

# How Co-Production and Authenticity Affect *Experience Design Management*

Chaired by Lewis P. Carbone and Kathryn A. LaTour

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## EXECUTIVE SUMMARY

**T**wo keys to profitable operation are ensuring that customers have a memorable experience and developing a relationship that matches their needs. Meeting at the Cornell School of Hotel Administration, experts in experience management from industry and academe focused on ways to improve customers' experience in a way that makes it memorable, with a goal of fostering a mutually beneficial lasting relationship. Focusing on the elements of the relationship between consumers and their favorite brands, participants in the experience management roundtable considered the most effective approaches to improve customer relationship management. One important tactic is to provide experiential clues that help customers to remember their experiences in a favorable light. This type of "sticky" recollection fends off the human tendency to invent negative details to fill gaps in memory. One useful way to view the nature of the relationship between customers and a brand is to gauge the levels of love and respect between the parties. In this framework, a brand needs to match customers' desires for both of those relationship aspects. Customers who feel high levels of both love and respect for a brand are likely to be lucrative long-term patrons.

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## ABOUT THE ROUNDTABLE CHAIRS

**Lewis Carbone** is the founder, president and chief experience officer of Experience Engineering, a Minneapolis-based consulting firm dedicated to customer and employee experience management. He is widely regarded as the father of the experience management movement. Founded in the late 1980s, Experience Engineering has helped numerous companies discover what really makes customers tick and offers a methodology to help them increase customer advocacy, loyalty and repeat business, that impact metrics vital to organizations.



A frequent college lecturer, writer, and inspirational speaker; Carbone is the author of *Clued In: How to Keep Customers Coming Back Again and Again* (Prentice-Hall, 2004), which won the Fast Company Reader's Choice award.

Carbone has lectured and taught at the Harvard Business School, Columbia, The Cornell School of Hotel Administration, Boston University, UNLV, and Parsons School of Design, among many others. He has spoken in the UK, Taiwan, Dubai, Singapore, Australia, and New Zealand.

Carbone and Experience Engineering have worked with Pizza Hut, KFC, Avis, H&R Block, General Motors, IBM, Taco Bell, Progressive Auto Insurance, John Deere, Blockbuster, IBM, La Quinta, Time Warner Cable, Deluxe Financial Services, Arrow Electronics, Office Depot, Audi of America, Royal Bank of Canada, and Boston Children's Hospital, Mayo Clinic, Al DuPont Children's, Hospital Lego, and Medica Health Insurance. As an advertising executive with Campbell-Ewald Advertising, Grey Advertising, and Manoff Geers Gross, he worked with American Tourister Luggage, National Car Rental, and Walt Disney World. Vice chairman of the

Board of Directors of Health Quality Partners in Doylestown, Pennsylvania, Lou sits on the Board of Trustees at Thiel College, Fairview Physicians Associates Network, Minneapolis. He's the past board chair at Brown College (now Sanford-Brown College) and also served on the editorial board of *Healthcare Design* magazine.

**Kathryn LaTour**, Ph.D., is an associate professor of services marketing and the Banfi Professor of Wine Education and Management in the School of Hotel Administration, at the Cornell S.C. Johnson College of Business. She focuses on marketing hedonic experiences, with a particular focus on wine and gambling. After receiving her PhD from the University of Iowa, she served as a visiting scholar in the Mind of the Market Lab at the Harvard Business School, where she worked with Gerald Zaltman and Stephen Kosslyn on applications of cognitive neuroscience to marketing, and she subsequently was on the faculty of the UNLV Hotel School.

LaTour's research takes a consumer psychological perspective toward how marketers should approach branding, experience design, communications, and loyalty programs. Her major research focus has been on the complexity of human memory. Her research on memory reconstruction was first published in *Journal of Consumer Research*, and won both best paper for research based on a dissertation as well as best article published in that year (1999). She has published both wine and gambling research in that journal, and her academic research has also appeared in the *Journal of Marketing*, *Journal of Advertising*, *Journal of Advertising Research*, *Journal of Business Research*, *Psychology & Marketing*, *Journal of Travel Research*, *Cornell Hospitality Quarterly*, and *Annals of Tourism Research*. Her work has also appeared in the *New York Times*, *USA Today*, *Hemispheres* (United's in-flight magazine), *Las Vegas Review Journal*, *Las Vegas Sun*, and *Portland Oregonian*.



