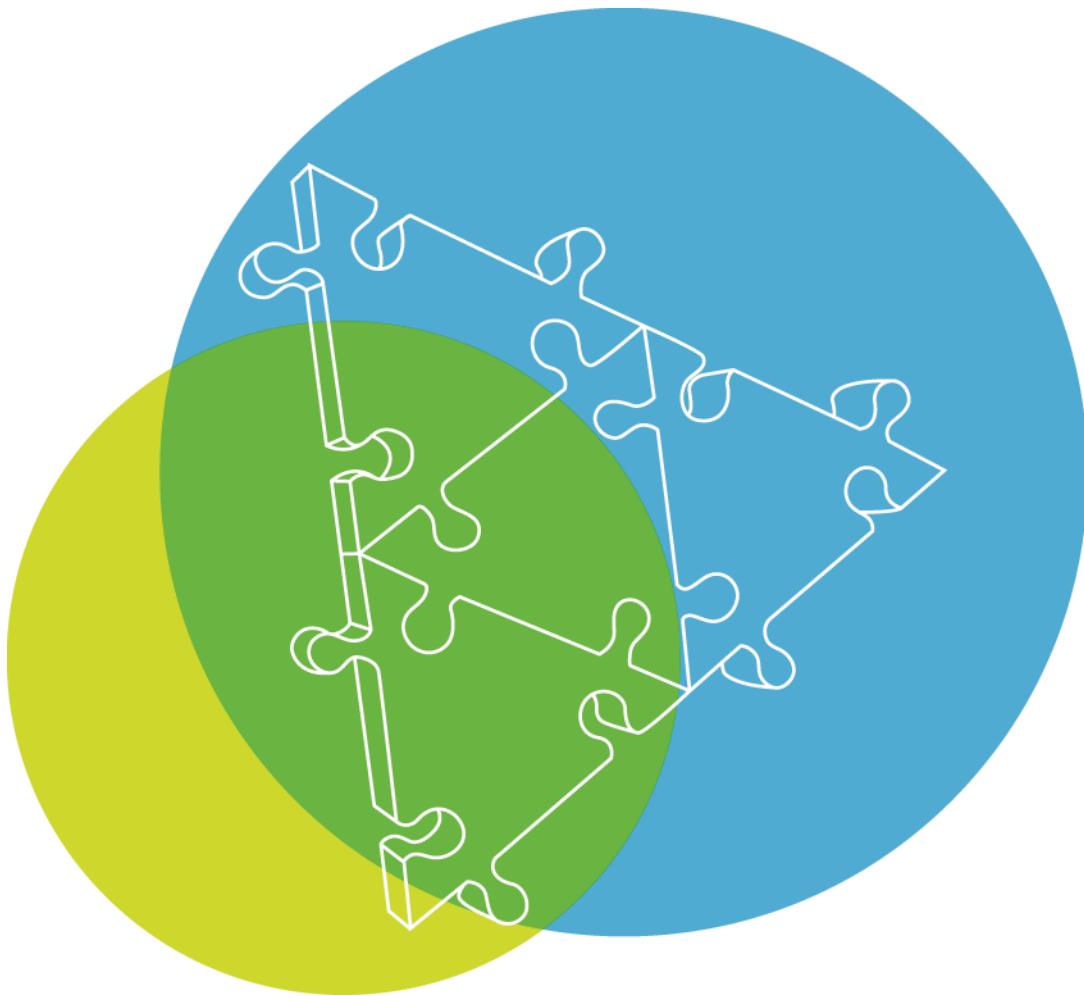


# The Three Sides to Engagement

*how to leverage new ideas and engage customers*



Shikatani Lacroix is a leading branding and design firm located in Toronto, Canada. The company commissions assignments from all around the world, across CPG, retail and service industries, helping clients achieve success within their operating markets. It does this by enabling its clients' brands to better connect with their consumers through a variety of core services including corporate identity and communication, brand experience design, packaging, naming and product design.



#### About the Author

#### **Jean-Pierre Lacroix, R.G.D., President and Founder of Shikatani Lacroix**

Jean-Pierre (JP) Lacroix provides leadership and direction to his firm, which was founded in 1990. He has spent the last 30 years helping organizations better connect their brands with consumers in ways that impact the overall performance of their business. Mr. Lacroix was the first to coin and trademark the statement “The Blink Factor” in 1990, which today is a cornerstone principle to how brands succeed in the marketplace. JP has authored several papers, has been quoted in numerous branding and design articles and, in 2001 he co-authored the book “The Business of Graphic Design” which has sold over 10,000 copies. JP can be reached at [jp@shikatani.com](mailto:jp@shikatani.com) and you can follow his blog at: [www.belongingexperiences.com](http://www.belongingexperiences.com) & [www.belongingexperiences.wordpress.com](http://www.belongingexperiences.wordpress.com).

#### Other Articles and Books

Not All “Moments of Truth” Are Equal

Managing Brands

Business of Graphic Design

### **Engagement, A Critical Word in Today's Marketplace**

The word engagement defines the action of being committed, to occupy a presence, to attract or cause someone to become involved. For marketers, the word clearly defines the level of brand loyalty and repeats purchase, the true measures of the health of a brand. The challenge for marketers is to define the most effective approach in engaging their target group within an environment where consumers are being bombarded with a wide range of messages and offers from a broad source of vehicles.

