▸ Customer Experience Excellence

How to delight customers and
create wow moments that matter

Porsche Consulting
Strategic Vision. Smart Implementation.

INSIGHTS

//01

Customer experiences are more important than features and benefits of a product or service. They provide stability and orientation and set clear directions for transformation.

//02

Creating wow experiences for customers requires strategic design.

//03

Superior customer experiences are multidimensional.

Introduction

Creating superior customer experiences is one of the most important determinants to achieving competitive advantage in today's dynamic environment. Customer centricity is the basis for creating experiences that delight customers. However, plans and results often diverge from each other in practice. Most companies actually fail to create wow moments that really matter to customers. This paper explores seven dimensions that enable companies to create superior customer experiences and explains the levers behind them.

Why customer centricity is essential for creating superior customer experiences

When was the last time you were delighted with a company or a brand? How often do you experience moments that delight you as a customer? This question may not be easy to answer. It would be different, however, if you were asked to recall frustrating experiences with a company or a brand. They might include brand websites that do not respond or are difficult to navigate, service employees that make no effort to understand your problem, or impersonal mailings with irrelevant offers. In fact, Porsche Consulting found that only a small percentage of customer experiences are rated as excellent across industries, with the majority of customers describing their experience as bad, very bad, or at best, merely average. Why do so many companies fail to create positive experiences?

The answer is simple: designing a great customer experience requires a customer-centric approach that designs an experience with a company from their point of view. There is, however, an enormous gap between theory and practice. Although most companies claim "the customer is king," and managers proclaim customer centricity as a guiding principle, these concepts are seldom implemented holistically in day-to-day business. The reality is often a very low degree of professionalization, as most often companies continue to think in silos and maintain rigid internal structures and processes. Customers are not interested in the reasons why things take so long or why errors cannot be eliminated; they only want their issue to be solved quickly and easily. The needs and wants of customers are rarely at the center of a company's activities. The focus on the customer takes an internal perspective and is equated with the optimization of the customer's value for the company. An external perspective is needed to transform from a product-centric to a real customer-centric organization (*figure 1*)[1].

Put yourself in the customer's shoes!

	PRODUCT CENTRICITY	**CUSTOMER CENTRICITY**
Basic philosophy	Sell products, we'll sell to whoever will buy	Serve customers; all decisions start with the customer and opportunities for advantage
Business orientation	Transaction-oriented	Relationship-oriented
Product positioning	Highlight product features and advantages	Highlight product's benefits in terms of meeting individual customer needs
Organizational structure	Product profit centers, product managers, product sales team	Customer relationship managers, customer segment sales team
Organizational focus	Internally focused, new product development, market share growth; customer relations are issues for the marketing departement	Externally focused, customer relationship development, profitability through customer layality, employees are customer advocates
Management criteria	Portfolio of products	Portfolio of customers
Performance metrics	Number of new products, profitability per product, market share by product/ sub-brands	Share of wallet of customers, customer satisfaction, customer lifetime value, customer equity
Customer insights	Customer data are a control mechanism	Customer insights are most valuable asset

Source: Porsche Consulting based on Shah et al. 2016   © Porsche Consulting

Figure 1. Differences between product and customer centricity

Crucial to creating positive customer experiences is a focus on individual customers and their specific needs. **Customer centricity must therefore be adopted as a corporate strategy approach.** All business processes—from product development to after-sales and overall organizational structure—must be aligned with this approach. **Creating value for the company should be the result of creating value for the customer**. Dual value creation is an essential premise of the customer-centricity paradigm and a prerequisite to designing great customer experiences. Companies frequently fail, however, because they are unable to establish a **mindset** of customer centricity within their corporate culture. The mindset only takes hold if it is also adopted by top management. Hence, the CEO plays a central role. It is essential that customer centricity begins at the top and executives promote the commitment toward experience creation, especially when this commitment leads to investments that compete with short-term financial goals.

A good example of successfully living the top-down concept is the online fashion retailer Zalando. This company not only builds its business on deep customer insights, creating relevance and inspiration for customers, but anchors customer centricity in the corporate culture: from CEO to top management and all employees—everyone is expected to deliver parcels as well as participate and listen in on the call center on a regular basis. By doing so, they get to know and understand the needs of their customers. This is the foundation for creating superior experiences.

❱❱ It is the customer who pays the wages.
This statement by Henry Ford expresses why customer centricity is not an end in itself. The ultimate objective of a customer-centric company is to achieve customer loyalty that pays off in repeated purchases, willingness to pay a price premium, and positive brand advocacy.

Customer satisfaction was long regarded an effective lever in creating customer loyalty. Satisfaction has a positive impact on customer loyalty, so many companies have made it a central KPI of their business strategy. In recent years, however, companies have increasingly found that satisfaction has a limited ability to create loyalty. Satisfied customers are not automatically loyal ones. Indeed, Porsche Consulting found that **only about 40 percent of satisfied customers can also be classified as loyal.** Why is this? Customers today have an abundance of choices. A perfect product or service is there-

fore no longer enough to retain customers. Experiences are needed that delight and thus strengthen the emotional bond between customers and the company. Customer delight is defined here as a customer's intense pleasure brought on by a company exceeding expectations. High investments related to this effort, however, mean that it is not simply a question of surprising customers but continuously fulfilling expectations. This is the foundation for success; delight is the icing on the cake.

