

Winning the heart of the consumer

All you need is love

A consumer transaction is like a personal interaction between two people. It can be a one-off occurrence; a somewhat cheap, largely meaningless event. Or it can develop into a short relationship, like a fling, that feels good for a while but ebbs away. And every now and then, a transaction develops into a long-term relationship. A bond enabled by a strong emotional connection and resulting in love, loyalty and longevity. These are the relationships that deliver long-lasting value, on both sides. It's true Consumer Love.

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Check out our complete consumer love series

But, as all the love songs say, love isn't easy...



The consumer landscape, the stage upon which love is found and lost, is rapidly changing.

Retailers used to be the only touchpoint between products and potential customers. But now, more and more consumer packaged goods (CPG) companies are also directly interacting with consumers, either through targeted marketing or direct commerce channels.

The big technology platforms are also increasingly putting on their fancy outfits and stepping onto the stage, ready to seduce.

With all these developments, finding that first flicker of love is getting harder and harder. Let alone finding a sustained loving relationship. Luckily, there are still ways to truly woo the consumer.

**We believe that love
– in this context –
Has a formula**

The E³ formula

Empathy
×
Experience
×
Engagement
=
Consumer Love

Let us explain...

As long as retailers have been around, they have had to seduce the consumer to spend their money with them.

Key drivers:

- Store location
- Assortment
- Price & Service

Consumer loyalty was mainly enabled by consistently delivering upon those three drivers. But times have changed, expectations have changed, and so has the competition. It's a battlefield out there...





CPG companies have always been good at building brands. But they didn't own the consumer transaction; that moment of truth akin to a brief kiss.

Nowadays CPG companies have started to build direct interactions with their consumers.

