Customer, Experienced.

The best customer experiences of 2018, according to customers.
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Customers have the ultimate power: the power of choice...

When your customers do business with you, when they buy your product or use your service, they are choosing you. Choice is a powerful force. But it isn’t entirely rational. It’s as much about the emotions that customers bring to the equation as what you offer them. Choice is made in the context of experience – past, present and projected.

So, it stands to reason that we are more likely to choose companies that offer the best experiences – that exceed our emotional needs as well as our functional ones. Companies that connect with who we aspire to be, not who their data says we are.
Put simply, customers – the humans who buy stuff – think and feel in different ways to the companies who make stuff. Companies want to know how to sell more, build more, engage more, list more or position more. The process of running a company is functional – on an industrial scale.

Customers on the other hand, want to know how they’ll look, how they’ll feel, what they’ll get and what others will think of them.

Think about it a different way. When your best friend tells you, “You look fab in those jeans” it’s as true as true gets. And the real truth is, how customers feel matters significantly more than how a product was shipped, how clean the store was or how long the lines were. For customers life is emotional. Life is their perspective.

In traditional research and testing, the functional elements of an experience are easy for customers to recall. They’re also easy for companies to measure, so they’re easier to fix and manage.

But the truth is, these functional elements are the things that every business can measure and manage. In isolation, measuring and managing functional operations doesn’t offer any competitive advantage. They don’t make any one business stand out.

What’s tough for companies is that emotion and perspective are individualistic – they’re impossible to measure, manage, and scale.

Until now...

In Customer, Experienced, we reveal the companies with the best customer experiences of 2018, from the perspective of customers.

We codify the emotional and functional factors of customer experience and show how companies can grow by delivering on these emotional cues.

We also share our unique Customer Experience Code (CXC) for building the best customer experiences and showing the ingredients for how any company can diagnose, measure, track, compare and program the best experiences.

Finally, we shed some light on how customers experience companies – looking at how and why they choose one company over another, all from the customer’s perspective.

“We codify the emotional factors of customer experience and show how companies can grow by delivering on these cues.”
WHAT WE DID...

Over the last four years, more than 95,000 customers in the US and UK have shared their experiences, rating and ranking thousands of companies. We took what we heard and codified customer experiences, identifying the five emotional cues that form the very best of these experiences, built from the perspective of the people who matter most – customers.

We designed the Customer Experience Code (CXC) that companies can use to create the best experiences for their customers.

Our CXC helps individual companies unlock bespoke experiences that keep customers coming back and keep companies growing.

WHAT WE FOUND...

Customers’ emotional experiences with a company greatly influence their transactional behavior (e.g. how much and how often they spend).

Our five emotional cues of customer experience are statistically linked to revenue growth.

They accurately predict whether customers will recommend a company (R² = 92%).
Measuring what matters to customers unlocks NPS

On a scale of zero to ten, how likely are you to recommend our business to a friend or colleague?

Thousands of times a day, every day, companies ask questions like this – on the web, in stores, and on phones – to measure their customer experience. Most common of these measures is Net Promoter Score (NPS), which revolutionized the business world by measuring advocacy (rather than satisfaction) with that one simple question: “how likely are you to recommend?”

The truth is, by measuring just the functional and operational factors, they’re only seeing part of the picture.

Many companies have made significant investments in collecting and tracking advocacy, alongside operational and functional aspects of the customer experience – like cleanliness or wait time. Executives do what they can with this information to remove friction points, hoping to see their company’s score rise. When it doesn’t – or worse, when it drops – the reason is often a mystery. With so much data at our fingertips, this is frustrating! How do you know which data points really matter when all you know is that your NPS has simply gone up or down?

The trouble is, if you ask a customer to describe a low point in their experience, they will tell you that they waited in line too long. What they won’t offer up (or often even realize if unprompted) is how that wait made them feel – like their time was being wasted or they were being ripped off. These topics are uniquely challenging for customers to articulate. They aren’t lying when they tell you that the long line was a pain point, they just aren’t giving you the full story or the key to solving that moment of friction.

This is where companies start to question if they are measuring the right factors. Or if there are factors that perhaps they’re missing entirely. The truth is, by measuring just the functional and operational factors, they’re only seeing part of the picture. The other parts are customers’ powerful emotional cues. These are the keys to unlocking advocacy and driving NPS.

HOW DID WE GET HERE?
To think about how we got here, it’s worth thinking about the world in which most business outcome measures were designed.

Most measures were invented as company-centric measures of cost against functional factors of the experience that were fairly easy to measure. Wait times, transactions, turnover, satisfaction, etc. But now, as customers are empowered with more and better choices, emotions and engagement are increasingly important differentiators for companies…and yet harder to meaningfully measure.

Measures like NPS, for example, so innovative at the time and still incredibly important today, was conceived in this company-centric world. It looks at consumer advocacy...
from the company perspective: How likely are you to recommend our business? But it ignores customer emotion. And ignoring customer emotion means missing opportunities to build company advantage.

CRACKING THE CUSTOMER EXPERIENCE CODE
Our Customer Experience Code (CXC), designed with 95,000 customers over four years, compliments and enhances existing measures. It flips the company-centric narrative and reframes advocacy through a customer lens, asking: “Do we ‘get’ you? Do we make you feel smart and respected? Do we put you first?”

Measuring both the rational and emotional aspects of customers’ experiences side by side is a more reliable and powerful way to predict NPS as well as other important outcomes (boosting the R-squared, if you’re into that sort of thing).

Perhaps more importantly, measuring emotion not only produces a more predictive model but can also predict customers’ behaviors. We have used survey methodology to gather customers’ self-reported emotional reactions and advocacy behavior. Pairing that with a company’s first-party purchasing data, we find, for example, that negative emotion predicts active discouragement of a brand. This, in turn, predicts declining sales.