Today consumers lack the time to explore the right option to suit their needs or the level of risk to try something new. Adding to the challenge, customers and employees are skeptical about company claims and commitments and confused about who is working on their best interest. The market downturn and the erosion of corporate credibility by a wide range of high profile organizations have further fueled this sense of confusion.

Therefore, the following topics will be covered:

1. Definitions of the key factors in the Engagement Pyramid
2. Examples of firms who have embraced the engagement model
3. How to translate the engagement model to actionable strategies

### **Deconstructing the Engagement Pyramid**

The factors that influence engagement can be divided in three dimensions, namely:

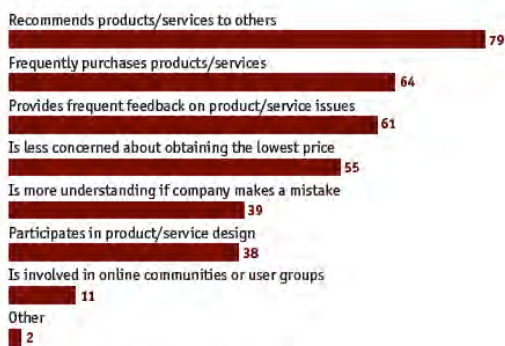
1. Customer knowledge needs
2. The transferring of information
3. Relationship continuity support

Each of these three dimensions play a critical role in building engagement with customers and ensuring strong brand loyalty. Each dimension of the Engagement Pyramid builds on the “Belonging Experiences” model, supporting a strong understanding that there are numerous factors that come to play in ensuring customers are truly engaged in brands.

A recent Forrester study on the influence of brand experience on brand loyalty clearly identifies a direct correlation between the overall experience in which consumers engage with brands and the level of commitment towards purchasing additional products or the reluctance of swithching to competitive brands.

Organizations that have defined the key elements on how to engage the consumer as part of a unique and well defined experience, in a way that is relevant and meaningful have been able to gain significant market share and brand loyalty. In addition, understanding what is the role of the various marketing tools and messages as part of each of the different consumer touch points that support an engagement process will help ensure strong longterm relationships. The Engagement Pyramid also helps define the role that the different moments of truth and the employees play in its success.

**17. In your opinion, which of the following attributes describe an engaged customer, or one who is committed to your company's products and services?**  
(% respondents)



Source: Economist Intelligence Unit survey, 2007.

### Why is engagement so important?

In December 2006 and January 2007, the Economist Intelligence Unit, a division of the Economist business magazine, conducted an online study with 311 executives on their companies' customer engagement practices. The respondents covered the globe with approximately 32% replied from western and eastern Europe, 32% from the Americas, 31% from the Asia-Pacific region and 5% from other parts of the world.

Respondents represented a wide range of industries, functions and revenue levels. The survey indicated that executives in a variety of industries believe customer engagement moves beyond customer loyalty and satisfaction to provide a crucial competitive advantage. As markets become commodities through aggressive competition and the flattening of the innovation process, companies have identified a need to evolve beyond the conventional marketing initiatives to better engage their most valued customers.

The research findings identified that, despite their general optimism and strong understanding about the value of customer engagement programs and strategies many respondents identified that they find them difficult to implement in their own companies. The study supports my belief that what is lacking within the industry is a process that will allow organizations to foster new and unique engagement strategies. The study outlined a list of strategies that included cultivating a closer understanding of the customer and what he or she expects from the company in order to become more fully committed.

The study clearly identified the need of translating the voice of the consumer into engagement opportunities while clearly defining customers segments. The study also supports our Engagement Pyramid model since it takes into consideration the role of technology in creating engagement and identify how new technologies can help to engage customers.

The findings are further supported by a Gallup Consulting group 2008 study on why banks must carefully manage their digital touch points to create a seamless customer experience. The study was launched to investigate the role interactive technology plays in creating engagement among retail banking customers, Gallup Consulting conducted a survey of more than 2,100 people in six countries. The survey found that extremely satisfied Web site users are seven times more likely to be engaged with their bank when compared to less satisfied Web site users. Extremely satisfied mobile banking users are 15 times more likely to be engaged with their bank when compared to less satisfied mobile banking users.

Customers tend to be more engaged with their bank when they use many of their bank's Web site features, use certain features that have an especially strong connection with engagement, and/or interact with their bank across many different touch points (both digital and non-digital). In most cases the overall level of engagement of customers who use their bank's Web site is not substantially different than the engagement of those who do not. However, customer satisfaction with a bank's Web site is strongly related to overall engagement with the bank.

