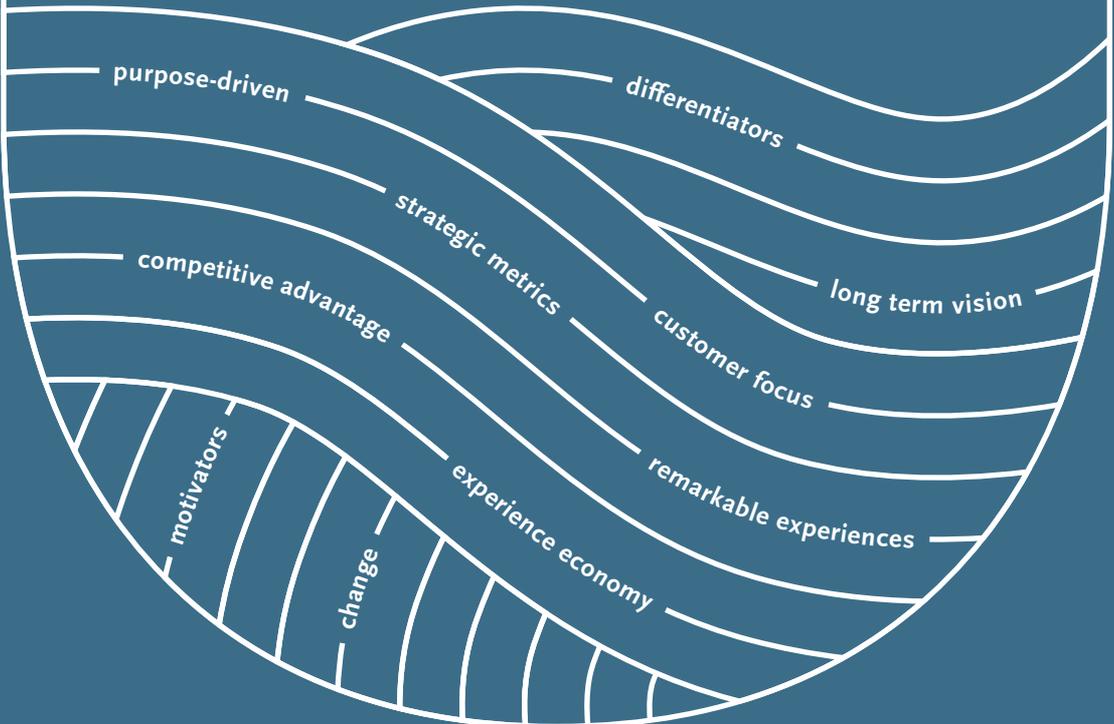


The Umami Strategy

Stand out by mixing business with experience design

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Introduction

“Let us think the unthinkable, let us do the undoable,
let us prepare to grapple with the ineffable itself,
and see if we may not eff it after all.”

Douglas Adams,
Dirk Gently's Holistic Detective Agency

It may seem as though everything has already been written when it comes to creating a successful business strategy. Yet, one is necessary if you want to stand out on the market, keep on being loved and admired by your customers, and shape a word of mouth about your business. For that, you might find yourself looking for a new way to define your own powerful, and highly actionable, experience strategy.

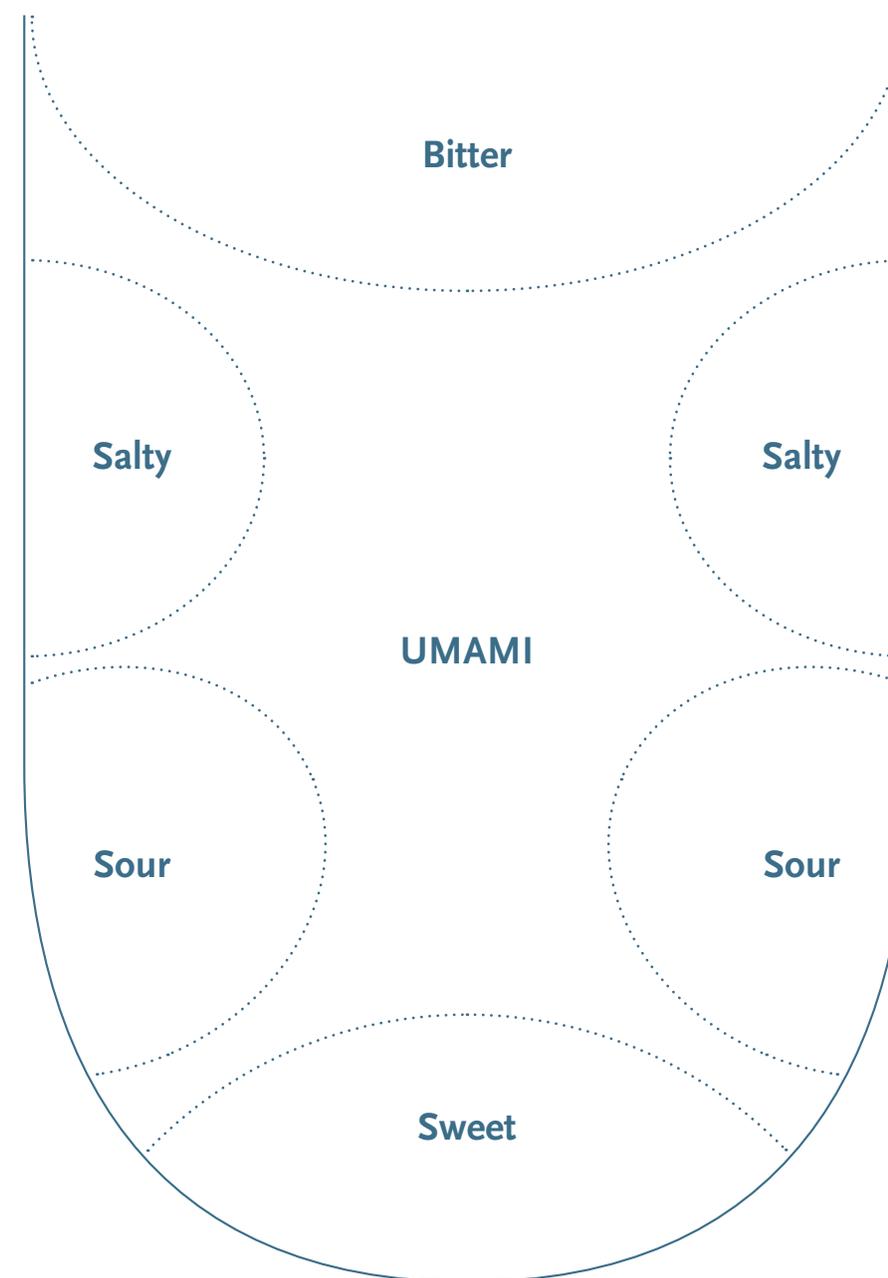
Why do you need an experience strategy? Although you might not fully realise it yet, your clients likely buy experiences from you, rather than services or goods. In years to come, experiences will become the cornerstone of generating unique market value. These experiences are something you should turn to your strategic advantage.

