

Branding Strategy Insider

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Customer Experience Defining Value In Retail



A friend in the restaurant business confided over a bottle of wine that he could always tell when a restaurant was in trouble. Deftly peeling back the linen of the breadbasket, he pointed out that the rustic bread had gone missing, replaced by a de rigueur white rolls. Such little things lead like breadcrumbs to the same old story: a retailer fighting for its life not by dialing up a customer's pleasure, but by diminishing it, ingredient by ingredient, value by value, service by service.

There is a lesson there for retail brands as they find their way to the new consumer in the new marketplace. No one would even begin to call it easy out there as stores struggle to stay afloat with tighter credit, excess inventory, and often more salespeople on the floor than customers, accompanied by a distinct lack of service and deliveries that are late, misaddressed, or forgotten.

But the reaction to cut back on what pleases the customer, and think it goes unregistered, is so misguided an approach it deserves comment -- especially because Brand Keys' data shows that every year it is the shopping experience that continues to drive what value in retail is really all about.

Price (or even paying a bit more) is not the central issue. It never was. It isn't now. If price were all that mattered, we would all be driving Hyundai Accents. Value is what matters -- it now matters more than ever as a new consumer consciousness, born of this year's hard lessons, takes the helm.

The Brand Keys 2009 Customer Loyalty Engagement Index rankings for the retail department store category shake out like this, but while the differences between retail brands grow smaller and smaller, the gulf between what customers expect and what stores deliver grows ever larger.

1. Kohl's
2. Macy's
3. Sears
4. Dillard's
5. Marshall's

6. JCPenney

Yes, it's harder out there. No doubt. But as management guru Peter Drucker wisely noted, satisfaction and quality and service is not what you put into it. It's what the customer gets out of it. And diminishing the shopper's experience won't make it easier, though it will eventually make the problem go away entirely - along with the customer.

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