FROM THE AUTHOR OF THE NUMBER ONE
BEST-SELLING BOOK "WHAT CUSTOMERS CRAVE"

WHAT CUSTOMERS HATE

ELIMINATE WHAT CUSTOMERS HATE
TO DRIVE FAST AND SCALABLE GROWTH

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I would like to dedicate this book to my amazing family:
My wife, Michelle;
our daughters, Taylor, Madison, and Paige;
and my son, Chase.

Stop Focusing Only on What You Think Customers Want

I know that sounds crazy! I mean, after all, creating new experiences and products and services, and beautifully delivering those to customers in a way that they want, is absolutely the critical aspect of what it means to deliver exquisite customer experience. But it turns out that if we focus *only* on what customers want, as many organizations do, they're operating from the assumption that their current state of customer experience is acceptable.

The post-COVID economy is a time of hyper competition and hyper consumerization. Customers demand complete freedom from friction. They want price transparency. They want every transaction to be seamless. So if we assume that our current business model and the way in which we deliver value in every possible way—from the quality of our products, to our product packaging, to our distribution and supply chain methods, to everything—are all okay, and now we just need to find out what our customers want, we won't get where we need to be.

The Bar Keeps Getting Higher

A few years ago, I started asking my clients the question, "What do your customers hate about you?" This was after I had been talking to their customers, and had heard some eye-opening opinions, and now I wanted to ask the company itself. Wow, this was an incredible moment. I discovered something that was incredibly powerful. Not only did customers tell me all the things they hated about dealing with a particular company, but the same company's employees also told me all the things they *knew* their customers hated! One company in particular had just spent $18 million in a marketing campaign, yet they never spent a dime on asking the fundamental question, "What do our customers hate about us? And how can we fix that?"

Right now, the overwhelming majority of your customers are receiving what I call the *baseline level of current expectation*. In other words, you're giving them what you think they want. The problem is, in a time of massive change, the bar continues to rise, and customers are wanting far more than they used to. They want to be surprised with exquisite experiences and value. Organizations operating in that danger zone of the baseline level of current expectation are likely going to fail—maybe tomorrow, maybe next year, but ultimately, that danger zone is real. And it's what's killed many of the best organizations on the planet. So let's think about why we would ask ourselves the question, "What do our customers hate?" as being just as important as, "What do our customers love?" And that's the thesis of this program. I discovered that so much information can be gleaned when you look at the flip side of the coin. In other words, if you find out what a customer hates, then they've just told you what they want in a clear and crisp way.

Everyone Looks for the One-Star Ratings

A powerful reason why it's extremely important to think about the haters as much as the lovers is that haters can cause revenue and customer defection.

In a time of digital ubiquity, and what Google refers to as "micro mobile moments," we use our connected devices to make decisions about where we go to dinner, what hotels we stay in, and what products we're going to buy. And one of the ways in which we make those decisions is what we call *hyper influential social communities*. For an example, on Amazon, when you're thinking about buying a product, the first thing you're likely to do is find out how other consumers rated the product. The larger the crowd, the more authentic the rating is, so you take a look at the ratings. Now, let me ask you a really simple question: Like me, and virtually everybody else, do you skip all of the five-star ratings and go straight to the one-star rating? We do that because we want to know what the haters think. If something is wrong with the product, we'll find out by reading the bad reviews. The haters are some of the most influential customers we have. Isn't that interesting? The people who hate what we do have the biggest influence over our success.

The solution is to stop making customers hate us. Get rid of the one-star reviews.

But wait, how do we do that? Find out what customers *hate*. Seems pretty simple. But it's interesting to me that virtually every discussion on the topic of customer experience has to do with trying to find out what customers want. And the truth of the matter is customers really don't know what they want. And you know what? It's not their job to invent a better experience. That's *your* job. That's where the heavy lifting comes in. I know surveys and promoter scores and other tools are fun. They create great graphs and charts. They're easy to use. They're supposed to be best practice, but really understanding the haters is the secret to developing the best customer experiences on the planet.

