



Brand Experience Index 2016

RUFUSLEONARD



BRAND
EXPERIENCE
INDEX

It's a truism to remark how much digital is changing our lives. But that doesn't make it any easier to keep pace with the way it changes consumer relationships with brands. As digital increases the quantity and quality of brand touchpoints, experiences are swiftly becoming central to driving brand loyalty. The Chartered Institute of Marketing reported earlier this year that four in five marketers now believe experience is a stronger driver of brand performance than communications.

Forging meaningful brand experience means wrangling often-siloed departments across an entire business. This is both a daunting and exciting prospect. By developing a measure of brand experience that shows how it drives business value, we hope to inspire businesses to create brand experience that makes a genuine difference to people's lives.

Laurence Parkes
Chief Strategy Officer

Acknowledging the growing interest in brand experience, in March 2016 The Chartered Institute of Marketing published a report analysing the opinions of 2,200 marketers.

We found that only a third of marketers believe the employees in their organisation understand how to deliver the brand promise to customers. Two thirds believe their senior leadership team see brand only as a tactical, communications or identity-focussed concept Crucially, we discovered that less than half of marketers feel equipped to measure how the quality of their brand experience impacts business value.

So we are extremely pleased to see an agency like Rufus Leonard advancing efforts to effectively measure this holistic concept and show how it can impact business value. Hopefully, these efforts will provide marketers with the framework and evidence to help embed brand thinking across all the business functions required to deliver experiences that customers expect, from the leadership team all the way to the colleagues who interact directly with customers.

Steve Woolley

The Chartered Institute of Marketing

Contents

Foreword

Introducing the Brand Experience Index	06
Creating the BXi	07
The facets explained	07
Analysing a brand's facets	08
How the facets drive marketing metrics	12
The value of the BXi	13
Our methodology	14

The report 2016

The league table	16
A first look at cross-sector BXi	17

Retail

What retail brands can learn from BXi	21
How retail brands can improve	22
BXi champion	23
Creating the Ikea brand experience	25
The bottom line	26

Telecommunications

What telecommunication brands can learn from BXi	28
How telecommunication brands can improve	29
BXi champion	30
Creating the giffgaff brand experience	32
The bottom line	33

Airline

What airline brands can learn from BXi	35
How airline brands can improve	36
BXi champion	37
Creating the Singapore Airlines brand experience	39
The bottom line	40

Conclusions

Conclusions	42
-------------	-----------

So what next?

Think	44
Do	45
Connect	46
Feel	47
Sense	48
Timetable for future reports	49
Contact	50
Thank you	51



Introducing the Brand Experience Index

At Rufus Leonard, we believe that a brand is the sum total of all the touchpoints its customers experience.

How a brand presents itself, in advertising, communications and so on, creates expectations. But it is the experience itself, consisting of products, services and interactions, that determines whether customers engage, develop loyalty and recommend the brand to others.

As experts in both brand and digital design, we have always been interested in how business value is created by delivering brand promises through experiences. Measures of customer experience often focus on the digital and operational aspects overlooking brand as an enabler of a holistic experience. For this reason, we use the term 'brand experience' to emphasise the quality of engagement.

Our Brand Experience Index (BXi) is designed to create a single, comparable metric that captures how well the brand promise is actually delivered in the customer experience.

The BXi is the only index of its kind that measures what customers actually encounters in the brand rather than their evaluation of the brand activities. This ensures that the BXi can be used to achieve brand experience excellence, without the need to adhere to a specific or limiting customer experience framework. It gives us a unique insight into the effect the brand has on its consumers and how it can deepen its connection with them.

Rufus Leonard has always taken pride in helping our clients take decisive action. To this end, we have designed the BXi to be actionable. In our one-day BXi workshop, any brand team can uncover deep insights into their brand experience and identify immediate actions to improve that experience. If you are interested, we would love to hear from you.

Email marketing@rufusleonard.com.

Creating the BXi

Our starting point

In our search to find ways to measure brand experience we came across a 2009 paper by Brakus, Schmitt and Zarantonello.¹ It identified a number of dimensions to brand experience, and proved that they drive a variety of loyalty metrics. We have built on this work to create an overarching and ongoing index.

Introducing the brand experience facets

We believe brand experience consists of five facets - Think, Sense, Feel, Do and Connect - which represent the key ways in which people become engaged with a brand. Together, they form a brand's topline BXi score.

The facets explained



Think

Sets expectations

Clearly communicate your brand purpose. Help people imagine what to expect from your brand experience.



Feel

Creates emotions

Foster positive associations through emotionally-driven experiences. Show empathy based on deep consumer insights.



Sense

Stimulates the five senses

Engage customers through sensorial touchpoints (sight, sound, touch, taste, and smell) and immersive experiences.



Do

Enables behaviours and lifestyles

Facilitate action with seamless experiences, personalised moments and journeys with strong calls to action. Find new ways to solve the important problems.



Connect

Inspires social connection

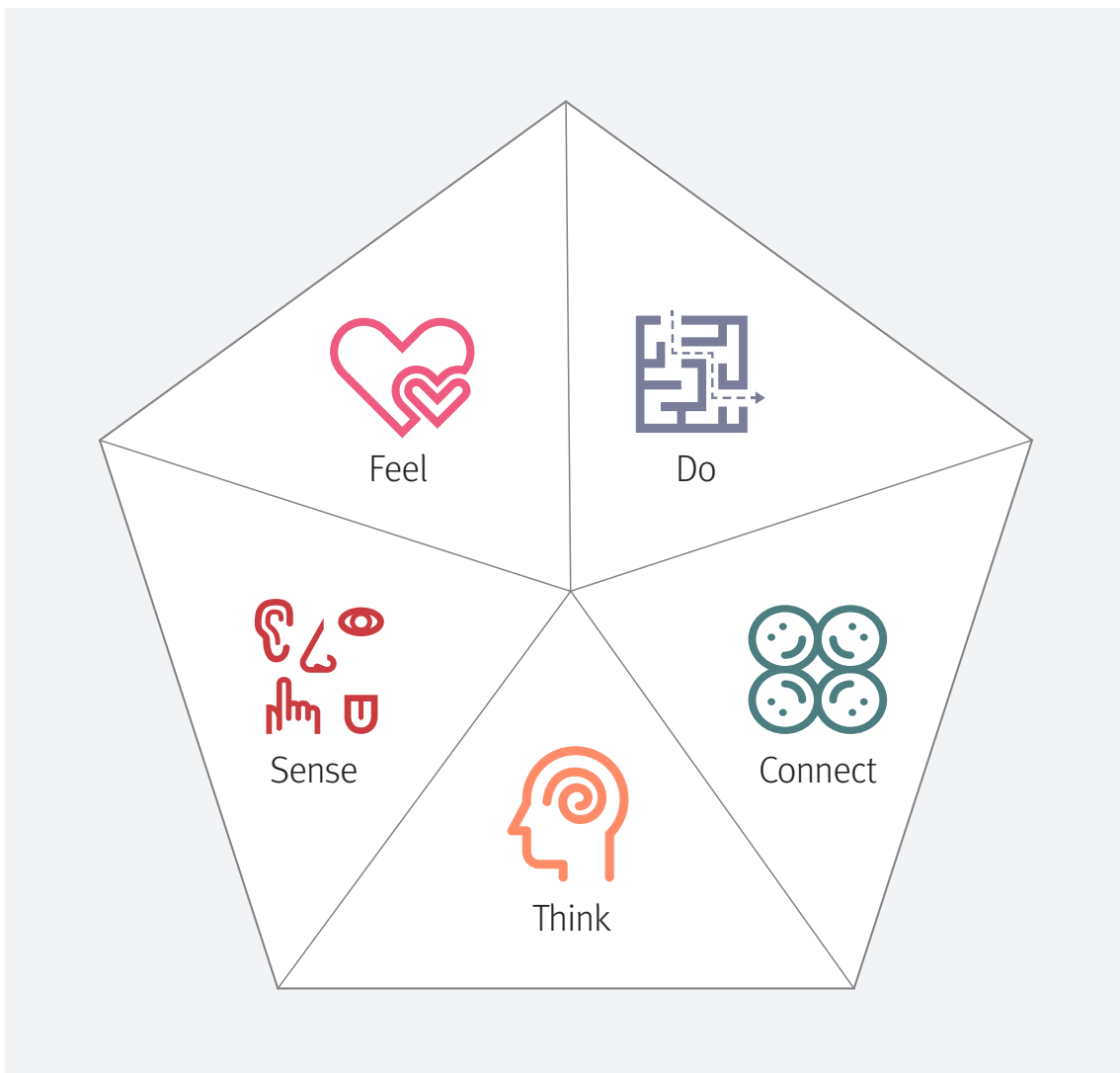
Provide a social identity, bring people together and encourage a sense of belonging.

¹Brand Experience: What Is It? How Is It Measured? Does It Affect Loyalty?

Analysing a brand's facets

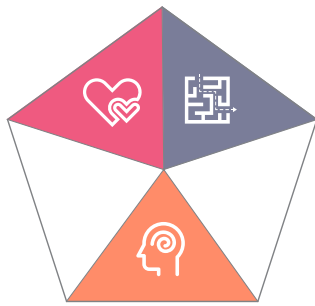
1.

When combined, the five facets represent the entire brand experience for a consumer.



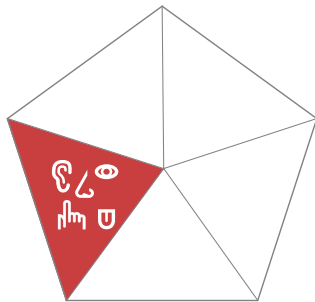
2.

Our findings show that to succeed a brand needs to be strong in all five facets. Every aspect of a brand experience must be developed and refined, so that together they form a cohesive whole. To help demonstrate this, we can describe how weakness in one facet can impact a brand overall.



Think, Do and Feel

A brand which is strong in Think, but not Do or Feel has customers that know why it exists but not why it's relevant to them. The reverse (a brand which is strong in Do and Feel but weak in Think) is equally problematic. Many studies have shown how important a sense of purpose is for inspiring staff and consumers². If a brand is strong in Do but not Feel, it is delivering a useful, functional experience, but not building an emotional connection with its customers. The result is a commoditized product and an absence of true brand experience. A brand without Do, on the other hand, is not solving its customers' problems.



Sense

While Feel centres around the emotional connection, Sense describes the physical sensations. To have your sense stimulated leads to deeper involvement and engagement. For example, a recent trial by Nike showed that adding scents to their stores increased intent to purchase by 80%³. Mobile device penetration mean that we interact with brands stimulating our senses at all times of day. Sense has become ever more important. A brand without Sense is dull.



Connect

Brands continue to help people define their identity, as traditional tribes (geographical, political, ethnic) break down in the face of globalisation. Humans are social creatures and social proof is a key driver of the value of brands. Building on this to create a community around a brand helps drive advocacy.

