

Jon Picoult:

What I have found in studying companies that do this well, is that they recognize that they're not just in the business of creating great customer experiences, they're in the business of creating great customer memories.

James Robert Lay:

Greetings and hello, I am James Robert Lay and welcome to the 175th episode of the Banking on Digital Growth Podcast. Today's episode is part of the Exponential Insight Series, and I'm excited to welcome Jon Picoult to the show. Jon is the founder of Watermark Consulting and a leading expert in customer and employee experience. Jon has been featured by dozens of media outlets, including the Wall Street Journal, the New York Times, NBC News and Forbes, just to name a few. He has advised C-suite leaders at some of the world's foremost brands helping companies capitalize on the power of loyalty, both in the marketplace, as well as in the workplace. And today, Jon joins us to talk about his fascinating new book, From Impressed to Obsessed: 12 Principles for Turning Customers and Employees into Lifelong Fans. Welcome to the show, Jon, it is so good to share time with you today.

Jon Picoult:

Hey James Robert, it's good to be with you.

James Robert Lay:

Before we get in to talking your book From Impressed to Obsessed, it's had great insights that I'm excited to explore, but before we get there, what's good for you personally, professionally, it's always your pick to get started on the show.

Jon Picoult:

What is good for me?

James Robert Lay:

What's good for you?

Jon Picoult:

Other than speaking with you.

James Robert Lay:

Yeah, other than speaking with me.

Jon Picoult:

I'll tell you, well, not to engage in shameless self-promotion but you know this well because you're an author yourself, but you pour yourself into writing a book.

James Robert Lay:

Yes you do.

Jon Picoult:

And so the book of course is relatively new. And so the good thing right now I would say is it's very rewarding to have the book out there to be hearing the positive feedback from people about it. It takes a long time to write a book and to do it right, and so I'd say I'm still riding on that crest.

James Robert Lay:

It is, it does take a... You pour your heart, you pour your soul. It is a heavy lift, and as you mentioned as a fellow author, I want to start there. Why write from Impressed to Obsessed in the first place? What inspired you to go down this journey to begin?

Jon Picoult:

Yeah. Something that always bothered me back in my corporate days when I was working in the corporate world right through to when I started my own firm in 2009, it always troubled me how companies subject customers to all sorts of indignities. And it's probably only gotten worse in pandemic times. We wait in line, we're subjected to lack of transparency, hidden fees, [inaudible 00:03:30] expenses. Hard to find people to answer a question, whether it's in a store or in a contact center, hard to find people who take ownership for helping you as opposed to kicking the can down the road to another department. And there's just such incivility and indignity in so many business interactions, be it with customers or even employees.

Jon Picoult:

And what I've always found is there are a whole host of very simple, straightforward things that companies and leaders can do to inject greater humanity into those experiences and to remove those indignities. And it just bothered me that more companies just wouldn't take the time to do that. And so that was really the reason why I wanted to put all these ideas on paper, because there are limits to how many people I can influence just through speaking engagements or consulting engagements. And so yeah, that was the genesis of the book. That's why I wanted to do it.

James Robert Lay:

Well, I appreciate that. And the lack of humanity, if you will, is one that I am really hoping to inject back into the financial services space, into the banking space. In *Banking on Digital Growth*, I wrote about DX plus HX equals growth, the digital experience plus the human experience. But then I was like, I got it wrong. And what I mean, and you touched on this before, you mentioned the EX the employee experience. And I'm so glad in the subtitle, the subtitle is *12 Principles for Turning Customers and Employees into Lifelong Fans*, because it is a mix of both here.

James Robert Lay:

And we'll come back to the point on employees in a bit. But as you opened up the book, I just immediately was like, "Yes, I totally get this." I had an emotion when you were writing about wrap rage. Wrap rage is real and when I read this in chapter one, I really connected. And I want to start here with the conversation, because if you think about wrap rage, I think wrap rage can easily be translated into the financial services space. Well, it might not be physical wrap rage, it's intangible wrap rage. We get that visceral emotion, negative emotion. What is wrap rage for the dear listener?

Jon Picoult:

Sure. So wrap rage, if your listeners aren't familiar with the term, I'm sure they've experienced what it refers to. And it really talks about the frustration that people feel when trying to free a product from a nearly impenetrable package. And a classic culprit of wrap rage are those, they're called clamshell or oyster shell packages, kids toys, electronics, LED light bulbs come in that packaging. And it's just you got to get out the screwdriver, the scissors, the box cutters. And the thing is that once you start ripping it open, the edges are razor sharp. And as you know from reading the book, but many people don't, over 6,000 people a year in the United States alone end up in the emergency room with injuries inflicted from wrap rage.