Text analysis of customers’ open-ended responses then reveals what specific aspects of the experience created those negative emotions. This type of research is highly actionable, providing the specifics (i.e. hard evidence) on how to decode customer emotions and improve the customer experience.

WHAT DOES THIS MEAN FOR COMPANIES THAT INVEST IN MEASURES LIKE NPS?
They will get more out of them.

Currently, no measure in isolation can reveal precisely what drives consumer advocacy. The emotional and the functional are complementary. And, like any good pairing, the whole is stronger than either part. Marrying the two – NPS + CXC – pairing brand thinking with customer thinking, provides the strongest strategic and actionable tool for building consumer advocacy and, ultimately, company growth.
### The best customer experiences 2018

These are the companies that deliver the best customer experiences of 2018, from the perspective of customers.

The businesses ranked here are as diverse as the people that chose them. What they all have in common, however, is that they have bridged silos, cleared lines of communication and created a culture where everyone is empowered to advocate for the customer.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Customer Experience Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Disney</td>
<td>7.38</td>
</tr>
<tr>
<td>2.</td>
<td>Hilton</td>
<td>7.51</td>
</tr>
<tr>
<td>3.</td>
<td>Amazon</td>
<td>7.43</td>
</tr>
<tr>
<td>4.</td>
<td>Netflix</td>
<td>7.28</td>
</tr>
<tr>
<td>5.</td>
<td>Costco</td>
<td>7.05</td>
</tr>
<tr>
<td>6.</td>
<td>Dove</td>
<td>6.51</td>
</tr>
<tr>
<td>7.</td>
<td>Nike</td>
<td>6.41</td>
</tr>
<tr>
<td>8.</td>
<td>IKEA</td>
<td>6.39</td>
</tr>
<tr>
<td>9.</td>
<td>Google</td>
<td>5.80</td>
</tr>
<tr>
<td>10.</td>
<td>Clinique</td>
<td>5.79</td>
</tr>
<tr>
<td>11.</td>
<td>Samsung</td>
<td>5.74</td>
</tr>
<tr>
<td>12.</td>
<td>Adidas</td>
<td>5.63</td>
</tr>
<tr>
<td>13.</td>
<td>Aldi</td>
<td>5.63</td>
</tr>
<tr>
<td>14.</td>
<td>Zappos</td>
<td>5.61</td>
</tr>
<tr>
<td>15.</td>
<td>Apple</td>
<td>5.56</td>
</tr>
<tr>
<td>16.</td>
<td>Kellogg’s</td>
<td>5.47</td>
</tr>
<tr>
<td>17.</td>
<td>L’Oréal</td>
<td>5.41</td>
</tr>
<tr>
<td>18.</td>
<td>Coca-Cola</td>
<td>4.67</td>
</tr>
<tr>
<td>19.</td>
<td>Sony</td>
<td>4.12</td>
</tr>
<tr>
<td>20.</td>
<td>Airbnb</td>
<td>3.93</td>
</tr>
<tr>
<td>21.</td>
<td>Avon</td>
<td>3.72</td>
</tr>
<tr>
<td>22.</td>
<td>McDonald’s</td>
<td>3.57</td>
</tr>
<tr>
<td>23.</td>
<td>Starbucks</td>
<td>3.68</td>
</tr>
<tr>
<td>24.</td>
<td>Subway</td>
<td>2.66</td>
</tr>
<tr>
<td>25.</td>
<td>Microsoft</td>
<td>2.60</td>
</tr>
</tbody>
</table>

Numbers listed are company ranking and company customer experience score.
## Industry rankings

Sectors and their company CXC scores

<table>
<thead>
<tr>
<th>Industry</th>
<th>Company</th>
<th>CXC Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amusement, Gambling and Recreation</td>
<td>Disney</td>
<td>7.77</td>
</tr>
<tr>
<td>Apparel, Shoe &amp; Accessory</td>
<td>Nike</td>
<td>6.37</td>
</tr>
<tr>
<td>Automotive Manufacturing &amp; Services</td>
<td>BMW</td>
<td>1.98</td>
</tr>
<tr>
<td>Beauty, Personal Care &amp; Home</td>
<td>Dove</td>
<td>6.31</td>
</tr>
<tr>
<td>Department Store or Internet Retailer</td>
<td>Amazon</td>
<td>7.74</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>Wells Fargo</td>
<td>3.53</td>
</tr>
<tr>
<td>Food and Beverage Manufacturing</td>
<td>Ben &amp; Jerry's</td>
<td>3.78</td>
</tr>
<tr>
<td>Grocery</td>
<td>Aldi</td>
<td>5.68</td>
</tr>
<tr>
<td>Logistics fedex</td>
<td>FedEx</td>
<td>-0.08</td>
</tr>
<tr>
<td>Media</td>
<td>Netflix</td>
<td>7.28</td>
</tr>
<tr>
<td>Pharma, Drug &amp; Health</td>
<td>GlaxoSmithKline</td>
<td>-6.68</td>
</tr>
<tr>
<td>Restaurant</td>
<td>Cheesecake</td>
<td>3.34</td>
</tr>
<tr>
<td>Specialty Retailer</td>
<td>IKEA</td>
<td>6.73</td>
</tr>
<tr>
<td>Technology</td>
<td>Amazon</td>
<td>7.30</td>
</tr>
<tr>
<td>Travel</td>
<td>Hilton</td>
<td>7.51</td>
</tr>
<tr>
<td>Warehouse Clubs or Discount</td>
<td>Costco Wholesale</td>
<td>7.08</td>
</tr>
</tbody>
</table>

Taken from total sample - All data from both US & UK. Numbers listed are company customer experience score.
Over the last four years, C-Space listened to more than 95,000 customers in the US and UK share their experiences of thousands of companies.