² <http://www.slideshare.net/londonbusinessschool/the-importance-of-the-sense-of-company-purpose-london-business-school-bsr>

³ <http://www.independent.co.uk/news/media/advertising/the-smell-of-commerce-how-companies-use-scents-to-sell-their-products-2338142.html>

3.

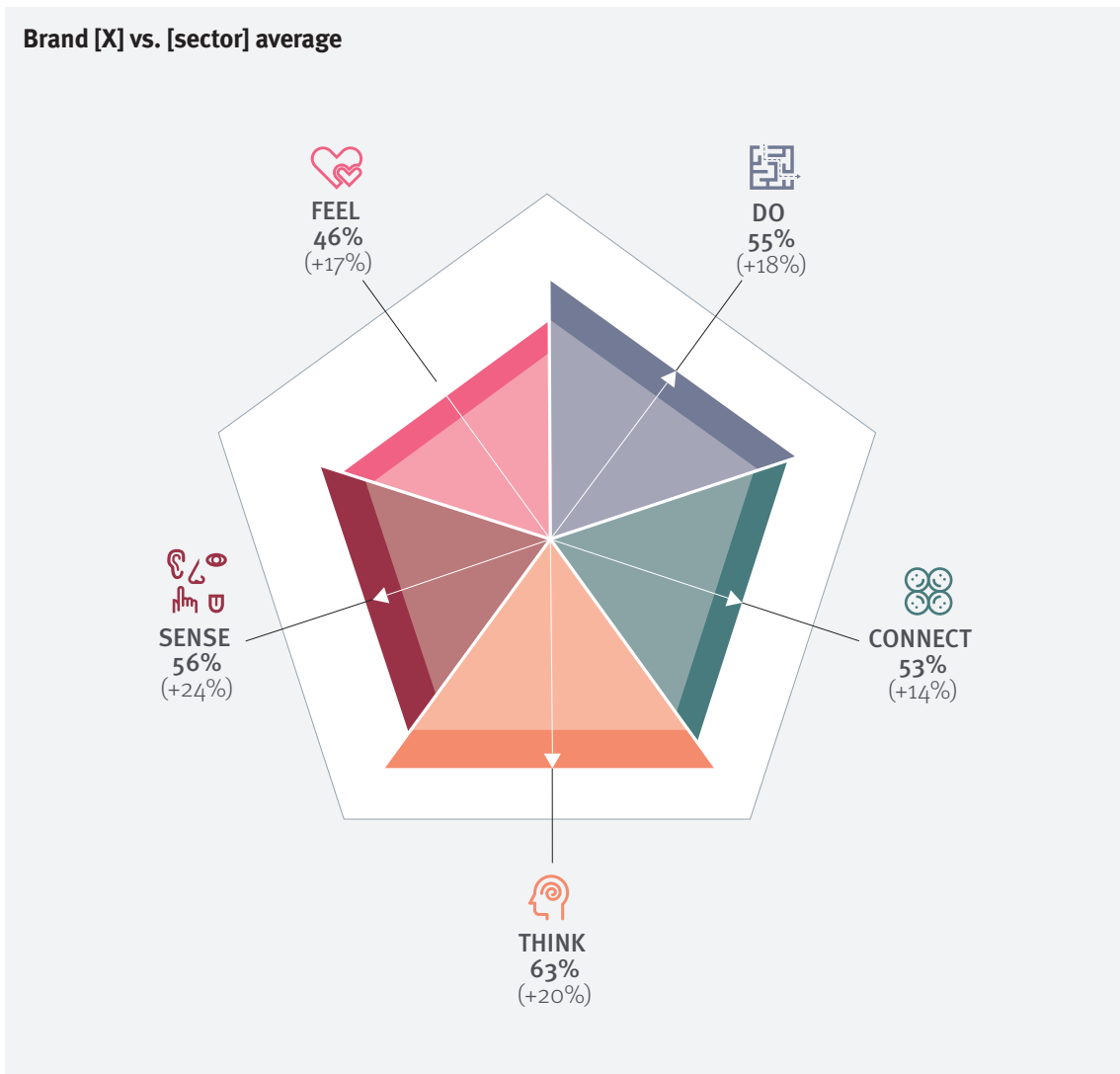
We measure each brand's facet performance with its customers this way we can see where a brand is weaker or stronger. Adding all facets scores together gives us the topline BXi score.



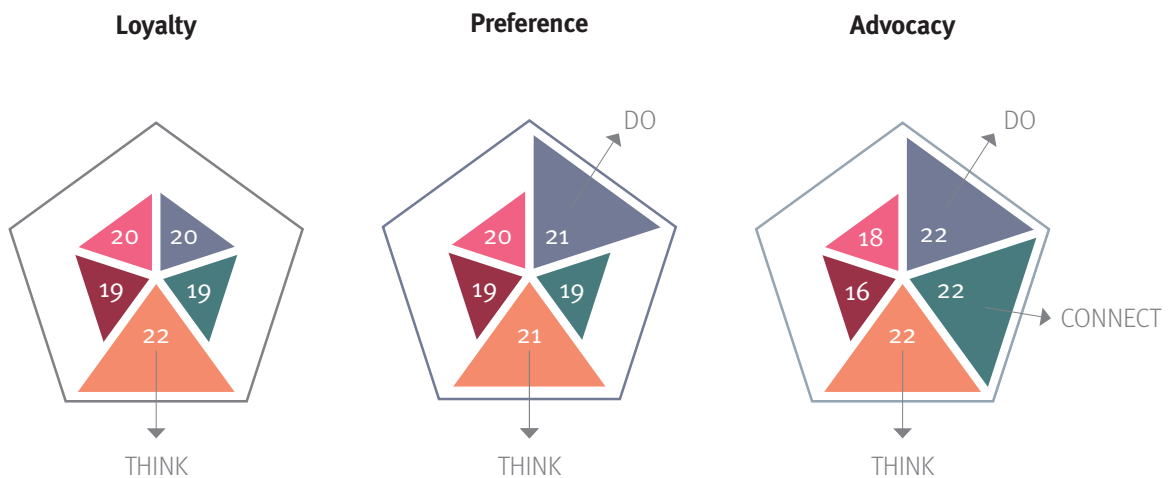
4.

We then present the relative performance of a brand in comparison to its sector average. This means we are comparing the brand to its closest competitors. We rate the performance of the

percentage of customers that give the brand a score of five (out of seven) for each facet. We will show the brand's absolute facet score and its variance from the sector average.



How the facets drive marketing metrics



In our research we also asked customers about their loyalty to each brand. To capture the various ways loyalty can be defined, we asked three marketing metric questions around their future purchase preference, claimed loyalty and likelihood to recommend (Net Promoter Score).

The chart above indicates the relative importance of each facet in driving success in the three marketing metrics. While it's clear that some facets drive some metrics more than others, it's clear that the greatest benefits will be gained by thinking about all five brand experience facets together. That said, if you need to drive a specific metric, it's good to know which facet(s) you should be focusing on.

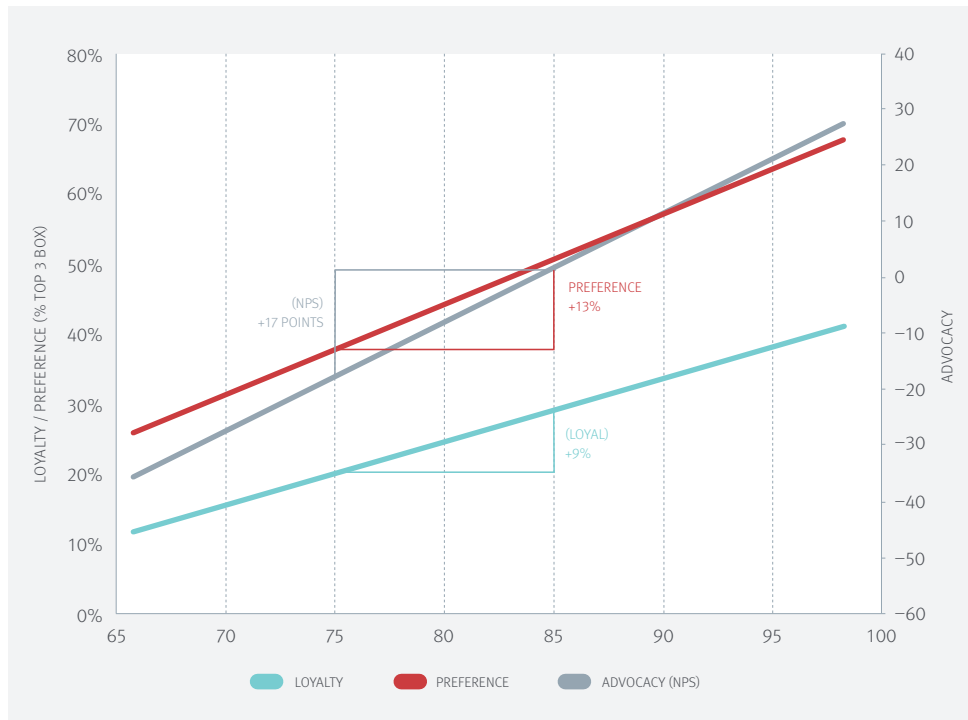
Think (using brand purpose to set expectations) is the strongest facet for driving all the marketing metrics we included in the study.

Future preference is often driven by whether a brand has effectively solved someone's problems in the past, so Do joins Think for driving this metric.

Advocacy – the act of recommending a brand to others – is driven strongly by Think, Do and Connect. If a brand has solved your problems (Do) you may want to share this with others. If a brand connects you with others (Connect) you're more to talk to others about it.

The above data looks at the BXi average across all sectors but we can also analyse the data at an individual sector and brand level. For example, should you wish to drive a particular marketing metric in your sector and for your brand, we can tell you (as part of our one day BXi workshop) which facets you should aim to drive first.

The value of the BXi



Brakus, Schmitt and Zarantonello proved that several dimensions of brand experience positively impact brand loyalty. We wanted to prove its importance in relation to the marketing metrics that are most relevant to today's marketers. We found a strong, statistically significant correlation between the BXi and future preference, loyalty and advocacy (as measured by NPS) scores.

A 10-point increase in BXi represents:

- a 13% increase in agreement "this brand will be my first choice in the future" (preference);
- an 9% increase in agreement "I will be loyal to this brand in the future" (loyalty);
- an increase of 17 points in NPS (advocacy.)

However, we wanted to take this thinking further. We have partnered with Brand Finance (a highly respected independent brand valuation consultancy) to explore the impact of BXi on the bottom-line value of a brand. We are still in the process of analysis but early indications are promising. For example Brand Finance found a correlation between the BXi scores and load factors of the low-cost airlines.