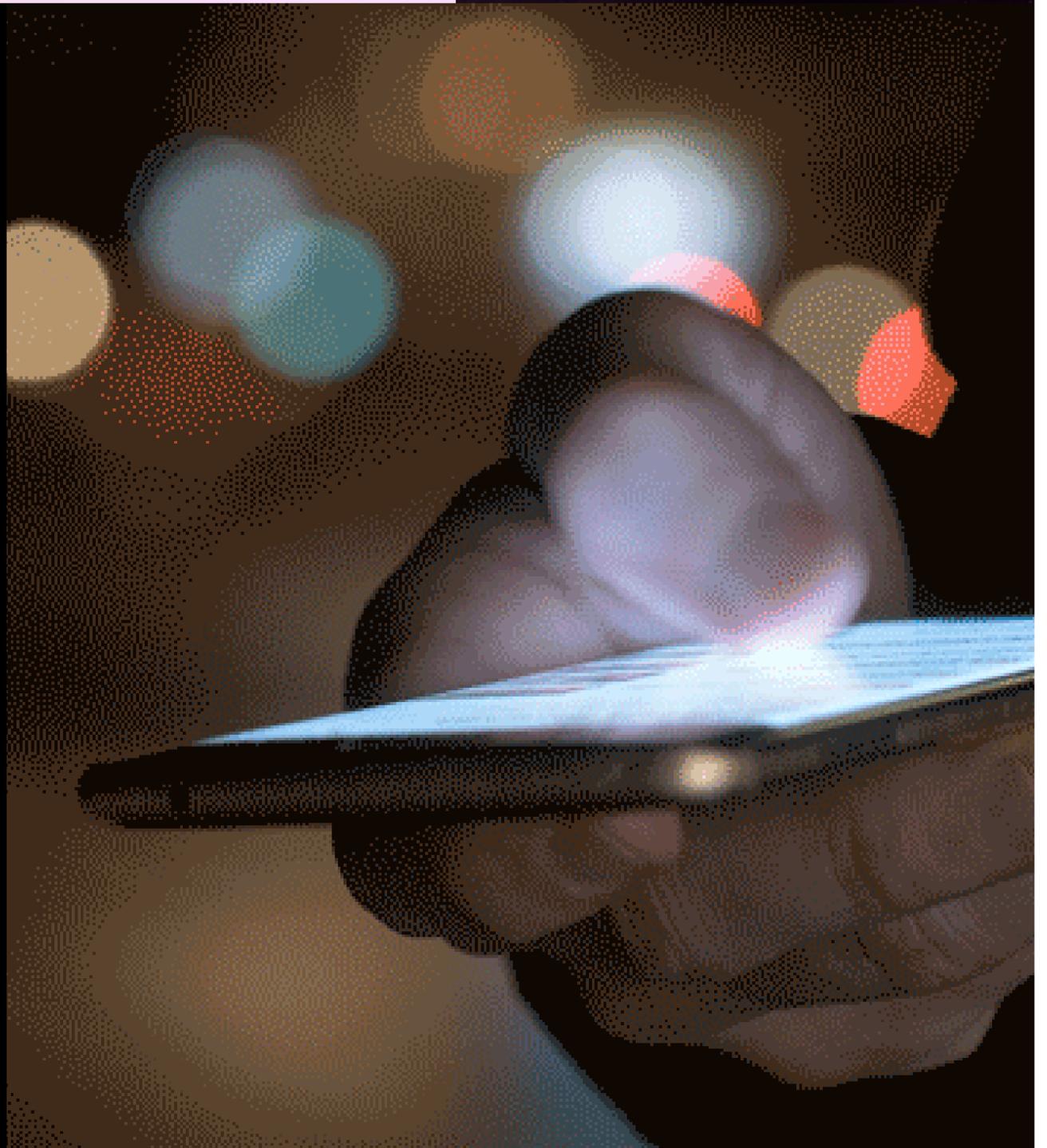
- E-commerce
- Social media

Through data-driven targeted engagement, CPG companies now whisper more and more personal messages into the ears of potential consumers. Stirring up sentiments we usually associate with falling in love...

Someone else has also started flirting with consumers. The technology platform firms have realised that the key to their happiness (read: advertising revenues and omnipresence) is Consumer Love – or at least the data that comes with it.

They started out as search engines or online bookstores. Now they have evolved into friends that are with you 24/7. Always on. Always observing. Always learning.

As a consequence, they are increasingly able to always do or say the right thing. It's a slightly more rational and value-adding type of love, but love nonetheless. Acknowledging that the playing field is evolving, CPG companies and retailers are increasingly stepping out of their traditional comfort zones.





Retailers are recognising the importance of embedding digital and data into their propositions, and are experimenting with platforms and retail-as-a-service formats.

CPG companies are reducing their dependence on retailers by investing heavily in personal targeted marketing and their own direct-to-consumer channels.

The technology companies are continuing to leverage their huge data analytics competence, unrivalled scale, and truly long-term strategy horizons to converge more and more customer-facing business models into one overpowering loving presence.

