



# The 2015 Customer Experience Outlook

A Collection of Ideas  
for the Year Ahead

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Brought to you by  
Kerry Bodine & Doberman

# We share a deep passion for customer experience.

And we're always looking for new ideas to inspire our work. So we recently reached out to some of our favorite customer experience authors, designers, and industry leaders to find out what they were thinking about at the beginning of 2015.

Our 14 contributors bring perspectives that span three continents. Some of the articles offer practical advice, while others are more philosophical in nature. And some will surely challenge your current beliefs about what it means to design and manage the customer experience.

We hope you'll find the ideas in this eBook both useful and inspiring for the year ahead. Happy 2015!



Kerry Bodine  
Co-author, *Outside In*



Lisa Lindström  
CEO, Doberman

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# Rethinking Experiences

# Distinctive Experiences



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**B. Joseph Pine II & James H. Gilmore**  
Authors  
*The Experience Economy*

It has been almost twenty years since we first described economic history through our progression of economic value. In short, the Agrarian Economy (based on commodities) was supplanted by the Industrial Economy (based on goods), which in turn was superseded by the Service Economy, and that has now been unseated by today's Experience Economy. Indeed, goods and services are no longer enough; what customers want are *experiences*—memorable events that engage each individual in an inherently personal way.

In 2015, this fundamental shift in the very fabric of the economy continues unabated with new experience offerings all over the world. We also see the shift to experiences taking root beyond what we anticipated in three areas in particular. First, experiential marketing (let's call it EM) applies experience staging to the marketing of goods and services, seeking to be less dependent on traditional media as the means of building demand. Second, digital experiences increasingly flourish, using the World Wide Web and other electronic platforms to create new virtual and gaming experiences focused on the user experience (UX). Finally, the application of experience-staging prowess to operations—in what many call customer experience management (or CEM)—typically aims to make interactions with customers nice, easy, and more convenient.

Each of these movements has yielded more satisfactory interactions with customers and better results for companies, no doubt. But none fulfill the promise of an actual *experience*—which is in fact a distinct economic offering, as distinct from services as services are from goods.

Companies that embrace only the facets of EM, UX, and CEM miss out on conceiving and designing new-to-the-world offerings that customers value more highly, and therefore create more economic value for themselves.

What's crucial to understand about CEM in particular is that making interactions nice, easy, and more convenient never arises to the level of a distinctive experience. Rather, these are all attributes of good service, and focusing on the "customer experience" as the term is commonly used only creates better services. (The oft-heard term "service experience" further confuses the issue; or, perhaps acknowledges the confusion!) This again is a good thing, and can even forestall the forces of commoditization, but it cannot hold them at bay forever.

Look at the primary economic distinctions between services and experiences. First, services are intangible—having little or no materiality (as tangible goods do)—while experiences are memorable. If you do not create a memory, then you have not offered a distinctive experience. And while being "nice" is, well, nice, it's rarely

*memorable*. Instead of just being nice, design your interactions to be so engaging that customers cannot help but remember them—and tell others about them.

Second, services are outwardly customized—done for an individual person (or company)—while experiences are inherently *personal*. If you do not reach inside of people and engage their hearts and/or minds, then you have not offered a distinctive experience. Engineering your processes to be “easy” actually tends to get in the way of making them personal, so instead always take into account the actual, living, breathing person in front of you, even if treating him or her individually gets in the way of greater efficiency.

**“ If you do not create a memory, then you have not offered a distinctive experience.”**

Third, services are delivered on demand—when the customer says this is what he wants—while experiences are revealed over a duration. If you do not let your experience unfold dramatically over the course of your interactions in a way that goes beyond the routine, then you have not offered a distinctive experience. Striving to be “convenient” drains the interaction of all drama,

so instead stage the sequence of your interactions in a way that embraces dramatic structure, rising to a climax and then bringing your customers back down again in a personal and memorable way. That’s why services are *delivered* while experiences are *staged*.

The best way to summarize the distinction between partaking in services—even excellent ones properly enhanced through “customer experience management”—and encountering experiences is through the concept of time. Making things nice, easy, and convenient results in customers spending *less* time with you, and less money as well. And that’s exactly what they want from services, so they can spend *more* of their hard-earned money and their harder-earned time on memorable, personal, and dramatic experiences that truly engage.

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*B. Joseph Pine II and James H. Gilmore are the co-founders of [Strategic Horizons LLP](#) and the co-authors of, among other books, [The Experience Economy](#), named one of the top 100 business books of all time with an Updated Edition out in 2011. They can be reached at [PineGilmore@StrategicHorizons.com](mailto:PineGilmore@StrategicHorizons.com) or +1 (330) 995-4680.*

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# Money as a Service



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Brandon Schauer  
Head of Adaptive Path  
Capital One

The snoozy Financial Services industry is awake, undergoing the greatest changes in decades. People's interaction with money is evolving. The use of cash is in decline. New alternatives are appearing. (Bitcoin!) Mobile financial services and payments are taking off. And new players are entering the fray as tech brands drive the future. Services like PayPal, Square, Mint, Google Wallet, Apple Pay, and Snapcash are defining customers' expectations for how money should behave to fit *their* needs, not their banks'.

Inherent in many of these new solutions is an inversion of the customer's mental model of how money behaves. Money is no longer stored in an institution and accessible only when you play by their rules. Money is out there with you in the world: fluid and at your service.

This new mentality mixed with new technology, competitors, and a growing realization of the relationships between great experiences and profitability, makes 2015 an opportune time to reframe how financial service organizations see, deliver, and manage customer experiences. In fact, it's a crucial time to do so as those of us responsible for the experience are expected to achieve more, do it more quickly, and do it at scale.

To keep up and take advantage, a financial services organization must not only focus on customer experience, but also redefine core tenants of how it engages in it.

### Redefine Product

Financial services is, ironically, an industry in love with products. Checking, savings, mortgages, annuities, life insurance, and credit cards might all be named and managed as products. Yet from the customer's perspective, these don't seem or act like products at all. They are simply rules and containers that go into making up the experience they have over time with their money and the brand they've trusted to handle it. Now, more than ever, a desirable experience is the product customers truly buy.

Financial services organizations need to manage their experience products—those key end-to-end journeys of their customers—just as carefully as any other product portfolio: with rigor, coordination, and a competitive frame. And, customer experience professionals must equally be ready to take on the same levels of accountability as a product manager for the health and outcomes of their experience products.

The result can be financial services that not only deliver better experiences, but services that

lead customers through a journey that they value and the business values. This is something that an unchanging product simply cannot do, but a well-orchestrated customer journey can. It's not a mortgage; it's becoming a homeowner. It's not a credit card; it's becoming trustworthy with your finances. As MIT professor Michael Schrage states in *Who Do You Want Your Customers to Become?*, great experience design, "should not just focus on the challenge of creating better customer experiences but rise to the challenge of creating better customers."

