



BECOMING CUSTOMER OBSESSED

How you can deliver greater business value



BECOMING CUSTOMER OBSESSED

In a world where change is the only constant, customers have an ever increasing number of brands to choose from. At the same time, what that brand means to a person continually shifts and evolves as their needs constantly change. It is only the brands that authentically deliver what customers truly need or desire that will succeed and endure. Businesses need visionaries who can deeply understand their customers' moods and minds on a human level in order to deliver true customer value. It is these visionaries who are able

to develop the type of emotional customer connections that form and strengthen mutual and personal relationships, creating a type of engagement through which change can flow more easily.

Through Savannah's collective 75 years of experience in marketing and customer leadership and by speaking to a range of expert contributors, we explore what it means to be customer obsessed and how leaders are creating customer obsessed businesses today.

KEY TAKEAWAYS:

Why customer obsession is important

- Only when leaders understand the humanity of customers as real people, can teams provide greater value for them.
- Customer obsession can help focus a product or service business to deliver differentiation that customers value, to drive engagement, boost retention and protect margin, but while this differentiation should flex, purpose endures.

Key leadership characteristics for delivering customer obsession

- It takes a blend of empathy, determination and humility to create learning collaborations, and a true service mindset to be a customer obsessed leader.

What leaders can do to create customer obsession

- Define the purpose and culture for customer value
- Set objectives which create customer value
- Set strategy for what customers feel, not just what they do
- Fuse customer data and human insights together
- Champion customers in boardrooms and across organisations
- Develop customer obsessed people and teams
- Have a growth mindset of learning and customer curiosity
- Create a culture of **collaboration**, not just **presenteeism**, from multi-functional teams



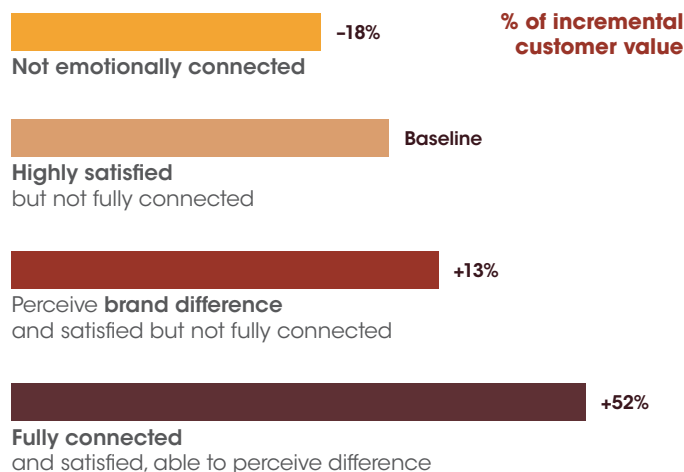
CUSTOMER OBSESSION AND WHY IT'S IMPORTANT

In order to build tangible customer value, leaders need to have empathy with and proximity to customers' need states and mindsets. Savvy businesses understand that when they are able to connect with a customer emotionally the payoff can be huge. A study published in the Harvard Business Review found that brands that connect emotionally are able to generate 52% more customer value. They cited an international bank who introduced a credit card for Millennials that was designed to inspire an emotional connection. Use among the segment increased by 70% and they had a 40% uplift in new account creation.

When searching for customer obsessed leaders, we are looking for the **individuals who have a fixation to drive strategy and actions that deliver greater value for customers by embedding the customer's real perspectives at the heart of the company.**

Our experience shows that when leaders embrace customer obsession, they develop the potency of their team's thinking, harness the power of eclecticism in their team's design, and rally the team dynamic around improving customers' experiences.

CONNECTING EMOTIONALLY GENERATES 52% MORE CUSTOMER VALUE



Source: Magids, Zorfas & Leemon, Harvard Business Review



WHAT LEADERS CAN DO TO CREATE CUSTOMER OBSESSION

Leaders who build teams that can harness the power from a brand's transparency, reciprocity and accountability are often those who can earn customer trust over time (**IBM Build Your Trust Advantage**, Global C Suite Study, 20th Edition).

