

## **A Fresh Start—By Getting Back To Basics**

There's no use longing for the return of the good old days. The new world of electronic information and global competition is here to stay. Customers will no longer simply gravitate to the brands, products, services, and organizations their parents trusted. Instead, they will continue to experiment, change, talk back, and exercise their new-found freedom of choice in ways that make life for organizational leaders increasingly challenging.

In response, we need to learn new ways of creating stronger, longer-lasting ties with our customers. It's no longer enough to manufacture fine products or provide good services. *We* need to help our customers improve their lives—one experience at a time. After all, that's what made them try our products or services in the first place. And that's what will make them loyal customers again—provided we learn how to do it right.

The truth is that today's rapidly changing world, which is making life so difficult for those of us who run organizations, is also making life hard for our customers. We are not the only ones who find the twenty-first century stressful. In a world that is:

- Increasingly hurried,
- Painfully insecure (especially post-9/11 and post-Katrina),
- Physically and mentally exhausting,
- Socially and economically fragmented, and
- Psychologically and emotionally demanding.

Millions of people are desperately in need of opportunities to feel:

- Free from time pressure,
- Safe and secure in their surroundings,
- Pleasantly stimulated, physically and mentally,
- At peace with themselves and others, and
- Ready to be open-minded, creative, and productive.

Organizations that can provide such opportunities by reimagining the customer experience--whether they are businesses, nonprofits, or government agencies--will attract an enormous number of customers in the years ahead and keep them coming back.

The ability to create comfortable, intimate, exciting, and rewarding life experiences for customers is the crucial organizational skill for our time. Many of today's smartest companies are already acting on this insight, finding innovative ways of getting inside the minds of customers and responding to the needs and desires they discover there.

Take Procter & Gamble—the great company that Doug Atkins once worked for, whose traditional formula for success has now lost its potency. By the 1990s, Procter & Gamble's sales growth had stagnated. Spin-offs of the company's great brands were cannibalizing other product sales instead of driving impressive growth. Even when the goods were of high quality—which they usually were—advertising alone wasn't attracting the attention of shoppers.

To adjust to the new reality, Procter & Gamble has had to change its attitudes and its approach to business. Patrick Whitney, director of the Institute of Design at Illinois Institute of Technology, describes the old mindset: “P&G had the best chemical

engineering and marketing operations in the country. It didn't care about the user experience." But by the 1990s, the company had recognized the need for change: "It had to create new products, and to do that, P&G had to get closer to the consumer."<sup>i</sup>

To their credit, the leaders of Procter & Gamble didn't use Internet hoaxes, make-believe word-of-mouth programs, or attempts to force customers to keep buying from them. Nor did they simply create persona rooms to help them understand imaginary customers. Instead, they launched a major effort to live with, talk to, and observe real customers around the world.

Procter & Gamble sent designers and consultants to homes in Europe, Asia, and North and South America to watch people cleaning their bathrooms, mopping their floors, and doing their laundry. They noticed how the products people used worked well, how they didn't, and what frustrations and irritants were built into these everyday experiences. Based on these studies—almost anthropological in their depth—Procter & Gamble designers created prototype products and brought them into still more homes for testing in real-world settings. It wasn't enough, they knew, to design products with great attributes. Those products had to deliver results that people would appreciate, even cherish.

The results have included such successful innovations as "Mr. Clean MagicReach," a hand-operated cleaning tool for bathroom walls and showers with a detachable four-foot pole; "Tide Buzz," an ultrasonic wand that uses Tide cleaner to remove stains from garments; and the "Swiffer" electrostatic floor sweeper that has become Procter & Gamble's newest billion-dollar brand. Company CEO Alan G. Lafley

deftly summarizes the new wisdom that is driving Procter & Gamble's reinvention:

“People remember experiences. They don't remember attributes.”<sup>ii</sup>

Other companies are following a similar path. Kimberly-Clark, maker of Huggies diapers and other baby products, found its sales slipping. To reverse the trend, the company resorted not to traditional focus groups or surveys but to an innovative technique to get inside the customer experience: They mounted a camera and microphone on a pair of glasses for parents to wear as they cared for their babies at home. The system allowed Kimberly-Clark researchers to see and hear what customers saw and heard, and it soon unearthed an unmet need. Moms, it seemed, were struggling to open packages of wipes and pour out lotions while holding babies and diapers awkwardly on beds, floors, and tabletops. The company responded by redesigning their product containers for easy grabbing and dispensing with one hand.<sup>iii</sup>

This new wave of customer-centered innovation isn't occurring only in the packaged-goods arena. In my own field of hospitality, Marriott, a longtime pioneer and industry leader, has developed new design concepts for the lobbies of its Marriott and Renaissance Hotels with input from a team developed by IDEO, Inc., the well-known design consulting organization. IDEO sent seven consultants—one an anthropologist—on a 6-week, 12-city tour to watch travelers interact with public hotel spaces, from lobbies to cafes to bars. They noted what was good about the customer experience and what was not so good; for example, few lobby spaces were comfortable for conversations, reading, small meetings, or private work sessions. As a result, the new lobby areas that Marriott is creating will include “social zones” for informal meetings and semiprivate work areas with plenty of room for laptops, papers, and coffee cups.<sup>iv</sup>

You don't have to employ an anthropologist in order to develop meaningful insights into the customer experience. It helps if you are a customer yourself. As a hotelier, I approach every travel experience in the spirit of research. When I stay in one of our Loews Hotels (or when I visit a city where no Loews Hotel is currently available), I take detailed mental and written notes about the quality of the experience, from my interaction with Loews coworkers at check-in or meals right down to such details as the water pressure in the shower, soundproofing in the bedroom, and colors in the living room that are conducive to a relaxing evening. The other executives from Loews' home office also act as customer surrogates; in fact, we have a checklist they use for rating every element of each hotel they visit. They offer the results to the general manager and operations manager of the hotel for them to consider and learn from. These notes often become the basis for our next hotel restyling or, perhaps, for a simple upgrade of the amenities available in a single room or suite.

I also encourage everyone who works at Loews to take seriously any input we receive from customers about their experiences with us. You don't have to be an anthropologist (or a CEO) to have powerful insights about the customer experience, you just need to be human.

Creating great customer experiences is a challenge that hospitality industry leaders have long understood. Now it is one that leaders in every arena need to focus on. It is the only real solution to the crisis of change that is battering almost every kind of organization in our fast-paced world—and the only way to reestablish and maintain powerful connections with the customers who make our work possible, meaningful, and profitable.

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Jonathan Tisch, *Chocolate on the Pillow Aren't Enough*, 2007, John Wiley & Sons, Inc.  
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<sup>i</sup> Bruce Nussbaum with Robert Berner and Diane Brady “Get Creative!,” *Business Week Online*, August 1, 2005

<sup>ii</sup> “Welcome To Procter & Gadget: The consumer giant is leading the way in building brands with mechanical gizmos,” by Robert Berner. *Business Week*, February 7, 2005, page 76.

<sup>iii</sup> David Kiley, “Shoot the Focus Group,” *Business Week Online*, November 14<sup>th</sup>, 2005

<sup>iv</sup> “The Science of Desire,” by Spencer E. Ante. *Business Week*, June 5, 2006, page 98.