

RESEARCH

Forrester: Consumer enjoyment must be the center of a business model

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By TRICIA CARR

NEW YORK – Brands must put consumer needs, ease of transaction and joy from the purchase at the center of their business model to compete in today's market and to raise profits, according to an executive at Forrester's Customer Experience Forum 2012.

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Consumers now have more choices in what they purchase than ever before, and while they have many information channels, opinions from friends, family and colleagues weigh more than information offered from a brand. Altering a business model to center on three types of consumer loyalty will help brands increase profits in the changing marketplace, according to Forrester's 2012 Customer Experience Index.

"It is so easy to believe that everything revolves around us, the business," said Harley Manning, vice president and research director at [Forrester Research](#), New York.

"Collectively, we decide what people will buy, how much they pay and what channels they will be able to buy from," he said. "Not having the customer at the center does not reflect today's reality.

"If you want your business to profit in today's reality, you will adopt a perspective that reflects the reality, which is to put the customers at the center of your business."

Center of the universe

Mr. Manning compared the flawed perspective in many of today's business practices to Copernicus' original view of the universe. The philosopher changed his perspective to include the sun at the center and was able to build a successful model.

If businesses put their consumer at the center of their business model, they will have better customers, per Mr. Manning.

"All of those customers go on the same journey when they realize that you have something that meets their needs," Mr. Manning said. "Then, they evaluate you based on their needs."

Consumers also begin to evaluate what other businesses have to offer at this stage, he said.

Customer experience, which weighs heavily in consumer decision-making, is how customers perceive their interactions with a company. This happens at three different levels.

The first is that the product or service must meet the needs that the consumer has.

Next, the product or service needs to be easy to obtain and use.

Lastly, the experience needs to be enjoyable for the consumers.

"Companies often forget that their customers have needs and they need to enjoy something," Mr. Manning said.

Many luxury brands are taking on this thought process when expanding to Asian markets.

Ralph Lauren, Missoni, and Neiman Marcus are making it easier for Asian consumers to find information about apparel and accessories and make purchases in their own currency by expanding their ecommerce presence ([see story](#)).



Ralph Lauren's Japanese ecommerce site

In addition, British fashion label Burberry is hoping to draw consumers with a series of events that ties in physical enjoyment with a brand experience focused on fashion and weather. The first of its large-scale events took place in Taiwan. The label also tested a similar event in Beijing last April ([see story](#)).

Beijing event video

Meanwhile, findings from the Customer Experience Index proved that customer experience correlates to loyalty, per Mr. Manning.

There are three types of loyalty: the willingness to consider for another purchase, the likelihood to recommend to friends and the likelihood to transfer business to a competitor.

Brands that focus on these variables can improve their consumer experience.

Come to the realization

It is important that brands realize that they need their customers more than the customers need the brand.

To make correct decisions in a customer-centric business model, there are a few things that brands may want to considering doing.

First, experience what it is like to be the customer.

“Go talk to your customers about what it is like to be one of your customers,” Mr. Manning said. “You will get an amazing source of insight.”

In an example of consumer feedback, Audi of America debuted a driving program earlier this year focusing on its new electric vehicles that allows engineers in Germany to get instant feedback and data on driving conditions where the cars are used in the U.S. market while launching a hashtag campaign to spark mobility discussions ([see story](#)).

Meanwhile, brands should also get to know the employees that service their customers. This could apply to fashion brands that have high-traffic flagship stores in major cities as well as automakers that have high-volume dealerships in certain cities.

The employees that interact with consumers every day get to meet the customers and see trends, and are willing to share if someone would ask them, per Mr. Manning.

Brands can also map a customer journey, especially a problematic journey, to help them craft a new business model.

Map each journey including the people a customer speaks with in-person and on the phone, payments they make or Tweets they send, and plan out business practices that help make these areas of the customer experience easier and more enjoyable.

“Use the values that your business uses today and plug them into a customer experience improvement model,” Mr. Manning said.

“Every brand has customers that have needs and if you do not meet those needs, you will go out of business,” he said. “If a bunch of companies can meet those needs, then you need to engage the customers.”

Final Take

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