Alida.

CUSTOMER CENTRICITY

THE DEFINITIVE GUIDE FOR ASPIRING CUSTOMER-CENTRIC BRANDS



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INTRODUCTION

Companies in all industries are ditching traditional business-driven and product-driven strategies as they're starting to embrace the idea of customer centricity. Although being company-driven, product-driven or sales-driven is natural, no longer can brands afford to think only about what's good for the company without considering the impact on the customer.

Customer centricity is often seen as a catch-all for ideas like customer satisfaction, customer experience and customer feedback, but being truly customer-centric is about more than that. It's about more than just making your customers happy. And it's not enough to assume you know what your customers need.

So, what's it all about?

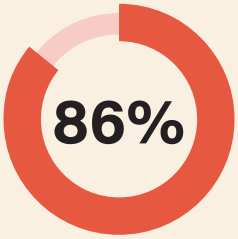
ABOVE ALL, CUSTOMER CENTRICITY MEANS PUTTING THE CUSTOMER AT THE CORE OF YOUR BUSINESS.

Decades ago, customers had fewer choices. This meant brands could get away with offering mediocre service and customer experience. But now, the customer is in the driver's seat. We are in the midst of a revolution – in the age of the empowered customer.

Whether you're in retail, tech, media and entertainment, finance, health care or literally any other industry, customer centricity must be at the center of your business strategy if you're going to drive profit and gain a competitive edge. Stay ahead in your industry with this definitive guide for a customer-centric model.



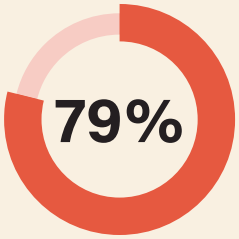
Customer-centric companies are 60% more profitable than companies that are not focused on the customer. (Deloitte and Touche)



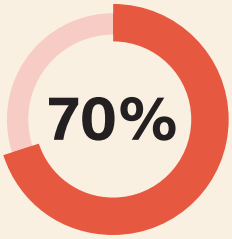
86% of customers are willing to pay more for a better customer experience. (CEI Survey)

$1.6 TRILLION

In the US, the estimated cost of customers switching due to poor service is $1.6 trillion. (Accenture)



79% of US consumers want brands to demonstrate they care before they'll even consider making a purchase. (Wunderman)



70% of companies that deliver exceptional customer experience use customer feedback. (ThinkJar)

CHAPTER 1:
WHAT IT MEANS TO BE CUSTOMER-CENTRIC

Without your customers, you wouldn't have a brand. A business. Profits.

Yet, even when you understand just how critical your customers are to your brand and bottom line, it's easy to focus more on your products and company's interests above those of your customers. You have a business to run. And you likely think focusing on creating the best, most sought-after products is how you'll generate more customers.

The fact is, though, you must make a choice. You can't focus on both your products and your customers first. It must be one or the other.

BEING CUSTOMER-CENTRIC MEANS PUTTING THE CUSTOMER AT THE FOREFRONT OF EVERY SINGLE DECISION YOUR COMPANY MAKES.

Always put the customer first when you're making decisions: from the products you develop to the marketing campaigns you create and everything in between. And it's a key part of aligning your organization around the customer, which means creating an open, centralized and secure space so every touch point with a customer reflects your brand values and fosters transparency.

4 SIGNS YOUR COMPANY ISN'T AS CUSTOMER-CENTRIC AS YOU MIGHT THINK

Are your customers at the heart of your business? You might think your brand is customer-centric, and you might be taking strides to make the customer a priority, but you might be surprised to find out you're not as customer-centric as you think.

Here are four telltale signs your company isn't putting the customer first.

1

You're making decisions without the customer in mind

Whether big or small, every decision you make about your business needs to be fueled by customer feedback. Are you erroneously assuming what your customers want? Are you considering them during the decision-making process at all? Or are your decisions based on profits or shareholder demands?

If you're developing products you think your customers want without testing the concepts with real-life customers, you risk failing when introducing them into the market. The price point might be wrong. The features may not be what your customers need. The product may not solve the customer's pain or problem. Marketing campaigns based on gut feelings rather than customer intelligence will also likely fall flat and fail to resonate with your audience.

The same is true with every other decision you make.

If the customer isn't your most important stakeholder, at the center of all decisions you make, you're not customer-centric.



You only focus on the customer service department

You've increased the budget in the customer service department. That makes you customer-centric, right?

Actually...

To truly be customer-centric, every employee in your organization must understand who your customers are and what they want – not just your customer service representatives. This includes your engineering team, your product development team, marketing, sales and service, all the way to the organization's key decision makers. The entire organization must be aligned around the customer.

> **"THE CUSTOMER'S PERCEPTION IS YOUR REALITY."**
>
> – Kate Zabriskie, President, Business Training Works Inc.

