

Creating the Lexus Customer Experience

A conversation with David Brimson, General Manager Strategy & Brand Experience, Lexus Europe

When David Brimson started at Lexus in the UK, the brand was a small challenger in the premium market. The marketing resources needed to make a difference were limited.

Look west

The Lexus brand had made a difference in the United States – becoming market leader a few short years after being “born” in 1989, winning more awards for customer satisfaction along the way than all the competition combined. “I spent time in the US learning what this Lexus difference was all about,” said Mr. Brimson. “This came down to two basic ingredients: the excellence of the products and a retail model that put the customer firmly at the centre of the brand experience’.

The US team had focused on the human connection. Customers had to fall in love with the complete experience, the product and the customer handling, this made the Lexus brand famous, then customers were more loyal and told their friends about Lexus.

“A car is new and exciting for a while, but after the ‘honeymoon’ people get used to it,” Mr. Brimson explained. “After one or two service cycles the car is just a tool. But if customers have a real relationship with the retailer, that helps to bond them to the brand.”

This approach was much more complicated in terms of implementation. In the US the Lexus retailers were chosen on attitude to the business and the customer ahead of pure financial strength. Systems and processes were designed from the customer out. Every employee was valued for his or her contribution.

The customer experience has developed as an effective brand differentiator, increasing retail brand definition and strengthening business performance.

“I was told a story by a senior Lexus US manager that summed things up for me. He described how a detailer [an associate who



David Brimson, General Manager Strategy & Brand Experience, Lexus Europe, lead the team that activated the passion for focusing on the customer and rolled out the spirit of Lexus programme across Europe.

“MCE has brought fresh eyes into the process. We selected MCE because of the broad retail experience of the people on the team – and their customer focus.”

prepares the car for final delivery or return to the customer] said ‘I am the most important person in the dealership’. When asked for an explanation, the man elaborated. ‘Well, I’m the last person who sees the car before the customer does. If I miss something, we all fail’.”

Talk to the people

It was this story that convinced David Brimson of what they had to do in the UK. “We had numerous research and positioning documents. But you can have all the cor-

rect marketing language you want. The real challenge is always how you turn plans into reality. Brands are formed in the minds of

the customers on what is delivered, not the theory on an A4,” he said.

So the UK team engaged with every member of the retail team, from the investors to the detailers, using interactive “immersion” events to create a shared mission to build the business through the customer experience. Everyone understood that experience meant much more than satisfaction, it was about driving volume, profit and advocacy.

“Our customers can spend over 100,000 Euros on a car. They quite like the idea that the brand they buy from really does care about them as an individual. This is why we brought every single person in the network together. We wanted to ensure they understood this. But we quickly found that our staff could talk among themselves. After all, very few people go to work trying to do a bad job. But often people are constrained by the perceived – or real constraint – from doing what they know is the ‘right thing’ in handling an individual customer situation.”

**“Getting people’s mind
in the right place.
This takes time.”**

“We worked to reduce these constraints. Getting top management buy-in in the retailers gave the permission for the staff who very often are ignored, the technicians, the admin staff, to contribute many of the best ideas – some great culture reinforcement stories that we put into our ‘Lexus Book of Legends’.”

Activating the people’s passion. Focusing it on the customer. That got results. Lexus became the UK No 1 brand for J. D. Power and Associates in terms of customer satisfaction. And has now held this position for eight years in a row.

Spirit of Lexus

Since 2005 similar programmes have been progressively rolled out across Europe under the Spirit of Lexus banner. The strategy is the same but the national implementations are always different. The importance of localisation has been a key learning. Localisation obviously addresses cultural differences, but far more importantly it creates ownership that makes the cultural shift self-sustaining.

In the markets that have implemented “Spirit of Lexus”, the customer experience has developed as an effective brand differentiator, increasing retail brand definition and strengthening business performance.



The Lexus Customer Experience

Still, Lexus realized it needed to take a more systematic approach. Attention so far had mainly gone to the mindset. And through this it was recognised that in some cases the process infrastructure supporting behaviour had some weaknesses, and was pretty generic. But Lexus didn’t want to do a traditional process optimization. It wanted to re-engineer the experience from the customers’ perspective. It wanted “one view” that combined behaviours with process elements across the customer life cycle.

“For example, we became more aware how customers are changing in the way they behave in the purchase process,” explained Mr. Brimson. “Yet automotive retail has remained largely the same. By looking through their eyes we learned more. We saw that we were forcing them to perform the way WE wanted.

“E-mail is a great example. Many of our premium customers live on their Blackberries, an increasing percentage want to use e-mail or use mobile internet, just as they would normally in their jobs. But very few retailers have processes to respond to e-mail in anything like an acceptable time, so customers really have to use the phone. Focusing on behaviour alone will not resolve this. As a brand, we have to put in place processes and tools to support this virtual relationship.”

With the growth of Russia and other East Europe markets, Lexus also wanted to understand what, if any, were the differences between “traditional” Western Europe markets and the newer, fast-growing Eastern markets. The surprise was relatively little, so through customer tracking across 11 markets the Lexus Customer Experience (LCE) eventually became one, 10-step, Pan-European approach. This looked at life from the customer’s perspective. It described the customer’s point of view and the

What the auto industry says about Lexus

Lexus has earned a well-deserved reputation for turning out utterly refined luxury vehicles. The hallmarks of this brand are a quiet, well-crafted cabin, a plush ride and commendable performance from powerful, nearly silent engines.