DEFINE THE PURPOSE AND CULTURE FOR CUSTOMER VALUE

The purpose of the brand is central to retaining a focus on customer value. Michelle McEttrick, Group Brand Director at Tesco describes customer obsession as requiring two things: "Firstly, a real belief across the organisation that commercial results will come from satisfied customers. At Tesco, our purpose is to serve Britain's shoppers a little better every day. This drives our continual quest for operational and marketing improvement" says Michelle, "and it means we are laser-focussed on delivering compelling commercial results from genuine customer value. Secondly, and more practically, the customer must be the springboard in any decision-making. If something does not work for our customers, then we find something else."

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Creating a culture of learning can also reinvigorate a company's purpose, as James Thompson, Chief Brand Officer at Avon explains, "At Avon we talk to consumers every single day via our reps. But we learned that we had stopped treating these conversations as meaningfully valuable and thought more of them in terms of transactions. We lost sight of how our reps actually sell; one real human being chatting with

another, with respect. We had forgotten what made us great in the first place – our social purpose, the north star of Avon, where we help customers feel better, and help women earn money to improve their families' lives. The business opportunity we now have, by returning to our purpose and it defining our products and promotions, is extraordinary."



The values, culture and purpose of a business are integral to building customer engagement and trust. Living and behaving values, culture and purpose will build a more customer obsessed business. As Jocelyn Robiot, former Chief Marketing Officer at adidas explains, "Customer obsession is vital, as long as it doesn't confuse who you are, what you stand for, and what you believe in. We should have the confidence and courage to stand by these. The "why buy" should be defined from the start, and you should be able to explain it simply, so that everyone in the organisation gets it, grabs hold of it and makes it their own. Consumer insights are invaluable, but don't let them confuse and complicate – they should never shake your values."

SET OBJECTIVES WHICH CREATE CUSTOMER VALUE

Businesses and brands need objectives aligned to increasing customer value. Tim Grimsditch, former Chief Marketing Officer at Thread outlined how their growth strategy had been unwavering from the needs of customers, and he prevented his view being shaped by anything other than understanding these changing needs. "There are many daily commercial demands, category changes, competitive activity and everything else, and in part, it's my role to limit any distractions that take our eyes off our consumers." Tim discusses developing consistent relationships with customers, and how every part of the business should be equipped to reinforce them. "It's not about touchpoints, it's always; what are we doing to help our customers and how do we communicate this throughout the whole business?. All our objectives are rooted in helping customers."

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For Emily Somers, former Chief Marketing Officer at Domino's, customer obsession has been etched within her from the outset of her career, and, when developing a strategy, Emily always asks herself and others, "What do we want customers to think, to feel and to do differently?" Identifying the desired customer impact has become a pillar of Emily's leadership. "Our strategies are built around business objectives, hand in glove with customer objectives. Any work to deliver these strategies is then judged through the lens of the extent to which it creates value for the customer." And this in turn provides inspiration and focus for Emily's teams, with their ever-present customers at the core.