Haters Will Deflect Your Customers

The pop star Taylor Swift famously said in one of her top songs, "the haters are gonna hate." But here's the bigger problem with haters: They're *deflectors.*

What do I mean by that? I mean that they will destroy your business if you don't know them and fix the hate.

There's something called the "bumper sticker syndrome." Have you ever noticed that the people with the worst ideas have the most bumper stickers? Well, it turns out that haters are very prolific, and they are loud. Haters have big voices. I call haters part of the "loud crowd." And the loud crowd can't wait to talk about how much they hate you.

Now, don't get me wrong, but in our world there are plenty of trolls. There are negative, destructive people who just want to say something bad about somebody else. But generally speaking, the data that comes in and the rating aggregation of the trolls are usually not statistically meaningful. Every business has its share of trolls.

The point that I'm trying to make here is that your genuine, sincere haters have the power to deflect business from you. If your social ratings are low because customers hate you, and you have not resolved those hatepoints, then you will ultimately fail. We cannot afford what we now call digital deflection. But it's not just there we get deflected; we can be deflected anywhere along the customer touchpoints. And understanding what customers hate is far more insightful than knowing the praise customers tell you.

The moral of the story here is pretty straightforward. If we really want to know what customers want, we have to first of all look at the flip side of the coin, which is what they hate. That's where they tend to speak far more accurately.

When it comes to what customers really want, it's our responsibility to create that. It never showed up on a survey at Apple computer that Steve Jobs should have invented the iPhone. That insight came from a keen and unique and special understanding about the company's users. In fact, even today, when you look at the Apple Store, they have applied the simplicity of their graphic user interface to the way in which people experience their retail environment. As a result, the Apple Store is one of the most profitable retailers in the world. They're responsible for knowing what their customers want, and they know they're not going to get there with surveys.

Surprisingly, I'm starting to see former executives from some of the worst corporations ever to exist in America, who are no longer with their companies, going out and teaching people how to deliver exquisite customer experience. We see failing hotel chains teaching customer experience programs, and amusement parks that have lost their way teaching courses on customer experience. It's insane! And unfortunately, many leaders, executives, and well-meaning companies don't honestly know where to turn. Because there's an agenda: Everything's going to be just fine. If you buy our software, if you buy our training package, if you let our consultants climb around your business for a few months, everything's going to be fine.

"What Do You Hate About Me?"

Customer experience is holistic. It begins with having an amazing work environment based on a culture of happiness. It's about really being honest with ourselves and asking ourselves some tough questions. And the toughest question is, "What do you hate about me?"

When was the last time you uttered those words? I mean, probably never. Because if you're like me, you do everything you can to make sure nobody would ever use such a strong word against you. But what I have found in looking at both the worst and the best organizations on the planet is that great organizations accept the fact that they're imperfect. They know that they do not serve a so-called customer, some monolithic archetype. They know they serve a wide range of personas. And they don't look at those personas from a perspective of demographics. They look at those personas from the perspective of what each person hates and loves. They also look at those hates and loves across the five touchpoints. And of course, they look at them from the perspective of digital and physical environments. It's really hard to ask the question, "What do you hate about me?" but it is the most powerful thing you and your organization can do to rapidly scale exquisite customer experiences.

The Eternal Question: Do Customers Always Know What They Want?

In a perfect marketplace, the customer would always know exactly what they wanted, and the business would be able to provide it. The two—customer and business—would move in tandem, seamlessly, like Fred Astaire and Ginger Rogers doing a dance number in a Hollywood film. Each would keep step with the other, with no friction. Whatever the customer wanted, the customer got; and, to reduce waste to zero, the business would never produce anything the customer didn't want. The business would produce exactly what the market wanted—nothing less and nothing more.

That would be pretty good!

But then, to make the customer experience even better, imagine that the business knew what the customer wanted *before the customer did*. Wow! Imagine that!

The customer would say, "Gee, I want something . . . not sure what it is . . . something to make my life better . . . but I cannot describe it."

The business owner would reply, "Ah! I have exactly what you want. Here's the Gizmo 100! It's available right now!"

The delighted customer would exclaim, "OMG! The Gizmo 100 is exactly what I wanted but could not describe! Thank you!"