3

You don't know your customers on a granular level

Maybe your marketers know that your customers are between 20 and 25 years old. Maybe your product development team understands that your customers are in a higher income bracket. This is a good start, but it doesn't make you customer-centric. You need "small" data to complement your big data.

You need to go beyond demographics and get to know your customers on a more intimate and granular level. This starts with talking to your customers.

> **"SPEND A LOT OF TIME TALKING TO CUSTOMERS FACE TO FACE. YOU'D BE AMAZED HOW MANY COMPANIES DON'T LISTEN TO THEIR CUSTOMERS."**
>
> – Ross Perot, American Business Magnate

4

You stop engaging once the sale is made

Yes, gaining new customers is important. Absolutely. And to do so, you may use customer intelligence to learn more about the buying journey. You may target your marketing campaigns expertly to your customers' interests and preferences. Your products may solve a need your customers have. But does it stop there? Once the customer is sold, do you continue to delight them, or do you move on and focus on gaining other new customers?

The most customer-centric brands don't leave their existing customers high and dry. They continue to engage them because they understand the value of customer loyalty and retention as critical parts of a customer-focused strategy.

BEING CUSTOMER-CENTRIC ISN'T THE SAME AS BEING CUSTOMER FOCUSED

These companies may have good intentions and care about their customers but they often operate based on a misunderstanding of what it truly means to be customer-centric. For many, being customer focused and being customer-centric are one and the same. The two terms are often used interchangeably. This is often where companies make a misstep on their journey to becoming customer-centric. Knowing the key differences between the two can help.

Looking at the customer vs. thinking like a customer

Customer-focused companies look at the customer to determine what to sell them. On the other hand, customer-centric companies think like the customer. They try to see the world from their point of view. For example, a customer-focused approach may use A/B testing to see what ads resonate most with customers. A customer-centric approach would seek out their ideal customers, talk to them and co-create ads with them instead.

CUSTOMER-CENTRIC COMPANIES THINK LIKE THE CUSTOMER.

Dealing with needs vs. dealing with wants

If you're customer focused, you'll listen to what customers want and try to deliver the products they're interested in. If you're a customer-centric company, you'll try to understand what the customer truly needs, focus on solving problems and determine how to deliver the most value.

Providing solutions vs. producing products and services

Using a customer-focused approach, you would try to identify which of your products or services would best match the wants of your customers. On the other hand, using a customer-centric approach, you would instead create a solution to the customer's needs to deliver a positive long-term experience. Marketing maverick, Seth Godin, said it best, "Don't find customers for your products, find products for your customers."

WHAT DOES IT REALLY MEAN TO BE CUSTOMER-CENTRIC?

We've discussed some of the common misconceptions surrounding customer centricity and the common mistakes companies make when trying to become customer-centric. We know it's not just about keeping customers happy or offering great customer service. Now let's switch gears and discuss what it really means to be customer-centric.

BEING CUSTOMER-CENTRIC MEANS:

- Aligning your company around the customer
- Putting customers at the heart of your company
- Creating a company-wide customer-centric culture
- Putting customers' needs first, no matter what
- Listening to customers, understanding their needs, acting and repeating
- Offering a positive customer experience from the start of the awareness stage all the way to the post-purchase process

But remember: you can't achieve customer centricity without understanding your customers' needs, pain points and interests. Generating consumer insights is key and getting real-life customer-validated data to make business decisions is a must.

CHAPTER 2:
WHY IS CUSTOMER-CENTRIC IMPORTANT? UNDERSTANDING THE IMPORTANCE OF CUSTOMER CENTRICITY

We now live in a digitally enhanced world. Technological advancements have changed the way customers buy, how we do business and how we interact with customers. Brands are always on. They are more transparent (or at least they should be). In this new reality, customer centricity isn't an option. It's a necessity. One that is based on three key points:

1

The power has shifted to the customer, who now expects more from brands.

2

The digital age has transformed the buying process, requiring companies to adapt.

3

Fostering loyalty is not only more meaningful for the customer, but it's also more profitable.

THE RISKS OF IGNORING CUSTOMER CENTRICITY

These are some of the risks of failing to be customer-centric in the age of the empowered customer.

- Your sales are declining.
- Your customers aren't loyal.
- You're struggling to gain repeat business.
- You have a poor brand reputation.
- Your customers aren't happy with your products or service.
- Your competition is gaining market share on you.

THE PERILS OF BEING A SALES-CENTRIC ORGANIZATION

Being a sales-centric organization means your company's main objectives are to meet sales numbers and increase market share. Of course, there isn't anything wrong with growing your sales and profit.

HOWEVER, TOO OFTEN, FOCUSING ON SALES AND PROFIT COMES AT THE EXPENSE OF THE CUSTOMER.

