

rlevance^r
making companies more relevant for people

Branded Experiences – Balancing the value equation

Christian Vatter, XVII Top Marketing Business Forum, October 2015



**As Marketers we have one goal
for our brand:**

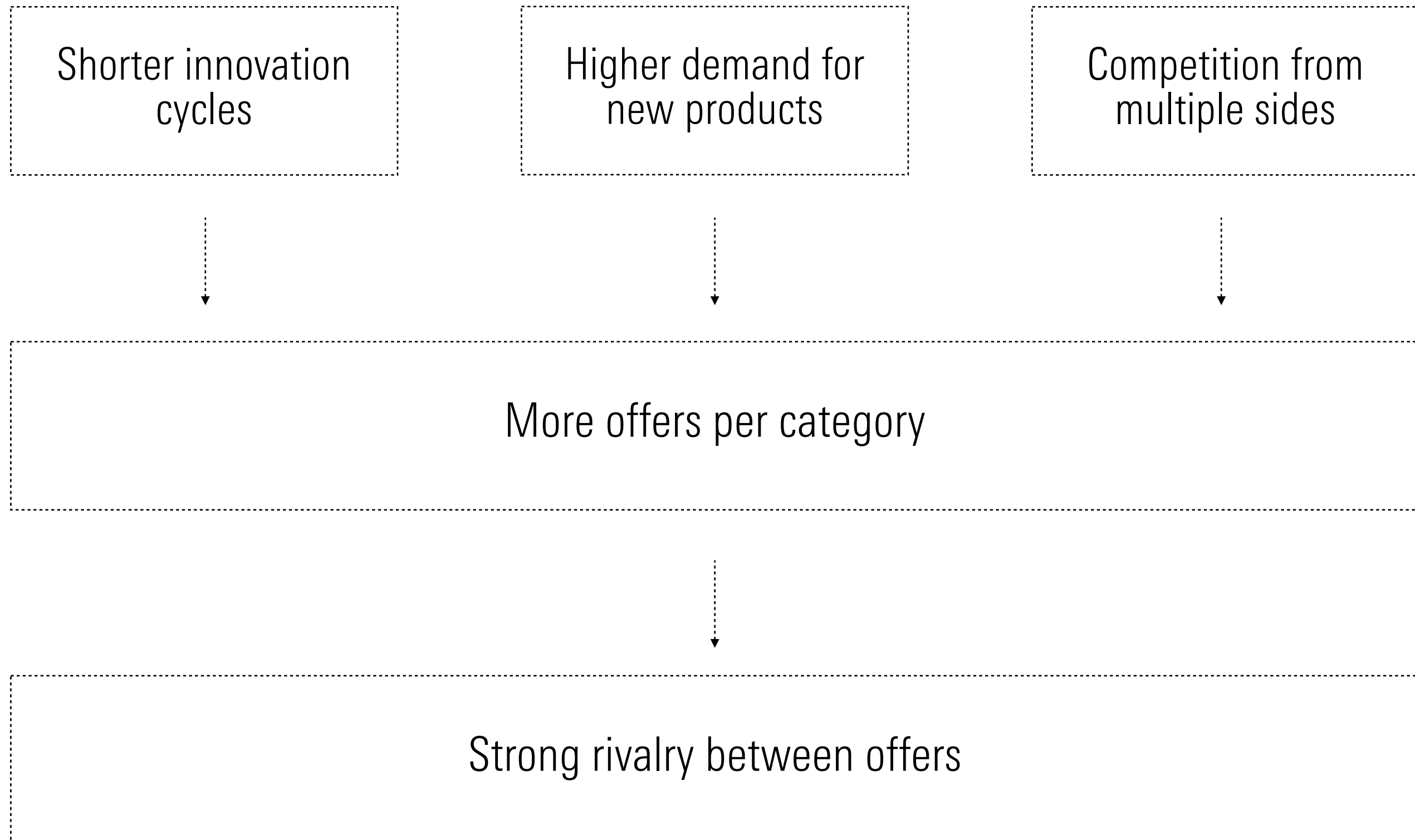
To be preferred over competitors



This has become a tough job!

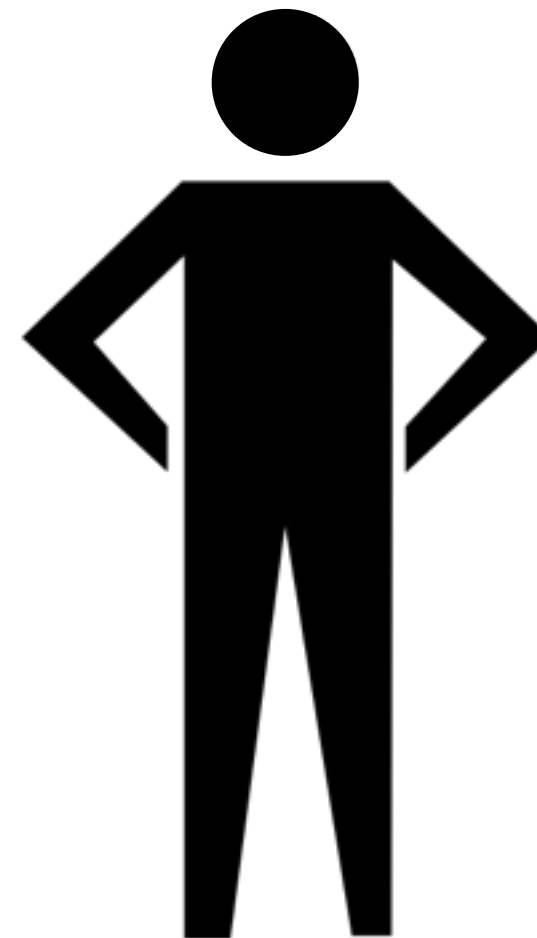


1. More and more competition



2. Audience harder to reach

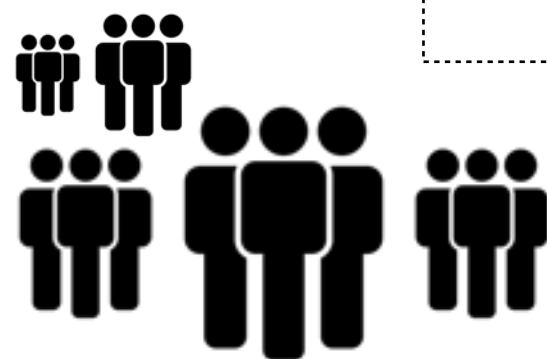
using an ever increasing amount of media channels



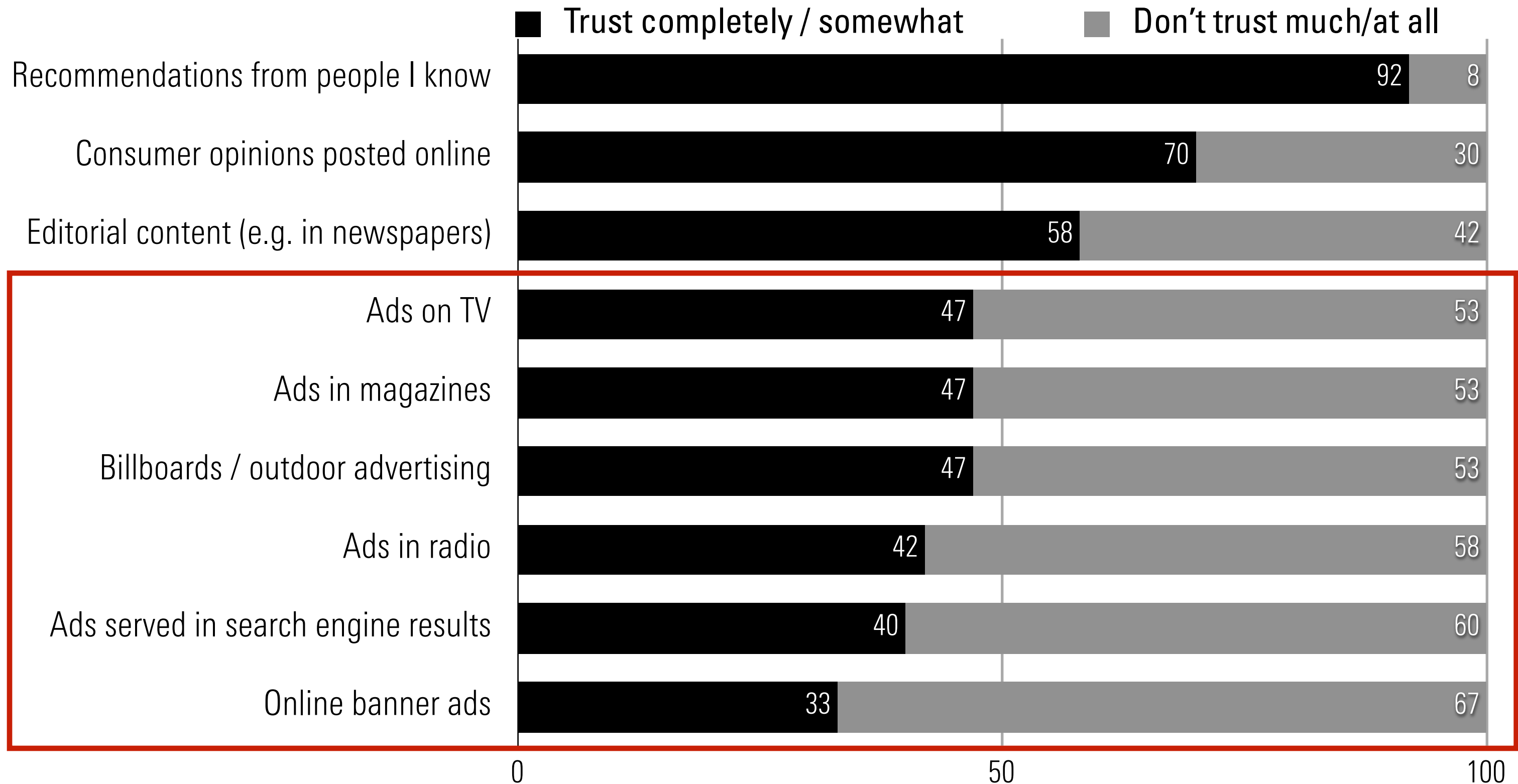
constantly changing values & interests



fragmented target groups



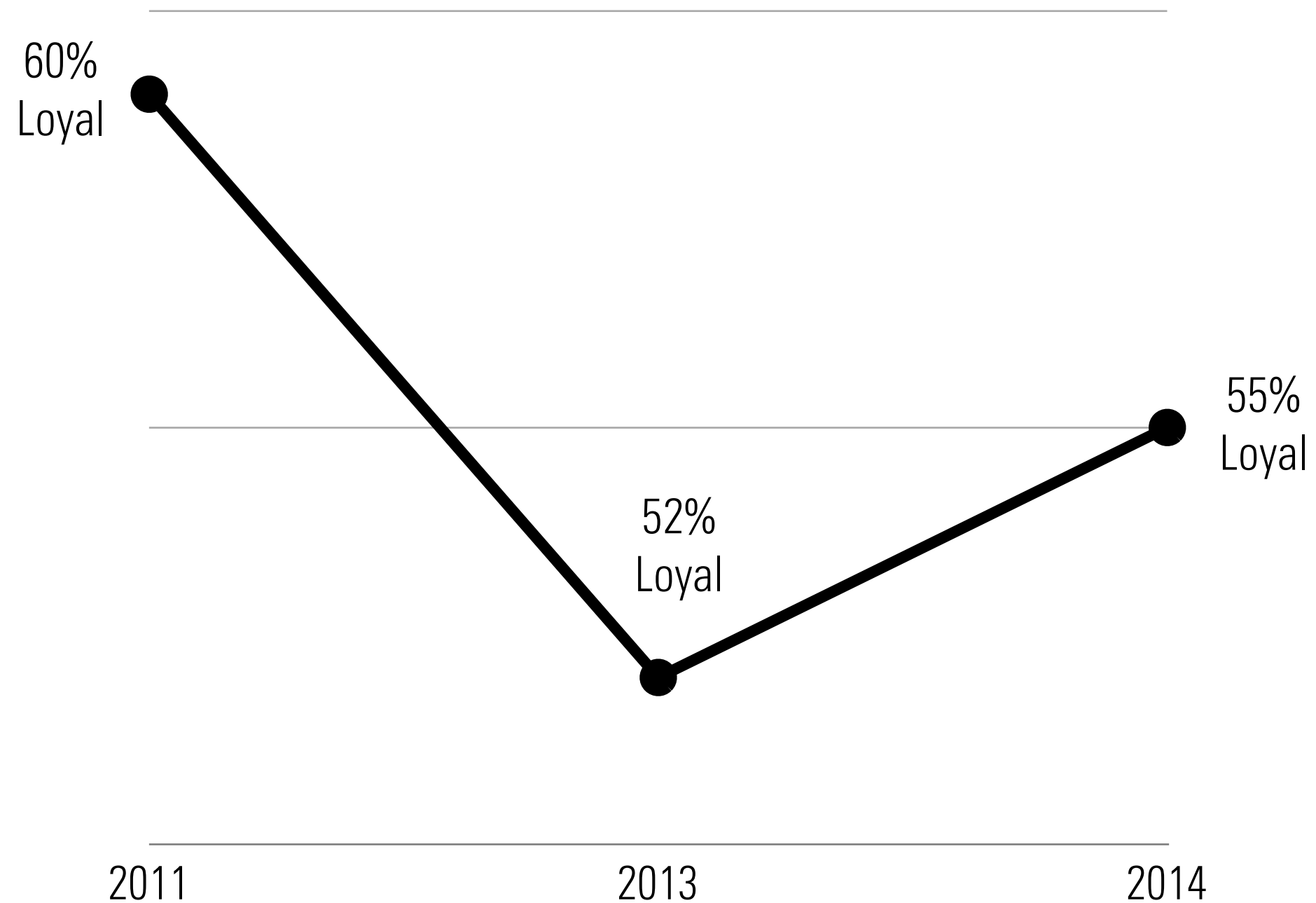
3. Lack of trust in corporate messages



Source: Nielsen Global Trust in Advertising



4. Decreasing brand loyalty – „The Switching Economy“



Source: Convergys Customer Scorecard, 2014;
3.000 U.S. consumers, ages 18-74 (industries: banking, credit cards, health insurance, Internet service providers, retail, satellite/cable, mobile service, technology)

Our usual recipes?

