

## THE BUILDING BLOCKS OF CUSTOMER EXPERIENCE

### Service quality(1980s) :

Service quality is a **measure of how an organization delivers its services compared to the expectations of its customers**. A business with high service quality provides services that meet or surpass the expectation of its customers . As a starting point to direct efforts toward an overall customer experience evaluation methodology, the **SERVQUAL model** has been proven across numerous industries.

In January 2022, the **Apple's** sales increased by an unprecedented **3 trillion dollars**.

Apple's **NPS score** in 2022 is an impressive **72** ( > average NPS score)

**Apple tops American Customer Satisfaction Index (ACSI) 2022 with score of 82**

More than 1 million customers visit Apple stores daily, according to statistics, demonstrating the company's commitment to providing **excellent products, services, and fostering customer satisfaction**.

### Apple's long-term customer first strategy through A-P-P-L-E way

*Approach the person in the store with a personalized welcome.*

*Probe to understand what the person is after.*

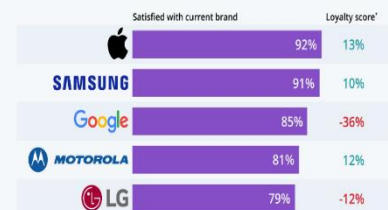
*Present a solution for the customer to take home.*

*Listen for and resolve any issues or concerns the person might*

*End the conversation with a fond farewell*

#### How Happy and Loyal Are U.S. Smartphone Users?

Satisfaction and brand loyalty among U.S. smartphone users, by primarily used smartphone brand



\* Share of respondents saying it's unlikely they'll change brands minus share saying it's likely they'll change brands  
7,212 U.S. smartphone users (16-64 y/o) surveyed Apr 21-Mar 22  
Source: Statista Global Consumer Survey

statista

Let's analyse SERVQUAL model:

**Tangibility:** Apple stores offer a large range of models in a variety of colours, appealing packaging, a unique store design and experience, attractive websites, and employees who are professional in appearance and communication.

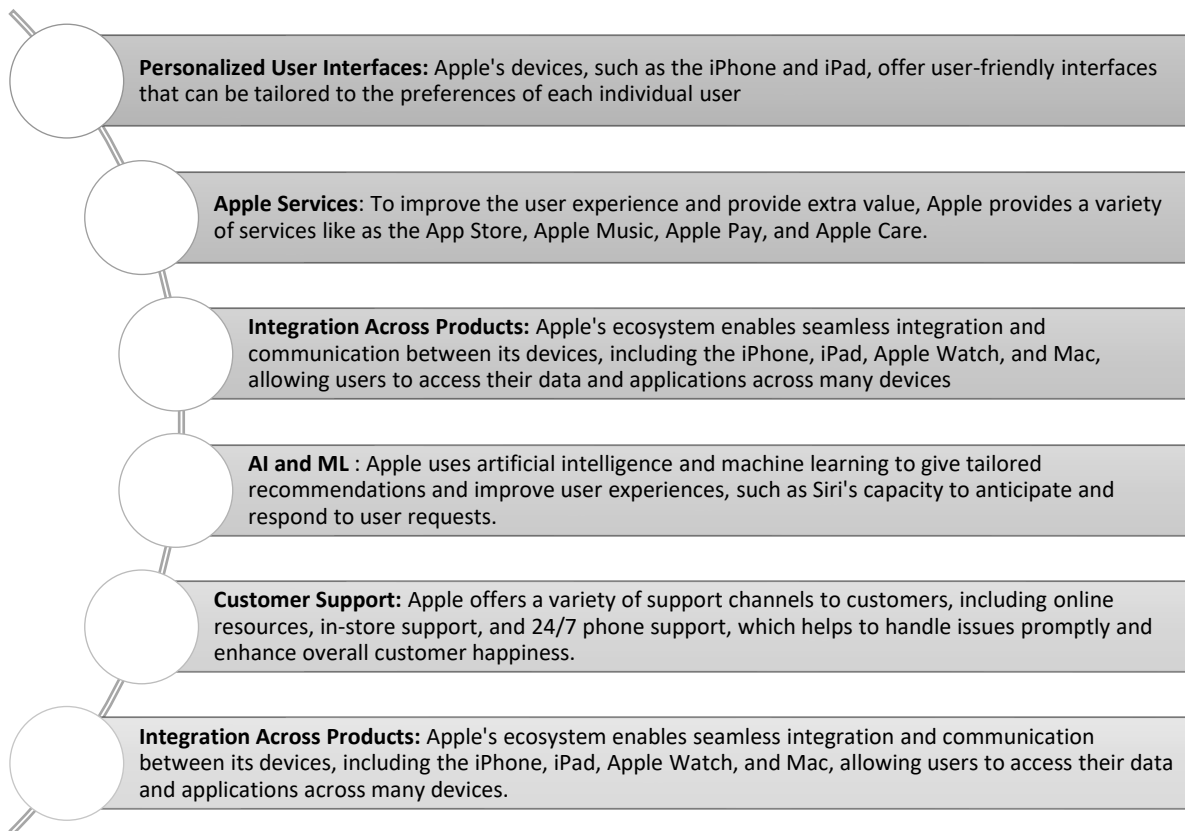
**Reliability:** Genuine concern for resolving customer issues, rapid and current post-purchase service, and upkeep of an error-free customer record.

