

# Earning A Seat At The Table

## Developing From Information Provider To Strategic Sparring Partner

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**Most companies today acknowledge the importance of customer centricity and tune in to customers' needs, desires and behaviors. Many struggle, however, anchoring these learnings as a basic ingredient in decisions concerning product development, innovation and customer intimacy. Based on an exhaustive study, I propose a framework that helps leveraging the impact of customer understanding in your organization.**

### Through customer insight towards customer centricity

Companies have put considerable effort in capturing the 'voice of the customer' for over half a century. Traditionally through marketing research, but the rapid development of technology in the last couple of decades has made the field far more multidisciplinary. Today, customer understanding, or 'customer insight' as it is often labeled, could be gained by distilling information from a broad array of sources such as surveys, transactional data, ethnographic observations, social media and many more. Above, the importance of putting the customer at the heart of the business is getting higher priority on corporate agenda's. These trends suggest a visibly growing role for those professionals involved in getting to know the customer on a daily basis, such as marketing researchers and market and database analysts. All too often, however, these professionals are still perceived as mere information providers and are struggling to get the proverbial 'seat at the table'. As a result, customer based learnings are used far from their potential.

Based on a thorough research among a number of large Netherlands based companies, I propose a framework that helps leveraging the impact of the customer insight capability and ultimately, will help to make the organization operate more customer centric. In a nutshell, the framework provides the basic ingredients to develop the customer insight capability into a high impact strategic sparring partner. I will guide the reader through the following subjects:

1. What is customer insight?
2. The mature customer insight capability
3. The conventional customer insight process
4. Why things go wrong
5. Characteristics of a mature customer insight capability
6. Moving up the customer insight maturity grid

In discussions about this subject, terminology varies, often depending on the type of organization and the kind of data sources being employed. Some companies talk about research, others about insight or intelligence. Some talk about consumers, others about customers. Although I acknowledge the logic and subtleties of these differences, within the context of the observations and discussions described in this article, I consider these differences as trivial and will use the term 'customer insight' (insight') as an overarching concept, including all variations used in day-to-day language.

Box 1: **About terminology**

The proposed framework is primarily based on the exhaustive study 'Customer Insight: Time for an Overview' by Voskuyl and Van Ossenbruggen (2011). This study is based on a substantive literature review and forty in-depth interviews. A broad array of experts working within the customer insight domain was interviewed. Above, interviews were held with providers and users of customer insight working within 12 companies which were identified as best in class at collecting, using and applying customer insight through a survey among marketers in the Netherlands. All of the selected companies agreed to participate in this study.

#### Box 2: **The fundamentals of the framework**

### **What is customer insight?**

Lots has been written about customer insight as a concept in both scientific journals and industry magazines. Unfortunately, these efforts haven't resulted in a generally accepted understanding of what customer insight is or should be. As it covers a broad domain with many perspectives and professions, the concept is discussed in many different ways. One author might focus on the synthesis of different data streams, while the other might define it as the completeness of customer understanding. Heaping all definitions of customer insight together, however, and analyzing these bit by bit, there turn out to be three reoccurring elements.

First, the study shows that even at this day and age, lots of decision makers are still relying on their intuition and are sensitive to random quotes from whatever source. When there are already 'good' ideas in the minds of decisions makers, additional research is often regarded as a waste of time and money. But a customer insight should be substantive and never be based on a hunch or a single observation. Although this might sound like an open door, it turns out it is not so obvious for professionals that are more driven by 'making things happen' rather than by 'doing things right'.

Second, just observing is not enough. An insight has depth. If one doesn't understand *why* customers behave or feel a certain way, it is unlikely that the mere observation will lead to a good idea. Think of a traditional research report: lots of *what*, but usually a total absence of *why*. I believe that it is this growing need for understanding context and culture that explains why observational research like ethnography and semiotics have (re)gained popularity over the last decade.

