **are** their brands. They are very different people, but each in their own way, they are the embodiment of the brand. Sir Richard is passionate about changing industries, Sonu is obsessive about the environment, and Angela walks, lives and breathes the Burberry brand.

It isn't necessary to be the founder or even the CEO, but if you want to be a BOLD brand, first and foremost you have to be a BOLD leader and that means embracing the brand and working zealously to deliver what it promises. Most importantly it means dramatizing the brand values through your own behavior.

### **3) Engage in infectious communication**

We found that all of the BOLD brands use social media to tune into the views of their customers and digital marketing to reach them.

Innocent does this through the simple words they use on their packaging and quirky e-mails that 'spread the word' about the brand.

Burberry streams 3D live broadcasts of their runway shows to five cities around the world and then publishes the show via 80 partner web sites, reaching a potential audience of one million whereas the traditional catwalk show in Milan or London will be attended by 1,300 exclusive clients. Customers can view the show on their iPad, click on a product and have it delivered within a few weeks via Burberry's 'Worldstore' portal. In this way Burberry delivers on its promise of 'Democratising Luxury'.

### **4) Dramatize the customer experience**

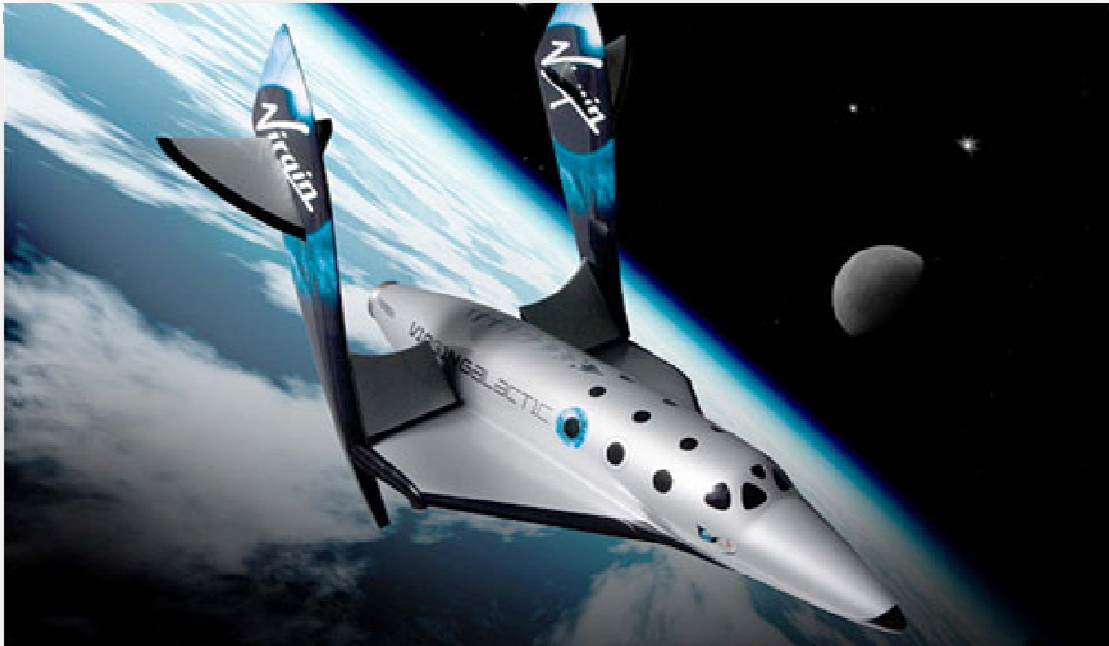
The more you can dramatize the customer experience the more powerful and distinctive it becomes. The Geek Squad is famous for this. It dresses its computer support employees as 'agents' and has them drive around in Geek Squad cars that look like police vehicles. As Robert Stephens, the Geek Squad's founder, observes *'Marketing is a tax that you pay for being unremarkable'*.

TNT Express China focused the whole company on the service they deliver by dramatizing it. They secretly record the customer experience and play this back to their people.

JCB, the UK based construction equipment manufacturer, uses its 'Dancing Digger' shows where eight-tonne diggers perform dance routines to bring their engineering alive for customers in a dramatic way.

## 5) Be in pursuit of wow

WOW is creating an innovative experience that is so different it surprises people. You might think of it as the 'iPad moment'; the first time you pick up the iPad and experience what it does. Virgin Galactic re-designed its spaceship VSS Enterprise so that passengers would have the 'WOW' experience of weightlessness.



Zappos, the US retailer, understands that when you connect emotionally with customers through a 'WOW' moment they will never forget you. JCB built a vehicle to break the land-speed record to demonstrate the technical superiority of their new diesel engines. People of all ages say 'WOW!' when they see it. O2, the mobile phone operator gives priority access to its customers so that they can get close to their rugby or pop star heroes for that 'WOW' effect.

Delivering a bold experience is about pushing the boundaries so that you deliver a WOW experience and customers have an indelible memory of you.