Jon Picoult:

They're trying so hard to get the product out of this ridiculous packaging. They actually lacerate their bodies so badly, they need to immediately seek out an ER doc. And the reason that I start a book about customer experience talking about wrap rage is because Amazon.com in 2008, launched their response to wrap rage and it was called frustration free packaging. And it basically meant that they negotiated with suppliers to take these products out of their metal twist ties, out of the clam shells so that Amazon could just put it in their box, ship it to you, you get it, you take it out. There's no crying or tears or blood or lacerations, everybody's a lot happier.

Jon Picoult:

And this is actually something that's become a competitive advantage for Amazon. It reinforces one of their brand proof, it's a brand proof point in terms of how easy it is to work with them. Not only just to order, but to open up the package that you get. And I think the key lesson for organizations about the wrap rage story is really twofold. One is that there is a whole universe of touch points that comprise your customer experience. Many people would look at Amazon and say, "Hey, the package it's out of your wheelhouse," once you ship it from your warehouse, that's it you're done. But they didn't see it that way because they understood that that was an interaction point that even if subconsciously would influence people's perceptions of their Amazon experience. So they managed that touchpoint very deliberately and intentionally.

Jon Picoult:

And so that's the first takeaway is that the universe of interactions and touch points that comprise the experience is much broader than what many businesses organize. The second key takeaway, and it gets to something you were referring to a moment ago, is the emotional component of the experience it's called frustration free packaging and it's called that for a reason. It is meant to mitigate frustration and frustration is an emotion. And the key learning I think from that is Amazon was very smart because they understand that ultimately people's perceptions of the experience they have with you is going to be shaped not by their logical rational evaluation of the interaction, but by the emotional resonance. How they feel after they walk away from that experience. And that's what frustration free packaging was meant to address.

James Robert Lay:

I can see this being so practically applied in the financial services space and the banking space. While we're not cutting ourselves on packaging, we might be inflicting pain for a prospective account holder. They're not opening a package, but they're opening an account. They're applying for a loan and we talk about frictionless banking. And I like this frustration free packaging, frustration free banking. I think that's a really great takeaway right there. And once again, I had no idea 6,000 people go to the emergency room. But I have four kids and with four kids, I'm sitting here going to battle during the holiday season, opening up all of the stuff.

James Robert Lay:

But you're right, now that you've brought that awareness to my mind, Amazon has made it much easier to get into whatever it is that you're getting into and it does impact the overall Amazon experience. Even though it's outside of their "wheelhouse" it's all of these small little micro touches that really just as the sum is greater than the individual parts here. I'm curious before we go further clarifying for the dear listener, the difference between customer experience, because that's a word it gets thrown around a lot. What's the difference between customer experience and customer service and why is it important to make a distinction between the two?

Jon Picoult:

Yeah. So customer service is but one part of the customer experience, it's just like the user experience with an online digital experience is but one part of the customer experience. So customer service I would argue is definitely not synonymous with customer experience because the customer experience begins even before someone's a customer. And so I'd argue that the first time I hear about a bank or a credit union or a wealth manager, I'm not even doing business with them yet, but the first time I hear about them, maybe it's in an advertisement, maybe it is a friend or a colleague who mentions them, right then and there, the customer experience has begun because that's my first entree into your brand and what's being said about you. And then eventually of course I sign up, I go through a purchase process, that's part of the customer experience.

Jon Picoult:

Actually using your products, whatever it is, that's part of the experience. Now, I still haven't gotten anywhere near service, the traditional definition of service, where I need help from someone and so I do an online chat or I call a contact center. And so you can see that there's just a whole array of interaction points that are completely independent of what people would traditionally define as customer service. I'd also go one step further to explain why it's important to view those two terms as being distinct. And that is that in many industries, the need for customer service can actually indicate a problem with your customer experience. And here's what I mean by that. In the financial services industry, we talked about friction a moment ago. A common source of friction in financial services is with the stuff that you send to me on paper.