Based on this correlation, and the impact of load factor on market capitalization, they postulate that a 1-point increase in BXi score could lead to a business value increase of as much as \$99m in the case of Ryanair

Our methodology

This inaugural BXi report focuses on three sectors: retail, telecommunications, and airlines. We chose sectors that provide essential services, elicit strong emotional reactions – both positive and negative – and deliver multichannel brand experiences. Within each sector we selected up to 10 brands for analysis from high-revenue established brands to the start-up, high-growth challengers.

Our methodology analyses how a customer responds to a brand experience, rather than analysing how a brand chooses to deliver its experience.

In March 2016, we recruited an online sample of over 2000 UK participants who were nationally representative in age, income, location and gender. All were recent customers (had experience within the last six months) of the brands they assessed. Each brand had a robust sample of 200+ respondents.

We asked them 20 facet questions and 5 marketing metric questions covering: customer satisfaction, 1st choice preference, claimed loyalty and advocacy (NPS).

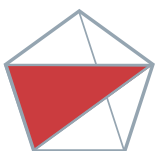
All responses were plotted on a Likert type seven-point scale (except the NPS question which was asked on a 10-point scale).

The BXi Score is out of a total of 140 with the lowest possible score being 20.



The 2016 Report

RUFUSLEONARD





BRAND
EXPERIENCE
INDEX

The league table

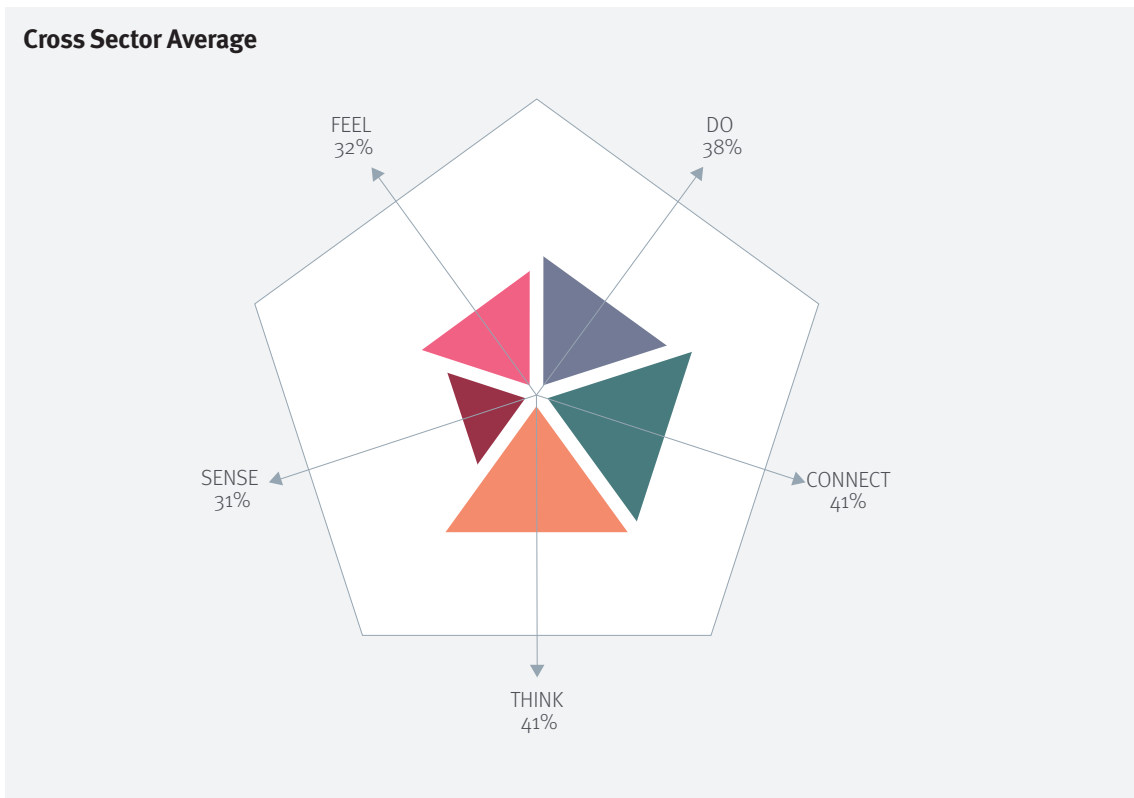
Champions = ≥ 5 points over average

Average = 80

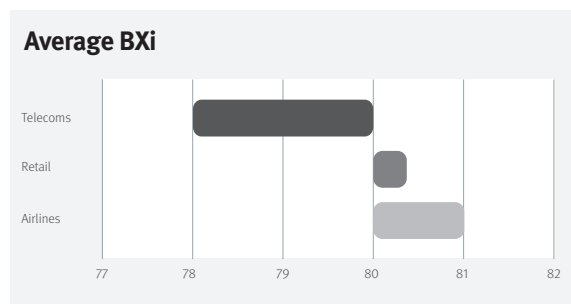
01  SINGAPORE AIRLINES 96 points	02  Lyca mobile 94 points	03  giffgaff™ 92 points	04  IKEA 91 points
05  Emirates 90 points	06  virgin atlantic 87 points	07  John Lewis 87 points	08  sky 84 points
09  EUROSTAF 84 points	10  BRITISH AIRWAYS 82 points	11  M&S EST. 1884 82 points	12  Lufthansa 81 points
13  Virgin media 80 points	14  B&Q 80 points	15  Currys PC World 79 points	16  Poundland 78 points
17  HOMEBASE 78 points	18  Thomson Airways 78 points	19  3 77 points	20  HOUSE OF FRASER SINCE 1849 77 points
21  O ₂ 76 points	22  Argos 76 points	23  Thomas Cook 74 points	24  DEBENHAMS 74 points
25  easyJet 71 points	26  vodafone 71 points	27  EE 71 points	28  BT 68 points
29  TalkTalk 67 points	30  RYANAIR 66 points	<ul style="list-style-type: none">  Airline sector  Retail sector  Telecommunications sector 	

A first look at cross-sector BXi

By taking an average of facet scores across all three sectors, we can see how brands in all sectors would benefit from greater attention to Sense and Feel. Although less influential in driving marketing metrics, there is still considerable ground to be gained from these brand facets.



There are interesting differences between the three sectors we researched. Overall, airline brands have significantly above-average BXi scores, while telecommunications brands underperform. There are several reasons for this variation.





📶 Telecommunications

The average BXi performance for telecommunications brands is below the overall average, with four brands well below the BXi average negating the effect of the two stand out performers (Lycamobile and giffgaff). Given the struggles that the sector has had in customer service, this is not surprising. As we will see later in the report, as well as the cross-sector weaknesses in Sense and Feel, this sector is weak in Think. This suggests that brands lack clarity when communicating their brand purpose and point of difference. This lack of differentiation across the sector is a real challenge for these brands, and it continues to damage their retention efforts.

✈ Airlines

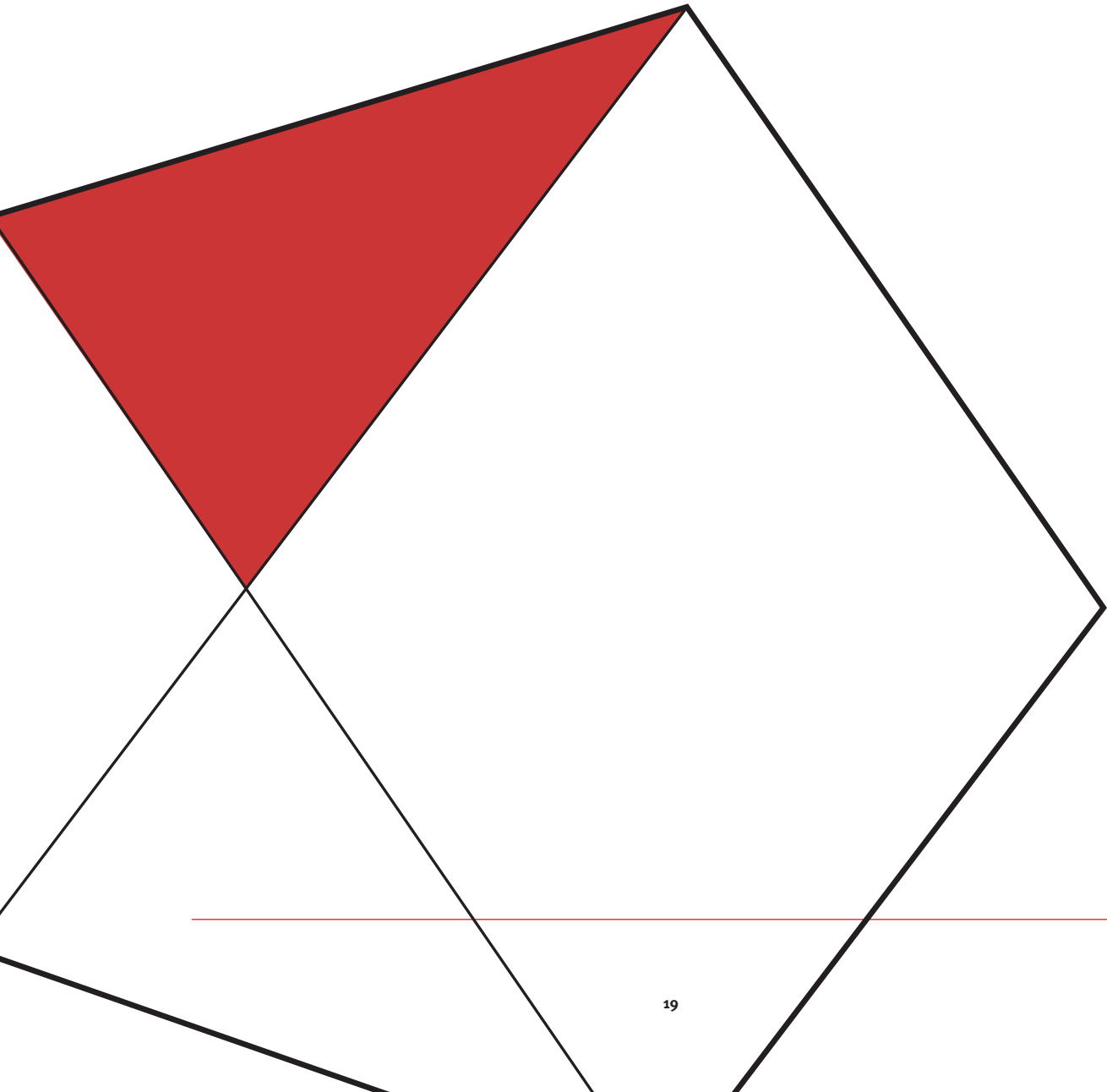
Airlines, by contrast, lead the way in BXi, with only two brands significantly under average but three leading the way (Singapore Airlines, Emirates and Virgin Atlantic). This is despite having the widest spread of BXi scores, with a 30 point difference between their top (Singapore Airlines) and bottom (Ryanair) performers. This spread is the product of the significant difference in performance between premium long-haul and cheap short-haul brands. The business success of the cut-price, short-haul airlines does not mean that good brand experience is irrelevant for more value-driven sectors. giffgaff is proof in the Telecommunications sector that value and excellent brand experience can go hand in hand. With low BXi scores, short-haul airlines are vulnerable to new entrants that cater for what Adam Morgan calls “the unreasonable consumer”.⁴ This growing group of people are trained by the likes of Uber and Airbnb to expect world-class brand experience for less money.