## **6) Create a cult-like culture**

One of the characteristics that we found to be significantly more evident in the BOLD brands was the kind of culture they create. They invent their own words, use unusual hiring practices and then go to enormous lengths to ensure they protect the DNA of their brands. For example, Tony Hsieh, CEO of US on-line retailer Zappos, offers new recruits \$2,000 to leave at the end of the first week of training. Why? To ensure that only those people who are passionate about working for the brand, stay.

## **7) Develop rites and rituals**

Closely associated with the culture are the rites and rituals they adopt which serve to keep the culture alive. Umpqua, the US retail bank, uses daily 'motivational moments'; Zappos holds many theme parties and Six Senses has an organization structure modeled on the solar system. Each of these devices serves to reinforce what is special and different about these brands. Tony Hsieh, CEO of Zappos, says, *"A company's culture and a company's brand are really just two sides of the same coin. Brand is just a lagging indicator of culture"*

## **8) Measure what matters**

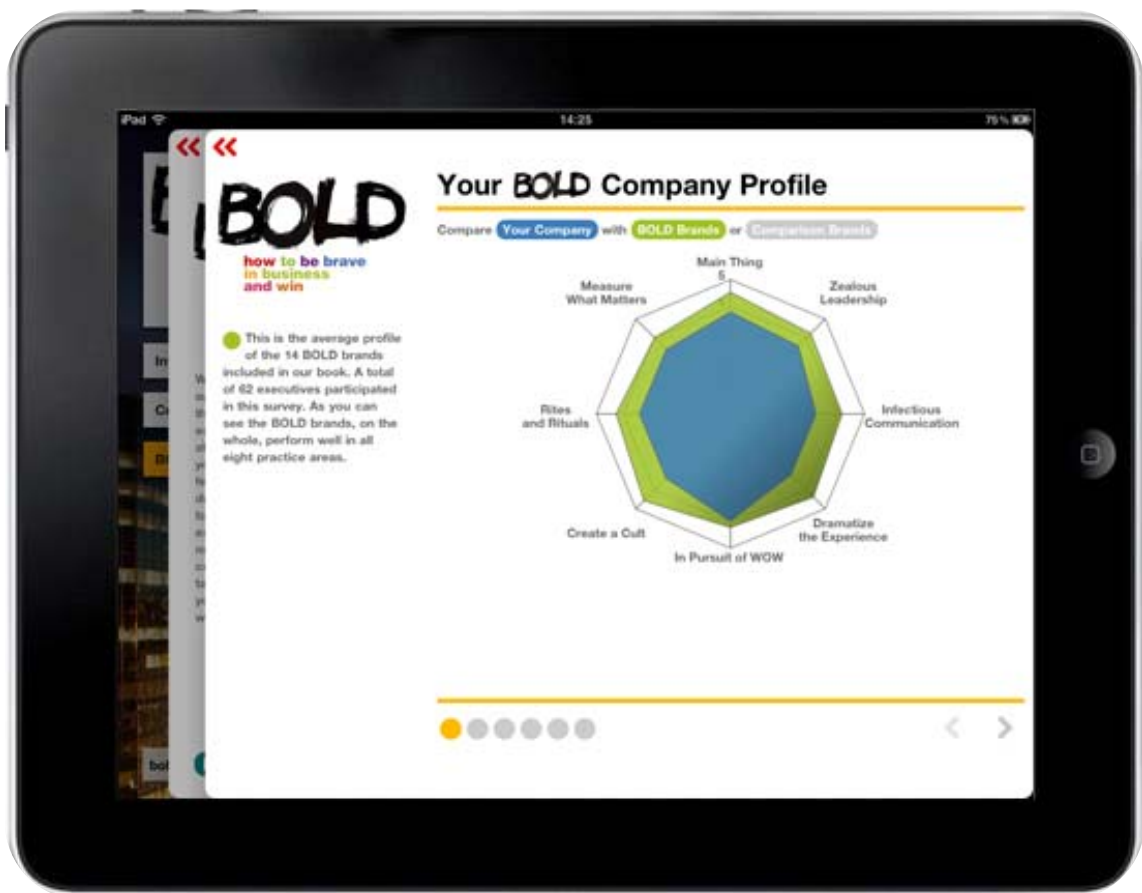
The BOLD brands may measure a number of things but they focus on a select few and those are the ones that are most closely aligned with their purpose. Burberry measures 'The Burberry Experience' by using mystery shoppers across all its stores. AirAsia X measures the amount of revenue from non-airline related sources. TNT Express in China measures the retention of its brand champions. O2 measures 'Fandom,' an extreme form of customer advocacy.

Of course, none of these practices are worthwhile unless they lead to successful business outcomes. The most important outcomes for most of these organisations are increased revenues and sustainable profit. Burberry recently reported a 50 percent growth in like-for-like sales for 2010 and a bumper start to 2011 whilst many other retailers were reporting declines over the same period. Why the difference? Maybe because this brand invested in improving the experience offered in-store and on-line whilst its competitors were busy cutting costs. Perhaps Burberry's five million Facebook fans and huge web-site traffic have something to do with it. This traditional British brand has taken a bold approach to the opportunities offered by digital marketing and social media and made its on-line experience just as distinctive and 'branded' as its in-store experience.