**"Financial services organizations need to manage their experience products—those key end-to-end journeys of their customers—just as carefully as any other product portfolio."**

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### Redefine the Front Line

There was once a day that the local branch, the teller, or the meeting with the financial advisor dominated the customer experience. This front line sat in the customer's context. If a policy or promotion from headquarters didn't make sense in that customers' context, the front line could and should ignore the business needs in deference to the customer's. Customer empathy was constantly a part of decision making about the experience.

Fast-forward, and the majority of customer interactions are digital. But what's changed about empathy is that the new front line—those making the decisions about how the experience is created and crafted—sits not in the customer's context, but in the context of the business. Digital developers, designers, and product managers work far away from the customer. The greater empathy in the business context is obviously for the business that's in front of them, not the far-away un-met customer. The result is processes, policies, and promotions that are coldly hard-coded and can appear tone-deaf to customers.

The challenge for financial services is to build back that same empathy for the customer in a front-line that's often physically no longer at the front. Actually, maybe that's the easier part. The even harder achievement might be giving them the agency and authority to do the right thing for the customer as if they were sitting in the customer's context, prioritizing the customer's problem above the organization's business priorities.

### Redefine Data

Some of us do try to act like rational beings when we deal with money, but the truth is something

## Brandon Schauer

that we can't avoid: we're emotional and irrational decision makers. To get a handle on this at Adaptive Path, we create customer experience maps that include the emotional ups-and-downs of a service to realize just where we are stepping into someone's emotional journey.

Emotions are data. Qualitative information is data. And, in an industry so based in the numbers, it's critical to honor, apply, and measure our successes and failures by a wide array of data to recognize the bigger picture. Tomorrow's financial services will embrace and design for people's emotions, their irrational decisions, and their behaviors to help create better journeys and outcomes.

In today's world it's possible to know more about a customer than ever before, yet still treat them like a number. Analytics and big data reveal cold insights about a faceless customer, but they can't solve the most important question—why that customer should care about you. Redefining data to include the emotional journeys in finances can be your means of breaking through and thereby being a service worthy of a customer's investment of time and trust.

The biggest mistake we can make will be to think of financial services as the financial services we know it today. Big. Stodgy. Rules. Fees. Reframed, money is a service by which we facilitate the improvement of people's lives. If we passionately study, design, and deliver services for how people can best interact and channel it to these purposes, we can create customer relationships that are both better for business and better for the people we serve.

*Brandon Schauer is the head of [Adaptive Path](#), the influential experience design consultancy and curator of annual design conferences such as UX Week, the Managing Experience Conference, and the Service Experience Conference. As of October 2014, Brandon and the Adaptive Path team are a part of [Capital One](#) working to create great human experiences that drive business. Brandon has a love of Excel that is unnatural for a designer.*

*Follow Brandon at [@brandonschauer](#).*

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# Leadership & Culture

# Culture First, Strategy Second



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Dave Gray  
Author  
*The Connected Company*

The last few years have been increasingly disruptive to existing business models, and there is no reason to think that 2015 will offer any relief. Today's competitive environment requires businesses to "run faster just to stay where they are." In other words, if you are not innovating more or less continuously, you are falling behind. The requirement for continuous innovation puts new pressures on businesses to think differently about strategy.

This brings me to the topic of culture, which I see as the most critical and underestimated element in strategic thinking today.

I often describe culture as the operating system of a group of people. It's "the way things are done around here" with both the good and the bad that implies. It's good, because it allows people to get things done, to coordinate their actions, to cooperate on big things like running a company, launching products and services, hiring new people and so on.

But it's also bad, because the very things that help people focus efficiently also cause blind spots. This is a natural byproduct of focusing intensely on one thing. It's neither good nor bad in itself.

When it becomes a critical issue is when a company has been successful for many years and the business environment undergoes a major shift of some kind. This is a problem because the blind spots which were previously unimportant now become perilous. You can't fix what you can't see.

Consider Nokia, a company that was lauded for its culture. For many years, Nokia was considered

to have one of the best corporate cultures on the planet. It was studied for its excellence and written up in management journals. So how did this world-class corporate culture become the company's greatest liability?

Mobile phones, practically overnight, went from being a consumer device for talking and text messaging to a digital computer that happened to also work as a traditional phone. Nokia's competition changed from other phone manufacturers to computer makers who had a very different way of operating. With the advent of the smart phone, it was the functionality – the software – that people were really buying. Suddenly the device was only one small part of a software ecosystem.

Nokia had an excellent culture for a manufacturing firm. But this very excellence became a handicap when it came to developing an ecosystem of application developers.

Culture is something that comes about over many years. It is a set of collective, habitual behaviors that make the group productive and efficient.

Changing a culture is like changing the course of a river. It's possible but very difficult. Peter Drucker said "culture eats strategy for breakfast," and with good reason. It's much easier to change a company's strategy than to change its culture, a problem that senior executives underestimate time and time again.

Most strategies are based on industry and market trends, emerging technologies, new customer segments and so on. In short, strategies are usually designed based on external factors, with little thought given to the culture of the organization as an accelerator or constraint to implementation. Most strategists believe culture should conform to fit a company's strategy.

I believe the opposite is true. Companies, especially those with a long history of success, should design strategies around internal capabilities, gaining strength and momentum from their existing culture whenever possible. This requires a deeper understanding of culture than most companies currently have. In recognition of this problem I have been working with colleagues to develop diagnostic tools for assessing an organization's cultural strengths and weaknesses and considering them carefully as a risk factor which can endanger any large change initiative.

Culture diagnostics have their own challenges. Because culture is deeply embedded in organizational habits and routines, it is often difficult to see. Because it involves deeply held beliefs, values and assumptions, as well as power and control issues, discussions about it can be difficult and emotionally charged. For these reasons, most "culture projects" are relatively meaningless, feel-good exercises, designed to give a feeling of progress and "increase engagement"

while avoiding difficult conversations or ruffling feathers.

Nokia went through just such a process in 2007. The goal of senior management was to "re-examine and challenge existing values" in order to become "more like an internet company." They orchestrated an organization-wide dialogue which included employees around the world. The result was four slogans which were described as "aspirational but also model what was already working at Nokia." The result, in plain language, was [not culture change but a celebration and re-affirmation of the status quo.](#)

**"Companies, especially those with a long history of success, should design strategies around internal capabilities."**

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There is in fact an entire industry which specializes in feel-good but ultimately meaningless "culture assessments" that claim to give you insights about your organization's "dominant culture" but in fact are based on dubious research, and are about

## Dave Gray

as useful as an astrologer when it comes to truly understanding your company's culture or doing anything about it.

A serious inquiry into your company's culture should include questions that probe the organization's publicly-stated values and compare them to observable organizational structure and behavior, such as who makes decisions, how resources are allocated, what is punished and rewarded, how physical spaces and work groups are organized. The purpose of such an inquiry is to understand gaps between what people in the company say they value and how they actually behave. These conversations are not easy. They require commitment from senior leaders, as well as skilled facilitators and structured approaches in order to get meaningful results.