⁴ “A Beautiful Constraint” by Adam Morgan

 **Retail**

The retail sector average BXi score is close to the overall average BXi score. While there are two stand-out champions, (IKEA and John Lewis) most of the rest of the retail brands are clustered through the middle of the league table, while Debenhams is the only retailer whose BXi score is significantly under the average.

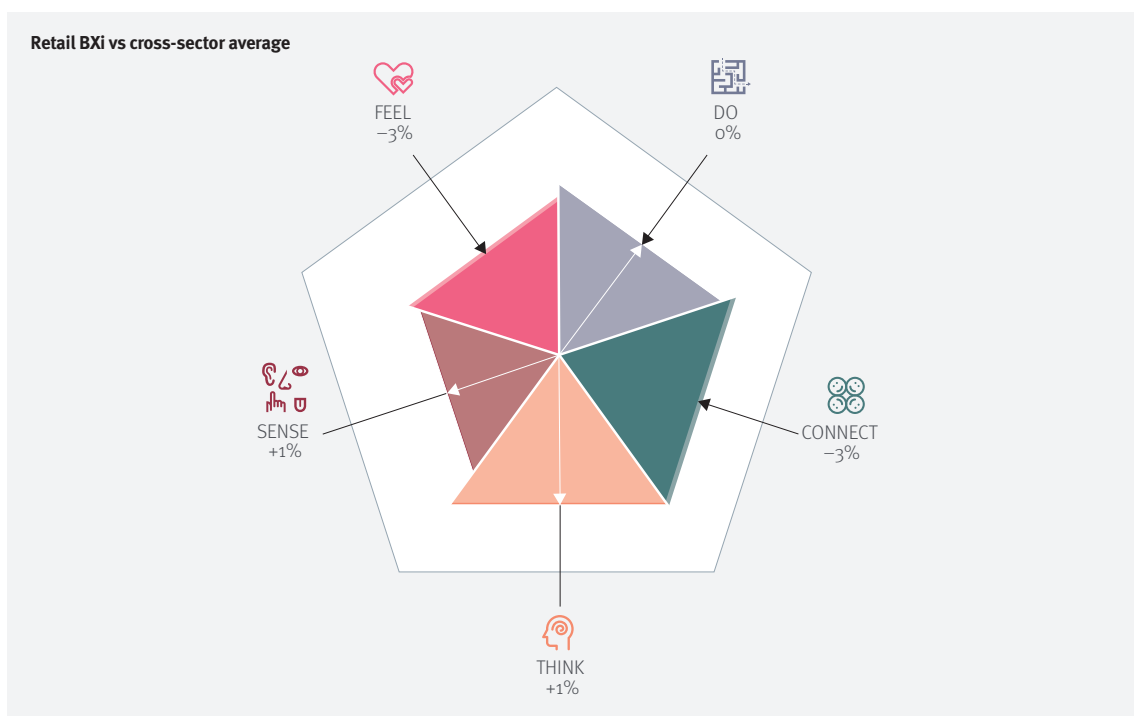
With accelerating pressure on traditional retailers from the likes of Amazon and ASOS, it is essential that retailers work harder to create a differentiated brand experience to inspire more customer loyalty. Let's look now at how they might do this.





Retail

What retail brands can learn from the BXi



Retail brands tend to score slightly better than the cross-sector average in Think (sets expectations), reflecting the clear functional purpose of brands like B&Q.

However, they score even lower than the low cross-sector average for Feel (creates emotions). They also do significantly less well than the average for Connect (inspires social connection).

It's harder for retailers to emotionally engage customers who relate primarily to third party brands in-store. Yet without such an emotional connection, retailers are putting customer loyalty on the line – and making themselves vulnerable to competition.

Given the opportunity to stimulate the senses while immersing customers in their physical stores, it is disappointing that retailers don't do significantly better than the low cross-sector average on Sense.

How retail brands can improve



Sense

Create immersive brand worlds

Every time a customer enters a store, you have an opportunity to immerse them in a sensorial experience that brings your brand to life. Activities like live demonstrations and 'try before you buy' promotions would help brands like Homebase and Debenhams use the senses to differentiate themselves.



Feel

Show real empathy

By making sure they understand their customers' wants and needs, and showing they empathise, retail brands can build a stronger emotional connection. The list of failed retailers which lacked a connection to their consumers, like Woolworths, MFI and BHS, continues to grow. It is crucial, therefore, that existing retailers develop their emotional understanding of their consumer base in order to survive in an increasingly competitive market.



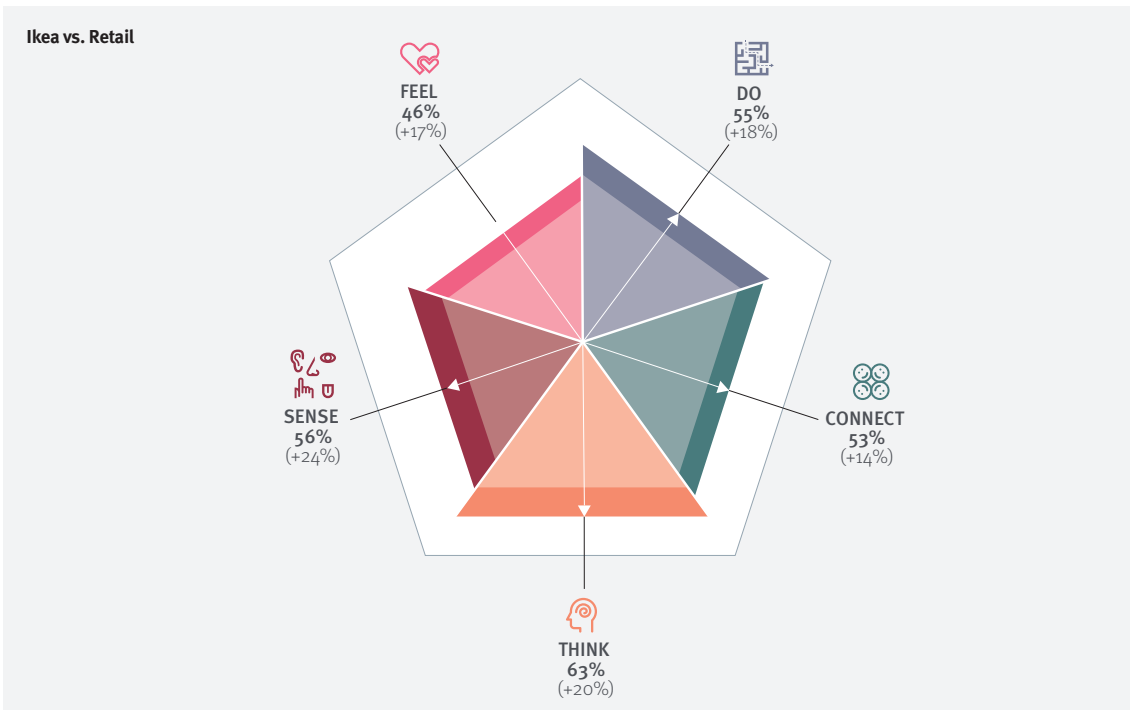
Connect

Define your tribe

Creating meaningful communities around the brand experience is a driving force for achieving higher score on the Connect facet. House of Fraser is an example of a brand that should focus on this facet. It has a strong sense of purpose, (a 'magical walk-in wardrobe' that's 'a whole universe full of your favourite things') which has driven an evolved digital ecosystem (with omnichannel features, a seamless app and in-store kiosk ordering) and attention-grabbing communications. However, missteps, like the #emojinal disco-dadding Twitter campaign, show it is still in the process of defining its tribe. John Lewis, on the other hand, is a benchmark for the Connect facet. Its partnership status creates a sense of empowerment and pride within the employee community that warmly welcomes customers.



BXi champion



We've identified IKEA as the top-performing retail brand with a BXi Score of 91. As with all the Champions, IKEA's absolute strength - the facet it scores most highly on - is Think (63%). In line with all our Champions, IKEA has effectively defined and communicated its brand purpose. The brand's

leading relative strength versus its competitors is Sense (+24% versus the retail average). This reveals how central immersive and hands-on experiences are to differentiating its brand purpose.

The Wonderful Everyday Campaign



The Wonderful Everyday

IKEA has always been good at communicating its purpose. From its first UK campaign ‘Chuck Out Your Chintz’, they brought to life how they were different from the competition in values and principles. In 2011, IKEA was awarded Cannes Lion Advertiser of the Year to recognise 20 years of creativity and more than 50 Lions. Their most recent campaign, ‘The Wonderful Everyday’ is a direct re-expression of their purpose, ‘to create a better everyday life for the many people’. Crucially, the campaign links IKEA’s brand purpose to its relative strength in Sense. Ads like ‘Carousel Kitchen’ and ‘Beds’ hone in on the tactile experience of using IKEA products.



Creating the Ikea experience



Sense (+24% vs sector average)

Create a sensorial experience

The store design of IKEA facilitates a range of experiences that appeal to the senses: From touch, with their vast range of textiles and materials, to taste, in the in-store restaurants. Designing a sensory and immersive experience encourages customers to stay longer and interact with products, creating opportunity for increased intent to purchase. The immersive experience doesn't end at purchase. IKEA's self-build business model has the added benefit of consumers feeling a sense of pride at having built the final product with their own hands.



Do (+18% vs sector average)

Constantly strive to solve problems

IKEA has always been known for its ingenious storage solutions. The ever-evolving product range conveys the sense that they are always striving to find better ways to solve people's furniture problems. The company has also invested in digital services to help make choosing and buying furniture simpler, with online brochure buying guides, planning tools for kitchens and the Share Space tool which allows customers to inspire each other and discover storage solutions. The augmented reality 'Place in your room' feature of the IKEA app will soon be released.



Think (+20% vs sector average)

Make the brand purpose explicit

The brand's purpose, 'to create a better everyday life for the many people', has always been central to the business. IKEA has consistently communicated it through advertising, but it is clear through everything they do. Its Swedish heritage and values, including the concepts of 'democratic design' and 'form follows function' are given pride of place on their website. The beliefs of the organisation are made tangible in the products they sell.