When you're so focused on the sales process and you don't give any thought to how your customers feel about your sales and service, your customers feel dissatisfied. At the end of the day, when your culture is based on short-term sales, you lose out on customer satisfaction and long-term customer loyalty. This, in turn, leads to lost opportunities for repeat business and referrals. It can also negatively affect your brand and, ultimately, your profit.

WHY CUSTOMER LOYALTY MATTERS

To better understand why being customer-centric is so important in business today, we need to first understand why customer satisfaction and customer loyalty are so important.

As we mentioned before, customers are now in the driver's seat. Thanks to the Internet, they have a wider variety of buying options than ever before. This means they can be pickier about the brands they buy from. If they don't like the customer experience you offer, or they don't think you care about them, they will quickly move on to one of your competitors. The same is true if they don't believe they share values with your company.

> **"IF PEOPLE BELIEVE THEY SHARE VALUES WITH A COMPANY, THEY WILL STAY LOYAL TO THE BRAND."**
>
> – Howard Schultz, Chairman Emeritus, Starbucks

ON THE OTHER HAND, IF YOUR BRAND IS CUSTOMER-CENTRIC, YOUR CUSTOMERS ARE MORE LIKELY TO FEEL:

- Listened to and care for
- Aligned with your values
- Happy with the customer experience
- Satisfied with their purchase

Ultimately, this will make them more loyal to your brand.
This is a big win for your company.

Why?

The customer loyalty statistics are pretty clear on the issue:

- Acquiring a new customer is five to 25 times more expensive than retaining an existing customer.
- Increasing customer retention by five percent leads to a 25 to 95 percent boost in profits.
- Loyal customers are worth up to 10 times as much as their first purchase.
- Engaged customers are five times more likely to buy only from the same brand in the future.

However, companies today have a growing customer loyalty problem. According to an Alida survey, it takes just two bad experiences to make Americans stop shopping with a brand. Even your highest spending customers aren't necessarily loyal, either.

> **"UNLESS YOU HAVE 100% CUSTOMER SATISFACTION, YOU MUST IMPROVE."**
>
> – Horst Schulze, Former President, The Ritz Carlton Hotels

Being customer first is critical to keeping customers engaged, satisfied, and loyal. Research shows a strong emotional connection with a brand is a stronger loyalty driver than factors such as ease and effectiveness. If you want to keep your customers from chearing on you, it's important to understand the importance of customer centricity before it's too late.

Although having a sales-centric culture may seem more effective, the customer-centric culture is actually more profitable over the long term because it focuses on providing a positive customer experience, solving problems, delivering high-quality products customers need and creating real relationships.

TOP 5 BENEFITS
OF BECOMING CUSTOMER-CENTRIC

No doubt, there are some pretty scary risks and disadvantages of not becoming customer-centric, as we've highlighted. Focusing your company on the customer will help you stay relevant in the modern age and continue to deliver quality products and services your customers love.

There are other benefits that come with being a customer-centric brand too.

1

Finding opportunities for growth

Continuously generating customer insights to ensure your company revolves around the customer is a great way to recognize opportunities for growth. You can see trends and opportunities among your customer base that can help you come up with products or solutions that your customers need – which they may not even realize yet. You may be able to expand your line of products to meet a particular need, provide features you never considered offering or even add additional services that fill an unfulfilled customer need.

2 Gaining market share

When you become customer-centric, your leads, prospects and existing customers will notice the difference. This is particularly true if your competitors are behind the times and still use a sales-centric approach.

> **"IN THE WORLD OF INTERNET CUSTOMER SERVICE, IT'S IMPORTANT TO REMEMBER YOUR COMPETITOR IS ONLY ONE MOUSE CLICK AWAY."**
>
> – Doug Warner, Former C.O.B., J.P. Morgan Chase & Co.

You'll answer customer questions more quickly. You'll provide a more seamless shopping experience. You'll share marketing and ad campaigns that truly resonate with your audience. You'll develop products that actually serve a need. And new customers will flock to you and say goodbye to your competitor.

3 Better understand the customer journey

The more you know about your customers on a granular level, the better you'll understand the customer journey – before, during and after the sale. One of the core concepts of customer centricity is to understand how customers move in and out of relationships and understand why and how they buy. This will help you deliver better services and products to the right people, in the right place and at the right time.

4

Increased sales

Some business owners still erroneously believe that focusing on sales is what will, well, increase sales. But as we've already seen, focusing on the customer will deliver more positive long-term results in terms of sales and profits.

5

Learn how to improve

> **"EVERY CONTACT WE HAVE WITH A CUSTOMER INFLUENCES WHETHER OR NOT THEY'LL COME BACK. WE HAVE TO BE GREAT EVERY TIME OR WE'LL LOSE THEM."**
>
> – Kevin Stirtz, Author of More Loyal Customers: 21 Real World Lessons To Keep Your Customers Coming Back

While some executives see complaints and bad reviews as negative, customer-centric brands see these as opportunities to learn how to improve. What's more, customer-centric companies often go one step further to gain feedback from ex-customers to better understand why they left and what they can do in the future to improve.

