BRUCE LOEFFLER



& BRIAN T. CHURCH

The 5 Principles of Disney Service and Relationship Excellence

How to Tell Your Clients and Customers

I. C.A.R.E.

WILEY

THE EXPERIENCE

The **5** Principles of **Disney** Service and Relationship Excellence

BRUCE LOEFFLER AND BRIAN T. CHURCH

WILEY

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FOREWORD

ew companies truly understand the value of creating a great customer Experience—and no organization has ever done it better than Disney. More than any other vocational encounter, Walt Disney World left an imprint in my mind and on my life. As one of the original cast members at Disney World in 1971, and during my 25 years as a member of the management team, creating an Exceptional Guest Experience was the foundation of our culture, as it still is today. We set out to build the "Happiest Place on Earth" and to design an Exceptional Experience like no other company in the world. I felt honored to be a small part of Disney's success.

"We work while others (our guests) play" was the motto we lived as we created a destination for guests around the world looking to escape their day-to-day routines for a world of fantasy, family, and fun. As a manager in the Merchandise Division for Walt Disney World and later the Disney University, it was part of my job to help instill the importance of building an incredible experience for our Disney guests through encouraging the idealism of service above expectation. I've long felt that someone needed to write a book and reveal the principles of excellence used to build an Exceptional Guest Experience . . . and now they have.

In 1983, a number of key leaders from across Walt Disney World united to form a team that was designed to take the Disney Experience to the next level. Within that team was a young man who created a new position to assist in enhancing the service and presentation skills of the Disney cast. His name was Bruce Loeffler. Since that time,

Bruce and I have worked on a number of projects while working at Disney as well as apart from Disney and have remained good friends over the past 30 plus years.

The principles presented in Bruce Loeffler and Brian Church's new book, *The Experience*, are an extension of many of the principles both Bruce and I taught during our years with Walt Disney World. What I found most beneficial in their book was the simplicity of the 5 "I. C.A.R.E." Principles. It is so important that companies and every person within those organizations understand how each individual is responsible for the "Impression" they create, the "Connection" that is formed, the "Attitude" they possess, their "Response" in the face of trials, and how well they deliver on the "Exceptionals" of serving their fellow cast members (employees).

As I read through the manuscript, I kept reflecting on each of the specific actionable steps that serve as a blueprint on how to develop a service culture, both on a personal level as well as professionally. *The Experience* is really a guide that is designed to take you and your organization to the next level of the Experience your company provides.

It is my pleasure to recommend *The Experience* to you. I encourage you to take some time to study it and determine how you can best apply it to meet your desired results. Bruce and Brian's desire is to help you determine where your company currently stands and how to apply the Principles in this book to achieve the next levels of service for your customers and clients. My congratulations to both Bruce and Brian for their creation of this helpful tool, and I thank them for their continued efforts in making service and the guest Experience a primary component of corporate culture.

Dr. Spencer Craig

Former Manager of Disney University and the Walt Disney World Merchandise Division

ACKNOWLEDGMENTS

The level of effort that went into this book was staggering, and we certainly did not do it alone. We want to begin by thanking God from whom all ideas flow. We would like to thank our wives for putting up with our wild ideas and for sharing the vision to create *The Experience* book. A special "thank you" to Danielle Wingate for her help on spearheading the development of the tools that have helped to make this project so unique.

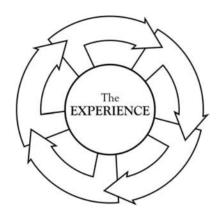
The work that you see before you was not without heavy collaboration from our writing coach, Jonathan Street. His skill certainly helped round out the special nature of this book. We would like to thank Ariel Benjamin for being our Director of Research and for captaining our team of Vanderbilt University students. The testing and researching of 500 companies could not have been done without their enormous efforts.

We want to thank Dr. Spencer Craig for his insight, stories, and direction. They called Spencer "Mr. Inspiration" at Disney, and he has certainly been an inspiration to both of us on the project.

We also would like to recognize Joe Scarlett for taking the time to share insights from Tractor Supply, one of the country's true masters of the customer Experience. Joe's stories, ideas, and insights led to many of the supporting ideas within the manuscript.

There are just too many people to acknowledge in this small section. We want to thank everyone who was pivotal in making the manuscript and this tool possible. You know who you are, and we humbly thank you for being a part of this awakening and for sharing our commitment to a customer-relationship- and service-based revolution.

Part I Preshow (Setting the Stage)



Chapter One The Experience Path

Why We Wrote the Book and How to Use It

Disneyland will never be completed. It will continue to grow as long as there is imagination left in the world.