Connect (+14% vs sector average)

Champion a movement

The 'Chuck Out Your Chintz' launch campaign positioned IKEA as the champion of a movement for modern home design that anybody could join. Every weekend, the shared experience of the journey around the IKEA store with hundreds of other families, creates a sense of community. The IKEA Family loyalty scheme doesn't just offer tailored offers and inspiration; it gives access to 'how-to' workshops and even an IDEAS Festival. IKEA has also embraced user-generated content, allowing its community to use the IKEA brand to create 'IKEA hacks'. Recognising that customers personalise their products to fit their lifestyles, has allowed the community to get creative with their products. This way, customers feel an even greater sense of ownership of the brand.



Feel (+17% vs sector average)

Empower colleagues to connect

Uniformed in functional, but brightly-coloured, work-wear, IKEA colleagues are the personification of the brand. They appear proud to be part of the brand experience. They are endlessly and cheerfully helpful, manifesting a Swedish, can-do attitude. Customers can directly interact with the brand through these representatives building a rapport and emotional connection with the brand.

The bottom line

IKEA is a prime example of a brand that knows why it exists, clearly communicates this, and then consistently delivers an experience that matches that purpose.

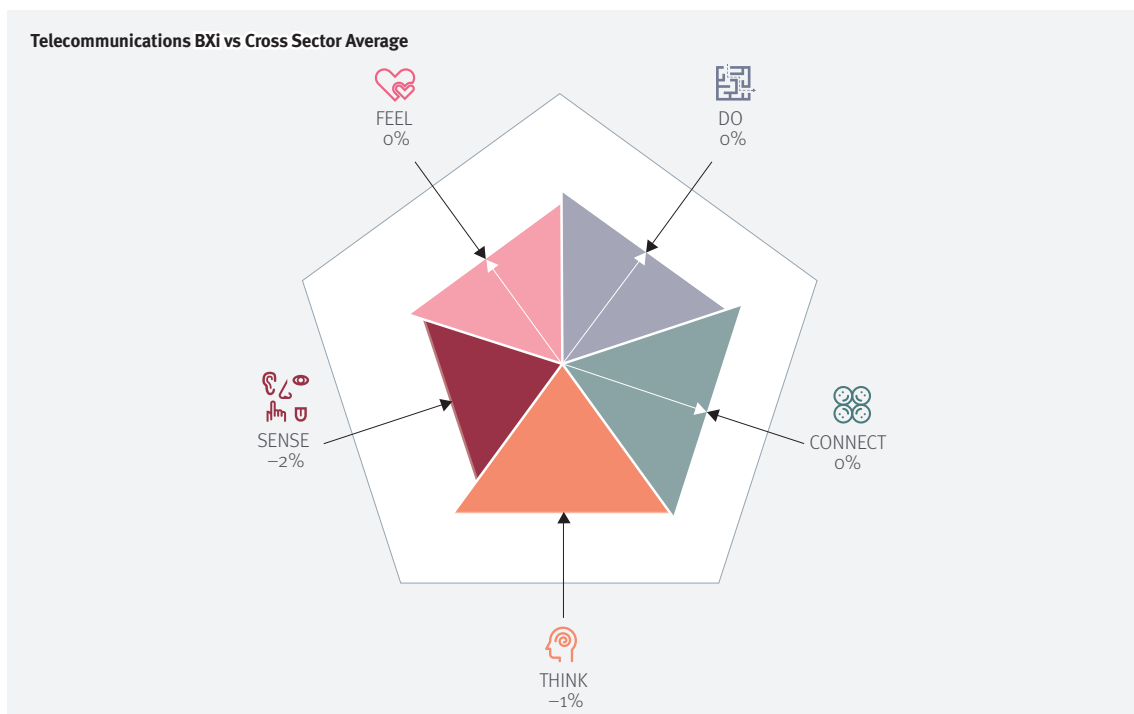
It appreciates how central Sense is in providing the 'wonderful everyday' that they promise, and ensures that the entire experience is in keeping with this principle. The still-unique style of shopping, which fully immerses you in the brand world, enables customers to imagine their lives improved by design. It is this which gives IKEA the relative strength in the Sense facet.

The brand's purpose – delivered through high quality, low price home furnishing products, with elements of Swedish idiosyncrasy– continues to generate success in the UK market. UK sales in 2015 increased by 11% (to £1.57 billion) and market share grew to almost 8%⁵.

⁵ http://www.ikea.com/gb/en/about_ikea/newsitem/IKEA-continues-to-grow-in-the-UK-fy15



📶 What telecommunication brands can learn from the BXi



As our lowest scoring sector, the telecommunications industry has some way to go in improving its brand experiences. The brands perform the worst of any sector on Sense, having failed to find ways to involve customers in their broadly intangible services.

They lack emotional connection with customers so haven't been able to improve on the low cross-sector Feel scores. Finally, they score the worst of all sectors in Think with their customers unsure of why they exist.

How telecommunications brands can improve



Think

Consistently communicate your purpose

Unlike our report leader in Think (IKEA), many telecommunication brands are not known for having well-articulated values and clarity about why they exist. Despite explicit, value-driven purposes like 'Make it right' (Three) and 'Power to you' (Vodafone) these tend to be lost in a melee of communications about cheaper calls, broader coverage and new features. As a result, there is little emotional loyalty to brands, and churn continues to be a problem for the industry.



Sense

Make your experience more tangible

For most of a mobile contract's lifetime, the provider is necessarily invisible, providing the infrastructure of the consumer's daily life, until something goes wrong or it's time to renew. This explains why brands in the sector tend to do badly in appealing to customers' senses. However, Bxi Champion giffgaff shows how even telecommunications brands can make their experiences more tangible by stimulating customers' senses and inspiring greater involvement. It may have been the wholly virtual nature of its SIM-only network that forced giffgaff to create new ways to engage its customers.



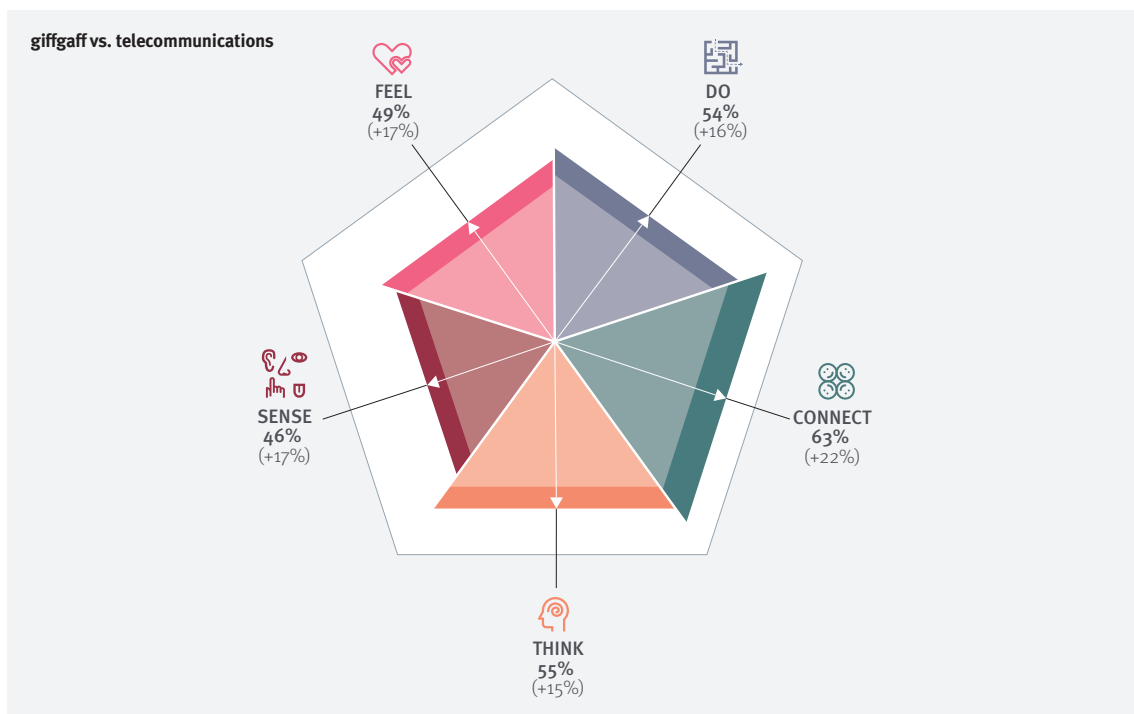
Feel

Know your audience

Have a clearly defined audience (demographic, attitudinal, needs-based) and centre your experience on their needs and values. Lycamobile (one of our Bxi Champions) is very clear about its role in providing the UK's 8 million-strong ethnic communities with affordable ways to "maintain close networks of friends and family across the world". More recently, they have launched the "world's largest ethnic channel entertainment platform" so you can enjoy the same shows as your friends and family around the world. They also sponsor the British Ethnic Diversity Sporting Awards.

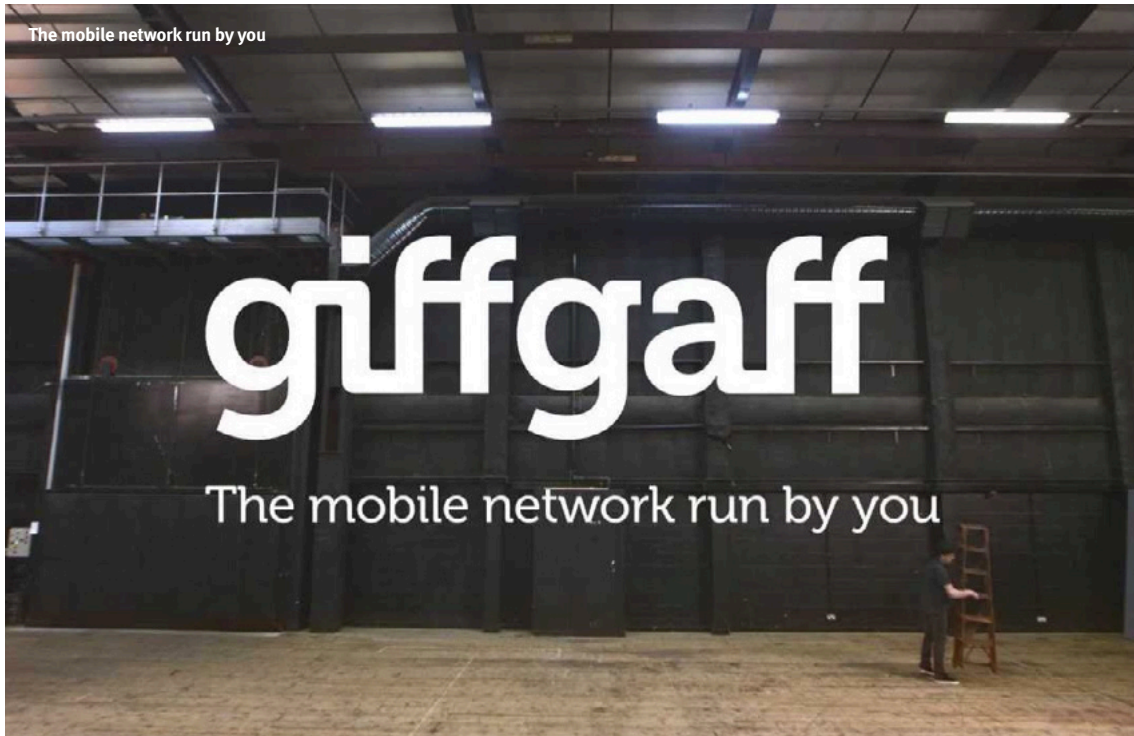
giffgaff™

BXi champion



A BXi Champion that has broken ranks from the generally poor Telecommunications industry is giffgaff (BXi 92). By adopting a non-traditional approach, offloading large parts of their service delivery to their customer community, giffgaff has made the Connect facet central to its purpose. Its relative and absolute strength is in this facet.