More than half of the retail banking customers in many countries visits their bank's Web site, and approximately 1 in 10 use a mobile device to conduct transactions with their bank. The Gallup study also identified four types of engagement that were based on the combination of attitudinal loyalty and emotional attribute, namely:

**Fully Engaged:** Loyal and strongly attached.

**Engaged:** Less strongly connected, with somewhat lower attachment and loyalty.

**Not Engaged:** Emotionally and attitudinally neutral. No emotional connection.

**Actively Disengaged:** Active emotional detachment and even antagonism to your company.

### **Process, a key factor in identifying customer knowledge needs**

Where are all of these insights leading? We believe that today's consumers are not buying products or a service, they are seeking knowledge that would allow them to make the right decision on their quest to get their given job completed. In his blog "Experiencematters.com", Bruce Temkin, a senior researcher for Forrester identified six laws of customer experience. One of these laws identifies that every interaction creates a personal reaction, where the individual needs of customers must be taken into consideration and prioritized by customer segments.

The beginning of any engaging relationship is the ability for organizations to guide consumers through the purchase decision by clearly understanding which segment is being served and what tools best meet their given knowledge needs.

For example, if you are a package goods company, it maybe more about how to provide a quick, balanced meal the whole family can enjoy while being healthy or if you are a consumer seeking to buy a house, the need may focus on the knowledge of how to best negotiate a mortgage versus shopping for the best mortgage rate.

The ability for the customer to feel empowered and knowledgeable is a critical factor in creating the platform for an engaging experience on the journey to brand loyalty. The process follows similar fundamental to how consumers build personal relationships and foster a sense of belonging since most people do not get married following the first date. By understanding the courtship process and how your brands touch points play an important role in gaining the customers awareness, interest and ultimately trust and how information about your brand is shared, companies create a strong platform for customer loyalty.

With the advent of Web 2.0, consumers are connecting with brands and communities at an incredible rate, and the power of a single individual to impact the perception on a massive scale is challenging

organizations on the processes they use to get consumers engaged in their brands. HP, one of the leading technology companies who have embraced the power of Web 2.0 and the new realities of how consumers connect with brands have noted that there has been a significant shift in advertising dollars to online media. Whereas newspapers took 127 years to reach US\$20 billion in ad revenues in the U.S., and cable television took 25 years, online media have garnered that amount in just 13 years.

A Booz Allan study conducted in 2008 identified that 90 percent of marketers understand the urgent need to adapt quickly their marketing approach. As part of the survey, four out of five marketers surveyed believe consumer insights are more important than they were five years ago and will be even more important in the future.

The process factor in the Engagement model identifies different steps that an organization needs to take into consideration when enticing customers into a relationship. Critical questions such as, when does the customer first identify the given “job” need and how is this translated in key and hidden drivers. The consumer may want to purchase new tires for their car, but what is the true needs being fulfilled. Is it performance or is it a reflection of their self-image as it relates to their car.

The initial process stage of the engagement process should provide marketers with the ability to clearly understand the emotive needs of customer. What steps should the company put into place to gain an understanding of the customer’s needs? What is the role of research, customer feed back loops, and at point of the relationship should these be initiated are all part of engagement analysis process.

More importantly, what are the key steps customer takes on their journey to build relationships with your brand, or as defined by critical moments of truth were your brand needs to deliver on the customers needs. Understanding how your brand maps across these

moments of truth and what job each of these moments need to accomplish to provide customers with a sense of recognition and control are the first steps in building a strong engagement program. With new RFID and GPS technologies being integrated, firms such as Google are redefining consumer living and lifestyle patterns, identifying groups of consumer is different classifications based on their special behaviors, such as how long the mingle in given areas with a city, how many of them have similar behaviors (tribes) and how these behaviors impact purchase patterns within geographical shopping areas. These tools, in the future will allow marketers to clearly understand how their brands impact geographical and communal behaviors.

### **The message, the approach and content all help to effectively connect with customers**

Most successful brands have built their loyalty around a well-devised script that narrates a story about the brand that clearly connects on both an emotive and rational level. For example, the Mac and Windows computer wars that have raged for the past twenty years between the two platforms have created the opportunity for Apple to create a distinctive story that has effectively connected with its loyal base. In the epic story, the Macintosh user is trying to overcome uniformity and the concern of lack of creativity.

The Mac versus Window commercials clearly creates a story that follows similar scripting found in blockbuster movies. There is a hero, the Mac user and there is a villain, actors that emulate the key characteristics of each brand personify the Windows platform and both.

The Mac user can relate to the commercial since the script of overcoming the dominance of the Windows platform while wanting a life that provides greater simplicity and creative possibilities clearly resonates with them. It creates a story that allows their loyal customers to feel part of a unique tribe of customers, that all share



similar values. It can be seen acted out in real life when people meet in social gathering that share the same Mac platform.

The ability of the message to create a strong link between the consumer need and the product offering is critical, while how the content changes based on the different moments of truth ensures the right level of engagement throughout the brand purchase process.

By aligning the key message content to the level of engagement by customers, you are ensuring that the right message is being noticed mirrors the knowledge needs of customer. The structure drives the right resources and sequences to the given engagement level.

### **The structure ensures the right support and environment to ensure engagement**

A key factor that ensures how consumers commit to brands, it the organizations ability to reflect on the desired ideal brand experience that takes into consideration the engagement needs of its customer base. The need for all aspects of the experience to provide focused and supported approach is critical in ensuring a strong level of commitment.

