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WHY BEING MINDFUL TO CUSTOMERS MATTERS MORE THAN TECHNOLOGY

Blake Morgan

When I originally secured a book deal with my publisher HarperCollins, I had set out to write

a book on customer experience technology. I looked at some of the most beloved customer experiences in the world—such as Amazon, Spotify, Netflix, and Apple—and because of the level of customer experience at these companies that embrace technology, I believed technology was the differentiator. What I found as I interviewed Chief Technology Officers of customer-focused companies is that customer-focused CTO's did not want to talk about technology at all. They wanted to talk about the human element of running an organization.

Sephora is one of the most customer-focused companies in the world, with an incredible technology experience for customers. I took the ferry from where I live in the East Bay to San Francisco and met with the CTO of Sephora at the time, Ali Bouhouch, in his corner office overlooking downtown. But when we started talking, Bouhouch did not want to talk with me about his technology strategy. He wanted to talk about a teenage customer of Sephora who is struggling with her acne, walks into a Sephora store hoping a beauty advisor will help her so she can be confident again and go to parties with her friends without feeling mortified by her skin. After enough of these CTO interviews I scrapped my book idea about technology, and realized the world still needed a reminder that it's the company's mindset, culture, and leadership strategy that had more of an impact on customer experience than the technology ever would. A sustainable and strategic customer experience approach is based not on your technology, but in something else entirely: thoughtfulness.

For decades, brands have wondered how to best connect with their customers and provide amazing experiences. All along, the answer has been right in front of us. Instead of worrying about new technology, brands need to consider the psychological foundation. In order to even want to use the technology, customers need to be acknowledged and understood. Modern organizations think about how customers feel. Feelings alone aren't a hard business metric, but a growing number of innovative companies are taking feelings more seriously. One study found that 65% of consumers felt they had an emotional connection with a brand. Those are the customers who become loyal brand advocates and who make repeat purchases and recommend the brand to family and friends.

More important than what version of a chatbot a company uses is how well it competes on thoughtfulness. How does a customer feel about a brand? Does the customer value the service? How could the customer connect emotionally with a brand? Thoughtfulness considers the softer aspects of customer experience that can't be measured as easily. These are the emotional factors that link modern customers to the brands they are loyal to.

For decades, brands have wondered how to best connect with their customers and provide amazing experiences. All along, the answer has been right in front of us. Thoughtfulness is a hallmark of successful modern organizations. The customer of the future wants to be valued and accepted before they use new technological solutions. Companies that compete on experience find ways to make the customer's life easier or better, to make the customer feel special, or to wrap a story around the product. An organization can't simply release a product that is identical to thousands of others and expect it to be successful. The actions need to be rooted in a deep understanding and connection with customers. The company needs to value the customer's individual integrity as the foundation of their relationship with them.

Thoughtfulness pays off. Research has found that the most empathetic companies increased their financial value much more than companies that are less empathetic. In times of uncertainty, amidst political, social, and economic confusion, companies that simply ask, "What does it feel like for the person on the receiving end of this experience?" are a huge step ahead in truly understanding the customer and stepping in their shoes.

Thoughtfulness can be broken down into three areas: mindset, culture and leadership development.

MINDSET

I had the chance to visit Amazon headquarters last year and meet with key executives. I was excited to see what I thought was a magic show behind the curtain. I assumed it had to be some magic technology that made Amazon one of the most successful and customer-centric organizations in the world. Surely, there must be something Amazon does that is incredibly unique and innovative to drive its customer-focused success.

However, when I went behind the curtain, I did not find any magic. What I found were caring, hardworking, and thoughtful people. Each employee is dedicated to making the company as successful as possible and considering what customers want and need. I even questioned a senior Amazon executive about who owns Amazon's customer experience. He was confused by my question before revealing that everyone—literally every single employee—owns it. To him, the idea of a single person or even a small group of people being responsible for the entire experience of millions of customers was ridiculous and impossible. I knew then that the secret sauce behind Amazon's success was a mindset of customer centricity that pulses throughout the organization.

What is this mindset and where does it come from? Any type of mindset is the foundational principle of a person's thinking. It's their frame of reference and where they focus their time and attention. At many companies, the mindset is focused on pleasing shareholders or beating the competition. They fixate on their competitors and even have internal rallying cries against them. That is the basis that defines their actions. But companies with a customer-centric mindset of thoughtfulness are focused on customers. The basis of their actions is all about serving and connecting with customers.

Mindset originates from the top. It is incredibly difficult for employees to capture the vision of customer connection and empathy without a strong push from leaders. At Amazon, that comes from CEO Jeff Bezos. Although Bezos can be a polarizing figure, there's no arguing that he embodies the customer experience mindset. His leadership and direction have driven the customer-centric mindset throughout Amazon. The company famously leaves an empty chair in meetings to signify the most important person not in the room—the customer. That thoughtfulness of considering how the customer would react to developments and new services expands the mindset of putting customers first.

Amazon redefined self-service. Amazon is known for its innovative technology, and that plays a huge role in delivering a great experience with same-day or next-day delivery and a huge variety of other tech offerings. But Amazon doesn't rely on its technology alone to deliver those great experiences. The basis for its innovative products and services is considering what customers want and making their lives easier and better. That mindset is more valuable than the best technology in the world. Mindset is absolutely free, and it's the most underappreciated and underutilized resource in a customer experience strategy.

What is the focus of Amazon employees? At most companies, you'll get a different answer in each department: marketing is focused on getting people's attention, sales is focused on driving revenue, etc. But at Amazon, every employee in every department would have the same response: they are focused on building the world's most customer-focused company.