By successfully communicating its Connect-driven purpose, it also has an absolute strength in Think, coming fifth overall for this facet. In establishing a community as the core method of service support, giffgaff have reset the typical expectations of how telecommunications brands need to behave.



The mobile network run by you

giffgaff stands out from the rest of the sector by having an extremely clear purpose as the network run by its customers, hence its strong Think performance. It is this position, as the community-led Telecommunications provider, that drives the strongest performance of any brand in the study in Connect. The idea of a mobile network built on the principles of Wikipedia, with customers incentivised to adopt both the marketing and customer service functions, creates a sincere sense of belonging among its customers.

A strong part of this network's purpose is also to allow its customers freedom and control over aspects of their experience that they don't get from other providers, such as the lack of contracts. This gives customers a stronger experience in the Do facet, which enables behaviours and lifestyles.

Creating the giffgaff brand experience



Sense (+17% vs sector average)

Stimulate and involve

giffgaff works hard to involve their members in marketing and experience which feels like a social site, community forum. This stimulating feedback loop is reinforced by the onomatopoeic brand name and visual identity inspired by “digital noise”.

Think (+15% vs sector average)



Commit to your brand purpose

The giffgaff experience is punctuated with moments which both back up the core idea of ‘the mobile network run by you’, and subvert the normal expectations of a telecommunications brand. From ITSSuper Recruiter programme and giffgaff labs, to the data-usage calculator and flexible plans, the giffgaff brand experience consistently challenges and exceeds customer expectations.

Feel (+17% vs sector average)



Create positive emotions through empowerment

By opening up control to its customers, giffgaff inspires positive emotions and loyalty. Having an ongoing open dialogue between member and staff (through forum discussions and lab suggestions) provides a valuable source of insight and empathy.



Do (+16% vs sector average)

Enable a simple, flexible service

An adaptable, and customer-centred offer is backed up by an optimised digital ecosystem. The experience is driven by well-structured content and focused calls-to-action. Whether someone is there to buy a SIM or a phone, to get advice on a technical issue, or to contribute their own knowledge and experience to the community, the experience is centred around the principle of making people’s lives easier.



Connect (+22% vs sector average)

Inspire peer-to-peer engagement

Customers are members and, at the heart of the community, giving clear and inspiring message about how to do business differently. This creates a real sense of belonging and ownership among its members. People don’t buy from giffgaff, they join giffgaff; then, they advocate giffgaff and they get others to join.

The bottom line

giffgaff has really committed to its purpose and followed through in its brandexperience, with each step in a customer's journey reinforcing the ideas of community, flexibility and control. As a result, its has taken the concept of Connect and owned.

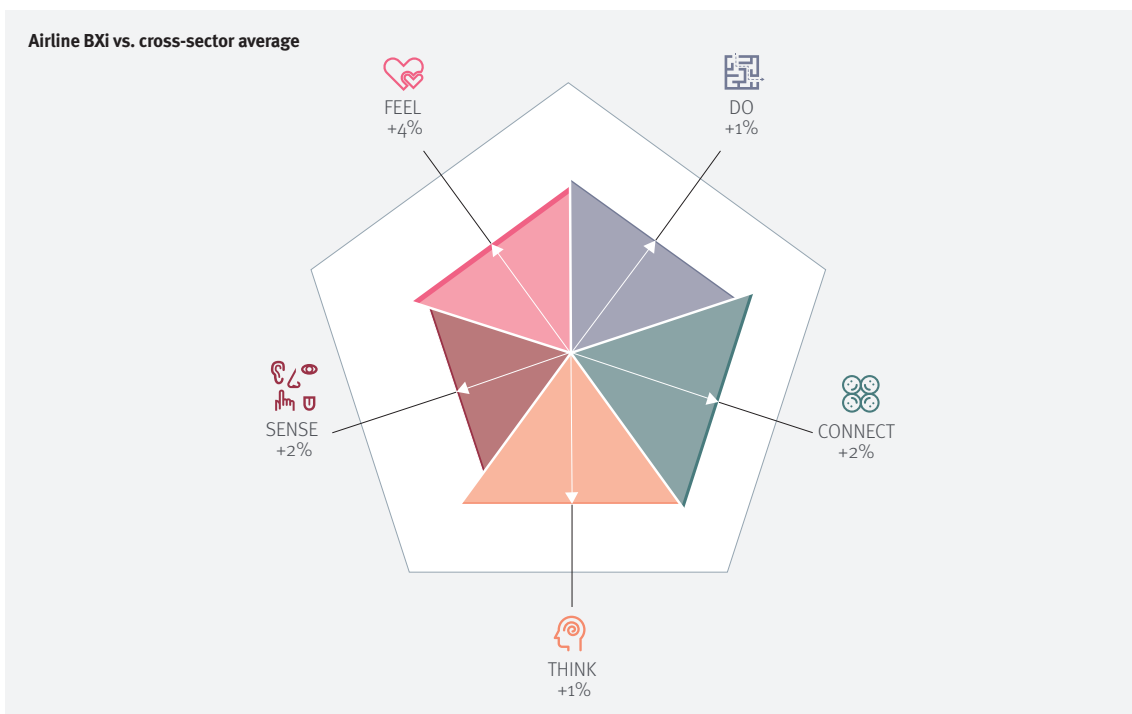
This leveraging of the community has allowed giffgaff to remove some operating costs from their business, to keep the company small and to divest a large part of the experience to its customers. On the surface, this is a tough consumer sell, but it has been made to work thanks to giffgaff's embracing of brand experience thinking, all the way from front to back-of-house. This has driven rapid growth for the brand – in the most recently available data, year-on-year revenue growth was 51% and profits quadrupled to £8m.

This operating model also creates a platform for agile experiences and flexible offers which reinforce giffgaff's difference. In embracing the requirements of comprehensive brand experience design and delivery, giffgaff is demonstrating what it takes to be a modern and successful brand in the telecommunications sector.



Airlines

➤ What airline brands can learn from the BXi



Airlines are the top BXi sector, in spite of short-haul airlines pulling down the sector average. This success is generated by bucking the low trend in Feel and building on the high average for Connect. For many passengers, the quality of their flight experience heavily impacts the memory of an entire trip, whether its purpose is business or pleasure. So, a brand that performs well has the chance to build on this, creating strong emotional ties.

The aspirational quality of air travel also encourages a sense of connection with fellow flyers – a fact acknowledged by airlines when developing

frequent-flyer programs. Astute airlines will enable fellow passengers to engage with each other through premium, relaxed lounges and innovations like KLM's Meet and Seat service, which allows passengers to use LinkedIn to identify, connect and sit next to interesting people on their flights.

There is still room for improvement for the sector though. We would expect higher scores for both Sense and Do as we will see in our recommendations to the Airline sector.

➤ How airline brands can improve



Sense

Create an immersive experience

The airline sector score for Sense was only just above average. This, we feel, is disappointing for a sector in which comfort and entertainment are so intrinsic. Ryanair appears to have assumed its reputation for poor experience into its brand identity. This may have served it well when signaling the low-cost of the service in the past, but we believe that the ‘unreasonable consumer’ will soon start to turn away. It wouldn’t take much for even low-cost airlines to make an effort to stimulate the senses in an appropriate way. For example, the beautiful cabin lighting of Scandinavian low-cost airline, Norwegian, is designed to reduce symptoms of jet lag in its passengers.



Do

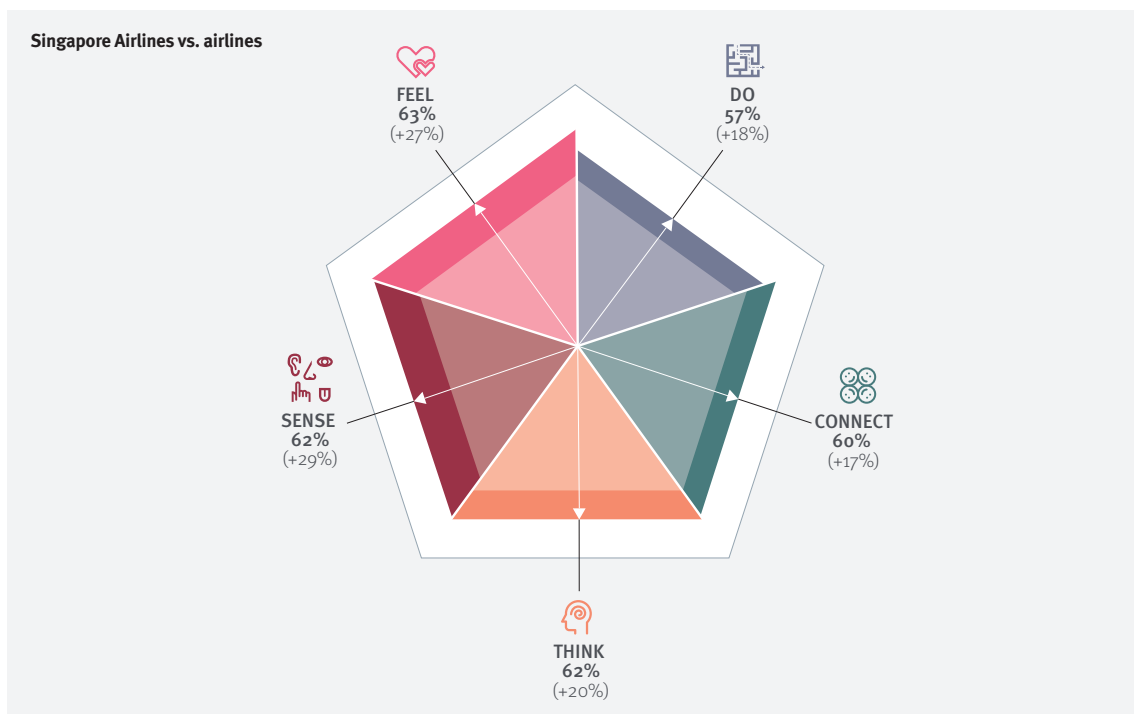
Tackle the hard challenges

Given the stressful nature of air travel, and the growing expectation for airline brands to apply technology to simplify the passenger journey, the airline sector’s performance in Act is lower than expected. Brands that are serious about making their customers lives easier, like Singapore Air, Emirates and Virgin Atlantic, creating innovative ways to solve the trickiest and most pressing problems faced by passengers. KLM’s ‘Happy to Help’ week exemplified this attitude, with 24-hour social monitoring of customer issues. They even provided a speedboat to patrol the Hudson River and help out anyone who risked missing a flight.

