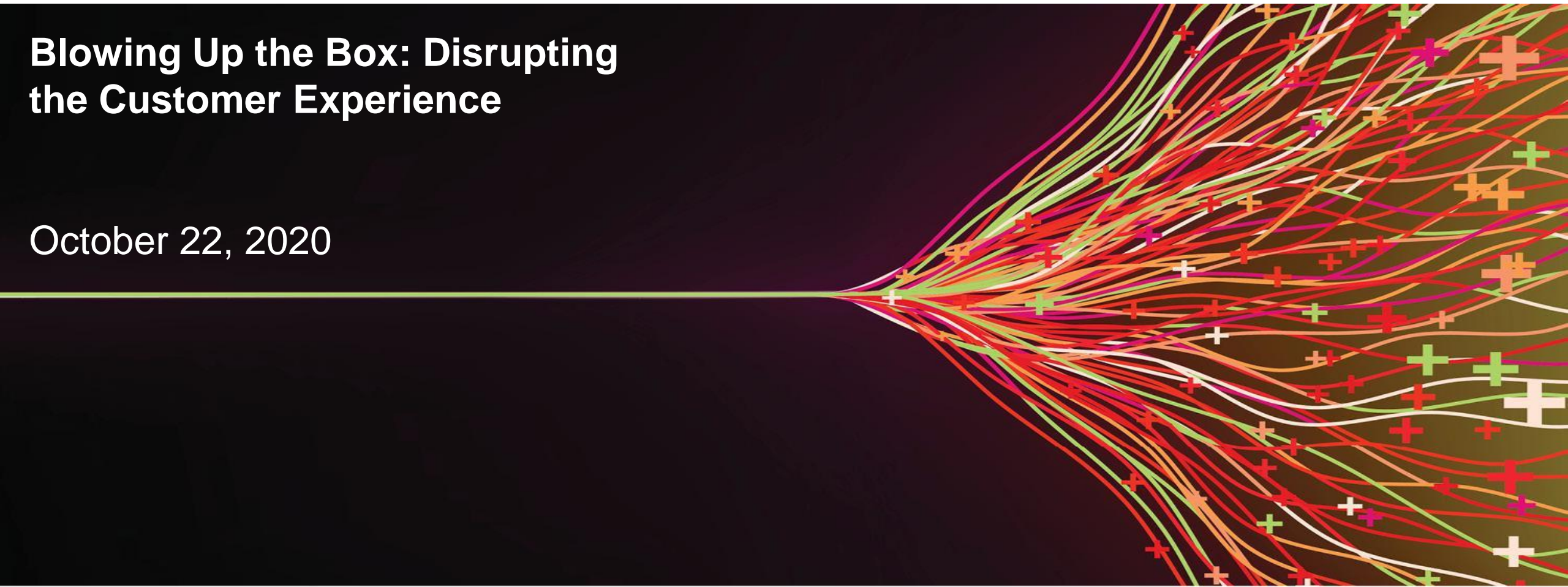


# Blowing Up the Box: Disrupting the Customer Experience

October 22, 2020



# Earn Credits

## CPE (NASBA)

- ✓ Click the link in the **CEU Request Pod** in the bottom right corner of the webcast console to sign up for credit
- ✓ Stay online for the entire webcast
- ✓ Click 'ok' for 3 popups that occur during the program
- ✓ Credit available for participation in live webcast only





**BLOWING UP**

**THE**

**BOX**

**DISRUPTING  
THE CUSTOMER  
EXPERIENCE**

**Gary  
Magenta**

**Kristina  
Choi**

**THE CONFERENCE BOARD** 

*root*





CX Guru and Chief Change Architect, Root Inc.

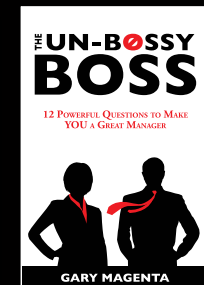
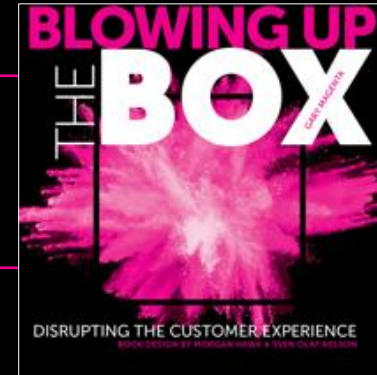
30 years working in the world's most influential businesses

20 years with Root Inc.

Author:

— ***Blowing up the Box***  
*Disrupting the Customer Experience*

- *720 Haircuts: Creating Customer Loyalty That Lasts a Lifetime*
- *The Un-Bossy Boss: 12 Powerful Questions to Make YOU a Great Manager*
- Upcoming book releases this fall:
  - *Boss: The Original Four-Letter Word*



# GARY MAGENTA





Consultant, sustaining change for clients at Root Inc.

Background in 360° marketing communications

Master's in management from University College London



Digital content creator and influencer with over 100,000 subscribers



What is Change Management Consulting?

24K views • 10 months ago



Work Day as a Consultant | Quarantine Vlog

27K views • 2 months ago



A Week in My Life as a Consultant

1.1M views • 2 years ago

# KRISTINA CHOI

# I PROMISE

At the end of our time together:





# I PROMISE

At the end of our time together:

---

1. You will understand the **secret formula** that all successful customer experiences share.



# I PROMISE

At the end of our time together:

- 
1. You will understand the **secret formula** that all successful customer experiences share.
- 
2. You will discover **what your business can do** to disrupt your customers' experience and thrive.
- 





# BUSINESS GROWTH HIGHWAY





# BUSINESS GROWTH HIGHWAY







# DISRUPTION

Disrupting your customer's experience is your key to survival.





**CUSTOMER  
EXPERIENCE =  
DIFFERENTIATOR**



# WHAT IS A DISRUPTOR?

I know how controversial the word **disruptor** is – I **KNOW!**

So let's check out what the word means.

# WHAT IS A DISRUPTOR?

I know how controversial the word **disruptor** is – I **KNOW!**

So let's check out what the word means.

## **DISRUPTOR =**

Creates a new market and value network and eventually disrupts an existing market and value network, displacing established market-leading firms, products, and alliances.

# WHAT IS A DISRUPTOR?

I know how controversial the word **disruptor** is – I **KNOW!**

So let's check out what the word means.





# WHAT IS A DISRUPTOR?

I know how controversial the word **disruptor** is – I **KNOW!**

So let's check out what the word means.

A company that changes the traditional way an industry operates, especially in a new and effective way.

**DISRUPTOR** =

creates a new market and value network, disrupts market-leaders, and alliances, firms, products,

# WHAT IS A DISRUPTOR?

I know how controversial the word **disruptor** is – I **KNOW!**

So let's check out what the word means.

A company that changes the traditional way an industry operates, especially in a new and effective way.

**DISRUPTOR** =

creates a new market and value network, disrupts market-leaders, and alliances, firms, products,

sears



sears

is the great disruptor.

sears

is the **great disruptor.**

(of 1896).

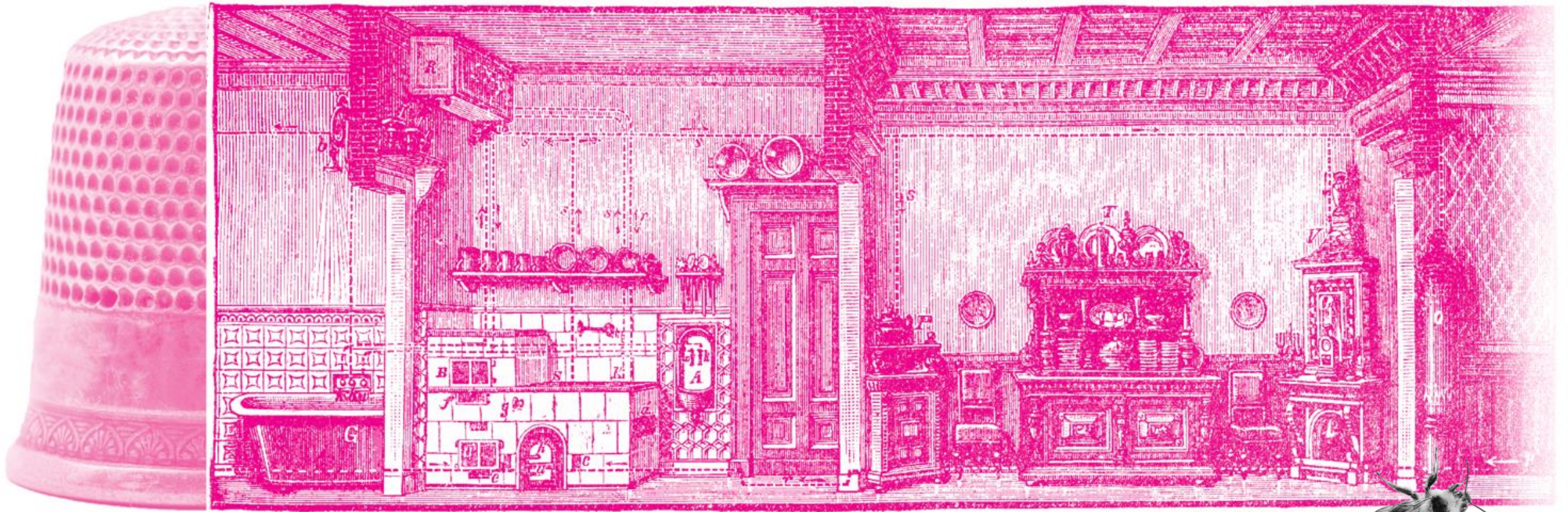


# sears

is the **great disruptor.**

(of 1896).

They blew up the **retail box** with **mail order.**



Back in 1896, Sears revolutionized consumerism in North America through the **Sears and Roebuck catalog.**



**1896**

sears

- ✓ Largest assortment of products available through mail-order catalog
- ✓ First to allow for return items
- ✓ Rewards programs
- ✓ Delivered to your house

**18**96

sears

- ✓ Largest assortment of products available through mail-order catalog
- ✓ First to allow for return items
- ✓ Rewards programs
- ✓ Delivered to your house

**19**96

amazon

- ✓ Largest assortment of products available online
- ✓ Allows for return of items with no questions asked
- ✓ Prime membership (2005)
- ✓ Delivered to your house



**18**96

sears

- ✓ Largest assortment of products available through mail-order catalog
- ✓ First to allow for return items
- ✓ Rewards programs
- ✓ Delivered to your house

**19**96

amazon

- ✓ Largest assortment of products available online
- ✓ Allows for return of items with no questions asked
- ✓ Prime membership (2005)
- ✓ Delivered to your house

Amazon has perfected Sears' innovations.