Creating customer delight requires not only qualitative value but outstanding performance in the form of superior customer experiences. The interrelationship between customer centricity, experiences, delight, and loyalty is depicted in *figure 2.*

TRANSFORM	DESIGN	DELIGHT	BIND
Custumer centricity	**Superior customer experience**	**Customer delight**	**Customer loyalty**

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Figure 2. Success chain of customer centricity

Customer experiences are the crux of the matter
Customer expectations have shifted significantly over the past few decades. The major challenge facing companies today is the creation of unique and memorable experiences for customers. The current omni-channel environment offers different ways for customers to interact with companies and brands, making connectivity the game changer from a technological as well as a strategic standpoint. Customers can instantaneously share their experiences with companies on social media, with a spillover effect on other potential customers. Companies have the opportunity to benefit from positive advocacy by creating outstanding experiences. This is especially important as customers increasingly rely on recommendations from the f-factor (friends, families, fans, and followers) and have become more reluctant to accept communication via marketing.

Indeed, customers now have a more powerful position. They want immediacy, personalization, and the convenience of dealing with digital-marketing leaders. Their "instant" mentality means companies need to provide everything immediately and everywhere. Customers base these expectations on the performance of top companies that make their life as easy as possible. They no longer differentiate between industries. Web shops of all kinds, for example, are measured against the functionalities Amazon provides, raising the bar for unique experiences.

Moreover, and most importantly, customers have come to expect a product or service's functional features and benefits, many of which have simply become a commodity. But customers would rather have experiences that captivate their senses, touch them emotionally, and stimulate their thinking. These must be relatable experiences that fit their lifestyles. For their part, companies want customers to spend time interacting and engaging with them, because the more time customers spend with them, the more money they spend. For this reason, ING bank opened cafés with an engaging environment[2], all over the world; Volkswagen built the Autostadt[3]; and Adidas successfully involves customers in the co-creation of personalized shoes and apparel[4]. Our daily projects show that experiences that provide a high value for customers ultimately also provide value to the company—a win-win situation.

Recognizing and embracing these shifts in consumer behavior, Porsche devised a dedicated customer-experience strategy. A substantial part of this strategy resulted in the Porsche Customer Experience Centers (PEC). Porsche stands for emotion, passion, and real experiences, so the PECs offer exciting stories about the brand as well as a handling track, driving-dynamic surfaces, and off-road driving instruction. Customers can thus experience the "Porsche feeling" and meet the Porsche community. The PECs have proven to be a successful instrument that wows customers and creates brand enthusiasts[5].

Touchpoints and journeys form the context for customer experiences

The Herculean task
Customer centricity and a corresponding corporate mindset are crucial to successfully executing a customer experience. However, a first step toward achieving competitive strength is understanding customers, their wants and needs, and embracing this in all corporate activities. Furthermore, customers must be able to perceive this focus at the touchpoints they have with a company. Every contact leaves traces in their minds, whether consciously or unconsciously. These impressions can exert decisive influence on perception and experience.

Managing all touchpoints is a Herculean task. Companies may have more than 600 touchpoints, not all of which are controllable. Some are merely "earned" touchpoints—third-party messages and content created and distributed without direct assignment from the company, such as recommendations from friends and family, social media postings, or ratings on comparison portals. To increase the likelihood of positive advocacy at these touchpoints, companies must create superior customer experiences at the touchpoints "owned" and controlled by the company.

Assessing touchpoints and understanding the customer journey
The holistic assessment of a customer touchpoint forms the basis for strategically managing company experiences at all touchpoints; it is the first step in creating transparency. Touchpoints therefore need to be compiled, assessed, and prioritized. The compilation and evaluation of touchpoints must be carried out carefully, as they form the basis for subsequent optimization initiatives. The underlying processes and structures must be examined, responsibilities clarified, and KPIs defined.

The next step is to bring the individual touchpoints into a contextual and chronological relationship to each other, thereby reflecting the actual customer behavior as realistically as possible. This step is critical, because positively perceived touchpoints do not guarantee a good customer journey. Simply looking at individual touchpoints is not sufficient; interfaces and their underlying processes often form a breeding ground for frustration.