This helps them refine the customer experience for future prospects and customers, which can lead to greater satisfaction and loyalty.

These are just some of the many benefits brands realize once they transform their companies and put the customer at the core of everything they do.

CHAPTER 3:
HOW DO YOU BECOME CUSTOMER-CENTRIC?

To become a truly customer-centric brand, you must integrate the concept into every single area and channel of your business. While many brands seek to do just this, many challenges can get in the way and hold them back from achieving this goal.

CUSTOMER CENTRICITY ISN'T AN APPROACH THAT YOU CAN LIMIT TO YOUR CUSTOMER SERVICE DEPARTMENT.

3 CHALLENGES OF BECOMING CUSTOMER CENTRIC

If it were easy to become customer-centric, every company would do it. Every brand would love to gain more customer satisfaction, greater customer loyalty, more sales and higher profits, among the many benefits this approach offers.

However, becoming customer-centric requires you to transform every process, procedure and department in your company. It requires you to completely shift your culture.

YOU NEED TO TRANSFORM YOUR ENTIRE COMPANY.

Easier said than done.

1 A culture change

Even if you are completely on board with becoming customer-centric, you will likely face resistance from your staff. Every employee will need to shift his or her mindset, stop thinking about sales or numbers and start focusing on exceptional customer experience instead. Not every manager or front-line worker will embrace this new approach.

2 Changing processes

Senior leaders often face the challenge of balancing internal needs with a focus on the customer. Backing up your new customer-centric culture with internal processes, policies and system built around the customer will not only help everyone get on board but also ensure internal and external alignment. However, it absolutely can and will be a long, complex process. It can be difficult to get right.



Generating, sharing and implementing real-time customer insight

What's more, you can't align your company around the customer if you don't understand who your customers are and what they need. To get this critical information, you need to go beyond generating big data and go to the source – your customers. Talking to your customers directly will give you the granular insight and feedback you need to put them at the core of your business.

You can't align your company around the customer if you don't understand who your customers are and what they need.

But this isn't easy. Most companies struggle to find a repeatable, scalable way to generate real-time, valuable customer insight. Then they also need to share this information across departments and implement what they've learned to transform their business strategy – another challenge in itself.

But as we know, overcoming these challenges is worth the effort, time and resources.

BEST PRACTICES
OF CUSTOMER-CENTRIC COMPANIES

Most companies simply do not have the right components in place to be customer-centric. The ones that have been able to successfully design their company from the customer's perspective, however, have followed some best practices to get to where they are today.

1

Passionate about the customer

It's not enough to think of the customer some of the time. It's not enough to be customer focused only in your customer service department. It's not enough to implement customer feedback solely in your marketing campaigns.

The brands that are truly customer-centric are passionate about their customers' needs and truly believe the customer must come first. They know that, without the customer, they simply wouldn't be able to succeed.

2

Focus on the customer's needs

It can be difficult to always put the customer first. Your product development team might have come up with a super-cool, innovative product. And you might want to bring it to market without getting feedback from your customers first. The same is true in marketing. Deadlines can get in the way of generating feedback. The same is true in sales. Sometimes, closing the deal gets in the way of putting the customer first.
It can be easy to revert back to a profit-focused, company-

focused, or sales-oriented approach. But the top customer-centric brands focus on what the customer needs at all times and deliver products and services around those needs.

> **"MAKE A CUSTOMER, NOT A SALE."**
>
> – Katherine Barchetti, Founder, K. Barchetti Shops

3

Build relationships

Successful customer-centric companies take the time to talk to their customers, listen to their needs and implement their feedback. They are committed to building real relationships with their customers – relationships that are ultimately designed to maximize the customer experience.

4

Insight-driven

Customer-centric brands don't guess or assume what their customers want or need. They know there's often a disconnect between what senior management believes customers need and what those actual customers say they need. Instead, they back up their decisions with real-time customer insights. All their decisions are customer validated.

THE 4 C's YOU NEED TO BE CUSTOMER-CENTRIC

The empowered customers in today's modern age care about what you do, not what you say. They want you to walk the walk. You cannot just say your brand is customer-centric. You need to become customer-centric at your core. Adopting the label won't get you far if you can't back it up.

To ensure your customer is at the heart of every business decision you make, you need these 4 C's.

1

Culture

Brian Solis, bestselling author and marketing analyst, said it best, "Customer-centricity is a way of doing business; it's more than a slogan."

Being customer-centric isn't just a marketing exercise. Rather, it needs to be engrained in your corporate culture and reinforced in everything you do.