We communicate more and louder



Painting: Michiel van der Born

We »innovate« and create more variations



We engage in price wars



More and more competition

Audience harder to reach

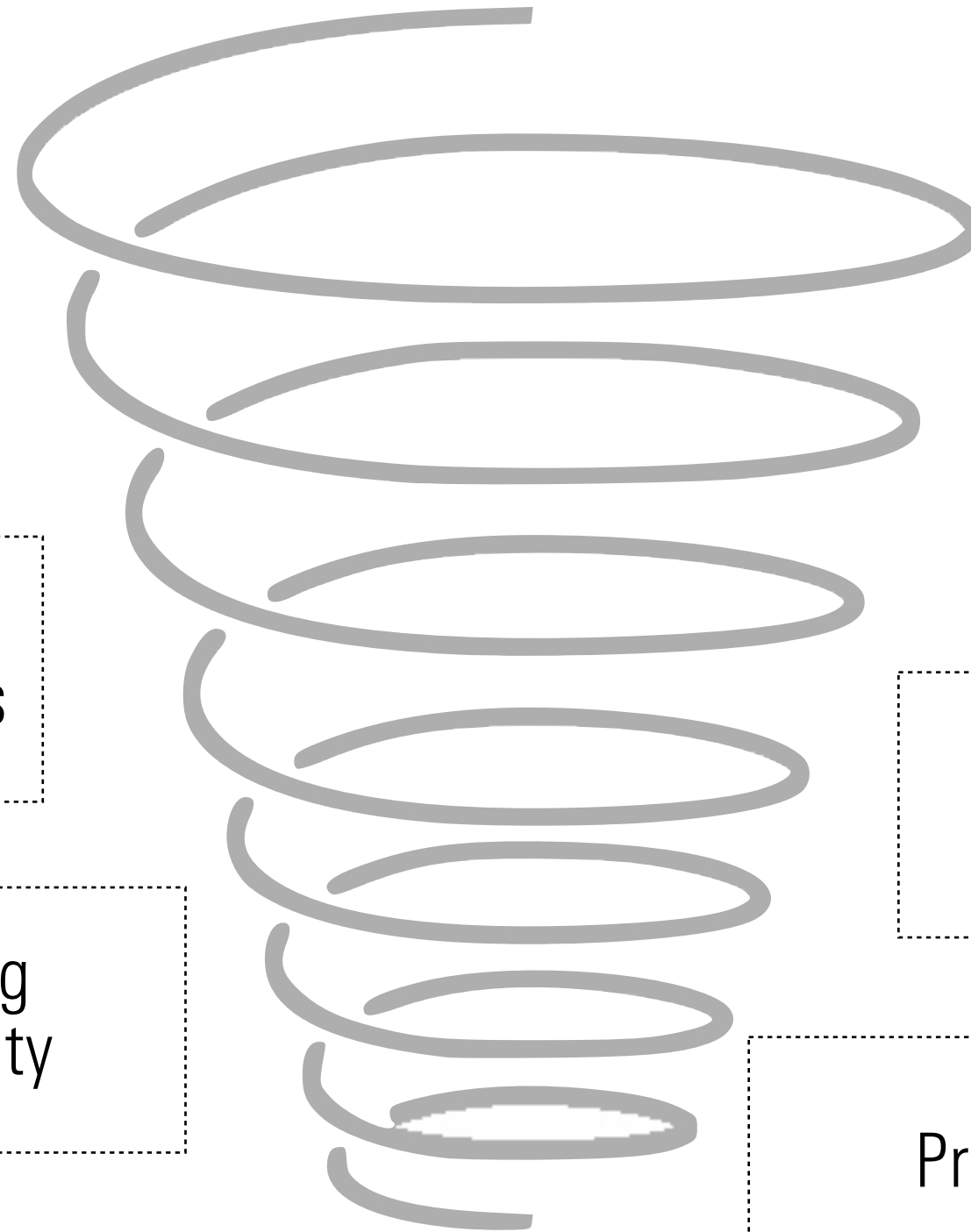
Lack of trust in corporate messages

Decreasing brand loyalty

More and louder communications

»Innovation« and more variations

Price wars



➔ increasing the noise, decreasing value, losing the customer

Something is missing in the way we do Marketing today



Let me tell you a little story...

Barbie is looking for a boyfriend



Marc is a candidate, he writes her nice letters full of promises



Ken is also a candidate, he invites Barbie for a day at the beach



While not knowing if Marc's promises will become true, Barbie picks Ken, because she has experienced how he treats her



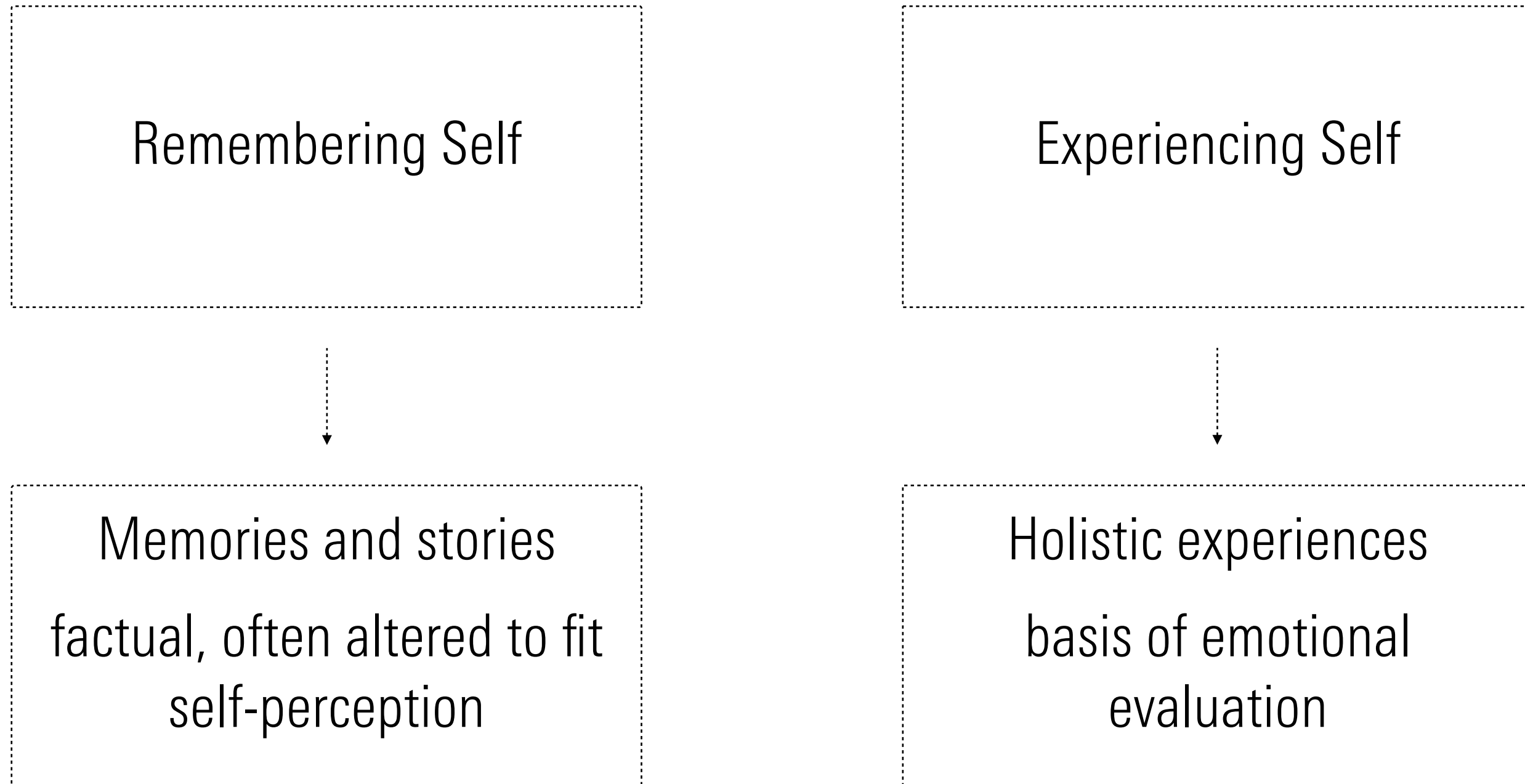


**How companies make customers feel
is more important than what they say
about themselves**

**Marketing today does not enough
use positive experiences as a tool**

Why experience matters

As humans have two different operating modes, experience is needs to be considered separately



Source: Daniel Kahneman & Jason Riis: „Living, and thinking about it: two perspectives on life“, 2005

Customer Experience: Holistic impressions from regular interactions, clearly located in space and time

Regular experience when „using“ a company – not special situation when something went wrong

Delivered through features, services, processes – all interactions between customer and company

Sum of impressions: conscious & subconscious, rational & emotional aspects

Situational, located in space and a time

Good customer experiences fulfill human needs



Good customer experiences are easy to use

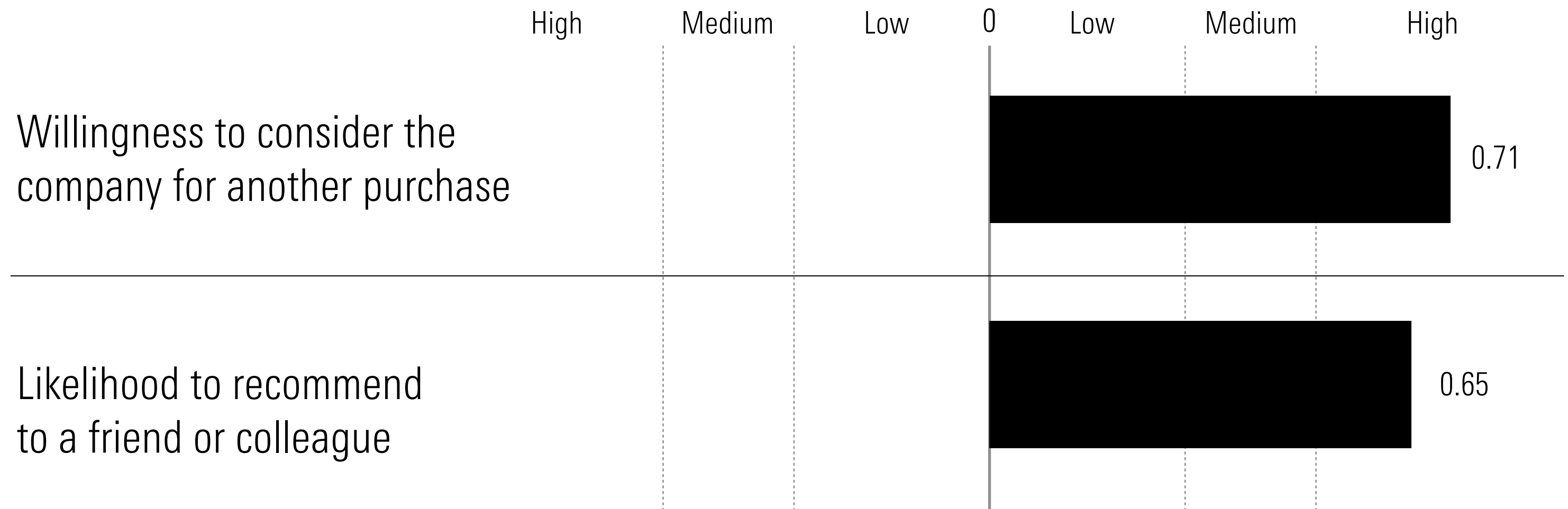


Good customer experiences are pleasant



Positive experiences increase loyalty and recommendation

Correlation with Customer Experience



Source: Forrester Research;
North American Technographics Customer Experience Online Survey, Q4 2011, Base: US Online consumer

Two cases

US company Zappos: »Delivering Wow through service«



Exceptional customer service and treatment

ZAPPOS.COM
FAST
— AND —
FREE
SHIPPING & RETURNS

Zappos customers get **FAST, FREE** Shipping on every order with no order minimums!

If you are not 100% satisfied with your purchase for any reason, just go through our easy online return process, or call us 24/7 at (800) 927-7671 to print out a **FREE** return label.

You have **365 DAYS TO RETURN** an item to us in its original condition.

Zappos has the most amazing customer service. Thank you for standing behind your products! For this reason, Zappos will be my first choice for shopping!

Kim | 05/04/2015

I love love love Zappos. Best ever and beyond Disney in customer service!!! A big fan and talk about you to everyone.

Andrea | 04/21/2015

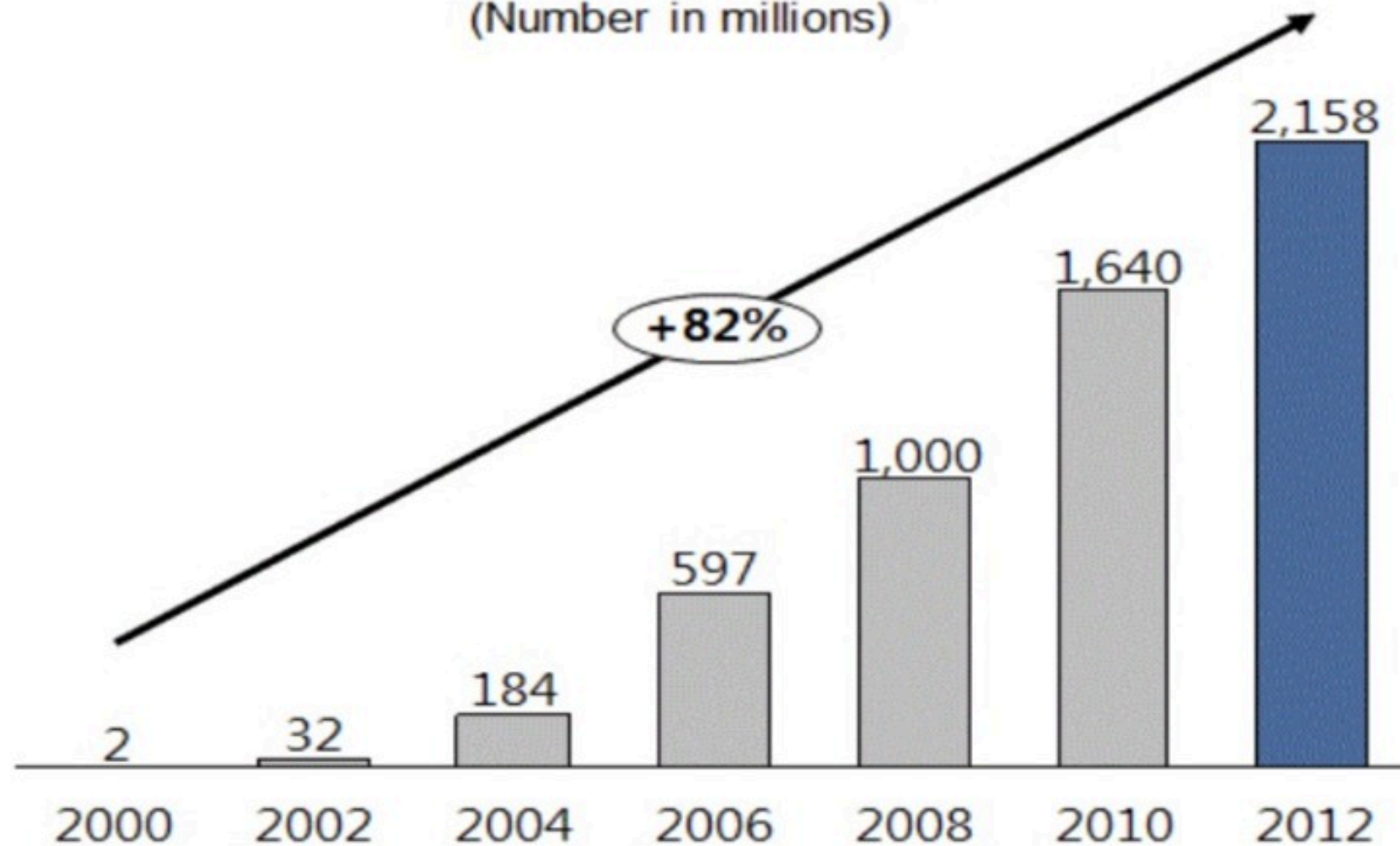
Customer experience pays off:
75% customers return, steep increase of revenue

COMPANY BACKGROUND

Zappos' Revenue Growth



Yearly Revenue ²
(Number in millions)



Chi Pledge Class



German drug store market:
Two brands with similar price point



VS.

