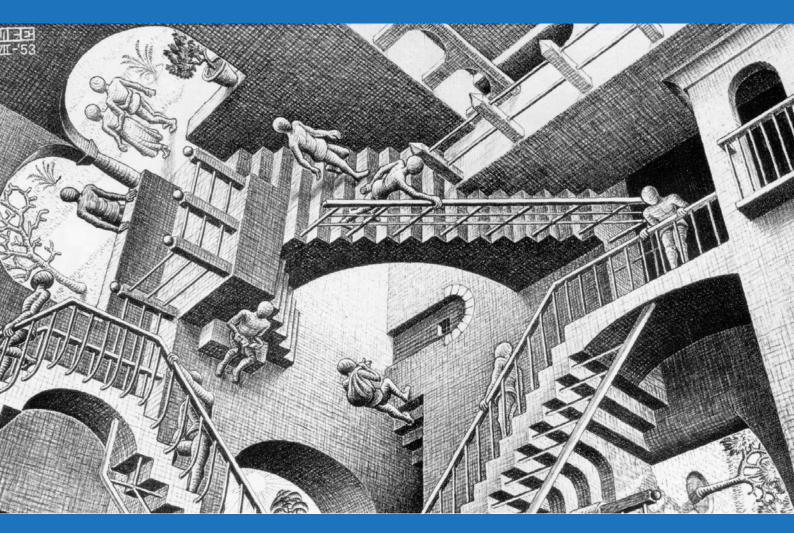
REDEFINING INNOVATION AT SERVICE AREAS

WAVETEC'S DESIGN SCHEME

Whitepaper



This whitepaper is focused on explaining Wavetec's approach towards designing and managing service areas. The methodology comprises of different stages which focus on driving and implementing changes that become evident through customer's experience quality improvement.

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1 Introduction

Over the years, organizations engaged in the production and provision of services have defined the revamping of customer's experience as their top priority within their strategic objectives as this has been the only way to increase their revenue. In practice, however, the actual management of customer's experience involves an endless number of initiatives that generally lack a precise strategy to lead the path to and focus on achieving results. This scenario may be easily seen through the wide offering of technological products aimed at getting to know customers, the exhaustion of choices to entertain staff, and the resources allotted to measure customer satisfaction, even when the company has not yet managed to develop the ability to profit from the information gathered.



Organizations are currently facing a special challenge since it has arisen the need to explore new stakeholders interacting with channels without overlooking the traditional spaces which bring about results. This is the case of the service areas, which offer a wider range of opportunities by being physical spaces, although this means there is also a wider range of challenges to face. Service provision inefficiencies, unhappy and stressed out customers after a dissatisfying experience, attention deficiencies, and overall absence of an appropriate measuring system to apply both long and short term improvement actions are some of the examples that show the difficulties those who manage service areas must face every day.

With this panorama in mind, the idea of counting upon a methodology to empathize with customers, and based on this, design service areas able to become sources of competitive advantages for the organization becomes an evident need. To make this happen, problems need to be tackled sensibly by making use of design tools so as to reach a deep understanding of the expectations, emotions and behaviors of those who attend service areas to interact with the brand. This appraisal is framed by the Design Thinking philosophy.

Thanks to over 25 years of wide experience at providing solutions to retailers and service areas, at Wavetec we strongly believe that Design Thinking is a crucial tool to assist customers in their efforts to "maximize the experience" at service areas. Along these lines, we have developed **Wavetec Design Scheme**, a unique working methodology for the service areas which is executed by professional experts in design areas, anthropology, technology, and retailing processes who also advise customers as to how to develop, implement, and escalate innovative proposals.



2 Connecting through emotions

In a world where the hyper-stimulation of senses and constant bombardment of information, and where the sense of immediate consumption comes first, individuals feel the urge to develop self-discovery skills in order to decide more wisely on their life preferences. Psychologists claim that it is possible to distinguish over 300 human emotions which may be broadly compressed into seven: enjoyment, surprise, love, fear, anger, embarrassment, and sadness. Indeed, when designing any service experience organizations are forced to focus on the emotions and the sense of purpose customers pursue.