Porsche Consulting recommends mapping crucial customer journeys for especially relevant personas—or fictitious customers who represent a specific customer segment in terms of demographics, attitudes, habits, and interests. The objective of mapping is the discovery of moments that elicit delight for a persona and unveil those causing frustration, in other words, the pain points and gain points customers experience during their journey. Pain points, of course, need to be discovered and eradicated. However, the mapping also allows for the identification of touchpoints with the highest relevance during a customer journey. These "moments of truth" are touchpoints that exert the strongest influence on customer perceptions and offer companies the greatest opportunities for differentiation. Gain points eliciting delight must be specifically created for these encounters.
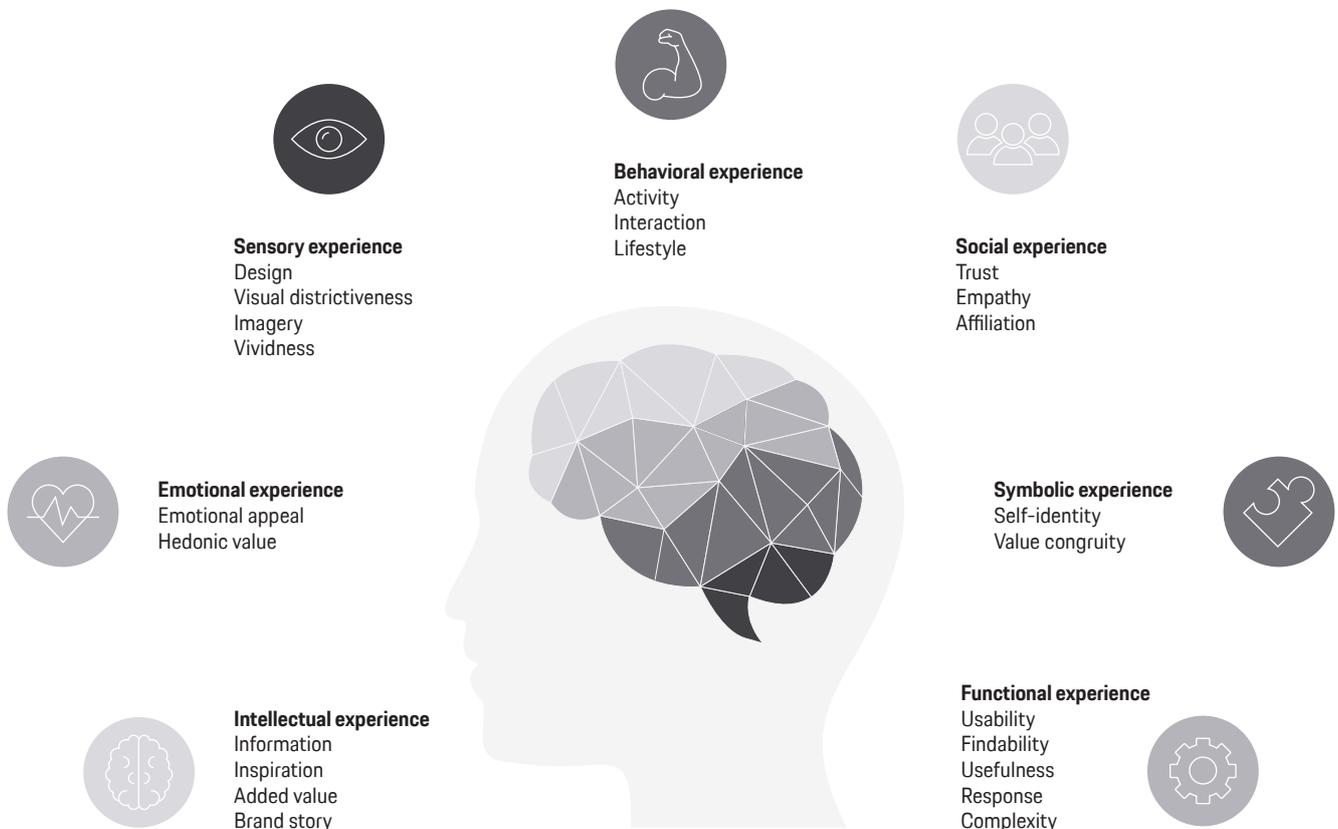
Creating experiences that wow customers

This is easier said than done. To truly delight customers, it is essential to understand the key factors influencing their perception of a company at different touchpoints. The phenomenon's complexity is increased by the various types of customer experiences, each of which is controlled by a different lever. A clear understanding of what constitutes experiences, from a customer's point of view, supports their creation and strategic management, generating wow moments that differentiate a company from its competitors and ultimately bind customers. An experience with a company is the customer's reaction to stimuli at a certain touchpoint. Research identified seven types of experiences[6]: sensory, emotional, intellectual, behavioral, social, symbolic, and functional. These can be provided by the actual offer—that is, the product including its design and packaging—or by means of communication, brand experience worlds, events, communities, websites, and employees. All seven types of experience can be used to elicit delight and create wow moments for customers.

> A customer experience describes the entire experience of a customer with a company in form of impressions, feelings and sensations that arise at the company's touchpoints.

Sensory experience
Design
Visual districtiveness
Imagery
Vividness

Behavioral experience
Activity
Interaction
Lifestyle

Social experience
Trust
Empathy
Affiliation

Emotional experience
Emotional appeal
Hedonic value

Symbolic experience
Self-identity
Value congruity

Intellectual experience
Information
Inspiration
Added value
Brand story

Functional experience
Usability
Findability
Usefulness
Response
Complexity

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Figure 3. Dimensions of customer experience and their respective levers [6]

SENSORY EXPERIENCE

Rituals is a company that effectively creates sensory experiences. Relaxing music, pleasant scents, vivid colors of product packaging, and dark furnishings marked by stark contrasts: the store's design exudes an atmosphere that invites the customer to relax and consciously decelerate. By transporting them to another world, Rituals creates a memorable sensory experience completely distinct from that of competitors like Douglas.

