



DIY: CUSTOMER-FACING SELF-SERVICE

... don't leave the Brand behind

Whitepaper #10

Amicus
Brand Dimensions

As a youngster of 4 or 5, I well recall the adventure. My grandfather, a short-order cook who emigrated from Spain, was taking us to see the Empire State Building. To him ... it was the most fantastic symbol of strength and technology in his new-found nation. To us ... everything looked big.

We left by subway from Brooklyn. My discoveries began immediately. What were those little machines mounted on the subway platform's support beams? How wonderful. At the turn of a crank, you could just walk up and buy a little pack of gum. Can I try?

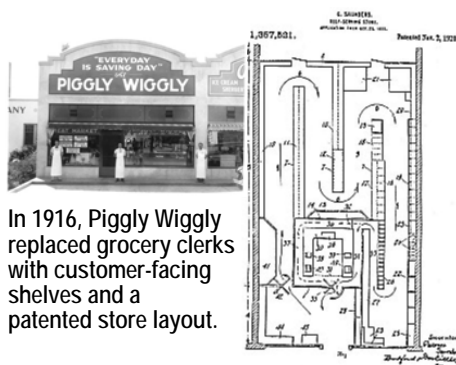
Leaving the subway, he took us by ... what he called ... the "restaurant of the future." Here everything was served from behind small glass windows. I watched as a man opened one and pulled out a piece of lemon pie. Can I try? No, was the polite reprimand. And -- off to the Empire State Building -- our adventure continued.



Horn and Hardart ... the lemon pie behind the window.

More than a few years later, I recognize my affinity toward self-service options – the ultimate act of empowerment, control, and self expression. But "self-serve" is no longer the exception ... it is the explosion.

History shows that technology and changing business processes have always driven the next level of self-serve innovation. Elevators enabled tall buildings. Thirty



In 1916, Piggly Wiggly replaced grocery clerks with customer-facing shelves and a patented store layout.

years later, electro-mechanical switches dispatched the elevator attendant ... and self-service elevators were born. Horn & Hardart introduced the Automat. And, Piggly Wiggly replaced grocery clerks with customer-facing shelves and a patented store layout. Customers ventured up and down isles ... ending at a cashier.

Automated laundries sprung up ... as did coin baskets at toll booths. Cigarette, soda, gum, and candy vending machines appeared ... no longer requiring a walk to the corner store. Just imagine the genius of our founding fathers to create round coins! Another 30 years later ... the penetration of credit cards, and their ubiquitous mag stripes, led to ATMs and self-serve gas pumps. Touch-tone and computer technology introduced us to "press 6 to repeat this message."

Today, the explosion of digital devices, web-centric solutions, low-cost data storage, and broadband connectivity is breaking down a host of long-held service paradigms. One research group estimates that transaction volume through self-service applications is growing at about 80% a year. This is expected to continue ... if not accelerate.

So what does this mean for existing service platforms? Bigger yet – what does this mean for brands and branding? Are branded interactions in peril? Likewise, are branded experiences in jeopardy of being replaced by ether? In a world of self pumping, self informing, self check-in, and self account management ... are today's brand touchpoints and brand values at risk?



Self-Service – the ultimate act of empowerment

As if the "all-digital, all-on" world was not overwhelming itself, there's an even bigger next wave: **Echo boomers**. Born be-

tween 1982 and 1995 (... and numbering about 80 million), these off-spring of baby-boomers are the largest group of young people since the 1960s. This digital generation has been raised on the immediacy of electronic platforms, visual merchandising, quick-change trends, and electronic relationships. Also called the "now generation," they are accustomed to vast information, choice, and the empowerment that comes from all that. They're resourceful, networkers, and bloggers. Each is a merchant; and "word of mouth" is instant and immeasurable.

What is the future of branding in an accelerating self-service world? Is self-service a mere plug-in to traditional business interactions? Does the storyline change? Beyond visual branding ... what impact on a brand's promised performance benefits? How is "experience" created and delivered? What about relationships and bonding?

Or rather ... a bigger question: *Do we have a lot of "serviced service" because we haven't yet figured out how to make it great self-serve instead?*

Technology Enablers

One recent research poll noted that about 80% of Americans had used a self-service machine, kiosk, or format within the past 12 months. I'd say the other 20% just didn't realize it. Self-service has become pervasive and persuasive. Another research project, this one by Accenture, reported that 90% of online-oriented customers and about a third of off-line consumers preferred self-service options.

Technology is clearly at the center of these transformational behaviors. These include: web-centric and web-blended software solutions, the ubiquity of digital devices, high-speed connectivity and data transmission, remote monitoring, data warehousing, and integrated analytic platforms. With a host of new and ever-improving technologies including Wi-Fi, Wi-Max, touchscreens, and interactive voice response (IVR) ... there is now the opportunity to create automated, expedited, and savvy enterprise-wide, cross-channel, customer-facing relationships and e-commerce. Grandpa would be proud.

