Practice paper

Reading between the lines: Uncovering customer insights to deliver exceptional customer experiences

Received: xxth May, 2015

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Abstract

Customer insights are critical in the quest to deliver an exceptional customer experience. There is, however, a science and an art to uncovering insights that can get lost in a data-centric world. This paper discusses five cogent facts that can act as a guide to ensure the whole brain approach (balancing data with human-centric skills) to uncover the insights necessary to deliver exceptional customer experiences.

Keywords

Customer insights, customer experiences, creative thinking, behavioral economics, cognitive association, neuro-marketing, story telling, systems thinking, human-centric
INTRODUCTION

One would think that in this age of data (big and small), when there is so much information at our fingertips, when we know so much about what products our customers are buying and what they think of them, that we should be able to deliver an exceptional customer experience. Yet everyone knows that most companies fail to deliver on that promise.

What is happening? Why are companies not delivering on their promises?

For the purposes of this discussion, let us assume that our products and services work. They do what they are meant to do and there are no product rejection issues (if our products are being rejected then we have no chance of delivering any kind of positive experience, let alone one that is exceptional).

Let us start by taking a step back (something we should do more often) and state what may be an obvious list of facts, but a list that must be addressed in order to understand how to use ‘customer insights’ to deliver ‘exceptional experiences’.

1. Customers are people.
2. Data are not the same as insight.
3. Creative thinking skills are required to uncover insights.
4. Every company provides an experience.
5. The company/brand does not control the customer experience; the customers do. All that the company can control is how the brand and the people who work at the company behave at every customer touch point.

CUSTOMERS ARE PEOPLE

The simple step of calling one’s customers what they really are — the people who buy your products or services — instantly changes the relationship. Those within the company who are responsible for the interactions with your ‘customers’ no longer think of them in the abstract, or as statistics, but visualise them as human beings they want to influence and impress, people with whom they want to develop a long-term relationship. In other words, the relationship moves from being data-centric to human-centric and everyone automatically becomes invested in creating a great relationship.

This simple change to a human-centric perspective shifts company dynamics in problem solving from pure analytic assessment to one balanced by research and understanding of emotional attachment and engagement — a method borne out in the latest neuro-marketing research and by IDEO’s worldwide use of human-centred design thinking.

As people learn from neuro-marketing, behavioural economics and labs of cutting-edge social cognitive and affective neuroscience, their brains operate in favour of social rewards and process even the most logical argument through the sieve of executed motivation, value and choice. In other words, at the level of neural activation, logical decision-making behaviour calls on networks and regions of emotional engagement. For the students of philosophy among us, we are now asked to reconcile Cartesian analytics distinguishing body and the moody animal ‘passions of the soul’ with the metaphysical, transcendent stability of the thinking mind. Through his functional magnetic resonance imaging (fMRI) and electroencephalogram (EEG) studies, neuroscientist Antonio Damasio reflects on ‘Descartes’ error’ in body-mind philosophy. As Damasio sees it, the French philosopher made a logical error in judgment, separating analytics from feelings, thereby ‘obscuring the roots of the human mind in a biologically complex but fragile, finite and unique organism’. Damasio, in
turn, presses for a ‘felt-thought’ theory of decision making, recognising the complex neural circuitry that connects emotion and memory to mathematical reasoning.2

Following Damasio, one can begin to see how emotions, not logic, drive most human decisions. Rational and logical thinking enters into choice making — price comparisons, user interface and, yes, even design aesthetics are factored into the ‘pro–con’ list of whether we buy one product over another. The folly of data-only driven marketing when squared with new research in behavioural and neuro-economics writes a story to which everyone should pay heed; emotions and non-logical intuition are the drivers for many choices that people make.3

For the brand builder and marketer, it is critical to understand the brain’s capacity to speak to human feeling and recognise that the insights we are seeking are those of an emotional nature. Only by uncovering how brands and products make people feel (backed up by rational and logical functional product benefits) will it be possible to start the process of building and delivering an exceptional ‘customer experience’.

DATA ARE NOT THE SAME AS INSIGHT

To be clear, no-one is denying that data are critical to the survival and growth of any company, brand or product, but, like everything, data have their limitations. Most of the data we receive and analyse are transactional, giving us a very clear view of what is happening today and what happened yesterday and the day before (historically).

The role of data is critical in the search for insight — data can illuminate where to look, what to delve deeper into and who to observe, and provide valuable support and rationale for redirecting thinking and planning. In the early stages of creating an emotional connection with our customers, however, it is our own inner computational system — the creative workings of our own brains/minds and intuition, and that of every member of the team — that arrives at an insight which can make or break the customer experience.

Therein lies the rub and the limitations of the promise of data — big or small. Data points that have come directly from a research report or predictive analytics model being passed off as ‘customer insights’ are not insights. They are pieces of data and as such need to be put into context, interpreted carefully and sometimes disputed, or even ignored.

