



OUTCOMES OR EXPERIENCES? WHAT DO CUSTOMERS WANT?

In the last issue of Stakeholder Satisfaction I presented the results of new research from the YourSayPays panel that shed new light on UK consumers' views about emotional engagement with the organisations they deal with. If you missed this article go to: www.stakeholdermagazine.com

The main conclusion was that customers are much more likely to become emotionally engaged when they have bad rather than good experiences with companies. Negative emotions such as irritation, frustration, stress and anger were much more prevalent than positive ones such as happiness, pride, pleasure or excitement. In other words, if you give customers a bad experience their frustration or anger

heightens their mental / emotional involvement but when they have a good experience they take it for granted, don't think about it much and their mind moves swiftly on to other things. This doesn't mean that it's pointless giving customers a flawless experience. Far from it! When asked what makes them loyal to companies, it's the cumulative effect of having lots of good experiences and no hassle that does the trick.

So does this mean that it's completely pointless for any company to even try to stimulate positive emotions in its customers. Not necessarily. But only if you can co-create!!

Co-creation

When explaining the differences between products and services, marketing textbooks highlight a few key factors such as services being intangible and heterogeneous – they're all different, compared

with mass-produced products that are all identical. However, for customer management, the most relevant characteristic of services is their inseparability. This refers to the fact that the production and consumption of most services are inseparable. If you have your hair cut, you have to be sitting there at the same time as the hairdresser is creating the product, which is why some people call this phenomenon co-creation. The hairdressing example is even better for building engagement since the customer and supplier design the product together as well as deliver it. Co-creation is a double-edged sword for service businesses. You can't quality control the product after manufacture and make sure the faulty ones never go near a customer. Services have to get it right first time in clean and pleasant surroundings, with a smile and a good bedside manner. Co-creation fits some businesses like a glove, as you will know if you've ever taken a child to Build-A-Bear Workshop.

CO-CREATION: THE KEY TO REAL EMOTIONAL ENGAGEMENT





Build-A-Bear

Build-A-Bear Workshop is often used in books and conference talks to illustrate the benefits of giving customers an emotional experience to drive engagement, recommendation and long-term loyalty. Their mission statement says it all doesn't it?

Our Mission

At Build-A-Bear Workshop®, our mission is to bring the Teddy Bear to life. The Teddy Bear brings to mind warm thoughts about our childhood, about friendship, about trust and comfort, and also about love. Build-A-Bear Workshop embodies those thoughts in how we run our business everyday.

With over 50 locations around the UK now, you can try it for yourself but if you don't have a child or can't borrow one, here's the step by step guide to the customer experience, in the words of Build-A-Bear Workshop's own website, www.buildabear.co.uk. Oddly, costs seem to be in \$ even though it's the UK website.

CHOOSE ME

At Choose Me, Guests are introduced to all the furry characters in the store and select one, which soon becomes their new friend. There are more than 30



varieties of stuffed animals including teddy bears, bunnies, dogs, kitties and more to make. Build-A-Bear Workshop stuffed animals are very affordable, ranging in price from \$10- \$25.

HEAR ME

At Hear Me, Guests may select from several sound choices to place inside their stuffed animal to further personalize their new friend. The sound chip is inserted safely inside the new friend during the stuffing process. Guests can record their own 10-second Build-A-Sound® message for \$8. Pre-recorded sounds include giggles, growls, barks, meows and other animal sounds, as well as messages such as "I Love You" or songs like "Take Me Out To The Ballgame™". Single sounds are \$3, and a six-in-one sound is \$5.

STUFF ME

At Stuff Me, with the help of master Bear Builder® associates, Guests fill the new friend with stuffing for just the right amount of huggability. A very special step that is unique to Build-A-Bear Workshop® also happens at this station. Each Guest selects a small satin heart – a Build-A-Bear Workshop trademark, adds to it his or her own love and wishes, and carefully places it inside their new furry friend. This process brings the furry friendship to life.

STITCH ME

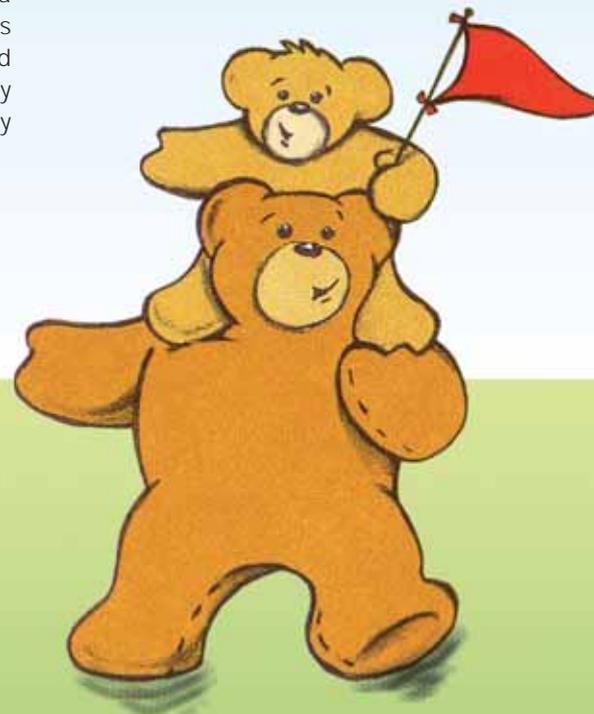
At Stitch Me, the last seam is neatly pulled shut, nearly completing each new best friend. Before stitching the furry friend, the master Bear Builder associate inserts a barcode, allowing it to hopefully be reunited with its owner if ever lost and returned to Build-A-Bear Workshop. Thousands of furry friends have been reunited through our exclusive Find-A-Bear® ID program.