Many customer experience improvement efforts focus on changing—"improving"—the corporate culture. But culture is so core to the capabilities of an organization that making significant changes to it should only be undertaken as a last resort. Culture should be understood as a core asset, more valuable than physical assets and just as important as customers. It is most certainly one of the biggest risk factors in any change program. I urge business leaders to include a culture diagnostic as a part of any strategic planning process.

Culture does eat strategy for breakfast. Therefore, don't launch strategies that look good on paper but run contrary to your existing culture and strengths. Such strategies are usually doomed. Put culture first, and design your business strategies around your greatest strengths and capabilities.

*Dave Gray helps large organizations solve complex problems related to [culture](#), innovation, and change. His approaches have been made publicly available in his book, [Gamestorming: A Playbook for Innovators, Rulebreakers and Changemakers](#). His second book, [The Connected Company](#), describes a new breed of adaptive, fast-moving organization that's emerging in the 21st century. In 1993, Dave founded the design consultancy [XPLANE](#), growing it to a multi-million-dollar business before selling it in 2010. He now works as an [independent consultant](#) with select clients.*

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# The Startup Approach to Customer Experience



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Lisa Lindström  
CEO  
Doberman

Professionally, I've had the pleasure of straddling worlds, working in two distinctively different universes. On one side, as a board member of several large corporations, from banks to media companies. On the other, as a design and innovation consultant for startups. And throughout this, it has become more and more obvious how polarized these two universes are when it comes to their customer experience approach.

Traditional corporations are increasingly dedicated to making their customer interactions as practical and convenient as possible. They are getting better and better at providing functional services and they have established a viable customer focus. They know that customers today demand that. Hey, even their shareholders demand that. And that's a good thing. However, convenient products and services are not necessarily great customer experiences. In truth, this utilitarian approach is just a hygiene factor, needed to be able to compete.

As Pine & Gilmore argue, the real frontier in our economy today lies in customer experiences that are orchestrated over time and truly talk to our emotions. Experiences we remember. And while many corporations are busy optimizing their services, someone else is at the same time hacking the business landscape by delivering these memorable experiences. Today, this "someone else" is more often than not the group of companies known as tech startups.

Of course, you might argue that the very nature of companies in the startup scene makes them hard to compare to larger traditional corporations, which have much more complex prerequisites.

And you'd probably be at least partially right. But at the same time, it is equally right to say that experiences are the business currency on which startups are born and raised. And studying this currency can give the rest of us some interesting clues for how to excel in our own customer experiences.

**“Startup teams tend to design experiences for themselves as much as for people outside their walls.”**

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Startups create experiences by breaking their silos. Or rather, successful startups don't even build silos. When they are new, there are of course no obvious departments, levels, or isolated cells within the organization. But even when they grow up, they tend to maintain a cross disciplinary

## Lisa Lindström

culture. This approach to organization and collaboration is a cornerstone in delivering great customer experiences. Because, as we all know, a great experience is a journey that you have over time, encompassing interactions with all corners of an organization. Breaking any and all silos is a must to accomplish this.

Startup teams tend to design experiences for themselves as much as for people outside their walls. Of course, resources spent on understanding customer behavior always pay dividends, and startups know this as well. But they differ in how they blend that with their obsession for creating services they want to experience in their own lives. Rather than just delivering what they've learned people demand, their teams focus on building something bigger that they personally would love. Delivering stuff that makes them happy. In a way, they walk in their customers' shoes every day. At successful startups, this is an omnipresent Jedi force that helps them keep their eyes on the experience at all times.

Startups know that a truly great experience makes you famous. In fact, at many startups this is the carrot in front of them. Even if a lot of them don't admit it easily, they are more motivated by the inner need to be seen and heard than pure business numbers. They want to show the world their great and clever circus tricks. This ambition drives them to truly disrupt the things around them in order to break through the noise. Their most coveted reward is to hear people say they love the experience they've created. Startup or not, companies that are able to recognize and harness the ego kick as a culture for customer-centered innovation will lead industries.

Now, I know it's always perilous to generalize about the culture and methodology of something as diverse as the startup scene. And these observations of mine are just the famous scratch on the surface. But one thing is certain: if we want to rise above our optimization culture and deliver truly great and memorable experiences, most of us have to change. And change needs inspiration. The startup universe provides rich grounds to start looking for that.

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*Lisa Lindström is the CEO of the experience design firm [Doberman](#), overseeing offices in Stockholm and New York. She has been appointed Sweden's Service Innovator of the Year and listed as one of the top ten female leaders in Sweden. Lisa is chairman of the board of SVID, the Swedish Industrial Design Foundation, and of the public service broadcasting company Utbildningsradion, UR. Lisa is also a board member of several major Swedish corporations including Avanza Bank.*

*Follow Lisa at [@lisalindstrm](#).*

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# Five Competencies for Chief Customer Officers



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Jeanne Bliss  
President  
CustomerBLISS

For customer experience work to become valued and considered critical to driving growth in 2015 and beyond, it must rise above the fray of being defined by problem solving or chasing survey scores. These Five Customer Leadership Competencies clarify the role of the Chief Customer Officer as the enabler of embedding these competencies into the organization. They define leadership behavior of world-class organizations focused on customers and employees. And they impact how these organizations decide to grow, how they lead in unison, how they identify and resolve issues, and how they collectively build a “one company” experience.

### COMPETENCY #1: HONOR AND MANAGE CUSTOMERS AS ASSETS

*Know the Growth or Loss of Customers and Care About the “WHY?”*

With this Competency, the goal is to align leaders to make a defining performance metric—the growth or loss of your customer base. Customer Asset Measurement is about *knowing what customers actually did* to impact business growth or loss versus what they *say they might do* via survey results. For example: how many new customers did you bring in this quarter, volume and value (power of your acquisition engine); how many customers were lost this quarter, volume and value (power of the experience and value perceived); how many increased their purchases; and how many declined in their level of engagement with you?

The role of the Chief Customer Officer is to bring leaders together to establish Customer Asset Metrics and customer growth behaviors they will stand behind as a united leadership team.

### COMPETENCY #2: ALIGN AROUND EXPERIENCE

*Give Leaders a Framework for Directing the Work of the Organization. Unite Accountability as Customers Experience You, Not Down Your Silos.*

Competency 2 gives leaders a framework for directing the work of the organization: requiring cross-silo accountability to deliver deliberate customer experiences. It unites the organization in building a framework for “Earning the Right” to Customer Asset Growth.

The role of the Chief Customer Officer is to unite leaders and the organization in building a one-company version of their customer journey. It includes focusing the organization on priority

one-company experiences and on changing the conversations from silo-driven conversations to collaborative conversations about customers' lives—their experiences across the journey they have with your organization.

