

Enhancing Customer Engagement Through Consciousness

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Available online 12 January 2017

Abstract

Firms and academics recognize the importance of creating an engaged customer base, though an in-depth understanding of how to achieve it is limited. This article proposes that firms that use consciousness as a foundational philosophy can create a more engaging and meaningful customer experience. A retailer or service provider with foundations in consciousness has a higher purpose and values that get espoused and fulfilled throughout the organization, working in a way to optimize benefits to its multiple stakeholders (investors, employees, customers, suppliers, the environment, the community). Building on these foundations, retailers can achieve deeper engagement with customers, deliver outstanding customer experiences, create emotional connections with customers, and establish a shared identity based on a clear purpose and values.

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Keywords: Customer engagement; Customer experience; Consciousness

Introduction

Firms and academics increasingly recognize the importance of creating a strong customer experience and engaged customer base, such that improving customer experience and engagement is a top goal for executives (Accenture 2015), and the Marketing Science Institute (2016) ranks it as one of the most important challenges for coming years. Academics also highlight the importance of understanding the customer experience (e.g., Grewal, Levy, and Kumar 2009; Lemon and Verhoef 2016; Puccinelli et al. 2009; Verhoef et al. 2009), defined in a variety of ways. In general, customer experience is a “multidimensional construct focusing on a customer’s cognitive, emotional, behavioral, sensorial, and social responses to a firm’s offerings during the customer’s entire purchase journey” (Lemon and Verhoef 2016, p. 3).

When it comes to popular retailers such as Whole Foods Market, Trader Joe’s, and Patagonia, which develop nearly cult-like followings among their customers, the retail experiences lead many customers to engage to the point that they even come to

share in the company’s purpose and values, which represents a unique, powerful customer experience. We propose that by building on the foundations of Conscious Capitalism (Mackey and Sisodia 2014), firms can enhance the customer experience by engaging with customers at three, hierarchical engagement levels: outstanding customer experience, emotional connection, and shared identity. Once a lower level is achieved, some customers ascend to the next level.

Our notion of consciousness in business is based in Conscious Capitalism (Mackey and Sisodia 2014), a business philosophy that encompasses four key tenets. First, every business should operate with a higher purpose, along with a deeply held set of core values. Second, the business should be managed to provide simultaneous benefits to all stakeholders—society, partners, investors, customers, employees, and the environment—instead of just focusing on maximizing returns to investors. Third, the business should be led by conscious leaders who mentor, motivate, develop, inspire, and serve people in accordance with and through the firm’s purpose and values. Fourth, the company fosters a culture of trust, authenticity, caring, transparency, integrity, learning, and empowerment. Unlike corporate social responsibility, the higher purpose pursued through Conscious Capitalism is not necessarily about “doing good” (Mackey 2011). It is about making a positive difference in a direction that a company chooses, so it might entail, for example, “furthering human knowledge, creating beauty, solving problems, and cre-

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ating various kinds of human value” (Mackey and Sisodia 2014, p. 86).

If they adopt similar foundations, retailers can move their customer experiences along a hierarchy of engagement. At a basic level, retailers strive to create outstanding experiences for customers. Beyond that point, because consciousness establishes a foundation to drive the business, it is possible to create positive emotional links with customers because of shared sense of purpose and values. At the highest level of engagement, the connection between the customer and retailer becomes so powerful and emotional that many customers come to identify with the retailer.

In addition, the framework for enhancing customer engagement through consciousness is grounded in extant theories, such as stakeholder theory (e.g., Bhattacharya 2010; Donaldson and Preston 1995; Dunham, Freeman, and Liedtak 2006; Freeman 1984), customer experience creation (e.g., Puccinelli et al. 2009; Verhoef et al. 2009), social identity theory (e.g., Ashforth and Mael 1989), and consumer–company identity (Bhattacharya and Sen 2003). We propose not only that companies can enhance their customer engagement by building on foundations of consciousness but also that this approach offers a new paradigm for how retailers and service providers may devise and define their business strategies.

Framework for Enhancing Customer Engagement Through Consciousness

The foundations of consciousness are based on the four pillars of Conscious Capitalism: higher purpose, stakeholder integration, conscious leadership, and conscious cultures. These foundations provide fodder for a powerful type of engagement between a retailer and its customers. Engagement can occur at three levels: an outstanding customer experience, an emotional connection, and a shared identity. Some customers reach an outstanding customer experience, and then others move beyond it and develop powerful emotional connections with the retailer.

Still others may reach the peak of engagement with the conscious retailer and go through all three levels of engagement. The key is that each engagement level is based on the purpose and values that drive these retailers. The foundations and levels of engagement are represented in Fig. 1. In the next section, we discuss the foundations of consciousness, before we move on to describe how these foundations establish a powerful form of customer experience and engagement management.

Higher Purpose and Core Values

The role of a higher purpose and core values seemingly has taken a backseat to research efforts to understand institutional and leadership issues (Chandler 2014). Yet having a clearly defined purpose and core values, and understanding how they can serve as centering point for connecting with customers, employees, and the community, are critical issues. As Clark (1956) highlights, social values can be precarious to maintain if they are not well-defined within the goals of an organization, the organization lacks legitimacy or credibility, or the values come in conflict with wider communities or society. Thus, understanding how retailers develop and communicate their purpose and values is highly pertinent.

Bourne and Jenkins (2013) suggest that organizational values can be categorized as espoused, attributed, shared, and aspirational. Leaders of organizations espouse values that they intend their organization to achieve; attributed values are those that others view as fundamental to the organization. Aspirational values represent what employees strive to achieve, and shared values are those that they employ. Ideally, these values are aligned, but what happens if there is a gap? For example, if a gap exists between the values espoused by the organization’s leaders and the values that customers attribute, then customers will not connect with the espoused values. In this case, it would be difficult to move customers up the hierarchy of engagement to the point that they feel an emotional connection with the retailer. Similarly, if there is a gap between aspirational and shared values,



Fig. 1. Enhancing customer engagement through consciousness.

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