

# Module 6: Digital & Social Media

## Lesson 1 - Consumer Engagement

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### OVERVIEW

In this lesson, students will explore the ways businesses engage consumers.

### OBJECTIVES

1. Describe the concept of consumer engagement.
2. Differentiate between customer experience and customer service.
3. Understand the importance of customer experience.
4. Explain the different strategies for engaging consumers.

### KEY TERMS

*Consumer engagement*

*Customer experience*

### This Lesson Bundle Includes:

- Consumer Engagement - Lesson Outline
- Consumer Engagement - Presentation Slides
- Industry Application - Related Links
- Student Activity - Customer Experience & Consumer Engagement

# Lesson 1 - Consumer Engagement

## CUSTOMER EXPERIENCE

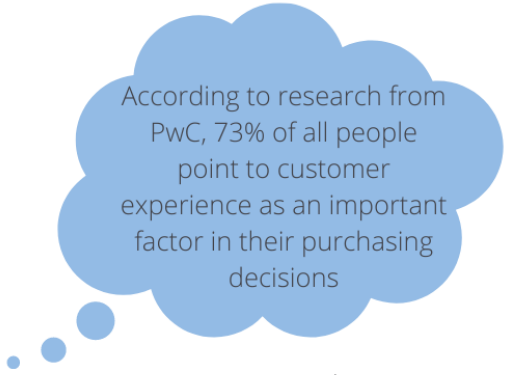
### What is the customer experience?

The **Customer experience** is all interactions between a business and its customers, both positive and negative. A customer experience can take place both on and offline, such as an experience at a brick-and-mortar retail store or an interaction with a business via email. Customer experiences take place anywhere a business or brand interacts with consumers.

Customer experience is not just customer service, however, it is representative of all the interactions as a whole. Customer service is just one piece of a much larger puzzle. Most customer service interactions are initiated by an existing customer, directly with the business itself. Customer experience, on the other hand, considers every touchpoint a customer has with a business or brand. That experience begins the moment a customer first discovers a business and continues for as long as the customer is engaged with the business in any capacity. Customer experience is important because it influences how a customer perceives and feels about the business while establishing a relationship between the two parties.

#### Examples of customer experience:

- A long hold time on the phone trying to reach a customer service representative at an airline
- A website that makes it difficult to find or order something online
- A customer reading a brand tweet that they find to be inappropriate or offensive
- A customer visiting a brand's pop-up store after seeing a post about the grand opening on Instagram



According to research from PwC, 73% of all people point to customer experience as an important factor in their purchasing decisions

# 73%

Source: PwC Customer Experience Study

### Why is the customer experience important?

The customer experience is important because it helps a company to gain new customers and retain existing ones, which is the financial lifeblood of any business. Based on data from a study conducted by PwC, there are a variety of factors that can impact customer experience.

Effectively managing and controlling that experience can prove to be the difference between a company's short-term failure and long-term success. According to PwC, customer experiences can have a significant impact on a business.

### Consider the following data:<sup>1</sup>

#### Customer experience leads to an increase in sales:

- Among companies who work to improve their customer experience, 84% report increased revenue.
- 73% of all people point to customer experience as an important factor in their purchasing decisions.

#### Customer experience impacts brand loyalty:

- In the U.S., one in three consumers (32%) say they will walk away from a brand they love after just one bad experience.

#### Customer experience influences price decisions:

- Brands can charge up to 16% more if they provide an excellent customer experience.

#### Customer experience provides greater access to consumer data:

- U.S. consumers are 63% more likely to share personal information with a company that offers a great experience.

<sup>1</sup> <https://www.pwc.com/us/en/advisory-services/publications/consumer-intelligence-series/pwc-consumer-intelligence-series-customer-experience.pdf>



# CONSUMER ENGAGEMENT

## What is consumer engagement?

**Consumer engagement** is any action taken by a business to encourage interaction between the business and consumers. Consumer engagement is a long-term relationship management strategy focused on interactions between consumers and businesses or brands which helps strengthen the connection between the two parties and bolster levels of brand loyalty. Consumer engagement focuses on establishing meaningful interaction with consumers. However, consumer engagement is *not* the same thing as customer experience, nor is it a representation of customer satisfaction.

The term consumer engagement refers to both online and offline consumer interactions and can describe varying levels of engagement. Most engagement strategies include a plan for encouraging a combination of both online and offline interactions.