A key structure component is the ability of the organization to build support around how consumers need to engage. The structure should reflect the different steps consumers undertake to connect with brands, and allocate the right level of service, information and tools to ensure each given step reflects the given needs of the customer. The structure component of the Engagement Pyramid takes into consideration the type of engagement, its length and key customer desired outcome. The organizations web, its content and ease of access to connect with a live company representative, the company literature and its ease of being printed in the customer's home, to the telephone service and experience for assistance or an alternative to actually shopping the retail location all play critical roles in how best to structure an engaging relationship.

Another critical structure is how the organization supports its front-line associates, those that manage the customer relationship. Julie Moll, Senior Vice President, and Janet Smalley, Vice President, of brand research represented Marriott International during their recent presentation “Engaging the customer in a changing market place”. Julie and Janet started their presentation off with one simple statement, “Have a Vision”.

Marriott’s vision is simple – customer performance, loyalty and love. Simply to perform outstandingly well for their customers, develop a sense of loyalty with the customer and associates and build on a loving relationship that potentially goes beyond the confines of a monetary interaction.

The presentation stressed the point that a brand is more than a logo or advertisement – it’s a relationship and a promise. The first step in ensuring deliver of a brand promise (and to start building the relationship) is to take care of your associates. It is a simple equation, take care of the associate, the associate takes care of the customer, the customer comes back and the money takes care of itself. We all know about having our target audience, but many forget to target associates.

The J.D. Powers study, now in its third year, finds that overall satisfaction with the retail banking experience has decreased considerably since 2007 – down 26 index points on a 1,000 point scale to 737 in 2008. The study also finds that banks that provide high levels of customer satisfaction have more highly committed customers, which are essential to financial growth.

In addition, J.D. Powers conducted a wireless study that identified that while the average wait time before customers are greeted after they first enter a wireless store is approximately 5 minutes, overall satisfaction declines considerably if the wait time exceeds 30 seconds. Currently only 28% of respondents cited speaking to a qualified sales representative within 1 minute of entering a retail store.

The quality of sales staff is ranked as the most important aspect across all retail models:

- Importance of sales staff (51%)
- Store Display (17%)
- Store Facility (16%)
- Price/Promotion (16%)

If the customer said he/she is delighted with the sales process, they are 7x more likely to shop the location again for future purchases and 9x more likely to recommend to a friend. The study supports the importance of ensuring that each element of the experience be structured in an approach that ensures a positive experience at each brand touch-points.

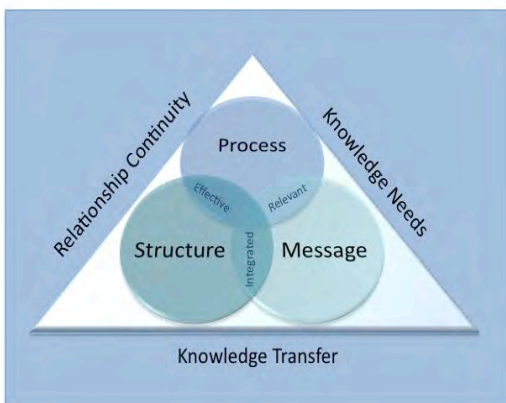
In our previous white paper, “Not all Moments of Truth are Equal”, we identified that organizations need to evaluate each of their moments of truth and align a structure that eliminates any barrier to creating an engaging relationship.

### Putting the Engagement Pyramid in context

Successful organizations have leveraged the principles found in the Engagement Pyramid, either unknowingly or through consultation with our firm as part of a rebranding exercise.

These organizations have realized the importance of leveraging a change in their physical presence and consumer touch points as part of a staff behavioral change to better reflect the needs of customers. Through a redesign of their total customer experience, from how they gain information on the web to how they change the transaction process to mirror the need for customers to search for knowledge and understanding, companies have realized this approach is the only means to evolve and provide a strong competitive advantage.

The Engagement Pyramid is a model that allows better alignment with how consumers want to be treated and interact with brands.



More importantly, the model allows organizations that need to reinvent themselves with an appropriate model that can guide them through the re-engineering process, ensuring that all aspects of the experience, from the web to the actual transaction process reflect the “job” needs of customers.

### **Umpqua Bank, redefining engagement**

An organization that has leveraged the engagement principle has been Umpqua, a leading regional bank in the U.S. west coast that has built a reputation as fostering an engagement experience.

The financial institution was ranked 13 best company to work for in the U.S. by Fortune Magazine and boast a community program (with 147 branches and its own coffee blend) where employees get 40 hours of paid time each year to volunteer in the community. Umpqua Bank started life with six employees in Canyonville, Oregon in 1953.

Umpqua’s number one goal isn’t to be the biggest bank in the world. It’s to deliver the best banking experience possible. One of the ways they are doing this is by remaining tightly tied to the communities served by the bank. By contributing staff time and resources to local organizations and events, Umpqua makes a difference in the communities they live and work in. Umpqua has a deep rooted belief that when the community succeeds, they all succeed.

