



# BUILDING DIFFERENTIATED SERVICE

... creating brand-owned moments  
that connect and engage

Whitepaper #11



"Differentiation" – today's brand-building mantra. Yet very often, brands fail to truly exploit service (... service design, service delivery, service touchpoints) to make their products and experiences come alive in new, persuasive, and authentic ways.

The truth is that scores of brands say they provide "proprietary service" – but really don't. It's a catch phrase. On the other hand, organizations that deliver memorable service reach well beyond customer satisfaction. For them, service must not only be consistent and flawless – but delight, inspire, and captivate as well.

The all-important starting point when thinking about service differentiation is realizing that not all customers have the same service needs or expectations. These can vary greatly by a customer's familiarity with the brand or industry, by their prior experiences, and by their specific use or purchase occasion.

By its very nature, customer service is dynamic and often volatile. Some customers are just service intensive. Others, value the empowerment that comes from self-directed service and account management options. In all cases, service must be executed consistently at each encounter with continuity and transportability across brand touchpoints. This is why great service demands savvy and empowered employees who quickly "read" customers and adjust their delivery.

Just as important ... differentiated service is essential for growing share (mind and wallet) among current and prospective high-worth consumers. It's all about delivering the "wow" that sets them – and their experiences – apart.

## Service Architecture

Service is the brand's voice for communicating its ambition, values, and personality. In saying that, service architecture is both the functional design of service (e.g.: *minimum service levels, protocols, talent casting, and supporting technologies*), as well as the physical or virtual environment where service is delivered. As in great theatre, it is stage and lighting – actions and presence. Given that so much about service is unpredict-

able, leveraging these "controllables" is of absolute importance.

**New Service** – Conceptualizing and testing new service is a continuous and rigorous priority for innovative brands. They constantly monitor and dissect changing customer behaviors and expectations. They seek new ways to enhance customer access, immediacy, and control. They pursue opportunities to create brand-owned moments – that foster relationships while expanding merchandising and sales prospects. All the while, they understand that it's about improving margins and driving use frequency.

Looking to build their off-season groups and meetings business, **Walt Disney World® Resorts** re-energized their legendary service positioning by introducing "Disney Magical Express" – a packaging of complimentary airport shuttle and luggage delivery. This new value-added service eliminates stress and enables guests to arrive at property relaxed. Realizing that this new and merchandisable service also communicates a rationale for loyal Orlando visitors to re-discover Disney on-property resorts, this proprietary service was introduced to families in 2005.



Disney Magical Express – Re-Energize Brand's Positioning through New Value-Added Service

Many restaurant chains are seeking incremental revenues by offering enhanced take-out options. "Chili's to Go" provides an online menu and restaurant locator to facilitate take-out orders. Their restaurants feature designated parking spaces and dedicated carry-out service counters. Currently, "Chili's to Go" represents about 9 percent of chain sales – with virtually no incremental capital.

Fast turnarounds are core to **JetBlue's** operating and economic model; so the company studied the flow of passenger load-

ing and deplaning looking for speed and service roadblocks. Their discovery – some people block aisles, bump fellow passengers, and bumble while storing or retrieving their baggage. They call them “spinners.” JetBlue architected flight attendant departure and arrival priorities to intercept spinners. This is very different from my experience with legacy airlines where flight attendants actively ignore the rough and tumble – one’s first and last impressions.

**Service Touchpoint Design** – Paradigm-breaking brands seek to dramatically reinforce their differentiation, relevancy, and vibrancy by designing service touchpoints that enhance functionality, foster interactions, and incorporate the brand’s iconic elements. In doing so, they conceptualize service touchpoints from their customer’s point of view.

Contrasting this, legacy service deployment typically revolves around cash registers or monolithic service counters that define where customers and employees stand. Branding is largely relegated to emblazoned signage as well as the printing of logos on collateral and promotional posters. The overall impression can be very haphazard and cluttered.

**The Beer Store**, Ontario’s largest beer retailer, is incorporating new functional design features that customers seek-out and don’t get elsewhere. For example, best-selling beers are displayed on “Ice Cold Express” shelves behind air curtains that keep the product chilled while not refrigerating customers.



The Beer Store -- New Functional Design Features Enhance Shopping Convenience

Removal of the doors increases convenience and shopping ease. Furthermore, wait times at check-out

lanes have been shortened by incorporating roller conveyers that facilitate the movement of beer cases. Stores with the new design have experienced double-digit growth in this fairly stagnant category.

