



INSIGHT REPORT

The Six Laws of Customer Experience

THE FUNDAMENTAL TRUTHS THAT DEFINE HOW ORGANIZATIONS TREAT CUSTOMERS

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THE SIX LAWS OF CUSTOMER EXPERIENCE

Before you can deliver a great experience to customers, you must first recognize the dynamics at play within your organization that will ultimately shape how you interact with them. Just like the laws that govern physics, there are six fundamental truths that define how organizations treat their customers. We call this set of truths “the Six Laws of Customer Experience”:

- **Law #1: Every interaction creates a personal reaction.**
- **Law #2: People are instinctively self-centered.**
- **Law #3: Customer familiarity breeds alignment.**
- **Law #4: Unengaged employees don’t create engaged customers.**
- **Law #5: Employees do what is measured, incented, and celebrated.**
- **Law #6: You can’t fake it.**

Before Jack Welch has been quoted as saying:

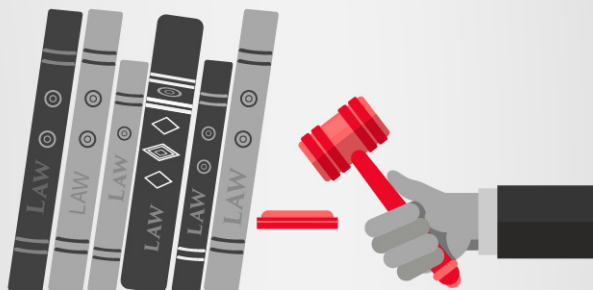
“Deal with the world as it is, not how you’d like it to be.”

Well, when it comes to customer experience, these Six Laws describe how people and organizations actually behave, not how you would like them to behave.

While there may be some rare exceptions, these Six Laws accurately describe the dynamics governing customer experience at large organizations. Anyone looking to improve customer experience must both understand and comply with these underlying realities.

THE BOTTOM LINE: When it comes to the Six Laws of Customer Experience, ignorance is not a valid defense.

Six Laws of Customer Experience



If you want to create great customer experience, then you must understand the Six Laws of Customer Experience. They represent the fundamental truths about how organizations treat customers.

LAW #1

Every Action Creates a Personal Reaction

Experiences are in the eyes of the beholder. An experience can be good for one person and bad for another.



LAW #4

Unengaged Employees Don't Create Engaged Customers

If a company wants to sustain great customer experience, then its employees must be bought into the mission of the company and must be aligned with the effort.



LAW #2

People Are Instinctively Self-Centered

Everyone looks at the world through their own frame of reference. The challenge is that employees often have a completely different perspective than customers.



LAW #5

Employees Do What Is Measured, Incented, and Celebrated

Employees conform to the environment they are in—the metrics that are tracked, the activities that are rewarded, and the actions that are celebrated drive how employees behave.



LAW #3

Customer Familiarity Breeds Alignment

Given that most employees want their company to better serve customers, a clear view of what customers need, want and dislike can help align decisions and actions.



LAW #6

You Can't Fake It

Employees can sense when customer experience is not a top priority with the company's leaders. Customers can tell when the company isn't committed.



CX LAW #1: EVERY ACTION CREATES A PERSONAL REACTION

This is the most fundamental of the customer experience laws. Simply put, the quality of an experience is entirely in the eyes of the beholder. An experience that is delightful for one person may be terrible for another person. And even an experience that was good for someone at one point in time may become bad for that same person at a different point in time. When it comes to customer experience, one size does not fit all. Another way to think about this law is, “An experience that’s designed for everyone will satisfy no one.”

Here are some ways you can apply Law #1:

- **Start with a clear picture of the target customer.** In an ideal world, you could create interactions tailored to the exact needs and desires of each individual customer. But such personalization is not currently possible. So instead of trying to make everyone happy, start each project by defining the most important target customer segments being served, and then optimize the experience to satisfy the needs of those particular customers. Design personas are a useful tool for capturing these key customer segments.
- **Make sure to understand customers’ perceptions.** Because experiences are inherently subjective, internal measurements alone are not sufficient for understanding how customers view interactions with your company. For a more accurate assessment of the customer experience, collect feedback from customers about all three elements of an experience: *success*, *effort*, and *emotion*. This information should be collected through a voice of the customer (VoC) program and should be used to identify and fix issues, to drive priorities, decisions, and investments, and to replicate activities that are working well.
- **Empower employees to respond to customers.** Each customer interaction is going to be somewhat different as each customer’s needs are going to be somewhat different. This makes it impossible to perfectly plan for or script out every customer experience. Consequently, employees who deal directly with customers must have the latitude to accommodate the specific needs of each customer. You need to provide employees with the training, tools, and empowerment to respond to unexpected situations.

THE BOTTOM LINE: You need to understand your customers, personally.

CX LAW #2: PEOPLE ARE INSTINCTIVELY SELF-CENTERED

Everyone looks at the world through their own frame of reference, and these unique perspectives heavily influence what people do and how they do it. Customers, for instance, care intensely about their own needs, desires, and goals and are often only interacting with a company to help them achieve a higher purpose, not because they want to.