Picture a manufacturer of canned soup. He might observe that lots of customers put extra ingredients in soup from a can. He might conclude from the mere observation that he should put extra ingredients in his product. Which in this particular case wouldn't make sense at all: the reason why customers put extra ingredients in their soup is because they want to have the feeling they have contributed to the meal on the table and didn't 'just' warm up the soup. An application of this insight that makes more sense might for example be menu suggestions on the can label.

#### Box 3: **Example 'the why beyond the what'**

Third, a customer insight should have *relevance*. It is nice to know that an insight is backed up by some solid piece of research and understand the why beyond the what. But if the insight lacks the potential to make a link with the business, you shouldn't call it an 'insight'. Think of the traditional research support again: besides the 'why', the link with the business issue that got the project started in the first place is often weak or even missing.

These three key elements together form a concise and actionable definition of customer insight. Using these ‘pillars of customer insight’ (visualized in Exhibit 1.1) manages expectations and serves as a simple guide for any briefing, report or presentation produced.

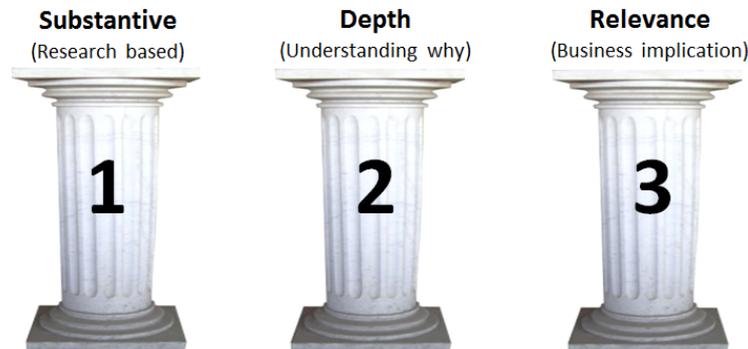


Exhibit 1: **Pillars of customer insight**

Customer insight experts Steve Wills and Pauline Williams<sup>1</sup> make a distinction between ‘customer insights’ (plural) and ‘Customer Insight’ (singular). The former they describe as “*those flashes of inspiration or penetrating discoveries that can lead to specific opportunities*”, the latter is “*all about having a deep, embedded knowledge about the customers and the market around us that helps structure thinking and sound decision making*”. It is “*something that almost everyone in the organization should have, at least to some degree*”. Although the above definition is valid for both types of insight, I consider this distinction as an important one, as it emphasizes the fact that the concept can be looked upon at various levels. The first interpretation defines the domain in terms of projects and methods, thus delivering ‘customer insights’. It is the interpretation at this level that most companies are preoccupied with. The second interpretation goes way beyond this operational level and defines the domain in terms of a much broader, strategic capability, building a powerful cumulative wisdom. It is the interpretation at this level that reflects the focus of this paper.

## The mature customer insight capability

Next, let’s take a look at what a mature customer insight capability looks like. Although the need for accountability of customer insight efforts is often debated, a clear cut ROI calculation is usually not feasible. As customer insight is a crucial, but most of the time just a single element within a larger value chain, one must accept that measuring its impact in isolation makes no sense. If there is one thing authors in the field agree upon, however, it is that *customer insight is only of value if it improves business decisions*. There are two ways to look at this criterion:

1. Level: to *what extent* do customer insights improve business decisions?
2. Type: to *what kind* of business decisions do customer insights lead?

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<sup>1</sup> Wills, S. & Williams, P. (2004). Insight as a strategic asset the opportunity and the stark reality. *International Journal of Market Research*, 46(4), pp. 393-410.

### **Dimension 1: does customer insight reach its final destination?**

First, let's take a look at level. A mature customer insight capability will be characterized by making sure that customer insights are not only properly gathered, but are also translated all the way into the end of the value chain, i.e. the implementation phase. All too often though, customer knowledge gets 'lost in translation': at every step taken in the customer insight chain there's a risk that the essence of the previous one is clouded. As with any chain, it's as strong as its weakest link. First and foremost, *the strength of the customer insight value chain is being challenged by the fact that traditionally different professionals are responsible for different steps in the value chain.* I will dig in to this in the following paragraphs.