When it comes to banking, Umpqua has but great emphasis in creating new experiences for their customers to enjoy. Although the experience is about banking with all of its facets, their focus has been about exceeding their customer’s expectations. That’s why in addition to taking care of transactions, Umpqua offer their own blend of coffee, a computer café and local music.

Many of their stores even offer after-hours activities, from financial seminars to knitting and book clubs. Umpqua firmly believes the more enjoyable banking is, the less it will feel like an errand. Since the philosophy needed to be reflected in the moments of truth



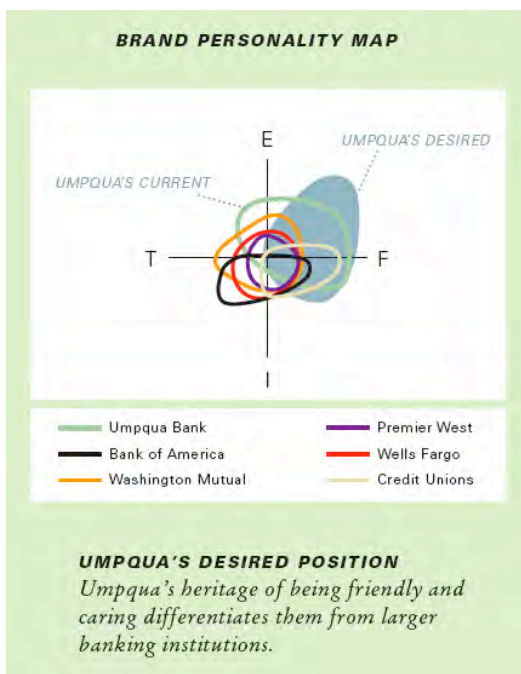
translated as part of the physical assets of the branch, an innovative experience was created. Umpqua associates experience an empowering environment full of opportunities for rewards, recognition, professional growth and valuable time toward an industry-leading, employer-paid volunteer program.

In fact, it was their own Associates who voted Umpqua Bank among Oregon Business Magazine's "100 Best Companies to Work for" ten times since 1996-taking them to the top of the list in 2004.

Umpqua embodies the principles of the Engagement Pyramid since they have reviewed their entire customer experience to better reflect their needs for a pillar in the community that has gone well beyond banking. Namely, the organization has reviewed their processes to better reflect a community atmosphere that mirrors similar behaviors found in local café where people can visit to read, relax and enjoy a great cup of coffee. Umpqua also understood the customer job of gaining better knowledge of their financial options through the use of in-branch seminars and workshops in addition for the need to socialize and create a strong sense of being part of the community.

The process also goes against conventionally thinking, while some banks discourage customers from entering a bank branch and other banks compete against the Internet to provide convenience and speed, Umpqua's new store inspires and encourages its customers to relax and take their time when making financial decisions. Based on Zibra, the design firm responsible for the new direction, they redefined the meaning of the branch, renaming the experience "Greenspace", the new bank store is more than an environment; it's an experience. Shopping modules encourage customers to buy Gift Cards, open a Green friendly Account or open a Business Account.

The message to customers and the community was also aligned to reflect the new position, Signing and staff engagement process, including merchandising tables that promoted special programs and kept the bank fresh and relevant. Customers are encouraged to



browse the aisles, allowing Umpqua's Universal Associates to approach them in a nonthreatening, conversational way. The shopping experience encourages customers to think and act on their financial future.

The structure, from the staff training, IT infrastructure and branch policies and operations all supported the friendly and caring position of the bank. From the vision of the CEO to the level of understanding and role of engagement of the front line staff, the entire organization was aligned to a common vision and focus.



### **Grand & Toy, redefining small business engagement**

Grand & Toy, Canada's largest commercial office products company and a division of Office Max, was looking to reposition the company and evolve the thinking to better reflect the needs of its small business customers who are looking for more than the conventional supplies. Rather than match the big box stores in terms of volume or variety, G&T chose instead to focus on exclusive, quality products and specialized office services that catered to this customer segment needs.



The G&T organization wanted a new experience that clearly engaged the small home and office entrepreneur, offering them a place that catered to their specific needs. A new experience was developed to capitalize on the need for small business owners to feel empowered and as mighty as the big companies in which they competed. A Belonging Experience process was initiated that incorporated the Engagement Pyramid model to assist in Grand & Toy's business transformation as part of a store of the future new design. The challenge, the new design had to fit within the existing space while maximizing the merchandise mix and assortment, which had been reduced to provide areas for new services.

A second and more critical challenge was the need to engage customers into using the new consultative services that formed the foundation of the new concept. G&T had built its business by providing companies with business-to-business sales of office

supplies while leveraging its retail presence to reinforce the brand's offering. The engagement challenge, how do you change the behavior of current and new customers without alienating existing shoppers.

The structure had to change if the concept was going to effectively engage customers. SL developed a new store environment that clearly promoted the added value knowledge and service areas, from the designer work area, the small business consultation offices to the new technology demonstration area; all facets were developed to leverage the sharing of knowledge. SL designed the space using high-end features that are rooted in functionality. Curved linear design, custom millwork were applied to the key service stations that act as customer interaction zones. We installed custom display features with unique color treatments that provide a clean, uncomplicated backdrop for the products and keep surfaces free from clutter.