An employee's individual frame of reference, on the other hand, often includes a deep understanding of their own company's products, organizational structure, processes, and subject matter. It can therefore be hard for employees to view experiences through the lens of customers, who don't generally know – or frankly care – about the inner workings of a company. Consequently, companies often make decisions that reflect the frame of reference of their employees, not their customers – a problem sometimes called “self-referential design.”

Here are some ways you can apply Law #2:

- **You know more than your customers. Deal with it.** You can't eliminate your biases, but it helps to acknowledge them. Remember that your perspective will always be different than the perspective of your customers, who will not understand things that you regularly discuss at work, like product names, acronyms, or process steps. Find ways to continually think about what your customers know (and don't know) and what they care (and don't care) about. One simple step is to get into the habit of asking yourself, “Would our customers fully understand this?”
- **Don't sell things; help customers buy them.** As you design experiences, rather than asking, “What is our *company* trying to do?” ask instead, “What is our *customer* trying to do?” View all interactions as an opportunity to help customers accomplish their own goals. You can institutionalize this mindset by infusing the voice of the customer into all your organizational processes.
- **Don't let company organization drive experiences.** Don't expect your customers to understand or care about why you have different websites, phone numbers, policies, procedures, pricing structures, and so on. They shouldn't have to know how you are organized to have a positive experience with your company. Wherever possible, eliminate variations based on things that customers don't understand or care about. You can start by asking front-line employees about instances when they need to explain to customers how your company is organized.

THE BOTTOM LINE: Make the shift from self-centeredness to customer-centeredness.

CX LAW #3: CUSTOMER FAMILIARITY BREEDS ALIGNMENT

Inevitably, employees and leaders across the organization will have differing opinions on how best to serve customers. In many cases, these differing opinions are resolved by discussing the personal preferences of the disagreeing individuals rather than by understanding the likely preferences of key customers. How many times have you heard someone in a meeting say, “I like that option,” even if they have nothing in common with the target customer?

A clear vision of what customers need, want, and dislike can align decisions and actions across an organization. When people share a common view of who the target customer is and have easy access to customer feedback, there will be fewer disagreements about the best ways to serve them. While reaching consensus on overall priorities and strategies might still be difficult, familiarity with customers will at least make it easier to agree on how you should treat them.

Here are some ways you can apply Law #3:

- **Talk about your customer needs, no personal preferences.** Instead of discussing what *you* like or what *you* think, take yourself out of the equation and re-frame the discussion to focus entirely on what the customer likes or thinks. Ask, for example, “What do we think a customer like ‘Lisa’ wants?” If you find that you don’t know enough about your target customers to answer this question or resolve a disagreement, then stop the discussion and go gather more information about them.
- **Make it a habit to learn more about customers.** Customers should be the driving force behind every company decision, which means employees and leaders need to be thinking about them constantly. To help people keep customers top-of-mind, create systems that encourage employees to regularly review customer feedback, discuss customer insights with team members, listen to contact center calls with customers, and meet with customers.
- **Understand customers’ journeys, not just their interactions.** You will serve customers better when you focus on their journeys, not just their interactions with your company. To instill the right mindset in employees, have them ask and answer the five Customer Journey Thinking™ questions:
 1. Who is the customer?
 2. What is the customer’s real goal?
 3. What did the customer do right before the interaction?
 4. What did the customer do right after the interaction?
 5. What will make the customer happy?

THE BOTTOM LINE: An external focus is an antidote to internal politics.

CX LAW #4: UNENGAGED EMPLOYEES DON'T CREATE ENGAGED CUSTOMERS

While it may seem like a given that to improve customer experience, you must focus primarily on customers, in fact, the correct approach for most firms is to focus on employees instead. Engaged employees are the foundation of a great customer experience. While you can make some customers happy through brute force, you cannot sustain excellent customer experience unless your employees have bought into and are aligned with your efforts. Temkin Group has found that three characteristics determine the engagement level of employees: if they are inspired by the company's mission, if they feel that the company asks them for feedback and acts on what they say, and if they believe they have the training and tools to succeed.

The vital relationship between employee engagement and customer experience was clearly articulated in "The Service-Profit Chain," published in the *Harvard Business Review* in 1994:

"Profit and growth are stimulated primarily by customer loyalty. Loyalty is a direct result of customer satisfaction. Satisfaction is largely influenced by the value of services provided to customers. Value is created by satisfied, loyal, and productive employees."

Walt Disney also captured this concept very simply:

"You can design and create, and build the most wonderful place in the world. But it takes people to make the dream a reality."

Here are some ways you can apply Law #4:

- **Communicate, communicate, communicate.** Help employees feel like they are part of a larger organizational purpose by making sure they understand both the mission and values of the company as well as why customer experience is important to the organization. A robust communications plan gains employee buy-in by not only sharing *what* the company is doing, but also *why* it's doing it. And communication should not be a "one and done" effort; messages must be delivered consistently and persistently to ensure they are heard, understood, and internalized by employees.
- **Listen to and act on employee feedback.** Employees feel significantly more engaged when the organization asks for their input and then uses their feedback to make improvements. Regularly ask employees for feedback about what's working and what's not working through mediums such as employee surveys, councils, internal employee social networks, or even daily conversations. And once you've collected their insights, follow up with them about how you're using their ideas to improve the company.
- **Support employees with active coaching and feedback.** Any change to customer experience will require some employees to alter their behavior in order to succeed in the new environment. Use feedback and coaching to embed new behaviors into an employee's daily routine. Leaders should observe employees in action, reinforce the right behaviors, and offer tips and suggestions to shore up areas where employee performance is faltering.

