meta-decisions

7 Behavioral Tips for Designing the Ideal Customer Experience

Some years back, I booked a trip to Disney World with my family. I remember the advice I received from friends who had already been to the park and were seasoned pros: pack comfortable shoes, as the waiting lines are enormous. And true enough, they were. We had to wait close to two hours for some of the most popular rides.

Funny enough, though, that part of the experience did not weigh down the whole joy of the trip. Funnier still, I'm the kind of person who gets impatient waiting in line at the supermarket for a mere 10 minutes, but the vastly longer waits at Disney World didn't bother me at all. Why not? Because the customer experience for visitors to the parks had been so expertly crafted.

It's about the journey, not the destination

Every consumer journey is unique. Not only because every organization and every product is, but also because each consumer's perception is unique. It is fortunate then that the very premise of behavioral science is that some of the idiosyncrasies in our perceptions and behavior, as consumers or in other roles, can be largely anticipated on account of systematic cognitive biases and the way our brains function.

This predictability has allowed for the development of models and frameworks that guide the creation of seamless customer journeys. For example, the CHOICE model[1] and CHOICES framework[2] share a name that serves as an acronym for the different parameters that one should take into account when designing the customer experience. Brands like Disney, Amazon, Netflix, and IKEA, as well as successful franchises like *Harry Potter*, serve as state-of-the-art applied examples, each in their own context. They represent journeys that customers enjoy retaking over and over again.

How do they do it? What are these parameters that affect the consumer experience (CX) and what are some good practices? How can any organization implement these to improve their own CX?

To answer these questions, let's take a step back and start from the beginning: what do customer journeys consist of?

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[1] Clinehens, J. (2020). Choice hacking: How to use psychology and behavioral science to create an experience that sings
[2] McKinsey's Behavioral Insight Lab developed the CHOICES framework based on the work of Dan Ariely, Uri Gneezy, Daniel Kahneman, John List, George Lowenstein and Richard Thaler.

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Decomposing CX into touchpoints

Customer journeys are made up of touchpoints — that is, points where the organization interacts with the customer, physically or virtually. Customer touchpoints can be identified by looking at the journey through the customers' eyes or, better yet, through the eyes of various **personas**.[3]

For example, a higher education institution might use these personas: the high-achieving student who puts career aspirations above all else, the mediocre student who demonstrates high ability in sports or arts, and the activist student who wants to change the world. These, of course, are simplifications: in reality, people have more nuanced personalities and patterns of behavior. The goal of personas is to group people according to the most dominant trait(s) they display.

Personas typically map out each type of customer's decision-making processes at key **touchpoints**. Examples of pre-purchase touchpoints are online and print ads or billboards, landing pages, peer reviews, trade fairs and other promotional events. Further along the journey and up to the purchasing decision, interested parties will interact with the organization's website or brick and mortar facilities/ store, advisors/sales representatives, service/product offerings, and payment channels. Post-purchase, touchpoints may include feedback surveys, email newsletters, customer loyalty programs, cross-selling emails, billing documents and so on.

Upon identifying each of these touchpoints, the next step is designing these touchpoints according to behavioral science.

Designing touchpoints with the brain in mind

Designing touchpoints is about examining the parameters that affect CX through the lens of behavioral science. Below are a few key paramters to consider, from the perspective of our overworked brains.

1. Avoiding cognitive overload

Studies show that our brains can get overwhelmed quite easily — especially when they are asked to remember information (even as little as five digits)[4], choose between a large number of options (choice overload), work harder than necessary to complete a task (sludge), or deal with stress in the form of time pressure or otherwise. Catering to our overwhelmed brains requires further decomposition of the touchpoint into **microtasks** which customers are asked to complete.

The end result is the creation of clear, salient communications that guide the consumer swiftly and efficiently through the microtasks needed to complete a touchpoint. It's also important to structure options in such a way so as not to paralyze but to facilitate choice. In other words, keeping it simple.

According to the Siegel+Gale's annual Simplicity Index,[5] which ranks brands according to how simple their customer experience is, consumers are willing to pay 57% more and are 76% more likely to

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[3] Think with Google (2018). Make it personal: Using marketing personas and empathy in your marketing
[4] Shiv, B., & Fedorikhin, A. (1999). Heart and Mind in Conflict: The Interplay of Affect and Cognition in Consumer Decision Making. Journal of Consumer Research, 26(3), 278–292.
[5] Siegel+Gale. World's simplest brands (2021 results).

recommend experiences with fewer steps, options, and choices. Some notable examples include KFC's quick service, simple menu, and convenience; Netflix's content recommendation engine; Sephora's augmented reality app, which can scan a customer's face and suggest products based on shape and skin tone; and IKEA's app, which helps the customer virtually "place" true-to-scale 3D furniture in their home.[6]

Overall, reducing excessive choice, friction,[7] time pressure, and other stress factors does wonders for CX and satisfaction.

