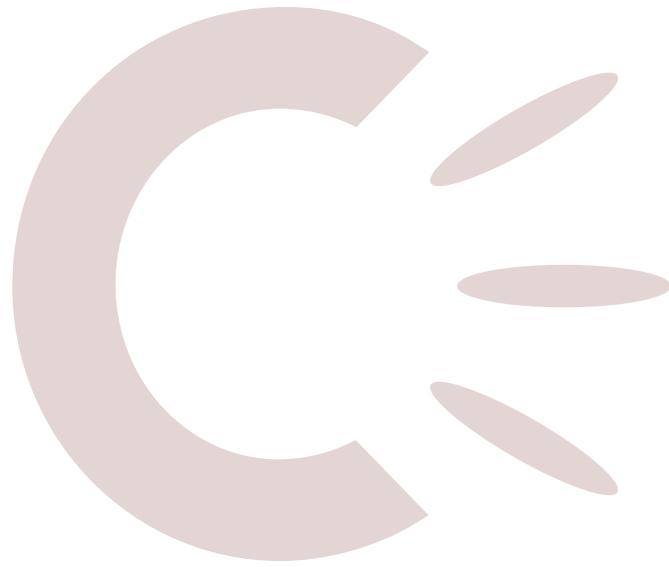


Critizr. for Business

WHAT IS CUSTOMER ENGAGEMENT ?



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ABOUT CRITIZR

Customer engagement and measurement of satisfaction . Critizr is a customer engagement and satisfaction measurement solution that allows customer opinions to be collected, processed and evaluated.

 Estimated reading time : 20 minutes

Whether you are a marketing or customer relationship professional, the concept of customer engagement will certainly be familiar to you. Indeed, in 2015 the term “Customer Engagement” was one of the top 5 most searched marketing concepts on Google. But do you really know what is behind this new term ? Employing a customer engagement approach will strongly impact the development of your brand, mark or points of sale network. This eBook will give you the opportunity to learn about this new marketing and customer relations concept, of exactly what it consists and what the stakes are.

INTRODUCTION



Customer engagement is about interaction. It is built, destroyed and rebuilt every time the customer interacts with the company. This happens during a purchase, through contact with an advisor, and also when the customer registers for a store’s loyalty card or when it sponsors another consumer.

It is not possible to talk about customer engagement without addressing the web and social networks, which have amplified the actions of individuals and their interactions with companies. That means a customer’s engagement is triggered by reading a tweet, liking a Facebook post, sending an email, consulting a review on Google, writing a review on Yelp, TripAdvisor, etc. In short, companies have many sources of customer engagement.

You should remember that while the concept of customer engagement is quite recent within companies, **engaged customers have always existed.**

What does an engaged customer look like ? Customer engagement takes different forms, and this is due in part to a certain duality between positive engagement and negative engagement. But the main trait of an engaged customer is that they are responsive.

They engage in dialogue with the company and give constant feedback. The action of the consumer towards the company, whether solicited or spontaneous, is thus a key point in the notion of customer engagement and this is what we will look at in this eBook.

Listen to your customers to better engage them

It is said that the we are moaners... so one would think that all consumers would be very willing to show their dissatisfaction after a bad point of sale experience, and yet, no less than **96% of dissatisfied customers do not take the trouble to express this directly to the company***. The issue is the lack of time (customers want to leave quickly and waste as little time as possible) plus the lack of confidence in the brand, the mark and the points of sale. It is difficult today to initiate a real discussion with the customers, and they in turn have strong misgivings about how their feedback will be treated.

In the case of this eBook, client engagement aims to annihilate these brakes on expression. The benefits of this approach are numerous: acquisition of new customers, emergence of brand ambassadors, increased customer longevity, loyalty, etc... Problems for companies no longer centre solely on product and / or price, customer engagement contributes considerably to the prosperity and sustainability of a business.

A Gallup study even quantifies the performance due to customer engagement : an engaged customer represents on average 23% more revenue in terms of portfolios, profit, turnover and relational income.

A DEFINITION IN FLUX

The misunderstanding regarding customer engagement can lead to confusion. Many people think that a loyal customer automatically turns into an engaged customer. While loyalty is indeed one of the observed traits of customer engagement, it remains reductive. An engaged customer may be loyal, but may also prove to be the contrary. Let's return to the duality discussed above, between what is known as positive engagement and that known as negative engagement. In effect, engagement does not only lead to positive feedback, but that is its attraction. Indeed, an engaged customer can also come up with a constructive problem or be the source of innovation. It is the real feel of the customer through each interaction (online and offline) with the company that is paramount, whether positive, neutral or negative. In fact, a quote from Bill Gates shows similar thinking :

“ *Your most unhappy customers are your greatest source of learning* ”

When dealing with the field of customer relations, the latest strategic orientations tend to focus on digitization, customization or innovation in the service. Customer engagement is a fundamental trend that amplifies these strategic orientations, yet this concept is still little understood. In fact, it does not yet have its own definition. A brief look at the semiology of the word “engagement” is necessary. The word is used in many senses: engagement to be wed, military engagement, sports engagement, philosophical engagement, etc. Engagement is taking a stance, making a promise or an agreement.

