

# Experience is Perception



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## Beyond Philosophy Services:

Beyond Philosophy is recognized as the worlds thought leaders in Customer Experience. We have written three international bestselling books on the subject. Formed in 2002, Beyond Philosophy works internationally with organizations such as IBM, FedEx and American Express to name a few, from our offices are in London, England and Atlanta, Georgia, USA.

We help improve our clients Customer Experience by harnessing our knowledge and experience of practical implementation around the globe. We have proven expertise in de-risking implementations, increase speed of project delivery and saving costs through our engagements. Our tools and techniques are renowned for their practical application and have been tried and tested in many sectors.

Our services are:

**Strategic Guidance** – We work with all levels of management in an organization and guide them on the decisions that need to be taken to improve their Customer Experience. We start by asking three key strategic questions:

-  What is the Customer Experience you are trying to deliver?
-  What emotions are you trying to evoke?
-  Is your Customer Experience deliberate?

Our consultants work with the organizations to answer these key questions and put in place actions that will improve the organizations revenues, retain customers and save costs.

**Training** – We have well developed training programs for organizations from senior leadership to front line people. We also have developed specific training for Customer Experience professionals, whom we train and certify on our tools and techniques. We believe in “experiential” training, getting the delegate to feel what their Customer Experience is really like. We use real-life case studies to demonstrate our key points.

**Market Insight and research** – We specialize in conducting Customer insight on the subconscious and emotional aspects of the Customer Experience. We have developed models, with London Business School, that can predict revenue benefit an organization can enjoy through improving their experience. We put in place measurement tools that can measure the total Customer Experience.

**Conference speaking** – We have a team of people who deliver high quality conference speeches around the globe on how to improve your Customer Experience.



## Experience is Perception

About 25 years ago Lucozade changed their brand image from 'Lucozade aids recovery' to 'Lucozade replaces lost energy', shifting their target market from the sick to the sporty. The effect was dramatic, UK sales between 1984 and 1989 tripled to £75 million. Same drink, different experience!

In 1954, a controversial American football match took place between Princeton and Dartmouth colleges in which both sides consistently committed fouls. Following the game each set of supporters was shown a film of the match. What was noticeable was that each side blamed the other for the most fouls even though newspaper reports clearly 'pointed the finger' at Dartmouth college. If you were a Dartmouth fan you were only ever going to see it as the other side's fault.

These examples demonstrate a simple truth that it is not the reality of an experience that matters but how it is perceived. In other words, faced with a lack of information consumers will always perceive what is true from a few pertinent details and their own private interpretation. Hence, in business, consumers will not pay attention to every aspect of what you do but instead gain an impression from the cues you use (Lucozade replaces lost energy) and their own inherent prejudices (are you for Dartmouth or Princeton?)

One of the clearest examples of perception in action is demonstrated in the relationship consumers hold with the media. Faced with the limited touch-points consumers have of a typical organization their views are often based on advertisements and PR. For instance, you don't have to have a dog or have ever played the piano to expect Pedigree Chum to be the best dog-food and Steinway the premier piano brand.

Often this can also be unfair. Think of the time and effort Skoda have put into removing consumers perceptions of their product as poor value for money; successfully in this case, achieving a UK market share of 1% in 2005 and a ranking near the top of the J.D. Power customer satisfaction survey listings.

But this doesn't just hold true of impressions derived from the media. Even when 'we buy' it isn't only about product functionality and price, there are key cues we use that deliver a perception of whether this company is the 'one to do business with'.

In one interesting case study, Wal-Mart shoppers rated Wal-Mart higher and spent more money there than K-Mart shoppers in K-Mart. Researchers found that even though both shops were very similar, perceptually they were very different and often due to seemingly minor differences. For instance, the fact that Wal-Mart bagged shopper purchases in brown paper bags whereas K-Mart used plastic.



In effect, Wal-Mart is doing what brand advertisers have long done; manipulate perception in order to make a similar experience 'feel like something different'. Clearly this is not the same as providing an improved customer service; after all if it was just about service would Wal-Mart really have understood that brown paper bags were better than plastic?

Even in Business-to-Business environments 'perception' is key. For instance, in the BBC program the Dragon's Den, frequently complex products are put forward to an audience of venture capitalists to receive funding. What is seen time and time again is that whilst hard numbers are important, a perception of trust. 'Can I work with this guy' is never far below the surface. After all, 'I don't know you', 'I don't know your product' so what else can I go on.

