



Understanding Customer Experience

White Paper from the Fall CSL Advisory Board Meeting

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Center for Services Leadership

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What is Customer Experience?

Forrester defines it in eight words: “how customers perceive their interactions with your company.”¹ But providing satisfying experiences for customers is increasingly complex in an environment where customers expect this-minute service delivery, and where technology and apps simplify choice and purchase. The new consumers also rely heavily on reviews from other customers. To top it off, customers expect a great social experience, whether the interaction is face-to-face, or technology enabled. In fact, McKinsey has stated that “it’s no longer enough to compete on products or services ... the best [companies] will adapt their processes, cultures, and mind-sets to manage the entire customer experience skillfully ...”²

At the fall 2019 Center for Services Leadership advisory board meeting, members gathered to examine customer experience. The venue itself, the Phoenix Convention Center, served as a case study of the topic: why customer experience is important and how to build teams that deliver. Executives representing four companies shared their customer service strategies: Mayo Clinic, Salt River Project, Phoenix Convention Center, and Zion & Zion.

Key managerial implications:

- **Start strong, finish strong** - When the customer fully envisions the event and the desired outcomes, your firm can design and execute the services to bring it to fruition. The Phoenix Convention Center works with their clients to be more organized and detailed in their planning so that events roll out smoothly.
- **Do the completely unexpected** - Knowing its national convention client would be looking for a steakhouse experience, the Phoenix Convention Center created one for the day and in the process demonstrated its commitment to customer experience.

- **Help customers avoid pain** - Salt River Project’s Smart Alert program warns customers of conditions that could jack up their bills, in plenty of time to take corrective measures.
- **Internalize your services values** – Employees literally hold the Phoenix Convention Center’s values close to their hearts; everyone carries the credo card in their pocket.
- **Encourage employees to remember their “why”** – Policies, regulations and complexity can crowd out the sense of purpose that caused employees to choose a profession like health care. Mayo is being deliberate about preserving that passion.
- **Keep the science in mind** – Zion & Zion urges firms to optimize their strategies, using data to refine their understanding of the customer.

The Phoenix Convention Center



Phoenix Civic Plaza opened in 1972, allowing the city to move entertainment and cultural events out of high school auditoriums and to provide convention space. The \$28 million facility, which included Phoenix Symphony Hall, opened in 1972 with approximately 150,000 square feet of space. Thirteen years later an expansion doubled space. In another 10 years its name

had become Phoenix Convention Center and the city poured \$32 million into renovations. The latest expansion, completed in 2008, tripled the size of the facility. Stretching across three linked buildings, the convention center comes in at more than 900,000 square feet, encompassing 584,000 square feet of exhibition space, 99 meeting rooms, 61 loading docks, 200 lecture hall seats and three carpeted ballrooms—including Arizona’s largest at 45,600 square feet.

But the new convention center was born into challenging times. With two other large, publicly funded projects under construction at the same time—the Sheraton hotel and light rail—downtown Phoenix was difficult to navigate. But those years were disruptive for another reason as well: the economic collapse of 2008.

In the next several years, the economy slowly picked up speed, but the convention center’s numbers lagged. That’s because big national conventions involve a tremendous amount of planning, and bookings are typically five or more years out, explained Jerry Harper, deputy director of the center. During that time, Phoenix also struggled against negative public perceptions. The state suffered backlash after the passage of the controversial SB 1070, one of the strictest anti-immigration measures in the country. And ironically, the city’s warm climate and resort reputation also cost it billings. When companies that had taken public bailout money (notably AIG) sent employees on pricey retreats, the public cringed. Other companies canceled in order to avoid the comparison.

Several years passed before bookings began to reach levels anticipated when the expansion was approved. Big events, such as the Super Bowl, the college football championship and the Final Four of basketball, impacted venues citywide, including the convention center.

The convention center was always intended to accelerate economic activity in the city in addition to generating profits on its own. Harper explained that the 2008 expansion was funded jointly by the city and the state at \$300 million each. Underpinning the investment was the understanding that the nation’s fifth largest city needed convention facilities

competitive with other metropolitan areas to draw large, national events.

Attendees at those meetings would necessarily be out-of-towners, representing an influx of new dollars and a chance to send a positive impression of the city throughout the country, making customer experience critical. And with the new hotels, light rail and the ASU’s addition of a downtown campus, Phoenix was positioned to provide their first class experience to big convention attendees.

At the same time, the convention center could offer local event and corporate meeting planners a facility that is easy for smaller groups of attendees to access. Harper explained that with their shorter planning schedule, the smaller events fill in around the big events, topping off the convention center’s calendar. In fact, 61 percent of its 300-plus events per year are those smaller events but they account for only 40 percent of the attendees. The big conventions comprise 16 percent of the activity, but encompass far more people and money spent.