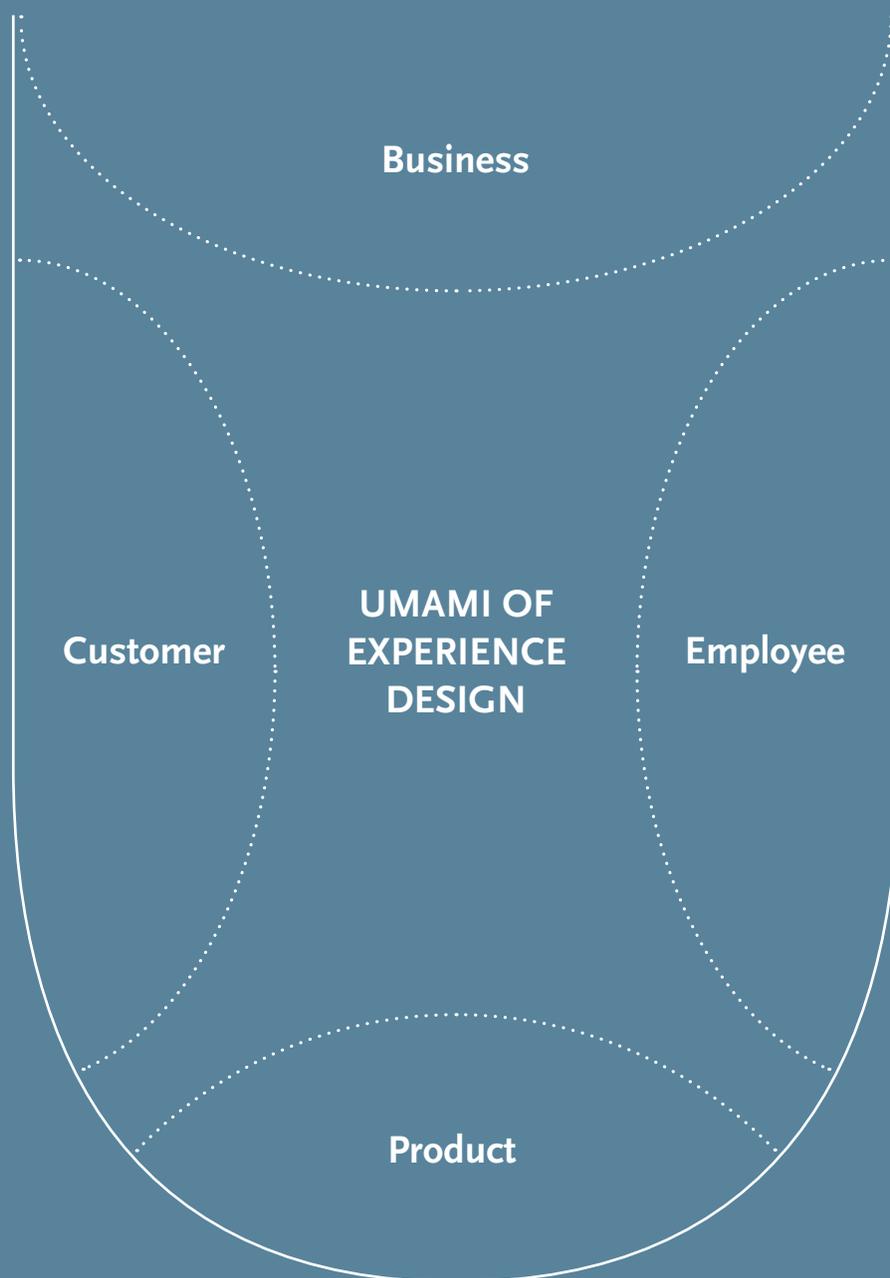
I was still a PhD student when a friend asked me, “What is an experience?”. When I joined the business world almost a decade later,

I found that this question matters in business too. It shows how our perceptions, fleeting momentary glimpses, build us over time as personalities, as people who remember and tell stories. What we experience determines the impressions we walk away with, influences our choices, and shapes the stories we share with others about the products and services we encounter. These stories become the word of mouth—the most powerful marketing tool today.