Her current research focus is on the development of knowledge of wine; how cross-sensory learning methods can be employed to enhance consumer learning; sensory aspects of branding and brand knowledge representation; and what strategies and knowledge wine experts use to assess their own tasting experiences. As a means to better understand the nature of expertise, she has earned a certified sommelier diploma from the International Sommelier Guild, sommelier certification from the Court of Master Sommeliers, and Certified Wine Specialist recognition from the Society of Wine Educators. She is currently studying for Master of Wine certification offered through the Institute of Masters of Wine, considered to be the highest level of business and wine knowledge in the industry.

LaTour has also worked with Experience Engineering and Olson Zaltman Associates, to consult such clients as Procter & Gamble, Coca-Cola, The Walt Disney Company, World Bank, Las Vegas Sands, and Yum! Foods.

# *How Co-Production and Authenticity Affect Experience Design Management*

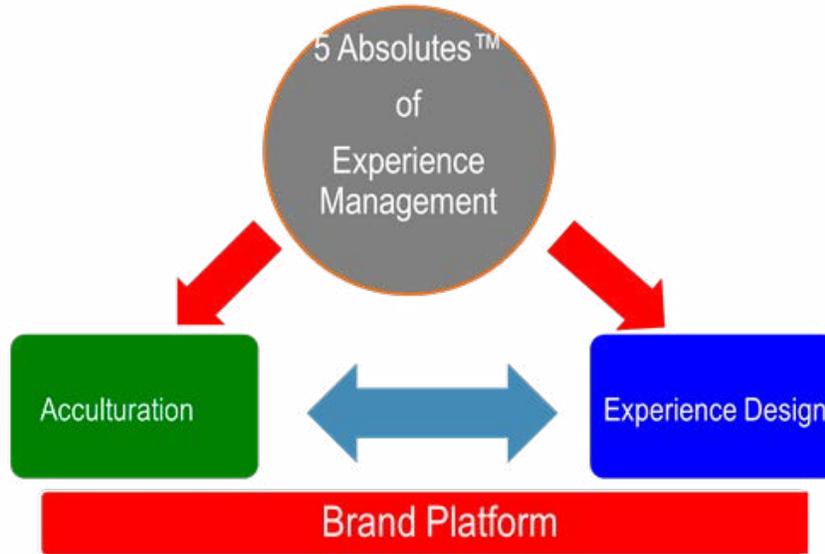
by Lewis P. Carbone and Kathryn A. LaTour

**M**anagers speak of “understanding the customer experience” so they can “better manage the experience” with the belief that this will lead to “longer-term, engaged customers.” Those well-worn phrases are just the beginning of the process of determining the anatomy of the customer experience, and they raise more questions than they answer. Meeting at the Cornell School of Hotel Administration, participants in the customer experience roundtable examined the many nuances of customer relationship management. Issues to be considered include the points at which the customer experience starts or stops; what types of experiences are best remembered or most easily forgotten; what makes an experience “authentic”; and what level of analysis and research tools are needed for getting a deep understanding into the customer experience. Most critically, firms must be organized to become attuned to their customers’ experience. To provoke discussion of these issues, roundtable organizers asked participants to find an image that best describes how they think about experiences, with the results shown in Exhibit 1 (overleaf).



Brand experience management model

Brand Experience Management



The five absolutes for experience management are (1) Move from “make and sell” to “sense and respond”; (2) Think customer back (emotional versus rational bond); (3) Understand and employ the role of the unconscious mind; (4) Become clue conscious; and (5) Develop rigorous systems to develop and manage clues

companies outperformed the S&P 500 by 8 to 1 over ten years and also outperformed the *Good to Great* firms in a 3-to-1 margin over that time period. Carbone added that some of the *Good to Great* firms were either no longer in business (Circuit City) or were experiencing major crises (Wells Fargo). He further noted the importance of creating emotional engagement through experience, together with the positive impact of these actions on the company’s bottom line. With the roundtable now having a sense of the importance of experience design, the next two speakers focused on academic research relating to the psychological aspects of experiences.