Customer engagement through listening to the customer is an approach aimed at facilitating the involvement and participation of customers in the life of the brand and / or its points of sale. At the end of the day, this strategy aims to make the customer act (conative objective). A customer who acts towards the brand (and we are not talking about buying) becomes an engaged customer.

Customer engagement thus translates into an interaction between the customer and the company, or sometimes between customers (participative engagement). Many brands have already found that their business depends very much on customer interaction: word-of-mouth, customer reviews, advice, etc. Social networks and customer feedback platforms have developed an increasingly heightened commitment. Customer engagement is the promise of dialogue between brand and customer.

In a world in perpetual motion, consumers want to leave quickly, waste as little time as possible while maintaining a certain coherence in their interactions with the brand. To connect with their customers, companies have no choice but to set up customer listening tools. Customer engagement will be a source of loyalty, business efficiency, innovation, communication and recommendation.

THE 5 FACETS OF CLIENT ENGAGEMENT

1. Customer retention

It is a well-known statistic in departments devoted to marketing, communication or customer relations : **recruiting a customer costs 3 to 10 times more than retaining an existing customer.** Retention is therefore a major challenge for companies today, although conquest strategies must also be implemented in parallel.

As a result, companies invest heavily to maintain their current customer base. Customer engagement in general, and in particular listening to consumers, is a response to retention. Indeed, a client who acts with your company is more likely to be loyal. Additionally, engagement and loyalty are strongly correlated. A customer who is part of your loyalty program is an engaged customer, since they have taken the step to get closer to your brand. And their engagement with you evolves with each purchase. Furthermore, an engaged customer is a source of valuable information. The more they engage, the more they will give elements that allow you to retain them.

49 %

of customers have no problem with the fact that points of sale collect personal information to offer more tailored services

(Retail Shopping Results, Cisco Customer Experience Research 2013)

58 %

58% of clients say they are willing to give their size and weight, for example, to obtain more personalized services

(Retail Shopping Results, Cisco Customer Experience Research 2013)



Have you heard of Fitizzy ? This company allows internet users to create an account and enter all their measurements. In parallel, Fitizzy offers to integrate their widget into ready-to-wear e-commerce websites. This makes sure users registered with Fitizzy never order the wrong size!

By listening to your customers and letting them express themselves when they wish to give you their opinion, you will increase their loyalty. According to a Constellation Research study, companies that have improved their customer engagement **have increased their sales by 22%** (cross-channel sales).

The affective aspect of customer engagement, through brand attachment, makes it possible to facilitate attitudinal loyalty (the more I engage and the more I interact with the brand, the more it listens to me and takes my opinions into account, and the more I develop affection for it). But engagement also acts on other types of loyalty: behavioral (repeated purchase), choice (will of the customer), passive (by habit) or even endured (monopoly of the mark).

Above all, engaging the client means establishing a strong relationship with them in order to obtain their support and involvement. This ensures loyalty while meeting the expectations and needs of the clientele.

2. Commercial efficiency

« If you deal with every customer in the same way, you will only close 25 to 30 percent of your contacts, because you will only close one personality type. But if you learn how to effectively work with all four personality types, you can conceivably close 100 percent of your contacts. »

— Rod Nichols —

Another facet of customer engagement ? Commercial efficiency. While this is not a direct consequence of client engagement, it is nevertheless a major outcome. For brands with a network of points of sale, the objective is to optimize the efficiency of the sales teams in order to achieve the objectives set. The current brand image of a mark is the result of many factors and especially its points of sale.

Each store, on its own scale, participates in the economic development and brand image of the parent company. The main difficulty thus arises in the actual disparities between outlets. Monitoring the points of sale network is essential in guaranteeing the commercial success of the mark. Customer engagement, through a customer listening tool, preferably omnichannel, makes it possible to identify both the positive and negative elements.

For the company, listening to the customer will allow it to very quickly analyze the performance of the whole points of sale network (what's good, what isn't working or what needs improvement). This important information, resulting from customer feedback, provides the opportunity to promote the good actions performed by the sales teams and also helps optimize the overall efficiency of the network.

3. Innovation

Customer engagement, through an efficient listening tool, is essential for the development and sustainability of any business. Customer engagement is a source of innovation. A single aspect that can be approached from two distinct points : innovation resulting from customer feedback, and innovation resulting from collaborative actions (co-innovation).

The feedback gathered makes it possible to identify the needs and expectations of the customers. Data that will highlight areas of improvement and behavioral change in customers. Dissatisfaction also provides a wealth of relevant information that can lead to innovation. As customer engagement is closely linked to the customer experience, the resulting innovations are often focused on the company's services.

Customer engagement, based on your loyal and engaged customers, can also be a source of innovation through collaboration. Participation in the innovation process is a great way to involve customers further, to show that they are valued and thus foster their attachment to your business.