# Why is Sears on the **edge of extinction?**





# Why is Sears on the **edge of extinction?**



# Why is Sears on the **edge of extinction?**

## **DENIAL**

**Refused to  
admit the need  
to change.**

CHAT

CHIT

# Why is Sears on the **edge of extinction?**

## **DENIAL**

**Refused to admit the need to change.**

## **INSULARITY**

**Leaders were unwilling to hear bad news.**

CHAT

CHIT



# Why is Sears on the **edge of extinction?**

## **DENIAL**

**Refused to admit the need to change.**

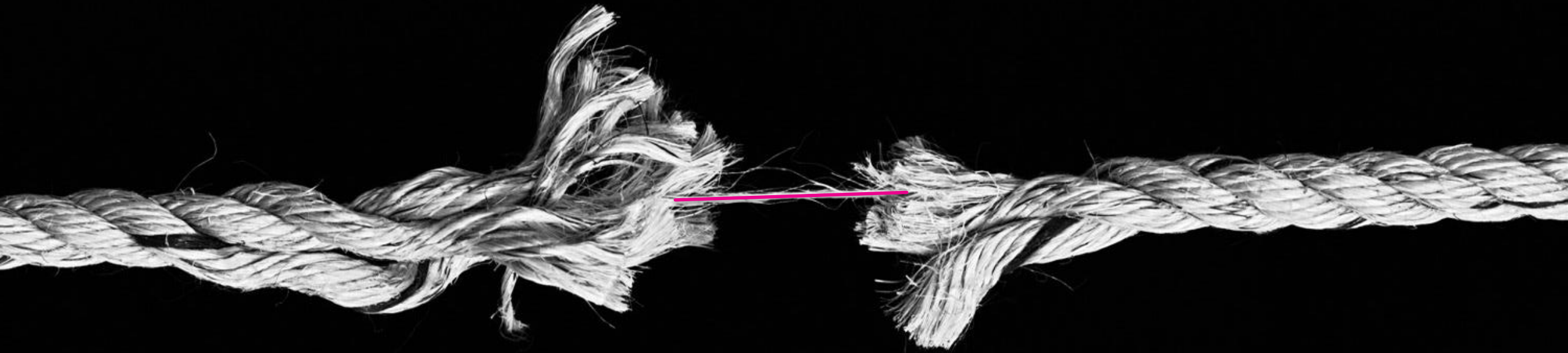
## **INSULARITY**

**Leaders were unwilling to hear bad news.**

## **PARALYSIS**

**Didn't jump on the bandwagon.**





What a sight it is to see the **rise of Amazon**, whose model is so similar to the one that Sears created, while watching the original disruptor **hanging on by a thread.**





The pace of change has never been this fast....



# 2006

# You Tube

- ✓ Acquired by Google and first ads launched
- ✓ Monetization opens the door for brand partnerships
- ✓ Creators reach audience directly
- ✓ Products are relevant and accessible via the creator

# 2006

# You Tube

- ✓ Acquired by Google and first ads launched
- ✓ Monetization opens the door for brand partnerships
- ✓ Creators reach audience directly
- ✓ Products are relevant and accessible via the creator

YouTube is **changing the way** brands reach **their consumers** – and forcing retailers to expand **beyond a catalog.**

Achy Smile  
(: smiling through the pain :)



Achy Smile | Erica Nicole Carrasco

(: smiling through the pain :)



Erica Carrasco

+ Follow

amazon  
Influencer

Share this page

Product recommendations

Achy Smile | Erica Nicole Carrasco earns money from this storefront. [Learn more](#)

Recommend products. Get rewarded.

Amazon is taking advantage of the influencer space's disruption of the retail industry.



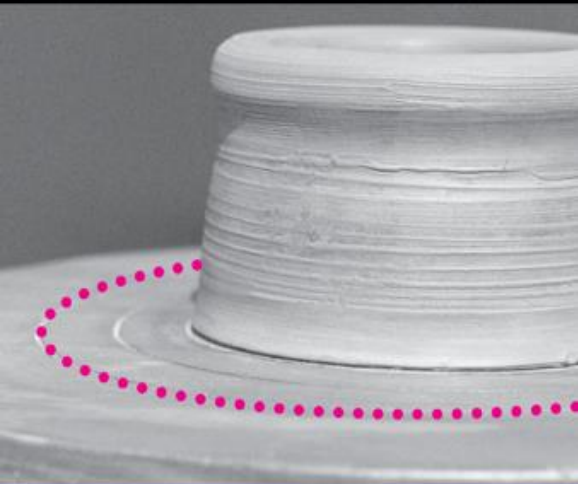


The pace of change has never been this fast...  
...yet it will never be this slow again.

—Graeme Wood

Somewhere around 8000 BC,  
**the wheel** made its debut.

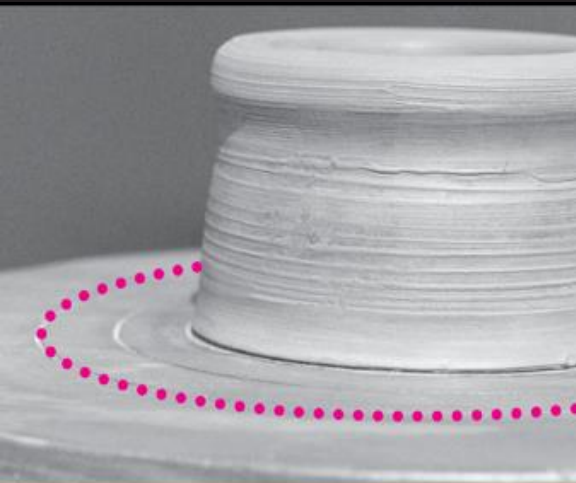
Somewhere around 8000 BC,  
**the wheel** made its debut.



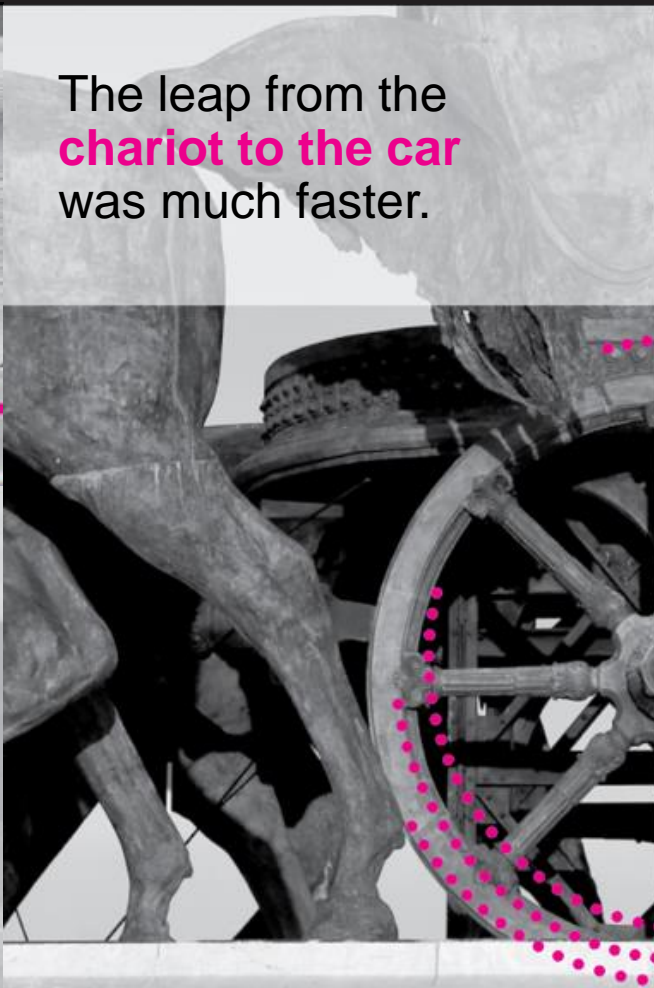
The length of time that passed between the first **pottery wheel** and the **wheel's first use in transportation** was thousands of years.



Somewhere around 8000 BC,  
**the wheel** made its debut.



The leap from the  
**chariot to the car**  
was much faster.



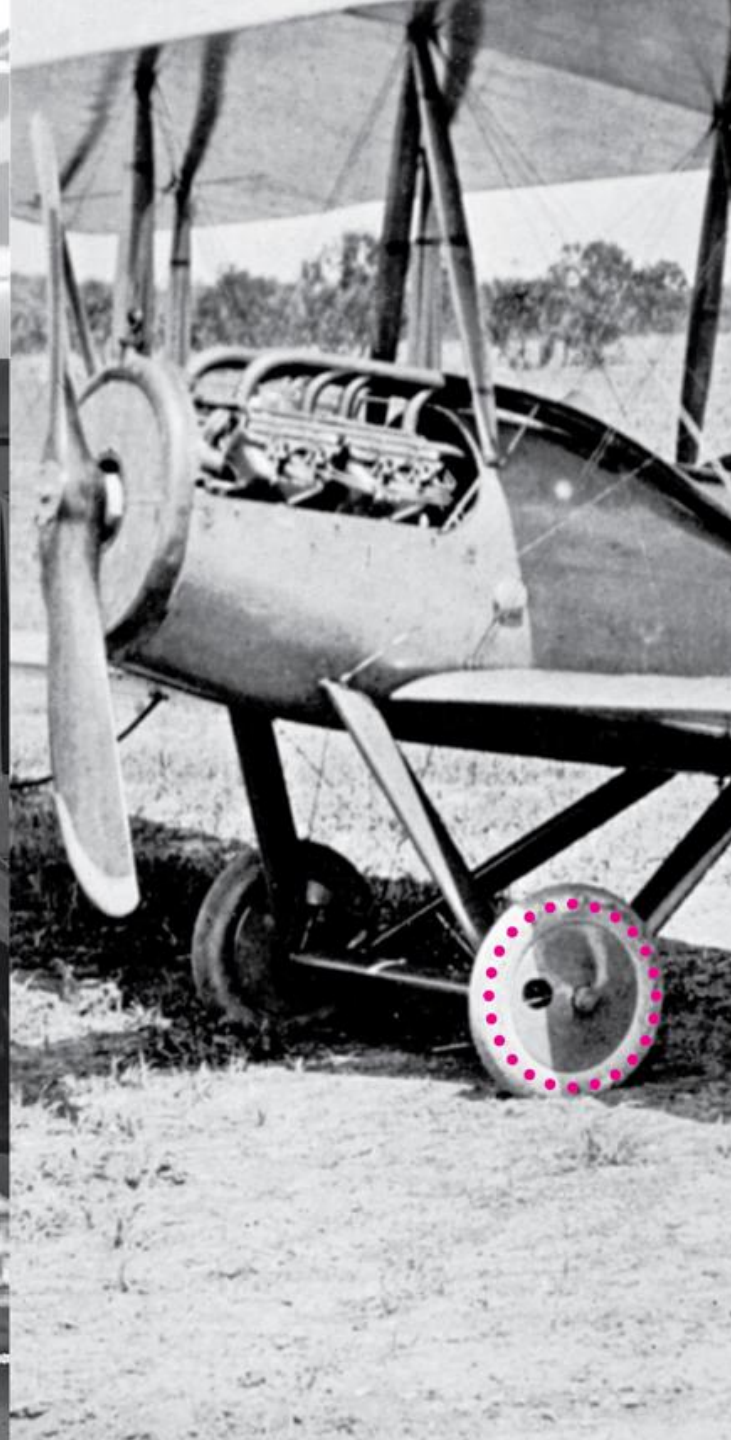
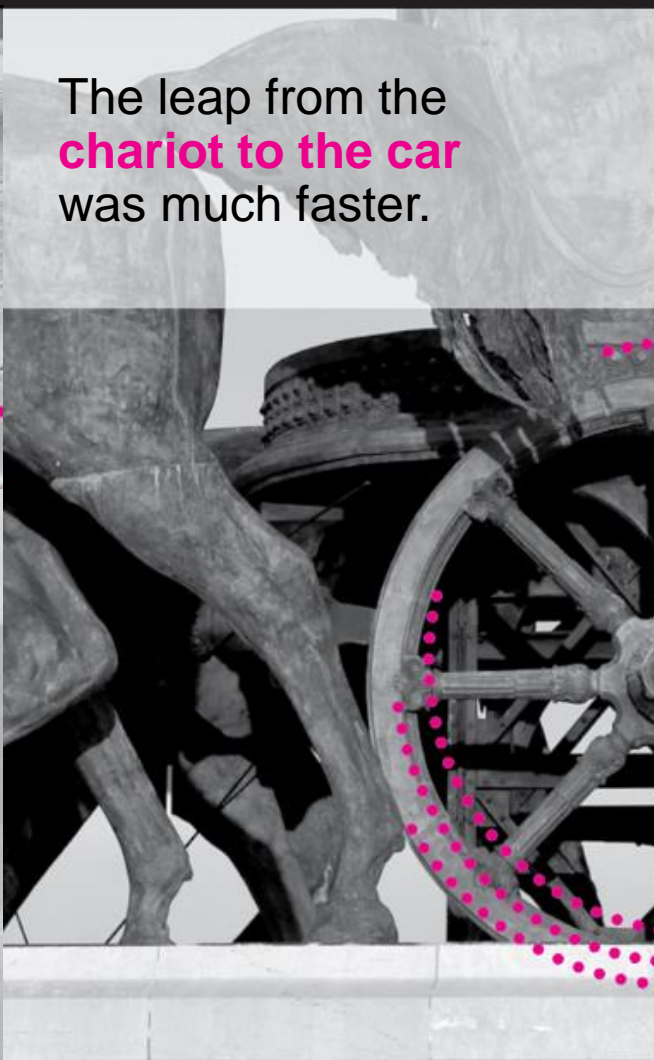
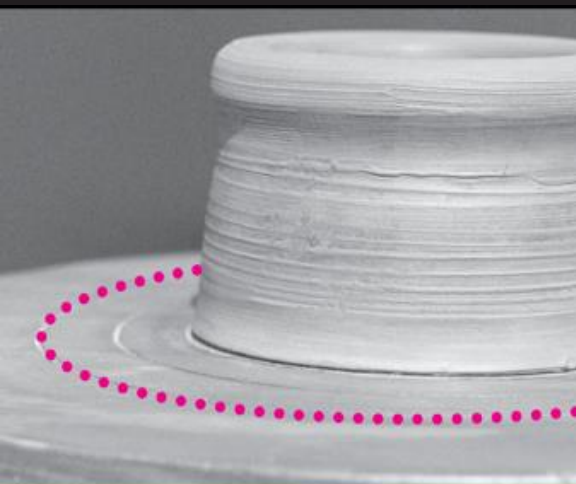
The length of time that  
passed between the  
first **pottery wheel**  
and the **wheel's first**  
**use in transportation**  
was thousands of  
years.