Launched by Toyota in the fall of 1989, the Lexus line represents the company’s effort to create a world-class luxury-car brand. Groundwork for the Lexus line was laid in the mid-’80s, when the company began tapping U.S. focus groups in an attempt to define design concepts best suited for American consumers. Hundreds of prototypes were built and tested on Germany’s autobahn and on U.S. roads.

In early 1989, Lexus unveiled its first two models (which would debut for the 1990 model year) — the entry-level ES 250 and the flagship LS 400. The LS 400 was lauded by both journalists and consumers alike for offering a stellar luxury-car experience, with a remarkably silent cabin and a refined engine.

By the early 1990s, the Lexus brand was expanded to other markets, including the United Kingdom, Canada and Australia. Additional cars were also added to the lineup, including the SC 300 and SC 400 coupes and the brand’s first luxury performance sedan, the GS 300. By the end of the decade, Lexus had sold over a million vehicles in the U.S. The 2000s saw Lexus proving itself a trendsetter

with the launch of many hybrid-powered versions of its vehicles such as the RX 400h and the GS 450h.

In the years since its inception, the Lexus brand has distinguished itself time and again in quality and reliability surveys. For drivers interested in vehicles that emphasize quality, dependability and comfort, the Lexus marque can’t be beat.

Source: <http://www.edmunds.com/lexus/history.html>. Edmunds Inc. publishes four Web sites that “empower, engage and educate automotive consumers, enthusiasts and insiders”.

“You can have all the correct marketing language you want. The real challenge is always how you turn plans into reality.”

processes that supported it. It also included the behaviours and actions required each step of the way. But it also explained why a certain behaviour was required. Everyone tells sales people they should get up and greet people who walk into the showroom. But many sales people regard this as an interruption. They’re busy. We had to make sure that people did not see “the welcome” as just a step in a process. From the customer perspective, it’s the first bonding with the dealership. It overcomes a lot of uncertainty. It makes them feel comfortable. As such, it’s a moment of truth, the start of the customer relationship,” said Mr. Brimson.

This brought the customer to the forefront of the business. It also challenged many organizational silos – for example, the “glass wall” between sales and after-sales versus the customer perception of one retail relationship. “A lot of time has been spent internally with what we call ‘nemawashi’ – creating common understanding, getting feedback,” Mr. Brimson said. “Getting people’s mind in the right place. This takes time.”

But this time was well spent. Today, the Lexus Customer Experience is the foundation of the retail brand proposition, extending the principles of the Spirit of Lexus into operating process and practice across the business. “This is



a journey where the destination will always evolve. The key is to continually listen, learn. We have some very committed people delivering some fantastic experiences, but we still have a long way to go.”

Some practical advice

So what if you’re a business who wants to take a similar journey. David Brimson offers following advice.

- **Focus on the Human Experience.** It doesn’t really matter which business you’re in. If you run a chemical plant or a retail store, making the effort to genuinely understand the customer’s perspective is the first, critical step.
- **Get out there to see for yourself.** Do rely on other people’s and customers’ stories. Check your research and statistics. Don’t assume. Go out there yourself. Talk to customers. Be a customer. Sit

behind the phones at the customer service centre. Your eyes and experience will show you the day-to-day, routine reality of the experience.

- **Get top management support.** Customer experience initiatives are often seen as obscure, not “hard” business. They are mid-, not short-term. They take time to deliver. If the CEO and board don’t believe in it, you’re wasting your time. Projects like this cannot be contained to one department. They must be enterprise level.
- **Be pragmatic.** Customer experience efforts quickly lose their way. Strategy documents and never-ending planning sessions take over. It’s not about being absolutely right or perfect. It’s about getting more people to look in the right direction and take action. Overcoming inertia is critical. The direction can always be fine-tuned.

MCE and the Lexus Customer Experience

A team of Lexus management and MCE advisors was established. They talked to retailers and Lexus management across East and West Europe, with a special focus on Russia. They reviewed Lexus research and past work. They looked at life through the eyes of the customer. From all of these inputs, the 10-step Lexus Customer Experience was created. This is the “reference” used for experience development centrally and nationally.

David Brimson had the following view on working with MCE.

“When we were mapping the customer experience we realized that however good our traditional partners were, they were inevitably thinking the traditional way. The problem with that is that you end up with exactly the same as we

had before, and maybe the same as everyone else. “MCE has brought fresh eyes into the process. We selected MCE because of the broad retail experience of the people on the team – and their customer focus.

“In this, the biggest value has been in taking a fairly neutral approach to the customer. MCE frankly (sometimes very frankly) commented on the gaps between our reality and aspirations. We deliberately avoided deep industry experience and this helped create some great insights. We also learned from other industries which can be very thought-provoking.”

For more information about Lexus, please visit www.lexus.eu.

Customized solutions

The theory of customer focus is easy. First you figure out what your customer really wants. Then, you make sure your business gives it to him. But anyone who’s tried to get his business to focus on the customer knows different.

There is no “one path” to customer focus. Every business needs to find its own path. That means that we at MCE cannot provide a magic formula to success. We can offer you a number of lessons we have learned from working with people just like yourself.

To learn how MCE could help your organization become more focused on your customers and their needs, contact our Director of Customer Specific Solutions, Patrick Faniel, and let us show you how we can put together and roll out a programme that answers your specific needs.

Patrick Faniel
Director Customer Specific Solutions
+32 2 543 21 20
or email: pfaniel@mce-ama.com