We took what we heard and we codified the best experiences, identifying the five emotional cues that form them.

This is a blueprint for how any company can create an experience that customers love so much they’ll tell others about it. The type of experience that helps a company grow.

Of course, the ways to meet customers’ emotional needs is different for every business. Think about your customers – what are their values, and how do they map against yours? Think about your competitors – where do the opportunities to surpass them exist?

In the pages that follow, we’ll share a little inspiration – the stories of companies that are connecting on a more emotional level told through the voices of customers who have experienced them.

<table>
<thead>
<tr>
<th>KNOW WHO YOU’RE FOR</th>
<th>RELEVANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>You shouldn’t be for everyone...but if you’re for me, show me through the way you do business. Speak to my lifestyle, my values, what’s important to me. If I’m going to choose you, you need to be relevant to me. So stand out. Stand for something. Give me something no one else can. In your product, your purpose, or both, give me a reason to make you irreplaceable.</td>
</tr>
<tr>
<td></td>
<td>- Speak my language</td>
</tr>
<tr>
<td></td>
<td>- Share my values</td>
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<tr>
<td></td>
<td>- Meet my needs like no other can</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>MAKE IT WORTH IT</th>
<th>EASE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>My time. My money. My decision. As a customer, I have a lot of choices about what to buy, where to hang out and who to work with. I pick brands that give me the easiest experience – those whose benefits outweigh the costs. And I don’t necessarily mean price. Is it worth the wait in line? Are the associates attentive? Is the company easy to do business with?</td>
</tr>
<tr>
<td></td>
<td>- Notice and appreciate my loyalty</td>
</tr>
<tr>
<td></td>
<td>- Be committed to the highest quality</td>
</tr>
<tr>
<td></td>
<td>- Be easy to do business with</td>
</tr>
<tr>
<td></td>
<td>- Make customer experience everyone’s job</td>
</tr>
<tr>
<td></td>
<td>- Make good use of my time</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BE OPEN</th>
<th>OPENNESS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>It’s hard to know who to trust. Seemingly every day brings a new tale of corporate dishonesty, deception and greed. I’m desperately seeking authenticity in business, but that does not mean perfection. I want you to stand by your word, but also be open with your flaws. Be real. Be transparent. Be honest. Invite me into a dialogue, and then actually listen to what I say. Be willing to learn from your mistakes and your customers alike.</td>
</tr>
<tr>
<td></td>
<td>- Be authentic: mean what you say</td>
</tr>
<tr>
<td></td>
<td>- Be a company I can trust</td>
</tr>
<tr>
<td></td>
<td>- Be genuinely interested in an ongoing dialogue</td>
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</table>

<table>
<thead>
<tr>
<th>SEE IT MY WAY</th>
<th>EMPATHY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I may not spend a lot of time thinking about you, but I choose brands that seem to have thought a lot about me. I want you to have an innate understanding of who I am and what’s important to me. And I want that understanding to guide how you treat me. I know you’re trying to run a business, but my needs should be as important as your bottom line. So recognize my point of view. Look at things from my perspective. Show me some empathy. Let me know you care.</td>
</tr>
<tr>
<td></td>
<td>- Understand my needs and preferences</td>
</tr>
<tr>
<td></td>
<td>- Be on my side</td>
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<tr>
<td></td>
<td>- Put my needs before yours</td>
</tr>
<tr>
<td></td>
<td>- Have better customer intuition than the competition</td>
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<table>
<thead>
<tr>
<th>MAKE ME FEEL GOOD</th>
<th>EMOTIONAL REWARDS</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Even if I think of myself as a rational creature, emotions drive my decision making. A company that makes me feel good will be the one I return to again and again, the one I tell other people about. My version of feeling good is going to be different from someone else’s. If you can recognize and deliver the emotional benefits that matter to me, I’m yours.</td>
</tr>
<tr>
<td></td>
<td>- Make me feel smart</td>
</tr>
<tr>
<td></td>
<td>- Make me feel proud</td>
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<tr>
<td></td>
<td>- Make me feel respected</td>
</tr>
<tr>
<td></td>
<td>- Don’t make me feel ripped off</td>
</tr>
<tr>
<td></td>
<td>- Make me feel like I belong</td>
</tr>
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</table>

While this research was carried out in a B2C context, this framework applies equally well within B2B settings.
We all have that one friend: the one who we turn to for advice. We’ve got the friend who makes us laugh. The friend we love to party with. The friend that’s always up for a game of poker. We turn to different friends for different reasons – when we want different things. And when we go to them, we go with expectations (built over time) about the occasion and the experience.

Each of those relationships is meaningful to us – in different ways and at different times.

Our relationships with companies and the products that we choose isn’t all that different. Now, more than ever, it’s important for companies to know who they’re for – to know which kind of friend they need to be.
They convey the idea that it’s these two crazy guys messing about with ice cream flavors. They’re in touch with the regular guys...

Speak my language

A lot of brands try to appeal to everyone. And in doing so, they end up sounding bland and feeling a little bit ubiquitous. A little bit boring. Know who you’re for. And don’t be afraid to communicate at eye level.

Ben & Jerry’s has a distinct personality. It’s human and approachable. They understand that as culture changes, so must their brand. And even more important, they speak to customers in an authentic way that reinforces their ethics and quirkiness.

Whether you’re 17 or 57, customers appreciate the humble roots of the company and its founders – two hippies from Burlington, Vermont, who love the earth, ice cream and the Grateful Dead. And that’s the brand’s appeal. It shines through in everything – from cow-themed packaging to Free Cone Day, to punny ice cream flavors like “Americone Dream.” It’s described by customers as “just simple, honest and fun”.

Put simply, Ben & Jerry’s is seen by customers as authentically cool. And these customers don’t mind paying a little bit more to feel like they’re a part of it. It’s a quality product that speaks to who they are, what they want and what they value.