Questions for CX designers to ask: How might the journey be made *even simpler* for the customer? And how can technology help?

2. Providing a sense of control

While too much choice is harmful, too little choice can have the same effect. Customers want to feel like they are in control of their journey, and organizations can cater to this effect by providing them with choices, as well as consistency and status updates. Much like airlines and movie theaters allowing customers to select their seats, pizza delivery services providing real-time updates on order status and online retailers maintaining their websites consistently in line with customer habits.

Questions for CX designers to ask: Which little add-ons to the user journey make the customer feel more in control? Which subtractions could achieve this?

3. Accounting for mistakes

With 11 million bits of information per second to process, our brains are undoubtedly busy and succumb to mistakes. We leave credit cards in the ATM, we forget to buckle up, or we misplace our keys. Imagine how these errors impact the customer experience for a bank or car manufacturer. How did these industries react?

To reduce the risk of customers losing cards, ATMs have been programmed to return the card before dispensing cash. Cars emit an annoying alarm if the seatbelt is not fastened. Taking a photo on our smartphones is accompanied by a shutter sound effect, to spare us the effort of checking to see whether the photo was indeed taken. Following these examples, organizations are expected to be proactive and supportive with respect to potential errors at each touchpoint, not punitive. Products succeed when they are constructed with potential errors or misuses in mind.

Questions for CX designers to ask: How might the customer err? And what nudge or complimentary service can be put in place to prevent the mistake and ensure the customer feels safe about their choice?

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[6] Oosthuizen, Kim & Botha, Dr Elsamari & Robertson, Jeandri & Montecchi, Matteo. (2020). Artificial Intelligence in Retail: The AI-Enabled Value Chain. Australasian Marketing Journal.
[7] Dooley, R., (2019). Friction: The untapped force that can be your most powerful advantage. McGraw-Hill Education.

4. Putting customers in the driver's seat

Effort is a two-way street, and our brains attach value to effort in both directions. From across the lane, we appreciate it when organizations pay attention to the peripheral elements, such as Twitter naming its iconic bird logo Larry, Mattel Inc. endowing Barbie doll with a backstory, or Warner Bros. ensuring the *Harry Potter* movies' entire setup (every painting, each hair on every face mask) is carefully hand-made.[8]

This effort signals how thoughtful an organization is and influences us to believe that the same, if not more, effort is put in the actual product/service we are buying (halo effect). Along the same lines, we like the effort put into the personalization of our experience, within limits, much like Ritz-Carlton hotels greeting guests with a personalized welcome letter in their room.

What may be counterintuitive is that the quality of CX also increases in tangent with the effort that we as customers put in. This is known as the IKEA effect, named after the Swedish furniture giant, and attests to the fact that we tend to like things more if we expended effort to create them — it makes us feel competent.

In a classic illustration of this effect, General Mills, the company that produced Betty Crocker instant cake mixes, is said to have improved sales by toning down the ground-breaking convenience of their mix: they removed some of the ingredients and required home bakers to add in fresh eggs by themselves, preserving their sense of achievement. In a more recent example, Adidas uses machine learning to help customers design their own personalized shoes.

Questions for CX designers to ask: What "ingredients" might customers want to take ownership of? Which parts of a product might they enjoy assembling themselves?

5. Making it fun

With all the hard work, it is no wonder our brains are eager to have fun. Satisfaction is not the same as fun. Whereas customers tend to be satisfied when their expectations are met or exceeded, fun and delight require a mixture of joy and surprise.[9] For instance, Heinz delighted their customers with Edchup,[10] the collaboration with Ed Sheeran who is such a huge fan of the sauce that he tattooed the brand on his arm. One third of all the brand's activity on Instagram includes Sheeran – one such post from Ed resulted in 1.1 million likes and over 10,000 comments.

Questions for CX designers to ask: What can an organization do to surprise and delight its customers?

6. Condensing the bad, distributing the good

It goes without saying that our brains are programmed to seek pleasurable experiences and avoid painful ones. For example, studies show that we experience real physical pain when making a payment

[8] Palmer, M. (2021). What your customer wants and can't tell you: Unlocking Consumer Brains with the Science of Behavioral Economics. Mango Publishing Group.
[9] Berman, B. (2005). How to delight your customers. California Management Review, 48(1), 129–151.
[10] Chubb, H. (2019, June 6). Ed Sheeran teams up with Heinz ketchup to create 'Edchup.' People.