The new store included a flex area supported by digital technology that allowed for the use of workshops and seminars, allowing small business owners the opportunity to expand their knowledge of the newest technologies and business approaches. The flex learning area was located at the back of the store to allow a higher level of privacy and comfort. Adjacent this area, special consultation offices were created to provide the small business owner with access to knowledgeable business consultants that could assist in setting-up a business, managing the payroll to setting-up the best IT infrastructure that met the needs of small businesses. Comfortable seating was located outside the offices to allow for a comfortable place to read the latest in business information while waiting for a meeting.

As part of the Messaging facet, a signage package was also developed providing optimal level of communication while remaining relatively simple in execution & presentation. It was very important that from the exterior of the store, customers clearly understood the new offerings and services being provided.

Our intention was to provide key customer touch-points throughout the store to emphasize the idea of Grand & Toy as a unique retail experience and a partner to small businesses. Both clients and customers as more intimate and very welcoming have described the overall effect. G&T supported the entire customer experience with a new staff-training program that was both Internet and one-on-one based. The organization understood the importance of modifying the staff behavior to evolve the engagement process to reflect the new key moments of truth that would form the new experience.

Everything from the advertising, the web-site and store experience provided a platform to allow the staff to engage the customers and change their understanding of what G&T could provide them, in both knowledge and expertise.

The store focal points became places that allowed staff to better engage customers on the new services that were based on allowing small business owners to effectively compete and succeed in the marketplace.

### **Nike goes beyond products to engage customers into fitness moments**

To create a strong engagement experience, you do not necessarily need to be a retailer. Nike, the leading sports shoe marketer recently understood the power of engaging its customers in order to protect its market share. With the launch in partnership with Apple of the Nike+ program that links the sports shoe to a fitness management program that is supported by an on-line website, Nike has redefined the term engagement and brand loyalty.

The Nike+ product will only work as part of an online website, allowing users to download their performance and develop new programs. The use of an online program reinforces the sense of a unique community, where information related to the individual's unique needs are captured and managed. Apple, based on its success with iTunes knew that already and forged a partnership with

Nike to expand its dominance of the music network while furthering the use of the iPod. iPod Nano's sales have been stellar since the introduction of the new program and this partnership is just one more way that Apple is extending its reach. It's no surprise that one of the key support in running is music, which Apple delivers so brilliantly. Apple worked with Nike to create a user interface and program that is easy to use and intuitive to how runners program their activities.

This kit is not only tied to the Nike Plus website, but Apple is also taking advantage of the engagement level, by allowing individuals to form running communities, allowing them to connect with like minded runners within their neighborhood. Some of the workouts feature Nike Coaches like Alberto Salazar (multiple-marathon champion) talking you through an entire workout on improving your endurance, and others are music created solely with the runner in mind by the likes of Crystal Method and LCD Sound system.

The success of the Nike Plus supports the Engagement Pyramid by clearly understanding the "Job" requirements of its target group and redefining a process and structure that answered their specific needs. The combination of a new process, a key message of customization and community and a structure aligned with Apple, Nike has created a new brand experience that clearly differentiates its products from any of its competitors.

#### **Dove, redefining a sense of community engagement**

The Dove Real Beauty campaign, supported by the Self-esteem Fund is another great example of a brand creating an engaging experience. Dove, the leading soap manufacturer marketed by Unilever clearly understood that their product was providing far greater benefits than just cleaning the body. Dove's research clearly identified the need for women to build their self-esteem that has been shaken and distorted by the media, promoting perfect bodies to sell products.

The engagement experience starts with the website that clearly communicates the self-esteem proposition which is supported by tools, workshops and videos. The goal of the site is to build an engaging community that can support the overall vision by hosting self-esteem workshops in their community. The site provides great motivational information and tools that help women clearly understand how they have been stereotyped by the media and the importance of celebrating their individuality.

The Dove story clearly supports the foundation of the Engagement Pyramid with the use of the Dove Self-Esteem Foundation as the organization name to clearly establish a set of behaviors different from the branded side of the business. The advertising clearly reinforces the self-esteem message and drives the audience to an online community where more information and tools are provided.

The success is derived through a single minded and focused approach, with all aspects of the various moments of truth aligned to support the vision. As part of the structure, Dove allows access to mentors and mothers, or enlists the support of women who want to take-up the cause by becoming coaches, hosting seminars within their communities. The engagement process succeeds since Dove has clearly identified women's hidden need, that of feeling special and valued. Dove also supports the belief that you do not need to be a retailer to provide an engaging experience.

### Putting the Engagement Pyramid to work

The previous pages have outlined the fundamentals of the Engagement Pyramid, why it's important to ensure your organization has an engagement strategy and examples of organizations that have embraced the principles. The challenge is how do you put into action the learning in order for you to leverage an engaging experience for your brand. The Economist study clearly identified that the missing link between the need and the effective execution is the lack of an effective process. I have outlined in this section the potential steps you can initiate to help you build stronger brand loyalty and customer commitment.