Sarah Stainthorpe

Research Manager: The Leadership Factor

email: sarahstainthorpe@leadershipfactor.com





FLUFF ME

At Fluff Me, the Guest brushes the animal to make sure his or her new friend is well groomed and pawfectly huggable!

DRESS ME

At Dress Me, Guests may dress their new friend in the beary latest furry fashions. The bear apparel boutique features clothes and accessories for all occasions. Outfits range from \$5-\$15 and accessories range from \$1-\$15. Build-A-Bear Workshop® even has its own fashion expert mascot, Pawlette Coufur®, Fashion Advisor to the Furry Famous.

NAME ME

Guests then stop at the Name Me computer, where they answer several questions about their new furry friend, including the birth date and of course, its name. This information is used to create their personalized birth certificate and enter their friend into the Find-A-Bear ID program.

TAKE ME HOME

Finally, Guests conclude their in-store bear-making experience at the Take Me Home station, where they receive their customized birth certificate and a special Stuff Fur Stuff® club membership, a rewards program for our Guests. Each new furry friend is then placed in their very own Cub Condo® carrying case, which is designed as a handy travel carrier and new home.



Win-win

The added value customer experience at Build-A-Bear Workshop is a real win-win situation, it adds value to company profits too. The add-ons are virtually endless. Licensed merchandise includes Premier League football strips and Harley Davidson gear for boy bears plus the latest fashion brands for their lady friends. And like fashions and football kits they're changing all the time, affording a great opportunity for Bear Buck\$ gift tokens each birthday. And while you're at it you might as well use the company's Build-A-Party programme and hold your party there. And if it's too far away for regular trips, no problem! You can continue your customer experience online at buildabearville.com where you can create your own online character, play games, earn points, chat with other bears etc.

Transferability?

Build-A-Bear Workshop is clearly the ultimate example of a company whose entire business model is based on emotional engagement. The big question is whether such a business model can be replicated. At Disneyworld undoubtedly yes. Children + Families + Leisure + Special Occasion = Retail as Entertainment, and you simply will not find more fertile soil for customers who are looking for an experience not just an outcome. But what if you're a call centre that customers call to change a direct debit? What feedback from hundreds of thousands of customers tells The Leadership Factor is that for this type of customer experience, the outcome and its efficient delivery are paramount in making customers feel so good about the experience that they are happy to keep on repeating it (stay loyal) and be willing to

recommend (although due to their intrinsic lack of interest in this type of experience they rarely do so proactively). Conversely, customers who defect and tell others (which they will do proactively), are almost invariably driven by an unacceptable or inefficiently managed outcome. They don't defect because the call centre failed to deliver an emotional experience.

Start with what customers want

The fundamental flaw in the emotional engagement concept as it is currently interpreted is that it's inside-out. It starts with organisations thinking they should deliver an emotional experience (or being deluded into it by a consultant). But it breaks the fundamental rule of customer management – everything starts with the customer. And this is one of the weaknesses of the Net Promoter concept and the 'willingness to recommend' question generally. Yes, if you're a good company delivering consistently flawless customer experiences they'll be willing to recommend you but they often won't proactively do so, because their relationship with you isn't emotional and if you're a bank, a utility, a local authority or a train company you're living in cloud cuckoo land if you've been tricked into thinking it ever will be. (Willingness to recommend has no business value if they don't actually do it.) The way customers relate to organisations is based on what the customer wants, not on what the supplier wants. For most aspects of their time-pressured lives, customers simply want to deal with organisations that do what they're supposed to, first time and efficiently. They just don't want any kind of emotional engagement. It's no different to life itself. You don't expect or want an emotional involvement when you're doing the washing up, vacu-

uming the carpets or driving the kids to school. You just want those events to pass without breaking a glass, having to unclog the vacuum cleaner or call a summit conference to prevent World War III breaking out on the back seat. By contrast you expect and seek out emotional involvement in other aspects of your life – taking the partner of your dreams out to a restaurant, giving your kids a special treat or fulfilling a lifelong ambition to visit the Grand Canyon. If you're Build-A-Bear Workshop, the basics of delivering good product and service are the Givens, and the Differentiators come from the emotional engagement. And it works because it's what customers want in that component of their lives. If you supply electricity it won't work because customers don't want it.

The Customer Experience Spectrum

In other words there's a spectrum of emotional engagement and most companies are not at either end but somewhere in the middle. But where? The challenge for most companies is to be truly objective about where on the spectrum you are. We'd all like to be a cuddly Build-A-Bear type of business that sends customers away with a truly memorable experience, but you have to live in the real world. The real world of your customers. In the next edition of Stakeholder Satisfaction we'll investigate the Customer Experience Spectrum. **S**

For more about emotional engagement and experiences versus outcomes, check out the half day Customer Emotions briefing at www.leadershipfactor.com or call Ruth on 0845 293 9480 for more details.