(the insula of the brain lights up).[11] In response to this, companies such as Amazon and Uber have structured their payment processes to minimize their salience as much as possible — for example, through 1-click ordering that eliminates the need to enter payment details every time at checkout, and thus reduces the pain of making a purchase.

Moreover, besides the intensity of the favorable or unfavorable experience, studies show that frequency also matters.[12] In other words, if organizations deliberately combine all negative experiences during one touchpoint and segment pleasant experiences into multiple touchpoints, they can greatly enhance the perception of service for customers. At trade shows, festivals, and other events, organizers tend to combine all payment and registration requirements upfront, while distributing the most popular speakers, artists, and events throughout the show.

This brings me back to my opening anecdote about our trip to Disney World. At Disney parks, the dull experience of waiting in line for a popular ride is offset by themed queueing areas and other attractions to help pass the time (such as chatting with Mickey Mouse or another beloved character). These ensure that visitors have a variety of positive experiences, right up until they reach the actual ride.

Questions for CX designers to ask: What are the pain points in a persona's journey, and what are the high points? How can these be grouped and distributed, respectively?

The last step in designing journeys that customers enjoy retaking is about the architecture — that is, piecing the touchpoints back together in the right sequence so as to form a seamless and pleasant CX.
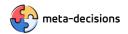
7. The broader architecture of customer touchpoints

The order of touchpoints is important because of the brain's imperfect memory function, and because of the peak-end rule: a cognitive bias that changes the way we remember past events. Based on the peak-end rule, individuals judge a past experience based on the emotional peaks felt throughout the experience and the end of the experience. This bias highlights the importance of delighting customers with instances of joy and surprise, but also of finishing strong. Unpleasant endings have a strong negative impact, while pleasant ones make the journey feel ever more pleasurable than it was.

Flight attendants at Cathay Pacific memorize the names of passengers in premium cabins in order to salute them by name as they deplane. Hotel chains have largely eliminated the need for travelers to wait in line for checkout in the morning by collecting their payment information at the beginning of the journey. Some also offer complimentary breakfasts as the last touchpoint, thus creating a positive bump in their stay experience.

Questions for CX designers to ask: What does the endpoint of the CX currently look like? How can the touchpoints be reshuffled in order to ensure that customers end on a high note?

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[11] Mazar, N., Plassmann, H., Robitaille, N. & Lindner, A. (2016). Pain of paying? A metaphor gone literal: Evidence from neural and behavioral science. Rotman School of Management Working Paper No. 2901808, INSEAD Working Paper No. 2017/06/MKT.
[12] Bhattacharjee, D., Gilson, K. & Yeon, H. (2016). Putting behavioral psychology to work to improve the customer experience. McKinsey & Company.

Is it worth the effort?

It goes without saying that delivering a positive customer experience is important for any business, in any industry. But behavioral science and CX design provide a new lens through which to examine the journeys customers go through, and to zero in on touchpoints where even relatively minor changes can yield unexpectedly large returns.

For example, take one of TDL's recent projects, run in partnership with a multinational fast-food franchise. As part of a wider strategy to promote healthy choices in their restaurants, the client was looking for ways they could encourage customers — especially parents and their young children — to opt for more nutritious menu items. One of the most effective interventions we tested was also one of the simplest: when families ordered a healthy option, kids were given the chance to hit a "big red button" that played a congratulatory message when pushed. This minor change boosted the take rate for healthier menu items by 20%, just by adding a little extra fun and joy to the customer experience.

If only it were as simple as asking the consumer what it would take for them to enjoy the CX. But the elements outlined above — cognitive overload, the need to feel in control, our avoidance of pain, and os on — are functions that mostly happen in the unconscious mind (as does 95% of decision-making). Because we cannot access our unconscious mind, we are not able to consciously describe how it will affect our decisions.

What's more, market research targeting only the conscious mind runs the risk of being inaccurate — as illustrated by forgotten brands such as New Coke, the Millenium Dome, and Consignia. Other techniques to observe current consumer behavior are gaining ground.[13]

In conclusion, it does take effort to design touchpoints by applying behavioral principles, and there are obstacles that need to be considered. These include applying the right techniques to tap into the unconscious brain, as well as finding ways to measure the results of consumer-centric initiatives in order to get buy-in from top management. But the economic benefits are potentially significant. They go beyond simply improving products and services but can translate into a sustainable competitive advantage over competitors: higher brand recognition, cross-selling, and buoyant customer referrals.

Dr. Melina Moleskis M.B.A. M.Sc. Ph.D.

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[13] Graves, P. (2010). Consumer.ology: The market research myth, the truth about consumers, and the psychology of shopping.