Somewhere around 8000 BC,  
**the wheel** made its debut.

From **cars to airplanes**  
took even less time.

The leap from the  
**chariot to the car**  
was much faster.

The length of time that  
passed between the  
first **pottery wheel**  
and the **wheel's first  
use in transportation**  
was thousands of  
years.





A rocket launch scene with a red-tinted background. The rocket is positioned in the center-left, with two boosters visible. Bright white flames and smoke are being emitted from the engines. The text is overlaid on the right side of the image.

THE STEP FROM  
THE AIRPLANE TO  
THE SPACESHIP  
TOOK THE SHORTEST  
AMOUNT TIME OF ALL  
THESE TRANSITIONS.



THE THREE SECRET  
INGREDIENTS OF

# DIS RUP TION



*root*

THE THREE SECRET  
INGREDIENTS OF

# DISRUPTION

PURPOSE  
OBSESSED



*root*

THE THREE SECRET  
INGREDIENTS OF

# DISRUPTION

PURPOSE  
OBSESSED

ENTREPRENEURIAL  
CULTURE



*root*



THE THREE SECRET  
INGREDIENTS OF

# DISRUPTION

PURPOSE  
OBSESSED

ENTREPRENEURIAL  
CULTURE

UNIQUE CUSTOMER  
EXPERIENCE

1

PURPOSE  
OBSESSED

What is our  
**PURPOSE,**  
and what are we  
willing to throw  
away to remain  
true to it?



1

PURPOSE  
OBSESSED

What is our  
**PURPOSE,**  
and what are we  
willing to throw  
away to remain  
true to it?

CHAT

CHIT





Does your **company culture** allow every person, from leaders to the front line and everyone in between, to share their ideas?



3



UNIQUE CUSTOMER  
EXPERIENCE

Are you creating an experience that your customer **wants and needs** from you? Or the experience **you want and need** from your customer?



# THE KODAK CASE STUDY

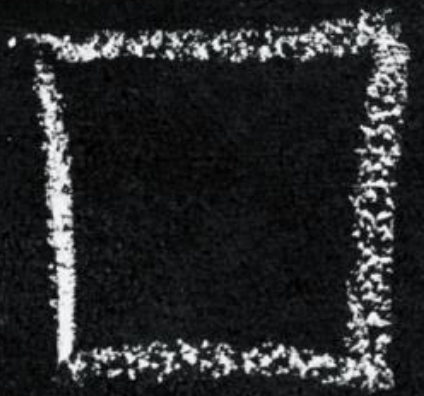
Let's check our formula against a globally recognized behemoth.

SHARE MOMENTS.  
SHARE LIFE.





**PURPOSE  
OBSESSED**

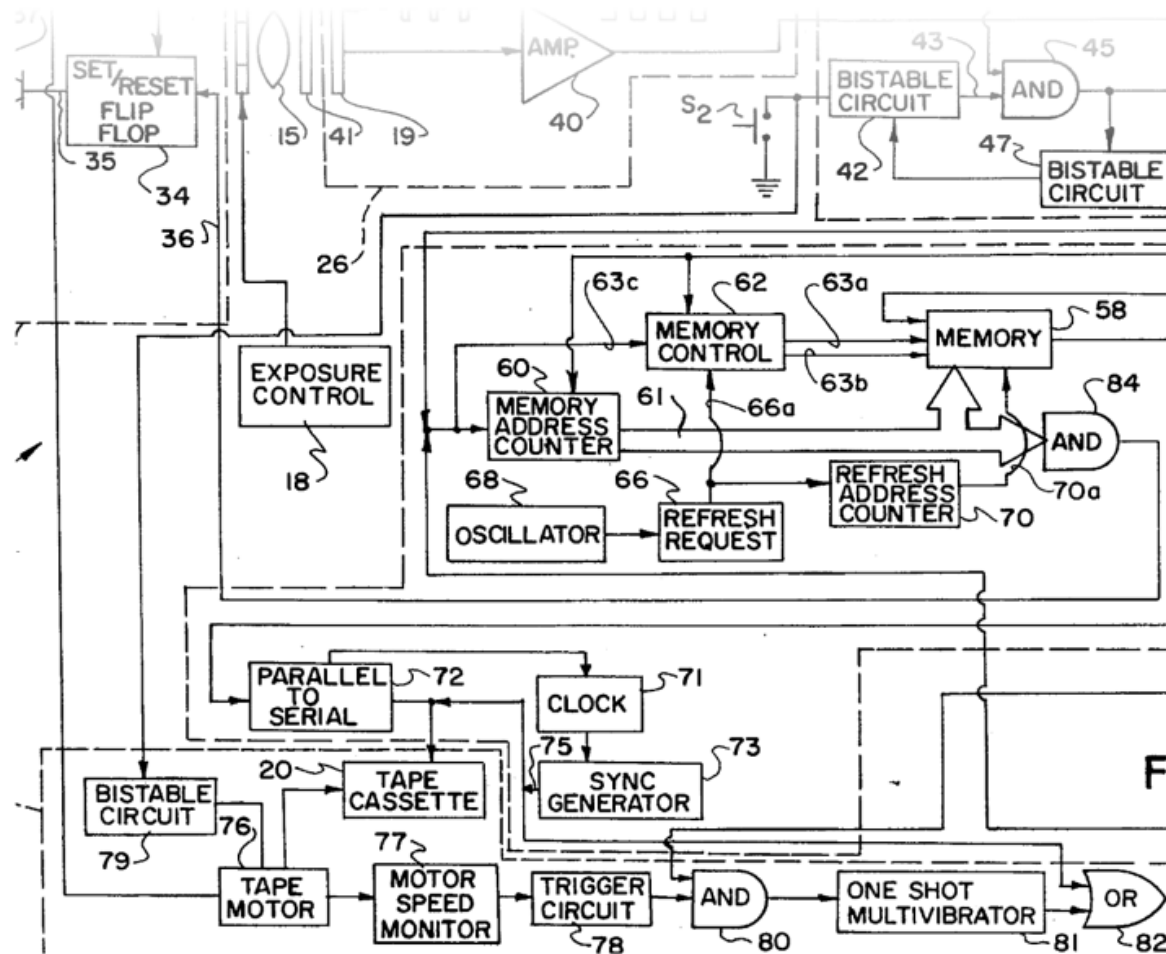






PURPOSE  
OBSESSED

# WHAT'S THIS?



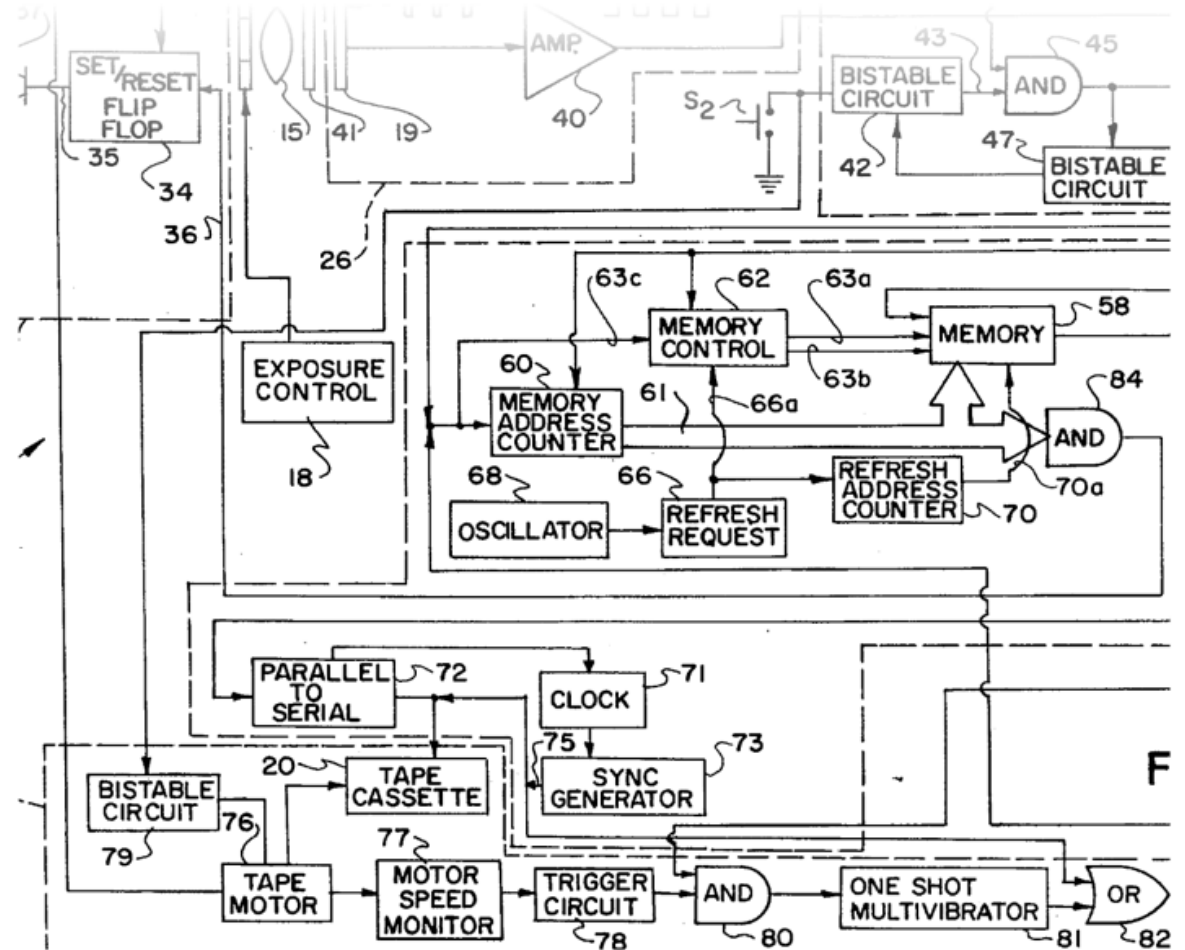


# PURPOSE OBSESSED

# WHAT'S THIS?

## SPOILER ALERT:

It's the design for the world's first digital camera.