## Why is it important for brands to engage consumers?

Higher levels of consumer engagement can help a business develop stronger consumer relationships that ultimately result in higher levels of brand loyalty. Increased consumer interactions also help a business to learn more about the customer; their preferences, likes and dislikes, shopping behaviors, and more. This consumer data helps a business to improve marketing strategies and allows them to make more informed decisions about target markets, segmentation, content creation, and promotion.

### Benefits of consumer engagement:

- Increases brand awareness which attracts new customers
- Allows a business to gain a better understanding of the customer
- Helps to build brand loyalty, resulting in retaining existing customers and increasing sales through referrals
- Creates opportunities to help a company distinguish its brand from the competition
- Can help a business to improve customer service
- Provides a line of communication with customers to share key information about products and services

## Consumer engagement through digital marketing

Digital marketing is important because engagement levels increase both online and offline with effective engagement strategies. Quality content on a brand's website and social media feeds will keep consumers engaged and gain followers, allowing the business to communicate information about offline engagement opportunities. Interactions via a brand's app on mobile devices help a business to build strong relationships with the consumer.

### Consumer engagement examples:

- A coffee company might encourage customers to earn rewards points by ordering via its app on mobile devices, helping to increase brand loyalty and sales.
- A fast food chain might post a GIF or meme on social media that gets shared thousands of times, providing the brand with invaluable exposure.
- A startup clothing brand might post a behind-the-scenes video on its website educating consumers about the sustainable materials used to make its products, differentiating itself from competing brands.

## Digital Marketing Tools

Digital marketing tools such as QR codes, provide an effective way for businesses to boost levels of engagement. For example, QR codes have become a digital marketing staple for businesses in the retail, restaurant, and hospitality sector, particularly now that nearly every smartphone camera can recognize QR codes. Brands also utilize QR codes to engage consumers, placing them on a wide variety of advertising platforms, including print ads, billboards, interactive TV commercials, and more. Consumers can expect to see even more QR codes in the future. With the number of U.S. smartphone users scanning QR codes set to increase from 83.4 million in 2022 to 99.5 million in 2025, opportunities for marketing professionals to engage consumers will continue to grow.



Whether it is a QR code or another digital marketing tool, it is important for brands to view an engagement with a consumer as an “experience.” According to the [U.S. Chamber of Commerce](https://www.uschamber.com), the top mobile engagement experiences a business can offer are:

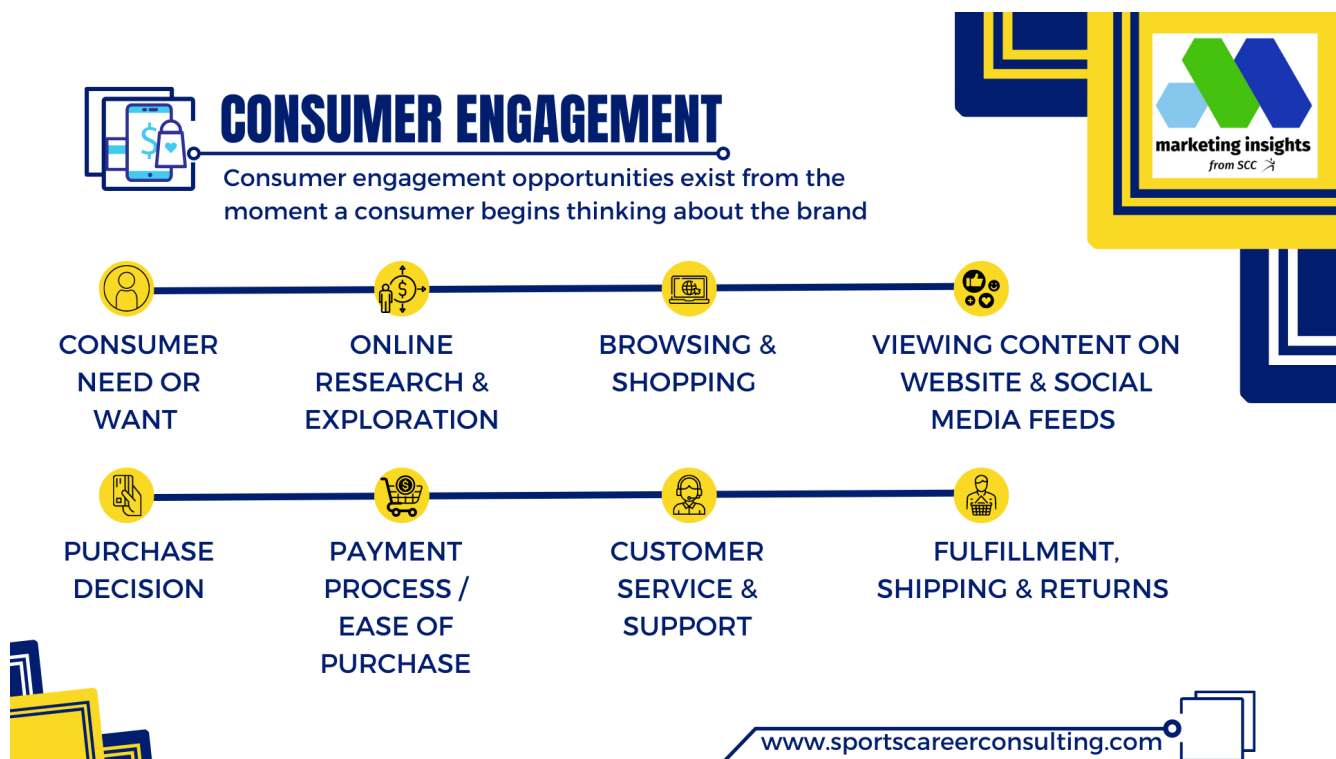
- Custom content
- App downloads
- Brand promotions
- Product information