Jon Picoult:

Maybe it's a disclosure statement, maybe it is an account statement, but whatever it is, a lot of financial services and institutions are not good at presenting that information in a simple, easily digestible manner. So when I get my account statement and I can't answer a question, a common question that I have looking at that statement, what am I going to do? I'm going to call you, I have the need for service then. So the fact that I needed help is actually an indication of a problem earlier in the experience, because if that account statement had just been designed differently, if it had been simplified, you would've preempted, you would've obviated the need for me to contact you and seek service. And so that again is a really important reason why customer service and customer experience are really distinct entities.

James Robert Lay:

No, it makes a lot of sense. And I think it's this idea of looking at things through an objective lens, but it's all those micro moments, the things that we take for granted, because it's the curse of knowledge. We think that it's clear, well, it's clear to us because we live day in and day out from this world view. But if you go to the outside world, that's where I think the confusion begins to set in. That confusion leads to some type of conflict, that conflict if not resolved leads to ultimate chaos. And I want to go inwards just for a bit, because as I mentioned before, I got it wrong with my thinking on experience. Going from writing book number one Banking on Digital Growth, now I'm writing book number two Banking on Change. It's the idea of the employee experience. And I appreciated that being addressed in the subtitle of the book and the point that you made in chapter two, when you asked the question are my employees my customers? What's your take here considering the great resignation that we keep reading and hearing about?

Jon Picoult:

Yes. I think that the great resignation and really the entire shift of power, if you will, from employers to employees, just given where supply and demand is with the workforce these days, I think it only underscores the importance of companies focusing on the quality of the employee experience. And as

you note in the book, I make the argument that employees are a type of customer. Granted it's a different type of relationship, they're not paying you, you're paying them. But nevertheless, they just like a consumer, are trying to derive value from the relationship that they have with the company. And so as such, I think it is important for companies to deliver value, impressive value, so that employees are drawn to want to work at that institution and they want to stick around.

Jon Picoult:

And what I have always found in my experience is that the things that foster engagement between a business and an employee are not all that different than the things that foster engagement between a business and a customer. Things like, are you responsive to me? Do you communicate with me clearly and transparently? Do you advocate for my interests? Do I feel better after I have interacted with you as compared to before? And so there are so many similarities in terms of how you create a positive loyalty enhancing experience with employees versus customers. That my argument is the same techniques that beloved businesses like Starbucks, Costco, Disney, Amazon, the techniques that they are using to engage their customers, they can be applied to the employee audience without question.

James Robert Lay:

Exactly. Because a positive employee experience will then yield a positive human experience that can then be multiplied via positive digital experience.

Jon Picoult:

Yeah. And it is a flywheel here, that can be very powerful because to really break it down to brass tacks here, just take a contact center for example. If your employee is frustrated, if they're discouraged, if they're disengaged, because they hate their job, how do you think they are going to interact with that next customer that calls in? It is not going to be a happy employee that's trying to be helpful and whatnot, it's somebody who is just going to be weighed down by all of the troubles and frustrations that they have in their job. So that's one connection point. But the other is that if you have customers that are always frustrated and then the employee every time they see the phone ring, what are they thinking? Oh gosh-

James Robert Lay:

It's Pavlov response right there, yeah.

Jon Picoult:

[inaudible 00:17:24] that again, not another complaint. And so think about what that does to the employee experience. So these two things are inextricably linked, happy satisfied employees help create happy loyal customers, which in turn help create more happy, satisfied, and loyal employees. And once you get that flywheel going and that momentum created, I would argue you can pretty much roll over your competitors because that can be unstoppable.

James Robert Lay:

Well, I think in this particular case, you mentioned Amazon before with the frustration free packaging. I'm also thinking now here with the call center and I'm a big believer, for example, in the financial services space, that call center, that contact center is going to be a key part of the experience going forward, even in a digital world because we know that people have questions, people want to talk to people. You can only get so far with an AI chat bot before you get frustrated and you're like, "I just need to talk to someone." But Zappos, Tony Hsieh delivering happiness, his whole thing was, and he spoke about this so frequently. It was the people and they took care of the people internally so that then you

take care of the customers externally. It's made a big impression on my wife because with four kids who are now 12, 10, 8, and six, we've bought a-

Jon Picoult:

Growing out of shoes every week.

James Robert Lay:

We've bought a lot of shoes. And let me tell you we've recycled a lot of shoes as well down to the kids. But then ultimately we're like, "Okay, we got to start over. We got to throw these out because the tread is gone." You touched on a point before too about value and value creation. And I think that's a key element to maybe dialogue around here for a bit. Because when you think about financial services, banks, credit unions, mortgage companies, wealth management, they're run by very smart left brain driven people who get numbers. That's a good thing. But when you're talking about this idea of experience and emotion, touchy feely stuff, there might be a bit of a gap here and it all comes down to the bottom line, which you address the calculus of experience. What's the best way to make the case for investing in experience or what I would maybe call experience optimization?

