

## 12 Case study: Build-A-Bear Workshop

Let me tell you about one of my favorite stores, Build-A-Bear Workshop, which we believe encapsulates a number of the aspects of the Customer Experience that are fundamental to all businesses.

While I was on holiday with my family we visited a shopping mall just outside Washington DC. In the mall we visited a Build-A-Bear Workshop store. I was astounded by what a great Customer Experience it was. From a technical point of view it is a wonderful combination of physical, emotional, and sensory experiences that all come together perfectly. For those of you who have not been, you are missing a treat! But as Build-A-Bear Workshop is already two years ahead of its business plan we are certain that it will shortly be in a shopping mall near you.

Let me explain what my family's experience on our first visit was. As we were walking through the mall we were attracted by activity that was going on in the Build-A-Bear Workshop store: a bear on a bike, I believe. As we entered the store a young person greeted us with a big smile and asked if we had been to Build-A-Bear Workshop before. We replied "No," so the person explained what we needed to do. We were looking for a present for my niece whose 21st birthday it was, and therefore personalizing a bear seemed the ideal gift, especially as Sarah is mad on pandas. We walked over to the right-hand side of the store and chose our bear "skin," a panda. The choice of animals is wide and varied, with rabbits and many other types of animal. With the "skin" we then moved to the next area. This is where you can install an animal sound or record your own message. We decided to record a message, a "Happy 21st Birthday" message for Sarah, which we all had fun singing! The next stage of the experience is stuffing the bear. The sign above the machine said, "Love is the stuff inside." The person operating this area was very pleasant and talked a lot to my daughter Abbie who had taken control of choosing the bear for Sarah. The bear maker asked Abbie to place her foot on the pedal so that she could insert the stuffing; Abbie thought this was great fun! Abbie decided that Sarah would have a soft bear although she could have put more stuffing in to make it harder, if she wished. Once this is complete you are invited to take a heart out of the box, kiss the heart and make a wish!

The next part of the experience is to move onto the fluffing up of the bear in the "spa for bears." It is a bear bath. Abbie combed and fluffed the bear

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in the jets of air that were operated by a button she was pressing; these came from “shower heads” in the bath. The next experience was deciding what the bear should wear. You can’t have your bear leave the store naked, can you? So on to the accessories. We chose a cheerleader outfit as a memento of our US holiday. There is a vast array of accessories: top hat and tails, superhero outfits, the choice is endless. Then, laden with accessories, Abbie sat on a computer and registered the bear and created a birth certificate. It is put into an exclusive cardboard condo, which is free, and your birth certificate or storybook is given to you at the same time, along with any special event information leaflets or promotions that are taking place (for example, a free gift with your purchase). This happens at the “Take Me Home” point.

Finally once this is printed you pay. Now how expensive do you think that would be? My first thought was this was going to be very expensive, but no, it was inexpensive. The animals range in price from \$10–\$25, with accessories being extra.

Finally, you pass the Bear Promise, which is hanging on the wall. It says:

*The Bear Promise  
My bear is special  
I brought it to life  
I choose it  
I stuffed it  
Now I am taking it home  
Best Friends forever  
So I promise right now  
To make my bear #1 Pal!*

I guess we were in there for about 30 minutes and had a great time, and really felt Sarah would love her new panda as we had taken the time to make it especially for her.

This is a great *deliberate* Customer Experience that is emotionally engaging and has designed-in the senses at different points to evoke emotions.

Now let us pull that Customer Experience apart and think of what happened. First, look at the whole process. A great deal of thought has been put into this Customer Experience. A great deal of attention to detail has been paid. The organization has thought how it is going to evoke its desired emotions.

Is this cost-efficient? That is not the issue! Build-A-Bear Workshop is more concerned with its Customer Experience than operational effectiveness. Is this organized in the quickest way to deal with the customer and move on? No. The organization has designed it with the Customer Experience in mind. It is built “outside in.” From a physical aspect there are costs that have been designed into the Customer Experience that add no apparent value. However from an emotional perspective they are vital.

For example, when Abbie was asked to kiss the bear's heart and make a wish, I asked the person, "What function does that perform?" thinking the bear's heart might make a sound or light up or something. The person's reply was perfect: "Nothing," came the reply, "but you can't bring a bear to life if it doesn't have a heart, can you?" The sole purpose of the heart was to induce a deep emotional attachment, to bring the bear to life, and to make you feel responsible for it. If you have an emotional attachment then you will take care for the bear, you will love it, and I guess as a by-product you will buy it presents – more accessories!