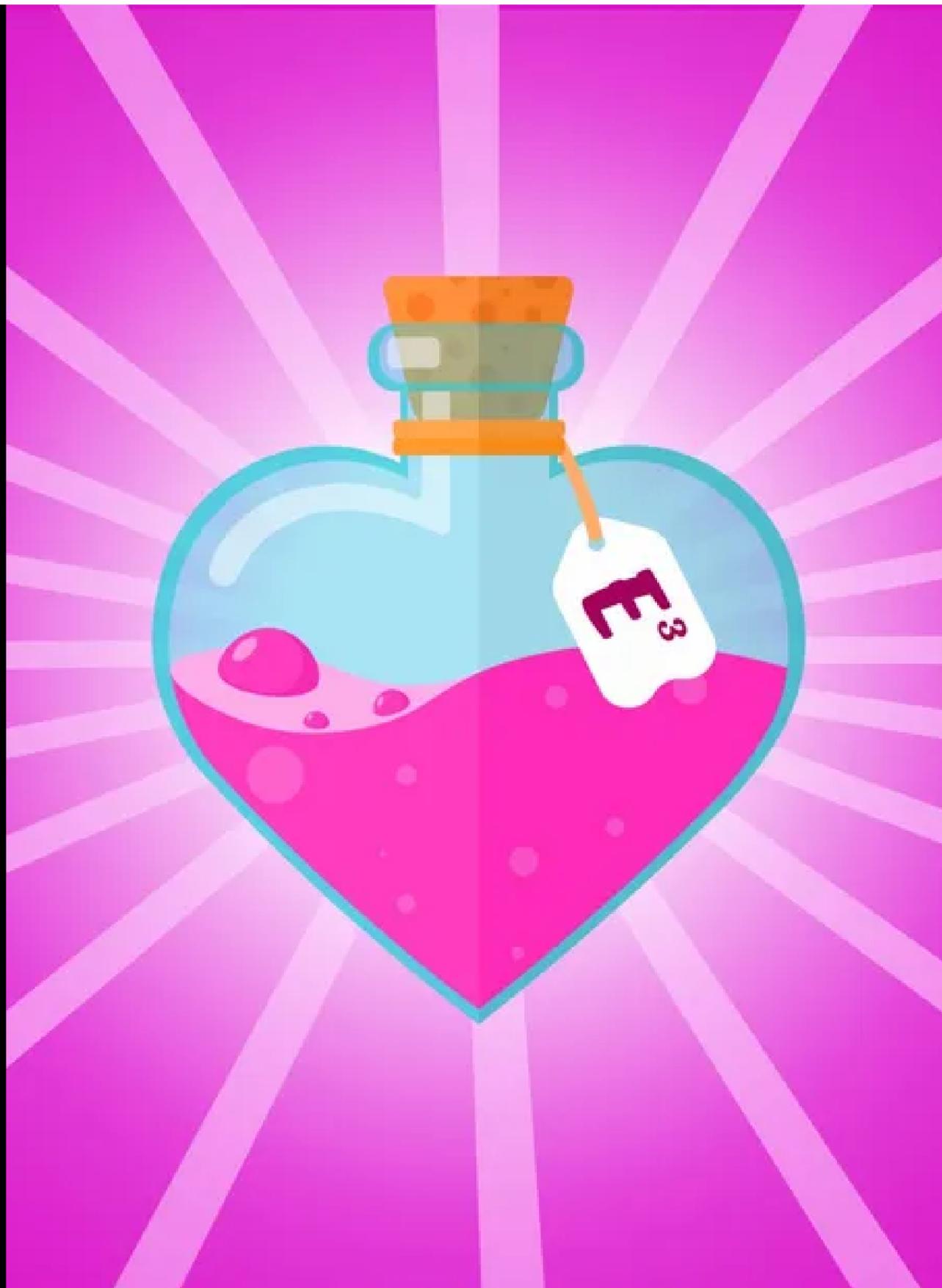
I want to know what love is

All three parties are vying for the affections of the same consumer, hovering around them, aiming to become the chosen one to whom the consumer will surrender their prized data.

To answer this question, we present our E^3 formula for Consumer Love:

$$\begin{array}{c} \text{Engagement} \\ \times \\ \text{Experience} \\ \times \\ \text{Empathy} \end{array}$$

With these three core dimensions of Consumer Love, we believe retailers, CPG companies and technology companies can best devise their schemes to become lucky in love.



But what is love, what creates love, and who will be the one to win them over?

Engagement

What?