SCHLECKER

dm in-store experience



Schlecker in-store experience



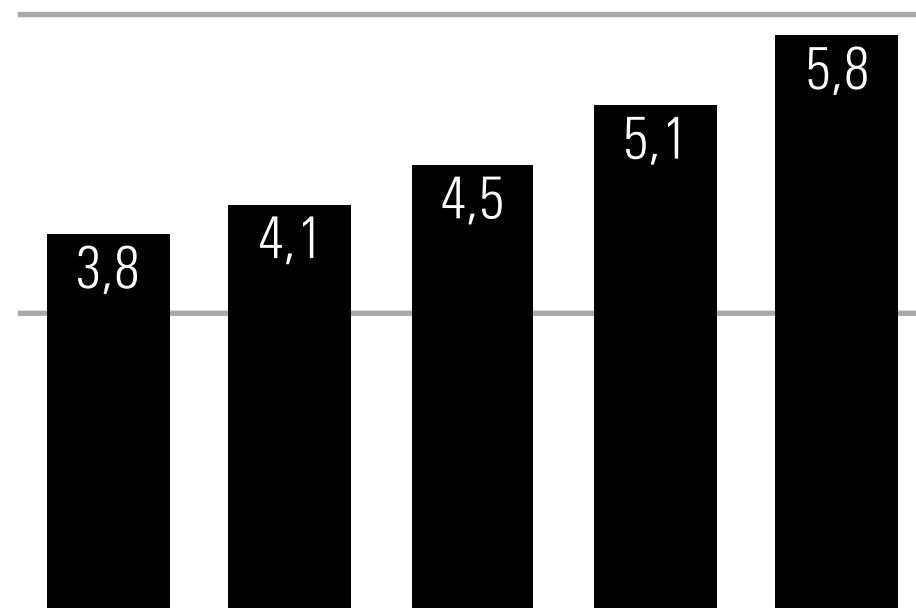
While »dm« is Germany's most loved drugstore chain, competitor »Schlecker« must close down



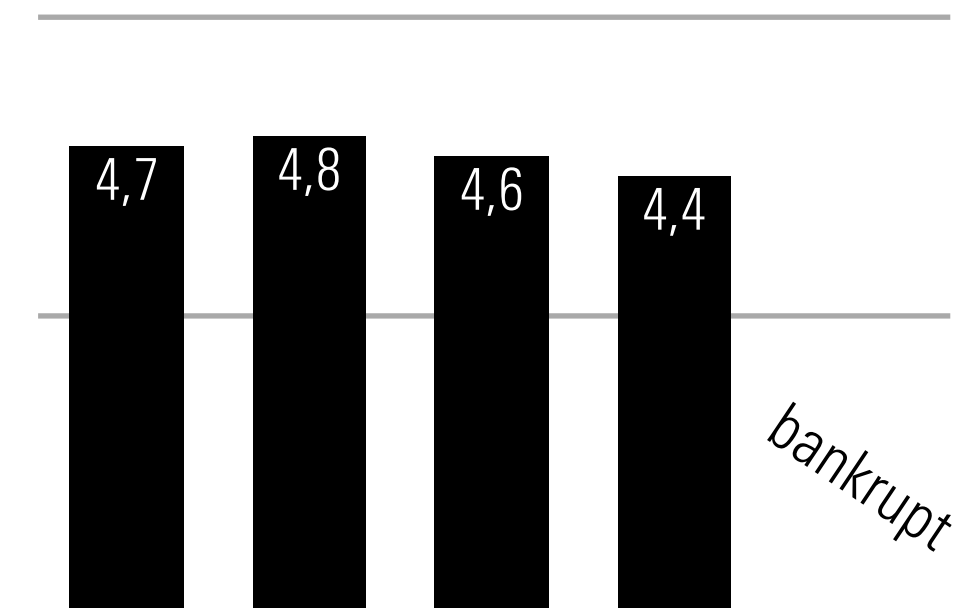
VS.



Revenue 2008 2009 2010 2011 2012



Revenue 2008 2009 2010 2011 2012



Source: dm, Schlecker

Forbes Magazine sees customer experience as the new benchmark

ENTREPRENEURS

3/10/2014 @ 6:25PM | 1,450 views

Forbes

'Customer Experience' Is Today's Business Benchmark

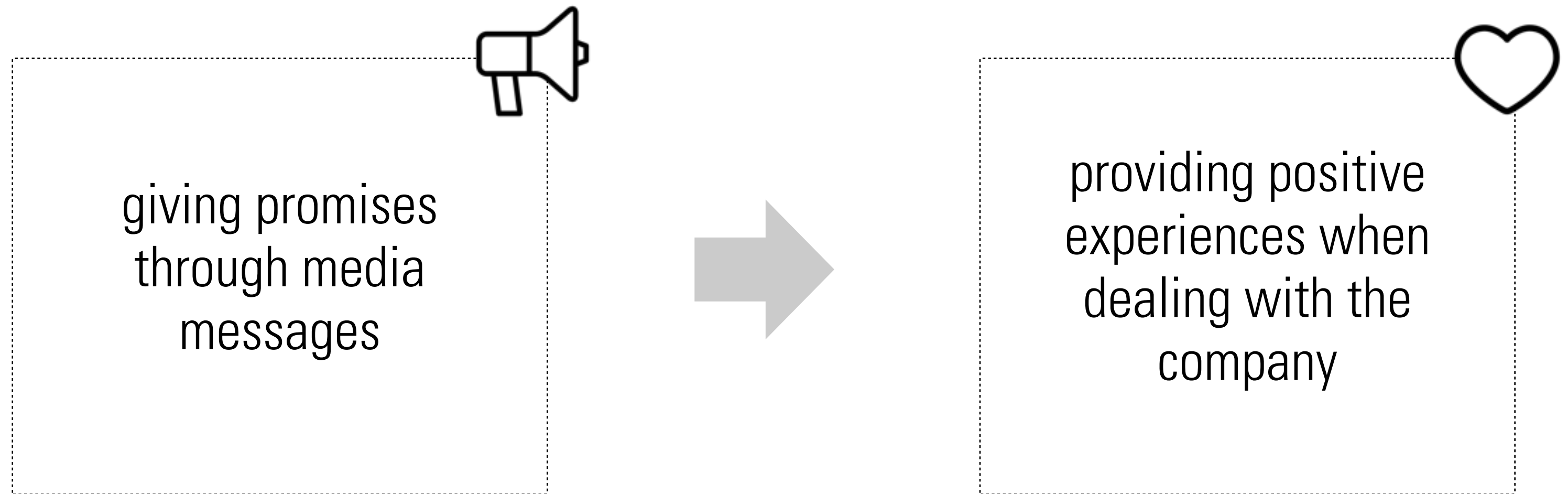
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Not so long ago, every business assumed that the keys to success were the highest quality product, the best value for the buck, and the best customer service. Now all we hear about is providing the best “customer experience.” Exactly what is that customer experience that every modern marketer is talking about, and how do you measure it?

Learning 1:

Great customer experience makes companies successful by making offers beneficial for customers

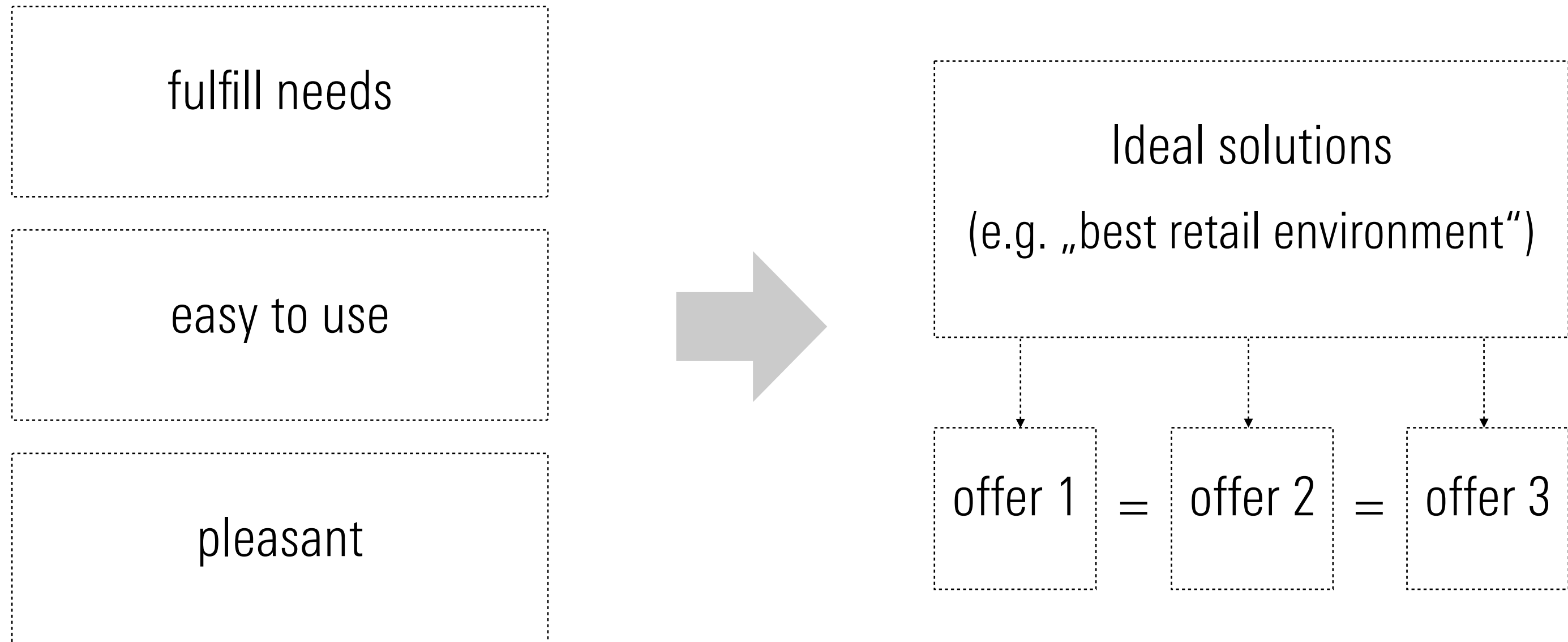
We should move on from only giving promises to also providing positive experiences



But:

A positive experience is not enough

Same results: At similar touchpoints, with the approach of customer experience, there is only one best solution



Similar methods lead to similar results: Two used cars portals from Germany



Source: Rupert , <http://de.slideshare.net/r000pert/why-youre-a-brand-shaper-knowingly-or-not-and-what-you-can-do-about-it?>

**There is one great tool to create
differentiation...**

BRAND

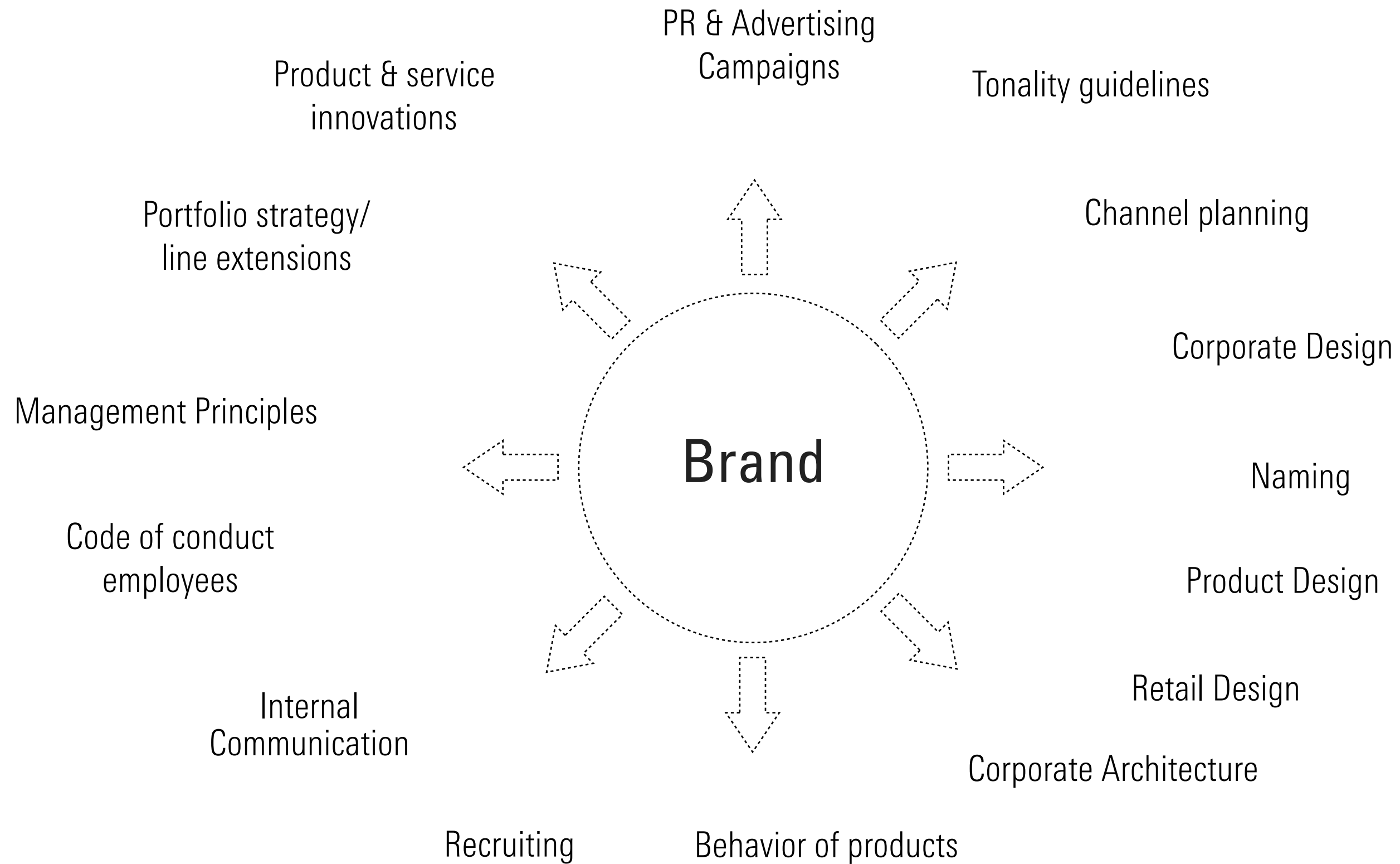


**Brands exist in the mind of the customer
(while experiences are located in time and space)**

A brand is a what people think and feel about a product, service, or organization.