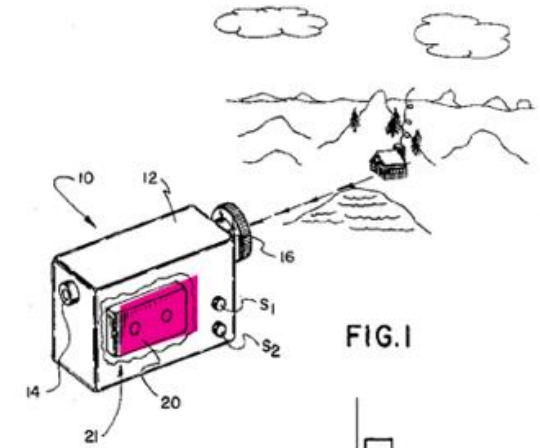


FIG. 1

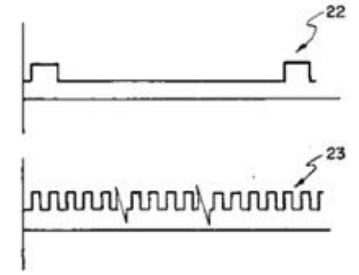


FIG. 3

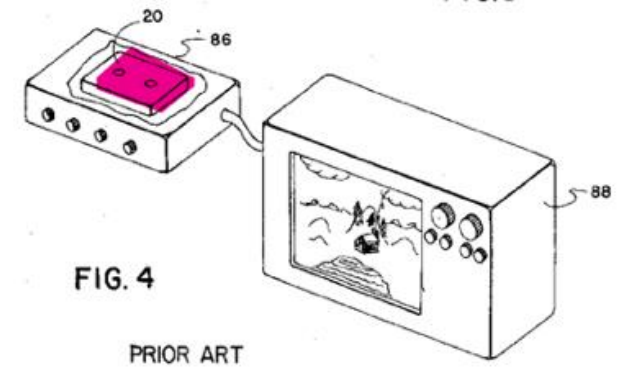


FIG. 4

PRIOR ART

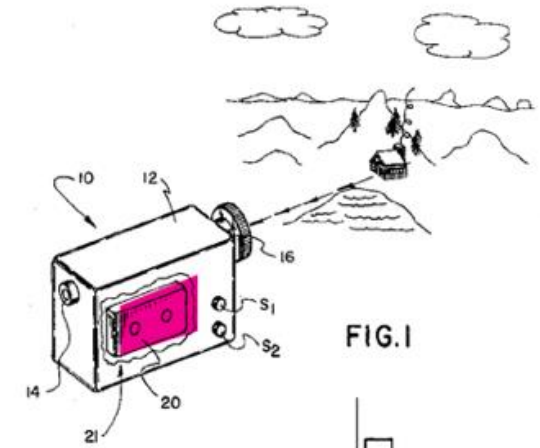


FIG. 1

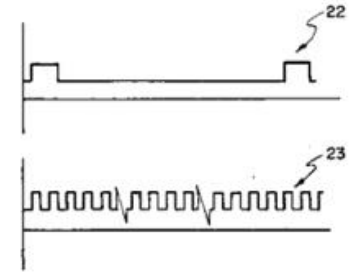


FIG. 3

**CREATED BY:**  
Steve Sasson

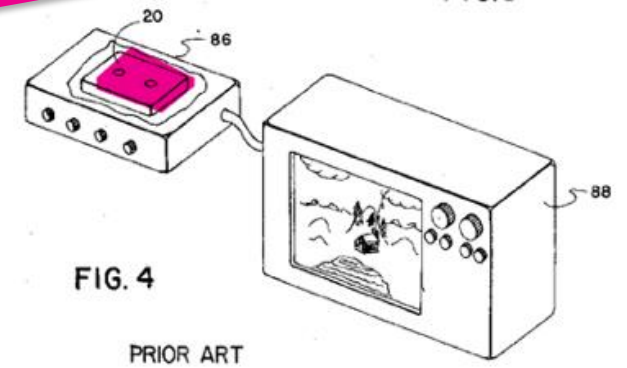


FIG. 4

PRIOR ART

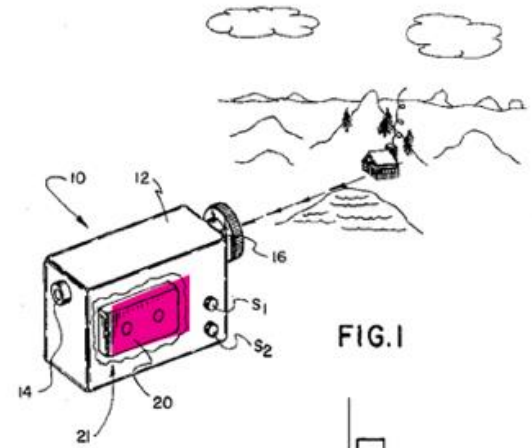


FIG. 1

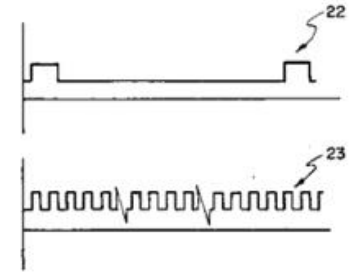


FIG. 3

**CREATED BY:**  
Steve Sasson

You guessed  
it – he worked  
for **Kodak.**

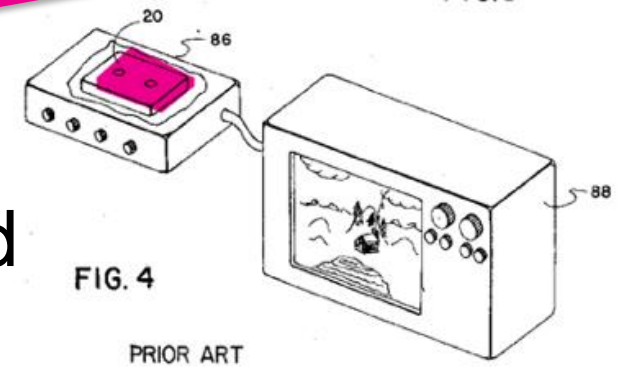


FIG. 4

PRIOR ART





U.S. Patent Dec. 26, 1978 4,131,919

Hey Steve, we sell  
**FILM!**  
Get back to work!

**CREATED BY:**  
Steve Sasson

You guessed  
it – he worked  
for **Kodak.**

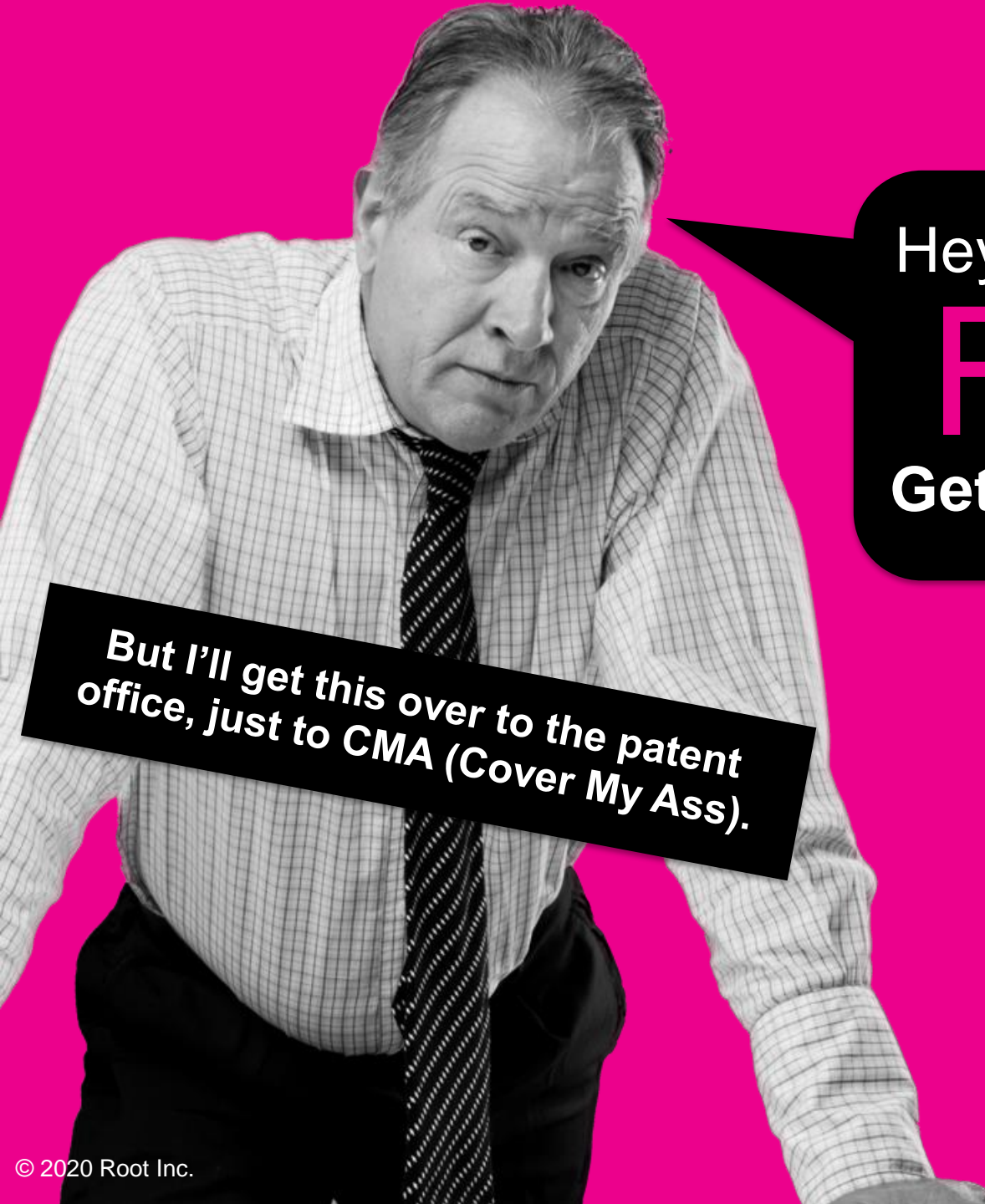
FIG. 1

FIG. 2

FIG. 3

FIG. 4

PRIOR ART



U.S. Patent Dec. 26, 1978 4,131,919

**Hey Steve, we sell  
FILM!  
Get back to work!**

**CREATED BY:  
Steve Sasson**

You guessed  
it – he worked  
for **Kodak**.

