

Luxury Experience Company

The Brand, The Experience

By Edward F. Nesta

In today's market, what drives revenue? Is it the brand or the experience?

This is not a trick question, but there are some who say the brand and the product are everything, but in the end, if the experience is not what was expected then the brand and product fail. This may seem obvious, but for some brands, success is perceived when they establish the brand's image and the direct marketing of the brand. Where many fail is they do not connect with the customer to know if they are delivering the experience they promise. It is a fact that people like to establish a connection with a brand and this why they call this the experiential economy.

The experiential economy (aka marketing the experience) is about understanding the touch points that a customer has with a product. The process of building and managing this relationship is at the heart of a brand's success. A relationship is not a one-way interaction, there needs to be a conversation or a method to exchange ideas between the customer and the brand for the relationship to prosper and grow. In a recent article I saw a stunning statistic that while more than 80 percent of brands believe that they deliver a superior customer experience, only 8 percent of customers agree.

So, why is there a discrepancy between brand and customer beliefs? First, if the gap is this big then there is no interaction between the brand and the customer. The brand is not delivering the right experience to the right customer, as well as they have not established a strong communication process to hear what the customer is saying. If a brand is looking to stay in the game for the long run, they have to establish a method to interact with their customer.

It does seem a bit strange that this could occur as brands spend a considerable amount of money to establish their image and this is followed by direct marketing to target their message to specific groups of consumers. So, once the connection is made where is the commitment to stay in the game for the long haul and get to know their customer? I can account for some of the discrepancy between the brand's 80 percent and the customer's 8 percent belief due to the process of establishing and fine-tuning a target market (the right product to the right customer). During the initial direct market process, a brand is delivering a quality experience, but if they are not reaching their desired market there is an inherent discrepancy. Leadership in a company should account for the introduction time (ramp-up) in the pursuit of connecting with the right clients, but after that there is no excuse.

So, once we believe we have reached our target market how do we manage the relationship to ensure that we have 'truly' reached our targeted market? If we do not interact with the customer then how do we know what we did right, and what we need to improve on? Change is inevitable so brands need to stay in touch with their customers. It is essential to extract feedback from the customer at every point in the process, even if the targeted markets were not right, there is something that can be learned from the process. Along with collecting data to validate that this was not the correct market, there may be indirect information with regards to methods to use for creating an interactive relationship.

The Internet continues to provide one of the strongest mediums to create communications

between a brand and a customer. The Web2.0 techniques, e.g., social networks, wikis, podcasts, blogs, and folksonomies, offer many different options for a brand and a customer to communicate. It is the brand's responsibility to know their customer and provide different methods for the communication.

When a brand is establishing a budget they need to allocate funds that are dedicated to establishing and managing customer interaction. Managing the relationship starts when they drive their brand image, increases as they move to direct marketing, and is the foundation for maintaining a customer relationship, and their ability to stay in the game.

I thank you for your continued support of Luxury Experience Magazine, and as always, your comments are welcome, so please send comments to: efnesta@L-E-Company.com.

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