But don't leave the brand behind!

Here the opportunity seems obvious. Dell, in exploiting a self-service vision, not only re-created the computer-buying experience, associated product lines, and the supporting purchase and service continuum – but the business economics as well.

Self-Service ... Benefits to the Brand

Brands can gain tremendous competitive and economic benefits from well-conceived, forward-looking self-service initiatives ... as evidenced in its purest form by successful e-commerce brands. Key benefits include:

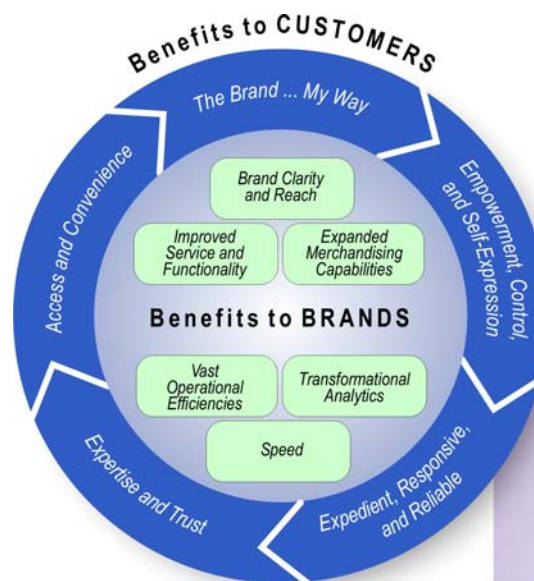
✓ **Improved Service Delivery and Labor Coverage** – Self-service enables a brand to create new and expanded service touchpoints. As self-service can be placed virtually anywhere, it affords the opportunity to re-think and re-design physical spaces and service access. Service coverage can be boosted ... with expanded hours, improved peak coverage, major disruption coverage, and multi-language formats.

Northwest Airlines has seen adoption rates soar with a reported 80% of domestic travelers checking in online or at kiosks. As they've ramped up, so too have the capabilities. Beyond printing boarding passes, passengers can change flights, request standby for earlier flights, view seat maps, change or request seat assignments, redeem upgrades, add frequent flyer numbers to reservations, and print e-ticket receipts. The underlying technology integration of web-centric software, broadband, and digital devices enables ever-expanding distribution. NWA's current focus is self-service baggage check and extending their self-service touchpoints to hotels, airport parking garages, curb-side, and via Palm devices and cell phones. One research report estimates labor savings of \$3.52 per traveler self check-in.

With vast mobility, self-service options and supporting human talent



The Ultimate Transportability of Brands



Don't Leave the Brand Behind Principles ...

1. A Robust Facet of the Brand's Core and Compelling Experience
2. Brings the Brand's Storyline, Persona, Passion, and Values to Life
3. Expands and/or Adjusts the Brand's Proprietary Products, Services, Pricing, and Distribution
4. Enhances the Brand's Service, Relationship, and Connectedness Continuum
5. Improves the Brand's Reach, Awareness, and Appeal
6. Ultimately ... Builds Trust, Confidence, and Differentiation

can fluidly address unique service situations or time-of-day phasing. Team members can be re-directed from repetitive tasks to better service “new-to-brand” and higher-value customers, as well as re-focus on brand merchandising, relationship building, and service exceptions.

✓ **Vast Operational Efficiencies** – Even with superior labor scheduling, operations usually has too much or too little labor. Labor, once scheduled, is perishable, not easily moved around, and clearly not homogeneous in quality nor character. Labor is also costly to train, motivate, and prone to making errors. Appropriately placed self-service can drive significant labor efficiencies and cost benefits. This is not to say that labor goes away ... rather it should be re-designed and re-deployed.

Self-service strategies and supporting technologies have also greatly reduced the influence and cost of intermediaries. Secondary benefits can include lowered inventories, streamlined processes, and improved share-of-customer.

✓ **Expanded Merchandising Coverage** – With self-service, we see greater opportunity for segmentation and targeting ... more narrow-casting. This creates immediacy in merchandising, as well as more opportunities for dynamic pricing. It also dramatically supports automated cross-

sales, up-sells, and re-sales ... as well as the growth of new products (e.g.: information services) and payment options (e.g.: growth in pre-paid products for the vast un-banked market).



The iTunes experience empowers self-expression across a wide variety of genres.

✓ **Transformational Analytics** – As with all facets of the digital backbone, self-service captures a wealth of timely, data-rich transactions. It normally contains geo-location markers, and enables improved monitoring, forecasting, and testing. Disruptions are quickly flagged; and business analytics can be greatly automated to provide better visibility into the enterprise.

✓ **Speed** – Bottom line, well-conceived and well-planned self-service speeds everything up – for operators and customers alike. Taking a “brand approach,” translates into a new universe of competitive advantages. Rather than taking days to communicate a service exception or performance metric ... it is done in seconds. This, however, depends upon an operation’s ability to receive, interpret, and react to the information.