In general, the sensory experience relates to how a touchpoint appeals to the senses of customers. Such an experience creates value for the customer by appealing to his sense of aesthetics or guaranteeing him an exciting and attractive experience with the touchpoint. While the sensual dimension in a digital context is represented by visual and acoustic factors, scent, touch, and taste play an additional role in an offline environment. Nevertheless, sight remains the dominant sense in either context.

The touchpoint's **design**—its colors, shapes, font sizes, and overall visual appeal—creates a sensory experience. **Imagery** also plays a critical role here, as an image's quality influences a company's perceived competence and trustworthiness. Furthermore, **vividness** achieved by contrasting colors and dynamic animations, is essential. Videos can increase the perceived vividness more than static images, and sound can also heighten the impact. However, there is an inverse U-shaped effect: dynamic animations and highly contrasting colors can enhance the vividness of the digital touchpoint favorably up to a point at which it begins to negatively affect the experience. A positive sensory experience is generated if a touchpoint's unique and non-generic design captures the attention of consumers. Hence, one of the challenges is creating **visual distinctiveness** while retaining authenticity.

EMOTIONAL EXPERIENCE

One of the ways Porsche successfully creates emotional experiences is by opening brand pop-up stores. In recent years, the brand has used this temporary store format in countries across the globe to generate positive word of mouth. One of the pop-up store's most prevalent characteristics is its hedonic value. The stores are not designed for retail—not one car is displayed on-site—but along the theme of "The Sound of Porsche: Stories of the Brand."[7] A sound lab engages visitors with the 911 using sound experiences and virtual rides. Media stations offer the opportunity to listen to specially produced emotional stories about the brand. A design corner provides a communicative space in which visitors can sketch out their associations with the sound of Porsche. The focus on

entertainment and hedonic value in these pop-up stores have proven effective in producing a strong emotional bond with customers. A customer's emotional experience are the feelings and sensations triggered at a touchpoint. The intensity can range from vague moods to strong emotions. The emotional appeal and the hedonic value provided by a touchpoint determine this kind of experience.

The atmosphere created at the touchpoint strongly affects its **emotional appeal**: when perceived as positive, it can stimulate similar feelings and elicit strong emotions like joy and serenity. Furthermore, the extent of **hedonic value** provided to customers shapes their emotional experience. Exciting and fun elements provide entertainment and a sense of playfulness at a touchpoint. Hedonic elements can also affect a customer's sense of time, resulting in a feeling of flow. This is noticeable, for example, in a website's ability to increase stickiness.

INTELLECTUAL EXPERIENCE

A good example of a company stimulating intellectual experiences is IKEA. Its stores do not feature classical furniture showrooms but complete apartments that invite customers to linger. In catalogues and on-site, IKEA demonstrates how to successfully combine its furniture and decorative elements to create a finished design. This distinguishes IKEA from other furniture suppliers in the same price range.

An experience's intellectual dimension is the extent to which a touchpoint evokes customer curiosity and offers cognitive stimulation. This type of experience generates value by encouraging customers to think about the company, brand, or product.

Well-structured, clear, precise, and relevant **information** supports this effect. The challenge, however, is to offer customers the breadth and depth of information most relevant to them at the respective touchpoint; more is not always better. While information is most relevant to those customers who want to "get things done," **inspiration** is particularly vital to shaping the experience of customers whose visit is less task-oriented. Customers appreciate when companies stimulate them intellectually with inspirational content, such as suggestions for product use or styling and decoration ideas. An intellectual experience is also created by providing an **added value** in the form of an unexpected benefit to customers, such as an additional service that arouses their curiosity. Storytelling—the **stories** told by companies and their brands in a digital context, is another effective tool to stimulate consumers intellectually, evoke contemplation and initiate problem-solving.

BEHAVIORAL EXPERIENCE

Nike's website vividly conveys the benefits of a healthy, active lifestyle in order to motivate consumers to purchase Nike footwear and apparel in its online store and to start exercising. By additionally creating a customer ecosystem that includes, for example, wearables and apps surrounding their core products, Nike generates a holistic experience to address customer needs in the entire health and lifestyle segment. Their slogan "Just do it" perfectly captures their invitation to join a behavioral experience.

Behavioral experiences evidently result from activities, interactions, and lifestyles made possible by the company and triggered at a certain touchpoint. Nike aptly exemplifies how touchpoints can convey a certain **lifestyle** and could perhaps even influence that of the customer. A behavioral experience can also result from physically consuming a product or using a service. In a digital context, stimuli on a website can motivate customers to engage in a particular **activity**, for example, clicking on an appealing ad that leads to more information about an offer or from a brand fan page on social media to its online shop.