The birth certificate again reinforces that you have brought this bear to life. It does not end here, there is an integrated web site and you can attend conventions where all the bears meet up and have a party. There are regular emails to keep you involved.

This is one of my best Customer Experiences because I believe it brings together a number of the essences of a great Customer Experience.

- It's about emotions: they are thought through and planned in.
- It's about senses: the organization has planned in a sensory experience.
  - Touch: the softness of the animal, skins, the stuffing, "Would you like your bear soft or hard?", the fluffing station where you fluff up your bear.
  - Sight: the store is very bright and appealing.
  - Sound: the sounds you can put into the bear.
- The experience integrates with the web and with the live events.
- The people seem to love their job!

I was so impressed with this Customer Experience that we decided to interview Maxine Clark, the Creator and Founder of Build-A-Bear Workshop. She has the great title of "Chief Executive Bear," and is based at World BearQuarters in St Louis, Missouri. Since early 1997, Maxine Clark has devoted her energies to creating Build-A-Bear Workshop, which calls itself a teddy bear-themed experience retail store. The first Build-A-Bear Workshop opened in Saint Louis Galleria in the fall of 1997 to a resounding success. Bear Builders<sup>SM</sup> of all ages are shopping at the innovative retail store that promotes creativity and encourages family entertainment in a fun and unique environment. There are over 150 stores operating throughout the United States and Canada. Build-A-Bear Workshop stores are also international.

The National Retail Federation (NRF) named Build-A-Bear Workshop as the "Retail Innovator of the Year" for 2001. Build-A-Bear Workshop was named "Best New Concept for 1998" by *Chain Store Age* magazine.

Colin: *Can you just give us the story of how Build-A-Bear Workshop started and the concepts behind it?*

Maxine: *I think to understand the Build-A-Bear Workshop story then I need to say a bit about my past in the retail business. As a consumer I love to spend money. When I am out shopping I like things that are new and fun. You can have a good time shopping and that's one of the tricks. In my early retail career whatever I was doing, no matter what it was, I always felt that if you could add fun to it, if there was some kind of twist to it, then you could make it entertaining and you would be more successful.*

*I was working in cosmetics and it fascinated me that it was so successful in the department store and never needed to have a sale. We did give away gifts with purchases but it was primarily about entertainment: making up the customers on the floor, having a grand event, even just having the cosmetics section at the front of the store. It was always so colorful, there were perfumes that smelt wonderful, and we were giving away samples. Everything was inviting.*

*Then the licensing phenomenon started happening in the United States with Strawberry Shortcake back in the late 1970s and Cabbage Patch Kids in the early 1980s; to me that was exactly what this was all about. I started utilizing the same kind of tools the cosmetic companies used in my department. We did great events with Strawberry Shortcake or Barbie coming to visit one of our stores. We made it fun. Quite simply we found when the customer is having fun they spent more money. We were very profitable because I always employed fun techniques and every day that I went to work there was a very important by-product; I was having fun too!*

*Then I became President of a Payless ShoeSource. Again I used similar techniques. We launched a Payless Kids program and we put in licensed footwear. We created special events around the premiers of Lion King, Pocahontas, or Beauty and the Beast. The customer can come to our store and get something special that they couldn't get in any other store; they didn't come to us just because of the shoes.*

*I just felt that I really couldn't do the things that I knew were possible working in a large company. I knew I had to reinvent retailing. So I decided to leave that company in 1996 and do something different.*

*I felt one of the flaws about retailing in the last 20 years or so is that markdowns have become so much a part of the business. It is sort of an oxymoron: you have to sort of devalue your merchandise so that the customer will value it and it doesn't really seem sensible to me.*

*When I was creating my business I wanted to create it so that newness drove the business and it was always about something fun and exciting. You were enhancing the value of the product and not devaluing it.*

*One of the things that were very popular at that time was Beanie Babies. My friend Katie and I – Katie was ten at the time – used to go*

*hunting for Beanie Babies. We were in a store but they had sold out and Katie said to me, "We could make these," and I said, "You know, you are right." Katie meant go down into my basement and make like a craft project, but I thought something different. I immediately went home, went onto the Internet looking for a business that I could buy that might be a factory, toy, or a soft animal company. Everybody thought I was crazy. One day I went to a factory and I saw the factory in motion. Whilst I was there a group of kids were on a field trip in the factory, which gave me the idea of kids making their own bears.*

