PART ONE

The Problem and the Solution

CHAPTER 1

What Happened to My Customers?

It is probably normal for people to assume that the problems they face are tougher than those encountered by past generations. Perhaps it is a way of consoling ourselves for the difficulties we encounter and of fortifying ourselves psychologically for the challenges to come.

It is an especially tempting attitude for those of us who help to run organizations. We look back at the business world our parents participated in a generation ago—or, for that matter, at the worlds of education, health care, social engagement, or politics—and we wax nostalgic. Those were simpler times, we think, when the United States was on the rise, cities and neighborhoods were safe, incomes were growing, families were strong, and technology seemed to promise endless progress. By contrast, today's world—troubled by terrorism, international discord, increasing social and economic inequality, and hyperpartisan politics—feels like a much less friendly, secure place.

Pessimism isn't my thing. I've always been a great believer in the opportunities available to all of us, not just here in the United States but increasingly throughout the free world. Having seen how my own family rose from modest working-class status to success in the world of business through hard work, creativity, attention to the needs of others, and a bit of good luck—and having seen many others achieve just as much or more—I remain a partisan of the American dream. And being an optimist who believes that people armed with determination can overcome almost any difficulty goes with that territory.

Nonetheless, as a hands-on manager of a business (the Loews Hotel brand), as an active participant in the direction of that business's parent (Loews Corporation), and as a deeply engaged leader of one of

the world's largest and fastest-growing industry sectors (travel and tourism), I've been well placed to see the changes that the past two to three decades have brought to the business world and, more broadly, to the relationship between organizations of all kinds and the people they serve. And what I've seen has convinced me that, in some ways, today's business world is perhaps the most challenging in recent history.

Don't misunderstand me, we have plenty to be grateful for: the spread of economic and political freedom around the world in the wake of the collapse of the Soviet empire; the technological advances that have made both business and daily life far more productive, varied, and enjoyable than our parents could have imagined; the expansion of opportunity to American women, young people, and racial, ethnic, and religious minorities; and the steady increase in innovation that has created many kinds of new businesses, not-for-profit groups, and political and social organizations, all working to expand individual choices and advance human welfare. In many ways, the early years of the twenty-first century are an incredibly exciting time to do business.

But this is also an extraordinarily difficult time, filled with the challenges that come from change. In fact, some of the remarkable, positive developments mentioned in the previous paragraph are contributing to the strains that most organizational leaders are experiencing as they try to adjust to life in a rapidly evolving environment. Change is good, especially when it creates new freedoms. But change is also stressful.

Most leaders will quickly recognize the symptoms of the organizational stresses that have been caused by the economic and social dislocations of recent decades. They include:

- *Shrinking brand loyalty:* A generation ago, iconic American brands—from Coca-Cola, Ford, and Levi's to Sears, Zenith, and Kellogg's—ruled the world and commanded the lifetime loyalty of tens of millions of consumers. Today, customers seem to be ready to jump to the competition at the click of a mouse.
- *Increased price sensitivity:* Brand loyalty once commanded a price premium: Customers were willing to pay a little more for the

higher quality they associated with their favorite goods and services. Today, trained by years of price wars and discounting, customers are exerting intense, unyielding pressure on their suppliers to meet or beat competitive prices or lose the business.

- *Heightened competition:* Globalization, new media, technological and strategic innovation, and a global flood of capital seeking investment opportunities have spurred the emergence of new competitors in almost every business sphere from around the country and around the world. New kinds of competitors have multiplied—for example, if you run a local hardware store, you are now competing not just against other hardware stores but against Internet web sites, big box retailers, giant discount outlets, and individual sellers on eBay.
- *Increasing customer knowledge, skepticism, and power:* Today's consumers are more sophisticated than ever before. Raised in the world of Ralph Nader, *Consumer Reports,* and the Internet, they are accustomed to comparing products and prices, scrutinizing quality claims with a jaundiced eye, and demanding satisfaction when products or services fall short. And these attitudes aren't applied only to business. Citizens have become just as demanding and hard-nosed (some might say cynical) about government, social and civic organizations, and not-for-profit institutions.

As a result of these trends, it is getting harder and harder for businesses, not-for-profits, and government agencies, to understand, attract, satisfy, and retain their customers.* In fact, the basic connections between organizations and customers—once relatively powerful, long-lasting, and mutually beneficial—are increasingly breaking down. This disturbing trend is making itself felt in a host of ways.