In this regard, it is possible to reflect upon three main considerations. First, beyond most managers' standpoint, customers' decisions are subjected to and influenced by the emotional responses triggered by certain stimuli rather than by any rational process. In other words, even at a subconscious level, emotions have a determining power over the so-called rational decisions. Second, if the emotions driven by an organization are both positive and different from the other, in all likelihood there begins a long lasting and loyal relationship between the individual and the organization. Finally, there are very few organizations around the world which are actually able to uniquely and coherently articulate both stimuli and messages to instill the desired emotions in customers.

Considerations for modifying consumer's behavior

Finding the key for designing quality customer experiences deserves a walk-through of service areas over time. Although technological tools have been renewed, the physical spaces of the service areas have not gone through significant structural modifications. Yet, it is in individuals where the actual changes for resignifying the service area functions underlie. The most relevant aspects that make up consumer behavior as well as the interacting scenario, and that represent the main insights of Wavetec's methodology are the following:

Identity through design

Individuals aim at constructing a distinct identity from the collective practice which gets customized according to brand choices and the experience designs they offer. This way, organizations which fail to develop the ability to provide an intangible as well as experiential value people may feel identified with, face competitive risks in the markets they operate.



The Internet and information access

The plentiful amount of information, together with the possibility of accessing it instantly has enabled the use of Internet as the central source of data during the consumption and decision making process. Google has named the growing influence of this phenomenon as "The Zero Moment of Truth (ZMOT)", which refers to the instance prior to the individual's actual presence at the physical area in the search for specific information to make a final decision.



As a result, we are now faced with "qualified" consumers who visit service areas with a deep understanding -in many cases deeper than the one possessed by the organization's staffabout the products and services they wish to acquire.

Which is the distinguishing value service areas may provide to these customers? Experiences of interaction with the brand that impact on emotions; i.e., the level where consumption decisions are made.

Omni-channel Customer

Customers feel more and more comfortable when interacting with a brand through a multiplicity of channels: email, phone, chat, social networks, or at a store. For this reason, customers demand a consistent and transverse service which assures clarity when moving from one channel to another. This can also be observed when demanding a single experience at the service area: during waiting time, customers resort to online channels to get quicker service; in case they fail to do so they set out complaints through the very same channels.



Screens culture

Over time, people are more exposed to receiving a variety of stimuli from the screens they interact with every day. The pervading presence of Internet and the wide access to devices such as smart phones and tablets set a new challenge when it comes to calling attention, which brings about new demands for creating relevant contents that must be delivered to the right person at the exact and ideal place and time.



The exacerbation of whatever is touch

As mentioned, technological evolution has made a major impact on our customers in terms of what is considered quality service. The high level of pervasiveness that touch interface devices have on our daily life, in and out our homes through cell phones, tablets, or video games becomes noticeable in individuals who are eager to interact with the brand at the service area instead of keeping themselves as passive agents during such interaction.





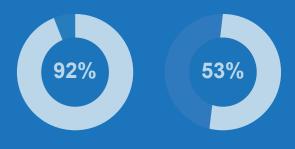
Innovation at the service area: Aimless commitment

The framework outlined above reveals the need to come up with innovative initiatives that consider the perspectives of not only customers but also companies. This dynamic scenario, plus the compelling need to set apart from competitors, urges organizations to reinvent themselves every day by generating distinctive proposals.

However, when we deal with innovation we generally think of new products and services without bearing in mind any possible modification within the physical space where these products and services are offered. Both shops and service areas have remained virtually unaltered for the last 40 or 50 years.



According to a Forrester 2013 report on Customer's Experience Status, 92% of companies set customer's experience as a top priority; paradoxically, 53% of consumers claimed to have gone through a dissatisfying experience, or to have received an acceptable service. [1]



It can be easily observed, that even though customer's experience has become a priority for most companies, most of them fail at executing strategies. The implementing stage occasionally shows a multiplicity of unrelated initiatives that are not able to overcome obstacles regarding business development scalability, integration of existing solutions, service culture construction, and efficiency enhancement.

