

Creating a Culture-First Approach to CUSTOMER EXPERIENCE

BY ANTONIA HOCK

The Ritz-Carlton approach creates engaged workers who in turn create happy customers.

Conventional approaches to building a customer-centric culture involve topics such as putting the customer first, building business units that obsess over customer needs, deploying technology platforms that appeal to every customer need, and creating programs that link customer preferences to corporate priorities.

While all of these are important initiatives, none of them will ever be sustainable without the commitment and conviction of the people who design, build, and implement the programs and serve the customer every day. Regardless of the industry or market segment, building a world-class culture based on shared values, inclusion, compassion, and lateral service must come before any customer-centric focus in order to drive real success.

Much has been written about the importance of culture in business environments, but great cultures where employees love to come to work and advocate for a brand are elusive. Building a customer-centric culture requires relentless discipline and commitment to the health of a tribe of people, and decisions must be consistently and enduringly upheld.

CUSTOMER EXPERIENCE AND THE RITZ-CARLTON

One of the most studied cultural phenomena in the business world is The Ritz-Carlton. For more than 30 years, this company has been delivering exceptional customer experience (CX) through a culture-first approach that wins J.D. Power awards for best-in-class service and countless other top accolades.

Why is The Ritz-Carlton so successful when other organizations struggle to build—never mind sustain—an exceptional culture? After studying The Ritz-Carlton approach and implementing it for other companies, it comes down to a simple principle: The hotel chain has adopted an approach to culture creation that makes that process tangible and executable for any organization willing to implement with discipline, which can be deduced into the following core values:

Hire for culture first. Vocational skills can be taught and refined over time. Attitude, selflessness, compassion, positive outlook, work ethic, and heart for serving others are essential to creating a powerful foundation for CX, and those cannot be taught. Today, there are many tools and approaches that allow companies to adopt a model of cultural fit during the hiring process.

For companies that have a legacy workforce in place, there are many opportunities to engage existing employees in the culture refinement process to ensure co-creation and buy-in. Over time, strong cultures will self-select out employees who do not fit. When culture comes first in every aspect of the organization, a consistent brand experience is produced that makes it much easier to implement and sustain customer-facing programs.

Create emotional connections to the brand. Employees that are strongly connected to your company through a set of positive emotional experiences will express that positive experience to others. The employee experience should be treated as an emotional engaging journey that starts from



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the hiring process and continues through onboarding to anniversary celebrations, community service commitments, and recognition—every aspect of the employee’s journey.

If you treat each employee program as an opportunity to create an emotional event, you will then have a workforce that is not only personally connected to the brand but also your biggest and most authentic ambassadors.

Implement the CX foundation with lateral service, empowerment, and first-party resolution. These three important principles stand out as nonnegotiable foundations that all brands should consider embracing if they want to create a meaningful and sustainable customer-centric culture.

Lateral service is the idea that any employee should be willing to step up and help another employee complete a task or a job at any time, regardless of role or level. This

means that on a hotel property, a bellman might assist a front-desk agent during a very busy time—without being asked—because he or she simply cares about taking care of the other employee and knows that this will create a better environment for all. This principle is core to CX because it enables load balancing for care of customers at critical moments that can otherwise produce failures in the system.

Lateral service also strengthens teamwork and produces an environment of gratitude and support, driving closer bonds between employees. Creating this environment has a long-term impact on lower attrition, employee satisfaction, and positive customer brand impressions—all of which impact the bottom line.

Empowerment is a core feature of creating a culture of trust and service. At The Ritz-Carlton, this operating principle means that each employee, regardless of level, is authorized and empowered to resolve, delight, or serve customers using the financial and human resources of the company without prior approval. This company-wide commitment underpins the ability of each employee to be a key architect of creating memorable experiences for guests.

Empowerment also allows employees to guard the reputation and service recovery that are hallmarks of an excellent service. This principle does something critically important to all great in-person CX: It gives employees the mandate and the confidence to act on behalf of the company.

Imagine that as a restaurant employee, you learn that a customer is planning to propose, and you are empowered to create a beautiful moment for that customer without asking

for approval. Or as a hotel employee, you discover that a guest has a sick child and send up books and chicken soup—again without red tape and approvals. These small gestures are what great CX is built on. Not only does the employee feel great about having the trust of the company to be responsible and creative, but the customer enjoys personal, thoughtful, human-to-human experiences.

Empowerment also ensures that when a problem arises, customers feel that same level of commitment, concern, and resolution from any employee they encounter. This stands in strong contrast to the common practices of “manager-only” resolution and impersonal, dispassionate, uncaring service provided by most companies. Many companies find the concept of empowerment daunting and potentially fiscally dangerous, but with the right hiring practices and cultural norms, you can prove out that this model is great not only for customers and employees but also for business.

First-party resolution focuses on ensuring that when a customer expresses a need or a concern to an employee, that employee resolves it without passing it to another person. This is directly tied to the concept of empowerment—the employee must have the power to resolve the concern and the mandate to step away, if required, from a current task to be able to activate the resolution.

Studies show that first-party resolution has a tremendous positive impact on satisfaction scores and brand loyalty. Customers do not want to be passed around to someone “authorized” to take care of their requests. This approach is disrespectful of the customer’s time and creates a palpable boundary between the customer and process of resolution. Instead of a quick, positive experience that demonstrates caring and commitment, companies that “pass a customer around” drive a transactional mentality that can destroy brand connection.

Build anticipatory service. Anyone can ask, “How may I help you?” The magic of superior service, and ultimately superior CX, is being able to anticipate needs and desires. This anticipation requires a workforce that fundamentally wants to read human behavior and make calculated decisions about what that behavior might tell us about an individual.

As an example, if I see you in running shoes and workout clothes, I might want to offer you a running trail map and bottle of water. In our impersonal, transactional, robotic world, this type of behavior stands out and creates a special connection and brand memory that can’t be derived any other way.

This also applies to online, digital, and app experiences. The more you can personalize and anticipate a need, or surprise and delight through those channels, the deeper the relationship you can drive. If you are investing in chatbots, go the extra step and invest in machine learning that can assist in making the bot engagement personal and relevant based on online behavior. If I have a size 8 and a size 7.5 shoe in my

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cart, I might be struggling with my sizing. Anticipate that from my online behavior and suggest a solution or option for me through the bot.

Whether you are implementing a chatbot or driving an in-person connection, both channels reflect your culture and the value you place on genuine connections. This culture is clearly visible to your customers and guests, and ultimately drives a special sense of being “known” and “understood” in consumers that differentiates a brand from the competition by tapping into fundamental human psychology.

Create the psychological power of belonging to a tribe.

Sociologists have studied groups, tribes, and communities for decades, and the power of human belonging cannot be understated. If you can recruit, hire, empower, and maintain an employee base driven by shared values, you will inherently have a workforce dedicated to delivering great experiences to each other and to customers.

Also, with that dedication comes the positive peer pressure and corporate norms that will become a self-reinforcing culture without heavy corporate regulation or bureaucracy.

Delivering great CX is a source of “tribal” pride and belonging, and it’s why no company can afford to make a strong, positive cultural identity less than a critical priority.

Creating an exceptional culture that builds a cohesive organization may take time and a long-term commitment, but the payoff to any brand or company is felt through the customer experience. Culture can be operationalized and executed by focusing on a set of strong principles and then implementing them with consistency and conviction.

The payoff comes through brand loyalty and long-term relationships with customers, lower turnover with employees, and market differentiation in a largely transactional world. All of these translate to financial results because great culture is great business. [AQ](#)

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