* Those who are served by not-for-profits and government agencies are commonly referred to by terms such as *clients.* Throughout this book, however, I use the word *customers,* no matter whether for-profit businesses or other kinds of organizations are being discussed.

Desperate Companies: When the Old Connections Break Down

Launching successful new products has always been difficult. But the evidence shows that in recent decades it has become more challenging than ever. An authoritative 1991 survey by the Product Development and Management Association found that just 1 in 11 serious new product ideas is developed and brought to market successfully.[1] A more recent study by the respected Doblin Group, a Chicago-based firm that is a leader in innovation strategy, found that some 96 percent of all attempts at innovation fail to meet their companies' target rates for return on investment.[2] Thus, meeting your organization's growth objectives is no longer a relatively simple matter of developing a few spin-offs from already successful products or launching an exciting new brand. With store shelves already overflowing with thousands of goods and service offerings that jockey for attention, it is getting harder and harder to break through the new-product clutter.

For generations, organizations turned to traditional techniques of advertising and marketing to connect with customers. Now those tried-and-true business tools are losing their potency.

Not so long ago, if you were launching a new product or a new ad campaign, you could run a 30-second commercial on any of the three major television networks and be assured that you'd reach a huge swath of the national consumer market. Those days are long gone. With the proliferation of cable networks and the fragmentation of the mass audience, "you'd need to advertise on 92 channels to reach that same audience today," says one media consultant.[3]

After years in denial, today even executives at leading ad agencies are speaking about the crisis their industry is experiencing. Douglas Atkin, a partner and chief strategy officer at Merkley + Partners, speaks gloomily about the waning power of advertising and the growing complications in reaching out to customers:

> I used to be a brand manager at one of the most famous brand marketers of all time. In fact, they would claim that they invented brand marketing—Procter & Gamble. There was a time when there were just very, very simple ingredients to how you create a brand: You develop the best possible product; you have a great visual identity; you advertise the

> hell out of it; you get distribution and the right price; and it works. The consumer saw the brand in advertising, bought it at the store, and used it in the washing machine. Nowadays, the brand is communicated everywhere through word of mouth, through the impression in a retail store, through advertising, through guerrilla activity. In fact, actually the biggest stimulant for someone to buy something is word of mouth. Advertising is increasingly retreating as a persuasive media.[4]

Even as advertising retreats, other forms of communication are growing in importance. Unfortunately for leaders, they are often forms that organizations have little or no control over. Blogs—those interactive Internet web sites that anyone with a personal computer (PC) and a web browser can set up in just a few minutes—have now acquired the power to make or break brands and even companies overnight. Take a blog like *Gizmodo*. It's a popular guide to new high-tech gadgets and toys that boasts 1.5 million visitors every month. A reviewer on Gizmodo endorsed the company DiscHub, which makes a simple yet ingenious soft neoprene gadget for safely storing CDs, DVDs, and similar items. Almost immediately, hits on DiscHub's web site increased from 20 to 10,000, and today the company founder Jonathan Bruck credits Gizmodo with making the firm successful. Similar success stories have been attributed to blogs such as *MoCo Loco* (which reviews modern design and architecture), *Dailycandy* (which features clothes and cosmetics), and *Treehugger* (which covers environmentally friendly products).[5]

When an organization runs afoul of the blogosphere, the results can be disastrous. In September 2004, a maker of bicycle locks named Kryptonite was blindsided by a series of postings on blogs frequented by bike lovers that claimed certain models of Kryptonite locks were vulnerable to picking simply by using a plastic pen. At first, the company disregarded the furor ("It's just a few techies, no big deal"). But soon Kryptonite found its products being pulled off the shelves of bike stores and its sales plummeting.

Kryptonite has since recovered, introducing a new line of locks with the design flaw remedied. And they have also made monitoring of the blogosphere—and participation in blog forums about biking—a regular part of their public-outreach efforts.

With advertising in decline and consumer-driven communications growing in stature, some marketing professionals are waving the white flag. Martin Puris, founder of Ammirati & Puris, one of Madison Avenue's most venerable agencies, is among many advertising executives who are defecting to nontraditional media. Puris spent 30 years driving huge sales through great TV advertising based on simple, powerful slogans; he's the man who dubbed the BMW the "Ultimate Driving Machine." Today he calls TV the "dead zone." In partnership with John Bernbach, another pro with deep roots in advertising history (his dad helped found the legendary Doyle Dane Bernbach agency), Puris has launched a new company called Not Traditional Media (NTM) to focus on everything *but* traditional advertising. NTM is linking clients to customers through such innovative—sometimes untested—channels as light boxes in subway tunnels, product samples given to guests at extended-stay hotels, even TV programming targeting bedridden patients in hospitals.