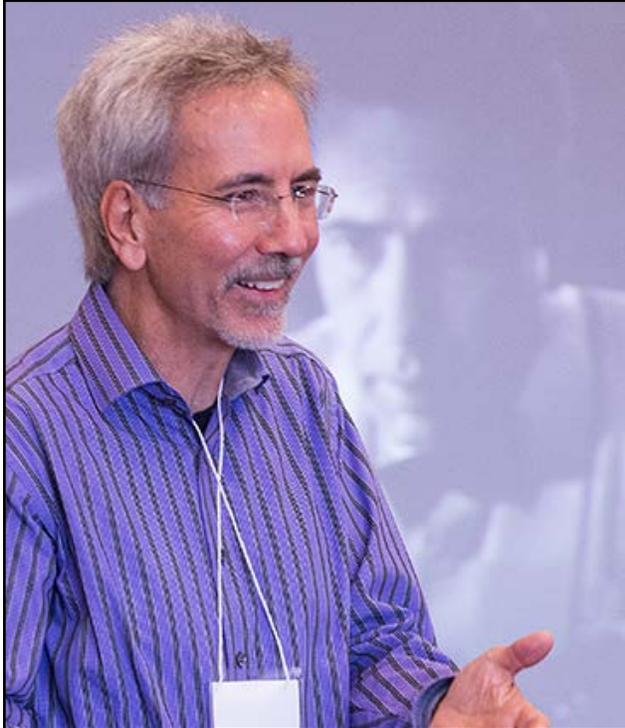
Psychology of Experience

Experience is highly valued over physical possessions for many people, argued Tom Gilovich, Irene Blecker Rosenfeld Professor of Psychology at Cornell University. Under the framework, “We’ll Always Have Paris: Why Experiences Provide More Enduring Satisfaction than Material Goods,” he illustrated his point with the ironic cartoon shown in Exhibit 3, which depicts a dying man saying, “I wish I had bought more crap.” The cartoon highlights the need to identify what is of value and importance. Material goods typically do not make the cut.

Cartoon depicting the truth about experience over possessions



Gilovich then went on to discuss the research his lab has been conducting over the last ten-plus years on the importance of experiential purchases to satisfaction. In 2003 study, he and colleague Leif Van Boven asked people how they would feel about purchasing an experience



**One reason experiences are viewed as more important to consumers than possessions is that experiences contribute to a person's identity and build social connections more than goods do.—Tom Gilovich, Cornell University (with an assist from Humphrey Bogart)**

versus a material good.<sup>2</sup> The researchers found that experiences led to greater happiness and were considered to be “worth it” in terms of price. They also looked at mood consequences from experiential versus material purchases participants had made two weeks prior to the study. Again, experiences trumped material goods, with those who had purchased experiences reporting more positive moods than those who had bought “stuff.”

**Supporting identity.** Gilovich proposed several theories as to why experiences are so important to consumers, beginning with the idea that experiences contribute more to a person's identity than goods. In his research he asked participants to list five substantial experiential purchases and five substantial material purchases and then write their life story (which included prompts for who they are, how they got to be the way they are, and what their lives are about), drawing on at least one of the purchases they

<sup>2</sup> Leaf Van Boven and Thomas Gilovich, “To Do or to Have? That Is the Question,” *Journal of Personality and Social Psychology*, Vol. 85, No. 6 (December 2003), pp. 1193–1202.

had listed. He found that in the life stories, 42 percent of the experiential purchases were mentioned compared to 22 percent of material goods purchases.

Gilovich also believes that experiences are more enduring because they promote more social connections than material purchases. He described a study where he asked participants how much they enjoyed a conversation and their partner when the conversation focused on experiences versus material goods. Experiences led to more positive ratings for both.<sup>3</sup> He also suggests that because experiences are evaluated more from one's own perspective, they become more valued to consumers. He presented research showing that material goods are more context bound than experiential purchases. His talk ended with a focus on the importance of focusing policy on the creation of experiences as a means to promote greater happiness.

