

COMMERCE

Customer-centric culture gives competitive edge: Forrester senior analyst

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Engaged employees results in better consumer experience

By JEN KING

NEW YORK – Although it may seem daunting to restructure a brand’s internal systems, a senior analyst explained June 24 at Forrester’s Forum for Customer Experience Professionals East: “Why Good Is Not Good Enough” that the return on investment yields greater corporate culture and leads directly to better consumer experiences.

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During the “5 Things You Must Do To Build A Customer-Centric Culture” session the senior analyst acknowledged that renovating corporate culture may be a challenge but outlined key steps. Essentially, a “customer-centric culture” ensures the happiness of employees who then transfer their brand feelings to consumers through experiences.

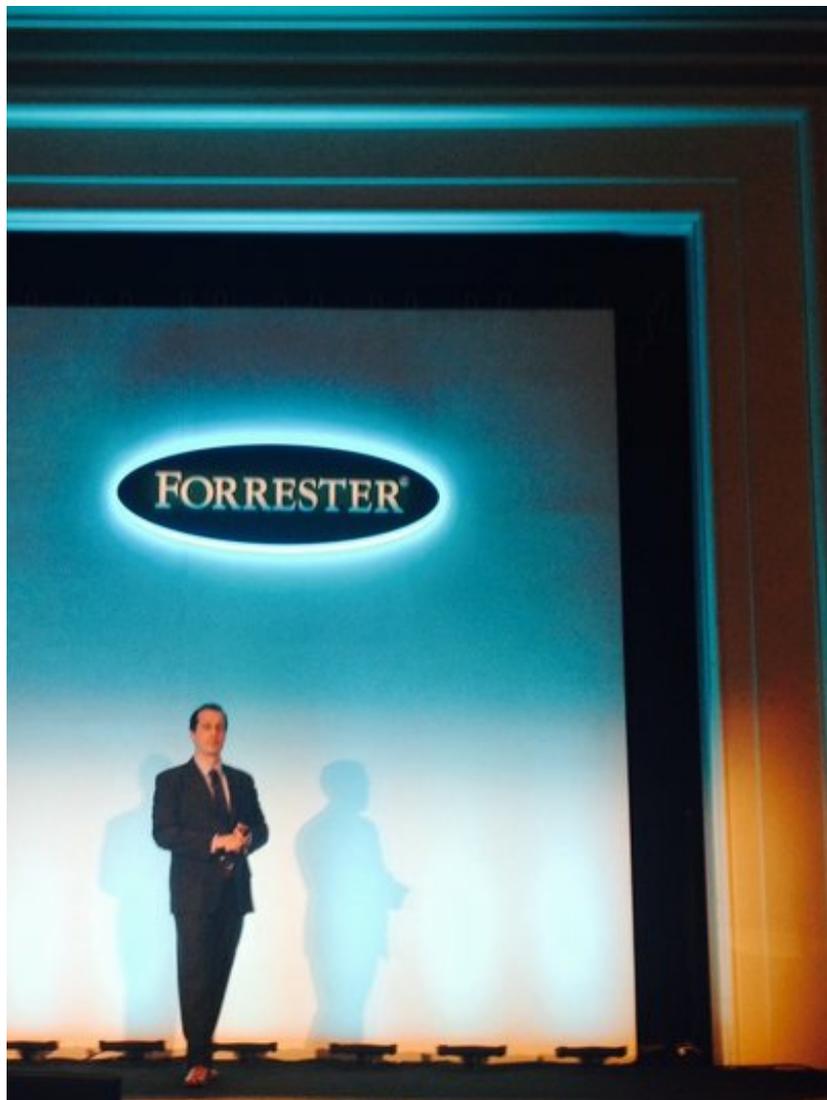
“Companies aspire to focus on consumers, but reality often gets in the way,” said Sam Stern, senior analyst at [Forrester Research](#), Cambridge, MA.

Culture shock

Having a customer-centric culture shows employees, and consumers as well, that the brand is not solely a product- or service-based profit-making entity, but can also generate

authentic human connection. This business model shows that a brand is better than its products, and is driven by individuals who want to deliver an experience of value.

There is a strong case for switching to a system where employees are more engaged with the brand's values. Forrester's data shows that 75 percent of engaged employees feel that they are able to produce a great experience for consumers, while only 17 percent of disengaged employees felt the same.



Forrester's Sam Stern during his presentation

Seeing that happier, more engaged employees produce better consumer experiences, Mr. Stern and his team looked at brands who attempted to change their culture but failed. The failed attempts had common pitfalls such as loss of interest, lack of clarity and failure to get broad-based, buy-in support from brand executives.

Mr. Stern outlined five steps that brands can take to shift their internal model to a customer-centric culture. The steps are as follows:

Secure executive support

Without the full support of brand executives the system will not have the proper strength to be well-executed or followed through, Mr. Stern suggested. The buy-in “epiphany” from executives is seen as the most important step in creating a customer-centric culture.

Build a customer experience team to lead the transformation

A clear vision makes it easier for employees to follow the lead toward the new culture and drive change.

Create a shared understanding of intended experience

Once a narrative is created, sharing ideas among employees will help execute the plan and make adapting easier.

Rally and align all employees to the cultural transformation

Motivate employees to change behaviors and get on board. By explaining the benefits for employees, resistance is broken down. Brands must enable and empower employees to want to create great experiences for consumers.

Embed customer experience principles into the organization

Motivated employees will change their behavior, but need guidance and training to maintain the principles. Leadership training can assist in this field. Training programs across the brand should also include these principles.

Mr. Stern equated the ability of brands to strive for a new culture to the inhabitants of New York learning to adapt to the restructuring of the city's streets under the director of former Mayor Bloomberg.

Renovations

Brands that have restructured the inner workings and culture of employees have seen results in sales and productivity.

For example, two senior executives from Swiss timepiece maker Baume & Mercier shared the brand's internal structure at the Luxury Interactive 2013 conference Sept. 24 to show how it has enhanced the brand's output.

The executives outlined the corporate framework of Baume & Mercier in the "Breaking Down Internal Silos to Ensure Collaboration" session. By altering the way the watchmaker's departments interacted with one another, the brand saw efficiency rise in direct response to collaboration ([see story](#)).

Fine-tuning how employees are trained is also vital to a customer-centric culture.

For instance, students from Columbia Business School and Parsons The New School for Design's interdisciplinary program "The Design and Marketing of Luxury Goods" worked with French atelier Christian Dior to propose a strategy that aims to build trust among consumers and sales associates in a retail climate where that relationship has begun to fray.

The team of students last week presented a proposal called "Enhancing the Dior Experience for Clients and Beauty Stylists" that offers methods for strengthening this vital relationship while improving the overall brand experience. Dior's student team conducted extensive field research and shaped their proposal around the fashion house's core elements ([see story](#)).

By restructuring internally to become more customer-centric a brand will have a competitive advantage, but there must be a willingness for change at all levels of management.

“Changing the culture of a large organization is hard,” Mr. Stern said. “It is a multi-step, complex process.

“Just because change is hard and uncertain, does not make it any less worthy as a goal.”

Final Take

Jen King, editorial assistant on Luxury Daily, New York

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