Many organizations are testing the new nontraditional marketing and advertising channels that consultants like NTM are flogging. Some are giving consumers the power to create their own advertising. The Converse sneaker company has created the Converse Gallery, a web site where thousands of fans have posted 24-second video clips lauding the company's footwear. Some of these amateur films have been chosen to appear in Converse's TV ads. Many consider these do-it-yourself advertising programs a new and promising way of connecting to the passion that customers feel for their favorite products.

But they may also make organizations vulnerable to embarrassing mishaps. During the 2004 presidential campaign, the Republican National Committee (RNC) created a web site titled "Make Your Own Campaign Poster." It was a great way to tap the political passions of an election year—but the RNC was forced to shut it down when Democratic partisans raided the site and created snarky ads for the Bush/Cheney campaign with satiric slogans like "Ending our nightmare of peace and prosperity."[6] Giving customers the keys to your company may be a tempting notion in an era when company-driven communication is losing its power, but it also reflects the increasing fear of being out of touch with customers that many organizations are feeling.

Other organizations are trying techniques that are supposed to capture and harness the magic power of word of mouth that traditionally has been generated spontaneously through enthusiastic, self-motivated consumers. Now, however, word of mouth supposedly can be produced systematically and deliberately. One of the first to travel this path was automaker Toyota. In 2003, it launched its new Scion brand, aimed at a hip young audience of 20-something drivers, using a marketing campaign designed primarily to generate word of mouth. Sales reps in goatees and sunglasses were dispatched to bohemian neighborhoods in cities like New York and San Francisco to distribute Scion-branded music CDs, clothing gift certificates, and copies of alternative lifestyle magazines like *Urb* and *Tokion*—all to induce young people to take a test drive and talk about Scion with their friends.[7]

Toyota has retained and expanded this edgy marketing approach. When it introduced a new Scion model—the boxy Scion bB—in December 2005, the company initially pretended it was launching a new MP3 player to compete with Apple's iPod. Flyers and stickers implying as much blanketed urban neighborhoods to fuel rumors. Toyota even outfitted salespeople at 54 HMV music stores in Japan with shirts and bags carrying the bB logo. The truth didn't come out until the car was unveiled on December 26 at a Tokyo club—complete with a new pop single that a local band dedicated to the vehicle.[8]

Now Scion is going even further to generate buzz—into what online gamers call the *metaverse*. In July 2006, Toyota announced that the new Scion xB was being "released" for sale in Second Life and Whyville, two popular online fantasy communities—the first automaker to infiltrate these worlds. *Avatars* (online personas created by real-life, game-addicted humans) who "live" in these worlds can buy Scions, take out loans to help pay for them, customize their vehicles, and take their virtual friends for rides around cyberspace. Not a single *real* dollar (or *clam*—the official currency of Whyville) ever enters the coffers of Toyota from these fictitious sales. But the company hopes the strategy will generate even more talk about their brand . . . and, perhaps, real-world sales.[9]

Other organizations have taken notice of Toyota's word-of-mouth gambits and are experimenting with similar programs. There is even

an entire company—Cambridge-based BzzAgent—that exists solely to create not-so-spontaneous grassroots word of mouth for paying clients, turning curious consumers into what BzzAgent calls "trained and managed volunteer brand evangelists."[10]

Will these new techniques for connecting with customers produce lasting results? Who knows? The only thing that's for sure is that what used to work doesn't work any more; hence the search for something, anything, to take its place. Organizations are trying every established technique—and a host of new ones—to break through the commercial and communications clutter and reestablish meaningful connections with people.

The retail world is another arena where the current upheaval is being felt. More and more companies that once relied on traditional retailers, distributors, and marketers to bring their products and services to the world are now trying to bypass those middlemen. Companies want to connect with and sell to customers directly. The now ubiquitous phenomenon of e-commerce is a huge part of this trend. Almost every company has an Internet portal where customers can buy their products or services without having to visit a mall or downstore store (and perhaps being tempted by a rival company's wares). This isn't a risk-free strategy. Online selling direct from the maker has led to increasing channel conflict, as retailers who resent being cut out of transactions scramble to make up the lost revenues by downplaying brand-name merchandise in favor of their own branded products or no-name knockoffs that are "just as good" as the brand-name stuff.