Success for the convention center is measured on customer experience as well as profit. Making an impact on attendee perceptions depends on flawless execution. The city and the state invested in the convention center in order to build a reputation outside of Arizona. People who attend events in Phoenix and have a fabulous experience go home and tell their colleagues and neighbors, who in turn decide to travel here as well.

Priority: Guest Experience

Customer experience at the convention center is based on attention to detail, starting with a staff that engages with customers at every turn.

Harper explained that customer service is baked into the center’s culture. Every employee carries a credo card, ensuring that the center’s values are literally at their fingertips. On one side is the Guest Service Promise: to be guest-centered, caring, prompt and responsive, and team-oriented. On the other side are the Pillars of Excellence: accountability and dependability, customer service, professionalism,

interpersonal relations, problem solving and leadership. That commitment spans the organization, extending to internal teams as well as customer facing staff.

Janay Church, guest experience manager, explained that all employees are trained on the tenets: “We focus on what our staff can do to develop a service mindset.” Client surveys show that the staff has internalized the goals. In client (event planner) surveys, the convention scores 94.58 on customer satisfaction. Its Net Promoter Score is 72.9, up from 64.9 last year. Net Promoter Score measures a customer’s willingness to recommend a product or service. It is used to gauge overall customer satisfaction. The range is -100 to 100, so a score over 70 is considered world class.

The center will be watching the NPS closely in the next five years, Harper said, expanding data collection to attendees as well as booking agents. NPS is affected by the total visit experience, including time spent outside the convention center’s halls, and therefore measures how much the center is lifting perceptions of downtown and the city, he explained.

Promoting the city’s offerings requires staff to be tuned to the needs and tastes of diverse groups, and to be ready to offer appropriate recommendations. For example, Harper said, 100,000-plus Comicon visitors had different preferences for things to do than the religious organization that was at the convention center the week before.

The Wow Factor

Patrick Kehler, Executive Chef at the convention center, said that providing an experience so wonderful that guests are inspired to say “wow” is the goal of his team.

For example, the team built a steakhouse-for-a-day inside one of the ballrooms, just to surprise and delight a planning committee from the National Cattlemen’s Beef Association. The convention center does not boast a steakhouse, so Kehler led the effort to stage one for the day. When the group came for a tour, they were ushered to a ballroom, where an area had been curtained off. Inside it was a steakhouse, complete with a bar, booths and a big screen playing a football game. A hostess, whose pad included a list of fictitious

reservations, seated them with menus that offered steak options. “We delivered the experience. It took timing and organization, and their reaction was ‘wow,’” Kehler said.

Kehler works for Aventura, an Aramark company that allows chefs to go beyond the standard recipes and purveyors to customize dining experiences for customers. The convention center’s kitchen serves high quality food that rivals and often tops the fare offered at hotels. To accomplish this, Kehler sources much of the \$400,000 of product he purchases every month from local farmers and purveyors. Visitors also see the gardens his staff tends at the center, where they grow herbs and lettuce.

A great customer experience starts when guests enter the garage, he said. Is the garage clean? Is the entrance beautifully landscaped? Are the convention center staff professional and friendly? The food service staff is steeped in these values. “It’s big deal that a customer is here, and we are grateful that they are. We talk to the team about this every day.” The messages are underscored at pre-service briefings.

The key is to focus the entire team on that “wow” factor, he said. “You have to get emotional about it,” he said. When he and his staff can find a way to make an experience perfect for an individual or group, “it touches your soul.”

Kehler’s team is as successful because they are trained for the challenges of the job and they are respected. “Tomorrow we are hosting 25 events at the same time, including 2,000 people at the science museum across the street,” he said. It’s hard work. “We thank them. We try to keep them happy and tell them to respect each other. We can make a difference for the customer, but you’ll never get that ‘wow’ moment if the staffer is upset.”

Notes from the Field

Membership on the advisory board of the Center for Services Leadership gives companies an inside look at the latest research and the opportunity to influence new research objectives. In addition, members share their services wins and challenges at the bi-annual

meetings, both during social events and through formal panel discussions. At the fall meeting, representatives of four organizations shared their customer experience knowledge and challenges: Mayo Clinic, Salt River Project, Phoenix Convention Center and Zion & Zion.

Mayo Clinic

Dr. Jonathan Leighton, medical director and director of the Office of Patient Experience, described how a complex regulatory environment threatened to sidetrack Mayo from its 150-year old mission to focus on the patient. Regulations that stress quality and safety have made it harder to find time and focus for individual patient care, he said: “We forget about how important the little things are to patients.”