> **IF YOU GET THE CULTURE RIGHT, EVERYTHING ELSE SHOULD FALL INTO PLACE.**



Community

We don't need to tell you that your customers want to be treated like people, not numbers. But more than that, they want to know there's a real person on the other end of the phone when they call and a person on the other end of that chat message or that email. And they want to feel as though they are a part of a community.

By creating a community for your customers, you can effectively increase emotional engagement, which will in turn build loyalty.

Never underestimate the power behind the sense of belonging.



Conversation

There's a reason one-off surveys don't work anymore. There's a reason online insight communities are the most effective way to generate customer feedback today. Customers want two-way dialogue. They want to be listened to. And they want to feel as though they are being heard.

It's critical that you speak directly to your customers and listen to their needs, questions and complaints. It's also important to implement their feedback in your business to show that you've listened and you've heard what they have told you.

4

Consistency

Finally, we have consistency. In today's digital world, customers do the majority of their research online. They compare prices and features. They read reviews. They may buy without even leaving their houses or they may only walk into your brick-and-mortar store after conducting comprehensive online research.

At all these touch points, you need to offer consistency to ensure a seamless omnichannel experience across all interactions, channels and devices.

> **"OFFER CONSISTENCY TO ENSURE A SEAMLESS OMNICHANNEL EXPERIENCE ACROSS ALL INTERACTIONS, CHANNELS AND DEVICES."**

7 PILLARS OF CUSTOMER CENTRICITY

The seven pillars of customer cenrticity can be used as a framework for action. The key is to analyze customers' perceptions against these seven core areas of your company to ensure your business strategy is truly customer-centric and borne of data-driven customer science.

1

Customer experience

The customer experience must be convenient, easy, enjoyable and seamless.

2

Loyalty

Recognizing customers and rewarding them in a way that is meaningful to them can go a long way to keeping them happy.

3

Communication

Highly communicative companies tend to have more engaged and loyal customers. They take the time to talk to their customers, listen to their needs and personalize their communications to show they care

4

Assortment

While you don't need to have the largest selection of products, the assortment you have should meet your customers' needs.

5

Promotions

Successful promotion programs promote the products that are most appealing to customers.

6

Price

With customer feedback, you can ensure your prices are in line with what your customers are willing to pay for the value you offer.

7

Feedback

Prioritizing customer feedback will enable you to create a strong emotional connection with your customers.

Tossing around buzzwords about customer centricity won't lead to true growth. Analyze your effectiveness in these seven core areas to ensure you really understand your customers, their behaviors and their needs, so you can center your business around them.

CHAPTER 4:
HOW TO USE CUSTOMER INTELLIGENCE TO DRIVE BUSINESS DECISIONS

Customer intelligence is both smart and actionable.

To gather the intelligence you need to put the customer at the core of every decision you make, you need to not only get to the Who, What, When and Where, but to the Why of consumer behavior and motivations. Understanding why customers behave as they do, buy as they do and need what they need enables customer-centric brands to adapt to meet consumer demands.

At the end of the day, the right customer intelligence guides, informs and advises business leaders to make informed decisions.

THE CHALLENGES OF TRADITIONAL MARKET RESEARCH

Traditional market research has its challenges in the age of the empowered customer.



The results are often subjective and open to interpretation, such as those of focus groups. Customer interviews are also expensive, and it can be challenging to interview a statistically relevant sample.

Loyalty, transactional and CRM data is difficult to access and is typically siloed. Plus, while large swaths of data may be able to reveal the "What" behind a customer's motivation or behavior, it cannot reveal the "Why."

A SHIFT AWAY FROM TRADITIONAL MARKET RESEARCH

To be customer-centric, your company needs a way to generate deeper, actionable customer insights in real time: agile insights.

YOU NEED TO ACCESS DEEPER, ACTIONABLE CUSTOMER INSIGHTS IN REAL TIME.

You need to harness customer intelligence quickly and more comprehensively.

That's why customer-centric brands have moved away from traditional market research and shifted to using online insight communities to generate the customer intelligence they use in decision making. Insight communities enable leaders to get the customer feedback they need to drive effective decision-making from a group of highly engaged and opted-in customers at scale.

Offering a positive customer experience from the start of the awareness stage all the way to the post-purchase process

BY BETTER UNDERSTANDING YOUR CUSTOMER ON A GRANULAR LEVEL, YOU CAN ULTIMATELY MAKE MORE INTELLIGENT BUSINESS DECISIONS.

TURNING CUSTOMER INTELLIGENCE INTO INSIGHT

Gathering customer intelligence is only one piece of the puzzle. Intelligence isn't useful if it isn't actionable. That's why market researchers need to be able to turn intelligence into customer insight. This is how you get to the "Why."

