

# The Great Rewrite: Profiting From The Customer Revolution<sup>1</sup>

**Leonard Brody**, Speaker and author of 'The Great Rewrite'



↑ Leonard Brody

You can't own your customers. They can walk away more easily, and more loudly, than ever.

That's why smart companies are beginning to treat customers like prized assets, despite what the accounting textbooks say. Recognizing the ongoing value that loyalty brings, companies are rewiring every business function, from product development to their own staffing. Businesses are shifting away from "what can we make?" and "how can we sell it?" to ask questions like "What do our customers want? What do they not want? How do we calculate the value of our best cus-

tomers? How can we improve the customer experience and increase that value?"

Customer-centric thinking rewrites the old rules about where value originates from.

"If you really develop a strong customer relationship, you do put an asset on your balance sheet," said Julio Hernandez, global customer advisory practice lead for KPMG LLP. "You build equity with that customer, and your customer becomes an asset that gives you returns for a long, long time. The whole idea of being

1. Published in Forbes, Junio 2019 de 2018. Available in: <https://www.forbes.com/sites/kpmg/2018/06/19/the-great-rewrite-profiting-from-the-customer-revolution/#7b6e87b56c76>



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KPMG

customer-centric is: How do you build equity with these customers who are going to keep coming back to you, who are loyal to you, whom you can build your brand on?”

Customer-centricity can be defined very broadly, or narrowly. Broadly, it means creating an experience for customers that transcends products and prices. KPMG says customer experience is likely to overtake price and product as the primary brand differentiator. At Chick-fil-A restaurants, it's enthusiastic “team members” who make every customer ordering a \$3.69 sandwich feel great. At electric-vehicle maker Tesla, it's building wireless links into its \$75,000 cars that help it diagnose 90 percent of issues remotely — and send mobile repair vans when needed to wherever its valued customers are located.

At software company Trello, it's making customers part of the product development team. Trello is a cloud-based project-planning tool for groups that uses a metaphor of posting “sticky notes” on boards. The company uses its own software to post a public road map of its development plans, a board where it can take suggestions from its passionate user base. The company feels that publishing the road map builds trust and gives its ardent fans a sense of ownership.

With 25 million users, some using the software for free and others paying for advanced capabilities, Trello receives a wide variety of input. In modifying its software and adding features, the company is constantly aware of balancing the needs of power users with those of more casual users. “If you only pay attention to the power users, you forget about a lot of people,” said Michael Pryor, Trello's head of product. “We have 25 million, and we're really building Trello for the next 75 million.”

One component of customer-centricity is using data to determine where to devote customer-focused resources. Managers need to identify customer experience measures that have a proven connection with financial value. And then companies must invest in what it takes — people, technology, information, infrastructure — to bolster the activities that drive value.

“If we could see numbers shining over every customer's head — this is their future value to us — we would run our businesses differently,” said Peter Fader, a Wharton marketing professor and author of “Customer Centricity: Focus on the Right Customers for Strategic Advantage.” “That's the easy part, by the way. It's hard to get a company to pivot its thin-

king to focus on the measurement and extraction of customer value, as opposed to costs.”

Fader’s view of “customer centricity” is strict. He says it’s not about pleasing everybody.


“It’s just not that efficient to be bending over backwards for every single customer,” he said. “Is there an 80/20 rule out there? What would be most attractive to our best customers, and how do we attract more like them? What can we do for them and with them to enhance their value? Can we surround them with a suite of services that make price irrelevant?” Consider Amazon Prime and its 100 million members, Fader says. Amazon recently raised the price of a Prime subscription, but do people know what they pay for Amazon Prime? Do they care?

“Today, our best experiences have become our expectations — we no longer just compare a company to its closest competitors but to whomever sets the standard for our best experience as consumers,” KPMG’s Hernandez said.

One company that frequently tops the field when KPMG rates companies in its annual Customer Experience Excellence report is USAA, which provides insurance and other financial services to military families. USAA is celebrated for its human touch with its “members,” who tend to sign up for more financial products with USAA than customers of other financial providers do.

“We’re not treating you as an insurance customer or a banking customer or an investment customer,” said Meriah Garrett, the company’s chief design officer. “We’re treating you as a member, with your best interest in mind. Maybe it’s not the best thing for your financial health to own a car right now, so we’re not going to try to sell you that auto loan and insurance.”

USAA members can speak with empathetic representatives who may have military experience of their own, but the 96-year-old company says 95 percent of its customer interactions are via digital channels. Military families may be dislocated, and they need convenient access. USAA has a voice-interface app through Alexa. It built a customer experience design center in Austin, Texas, to create digital interfaces that adapt to each customer’s priorities, extreme personalization using technology.

“We have data to help understand members and their behaviors. If I’m a member who is living paycheck to paycheck, I want to see a very different view than a member who has really robust investments,” Garrett said. “It comes back to the fact that on a day-to-day basis, we’re working through that lens of human need, empathy, listening. Great ideas can definitely disrupt markets. But on their own, they don’t create connection, and they don’t create loyalty. Our ultimate goal is connection with our membership.” 



*Don Steinberg contributed to this story.*

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