Conversely, brands like Ryanair, which sully the passenger experience with surprise surplus charges, are defined by the fact that they hinder rather than help their customers.



BXi champion



Our top BXi performer across all sectors is Singapore Airlines (BXi Score: 96). Its relative strengths are in Sense and Feel. Since it started flying in 1947, the brand has pushed for many service innovations to stimulate the senses. For example, in 1968, it was the first to give out free headsets for inflight entertainment and offering a choice of meals in Economy.

The consistent use of its brand icon - the 'Singapore Girl' - has helped create an emotional connection with customers, giving Singapore Airlines (SIA) the highest score for Feel of any brand in our survey. Like giffgaff and IKEA, SIA has successfully communicated its brand purpose for Think to become an absolute strength, with only IKEA having a higher score for this facet.



The enduring allure of the 'Singapore Girl'

The brand's dedication to high quality service has been represented by a powerful icon for over 40 years. Despite the slightly anachronistic feel of this symbol of subservient Asian hospitality, the "Singapore Girl" has been a valuable brand ambassador, as both an internal benchmark for the staff and service to aim for, and an external symbol of the personalised brand experience customers should expect.



Despite certain aspects being timeless (the sarong kebaya was designed by French couturier Pierre Balmain back in 1968), the brand icon has inspired constant innovation and the service she epitomises has evolved dramatically over time. Having a recognisable icon that every flight attendant can embody enables passengers to feel an instant emotional connection with the staff and the brand.



Creating the Singapore Airlines brand experience



Sense (+29% vs sector average)

Choreograph your experience

The promise of an exceptional service is made tangible in the sensorial in-cabin experience. Realising their cabin is the stage of an immersive production for their captive audience, Singapore Airlines (SIA) pays attention to every detail; with specially selected leather for the wider seats, an executive chef team forming an International Culinary Panel which designs seasonal menus, and a selection of teas that relate to the routes that SIA flies. The brand has consistently innovated to heighten passenger's senses. For example, in 2001, it was the first airline to provide on-demand entertainment to all passengers. In 2010, it even published its first cookbook, *Above and Beyond: A Collection of Recipes from the Singapore Airlines International Culinary Panel*.



Think (+20% vs sector average)

Keep innovating around your purpose

The consistency of the brand's commitment to service over 40 years places no doubt in their customers' minds about why they exist; striving to recreate the Golden Age of travel. SIA is constantly looking for novel ways to realise this ambition. The cabin designers look to luxury yacht design to create a luxurious environment that is both durable and private. Meals are served on high quality Wedgwood china. All of this adds up to an airline that reminds people that flight can still be an impressive way to travel.



Feel (+27% vs sector average)

Empathise with your customers

A recent change in ad agency has evolved the 'Singapore Girl' to show her as the curator of an experience which makes you feel at home. This takes an already potent emotional connection

and cranks it up a level. Given the stress and sense of dislocation that long-haul travel can produce, the concept of recreating the comfort of the home is attractive. To bring this idea to life, SIA has paid careful attention to some of the key pain points of air travel. Lounges have been redesigned, bringing the idea of home into the airport, and the cabin crew have been trained to recognise repeat travelers and learn their in-flight preferences.



Do (+18% vs sector average)

Link the physical and digital experience

From 'Book the Cook', which allows passengers to pre-select their inflight main meal from a wide range of gourmet options, to stories of ground attendants making sure their passengers make their connections no matter what, Singapore Airlines' actions prove time and time again that no detail is too small. Historically regarded as a brand that thinks more about the physical experience than the digital one, the airline has recently invested in a new digital ecosystem. Their innovative companion app is the first to allow passengers to review, prepare and control their entertainment from their phone.



Connect (+17% vs sector average)

Create a shared experience

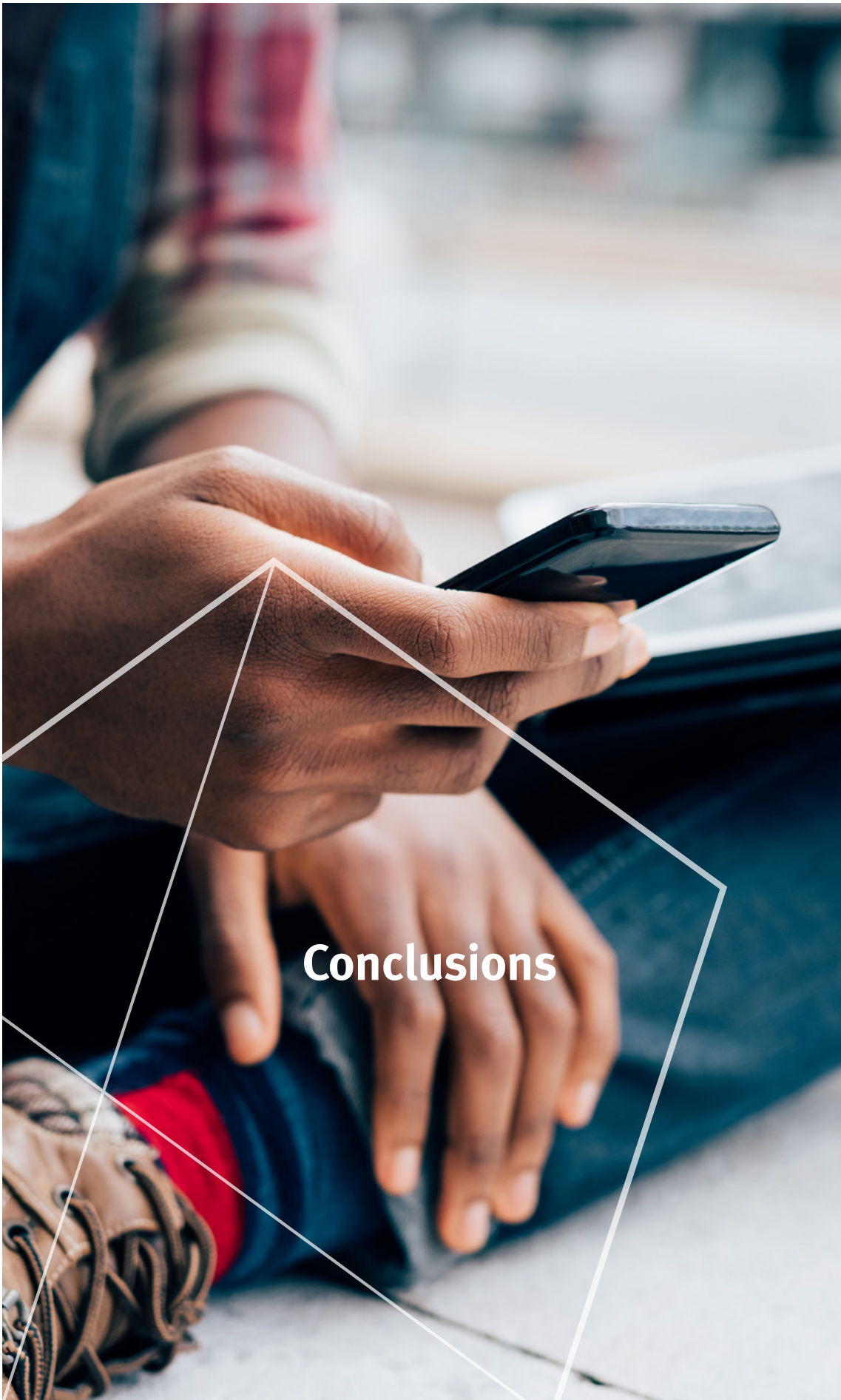
SIA's impressively trained staff and luxury yacht-like environment creates an extraordinary experience that brings people together. This shared experience starts in the lounge and continues after the flights within one of the most evolved frequent-flyer programs, with multiple levels of exclusivity. The inflight connectivity is world-class, encouraging people to spread the word about their experience live. As a result, SIA's social media presence, usually an environment where people vent their criticisms, is a place where passengers are exuberant about their experience of flying with SIA.

The bottom line

Over 40 years, SIA has managed to consistently innovate around its purpose, constantly clarifying why it exists (Think). This way it has built a world-class strength in the facets most relevant to its purpose (Feel and Sense).

Singapore Airlines has consistently used the 'Singapore Girl' as a benchmark to continue to strive and innovate to provide the best service. More recently, they have evolved their icon to become a curator of an experience to make you feel at home with the associated innovations (e.g. letting you control your entertainment through your phone).

This consistent innovation around their purpose is delivering ongoing business success. It has been voted (by the readers of Travel & Leisure) as the World's Best International Airline every year in the entire 21-year history of the award. In 2016, year-on-year passenger numbers on SIA were up 6% and operating profit went up 43% to \$485m.



Conclusions

The importance of Purpose

When we started this work, we considered the five facets of brand experience to be equally important. The data confirmed that to be broadly true. If a business wants to drive its marketing metrics, it needs to consider all five facets, with only 8% difference in impact from the strongest (Think) to the weakest (Sense).

However, what has also become clear, as we have analysed the data and considered what makes the champion brands successful, is the importance of Think and its relationship with the other facets. If a business aspires to build a BXi champion (with all the business value that this represents), it must consider its brand purpose. The champions all have a well-defined purpose, which drives both customer expectations and the brand's ability to deliver against those expectations. That enables the champion brands to own in their unique ways one of the facets (e.g. IKEA= Sense, giffgaff = Connect, Singapore Airlines = Feel).

We didn't set out to create a case for the centrality of a brand purpose but it makes sense. Brands that care about providing experiences make a genuine difference to customers, inspiring advocacy and loyalty. Brands that aspire to this must take a hard look at their purpose. Is it relevant? Is it clear? Is it manifested in their experience?