> **"THERE IS A GREAT DIFFERENCE BETWEEN KNOWING AND UNDERSTANDING: YOU CAN KNOW A LOT ABOUT SOMETHING AND NOT REALLY UNDERSTAND IT."**
>
> - Charles F. Kettering, Former Head of Research, General Motors

Bulky reports and pie charts need to be transformed into actionable recommendations. The data you generate tells a story – you just need to determine what it's telling you. Only then can you turn intelligence into your competitive advantage. Look beyond data, use customer intelligence and arrive at actionable customer insight that can inform your business decisions.

CUSTOMER INTELLIGENCE PLATFORM

If you're throwing traditional market research methods out the window, you need a new way to generate customer intelligence.

You need new tools that will enable you to:

- Get closer to your customers
- Learn what they need
- Give them a way to speak to you directly

The customer intelligence platform is critical to a successful customer intelligence program. It gives you a way to speak directly to a group of opted-in and carefully profiled customers to get real-time, honest feedback from the people who buy your services or products.

3 QUESTIONS TO ASK AND SEE IF YOUR CUSTOMER INTELLIGENCE PROGRAM IS EFFECTIVE

To get the most out of customer intelligence – to ensure it drives great decision making – you need to make sure your customer intelligence program is effective. These three questions can help you determine the value of your current program.

1

Where are insights being implemented?

Generating consumer insight is all well and good, but it's essentially pointless if you're not using that insight to improve your business. Consider what happens to the customer intelligence you gather. Is it being used to improve existing business programs? Which ones? Your marketing campaigns, sales, customer service and customer experience can all benefit from the voice of the customer. Consider which programs, departments and processes could be improved by these insights.

2

How are you using customer intelligence to improve the customer relationship?

While it's important to use customer intelligence to improve internal processes, you shouldn't stop there. Your customer intelligence program will be more powerful when it improves your brand's relationships with your customers.

Today's empowered customers expect brands to listen to their opinions, suggestions and complaints. A customer intelligence platform enables you to do just that. But you need to show them that you're doing more than just listening. Make sure you share exactly how you are including the customer in your business decision making. When you do this, customers will feel as though they really matter to your company, which will increase engagement and loyalty.processes could be improved by these insights.

3

Is your customer intelligence providing value to your partners?

The insight you gather is valuable not only to your company and your customers but to your partners as well. And it can offer you a competitive advantage if you monetize your data. Maybe you have advertisers or sponsors who could benefit from your customer insight. Maybe the retailers who stock your product could benefit from the intelligence you've generated.

Customer intelligence can provide even more business value when it's shared with partners or used to secure new partnerships.

Becoming customer-centric makes good business sense. However, customer intelligence is only valuable when it's turned into customer insight that drives decision making to enhance the customer experience, customer journey, sales, service and profits.

CHAPTER 5:
HOW FORWARD-THINKING MARKET RESEARCHERS SUCCEED IN A CUSTOMER-CENTRIC ECONOMY

Business as we know it is in the midst of a transformation. The market research industry has been undergoing monumental shifts to keep up with the digital world we now live in and the increasing customer demands companies now face. In fact, 63 percent of CEOs believe rallying their organizations around the customer is one of the top three investment priorities for the year.

> **THERE'S NO DOUBT THAT, TODAY, CUSTOMER CENTRICITY HAS BECOME THE STRATEGIC POSTURE OF ALMOST EVERY PROFITABLE COMPANY IN EXISTENCE.**

As brands have started to use a more customer-centric model, market researchers have had to adapt. With this strategic change comes the mandate to be insights-driven and to bring the voice of the customer into the center of the business.

Forward-thinking market researchers have transformed into progressive insight professionals to future-proof their roles and provide greater value in a customer-centric economy.

THIS MIGHT VERY WELL BE THE SINGLE MOST EXCITING OPPORTUNITY FOR THE INSIGHT PROFESSION.

BECOMING AN ADVOCATE FOR THE CUSTOMER

The market researchers willing to take the best of what the industry has to offer and overlay it with new methods, technology and a more focused understanding of their contribution to business level metrics will lead the way. Research has always been a conduit to customer opinion, but now that role has evolved. The progressive insight professional has become an advocate for the customer.

Today, market researchers are the vocal representatives of the powerful voice of the customer. They are the stewards of the insight required to bring a customer-centric strategy to life.

THE ROLE OF THE PROGRESSIVE INSIGHT PROFESSIONAL IN A CUSTOMER-CENTRIC STRATEGY CANNOT BE OVERSTATED.

For many (if not all) companies, successful innovation and the ability to remain competitive in their industries, hinges on ongoing access to agile customer insight.

The insight professional is more important today than ever before for three key reasons:



Companies need insight that will be delivered by progressive insight professionals who can measure their impact beyond traditional research metrics.

Brands need market researchers who can bridge data silos and increase the relevancy of the data they generate.

Finally, companies need market researchers to make insight accessible across the business in real time.