*Colin: One thing that I have been impressed with is the way that you break the Customer Experience down and your attention to detail. Can you tell me a bit more about the philosophy?*

*Maxine: I have been a shopper and a retailer for a long time. I wanted to make the store experience the best of everything I have seen. I am a big fan of Disney. In fact I have had all of my major birthdays in Disney World. I have always been a student of Walt Disney and what he has tried to create. So I was thinking about how we could recreate that kind of feeling on a much smaller scale for the customer. I wanted it to be bright and cheery, you know all of the places when I walked into have always been bright, the people are friendly, you can help yourself if you want to, or you can be helped. The pricing is easy to understand. But in addition, as part of our Customer Experience, if customers need to use the telephone, because you want to call your husband and say that you will be late, we let you use the store phone. Or if you want to use the bathroom, we don't say, "Oh, we don't have a bathroom." You can use our bathroom. Or when you return something that you obviously bought there. I wanted all of the negatives to go away and all of the positive ones that I had experienced to be embellished upon. That to me was the basis for the store.*

*Colin: How did you involve customers in this design?*

*Maxine: We pulled together a group of kids to help me think all this through. A lot of these kids had been to Disney so they know what fun is and they know what imagination is. We really sat down and we organized the store so that people could understand it, without us having to tell them everything. We put little surprises around the store; things that we don't expect you to find the first time. We hope you will find them as you come and go.*

*We make the merchandise to be flexibly displayed so that we could change as we went along. A lot of people are afraid to let customers do things, as they are afraid of legal suits. We made everything safe and everything at kid height so that they could do it. We tried to think of every detail. We also tried to make it larger than life, so for example; the bathtub is bigger than you would expect. The stuffing machine is bigger than you would expect. We take you on an adventure. When you*

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*enter our store, a friendly person greets you and makes you feel welcome, whether you are a kid of 3 or 103. Then once you are in the store and you pick your own animal, we don't try to sell you a higher priced animal or we don't try to sell you anything really, we let you personalize until your heart is content, you can have sounds, you can dress it in as many or as few things as you want, you don't even have to dress it at all. We give you a free hair bow or ribbon around the neck so that no bear would leave bare and you go through and you make the bear into whatever you want it to be.*

Colin: *How do you use systems to improve your Customer Experience?*

Maxine: *A good example would be when I was ten years old I lost my teddy bear. I was very sad. I didn't want anybody else to feel that way so we created this system called the "Find-A-Bear ID system" and a unique barcode, which will belong to you, is inside every single stuffed animal and then when you go to the storybook computer you give us your name and address attached to that barcode and if that bear is ever lost or stolen we can return it, it can be returned to us, or it can be returned to you and we have done that for about 2000 animals so far in the last seven years.*

Colin: *What else have you designed into your Customer Experience?*

Maxine: *Well fundamentally we don't want to rush people through the store, we know it is a very personal experience especially with kids and a lot of people tell us that it is the one place that they can come with their kids and their kids aren't rushing to leave. They are also doing something together, as a family experience. That is a very special part of it and kids tell us that, "I love to come here because my grandma loves to bring me here," or "My mum loves to take me to Build-A-Bear Workshop," so I think it is a place that parents love as well. They are doing something that is fun and wholesome together. That is really a special part of it. For teenagers who are our customers that have come in to make a bear for their girlfriend or boyfriend that is another thing.*

*One of the great things about Build-A-Bear Workshop is that we are all children at heart. All ages are comfortable in our store, it is not a kid store, it is not a baby store, it is a store for people who want to have a little bit of fun and who want to communicate something that is special; special feelings or emotion that you have.*

*We don't want it to be a one-time experience and a large percentage of our customers do repeat purchase, more than we had planned. They come back for more animals, they collect the animals, and they definitely come back for more clothes. Often, after, they go home and go onto our web site and play games, look at the calendar of events, and write us a letter and tell us what a great experience they had. Our web site is a very integral part to our Customer Experience and connection to our customers, especially those who don't live near our store: they can buy*

*products on the Internet. We really use it to communicate with our customers about what is coming up at the store, there are e-cards that they can send, and whenever we launch a new product we create a special kind of activity.*