**Fragile memory.** Roundtable co-chair Kathy LaTour, associate professor of services marketing and Banfi Vintners Professor of Wine Education and Management, presented her research on “The Paradox of Memory.” To demonstrate the vicissitudes of memory, she started by giving roundtable participants a list of words to remember. Discussing Steve Hoch's work on the “seductive nature of experiences,” she explained that we believe we learn from experiences more than other means because they are engaging, involving, vivid, pseudo diagnostic, non partisan, and memorable.<sup>4</sup> She then returned to the word list, testing participants' memory for the words by inserting a word that was highly related but not on the original list. This word produced many false recollections from participants—an outcome that has been observed in other contexts. LaTour discussed Dan Schacter's neuroscience research showing that true and false recollections occur in a particular area of the brain, the hippocampus, which is an emotional center providing us a feeling that something was experienced (even if it had not been experienced, as with a false memory).<sup>5</sup> In fact, memories of experiences are fragile, making them subject to reconstruction errors. LaTour discussed some of her own research showing that advertising information presented after an experience could infiltrate the memory of the experience, even to the creation of memories that never happened

<sup>3</sup> See: Leaf Van Boven, Margaret Campbell, and Thomas Gilovich, “Stigmatizing Materialism: On Stereotypes and Impressions of Materialistic versus Experiential Pursuits,” *Personality and Social Psychology Bulletin*, Vol. 36 (2010), pp. 551–563.

<sup>4</sup> Stephen J. Hoch, “Product Experience Is Seductive,” *Journal of Consumer Research*, Vol. 29, December 2002, pp. 448–454.

<sup>5</sup> For example, see: Daniel L. Schacter, *The Seven Sins of Memory: How the Mind Forgets and Remembers* (London: Souvenir Press, 2007).

(such as the impossible memory of shaking hands with Bugs Bunny as a child at Disneyland).<sup>6</sup>

**Sticktion.** LaTour then discussed a series of “sticktion” studies she conducted with Lou Carbone for Pizza Hut UK.<sup>7</sup> (Sticktion is a neologism describing the extent to which an experience “sticks” with a person.) The premise for these studies was that great experiences should be memorable. However, existing methods for measuring the impact of the experience such as surveys during or immediately following the experience often fail to identify what consumers will later remember. The “sticktion” analysis found that, in addition to forgetting details of their experience, one week after visiting the restaurant, customers filled in memory gaps with negative details that did not appear on their initial description of the visit. With this insight, the goal then became to create memorable experiences that would remain in memory and crowd out any false memories. Pizza Hut then tested a prototype restaurant that was successfully introduced to the marketplace based on experience clues identified in the memory research.

## Experience Metrics

Sticktion is one of several different ways of thinking about measuring the customer experience. Rick Garlick, of J.D. Power, explained his firm’s methods. Beyond that, Susan Fournier, an expert in the area of customer relationships, explained different ways of thinking about customer relationship metrics for experience design to better understand the customer experience journey.

**Love and respect.** Garlick, who is global travel and hospitality practice lead for J.D. Power, outlined his firm’s travel experience index, which comprises different weighted items to gauge a guest’s experience. However, he explained that in recent years their focus has changed to look at what drives love and respect, based on a 2x2 matrix from Kevin Roberts’s book *Lovemarks*.<sup>8</sup> Garlick began by talking about the most negative quadrant, where consumers feel neither loved nor respected, and he said about 30 percent of hotel guests fall into this category. They feel their choice was constrained, as the hotel in question was the only option available to them. He described the quadrant with high love but little respect as the “Kardashian” quadrant, in which a short-term relationship might be built on admiration but over the long haul the guest’s affection for the



**A key method for viewing consumers’ relationships to a business is to gauge their love and respect for a particular brand. Most critically, the brand should match consumers’ love and respect.**  
—Rick Garlick, J.D. Power

brand will dissipate because feelings are not returned by the brand. Fad or trendy products are found in this quadrant. Legacy brands are often found in the quadrant of high respect but they can lack the “wow” factor of love. Ideally a brand would be found in the quadrant of both high love and respect, because those brands have the greatest potential for long-term growth. His favorite example of such a brand is a Starbucks airport kiosk. Consumers have already had to endure waiting to check-in and waiting in line for TSA clearance, but they are still willing to stand in line for a cup of coffee once they have cleared security.

