



# Dare to be Different... Your Quest to Enhance Your Customer Experience Journey

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In today's dog eat dog business environment, it is essential that you develop a strategy to stand out in a crowded marketplace—to separate yourselves from your competition. Simply put, to be different!

Theodore Levitt, the renowned economist, professor at Harvard Business School and editor of the Harvard Business Review, had the following to say in his 1991 book entitled *Thinking About Management*: "Differentiation is one of the most important strategic and tactical activities in which individuals and companies must constantly engage. It is not discretionary. And, everything can be differentiated, even so-called commodities such as cement, copper, wheat, money, air cargo and insurance."

Price is the enemy of differentiation. By definition, being different is worth something. Consumers are willing to pay a premium, redefine the buyer/seller relationship, erect barriers to the seller's competitors and establish the seller as a trusted advisor when a differentiated platform offers perceived value in the marketplace.

Even with all of the attention paid to branding these days, more and more industries and organizations are being commoditized. In other words, fewer and fewer are able to differentiate themselves through the eyes of the customer. Commoditization will impact you and your Team if you allow the focus of the consumer's decision to be the offering rather than the quantifiable difference that you bring to their business and family.

Brand Keys, a loyalty and engagement research consultancy, analyzed 1,847 products and services in 75 categories via its Customer Loyalty Engagement Index®. It found that only 21% of all the products and services examined had any points of differentiation that were meaningful to consumers. Of interest, Brand Keys examined the insurance industry and determined that there is little to no differentiation through the eyes of the consumer. How tragic. Compare this to the automobile industry where brand differentiation is high—Volvo (safety), BMW (driving), Mercedes (prestige) and Ferrari (speed), to name a few.

So what is missing? A differentiated value proposition supported by a unique consumer experience.

### **The Customer Experience Journey**

What is the Customer Experience Journey? It is the sum of all experiences that the customer has with you and your agency – the actions and results that make the customer feel important, understood, heard and respected. Each customer interaction molds and shapes the Journey. While you may take great pride in the "features and benefits" of your offerings, it is important that you assess the degree to which you are stimulating the emotions of those whom you serve. In order to accomplish this, your agency must deeply engage your customers' emotions in addition to, and even above, their intellect. You will hit roadblocks unless you are able to discover your customers' goals, passions and struggles, which opens the door for an intense and lasting relationship—an emotional connection that transcends price and product.

It is essential that you realize that building a memorable customer experience involves strategy, discipline, technology, relationship management, branding, leadership and commitment – all wrapped in a process to engage, surprise and delight. Each and every one of the world's most admired companies – Apple, Google, Disney, Wal-Mart, Southwest Airlines, BMW, Nordstrom to name a few – spend countless hours on how best to deliver a unique customer experience.

### **Emotional Engagement**

Your Customer Experience Journey will guide your customers through a range of emotions which affect their decisions including fear, greed, pride, envy, anger, pain and guilt. In the business of insurance, compliance, employee benefits and risk management, fear is a real motivator. Fear of losing something. Fear of lawsuits. Fear of injury. Fear of risk.

Emotional connections are essential components of the Journey. Research indicates that more than 50% of the customer experience is subconscious, or how a customer feels. The subconscious brain is a fertile garden in which to sow positive seeds. The mind is highly selective, processing millions of pieces of information each second. Whether you realize it or not, each member of your firm is impacting the subconscious in each step of the Customer Experience Journey.

In designing and delivering a Customer Experience Journey, you must have a plan to engage the consumer. Emotional engagement is the foundation of the customer experience. People rationalize personal decisions first but make decisions based on feelings. A great experience transcends the rational attributes of a product or service (e.g., price).

Cecil Beaton, the English Academy Award-winning fashion photographer said it best: "Be daring, be different, be impractical, be anything that will assert integrity of purpose, emotion and imaginative vision against play-it-safers, the creatures of the commonplace, the slaves of the ordinary."

### Six Essential Steps to Differentiation

There are six essential steps to differentiate your agency from your competitors.

1. **Listen to the customer.** This tactic has been neglected by generations of well-intended professionals. A pleasurable and memorable experience occurs when the customer has the opportunity to speak about his or her dreams, goals, passions and aspirations.
2. **Exploit the differences** of your services and resources from your competitors. You must be able to highlight these differences. If not, you are in the crowd.
3. **Demonstrate the value of your offerings** so the consumer can feel the impact on their key indicators.
4. **Include creativity and passion** in building customer solutions.
5. **Demonstrate your personal commitment** to ensure that the consumer achieves the outcomes proposed.
6. **Shoot for your customers' hearts.** Engagement and loyalty requires an emotional connection.