*We want to stay connected with them and we know that they might not be in the mall every week and we want them to know that we have new things. They give us their permission to communicate with them and we probably communicate several times a month with them.*

Colin: *Since buying our bear we have been invited on a number of events. What are these?*

Maxine: *Well, throughout the year we create special events, usually about once a month. A new bunny or a new teddy bear that we are launching or a holiday like Valentine's Day or Easter or the Fourth of July, we will have a special event and we will tell our customers to come and usually there is some kind of promotion.*

*It is our cosmetic strategy: adding value to the product, not taking value away as I said before. So if you are buying a monkey today you will get a free banana or if you buy the bunny you will get a free carrot. These are very successful and they usually create a lot of excitement. We have fashion shows in the malls where we will do a clothing fashion show and the kids are showing a bear dressed in something very similar and are always fun. Most of our events are within our store and they are developed around topical events. For example, we had a big weekend for leap day this year and we invited everybody within the United States of America whose birthday was on February 29 to come in and make a free bear. A lot of people did.*

*We have birthday parties in our store and what parents do is bring 8–10 children, along with the birthday child to make a bear and the party flavor is really the bear; we are giving a bear to everybody. These are phenomenally successful; we did about 100,000 parties last year in our stores – that's over a million kids and we get tremendous letters from our customers.*

Colin: *So when people are buying a bear they are actually buying a whole experience?*

Maxine: *Well it is all in the package, not only package within a box. When a customer buys something in anybody's store, whether it is a cup of coffee in Starbucks or a watch in Selfridges in London, whatever it is you are buying, it is associated with the whole place: how the people treat you, what kind of box it goes in, what the bathrooms are like, especially for the female shopper.*

Colin: *One of the things we advocate is segmentation of your market. Are men or women more important in your environment?*

Maxine: *Women go to the mall or shopping environment and they already can tell you about their experience the minute they drive into the*

*parking garage. If it is a hassle, that is what you are going to have to overcome as a retailer in that mall. You are going to have to say “OK that woman has had a real hassle and we are going to have to make this a good experience for her.” Women watch the details and they want to be treated special and they want their kids to be welcome in the stores. They want to be able to use your telephone or return things easily, they just don’t want the hassle, they want you to appreciate their business, I think men do also but since the majority of shopping is done by women – women are primarily responsible for organizing the family activities – then Build-A-Bear Workshop knew that we wanted to please the mums and we wanted to please the kids and we wanted to please ourselves.*

Colin: *How are you aligning your internal recruitment and culture to your Customer Experience?*

Maxine: *We are certainly looking for warm fuzzy people, people who are happy, who want to work with children, who like being on stage, being a little theatrical, and we look at anyone – from grandmas, adults, teenagers – we don’t really have any restrictions. Customers can go anywhere to buy a bear. They have come into our store and they are buying a bear and it is an engaging experience. Our people have to be engaging and we put a lot of effort in that. We don’t just hire off the street, we want people who want to work with kids and that isn’t easy to find.*

*It’s quite simple really; we do it to make kids smile because that is really what we sell you... no, we don’t care if you walk out of our store and you don’t buy anything. But you walk out with a smile you will be back. If you walk out and you are not smiling we will never see you again.*

Colin: *How would you describe your culture?*

Maxine: *Our culture is a fun-loving culture. I am very connected to our company. Our people have a profit share, our store managers have stock in the company and we have made them all owners because we could not be here without them and they are half of what we sell. I think we have a really mutual respect for each other, they know that I care for them as human beings and they know that I care about the personal issues that they face. You know we try to really be the entire thing that you want to work for, just trying to take care of everyone, and trying to create an environment where people can contribute to their potential.*

Colin: *How important do you think the storytelling element is in your communications?*

Maxine: *I think it is important for context. I think that people want to be connected to where they work, where they shop. I think that if you can make it realistic for people and they can understand the company values, they can therefore communicate the company values to the*

*customer, they can live out their life like that. I have always understood the value of being able to tell your story, but then when I studied Walt Disney that was his whole thing; it is about telling great stories and creating great experiences because they won't tell the stories for you, and that is how the word of mouth and the excitement comes out of people because it is real for them.*

*Colin: Given that you have created a great Customer Experience why do you think other organizations struggle?*