In his next slide he presented a pyramid of how J.D. Power thinks about measuring brands, starting with bottom measures, which are more cognitive (how I think) and then moving to upper, emotional measures (how I feel). So, the questionnaire starts with the broadest awareness of brand and perception of quality performance. Along that line, Garlick said 99.99 percent of customer satisfaction surveys ask about quality issues like whether the room was clean. They then ask views of integrity and trust, such as whether hotel staffers were responsive to requests, and service levels. These aspects are relatively easy to measure. The higher aspects of the pyramid, the emotional responses to the brand, include

<sup>6</sup> Kathryn A. Braun, Rhiannon Ellis, and Elizabeth F. Loftus, “Make My Memory: How Advertising Can Change Our Memories of the Past,” *Psychology & Marketing*, Vol. 19, No. 1 (2002), pp. 1–23.

<sup>7</sup> Kathryn A. LaTour and Lewis P. Carbone, “Sticktion: Assessing Memory for the Customer Experience,” *Cornell Hospitality Quarterly*, Vol. 55, No. 4 (2014), pp. 342–353.

<sup>8</sup> Kevin Roberts, *Lovemarks* (Brooklyn, NY: powerHouse Books, 2005).

### Cartoon depicting mismatched relationships



whether consumers identify with the brand and are passionate about it. These ideas echoed Carbone's emphasis on the importance of emotion rather than rational beliefs about the brand and experience. To illustrate an extreme case, Garlick showed images of consumers who had tattooed themselves with different brand logos as a means to show their identification with and passion for their brand. On the other hand, perhaps the most challenging measurement issue is to gauge when guests feel like they are not a fit for a particular hotel but stay there nevertheless. Oftentimes people will walk in and immediately feel out of place, but it's hard to get a valid survey response to a question relating to not fitting in.

Garlick demonstrated the monetary value of commitment by presenting a table showing the financial benefits of creating highly committed consumers derived from J.D. Power data on hotels. Committed consumers are more likely to repeat their purchase and recommend a product or service. He also found that those committed hotel consumers are more likely to use a broader range of service amenities and get a fuller experience than those not as committed. He cautioned, however, that it is possible to have high satisfaction scores without high commitment, suggesting that in the long term commitment is more important than satisfaction.

**Not that different.** One question facing today's marketers is the commitment level of Millennials, given the importance of that generation going forward, coupled

with the view that Millennials are not necessarily brand loyal. Garlick sees the same factors driving Millennial loyalty as that of previous generations. The only real difference, in his view, was that Millennials are far more reliant on technology as part of their day-to-day experience.

Finally, Garlick suggested that social media sites may provide relief from "survey fatigue," given the common practice of merchants of all types following up with a satisfaction survey when a person purchases coffee, gets an oil change, goes to a restaurant, or has a massage. Garlick added that today's survey fatigue is quite a change from when he was working for Gallup early in his career and consumers would be excited to answer the phone and have the opportunity to share their opinions. He has not seen that enthusiasm for customer response for many years. Today the conundrum is that response rates are down, but there is even greater demand for feedback from customers.

### Co-production and Relationship Building

Susan Fournier, senior associate dean and Questrom Professor in Management at Boston University, examined the cooperative elements of customer relationship management in a session titled, "Co-Producing the Consumer Experience: A Brand Relationship View." Most of her career has been spent thinking about brand relationships. She began by offering a definition of customer relationship management from Kumar and colleagues: "the process for achieving a continuing relationship dialogue with customers, across all available touch points, through differentially tailored treatment, based on the expected response for each customer to available marketing initiatives, such that the contribution from each customer to overall profitability is maximized."<sup>9</sup> Her overview of the CRM touchpoints ranged from awareness to consideration to purchase to retention to advocacy. Fournier set forth two relationship essentials. First, consumers form different types of relationships, and brands play different roles as partners. Each relationship has different rules. Second, brand relationships are dynamic, two-way phenomena. They develop and change over time as two parties interact, and send and receive signals about the relationship in play. What happens over time is to think of the clues and signals that brands send to consumers about the relationship.