Marty Neumeier

Brands provide focus



Brands differentiate products



0,5 EUR



2 EUR



230 EUR

Learning 2:

Strong brands make companies successful by anchoring offers in the mind of customers

A new recipe:

**»Branded Experience«
unites strengths of both approaches**

Great customer
experience makes
companies successful by
making offers beneficial
for customers





Strong brands make companies successful by anchoring offers in the mind of customers



Great customer experience



beneficial offers



loyalty



Strong brands



anchored offers



building brands

&



Improving the experience
– when dealing with a
brand in a regular way –
so it is beneficial for
customers

&

Making these
improvements
expressions of the brand
values – to anchor it the
in the mind of customers

Creating loyalty while building brands



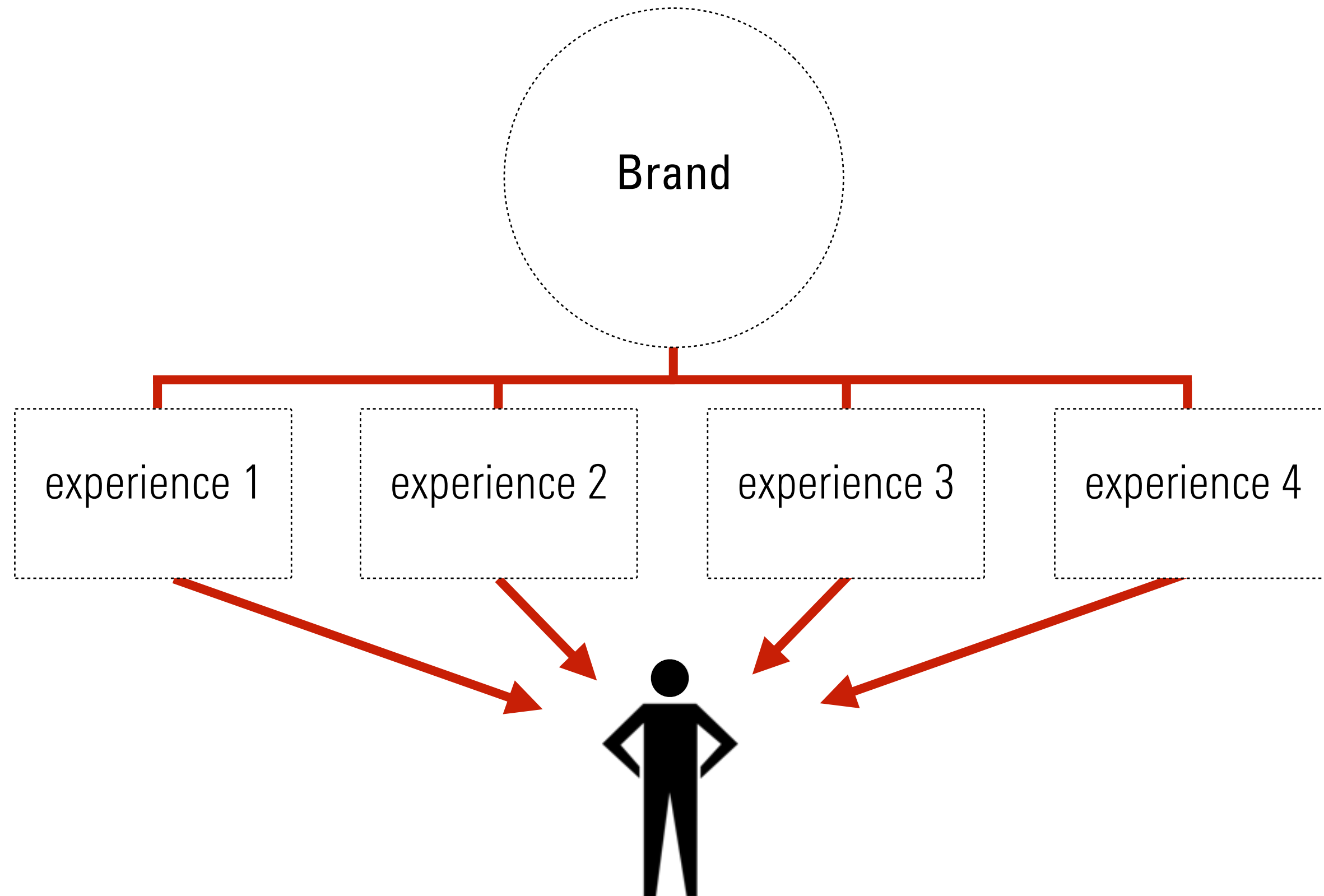
Improving the experience
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Branded Experience

Designing great customer experiences, using the brand to guide experience



How do we create a Branded Experience?

Independent study of 8 european airlines and creation of innovative solutions*

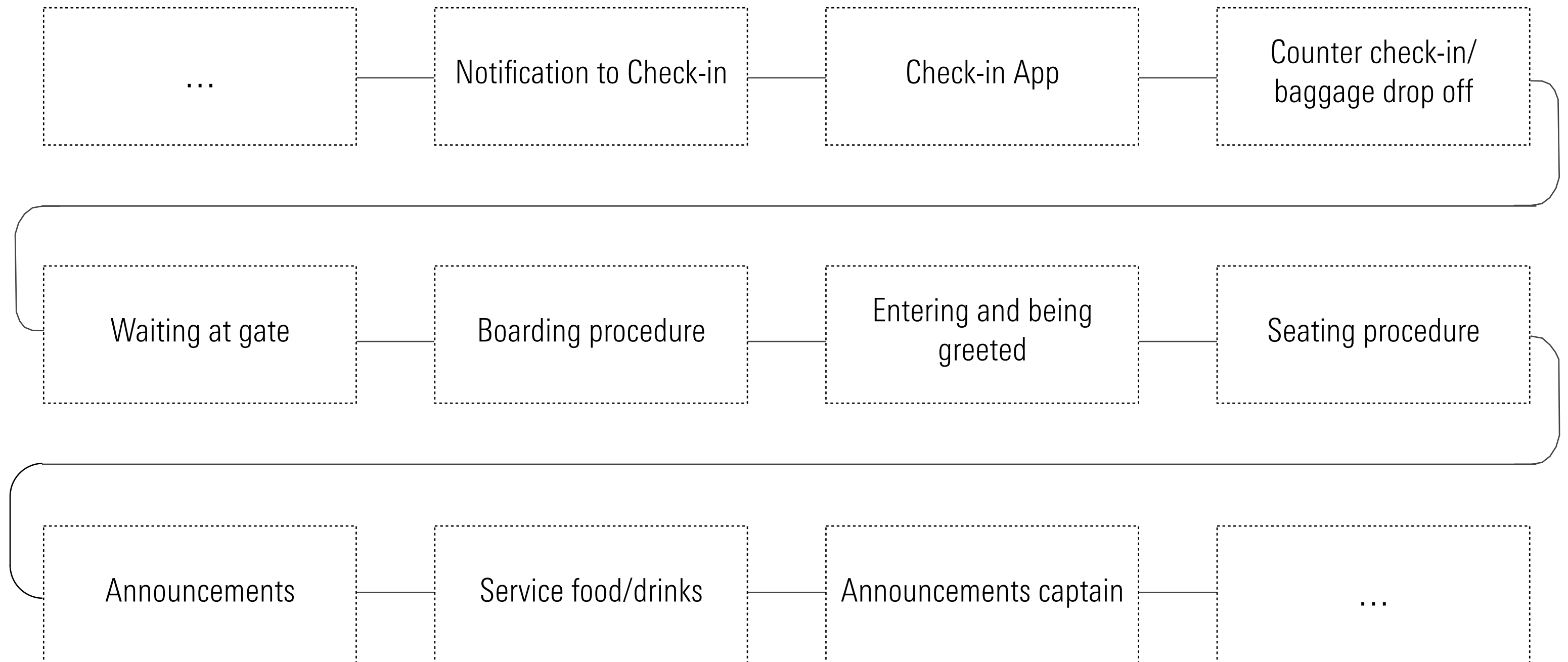


Conducted with Martin Jordan from Service Design Berlin, spring 2014

Airlines invest massively in brand differentiation



But the experience they provide does not differ much

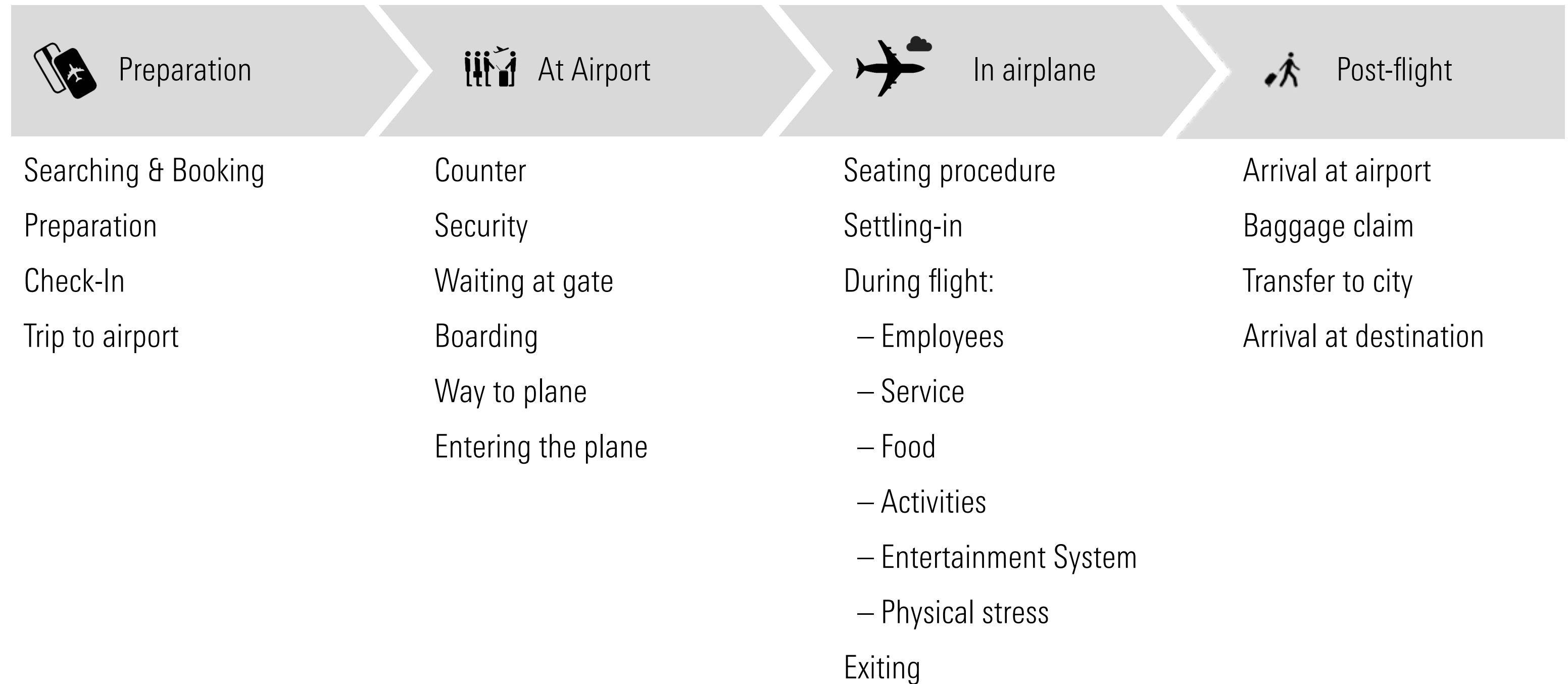


Step 1: Mapping the experience

Experience-mapping with the Total Customer Journey

- looking at touchpoints/interactions with company
- in order of events as customers experience it – from beginning to end
- very customer centered
- Methodology: Research – interviews, mystery shopping/immersion

Airflight Customer Journey



Step 2: Understanding the experience

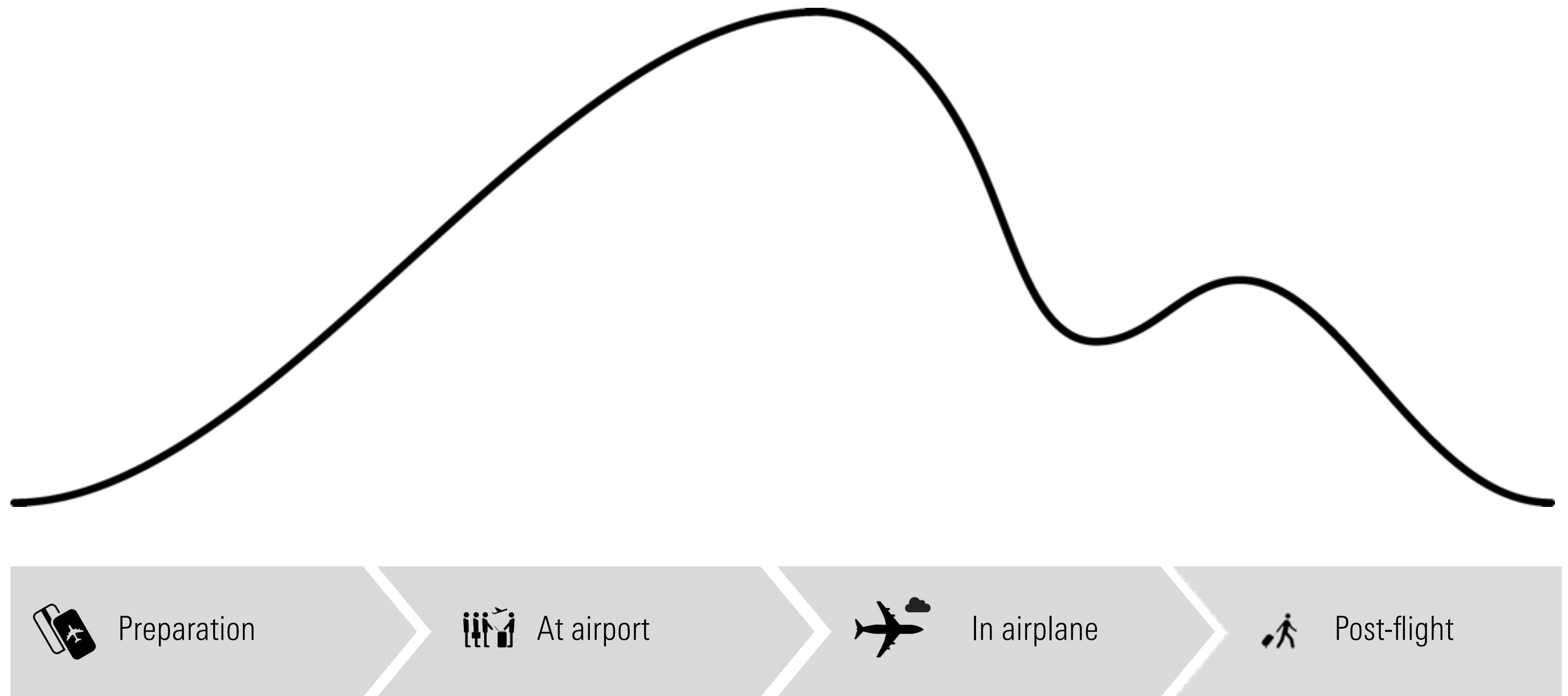
Understand the experience with qualitative, in situ research

- we look at all encounters of the customer journey
- deep understanding of customer and his experience: actions, emotions, stress, goals, pain points and wow points
- in situ: research within the situation, from experience, not from memory
- Methodology: Research – ethnography/shadowing, observation packages, mystery shopping

The observation package we used for the study



Insight: The stress curve of the airflight experience journey



3. Improving the experience & bringing the brand to life

Creating Brand Experience ideas using Service Design & Branding

- looking at important touchpoints / situations, with major pain points or unfulfilled needs
- create ideas that eliminate pain points, fulfill needs, make situation more beneficial for customers
- select ideas that bring brand promise/benefits to life
- Methodology: Creative problem solving, service design, user psychology, branding

Our innovation session to create Branded Experiences for Lufthansa and easyJet



What the Lufthansa brand stands for



TV commercial Lufthansa 2013

<http://www.youtube.com/watch?v=iwSbJnmyURA>

The heart of branded experience: Brand values and central insight combined



brand values*

reliability

precision

germanness



insight

An air-trip is a complex process full of uncertainties. For most travelers, predictability and being in the know helps a lot.

