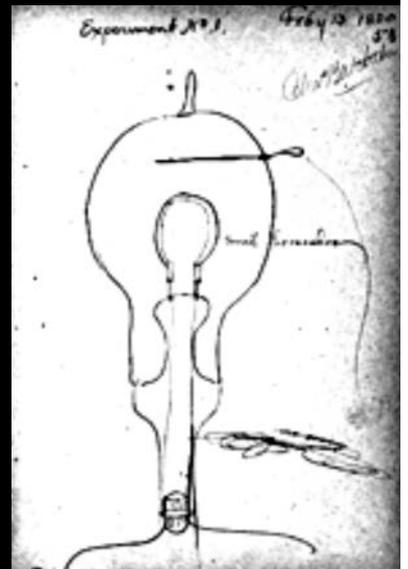




*A few tips on...*

# INNOVATING EXPERIENCE



## INNOVATING EXPERIENCE

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### The problem with innovation

One problem for many organisations, when they think about innovation, is that typically they focus solely on the product. However, we know that customers form relationships with brands, not products. And we know that the areas of the relationship that are often given least attention but which mean most to the customer, are in communications, service, sales and support.

According to Peter Fisk of Marketing Genius, whereas the vast majority of innovation investment by companies has been linked to product, the biggest returns on investment have actually been in new business models (eg online shopping) and in the customer experience.

Customer values are not static. They change over time and so must the experience. For a brand to succeed, it must continue to innovate to provide value - and also to prevent that age-old human trait, boredom.

Yes, we like a degree of certainty in our lives, but exceptional experience brands succeed because they continue to create moments that surprise and delight us. Every time we interact with a brand, we review that experience against our previous one. The first time we experience that 'wow' factor, it creates an impact. But experience it a second and third time, it starts to become standard and fails to ignite the same degree of emotional impact.

The organisations we feature in our book, *'BOLD – how to be brave in business and win'* understand this. They all do things differently but they all start with a clear sense of vision and purpose. They stand for something. Then they turn this into innovation.

It is about belief in something which transcends business results but at the same time drives them. And of course, it meets a genuine need among customers for the provision of something genuine, of something that meets their emotional as well as functional needs.

So what can we learn from their approach to innovation?



## INNOVATING EXPERIENCE

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**Defining ourselves not as a mobile operator but by our higher purpose has led us to do a number of things which you wouldn't otherwise have expected**

Tim Sefton,  
Customer Director O2

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**We really just started to question every single thing about the airline model and asked if there was a different way of doing it**

Azran Osman-Rani,  
CEO, AirAsia X

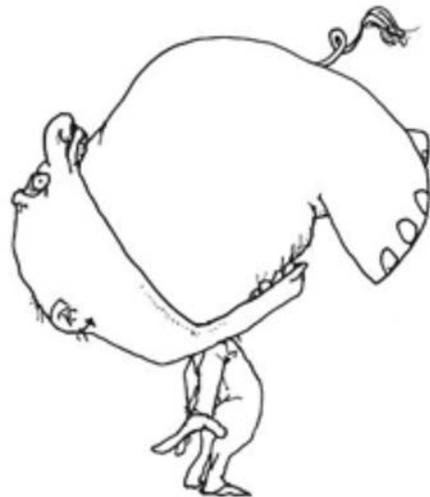
## Challenge conventional thinking

Stand-out brands challenge the beliefs and norms that prevail in the industries they compete in. Whether it's providing market leading experiences in the air at the lowest market price (Air Asia X); providing a retail store experience when you're a bank (Umpqua); selling passengers tickets in space (Virgin Atlantic); turning IT geeks into super-heroes that will 'save your ass' (Geek Squad); getting your guests to take their rubbish home with them in the luxury hotel market (Six Senses); or getting customers to stay with you by making it easier for them to leave (O2) – all of these brands have one thing in common:

They start with their vision or purpose and work back rather than starting from industry practice and working forwards. By adopting this approach, it will help you challenge many of the beliefs and conventions that underpin your market.