Improved Brand Clarity and Expanded Reach – In essence, self-service is one new ingredient that can power-up a brand’s precision, accuracy, responsiveness, and reproducibility. Rather than taking months to implement new service protocols, merchandising, or loyalty benefits (... just to name a few), with self-service they can be instantaneously implemented enterprise-wide.

Self-Service ... Benefits to Customers

Most brands and their proprietary experiences are built around a serviced-service proposition. Thus, it can’t just be about replacing this labor with cabled-together self-service kiosks. Creating a robust self-service vision has the potential for far-reaching and interrelated consumer benefits including:



Self-Service technologies enhance access, convenience, and speed

✓ **The Brand – My Way** – Here it’s all about enabling consumers to personalize their interface and interactions with the brand -- including service features, preferences, information requirements, channels, and communications. It’s about instantaneous recognition ... and the flexibility to serve “my” changing needs, timelines, locations, and lifestyles.

✓ **Access, Convenience, and Speed** – Self-service gives consumers expanded, 24/7 – global access and convenience to the brand ... when and how they want it. Brand touchpoints expand geometrically creating vast time and emotional savings. Beyond just gaining access to a single, specific brand, self-service can give consumers immediate and seamless enterprise-wide access to a portfolio of brands and strategic partners. In essence, customers have “a brand on demand.”

✓ At Alaska Airlines, check-in times have been cut from 20 to an average of 5 minutes with self-service check-in. With their new self-service baggage check, average transaction times are now down to about 2 minutes.



How far in the future? ... RFID technology instantly scans an entire market basket. What other applications?

✓ **Empowerment, Control, and Self-Expression** – Giving customers a sense of empowerment and immediacy is an important leverage point that brands can exploit to build “first choice” and share. Industry leaders continue to re-evaluate their offerings. Southwest Airlines, for example, is re-thinking “un-assigned seats;” and McDonald’s is testing self-ordering kiosks in Florida. Early McDonald’s-test results indicate that 45% prefer using them – wait-times fell, satisfaction increased, and business volume grew.

✓ **Responsiveness, Reliability, and Lower Costs** – Even with significant human talent re-investments (e.g.: selection systems, training, incentives) dramatic gains in service satisfaction remain illusive. Robust and integrated self-service solutions, on the other hand, have proven their reliability ... and are much less prone to error. Technology and self-service can also be more responsive to consumers’ ever-growing



Aggressive McDonald’s franchise operators testing their vision for customer self-ordering. Dramatic results ... coming to a store near you.

expectations. Just think of all the new applications we already take for granted like tracking tools, seat maps, multi-language solutions, extended service hours, new payment options, search and mapping tools, facilitated product returns, and much, much more.

✓ **Knowledge, Information, and Expertise** – More and more, the future of brands is dependent on their ability to project a level of knowledge, passion, and expertise ... and wrap that in a serviced experience. Processing and customizing vast information is greatly facilitated by web-centric, self-service solutions and savvy brand merchandising.

Self-Service Challenges

✓ Self-service technology and apps are clearly at an inflection point. Moving forward, we’ll see large format interactive displays, more wireless and hand-held applications, enhanced cross-channel integration and cross-channel service centers, integrated biometrics, advanced multi-media experiences, introduction of radio frequency identification (RFID), greater customization, and real-time interactive promotions. In doing so, self-service must ...

✓ Embrace a user-centric design ... and involve customers in the actual design process. Think through all the ways a customer may approach and use it -- both off-line users and those astute in the online world (e.g. echo boomers).

✓ Demonstrate a consistent customer interface and protocol ... with robust cross-channel memory and customer recognition.

✓ Engage the customer ... in an ongoing and interactive dialog.

✓ Motivate migration and usage ... not by limiting other options, but rather by providing enhanced benefits, access, and incentives, as well as introductory support.



Seems to be a dysfunctional set-up ... without any brand statement.

✓ Make self-service an extension of the brand ... demonstrate the brand’s personality, attitude, passion, imagery, and expertise.

✓ Focus first on automating routine, high-volume / low-complexity transactions.

✓ Have a proven ROI including objectives for new customer acquisition, retention, expanded sales, and lower-costs.

Starbucks, for example, is introducing “music media bars” where customers search Starbuck’s digital music library (150,000 songs) and burn or buy them on CD. Using latest HP tablet PC technology in a self-service format, this new offering leverages the brand’s trust and heritage of self-expression.

Consumer-facing automation is today’s battleground for creating and extending a brand. Those fearful of the potential for commoditization will strive to develop unique applications, seamless cross-channel integration, and user-centered experiences. Beyond labor savings, the greater opportunity is to enhance and extend customer service, speed, and recognition – as well as entirely new services and value-points.



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The Amicus team develops critical branding, marketing, product design, and customer care solutions for world-leading service and leisure-time organizations. We pursue a collaborative process that leverages internal resources and knowledge to create buy-in, drive speed-to-market, and ensure strategic sustainability.

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