Just knowing what your customers say about you can tell you what stories you might want to amplify, and which to extinguish.¹ The crucial next step is to ask if there a way to shape those stories. The good news is that there is. To influence customers' stories you need a strategy that consists of three things: a powerful experience vision, the 'edges'² (those qualities that will make you stand out from the competition), and a set of relevant metrics. As simple as this may sound, implementing such a strategy raises practical questions: how should you collect customer stories? What are the edges for? How do you define a truly actionable experience metrics? In this book, you will find the answers to all these questions.

Why is the word umami in the title of a book about strategy? Let me confess: I love cooking. After years of practical fascination with it, I got curious about the science behind how taste works. As you may know, there are basic flavours – sweet, salty, bitter and sour – that balance the taste of the food we eat. For ages, we believed these were the four elements we believed covered all bases. As it turns out, though, there is one more flavour that makes everything taste better. It is called umami and it means “tastiness” or “deliciousness”. Umami was discovered in Japan about a century ago but has only recently attracted global attention. It is the fifth flavour that joins sweet, sour, salty and bitter, and elevates them to the next level. This is why so many people love pizza with its blend of tomatoes, mushrooms and parmesan cheese – seductive, potent and full of umami. This is the missing piece, the next level, the fifth element of yum.





When we look at the world of business, we often also stop at the four basic elements deemed to be strategic: business, product, customers and employees³. You might imagine that this is all you need, yet something is missing: the umami of experience that can take your offering all the way from adequate to unforgettable. It is the delicate yet persistent taste that makes people want to have more of it – for it to become irresistible pizza, if you will.

This book is the product of almost 20 years of blending academic and industrial research with business. For as long as I can remember, I have been interested in combining the worlds of technology, design and people. This led me to my Master's degree in User System Interaction, my PhD and work in a range of industrial research labs, including Philips Research, Océ Technologies research (today Canon) and Google. I have spent the last 10 years working on the business side of delivering a wide variety of experiences to customers. I have collaborated with service companies, manufacturers, food and drink producers, hospitality providers, national parks and local governments. I also spent five years with Play, a Polish telecoms company that challenged three market incumbents and became number one in what was seen as a seemingly fully saturated market. There, I helped with the definition and implementation of their experience strategy. It was the most fertile environment for testing and experimenting with many of the concepts described here; concepts that I later polished, tested and refined with other clients.

The uniqueness of this book lies in the way it offers you a way to define a powerful and highly actionable approach to an experience strategy. It will allow you to think of and implement an experience strategy that will ignite your business, help you stand out and make you become truly loved by your customers. I've seen it work, and I can't wait for you to see it work too. In these pages you will find both the reasoning and the practical tools you need. They aid you to create a company that is known for having worked out the secret sauce: a great experience customers just can't get enough of, and are happy to tell others about.

Fun

“Things are fun when they attract, capture, and hold our attention by provoking new or unusual perceptions, arousing emotions in contexts that typically arouse none, or arousing emotions not typically aroused in a given context.”⁷⁵ We often experience fun during entertainment, recreation, or sports. Fun is also experienced during mental challenges such as solving problems, playing music, and discovering something new. In gentler forms it can be about laughing at late-night comedy shows, listening to music, watching movies or simply relaxing. But above all, fun is about adding an element of surprise and joy that could not be predicted. There is one thing worth mentioning: fun requires an adequate level of complexity, otherwise it won't be either sufficiently surprising or sufficiently engaging.⁷⁶

For example, in 2012, Anthon Berg, a Danish chocolate manufacturer, decided to open an unusual pop-up store. This was in response to the dreary results of a poll run with Danes which showed that only two percent of Danish men were willing to celebrate Valentine's Day, while the vast majority had written it off as a meaningless holiday.⁷⁷ So, the company invited a well-known neuroscientist, Paul Zak from the Claremont Graduate University (also known as Dr Love), to make a “scientific love experiment” based on the observation that levels of oxytocin in the blood of men increase by 27.5 percent after they vocalise love for their partners.⁷⁸ Based on this observation, the pop-up store offered boxes of candy that were marked with surprising price tags: *Don't comment on your significant other's driving for a week* or *Serve breakfast in bed*. The payment was conducted in the form of a Facebook pledge to a friend to carry out a specific act of kindness. The most popular promise turned out to be: *Help clean a friend's house*.[★] The concept proved to be so popular that people were willing to queue for over an hour to get their box of chocolates and commit to their pledge. The cool outcome was that almost everyone kept their promise.

★ Hardly anyone touched the box labelled: *A week where you don't lie to your father*.

