

THE CUSTOMER EXPERIENCE MANDATE

By Anne Marie Soto, executive director of Retail Marketing Society



What constitutes a meaningful connection to consumers? Why is a great customer experience a strategic imperative?

These are a few of the issues that were raised at a recent Retail Marketing Society meeting. Panelists were Mark L. Aaron, VP-Investor Relations, Tiffany & Co.; Richard R. Shapiro, president, the Center For Client Retention; and Leslie Zane, founder and president, Triggers Growth Strategy. The discussion was moderated by Susan Miller, principal, JSM Strategy Advisors.

Delivering on Customer Experience

The importance of a positive customer experience is no longer a point of debate. The Retail Reputation Report, issued in November 2018, found that there was a direct correlation between good customer experience (a high reputation) and company growth. Customer experience includes the entire journey from the first point of contact all the way through the post-purchase relationship building.

“The strongest human emotion is hope,” said Shapiro. “No one goes on an e-commerce site or into a physical store unless they are hoping something can happen. Within those first few seconds, the customer feels that their hope is either going to be diminished or fulfilled.”

Informed and enthusiastic sales associates

are a key factor in fulfilling these hopes.

“People care about dealing with a sales professional not only creates a more memorable moment but is engaging, consultative, and proactive,” said Aaron.

Zane agreed with Shapiro’s points about hope, explaining that “brick and mortar retailers actually have a competitive advantage versus direct-to-consumer companies in two ways:

First, they can bring to life the ideal fantasy experience that consumers want to have with a brand. Second, they can turn their sales associates into knowledgeable specialists who not only help customers find what they want but, importantly, provide expert advice and make them feel great. Search engines and robo-associates can’t do that.”

Showing Appreciation

Once the customer is motivated to purchase, it’s important to show that you really care about them. Shapiro refers to this as rebooting the customer experience. This doesn’t mean sending the customer two or three emails a day, a practice that can have a negative effect. It means sending a hand-written note, a personalized email, a text if that is appropriate. It also doesn’t have to be to all customers; there’s a way to segment.

Macy’s 80-20 rule was cited, where almost 50% of its business comes from 9% of its customers. Aaron described Tiffany’s customer relationship management (CRM) system that allows them to build relationships with customers on a global basis. Regardless of where the Tiffany store is located, the sales associate can look up the customer by name and access their entire purchase history, understand what they like, what they’ve been celebrating. This makes them feel they are part of the Tiffany family and provides a consistent customer experience everywhere.

Millennial Mythology

The panelists agreed that conventional

marketing wisdom often misunderstands millennials. Shapiro stated that people who think millennials should be treated differently are making a huge mistake. Aaron emphasized this by pointing out that millennial brides-to-be still aspire to the traditional diamond engagement ring.

Zane noted that one of the myths about millennials is that they don’t care about nostalgia. “We’ve found it to be absolutely the opposite. They love history and heritage,” she declared. Millennials want to hear the stories — what the retailer did in the past and how they are innovating in the future.

Winners and Losers

The winners in providing great customer experience are those who know who they are and understand what they do better than anyone else. Winners cited throughout the discussion included Walmart, T.J. Maxx, Lululemon, Target, Best Buy, Costco, Amazon, Tiffany’s, and Mitchell’s. The struggling companies, including Walgreen’s, The Gap, Victoria’s Secret, J. Crew, Macy’s, Saks, Lord & Taylor, and Express, are those who just don’t know who they are anymore.

The key to survival, Zane said, “is to know what you are better at than any other retailer — and to convey that brand expertise through every communication touchpoint. There is no retail apocalypse. There are only companies that drive consumers to their store with expertise and those that don’t.”

Aaron offered some advice on becoming a winner. “Be bold, be agile,” he said. “If you are lucky enough to have a long history, be respectful of your heritage but at the same time, be willing to adapt and present the brand in the most relevant and exciting way possible.”

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