*) from interviews and communication analysis

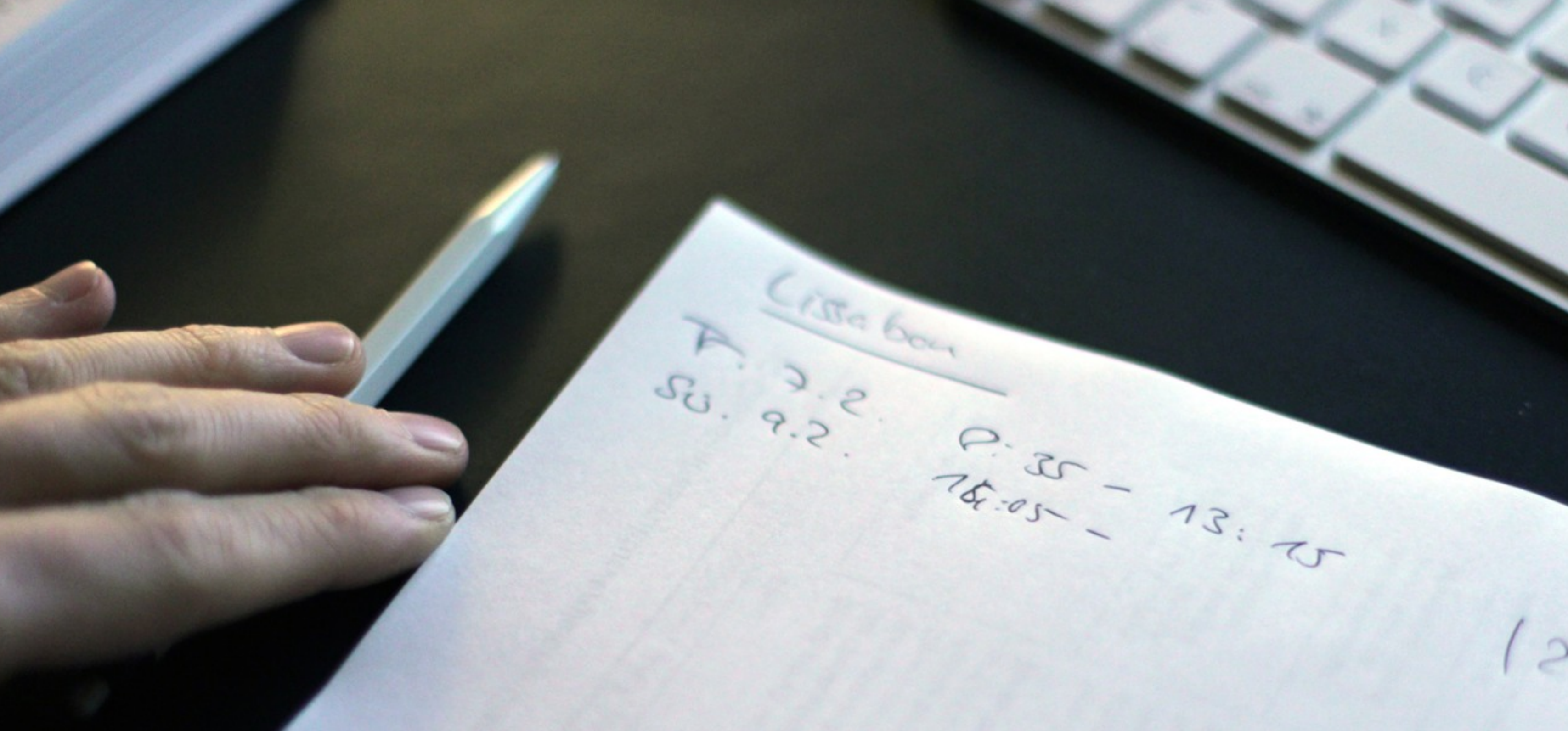
As part of the independent study we created innovative experience ideas (that did not exist at Lufthansa before)



A collection of handwritten notes on yellow and green sticky notes, organized into a grid. The notes contain various ideas for improving the passenger experience on a flight.

- Top Row (Yellow):**
 - mit Kunden, in Spielzeug
 - Wah dran
 - ist komisch / übertrieben (Stört?)
 - (Zeitig, Duzen) + Arbeit (Wart an Board bei Vor-Schreiben)
 - Sandwich "Liebe abgeben"
 - Schnell raus Airport-Exp
- Second Row (Yellow):**
 - g. voll, höflich,
 - ⊖ Verhalten mit-passagiere
Lehe 'schulzen', in Sitze werfen, Leute mit Rucksäcken
(→ Ehrliebe für Passagiere)
 - Sideseite einweisy: Filme machen oder Spass
 -  blöde, wenn man wenig Zeit für Arbeit
 - Unzufrieden mit Essen, frost aber nicht nach was andere
 - Ausstieg: Solent Aufstehen in Reihen mit Kopfhohe zu haben weniger verkehr
- Third Row (Yellow):**
 - Begrüßung wichtig + keine Luft mehr
 - Sitzplatzsuche:
• dauerst auf
• Kopf am Gepäckstoß
 -  Sicherheitstheorie: droge, achte nicht mehr drauf
 - im Flug: Zeitig losen, um Platz zum arbeiten
 - Wunsch: Essen berücksichtigen + Präferenzen + Allegorien
 -  nach la bei allen drauf raus, drin
- Fourth Row (Yellow):**
 - Begrüßung: sich austreten + nicht gemeint mit wenn nett
 -  Wohin mit Jacke? Darf nicht kniffeln!
 -  Kapitän - gut + wichtige Info über Pünktlichkeit des Fluges
 -  an Board Mail • SMS Schreiben/lesen
 - Service / Essen: LH gab Vesperpaket mit Apfel, Käse, Schokolade, Barben → ♥
 -  Angst, jemand Jacke Ausstieg zerknüllt
- Fifth Row (Yellow and Green):**
 -  Arbeit an Board  50% Laptop  50% ~~Papier~~ Papier
 - Wie kann die Einkiegsituation entspannter sein?
 - Engster Flight Procedures:
- Sandbranding / Ökonomie
- Kapitänsschime für
 -  kein gesunder Snack auf kurzen Flügen
 - Abschied von Kapitän ge-schickt



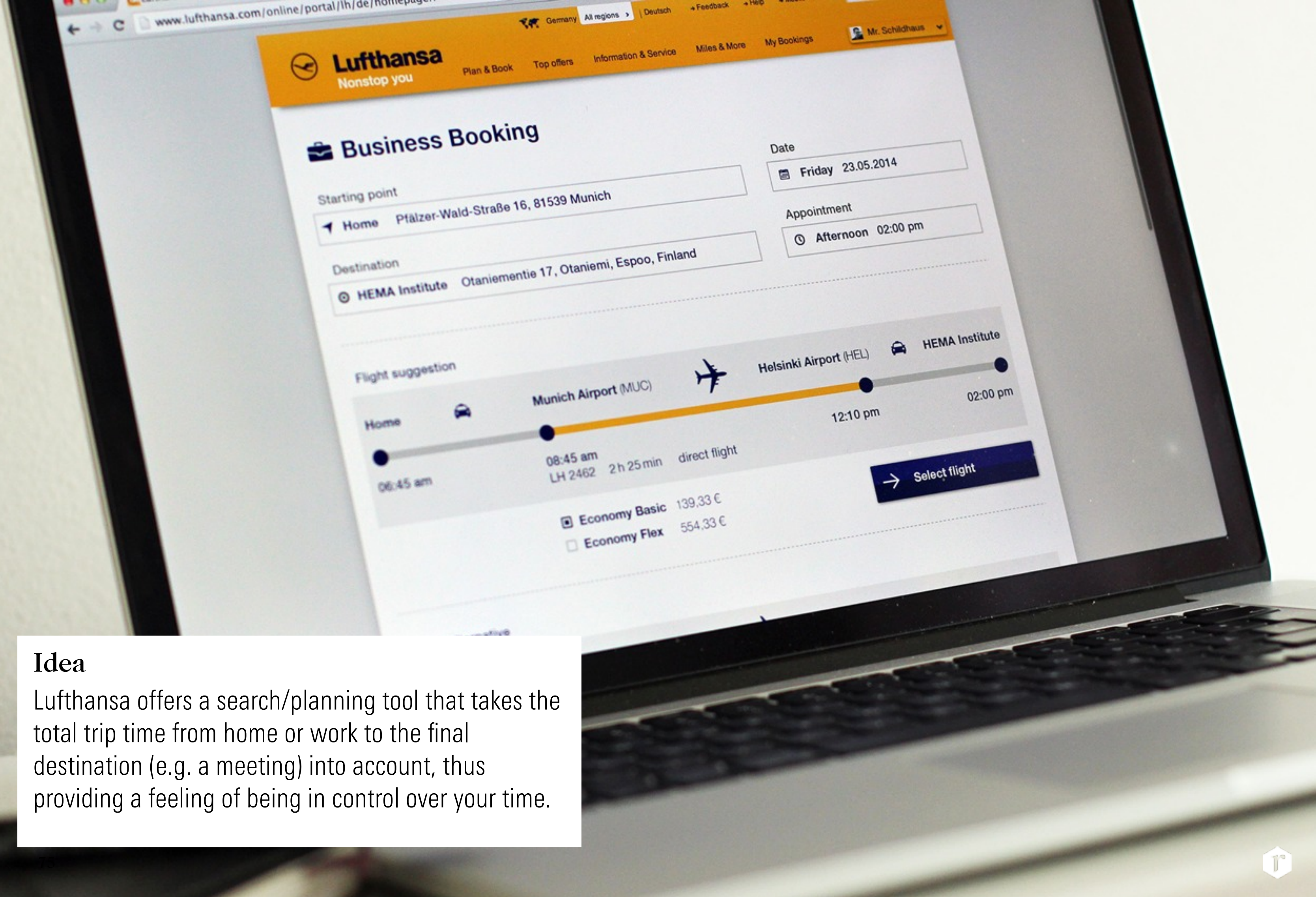


Insight

All the options to consider can make it complicated to plan a trip (e.g. time of flight, airports, layover, price, bonus program etc.). Also, the flight is just one part of the whole journey.

Idea

Lufthansa offers a search/planning tool that takes the total trip time from home or work to the final destination (e.g. a meeting) into account, thus providing a feeling of being in control over your time.





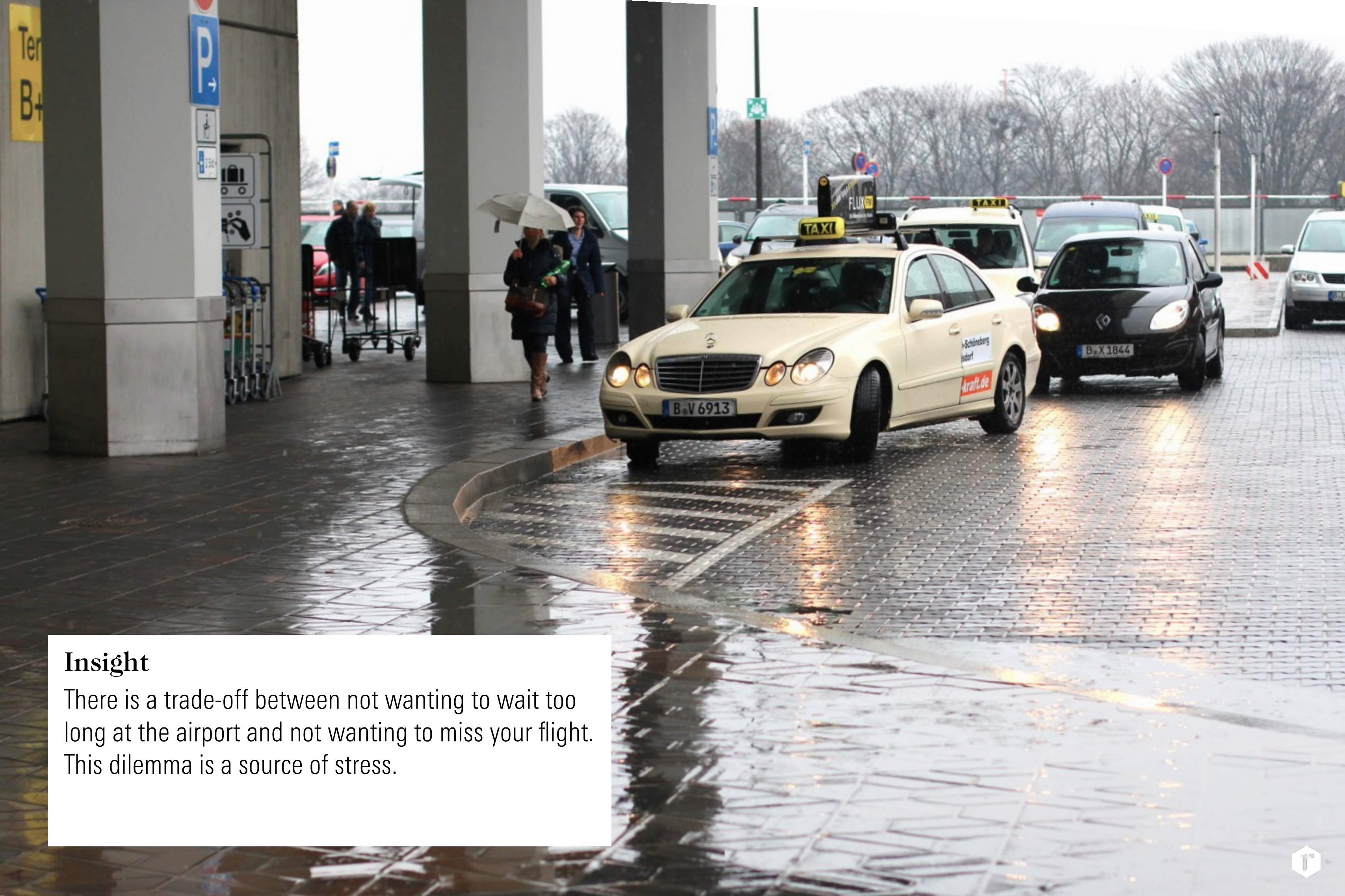
Insight

At the day of the flight, many travellers carry a hand-written sheet with most important information with them.