Having fun is about experiencing immediate pleasure from an interaction and this can be a tool for evoking positive emotions such as delight, surprise, enjoyment or gratification. Ben Schneiderman wrote, “Fun-filled experiences are playful and liberating—they make you smile. They are a break from the ordinary and bring satisfying feelings of pleasure for body and mind.”⁷⁹ Fun makes your offering more relatable and it triggers an emotional connection with your brand. In that sense, both empathy and fun address the needs of our Experiencing Selves. They make the moments we live through enjoyable and therefore memorable. They are a great way to trigger positive surprise and make our brain feel at ease, and therefore open to exploration of whatever else your brand might have to offer.

Engagement

Engagement is a psychological state where we are deeply immersed in an activity (like, for example, writing a book).⁸⁰ It lasts over time and keeps us focused. It is a sense of togetherness that we as customers want to experience. Engagement is a positive, fulfilling state of mind that is characterised by vigour, dedication, and absorption.⁸¹ Above all, engagement is something that we enjoy intrinsically because it satisfies “the inherent tendency to seek out novelty and challenges, to exercise one's capacities, to explore and to learn.”^{82,★}

Engaging experiences help connect people with what really matters to them. You can create such connections by supporting people's needs for learning and growth, and for belonging.⁸³ Gallup research shows that, in retail banking, customers who are fully engaged bring

★ It is important to recognise that engagement is different from motivation. Motivation is getting us to do something. Engagement is doing it. It is a genuine flow while progressing with an activity and the willingness to re-engage without being pushed and pressed to do so. Medium is a great example. It is designed in a way that truly supports the act of writing and has a number of stimuli that make many of us return here of our own accord without being pestered to do so.

pay attention. This idea is similar for business. So, the edges are essentially the limits of your experiential approach, helping you to decide what you focus on when delivering solutions to your customers. If you don't have your edges, you are likely to fall into the trap of becoming heterogeneously homogenous. By choosing powerful edges and mercilessly executing on them, over time, you are likely to become a "purple cow".

Have you ever wondered why cars have two lights in front? It is an inheritance from the times when people used carriages pulled by horses for transportation. Typically, there were two horses pulling the carriage, each with a lamp hanging over their neck. So, when the first cars were built, the engineers equipped them with two lights so they resembled the traditional carriage. Now, have you ever wondered why there is a line to the checkout in so many stores? Apparently, historically this arises from the fact that before computerisation there was just one mechanical scale and one cash register in every shop. Nobody ever questioned that until Apple. Following their vision "Think Different", their shopping experience designers asked themselves: why should we have a line in the first place? Once they realised the reason behind it, it was easy to let go of this concept and to design the checkout experience anew. You could pick an item you wanted to purchase and approach any consultant in the store in order to pay. The consultant could use the iPod Touch equipped with a card reader to charge you. It was the first step towards becoming a "purple cow". But once Apple took that first step, it was even easier to make the next one. A few years later, if you had an Apple Store application, you were able to pick any item, scan the barcode with your app and leave, with no interaction with a consultant.¹⁵⁷ Your card would be automatically charged as you left the shop. Apparently, at first, some customers felt as if they were stealing phones and iPads. But over time they got used to the way the system worked and came to expect nothing less. This is called being edgy.★

★ According to *Collins Dictionary* being edgy means: "Following your dreams by overlooking the adversaries. It is about taking risks and always challenging yourself to be on the cutting edge."

When I talked to the designers of the Apple shopping experience a few years back, I asked, "How do your customers react to such alternative ways of shopping? Aren't they unhappy about it? Isn't it too unfamiliar?" My interlocutor Joanna, answered, "We educate our customers that we do things differently. So, they expect it from us. Actually, if we don't deliver a new concept for some time, they are disappointed and say that we are losing our edge." So, if you worry that being different is not going to be accepted by your customers, you might consider the way Apple does it. You can progress towards being edgy, towards standing out. It doesn't have to be done in one go. In order, to do so, you need to choose which aspects you want to be different in.

Find yourself an edge

The Economist wrote about Umpqua Bank: "An odd bank from an odd city doing oddly well." While most other banks across the globe prioritise becoming predominantly digital, Umpqua Bank considers two differentiators: Human + Digital. How is this strategy executed? Contrary to the global trend of limiting the number of branches, Umpqua keeps opening new ones. And these are not traditional branches at all. Aside from great coffee, local produce to purchase and authentic artwork on the walls (also by local artists), you can go there for yoga classes, book readings and theatrical performances. The offering is tailored to the needs of the surrounding community. For example, in one branch located near a home for the elderly, the manager hooked up a gaming console to large monitors hanging on the wall to create a popular virtual bowling league.

In addition, the bank has recently created a banking app called Go-To (cutely named BFF – Best Financial Friend – during its pilot stage). It allows its customers to instantly get in touch with their financial adviser over a video chat at any time and from anywhere. It enables them to conduct virtually every piece of business they could perform in a physical branch digitally, with the only exception being cash transactions. This focus on human touch is an example of a powerful differentiator; something that gets this particular

