This provocative treatise provides new insight into perennial marketing and management issues such as segmentation and targeting, positioning, branding, services, and innovation. It also offers a clear and convincing critique of other customer-focused paradigms, including traditional marketing, customer satisfaction, and customer relationship management (CRM). It explains why nearly all of them fail to provide genuine focus on the customer and why the CEM framework is the only approach to design that makes a company and its brands truly relevant to the customer’s life.

Customer Experience Management also demonstrates the power of collecting truly relevant customer information, developing and implementing winning strategies, and measuring their results. It’s a must-read for senior executives, marketing managers, and anyone who wants to drive growth, increase income, and spur organizational change.

In this follow-up to his bestselling book, Experiential Marketing, Bernd Schmitt introduces the five-step CEM process, a comprehensive tool for connecting with customers at every touch-point. A must-read for senior executives, marketing managers, and anyone charged to drive growth and spur change.

PRAISE FOR
CUSTOMER EXPERIENCE MANAGEMENT

“In all his work Bernd Schmitt sets about scraping away the conventional marketing veneer. Schmitt’s prescriptions make it more satisfying to be a customer, more satisfying to be a brand manager. I hope desperately that every company with which I do business reads this book.”

—Martin Shaw, Chief Strategy Officer, BBDO Worldwide

“Schmitt finally identifies the bush that a lot of marketing departments have been beating around. He recasts the activities that cost us millions and billions of dollars into ‘end game’ objectives that have never been so beautifully focused.”

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“With his groundbreaking new book, Schmitt answers a much-needed call for a practical way to enact experiential marketing. His dynamic and engaging voice makes this as entertaining as it is informative.”

—John Ginters, Senior Associate Dean for International Development, Harvard Business School

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CUSTOMER EXPERIENCE MANAGEMENT

A revolutionary approach to connecting with your customers

BERND H. SCHMITT
Author of EXPERIENTIAL MARKETING

JOHN WILEY & SONS, INC.
To the late Bill Brandt
For his kindness, support, and humanity
Customer Experience Management, or CEM, is, I admit, a sequel. It is a sequel to my best-selling book, Experiential Marketing, that has been translated into more than 10 languages. Experiential Marketing offered a new marketing paradigm that argues for a customer-focused instead of a product- or brand-focused approach and shows how managers can create a variety of experiences (sense, feel, think, act, and relate) for their customers. Customer Experience Management is the next step providing a powerful framework for managing the customer experience step-by-step in a strategic and creative way. Key concepts from the first book will be summarized here; however, the overlap is less than 10 percent.

This sequel was necessary for several reasons. First, managers who had read Experiential Marketing confessed to me that even though they admired the approach, they were not always sure how to manage an “experience project.” That became the basis for this book: a straightforward, five-step process for managing your customer’s experience, outlined in Chapter 2 and then discussed step-by-step with corresponding methodologies in Chapters 3 through 7.
Preface

Second, when I wrote Experiential Marketing, “experience” was a new term. Now, the situation is quite different. Through my book and other works (e.g., Lou Carbone’s work on customer-centric service, Jerry Zaltman’s work on Zmet, Pine and Gilmore’s book on the experience economy, Patricia Seybold’s book on the customer revolution, Shaun Smith’s work in the United Kingdom on “experiencing the brand,” and Gerhard Schulze’s research in Germany on the experience society) experience is now a word in every manager’s vocabulary. Managers are beginning to understand the importance of focusing on the customer experience and doing so in an integrative fashion. This book is designed to show managers how to use the power of an experiential approach to connect with the customer at every touchpoint. For the first time, managers can learn how to deliver a seamlessly integrated customer experience (see Chapter 8, on integration).

Moreover, managers are increasingly asked to justify financial investments. That is, they need to build a model that would link experience to tangible outcomes. The focus of CEM is on enhancing customer value through managing the customer experience, and Chapter 9 provides you with a model that links the customer experience to “customer equity.”