## The Customer Experience and Digital Engagement

Each aspect of the customer experience provides opportunities for a business or brand to engage consumers. Each and every touch point represents a chance for the business to connect with the consumer in a meaningful way.

**Consider all the potential opportunities to engage a consumer in a digital environment as they begin the customer experience journey:**

- Customer identifies a need or want.
- Customers go online to research and explore ways to fulfill that need or want.
- Customer browses and shops for products and services, sometimes without a direct goal of fulfilling a specific need or want.
- Customer views and interacts with content on business websites and social media feeds.
- Customer makes a purchase decision.
- Customer places an order.
- Customers want to know the purchase is appreciated and that customer service or support is easily accessible if necessary.
- Customer hopes to receive the purchase on time, undamaged, with an option to return.



### NOTES



Businesses have a variety of tools available to help maximize digital engagement efforts. Everything from QR codes and business websites to Snapchat filters and the metaverse represent ways brands can engage consumers in a digital environment. We will explore these tools in-depth in module six, lesson two (digital marketing), and three (social media marketing).



## KEY TAKEAWAY

**Customer experience** refers to all interactions between a business and its customers. Those interactions could be positive or negative.

**Consumer engagement** refers to the action taken by a business to encourage interaction between the business and consumers. It is a long-term relationship management strategy focused on interactions between consumers and businesses or brands which helps strengthen the connection between the two parties and bolster levels of brand loyalty.

*\* Businesses must commit to investing in both to effectively build meaningful relationships with customers.*



## ACTIVITY

Think about what you have learned about customer experience and consumer engagement.

Using the worksheet provided by your teacher, record those experiences and describe what you think the business or brand hoped to accomplish with the interaction.

Be sure to list the name of the business or brand for each example.



## INDUSTRY APPLICATION

Connect your classroom with industry examples by reviewing the following news stories relating to concepts covered in this lesson:

**Digital Engagement** - [Jimmy John's invites guests to create a virtual Meta Sandwich that could become real](#)

**Digital Engagement** - [Pepsi's summer campaign taps Bad Bunny and QR codes — and the first-party data that comes with them](#)

**Digital Engagement** - [‘Amazon Anywhere’ brings shopping experience inside new AR game from makers of ‘Pokémon Go’](#)

**Digital Engagement** - [Jimmy John's invites guests to create a virtual Meta Sandwich that could become real](#)

**Digital Engagement** - [Wendy's new location is an immersive experience](#)

**Digital Engagement** - [Coca-Cola's Santa Claus Is Now on Cameo and Ready to Send Personalized Messages for the Holidays](#)

**Digital Engagement** - [Kit Kat Launches AI Powered Staring Contest for Latest Campaign](#)

## KEY TERMS DEFINED:

**Consumer engagement:** The action taken by a business to encourage interaction between the business and consumers.

**Customer experience:** All interactions between a business and its customers.