### The Scientist and the hippopotamus?

You just can't believe  
Everything that they tell you  
Just 'cause they teach it  
And preach it and shout.  
They say you can't eat nothing  
Bigger than you are...  
You've really got to check  
These things out.



Shel Silverstein, on radical experimentation and the importance of challenging conventional wisdom

## INNOVATING EXPERIENCE

# Drive innovation from a deep understanding about what your target customers value

It's important to understand that what you sell is not necessarily what customers are buying.

**RayBan** thought they were selling eye protection; **Chilli Beans**, the Brazilian sunglass retailer, realised however that customers were buying into a cool, fun, lifestyle where people wanted to experiment with different looks and personalities from day to night.

This insight led them to create a very different business model which has really made the brand stand out.

Like RayBan, they produce sunglasses of good quality, but they also produce them in exceptional variety – ten new product designs are launched in 250 stores every week! Because of this, a typical customer will own three or four pairs of Chilli Beans and visit the store weekly to check out the latest models.

But most importantly, they've created what they call 'the Chilli Beans universe' – a vibrant, dynamic world of music festivals, sporting events and crazy activities which enable their customers to indulge their passion and, of course, wear their sunglasses.



## INNOVATING EXPERIENCE

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**Drive innovation from a deep understanding about what your target customers value**

**Give your customers what they want.**

### **Make them sick!**

When Richard Branson had the idea for a passenger space shuttle, he knew that people would be thrilled at the prospect of going into space. But what he didn't realise was that his customers wanted more than just a ride in a shuttle, hop up to space and back again. They wanted the full astronaut experience. The weightlessness, the panoramic view of planet earth, the shared experience with other travellers. So he designed a completely new spacecraft and a programme of training for customers which included subjecting them to G-force and other demanding exercises in NASA's 'vomit comet' which induces physical sickness. The response from customers? 'Fantastic!'



## INNOVATING EXPERIENCE

### Apply innovative thinking to every function, not just product development

Umpqua Bank is a community bank based in the mid-west of the States. It has created a reputation and enthusiastic following for its innovative approach to banking. By calling its branches 'stores', recruiting its people from retailers and using innovative marketing techniques that it calls 'handshake marketing' the bank seeks to deliver on its promise of being the world's best community bank.

For Umpqua, this means not only being deeply rooted in the community, but also going above and beyond customer service and transforming the mundane task of banking into an unexpected, engaging experience.

An example of their approach in thinking of innovative ways of helping people switch banks is in their choice of three different media venues that are a more interactive, tactile and stirring delivery method than the usual banking choice of TV and advertising. Here's a quick intro into what they're doing.

#### Bank account moving day



Umpqua try to think of themselves as the community's best friend. And what would a best friend do? Help you move. Umpqua transformed an old moving truck into a one-of-a-kind Bank Account Moving Truck. To take the hassle out of switching, the team drove all around the northwest taking all the heavy lifting out of moving customers' accounts over to Umpqua. The moving truck comes equipped with ready internet-access laptops, enabling customers simply to step into the truck and switch banks there and then using an e-SwitchKit.

#### Switch-kit-in-a-can



One of Umpqua Bank's goals was to engage potential customers into switching their bank accounts in a fun and unique way. So they introduced completely customised vending machines and stocked them with free bank Switch-Kits-In-A-Can, symbols of a refreshing change and placed them in all types of locations in the northwest.

#### Locally grown community kit



If they're to be seen as the world's best community bank, Umpqua recognized the need to be informed, take action to inspire, protect and develop members of their community. So Umpqua developed the Locally Grown Bank Accounts program that focuses on empowering the local community. Umpqua showed their support by appearing at all sorts of community events from farmers' markets to fairs. Their farmer market stands are fully stocked with fresh Umpqua Blend Coffee, Wildflower Seed Packets, authentic market bags and handy Switch-Kit-In-A-Can. In keeping with this, they issued guidance to all staff to act as people, not as bankers (Easier said than done)!