...It’s not all about boardrooms and shareholders. They come across as a very human business; they’re very genuine. They don’t take themselves too seriously; they aren’t traditional. They’re definitely fun.
Share my values

We build relationships with people in our lives based on mutual interests, connections and values. The same is true of the relationships we choose to build with companies. When a company stands for something, it’s easier for customers to know whether a company stands for them.

Nike inspires customers to be their best. In doing so, they’ve pushed way beyond the sporting goods category into an aspirational lifestyle brand with mass appeal.

Whether they’re encouraging customers to find their greatness, make it count or just do it, customers see Nike as synonymous with achievement – with pushing yourself to the limits of personal greatness, in whatever form that takes. It’s a message that feels credible because it’s communicated through popular pro athletes, like LeBron James, Serena Williams, Cristiano Ronaldo and, of course, Michael Jordan.

This has enabled the brand to drive affiliation and a deeper meaning on a very individual basis, across its wide and diverse customer base. Nike is aspirational, but it’s accessible on every level. Regardless of whether you’re a professional basketball player or a soccer mom, their products and messaging speak to our dreams and desires.

“
I love their slogan: JUST DO IT. It’s simple, yet inspiring. They motivate me to be better and I know that everything I buy from them will make me a better athlete. They never go out of style.”
Meet my needs like no other can

In becoming the obvious or first choice for customers, you remove almost all the competition. The companies that are the most successful have an insatiable desire to stay that way – they innovate, dream big and provide consistent experiences across every touch point.

Disney and magic go hand in hand. Customers see them as the unequivocal leader in global entertainment. The entertainment giant is consistently evolving, setting trends, breaking records and providing wholesome fun for all the family.

On an emotional level, Disney is equal parts delight and nostalgia. The Disney experience is a rite of passage. Every kid today has seen The Lion King and Frozen. And, chances are, every parent has too. (And they both know the words to “Hakuna Matata” and “Let It Go” by heart!) Disney gives families experiences to share and remember together – whether that’s passing the magic of Star Wars down to the next generation or the very first vacation to Disney World.

Disney helps grown-ups relive their childhood. As a parent, it helps you create lifetime memories for the entire family. It’s magical.

Disney creates truly magical moments and experiences that everyone can feel a part of.
Most of us are spread pretty thin these days. Between time with the kids, work, cats on the internet and the friends we rarely see, there's a lot vying for our attention. So, when we choose a company to do business with, we need to feel like it was time well spent, or we're quick to move on. And while time well spent can mean actual time (minutes, or most likely seconds) it means other things too: quality, customer service, making things easy. They all matter to us. We’ve actively chosen you, so rewarding our loyalty matters.

Much like dinner with a friend, we’ll think back to the time we spent and consider the opportunity cost. Was it worth our time? Or should we have just stayed home and watched Netflix instead? We’ll even put up with a little bit of friction (like traffic en route to get there) if, on balance, it was a fun evening and we left feeling good. And if it felt good, we’ll make time for it again.
Notice and appreciate my loyalty

These days, loyalty extends well beyond the function of schemes and cards. The best companies recognize that loyalty is a sum of micro-moments. It’s a smile of recognition, a friendly greeting. You don’t have to know every customer on a first name basis but recognize the regulars and do everything possible to say, “we know who you are.”

Starbucks is a staple part of routines around the world – a ritual that goes way beyond “just another cup of coffee.”

Friendly staff recognize the regulars. Not always by name but often through a smile or a kind interaction that gives customers a sense of recognition. At Starbucks, the meaning of loyalty is about empathy and reciprocity; an understanding that 15 seconds of meaningful interaction with the friendly barista can transform that customer’s day.

The mobile-friendly Starbucks Rewards loyalty program is considered an industry leader. It uses data to anticipate the needs and preferences of customers, and a mobile app to make their experience quick and seamless. Promotions, offers and deals are personalized (like a free birthday treat). In turn, customers feel valued and special, as if Starbucks knows exactly what they want and what they like.

...They don’t know my name but I wouldn’t expect them to. It’s easier for me to recognize them than it is for them to recognize me. My experience is always positive.

Hundreds of people must go in that store every day, and I’m just one... But they’re always friendly and they always smile.
Are committed to the highest quality

Nothing sells quicker than quality – at any price point. Customers want to feel that they’re getting the best possible product – and that the experience will be consistent wherever and whenever they access your product, whatever that may be.

For travelers, consistency is quality. Customers have come to trust the Hilton service as dependable and highly credible. Wherever customers are in the world, they know exactly what to expect from their Hilton stay.

Hotels are consistently clean. Staff are welcoming, helpful, knowledgeable and friendly. When the hotel chain communicates with customers, the content is always relevant, useful and engaging – there’s something personally beneficial for the individual.

Whether a customer is on a business trip or on vacation, Hilton’s employees work hard to make the trip as easy and flawless as possible.

Every time it’s been a consistent experience. I know exactly what I’m getting, and Hilton delivers. I get the same result, so I’ve built a trusting relationship over time.

I haven’t had a bad experience. They totally take care of me. It’s a great consistent experience...
I think they’re on trend. In fact, they’re ahead of the trend. They set the trend even. Not just the fashion trend – they’ve changed shopping.

Are easy to do business with

The majority of interactions we have with companies are transactional; fleeting moments in time where we dip in to access exactly what we want and need . . . and then quickly get out. The process needs to be simple, frictionless and seamless.

To customers, ASOS feels like the future of fashion. They’ve removed the friction and hassle that comes along with going shopping. Shopping on ASOS is all about simplicity and ease. And customers notice.

ASOS sets the trends, both in terms of fashion and e-commerce. Customers say ASOS is steps ahead of the competition on every front. They carry every size and style for any occasion – and for every type of customer. That makes ASOS a trusted go-to for shoppers who may be short on time and have short attention spans.