—Walt Disney

We set out to write *The Experience: The 5 Principles of Disney Service and Relationship Excellence* in an effort to engage the marketplace in its greatest area of need: the Experience for the frontline consumer. While my career has focused on relationship building, relational inflection points, and relationship momentum, I am now blessed to be able to collaborate with one of the finest customer service trainers in the world in Bruce Loeffler. Bruce spent more than 10 years working within the walls of Disney and several years as its Coordinator of Service Excellence. We have now combined our collective travels, experiences, and intellectual property to deliver this manuscript to you. We invite you to use this book as a tool for creating "Ambassadors" through Exceptional customer service and by building relational Experiences.

The book's second chapter presents the "I. C.A.R.E." Principles that you can use to test yourself, your services, and your organization using the Experience QuotientTM. The idea was to create a path for you

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and your organization to achieve the Exceptional. Therefore, the book has been separated into three parts:

- 1. "Preshow"—for the book's overall idea, path, and premise
- **2.** "Onstage"—for the ingredients to create an Exceptional Experience for your customers
- **3.** "Backstage"—for the Experience created behind the scenes in leadership and for employees

We have carefully choreographed a blueprint for you to pontificate on the Principles; to use our Non-Negotiables and Quotient Questions to challenge yourself, to be supported by our Actionables; and then finally to test your company via our website (www.ExperienceQuotient .com) to see exactly what level of Experience you are providing.

We have spent an enormous amount of time testing a model that we believe provides the key to unlocking customer satisfaction, repeat business, and new customer growth. This book will allow you to advance methodically up the levels of the Experience hierarchy while gaining insight and specific details as to what the customer is seeking—and how to deliver it.

If you are interested in a beautifully choreographed concert of tactics that ends with a deliverable and an Experience for your customers, we encourage you to engage in the One Level Challenge at the end of this book. This is your personalized path to increasing the quality of the Experience you provide and, as a result, converting loyal customers into Ambassadors of your brand. We are excited to be your guides along this path.

Why Ambassadors?

You might be wondering why we have chosen the term *Ambassadors*. In 1815, the Congress of Vienna officially recognized ambassadors

as having extensive powers to control the flow of information, maintain diplomatic relations, and project the influence of their chief executives. The word *ambassador* comes from the Medieval Latin words *ambactia* and *ambactiare*, which mean to "go on a mission." This "mission" is what happens when we cultivate an Experience that is valued and shared both internally and externally. In short, we are empowering others to be conduits to the magic and to go out and share the story.

Just as we need ambassadors for our national diplomacy, organizations need them to speak on behalf of the Experience. The issue is that these Ambassadors have to be developed. While people often share negative experiences on a regular basis, your customers and Ambassadors will share only positive Experiences of a certain level. Hence the purpose of this book: to empower you to deliver a higher level of the Experience.

Today's Ambassadors come in all forms. Many of them are consumers who like to share the experiences they have had with your product, company, or service. Some are employees who proudly carry the flag of the company and have a vested interest in your success. But they all share one thing in common: they are ordained to evangelize the world for your endeavors.

Why Disney?

It's no secret that the Walt Disney Company is the most recognized company in the world for the Experience and level of service excellence it provides. In fact, there is virtually no company on earth that connects people better to fun, enjoyment, happiness, fulfillment, service, and pure joy than the Disney Company. We have taken our eyewitness account of the service and relationship excellence at Disney to develop a model that was built to reflect and honor the hard work of Walt and Roy Disney, Dick Nunis, Van France, and the other

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founding fathers of Disney. In doing so, we considered important questions such as:

- What is it about Disney that differentiates its parks and their people from every other theme park—and truly, every other business—on the planet?
- What if your company could channel the excitement, develop the people, instill the principles, and get every employee engaged in the same way Disney does? What difference would it make in your business?
- What makes Disney so unique?

The answer to each of these questions is very simple: Disney creates an Experience unlike any other in the world, and its customers love it. Nearly every company we researched during our study has a desire to provide the service and create the impression that consumers experience within the walls of Disney; however, very few have been able to replicate it.

In the following pages, we define the five I. C.A.R.E. Principles that differentiate Disney from the typical service-oriented company. Our goal in creating these Principles—as well as our Experience Quotient tool—was to make our model applicable in virtually every industry that relies on a service offering or a service-oriented product to gain customers. Together, these tools act as a guide on how to intentionally and repeatedly deliver excellence for anyone or any entity that desires to provide an exceptional Experience. We want to enable *your* people to become true internal Ambassadors of the Experience, thus creating external Ambassadors out of their customer base who are committed to sharing their Experience with others.

