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Why your customer experience is just 3% away from making you a market leader

Globally, retail is moving at a pace that is frankly a little crazy. We are in a marketplace where changes come very rapidly and are highly disruptive.

When I observe the UK high street, and the e-commerce and m-commerce (business conducted by mobile phone) around it, I think the answer to how you improve the digital and customer experiences can be encapsulated in two words: cognitive flexibility. This means the mental ability to switch between thinking about two concepts and to think about multiple concepts simultaneously.

Many players in the market tend to want to do something radical in order to be totally different from their competitors.

But I think the better way to see the market is through the lens of a simple 3% rule. As long as you're better than your competitors' customer experience by 3% at any key touch point or moment of truth, that should be enough to give you a more dominant market share.

If you think about using Amazon or other such services in the market, do you *really* see that service as being massively different or is it actually a cumulation of lots of plus-3% across the whole customer journey?

My gut feeling is that the top players are in fact spending no more than 3% of their effort to create differences in areas that really matter within the entire user journey or within their orchestration effort (optimising cross physical and digital activities surrounding an individualised customer experience).

They look at where that 3% is going to make a serious difference and then they rely on a ripple effect to spread that transformation. If you throw enough 3% into the pond, eventually the ripples combine and reinforce the effect, becoming highly impactful.

In a very agile market place, which is constantly changing, I think that's enough to keep you in the top spots.

Choose your 3% wisely

But you need to be very smart about where and how you apply that 3%.

For example, in the UK, when you order anything online, you're usually told the day on which it will be delivered. But in locations with advanced logistics, such as Tokyo, that delivery prediction will be by the hour. Would you like your parcel between 8.30 and 9.30 in the morning, or after work between 10pm and 11pm?

Moving your business from the promise of a day delivery to an hour delivery would put you in a completely different competitive space, well ahead of your competition. But the logistical effort and expense to do that would be massive, a lot more than a plus-3%.

So, you need to understand your own sectors and subsectors and the 'culture' of your market to determine the 3% that are achievable, and which will deliver the greatest impact.

Frontstage, backstage experiences and financial investments

Frontstage experiences

When I was at Disney's Experience Institute, I noticed how 3% of customer experiences are surgically linked to operational data. Every frontstage experience in the park is clearly mapped to operational (backstage) experiences.

The competitive experience differentiation technique starts by defining a competitive experience vision and then creating a library of experience guidance around how the each and every 3% is enacted throughout the Disney experience.

Experiences that are too rigidly defined usually create stagnation thanks to the lack of creative curiosity to flex. Hence, experience practitioners should embrace the fact that human expectations are ever-changing and therefore, allow flexibility for front line experience practitioners to creatively and proactively create new 3% experiences on the go.

Backstage experiences

This leads to the question of how to invest in the right 3% experiences and how to measure continuously to gauge their success.

For every successful frontstage experience, there is a backstage experience orchestration capability. And these range from an experience platform, such as Salesforce, to the experiences of the employees on the ground.

Nowadays, human-to-hybrid processes have started to gain momentum and I believe that in no time, we shall see operational experiences to be a mixture of both contactless support and high value communication touch points by humans.

For every 3% experience investment, there is also a clear need to understand where and how much to invest; the Return on Experience Investment.

Depending on the industry, the Chief Financial Officer role in evaluating investments in experience should:

- Understand how frontstage experiences are interlocked with backstage experiences
- Allow an experience upside investment ceiling to empower experience practitioners to flex creatively
- Agree experience KPIs that are clearly measured through an experience platform

Experience flow is vital to the success of any organisation.

As I've already mentioned, the connectivity and orchestration between frontstage, backstage and investments are vital to keeping an organisation vibrant and relevant in a changing landscape. The experience flow allows an organisation to continuously test new experiences with their audiences, allowing the cognitive feedback loop into improving them while backed by the appropriate investments.

Great experience flow requires a few elements:

- Continuous investment into experience innovation

Usually 2-5% of an experience investment budget should include an innovation budget to explore more provocative experience changes.

- Understand the culture

Focusing on the audience/market culture is critical. Winning in a market is typically depicted through the deeper understanding of its culture. It is however, more important for an organisation to flex internally and dovetail seamlessly into a highly transformative world. Culture is king.

- Flow will require a strong heart and clear blood vessels

The pace with which experience flow is captured and measured will be highly reliant on a strong heart, which, in this case, is an experience platform. The linkage between experience, process and system APIs will be the catalyst to help experience flow truly flow with pace and measurement accuracy.

The plus 3% experience is the key advantage.

To win in the markets it is all about having the cognitive flexibility to orchestrate experience flow seamlessly in the markets, with both pace and an understanding of the culture.

This is where Capita can play a practical role in helping retailers find and enhance the 3% of their customer experience that will create the greatest ripple effect in the market place. Our experience provides us with a very a strong layer of understanding of what really counts so we really can make a difference. Let us show you...