Customers trust their recommendations like they’d trust their fashionista friend. The returns policy is dead simple – simpler than any department or big box store; there’s never any hassle or trick questions, and customers feel like the fashion brand really trusts them. ASOS makes life easy and stylish.

Everything is very easy. I do trust them. It feels like they want to work with me. With ASOS, the returns policy is great. I feel like they just want to help me. It’s all quick and easy.
Make customer service everyone's job

Front line staff are the most important customer experience assets any company can have. From the customer’s perspective, they will make or break your business. A company’s approach to their front of house will have more impact than any advertising campaign, promotion or rebrand could ever achieve.

Trader Joe’s is an authentic shopping experience – the kind that customers genuinely look forward to. Their staff are friendly; they empathize with customers and go above and beyond to help them. Why? Because they’re empowered to do so.

If a customer is curious about a product, a staff member (or, “Crew Member”) will open it up and let them try it. Their risk-free returns policy lets customers return anything, even without a receipt. The staff are highly trained, friendly and knowledgeable about every product Trader Joe’s carries. They’re more than willing to stop what they’re doing to help a customer find what they need or answer any question they have.

The grocery shopping mission transcends functional needs – the fun, laid-back atmosphere of Trader Joe’s becomes an emotionally engaging experience for customers. It turns a task that is usually boring and sometimes a little bit stressful into one that customers really do enjoy.

I think their whole philosophy is good. They care. They take care of their customers and they take care of their employees.

The interactions with employees are always good. They definitely put the customer first. They just get it – they’re very positive and everyone is happy. You can tell when you walk in and, you know, you can’t fake that. When items get discontinued, the staff commiserate with me. They really put me and my needs first. It just feels like they’re grateful.
The technology they build makes my life easier. I think they are good at what they do. Their main task is to make users’ lives simple and easy.

Make good use of my time

Time is precious – and the most successful companies know how to get us what we want, when we need it. They reduce the friction – and deliver services in the moment. There are no wait times, no hold times. They’re there for us when we need them most.

Sometimes it can feel like you’re trying to squeeze more and more work into less and less time.

Enter Google, the service that not only organizes the world’s information to make it accessible, but also offers an ever-evolving suite of productivity tools that have become an invaluable partner to the time-poor.

With just the touch of a button, you can now block time for emails, optimize your meeting availability, keep track of your tasks, hang out with friends, share your location and much more.

Users trust that the service is safe, reliable and seamless, and love that it frees them up to spend their valuable time on the things that are more important than life admin.

They come up with solutions upfront that predict my needs accurately.
It’s hard to feel good about a relationship with someone who is phony or guarded. You can’t help but wonder what they’re trying to hide. It puts you on edge.

In the age of radical transparency, the same can be said of our relationships with companies. Now we can have conversations at scale – and the ones that work best for us, the ones we engage with, are the ones that feel honest, authentic and true.

This isn’t about perfection – often it’s about the opposite. Acknowledging flaws, admitting failure, making change and embracing imperfection.

Good conversations are stimulating. They move us forward. Being open allows you to say what you mean, mean what you say and know that someone is listening. It’s hard to know who to trust, so be a company people can count on.
Patagonia is sort of the ‘anti-brand’. They take a contrarian approach to marketing, which reflects their values very honestly.

Be authentic: mean what you say

When the going gets tough, only the toughest remain true to their principles. Nothing commands greater loyalty than sticking by your principles; wearing these principles on your sleeve and doing what you set out to do, through thick and thin.

What happens when a company tells their customers, “don’t buy our products”, when they close their stores and offices so their employees can vote? When they encourage customers to fix, rather than replace worn clothing? Patagonia is not afraid to sacrifice sales for their values – and it turns out, this approach is helping them grow.

Patagonia has always been dedicated to craftsmanship, quality and the outdoors. The business is built on strong values – on the notion of being a part of the adventure and on making a positive impact on the world.

Their commitment to the environment, fair working practices around the world, giving back and the longevity of their products all underpin a certain lifestyle. Customers feel it and want to buy into it.
A company I can trust

Trust is the central pillar of any human relationship. For companies, it starts with the basics: delivering a high-quality product in a timely fashion. But trust is more than that. It’s about saying through actions, “We’re on your side”. And sticking by customers when things go wrong.

Amazon has redefined retail, in every sense.

At a very basic level, they almost always deliver (literally and figuratively). Customers describe the e-commerce giant as convenient, intuitive and easy to use.

Like a good friend, Amazon is reliable and dependable. Customer service is responsive and resolves problems (if there are any) quickly. In short, Amazon always has your back.

For customers, this level of trust goes way beyond the hygiene of delivering the basics.

Because they offer everything, they’re not impartial to anything. The “everything store” is seen as quintessentially impartial and unbiased. Customers are free to browse based on their needs and desires – and read candid reviews from others who have used products and share similar interests. This total and impartial transparency fosters a deep level of trust among customers.

Amazon just has it all. It’s easy to shop – the website is great, everything is logical. They have great prices, really useful product reviews, massive choice. The delivery is hassle free and there’s great customer service when things go wrong.
They have clearly listened to their customers and what they want. They know how important their customers are, and they treat everyone fairly.

Are genuinely interested in ongoing dialogue

The greatest gift any company can give its customers is the act of listening. But that may be easier said than done. Many companies ask questions but do so with self-serving motives in mind. Listening on its own isn’t enough. It must be followed through with action by giving customers what they are telling you they need. Sometimes that means it will cost more up front. But get it right, and it will pay dividends in the long run.

First Direct has mastered the art of customer conversation.

When the bank’s customers have problems, calls are answered promptly by an actual human being. There are no annoying automated services. No pressing 1, 2, or 3 to get through to the next department. And no long hold times.