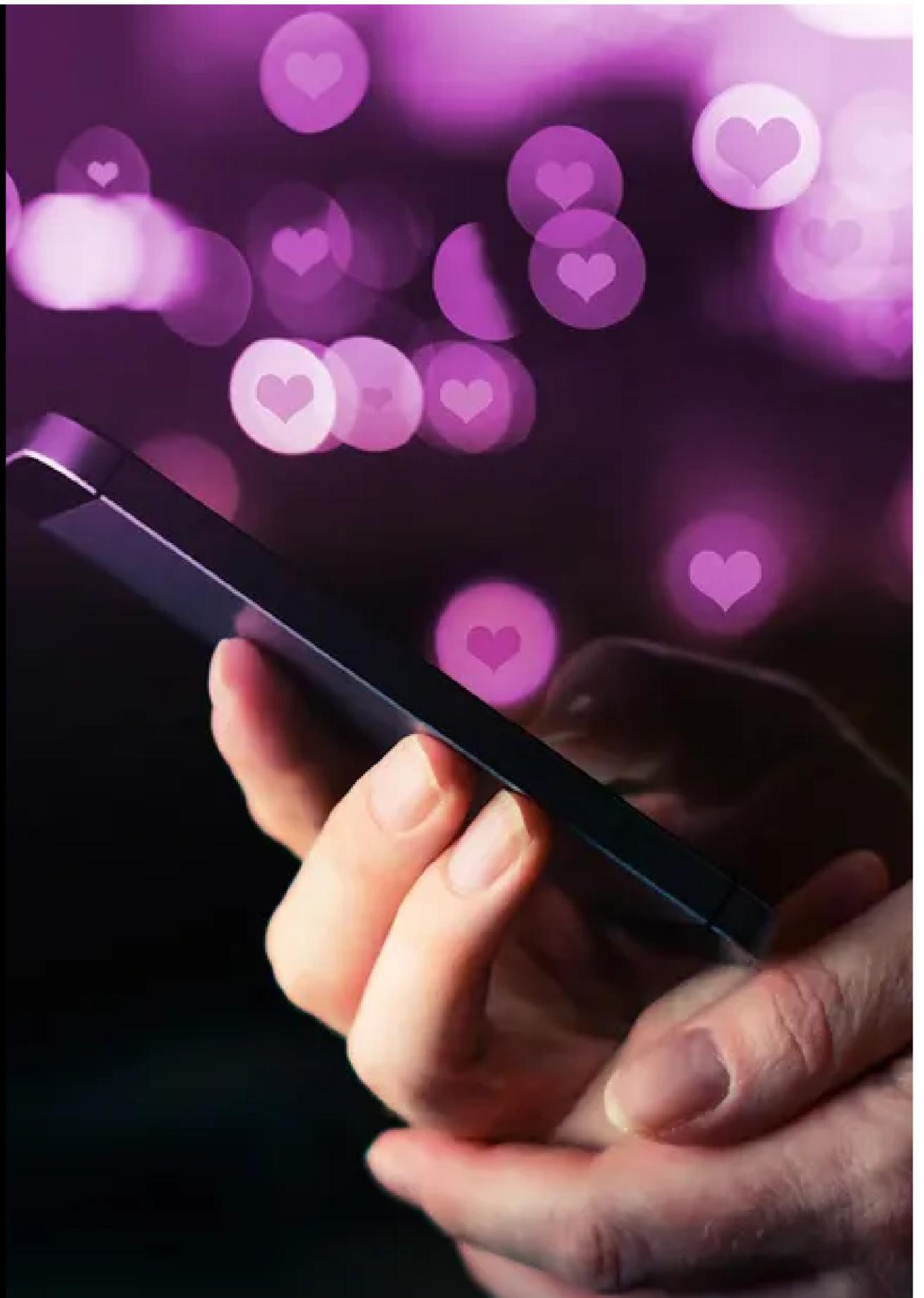
This dimension is about using insights to ensure the right proposition reaches the right consumer at the right time. It encompasses intrinsically understanding the consumer and how they live.

Who?

Driven by a voracious thirst for data, tech companies have been at the forefront of Engagement; evolving what was once a search engine into a continuously value-adding mobile experience that consumers live with, and growing from an online bookstore into an omnipotent go-to-place for every product imaginable with an in-house virtual assistant answering the consumer's every demand.

What's next?

With the technology players already looking quite lovable in this dimension, the other parties are trying to catch up by experimenting with health, nutrition and life coaches.





Experience

What?

