

The New Experience  
Economy is Driven  
by Empathy and  
Understanding



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## The New Experience Economy is Driven by Empathy and Understanding

In 1998, B. Joseph Pine and James Gilmore revolutionized the consumer landscape with their seminal study that described the transition from services to experiences as entering a new era of economic history: The Experience Economy.

Fast-forward two decades, add a global pandemic to the equation, and it's fair to say that we're currently living through a period of similar change. Or what we're, perhaps unimaginatively, calling: The New Experience Economy.

But whatever you want to call it, there's no denying how dramatically the commercial landscape – be that B2B or B2C – has once again transitioned in the wake of COVID-19 – as almost all the in-person experiences we'd depended on in our daily lives suddenly became digital.

In some ways, this has presented significant challenges, as shown by the shutting down of stores and pending transformation of the bricks and mortar stores. In others, our lives have changed for better, with the rise of online convenience in everything from shopping to hospital appointments.

But above all, we've learned there's more to life than material possessions – and we've started to care more about the environment and the people around us. But we've also taken the time to care more about ourselves, as personal wellbeing and growth rightly increases in importance.

Now, more than ever, there's going to be increased onus on how brands stay true to their purpose in every interaction with customers.

So, where does this leave brands?

Ultimately, the cornerstones of The Experience Economy – treating customers like guests and delivering memorable, personal experiences – will remain. But now, more than ever, there's going to be increased onus on how brands stay true to their purpose in every interaction with customers.

In this volatile environment, or the so-called New Experience Economy, brands must continue to put customers first, by creating consistent experiences that meet or exceed expectations, every time. But it will also be vital to provide every individual with the right experience to make their life simpler, better or more fulfilled, embracing empathy and understanding in both physical and digital worlds.

## Creating memorable interactions for the right reasons

As a bare minimum the priority should be meeting the wants and needs of customers, but by creating memorable interactions, CX becomes a differentiator that's almost impossible for competitors to copy.

So, how can brands make sure every customer interaction is memorable for the right reasons? For us, the answer lies in empathy, which has always been a cornerstone of CX, but now it's taking on even greater significance in the New Experience Economy.

Leading with empathy in design thinking is a must to create lasting emotional connections, which begins with understanding exactly what customers are looking for. If they're in search of cost or convenience, and what you're providing is delight and amazement, then you're guessing and guessing incorrectly.

In 2021, the first rule of customer experience is no guessing – and if you're unsure what your customer wants, ask! Listening to and learning from consumers is the only way you'll know what they're truly looking for, which requires stepping into their shoes and empathizing with audiences to not only observe, but understand their needs, wants and emotions.

## Designing blended and personalized experiences

In recent years, we've also seen personalization become central to CX, with 66% of customers saying that encountering content that isn't personalised to them would stop them from making a purchase, according to Adobe. But it's not always a case of personalising communications every time. Sometimes people want to feel like they belong to a VIP group – a tribe like mentality – where they want the same experience as their peers and likeminded people.

So, the degree of personalization is once again dependent on your understanding of your customers' needs. Are they looking for surprise and delight, or assurance and trust? Is it convenience and price they're after, or is it actually belonging?

Once you understand your customer, it's then a case of translating that experience into all of the necessary touchpoints. In 2020, we saw digital experiences become the primary gateway for brands to interact with consumers. But as physical spaces slowly reopen, customers are beginning to embrace a hybrid world – and brands must be able to provide blended experiences that marries both the virtual and physical.

Of course, this also requires the blending of channels and meeting consumers on any device, anywhere – and ensuring every interaction with your brand is consistent. But something that's often overlooked, especially in the rush to digital is the human touch, which must remain front and center in any blended experience. Mastering experience is only possible when the digital and the physical act as one.

## Gaining a 360-degree view of your customer

In order to create meaningful interactions and deliver blended and personalized experiences, it's essential to gain a complete, 360-degree view of your customer. To this end, data is indispensable to every organization.

But not just any data, you need the right data – because you're not just looking for quantitative data points, you're seeking qualitative information, which means understanding what customers are saying when they interact with your brand, or what we refer to as sentiment analysis.

Every interaction – from emails, to social media posts and customer service calls – can provide you with invaluable insights. So, it's about gathering as much of the right data as possible, leveraging technology like AI to harvest and uncover meaningful insights, before connecting the dots to drive data-informed decisions and experiences.

Being proactive is just as important as being there when you're called upon – and in many cases better. Once you've started using data to uncover pain points and common customer queries, take the initiative to resolve them. In the process, you'll also see the cost and efficiency benefits of proactively attending to the needs of your customers, rather than waiting for them to get in touch.



Unlocking data's full potential, however, comes with an array of challenges. In particular, we've seen customers growing increasingly conscious of how their data is being stored and used. They are concerned the increasing number of cyberattacks to try and steal this potentially lucrative data. Organizations equally worry the potentially crippling financial and reputational damage that can arise if you suffer a data breach or fail to comply with regulations, such as the GDPR.

In today's digital world, we have access to more data than ever before – be it internal or sourced from third-parties – so data provenance and ensuring you're using customer data responsibly is key to earning their trust. Let your customers know why you're asking for information, how it's going to be used and who it's going to be shared with. Laying this out from the start instills trust and sets expectations. Customers can then decide if they feel that's appropriate, making them feel in control of their own data.

But as we know all too well, today's competition is fiercer, and customer demand is changing more quickly than ever, so you have to be on top of your data in order to keep pace. Ultimately, businesses need a fulltime data factory that is well organized and oiled, just to keep in touch with their customers wants, needs and expectations. And once again, we can't forget the physical – because some of the most valuable and insightful data is acquired in-person.

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## Is there such thing as customer loyalty in 2021?

Yes. Some statistics will argue otherwise, but according to email marketing platform, [Yotpo](#), over half (55%) of customers stay loyal to a brand because they love the product. But what about the other 45% and what else impacts loyalty?

Ultimately, a brand with a strong purpose not only helps the overall good of society, but also helps customers know what they stand for through purpose-driven brand actions. In turn, we're seeing a shift from me to we, as consumers make a beeline for – and remain fiercely loyal to – organizations who are striving to change the world for the better.

Do you give back to communities? Do you hire diversely? If so, tell your customers about it! Chances are they'll appreciate that you're doing your bit and will align your purpose with their own. Sure, you might lose some customers, such is the polarized society we live in. But it's no longer enough to sit on the fence – you have to live and breathe your purpose, and convey it in every interaction you and your employees have with customers.

Like a negative experience devours a positive one, it's imperative to be consistent and meet expectations in relation to purpose, rather than wowing and then disappointing – because customers will only remember the disappointment.

What's more, it's no longer enough to simply say you're acting in a certain way. Purpose isn't profitable when it's disingenuous – it has to be real. In this age of transparency, customers can see through it. So, it's not what you do, it's that you do what you say you'll do.

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But if you can satisfy your customers and build great relationships, this will drive loyalty and customer retention, which is easier and cheaper than acquiring new customers. Plus, they'll be far more likely to serve as brand ambassadors and will always be willing to at least hear about any new products or services you're offering.

## Create consistent customer experiences with Fujitsu and ServiceNow

We help you create personalized digital, physical, and blended experiences for your customers, by helping you to uncover what they want before they know they want it. We do this in a way that's empathetic, sustainable and keeps data secure.

We can help you give your customers richer, more engaging experiences across every touchpoint, so you can consistently meet their expectations.

Get in touch to see how we can help you reimagine the experiences you deliver to your customers, so you can thrive in The New Experience Economy.



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