Customers describe the bank as responsive, genuine, polite and proactive. Something as simple as answering the phone quickly communicates to customers that the bank wants to hear from them. As a result, First Direct has earned a reputation for caring about its customers and wanting to help them as quickly and painlessly as possible.

I can contact them directly if I have a problem and, in over 20 years, the person I speak to has always been able to solve my problems without having to refer me to anyone else.
CHAPTER FOUR: EMPATHY

See It My Way

Think about the people you get along with best. You might not agree on everything (and often not by a long stretch), but generally, you get where they’re coming from. You share a world view. Or at least understand and respect the other person’s perspective. Maybe you just laugh at the same jokes, root for the same team or listen to the same music.

When companies get it right, there’s a similar sense of understanding – they get your needs and, at a deeper level, are on your side. It could be that their servers know how you like your steak cooked, their recommendations are spot on or they get that all you need is for the kids to be having fun right now. Recognize the customer’s point of view. Look at the situation from their perspective and let that perspective guide how you treat them.
Understand my needs and preferences

We all want to feel understood. These days, personalization is about more than having your first name at the top of a marketing email. Customers look for companies, products and services that intuitively know what their needs are, then meet them.

There’s a reason why Netflix isn’t just another streaming service. It’s designed around our love of storytelling and our tendency to “binge” on great stories. Netflix gets what its viewers are into, providing safe, wholesome entertainment for everyone in the family, delivered through individually tailored and curated packages.

The recommendations feel spot on, helping customers discover new pleasures. Even more so, they help their customers feel connected to others. Netflix shows are part of the fabric of our culture and bonding over the latest season of Orange is the New Black or Stranger Things brings friends, family, colleagues (even strangers!) together.

I use their recommendations a lot. I learn. They show things I’m really interested in. It appeals to me, I like it a lot. It just works so great. Netflix just gets me. Not just me but my whole family; the kids, my husband. All of us.
Even though you’re only there for a moment, they try to get to know you. You feel like a part of the family…

They’re on my side

There is no better feeling than when someone is on your side. Having your back, standing up for you, making sure you get what you need. Companies that can elicit this same sense of security are the ones that have the most loyal following.

Texas Roadhouse knows their customers through and through – and they show it. Smiling, happy, attentive staff are engaged with customers from the moment they walk in the door to the moment they walk out. Combine that with a cozy, warm, inviting atmosphere and customers not only feel wanted, even better, they feel at home.

Extra touches – like allowing customers to pick their own steak, and see it before it’s seasoned and cooked to their exact specifications – enhances Texas Roadhouse’s casual, home-away-from-home feel.

They make an effort to find out what you want as an individual. If you ask, you get it… Most of the time you don’t even need to ask. Everyone – from when you walk in – makes sure you’re satisfied. They recognize you. They know you. They know the regulars; they get to know you by name.
Put my needs before your own

Customers are constantly seeking little cues and gestures that let them know that a company respects and values their business above all else. They choose companies that understand that customers – not the pursuit of profits – are the reason the business exists.

Chick-Fil-A goes above and beyond to make customers feel special and valued. The magic begins with the food: amazing chicken, waffle fries, milkshakes and more. But ask anyone what really makes the difference and they’ll tell you it’s the employees.

At Chick-Fil-A, the customer comes first. Always. The staff have a sixth sense about what busy customers need – from a well-run drive-thru to a fun play area for the kids. Friendly staff go out of their way to make sure customers aren’t just getting great food, they’re also getting great service in an atmosphere that comes with a warm, welcoming side of appreciation.

As a single mother, it really stood out how kind and how sweet they were. It was an eye opening experience – just how kind people are. Everything came with a smile and it’s good food.

Their mission is so simple. They want to change the world with good food and a smile. Who can criticize that?
Better customer Intuition

Being one step ahead of the customer to predict and deliver to their needs before they’ve even recognized them creates a sense that you lead the pack and keeps your customer coming back.

You know that friend who is a real trend setter? The one who knows the best places to go or the best new music before anyone else? They’re predictive. Companies that are predictive work in the same way, anticipating the tastes of customers and staying a step ahead of them. One way in which Coca-Cola responds to emerging trends is to act small and local.

Customers speak of wanting to feel more authentically connected and Coke has predicted that need and created ways of operating that speak directly to it.

They’ve been around a long time; 150 years – with the same product. The product doesn’t change. But I feel like the company is very up to date. They stay relevant... You see the commercials and it looks like fun. Coca-Cola is a company I always associate with fun.
No one likes feeling like they got ripped off. We all like to feel smart, proud and respected. More than anything, we like to feel like we’re a part of something. As rational as we believe we are, it’s emotions that dictate our decisions.

As one woman once said of her husband: “He always appreciated the expensive things, as if consuming them made him more valuable.”

The tricky part is that feeling “smart” is different for different people, and it varies for all of us depending on the situation we’re in. If companies can recognize what they can do to make their customers “feel good,” then they’ll know how to design their experience around feeding those emotions.
The people there are really nice; helpful. The way that they treat their customers is great. They show you around. In my experience, they’re very good at listening.

Make me feel smart

Customers want to feel smart about what they choose to buy – like they’ve found something that sets them apart from the crowd. These small, often serendipitous moments of discovery are rewarding. As customers, we feel like we’re winning; like we’re in on a secret, or achieved something special.

Customers know that when they walk into a Costco, they’re going to get great deals. And, they’re surprised and delighted by all the new products on display.

Costco is also an adventure. The store is huge – and products frequently move around. So, a big part of the shopping experience is bargain hunting through the massive aisles. Scoring a great deal is worn like a badge of honor.

Compared to the competition, staff are friendly and helpful, always on hand to answer questions and always putting customers first. This focus on the in-store experience is drawing new and more affluent customers to the discount store.