A company in the utility services has excellent professionals that construct highly predictive churn models. These models have in theory the potential to increase customer retention. To actually profit from these models, however, someone must teach the potential users of such models how they should be used and how to monitor the results. This requires extensive communication between two types of professionals (in this case analysts and decision makers) and embedding the process of using the results. In short, a company might have brilliant churn models but if the communication or the embedding part falls short, these models will have no impact at all.

#### Box 4: **Example: Lost in translation**

### **Dimension 2: is customer insight making a difference?**

The second dimension of decision impact is the type of decisions being addressed. In most companies customer insights are mainly used for improving existing products, processes and channels or testing communication and concepts. As Michael Porter<sup>2</sup> stated in his classic paper on strategy, companies are often preoccupied with improving operational effectiveness, but few succeed in competing on this basis on the longer term. Competitive advantage can only be created by choosing a unique mix of value. Thus, strategic positioning implies performing *different activities* from rivals' or performing similar activities in *different ways*. Companies with a mature customer insight capability are far more likely to use customer insights as input for such positioning choices.

### **The Customer Insight Maturity Grid**

Putting the two dimensions together in what I call the 'customer insight maturity grid', shown in exhibit 3. Similar to Forrester's three stages of Customer Intelligence maturity<sup>3</sup>, I distinguish 'operational', 'transformational' and 'integrated' customer insight capabilities (see also Exhibit 1.1). The three levels can be summarized as following:

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<sup>2</sup> Porter, Michael E. What is Strategy? Harvard Business Review, Nov-Dec 1996.

<sup>3</sup> Frankland, Dave. Assessing your Customer Intelligence Quotient. Forrester Research Paper, Nov 2009.

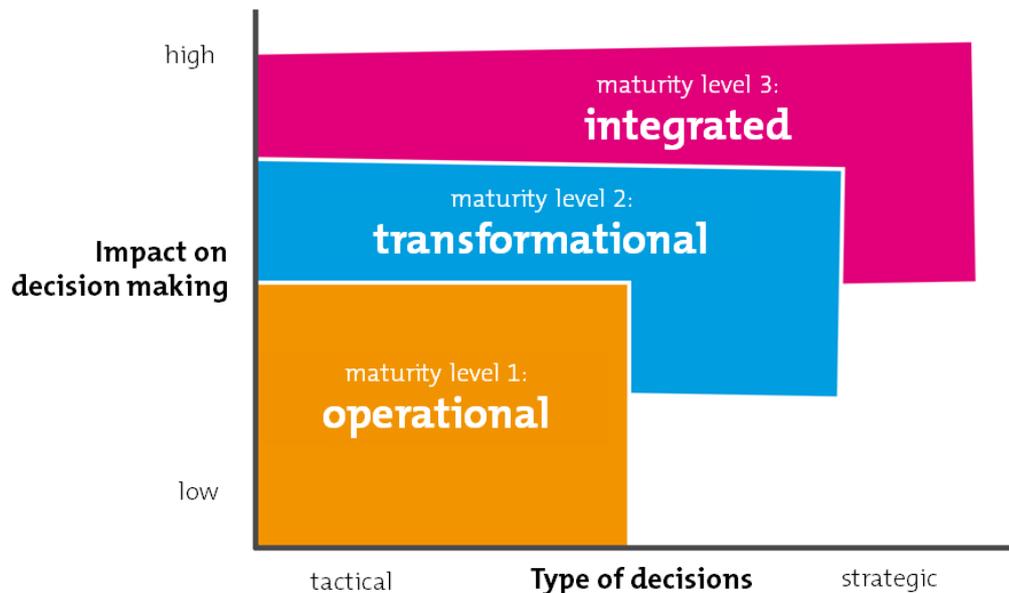


Exhibit 2: **Customer Insight Maturity Grid**

1. *Operational*

- For firms in this category, customer insight is mainly perceived as relevant for sales and business process tactics. Customer information rarely transcends aggregation of data and is often fragmented across various parts of the business.
- Many companies struggle today at this level of maturity in which the customer insight capability is developed far below its potential.