Data can tell powerful stories, but not necessarily the story that will lead to success.

Case study

Apple’s Macintosh launch advertising campaign is a shining example of a decision to ignore the normative predictive data. Fred Goldberg tells the story behind the famous ‘1984 Spot’ in his recent book, ‘The Insanity of Advertising: Memoirs of a Mad Man’.4 Gaynor (the lead author of this paper) heard the story, first-hand, from Fred Goldberg when she worked at Chiat/Day a few years after the campaign was heralded as a major success. It was a story that informed her view of the role of data, and in particular the potential counter-productiveness of normative data when examining or dealing with an insight or an idea that is predominantly emotional in nature.

It is a very straightforward, but illuminating, case study and it is laid out in full in Fred Goldberg’s book.4 The campaign was meeting resistance from the Apple board of directors. It was an emotional sell, which was not typical for a technology product. That was the point — not to position Macintosh as a tech product, but
rather as a product that would change the world. It was a big promise for an unfamiliar product made by a brand that was not a household name, in a category very few people understood.

Given the resistance from the Apple board, the agency paid for the 1984 commercial to be put through the standard advertising testing of the time. The results — it was a disaster, failing on all key measures. Mr Goldberg’s book clearly lays out the specifics of the results and why he made the decision not to show them to anyone, but to paraphrase, ‘The results didn’t help the argument or back-up the gut and intuitive feeling Steve Jobs had when he first saw the idea — that it was “insanely great”’. And, as everyone now knows, the decision was the right one as the 1984 Apple Macintosh commercial is one of the best remembered spots of all time and effectively launched what is arguably the most influential brand of our time.

The lesson: it is people, not data, that make decisions. Humans need to weigh up all the data available to them (in whatever form they come), adding in their experience, intuition and gut to make an informed decision. Sometimes that means, after weighing the risks, the data get ignored. There is both a science and an art to making decisions. The art must not be entirely discounted in favour of the science.

Reading between the lines requires us to access our creative thinking skills — the functions within our brain that fuel our openness to new ideas, our curiosity, imagination and ability to be observant.

Why? As noted above, ‘customer’ insights do not come in nicely formed facts generated out of human or computer memory recruiting. Insights arrive through cognitive association (connecting the dots) — sometimes galvanised by relaxed mind wandering, sometimes innervated by compelling dialogue, sometimes from observation in the field.

According to Mark Von Beeman’s cognitive research on insight and language pairing, ‘aha’ moments of linguistic connection are primed by prior ‘brain states’, meaning that how we are feeling and what we are looking at or thinking about influences the neural circuits of information flow. In the game to uncover customer insights that help build exceptional customer experiences, we must nurture our own creative thinking for brand engagement, being open to and valuing flashes of insight when they arrive. Rather than passively waiting for fresh ideas or sitting on expectations, the act of creative thinking is more like embarking on a treasure hunt with the map showing only the cardinal directions and north star, that is, the goal.

Which way to turn? Annals of creative thinking across business, science, technology and the arts reveal the counterintuitive secret: do not travel a straight path to that north star. Creative thinking requires zig-zag, nonlinear enquiry primed by adapting to cultural memes and guided by acute sensory awareness filtering through personal memory. As we have learnt from speaking to designers, musicians, theatre directors, artists and entrepreneurs, along with reading a new generation of neuropsychologists, creative thinking is a wholebrain activity, crossing both hemispheres.

CREATIVE THINKING SKILLS ARE REQUIRED TO UNCOVER CUSTOMER INSIGHTS

One particular definition of ‘customer insights’ sums up what we are looking for quite succinctly: ‘A non-obvious understanding about your customers, which if acted upon, has the potential to change their behaviour for mutual benefit’. In other words, it is important to embrace the notion of reading between the lines.
tapping memory systems to activate novel association of disparate ideas and capitalising on gestalt pattern recognition of coherent form.7,8 This nonlinear thinking (reading between the lines) is central to uncovering the insights necessary to build an exceptional customer experience.

EVERY COMPANY DELIVERS AN EXPERIENCE

The difference between those who provide an exceptional experience and those that do not is whether or not every single person in the company is united by a common purpose, meaning that everybody knows, and feels passionate about, the brand values and is working within a company culture that rewards people for being exceptional and delivering an exceptional experience.

This is as important as making sure the product or service does what it is meant to do and it more often than not distinguishes and differentiates them from their competition — think Zappos, Whole Foods, Apple, Warby Parker and Pandora.