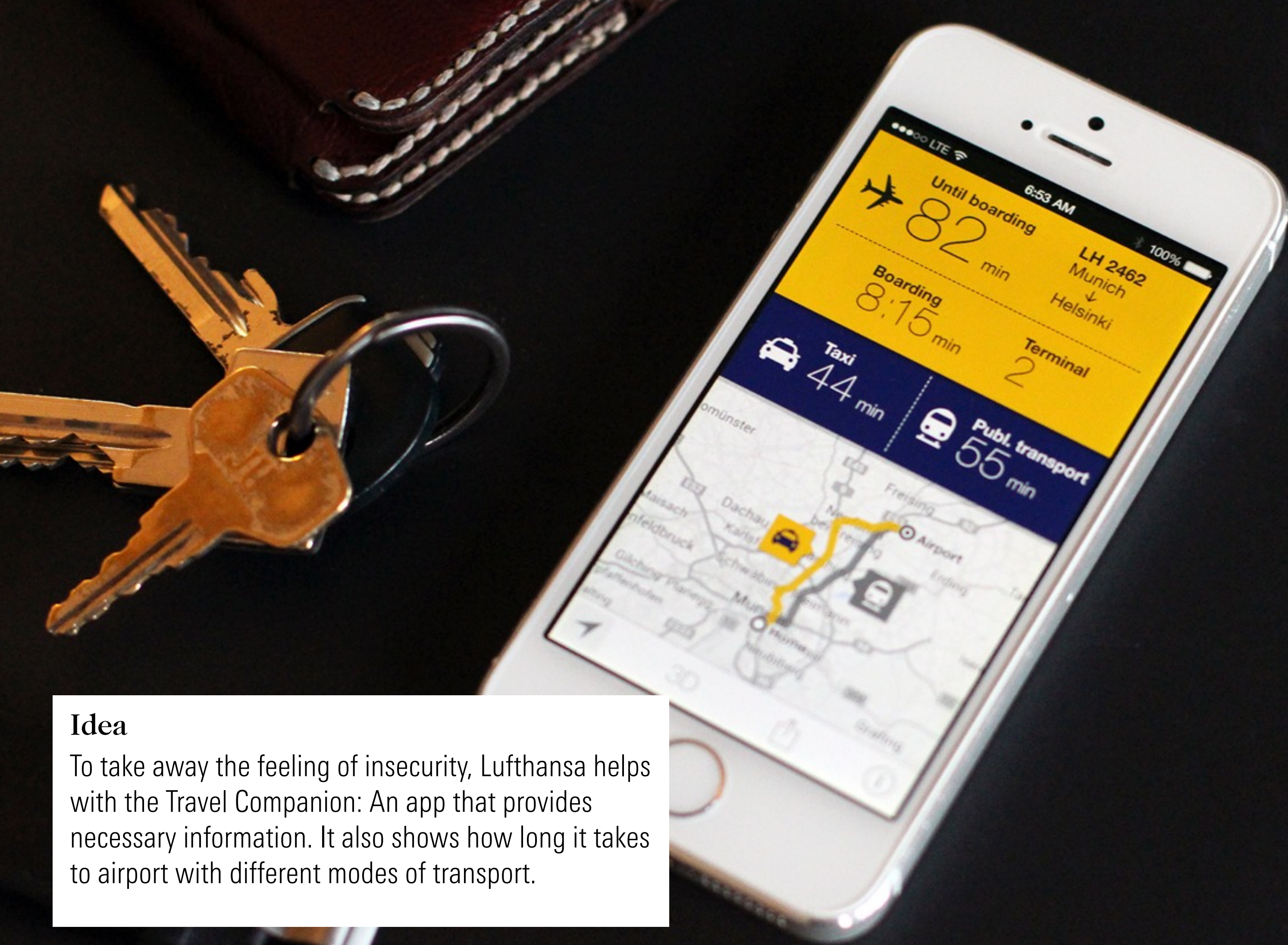
Idea

In the last email bevor the trip, Lufthansa sends a printable overview with all important data, providing a feeling of security and having everything what you need to know.



Insight

There is a trade-off between not wanting to wait too long at the airport and not wanting to miss your flight. This dilemma is a source of stress.



Idea

To take away the feeling of insecurity, Lufthansa helps with the Travel Companion: An app that provides necessary information. It also shows how long it takes to airport with different modes of transport.



Insight

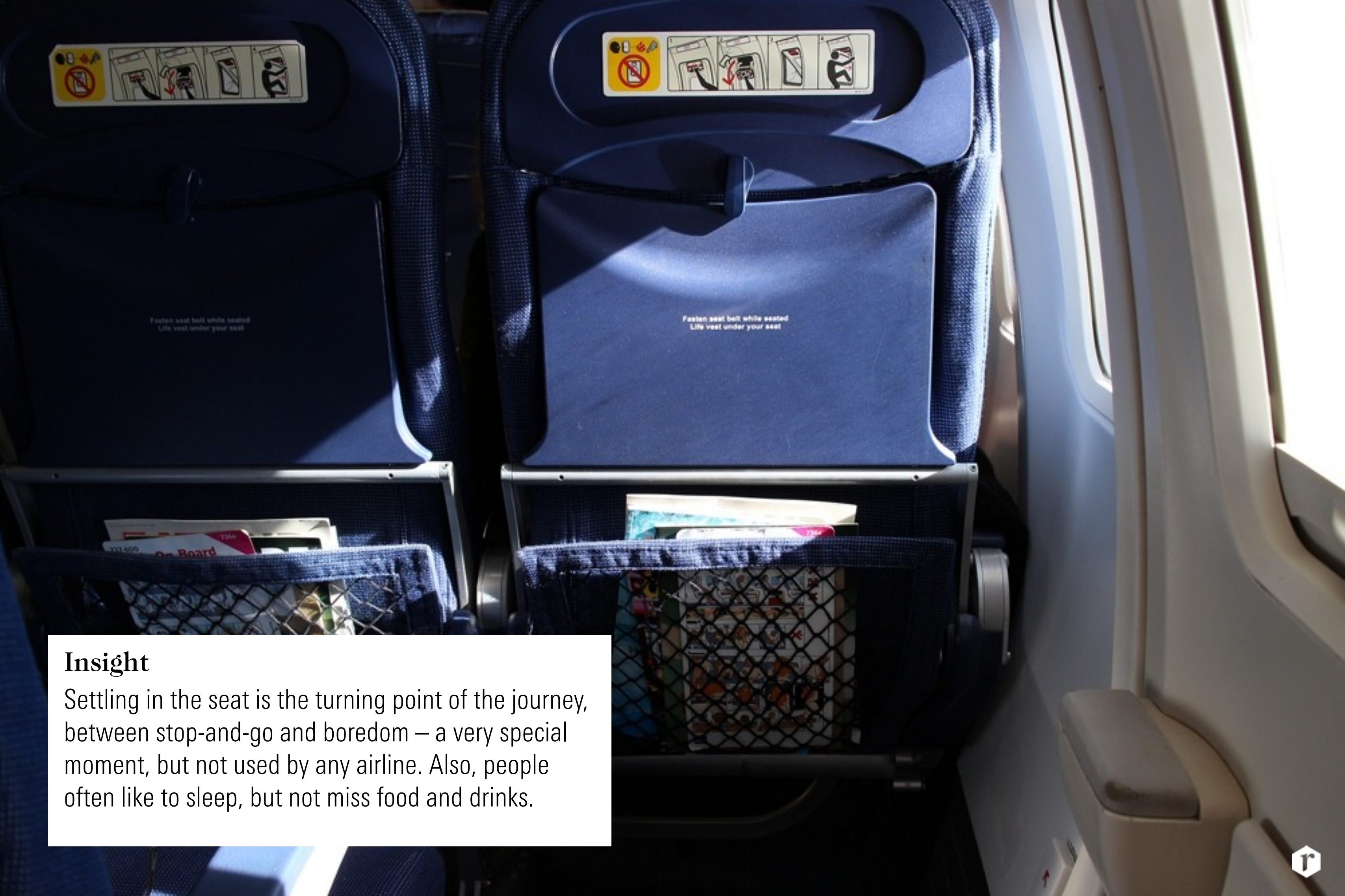
For many people airports are stressful due to a lack of orientation, personal control and predictability. Also passengers don't want to waste time waiting at the gate, but they definitely don't want to be too late!





Idea

The Lufthansa Travel Companion also offers indoor maps of airports. It tells the time to reach the gate and the waiting time at the security check. This way it gives orientation and takes away uncertainties.



Insight

Settling in the seat is the turning point of the journey, between stop-and-go and boredom – a very special moment, but not used by any airline. Also, people often like to sleep, but not miss food and drinks.



Flight schedule
LH 2462

Munich



Helsinki

8:45
take off

from 9:20
beverages and food

from 11:05
beverages

11.55
preparation for landing

12:10
landing

Idea

Lufthansa supports with a very simple printed schedule of the services planned – taking away uncertainty, and providing a pleasant surprise at the moment of settling in your seat.





Insight

When exiting the plane, contact with the airline ends quite suddenly – this is in strong contrast with the care airlines provide before the flight. Also a positive last encounter is important for making a good memory.

Lufthansa

50 %

Kontakt

Nachricht
Heute 13:28

Dear Mr. Schildhaus,

With your flight from
Munich to Helsinki today
you earned 1250 miles.
You are now only 2250
status miles away from
your silver card.

Have a pleasant day,
Your Lufthansa team

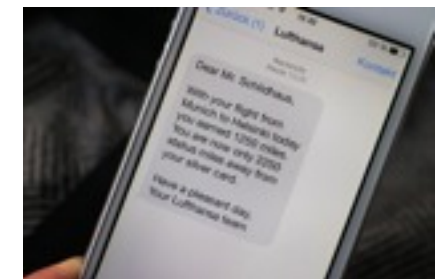
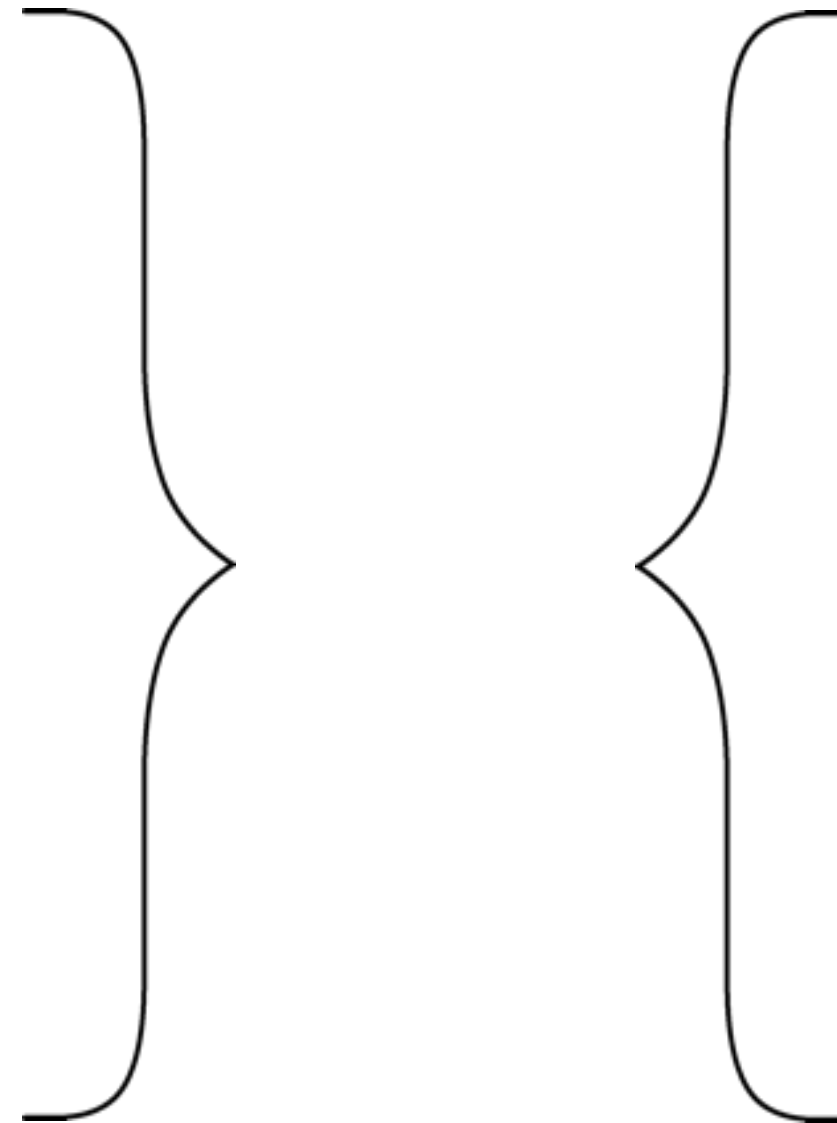
Idea

One hour after the flight Lufthansa sends a text message with the exact miles earned for the flight, giving a positive experience and providing the feeling of German precision.

Inexpensive innovations improve experience and deliver reliability, precision, germaneness – attracting like-minded people



reliability
precision
germanness



What the easyJet brand stands for



The heart of branded experience: Brand values and central insight combined

easyJet brand values*

 insight

enjoyment
great value
(for everyone)

Any air trip offers the opportunity to do exciting things, meet friends and enjoy your time away.

*) from own interviews and easyJet website

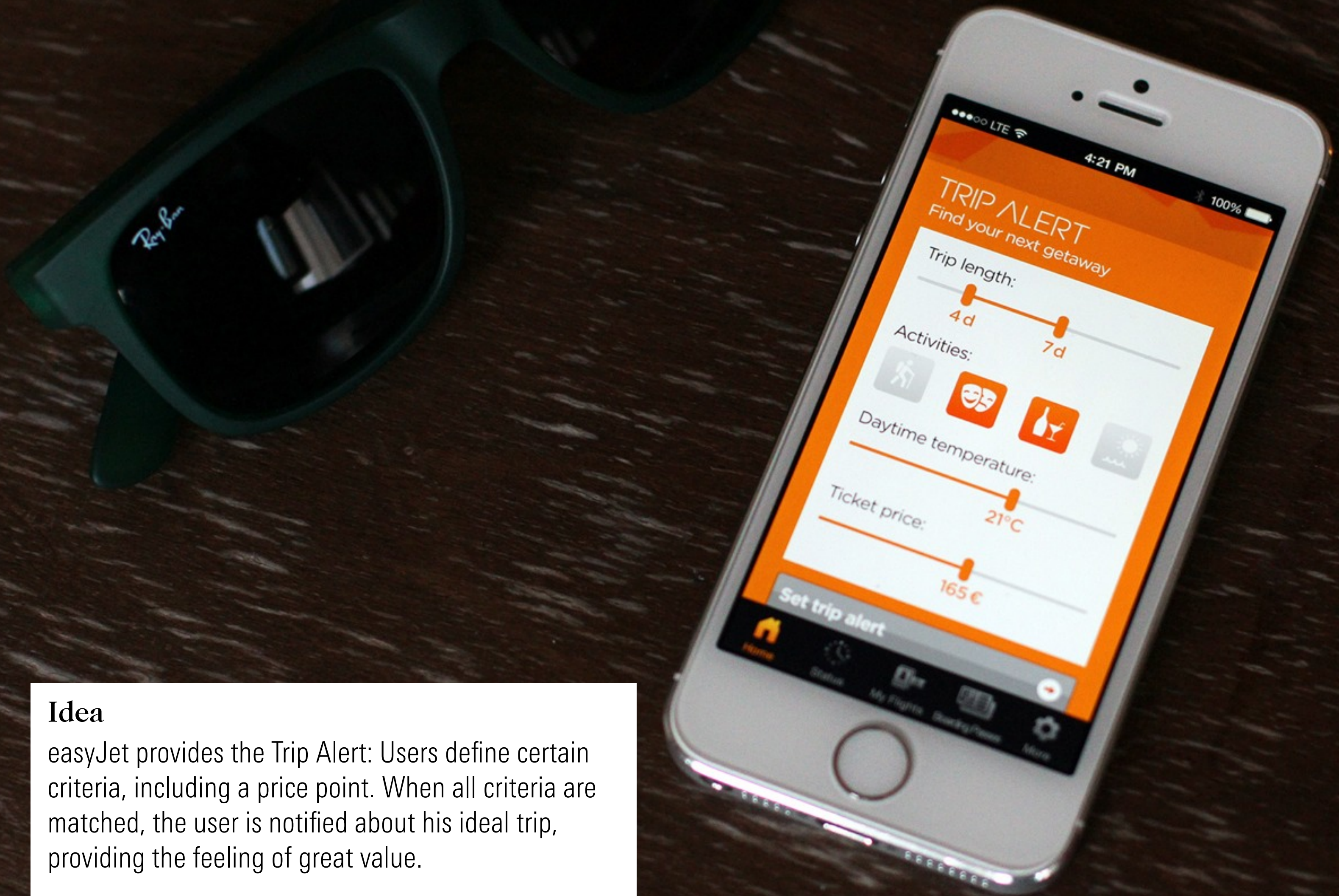
As part of the independent study we created innovative experience ideas (that did not exist at easyJet before)