SET STRATEGY FOR WHAT CUSTOMERS FEEL, NOT JUST WHAT THEY DO

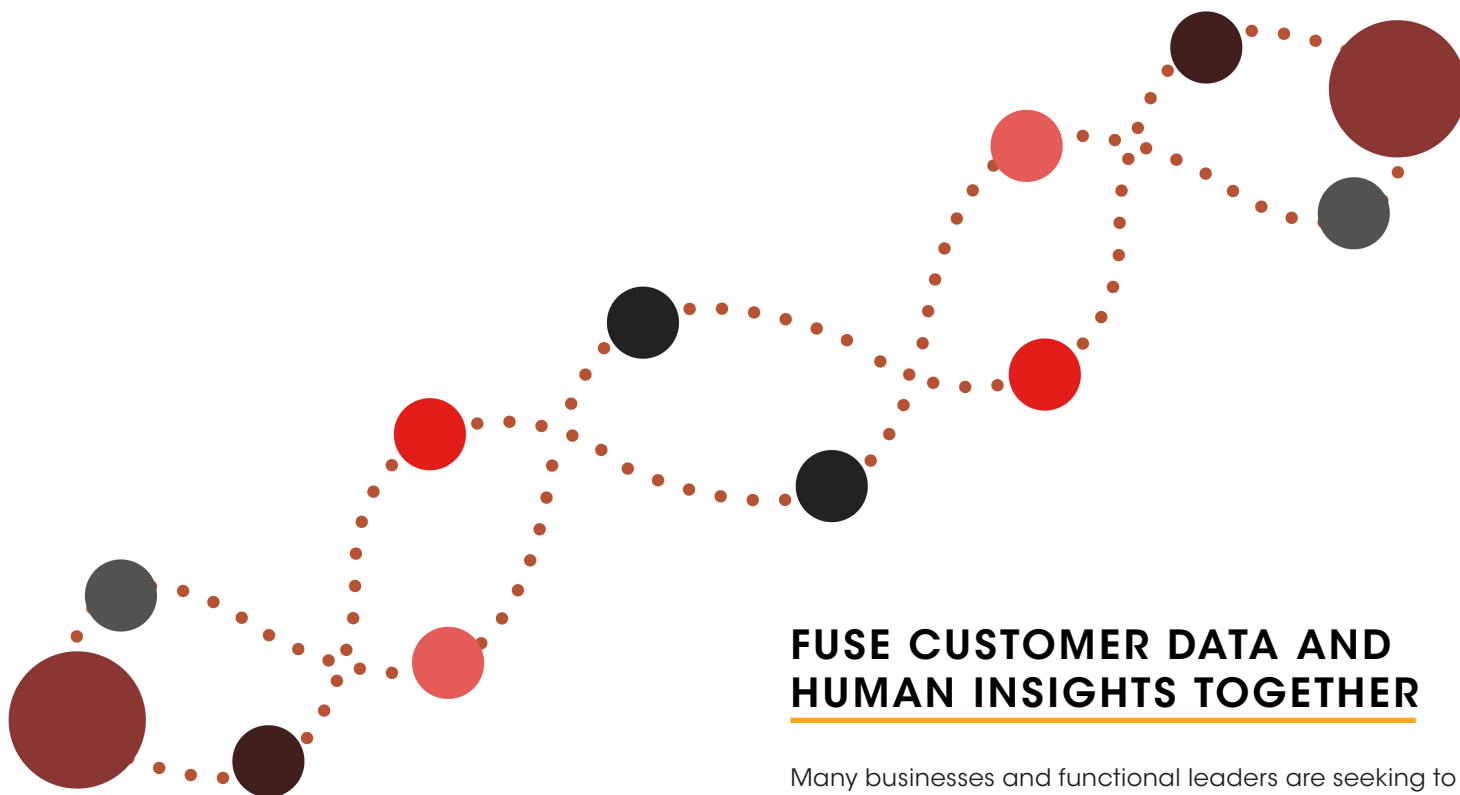
All of our contributors talk about the necessity of understanding how their customers feel and not just what they say or do. It's these high value insights that exemplify consumers as people not just data points. There is a need to bring the customers' humanity and emotional drivers to the fore to enable deeper organisational-wide understanding and more effective planning.

For adidas, understanding customer attitudes and not just behaviours was crucial in driving the brand's turnaround strategy from 2015-2019. As Jocelyn Robiot (formerly adidas) describes, "In a robust and extensive business strategy document for the Board illustrating the turnaround plan, the consumer targets and mindsets were specified from the start, on page two."

James Thompson (Avon) agrees with that approach, outlining that, "Constant over-reliance on research changes things on a daily basis when a strategy should endure. Organisations should build marketing and customer strategies on both softer emotional levels and harder data levels; you need both. Then, garner true internal commitment borne from shared and deep understanding, not just by using research as a justification, or worse, as a defence shield."



Of course, planning (rather than strategy) can be short term, reactive and agile when commercial imperatives require it to be. Abigail Comber, Chief Marketing Officer at Debenhams discussed current retail market challenges, and noted that with the changes to consumer behaviour resulting from Covid-19, her team ditched boggy and static data reports which were out of date by the time they were compiled. "Instead it's been far more insightful to look at real time weather forecasts given people are at home, and work cross-functionally at warp speed to pivot to promote loungewear or summerwear that our customers actually need." And her approach will continue beyond the current pandemic, "We've learned that we can access far more indicative and current customer insights than trend data which can become obsolete overnight."



FUSE CUSTOMER DATA AND HUMAN INSIGHTS TOGETHER

Many businesses and functional leaders are seeking to build a customer obsessed business which can blend both data and human insights together to develop customer strategy and actions.