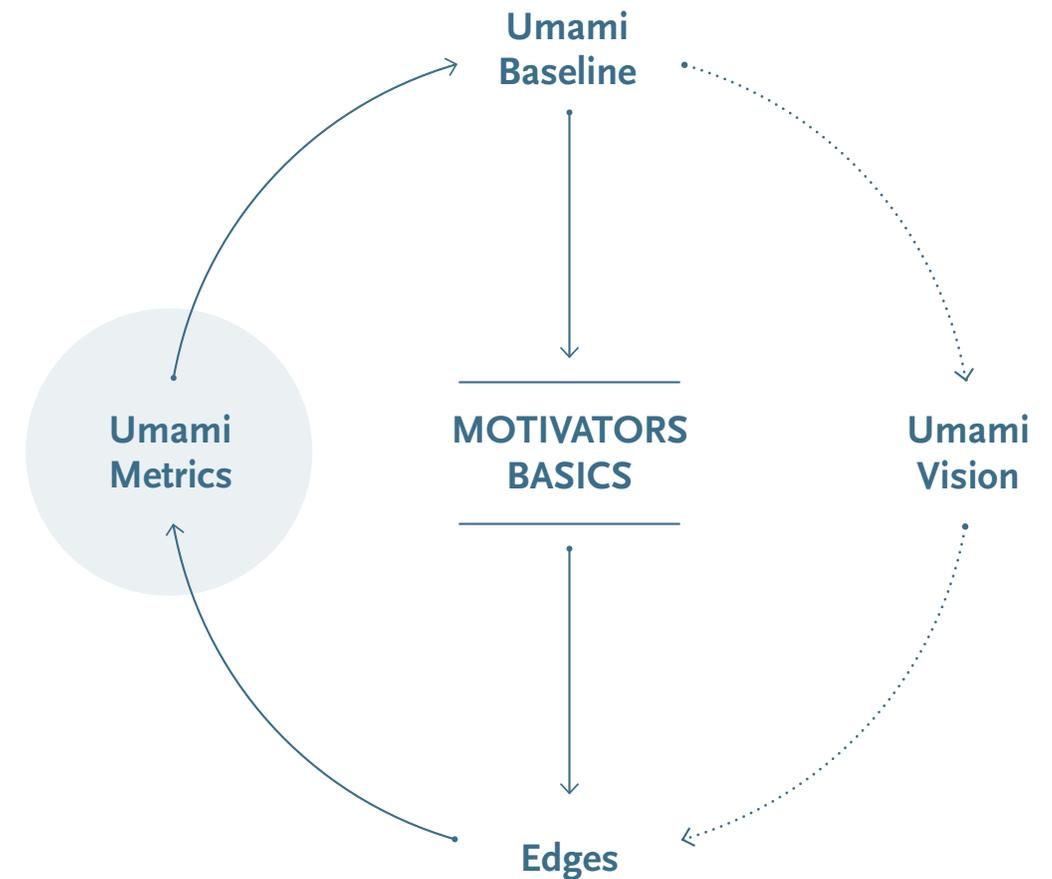
CHAPTER FIVE

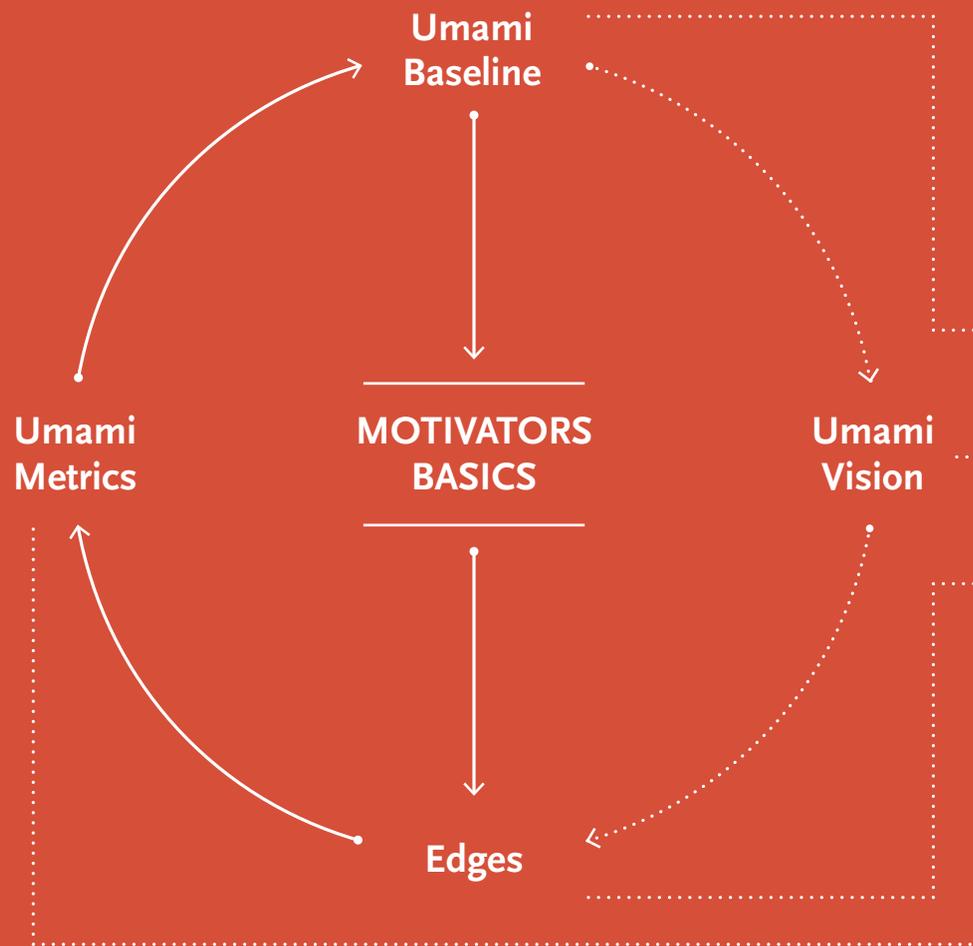
Umami Metrics

According to the UN, 2.5 billion people around the world lack access to a toilet. As a result, human faeces ends up on the roadside, in drinking water and eventually in people's digestive systems. The outcome is dysentery, which kills more than 4000 children per day. Actually, diseases spread by waste kill more people worldwide every year than any other single cause of death.¹⁶³ Rose George, author of *The Big Necessity*, a book which breaks the taboo about bodily waste, points out that “waste” is a poorly chosen phrase as human faeces is an excellent source of nutrients and energy. Its value may be alien to those of us living in Western societies but in parts of the world where access to decent sanitation is limited and opportunities for finding a sustainable energy source slim, reusing human waste can present valuable possibilities. This is what the LooWatt team noticed and decided to explore.

LooWatt is a startup whose vision is to create physical, emotional and environmental wellbeing through waterless sanitation. Their odourless toilets use a sealing mechanism to wrap human waste in a biodegradable liner that is pulled through a sealer when the toilet is flushed. The “cartridge” is then emptied into an anaerobic digester, where the waste and biodegradable liners are converted into biogas and fertiliser.

Back in 2012, while still students at Imperial College in London, the LooWatt team received a 100 000 dollar investment from the Bill & Melinda Gates Foundation to run a trial for their product in the capital of Madagascar, Antananarivo. When giving them the cheque, Melinda said, “If you succeed in the next 14 months to bring more health to Africa, we will give you a million dollars.” Nick Coutts, who





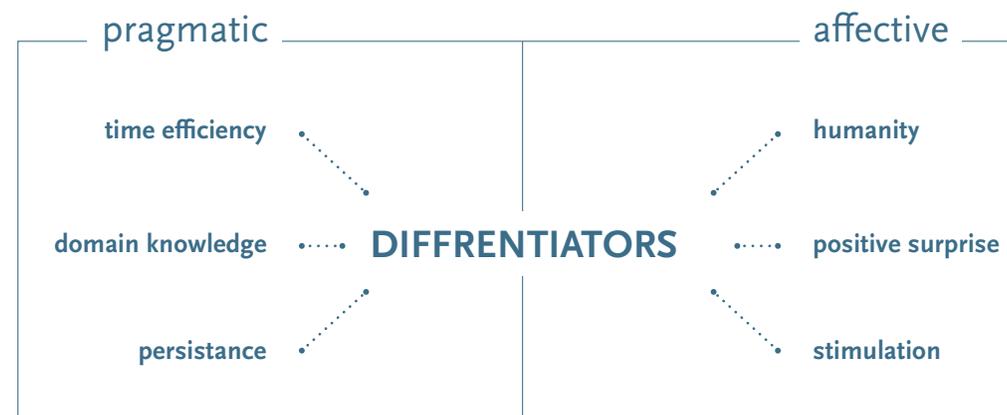
