



CUSTOMER EXPERIENCE

“The cost when it goes wrong”

Within this article we use a ‘real life’ example to highlight two things:-

1. The way that Experiences seem to accumulate little by little until they are huge. This can be hugely positive or hugely negative. We refer to this as the ***Experience Accumulator***.
2. The cost to the organisation when the accumulator goes wrong.

We were spending a birthday weekend at a premium hotel in a well known English city. We had stayed in the groups Hotel’s before, but in other locations. They go out of the way to highlight the premium nature of the experience you can expect - it isn’t cheap - however previous visits had left us feeling the experience was good value for money.

They set high expectations in the minds of prospective customers and this was no exception. This was a special occasion - we wanted it to be special.

On arrival we were told we couldn’t park. You needed to reserve the parking (funny that no one told us that) We had to park in a grotty multi storey and hope the car would still be there in the morning + pay the parking fee (£11)

The room we wanted should have been booked in advance as they are in demand, once again no one told us this key fact when booking. My partner was really disappointed as this was supposed to be the high point of the weekend.

Do you see the accumulator in action?

After a brief walk we came back to the hotel and spotted that they had i-Pod speakers. Having bought an i-Pod with me, but forgotten the speakers we enquired, if we could get a set for our room. Sorry, they were only available for Suites!! Why put them on display then?

A premium boutique hotel, without premium boutique beers - what’s going on here then.

By now we are actively looking for holes in the experience. This is a key trait of the accumulator effect.

The check out was the final straw with an off-hand receptionist who just couldn’t be bothered to listen to the areas where we felt the experience had let us down.

Success in this instance had developed a level of arrogance in the staff and the experience being delivered.

Normally, you would chalk it up to personal experience and never go back.

This is the worst possible outcome from a negative accumulator effect as you don’t know it has happened and intervene to change its course.

In this instance, as we have a keen interest in the subject, my partner wrote to the manager. A swift and positive response redeemed them, plus the offer of what we originally expected at a reduced cost.

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The cost when it goes wrong

On the drive home we attempted to calculate the cost of this experience that fell far short of expectation.

The direct loss emanates from our potential use in the future:-

Potential loss £ 400 a go x 30 years (we would go to this hotel group at least once a year) = £ 12,000.

The in-direct loss emanates from the following sources and is more difficult to calculate:-

1. Discounted return offer = £ 250
2. Word of mouth warning to friends.
3. Reluctance to recommend.
4. We felt cheated as the experience didn't match the cost.

This example highlights the direct link between the experience and value potential. When the experience starts to go wrong and fails to meet expectations then the accumulator effect takes over. If the accumulator takes on a negative spiral, then the destructive potential on value can be quite significant.

If you would like to know more or discuss your own CxP then contact us on:-
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