Paul Davies, Marketing Director at Microsoft notes that while all CMOs would say they're customer centric, "The difference is when we create action from consumer insight, when we understand and pre-empt what customers think and need, a brand can behave in a far more compelling and relevant way. It's brand behaviour that counts for more with consumers than brand claims." Paul always encourages his team to define insight fully at the start of any project or campaign. They seek to find new patterns in data that haven't been spotted before, and blend these with stimulus from different places, people and sources. There is a clear value difference between great agency partners that nail the right consumer insight from the outset and go on to develop more impactful campaigns and those that might retro fit an insight they'd overlooked at the beginning. Several of our contributors also believed in ensuring their agency partners know they will be judged on the quality of their customer knowledge and insights.

Emily Somers (formerly Domino's) presented the case for customer data being levelled with a heavy dose of common sense: "We don't only rely on point-in-time data sets, we layer on our knowledge of our business, our brand, our market and our customers."

Emily coaches her team around what is data and what is insight. "It's consumer insight that leads to powerful brilliance, and that's why I build teams that are naturally curious, questioning and imaginative so that they can blend data and insight together when forming strategy and campaigns."

"Marketing should be a blend of evidence and emotion" agrees Jocelyn Robiot, (formerly adidas). Emotion can meet the "why buy" demands for consumers when evidence can meet their "how to buy" demands. For example, the design and functionality of adidas' check out button on their website would never involve a creative director. Instead it would involve consumers. As Jocelyn explains "For the "why buy" we can use a blend of insights, opinion and emotion, but it's the consumers that vote for the "how to buy", by geography, product, channel and market."

Data alone is not insight, and data is only as good as the data sources used. Evidence and emotion can be employed in different ways, but one without

the other does not reflect the full consumer picture. Abigail Comber (Debenhams) explained that when utilising data in high street retail, the data alone would not have informed her team which customers were enjoying a coffee in store rather than shopping in store. The data did not take the emotional and psychological state of these customers into account and hence, in isolation, was not helpful in marketing planning. She believes there is a great opportunity for analytics teams to bring the human story to life. "When we know the human story and underpin it with data, we have a stronger opportunity to predict the return on marketing investment." During her time at British Airways, Abigail ensured marketing objectives were centred around customers as people. Customers and their air travel were not "data", they were people going on holiday, honeymooning, getting home tired after a meeting, "They're life moments not air cargo!" So, Abigail set objectives that were customer-driven, and used human, real language, applied across the business, so that emotive customer outcomes were discussed, not utility travel results.



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Insights themselves should be broken down to assess how predictive they might be, how important they are in market, and how they impact the entire customer funnel. Barnaby Dawe, former Chief Customer Officer at Pret explains that in understanding each, it becomes easier to recognise how to help a business enter new markets and engage new customer cohorts more effectively. Barnaby strongly believes in demonstrating to the Board how business-critical customer insights really are. For example, he regularly proves to Boards how insight-led TV, designed to achieve emotional connectivity, drives efficiencies throughout the consumer funnel, most markedly in last click channels. “We must always demonstrate the effectiveness of marketing spend to the Board, to help balance marketing strategy with marketing tactics.”

It’s equally important not to view insights as just the role of one person or one team. Insights should be everyone’s job. Tim Grimsditch (formerly Thread) argues that “everyone should be generating customer insights, and when they are, organise them for strategic and tactical development. Make sure people join customer calls, whether they’re in product, technology, operations, marketing or in finance, they need to be closer to customers to help insight generation.”

Of note, a separate but related C-Suite study on “Customer Intimacy” was led by CIONET in 2020. (CIONET is a global network for technology and information leaders.) Three of their conclusions were particularly relevant in the context of leveraging data and human insights:

- **Do less things.** Stop optimising, start prioritising. Focus on business continuity by delivering only customer centric solutions that enhance the customer journey.
- **Do things differently.** “Just-in-Case” replaces “Just in Time”. Focus on organisational agility by using the ‘voice of the customer’ to influence all decisions across the organisation.
- **Do different things.** Prepare for the “Ultra-normal”. Re-envision the business by focusing on new value-creation for the customer, enabled by new technologies and associated partnerships.