Disney is not the only organization that we have studied that has mastered the Experience. We will discuss a few examples of other great American companies throughout the book. Whether it is Tractor Supply or Starbucks in retail, the Mayo Clinic for hospitals, the Four Seasons in

the hotel industry, or even Southwest Airlines in transportation, they all have one thing in common: these companies, along with the Disney Corporation, possess a relentless resolve to creating the best Experience possible for their clients and customers. And they are all currently executing their Experience on an exceptional level.

The recipe is simple; but execution is the key. The first step is being committed to causing a certain level of the Experience. The second step is the execution thereof, as it is the actual Experience delivered that will empower and entice others to share their findings with the world. This journey is an investment into the development of the relational interface and service expectations of each phase of your business or entity. Get ready for what we believe is going to be a groundbreaking endeavor supported by years of fieldwork, empirical evidence, and a path for creating an unforgettable, repeatable, and shareable *Experience*!

Chapter Two The "I. C.A.R.E." Principles

We've got to take care of these people. Honestly, Walt, we've got to expand Fantasyland. We've got to expand this park.

—Dick Nunis

As we identify in our research of more than 500 U.S.-based organizations, over 60 percent of service throughout the country is average or worse—both of which are unacceptable.

To be very blunt, service across the United States stinks. As we identify in our research of more than 500 U.S.-based organizations, over 60 percent of service throughout the country is average or worse—both of which are unacceptable. The disparity between good and poor service shows a total disconnect and

disrespect for who the customers are and the fact that these individuals pay our salaries. That is why our idea of *Toxic service* is such a powerful concept—because we finally have a descriptive and appropriate term to define it.

Our research considered the caliber of service at several of the largest organizations in the United States—and we found that most consumers are less than impressed with the Experiences they're having. These organizations may have their business models down to a science, but

their customer service model is inconsistent at best, and nonexistent at worst. Smaller companies—or as we call them, the Family 500—are a

bit better at pleasing their customers than the Fortune 500. According to a 2011 American Express survey, 80 percent of Americans agreed that smaller companies place a greater emphasis on customer service and the Experience than larger companies. Despite this data, smaller companies and closely held businesses still have a sizable gap in what organizations believe they are providing and what they actually deliver.

We've titled the *solution* to the problem these companies face the "I. C.A.R.E." Principles, of which there are five in total. The first four deal directly with the Experiential interface with the consumer, customer, and client, while the fifth and final directly addresses the

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Experience you create internally for employees. Each Principle is supported by 10 sub-Principles that we call our "Non-Negotiables" that are meant to provoke thought and provide detail into the specific attributes of an exceptional Experience.

We will examine both sides of the organization's internal makeup: the Experience for the customer as well as the empowered Experience for employees. Some may ask: why both sides? Study after study on behavioral science in the workplace shows that employees who feel their leader genuinely cares about them as a person and makes the effort to invest in them are far more likely to deliver enhanced service, have a better attitude, and get along with each of their coworkers. Happy employees tend to be long-term employees. These are the people who become your *champions* and the ones you can convert into Ambassadors.

As Walt Disney himself once said, "What you do behind the curtain will eventually end up onstage." There is more to the Experience than simply the interface with the consumer. The Experience that an organization is committed to causing for its clientele must begin with the Experience that the organization is committed to causing for its own people.

Do You Care?

With the framework of *The Experience*, you will find the opportunity to invest in the personal growth, the value, and the role that each employee plays in the success of the company. Succinctly stated, our most important "customer" should be the frontline person who actually serves the customer. If we do not take good care of our frontline staff, they have little incentive to provide any better service to their paying customer than the way they were treated. After all, the way the staff is treated is the way that they will treat your guests in your absence.

With regard to the overall Experience created by your organization, it is incumbent upon every employee, manager, and executive to (1) know where they stand, (2) know where they want to be, and (3) have a plan and a process to help them improve. *The Experience* book, the "I. C.A.R.E." Principles, and the Experience Quotient offer a path and the advice to help you do exactly this.

Defining the 5 "I. C.A.R.E." Principles

I. ~ **Impression:** The lasting imprint made through first and ongoing relational inflection points; the catalyst to building a relationship.