Finally, to practice CEM successfully, managers need not only a framework, methodologies, and models but also up-to-date business cases that can serve as benchmarks. Over the last five years, as a consultant and as CEO of The EX Group, I have consulted and developed brand and experience strategies for
clients in consumer package goods, automobile, electronics, software, financial services, pharmaceuticals, beauty and cosmetics, hospitality, and media industries. In this book, I will share with you some of these cases and describe many others that you can use as benchmarks for successful customer experience management.

Enjoy the reading experience!
MANY people have supported me in writing this book. Nick Peterson has been involved in many aspects of this project: he researched cases, secured permissions, provided the key liaison with my publisher, and has contributed original photos and photo collages. Special thanks go to Laura Brown, my colleague Professor Sunil Gupta, Claudia Laviada, Dave Myers, David Rogers, David Sussman, and especially Airie Stuart, my inspiring editor at John Wiley & Sons. All of you have transformed the laborious process of writing this book into a personally enriching and rewarding experience.

I dedicate this book to Bill Brandt, a former professor at Columbia Business School and co-founder of Impact Planning Group. Bill passed away during the time I was writing this book. He was loved by everyone for his kindness, support, and professionalism. He left an immense legacy, having consulted with more than 400 corporations worldwide on how to become customer oriented, market focused, and externally oriented. He supported me as a mentor and teacher in a manner that was truly extraordinary in its dedication and humanity.
CHAPTER 1. Taking the Customer Seriously—Finally

Three Misguided Approaches: The Marketing Concept, Customer Satisfaction, and CRM 9
The Need for a New Approach 17
What Is Customer Experience Management? 17
Conclusion 22

CHAPTER 2. An Overview of the CEM Framework

CEM Solves a Variety of Business Problems 23
The Five Steps of the CEM Framework 25
Must Managers Do the Five CEM Steps in Sequence, or Can They Be Done Simultaneously? 30
What Happens Before and After the CEM Project? 31
What Are the Application Areas of the Framework? 32
What Is Unique About the CEM Framework? 38
Conclusion 42
Contents

CHAPTER 3. Analyzing the Experiential World of the Customer

Carnegie Hall: Understanding the Concert-Going Experience 46
BP Connect: Improving the Experience at the Pump 50
Companies Need Customer Insight 54
Identify the Target Customer 57
Divide the Experiential World into Four Layers 62
Track the Experience Along Touchpoints 68
Survey the Competitive Landscape 69
Research Techniques for Understanding the Experiential World 77
Conclusion 85

CHAPTER 4. Building the Experiential Platform

Jamba Juice: A Platform of Fun and Good Health 87
Cingular Wireless: Humanizing the Wireless Experience 92
Benefits of the Experiential Platform 96
The Strategy Components of the Experiential Platform 98
Researching and Presenting the Experiential Platform 110
Conclusion 113

CHAPTER 5. Designing the Brand Experience

Citigroup: Shaping a Unified Brand Experience 119
Prada’s “Epicenter”: Challenges of the In-Store Experience 120
How to Manage the Brand Experience 124
Contents

The Three Key Aspects of the Brand Experience 125
Protecting the Brand Experience 135
“Brand Stripping and Dressing”: A Method for Managing the Brand Experience 138
Conclusion 140

CHAPTER 6. Structuring the Customer Interface 141
NikePark: A Dynamic Interface for a Performance-Driven Brand 143
Hilton: Improving Communication and Guest Focus to Enhance the Service Experience 148
The CEM Approach to the Customer Interface 154
Three Key Issues in Interface Design 155
Interconnecting Interface Touchpoints 158
How Technology Improves the Interface Experience 162
Conclusion 165

CHAPTER 7. Engaging in Continuous Innovation 166
Apple Computers: Returning to Its Innovation Roots 168
Amazon.com: Small Innovations Lead to a Great Online Experience 170
How Innovation Contributes to Customer Experiences 172
Customer Experience and Innovation Strategy 176
Experience and New Product Development 177
Experience and Small Innovations 182
Experience and Marketing Innovation 183
Conclusion 186