Jon Picoult:

Yeah. So you're right, in the book there is a study that my firm started doing about a decade ago. It's called the Watermark Consulting Customer Experience ROI Study, and a new version of it is included in the book. And basically what the study does is it looks at the shareholder return of the top 10 publicly traded companies in customer experience, the CX leaders, versus the bottom 10, the CX laggards. And mind you, we're not picking the firms, we're just using rankings that are put out by third party research organizations that make a living out of this interviewing tens of thousands of consumers each year to rank these companies based on the feedback. And so we've got 13 years of data under our belt and over that 13 year period, the companies that lead in customer experience outperform those that lag by an over three to one ratio in shareholder return.

Jon Picoult:

And it's also worth noting that the leaders outperform the S&P 500 by about over 100 points and the laggards underperform the S&P 500, which I think is a really important point because what it shows is that there's not just a financial reward for delivering a great customer experience, there's also a financial penalty for failing to do so. A lot of companies stress over well, what is it going to cost us to improve our customer experience? Well, the better question might be, what is it going to cost us if we don't? And I think that the centerpiece graphic of that study, which shows the pecking order of these laggards and the S&P 500 and the leaders, really underscores that point.

Jon Picoult:

So at a macro level, I think that's a really valuable study in terms of getting people to at least open their eyes to the notion that the benefits of a great customer experience, the financial benefits, are not soft and intangible. They are very real, they're hard, you can take them to the bank, no pun ended. So that's one way that I think that you justify it. The other way at a micro level, I would tell you it goes back to what we were talking about earlier. The notion that a great customer experience doesn't just help you to boost revenues because you keep people longer, they refer others to you, they entertain ideas for other products and services from you. That's all great stuff, but can be hard to quantify.

Jon Picoult:

The flip side is though it actually helps you to better control if not reduce your expenses. And we were talking about the account statement, if the account statement is awful, what does it do? It drives

expense in the organization because your customers now need to call you to decipher what it is you were trying to tell me on that piece of paper. Same is true with a website that's not smartly designed. What am I going to do? I'm going to channel switch, because I can't figure out how to do what I want on the website or in the app and I'm going to call you. And so those are great examples of how if you're delivering a great customer experience upstream, it actually helps you reduce your expense downstream, which is another part of the economic calculus that I think many companies overlook.

James Robert Lay:

I can hear in the back of my mind around the employee side and employee experience, because there's that whole thing of, oh, what if we have to pay our employees to get even smarter, to get the training that they need. And then the counter to that is, well, and then they leave and so we just wasted all that money on them. Well then the other argument is, well, what if we don't invest in them and they stay? And then it creates this negative flywheel effect. Before we move in to, and I want to touch on the 12 principles, we're not going to cover them all. A few that I think would be helpful for the dear listener. I want to address and get your take on this, who owns experience? Who should take ownership of that within an organization? Because it's such a broad term, a broad idea. And I get it, we get CXOs and whatnot, but if we don't have a CXO, does that fall under marketing? Does it fall under, where does that fit within the organization structure here?

Jon Picoult:

Yeah. So it is a question that is very challenging for many organizations. And as you note, some organizations choose to hire a chief experience officer, a chief customer office or something like that. And I think that there are appropriate times where it benefits an organization to have someone in that position, usually early in their journey around trying to competitively differentiate their customer experience because it's almost like it's an enterprise level person that's almost like the air traffic control monitoring all the different efforts and initiatives going on from sales, to service, to manufacturing, to engineering, to design, wherever, that are all trying to move the needle on this. And sometimes it's helpful to have someone that's looking from that perch.

Jon Picoult:

The risk of course is that when you have a chief customer officer, the risk is people look at that individual and say, "Oh well, that person's responsible for the customer experience." And that can be problematic, because what everyone needs to understand is that they have a hand in shaping a certain part of the experience. And going back to what I said earlier, that experience is informed by a whole array of interaction points. There is not just one person that's responsible for all of them. You need to make sure that your backyard, your little part of that experience is pristine, is exceptional, is engaging. And at certain points, this actually comes down to an individual. My definition of customer experience that I put in the book is that customer experience is how customers feel about their interactions with you. Now, I use the word you as opposed to your company.

