

You Had Me At Hello

Secrets of Apple's Customer Experience Exposed



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FOH BOH

Apple makes sure that each positive effect customers perceive front-of-house (FOH) is supported by solid back-of-house (BOH) operations. It's just like a restaurant where the maitre d' handles the dining room, wait staff, and experience delivery while the chef takes care of food preparation, kitchen staff, purchasing, etc. Apple integrates Front of House (FOH) and Back of House (BOH) strategically, elegantly, and profitably. (That's the first secret by the way.)

“Hi. Welcome to Apple!”

FOH: Cross an Apple store's threshold and you'll get a warm and authentic greeting from a caring expert. It just takes a minute or two for this well-trained, smart, friendly person to learn your intent, take accountability for your experience, and surround you with the right resources. At an Apple store, retail comes to you.

BOH: Apple captures its Customer's Intent early (with a real person doing the work) to queue up the right resources. Here are some outcomes you can expect by listening to your customers early and intently:

- Having a 'smart' person greet your customers doesn't add to hourly labor costs, it helps contain them—while improving the quality of First Impression. An experienced team member at the front of the store directs customers properly and sets service delivery expectations accurately. Customers appreciate knowing what's going to happen next and are easier to handle once it's their turn.
- The 'talent weighted to the front' strategy also allows you to keep lines shorter. Send the customer with two needs to the shorter line first to reduce perceived wait time.
- You can enhance the opportunity for resolution at first contact, saving time, reducing staff resources expended per visit, and impressing customers.



“You know, you could do the same thing with this model—and it’s less expensive.”

FOH: Try to spend \$2,500 on a top-end MacBook Pro laptop or \$49 on an entry level iPod Shuffle and you’ll get thought-provoking-and-assumption-testing-yet-friendly questions from your very own consultant. Don’t be surprised if they try to ‘unsell’ you on what you think you want to buy; seeing if a lower-priced or lesser-featured product will be perfect. (Creating positive anticipation is another secret.) You’ll endure the questions well, and leave knowing that the product you selected is the right one for you, based on your needs, style of use, budget, and appetite for learning.

BOH: Make sure a customer’s first purchase is the right purchase. Leave customers in charge. Make friends. (Those are the next secrets.) These three rules seem to be the keys to happiness—and profitability—at Apple.



I believe Apple earns these hard-to-obtain retail operating returns by putting customers first:

- Product returns for the usual ‘didn’t like it’, ‘didn’t understand it’, and ‘it’s not for me’ reasons don’t seem to happen as much because team members have the time to make sure the product is right for the customer during their first store visit.
- Add-on services (training, support, warranty, web services) are bundled more successfully on the initial sale because team members understand what their customers want and how they want it. Their recommendations are stronger and get presented in a more personalized manner.
- Unpaid support and service around product compatibility issues seem to occur less frequently because of the initial attention paid to each customer’s specific situation and their technical environment.
- Employee attrition is extremely low because team members are happy at what they do, because they are empowered to serve, and because they are proud to serve

“Are you ready? I can get that for you right here...”

FOH: When it's time to check out, the cash wrap comes to you. Wherever you are in the store, team members use an internet-enabled handheld device to ring up your sale, register your warranties, collect payment, and send you an e-mail receipt. The only time they may need to leave your side is to fetch a shopping bag for you. The result is that you feel well attended to, get more minutes back in your day, and you get bragging rights to a cool experience to share with your friends.

BOH: Apple loses the lines without creating more work for its customers. (Less work for customers is the third secret.) Here's what makes that idea work:

- Transactions take less time because they are a seamless part of the service experience, not a bolt-on afterthought.
- Sales per square foot increases because valuable retail and interaction space isn't 'lost' to cash wraps and queues.
- Cash control is easier, in part because Apple's demographic prefers plastic.
- Theft is minimal because every team member is on the floor side-by-side with customers.
- Lost sales decrease dramatically because there really isn't any self-service in an Apple store. Every customer talks with at least two team members.
- Follow-on marketing and communications opportunities are usually on-point because the Apple customer database is refreshed more frequently. Real-time updates keep the merchandising and research works happy and give them something more to do.
- Suggestive selling really works because the suggestions are well-founded; they are based on a more intimate knowledge of each customer's needs.



Note to Practitioners

Design your key encounters to both elate the emotions of your customers and to exhibit operational excellence. Think first, then do. Start with your employees. Do what's right for them. They, in turn, will be prepared to deliver a better customer experience. When customers tell their friends, a word-of-mouth chain reaction begins and your business grows.

Customer Experience Design is a new integrated discipline that aligns what used to be separate silos into an adaptive system that can adjust to changing customer whims and marketplace demands. This work is both demanding and rewarding. If you do it right, you can make the wonderful transition from reverse engineering the experience to fit the business to adjusting the business to fit the desired experience.

I wish you well (and envy your journey).

Note to Sponsors

Ten years and 200 stores ago, the industry pundits boldly stated that Apple wouldn't make it and that going retail would spell the end of an era for the company. They couldn't have been more wrong. Today, Apple is by several measures, the world's most successful retailer. With sales of US \$5,000 per rentable square foot, it stands much taller than its competitors and channel partners and even one-ups most luxury brand merchants.

What made Apple so successful, in my opinion, was:

- Successful translation of its product design to its retail customer experience design
- Intense focus on the employee experience
- Turning over control of the stores to customers through the Apple Store App
- Clear articulation and maintenance of the brand values

Deliberately changing your customer experience might not transform you into Apple. In fact, it won't. That's because transplanted experiences 'borrowed' from others don't work. What does work is paying careful attention to what your customers want then making your business the best at delivering that.

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For two decades, Mike Wittenstein has helped business leaders around the world differentiate their brands by dramatically improving their customer experience. In the process, those clients have gained market dominance, increased their sales, and/or discovered new, unexpected revenue streams.

Today Mike is a sought-after consultant, facilitator, experience makeover expert, and speaker. He works in the retail, hospitality, healthcare, and entertainment industries, as well as other service categories. He partners with both established and emerging brands. He has helped retailers like Party City, Kinko's, Best Buy, Alternative Apparel, Air Canada, and SOHO Office elevate their customer experience, while making it a lot more engaging - and even fun - for all involved. His keen observational skills and plainspoken, approachable style have given clients like Apple, IBM, McDonald's, and iPay Technologies a looking glass view into how their company is perceived by everyday customers.

As an e-visionary at IBM, Mike launched the company's first global experience design consulting practice. He was also co-founder and CEO of Galileo, a technology communications company nationally recognized for innovation and creativity.

His captivating stories teach companies how to move their products and services from commodities to objects of desire. He regularly wows audiences with his friendly, smart and witty style, as they learn how to turn everyday customers into enthusiastic brand advocates.

Mike speaks four languages, loves hiking, woodworking, and family travel. He is married with two children, lives in the Atlanta area, and works globally.