The regulations tend to produce a shift from personal care to transaction. To address that, Mayo is trying to restore story-telling to the culture as a way of reconnecting healthcare professionals to the “why” that brought them to their jobs in the first place: the patient. When working on projects, experience factors are now being included in assessments. And the organization is looking for ways to remove barriers to creativity.

The Office of Patient Experience is focusing on training, patient-experience data collection and quality, he said. The strategy includes unleashing the creativity of the staff and clearing away obstacles to acting on those creative ideas. As well, the team paying extra attention to the voice of all those Mayo serves, including physicians and families as well as patients.

Salt River Project

Dan McCrobie is the customer service data scientist at SRP, one of two utilities serving the Phoenix metropolitan area. He pointed out a couple interesting facts about the company: most people take its product for granted, and, unlike most enterprises that strive to grow sales, SRP strives to get people to use less.

McCrobie’s team of four analysts study SRP customer behavior and recommend services that help them manage power use. One of the services developed is Smart Alert, which sends notices to customers when their power usage changes dramatically. Nobody likes

to be surprised by a big bill, McCrobie said, and Smart Alert prevents shock of an unexpected expense.

The program detects usage the day before, calculates a mean and a standard deviation and compares it to the current day. When usage spikes, customers are alerted. In most cases, customers respond that a child came home from college and the house is occupied more than before, or they put in a pool, or added on. In a few cases, however, Smart Alert enables customers to react in real time.

Zion & Zion

Aric Zion, CEO of digital ad and marketing agency Zion & Zion, suggested that executives and managers need to develop a framework for advancing beyond the basics of successful strategy (operational efficiency, consistency and reinforcement) to a place where they can focus on optimization of effort.

He suggested that firms can succeed at creating compelling customer experiences by using the data and insights gleaned from customer satisfaction surveys and Net Promoter Scores to more deeply enrich the customer’s experience. He cited SRP’s Smart Alert program as an example of the way a service offering can reach into a customer’s life. Warning a summer visitor that his usage did not fall after he returned to Canada shows that the utility understands its customers so well that it can intervene, even when the consumer has moved beyond direct interaction with the company.

Phoenix Convention Center

Janay Church, the guest experience manager at the convention center, has been measuring for customer satisfaction and using the Net Promoter Score, but recently added the Customer Effort Score. Clients such as the American Association of Medical Colleges, which was setting up for its annual meeting when the advisory board was in the building, attract 5,000 members and start planning five years out. Once they arrive at the venue, it’s “up to us” to make it run smoothly. “It’s a partnership, but we are only one part of the journey,” she added. Understanding that her teams must make the event as easy as possible was an important insight derived from mapping the client’s journey.

It's a matter of co-creation of customer experience, however. The venue depends on clients to supply all the information needed to make the execution flow flawlessly, Church added. Without that comprehensive plan, the convention center has to be ready to move quickly and that's the challenge.

1 – <https://go.forrester.com/blogs/definition-of-customer-experience/>

2 – <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/customer-experience-creating-value-through-transforming-customer-journeys>

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CSL Board Membership – Member Partners to Advance Your Organization through Service

This paper is derived from content presented at our Fall Board Meeting event hosted by CSL member company, the Phoenix Convention Center. Events like this amongst other activities such as networking opportunities, access to member exclusive content, special discounted member rates to our executive education programs, and more. For more information on how your organization can reap the rewards of being a CSL Member, visit:

<https://research.wpcarey.asu.edu/services-leadership/membership/>

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Biographies



Thomas Hollmann
Clinical Associate Professor of Marketing and Executive Director, Center for Services Leadership, W. P. Carey School of Business at Arizona State University

Thomas' work experience spans four countries and over 10 years in Fortune 100 companies, including

Black & Decker, Xerox, and as an executive at Sun Life

Financial. His research interests include services science, with a focus on B2B, service analytics, and relationship marketing, with a particular interest in relationship outcomes (profitability, customer equity, defection, retention, satisfaction, etc.). His research has appeared in the Journal of the Academy of Marketing Science, the Journal of Business and Industrial Marketing and several leading marketing and services conferences. He has received research grants and awards from the Center for Innovation Management Studies, Xerox, IBM, and the Center for Services Leadership. Thomas has consulted with a range of Fortune 500 firms and he received awards for his teaching at Arizona State University and at NC State. Thomas earned a Ph.D. in Marketing from Arizona State University.



Jerry Harper III
Deputy Director
Phoenix Convention Center

Jerry Harper is a graduate of UC San Diego with more than 15 years of experience with the City of Phoenix. He began his city career in the Community & Economic Development Department where he worked on several downtown projects including the headquarters for the Translational Genomics Research Institute (TGen), the ASU Downtown Campus and CityScope. During his tenure in the Economic Development Department, he served as the project manager for the construction of the once city-owned Sheraton Phoenix Downtown hotel.