While most of the industry was de-emphasizing “branch banking” in favor of commodity ATMs on non-descript street corners and secondary locations, **Washington Mutual** (through research and gut instincts) chose to pursue a new, highly-differentiated retail banking experience called **Occasio**.™

This revolutionary concept represents a dramatic departure from retail banking tradition, Occasio is a warm, open, and



WaMu -- Breaking Retail Banking Paradigms

inviting 360 degree retail bank environment. Service begins on arrival where customers are welcomed by a casually-dressed concierge and personally escorted to the appropriate banking area. During peak times, service is further scaled-up by enabling team members to assist customers on the floor using wireless hand-held computer devices.

**Employee Empowerment ... Own the Zone** – Brands win through their service only when employees behave like proprietors who are driven to grow relationships rather than managers that watch over assets. Truly empowered employees delight customers by freely interacting and connecting with them.

Many hotel brands have re-architected their lobbies and replaced front-desks with free-standing check-in pods. Some have performed well, others much less so. Thus, physical design is simply an enabling factor that allows team members to engage customers. In this configuration, waiting for guests to approach for registration, advice, or directions is a recipe for failure.

Over the last four years, **Dick’s Sporting Goods** has grown to become the nation’s second largest sporting goods retailer. This growth is primarily attributed to their employing of service experts including PGA pros, hunting & fishing enthusiasts, and certified fitness trainers. Their certified fitness trainers must complete a 3-week program covering the store’s entire fitness equipment offering. Wearing work-out apparel, they are ready to demonstrate any piece of equipment and provide workout advice. They preside over the entire fitness section as if it were their own fitness club.



Dick’s Sporting Goods – Employing Service Experts to Own their Zone

**Cross-Channel Service Integration** – Leading brands relentlessly leverage technology to introduce proprietary service channels that draw customers in, engage, and enhance sticky. Cross-channel integration facilitates seamless access, personalization, control, and relationship building.

One brand aggressively developing new integrated service channels is **eBay**. Connecting buyers and sellers through the brand is their business. Buyers utilize “eBay Anywhere Wireless” to access “My eBay” from any internet-enabled cell phone or PDA. They can view their watch lists and bids ... and more importantly increase them – without using a computer.

eBay Stores makes it easy for anyone to quickly set-up, manage, and promote an online store. Subscribers can also complement their auction listings with fixed-priced inventory.

**Preferential Worth-Based Service** – High-worth customers (... both existing as well as those with predictive upside) understand their value to a brand. It's pretty much about "two-way loyalty" – loyalty of the customer's worth and loyalty of the brand's recognition and responsiveness *to that worth*.

Recognizing "most valued customers" across all touchpoints (real and virtual) is critical. They've come to expect it and can no longer be taken for granted. Technology can guide employee attentiveness by flagging a customer's worth, communicating their preferences, and tracking recent service failures. But service that truly delights must go well beyond scripted protocols.

Even high-worth customers have different needs. Some prefer low-key, expedited or self-service; while others glow under all the obvious bells & whistles. Creating an appearance of service exclusivity enhances the sense of prestige, privilege, and aspiration; and great brands do an excellent job of connecting all this with their imagery and storyline.

**Fairmont Hotels & Resorts** raised the quality and perceived value of their exclusive high-worth floors. They call these "Fairmont Gold." This private "hotel within a hotel" has its own registration, attentive concierge, and 24-hour access to the Gold Lounge. Throughout, the décor is noticeably better.



Fairmont Gold – Better Service and Amenities for High-Worth Guests

Guest rooms are home-like, spacious, and stylish. Exclusive Fairmont Gold services include overnight shoe shine, evening turndown, expedited valet, and personalized wake-up with fresh coffee or tea delivered to the room.

Conceptualizing high-worth services often requires thinking outside the box – or, in the case of **British Airways** expanding their branded experience both pre-departure and post-arrival. To help business-class and gold-level customers fall asleep faster and minimize jet lag, they can order a pre-flight meal in the lounge. BA's "Club World" cabins feature fully-flat beds with large pillows and thick blankets. Upon arrival at Heathrow, high-worth customers can refresh with complimentary spa, massage, shower, and clothes pressing services.

Beyond high-worth, some brands have unpublished, invitation-only clubs for their very best, supra-worth customers. The **American Express Centurion** card provides exclusive perks such as concierge service, a personal travel counselor, invitations to special events and concerts, as well as automatic elite-level memberships in airline, hotel, and car rental loyalty programs.