## INNOVATING EXPERIENCE



### Dramatise your experience

How do you make a diesel engine sexy? JCB managed it. This manufacturer of industrial vehicles was so excited about the powerful diesel engines they had developed for their range of diggers that they wanted to create an experience that would dramatise the benefits. How? By building Dieselmax, the vehicle that would use their diesel engines to break the land speed record at 670km per hour.

They didn't stop there. JCB also puts on 'Dancing Digger' events around the world where these eight-tonne machines perform synchronized ballet displays to showcase their maneuverability. Sir Anthony Bamford calls it "selling the sizzle". But it's really about thinking innovatively to create the sizzle.

Think about your customer journey and where you can dramatically over-index the key touch-points where you want to really bring your brand promise to life. Forget timid tinkering. Make it memorable.

### A few other things to think about... Think innovatively about the small things as well as the big

A big problem with innovation is that many people are obsessed with the big idea; they want game changers and paradigm shifts and are constantly pouring over customer data to try to come up with the killer app.

But even more important than these big things are the little day-to-day things that make an enormous difference to consumers and employees, that earn their advocacy and loyalty, cost little but reap huge returns and demonstrate commitment to creating value for customers.

Bold brands are often obsessed by detail and just endlessly curious about even the smallest aspect. Whether it is digger manufacturer JCB's Chairman Sir Anthony Bamford personally adjusting the hub cap on a back-hoe digger because he noticed it wasn't quite right, or smoothie manufacturer innocent's use of language in their packaging - they are all manifestations of the fact that a small action can have a big impact.

### Use innovative processes to support your experience delivery

#### Make customers part of your brand

Use customer co-creation and social media tools to listen and engage. Marketing is no longer something you do to customers. Make them part of it.

Umpqua, like the other bold brands use social media to create customer communities. Burberry uses 3D high tech broadcasting of their runway shows, and Chilli Beans uses music and events to involve customers in the 'Chilli Bean' world. O2 drives innovation through continuous customer feedback by inviting them to events at the 'O2 Arena' and to participate in customer communities like giffgaff, its 'people powered network'.

But the technology doesn't have to be digital or high-tech to support an innovative idea.

Six Senses, the luxury hotel resort group, refuse to fly in any branded bottled waters to any of their properties. Instead they invest in their own water filtration and mineralisation plants at their resorts to bottle and sell their own water, of which 50% of the proceeds goes to charity to provide clean water to deprived countries.

#### Make employees part of your brand

Create social networks internally using technologies like 'Chatter' so that your employees can be part of your R&D effort. They are closer to your customers and therefore often better informed about the opportunities to innovate.

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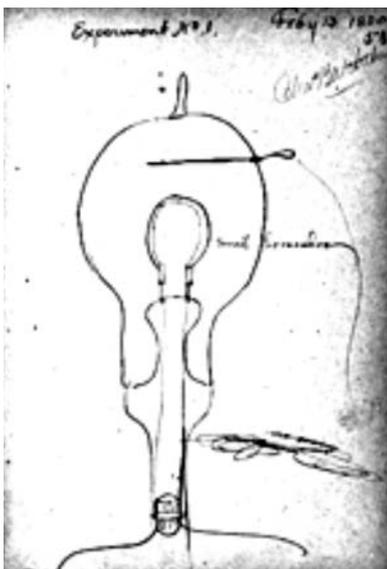
### A final word

What many of these examples show us is that innovative customer experience requires a bold approach – the willingness to challenge convention and do things your own way.

If you reduce customer experience management to a rigid set of rules, methodologies and step-by-step processes, you'll never break out of the pack.

It only works when you start with a clear sense of purpose and a determination to see this run throughout your strategy, your processes, your products and your people.

### That light bulb moment....



In 1879, a light bulb burnt for 13 hours. It was Thomas Edison's incandescent light bulb (here's an early sketch that he created in his laboratory notebook), and it revolutionised the way the world lived.

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