Furthermore, a positive behavioral experience often involves the possibility for **interaction** with a company. This can take various forms ranging from content interaction to social interaction and can even encompass co-creation with customers. Companies in a digital context are expected to provide options for interaction on websites, online shops, and branded mobile apps, such as chats with customer service. Promoting interaction is especially important as it can translate into regular customer-brand engagement, which is necessary to build profitable customer relationships.

SOCIAL EXPERIENCE

The German energy supplier innogy introduced a successful customer approach that harnesses customer assistance to relieve their in-house support: an online platform enables customers to exchange products, find solutions to problems, or share alternate uses for a product. Micro-influencers instantly evolved and created an atmosphere of trust. The result: conversion in the online shop is five times higher among consumers who visit this community than among those who do not[8]. Hence, creating a social customer experience based on trust can directly translate into sales. Customers trust their network of friends and family more than firms or brands, so authentic opinions and recommendations from peers are valuable for creating an atmosphere of trust at a touchpoint. A proven means to foster customer trust is the integration of user-generated content.

A further determinant of a social experience is whether consumers perceive the company as **empathic**. Customers assess a company's appreciation and respect for them. A critical driver of this is personalization: the more personal customers rate the company's communication, the more they feel addressed as individuals and the more positive they rate the customer experience. Companies can interact with consumers on a more personal basis on social media, for example, by responding to individual comments and showing appreciation by liking posts.

Companies can evoke feelings of **affiliation** among consumers by creating a relationship with them and promoting their interaction with each other. Online brand communities embedded in social networks and moderated by the company can contribute considerably to this social relationship. A sense of belonging is crucial to promoting a positive, social customer experience. An invisible bond can be achieved, for example, by offering special benefits exclusively to registered members. Shopping clubs like Best Secret or the online travel agency Secret Escapes, for which customers must first register or be invited by a member to receive offers, use exclusivity to promote feelings of brand affiliation among customers. Loyalty cards can serve the same purpose. In short, companies are strongly advised to integrate user-generated content, personalization, and communities as effective measures to create superior social customer experiences.

SYMBOLIC EXPERIENCE

Rolex creates strong symbolic experiences offline and online by linking the brand to the self-identity of their customer. The brand's most prevalent characteristics are prestige, exclusivity, high quality, and distinction. Every design element in the store interior and on the website features Rolex's elegant aesthetics. Colors, patterns, and product presentation emanate precision and attention to detail. Rolex thus relates its product to the way their customers see themselves and speaks to their (desired) character traits, which include sophistication, power, singularity, and elegance.

Rolex exemplifies a symbolic customer experience arising from the confirmation of individual personalities at the touchpoint. Consumers tend to prefer and subsequently contact companies and brands that fit their **self-identity**. For instance, customers like, comment on, and share posts of brands that convey a specific image, such as prestige and exclusivity or health and fitness, with which they want to be associated. In this way they express their actual or ideal self-identity and influence how people see them.

But a perceived **congruity** to customer **values** and beliefs can also generate a symbolic experience. Consumers experience a company positively if they perceive its presentation at a touchpoint to be in accordance with their personal values and beliefs. They are increasingly looking for deeper relationships with companies and brands. If they have the feeling that the company affirms their principles in the social, economic, or environmental realm, the congruence makes the experience more compelling. When a customer has found a brand that matches his or her values and beliefs, the company must live up to its brand promise[9].

FUNCTIONAL EXPERIENCE

A functional customer experience, also known as **user experience (UX)**, provides value to customers by offering convenience and creating a sense of flow that facilitates enduring interaction with a product or service, without interruption due to technical issues.

A critical aspect of the functional experience is **usability**, or ease of use. The experience is thereby determined by how easily and intuitively a product, service, website, or application can be used by customers and how effortlessly a digital brand interface functions.

Findability is of equal importance for an experience in a digital context. The term denotes the navigational structure and organization of a company's online presentation. A site's structure should therefore have a standard design and placement of navigational tools, such as buttons. A physical environment, such as the structure and arrangements of shelves and goods in a retail store, can also positively or negatively influence the functional experience.

Usefulness is another central component of the functional experience. Using a product or service should satisfy a customer's needs and fulfill their expectations. A vacuum cleaner whose performance is so weak that it does not remove dust is not useful at all and will negatively influence the experience, even if it is quiet and easy to handle. The same holds true if website content is not relevant for customers, does not provide the necessary information, or appears outdated.

The touchpoint's **response** also shapes the user experience. A prompt response is expected at all touchpoints, whether by clicking a button in a car or on a website. If the button responds slowly or not at all, customers can experience frustration. They often leave websites when loading takes longer than a few seconds, resulting in a missed opportunity to engage a customer.

And finally, **complexity** plays a role in the user experience. Digital touchpoints in particular must be clearly structured and neatly arranged. Sufficient space between images in an online shop and uncluttered mobile sites are two ways to facilitate customers' mental processing and positively influence a digital experience.