### COMPETENCY #3: BUILD A CUSTOMER LISTENING PATH

*Seek Input and Understanding. Aligned to the Customer Journey.*

Competency 3 unites your organization to build a “one company” listening system constantly refreshing with multiple sources of quantitative, qualitative, and experiential feedback to tell the story of your customers' experience, guided by the customer journey framework.

The role of the Chief Customer Officer is to engage leaders and the organization to want to be a part of “one company” storytelling to unite decision-making and drive cross-company focus and action. That's why I've coined this competency as building a customer “listening path.”

### COMPETENCY #4: PROACTIVE EXPERIENCE RELIABILITY & INNOVATION

*Know Before Customers Tell You, Where Experiences Reliability is Out of Sync. Deliver Peace-of-Mind, Consistency and Innovation.*

Competency 4 builds out your “Revenue Erosion Early Warning System” and your evolving experience innovation process in “marquee” moments in your customer journey. These are the intersection points which impact customer decisions to stay, leave, buy more and recommend you to others.

Here you build your discipline to know—before customers tell you—if your operation is reliable or unreliable in experience delivery in the moments that matter most, as well as to embed a customer experience innovation process to evolve current state to future state.

The role of the Chief Customer Officer is to drive executive appetite for wanting to know about these interruptions in customers' lives, simplifying how they are delivered, and facilitating a one-company response to these key operational performance areas.

**“For this work to be transformative and stick, it must be more than a customer manifesto.”**

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### COMPETENCY #5: LEADERSHIP, ACCOUNTABILITY, and CULTURE

*Leadership Behaviors Required for Embedding the Five Competencies.*

For this work to be transformative and stick, it must be more than a customer manifesto. Commitment to customer-driven growth is proven with actions and choices. To emulate

## Jeanne Bliss

culture, people need examples. They need proof. Competency 5 is the glue that puts into practice leadership behaviors required by a united leadership team to enable and earn sustainable customer asset growth.

The role of the Chief Customer Officer is to work with the leadership team in building the consistent behaviors, decision-making, and company engagement that will prove to the organization that leaders are united in their commitment beyond words.

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*Jeanne is president of [CustomerBLISS](#), where she coaches the C-Suite on customer-driven business transformation. She spent 25 years as Chief Customer Officer of Lands' End, Microsoft, Allstate, Mazda, and Coldwell Banker. Her two best-selling books are [Chief Customer Officer: Getting Past Lip Service to Passionate Action](#) and [I Love You More than My Dog](#). Her third book, due in July 2015, is [Chief Customer Officer 2.0](#). Jeanne is co-founder of the [Customer Experience Professionals Association](#).*

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# Trends & Technology

# The Year of Mobile...Again (2015 Edition)



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**Mike Dyer**  
Managing Director, Chief Product  
and Strategy Officer  
*The Daily Beast*

I know what you're thinking: it's been The Year of Mobile every year since forever. (Really, just since 2007, but point taken.) And you're right: we have been *talking* about mobile for what feels like forever. 2015 is different, though: this is the year when companies serious about great customer experience finally have to *do* something about mobile—really do something, not dabble—because 2015 is the year when mobile devices are finally, demonstrably the beating connected heart at the center of the vast majority of consumers' lives.

Over the course of 2014, we at *The Daily Beast* watched as three historic shifts in mobile behavior went mass, behaviors that were niche barely twelve months ago. And they each have profound implications for the kinds of customer experiences ambitious companies can and should deliver.

### 1. You are now a majority-mobile company.

One year ago, barely 40% of *The Daily Beast's* audience came from mobile devices, nearly all of it via phones. In 2015, mobile will pass 70%, while computer-based audiences will be flat to down 10%. (Many other media companies will tell you a similar story.) Going majority-mobile changed everything about our company: revenue streams, organizational structure, talent recruitment, and even our journalism. And all those things changed because the primary experience of our product changed. My point? Digital media companies are a leading indicator of this massive shift toward phones and away from computers as the primary focus of digital initiatives. What percentage of your company's resources is devoted to deeply addressing the phone as the primary device?

If the answer isn't 80%+, this shift should convince you that the days of "wait and see" are over. Best get on with it.

### 2. The phone is the only mobile device that matters.

If you're wondering why I'm harping on the phone—whither the tablet?—it's because *The Daily Beast* data shows that people behave on tablets like they do on computers: engaging in more intensive, specific tasks than they do on phones. (Here, think of creating documents, consuming long-form media, and making things). What's more, as phones get larger, they are cutting into the amount of time people spend with tablets by as much as half, [relegating tablets to around 20% of mobile computing time, down from 40%+](#). So what? Most companies that want great customer experiences are over-investing in tablet-specific experiences, when those resources can be better utilized on improving their phone experiences or on research and development for new mobile growth areas. Speaking of...

**“Most companies that want great customer experiences are over-investing in tablet-specific experiences.”**

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*Mike Dyer serves as Managing Director, Chief Product and Strategy Officer of [The Daily Beast](#), where he oversees company strategy and all operational units for product, business, and marketing. Prior to his current role, he served as Chief Digital Officer at NewsweekDailyBeast, where he was responsible for Newsweek Digital and The Daily Beast product strategy. Mike has won virtually every major digital creative and strategy award and is also an award-winning writer and filmmaker.*

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### 3. This time, try and get a head start.

There's one final reason that 2015 *has* to be the year of mobile: it's when the explosion of current mobile device adoption comes to an end. [Late Late Adopters, the only audience segment to not go majority-mobile in 2014, will do so by Fall](#). And yet, most companies and their partners are maddeningly behind in terms of mobile strategy, design, testing, and measurement. Great companies will learn from this uncomfortable moment when consumers are so far ahead of internal capabilities and devote resources *now* to experimenting with what's next: glanceable, lightweight customer experiences delivered via smart wearable devices. Learn about the space before your customers do, before it's essential, and before somebody says 2015 is the year of wearables. If this first era of mobile adoption has taught us anything, it's that people will probably be saying that for the next ten years. Don't wait for it to actually be true before you begin.

# Intelligent Experiences: Where CX Meets Tech



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Mike Wittenstein  
Managing Principal  
Storyminers

From the 1970s through the 1990s, customers' experiences evolved quickly with the introduction of technology like ATMs, CRM systems, touchscreen kiosks, and interactive voice response systems.

Companies were the early adopters. They used the then-new tech to operate more efficiently and profitably—mostly by shifting work from a company's payroll to its customers' shoulders. The corporate approach to "service" was to take away the personal smiles and let you do more of the work. Self-service was born.

In the mid-2010s, technology is changing customer experiences again, but on a grander scale and in a much more intelligent way. We don't have to go to where the tech is to get something done—it simply surrounds us 24x7. For most people, there are only a very few minutes in a day when they are not within arm's reach of technology that connects them to the world through an invisible network that gives them what we would have called science fiction super powers twenty years ago.

Now, tech-enabled, intelligent experiences can deliver value beyond smiles with service.