FIG. 1

FIG. 2

FIG. 3

FIG. 4

PRIOR ART

**But I'll get this over to the patent office, just to CMA (Cover My Ass).**





**PURPOSE  
OBSESSED**



**ENTREPRENEURIAL  
CULTURE**



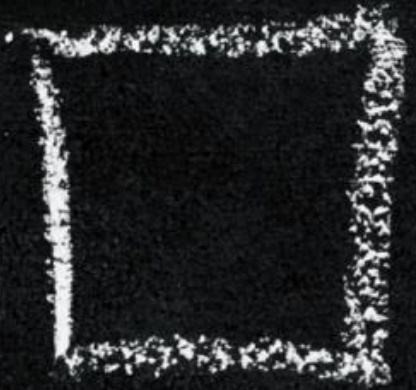




**PURPOSE  
OBSESSED**



**ENTREPRENEURIAL  
CULTURE**





# KODAK'S IDEA OF THE CUSTOMER EXPERIENCE



Using their **traditional Kodak camera**, Mom and Dad take a picture of little Johnnie taking his first steps to send to Grandma and Grandpa.



# KODAK'S IDEA OF THE CUSTOMER EXPERIENCE



- Using their **traditional Kodak camera**, Mom and Dad take a picture of little Johnnie taking his first steps to send to Grandma and Grandpa.
- They wait months to use all 36 exposures in their **roll of film**.



# KODAK'S IDEA OF THE CUSTOMER EXPERIENCE



- Using their **traditional Kodak camera**, Mom and Dad take a picture of little Johnnie taking his first steps to send to Grandma and Grandpa.
- They wait months to use all 36 exposures in their **roll of film**.
- They take undeveloped film to the creepy guy in the drive-thru **Fotomat** and wait a week to get their pictures back.



# KODAK'S IDEA OF THE CUSTOMER EXPERIENCE



- Using their **traditional Kodak camera**, Mom and Dad take a picture of little Johnnie taking his first steps to send to Grandma and Grandpa.
- They wait months to use all 36 exposures in their **roll of film**.
- They take undeveloped film to the creepy guy in the drive-thru **Fotomat** and wait a week to get their pictures back.
- They notice that **Johnnie has red eye** in his first steps photo, and they can't send a photo of Satan's child to Grandma and Grandpa.



# KODAK'S IDEA OF THE CUSTOMER EXPERIENCE



- Using their **traditional Kodak camera**, Mom and Dad take a picture of little Johnnie taking his first steps to send to Grandma and Grandpa.
- They wait months to use all 36 exposures in their **roll of film**.
- They take undeveloped film to the creepy guy in the drive-thru **Fotomat** and wait a week to get their pictures back.
- They notice that **Johnnie has red eye** in his first steps photo, and they can't send a photo of Satan's child to Grandma and Grandpa.
- They **return to Fotomat** to ask the creepy guy to remove the red eye.



# KODAK'S IDEA OF THE CUSTOMER EXPERIENCE



- Using their **traditional Kodak camera**, Mom and Dad take a picture of little Johnnie taking his first steps to send to Grandma and Grandpa.
- They wait months to use all 36 exposures in their **roll of film**.
- They take undeveloped film to the creepy guy in the drive-thru **Fotomat** and wait a week to get their pictures back.
- They notice that **Johnnie has red eye** in his first steps photo, and they can't send a photo of Satan's child to Grandma and Grandpa.
- They **return to Fotomat** to ask the creepy guy to remove the red eye.
- They **wait another week** and pick up the retouched photograph from the creepy guy at Fotomat.



# KODAK'S IDEA OF THE CUSTOMER EXPERIENCE



- Using their **traditional Kodak camera**, Mom and Dad take a picture of little Johnnie taking his first steps to send to Grandma and Grandpa.
- They wait months to use all 36 exposures in their **roll of film**.
- They take undeveloped film to the creepy guy in the drive-thru **Fotomat** and wait a week to get their pictures back.
- They notice that **Johnnie has red eye** in his first steps photo, and they can't send a photo of Satan's child to Grandma and Grandpa.
- They **return to Fotomat** to ask the creepy guy to remove the red eye.
- They **wait another week** and pick up the retouched photograph from the creepy guy at Fotomat.
- They finally **mail picture of Johnnie's first steps** to Grandma and Grandpa...just in time for little Johnnie to graduate from high school.