Mix and match

The wide variety of experiences enables companies to create diverse customer-centric experiences by using and combining different levers *(figure 3)*. Understanding what customers expect from a touchpoint helps a company design the experience that matches their needs and even exceeds their expectations. Some dimensions might be more effective in creating a superior experience than others; it greatly depends on the product or brand, the touchpoint, the customer and the phase of the customer journey. While the experience has to fit the brand's image from a customer's perspective, it also needs to fit the type of touchpoint and its respective channel. For instance, creating an emotional experience by providing fun and entertainment might be more effective for a company's social media touchpoints than for a corporate website, which is more often used to retrieve information. Hence, customer insights are essential to truly understanding the customer journey. Customers evaluating different products in the pre-purchase phase might value a superior intellectual experience more than those already using a product for whom the functional experience is of greater interest.

It is crucial, however, for the experience to be consistent across all touchpoints. Consider Ritz-Carlton hotels, who constantly wow customers with a personalized experience throughout their stay in the hotel. Upon entering the lobby, guests are welcomed by name. Rooms are personalized according to past requests, and guests are greeted there by a handwritten welcome letter. Employees are trained daily on service dedication and empowered to act independently in the customer's interests: a budget of $2,000 can be spent without management approval to compensate incidents or surprise guests[10]. It is consistency and coherency that increase a brand's clear, positive image in the minds of customers.

▶ **The right combination of experience dimensions that match customer needs and exceed expectations, create wow moments that really matter to customers and differentiate a company from its competitors.**
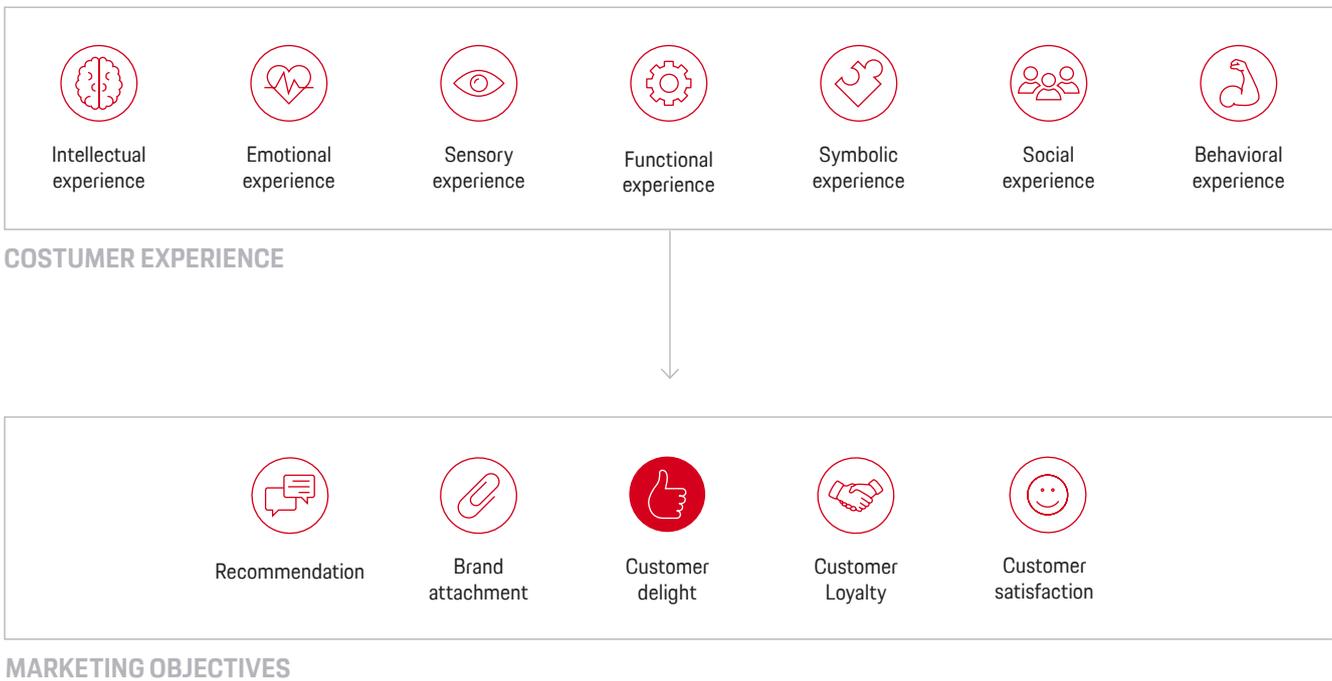
Superior customer experiences pay off

Creating superior customer experiences is not an end in itself. But it does have a strong effect on a company's marketing and sales objectives, thus contributing to overall goals in terms of revenue *(figure 5)*. Our projects show that customer experience leaders achieve revenue gains of 7 to 10 percent within two to three years.

In addition to increases in final revenue, our comprehensive studies have shown that each experience dimension is capable of influencing the perceived customer experience—both positively and negatively. On the one hand, customer experiences directly influence customer satisfaction and loyalty. The more positively customers perceive an experience with a company, the more satisfied they are. Because superior experiences provide customers with positive feelings and pleasure, they seek to repeat them, a decisive factor in creating customer loyalty. On the other hand, superior experiences appear to elicit emotions that connect customers with brands in an invisible bond, resulting in brand attachment. Moreover, customers like to share their experiences with others for social and emotional reasons, so customer experiences can generate positive word of mouth as a primary form of engagement. And because recommendations from the f-factor (friends, families, fans, and followers) are generally perceived as more credible than, for example, advertisements, customer experiences result in spillover effects that influence sales positively.