Here's a retail example. Suppose you're an RFID-card-carrying loyal shopper heading into your favorite department store. Once the store senses your presence, the digital signage responds to you with a helpful reminder like "Suzy, your alterations are ready at petites on the second floor ↗". When you engage with an associate, his tablet "knows" you (with your permission of course) and displays that you're here to pick up a new black evening dress and that you're still hunting for a blue scarf

to go with another purchase you got a while back. The tablet allows the associate to have the dress and a blue scarf brought to you. All of that with a single touch.

**"While selling is inevitable, creating value for customers should be first and paramount."**

What I like about this example is that this imaginary retailer uses technology to serve their customer, not sell to them. While selling is inevitable in retail, creating value for customers should be first and paramount.

## Mike Wittenstein

To be considered “intelligent”, an experience must be able to:

- **Sense context:** Including who is present, the location, the date/time, the customer’s intent, and the situation gathered from a variety of technologies or direct input.
- **Anticipate needs:** Knowing sooner what people want yields a better experience at lower cost. Anticipation is “calculated” from personal experience, analysis of previous patterns, and expectations about change.
- **Adapt itself:** Based on mid-experience feedback from customers and employees.
- **Respect people:** Changing presentation, tone, color, and language to best match each participant’s preferences and sensibilities.
- **Report on itself:** So that each subsequent experience improves in quality while requiring less effort and cost.

Intelligent experiences are better experiences. If your brand is a store, bank, airline, hospital, or other service company, you can combine advanced technologies (like connected car, beacons, Wi-Fi, video analytics, eye tracking, big data, and predictive analytics) to deliver experiences that add real value by going beyond the basic attributes of product and service. Using technology to anticipate your customers’ needs creates value for them by letting you serve before you sell. That makes experiences great—and improves the bottom line at the same time.

*Mike Wittenstein founded IBM’s first CX design practice in 1999. There, he used customer experience as strategy to help brands like McDonald’s, Best Buy, and Wingate Inns introduce innovations that won the hearts of customers and the favor of shareholders. Now, he speaks globally and leads [Storyminers](#), an experience, service, and business design firm. Storyminers helps retail, service, tech, and B2B companies discover their essential stories—the ones that resonate with customers. Then, they translate those stories into experiences that everyone wants to have.*

Follow Mike at [@mikewittenstein](#).

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# Social Media Customer Service: Add Engagement to Reaction



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Shep Hyken  
Chief Amazement Officer  
Shepard Presentations

How would you rate your company's social media presence? Perhaps you answered that it's great because you have social accounts on channels like Facebook and Twitter and you monitor and address customer complaints. That might have been a great answer in, say, 2012, but in today's world, that's not enough! In the recent past, *reacting* was an adequate way to use social media. While that's still important, in 2015 you must also take it further... *engagement* is the new goal.

In the last few years, companies have been getting creative and finding new ways to use technology and social media as customer service tools to *engage* with customers on a higher level. By offering expanded content and innovative applications, companies can open the lines of communication with customers to engage in conversation and provide valuable information. Here are a few ideas for using online customer service to connect with your customers:

### Develop an app.

Imagine you have a customer—perhaps a new customer—who has interacted with your business in person or over the phone or purchased an item online. The customer is left with a good feeling about the service he or she received and decides to search for an online app to stay connected with your business. Don't disappoint! It doesn't cost a lot to offer an app to engage and interact with your customers. They may want to check their order status, monetary or points balance, or learn and share new ideas about your product. Make it easy to use and fun!

### Create a content marketing campaign.

Traditional forms of marketing—such as commercials and ads—are having a harder time reaching customers than in the past. Customers record their favorite TV programs, and then skip past the commercials; and unless they are in the market for a specific product, they often ignore magazine and online advertisements. Content marketing is different in that it is not about asking for business, but delivering value. If you deliver useful information to your customers on an ongoing basis, you will be foremost in their minds when it is time to buy.

### Post videos on YouTube.

Does your product come with "some assembly required"? Or are there questions that your customers frequently ask? You can deliver extra value by creating and posting videos that offer answers and solutions. I once purchased a ping pong table and was having some difficulty setting it up, so I did a quick search on YouTube and found a video tailored to the exact model I had purchased. Watching the video was like having an expert standing beside me telling me exactly how to assemble the table. Customers will also leave comments on your videos, so don't forget to interact with them there as well.

As you are developing new ways to engage with your customers through technology and social media, don't forget the basics. You are adding *engagement*, but *reaction* remains an important part of customer service as well. Here are a few reminders about how to effectively react via social channels.

**“The average wait time on social media is nine hours. Nine hours!”**

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### React quickly.

Regardless of the social channel, reaction time is extremely important. Would you, as a customer, want to post a question or complaint and wait two hours, or a day, or more, to receive a response? Of course not. When customers complain, they want an answer now. The 2014 American Express Global Customer Service Barometer indicates that 25 percent of consumers who complain on social media expect a response time of less than an hour. Unfortunately, Socialbakers reported that the average wait time on social media is nine hours. Nine hours! Monitor social media and set a goal for your response time – and it should be in minutes, not hours.

### Answer where the question was asked.

If someone asks you a question or posts a complaint on Twitter, don't try to move them to Facebook or somewhere else. Some of the conversation may need to take place in a more

private setting, such as direct messaging offered by the social media channels (again, keep it consistent) or even a phone call. Ultimately though, even if some of the communication is done in private, post the resolution on the original social channel so others can see that the result is a good outcome.

### Remember basic customer service.

Don't let a complaint become a confrontation. Listen to the customer's problem and find a way to solve it in such a way that the customer will want to post something positive about your company on social media. If you remember and use what you already know about customer service, you can turn something that started out as potentially negative PR into something positive.

Social media customer service is powerful. It's more than just reacting. Engage and interact, and you will experience more appreciation and loyalty from your customers.

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*Shep Hyken is a customer experience expert and the Chief Amazement Officer of Shepard Presentations. He is a New York Times and Wall Street Journal bestselling author and has been inducted into the National Speakers Association Hall of Fame for lifetime achievement in the speaking profession. Shep works with companies and organizations that want to build loyal relationships with their customers and employees. For more articles on customer service and business go to [hyken.com](http://hyken.com).*

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# Experience Design

# Designing Customer Experiences with Employees



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Erik Roscam Abbing  
Founder  
Zilver Innovation

Anno 2015 the customer experience community can be proud and content: customer centricity is high up on the agenda of corporate leaders. It's been a long time since I've spoken to someone with a leading position in business who does not believe that putting the customer first makes business sense. I'll be the first to admit that many still have a long way to go in putting these beliefs in practice, but the mentality and the will are here and they're here to stay.