Jon Picoult:

And I did that very deliberately because oftentimes it is about you the individual, the one who's writing an email to the client, the one who's on the phone with a client, because at that moment you are the face of the brand, you own the customer experience. And so I know that a lot of people say, well, if everybody owns it, then no one owns it. But to me, this is like who owns doing business in the organization? Well, nobody does. We all are part of that. Well, customer experience is the same thing, customer experience is something that should weave its way throughout the entire organization. And so I think it's critical that everyone understands, I have a piece of this, I own it and if I don't do my little part, the rest of the dominoes are not going to fall right.

James Robert Lay:

I like that idea that at more of that corporate executive level, that CXO level, that's more of vision casting strategy. But when it comes to the brass tacks execution, it really trickles down into teams, teams then trickle down into the individual. And maybe a really good question for the dear listeners just to ask themselves, regardless of where they sit within the organization, when I send that next email, when I make that next phone call, put yourself on the other side. And if I was receiving this message, how would that make me feel? And look at it through an empathetic lens and it's this idea of moving into application. You have these 12 principles and I want to cover a couple of them here and starting with the first two, because you mentioned creating peaks and valleys and finishing strong are two early principles to apply the thinking that you share in the book. And I think they're interconnected here, can you expand on this idea when it comes to creating and optimizing experiences, creating peaks and valleys and finishing strong?

Jon Picoult:

Yeah, sure. So it is a central part of the book. Those two principles are foundational because they really relate to how we remember our experiences. And the book is ultimately about the cognitive science behind a great customer experience, because what I have found in studying companies that do this well is that they recognize that they're not just in the business of creating great customer experiences, they're in the business of creating great customer memories. Because I would argue that how people remember their interaction with your business is even more important than the experience itself.

Jon Picoult:

You think about the bank, for example, that you've got a client at a bank and maybe that individual is asked by a family member at Thanksgiving, "Hey, I'm in the market for a new wealth manager or a new bank, or I'm looking for a mortgage. I remember you told me you do business with bank X, Y, Z, what do you think of them?" The next thing that's going to come out of your client's mouth there is not going to be based on the experience they had with bank X, Y, Z, it's going to be based on what they remember about that experience. And the way our brains are wired, those two things actually can be very different. And that's where the peaks and valleys and finishing strong come in because the way that we remember our experiences is not like a continuous streaming video.

Jon Picoult:

We remember our experiences as a series of snapshots, and it's not just any snapshot that we remember the snapshots that we remember are the peaks, the high points in the experience. And that's when the flash bulb goes off and we take that picture, as well as the valleys in the experience where the flash bulb goes off again, but not in a good way and we remember that negative aspect. And then lastly, we remember the final thing that happens to us, and that actually exerts a disproportionate influence on our overall perception of the entire experience. And the example I always like to use for people to illustrate peaks and valleys and finishing strong is Disney World. Disney is obviously renowned for their customer experience, but if you take a step back and you look rationally at the Disney World experience, you could argue that Disney World is specifically engineered to be hell on earth.

Jon Picoult:

You are in Orlando, the humidity is 200%, it's 150 degrees outside. You're standing in line in that baking sun for hours and yet people leave Disney and they have fond memories of it and they're eager to go back. And what is really happening there is Disney is managing the peaks in the valleys. Their imagineers, for example, are making sure that the attractions are so spectacular that it's creating a peak that comes at the end of the interaction and it eclipses all of the negativity of waiting in line. And so that helps to

overshadow it. And so what you walk away with are the memories of those peaks. And that's why people rave about their experience at Disney World. So that's the memory shaping aspect of customer experience.

James Robert Lay:

And I like this idea of the whole point of the cognitive piece of this and how much of this we could even argue is maybe even neuroscience to a degree, because we're talking firing off different brain chemicals, dopamine, for example. And that's one of the things that you touched on in chapter 11, you talked about stirring emotion up a little bit. And I see there could be some practical insights here for financial brands and for fintechs because you shared a story around Freddie high five. And when you shared the story about Freddie high five, the first 10 years of this business was the agency world. And so sending emails and the anxiety that goes before you hit that send button on the email. I don't want to give too much away, but I want to set the stage for some context, give the dear listener some perspective into Freddie high five and what's the backstory here of stirring emotion.