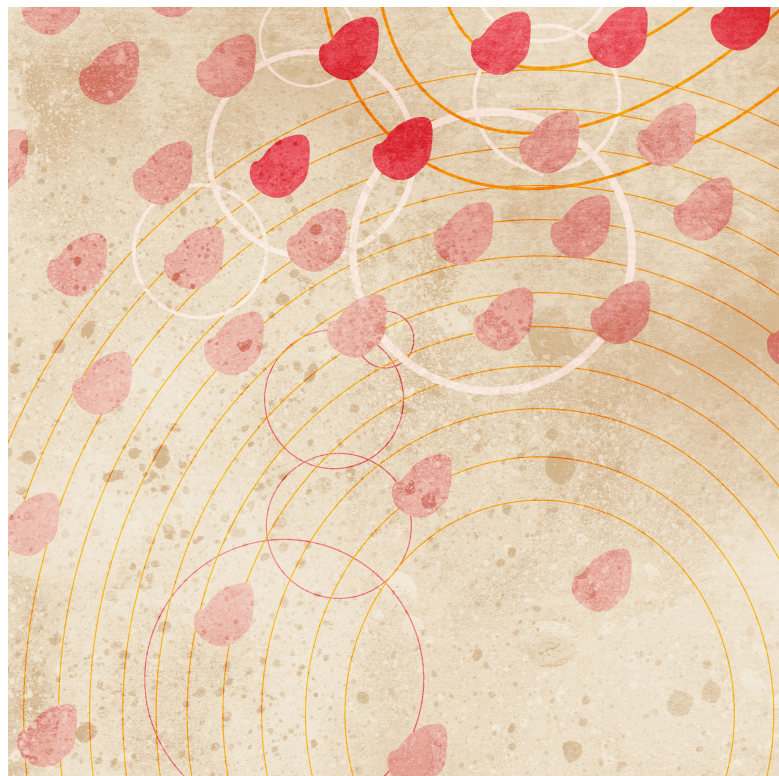
CHAMPION CUSTOMERS IN BOARDROOMS AND ACROSS ORGANISATIONS

Marketing and customer leaders should position themselves as the guardians and advocates of customers, not the owners, in every Board and Executive meeting. Building a customer obsessed organisation starts in the boardroom because ultimately the board sets the strategy, defines the values of the business, and grows company culture.

However, Boards often spend too much time asking who their customers are in academic terms. "The last thing you should do is put a cohort pen portrait on the wall and expect the organisation to benefit from it," explains Barnaby Dawe (formerly Pret), "The CMO needs to be communicating at all times with the customer in mind across the organisation, with facts, evidence, insight and humanity. And we need to make our decisions with customer sovereignty in mind."

The role of marketing isn't to own the customer but champion the customer, by taking the customer conversation to the Board, and ensuring the Board is asking questions like, "what does it mean for the customer?" and, "what impact did it have on the customer?" "Always ensure marketing's slice of Board meetings is rooted in customers," explains Emily Somers (formerly Domino's). "Creativity, brand, communications and anything else in marketing is all in service of the customer. But these are terms that might be more conceptual or impenetrable for a Board when customer impact is not."

To help Boards better understand these concepts, make customers a personal reality. During her time at British Airways, Abigail Comber (Debenhams) knew that the loyalty of customers and its role in creating future revenue was driven by their experience of how BA got them home for personal or business needs on a particular day. She addressed the Board; "When we know our customers' needs on any particular day,



revenue potential becomes clearer." She recalled an occasion when a flight had to be cancelled and, instead of reporting the cost of doing so in terms of stock, staff and fuel, the then COO stated "we have ruined 365 peoples' day today." "It had a profound effect in forging our customer culture - after all, we are human too."

Embedding customers in company culture should start at the Board and then permeate throughout the organisation. To help the organisation challenge their thinking about how well they understood the customer, Paul Davies (Microsoft) changed their focus on product launches to firstly serve the customers who are fans. Paul understood that these fans can authentically promote the brand best. He explains, "We create fan programmes to leverage the love of the brand to best effect. For example, traditionally we invited the press to product launches to help them write favourably as influencers. Today, influence is democratic. Anyone can be an influencer, so we launch to fans first who appreciate the chance to celebrate with us."

DEVELOP CUSTOMER OBSESSED PEOPLE AND TEAMS

The right skills, attitude, leadership and structure needs to be in place to ensure an organisation is best set up to create and embed customer obsession. Hiring and retaining the best people is a critical activity for any business function, and, particularly for customer obsessed businesses.

