

Howard Raynor, World Class Service Ltd

Brands don't work anymore

Howard Raynor formed his own company, World Class Service Ltd, a company dedicated to improving customer service, in January 2006 after seven years as Chief Executive of the Bridgewater Hall, Manchester. He has also worked at The Barbican Centre and at Derngate Northampton where he was General Manager. He is a director of the Manchester International Festival, a director of Futuresonic and recently presented the BBC's *Blue Planet Live! Show* in UK arenas to 14,000 people.

This seminar looked at what the future might hold for branding, exploring how it is possible to deliver a customer experience that reflects your organisation's brand needs and meets or exceeds personal expectations.

The Brands Don't Work Anymore!

Howard promised to blow a few myths out of the water and to persuade people that brands are not such a great thing!

We are confronted with an amazing amount of choice.

- Only 4% of US Consumers stay "loyal" if competitors offer better value at the same prices (BrandChannel.com 2005)
- 70% of customers perceive brands to be alike
- 100 Sky Channels
- 200 'free to air' channels
- 6,500 songs on the average i-pod
- 50,000 Items in an average supermarket
 - There are 83 different shampoos, 68 shower gels, 77 washing powders on sale in the UK
- 100,000 albums in a city centre HMV
- 9 million titles at Amazon UK
- 50 million users of mobile tv by 2009
- 20 million Marriott loyalty cards worldwide
- 1 billionth download from iTunes took place in Nov 2006

Is our brand going to compete in this environment?

This is the generation of consumer control. If the adverts don't suit us we turn off.

We need to understand the world we are in. Advertising online was worth £1.4bn in 2005, in 2011 it is expected to be at £4.5bn. To cut through the clutter, an enormous amount of advertising is required. Can we do this in the arts?

Meanwhile, as we plough into this marketplace we should remember

- Customers buy experiences
The flowers in the hotel lobby of the boutique hotel could be the memorable thing
- Customers define who we are
- Their perceptions are us
We are not entirely in control of our message. What we put out is not what is received. We may believe that Nike stands for sporting excellence, but some consumers think it means exploitation of cheap labour.
- Customers are now creating the media
Though it's important to remember that sometimes people want to contribute and sometimes to sit back and enjoy.

Our experiences

- We are bombarded with information clutter
- We are bombarded with meaningless symbols
The logo soup of our sponsors and funders on our websites and print is a good example.
- Disintegrated experiences
Some companies present themselves as one thing but do another
- Temporary
Brands come and go at an astonishing rate
- Brands don't make the world a better place
Millions of non bio-degradable branded coffee cups are sitting in landfill sites.

The discussion was thrown open to the group:

- Brand is often used just as a word rather than in its proper meaning
- It could be about consistency – it's good up until you have a bad experience and then you feel that the brand has been dishonest in some way
- There are some contradictions; like the way in which people hate the experience of low-budget airlines but still go on them
- The problem comes when the service doesn't live up to the brand
- It's useful to have an identity but is this the same thing as a brand?
- It's about relying on behaviour – you should rely more on what you do
- You need to take a multi-dimensional view of branding – it's more than just the symbol. Where it can go wrong is when delivery doesn't match the promise.

What is wrong with brands?

- Worn out from over use
- Treadmill of novelty, add more value, churn, tactical promotions, events.
- Price differences and price twiddling that only the brand owners notice
- No longer mysterious...
- Levels of consistency and predictability transcend brands in the West – they all do the job.
- Increasing pressure on brands to keep themselves real by becoming more transparent and accountable for their actions and operations. The customer is projecting the inside of the brand back out again. The role of transparency websites will increase in importance.

So, what do we do about this?

We can't bluff our way in branding anymore. In the arts we need to:

- Rethink the problem
- Rethink the resources
- Rethink the assets
- Rethink the solution

What might some of these things be?

'Most of the time, before seeing something in detail we have a sense of what it is ... before understanding you feel.' (Maurice Levy, CEO, Publicis Groupe)

When there is so much choice we need to work out how to make an effective intervention.

We buy experiences

In a mature Western economy we are 'through buying stuff', we are purchasing experiences.

- Explicit services – the things we ask for.
- Implied services – what we thought it would be like from what they said about it. There's no point telling people things which are not true.
- Service environment – the context in which all this takes place.
- Does it do the things I thought it would? Did it live up to my expectations?
- Is it a delight to go/be there?
What are we doing to build on this delight? The customers having a good experience and telling other people about it is far more powerful than putting up a website.

'THE FUTURE OF BRANDS - EXPERIENCE OVER FUNCTION IS THE KEY TO LONG-TERM SUCCESS OF FUTURE RETAIL DESTINATIONS.'

(Ralph Ardill, Chief Executive, Brand Experience Consultancy for British Council for Shopping Centres)

We have the most beautiful spaces, the most fantastic talent and we deal with real choices in life. We are dealing with dreams, stories, rituals, power, big ideas. These are real emotional experiences.



We surprise and delight people – often unexpectedly.

Procter and Gamble spend all their time trying to animate a lifeless product whilst we have a product full of life which we are trying to make lifeless.

What makes success in the experience economy?

- Solid foundation of great performance, innovation, reputation and honesty.
- Show a different mind set – the way in which the audience participates for example
- Do it, don't say it.
- Unity, coherent image, identity and culture aligned around principles.

Q. Isn't that what a brand is?

HR. Yes, but the problem is that people say one thing and do another. There is also a great deal of meaningless branding.

Q. But we are aspirational and sometimes we fail.

HR. Your behaviour and what you say should be aligned and we need to think more deeply about improving our behaviour.