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CULTURE

While a growing number of companies are competing on customer experience, a surprising number of them miss an obvious business strategy: developing the employee experience. Companies with a strong employee experience have 4.2 times the average profit of companies with weaker employee experiences. But strengthening the employee experience is about more than just driving sales and revenue. It also plays an important role in developing thoughtfulness. When employees are engaged and participate in a strong company culture, they are more in tune with customers and are naturally more inclined to offer amazing experiences.

Culture is often invisible, and something you continually have to work at. A strong culture can be scaled as a company grows. When managers understand their responsibility to create their teams' experiences at work, they buy into the overall culture and employee experience. A survey of CFOs found that 51% believe they play a role in shaping company culture, most commonly by using company principles and values to guide actions, contributing to the development of the company's mission and collaborating with other executives to define the desired culture.

Capital One is regularly recognized for its strong corporate culture, which manifests itself in both customer and employee experience. Strong ethics, integrity, and kindness have been pivotal parts of the culture since the company was created decades ago. With that strong culture as a foundation, stories regularly come out of the contact center of employees going above and beyond to help customers. They don't do it for the recognition; they do it because that's just how business is done at Capital One. One story went viral of a Capital One customer calling to change her address after getting

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dumped by her fiancé. The employee heard her tears and realized the customer needed to have her faith restored in the world. After changing her address, the employee gave the customer enough points to go on a vacation and even sent a bouquet of flowers to her ex-fiancé's house to make him jealous. This story shows the power of thoughtfulness. The Capital One employee put herself in the customer's shoes to provide amazing service. Those stories don't impact the bottom line and can't be measured with hard metrics, but they are powerful in building relationships and growing connections. At companies with less-developed cultures, employees might not have the tools or ability to offer great service, but it is part of the overall employee experience at Capital One, and translates into a great customer experience. A Capital One executive told me that the company obsesses over what it's like to work there and always has culture at top of mind.

People are a company's greatest asset, but too many companies don't empower their employees to best help and serve customers. A thoughtful company culture comes from being intentional and starting with purpose. Companies that succeed by investing in their employees overinvest and overmanage culture. They care as much about what they measure as what they don't measure.

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LEADERSHIP DEVELOPMENT

Thoughtfulness starts at the top with leaders and executives. But in order to truly permeate through the company and be long-lasting, there must be a strong leadership development strategy in place. Too many companies leave leadership development to chance. They hope that future leaders will be prepared when they are needed in the organization, but they don't prepare them with the right skills and mindsets. To be successful, leadership development must be operationalized and become part of the culture. Instead of leaving it up to chance, companies need to take control and proactively train and prepare future leaders.

Transformational leaders set the tone for the entire organization and for future leaders. They are especially crucial in modern times when trust in our governmental institutions—according to the Edelman trust barometer—is at an all-time low. Transformational leaders are self-aware, humble, and proactive. They set the vision and motivate employees. Under transformational leaders, even the most entry level employee is engaged and motivated to do their best and advance in the company. Great leaders spend time with their customers and employees. They see the office barista as just as valuable as a board member and treat them the same. Everyone makes a difference and plays a vital role in creating a diverse and innovative company. Leaders set the example of thoughtfulness because they care about their employees and put themselves in their shoes. That example leads employees to also develop thoughtfulness. When leaders motivate employees to embody thoughtfulness and customer experience, it can radiate through the entire company.

Leadership development programs must be created with the customer experience mindset. Successful companies find people, either internally or externally, with customer-focused attributes and develop them to grow in the company. Modern leaders are faced with more challenges of transparency, privacy, and ethics than ever before. They are constantly under a microscope to make sure they do and say the right thing. It has never been more important for leaders to have a strong say-do ratio. That means leaders do what they say they are going to do. It's a simple concept but one that is often missing. Leaders with integrity pave the way for their organizations and gain the trust and respect of their customers and employees.

Pixar sets the tone for its future leaders by being humble enough to realize that there is always room for improvement. Employees are encouraged to find innovative solutions to problems within the company and go through structured channels to bring about change. The approach instills the culture in future leaders and encourages creativity, which is a hallmark of what Pixar stands for. By showing they value the opinion of employees, current leaders demonstrate trust for future leaders, and that will help them achieve their true potential.

Transformational leaders are self-aware, humble, and proactive. They set the vision and motivate employees. Taking time to develop other peoples' skills is an example of thoughtfulness. These leaders are not only thinking about their own careers, but the careers of others and the good of the company. Building strong connections and relationships keeps future leaders engaged in the company.

Technology is often considered the hallmark of a strong customer experience, but it is nothing without thoughtfulness. Truly caring for customers and taking time to understand them, step into their worlds and build strong connections should be the foundation of every customer experience initiative. Too often, organizations skip over the psychological foundation and wonder why their customers aren't loyal or satisfied. The answer is simple: be thoughtful. True thoughtfulness comes from developing the right mindset, building a strong culture, and practicing intentional leadership development. When those pieces come together, the entire organization can be unified in thoughtfulness for customers. §



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Blake Morgan is a leader in customer experience. As a keynote speaker and customer experience futurist, she has worked with Accor Hotels, Accenture, Adobe, Parker Hannifin, Ericsson, Omron, Verizon, and many other organizations. She is also an adjunct faculty member of the executive MBA program at Rutgers Business School and a guest lecturer at Columbia University. Her first book is *More is More: How the Best Companies Work Harder and Go Farther to Create Knock-Your-Socks-Off Customer Experiences*. Blake contributes to Forbes, Harvard Business Review, and Hemispheres magazine. Additionally, she hosts *The Modern Customer Podcast* and a weekly customer experience video series on YouTube.



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