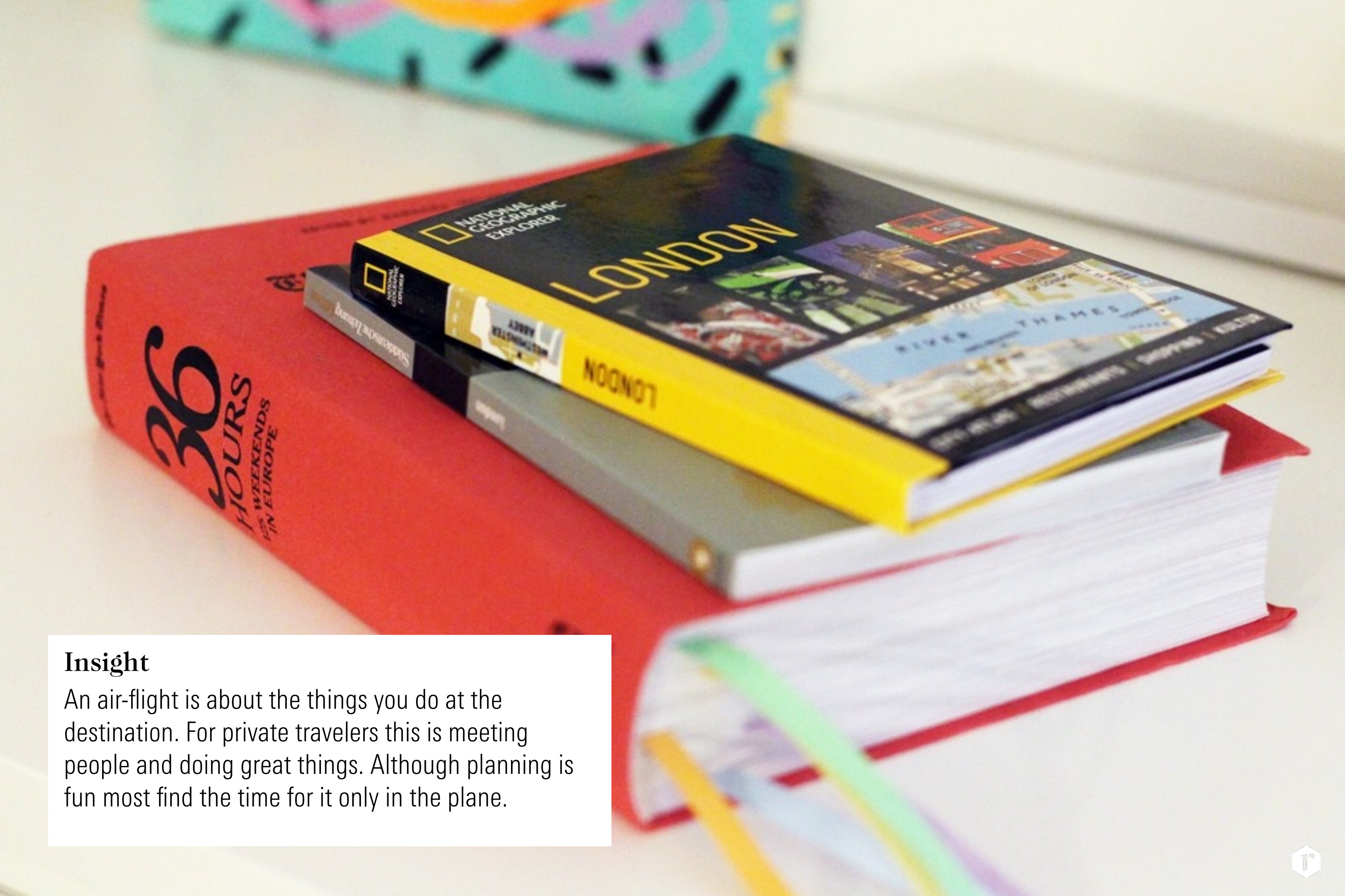
Insight

Easyjet is often used for long weekend trips. Here, people are flexible with dates but have a fixed budget. Also, it is more about activities and weather than a specific destination.



Idea

easyJet provides the Trip Alert: Users define certain criteria, including a price point. When all criteria are matched, the user is notified about his ideal trip, providing the feeling of great value.



Insight

An air-flight is about the things you do at the destination. For private travelers this is meeting people and doing great things. Although planning is fun most find the time for it only in the plane.



Idea

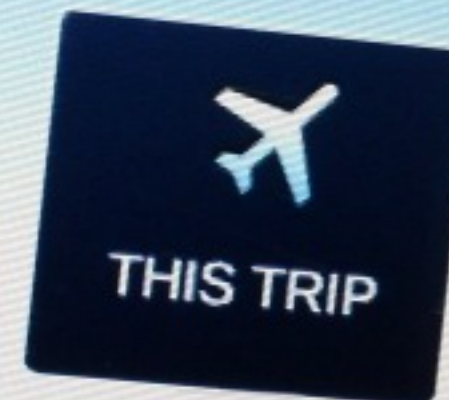
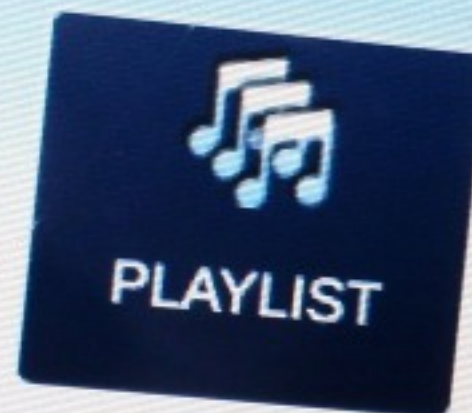
The easyJet Trip Planner finds friends at the destination through Facebook. It is also a bookmarking tool for activities, restaurants etc. at the destination. It increases the joy when looking forward to the trip.



Idea

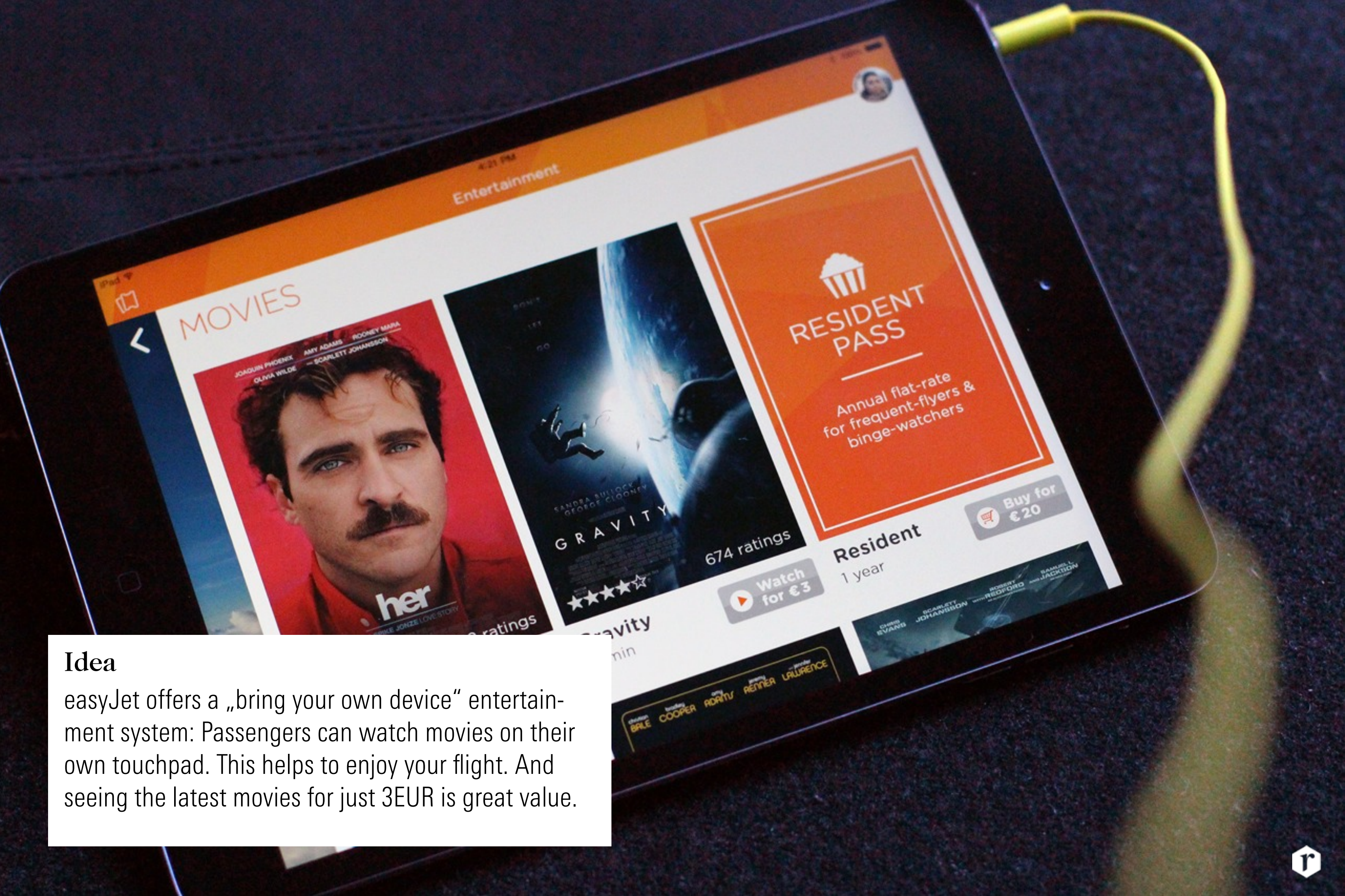
The easyJet Trip Planner works in offline mode, so people can finally plan the trip in the plane, matching people and activities and create an itinerary. This way, easyJet increases the enjoyment of the trip.

WELCOME ABOARD



Insight

A flight can be very boring. The movie program of the inflight entertainment system is the most important weapon to fight this boredom – but easyJet does not have such an expensive system.



Idea

easyJet offers a „bring your own device“ entertainment system: Passengers can watch movies on their own touchpad. This helps to enjoy your flight. And seeing the latest movies for just 3EUR is great value.



Insight

When exiting the plane, contact with the airline ends quite suddenly – this is in strong contrast with the care airlines provide before the flight. Also a positive last encounter is important for making a good memory.



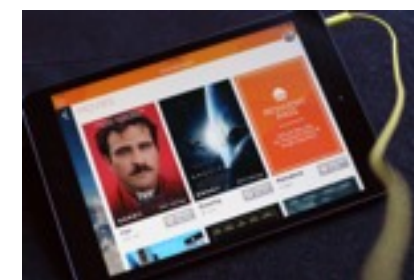
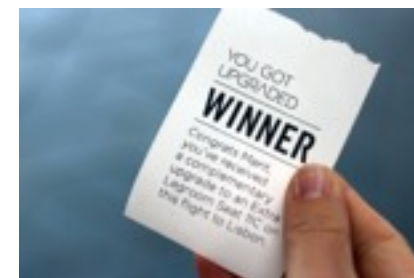
Idea

Together with promotional partners easyJet provides upon exiting nice and helpful give-aways. The give-aways are location specific, sun screen for sunny Barcelona, eye freshener for party city Berlin.

Inexpensive innovations improve experience and deliver enjoyment and great value – attracting like-minded people

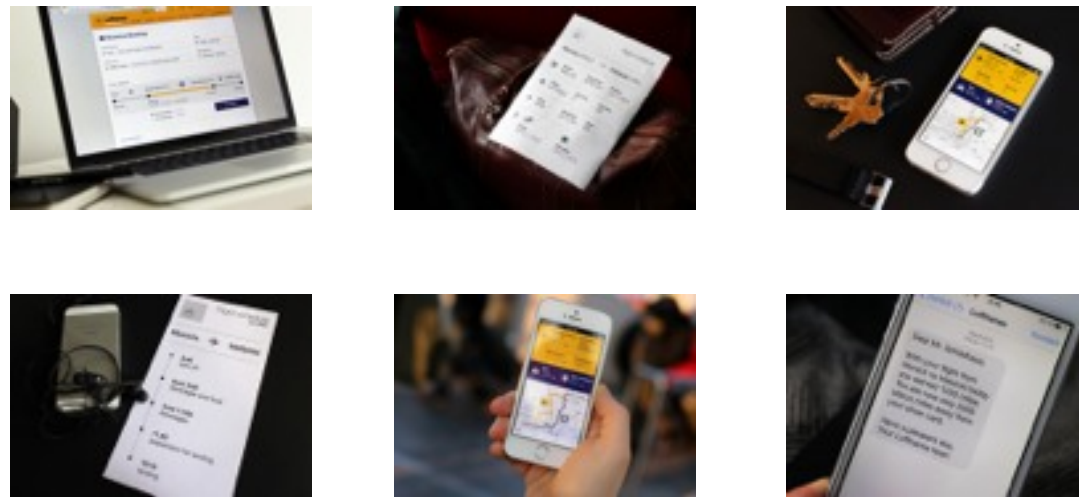
easyJet

enjoyment
great value
(for everyone)



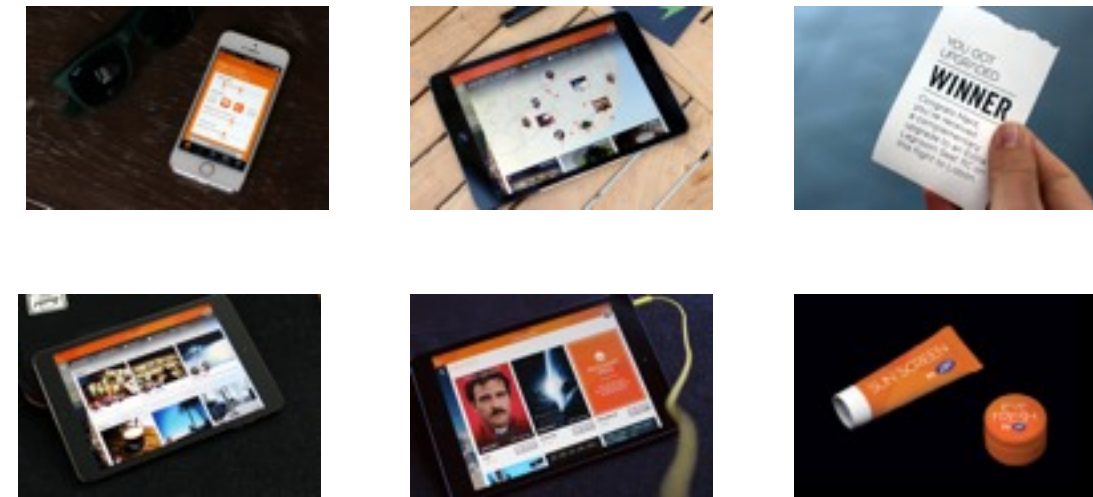
Result: Different brand positionings can be experienced rather than are only communicated/promised

Lufthansa



reliability
precision
germanness

easyJet



enjoyment
great value
(for everyone)

Some more examples of Branded Experience we have realized

Mercedes-Benz

Flagship store »Mercedes-Welt«



How can we improve the experience of buying and servicing a car?

&

How can we provide an experience that speaks the language of Mercedes-Benz?



Consumer Engagement Space »The Digital Eatery«



With which services can we attract more visitors ?