Even more striking is the proliferation of branded stores highlighting the merchandise of a single manufacturer—sometimes just a few yards from a department store, big box retailer, or other outlet where the same products are also on sale. One of the first manufacturers to take this route was Coach, the maker of fine women's handbags and other leather goods, which opened its flagship store in Manhattan in 1981—just a few blocks from Bloomingdale's, the trendy department store that was one of Coach's best customers. The experiment proved to be successful for everyone: During the first year after the Coach store opened, sales of Coach goods at Bloomingdale's actually increased, thanks to strengthened brand awareness. Today, Coach has

over 200 stores of its own, and these outlets account for fully 75 percent of its $1.7 billion in annual revenues.

In the years since Coach broke the ice, many other manufacturers have opened retail outlets.[11] Some have been enormously successful, including the chic, high-tech Apple stores, the Lacoste sportswear shops, and the Lego "concept stores" where kids can experiment with the plastic building toys to their hearts' content (more on these in Chapter 3). Now more and more companies—from Sony and Dell to Eddie Bauer and Levi's—are launching their own strings of retail outlets, from conventional stores and kiosks located in leading malls to theme-based concept stores like "Niketown."

Yet some entrants in the own-brand retailing arena have flopped badly. Warner Brothers opened a string of stores to sell movie-themed merchandise linked to all the company's most famous franchises, from Batman to Bugs Bunny; the stores were shuttered after four years of disappointing sales. Similarly, Gateway Computer, after years of success in direct selling via phone and the Internet, found that its 322 Gateway Country Stores were nothing more than a costly drain on profits. Establishing a link to customers via direct retailing is not a cure-all for what ails today's struggling businesses.

Failures of the old customer connection paradigms are driving still other forms of business innovation. As fears of being out of touch increase, organizations are scrambling to revamp their market research programs, searching for clues to what drives the new and increasingly fickle breed of customer.

Traditional methods of monitoring consumer attitudes are losing their credibility. For example, more and more people are refusing to participate in polls and surveys, feeling fed up with a constant barrage of phone calls and direct-mail questionnaires from marketers eager to pick their brains. According to one market research expert, survey participation rates under 10 percent are now increasingly common. As a result, fully half of all survey responses are coming from less than 5 percent of the population—"professional respondents" who answer every survey they're sent. This narrow slicing means that the survey results—once relied upon by organizations to provide sound guidance for future strategies—are becoming less and less meaningful.[12]

Or consider the growing dissatisfaction with focus groups. For decades, they've been a staple of marketing efforts—an effective research window into the interests, needs, values, and preferences of consumers. But in today's volatile markets, more and more companies are finding the insights generated by focus groups increasingly unreliable.

In 2004, Pepsi tested a new cola called Pepsi Edge using focus groups. Consumers in the groups seemed to like the idea—a drink that tasted like Pepsi and had half the calories—and Pepsi launched the product with high hopes. But real-world consumers were confused about the drink's identity: Was it a diet soda? A regular cola? Some weird hybrid of the two? Why should they switch to it from the drink they now preferred? There were no clear answers, and the product flopped, costing Pepsi millions. Now instead of using focus groups, Pepsi is testing new product ideas with online panels of consumers whom they contact via instant messaging programs.[13]

Some of the new techniques for getting inside the minds of customers are almost goofy. Chrysler has hired Organic, an online marketing agency, to help it figure out the mind-set of what it believes—or hopes—are typical customers for its cars. As part of the process, Organic has created "persona rooms" that are supposed to capture the essence of fictitious individuals who exemplify Chrysler buyers. The prototype owner of a Jeep Compass is "Jenny," a seller of pharmaceutical products who lives in Atlanta, Georgia. Jenny's persona room is littered with artifacts of her busy, completely fictional life: a pet fish in a bowl, a copy of *Elle* magazine, a yoga mat, a *Sex and the City* DVD. "Roberto" stands in for all the buyers of the Dodge Caliber hatchback. His Boston apartment contains a generic pizza box, a glass stolen from a bar, and posters for the movies *Fight Club* and *Akira*.

