

Manufacturing Experiences

Tapping emotions can create value for your consumers.

by Dr. Lawrence A. Crosby and Sheree L. Johnson

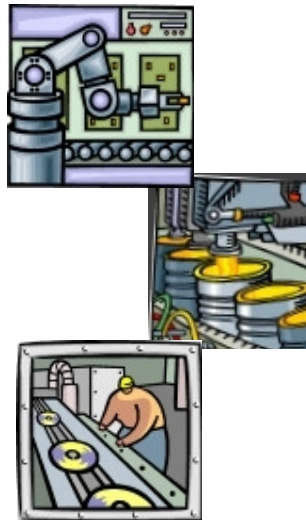


Business marketing articles and books today seem to be dominated by a few cult brands whose stories we hear again and again—Apple Computer, Starbucks, Nike, Harley-Davidson, and Volkswagen Beetle. And these brands deserve their reputations.

There's no question that Apple Computer has become a marketing legend. Through revamped marketing and new product launches, Steve Jobs brought Apple back from dire straits in the late '90s. Millions of loyal Apple customers around the world waited hopefully during those dark days for a comeback. Today, Apple is building on this base of customer loyalty by directing efforts toward strengthening and enhancing the "Mac lifestyle."

To do this, Apple is executing strategies to increase the frequency of customers interacting with the Apple brand on a daily basis. Apple Stores is one of the key channels for executing this strategy. From New York to California, Apple Stores are strengthening and enhancing the Mac lifestyle image. Half of each Apple Store is dedicated to showing customers what activities they can achieve with a Mac's help.

Harley-Davidson, another turnaround story, doesn't sell motorcycles, it sells lifestyles. The company sells its customers the opportunity to join their local Harley Owners Group®, attend bike rallies around the country,



and go on weekend rides in their area with fellow bikers. In recent years, this manufacturer has also entered the themed restaurant business, opening large Harley-Davidson Cafes in two of the world's most-visited tourist destinations, New York and Las Vegas. Both heavily trafficked cafes are full of Harley bikes, information, and merchandise. The company has also invested heavily over the past decade in remodeling many of its dealerships into "designer stores" that are inviting to potential new customers interested in the Harley-Davidson lifestyle. Can other more traditional manufacturers learn from these cult brands?

From a Product Focus ...

Many times, it can be a long journey from the manufacturer to the end consumer, including

producer to agent to wholesaler to retailer to consumer. Most manufacturers believe their domain lies solely with the product. And their solutions have tended to be product-focused. For example, a common solution is the product warranty. Warranty programs have increased steadily, as marketers struggle in increasingly competitive product markets to differentiate the product, signal product quality, accelerate the adoption of new products, or increase the sales of other products. The growth in the use of product warranties came as a reaction to the new realities in most markets.

First, the focus on product quality in the '90s has led to consumers in general becoming more quality conscious. Second, as more households consist of two working adults, many consumers have neither the time nor the inclination to deal with product failures or repairs. Lastly, as products become increasingly complex, consumers are often unable to judge quality before buying a product, so they search for extrinsic cues. Firms are thus using warranties to make a statement about a product's quality and to communicate that the firm has faith in and backs its products.

... to a Customer Focus

Many manufacturers advertise to the end consumer simply to create awareness. However, some leading edge manufacturers are substantially upping the ante to capture the hearts and minds of consumers by creating experiences

for their end consumers. Two impressive examples are Andersen Windows and the Whirlpool Corporation.

These manufacturers work in tough markets that tend to be price-driven and where product differentiation is fleeting. The purchase decisions are often made by someone other than the end consumer, such as the builder or the previous homeowner. And if the decision is made by a consumer, the purchase decision involves fairly little personal interest, relevance, or importance. Instead, it's a simple decision process—most often based on price. How are companies like Andersen and Whirlpool breaking out of this stodgy mold? This is accomplished by creating new customer experiences and tapping into consumers' emotions.

New Legends

Whirlpool Corporation. This leading manufacturer and marketer of major home appliances has annual sales of \$10.3 billion, a force of 65,000 employees, and nearly 50 manufacturing and technology research centers around the globe. The company markets Whirlpool®, KitchenAid®, Brastemp, Bauknecht, Consul, and other major brand names to consumers in more than 170 countries.

Whirlpool has created an interactive facility, the Inspierence Studio, for its KitchenAid® and Whirlpool® brand products. The 12,000 sq. ft. facility in Atlanta offers hands-on interaction with working appliances and ideas for enriching the home experience. Atlanta was chosen as the flagship location for good reason—it's the leading U.S. market for single-family housing permits and boasts a population growth of nearly 40% over the past five years. The Inspierence Studio is a destination for consumers to meet with their builders, designers,

architects, families, and friends to discuss, test, and decide what appliances and home designs best suit their needs. Consumers can just walk in or make an appointment in advance to guarantee usage of display areas. They can even come in and prepare a meal or do a load of laundry to see how the appliances really work.

How are companies like Andersen and Whirlpool breaking out of this stodgy mold? By creating new customer experiences and tapping into consumers' emotions.

In addition to touring the kitchen and laundry displays, Inspierence Studio visitors can attend chef demonstrations, cooking classes, fabric care events, and product training. The major Whirlpool® and KitchenAid® appliances on display at Inspierence Studio are not for sale on-site, but consumers interested in making a purchase are directed to a point-of-purchase or a Whirlpool Corporation dealer. This facility represents one of the most creative and innovative ventures in the company's history.

Andersen Windows. This privately held leading maker of wood-clad windows and patio doors is leveraging its own 100-year-old history to create customer experiences. Andersen is the exclusive sponsor of the National Building Museum's traveling exhibition, "Picture This: Windows on the American Home." The 3,000 square foot exhibit is the first of its kind to look at the design, technology, and role of windows in American architecture over the past century, as well as at the cultural context of the window.

The exhibit allows people to see both the history and future of windows and how window technology could change the way we live in our homes. "Picture This" showcases windows from

advertisements, film and television clips, models, drawings, and photographs to offer a century-long story that reveals much about the changing nature of domestic life in America. The exhibition features displays that reflect window technology, including elements from Andersen's Project Odyssey initiative, an advanced research

and development program that looks at how technological, anthropological, environmental, and cultural trends will shape windows in the future. By sponsoring "Picture This," Andersen is raising the awareness of the role that windows play in our lives—and raising the consumer decision-making involvement for the category.

Creating Emotional Bonds

Perhaps one of the greatest advantages that these two examples have is that the customer is part of the value-creating experience. The consumer is investing his or her time. The manufacturer is building an emotional bond through a social interaction. And, as more and more marketers are beginning to understand and accept, customer decision-making relies on the simultaneous working of both reason and emotion. High levels of positive customer emotional involvement drive loyalty—often more than customer judgments about quality. 🍷

About the Authors

Lawrence A. Crosby, Ph.D., is CEO of Synovate Loyalty. **Sheree L. Johnson** is Synovate Loyalty's Global Director of Strategic Marketing.

To learn more, visit

www.synovate.com/loyalty