Historically, companies have put changes in place by analogy or comparison; i.e., by following the steps taken by leading companies in the area. This behavior reveals that companies understand the issue as one of "not falling behind" instead of positioning ahead competitors through ambitious proposals that may result in highly differentiating business opportunities.

Accordingly, thinking of innovative as well as sustainable projects over time suggests an urge to search for models for organization's growth and its operative scalability. Space, technology, and experience a customer enjoys at service areas must be designed in such a way as to guarantee the exact same service quality at all offices or stores in any geographical area. It is clear that customers' profile may vary, which will call for adapting, but a centralized management of resources is viable only if both the service area and the technological solutions are designed with that same purpose in mind.



Bridging the gap: Adopting a design thinking approach

If the aim is creating a truly radical concept, there is no use in carrying out surveys, as suggested by classical school of thought in Marketing schools. As it was described, customers generally behave according to stimuli and the emotional responses they arouse.

It could be said that an innovative proposal would not be such if it were tested by means of a survey since that would mean explaining it through a rational perspective. The proposal would lack the radical feature of innovations.



In order to tackle this issue it is first necessary to consider Why, How, and What aspects. This means we must start constructing by appealing to emotions, and from that foundation, devise concrete and tangible paths.

This perspective is achieved by means of vision and technical tools provided by Design Thinking. But, what is Design Thinking? It is a discipline which operates with methods and the designer's sensitivity to put forward viable alternatives to align customers' needs together with the business strategy.

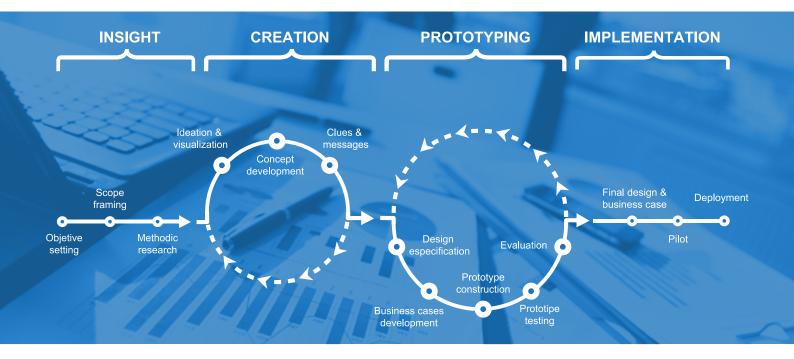
It is imperative to highlight that the processes for understanding problems, and actual devising and testing of solutions within the framework of Design Thinking substantially rest on methods and tools which allow reaching to diverse and unique outputs. Some of the frequently used tools for gathering and analyzing information are, "user camera studies" to understand customers' behaviors, "information hierarchy tools" to analyze information, and "extreme users" to develop the creation process. Using designer's sensitivity means developing and applying abilities that place individuals at the core of any initiative; thus, striving to reach



the subconscious so as to capture the attention and influence decisions. Design Thinking emerges to counter the traditional paradigms based on statistics and economy. The problem is essentially approached qualitatively, that is through techniques developed by design schools specialized in thinking about problems without a precise definition, as in the case of any innovation. It is thanks to this approach that radical results are achieved, through research and valid methodologies.

Wavetec's design scheme presentation

In response to the need of innovating that companies possess nowadays, Wavetec has formalized its own model for radically designing service areas on the foundations of 25 years of experience focused on customers' experience projects. Wavetec's methodology present insights from the philosophy of Design Thinking due to its capacity to tackle issues from a perspective away from tradition and linear thinking.



Insight

The design of a successful strategy for managing customers' experiences is sustained, to a great extent, by the feasibility of gathering all the necessary information about individuals that are actually the protagonists of those experiences. To achieve this, the Insight stage becomes key: the goal is to explore behaviors and emotions that result from an organization's stimuli.

