

## MINING THE VOICE OF THE CUSTOMER

Economic activity and the well being of societies have been predicated on the production of goods and services. Drivers of economic growth have changed in form or emphasis since Adam Smith first articulated the foundation of economic theory in his treatise 'The wealth of Nations', but the fundamental activity of creating products for the convenience and enjoyment of consumers remains the cardinal means of value creation. It is value addition and the extent to which a product meets specific consumer needs that makes it worth the patronage. Products or services that meet real needs, whether expressed or latent, win the heart of the consumer who in turn is willing to offer a consideration for such service. Indeed nations grow in direct proportion to the size of value added they can achieve, while countries that only trade primary commodities find that they remain uncompetitive, productivity is low and technology deployment is underdeveloped.

If the production of goods and services is the foundation of economic activity, the object of that endeavour is the consumer who needs to have enough trust in the product. When we bear in mind that the product, in most cases, is wrapped up, bottled or otherwise packaged, and the reliability of the item cannot be determined until the product has been used sometimes long after purchase. Firstly therefore reliability is the basis on which the consumer relates with the

product at the beginning, before experience is built over time. Trust can only be built if the product delivers on its promise every single time it is used. In these remarks, I use the words consumer and customer interchangeably, even though we know that in certain circumstances they exhibit unique behaviours.

Secondly, consumers need to perceive real value for the money spent in patronizing such products. Where this intrinsic trust is breached or, for whatever reason, the consumer does not perceive value-for-money, she could become disenfranchised and can take one of many actions, including lodging a complaint, or, as often happens, transferring her loyalty elsewhere. We are all familiar with the statistics that only one in ten dissatisfied consumers complain, and they tell 12 other people of their displeasure. Some are just forgiving and move on, but most would simply switch to alternative products. In designing how we respond to consumer complaints, we must magnify each complaint twelve times to convey the full impact on the future of the business. By contrast a delighted consumer only tells three people on average, because they have only had their expectations met. That's why it is said that there are no marks for meeting consumer expectations. There are only marks for exceeding them. So it's four times harder to gain new loyal users than it is to lose existing ones.

If it is this expensive to lose a customer a customer, we will do ourselves a world of good to understand exactly what the customer desires and how he would like us to serve that need

before we offer a product. If you were still looking for a good reason for a workshop like this, I believe this observation provides one possible answer. This understanding could perhaps help change our standards in rendering service. The manufacturer or service provider then has to balance the productivity and profit imperatives with the responsibility to ensure customers' needs are met, or better still that customers are delighted. My opening point really is that the same activity that is so crucial for development also creates a relationship between the customer, the brand, and the provider of goods and services, a relationship in which the firm carries the biggest responsibility for delivering value and for the safety of the consumer. Such responsibility is not to be taken lightly, especially in a developing world environment where ignorance and poverty limit the capacity of the consumers to take the required action to safeguard their interest. Becoming customer focused must therefore transcend the cliché. A firm that will be customer focused will move the entire organization to think first of the customer, especially in the face of economic pressures or profit imperatives. One paradigm I have been nurtured on and which I strongly commend to you is that the objective of business is not just to make profit, period. It is to make profit so that we can do more good. An ethos like this makes customer orientation a little less of a pain.

The growing complexity and pace of living creates myriads of needs following the dramatic changes in lifestyle of people, and it is unclear if consumerism created brands or the other

way round. What is clear is that the big forces of globalization, driven by liberalization and the advances in technology are shaping lifestyle and creating a convergence in choices like never before seen. These forces have brought down barriers to entry in most industry sectors, created intense competition and erased the advantage of a first mover who must now keep innovating to keep the differentiation edge. The same forces gave the consumer a bigger voice, and subsequently installed him king.

Today, the consumer's interest goes beyond the direct benefits of the brand per se. The decay curve of the loyalty index (if it is allowed to start) has become much sharper, thanks to competition, and consumers are now keen to assure themselves that the values and business methods of the firm, employment practices, governance systems, commitment to environment and corporate social responsibility meet a minimum standard before they offer their loyalty. These considerations are increasingly important to consumers, and they act in accordance with their perception, quite often in non-verbal form, but always in a decisive and resolute manner. Please bear in mind that consumers sometimes vote with their feet, not because their current preferred brand is not good, but simply because someone else offers an alternative they consider better.