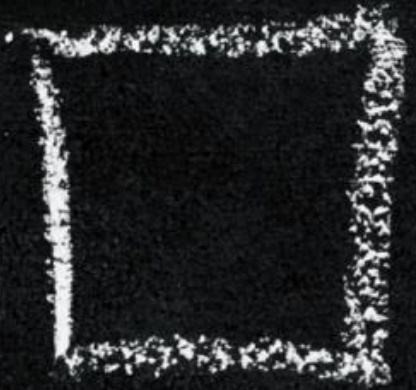




**PURPOSE  
OBSESSED**



**ENTREPRENEURIAL  
CULTURE**



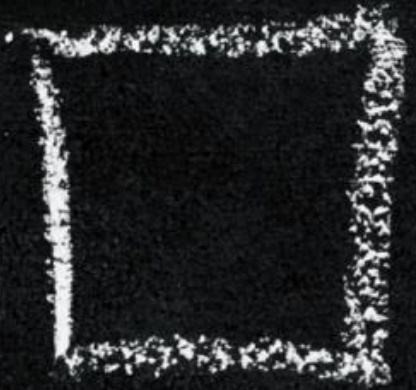




**PURPOSE  
OBSESSED**



**ENTREPRENEURIAL  
CULTURE**



**UNIQUE  
CUSTOMER  
EXPERIENCE**





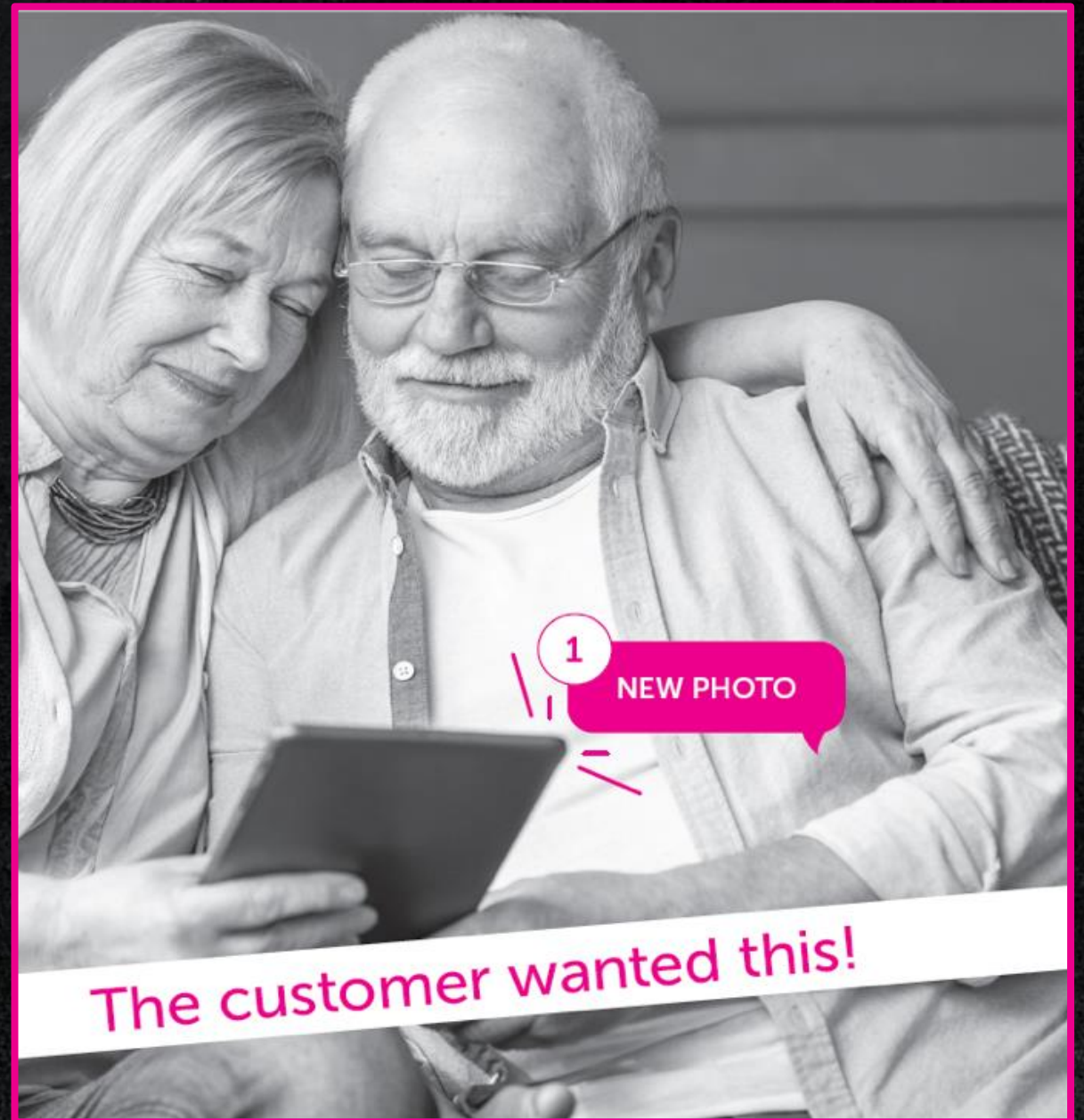
**PURPOSE  
OBSESSED**



**ENTREPRENEURIAL  
CULTURE**



**UNIQUE  
CUSTOMER  
EXPERIENCE**







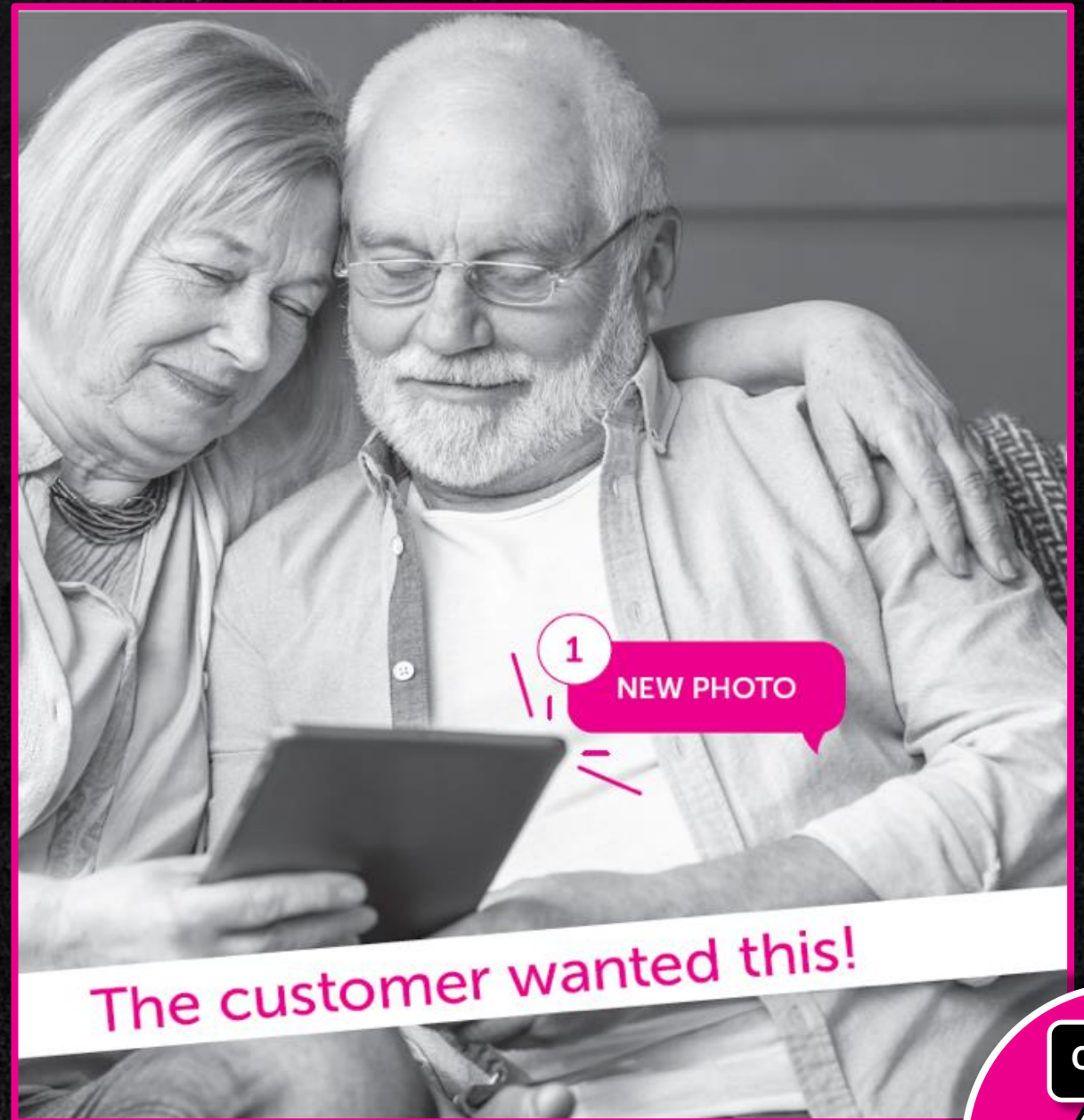
PURPOSE  
OBSESSED



ENTREPRENEURIAL  
CULTURE



UNIQUE  
CUSTOMER  
EXPERIENCE





The background of the image consists of several overlapping, slightly blurred film strips. The strips are dark with white sprocket holes and some faint text, including '200-8' and '25'. The overall color palette is dark with a touch of pink from the text.

KODAK WAS TOO  
FOCUSED ON **SELLING**  
**FILM** AND NOT ON  
WHAT THEIR CUSTOMERS

**WANTED**  
**AND**  
**NEEDED**

# THEN

Developing  
film





# THEN

Developing film



# NOW

Selling coffee

# THEN

Developing film



At least the creepy guy still has a job at the drive-thru.

# NOW

Selling coffee



**LITTLE  
CHANGES  
MAKE  
A BIG  
DIFFERENCE**



**LITTLE  
CHANGES  
MAKE  
A BIG  
DIFFERENCE**





**LITTLE  
CHANGES  
MAKE  
A BIG  
DIFFERENCE**













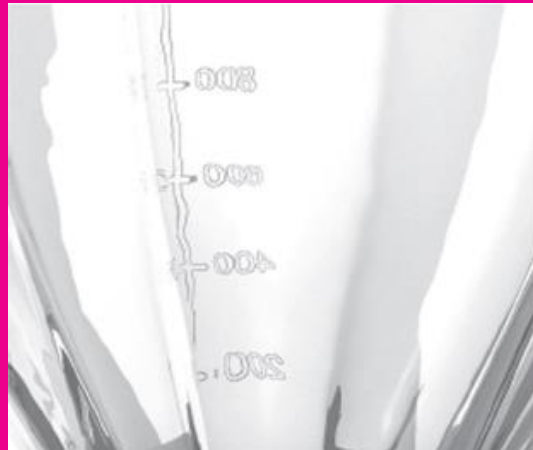
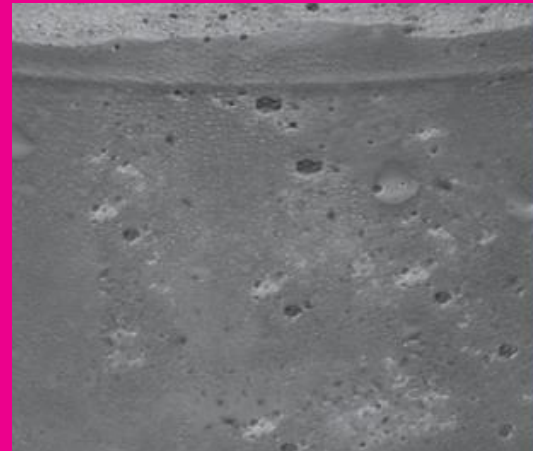












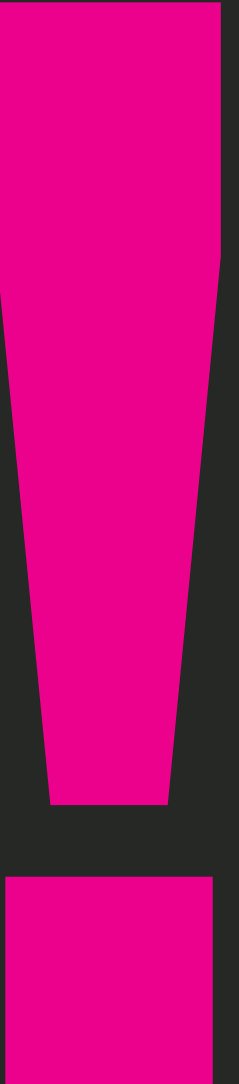


THE FRAPPUCCINO GENERATES

3.5

BILLION

in annual revenue



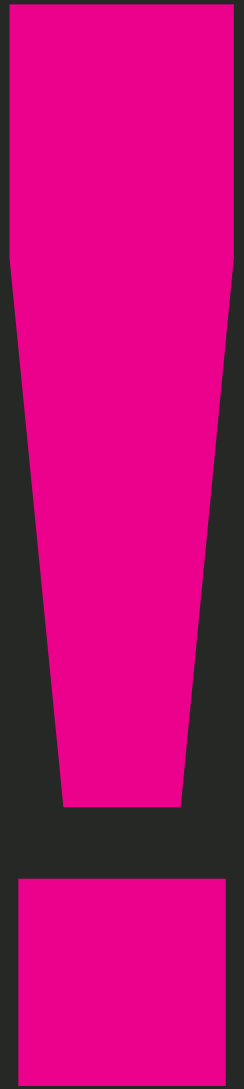


THE FRAPPUCCINO GENERATES

3.5

BILLION

in annual revenue





Even “**littler**” changes can make a **big difference...**



A major distribution  
at **McDonald's**  
required no new:

- Inventory
- Equipment
- Training
- Recipes



A major distribution  
at **McDonald's**  
required no new:

- Inventory
- Equipment
- Training
- Recipes

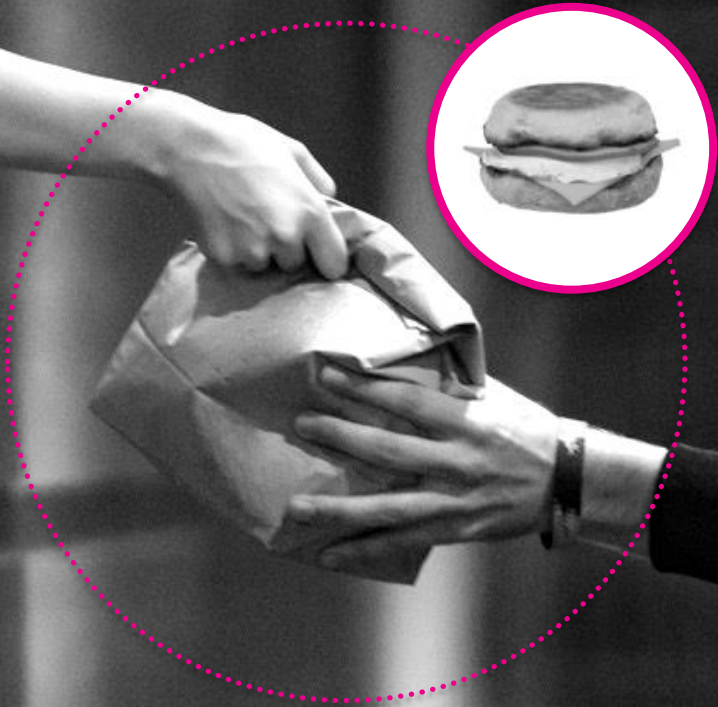
The only thing that changed were **two** words:





A major distribution  
at **McDonald's**  
required no new:

- Inventory
- Equipment
- Training
- Recipes



**ALL.  
DAY.**

The only thing that changed were **two** words:



Customers are delighted and stock reaches an all-time high!

2015

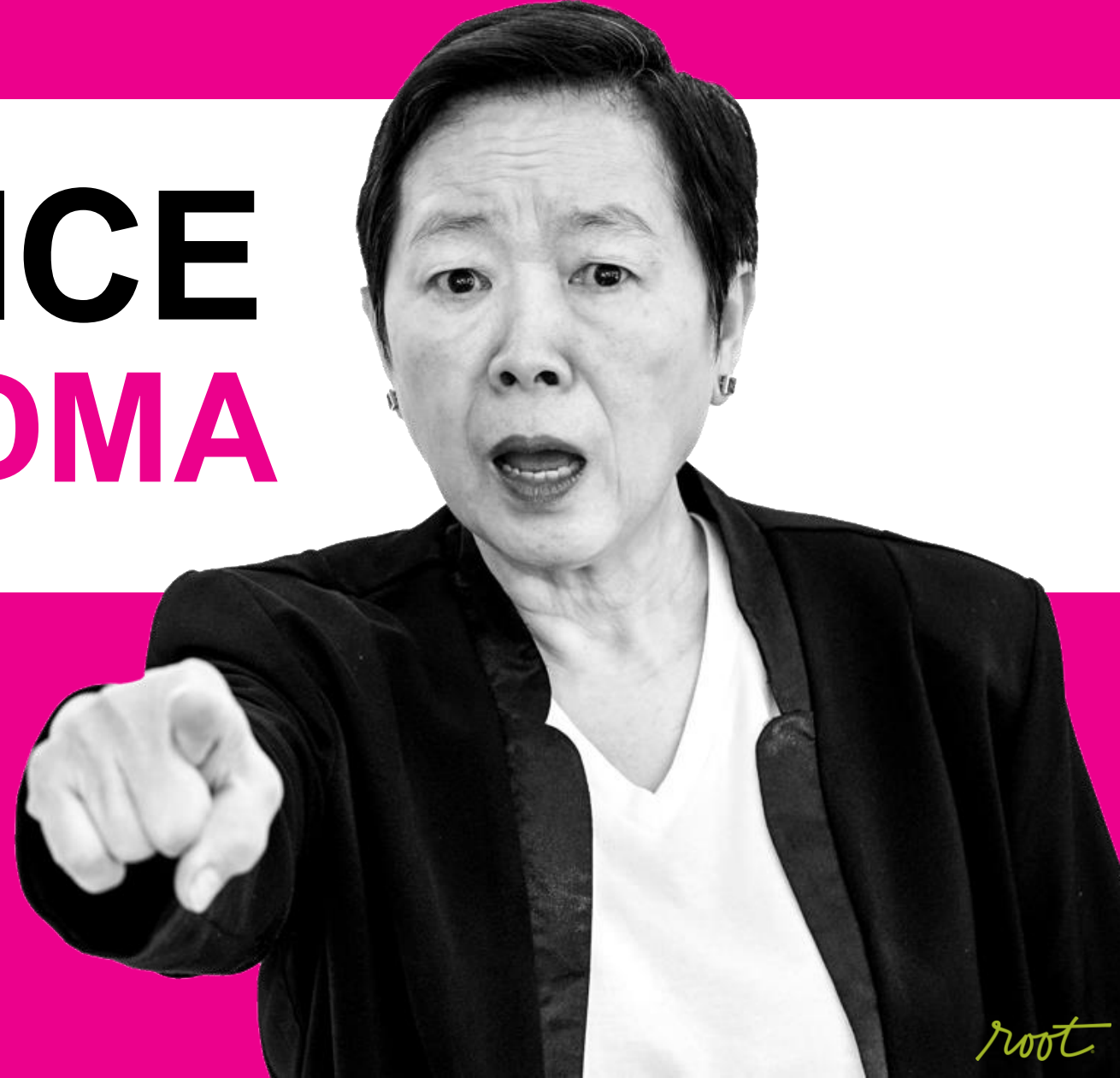
Competition struggles to keep up.