&

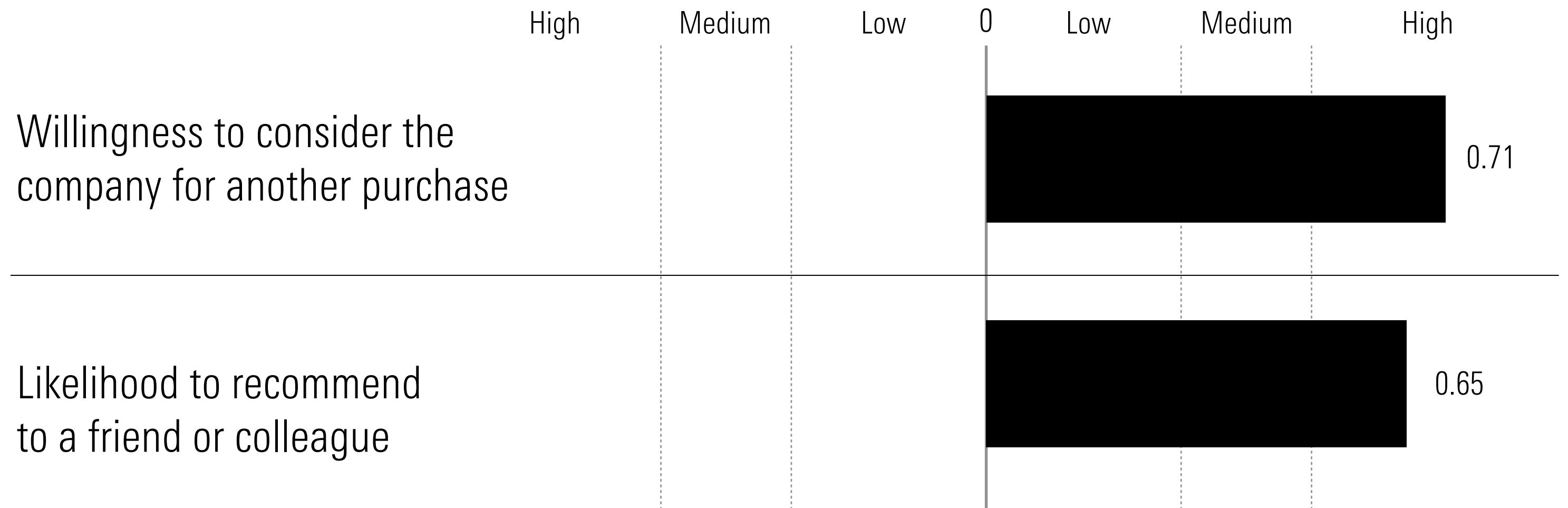
How can these services communicate the core message of Microsoft?

Conclusion

**How companies make customers feel
is more important than what they say
about themselves**

Positive experiences lead to loyalty and recommendations

Correlation with Customer Experience



Source: Forrester Research;
North American Technographics Customer Experience Online Survey, Q4 2011, Base: US Online consumer

But experiences need to be brand specific and differentiating



»Brand« is the best tool to differentiate products



Combining approaches gives the best of both



Great customer experience
makes companies
successful by making offers
beneficial for customers

&



Strong brands make
companies successful by
anchoring offers in the
mind of customers

**Beneficial experiences for customers
while anchoring brand image**

Combining approaches gives the best of both



Great customer experience
makes companies
successful by making offers
beneficial for customers

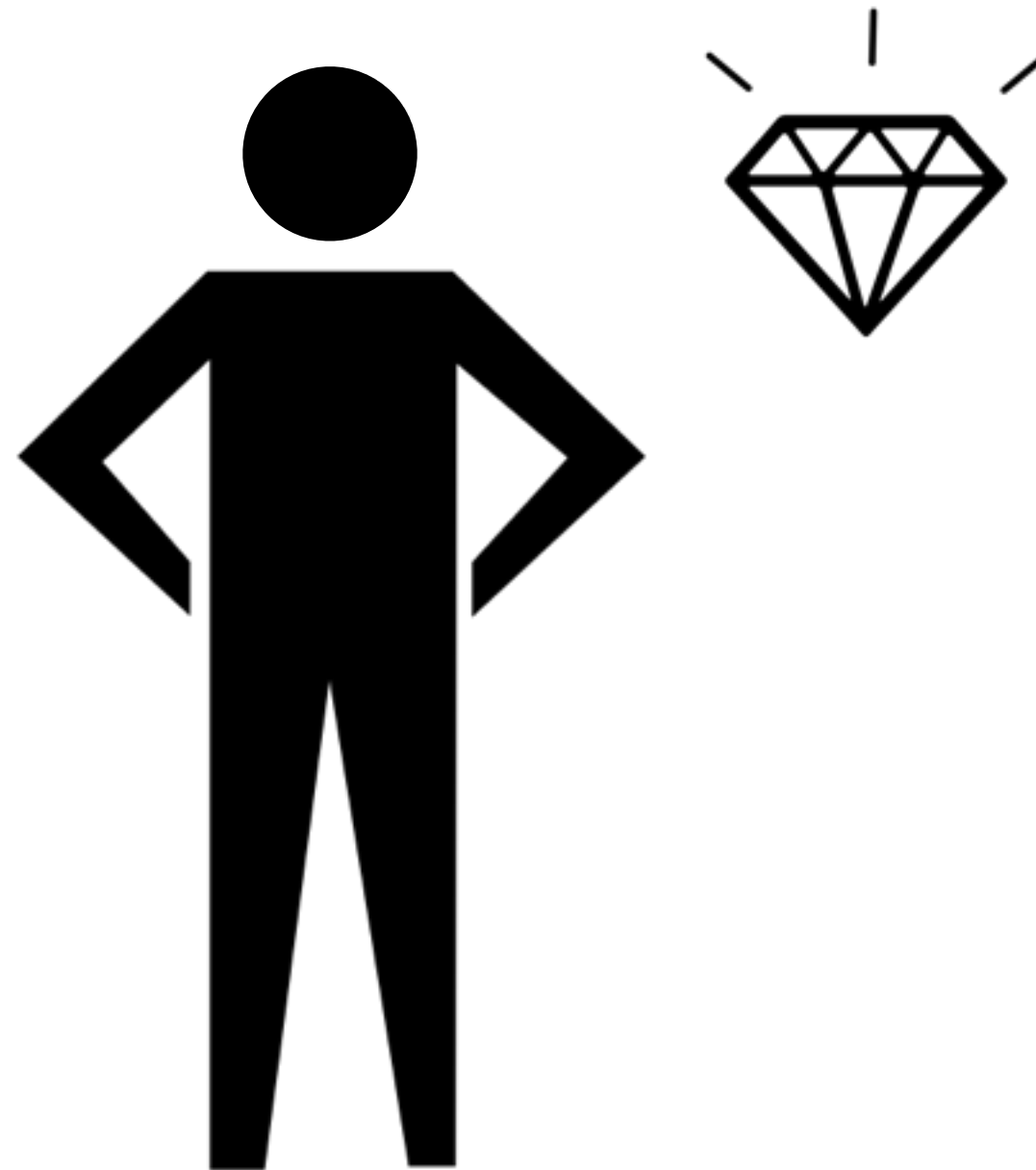
&



Strong brands make
companies successful by
anchoring offers in the
mind of customers

**Next level of Marketing:
Giving value to customers while building brands**

Instead of increasing the noise, give value to people
so they value your business



value for people
= value for business

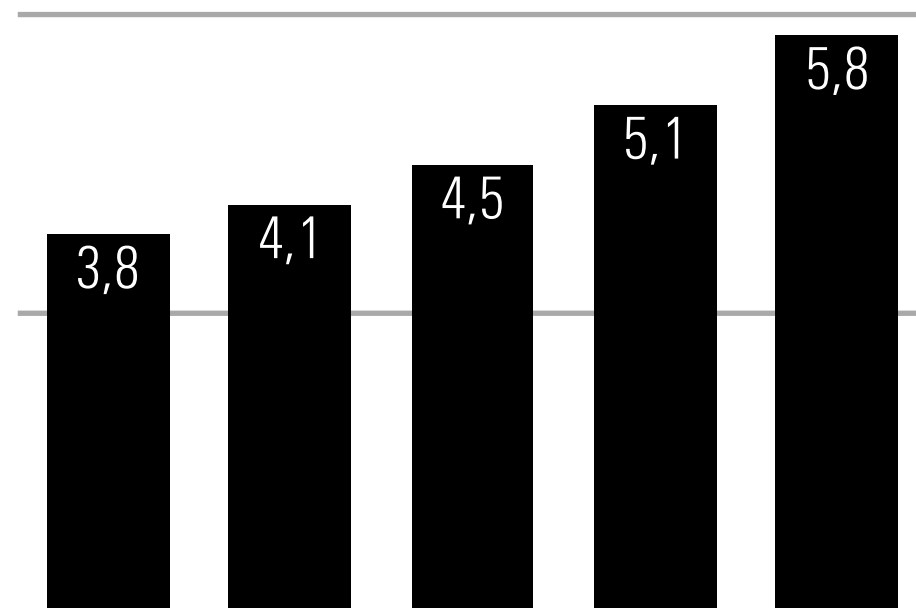
Giving value decides over success and failure



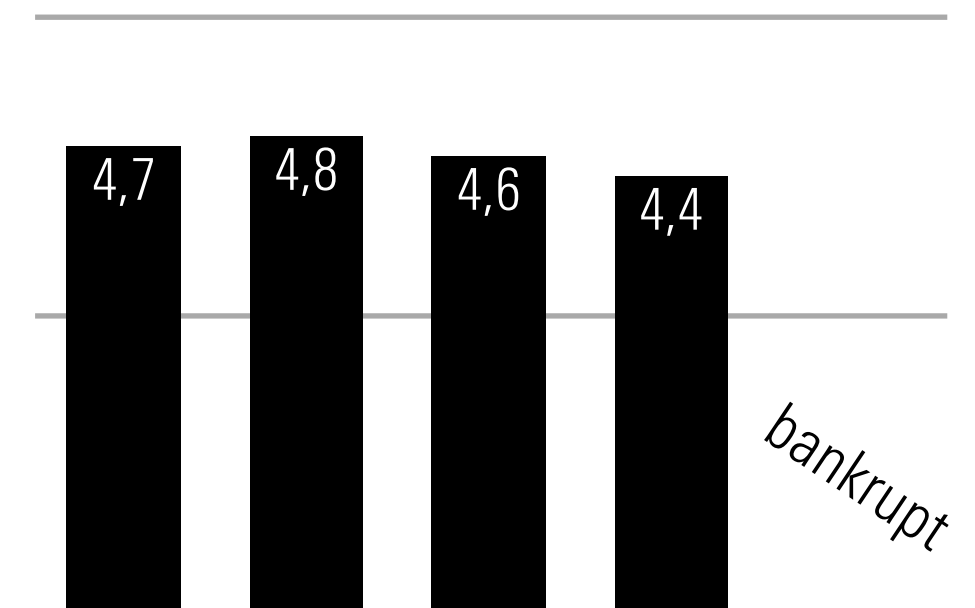
VS.



Revenue 2008 2009 2010 2011 2012



Revenue 2008 2009 2010 2011 2012



This approach works for all product categories with multiple touchpoints

Retail

Telecom

Travel

Automotive

Utility Provider

Professional Services

Banks

Hospitality

Digital Businesses

Insurance

Tourism

...

Combine the best of both:
Give value to customers while
building your brand

This way Ken provides Barbie a pleasant experience, and simultaneously shows his unique character, winning Barbie!



About Rlevance

Rlevance is a a strategic marketing and innovation consultancy committed to brand growth and outstanding customer experience.

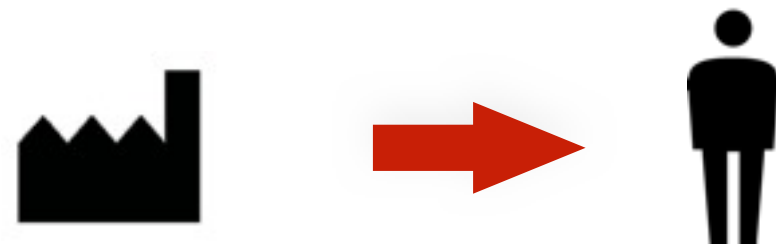
Mission: Making companies more relevant for people.

**"Wow!" moments are short lived.
Relevance goes beyond that single point in time.**

Establishing and maintaining a relationship with customers today has become difficult. A multitude of offers compete for customers, while they, media savvy and economically literate as never before, have lost trust in traditional message oriented forms of marketing.

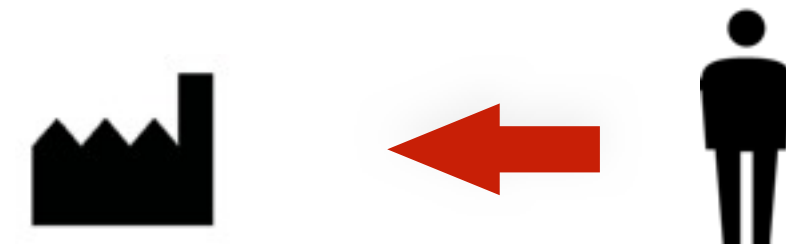
With a unique combination of business sense and a psychological-based, human centered approach we create relevance and sustainability beyond the mere "Wow!" moment. We strengthen the customer-business relationship by defining brand identities, innovating services and brand experiences, and designing brand activations.

Our approach: Companies offering real value to customers become more relevant



Value for customers via...

- ... a brand identity they can relate to
- ... offers that perfectly address needs
- ... providing pleasant experiences when dealing with the brand



Value for companies via...

- ...brand preference
- ...customer loyalty

Our portfolio: Holistic management of audience-brand relationship

Human Insights

Understanding customers and their unspoken needs; providing the basis for better decision making

Brand Positioning

Focussing brand messages; building the basis to orchestrate brand signals

Brand & Portfolio Strategy

Bringing structure and meaning into brand portfolios – from synergies to differentiation

Product, Service & Experience Design

Designing systems and solutions that create value for users and businesses

Engagement & Activation

Creating interesting and useful modes of engagement, exchange and interaction

Some of our clients: Experience from a wide range of industries and customer segments



Behind Rlevance: Christian Vatter

- Founder & Managing Director of Rlevance Consulting
- Marketing and consumer psychologist
- Consulting at intersection of brand strategy, communication strategy, and experience design
- 15 years of experience from a large range of industries, projects, markets



Some projects we have realized

Vodafone Germany

Positioning the brand in a competitive market



Commerzbank

Defining a new brand
promise after the financial
crisis



Lidl Supermarkets

Creating a new product brand based on mega trends



Shirt maker eterna

Giving structure and meaning to the line architecture



Mercedes-Benz Germany

Providing the marketing
department with a new
position and purpose



Microsoft

Creating a new way of customer engagement



A photograph of the interior of a Mercedes-Benz flagship store. The scene is captured from a high angle, showing a polished dark-colored car in the foreground. The floor is a vibrant blue carpet. In the background, there is a long, curved service counter with a white top and a light-colored base. Several people are present: a man in a light blue shirt and dark tie stands near the counter, another man in a white shirt and dark pants is blurred as he walks across the blue carpet, and a man in a yellow jacket is also blurred while walking. Blue stanchions with blue ropes are used to guide the flow of traffic. The overall atmosphere is clean, modern, and professional.

Mercedes-Benz Flagship Store

Designing a brand-driven
experience

Volkswagen international Headquarters

Full service consulting
communication, brand,
media & marketing processes



rlevance^r

making companies more relevant for people

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