Marketers from Organic and Chrysler huddle in these and other persona rooms, trying to channel the spirits of their customers and divine the proper marketing tools to reach them. Will it work? Who can say?[14]

As the changes in customer behaviors and attitudes spiral on, companies are behaving in increasingly desperate ways. Some are trying to imitate the power of grassroots communication (now often called *viral marketing*) by creating corporate web sites designed to look like fan

sites. Coca-Cola developed a fake "unauthorized" web site to promote a spin-off drink called Vanilla Coke. Dubbed vclounge.com, the site purported to be written by an insider at Coca-Cola to reveal the company's "insidious plan for world domination."[15] The hoax was quickly exposed, making the company appear less than hip, and Vanilla Coke was soon discontinued due to lack of customer interest.

More recently, a series of wildly popular video clips appearing on the YouTube web site has been revealed as a hoax orchestrated by a pair of Marin County filmmakers in an effort to find an audience—and ultimately a distribution deal—for their new movie. Millions of fans became obsessed with "lonelygirl15," who posed her moody musings on YouTube in the persona of a repressed home-schooled teenager eager to find friends in the larger world. In one sense, the hoaxsters achieved their goal: "Lonely Girl" became famous, and the chances of a movie deal have certainly improved. But is tricking customers a sustainable strategy or simply an invitation to backlash? As one technology column noted, "Whether fans, whose disbelief in lonelygirl15 was not willingly suspended, but rather teased and toyed with, will embrace the project as a new narrative form, condemn it, or simply walk away, never to be fooled again, remains to be seen."[16]

Then there's the story of America Online (AOL), the once-dominant online service now struggling to retain customers and practicing policies seemingly designed to make it difficult for disgruntled customers to cancel their memberships. Cancellation requests are handled by "retention consultants" who receive bonuses based on their ability to talk customers out of quitting. This reportedly has led to many customers who continue to get billed even though they are convinced they have canceled their service.

In 2004, the company signed an agreement with the Federal Trade Commission to stop making it hard for customers to quit; a year later, it reached a similar agreement with New York State's then-district attorney (now governor) Eliot Spitzer and paid a $1.25 million fine to the state. Nonetheless, complaints keep coming, including a famous blog posting by 30-year-old Vincent Ferrari of the Bronx, who posted the audio file of his 21-minute struggle to cancel AOL online, embarrassing the company. This is the mark of a company desperate to keep

its link to customers alive while behaving in ways that only increase the alienation.[17]

A Fresh Start—Getting Back to Basics

There's no use longing for the return of the good old days. The new world of electronic information and global competition is here to stay. Customers will no longer simply gravitate to the brands, products, services, and organizations their parents trusted. Instead, they will continue to experiment, change, talk back, and exercise their new-found freedom of choice in ways that make life for organizational leaders increasingly challenging.

In response, we need to learn new ways of creating stronger, longer-lasting ties with our customers. It is no longer enough to manufacture fine products or provide good services. We need to help our customers improve their lives—one experience at a time. After all, that's what made them try our products or services in the first place. And that's what will make them loyal customers again—provided we learn how to do it right.

The truth is that today's rapidly changing world, which is making life so difficult for those of us who run organizations, is also making life hard for our customers. We are not the only ones who find the twenty-first century stressful. In a world that is:

- Increasingly hurried,
- Painfully insecure (especially post-9/11 and post-Katrina),
- Physically and mentally exhausting,
- Socially and economically fragmented, and
- Psychologically and emotionally demanding.

Millions of people are desperately in need of opportunities to feel:

- Free from time pressure,
- Safe and secure in their surroundings,
- Pleasantly stimulated, physically and mentally,
- At peace with themselves and others, and
- Ready to be open-minded, creative, and productive.

Organizations that can provide such opportunities by reimagining the customer experience—whether they are businesses, nonprofits, or government agencies—will attract an enormous number of customers in the years ahead and keep them coming back.

The ability to create comfortable, intimate, exciting, and rewarding life experiences for customers is the crucial organizational skill for our time. Many of today's smartest companies are already acting on this insight, finding innovative ways of getting inside the minds of customers and responding to the needs and desires they discover there.

Take Procter & Gamble—the great company that Doug Atkins once worked for, whose traditional formula for success has lost its potency. By the 1990s, Procter & Gamble's sales growth had stagnated. Spin-offs of the company's great brands were cannibalizing other product sales instead of driving impressive growth. Even when the goods were of high quality—which they usually were—advertising alone wasn't attracting the attention of shoppers.