If such a system existed, it would be a win-win for both sides. The customer would be continually amazed and delighted, and the business could charge a premium price for its innovative products.

In fact, there are many businesses that try to do exactly that. Not only do they strive to produce what the customer wants, but they try to *anticipate* customer demand by producing goods that their customers either cannot articulate or would dismiss as being impossible.

The notion of the visionary leader who can conjure out of thin air products that people never knew they wanted until they saw them is attractive and powerful. It's also really *easy*! Why sweat over market research when you have a crystal ball?

Reality is far more nuanced. And contrary to popular mythology, two of the most famous innovators in history probably never meant what has been attributed to them.

Henry Ford's Faster Horse

The pioneering automaker Henry Ford has been quoted as saying, "If I had asked my customers what they wanted, they would have said a faster horse." The implication is that Ford saw a problem that no one else did, and invented a solution that no one anticipated.

First of all, there's no evidence he ever said this. Researchers have tried to find it, but in fact the first reference to it is from a 1999 article in *The Cruise Industry News Quarterly*, in which John McNeece, a designer of cruise ships, is quoted as saying, "There is a problem trying to figure out what people want by canvassing them. I mean, if Henry Ford canvassed people on whether or not he should build a motor car, they'd probably tell him what they really wanted was a faster horse."[1]

In fact, when Ford began building cars in the early 1900s, building a "faster horse" was never the issue. Horses were plenty fast. The problem—which Ford and many other car builders were acutely aware of—was that horses were incredibly inefficient. Even while not being used—that is, not producing value—you had to feed them and care for them. As Ford himself said in a 1923 interview with the *Christian Science Monitor*:

> One man with a machine which perhaps he himself has helped
> to build, will do in a day as much as five men now do with their
> teams of horses. Horses on a farm are wasteful. Why, there are
> lots of small farms that have four and five teams of horses that
> stand idle three quarters of the time eating their heads off. In
> a few years the horse will become obsolete except for saddle
> horses, though why anyone wants to ride horse back is more
> than I can understand.[2]

Consumers at the turn of the 20th century felt the pain of their horse-based transportation system. Manure piled high on city streets, turning to stinking mush by gallons of horse urine. Dead horses—by the tens of thousands—had to be dragged off to the glue factories. With the human population growing, the widespread use of horses for everyday labor and transportation was unsustainable. Everyone knew it, and everyone knew the automobile was the answer. The amazing thing about your automobile was that when it was not producing value—that is, when you weren't driving it—it could just sit there in your garage. It required no feeding, no care. It produced no manure. You could ignore it for days and even weeks, and that "downtime" cost you not one penny. When it stopped functioning, it did not turn into a fetid carcass.

The peak of the horse and mule population in the United States was 26.5 million in 1915. The human population was about 100 million. That made the ratio of horses to humans about 1:4. Imagine if that ratio continued unchanged. If it did, today we'd have 328 million people living with about 82 million horses. Instead, we have 276 million registered motor vehicles.

Let's look at another apocryphal quote—actually, three of them.

Steve Jobs and Customer Research

We are fortunate to have three authentic quotes from Steve Jobs, referenced in the biography by Walter Isaacson. These three quotes have been used—I think inappropriately—by people who assert that Jobs was a visionary who relied only on his own instincts, and that this is what everyone should do:

- At a 1982 planning retreat, a member of the Mac team suggested they do some market research to see what customers wanted. "'No,' [Jobs] replied, 'because customers don't know what they want until we've shown them.'"
- On the day he introduced the Macintosh, a reporter from *Popular Science* asked Jobs what market research he had

done. Jobs replied, "Did Alexander Graham Bell do any market research before he invented the phone?"