Who doesn't love an amazing experience? If it exceeds customer expectations and creates a wow moment, client examples show that companies can profit from customers' willingness to pay up to 25 percent more for such a delightful experience. Delight is created by combining different types of experiences across touchpoints, which add up to a holistic and exceptional customer experience. The basis for further loyalty!

| Intellectual experience | Emotional experience | Sensory experience | Functional experience | Symbolic experience | Social experience | Behavioral experience |

COSTUMER EXPERIENCE

| Recommendation | Brand attachment | Customer delight | Customer Loyalty | Customer satisfaction |

MARKETING OBJECTIVES

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Figure 5. Customer experiences and their direct effects on marketing objectives

Making the success of experience initiatives visible

Managing customer experiences successfully in the long term is only possible if the effectivity of experience initiatives is measured continuously. This is a critical prerequisite for a continuous optimization of customer experience over time. So far, so good. But how does one measure it? Is there a single approach or one KPI to track? Unfortunately, the answer is no. Our experience has shown the need for a holistic approach to measuring experience. No standalone KPI is capable of capturing the multidimensionality of an experience. To further complicate matters, a measurement approach that is perfectly suited to one company might be not effective and efficient for another; it depends on its maturity with regard to customer centricity.

But one thing at a time: there are plenty of metrics to measure customer experiences. However, they are only single KPIs that measure an indication of a customer experience. PoS Data, CRM-data, data from customer interaction centers, or data from digital interactions such as traffic, bounce rates, and conversion rates offer a brief glimpse into a customer's experience. Common metrics for measuring customer experiences are customer satisfaction (CSAT), the Customer Effort Score (CES), or the Net Promoter Score (NPS). But the problem with these metrics is that, when considered in isolation, they only provide a snapshot of an experience. Knowing how satisfied customers are with a product, how easy it was to use a service, or if they would recommend a company or brand to their family and friends are one-dimensional indicators that are not applicable for measuring the customer experience at each and every touchpoint. As important as all these scores are, they are by no means a substitute for a holistic approach to measurement that captures the customer experience in a differentiated manner. They are individual indicators that must be linked to other variables in a meaningful way.

▶ **A holistic approach to measuring customer experience is always better than a single indicator.**

To develop the optimal approach to measurement, one must therefore be clear about the objective of measuring customer experience. Companies often measure several indicators at various touchpoints but struggle to optimize the experience on this basis. Why? They often lack a clear approach to operationalize their customer-centric strategy through defined customer experience metrics. Porsche Consulting suggests that companies define top-line customer experience metrics that are subsequently drilled down to the level of the customer's journey. For example, if top management defines customer delight as the company's main objective, all customer experience metrics along customer journeys and touchpoints should then pay into the account of this top-line metric. This implies that the drivers for the experience need to be identified along the customer journey and at the individual touchpoints. Even at touchpoint level, different determinants such as a payment function's ease of use while ordering online or a customer care employee's friendliness on the hotline can influence the overall experience and affect the top-line objective of customer delight. It becomes evident that establishing a metric like customer delight or satisfaction is only the first step. The second step must develop a detailed understanding of the metric's drivers. The metric for measuring the experience driver at a particular touchpoint must reflect the different customer needs at each stage of the journey and the various expectations for a touchpoint. There is no one metric for measuring customer experience that is applicable at every touchpoint!

One manufacturer aimed to create customer delight through physical experiences with the brand and established several brand pop-up stores to achieve this. The pop-up stores' experience drivers were analyzed to measure the success of this new kind of touchpoint as well as its contribution to the overall customer experience. The results showed that sensory and emotional experiences exerted the most influence on customer perception of the brand's pop-up stores[6]. These findings and additional qualitative insights from focus groups among store visitors made it possible to subsequently optimize the store's design and hedonic value in terms of entertaining elements. The result was a touchpoint that clearly contributed to a positive customer

experience and the creation of delight. But most important-
ly, the store's success was continually measured in the pop-
up store via customer surveys, with the outcome used for
improvement initiatives.

Connect the dots
A further factor for success exploits the results of measur-
ing customer experiences to inform key decisions. Data gen-
erated at individual touchpoints must be used to adapt the
design and execution of the customer experience process. A
holistic approach to measurement on touchpoint and journey
levels is a critical prerequisite for connecting customer expe-
riences to action.

An integrated customer experience cockpit has proven to be
most helpful in tracking the quality of the key touchpoints
along the journey and capturing measurement criteria, such
as sensorial attractiveness, emotionality, and processual
performance. In addition to tracking touchpoint quality, it is
advisable to benchmark the results of customer experience
measurement against the most important competitors and
best-in-class companies. This can help uncover an organiza-
tion's own weaknesses regarding touchpoint quality and pro-
vide ideas for improvement.

