

Build, Develop, and Invest in a Customer-Obsessed Enterprise

To remain competitive, marketers must stay true to their brand and customer value proposition. Following a webinar with Shar VanBoskirk, VP and Principal Analyst at Forrester, Cordial asked her five follow-up questions to help brands build, develop, and invest in a customer-obsessed enterprise.

FEATURING

FORRESTER®

July 2020



QUESTION 1:

What's the first step in building a customer obsessed enterprise?

Well, first things first, let's define what we are talking about, so everyone is in agreement about what a customer obsessed enterprise even is. **Forrester describes customer obsession as putting the customer at the center of your leadership, strategy, and operations.** Think of customer obsession as a perpetual business orientation, not an assignment to tackle and then cross off. Customer obsession institutes a mindset and a way of working that uses customer consideration to improve every part of the way a company works.

This is more holistic than just improving customer interactions or being nicer to customers. I'm not saying don't improve customer interactions, or don't be nice. I'm just saying that customer obsession is more than that.

So, **approach this as an enterprise pivot, not a project.** How would you adjust how your company makes its decisions, does its work? The first step I recommend is to determine why you want to pursue customer obsession. Get specific here: do you need to fill a revenue shortfall? Outpace a competitor? Hold onto a leadership position in the market? Get to the why behind your strategy to help set your goals and establish some guardrails around what to do and not to do.

QUESTION 1, CONTINUED:

The next step is just as important as the first: Identify your manifestation of customer obsession. That's right, customer obsession isn't a uniform state for every company. In fact, every company should express customer obsession in the way that suits their strengths and delivers the value their customers need.

Forrester sees three common ways companies manifest customer obsession:

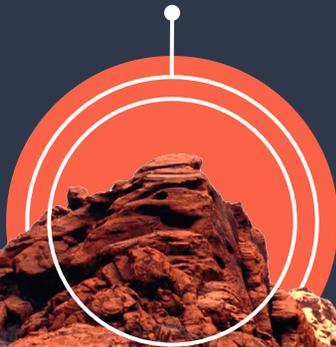
1. **Count on us**, which is about reliability (think Walgreens, Delta Airlines)
2. **At your service**, which is about high levels of customer service (think Zappos or Ritz Carlton)
3. **On your side**, which is about advocacy (think AARP, Navy Federal Credit Union)

Once you land on your manifestation of customer obsession and why you want to accomplish it, then you honestly map out capabilities and resources you would need to reach your manifestation and compare them against the capabilities and resources you have now. The gap between your current and needed resources becomes your company's roadmap to customer obsession.

“

The gap between your current and needed resources becomes your company's roadmap to customer obsession.

Manifestation



Resources



QUESTION 2:

How do I advocate for customer obsession when marketing (and other) budgets are at risk?

It has taken me years of research to understand that **customer obsession isn't a trade off with other priorities**. You aren't saying "should I create great products, OR become customer obsessed." Customer obsession is the foundation that enables everything else to be better. Knowing clearly what your customers value, putting that at the center of your decisions will help you save money, create efficiency, and respond to market changes in a way that companies who don't have that customer-focus simply can't do.

You see that happening today. For example, Reese Witherspoon's fashion brand Draper James wanted to do a teacher dress giveaway to try to do something good in the midst of the pandemic. Good idea, but it wasn't customer obsessed. It was perhaps brand-obsessed, or PR-obsessed: "How could we do something that is a good deed in the current climate?" Not: "Who are our customers? What do they really need right now? How can we provide that?" The whole thing backfired: a failed giveaway, negative PR, disappointed teachers, and alienated prospects who now feel that Draper James is out of their price range and off-brand for them. Let's compare this to Peleton (who suffered a ribbing for perhaps knowing its customers too well at the end of 2019). Peleton is offering family-friendly programming to subscribers who don't want to compromise their fitness routines now that kids are home from home.

The point here is that companies that are already customer-led, insights-driven, fast, and connected have an advantage now because they are tapped into their customers' needs and can operationally flex on demand.

QUESTION 3:

How can marketing teams develop quantifiable goals around customer obsession?

If I were running a customer obsession transformation at your company, I would first **look to quantify the return** my business earns when it gives customers what they value.

- How much more will customers spend with me?
- How much longer will they stay a loyal customer?
- How many more customers will I keep?