It’s a very solid company; the stores are clean. They sell at very low prices. I go when I need toilet paper. When I need soap for the dishes.
“We take our time and tour the store. I love to get ideas and inspiration. I think they give customers the life they want..."

Make me feel proud

Feeling proud speaks to our inner ego. Having pride in your achievements, the self you project to the world, takes us back to when we were kids – when those egos were taking shape. A company succeeds when it reconnects us with our sense of self belief and acceptance.

Customers see and experience IKEA as an ever-evolving pillar of their lives. The furniture company is there across key life stages; from our college dorm, to our first apartment, to our child’s first bed.

Customers love the experience of bringing a space together, of creating their perfect home (and the meatballs, of course!). IKEA inspires and engages. Building the furniture can be frustrating, but it’s all a part of the experience of building a home that is uniquely yours.

Their furniture becomes a personification of who we are and how we live. IKEA sets the trends with stylish and timeless designs – and everything is available at a price that works, regardless of whether we’re looking for 24 votive candles or a whole new kitchen.

“I don’t like shopping for clothes but I do quite like wandering around IKEA when we go. I like looking at all the things I don’t need but kinda want.”
Make me feel respected

Being recognized for your achievements, your personal qualities and abilities, is inherently satisfying. Especially in a world where it’s easy to feel like a data point. Companies that can treat customers as individuals worthy of regard place themselves ahead of the pack in their customers’ eyes.

When customers fly with Virgin Atlantic, they know their vacation starts the moment they step into the airport. The lighting, the friendly flight attendants, the funky music – it all clicks. You can feel the effort the airline has put into perfecting a hip, welcoming travel experience (one that will last for hours). From booking tickets to the moment you step off the plane, the experience is centered around making you feel valued and respected as a passenger.

In an industry built on separating customers by classes, Virgin Atlantic treats every passenger – regardless of whether they’re in “Economy Light” or “Upper Class” – with the same dignity and respect.

“Everyone was very attentive. It had an edge on past experiences...”

“...We have two kids and Virgin were much more conscious of children on the plane. Not just ours – they acknowledge all the families and talked to the children.”
They know exactly what customers are looking for: organic and clean food. They’re on trend and are clearly listening.

Don't make me feel ripped off

If feeling respected and proud sits at one end of the emotional spectrum, feeling like you’re being taken advantage of sits at the other. Companies that convey a sense of value – good quality at the right price – ensure that customers feel good about their decision to buy.

Aldi is perceived as a company that supports families – and families from different backgrounds.

They provide great value and make healthy food and grocery store essentials more accessible to more people. Aldi is a store for the hardworking person, the busy mom, the budget-conscious shopper.

Even though they might not carry everything, and the in-store experience is a no-frills affair, customers see the shopping environment as a hunting ground for bargains.

They offer great products but are able to keep the prices down – they know that people want good quality within a limited budget, and they always seem to deliver on that.
Make me feel like I belong

In an individualistic world, it’s easy to feel alone. Finding a group of like-minded people who value the same things as you offers comfort and community. A company can be that conduit and connect customers to a sense of belonging, to something bigger than themselves.

Airbnb has revolutionized global travel. More than that, it has connected the world. Whether you’re a host or a guest, when you use Airbnb, you’re part of a travel-savvy global network. You make new friends and get closer to the world in a way you never thought you could.

What you get is a whole different kind of travel experience – one built around belonging. When you travel with Airbnb, you get to experience real life in real homes and in real communities. Airbnb is all about the spirit of discovering new places, and feeling like a local when you’re there.

Oh, I love Airbnb. It just takes away all the awkwardness. It has so much character. It’s home away from home. I know it’s a company – but I don’t really see the company. For me, the hosts are the company. They are so approachable. I’ve never had a bad experience.

Airbnb has personality. It’s real people. Real homes. Actual experiences...

Emotional rewards: Make me feel good
Who owns the customer at your company?

Is it insights, customer service, sales, the customer relationship management system, marketing, the Chief Customer Officer?

Chances are “the customer” is fragmented across different departments, people and functions. The result of which is no surprise – customers have fragmented experiences. A good buying experience with a bad returns policy. An amazing product with inconvenient shipping options. The customer experience is a reflection of the function (or dysfunction) of a company.

Our research and conversations with customers tell us that customer experience is no longer a thing; it’s EVERYTHING. The ad, the product, the website, the Instagram page, the transaction, the...
storefront, the CEO’s latest tweet, the store associate...

In a hyper-transparent and connected world, every action a company takes combines to create an experience. And customers’ decisions to buy or recommend are made in the context of that experience. So, when companies start seeing customers’ experiences as drivers of loyalty and choice, they can re-imagine how to understand, create, deliver and measure the experience in profound new ways.

**A NEW POINT-OF-VIEW**

But this requires a shift from thinking of the customer experience as something owned “inside-out” (by a function, team, or discipline) towards an experience owned “outside-in” – that is, an experience that starts with the customer, not the company.

She doesn’t just want to buy more, she wants to feel more smart, proud and respected. She wants a company to speak her language, share her values and meet her needs. She wants to be appreciated for her loyalty and to feel like she belongs to a group of like-minded people. When she feels this way, she’ll buy more and recommend more.

We’re all customers. We choose companies based on the experience they provide. We’ll pay more for these experiences, we’ll seek them out and we’ll tell our friends about them. We’ll come back for more of them because of how the experience made us feel.

Creating these feelings at scale requires a coordinated effort. It demands empathy. This, in turn, drives customer behavior. No easy task.

Historically, an outside-in approach worked in theory but was too difficult to implement in practice. Customers’ emotions were believed to be too intangible and too soft to form the foundation of an experience. But as this research demonstrates, emotions are what drive customer behavior. Better yet, emotions can be codified, put into practice and measured.