1972

McDonald's announces ALL-DAY breakfast.

McDonald's announces breakfast sandwich.

# GOOD ADVICE FROM GRANDMA









And, of course,  
**BIG CHANGES**  
can make a big difference, too.

Who is this a picture of?



Who is this a picture of?



# PURPOSE OBSESSED

Uber's mission: Bring transportation – for everyone, everywhere.







## PURPOSE OBSESSED

Uber's mission: Bring transportation – for everyone, everywhere.

## ENTREPRENEURIAL CULTURE

Drivers work when they want, where they want, for as long as they want.







## PURPOSE OBSESSED

Uber's mission: Bring transportation – for everyone, everywhere.



## ENTREPRENEURIAL CULTURE

Drivers work when they want, where they want, for as long as they want.



## UNIQUE CUSTOMER EXPERIENCE

Uber offers the perfect blend of technology, human interaction, and personalization.





**DISRUPTING  
YOUR  
CUSTOMER'S  
EXPERIENCE  
IS DIFFICULT...**

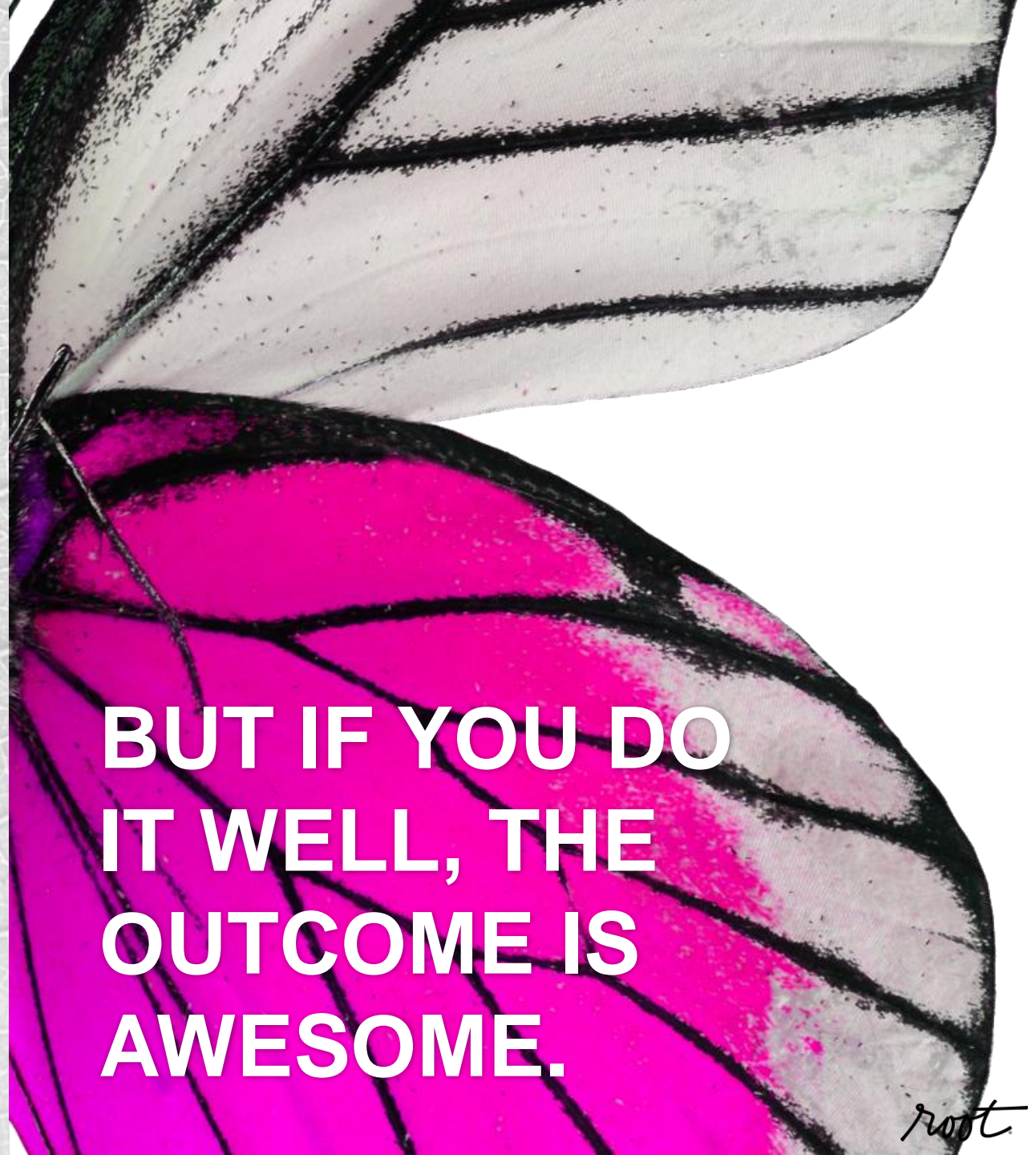




**DISRUPTING  
YOUR  
CUSTOMER'S  
EXPERIENCE  
IS DIFFICULT...**



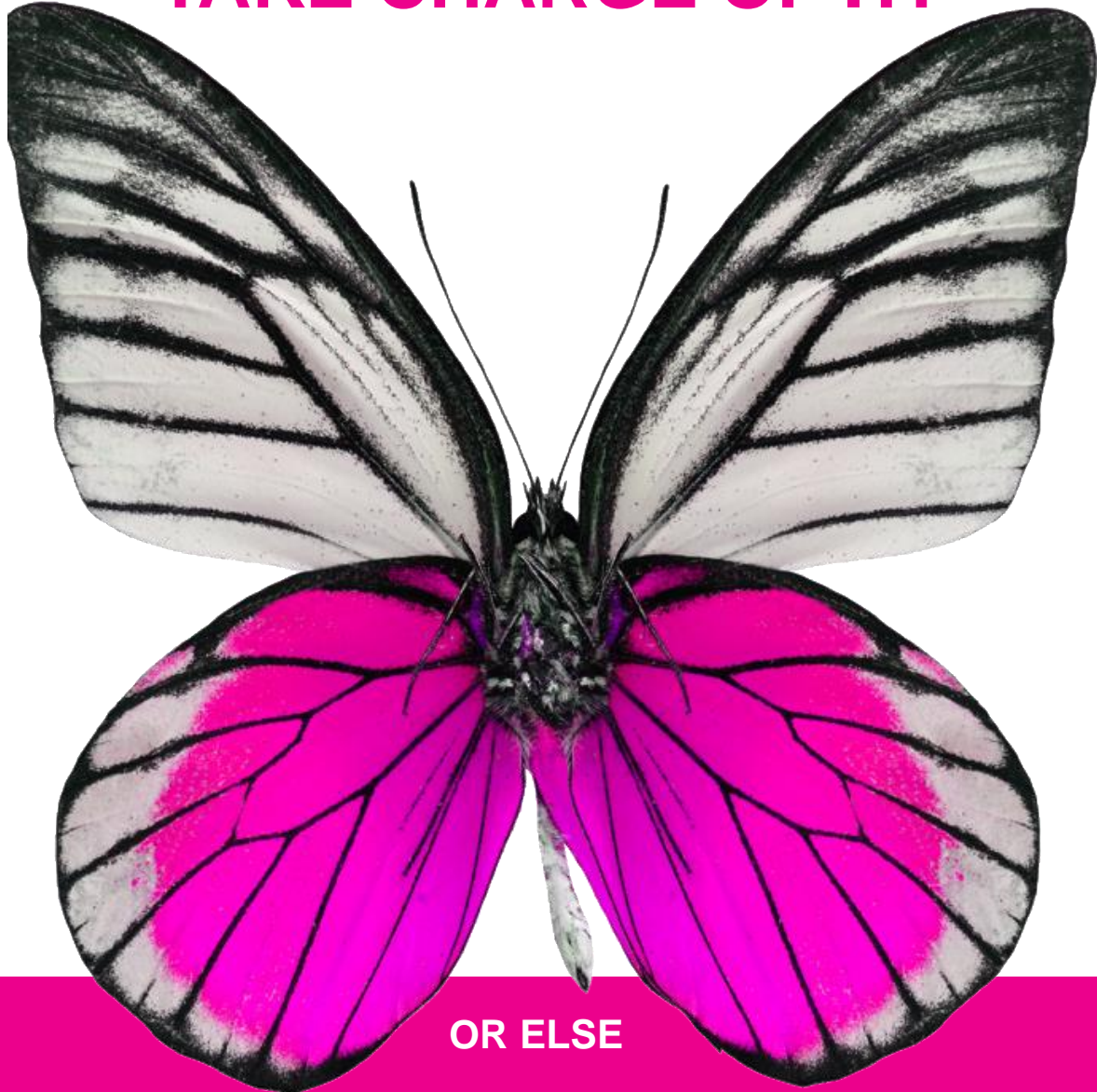
**BUT IF YOU DO  
IT WELL, THE  
OUTCOME IS  
AWESOME.**