**Responsiveness:** Apple employees are always eager to assist clients, provide them with the most recent information on services and products, and reply to inquiries quickly.

**Assurance:** The way personnel act in businesses encourages people to ask questions, reasonable prices of products and knowledgeable staff available to answer queries

**Empathy:** Apple stores are open at times that are convenient for customers, offer personalized services or attention, and are aware of their unique customers' needs.

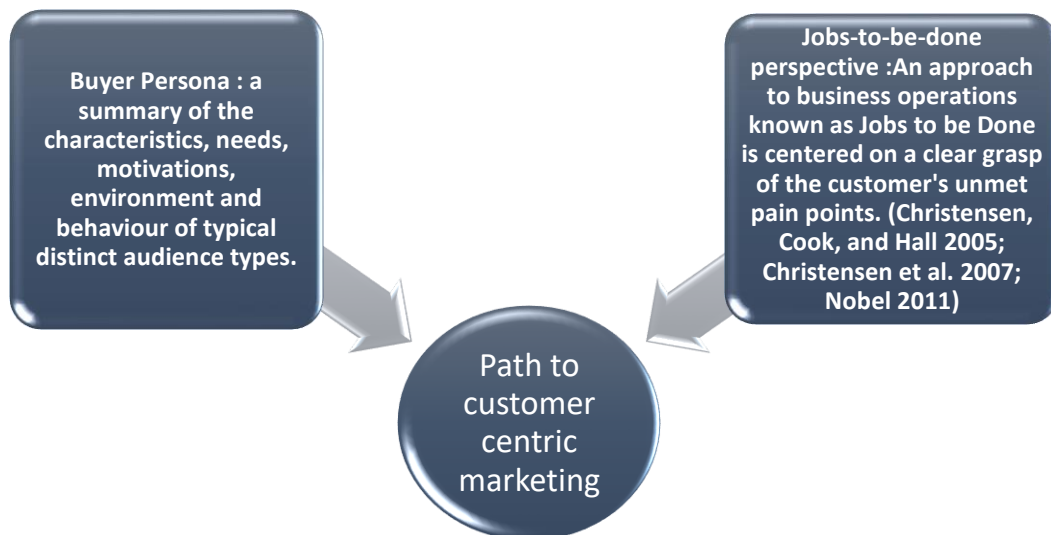
## Apple uses technology in the following way



| PROS  | CONS   |
|---|--|
| Improved Customer Deflection e.g., chatbots, FAQs.  | It might be difficult to effectively assess consumer wants and expectations because they fluctuate over time and differ between customer segments.   |
| Enhanced Satisfaction and Loyalty   | Failure to Select the Appropriate Service Design and Standards -The challenge for service firms is translating consumer expectations into service quality criteria.                        |
| Greater customer satisfaction and brand reputation can lead to increased sales and income for the company.                    | Failure to Deliver on Promises - Advertising, sales force, and other communications set the benchmark against which customers evaluate a company's service quality.                        |
| High-quality service can set an organization apart from its competitors and provide it a competitive advantage in the market. | Apart from employee behaviours, other elements, such as the physical environment, resource availability, and technology, can all have a substantial impact on service quality.             |
| Increases Brand Popularity  | The problem for researchers is to figure out how to measure the richness of the customer experience construct succinctly and correctly across many touch points and stages of the journey. |

## Customer centricity and customer focus(2000s-2010s):

Customer centricity is a business strategy that focuses on **meeting the requirements of a company's most valuable customers** in order to increase their long-term financial value. A customer-centric mindset is a crucial enabler within organizations for creating better customer experiences. Sheth, Sisodia, and Sharma's (2000) emphasis is on customer-centric marketing, a strategy that places more emphasis on comprehending and serving individual customers than mass or target markets.