To grasp and assess what customers search for, it is important to create and sustain true empathy with customers' emotions through the support and use of a number of tools. The best way to make this empathy real is to position ourselves in "our customer's shoes" -that is living their experience as if they were our own.

Understanding customer expectations in depth will allow companies to revamp experiences and getting the most out of them. To this end, the study must consist of three dimensions: the customer's experience itself, the organization's setting, and the online and inline interaction at individual level.

The successful execution of the Insight stage comprises three steps which require an active and committed role on the part of the organization:

- **1. Defining objectives:** The process' goals and objectives are fixed jointly with organization's representatives.
- **2. Defining the scope:** The process' goals and objectives are fixed jointly with the organization's representatives.
- **3. Investigation:** The use and support of a variety of tools and methods of observation and inquiry enables progressing towards creating empathy with customers to understand their service expectations. At this stage, it should be possible to identify results from two analysis levels: the first focuses on customer's observation from a generic perspective, while the second focuses customer's binding with the service area. On the other hand, it is essential to highlight the importance of developing a descriptive analysis of the organization with the aim of diagnosing the main strengths and weaknesses that must be addressed when designing the plan.



Creation

During this stage, based on the objectives established, progress is made at generating ideas, concepts and service purposes directed to enhancing and innovating user's experience.

1. Conception and Visualization: The focus of the design process lies on generating ideas that enable the exploration of a wide variety of feasible solutions. The success of the conception depends, to a great extent, on the ability to develop a considerable number of diverse alternatives.

Thanks to the support of specific tools, it is possible to visualize ideas as well as concepts to make them tangible. Indeed, improving, rethinking, and even putting forward new ideas that were not considered on the previous stage is also possible and necessary in the Creation stage.

2. Concept development: Concept development is a critical aspect for actually achieving radical innovations at the service area since it is at this stage that decisions as to which customers' emotions to appeal are made.

A concept is a statement of the proposal value that is granted to customers when providing a given service; as such it must play a key role and be consistent enough so as to link customers and their emotions with the needs of the organization. This concept must be clearly stated during the Design stage as it is closely related to the message the brand pretends to get across as part of its identity.

3. Stimuli and messages: A stimulus is whatever a person can feel through the senses: hear, see, taste, touch, or smell. The senses become channels that are used to transmit specific messages to customers, which aid the emotional journey we want our customers to experiment.

At the service area, customers are exposed to different stimuli. Organizations can profit by carefully planning of contact points that get defined at certain key moments of the service experience. It is at this point that technology becomes a key player as a tool for aligning concepts, stimuli, and messages under three dimensions:

Organizing: It refers to all those contact points between the company and customers where the objective lies in merely organizing influx at the service area.

Interacting: Comprises all instances in which the company provides content that is relevant and tailored according to customers' profiles and needs, either for commercial or for entertaining purposes.

Measuring: Encompasses all those activities aimed at providing customers with the possibility of rating the quality of their experience at the service area.

For further reading and greater understanding of the three dimensions outlined above, please see the suggested whitepaper, "Wavesphere: Wavetec's Perspective on Customer's Experience at the Service Area".