- Jobs said, "Some people say, 'Give customers what they want.' But that's not my approach. Our job is to figure out what they're going to want before they do. I think Henry Ford once said, 'If I'd asked customers what they wanted, they would have told me, "A faster horse!"' People don't know what they want until you show it to them. That's why I never rely on market research. Our task is to read things that are not yet on the page."[3]

These quotes, and others, are constantly touted as being evidence that Apple doesn't do market research. That would be big news to the Apple human resources department. As I was writing this, I went online and found this job opening advertised by Apple:

Apple's WW Product Marketing team is looking for an inspiring leader in Market Research to support its product research in key geographies. We're looking for someone who understands innovative research methodologies, analytics, and has extensive experience with translating data into impactful insights and linking it to business issues.[4]

I poked around some more, and decided to query the Apple "Jobs at Apple" database for "marketing analyst." My query returned 579 results. The query "stores market research analyst" provided 600+ results. And "iPhone Market Research & Analysis Manager" yielded this result, for a position at the headquarters in Cupertino. The description read in part, "This position is responsible for conducting qualitative and quantitative research to understand Apple's customers and developing insights to support business decisions."[5]

Oh, and *The Wall Street Journal* did some digging into a patent dispute between Apple and Samsung, and among the court filings, reporter Jessica E. Vascellaro found a golden nugget on the topic of "iPhone Owner

Study" titled "Apple Market Research & Analysis, May 2011." It surveyed users in multiple countries about why they bought an iPhone.[6]

Let's get one thing settled: Apple uses very sophisticated market research.

So what's the answer? Market research or brilliant gut instinct?

The answer is *both*.

Customer experience innovators like Henry Ford, Steve Jobs, Elon Musk, Jeff Bezos, and many others do not have some magical power to see into the hearts and minds of consumers. They have the same market information you and I have. They feel the same pain points you and I feel.

- Henry Ford saw the pain caused by our centuries-old horse-based transportation system.
- Steve Jobs saw the pain caused by big, clunky, expensive computers.
- Elon Musk saw the pain caused by internal combustion vehicles. (The same ones that a century earlier had been so amazing when Henry Ford figured out how to mass produce them.)
- Jeff Bezos saw the pain caused by inefficient brick-and-mortar retailers.

So what? Lots of people have had the same realizations. In the 1970s, many people thought, "Computers are cool, but why can't they be made simpler and easy to use?" As for electric cars, people have long tried to make them practical. (GM even had one in the late 1990s—the EV1, which they scrapped!) And even though retail stores could be fun places to visit, lots of people put up with them because they could not imagine a better alternative.

Every age has its innovators. The pain that Jeff Bezos saw was exactly the same pain that Richard Sears saw in 1893 when he launched the first Sears, Roebuck & Co. mail-order catalogue, whose success was made possible by the U.S. mail system and the railroads. The early Sears catalogs were touted as the "Cheapest Supply House on Earth" or "the Book of Bargains," and featured a breathtaking range of products including musi-

cal instruments, medical and veterinary supplies, sewing machines, firearms, bicycles, and baby buggies. By 1894, the catalog had swelled to 322 pages. Richard Sears, who wrote most of the catalog's copy himself until his retirement in 1908, held to the motto, "We can't afford to lose a customer," reflecting the company's relentless focus on eliminating hatepoints and garnering lovepoints.

"We can't afford to lose a customer"—not a bad slogan for any business!

If the pain these innovators saw was apparent to many, then why did they succeed?

They each had two important character traits:

1. They could imagine a solution.
2. They had the personal determination to make that solution a reality. As Thomas Edison said, "Genius is one percent inspiration, ninety-nine percent perspiration." Therefore, character trait #1—imagining the solution—accounts for one percent of success. And character trait #2—personal determination to make that solution a reality—accounts for the other 99 percent.

That sounds about right!

Take Action!

Contrary to popular mythology, all successful entrepreneurs, whether selling to consumers or in the B2B space, have a keen grasp of what their customers want and don't want. They don't get this priceless information by intuition alone. There is no "secret shortcut" to knowing what your customers love and hate. It takes hard work and a willingness to hear difficult truths about what your customers want that may contradict your personal opinion.

Having said that, it's very possible that if you, as a consumer, hate something, it's likely that millions of other

people hate it, too. This is the key to invention. It's all about seeing a problem in the marketplace and having what it takes to solve it: technology, willpower, and funding. Look at your organization and the market and ask yourself: "Where can we remove friction and make the customer experience as positive as possible?"