Clued In

you've never heard of it, you still have perceptions of malls, Minnesota, and so forth, and in your mind's eye you have some impression of what the Mall of America should be like. If you have the opportunity to visit, you'll have another dimension of the experience, and you'll have memories and recollections of the mall. In any case, you continue to add data and information from clues to your Mall of America experience, whether it's the experience in your "mind's eye" or 20 visits to the mall.

The Experience Ribbon (Figure 4.2) is a three-dimensional way to think about a customer's total experience. It is especially useful in illustrating an experience's breadth and depth. It usually has three stages, and it uses a simple form of chronology:

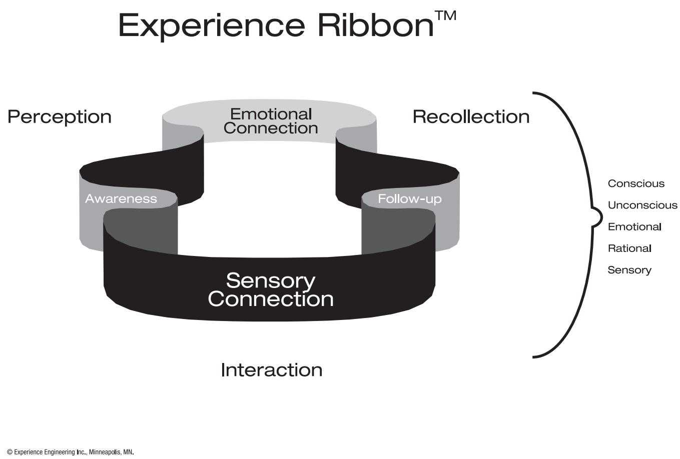

Figure 4.2 The Experience Ribbon.

1. *Perception* starts with customers' preconceived ideas and feelings whether conscious or latent, good or bad, accurate or inaccurate, relevant or irrelevant. Customers bring these thoughts and feelings with them to the encounter. They may be created by advertising, word of mouth, and their own previous experiences. Customer perceptions reflect the feelings and experiences they have developed through life experiences, not only within your specific competitive set, but also across a very broad spectrum. For example, businesses such as Federal Express and Domino's Pizza have impacted the way customers perceive speed and reliability in sectors far removed from overnight or pizza delivery services.

2. *Interaction* involves customers' contact with the people, physical environment and systems of the experience. As part of this stage in particular, they have "moments of truth" (to use the phrase made popular by Scandinavian Air Service's Jan Carlzon these past 20 years). [3] However, experiences and clues occur throughout an experience and are not neatly arranged in a linear process traditionally associated with considerations of "moments of truth" or "points of contact." During experiences, expectations are modified and further shaped—for better or for worse—as customers process the multitude of impressions, thoughts, and feelings they absorb. In the encounter, the connection is primarily sensory in nature. Customers sense what's going on and respond accordingly: They encounter numerous clues through which they process the experience in their conscious and unconscious mind.
3. *Recollection* involves the way customers remember the experience. It combines all their thoughts and feelings, whether rational or emotional, about their recently completed encounter. This, in turn, sets their expectations for future interactions. Recollection is the critical crossroads for the conscious and unconscious functions of the mind. Experience clues are first collected, stored, and "felt" unconsciously, then "rationalized" later as customers become conscious of value perceptions and brand associations.

In the aftermath of a transaction, the way people remember and value an experience emotionally will have everything to do with their ultimate commitment to an organization or brand—far more than what actually did or did not happen in the purely rational sense.

This is where the use of traditional marketing research can easily lead companies astray. Customers can (and will) intellectualize an experience, literally creating an intellectual alibi or rationalization that even incorporates specific experience clues into a rational explanations. In fact, how customers "feel" about what happened to them is much more important than their rational explanation.

In the aftermath of an interaction, the way people remember and value an experience emotionally will have everything to do with their ultimate commitment to the organization or brand—far more than what actually did or did not happen in a purely rational sense. That, in turn (as the Experience Preference Model illustrates), influences their loyalty, their degree of commitment and advocacy, and whether they will want to repeat or avoid a similar experience in the future.

If the feelings they have about the experience are strongly positive and emotionally bonding, they will be motivated to come full circle around the Experience Ribbon, repeating the experience and advocating it to others.

If the feelings they retain are negative or often simply neutral, the odds are high that they will choose to abandon the experience, taking with them the residue of their less-than-preferential experiences as a challenge for the new provider to meet. How many customers come to you with expectations preconditioned by negative or lackluster experiences with your competitors? They are also influenced by all of their experiences in various secondary, unrelated catagories. And how loyal do they become when you demonstrate that you can indeed provide them with what they feel they need and want?

Notice that the path customers travel around the Experience Ribbon involves more than the time they spend in the actual interaction with your company. It also encompasses parts of the experience that occur well before and after they interact with your people and systems.

No matter: The objective is to constantly manage a continuous experience cycle. Experiences are not point-to-point timelines with distinct beginnings and ends. Instead, they start at a point you may never specifically be aware of and continue well beyond a customer's momentary interaction with your particular business.