MARKET RESEARCHERS FACE CHALLENGES IN GENERATING INSIGHT

To be truly insight driven, however, companies need a commitment from the highest levels of the business. According to the Boston Consulting Group, 44 percent of corporate executives rank customer insight as one of their top priorities. Yet even with that support, insights professionals are continually challenged by the ability to introduce new methods, adopt new technologies and unify multiple data sources into a singular source of insight accessible to the entire business.

A recent survey from Deloitte found that 51 percent of companies consider embedding analytics into their process a challenge. The same study revealed that 56 percent find optimizing insight equally challenging, and tracking and measuring the output of analytics even more so. These findings are alarming given that, according to research from Forrester, the ability to optimize insights, track and measure outputs and embed analytics into the process are critical competencies.

LEADING WITH INSIGHT

To be truly insight-driven, businesses require a fundamental transformation in the way people at all levels of the business understand, engage and value the relationship they have with their customers.

LEADERS NOT ONLY HAVE TO BELIEVE CUSTOMER-VALIDATED INSIGHT WILL RESULT IN BETTER PRODUCTS AND EXPERIENCES, BUT THEY MUST ALSO BE WILLING TO PUT PEOPLE, TECHNOLOGY AND PROCESS IN PLACE TO MAKE THAT POSSIBLE.

Technology that enables insights teams to rapidly collect data and share insight across the company in a programmatic and scalable way has been recognized as a true competitive advantage.

Who's doing it well? Forrester calls them the insights-driven businesses.

HOW ARE INSIGHTS-DRIVEN BUSINESSES DIFFERENT?

According to Forrester, insights-driven businesses create differentiating experiences, products and services by applying insights at scale to create competitive barriers. They do this by displaying five competencies:

1. **Strategy:** they elevate insights and data to create a competitive advantage.

2. **People:** they create a cross-functional insights organization and culture.
3. **Process:** they foster iterative insight development within the governance and measurement process.

4. **Technology:** they implement a technology architecture to ensure closed-loop learning and optimization.

5. **Data:** they capture, manage and secure data from all sources and make it accessible for insights.

6 KEYS TO BECOMING AN INSIGHT-DRIVEN MARKET RESEARCHER

The process starts with an objective assessment of your own business and your competition. Determining where to focus your effort and financial investments are foundational.

This includes, but is not limited to, several key do's and don'ts:

1. **Don't share data that is not actionable.** If it's not actionable, it's not an insight.

2. **Don't ignore your competitor's competencies.** Is the competition more effective at sharing and actioning insights? (It is key to acknowledge that your competitors might not be "in" your industry).

3. **Don't think that the business is insulated from disruption.** The notion that competitive barriers that shield a business from insights-driven predators create a false sense of security.

4. **Do get the support of senior-level stakeholders and executives.** It is possible to drive change from the grassroots, but some level of senior buy-in is mission critical.

5. **Do tell stories with data.** Insights teams with so-called soft skills, like storytelling, are more effective at actioning insight.

6. **Do talk about "business outcomes," not research outcomes.** That mindset aligns priorities and goals and integrates insight sharing into the fabric of the business.

EMBRACING TECHNOLOGY THAT BOTH AUGMENTS AND COMPLEMENTS BIG DATA

A closer look at insights-driven businesses reveals that these firms capture more and better data about customers – information that blends direct feedback with transactional data and quantitative knowledge stored in organizational silos. With a powerful set of core competencies supported by sophisticated software platforms, insight professionals in these companies can discover, learn and optimize "digital insights" to create a compelling competitive advantage for their organizations.

According to the 2017 GRIT report, the biggest near-term opportunity for the research industry is technology. By technology, they're talking about software, applications and platforms that make uncovering customer-centric insights faster, easier and more effective.

> **"THE BIGGEST NEAR-TERM OPPORTUNITY FOR THE RESEARCH INDUSTRY IS TECHNOLOGY."**
>
> – GRIT report

USING RESEARCH AS A BRANDED EXPERIENCE

Traditionally, gathering customer feedback is seen as poor customer experience. It's typically disjointed and disconnected from the customer experience. Your customers simply do not want to fill out a random, disruptive survey.

In a customer-centric economy, market researchers should consider research as a branded experience, a customer touch point. Make the process of gathering feedback enjoyable, fun and seamless for the customer.

UNCOVERING THE "WHY" BEHIND CUSTOMER BEHAVIOR

Big data may still have the potential to drive a significant competitive advantage, but the immediate opportunity for today's progressive insights professional is to adopt technology that uncovers agile, ongoing insight that matches the cadence of the business. While big data (at least the datasets that make up big data) is hugely important, the insights therein are still largely confined to the "What" of customer behavior.

THE IMMEDIATE OPPORTUNITY FOR TODAY'S PROGRESSIVE INSIGHTS PROFESSIONAL IS TO ADOPT TECHNOLOGY THAT UNCOVERS AGILE, ONGOING INSIGHT THAT MATCHES THE CADENCE OF THE BUSINESS.