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position. Their stakeholders started to question the new strategy, so they asked me once again to help them evaluate what happened. We looked into the way the banks were assessed. It was a study, where a mystery shopper came to the different branches and once there, followed a list of arbitrary steps each consultant was supposed to perform. The consultant needed to greet the customer by name. They needed to ask about their well-being before they initiated the transaction, and so on. It was an arbitrary list of customer service standards. Frankly, it was fairly easy to crack. You just needed to mirror that standard and your chances of winning rapidly increased.

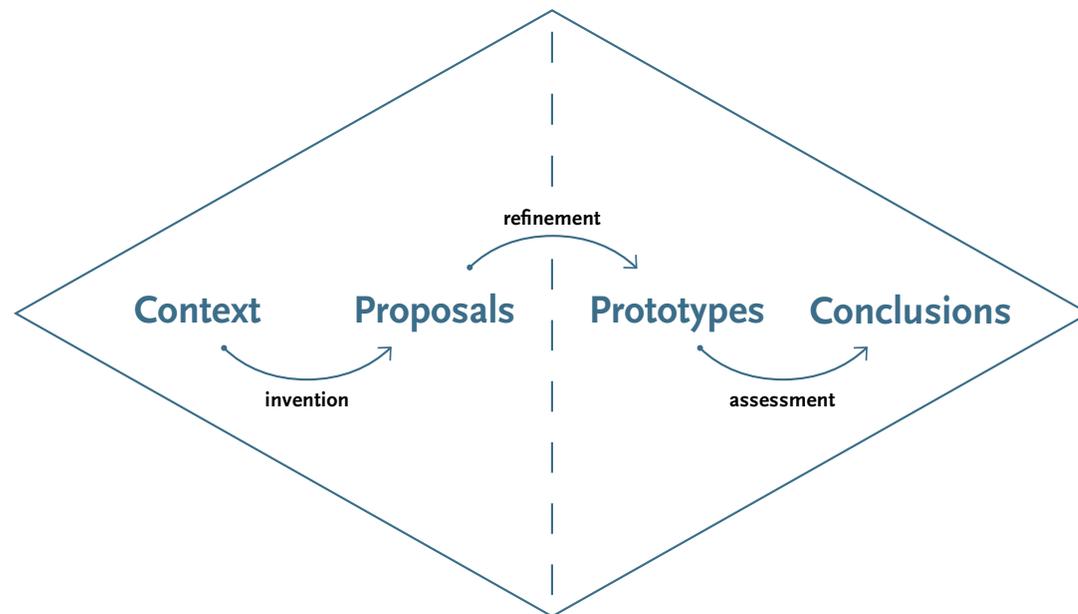
My client chose a different route. They wanted to train their consultants for attitude and give them the freedom to execute the service in any way they saw fit. Which effectively meant there was no standard to follow in the first place. And certainly, nobody was following the arbitrary standard the magazine had concocted. As a consequence, they did indeed lose their lead position in that ranking. At the same time, they continued to remain one of the two most recommended financial institutions in the country. Sure, they had to explain to their leaders that scoring highly on that particular ranking (or any other) was not worth changing their practices, when they seemed to be well received by their customers. The edges, the metrics and the customer stories were the tools by which they could argue their case convincingly. They could show that it is far more profitable (in the long run) to be delightfully different than to be exactly the same, even if it cost them that very ranking. And you know what was funny? As the competition noted that customers started expecting a different style of service from their banks, they started to copy the practices of my client.