*Maxine: I think that most people are very tunnel vision and so they can see how we do it in our business but they can't see how to adapt it for their business. The other is it takes a lot of work and it is hard and expensive if your business model isn't set up for it.*

*Colin: I have just got one last question for you. There are a number of businesses just starting off on the journey of improving their Customer Experience. What advice would you give them?*

*Maxine: The first, I think would be talk to your customers and find out what they think could be better. Ask them, it doesn't always have to be on your shoulders to create great experiences. See if there is a way when you are engaging your customers in a brainstorming session, if you can get them to bring out the child inside them too and let them know that you want to do something really different and out of the box.*

*I think that businesses also have to look at who are their customers, their primary customers, and who comes along with that customer. For a mum in a ladies clothing store, she is going to bring her kids into that store. So can she move the stroller through your store, is there a place for her to sit down, is there a place for the kids to be comfortable? Or if her husband is with her, is there a place for the husband to sit down if he doesn't want to be walking around?*

*So talk to your customers first, talk to your associates then think about yourself if you could be in the perfect place. What would you want it to look like? What would you want it to be? Where do you want to shop? If you were going to invent your business today from scratch what would it look like?*

*Colin: That's great. Thank you very much, Maxine.*

As we have heard Build-A-Bear Workshop are now opening worldwide. We decided to chat with Steve Bedford, "Chair Bear" (Chairman) for Build-A-Bear Workshop in the UK, to add more detail and another take on the Customer Experience from the UK side of the pond.

*Colin: How did you get involved in Build-A-Bear Workshop?*

*Steve: Our company bid for the franchise rights for the UK and Ireland and we won it. I think we were successful because of our understanding of the brand and the experiential part of it, particularly the desire and*

*need of customers to be entertained in a personal way. Every single animal we sell is created for that person, they put in the personality, they bring it to life, and we want to make that experience emotionally engaging, entertaining, and very individual.*

Colin: *Why emotionally engaging?*

Steve: *Fortunately many people don't really need many products nowadays. So when they consume they want an experience that makes them happy and entertained. Our prime aim is to make people smile in our stores, so they feel positive about their experience. This is important because in my view most interactions with businesses are poor. It is actually stressful buying things.*

Colin: *Why do you think that is the case?*

Steve: *In most businesses things are done for efficiency. This efficiency drives out time and reduces labor. Efficient retailers are always trying to reduce the amount of labor. It has a negative effect on the Customer Experience. I think that Customer Experience is a counterbalance for the drive for efficiency. Efficiency doesn't go direct to the soul, doesn't make you feel inspired. I think what Maxine Clark has created makes people smile, makes people dwell. If you look at the basis of competition in retailing, most people compete on the basis of price, quality, range of product, and choice. That's no longer good enough. Whilst all retailers look at the store environment the problem is the store environment only sells the visual sense. Most businesses do not consider the deep emotions: the sense of inclusion, touch, feel, conversation, interaction, and the emotional sense of something being done specifically for a guest.*

Colin: *I have been impressed by your attention to detail. Could you give me an example of that?*

Steve: *A good example is we don't sew up our animals; they are all pre-stitched via a patented system, so we seal the animals. Basically we draw a string together and it is tied. You could say we create a little mini umbilical cord! This idea came from a guest who asked if we were bringing her bear to life, then why were we hurting her animal with a needle? A good question! So we moved away from stitching and now seal the animals by drawing the string together.*

Colin: *How important are the people in delivering the Customer Experience?*

Steve: *It's absolutely critical that we have the right people doing the right things to deliver the right experience. We apply rigorous selection and training procedures, plus instore management processes, which ensure our people are motivated, ready, and prepared. We train our bear builders to think; "How can I make this the best thing that my guest will experience today?"*

*The most important factor is the attitude and approach of our Master Bear Builders. They have to be willing to project, engage, and*

*Revolutionize your customer experience*

*entertain. We look for people who have these abilities. For example we have recruited several Master Bear Builders at our Croydon store from the Brit School, which is a local performing arts college.*

*From the start I was impressed by how the desire to deliver a positive guest experience is followed through in all aspects of the company from recruitment to reward and measurement. The company has three priorities: number one is guest experience, number two is employee experience, and thirdly are smiles, which leads to sales and so we measure all of those things. For example every day we take calls from guests and we ask them to rate their experience. Their feedback is the most important measure of the store's performance.*

Colin: *Thank you Steve, and good luck in the UK.*