Once business was a relatively simple exercise, there was a single choice of shop selling a limited range of goods. Today, however, the average consumer is faced with a bewildering array of products and services for sale and bombarded by messages left, right and centre. Faced with such a situation there is simply no way that anyone can weigh up the 'true' benefits of an offering? Instead, key aspects of the experience are used as a proxy for whether to buy from one supplier or not; more often than not such cues as 'did this feel right'; 'how did the rep/ call centre agent speak to me'; 'what was their tone of voice like'. In other words, perceptual information is the reality of your business in the consumer's mind. Essentially, they want to manage the risk of doing business with you in an environment of limited information.

In the work Beyond Philosophy have undertaken through Emotional Signature® we also find that the perception of experience is all embracing. For instance, we are constantly surprised by the extent to which consumers rate strongly elements of an experience that are not even present! Such as the inherent fear of reaching an overseas call centre even when none is present or how the single traveler rates a firm on the basis of their facilities for families.

Likewise for one US based hospital, small changes to their routine such as wearing badges and describing the newness of the equipment all made a substantial difference to how they were perceived above and beyond the actual medical examination. After all, 'I'm not a doctor' but 'I understand when I see a dirty corridor or old equipment'.

Of course, the world-experts at managing our perceptions are Disney. Look at any theme park the world over and the same concepts are applied, clean streets, themed attractions, and a cleverly managed entrance to the park that delivers 'the wow'. But even in less 'experiential' industries the management of perception remains a key differentiator.

For instance, in finance the way savings statements come with an interest rate tracker giving the perception that 'this is the best in the market' even if most consumers never actually read them. Or how one of the largest UK Mobile Phone retailers, Car phone Warehouse, uses a Mobile Phone Tracker to manage the complexity of mobile phone selection down to a few models.



Likewise, from a 'managing prejudice' viewpoint, many firms are linking themselves to the green/ ethical agenda not just because of legislation but also because this develops that sense that 'these are the good guys'. This incidentally also helps when things go wrong as there is less likelihood that errors will be seen 'in a bad light'; think of the Princeton vs. Dartmouth College effect.

Clearly understanding the prevailing perceptions consumers hold or would like to hold of you is an important starting point in experience design. However, this is not so easy, for perception is about the hidden side of a consumer's experience. If you were to ask what was good about Wal-Mart consumers may well say 'they bag my shopping' but the reason for that 'sense of Wal-Mart' being a better place to shop is more elusive. Would your average consumer really be able to say 'because it was in a brown bag'? It sounds much more sensible to rationalize that it was something to do with price or product.

Yet understanding perception is critical in today's world where the hard physical features are far more replicable than the softer perceptual elements. Likewise, there is a risk from not understanding perception. Faced with the Credit Crunch and Lean procedures many organizations are at risk of undermining consumers hard won perceptions of them as 'good to do business with' through cut-backs in servicing. Hence, from the company's point of view it may be true that outsourcing overseas saves money but what about the consumer's point of view. Value drivers being as much perceptual as actual are a fragile thing, after all there is probably not as much difference between you and your competition as you would like to think.

For management therefore, the focus should be less about asking the question, what is our positioning on price and product and more about what is our positioning on experience. Can we for instance answer the following questions:-

- ▮ Are we perceptually different from the competition?
- ▮ Do we make something similar feel like something different?
- ▮ Do we understand the questions customers ask themselves when they walk our experience?

And this doesn't have to mean costly programs of change just the achievement of a better understanding of how consumers perceive you and what might be done to influence that perception. For perception is very much like 'magic'. A small sleight of hand can lead to huge changes in perception; think about that Lucozade effect.

Unfortunately too often firms believe that what they do for the good of the customer is the same as what is perceived by the customer. An 'outside-in' approach doomed to failure.



## About the Author

**Steven Walden** is Principal Consultant and Head of Research for Beyond Philosophy, a consultancy, training and Customer research organization. They are recognized as thought leaders in the Customer Experience and are located in London, England and Atlanta, Georgia USA. Steven has written extensively on Customer Experience Management and in his role regularly advises leading blue-chip organisations on how they can best improve their experience.