When you play the infinite game of following your unique Umami Vision, you build an arsenal of experiences for your customers that slow down their tendency to positively adapt to your offering and your brand and you create memories that are word-of-mouth-worthy. Does this mean that you shouldn't study your competition? Not in the least. Your competition reveals your weaknesses. It is, in a way, your sanity check. But if you want to stay consistently different from your competition, you need to keep aligning yourself, your resources



and your decision-making process alongside your Umami Vision. In this way you create a competitive advantage that truly distinguishes you from your competition in a way that is not easily replicated. So, in the deepest sense you become your own biggest competitor. Look at Disney, Tesla, Southwest Airlines, Harley Davidson — they are competing with others only to an extent. But, in fact, they mainly compete with their past selves. Their success is not measured quarterly but in years, if not decades, and it is measured by the impact they evoke. And I bet that once you choose to play the infinite game, you will find yourself ahead more often than you expect. Because this game is about building the long-lasting trust and loyalty of your customers, inspiring them to become better versions of themselves, with you and through you.

the most efficient outcome while allowing for the safe failure and rejection of other paths. The major advantage of this approach is that it focuses on the change you hope to invoke rather than the improvement of the solution itself. It further offers the possibility of discovering how the various patterns triggered through different propositions could potentially unfold.²¹⁵



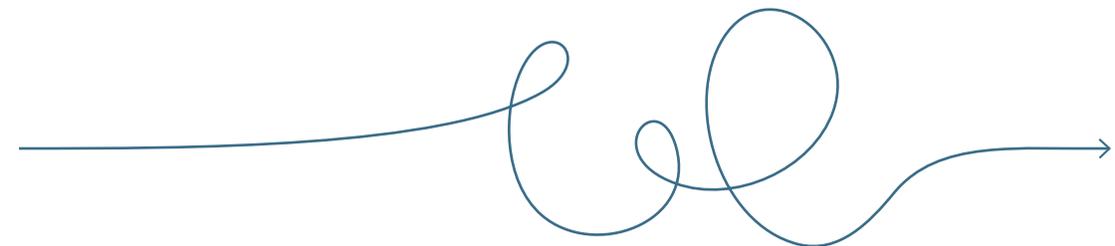
Befriending uncertainty

Paraphrasing Leo Tolstoy, John Kay, the author of *Obliquity*, says, “Unhappy businesses resemble one another, each successful company is successful in its own way. Business achievement depends on doing things that others cannot do – and still find difficult to do even after others have seen the benefits they bring to the imitators.”²¹⁶ There is a whole lot about the world (including competition and customer behaviour) that we simply can’t know. Any business that involves interactions with people is inherently complex and there is no (known thus far) way to figure out the “right” way of doing things that makes you

stand out. To achieve your goals requires that you keep learning about them through the process of working out what they are and the only effective way to do this is through experimentation. Experimentation enables you to gain more general knowledge over time that, in turn, helps you make decisions that keep you on your course.

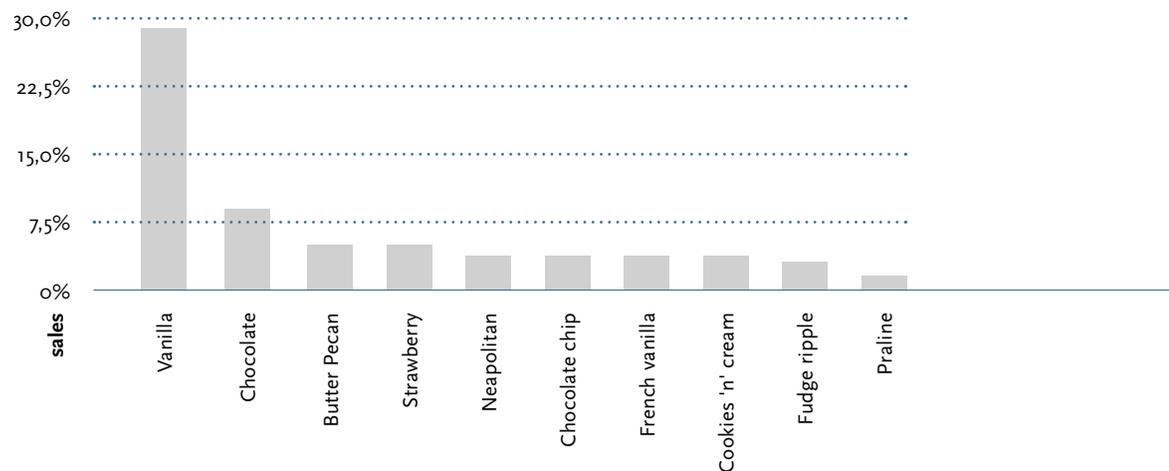
There is another thing worth considering when you set out to execute your strategy. It is best that you stay focused on progress rather than the outcome.²¹⁷ This is important because, as you muddle through the uncharted territory of the changing market, you are not going to be able to understand the business and market processes that are happening along the way. So, what you need is an evolutionary approach—one that can be modified through incremental change. President F. D. Roosevelt captured it well by saying, “If high-level objectives are to be achieved, goals and actions need to be constantly revised.”