The path customers follow around the Experience Ribbon involves more than the time they spend in the actual interaction with you. It also encompasses parts of the experience that occur before and after they interact with your people and systems.

Clue Math

Another element that affects the perception of value is the interaction of clues in an experience. When an experience is unmanaged, it's not uncommon for prevalent negative or commodity clues to cancel out even the most high-impact positive clues. Consider, for example, the hospital emergency department that invests in a state-of-the-art registration system but fails to give any thought or attention to the dreary, impersonal, and frustratingly long waiting room experience. Subtle clue interactions also have impact. For example, a clue that evokes joy interacting with a clue that evokes surprise will result in a general feeling of delight. Recognizing the dynamics of clue interaction spotlights the critical importance of a management system that ensures maximum experience value is being created and leveraged.

Distinguished Professor of Marketing at Texas A&M University, and my good friend, Dr. Len Berry, has developed what I consider a form of experiential math. [4] Though originally designed to focus on the specifics of service delivery, it ably demonstrates the intricacy and complexity of clue-laden experience management. It has some marked similarities to the Experience Ribbon in its use of simple chronology. And, like the Preference Model, it considers three potential outcomes.

Berry maintains that to compute overall value accurately, three distinct variables must be mastered and managed:

1. Customers' *expectations* of what is about to happen.
2. The *outcome* that actually does happen.
3. Customers' *observations* of everything that goes on in between.

What is especially important about this formula is the way you do the math. The three separate variables don't *add up* to a cumulative total. They are *multiplied.* That difference is crucial. When you add 6 + 4 + 0, you get 10, no matter which way you rearrange the order of the numbers. On the other hand, when you multiply 6 4 0, you get zero, again regardless of the numerical sequence.

When you're adding, the presence of a zero doesn't change the total. But clue interaction is like multiplication, not addition. When one of the numbers you are multiplying is zero (or a negative clue), it wipes out everything else, regardless of the other numbers involved. All three variables have to be positives for anything significant to be produced.

It follows that if the value of the total experience is going to be managed, each significant clue on which the customer relies in processing the experience must be properly recognized and managed so that it contributes to generating preference and building loyalty. If just one significant clue leaves the customer stuck back on zero, it can jeopardize the value of the entire experience.

Imagine going into a grocery store for a gallon of milk and a dozen eggs. The store has what you want. The cooler's not hard to find. The price is right. But, the aisles are slippery with broken eggs, the whole store smells of sour milk, and the stock clerks look like they haven't mastered the use of soap and water. How likely are you to return to that store compared with any other handy source of milk and eggs?

Even though the products you bought may have been perfectly fresh and fine (in other words, you achieved the rational outcome you intended), the store didn't look or feel the way you expected it to look and feel. And both consciously and unconsciously, the experience of shopping there probably did a pretty fair job of ruining your appetite. If the place had been spotless and the help positively glowing with cleanliness and courtesy but the cooler was empty, the experience would have failed for different reasons, but it would have failed nonetheless.

The converse can be equally powerful. How do you feel when the drop-ship order you thought would take ten days to arrive shows up in three days instead? How do you feel when, instead of snapping at you and making you feel inept, the person at the counter or on the phone quickly and graciously figures out a simpler solution to your problem than you could ever imagine? Surprised? Delighted? Impressed? All of the above?

That makes becoming clue-conscious a powerful management mindset. By creating and orchestrating consistent, compatible clues tied to customer impressions that substantiate value, your business can engineer the way customers "do the math."

The compounding of positive feelings, expectations, outcomes, and observations generates a powerful reason to return—a natural impulse to be loyal. That's why a business needs to actively and systematically manage clues toward a planned positive emotional end frame. Every customer that a business encounters—every customer who has an experience with a business—does Len Berry's math. Each can be located along the spectrum of the Preference Model. Each builds a uniquely personal Experience Ribbon.

That makes becoming clue-conscious a powerful management mindset. By creating and orchestrating consistent, compatible clues tied to specific customer impressions that substantiate value, your business can engineer the way customers "do the math," moving the needle on their preference and loyalty.

Experience value management also requires understanding clues, clue creation, and clue management in depth. The next chapter is dedicated to that deeper understanding of clues.

Principles of Experience Value Management

Managing experiences to be distinctive and powerful creators of value derives from the following premises:

1. *Experience* is *a value proposition*. The elements that make up a complete and coherent total experience can be identified, expressed in an Experience Motif, and managed to create distinctive value for customers.

2. *Clues are drivers of experiences.* Experiences are composed of identifiable indicators, signals, and stimuli—some of them rational, some of them emotional—that are registered consciously and unconsciously by the senses. In combination, they evoke the aggregate feeling experienced by a customer. In a designed and managed experience, that aggregate feeling should be the Experience Motif selected to reflect the firm's customer value proposition. Customers value what they are receiving on the basis of the way those clues are woven into an overall experience. It's that combination or fabric of clues that drives long-term loyalty and advocacy.