The ability to uncover the "Why" behind customer behavior in a structured, scalable and repeatable way means using new technology to uncover small data. This data is not only relevant to the immediate needs of the stakeholder, but it can be used to help shape and test the hypotheses of data science teams.

One day, machine learning and neural networks may provide new insight into human behavior. But today, the simplest, most direct and vastly more economical route to deeper customer understanding is to simply ask people "why?"

The pressures of time and ever-changing customer expectations have also served to diminish the real-time utility of big data. Honestly, companies have hit a data value plateau where it is exponentially more difficult and expensive to wring new insight from the same type of data.

Here are the facts:

- Stakeholders need context.
- Stakeholders need agile insight.
- If businesses are going to be successful, they need insight borne from smaller data sets.

Not surprisingly, the traditional methods of uncovering small data aren't great. In fact, they're fraught with difficulties.

Consider these examples:

- Focus groups are expensive and time-consuming, and the results are too subjective and open to interpretation.
- Customer interviews are also very expensive, and it's challenging to interview a statistically relevant sample.
- What's more, both methods rely on the skill and ability of the interviewer.

While there is no magic bullet, the most immediate and impactful opportunity for leaders looking for a way to uncover agile insight is to provide their teams with technology that provides on-demand access to a group of highly engaged, opted-in customers – known customers – who can be engaged at scale.

CHAPTER 6:
CUSTOMER CENTRICITY EXAMPLES

We've described customer centricity as a way of aligning your business around the customer so the customer is at the center of every business decision you make.

Still, it can be difficult to truly grasp the concept. Especially when customer centricity is often used interchangeably with customer first, customer focused and customer experience.

Sometimes, it's better to show than to explain.

Sometimes, you need to see it to know what it is.

See below for customer centricity examples you can learn from. These customer-centric brands have risen to the top of their industries by focusing on the customer.

RED BULL

A global media, marketing and sports powerhouse, Red Bull prides itself on being insight-driven. By challenging assumptions about how and when their consumers make purchases, they reveal channels the company can enhance to improve growth and uncover insights retail partners can use to optimize their in-store promotional tactics. Allowing for a customer-centric retail strategy optimized to closely follow customer attitudes.

LINKEDIN

LinkedIn, the world's number one professional network, engages with 68,000 members through seven insight community programs to help drive strategic, member-centric product decisions. LinkedIn's marketing, product and engineering teams work closely with the research team to leverage agile insight in the product development process.

SOUTHERN CROSS AUSTEREO

The leading radio and TV distributor in Australia, connecting with up to 95% of Australians each week. SCA measures brand awareness, shifts in perception and generates actionable insight to support customer-led growth across the business using four separate insight communities.

Each example here showcases the lengths some companies will go to in order to win over the trust and loyalty of their customers. It's clear that creating a customer-centric environment is a solid formula for business success – and perhaps your last competitive advantage in today's modern world.

CONCLUSION

The shift to becoming a truly customer-centric organization is long and complex. It requires a passion for the customer and a commitment to change. But as we've shown, the benefits are worth the effort.

Even more importantly, in the age of the empowered customer, you may not have a choice but to become customer-centric. By putting yourself in the shoes of your customer, building a customer-centric culture and generating the customer insight required to make customer first business decisions, you too can gain the significant benefits of becoming customer-centric.

ADDITIONAL RESOURCES

Analytics Magazine | Competitive advantage: Customer intelligence
Find out why customer intelligence may be your last competitive advantage.

American Marketing Association | The 7 pillars of customer centricity
Discover a framework to successfully implement insight into your business.

Forbes | How to make the most of customer insights
Gain tips to maximize the value of your customer insights.

Harvard Business Review | 6 ways to build a customer-centric culture
Transform your company culture with these tips.

HubSpot | 3 Common barriers to customer centricity
Learn the barriers that might be holding you back from becoming customer-centric.

Super Office | How to create a customer-centric strategy for your business
Discover four best practices for becoming a customer-centric organization.

Alida | 6 marketing and business experts on which companies demonstrate "customer obsession"
Learn tips from the most customer-obsessed companies.

ABOUT ALIDA

Alida's customer insight platform enables large enterprises to be fast, responsive and customer-centric. With its unique, relationship-based approach, Alida's Sparq platform lets brands directly engage with communities of opted-in customers. Unlike traditional voice of customer methods, Alida unlocks the real-time feedback that companies need to build better products, deliver better services and achieve better business outcomes hand in hand with their own highly engaged, well-profiled customers.

Hundreds of high-performing organizations across multiple industries use Alida's technology, including BuzzFeed, Aurora Health Care, LinkedIn and more. To learn more about Alida, follow us on LinkedIn, Twitter or visit us at alida.com.

Alida.
TRUTH IN ACTION