### Lifetime Value of the Customer Relationship

In marketing terms, the lifetime value of a customer represents the net present value of the cash flows attributed to the relationship.

It is short sighted to view the value of the relationship in terms of the revenue derived from the initial engagement. Rather, the following must be considered:

- Repeat purchases over the lifetime of the relationship
- Cross purchasing of additional products and services
- Price premium due to the appreciation for the experience
- Positive word of mouth in terms of referrals
- Appreciation and enjoyment when interacting with staff

Many organizations use acquisitions, marketing campaigns and sales blitzes to improve performance. While these strategies may give the firm a short term boost, they are not long term solutions. Customer engagement and loyalty is the most solid plan. Real growth occurs because there is a “love affair” between an organization and its customers. And, the customer can’t wait to sing the firm’s praises to friends and colleagues.

### Distinguished Value Proposition

As mentioned earlier, a differentiated value proposition is essential. Your firm’s value proposition is the reason for your professional existence. It describes how you create value for others. It makes you stand out in a crowded marketplace. Without a compelling value proposition you are ordinary and disposable -- a commodity. With a distinguished value proposition you are unique and indispensable.

Your agency’s unique value proposition statement must summarize the reason why a potential customer should buy your particular product or service, how it exceeds your competition and why it is worthy of the price they must pay. The ideal value proposition is concise and appeals to the customers’ strongest decision making drivers. It is an irresistible offer, and invitation that is so compelling and attractive that the customer would be out of his or her mind to refuse your offer.

### Customer Loyalty

It is also essential that you develop, define, measure and manage customer loyalty. It is not enough to understand your retention and organic growth rates. You must dig deeper to understand why customers return, why they defect, why they buy and what they say about you and your Team.

Loyalty is commonly defined as faithfulness or devotion. Richard L. Oliver, the renowned consumer scientist and Vanderbilt University professor referred to customer loyalty as “a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future despite situational influences and marketing efforts having the potential to cause switching behavior”. The loyalty effect is created when the consumer becomes an advocate and evangelist of a product or service. The impact of customer loyalty includes, but is not limited to, repeat purchases, brand loyalty and positive word of mouth.

Loyalty is the key to profitable growth. Fred Reichheld, Director Emeritus at Bain & Company and bestselling author of *The Loyalty Effect* (1996), *Loyalty Rules* (2001) and *The Ultimate Question* (2006) has documented research that evidences a 25 to 100 percent increase in profits from just a 5 percent increase in customer retention. Companies with the highest customer loyalty typically grow at more than double the rate of their competitors.

Customer loyalty is not a choice any longer. It is the only way to build a sustainable competitive advantage. Easy? No way. It requires a dedication to, and focus on, the delivery of a customer

experience that transcends price and product. At the core is an experience with the customer which is so tight that it wards off competition and entices word-of-mouth referrals.

### Logic or Emotion?

Is the consumer's purchasing decision based on logic or emotion? What do you think?

So what is logic? It is reason supported by facts. What is emotion? It is the feeling that leads us to act and react. Emotion describes the intensity of how our body and mind will respond to an event. Emotions drive us toward pleasure or away from perceived danger. Perhaps, emotions are best described as signals from the subconscious that steers the decision making process. This is especially true when logic sees all choices as equal.

The single motivator in purchasing decisions is not data, or facts. It is emotional response. People buy when they feel comfortable, when they feel they can trust you and your firm and when your process feels natural and reassuring. In simplistic terms, people rationalize purchasing decisions based on facts, but they make decisions based on feelings.

It is always the heart which is touched first. So, what does this mean to your agency? Although you may take great pride in the "features and benefits" of your offerings, it is imperative that you assess the degree to which you are able to stimulate the emotions for those whom you serve. In order to accomplish this, you must deeply engage your customer's emotions in addition to, and even above, their intellect. The simplest strategy is to find out what keeps your customer up at night as well as what drives them. It is your discovery of their goals, passions and struggles which opens the door for an intense and lasting relationship – an emotional connection which transcends price and product.

Dare to be different? You bet. The payoff will be huge!

### About the Author

Scott Addis, CPCU, CRA, CBWA is the CEO of Beyond Insurance and is recognized as an industry leader having been named a Philadelphia finalist for *Inc. Magazine's* "Entrepreneur of the Year" award as well as one of the "25 Most Innovative Agents in America." Beyond Insurance is a consulting firm that offers leadership training, cultural transformation, and talent and tactical development for enlightened professionals who are looking to take their practice to the next level. Since 2007, the proven and repeatable processes of Beyond Insurance have transformed individuals and organizations as measured by enhanced organic growth, productivity, profitability, and value in the marketplace.