THE BOTTOM LINE: Customer experience depends on employee experience.

CX LAW #5: EMPLOYEES DO WHAT IS MEASURED, INCENTED, AND CELEBRATED

Some executives struggle to understand why their company doesn't deliver better experiences to customers. But it shouldn't be such a big mystery. Employee behaviors can almost always be explained by the environment they're in. What creates that environment? The metrics the company tracks, the activities it rewards, and the actions it celebrates. Collectively, these three factors shape how employees behave.

Here are some ways you can apply Law #5:

- **Find ways to celebrate.** Celebrate employees and teams who deliver excellent customer experiences. These celebrations can take many forms, such as handwritten notes from a company leader, employee success stories in company newsletters, on-the-spot bonuses, or formal awards. In addition to official rewards given by the company, employees should be encouraged to recognize their co-workers' positive behaviors, with anything from an informal "great job" at the end of the day to a company-sponsored peer-to-peer recognition program.
- **Clearly define good behaviors.** Before you alter employees' environment, be sure to translate your mission and vision into *specific* behaviors that help them understand how they can contribute to the success of the company within their individual role. While telling employees to "put customers first" may be easy to remember, companies need to make it explicitly clear what that looks like in action. For example, one behavior that could demonstrate how to "put customers first" is to use language that's easy for customers to understand, instead of company-specific jargon. After defining good behaviors, adjust measurements, celebrations, and incentives accordingly.
- **Watch out for mixed messages.** Companies will only get consistent behaviors from employees when measurements, metrics, and incentives are all working together in concert. For example, if you tell employees that solving the customer's problem the first time is important, but then measure and celebrate low call handle times, employees won't know which signals to actually follow. So make sure you are measuring, incenting, and celebrating the behaviors that align with what the company says is important.

THE BOTTOM LINE: Don't blame employees – fix the environment.

CX LAW #6: YOU CAN'T FAKE IT

While it is possible to fool some people some of the time, most people will eventually discern what's real and what's not. In the case of customer experience, this means both that employees will sense when customer experience is not actually a top priority and that customers will not be convinced that you are more committed to customer experience than you really are – no matter how much money you spend on advertising.

Here are some ways you can apply Law #6:

- **Don't hide behind a 4th priority.** While it is possible for a company to come up with a long list of priorities, it isn't possible for it to devote serious attention to all of those priorities. As a general rule of thumb, anything below your third priority is not actually a "priority" at all. At the end of the day, customer experience is hard work. If you're not fully committed to it – if it isn't one of your top three priorities – do not start a major initiative around it. It will ultimately fail and result in frustrated employees who will now be more reluctant to re-engage in these types of efforts in the future.
- **Model the behaviors you want to see in others.** Ralph Waldo Emerson once said, "What you do speaks so loudly, I can't hear what you're saying." Employees will be able to tell what is truly important to the organization by observing leaders' actions. If people see that your behaviors haven't changed, then theirs won't change either. Always think about how others will interpret your behaviors and decisions, and make sure that they match up with what you are saying is important.
- **Only advertise when employees believe.** Customers aren't just going to blindly believe marketing messages about delivering great customer experience – they know firsthand how you treat them. Instead, if you want to change how you are perceived, start by actually treating customers better. Then use advertising to reinforce the new way you're treating them.

THE BOTTOM LINE: If you're not committed to customer experience, you can only fool yourself.

EPILOGUE: DON'T BREAK THE SIX LAWS

The Six Laws of Customer Experience are not meant to constrain behaviors – they are meant to empower highly effective customer experience efforts. Once organizations understand these fundamental truths governing how people and organizations behave, they can make smarter decisions about what they do and how they do it.

Ignoring or violating any of these Six Laws will harm a company's customer experience efforts. Following these laws, on the other hand, will put an organization in an excellent position to deliver great experiences to its customers.

Here are some closing thoughts about how to apply the Six Laws:

- **Treat them as sacred.** While it may be possible to find isolated exceptions to all these laws, each one accurately describes basic behaviors of people and organizations. So instead of spending your time rationalizing why these fundamental truths don't apply to you, start thinking about ways to capitalize on the laws.
- **Make sure you're not breaking them.** Regularly revisit these laws – especially when you are starting a new initiative. You should also routinely be asking yourself, "Is this effort breaking any of the Six Laws of Customer Experience?" If the answer is yes, stop what you're doing and find some other approach that conforms to these laws.
- **Share them with others.** The Six Laws are most impactful when they are widely understood across an organization, so share this document with as many people as possible.

THE BOTTOM LINE: Embrace the Six Laws, for your customers' sake.