But aren't we forgetting something? What fascinates me in this stage of the maturity of customer experience design is this: all our methodologies, tooling, and discourse are aimed at understanding the needs and motivations of customers. So we can design services that help customers reach outcomes that bring them value. Nothing wrong with that. But when we start to design the touchpoints through which to deliver these services, we see employees as just another touchpoint or channel—and yet it's employee behavior and motivation that can make or break an experience.

When we want to understand how customers behave and what motivates them to do what they do, experience designers embark on contextual design research to uncover deep customer insights. When we design new touchpoints, we co-create them with customers and then prototype and test to get quick customer feedback.

In 2014, we started doing the same with frontline employees: we involved frontline staff in the process of designing the touchpoints. And we then involved them in prototyping, testing, and getting customer feedback.

For example, when my friend Damian Kernahan of Proto Partners and my firm Zilver Innovation were asked to improve the call center experience for an Australian telco, we didn't tell the call center reps how to change their behavior based on customer insights. Instead, we spent a lot of time with the reps finding out what it was they needed to deliver an outstanding experience. We asked them to interpret and apply the customer insights. And then they co-created what it was they needed with their colleagues, their customers, and us.

**“We no longer see employees as a channel to deliver experiences, but as co-creators of experiences.”**

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## Erik Roscam Abbing

When we worked on the customer experience of a large global car rental company, we involved station staff in the creation, prototyping, and testing of experience improvements. We made it *their* responsibility to get customer feedback. We asked them what they needed to make life a little better for the customers they served daily.

In short, we no longer see employees as a channel to deliver experiences, but as co-creators of experiences. It's the combination of customer insights and employee insights that now enables us to really make a difference in the organization and in each customer's experience. And that's why I'm planning to do even more of this work with my team and clients in 2015.

Employees want to be involved. It helps them understand how to do what they do best: make customers happy. And it helps them commit to experience innovations because they were there as those initiatives took form, they were listened to, and they were seen as pivotal in improving customer experience.

Employees will resist change when you tell them what to do. But they will embrace it if you ask them what to do.

*Erik Roscam Abbing (Seattle, US, 1969) is a consultant and teacher in customer experience, service design, and brand-driven innovation. Erik is the founder of [Zilver Innovation](#) in Rotterdam, the Netherlands where he and his team consult for a variety of international clients using a set of proprietary methods and tools that are described in Erik's book [Brand Driven Innovation](#). Erik also teaches at TU Delft, Hochschule Luzern, Eurib, and Cedim Mexico.*

*Follow Erik at [@roscamabbing](#).*

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# Designing Human-Centered Services in the Public Sector



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**Dominic Berg**  
Assistant Commissioner  
The City of New York's Department of Information  
Technology & Telecommunications

## Dominic Berg

When it comes to government IT shops, it's high time for that old dog to learn some new tricks. Within the customer experience design discipline, new tricks matter, particularly in the public sector. The New York City Department of Information Technology and Telecommunications (DoITT) is dedicated to providing technology services to multiple City agencies, as well as the public, and is always looking for more efficient ways to provide these services.

Recently, DoITT has been exploring human-centered design (HCD) as a way to better collaborate with our agency partners in the initial phases of project development and to encourage staff to tap their inner creativity. Through this approach, we have turned research-based user-centric ideas and prototypes into Agile-run projects.

DoITT and the City's Office of Emergency Management (OEM) partnered on one such HCD-to-Agile initiative with the goal of encouraging New Yorkers to prepare for disasters and gain a sense of calm and resiliency in the face of emergencies. We developed insights from our primary research with New Yorkers and focused on the key finding that people trust peers and relatives over official government information when planning for and responding to an emergency—a tough pill to swallow for a government agency. We then created and tested prototypes based on workshop-generated ideas, using three versions of a lightweight pseudo app to test other key findings from the research and get user feedback. Finally, we identified our minimum viable product for an iOS app, focusing on both usability and accessibility.

We also developed functionality for users to create shareable emergency plans for family and friends, since our research indicated that sharing these plans encourages loved ones to prepare and share plans of their own. The project helped both agencies rethink how end-users' emotional motivations—not just their functional or informational requirements—are important factors in defining, designing, and delivering customer experiences for government-led initiatives.

HCD has sparked an untapped energy among employees that promises to foster an opportunity for professional growth in 2015, aiding us in the ever-present talent retention struggle. (It's tough for government organizations to compete with private sector temptations like airy collaborative workspaces, stock options, gourmet kitchens, and flexible work-from-home options.) But while HCD has been a refreshing approach for DoITT and its agency partners, it is not a cure-all for the challenges that government faces in the race to prove that it can be just as innovative as the private sector.

As government further embraces disruptive approaches to doing business, additional

## Dominic Berg

adjustments must be made so that new ways of thinking and working can flourish. I call these changes the 3 Ps of Government Innovation and Transformation:

- Physical (office layout)
- Policy (budgeting and procurement)
- Psychological (organizational culture)

**“While human-centered design has been a refreshing approach for DoITT and its agency partners, it is not a cure-all for the challenges that government faces.”**

Currently, as anyone who has ever been inside a government office can attest, the physical composition of rows of cubes, closed offices, and mostly tethered equipment limit opportunities for team brainstorming and temporary co-location. Policy rules in the areas of procurement and tax codes lag far behind practices like prototyping and redefining scope as teams iterate and user test. Regarding psychological changes, it would serve

government employees well to start thinking of the end-user in their work, and regard themselves as collaborators instead of just doers.

In 2015, I anticipate a more unified voice—from both government staff and management—calling for changes that embrace the 3 Ps and demanding that collaboration and innovation become the norm, not a novelty. Within DoITT, this call to action will undoubtedly get louder as we embark on an ambitious agency-wide push to improve customer experiences in the services we provide to our fellow agencies and, ultimately, to the citizens of New York City.

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*Dominic Berg is Assistant Commissioner at the [City of New York's Department of Information Technology & Telecommunications](#). Dominic leads a dynamic team of UX designers, business analysts, and project managers who are dedicated to delivering valuable products for NYC's residents, businesses, and government personnel. As a volunteer and former Chairperson for his local Community Board, he promotes community-driven policy and decision-making, including ensuring a substantial community role in decisions involving the largest tract of under-developed land below 96th Street in Manhattan.*

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# From Transactions to Journeys



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**Tennyson Pinheiro**  
Founder and CEO  
Livework Brazil

The idea that our lives can be understood as journeys is not new. It's a concept that goes back to Joseph Campbell's hero's journey. The hero's journey is a basic story loop found in many narratives from around the world. According to Campbell, it represents the fundamental way we construct and tell our stories, and how we envision ourselves participating and living in them.

As I wrote in my recent book *The Service Startup :: Design gets Lean*, in order to design meaningful experiences, a business needs to be able to move beyond the marketing purchase funnel, away from solely relying on the transaction-based "make and sell" perspective, and towards a deep relational understanding of how people *learn*, *use*, and *remember* the things they choose to interact with. In other words, they must understand the consumer journey.