#### Step One: Understanding the Voice of the Consumer and Employee (VOC and VOE)

All engagement initiatives start and end with the customer. What a lot of organizations fail to understand is the need to also factor in the voice of the employees, understanding their needs and level of commitment to the engagement process will ensure the opportunity of creating a stronger focused effort. Without a strong link between both the needs of the consumer and that of the employees, most engagement programs fail.

The initial step in leveraging the engagement process is to clearly understand the individual and unique needs of customers, from both an emotive and rational dimension. Understanding how these needs may vary pending socio demographic factors and lifestyle needs as part of a voice-of-the-customer (VOC) quantitative study will ensure that the right process, message and structure are put into place.

It is also important that while organizations develop a strong understanding of the VOC, they also clearly understand the needs, motivations and beliefs of its staff that will in the future support the new engagement model. The employee study should clearly identify where the organization is aligned with that of the VOC and where there are gaps that will need to be filled in order for the organization to support the effectively implementation and management of the engagement process. The key learning from both the VOC and VOE

will serve as the platform for redefining the ideal engagement process.

### **Step Two: Identifying the ideal value proposition**

Based on the key learning from the VOC and VOE research, it is critical that an evaluation be initiated of the current and future value proposition for your organization or brand. The value proposition needs to take into consideration; the functional, emotive and cognitive needs of the most loyal customers while also taking into account the needs of employees.

What is the true cost to the customer for buying your brand? How is the brand's key benefits bring value to overcome the cost and how much of the brand's value is derived from tangible versus intangible benefits? All of these questions need to be answered to clearly understand how a value proposition can bring meaning to engaging consumers and building stronger brand loyalty.

The value proposition exercise needs to be effectively translated back to the VOC and VOE in a way that is meaningful and relevant to their needs. With a clearly articulated value proposition, the organization has the right bearing on the compass to start navigating a new engagement journey that will result in stronger brand loyalty.

### **Step Three: Defining the learning R.A.C.E. Analysis**

The acronym stands for Repurpose/Reduce, Align/Add, Consolidate/Communicate and Eliminate, filter in which to use when evaluating any engagement opportunity. These four key factors should be leveraged when exploring your current brand experience and how you can transform it into a more engaging experience.

It's important to use the R.A.C.E. analytical tool in the context of the advent of current and emerging technologies. Ten years ago, customers search for knowledge did not commonly use the internet and purchasing products while today, it is the primary tool uses by

millions in making the right buying decisions while also playing a critical role in how people engage with organizations and brands.

The ultimate outcome of this step is to clearly identify where the organization is today and where it needs to evolve in the future to better align with customers.

**Repurpose/Reduce:** When reviewing your current moments-of-truth for your brand, determine which of these moments need to be repurposed or reduced to provide a stronger engagement with customers. It could be the amount of literature that is being offered to the number of messages being promoted that need to be reconsidered.

Based on the VOC and VOE, develop a clear understanding of what process, message or structure are not bringing any value to the engagement process. Through this exercise, you will discover facets of your go-to-market strategies that actually create confusion and clutter and get in the way of effectively connecting your brand with customers.

**Align/Add:** As you review your operation, you need to determine how your current processes, messaging and structure align with the key moments-of-truth for each of your customer segments. Which process or structure does not align to how consumers want to engage with your brand and which of these currently do not exist within your organization that will need to be added to align effectively with the needs of each of your core customer segments are questions that require clear and definitive answers.

**Consolidate/Communicate:** As you create the ideal engagement model for your organizations, are there efficiencies that can be derived from consolidating some of your process, messaging and structures. If the Internet is the most effective tool in the initial stages of empowering your target group, what should you

communicate on your website and what process should be consolidated as part of this information platform?

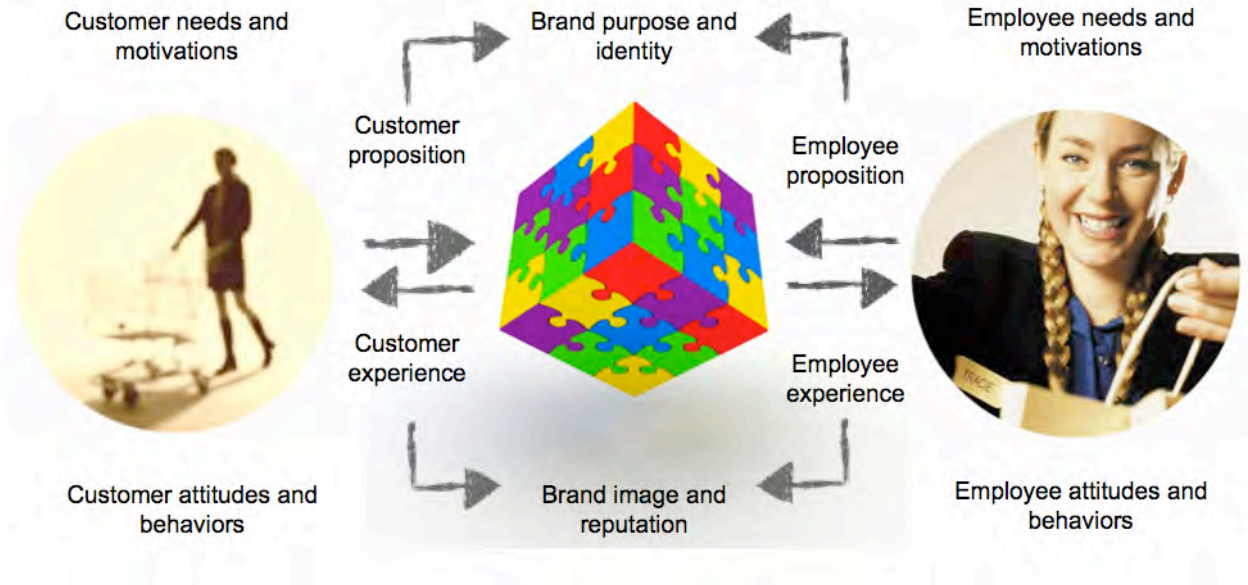
With the advent of digital signing and communication, what is the ideal approach in leveraging this new technology in communicating to customers? Are they digital posters or should they evolve to become media rich content with a story that will be intrusive and energize your target group to take action? A thorough review of how you communicate with your customers at each of the consumer touch points needs to be implemented in order to determine which should be consolidated to become more effective.