Since 2012, Jerry has served as a Deputy Director at the Phoenix Convention Center & Venues managing Sales & Marketing initiatives and the venue's Marketing contracts. He and his team are responsible for promoting the Phoenix Convention Center and downtown Phoenix in order to attract clients to the nation's 5th largest city.

In addition to his role at the Phoenix Convention Center, Jerry serves as a board member for the Tourism & Hospitality Advisory Board and Center for Services Leadership.



Janay Church
 Guest Experience Manager
 Phoenix Convention Center

Janay Church graduated from Arizona State University and has worked with the City of Phoenix since 2002. She began her city career in the Aviation Department where she worked on several department-wide initiatives including customer service, ethics, and civil treatment. During her tenure in the City of Phoenix, she developed the City's New Employee Orientation focusing on customer service and ethics. She also worked with many departments including Human Resources, Community and Economic Development to enhance their customer service programs.

Since 2013, Janay has served as the Guest Experience Manager at the Phoenix Convention Center managing the Guest Experience Program. She is responsible for designing, developing, and implementing the client satisfaction survey, coordinating all customer service training, and enhancing with client satisfaction.



Jonathan Leighton, MD
 Medical Director
 Office of Patient Experience
 Mayo Clinic

Jonathan A. Leighton, MD, is Professor of Medicine and Vice Chair of the Department of Medicine at the Mayo Clinic in Arizona. He is the current Medical Director for the Office of Patient Experience for the Mayo Enterprise. In addition, Dr. Leighton is Chair of the Outpatient Practice Subcommittee and a member of the Executive Operations Team.

Dr. Leighton is a member of the Board of Trustees of the American College of Gastroenterology. He received his MD degree from the University of Arizona in Tucson, AZ, and completed his internship and residency at the University of Texas Health Science Center in San Antonio, TX.

Dr. Leighton is an active member of, the American Gastroenterology Association, the American Society of Gastrointestinal Endoscopy, and the American College of Gastroenterology. His research interests include small bowel imaging including capsule endoscopy and

deep enteroscopy, as well as inflammatory bowel disease and biomarker discovery.



Dan McCrobie
 Customer Experience
 Data Scientist
 Salt River Project
 Daniel McCrobie earned a Ph.D. in Organizational Psychology from the Claremont Graduate School.

He has had a number of different career paths since graduating. Starting out in Human Factors Engineering, he applied cognitive, behavioral, and physiological principles to the design of military hardware and airplanes. Then he moved on to work in marketing research, six-sigma/lean, and process improvement.

He currently describes himself as a customer experience advocate, seeking to identify pain points for customers and then work with other groups to implement solutions. Daniel is part of an insights team at Salt-River Project, a Phoenix based utility providing water and electricity to just over 1M customers.



Aric Zion
 CEO
 Zion & Zion

Aric Zion's background includes a Master's in Computer Engineering, Executive MBA training at Emory University, and PhD-level training in marketing at Arizona State University. His past employment includes being the senior marketing leader for EMEA product marketing at Nortel (ranked Fortune 154 at the time). His other experience includes several years' of global assignments in account marketing and product marketing based in The Netherlands, Tokyo, and London.

Aric's training and experience in senior and global management, marketing, market research, engineering, statistics, and design thinking converge to form a unique base from which he has drawn in building the team and culture at top-ranked marketing agency Zion & Zion.

Aric currently serves as Zion & Zion's CEO. At present, Zion & Zion has numerous agency of record relationships with public and private companies

including: Aristocrat Technologies, ARS/Rescue Rooter, BD, ISM Raceway, Sun Health, and Walmart.

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The Center for Services Leadership

The Center for Services Leadership is a groundbreaking research center within the W. P. Carey School of Business at

Arizona State University that concentrates on expanding service innovation by combining the latest scientific insights from the academic world with the best of service strategy in the business world.

The CSL was created in 1985 as a response to the unique set of challenges that companies faced. While others were focusing on products and manufacturing enterprises, the CSL pioneered the study of service. Today, the Center is a globally recognized authority and thought leader in the science of competing strategically through the profitable use of service.

The Center's success is due to our partnership with the business community. Our distinguished Board of Advisors, who serve as thought leaders representing our member firms, provide us with valuable insights into the challenges that firms face in the services arena. We partner with our Member Firms on research and projects in a "real world" context that keeps our message practical and vital.

For more information on the Center for Services Leadership, visit wpcarey.asu.edu/csl.

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