2. *Transformational*

- With a clear picture of what it takes to operate truly customer centric, the relevance of customer insight is becoming more prevalent for firms in this in-between category and has increasing impact in corporate decision making. Business culture and resistance among various parts of the business and individuals, however, make the transformation quite a challenge.
- A small but growing number of brave companies have reached this level of maturity (NL based examples are KPN and Heineken)

3. *Integrated*

- For firms in this category, customer insight drives both tactical and strategic decisions. Building customer knowledge and understanding is a continuous activity and is part of the daily business of every employee.
- Only a very few dwell today at this very mature level (NL based examples are Philips and Hi)

## The conventional customer insight process

Although there are numerous between-industry variations, at a 'system' level, it doesn't make much difference whether you are operating in fast moving, retailing or service providing. Usually, the customer insight process and its corresponding roles looks similar to Exhibit 3.1.

At most companies, customer insight projects are initiated when something needs to be resolved: a new proposition has to be developed, market shares are going down or concepts need to be tested. Only very few companies deploy customer insight just for the sake of understanding the customer better. I come back to this point later. So as a first step, an *issue* is acknowledged and defined.



Exhibit 3: **Conventional customer insight process & roles**

Next, the necessary *information* will be gathered. The type and source of the customer information could be anything. The toolkit of the contemporary customer insight provider is practically limitless and extends as technology develops. Methods and tools, however, are irrelevant to understanding the system of effective customer insight and are therefore beyond the scope of the framework. It is important to realize though, that sheer information doesn't translate straight into concrete ideas. First it has to be placed in context and make a connection to the business; the result of this step is *insight* (remember: substantive, depth, business implication). As this essential phase is often omitted, it is placed between brackets in Exhibit 3.1. Insights, though, should be the raw materials for *ideas*: new propositions, products, concepts, improvements, et cetera. Ideas require creativity without losing the insight it was based on. Therefore, it is wise to validate concrete ideas before *implementation* (hence the arrow back to the information phase in Exhibit 3.1). The darker shade of the element 'information' in Exhibit 3.1 emphasizes that in many companies the focus lies on this phase.

Mostly, the responsibilities of the five phases explained above are strictly divided by two types of professionals:

- *Providers of customer insight* (e.g. researchers, market analysts, data analysts) are mostly responsible for providing information; if the collected information is translated into insights (adding depth and business implications), providers might be involved but usually not in the lead
- *Users of customer insight* (e.g. product managers, brand managers, category managers, formula managers) usually identify the issue and are responsible for the idea and implementation phases; if the collected information is translated into insights, users are usually in the lead

## Why things go wrong

Before looking at the ideal picture, let's look at the main issues companies are dealing with.

### Two worlds collide

As stated before, it is this strict division between providers and users that causes a lot of trouble. Different professionals speak different languages and are equipped with different skills, but are also responsible for different phases in the customer insight process. The consequences of this mutual misunderstanding or even distrust are substantial. Decision makers, or users of customer insight, often overtly doubt the added value of customer insight providers. They tend to qualify the activities as 'fuzzy' and accuse providers of focusing on methods, models and figures without having sense of what is happening in the business.

On the other hand, researchers and analysts accuse decision makers of putting too much faith in their intuition and using the results of the research department primarily to support existing ideas. Also, they suspect them of being guided by other interests than the customers' and of being too eager to take projects to the subsequent level, undermining the output of the researcher or analyst. Exhibit 4.1 explains the most common 'complaints' of professionals involved in the customer insight process.

### Data rich insight poor

Another eye-catching obstruction in the effective application of customer insight, usually observed at companies with direct customer relationships, is the strong preference for 'hard' (i.e. behavioral) data. As a business case is generally easier build on this type of data than on externally collected customer information, decisions makers understandably value 'hard' data more than 'soft' data (i.e. observational, attitudinal, psychographic, etc.). The problem with this accountability approach is that it only looks at one side of the medallion. Usually the focus lies at the *financial impact on the short term*, while the underlying data don't tell anything about the *customer impact on the long term*. But every customer's encounter with your company, either positive or negative, influences her sentiment about your company and thus influences (re)purchase intention. In short, the traditional business case often leaves out an important part of the equation.