Having a growth mindset of learning and customer curiosity...

In a fast-paced business environment, the person who learns is more important than the person who knows. As James Thompson (Avon) notes, "Technical competence and track records are important. But I look for those who can apply the 'so what?' I would always back the person who asks the right questions and wants to build their knowledge, over those who bring expertise. Those that want to make the market their way rather than play by market rules. I don't want those who apply models from previous experience. I want people that piece information and ideas together to form an entrepreneurial force. Then, we can turn consumer insight into a bit of genius. And these people are very hard to find."

It's always highly important to blend the right mix of people in teams but this can be difficult depending on the skills and qualities of an existing team. David Parslow, Group Marketing Director at TalkTalk describes how fortunate he feels that he is able to build a new team from scratch as his company relocates. "Usually I would develop, educate, and skill people depending on the gaps and needs of the team which of course takes time." On this occasion David has been able to create a new team with the right blend of skills and specialisms and "All with an attitude of customer first, all with a collaborative nature, all with high levels of curiosity." David talks passionately about how they have worked really hard to apply a customer attitude/approach into the fabric of who they hire, into the content of their job descriptions, and into recognition and reward in appraisal systems.

Collaboration creation, not just presenteeism, from multi-functional teams...

Michelle McEttrick (Tesco) highlights the importance of team-building: "Firstly, language is important. At Tesco, we do not have a marketing team, we have a customer team. And we make sure that in everyone's individual objectives, there are customer measures." Michelle talked about the importance of the multiple teams working together to deliver for the customer. "In retail, we focus on our customers in product, channel, supply, promotions, in every function." If one of these teams doesn't play their part then we will fail our customers."



Other businesses go out of their way to challenge traditional team structures, for instance by adding finance colleagues into the marketing team. Barnaby Dawe explained how at Pret this helped provide the language link for the Board in terms of cost and revenue, but also to help with broader analyses, financial management, forecasting and measurement. This ultimately helps provide the CFO, and wider Exco, oversight of the monetary value of customer obsession.

David Parslow at TalkTalk had a similar view. "The pandemic forced us to accelerate our plans to fuse the marketing, finance and ops teams together and marketing now understands more than it did about the operational impact of our work. This will be a long-term change. It's brought us together for the benefit of customer experience and we understand far more about customers together than we did as more separate functions."



LEADERSHIP CHARACTERISTICS FOR DELIVERING CUSTOMER OBSESSION INSIDE AND OUTSIDE ORGANISATIONS

So what are the characteristics that businesses should be looking for in identifying customer obsessed leaders? From our collective research, experience and conversations with our contributors, we've identified four key characteristics of customer obsessed leaders:

Empathy: We find that the best leaders of customer obsession build a deep human understanding of their customers' highs, lows, lives, communities and circumstances. These leaders are passionate about identifying with customers' problems. Not just the what but the why.

Determination: Leaders must have the determination to surprise and delight customers by going beyond their expectations. They must go further than just having the resilience and patience to resolve customers' problems.

Humility to create learning collaborations: Leaders that invest in the power of teams, draw strength from different points of view, are open about not having the answers and create a safe environment for anyone's valuable contribution tend to be strong collaboration creators. And the creation of collaboration goes far beyond just having the right people in the meeting. Those who have the humility to seek critical feedback on how ideas may fail, can really learn, and thus go on to iterate more valuable actions for their customers.

Service mindset: Leaders that genuinely believe that all their work is designed to serve their customers, tend to develop teams, strategies, plans, actions and reactions that allow them to thrive commercially as customer advocates. In turn these leaders deliver stronger NPS or emotional customer engagement scores as indicators of brand relationships which customers feel satisfaction from, leading to a greater share of the customer's purchase inclination and spend.