**Eliminate:** Of the four letters, this step demands the most scrutiny and education. The key challenge, what part of the current process, message and structure do you need to eliminate to give way to more effective engagement approaches? The key challenge in eliminating current approaches is not the ability of being able to identify them, but more importantly, the process required in convincing the organization that these elements have become legacies of the past that do not bring any value to the engagement process.

It may require an effective education process to gain support and understanding by the organization on the need and importance of eliminating certain processes and approaches since some of these may reside in divisions that have ultimate decision over its use. It may also require a stringent internal communication and education program that will gain alignment of the key learning and need for change throughout the development phases of a new or modified engagement strategy.

#### **Step Four: Aligning the organization against the new engagement model**

Once you have a strong understanding of the various Engagement Pyramid elements that need to evolve, it is now important to align the organization to ensure that it properly supports the new



process. All facets of the company needs to be considered, from H.R., IT to Marketing, Sales, R&D and Operations.

Each division of the organization needs to clearly embrace the new engagement model while setting specific strategies and action plans that will support the transition from the old model to the new. This becomes more critical if the R.A.C.E. analysis identified significant changes to the current business model.

A key factor in ensuring support is the development of a leadership team that has a strongly visible endorsement of senior management. This will allow the organization to balance priorities and ensure the right level of resource is allocated to the new initiative.

Another factor, which should be considered to ensure success, is the development of clearly articulated metrics for the new engagement process. These metrics would take into consideration both the quantifiable and intangible facets of performance.

Market share, mind share, frequency of purchase, percentage of sales that are not on promotion, depth of relationship with

customers, length of relationship, perceptions and attitudes towards the company would all form metrics the organization should provide targets and track the performance throughout the test stages.

Finally, another facet that will ensure a higher degree of alignment is the ability of creating a strong internal communication and learning platform. The use of symbols and statements in addition to easy to understand and translate into action mission statements would form part of the on-going support that will help the organization put into focus the new initiatives.

It is critical for any new engagement process to be fully embraced by the organization, at all levels. A key component of this support is the ability of the organization to on-board its employees while clearly identifying the desired behavior.

#### **Step Five: Prototyping the engagement model**

Building on the organization's alignment and support, we recommend the initiation of a live market test to provide further understanding and to ensure the most effective approach prior to a system wide launch. Prototyping allows organizations the ability to test different options and approaches within the safe haven of understanding that its all about a test to gain the best learning prior to launch.

Creating a platform that allows a degree of failure will provide a solid platform for the organization to determine the optimum balance between risk and opportunity. It will also provide the leadership team with the opportunity to evaluate the approach and provide recommendations based on the realities of the marketplace.

Finally, a prototype will allow the organization to explore how the actual support and front-line staff embrace the new engagement process while identifying additional operational and HR adjustments that would not be possible in a large-scale launch. In addition, a test will ensure that all facets of the engagement process have adequate validation and input prior to a formal implementation.

### Step Six: Constant Evaluation and Monitoring

The ideal engagement model needs to evolve as the customer needs evolve based on a wide range of factors, such as socio demographic shifts, advent of new technologies, new competitive threats from unrelated industries or a shift in the organizations manufacturing process, to name just a few.

The test phase should lead to a system-wide launch to provide the optimum efficiencies (running two separate programs for any length of time is costly and requires significant resources).

The rollout phase should be monitored since it impacts a wide range of the organizations structure and operations. As such it's important to constantly communicate and support through the transition phase.

By creating an environment that constantly evaluates, adjusts and modifies its approach, organizations and brands can ensure they remain relevant and meaningful to their core target group. In addition, by evaluating the engagement process, the organization can also identify on-going efficiencies that could result in higher margins while allowing for a better focus on the key engagement facets that provide the most benefit in the relationship with customers.

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