British Airways – Expanding the Branded Experience Pre-Departure and Post Arrival

**Service Branding**

In addition to architecting new and distinct service offerings, competitive differentiation can be accomplished by creating a unique identity, name, and imagery for a brand's service. Examples include **Best Buy's** "Geek Squad," **Wyndham's** "By Request," and **Target Store's** "Club Wedd." Service branding also embraces the brand's personality, proprietary dialog, guarantee, as well as competitive positioning.

**Distinctive Identity, Imagery, and Iconography** – A brand's visual iconography (e.g.: logos, taglines, mascots, and directional way-finders) within the service environment has evolved from an "obvious and promotional look" to more of a subtle and broader representation within the built environment. **Disney's** repetitive embedding of "Mickey" in structural features – they call them winks – is an advanced example of this art.

Furthermore, new technologies like plasma networks, touch screens, web-enabled applications, and video games enable brands to make their iconography come alive in new and interactive ways.

**Mazda** has effectively integrated their brand iconography into differentiated and interactive experiences within their new "Retail Revolution" showrooms. Examples include touchscreen kiosks and Sony Playstation2 games where players race their favorite Mazda models. Extending their interactive shopping experience to the web, Mazda launched "Zoom-Zoom Island" – providing potential customers an opportunity to re-



Zoom-Zoom Island – Embedding Brand Iconography into Game-like Experience

search the full-line of Mazda vehicles in an experiential and entertaining format. Zoom-Zoom Island has multiple simulated geographic locations where users can build and customize their own Mazda vehicle and then virtually test-drive it in a challenging and interactive game format.

**Unmistakable Persona** – A service personality reaches-out, engages, and connects with specific target customer segments to create more intense feelings toward the brand. It incorporates an overarching tone, style, and attitude that define how customers can expect to be treated. As such, it becomes the basis for bonding.



The Singapore Girl –  
Symbol of Asian Hospitality

Brands that consistently wrap their service in a clear persona or personality are more likely to be recognized and remembered.

An example of a well-regarded brand that can attribute much of its recognition for service excellence to a persona is **Singapore Airlines**. From Singapore Airlines' earliest days, "the Singapore Girl" has been a central component in the brand's identity. Attired in traditional Malay sarongs, Singapore Girls distinctly embody Asian charm, hospitality, and service.

**Proprietary Dialog** – A powerful complement to customer service is a brand's ability to foster ongoing and meaningful dialog with their targeted customers and affinity segments.

Creating this proprietary dialog – and ensuring that it has real value to customers – is something that many aspire to but few can deliver.

Whereas most airlines send weekly email blasts ... **Southwest Airlines'** downloadable low-fare alert system "Ding!"® sends pop-up messages at any time. Enhancing Southwest's visibility, sense of urgency, and exclusivity ... Ding! messages are much more customized and often have short booking windows. The call to action is obvious.

**Guarantee** – Customers realize that even the most service-minded companies make mistakes. However, those brands that demonstrate a passion and agility at resolving "service failures" actually enhance customer loyalty, frequency, and word-of-mouth advocacy. A well-understood and communicated guarantee defines service expectations from both the customer as well as the brand's perspective.

**Lowe's** Installation Services Guarantee builds trust and signals the brand's expertise – "If you're not 100% satisfied with the service we provide, we'll make it right. Guaranteed." Lowe's independent contractors meet rigorous brand qualification standards, receive technical expertise from manufacturer

representatives, and are instructed in the brand's "code of ethics."

Following each installation, customers rate the installer's performance on a number of attributes.

Failure to maintain minimum standards results in termination.



Lowe's -- Installation Service Guarantee  
Backed by Extensive Training and Tracking

**Competitive Positioning** – Generating trial through a competitive service positioning has historically been difficult because non-users find it hard to believe. Some notable exceptions include service guarantee and self-empowered services. A better role for differentiated service positioning is to reinforce loyalty, foster word-of-mouth, and energize unique elements of the brand's experience.

One example of a brand that has successfully differentiated its services both from an acquisition and retention perspective is **FedEx**. The brand's core positioning of "reliability" is supported both by its foundational guarantee as well as through continuous investment in proprietary tracking technologies that together ensure peace of mind.

## Summary

Differentiated service creates branded attributes that target customer's seek-out – qualities that grow awareness, recognition, and anticipation for the brand. By strengthening customer relationships, differentiated service facilitates personalization and affinity marketing. Most importantly, differentiated service both disrupts and leapfrogs competitors.



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