Contrary to what many believe, a consumer journey is not equal to the sum of all consumer-facing processes and channels. A reductionist perspective—proposed, among others, by René Descartes—states that the sum of all separated parts is perfectly equal to the whole. But this reductionist divide-to-understand approach fails to explain human phenomena. To be specific, when it comes to the way we experience things in this world, the sum of all the individual parts that compose the experience doesn't even come close to representing the user experience itself. Far from this, the experience is a narrative, a journey, created into the user's mind—full of intentions, expectations, and rationale regarding the journey they are experiencing.

Considering this, to get the edge, customer-driven organizations will need to learn and incorporate a new set of skills. They will have to move beyond traditional funnel and touchpoint mapping techniques, and into the capture of real users' stories. They must shift their antennas away from the measurement of linear transactional processes and towards the empathetic frequency of their consumers' learn, use, and remember journeys.

**“The sum of all the individual parts that compose the experience doesn't even come close to representing the user experience itself.”**

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## Tennyson Pinheiro

In a project for an airline, Livework's Brazilian team has changed the airport waiting experience by creating a service that, depending on the location of the user in the airport, calculates the exact time the passenger needs to reach the gate and how long the line will be. This is an example of steering the focus from the transaction, plunging into the consumer journey, and finding opportunities to enhance the customer experience. One may think that the passenger's journey to the gate is not a problem for the airline to solve, but that thought is too reductionist considering airlines lose money when flights get delayed because customers show up late for boarding.

To complicate things a little bit, when you take into consideration we are living in a digital, dematerialized service economy, human elements like anxiety, uncovered needs, irritability, belonging, mental models, and value formation patterns play an immensely important role on whether a business thrives or bites the dust in the market arena.

This shift, from a reductionist to a more holistic customer experience perspective, demands the ability to wear the user's shoes, and walk through the user's situation to uncover "learn, use, and remember" issues and opportunities across the whole territory of exploration. I believe 2015 is the year for the strategic conversation surrounding customer experience to move forward, embracing new possibilities like wearables, the internet of things, and big data—but not without having a good amount of human-centered design applied in order to help us make sense and give meaning to our new service proposals.

In this economy, other than by luck, one cannot design a valuable experience without nurturing a good level of empathy for users—while also developing an overall understanding of how, in their minds, those users are weaving and living their journeys.

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*Tennyson Pinheiro is the founder and CEO of the service design firm [Livework Brazil](#) and the author of two books related to design thinking and service innovation: [Design Thinking Brasil](#) and [The Service Startup :: Design Gets Lean](#). He is also the founder of [EISE](#), a service innovation school and entrepreneurship acceleration program in São Paulo, and the resident service design columnist for the design magazine [Core77](#). Tennyson holds an MBA and is a certified hypnotherapist.*

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# The Future of Customer Experience

# It's 2015: Time to Start Thinking Long Term



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Kerry Bodine  
Co-author, *Outside In*

When we moved back to San Francisco in 2009, my husband and I joined an organization called the Long Now Foundation. About once a month, we attend Long Now lectures to learn about topics like the world's oldest living organisms; the coevolution of light, life, and color on earth; how to find dangerous asteroids; and the coming century of war against our computers.

As you might have guessed, the organization's mission is to foster long-term thinking and responsibility. Just *how* long term are we talking? The Long Now Foundation uses five-digit dates in order to solve the Y10k bug that's approaching in about 8,000 years. Yeah, we're talking *that* long term.

Timescales of this magnitude are incredibly difficult for us to imagine. Our lifespans are puny in comparison. And the pace at which we live and work seems only to be accelerating. We plan for tomorrow based on what happened yesterday. We make decisions for next week based on last week's results. We get paid—and, seemingly, live and die—based on the numbers we report at the end of the quarter.

The field of customer experience and, no doubt, *your* customer experience efforts have suffered because of the short-term thinking that is rampant in today's corporations and financial systems. We've been trained to focus on the short-term benefits of cost cutting, strict product returns policies, and fast but kludgy technology fixes.

Case in point: Several years ago, the CEO of a major retailer slashed the number of in-store employees on payroll, and the immediate cost savings caused a slight uptick in stock price. But over time, the in-store experience degraded to the point that customers couldn't find the items they wanted to buy, couldn't get help solving their problems, and couldn't stand shopping there. And then the stock price took a nosedive.

**“The field of customer experience and, no doubt, *your* customer experience efforts have suffered because of short-term thinking.”**

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## Kerry Bodine

This outcome shouldn't come as a big shock to any right-minded businessperson. Deep in our hearts, we all know that long-term, sustainable profits rely heavily on customer loyalty—and that customer loyalty must be developed and nurtured over time. Yet again and again, we're lured to the immediate gratification of short-term thinking. And that's because we're rewarded for it. In today's corporations, short-term thinking drives recognition, bonuses, promotions, and budgets. And with our minds and our calendars filled with short-term projects, we have little left to devote to the future. The long future.

As we embark on Q2015, it's a natural and perfect time to reflect on the past year and plan for the upcoming months. As you do this, I'd encourage you to look beyond your typical planning horizons. Look at where your company was a decade ago, track its path to current day, and work with your colleagues to create a vision for the next 10 or 20 years. What kind of company do you want to be? What kind of experience do you want to deliver to your customers? How do your employees interact with customers and each other?

Of course, this vision will be vague and hazy. And, inevitably, it will be wrong. There will be external market shifts, new technology, and consumer behavior changes that you simply can't imagine today. Don't worry—it's a *vision*, not a project plan! The point is to get you to start flexing your long-term thinking muscles. Like any new skill or habit, it will take some practice before long-term thinking becomes easy or second nature.

If you need some additional inspiration, consider joining the Long Now Foundation. The Long Now makes its archive of lectures available to members

at [longnow.org](http://longnow.org), so you can get your dose of long-term thinking without even leaving the comfort of your couch. I promise, I don't get a kickback for this endorsement. I've simply found that the Long Now's ideas are great for breaking me out of my day-to-day, what-do-I-need-to-get-done-this-afternoon mindset and expanding my personal and professional time horizons. I hope you'll join me!

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*Kerry Bodine is a customer experience expert and the co-author of [Outside In: The Power of Putting Customers at the Center of Your Business](#). Her ideas, analysis, and opinions have appeared on sites like The Wall Street Journal, Harvard Business Review, Fast Company, Forbes, USA Today, and Advertising Age. She holds a master's degree in human-computer interaction and has designed interfaces for websites, mobile apps, wearable devices, and robots. You can find her at [kerrybodine.com](http://kerrybodine.com).*

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# Kairos Time: Preparing for Opportunity in 2015 and Beyond



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Fred Leichter  
Senior Vice President  
Fidelity Investments

The Ancient Greeks had two ways of keeping time. The first method, and the one that caught on, was chronos time, quantified by the passage of seconds, days and years—always in equal measure. Today’s successful organizations have become very good at managing chronos time. They create project plans that span weeks and months, deliver the things that are “in scope” for a given number of days, and factor person-hours into calculations of corporate costs and margins. In chronos time, every paddle stroke moves an organization forward at the same rate.