Defined as the consumer's perception of the customer journey. Experience can be driven by lots of things, including – but not limited to – convenience, inspiration and service.

Who?

Traditionally, retailers have owned the direct point of contact with the end consumer, and successful retailers have invested in this experience to win the consumer's consideration and loyalty.

What's next?

In recent years, too many retailers have lost sight of this dimension, with predictable declines in footfall and conversion as a result.

Empathy

What?

The ability to invoke a feeling or emotion in the consumer that can drive brand consideration and loyalty. Empathy can be driven by (perceived) quality, association with a certain lifestyle or sympathising with the brand's social or environmental values.

Who?

Traditionally, Empathy has been the stronghold of CPG companies. These companies have always been best at creating brands that evoke emotion in consumers by virtue of the intangibles they encompass.

What's next?

When consumers associate with (an image of) a brand, the tangible product is often merely an accomplice in their journey. What it would take for retailers and technology players to succeed in this dimension?





Crazy Little Thing Called Love

Short-term flings come and go, and imply a constant risk of churn, heartbreak and repeated seduction attempts. Whenever another party comes along with a more attractive offer or experience, your consumer will leave you. And that hurts. Deepening your purpose, expanding on your proposition to ensure you've optimised yourself along the three E's can protect you from (at least some of) that hurt.

In the end, we all want long-lasting and meaningful relationships, don't we? In the coming articles we will dive deeper into each of these three E's, and how organisations can set themselves up to win the hearts and minds of tomorrow's consumers.

Want to see if there's a spark?

Our experts enjoy a good conversation so feel free to drop them a message



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Consumer love Introduction

The Consumer landscape is radically changing: CPGs are going direct to consumer, and Tech players are stepping in. To win in this competitive landscape, companies need to move from a transaction focus toward a relationship focus. Today's game is about winning the heart of the consumer, and developing relationships that deliver long-lasting value.

[Read more](#)

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Consumer love Engagement

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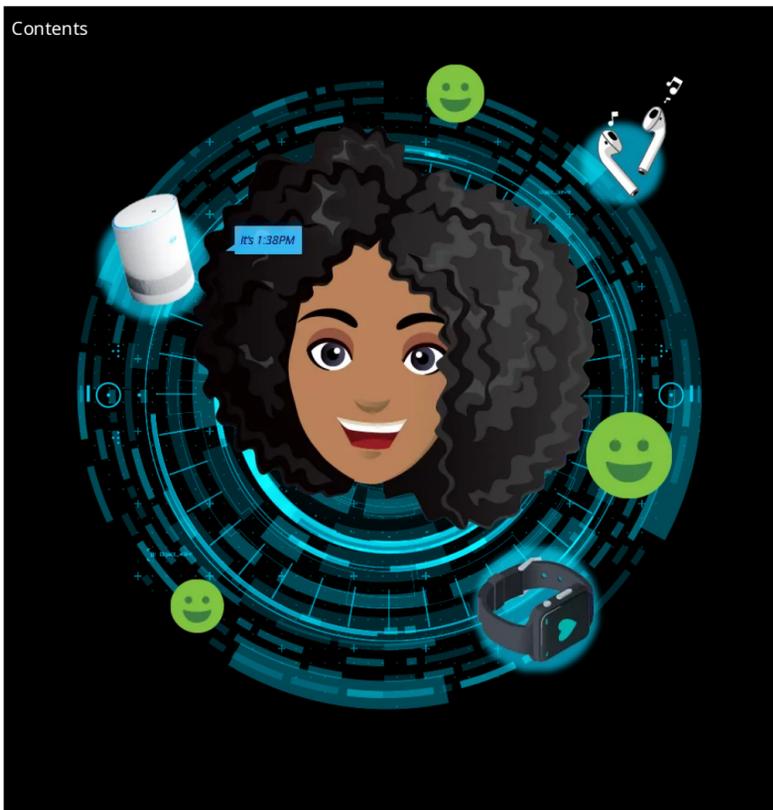
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Consumer love Empathy

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