(continued)

(Continued)

- **C.** ~ **Connection:** The pivot point between contact and relationship. Converting clients and customers from consumers to Ambassadors (those on a mission to tell the world specifically about you) hinges on the ability to create the cerebral, emotional, and personal Connection.
- **A.** ~ **Attitude:** The filter for everything you think, say, and ultimately do. Attitude is the lens through which you see the world and the outward expression of inward feelings.
- **R.** ~ **Response:** Service is about personal responsibility and responding as opposed to reacting. The hallmark of customer service and an exceptional Experience is the Response. If the Response time, tone, and talent do not match up with every other aspect of an exceptional Experience, everything else is rendered useless.
- **E.** ~ Exceptionals: The secret behind the Experience is the relational expertise and execution that come from the people in charge of delivering it. The management team and employees must be prepared, empowered, and endowed to have the Experience living and breathing within them.

This book is a tool that creates Ambassadors of the Experience, and defines the five I. C.A.R.E. Principles that differentiate Disney and other fine organizations from their competition. What we believe is most unique about this book is that it is applicable in virtually every industry where a service deliverable is essential to the success of the organization. Our book is built to enable your people, leaders, and organization to be much more successful, creating one dynamic, focused, and practical solution to what companies are missing today: an exceptional Experience.

So-let's get started.

Chapter Three Five Levels of the Experience

What Level Are You?

The purpose of life is to experience the utmost, to reach out eagerly and without fear for a richer and newer experience.

-Eleanor Roosevelt

Customer service is worse today than it has ever been. Our internal research tells us that customers are increasingly frustrated because they feel that "no one seems to care." What is truly sad is that it takes no more time to be warm, friendly, and personable than it does to go through the motions. Where has the genuine care gone? Where is the relentless resolve to cause an exceptional Experience?

Every person wants to feel important—and every consumer has a choice of where to do business. If a particular organization does not provide better service or a better Experience than what a consumer can receive over the Internet, why would a customer make the effort to

come into the restaurant, store, or other establishment? Consumers want and deserve to feel valued, welcomed, and as if they really matter. Today's technology and social media capabilities give them the power to positively or negatively affect your brand. The Experience you deliver therefore has an enormous impact on your bottom line.

Research shows that today's customers are not just disappointed or dissatisfied; they are outraged. Reporter Brad Tuttle's article in Time magazine of June 7, 2011, entitled "Customer Service Hell" tells us that while 80 percent of companies believe that they provide superior customer service, only 8 percent of clients feel that they receive superior service from these same companies. This highlights a tremendous opportunity for businesses that desire to gain a real competitive advantage. A 2010 Customer Experience Impact Report by Harris Interactive stated that 9 out of 10 customers would pay more to ensure a superior customer experience. If these businesses were to provide a great experience for their customers when their competitors are providing a lousy one, they would not only be different, they'd be superior.

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The stores we've come to know as big box retailers are losing customers by the droves. And most fail to recognize that their inability to create a positive experience is the problem. Unless we fix the holistic service problem—the total Experience—businesses will continue to see a steady decline in customers and therefore in revenue.

What Level Are You On?

As mentioned in Chapter 2, our independent study of more than 500 U.S. organizations found that more than 60 percent of all customer service

As mentioned in Chapter 2, our independent study of more than 500 U.S. organizations found that more than 60 percent of all customer service provided in America is average or worse (Toxic). provided in America is average or worse (Toxic). Consumers are tired of paying for mediocrity that could easily be improved with a modicum of effort on the part of leaders and employees who care. We have discovered that every store, supermarket, car dealership, hospital, fast-food restaurant, hotel, airline, financial advisory firm, bank, and church fits into one of five levels of the Experience hierarchy.

Every executive, every manager, and every employee needs to clearly understand what level of service and Experience their organization provides and why. Once they have identified the what and the why, the next step is to develop a plan of action to take their service and business to the next level. It is not a quick fix or an easy problem to rectify, but that is precisely what *The Experience* book was built to help you do.

Motel "X"

The average person with a complaint will tell roughly 16 others of their

The average person with a complaint will tell roughly 16 others of their frustration—a domino effect that has only been magnified by current technology.

frustration—a domino effect that has only been magnified by current technology. Nowadays, a customer's power to positively or negatively affect a brand or an organization has enhanced the importance of positive Ambassadors as critical to those organizations' success, viability, and sustainability.

Several years ago, Bruce was taking his young daughter to church one Sunday morning. They were about halfway there when his daughter informed him that she had to use the bathroom. So Bruce quickly pulled off the road and into a Motel "X."