In addition, there is much discussion on the topic of leading in a VUCA world (volatile, uncertain, complex, ambiguous), requiring real agility. Our leadership assessment partner SOVA, identified the four **A's** of agility, based on the research and writing of Dr. Kiran Chitta:

- **Achievement** (impact from results; making a positive difference)
- **Aspiration** (learning in uncertain conditions; embracing the new; navigating through ambiguity to provide insight)
- **Acceleration** (catalyst for transformation; blending pace, creativity and tenacity to achieve results despite change)
- **Alignment** (seeking diverse perspectives; role modelling collaboration; creating emotional alignment for shared purpose)

At Savannah, we ensure that the customer features centrally in each of these four A's of agility, in order to help our clients acquire the right customer, marketing or commercial leader to be more customer obsessed. We believe that curiosity for and empathy with customers' need states and mindsets, are fundamental requirements for building tangible customer value. We find that when leaders embrace this, they can demonstrate how they develop the potency of their team's thinking, harness the power of eclecticism in their team's design, and rally the team dynamic around improving customers' experiences.



CONCLUSION

In conclusion, both our contributors and our experience guide us to find leaders who continuously learn how to make their brand, product, service and teams **better and different for customers**. Because at the most basic level, if a target customer doesn't experience better and different, they'll pay less or not buy.

We are in a world where change is the only constant, the proliferation of customer choice is intensifying and customers are demanding enhanced and meaningful

value. Therefore, the leaders and companies who think they are customer centric but do not behave that way, will, inevitably, erode their advantage.

When we are asked to find leaders for marketing, customer and commercial functions, we need to understand how a candidate might build customer advantage for commercial impact. Those that always ask, of themselves and others, **"what does it mean for our customers?"** are the future.

In the spirit of always wanting to learn more about what customers want, think and feel, **we'd be keen to hear your feedback** on what parts of our paper challenged your thinking or inspired you to take action in your organisation. Future reports will continue to bring insights from a selection of experienced marketing and commercial leaders and your feedback helps us improve those reports and make them increasingly relevant to you. **Find links to our contact details on the next page.**

Thank you to our contributors in this edition who gave us their valuable time and insights:



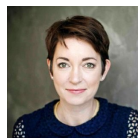
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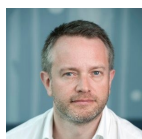
Jocelyn Robiot
Former CMO, adidas



Barnaby Dawe
Former Chief Customer Officer,
Pret a Manger



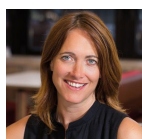
Michelle McEtrick,
Group Brand Director, Tesco



David Parslow
Group Marketing Director,
TalkTalk



Paul Davies
Director of Marketing and
Audiences, BBC
(at time of interview, Marketing Director, Microsoft)



Emily Somers
Former CMO, Domino's



Roger Camrass
Founder, CIONET



James Thompson
Chief Brand Officer, Avon



Dr. Kiran Chitta
SOVA Assessment Ltd.



Jenniffer Gearhart-Tang
CEO, Innov8 Ltd



Tim Grimsditch
Former CMO, Thread

ABOUT SAVANNAH'S CUSTOMER, MARKETING & COMMERCIAL PRACTICE

Customer knowledge has always been at the heart of the strongest marketing and commercial functions. Our practice helps companies build upon customer knowledge, to become companies who are customer obsessed.

To deliver this level of understanding takes leaders who have developed pin-sharp customer focus, and an ongoing obsession to put customers first. Guided by purpose, enabled by technology, informed by an understanding of consumer psychology; they work the data sets to unlock deep insights into their markets.

Our extensive experience within this space means We know how to identify and assess those rare candidates who drive amplified growth by building the closest possible connection between brands and the people who use them.



Nick Hart

Practice Lead – Interim

Nick is an experienced executive recruiter, having spent well over a decade placing senior executives across a broad range of sectors and industries.

Nick leads our interim Customer, Marketing and Commercial assignments, with the majority of his appointments being for interim leadership roles at a C-Suite or Director level.

A significant amount of Nick's work comes in Private Equity or Venture Capital backed businesses where the urgency for growth, often based on an impending exit or a deal cycle, makes quick access to senior commercial resource a really attractive proposition for investors, boards and senior leadership teams.

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Tim focuses on executive and non-executive appointments into the Leisure, Hospitality & Travel sectors, advising boards on building and shaping world-class teams. Tim has built an exceptional track record with a primary focus on senior management particularly across marketing, customer experience, digital, commercial, sales and service, both in the UK and internationally.

Tim's dedication in his work has enabled him to gain an outstanding reputation, a phenomenal network and an extremely loyal following from both clients and candidates alike.

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About Savannah Group

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