If a good part of consumer preferences are expressed in non-verbal form, then that voice has to be deciphered and explored or mined. Listening to the consumer today has gone

beyond the conventional consumer research and focus groups. The consumer does have a lot of latent needs, which have not and are unlikely to find expression through conventional research methodology. The question is how do you tease out unexpressed needs or views? Intuition? A number of companies have created products for which no specific need was expressed, and perhaps the best example from the consumer electronics industry is the Walkman by Sony. Sony simply observed the emerging lifestyle of young people in an increasingly individualistic world and when the product arrived, the consumer believed he had asked for it. Increasingly, understanding or anticipating consumer preferences require that we immerse in the world of consumers. Most new wealth is created when someone, somewhere, does something different because they have learnt something new. This is what innovation is; in other words the application of new knowledge. That new knowledge is called insight, and the interesting thing about insight is that there are no specialists in the art even though there are new methods of gaining that insight or mining that voice. This means that the entire organization has to be steeped in the exercise, more so because we know for certain that the customer wants to take quality for granted, whether of product or service, and we also know too well that quality cannot be inspected into a product. Building in quality means every single activity reflects or surpasses the standard expected by the customer.

One humbling experience I will not forget too quickly was an exercise to simply observe and trail shoppers at the Oke Arin market sometime ago. The power of observation does produce considerable insight on shopper behaviour and the decision processes they go through. The exercise gave us a better insight on how we could get mum to include candies on her shopping list while in the market even though it wasn't on the list when she left home. But perhaps the bigger insight was that sometimes the actual behaviour of consumers is quite different from what they say of themselves and their preferences in a research situation. My point here is that sometimes the consumer is unable to accurately articulate her preferences or needs, but she knows when she has it met.

Mining the voice of the customer could be systematically done in a five- stage process, which helps reliability and reproducibility of the finding. The one question we must learn to ask and seek answers for is: Why? And the one attribute so critical is keen observation.

1. Align our thinking about people with our strategic needs and goals. Alignment is about getting on target with the business needs especially in the time spent thinking about and talking with people and markets. It is also about straightening our thoughts on what exactly the issues are before we commit resources to them. We need to know what we are trying to do and why it is important to our business. For example, I want to understand demographic patterns and how they change over time because it

- impacts on how the market will move and I can put a context to the behaviour of markets. Alignment ensures we focus on the real issues, and that we keep the main thing the main thing.
2. Leverage the information that we already have close to hand. We always have lots of information and data. Lots of valuable data are generated in research documents and which are hardly used, and this can be compounded when a new marketing executive arrives and insists on initiating fresh research. The challenge often is to decipher what is useful information and what is not, and even more tasking is finding what was relevant yesterday but is no longer relevant today. We usually don't have to recreate everything. Leveraging information we have enables to know what we know, and what we don't know. We also can be more focused in deciding why we need to know what we don't know, how it aligns with our business strategy, and what use we could put it to for advantage.
  3. Immerse ourselves in the world of our consumers and customers. The heart of a good insights methodology is listening to, watching, and speaking with the people who really matter - our consumers, shoppers, and customers - or our potential or even former consumers, shoppers and customers. Immersion is not what you can pay an agency for. We have to do it ourselves, and that must include top management right through to the front line. Doing it ourselves takes the filter and personal prejudices of the third party off the raw observation. It is critical to understand what people are really doing rather than what

we think they are doing or what they say they are doing. As we said earlier these could often be quite different. This breadth and depth of experience helps avoid tunnel vision and capture observations of how people are actually behaving

4. Connect information and observations into real insights. This is putting it all together and making sense of them in the context of the problem or issue we are working on. More importantly, it forces the development of our thinking to get to an understanding of people's attitudes and beliefs as the basis for our action, rather than the behaviours we can observe and have recorded. It gets us to go deeper into why people do what they do, and get to the attitudes that underlie the more easily observed behaviours.
5. Execute those insights through innovative, actionable, and advantaged ideas. This is the bridge that connects insight and innovation. Indeed there can be no real innovation without the power of insights.

In the five-stage process, we leave less to chance, and introduce a degree of rigour in the process of drilling the mind of the customer. Because the insights produce real innovative solutions, our product design is far more targeted and we are better able to protect the interest of the consumer and that of the brand. It is no gainsaying that a consumer feels warm about a product or service that seems tailor-made for her because she can see herself in it. Creating loyal and lasting customers demands lots of work and rigour,

but as we saw at the beginning, the alternative is far more expensive, and less rewarding.

These opening remarks are meant to open up concepts, as I am required to do in a keynote statement. I am sure you will have a rewarding workshop today. The presenters are far more knowledgeable in their specific areas than I am, so I will now yield the floor to them. I wish you great success in your deliberations at this workshop, and thank you for your attention

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