Prototype

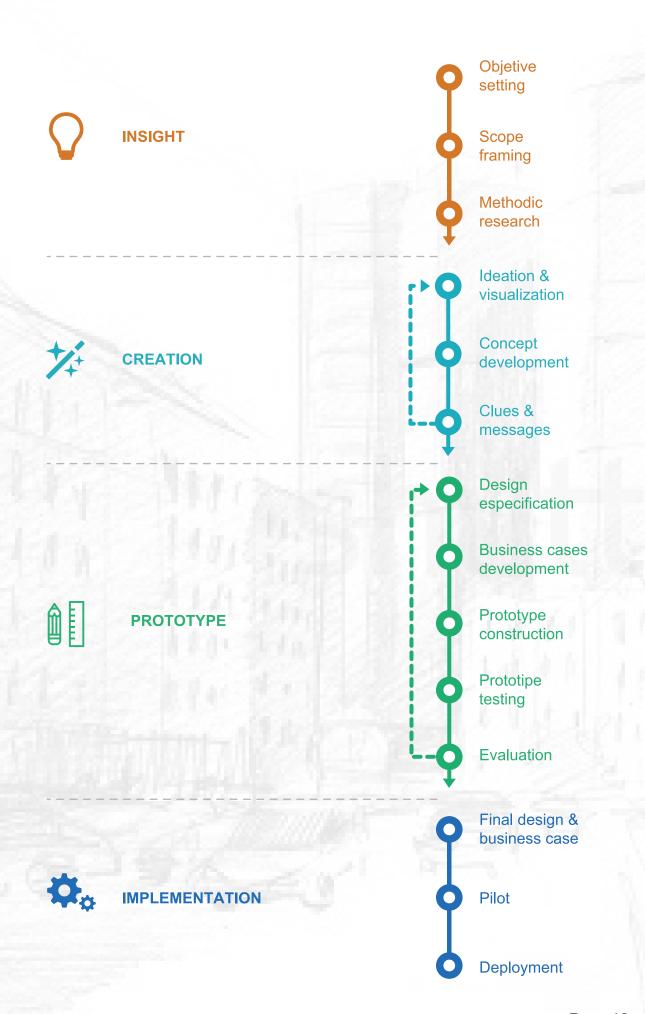
The prototype stage consists in the actual application of the concepts devised at the creation stage in the real world. A prototype is an element that allows visualizing an idea in a concrete way, that is why it is imperative to put additional efforts to achieve the highest levels of realism and accuracy so as to maximize the experimentation benefits.

- **1. Prototype Construction:** Before setting to construct, it is necessary to establish the variables and criteria that will be used for assessing the prototype and its functionality.
- **2. Testing:** Once the prototype is constructed, the next step is trying it on sample cases in order to gather relevant data and analyze results during assessment.
- **3. Evaluation:** The performance and functionality of the prototype are contrasted with the criteria initially established. Does it meet the needs? How is the concept reflected? Similarly, all the necessary adjustments are determined.
- **4. Design specifications:** All the technical requirements that must be taken into account when building the scenario where experiences take place are defined at this stage.
- **5. Business Case Development:** Finally, in order to accurately determine the cost-benefit relation, all the requirements demanded by the project are assessed and evaluated.

Implementation

Once the design has been validated through tests and the business case analysis comes to an end, the organization intervenes actively during the revising stage and the implementing process which consists of the following phases:

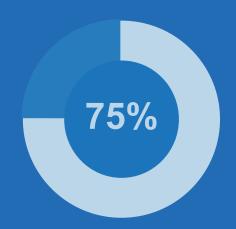
- **1. Final Design:** The project is integrated with the company's expectations and needs to define executing concerns all together.
- **2. Pilot:** The proposed design is executed in at least one service area. This execution is carried out by interacting with real customers who widely outnumber those at the prototype trial.
- **3. Deployment:** Once the successful implementation at the model service area is over, both the consultant and the organization work hand in hand to achieve scalability to the rest of the company's branches, to respond to challenges and setbacks inherent in each space, and to contribute to the training process.



7 Conclusion

Customers must be the protagonists of the service area design. Understanding what they say and what they do not, their behaviors and emotions are some of the keys to devising and implementing memorable experiences capable of instilling perceived values as well as providing competitive advantages to the organization.

According to Forrester research, 75% of companies have the goal of stand out from competitors through customers' experience.



The method presented in this whitepaper is Wavetec's scheme for assisting many companies undergoing service area management issues. The ability to contemplate all the variables that converge at the space configuration results in efficient results, which enables the implementation of a clear strategy to cater for all aspects involved in service experience and to get aligned with organizational results.

Take your company to the next level. Know the Wavespher e's solutions



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