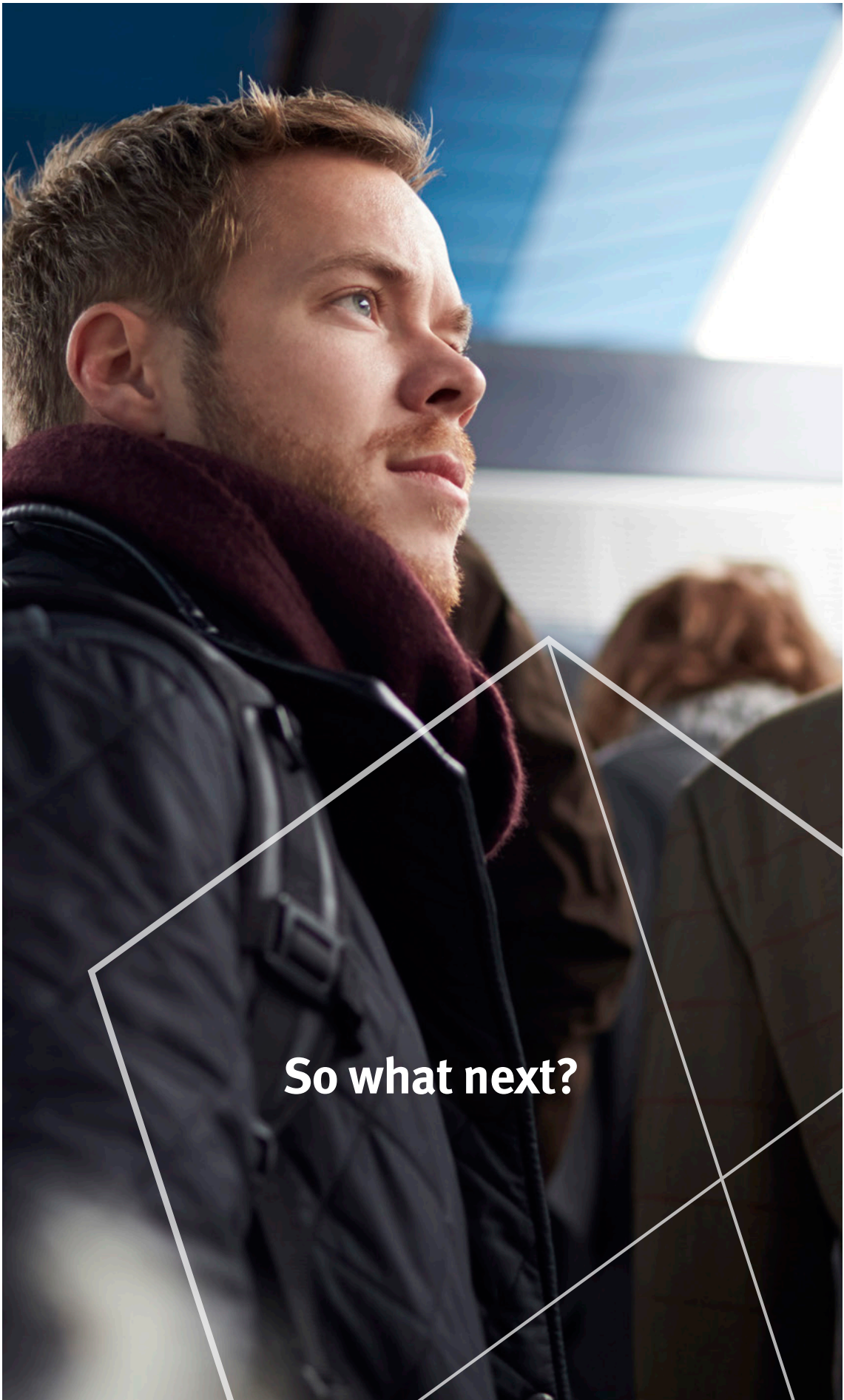
Purpose-driven brand experience

Each of our champions is an example of one stage in the delivery of a world-class brand experience.

- IKEA is second to none in defining, and then **expressing**, its brand purpose to set consumer expectations.
- giffgaff is the leader in **committing** to a brand purpose in everything that it does, going as deep as the business model itself.
- Singapore Airlines is a great example of having defined, communicated and committed to a purpose, then constantly **innovating** around that purpose to remain ahead at delivering it.

These three principles lie at the heart of designing and delivering competitor-beating brand experience. As we grow the BXi research and build our database of brands, we expect to see these principles played out across sectors and markets.

We hope you have enjoyed reading this launch report as much as we enjoyed putting it together. We look forward to continuing to add to the understanding of brand experience.



So what next?

Think



Engage people's intellect by creating an experience that backs up your brand story with every moment and at every touchpoint.

Ask us about: creating or identifying your brand's purpose.

1. Stand for something and make sure people can (understand and) get behind what you stand for.
2. Share your idea; it's what makes you different, and engages people.
3. Prove you're different – follow the idea throughout the experience, stay focused and don't let standards slip.

Do



Become people's go-to brand by supporting relevant behaviours, solving the right problems and empowering customers through your experience.

Ask us about: analysing, evolving and innovating journeys and moments of truth.

1. Enable consumer actions with an experience that lets individuals choose how to engage with your brand.
2. Optimised and personalised 'next best actions' ensure that people can solve their functional needs.
3. Create new and unique ways – specific to your brand – to solve the trickiest, most important problems for your customers.

Connect



Attract people to your brand and purpose with social experiences that create a sense of community and an identity for the individual and for the group.

Ask us about: your content experience and social strategy.

1. Bring like-minded people together around shared experiences and a shared point-of-view to foster a sense of belonging.
2. Provide a social identity, while always supporting the individual's identity within their group.
3. Contribute to and engage with your wider community.

Feel



Create emotionally engaging experiences that display a deep understanding of people's needs and act accordingly and when appropriate.

Ask us about: really understanding your customers and prospects.

1. Create positive associations with your brand through your actions and behaviours at moments of need and stress for your customers.
2. Show empathy for the needs and challenges that your brand should be addressing and resolving.
3. Never leave a problem unsolved and ensure people feel better after they have engaged with you.

Sense



Immerse people in your brand, and everything it stands for, by creating an experience that is flexible enough to appeal to all five senses.

Ask us about: experience design.

1. Consider the context around every touchpoint to understand how it relates to and integrates with the world around it.
2. Craft all elements of your experience, considering the primary and secondary senses at each moment of the journey.
3. Take the opportunity to show what your brand stands for with inventive and innovative uses of objects and environments, interfaces and interactions.

Timetable for future reports

The current timing for future reports is below. Should you want an exclusive early view of the details in these report, don't hesitate to get in touch. We are currently taking requests for brand and sectors to include in future waves of the UK and US Index. Please contact us with your request.

Retail category report launch – Oct 2016

Airlines category report launch – Nov 2016

Telecommunications category report launch – Dec 2016

First wave BXi US – Dec 2016

Second wave of BXi – January 2017

Contact

For further information or to talk to us about this report,
please contact us on

marketing@rufusleonard.com

Thank you

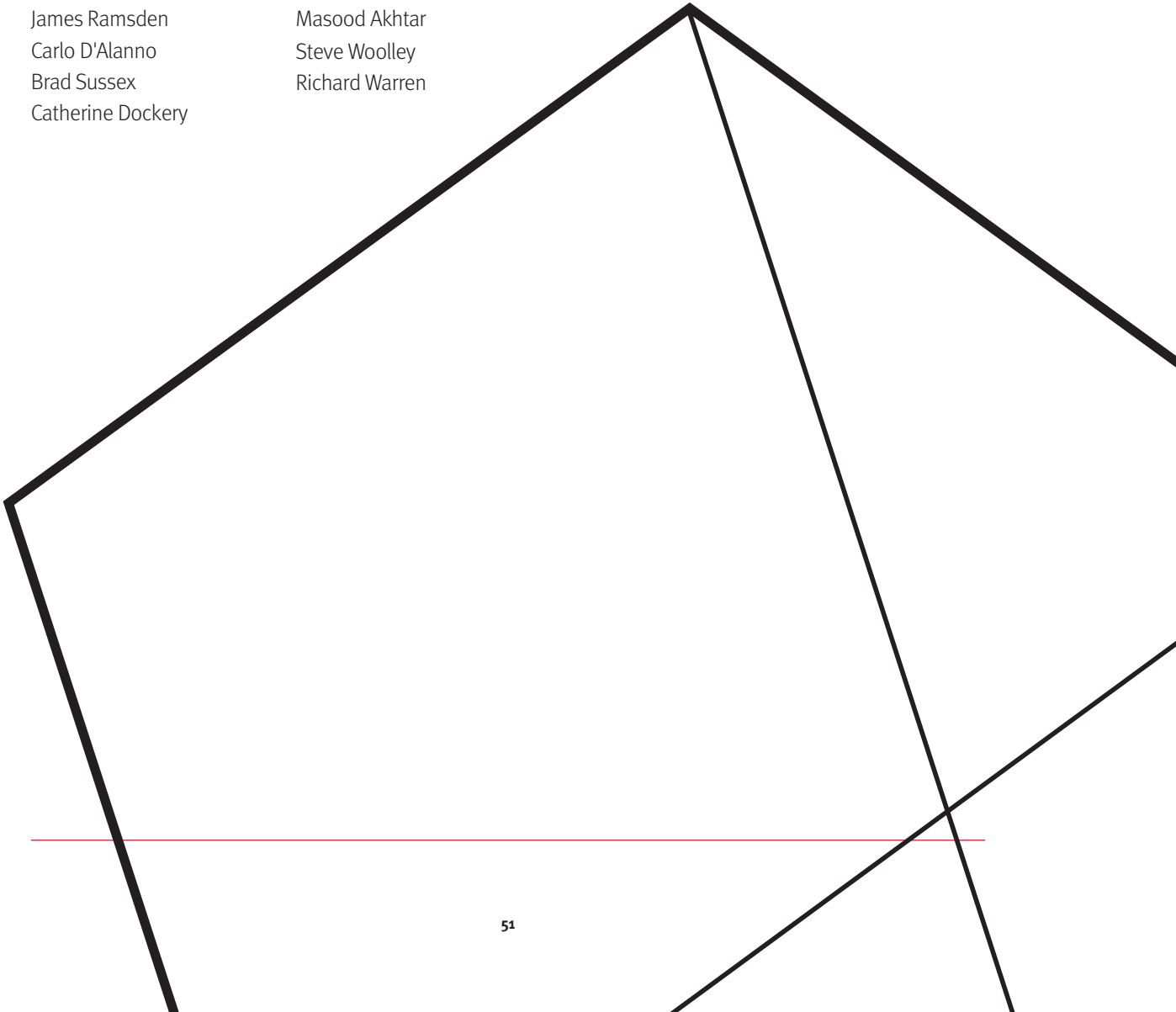
It takes many hands to build a piece of work like this.
We hope we have thanked everyone.

Laurence Parkes and Ross Timms

(The authors)

Charlotte Anderson
Caitlin Brennan
Raquel Rodrigues
Alex Rowe
Lars Bjornbakk
Rosanna Covacich
Jo Lowndes
Rebecca Faulkner
Emily Pearce
Collette Boardman
James Ramsden
Carlo D'Alanno
Brad Sussex
Catherine Dockery

Kit Boothby
Silvia Giulianini
Tim Pemberton
Steve Storey
Stella Battula
Rob Lieberman
Maria Lopez
Matt Jury
Richard Haigh
Robert Haigh
Masood Akhtar
Steve Woolley
Richard Warren



RUFUS LEONARD