Then, I would look to deduce specifically what creates value for customers, and drive more of those factors operationally. If product reliability is key to customer value, then how do I improve my reliability? What changes about how materials are sourced, or how products are made, packaged, or distributed? What happens in the sales process? Post sales?

Once you determine the things that do create value, then you can **isolate what to prioritize**. Building toward these priorities should comprise your operating goals and will help you set specific tasks for individuals to deliver and be measured on.

And this guidance doesn't just apply to the marketing team. Breaking down customer obsession into operating goals should give direction to what every employee in the enterprise does.

“

Breaking down customer obsession into operating goals should give direction to what every employee in the enterprise does.



QUESTION 4:

What are some ways that marketing teams can begin to “test and learn” communications strategies?

I think test-and-learn applies in a few ways in the specific circumstances we are in today. First, you are going to need to test and iterate on your specific messages. How well are your brand stories resonating with different customers' situations? I'm going to recommend using email marketing here. Email is a medium that virtually every marketer already has experience with, so I'm not recommending something new and experimental at a time that is already difficult.

Email is also **very low-cost and very easily testable**. This means that you can try different things: images, offers, layout, colors, word choice, target segments without sacrificing much spend or risking exposure before you have settled on an optimized message. Some marketers, like eBay, even uses learnings from email tests to inform its other media. Email is an easier and more cost-effective place to test product placement, for example, than on eBay.com.

QUESTION 4, CONTINUED:

The larger application of test-and-learn comes at the broader marketing planning level. A prime example is the present crisis—the impact of which is so market specific and even household specific. Locations are opening at different rates and experiences of this crisis vary from household to household. Buying media nationally or with a long lead time, won't let you respond to the particular circumstances of your different customers.

To manage, I suggest that companies **listen as granularly as possible**. Field personnel, distribution partners, consumer sentiment monitoring, and segmented first-party or third-party data can help monitor how quickly business picks up — or gets shut down again — as stay-home orders are lifted. From this information, commit media in select markets but for no more than two weeks at a time. Then use what works in one set of circumstances to model out possible outcomes in similar circumstances in other markets.

QUESTION 5:

When is the time to invest in technology for a customer-obsessed marketing strategy?

Too many companies try to force their strategy around a technology they've invested in: "Let's get our money's worth out of this tool set!" But just as a hammer cannot build a house in absence of builders and a blueprint, technology can't build customer obsession. **Even the very best technology is not a substitute for a customer obsessed strategy.** If you are thinking: "We bought a CRM suite, we should be all set," I would encourage you to reset. Ideally, technology selection comes last in your customer obsession strategy planning.

Determine:

1. Why customer obsession?
2. How should it manifest at your company?
3. What you should do to become customer obsessed?
4. And finally, what technology will help me swiftly get my customer obsession roadmap done?

Ok, I bet a lot of you are thinking about how to apply all of the above steps and recommendations within your company's current constraints. You already have a set of operating goals that you can't ignore. You already have technology you have to work around. **So my last bit of advice here as you think about your company's pivot to customer obsession is to be agile: Just begin.**

It is tempting to wait for a better time, especially right now, when everything feels difficult and unknown. But there will always be something to make change feel difficult. In rapidly changing times, it is actually more risky to maintain the status quo. The world is changing now so quickly. Customers' needs differ from moment to moment. And the rules for where we can go, what is open, how to buy, what is available are completely up in the air. This means, that whatever you have been doing, no longer applies. So you have to try something different. And listening to your customers will tell you exactly what to do.

Customer obsession can guide your recovery or your growth. So just begin.



Agility



FORRESTER®

SHAR VANBOSKIRK, VP AND PRINCIPAL ANALYST

Shar helps CMOs lead customer-obsessed strategies at their firms while also transforming their marketing functions to deliver brand experiences that are relevant to empowered customers. Her specific research focuses on marketing strategy, budgets, staffing, organization, and creating an operating model for customer obsession.

cordial

Send a better message.

Cordial empowers your marketing team with actionable data in real time, so you can convert what you know about your customers into a personal, relevant, and emotionally intelligent marketing strategy. We're here to help you improve customer engagement and increase revenue across all of your messaging channels. Visit cordial.com/learn-more.