To adjust to the new reality, Procter & Gamble has had to change its attitudes and its approach to business. Patrick Whitney, director of the Institute of Design at Illinois Institute of Technology, describes the old mind-set: "P&G had the best chemical engineering and marketing operations in the country. It didn't care about the user experience." But by the 1990s, the company had recognized the need for change: "It had to create new products, and to do that, P&G had to get closer to the consumer."[18]

To their credit, the leaders of Procter & Gamble didn't use Internet hoaxes, make-believe word-of-mouth programs, or attempts to force customers to keep buying from them. Nor did they simply create persona rooms to help them understand imaginary customers. Instead, they launched a major effort to live with, talk to, and observe real customers around the world.

Procter & Gamble sent designers and consultants to homes in Europe, Asia, and North and South America to watch people cleaning their bathrooms, mopping their floors, and doing their laundry. They noticed how the products people used worked well, how they didn't, and what frustrations and irritants were built into these

everyday experiences. Based on these studies—almost anthropological in their depth—Procter & Gamble designers created prototype products and brought them into still more homes for testing in real-world settings. It wasn't enough, they knew, to design products with great attributes. Those products had to deliver results that people would appreciate, even cherish.

The results have included such successful innovations as "Mr. Clean MagicReach," a hand-operated cleaning tool for bathroom walls and showers with a detachable four-foot pole; "Tide Buzz," an ultrasonic wand that uses Tide cleaner to remove stains from garments; and the "Swiffer" electrostatic floor sweeper that has become Procter & Gamble's newest billion-dollar brand. Company CEO Alan G. Lafley deftly summarizes the new wisdom that is driving Procter & Gamble's reinvention: "People remember experiences. They don't remember attributes."[19]

Other companies are following a similar path. Kimberly-Clark, maker of Huggies diapers and other baby products, found its sales slipping. To reverse the trend, the company resorted not to traditional focus groups or surveys but to an innovative technique to get inside the customer experience: They mounted a camera and microphone on a pair of glasses for parents to wear as they cared for their babies at home. The system allowed Kimberly-Clark researchers to see and hear what customers saw and heard, and it soon unearthed an unmet need. Moms, it seemed, were struggling to open packages of wipes and pour out lotions while holding babies and diapers awkwardly on beds, floors, and tabletops. The company responded by redesigning their product containers for easy grabbing and dispensing with one hand.[20]

This new wave of customer-centered innovation isn't occurring only in the packaged-goods arena. In my own field of hospitality, Marriott, a longtime pioneer and industry leader, has developed new design concepts for the lobbies of its Marriott and Renaissance Hotels with input from a team developed by IDEO, Inc., the well-known design consulting organization. IDEO sent seven consultants—one an anthropologist—on a 6-week, 12-city tour to watch travelers interact with public hotel spaces, from lobbies to cafés to bars. They noted what

was good about the customer experience and what was not so good; for example, few lobby spaces were comfortable for conversations, reading, small meetings, or private work sessions. As a result, the new lobby areas that Marriott is creating will include "social zones" for informal meetings and semiprivate work areas with plenty of room for laptops, papers, and coffee cups.[21]

You don't have to employ an anthropologist to develop meaningful insights into the customer experience. It helps if you are a customer yourself. As a hotelier, I approach every travel experience in the spirit of research. When I stay in one of our Loews Hotels (or when I visit a city where no Loews Hotel is currently available), I take detailed mental and written notes about the quality of the experience, from my interaction with Loews coworkers at check-in or meals right down to such details as the water pressure in the shower, soundproofing in the bedroom, and colors in the living room that are conducive to a relaxing evening. The other executives from Loews' home office also act as customer surrogates; in fact, we have a checklist they use for rating every element of each hotel they visit. They offer the results to the general manager and operations manager of the hotel for them to consider and learn from. These notes often become the basis for our next hotel restyling or, perhaps, for a simple upgrade of the amenities in a single room or suite.

I also encourage everyone who works at Loews to take seriously any input we receive from customers about their experiences with us. You don't have to be an anthropologist (or a CEO) to have powerful insights about the customer experience, you just need to be human.

Creating great customer experiences is a challenge that hospitality industry leaders have long understood. Now it is one that leaders in every arena need to focus on. It is the only real solution to the crisis of change that is battering almost every kind of organization in our fast-paced world—and the only way to reestablish and maintain powerful connections with the customers who make our work possible, meaningful, and profitable.