**Netflix** is renowned for its user-friendly streaming platform, and its emphasis on the user experience has contributed to its rise to the top spot among all video streaming services globally.

**Customised content:** Netflix offers individualized material by generating personalized recommendations that let users enjoy without having to sift through numerous lists.

**New content update:** Ensuring that customers receive the most recent and best content.

**Multi-device experience:** Due to its multi-device strategy, Netflix may be opened on a TV, computer, smartphone, or tablet while maintaining seamless content continuity.

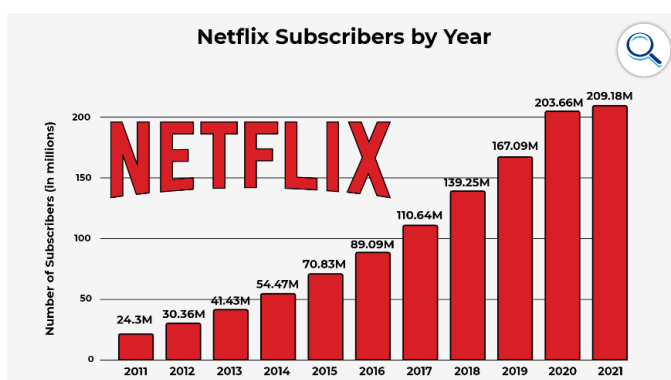
**Diverse library:** Netflix has a big and diverse library of TV episodes, movies, and other video material to appeal to a wide range of demographics and preferences.

**Download options:** Netflix allows users to download certain content for offline watching, making it handier for consumers who are constantly on the go.

**Multiple users:** Users can tailor their viewing experience for different family members or friends by creating several profiles under their account.

**Original Content:** Netflix creates its own original content, helping to set it apart from competing streaming services and giving users a special value proposition.

**Continuous Improvement:** Netflix collects customer feedback on a regular basis and uses it to improve the user experience. They use data-driven design and A/B testing to improve the platform's usability and efficiency.



## Netflix makes use of the following technology to enhance user experience

### Customer data analytics:

1. Through the collection of information from their 151 million customers and the use of data analytics algorithms to identify consumer behaviour and purchasing trends. Netflix even includes images of scenes that viewers may have watched multiple times, the rating of the material, the number of searches, and what is searched for.
2. Netflix develops a complete profile of its subscribers using this information. Netflix requires data analytics to collect all of this data and turn it into valuable information.

**Near-Realtime Recommendation Engine:** Based on their users' choices, recommend movies and TV series. Over 75% of viewing engagement, according to Netflix, is based on customized recommendations.

**Artwork and Imagery Selection:** An algorithm that determines which artworks and photos to display to the user

**Production Planning:** Optimising Netflix Originals planning and execution

**Customer feedback:** Automating support process and the thumbs up/thumbs down method that replaced their rating system enhanced audience engagement by a large percentage, allowing them to further customize the user's homepage.

**Content Marketing and Advertising Campaigns:** Effective digital marketing strategies

**Simple Search and Navigation interface:** Straightforward interface helps users in locating content

| Pros  | Cons   |
|---|--|
| Reduction customer acquisition costs: Focusing on the needs of the customer can help businesses create leads and recommendations from existing clients, which can reduce the cost and accelerate the process of gaining new customers | Cost increases: Focusing on consumers frequently necessitates organizations investing in additional resources such as customer service, R&D, and marketing.  |
| Improved customer satisfaction and loyalty: Companies can boost customer happiness and loyalty by focusing on satisfying the specific demands and preferences of individual customers thereby increasing customers life time value    | Overserving risk: Businesses may risk overserving their clients by offering excessive attention and support, resulting in diminished profitability.  |
| Customer centricity lowers customer churn rates by assisting in retaining customers' satisfaction.  | Challenging to quantify success: Measuring the success of a customer-centric approach can be difficult because it is frequently subjective and can be influenced by circumstances beyond of a company's control. |
| Improved brand reputation: A strong emphasis on customer centricity can result in favourable word-of-mouth reviews and an enhanced brand reputation, which can lead to new business.  | Employee resistance: Implementing a customer-centric approach can be difficult, especially if staff are reluctant to change or are not aligned with the company's goal.  |
| Pushes for organizational transformation in order to improve competitiveness and sustainability   | Complexity in decision-making: Businesses may struggle to match the needs and desires of their consumers with the requirements of their business, resulting in decision-making complexity.                       |

## Customer engagement(2010):

According to Van Doorn et al. (2010, p. 253), **the customer's behavioural manifestation toward a brand or firm, beyond purchase, results from motivating reasons.** This method has been expanded, particularly as the digital and social media revolution has increased the relevance of customer engagement behaviour, as customers become active coproducers of value or destroyers of value for enterprises.