Jon Picoult:

Sure. And before I leap into that, I just want to say I completely agree with you that I think the principle around stirring emotion has tremendous relevance in the financial services arena, because what people get emotional about is their money. Whether you are helping them to build their nest egg or if they're taking a hit to their nest egg or to their savings, there's a lot of emotion in money. And so I like that you're focusing on this one, because I think it's very relevant in this space. So Freddie high five, Freddie is a chimpanzee that's the mascot of MailChimp, which is a service that's dedicated to email marketing for small businesses. And MailChimp has been hugely successful, they were just recently sold for over \$10 billion I think it was to, oh my gosh, it's eluding me who it was. They were just sold to another organization after being private for quite a while but they had-

James Robert Lay:

Intuit picked them up for \$5.7 billion in cash.

Jon Picoult:

Okay Intuit, thank you. So tremendously successful and they had super fast growth from nothing to being the premier provider of small business email marketing services. And there was a guy that worked at MailChimp who used to be on the other side of the fence. He used to be a small business owner, and like you were just referring to, he would send out these mass emails. And he said one day that when he used to do that, there was so much emotion wrapped up in hitting that send button because when you're a small business owner and you're sending out thousands of these emails, you're just thinking, "Oh my gosh, I hope there's not a misspelling. I hope I haven't phrased something a way that's going to turn people off." There's just a tremendous amount of anxiety.

Jon Picoult:

And then when you actually do hit the send button, there's this feeling of accomplishment, like I got it out. And so he said to his MailChimp colleagues, he was like, "Back when I did this, I wish that somebody after I hit send would come in and just pat me on the back and say, good job." And so he came up with this idea that when you send an email through MailChimp, Freddie, their chimpanzee pops up on the screen, it's an animated GIF and it gives you a high five. And this actually went viral, people started taking videos and pictures of themselves high fiving their computer screens with Freddie. And you could look at this and you could say the Freddie high five serves absolutely no functional purpose, no functional purpose at all.

Jon Picoult:

Yet what it does is it serves an emotional purpose. Because your customer at that point is primed to experience an emotion, a sense of accomplishment and pride at what I've just sent out. And what MailChimp was doing was they were accentuating that, and that helps to create one of those peaks that we were talking about because a lot about peaks is that they are emotionally charged whether positive or negative. And so that makes the experience with MailChimp, it makes it enjoyable in the moment and it also makes it more likely that it's going to be remembered fondly in the long run. And so that's what the Freddie high five is all about.

Jon Picoult:

And you can think about how that transfers to the financial services arena. I just got a loan for my business and I use it to expand significantly. Well, folks in financial services when they're focused on the mechanics and the nuts and the bolts, they're thinking, "I processed the loan, we're done." But they don't think, "Hey, you know what? I should reach out to that client after they close on that big acquisition or after they finish the expansion of that factory and just say, Hey, congratulations, good for you." Because they're primed for that emotion and that's a way to deliver it for them, and it's going to reflect positively on the financial institution.

James Robert Lay:

And to your opening remarks in this conversation, you talked about oftentimes it's the very simple, it's the very practical things that we can do to make positive deposits into a consumer's trust fund that sits between their ears. And sometimes it takes months, years to make enough deposits to encourage a behavior one way or another and sometimes then it can take a minute. So we just totally deplete that trust fund because of a bad or a negative experience. Well, we don't have time to get through all 12 principles, I want to come and wrap up the conversation here. And I appreciate the thinking, this has been great intellectual fencing with you here today, Jon. What does it mean as you wrap up in the book, recovering with style when it comes to experience?

Jon Picoult:

Yes. So the point that I make in the book is that even companies that are legendary for delivering tremendous experiences having tremendous loyalty. Sometimes they have failures in their customer experience, but what makes them different is that they recognize that they don't need to resign themselves to creating a dissatisfied customer or creating a vocal brand detractor. Because what they realize is that if you over correct on the recovery, what you essentially are doing are creating another peak in the experience. And coincidentally, that peak comes at the end of the interaction because it's at the point of recovery where something has gone wrong in that episode. And so if you knock the cover off the ball on the recovery, you can actually end up with a more loyal customer after you have recovered than what you had before the failure.