*root*



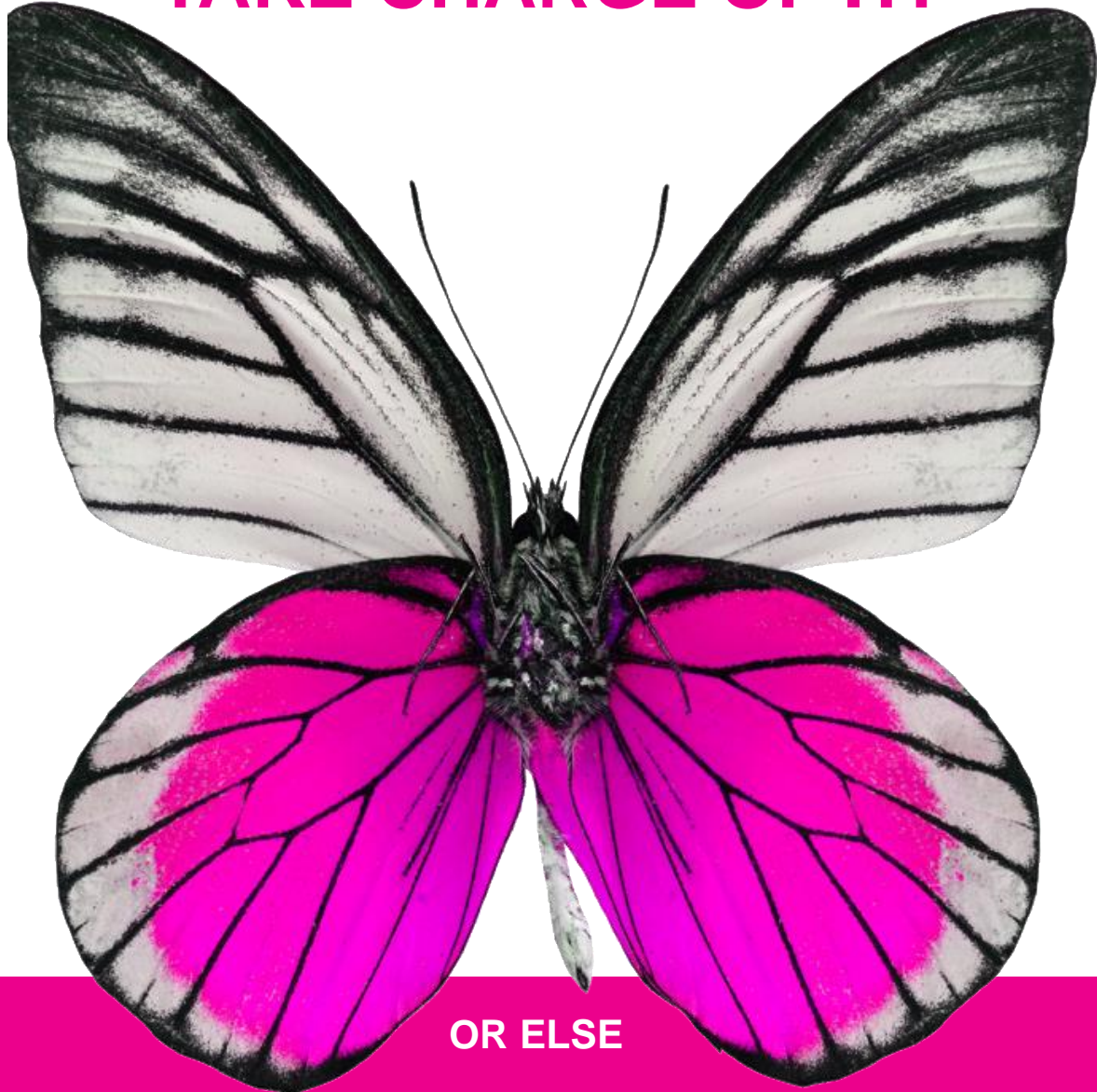
**DON'T JUST MANAGE CHANGE,  
TAKE CHARGE OF IT!**



**OR ELSE**



**DON'T JUST MANAGE CHANGE,  
TAKE CHARGE OF IT!**



**OR ELSE**

**BUSINESS-AS-USUAL  
GRAVEYARD**



COULDN'T  
KEEP UP

NO CX  
STRATEGY

TOO  
COMFORTABLE  
TO CHANGE

CX WAS  
NOT A  
PRIORITY

**YOU MIGHT END UP HERE**

INTERACTIVE ENTERTAINMENT

INTERACTIVE ENTERTAINMENT

INTERACTIVE ENTERTAINMENT

***What company has***

**INTERACTIVE ENTERTAINMENT**

***at its core?***

INTERACTIVE ENTERTAINMENT

INTERACTIVE ENTERTAINMENT

INTERACTIVE ENTERTAINMENT

INTERACTIVE ENTERTAINMENT



**IN WHAT  
DECADE WAS  
NINTENDO  
ESTABLISHED?**

**IN WHAT  
DECADE WAS  
NINTENDO  
ESTABLISHED?**

'30s '80s

'50s '70s

'90s '20s

'40s '60s

'80s



'80s

IF YOU SAID THE  
'80s, YOU WERE

**RIGHT!**

←  
NO, NOT THE 1980s,

←  
**1889**

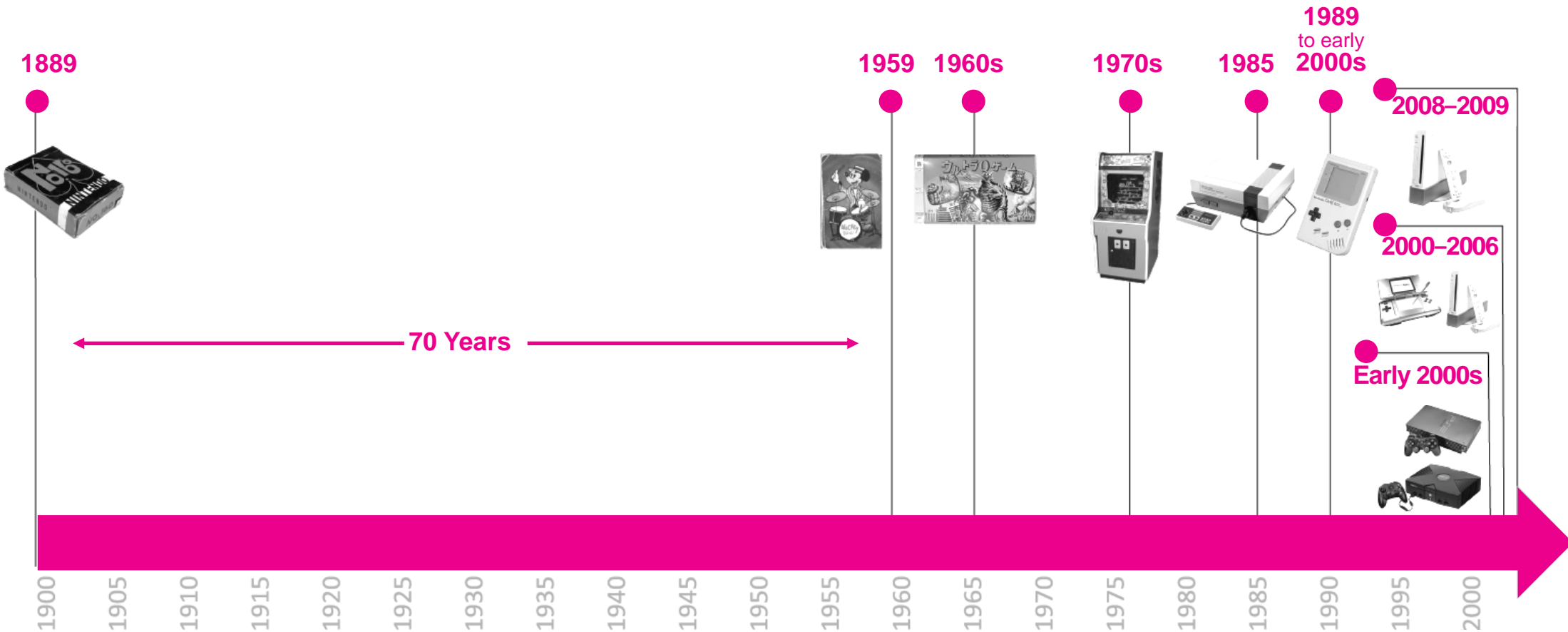
**IN 1889,  
INTERACTIVE  
ENTERTAINMENT  
LOOKED LIKE  
THIS.**

—————>  
**YUP,**

—————>  
**PLAYING  
CARDS.**

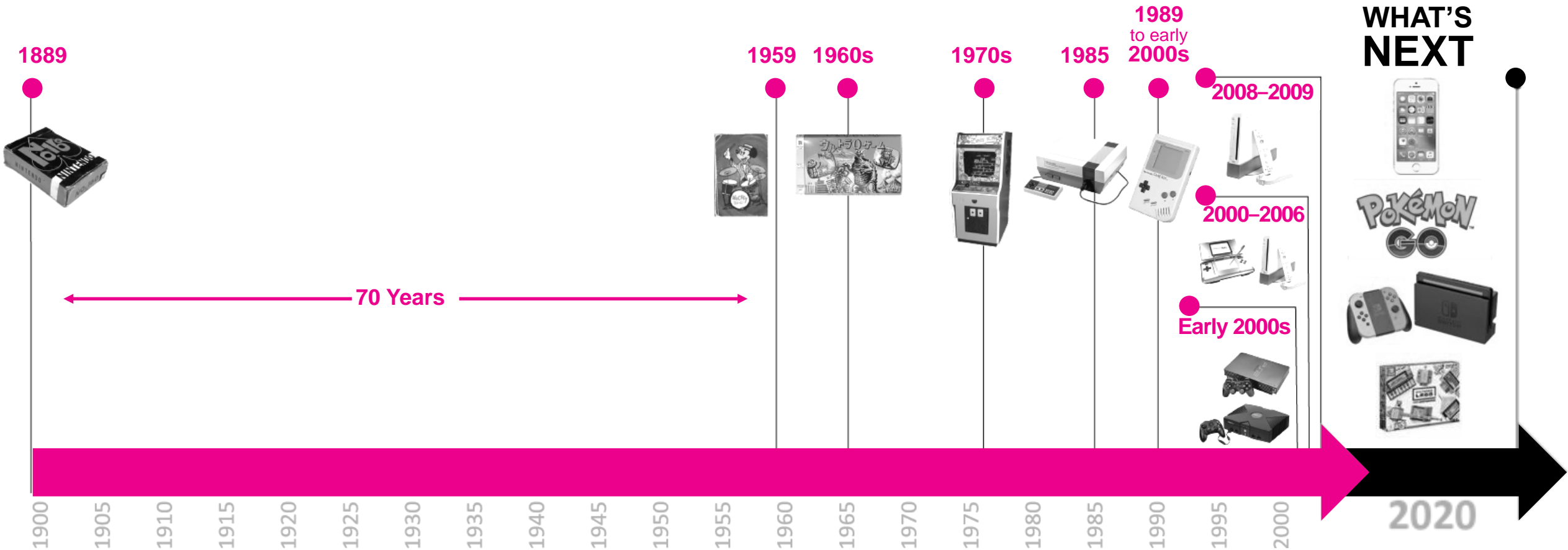


# HISTORY TIMELINE





# HISTORY TIMELINE



**ARE YOU GOING  
TO STAY INSIDE  
THE BOX?**

Or are you going to blow it up and  
disrupt your customer's experience?

IT'S  
UP TO  
YOU







**I DUB THEE CDO.**





**I DUB THEE CDO.**

No matter what your title is now, I am dubbing you CDO, Chief Disruption Officer.



# THANK YOU!



[garymagenta.com](http://garymagenta.com)

[gmagenta@rootinc.com](mailto:gmagenta@rootinc.com)

 Gary Magenta

 @Gmagenta

 @garymagenta

[kchoi@rootinc.com](mailto:kchoi@rootinc.com)

 [youtube.com/bykchoi](https://youtube.com/bykchoi)

 Kristina Choi

 @kristinachoi



## GARY MAGENTA

## KRISTINA CHOI



# Q & A





## Upcoming Webcast Programming from The Conference Board

- [Strategies to Support a Safer Return to the Worksite](#) (October 26 @ 3pm ET)
- [From Immediate Responses to Planning for the Reimagined Workplace](#) (October 29 @ 11am ET)
- [Supporting Organizational Hypergrowth with a Powerful Intranet](#) (October 30 @ 2pm ET)
- [Ascertaining the Elusive Quality of Hire](#) (November 6 @ 12pm ET)

[View all of our upcoming webcast programs](#)



# HUMAN CAPITAL INSIGHTS

THE CONFERENCE BOARD



## Human Capital Insights

A new podcast series brought to  
you by The Conference Board  
Human Capital Center

**The Conference Board Insights** podcast series helps talent executives address challenges and stay informed about current issues across the entire spectrum of human capital

Click [here](#) for a complete listing of all of our Insights podcasts or check out our entire podcast lineup at

[www.conference-board.org/podcasts](http://www.conference-board.org/podcasts)







Interested in sponsoring a webcast?

Contact us to learn more:

[sponsorship@conference-board.org](mailto:sponsorship@conference-board.org)