## So how BOLD is your organization?

Well you can find out by downloading our free BOLD App from the Apple Store by clicking here <http://bit.ly/fiqw7q>. Within a few minutes you will be able to compare your results with the BOLD brands.

The App will enable you to compare your organization with the BOLD brands and comparison companies and will offer suggestions for how you can become bolder. Based on your profile it will even recommend those chapters which are most relevant for you. You can open these up within the App so you can start reading straight away - no need to wait for downloads!



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## Praise for BOLD

"This book sets a new direction for customer experience. The brands featured are thinking big about changing the landscape of their industries by creating dramatically different customer experiences. Learn directly from the CEOs of brands as diverse as AirAsiaX to Zappos. Smith and Milligan's new book will help organisations chart a course to success for many years to come." - **Bernd Schmitt, CEO of The EX Group and author of Customer Experience Management (2003)**

"BOLD is one of the most inspiring and insightful books on what it takes to build a pure and compelling global brand for today's generation, in this digitally disruptive age" - **Angela Ahrendts CEO Burberry**

"The best way to create a WOW experience for customers is to first create a WOW experience for employees. This book can inspire both." - **Tony Hsieh, #1 New York Times bestselling author of Delivering Happiness and CEO of Zappos.com, Inc.**

"A company's culture and commitment to its people – both employees and customers – are too often overlooked. This book offers great examples of how important both are to long-term success." - **Ray Davis, President and CEO of Umpqua Bank and author of Leading for Growth**

"BOLD nails it. Our boldness lies in our people: 8,000 minds who are passionate and committed to revolutionising air travel - believing the unbelievable, dreaming the impossible, and never taking no for an answer - every single day" - **Tony Fernandes, CEO and Co-Founder, AirAsia Bhd, Tune Group of Companies and Team Lotus Formula 1 Racing.**

"The voices captured in BOLD are penetrating, deeply insightful, revealing and always refreshingly candid (if not brutally honest). You won't want to put it down, and perhaps you shouldn't, as BOLD will become the essential management handbook for years to come." - **Joe Wheeler, Executive Director, The Service Profit Chain Institute**

'BOLD – how to be brave in business and win' is now available for order on Amazon.com.  
[http://www.amazon.com/Bold-How-Brave-Business-Win/dp/0749463449/ref=sr\\_1\\_1?ie=UTF8&s=books&qid=1306408618&sr=8-1](http://www.amazon.com/Bold-How-Brave-Business-Win/dp/0749463449/ref=sr_1_1?ie=UTF8&s=books&qid=1306408618&sr=8-1)

To obtain your FREE copy of the 'Book of BOLD Deeds' visit: <http://www.boldthebook.com>

# The authors

## Shaun Smith

Over the last decade, Shaun has been a key catalyst in expanding management focus from the tactical issues of customer service to the much wider and strategic issue of customer experience. He has developed some of the latest thinking and practice around this subject, helping organisations world-wide create compelling customer experiences that achieve brand differentiation and long-term customer loyalty.

He is co-author of three critically-acclaimed business books. His first book with Andy Milligan, '**Uncommon Practice - people who deliver a great brand experience**' examines those companies that create exceptional customer experiences. His second book '**Managing the Customer Experience – turning customers into advocates**', reveals how leaders can build this kind of competitive advantage for their own organizations. His last book, '**See, Feel, Think, Do – the power of instinct in business**' also co-authored with Andy Milligan, explores how highly successful business leaders and entrepreneurs use the power of instinct to achieve results.

Shaun is founder and partner in the customer experience consultancy **smith+co** which works with leading brands around the world to design, develop and deliver dramatic customer experiences. Shaun is a Fellow of the Professional Speakers Association, a Member of the International Federation for Professional Speakers and is rated as one the top business speakers.

## Andy Milligan

Andy Milligan is a leading international consultant on brand and business culture. He has worked for almost 20 years advising major organisations on strategies for brand building, customer experience and internal culture as well as running seminars and conferences on brand alignment and employee engagement worldwide. Andy has worked on a wide range of projects internationally and across a number of market sectors including airlines, financial services, packaged goods, telecommunications, sports and leisure. He has directed major projects in Japan, South Korea, Singapore, and the USA and throughout Europe.

Andy appears regularly in the media to comment on brand issues including appearances on CNN, SKY, CNBC and the BBC. He is an acclaimed author on the subject of branding and has published four bestselling books: '**Uncommon Practice**' and '**See Feel Think Do**' with Shaun Smith, '**Brand it like Beckham**' which analyses how the Beckham brand has become a global phenomenon and '**Don't Mess With The Logo**', co-written with the designer Jon Edge, which has been described as doing "for brand management what the Haynes workshop manuals do for cars." Making it simple, easy to understand and enjoyable! Andy is a founder and Partner in The Caffeine Partnership which helps businesses, their brands and people develop and grow.