



CUSTOMER
CENTRED
STRATEGIES
AND THE
IMPORTANCE OF
ANALYTICS

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Customer Centred Strategies

And The Importance of Analytics

For the last 20 years organisations have pondered how to best use data flows across every aspect of their business to improve top and bottom line performance. As technology has advanced at breakneck speed, organisations have been presented with more and more ways in which to capture and analyse data.

Fundamentally, the retailers who want to build a long and profitable relationship with their customers need to have an agreed strategy which is founded on answering a number of critical questions:-

Why are we collecting this data every time and through every channel our customers interact with us?

Has the business defined what it is going to do with the information once we start collecting it?

Are our collection processes efficient and customer friendly?

Can consumers efficiently share their views with us and are we seen to respond

Are our customers clear on what we are doing and do they understand the benefits to them

Can we deliver personalised customer value on the back of this data?



The CEO needs to know that a person at their board table is responsible for delivering on the strategy and capable of bringing all departments of the organisation together to maximise the value of the data for the business.

Most importantly the organisation must have KPI's (Key Performance measures) which are understood and measurable.

In the best organisations they build their businesses for the long-term, by focusing on looking after their most valuable customers. They understand that what gets measured gets done. If we look back at the banking crisis one of the fundamental issues was that banks did not look after their core customers and did not focus on building their businesses for the future through minding and harvesting this core customer base. Instead banks across the globe broke the most important rule of building your business through creating advocates - they went out and offered better mortgage rates, better insurances quotes etc to customers who had shown them no loyalty. What is amazing is that even today many organisations in financial services continue to make the same mistakes.

The most customer centric retailers who predominantly operate in the food retail and hospitality sectors understand how to create advocates. They live by the following simple, but critical KPI's:-

Number of customers per week

Average customer spend

New customers

Lost customers

Depending on the type of business the best retailers have their own concise way of defining and measuring these critical KPI's. Data is captured and utilised across the organisation to improve the KPI's. They are using the data to meet customer's current needs but more importantly to predict their future needs.



It is only in recent times that we have seen an early growth in retailers outside of the above sectors really starting to realise the benefits of capturing vital customer data and turn it into insightful value add actions for the business.

Strong examples exist in the highly competitive fashion sector, where it is a constant challenge to maintain a winning relationship with customers who have so much choice in terms of both brands to shop and channels by which to engage.

The early adapters are now seeing the benefits of capturing the detail behind each customer interaction. Knowing your customers preferences - such as sizes, styles, colours, price, seasonal choices, enables you to influence their behaviours and loyalty.

Despite the fact that loyalty programmes have been around for a while now the leading customer centric organisations are only now developing a clear picture of each customer's preferences and then marketing accordingly.



Marketers tend to focus on customer acquisition, without really thinking about their most valuable customers. Consider the facts: New customers are cost-sensitive and tough to convert; the average conversion rate from promotions sent to new customers is low, about 1%. On the flip-side, not only do loyal customers account for the majority of visits to your business, they are far more receptive to promotions and special offers, significantly easier to up-sell, and over a lifetime spend an average of ten times more with your brand than new customers.



Vitality your most loyal customers are in the habit of telling family and friends about their best experiences.



In summary, have a clear strategy for why and how your business is capturing customer data. Develop KPI's that are relevant to you and make your customers an integral and positive part of the process.

Deliver customer value which clearly shows that you have taken the time to understand what they like. Loyal customers are the most valuable and will by their nature attract new customers to you.

Finally, as technological advances mean that consumers can engage with every brand at a time and place that suits them we must have gather the data across every touch - point in the new Omni-channel world.

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