He politely asked, "Could my daughter use your restroom?" The young lady at the front desk said, "I'm sorry, but no." Bruce asked again: "It's an emergency; she really needs to use the bathroom." To which the clerk replied, "It's a company policy that nonguests cannot use our restroom." At this point, Bruce demanded that she get a manager. The clerk went in the back for 20 seconds and returned, telling him, "He said it is our company policy; you cannot use our restroom!" Bruce was annoyed, but figured there wasn't much else he could say or do—so he left.

Although the scenario didn't end in disaster, Bruce did write a letter to the CEO of Motel "X" and asked a simple question: "Is it true that a nonguest cannot use your restrooms?" A week later he received this reply: "Dear Mr. Loeffler, we're sorry for your inconvenience. When your travel plans call for lodging, please use Motel X"—along with a stamped signature. Bruce was not very impressed, so he wrote a second letter—a little stronger this time—stating three things:

- 1. You didn't answer my question.
- 2. I didn't appreciate your form letter.
- 3. Do not send me any more stamped signatures!

This was the response to his second letter:

Dear Mr. Loeffler, If you will look on page 175 of the Motel "X" directory, you will find the answer to your problem.

—along with another stamped signature.

Of course, they didn't send him a Motel "X" directory or a copy of page 175. So two of Bruce's students at Texas Christian University went

to a Motel "X" and brought in copies of the directory. And what do you know? Page 175 said *nothing* about a nonguest not being able to use the Motel "X" restroom.

Motel "X" sent Bruce form letters, failed to answer his question, and provided him with stamped signatures—and after all of this, it turns out they'd lied to him. By this time, Bruce was very unimpressed with Motel "X"; so he decided to write a much stronger third letter. By this point, they must have thought they had a wild man on their hands—so they decided to call Bruce back this time.

A vice president named Bill called and said, "Mr. Loeffler, you need to understand that we don't treat our customers like this." To which Bruce responded, "Oh, yes, you do—otherwise we wouldn't be having this conversation!" Bill replied, "Well, I'd like to resolve this today." Bruce then answered, "You can't. It's too late for that. Either I get a phone call or a letter from your CEO or this will go on indefinitely."

Ten days later, Bruce received a one-page, single-spaced letter with a real-life signature from the CEO of Motel "X," who profusely apologized by saying, "This is the first time I have been made aware of your situation." Bruce replied, "I knew that; but the people below were misrepresenting and, in this case, lying about Motel X's policies."

Now let's return to the statement we made at the beginning of this story. The average person with a complaint will tell how many people about it? Roughly 16.

Therein lies the power of word of mouth advertising. Up to this point, Bruce has told more than 160,000 people of his Motel "X" experience (using the real company name!). Let's apply this principle, and *you* go out and tell 10 of *your* friends. Those 10 friends were each going to spend two nights at Motel "X" over the next year at \$50 per

night, but now have decided *not* to. Here is the potential lost revenue for Motel "X":

```
160,000 (told about the Motel "X"
experience through
Bruce's seminars)

× 10 (the friends they will tell)
= 1,600,000 (potential lost customers)

× $100 (what they would potentially have spent)
```

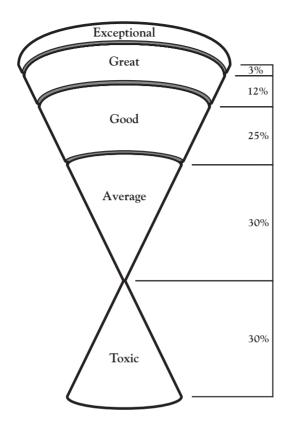
Total
Potential = \$160,000,000
Loss

That's \$160 million in potential lost revenue—because they wouldn't let one little girl use their restroom. Now, one day those 160,000 people will turn into 200,000, and then will become 300,000—and then when Bruce's third book comes out, more than a half million people will have been told about this incident.

This example clearly shows how critical the Experience is even to those who are not current paying customers. The Experience that we are committed to and are designing for others must be genuine; it shouldn't be something we can turn on and off like a light switch. If it's real, and the "magic is magic," it will not only help you build a more successful service deliverable; it just may save you millions.

The Staggering Results

In the following diagram, you will see the breakdown of our 500+ company study and the model of the five levels of the Experience. We took select service-oriented companies from the Fortune 500 along with the aforementioned Family 500 (closely held small businesses). Our findings are described in the box.



The Five Levels of the Experience

LEVEL ONE (TOXIC): 30 PERCENT

L 1 Defined: "Service that comes across as apathetic, indifferent, and disengaged while providing an Experience that is both impersonal and offensive."

The definition we've developed for "Toxic" is that *the service* provided actually offends and frustrates the customers. In simplified (continued)