These companies have made it their purpose to provide an exceptional customer experience. It is not an add-on, and it is instilled in every employee from day one. Every employee, no exceptions. Every single person in the company is empowered to bring ideas and insights forward and to do everything they can to ensure the customer has nothing but an exceptional experience. Today, Tony Hsieh of Zappos calls this the business theory of ‘Holacracy’, which:

removes power from a management hierarchy and distributes it across clear roles, which can then be executed autonomously, without a micromanaging boss. The work is actually more structured than in a conventional company, just differently so. With Holacracy, there is a clear set of rules and processes for how a team breaks up its work, and defines its roles with clear responsibilities and expectations.9

Neuroscientist and economics professor Dr Paul Zak, a leader in neuro-economics with a special focus on trust, backs up the notion of Holacracy and purpose:

My studies show that companies with high trust and a clear transcendent purpose perform substantially better on many dimensions: productivity, innovation, reduced sick days, low employee turnover, and greater joy at work. These are the ingredients for sustained growth ... You can create a culture of purpose. Start with a story and make sure everyone knows it’.10

Is this to say that all the brand is left with is its story? No — rather, the brand experience has to evolve as cultural narratives and customer needs evolve. The experience has to be dynamic, vibrant, flexible and grow with time and trust. Think about the brands that have stood the test of time. They are probably the brands that understand the need to evolve. Target, Chevrolet, Old Spice and Sharpie are a few examples of brands that have evolved with changing cultural narratives and customer needs and remain highly relevant to a new generation of customers.

Every company has a story but does everyone know the customer’s story?

Who are the customers? This information does not come from analysing data or attending focus groups. It comes from real-life observation and interaction. For retailers, this is easier to accomplish as sales associates in the stores are in direct contact with customers, every day. But, how often
do the corporate employees spend a day in the field as a sales associate? The answer is probably seldom, if at all. Similarly, how often do they even talk with the sales associates to learn about the customer from them?

Direct contact with the customer is an invaluable source of insight that is so often overlooked. Exceptional brand, marketing and product development departments should be, in essence if not in training, social anthropologists. They should be allowed time to study their customers — what they make, what they do, what they think and how they organise their social relationships. This means time away from the desk; like any social scientist, it requires time in the field. In this age of social media and customer demand for trust and connection, it is not enough to look solely at numbers to inform us about the people who are our customers; we must know these people; we must stand with them in ‘the field’ of their experience. Only by living the experience within the company can the experience be delivered to our customers.

Only then will it be possible to paint a picture of their lives, know how and where our products fit and what problems we are or are not solving for them. Allowing your employees to listen to and engage with your customers is, as the MasterCard campaign says, ‘Priceless’.

Without the mechanisms for and a commitment to generating customer insights with a trust-based, social science mindset, it will never possible to behave consistently in the way we need to behave to contribute all we can to an exceptional customer experience.

This, coupled with good interpretation of the data, is where the insights will emerge. Insights are a roadmap, yet true customer engagement is what helps develop trust and an exceptional customer experience.

THE COMPANY/BRAND DOES NOT CONTROL THE EXPERIENCE — ONLY HOW IT BEHAVES

Right up to the turn of the century, brands liked to think they dictated the consumer experience. These days, we know that this power lies in the customer’s hands. Of course, there is now also the blurring of lines to contend with — marketing, promotions, corporate communications, public relations, social, cause marketing — all accessible, easily evaluated, criticised, shared and even spoofed. It is one big mash-up and we need to be careful not to lose our way in the fray. An approach that embraces consistency, cogency and purpose is vital.

When all is said and done, if we are really observing, listening and responding to our customers, if we are really honest with ourselves, what we can, and should, control is a set of values that guides how our products, brands and people behave when they touch the lives of the people who are using them. This is the role we need to play in delivering an exceptional experience and we need to grasp that simple truth. If we do, then we can make sure that we (the company, the brand, the products) behave in a manner that benefits all of us. Quid pro quo.

THE FINAL WORD

Data provide an invaluable roadmap to mining patterns. Metrics — help us learn, build better products, be more efficient and effective. Yet, in the end, uncovering customer insights requires a human approach. We learn from the data, we listen, we interact, we respect the experience of our customers, we engage our whole brains to read between the lines and connect the dots in ways our customers never imagined, and that is how we lead them to an experience that they will say is exceptional. This is not an easy thing to
accomplish, especially with the daily pressures of delivering revenue. It is easier (and less costly), however, to commit to delivering an exceptional customer experience than to correct the opposite. One has only to look at the woes of the American airline business to know that it is better to be Virgin America than any of the other brands in that category.

References
(10) Dr Paul Zak, expert on the economic philosophies of Adam Smith and author of ‘The Moral Molecule’, is a leader in neuro-economics. He has pioneered research into the release of the hormone oxytocin, evidence of which has been correlated with breeding trust, bonding and protective behaviours in our bodies, in social organisations and in nations alike. See https://hbr.org/2014/10/why-your-brain-loves-goodstorytelling/.