Fournier also provided a cartoon to illustrate her point about cross-purposes in relationships, when one partner views the relationship differently from the other (Exhibit 4). A manager needs to recognize that a firm has a

<sup>9</sup> V. Kumar, Girish Ramani, and Timothy Bohling, "Customer Lifetime Value Approaches and Best Practices Applications," *Journal of Interactive Marketing*, Vol. 18, No. 3 (2004), p. 61.

portfolio of different relationship types with various consumers and that it is possible to have relationships other than the fully committed partner. She pointed out that today's CRM programs are fixated on one type of relationship: the loyal relationship, where, as in marriage, the consumer plays the role of the committed spouse. While the result for CRM might be an advocate or passionate consumer, not all consumers seek that type of relationship with brands (nor should they necessarily). Instead, consumers form lots of different types of relationships with their firms and brands, and Fournier says virtually all of these can be profitable, provided the experience is properly managed. The trick is to know what kind of relationship customers have established, and to optimize the relationship to its fullest.

**Secret affairs.** To demonstrate the diverse nature of relationships, Fournier discussed different types of relationships (she has documented 27 types). There are what she called "secret affairs"—a brand you might not want to admit to others you like (such as Wal-mart or Donald Trump). Such relationships might not easily be revealed other than perhaps with Cheetos and the leftover cheese-flakes on your hands. Another type of relationship—the arranged marriage—occurs when the relationship was set up by someone else, for example, intergenerational transfers such as being given a car as a birthday present, or choice of college. Some brands or experiences consumers might want a brief fling or even a one-night stand. This group of customers is not looking for a long term relationship, but both types can be profitability generators. There are other types of relationships that can be dysfunctional, such as being abusive, cheating, or stalking. Obviously brand managers should avoid actions that take the relationship in such a negative direction. But then she reminded us that, according to the second essential element of relationships, they are two-sided.

Fournier then described two types of relatively close relationships: marriage and friendship. Each has a set of rules or "contract." On the map of relationship types, they are in close proximity to one another (each representing warm relationships), but they are nevertheless different. Marriage is based on love and commitment and a contract to stay together despite circumstances, whereas friendship is based on reciprocity and intimacy with intent to facilitate socio-economic goals. In a friendship one can walk away if needs are no longer met, whereas in a marriage there is a more explicit contract to stay together.

Fournier concluded by presenting qualitative research she had conducted with Peapod (a food delivery service). She found that different consumers had different relationships with the brand that dictated how they expected Peapod to behave.



**Consumers and brands have a wide variety of diverse relationships. Of 27 identified types of relationships, some are "secret affairs," while others have greater commitment and are like marriages.—Susan Fournier, Boston University**

### Experience Branding or Branding an Experience?

Chekitan Dev, associate professor of services marketing at the School of Hotel Administration, discussed how experience branding is a hot topic in marketing, though not a lot of academic research directly addresses this area. Dev brought in a series of "provocateurs," to open discussion by providing some background on the work they had been doing in experience branding. The first speaker, Ksenia Starikova, head of growth & innovation for Group XP, presented research her group had done on building an experience index. The next speaker, Siddarth Narang, vice president of development at Starwood Hotels and Resorts Worldwide, then discussed the strategy and development of their highly experiential W Hotel brand.

"**Generation picky.**" Starikova began with the background leading to the creation of the experience index. With an understanding of what makes up an experience, these aspects could be measured, with a further goal of determining whether being an experience brand has financial benefits. She also discussed the importance of creating virtual experiences as part of the experience value proposition, particularly to meet the needs of Millennials. The research her company has done has shown that



**One way to gauge an experience is against a four-point experience index, which consists of impression, interaction, responsiveness, and resilience.—Ksenia Starikova, Group XP**

Millennials prefer experiences over products to a greater extent than any other generation, specifically finding that 78 percent prefer to spend money on experiences over products. On the downside, she called this group “generation picky,” adding that it was important to understand and manage expectations.

Group XP created an experience index consisting of roughly one-half million bits of data, based on three years of performance data from 46 countries comprising 43,000 brands. The experience index consists of four components: impression, interaction, responsiveness, and resilience. Impression stands for something distinctive the brand offers to the market that cannot be easily copied or matched by the competition, for example, IKEA’s personalized kitchen. She mentioned that hotels were quite challenged in this area as there is little differentiation between properties in each market segment. Interaction delivers on customers’ most important needs, like ease of use. She gave Paypal’s easy purchase with mobile as scoring high on this dimension. Responsiveness relates to better digital services and online content, and she provided Amazon’s mobile delivery service as a brand scoring high on this dimension. Resilience applies to brands that seek ways to make consumers lives better or more meaningful, such as the Pampers app that provides different background noises to help babies sleep.