Braineet is a platform (website and mobile app) that gives consumers the opportunity to share their ideas with a brand to improve their products and services. This process of engagement makes it possible to value ideas from clients, to reward them, and to better understand them. The company optimizes its investments and regularly innovates. Spotify, Priceminister and Nespresso use Braineet to co-innovate with their customers.



4. Communication

A customer engagement approach is a source of communication. Through listening to your customers, you can boost this “customer-centric” process through communication actions. You can promote the services of the company by highlighting the positive results of listening to your customers.

For example, if your company is known to have a very high satisfaction rate in a given market. This can allow you to do indirect advertising (interviews, TV reports, articles, etc...). On the web, where customer engagement is sublimated by the ease of expression of internet users, you can also enhance your reputation through rich snippets*.

* Rich snippets appear in your Google search results (Example: Google Stars)

5. Recommendation

As continuity to communication, which is linked to boosting the company through its approach to customer engagement, recommendation is a facet that reveals the power of the listening customer. Unlike an engaged customer, a satisfied customer is not very active when it comes to expressing their feelings. An engaged client, whether satisfied or dissatisfied, creates exchanges. And when a customer proves to be both engaged and satisfied, the word-of-mouth opportunities are considerable. Your approach to customer engagement generates confidence in your brand (you need to be confident to express your opinion); this is a marketing lever to be exploited. **For 3 out of 5 French people, word-of-mouth is the most reliable source of information** (MediaCom Study 2014). By promoting the Voice of the Customer and engagement, you will increase the number of engaged and satisfied customers: true ambassadors of your brand. Natural advertising that will help attract more leads and shorten the sales cycle.

Stella & Dot is an American company that rejuvenated the old Tupperware style parties. The fancy jewelry brand has made customer engagement a top priority. Engagement is even at the heart of the brand's business model: ambassadorial clients are highlighted in order to motivate them to become real salespeople, or "stylists" as they are called. Through incentives (35% commission), the company builds on the ambition of its customers and strongly develops their engagement.



WHO DOES CUSTOMER ENGAGEMENT CONCERN?

Customer engagement in a brand is everyone's business: from in-store teams to general management. Management will also find good ways of improving the customer experience and measuring the effectiveness of the points of sale network through customer engagement. It is therefore also a formidable management tool.

96 % des entreprises
of companies that focus on customer engagement use customer data to create and adapt their marketing campaigns
(Customer Engagement Survey 2014 Rosetta Consulting)

The essential link in the chain of a customer engagement process : the Marketing Director. Their priority is to bring traffic into the store, and in this sense customer feedback is therefore an important lever for them. By collecting feedback from customers, by compiling the different pieces of data specific to the purchasing behavior of customers, the Marketing Director will possess all the solutions needed to generate point-of-sale traffic and facilitate conversion.

From the sales department that seeks to improve the in-store customer experience to the general management aiming to control its network, customer engagement must provide solutions to achieve the objectives set, and in particular to gather the feelings of the customers following their passage through the point of sale.

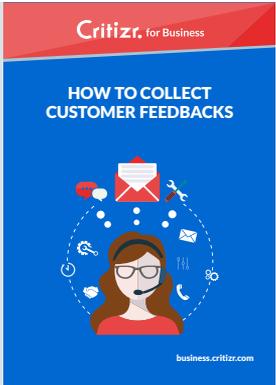
HOW IS CUSTOMER ENGAGEMENT TRIGGERED?

Generating engagement requires two complementary approaches. The first is to give the customer the opportunity to express themselves when they wish to, this is paramount. But the brand must also be able to solicit the client in order to induce them to give their opinion. Be careful, however, not to be too intrusive and know how to activate the right collection tools at the right time. You will need to define the types of interaction that may please your customers, their frequency, their communication channel, and so on. It is not by multiplying your contacts with the customer (mails, phone calls, etc.) that you will increase their engagement. Each interaction must be optimized and adapted!

Free EBOOK

How to collect customer feedbacks

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HOW TO COLLECT CUSTOMER FEEDBACKS

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SO THIS IS WHY YOU SHOULD DEVELOP THE ENGAGEMENT OF YOUR CUSTOMERS!

Increase your turnover

Increase traffic in your points of sale

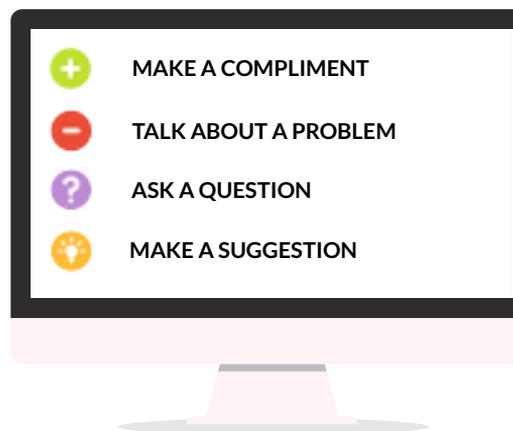
Enhance the commercial efficiency of your network

Evaluate the image of your points of sale

Generate re-purchase from your customers

Recover dissatisfied customers

Enhance the customer experience



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