The good news is this: as humans, we instinctively know how to solve daily challenges iteratively and adaptively. We keep on choosing from an unlimited number of options and with limited knowledge at our disposal. Think of taking a new job or buying a house. Different people will make different choices. Not because they don’t know what to choose but because there is more than one good option. The same happens to organisations and this is the best opportunity for differentiation, which, in turn, is your best tool to battle positive adaptation. Your path may not be straightforward but it will be an effective one, as it will adapt to the changing conditions of your market and your customers’ behaviour while following your vision and edges.



You just need to keep your eyes on the prize. If you dare to stand out your reward will be 10 times as big as that of whoever is number two. How come? Did you know that the most favoured ice cream flavour in the world (according to the International Ice Cream Association) is vanilla?²²⁸ It sells almost four times as much as the next beloved flavour, chocolate. This phenomenon happens not only with respect to ice cream flavours, it also happens in business and it's called Zipf's Law. In the 1930s, Harvard linguist George Kingsley Zipf found that "the" (the most used English word) occurred about twice as often as "of" (second place), about three times as often as "and" (third) and so on.²²⁹ But as it turned out, Zipf's Law has much further reaching implications than logging word usage. In much the same way, you can observe this tendency in the size of meteors, hard drive disk errors, frequency of earthquakes and price returns on stocks. And, of course, it also applies to brands.²³⁰ If you are first on the market you will win big. If you are second, you still win but significantly less. And if you are third, fourth, etc. you just get a tiny fraction of the success.

Why is this the case? As humans we want to have a guarantee of success because our brains don't want to waste energy on interactions that wouldn't meet our expectations. If you tear your ligaments, you don't want to go to any old surgeon. You want the best. If you travel to



a new place, you want to see something interesting, if not spectacular, not something boring. If you choose a product or a service, a similar sentiment is at play. You dream of choosing your ultimate best option, the option that fits with who you want to be. Sure, if you don't have that option, you will choose from among what's available (this is why so many businesses are still operating) but this relationship will remain transactional. And as soon as a daring outlier enters the market, your customer may not have any qualms about leaving you and switching. And be sure that, sooner or later, this new player will show up. It can be your competition or it can be you. You need to decide.

Start with reflection

Did you notice how often people in different organisations never quite realise why they do what they do? In Poland we have a saying that people keep on running in such a rush with their wheelbarrows that they forget to load them up. Such behaviour is escalated even further at a leadership level. You might find yourself having to make so many decisions and to participate in so many meetings that there is no time and energy left to think—not only about long-term issues but even to consider what should be done next. In this hamster wheel of urgent decision-making it is easy to forget that your focus determines your reality. It gives you a sense of what your priorities are and therefore what the priorities of your employees need to be. The roots of keeping your priorities in focus are hidden in reflection.★

Back in 2006, Judy Sorum Brown, a senior fellow at the University of Maryland's James MacGregor Burns Academy of Leadership, wrote an article about the growing importance of reflection in leadership.²³¹ She argued that, "The world in which we lead is like an iceberg, with only the tip of it seen above the waterline. That tip is represented by events.

★ Reflective leadership is not a new concept. Back in 1933, the philosopher John Dewey described it as a form of problem solving. He said that reflection "includes [...] the sense of a problem, the observation of conditions, the formation and rational elaboration of a suggested conclusion, and the active experimental testing."

If you want to stand out in the market you need an experience strategy. Why? Because, even if you don't realise it yet, your clients likely buy experiences from you rather than services or goods. Turning those experiences to your strategic advantage is crucial if you want to make the most of your business. Such a strategy should consist of three things: a powerful experience vision, the 'edges' that will make you stand out, and a set of relevant metrics. In this book, you will find a powerful and, above all, highly actionable approach to thinking of and implementing such an experience strategy. Doing so will ignite your business, help you stand out and make you become truly loved by your customers. These pages contain both the reasoning and the practical tools behind the true secret sauce: a great experience customers just can't get enough of, and are happy to tell others about. I've seen it work, and I can't wait for you to see it work too.

“Whenever I am asked why a certain company or specific sector has not embraced the Experience Economy, I always say it comes down to mindset. Little did I know that the secret to embracing the right mindset for experience design lies in the taste-full, mouthwatering concept of umami. Now is the time, in your business, to rise above the Umami Threshold of basic functionality to engage your customers in ways that offer emotional value and even meaning. All experience designers and leaders should read this book, letting Aga Szóstek show you how to design and create experiences worth having, with memories worth reliving.”

— B. Joseph Pine II, Co-author of *The Experience Economy: Competing for Time, Attention, and Money*



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