Group XP identified the top 30 scoring brands on the index (including Pampers, Nike, Facebook, and IKEA) and compared their stock performance to the S&P 500 average. They found these highly indexed experience brands outperformed the market, indicating positive financial consequences to being an experiential brand (additional evidence relating to the “firms of endearment” data presented earlier by Lou Carbone).

One finding might be disturbing to hospitality brands—no hotel brands scored at the top of the experience index. Possible reasons for this absence might be the lack of a digital mindset, not understanding the consumer experience before or after the stay, lack of personalization (failure to use big data effectively), or lack of differentiation between brands leading to consumer confusion. The additional problems of working through franchisees and lack of consistency were also mentioned as obstacles to the hotel industry’s relationship building efforts.

**Branding experience.** One hotel brand that did seem to perform well on the index was W Hotels. Sid Narang presented the story of the W brand development. He said his company identified a problem in the travel market where consumers felt lonely and there was a lot of sameness in the market. Their company needed to reinvigorate some of their real estate holdings and brought together a team to build a new type of hotel experience. W Hotel was born. At its heart was a mission to eliminate loneliness and boredom by creating fun, exciting, “living room” social experiences. He said their research shows that their guests are neutral about what their guest room looks like because they don’t plan on spending much time in their rooms. What they do expect, and desire, are distinctive social venues such as the fitness centers, spas, and restaurants. The “living room” or entry area is the heart of their property, linking the lonely people to particular social activities.

Fifteen years after its inception, W Hotels now owns the space in lifestyle hotel brands, Narang said. They did this by creating their own category, not luxury but something else—rebellious, not confined by conventional definitions of hotel styles. He said each market needs to be different and as the brand grows globally the task is to fit into the local market but maintain their different rebellious attitude.

Narang showed a video of how they market the hotel to potential investors. The lack of older people in the video attracted the attention of some participants. Narang explained that rather than looking at their target market by traditional demographic factors, W is more interested in psychographic elements, specifically looking at disruptors, influencers, and people who like to try new experi-

ences. They find that these people have influence with followers that will build their brand.

Dev then summarized the session going back to theme of experience branding. He prompted the question of protecting intellectual property of experiences, like Westin's Heavenly Bed, and whether there might be a way to protect a company's experience design. He noted that Apple stores have the highest sales per square foot and pointed to the success of their branded Genius bar. Carbone discussed some research on trade dress and intellectual property protection with the Chippendales and how in the future experience blueprints might also be considered intellectual property.

### Next Practices in Experience Management

Carbone brought the session to a close by discussing the importance of experience design using constructs from his soon-to-be-published book "Fusionomics," which covers adapting business frameworks to experience design management. Emotion and subconscious constructs and frameworks are central to effective experience design to generate committed, loyal, and habitual users and advocates in today's world of optimizing experience value creation. We live in an age where we must fight for share of heart to increase share of wallet. The real value is cre-

ated in how we cause customers and employees feel about themselves in an experience, and that shapes how they view and feel brand loyalty.

**Information tsunami.** The world we live in today is in many ways dramatically different from previous eras. We live in a tsunami of information, messages, surveys, and options. The need to create new perspectives, tools, and frameworks is still evolving, and there is a dire need to move beyond tactics that were instrumental and fundamental in the industrial age. Carbone pointed out that these are antiquated.

**Fused.** He maintains that we will be looking at new, more fused organizations where perhaps HR and marketing in service businesses will be combined, since the organization's greatest marketing asset is its frontline people, and we'll see customer experience (CX) efforts fused with lean efforts where the work isn't seen as cost cutting or spending money on elements that the ROI comes into question.

The times are a-changing and we must innovate and rethink business models, frameworks, and management perspective to ensure organizations thrive in the "new world." Many organizations are caught doing what they always did around customer surveys and satisfaction which tends to be reactive rather than proactive. ■

## **Participants:**

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**Simon Bolton**, *CEO*, Group XP

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**Rick Garlick**, *Global Practice Lead*, J.D. Power

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