**EMOTIONAL DRIVERS**

The companies featured in this report are effectively delivering on their customers’ emotional needs better than their competitors. This gives them a competitive advantage. These companies, in every category, are coordinating their actions to positively affect a customer’s experience with them. Ultimately, that’s what leads to growth.

So, who owns the customer? This is the wrong question to ask. The customer owns her experiences – the experiences that she creates – by connecting the dots of all your actions. It’s an outside-in experience, created by customers. The faster your company can make the shift from inside-out to outside-in experiences, the faster your company will grow.

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*One thing I love about customers is that they are divinely discontent... People have a voracious appetite for a better way, and yesterday’s ‘wow’ quickly becomes today’s ‘ordinary.’*

- Jeff Bezos, CEO, Amazon
Methodology

The survey is designed to solicit consumers’ largely unaided evaluations. Rather than ask people to rate a prescribed company or brand, we prompt them with a description of good “customer intuition,” then ask them to think of a company that really “gets” them.

With a company in mind, participants are asked to identify that company’s industry. They are then shown a list of company and brand names within the industry they selected. The lists are randomized to control for order effects, and participants can write in their own industry, company or brand name if they don’t find it as an option.

After rating the company they feel has good intuition on 21 brand behaviors as well as two outcome measures (past recommendations and intent to purchase), we ask them to think of a company that has poor customer intuition, and then go through the same rating process. So, all in all, each study participant rates two companies – one with good intuition, and one without. This approach yields two distinct, but important, pieces of information – both of which are used to calculate a company’s ranking:

a) The rate at which a company is identified by customers as relevant to them or not (so, the relative proportion of “good” and “bad” mentions per company)

b) How much a company’s customers feel it is relevant to them (average survey rating responses for both “good” and “bad” intuition)

THE MATH

To calculate the score, we transform the seven-point scale into a ten-point scale and then take the cross-item average of the positive ratings for a given company and multiply that by the percentage of favourable mentions for that company.

We then reverse score the ratings of companies with “bad” intuition, taking those average company scores and multiplying them by the percentage of unfavourable mentions. Finally, we subtract the sum of bad scores from the sum of good, and the result is a score ranging from -10 to 10.

Written as a formula, the calculation reads:

Customer Experience Score = (% of positive mentions * positive average) – (% of negative mentions * negative average)

For example:

A company was mentioned 69 times: 61% of those were in the positive, 39% were in the negative. The average score of positive mentions was 8.9, average (reversed) score of negative mentions was 8.1. When we do the calculation (CXC = (61% * 8.9) – (39% * 8.1)), we get a score of 2.27.
Customer outcome and business performance

Every year, we believe it is both obvious and necessary to build on our initial 2015 study and test CXC’s relationship to business results.

In addition to asking consumers to evaluate companies’ relationship behavior, we ask whether or not they have actually recommended companies or brands to friends or family, and whether or not they intend to keep purchasing.

We also go beyond the CXC survey to collect some basic financial information for every publicly traded company included in our data set to measure profitability and growth. This year, as with previous ones, we find reliable evidence that ties the CXC framework to all these important outcomes.

PROFITABLE GROWTH
We assess CXC’s relationship to profitability and growth every year. In general, we find Return on Assets (ROA) to be the more stable and reliable of the two metrics. ROA is a standard profitability ratio used in financial reporting, which describes the net income produced by total assets during a period by comparing net income to assets.

We use the parent company’s publicly available financials to assess CXC’s relationship to both ROA and revenue (so, for example, we would use Unilever’s financial information as a proxy for the Dove brand). This approach, while pragmatic, is admittedly broad, which is one reason why we tend to see modest values with our R-squared. But it is also why the results we do find are important. With so many factors potentially influencing a parent company’s performance, including the performance of its portfolio companies, we are encouraged to see that good relationship behavior can reliably account for a percentage of that variance. Indeed, conglomerates are portfolios of companies so we should expect to see lots of variation.

INTENT TO PURCHASE
The CXC framework is highly predictive of loyalty. We experiment with adding new CXC behaviors to the framework every year, but we only retain those that show a strong predictive relationship to both loyalty and advocacy. This year, we found that our 2018 model predicts intent to purchase with an 85% R-squared (p < .0001).

ADVOCACY
Word of mouth recommendations are a critical driver of strong performance, and many companies measure this regularly in the form of a Net Promoter Score (NPS).

A critical piece of the CXC methodology is to ask, in a similar vein, whether customers have recommended a company to family or friends. This year’s model was is highly predictive, with an R-squared of 92% (p < .0001). Indeed, when we use the CXC framework in our client work, and perform similar analyses on a custom basis, we tend to find that CXC behaviors have a stronger influence on NPS than more standard, less customer-centric questions (e.g., functional attributes, rational descriptors, standard measures of satisfaction).
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ABOUT THE CARTOONIST

Tom Fishburne started cartooning on the backs of business cases as a student at Harvard Business School. While in various marketing roles at General Mills, Nestle, Method and HotelTonight, Tom parodied the world of marketing in a weekly cartoon. From an email to 35 co-workers in 2002, his cartoons have grown by word of mouth to reach several hundred thousand readers each week and have been featured by the Wall Street Journal, Fast Company, Forbes, and the New York Times.

marketoonist.com

ABOUT C SPACE

We are C Space; our clients call us their customer agency. We create rapid insight and business change, putting customers at the heart of companies and solving problems from the customer’s perspective.

We keep our clients relevant by building real, ongoing relationships with customers that in turn help them deliver superior experiences, launch successful products and build loyalty.

Our customized programs are tailored to specific business needs and include private online insight communities, immersive storytelling, data and analytics, activation events, innovation projects and business consulting.

We do this for many of the world’s best known brands – like Bose, Etihad, Walmart, McDonalds, Jaguar Land Rover, Mars, Samsung, IKEA and more – to create “Customer Inspired Growth”.

cspace.com