Q. Are you saying that we should concentrate on what we are doing and the brand will look after itself?

HR. Yes, there is too much fascination with selling it rather than doing it well. I don't look forward to being targeted and segmented and made more loyal. That is not the relationship I am looking for as an audience member.

What would be better in our sector than allowing Procter and Gamble to tell us what to do?
We're in a different world of engagement with our customers.

Kevin Roberts, CEO Saatchi and Saatchi, refers to our unique selling proposition vs the dead hand of statistics. This is relevant for the arts. What are our real unique selling propositions? We have a level of depth, pasts, futures, mystery – the thrill of the unknown, empathy, senses, story, delight, commitment and passion. Why are we turning this into tins of beans?

Are we committed to our customers? Can we exceed the expectations on a regular basis?
It's not about wafer thin engagement but human endeavour and it's much more exciting.

How do we set expectations within our organisations? Muse of Fire or PSA targets?
Henry V did not send people into battle on the strength of a spreadsheet.

What we need to do to create the service interface

- How we do business with our customers
- Speed of our response
- Reliability of the experience – consistently exceeding expectations?
- How we recruit, induct and develop our people
- Our standards
- Do our teams know what we do and how?
- Attention to detail
- Attention you give to your customer. Use observation to see what they do.
- Attention to the senses
- Attention to design – copy, photography, layout and materials. It's amazing how much creative talent there is around and yet how dull our design is. If we are going to produce half a million leaflets lets at least make some effort in our design.

Questions to consider

1. Do you outperform the competition all of the time?
2. Do you do the right thing by your audience?
3. Do you have a heritage that your customers care about?
4. Are you offering the best possible value?
5. Do you listen to your audience and take them seriously?
6. Do you welcome challenges to the way things are done?
7. Do your marketing statements match the reality?
8. Would you recommend your activity to your best friend?
9. Do you ever deliver more than you promise?
10. Are you the leader in your field?
11. Do you keep your promises as a company?

Luxury Hotels

- Propensity to repurchase 78%
- Interview staff 4 or 5 times before they are trusted with the customer
- Seven part training programme
- Thorough standards and auditing of those standards
- Focus on human dimensions of the business because key moments cannot be made routine
- Eschew strict programmed behaviours – inhuman treatment of staff won't create high quality service experiences
- High end service interactions are social interactions

- Adoption of COVIA and guest preference pads
- Staff satisfaction ratings on the General Manager's dashboard along with customer satisfaction ratings. 30 second guest surveys.
- High level empowerment of staff with high value guests. Don't worry about 'over-satisfaction'!
- Daily staff briefings

Hip Hotels

- Tight focus on a small cadre of loyal and targeted patrons.
- Simplicity. Trust vs Expertise
- Physical, cognitive and emotional attributes
- Observation based personalisation
- Anticipation and intuition. Anticipating what people are going to ask for next is absolutely key for Hip Hotels
- Outstanding service recovery. When something goes wrong how good are we at fixing it?
- Recognition of returning guests
- "Subtle but polished hospitality"

Operations as Marketing

- Uncertainty is desirable and cannot be avoided.
- Create real, rooted organisational meaning in a fast changing world. Your audience will love you.
- Cut through the organisational myths; consumers want real, authentic engagement.
- Build an audience engagement that makes sense from end to end. The experience of using your venue or company needs to feel consistent. Eg. at the Bridgewater Hall, the NCP car park was crucial – if you spend 40 minutes trying to get out of the car park after a concert this will be your lasting memory of the night
- Use all the resources at your disposal
- Improvisation of the same organising thought.
- Let word of mouth carry your day.

"For us it's a fine line between persistence and stubbornness, optimism and delusion. While we believe that our clients are loyal for good reasons, we go beyond reason to make it work." (CEO Tablet Hotels)

Summary

- Brands are not the answer
- Operations as marketing
- Alignment of culture, image and identity
- Sensory engagement of the audience
- An organisation with a personality
- An organisation that lives up to its hype
- Keep it real

Questions and Discussion

Q. As a Mancunian, what would your view of a great brand like Factory Records be?

HR. In 1979 it was a revolution in the way in which the artist is put across. However, the world has changed. We are much savvier about marketing.

Q. It's interesting about the way that things are 'read'. Dallas [tv show from 80s] was very popular in the Soviet Union but as a critique of American capitalism. Do you need to keep re-working your branding so that people are getting what we want them to get?

Q. One of the things that I find frustrating is that marketing tends to be regarded as what delivers people to the door and then the foh experience can ruin it all by giving people a bad experience

HR. Yes, we need to pay better regard to the whole experience and how it is integrated across the organisation. What bothers me is the organisation which spends £450,000 on a visual identity and then as soon as you experience the place for real it's a disappointment. Brand is an integration issue.

Q. Do you think the BBC is a brand? It's organisations like the BBC which are actually very good at being a brand but you don't notice it because they are good and maybe what you are talking about is bad branding.

HR. Yes it is and they are good, though I think even they get too obsessed with their sub-brands which pass most viewers by.

Q. What you seem to be saying to me, is that successful branding and identity building is about having a sense of identity which works right through the organisation. But to me that still says that branding is incredibly important. It's just not about the print.

HR. What I am talking about is the gap between what people promise and what is delivered

Q. So, you are saying that organisations might think about spending some money on service delivery before they embark on expensive print identities

HR. Yes and making it real

Q. So brands don't work because they no longer deliver

HR. It's more that they are meaningless. What we do in the arts is real and yet we have a temptation to go down a corporate route.

Q. Discovery is important – finding something you didn't expect when you get there.



[Questions and discussion were taken from the second session of the seminar on Thursday afternoon]