This **"beyond purchase" behavioural dimension** of customer engagement encompasses manifestations such as cocreation, social impact through word of mouth, and customer referrals.

### **Disney and its customer engagement**

**Masterful Personalization:** Make personal interactions with each guest. Guests can arrange rides to minimize wait times and build their own personalized day with a variety of food and entertainment options.

**High Quality:** Disney maintains a **high level of quality**, continually spends in upgrading its products and services, including as theme parks, movies, and merchandise.

**Innovation:** Disney employs a **"go away green" and "blending blue" paint technique** (the least obvious and inoffensive colour) to allow your eyes to focus on the castles, characters, and costumes.

**Smell the adventure:** The Smellitizer was designed to emit a painstakingly generated odor that related to each park area.

**Consumer input:** Disney collects customer feedback on a regular basis through surveys, social media, and other channels in order to obtain insights into customer attitudes and make improvements when appropriate.

**Employee training** to deliver exceptional customer service and successfully address consumer concerns.

**Customer care:** Customers can contact **Disney's customer care team** via email, phone, or live chat, and the company strives to resolve customer issues swiftly and efficiently.

### **Disney and Big Data**

#### 1. **"MyMagic+" initiative**

**My Disney Experience App (AI and ML based):** Offers GPS-enabled walking directions between attractions, real-time information about ride wait times, park events and hours and even features services like mobile food ordering

**Magic band (ML) :** Uses short range Radio Frequency Identification (*RFID*) technology and a 2.4 GHz transmitter that tracks your location while inside the park.

#### **MAGIC BAND CAPABILITIES:**

- A) Enter the park.
- B) Unlock hotel rooms
- C) Priority access to experiences (Fast Pass)
- D) Make payments at Disney shops and restaurants
- E) Be recognized by Disney Characters
- F) Link your Disney Memory Maker or PhotoPass account

#### **Fastpass+**

The Fastpass+ online tool may now reserve entertainment events, access to three attractions, and meetings with Disney characters. Guests may now not only avoid long lines, but also create a personalized itinerary that shows the best path to each destination.



2. **Trash can everywhere, Trash nowhere:** Disney has installed sensors in a number of its garbage cans and restrooms to monitor usage and alert employees when they need to be cleaned. A network of subterranean pipes connects several of the trashcans, allowing them to be emptied every 20 minutes.
3. **Launching Exciting Marketing Campaigns** i.e., Dream big princess campaign, AndyNight campaign
4. **Anniversary celebrations:** Virtual family festival called “Pixar Fest” to mark the 25<sup>th</sup> anniversary of Pixar’s Toy Story
5. **Interactions through social media platforms:** Sharing posts on Facebook, Twitter, and Instagram; share photos, videos, quizzes, and surveys on topics that will attract the people through company accounts like Pixar, Mickey Mouse, Disney+, Disney Channel, Star Wars etc
6. **Disney movies analytics:** neural networks a Subset of Machine learning tracks audience reactions while watching Disney films. this type of analysis known as sentiment analysis
7. **Digitalized Disney store:** Online store for one touch shopping and e-commerce
8. **dynamic pricing model of Disney:** Disney used historical Broadway ticket sales data to accurately forecast future demand for Lion King. The model they developed also predicted the highest possible price for each ticket that customers were likely to accept
9. **Analytical techniques** are also used by Disney to simplify back-office processes by big data & Machine learning for revamping broadcast media.



| Pros  | Cons   |
|---|--|
| Engaged customers tend to boost sales and revenue   | Engaging with customers may be time-consuming and expensive in terms of staffing and technology.                                 |
| Improves upselling opportunities  | Receiving negative comments and criticism, which can be tough to deal with.  |
| Enhancements through feedback   | Concerns about customer privacy and data protection  |
| Better brand reputation   | Engaging with consumers may only reach a small number of people because not all customers are interested or able to participate. |
| online presence has the potential to grow and ensure that consumers talk about and share relevant information with friends, family, and colleagues. |  |



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