For a digital service provider, this meant taking the follow-
ing steps: identify the most important customer experience
measures along the journey, set up an integrated customer
experience cockpit that measures indicators and condenses
them to one reportable Customer Experience Score, as well
as define the process for collecting and analyzing the data and
enable him to react to the feedback. Establishing a systematic
way to measure customer experiences holistically and in an
integrated manner is a supreme discipline—but indispens-
able for operationalizing a customer-centric strategy without
wasting time and money on measures that lack impact.

Conclusion: Are you ready to wow?

Companies and brands can only be successful if they do not leave wow moments to chance.
To wow customers with superior experiences, Porsche Consulting recommends a **six-step approach**:

1. Create a mindset for customer centricity
A transformation program needs to ensure the buy-in of the top management and the commitment of all employees to customer experiences. To successfully manage customer experience, a company must acknowledge the importance of experiential responses and put the customer first across all processes, even in the knowledge that the effects on revenue might not be directly measurable.

2. Assessing customer touchpoints systematically
All touchpoints, whether physical or digital, must be collected and systematically assessed. Despite the considerable effort it may entail, examining touchpoints from an internal and external perspective is worthwhile. Internal analysis should examine the underlying processes, structures, responsibilities, and costs associated with a touchpoint. External analysis seeks to understand the preferences of various customer segments for certain touchpoints as well as their needs, expectations, and actual experiences.

3. Understanding customer journeys
The next step is to bring the individual touchpoints into a contextual and chronological sequence in order to depict actual customer behavior as realistically as possible. Customer journey maps for defined personas unveil the key touchpoints and interfaces at which gain and pain points are created and at which the targeted use of customer experiences is most beneficial.

4. Designing the experiences and creating wow moments
Having identified the touchpoints that really matter during the journeys, customer-experience design principles and objectives per touchpoint are defined. This forms the basis for the design of holistic and multidimensional customer experiences using the seven types of experiences: sensory, emotional, intellectual, behavioral, social, symbolic, and functional. Customer insights provide a starting point for comprehensive initiatives to improve the quality of key touchpoints and their underlying processes.

5. Measuring and tracking customer experience successes
The next step defines one model for operationalizing the customer-centric strategy. Therefore, identify a top-level KPI that allows the success of customer experience initiatives to be tracked. This KPI should then be drilled down to the journey and touchpoint levels by identifying its drivers. The metrics of this integrated measurement strategy must support understanding what customers value and how to address their needs. Setting up an appropriate governance model must then follow determining who is responsible for the customer experience at the various touchpoints and for controlling the achieved results. Customer experience targets should also be part of an incentive scheme.

6. Optimizing the customer ecosystem
Finally, as companies increasingly operate—or at least are part of—a broader customer ecosystem, successful customer experience management must look beyond touchpoints on the customer journey and optimize structures, processes, and resources of the different value constellation propositions across the ecosystem. This approach helps to consistently delight and wow customers, build true relationships with them, and provide the company with a real competitive advantage.

IN BRIEF

01 A customer-centric mindset and strategy is a prerequisite to create superior experiences

02 Customer experiences are multidimensional: they encompass a sensory, emotional, intellectual, behavioral, social, symbolic, and functional dimension

03 By using customer insights to create the right mix of experience dimensions at critical touchpoints along the journey, highly valuable wow moments can be created

04 Superior experiences pay-off in increased customer satisfaction, loyalty, delight, brand attachment and recommendation

05 Holistically measuring experiences with an integrated customer experience cockpit is necessary to inform key decisions

Further reading

Thinking from the customers point of view

Brand Evolution or Revolution

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Appendix

(1) Details can be found in the white paper "Thinking from the Customer's Point of View: Eight steps to a successful customer-centric business model"

(2) https://www.ing.com/Newsroom/News/Features/Features-old/ING-Direct-Cafe-Lyon-opens-its-doors.htm

(3) https://www.autostadt.de/en/explore

(4) https://www.adidas-group.com/en/group/strategy-overview/

(5) https://newsroom.porsche.com/de/unternehmen/porsche-experience-center-hockenheimring-grundsteinlegung-160000-quadratmeter-2019-16287.html

(6) Köhler, Isabelle: Brand Experiences in Physical and Digital Contexts - Investigating Consumer Perceptions and its Effects on Brand Outcomes from a Brand Ambidexterity Perspective. Diss., Universität für Wirtschaft und Recht, Oestrich-Winkel, 2017

(7) https://newsroom.porsche.com/de/unternehmen/porsche-oeffnet-pop-up-store-in-new-york-10336.html

(8) Weltmann, Christopher (2019): Schwarmintelligenz hilft - Die innogy Community als zentraler Baustein einer Interactive Customer Experience. Vortrag am Brand Talk Summit, Mai 2019, Düsseldorf.

(9) Details can be found in the white paper „Brand Evolution or Revolution?" Five steps to remain a relevant brand in the hurricane of disruption and transformation.

(10) https://ritzcarltonleadershipcenter.com/2019/03/19/the-power-of-empowerment/