Jon Picoult:

And so recovering with style is just about applying some specific techniques around being empathetic to customers when something has gone wrong, apologizing to them, taking clear unequivocal ownership for helping them and getting them to a better place, keeping them informed, acting with urgency and executing flawlessly on the recovery. And if you do all of those things and even think of a nice cherry topper that you can put at the end of the interaction, it's a way to really flip the script and to get people not to obsess over the negativity of the failure, but to get them to obsess over how great a job you did recovering and making them whole. And so that's why it's an important principle, because no matter how good you are, sometimes something will go wrong and you just don't want to fold at that point. That's just a call to action to approach that resolution in a different way.

James Robert Lay:

And I love the anecdote that you shared about Ritz-Carlton in the book and the dress, it was one that I connected with and it was interesting. I speak a lot about the Four Seasons experience just from my own personal perspective of the world. And my wife and I were talking about this the other day, we've stayed a lot of Four Seasons around the world and I never had this thought, but I'm like, "We don't remember Four Seasons the brand, we remember the people." And some of them we actually still keep in touch with, she literally just texted someone from Four Seasons Costa Rica the other day, just to check in. She worked the kids club at Four Seasons Costa Rica who took care of her kids when they were really little and just a great relationship.

James Robert Lay:

And we've kept in touch with her over the years. She has kids and she's down in Costa Rica, we're here in Houston, Texas. And it's just this relationship of... Her name's Karen, Karen was part of that whole brand experience, but it does come down to the humanity of all of this. I want to end on a very simple note, something practical for the dear listener to take all of the ideas and the insights that you've shared here. Let's package them up, let's get really practical because all transformation that leads to future growth begins with something small. A simple step that really helps them move forward, make progress on their own journey. What's a small, simple step that you would recommend the dear listener apply when it comes to creating optimizing experiences at their financial brand?

Jon Picoult:

Yes. So I'm going to pick something that I think is especially important in financial services, given that as an industry, it's not an industry that people trust very much. Actually, I don't know if you're familiar with the Edelman Trust Barometer. Edelman is a company that does an annual study of trust across industries and financial services actually came in 15th out of 16th in their 2022 survey ahead of only social media firms. And one important thing I think to creating trust is showing customers that you advocate for them. And as you know, one of the principles in the book is about being an advocate for your customer. And so the idea that I would leave your listeners with is to always think, how can you signal to your customer that you have their best interests in mind?

Jon Picoult:

And that could be as simple as making sure that you never do a cold transfer. That when they're on the phone and another [inaudible 00:41:38] has to help them, you say, "Hey, you know what, let me do the legwork for you. Let me get them on the line. I'll do a quick three-way conference call so you don't need to repeat yourself. And before I leave you with that individual, I'm going to make sure you're in the right hands and then you'll be all set." That's a very simple way to demonstrate advocacy just on an individual level. And then on a policy level for people in financial institutions that are making policy, think about your policies and ask yourself, does this exude advocacy for our customers or does it make it look like we're trying to just line our pockets at their expense? So advocacy in financial services, I think is a really powerful tool given the state of the consumer mind in that space.

James Robert Lay:

Great point about the cold transfer to the warm transfer that three-way because I've experienced that personally working with American Express and American Express Travel. They always do that and it sets up, it tees up for a really good experience conversation because I'm not having to sit there and reexplain myself all over again. And it reduces that friction, that pain point and places a positive deposit into my own trust fund here. Jon, this has been a great conversation. If someone wants to continue the

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conversation keep learning from you, obviously there's the book, where can they get the book and how could they connect with you personally?

Jon Picoult:

Sure. So the book is available at all the major retailers and independent stores. You can actually go to the book's official website, which is [impressed2obsess.com](http://impressed2obsess.com), that's [impressed the number two obsess.com](http://impressed2obsess.com). And from there, you can learn more about the book as well as buy it from any number of retailers and independent bookstores. And if folks want to learn more about me and my services, be it speaking or consulting, you can go to my website, [Jonpicoult.com](http://Jonpicoult.com), J-O-N-P-I-C-O-U-L-T.com.

James Robert Lay:

Connect with Jon, get the book. I've read the book, it's fantastic. There's a ton of practical ideas, insights that you can take. And I think a lot of it too, is something that I'm big on speaking about looking outside to grow inside because there're so many ways that we can learn from other verticals, take some of those best practices and apply them within our own financial brands within our fintechs, and we'll all get better together because of that. I know that I've gotten better today because of our conversation. Jon, thank you so much for joining me on another episode of Banking on Digital Growth. This has been a lot of fun, man.

Jon Picoult:

Thanks James Robert. I really enjoyed it.

James Robert Lay:

As always. And until next time, be well, do good and make your bed.