The Greeks’ second method of keeping time was called kairos time, measured by the passage of opportunities. Unlike chronos time, kairos time is not flat, steady, or sequential. Instead, it undulates. Surfers know kairos time well, waiting patiently in the right place for a wave and then seizing the right moment to accelerate. The Greek personification of kairos was Caerus, a young and beautiful god with wings. Like a surfer, Caerus practices his craft and is not afraid to fall.

We’ve started to talk a lot about kairos time at Fidelity Labs, the unit of Fidelity Investments where I get to lead a design thinking and innovation team charged with rapid experimentation. But we still preserve enough time in our chronos-based calendars to be able to see and act on opportunity. How do we do it? We watch carefully for opportunities and then move with teams that have practiced and know how to act.

There’s a long history of innovation at Fidelity based on taking risks and being ready for opportunity. In the early days of the Web, we

practiced and prepared with customers, launching the first version of Fidelity.com in 1995. As waves of traders and investors came online over the next 10 years, our percentage of electronic transactions grew from just 2% to 96%—a shift that our business was prepared for in large part because of our early work.

**“Surfers know kairos time well, waiting patiently in the right place for a wave and then seizing the right moment to accelerate.”**

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## Fred Leichter

We did the same type of preparation before the mobile wave hit. By having a trading app that functioned on Blackberries before there was widespread mobile phone usage, we were able to quickly introduce a trading app for the iPhone when the demand for smartphones suddenly escalated.

Technological advances shape many of the opportunities that are headed our way in 2015. Mobile payments, wearable devices, virtual reality, and connected appliances have already shown their promise—and will undoubtedly become more integrated into our lives and businesses over the upcoming years.

But opportunities are also shaped by the needs of our customers, and some of these needs are far from obvious. As a society, we face the benefit and increased challenge of living longer lives. We've got a new tech-obsessed generation that is—and will increasingly be—socially disconnected from older generations. And, in many parts of the world, health and wealth are now inextricably tied. How do we help people work through the emotions and realities of these challenges? How do we grab hold of the opportunities that will shape our businesses and our lives for years to come?

Chronos timekeeping has gotten businesses to where they are today, and it's certainly not going away. But in order to achieve success in 2015 and beyond, we need to learn kairos timekeeping, too. We need to listen hard, find unstated and unmet customer needs, and be poised to act. So, set up teams that have the latitude to observe both customers and trends, give them warm-up projects so they can learn to excel, and then set

these teams free to tackle big opportunities when they arrive. Learning and responsive organizations would make Caerus proud.

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*Fred Leichter is responsible for design thinking and innovation programs at [Fidelity Labs](#) and spent the 2013–2014 school year as a Fidelity-sponsored Fellow at the [Stanford University d.school](#). Fred has also served as Fidelity's Chief Customer Experience Officer, advocating for the customer in major technology initiatives across Fidelity. He sits on the Massachusetts College of Art and Design Foundation Board and served on the Leadership Committee for the Design Industry Group of Massachusetts (DIGMA).*

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# The Future of CX is Rooted in UX and Human-Centered Design



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**Brian Solis**  
Principal Analyst  
Altimeter Group

The thing about customer experience is that it happens with or without a formal CX strategy. In fact, it happens every day and that's why the future of CX is more important than its value among executive stakeholders today. See, your customers have an experience through every encounter they have with your company—all day, every day.

The question you have to answer is, what is the experience they have today and what could or should it be tomorrow? You'll find there is a gap between desired experience and reality. And more so, you'll uncover opportunities to compete for customer loyalty and advocacy in ways not visible.

Why?

Empathy.

True customer experience is inspired by the empathy that develops simply by being human. As you develop and refine your CX strategy, it's easy to get caught up in things like technology and efficiency audits, roadmaps, and budget and ROI debates. But exploring current experiences inspires new possibilities, which sets the stage for your vision, purpose, and work.

Perhaps this is something you've already considered. Perhaps you've invested in customer journey mapping work and have set in motion plans to optimize the customer experience and the balance between physical, web, and mobile.

Set that aside for a moment.

I propose that for CX strategies to truly matter, not just in 2015, but over the years to come, it will take empathy, design, and management. It's a form of architecture that humanizes CX—and

precedes and guides enterprise or systems architecture and all processes, systems, and metrics to support your work.

The real world of customer experience is reflected by the sum of all customer engagements in each touchpoint and in each "moment of truth" throughout the customer lifecycle. Depending on whom you ask, the definition of CX is embodied in the approach of emulating—in the business world—how individuals interact with technology in their personal lives.

**“Without understanding customers, we are just managing businesses the way we always have.”**

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It's part human and it's part technology. The connection between the two is yours to define. At its core, experience is emotive. To study today's experience is to know it, but to feel it is to inspire its promise. If CX is to have genuine relevance at a human level, it must encompass a human-centered design approach not unlike how the elements of user experience are applied to visual or interaction design.

User experience (UX) [encompasses all aspects of the end-user's \(or person's\) interaction with the company, its services and its products](#). As UX luminaries Jakob Nielsen and Don Norman once wrote, "The first requirement for an exemplary user experience is to meet the exact needs of the customer, without fuss or bother. Next comes simplicity and elegance that produce products that are a joy to own, a joy to use." The same is true for CX. We must know what customers need or what it is they expect. But it's not just giving them what they want or how they want it. We can also innovate to deliver something so unique, something so enchanting that once encountered, they can't live without it.

Nielsen and Norman further wrote, "In order to achieve high-quality user experience in a company's offerings there must be a seamless merging of the services of multiple disciplines, including engineering, marketing, graphical and industrial design, and interface design."

Again, the same is true for CX.

The customer experience as it is and how it could be is fixed to legacy philosophies, processes, and systems that were defined for a different way of doing business in a different time for a different type of customer. It doesn't matter how we

rethink the customer journey or how we integrate mobile, social, wearables, the Internet of Things, or any new technology. Without understanding customers and how behaviors and values are changing, without aligning with a bigger mission or vision with what we are trying to do—something that is going to matter to people—we are just managing businesses the way we always have. We are not moving in any new direction.

I believe that a meaningful experience is something that must be first inspired, then imagined, then designed, and subsequently constructed and measured.

Asking "Why?" leads to "What if?". And asking "What if?" leads to "What's next?".

The future of customer engagement and ultimately loyalty resides at the intersection of CX and UX, with social science and technology paving the way forward.

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*Brian Solis is a principal analyst at [Altimeter Group](#), a research-based advisory firm focused on disruptive technologies. A digital analyst, anthropologist, and futurist, Solis studies the effects of technology on business and behavior. He's a global keynote speaker, contributor to many leading publications, and also the author of several best-selling books including [What's the Future of Business](#) and [The End of Business as Usual](#).*

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