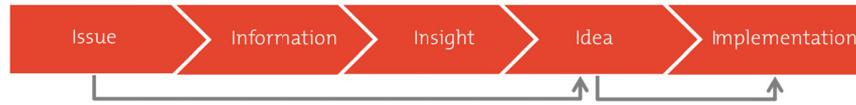
Let's be clear about the fact that behavioral data is a valuable source for extracting customer insight. But if your mission is calculating a cost-benefit analysis only, it is unlikely you will answer the 'why'-question and truly learn about the needs of your customers. Above, the availability of data is growing exponentially. As a result, decision makers have a growing perception of control over their customers and marketing activities. In practice, however, companies have more and more trouble separating the wheat from the chaff and run the risk to become 'data rich yet insight poor'.

Imagine the following (completely hypothetical) situation. An analyst has constructed a fabulous model in which she can predict whether customers will respond to a targeted email campaign with 80% accuracy: of all 4,000 emails sent to the selection made by the analyst, 3,200 convert into a cross-sell of €100 average. If, however, an email is sent to all 1,800,000 listed customers, a conversion of 0.2%, or N=3,600, is realized. So, the model approach returns €320,000 in revenue, the untargeted approach €360,000.

From a mere financial perspective, one would choose the untargeted approach as it outperforms the model approach by almost 13%, or €40,000. But this wouldn't take into account that almost the entire customer base has received an irrelevant message, which in time is likely to be ignored altogether. This would especially be the case if the company in question frequently sends any campaign to any customer. The challenge in such cases is, of course, that it's tough to 'prove' what the (financial) consequences of sending too many and irrelevant messages are on the long term. Long story short: if something is hard to measure, it doesn't imply you can afford to ignore it.

#### Box 5: Example: financial vs. customer impact

**Act on intuition** Often, decision makers have too much faith in their intuitive solutions and are convinced to know the customer by heart. (Besides, “those research guys take ages and have no clue what we are dealing with anyway”.)



**Backward planning** Often perceived as a valid way of working (“we’re doing research, right?”), but very likely to end up with a biased interpretation towards the idea.



**Hop to ideas** Common problem if providers limit their output to information and users have to progress from merely graphs and figures. But without knowing the why beyond the what and the business implications, the raw materials for concrete ideas lack roots and are prone to stray.



**Absorbed by daily activities** Customer encounters such as ‘customer safaris’, and ‘customer deep dives’ usually lead to actionable insights. Often, however, the cycle hasn’t been formally planned all the way through, so the fresh insights fail to get translated into concrete ideas.



**Provider passiveness** Although providers of customer insight are in theory the most equipped to signal issues and opportunities concerning customers, in practice providers often only run their projects as asked by users.



**Providing information only** Providers stick to the nitty gritty details of methods and analyses and fail to get beyond producing information by placing it in context and linking it to the business issue at hand (and hence ‘force’ users to hop from information to ideas, see above).



**Provider silos** Instead of leveraging the activities of different providers as different pieces of the same puzzle, they often operate strictly autonomous. Different profiles of the professionals involved often lead to flawed cooperation when forced to work together.



Exhibit 4: **Common bottlenecks in customer insight process**

## Characteristics of a mature customer insight capability

There are no 1-to-1 solutions to the challenges described in the previous paragraph. As most problems are interrelated, so are the solutions. I.e., companies that have overcome one issue are very likely to have tackled other issues that at first glance look totally unrelated; they have built, so to speak, an effective and efficient customer insight 'system'. First, such mature companies distinguish themselves through their mindset: they think in terms of customers instead of processes and products and they have a clear and widely accepted understanding of customer insight. Second, their customer driven activities are intensely guided by professionals as well as by formalized models and processes. Third, their action style is strongly integrated in terms of the type of people working together and in terms of the customer insight sources they utilize. Exhibit 5.1 summarizes these key success factors and are explained in detail below.



Exhibit 5: **Key success factors of mature customer insight capabilities**

### 1.1 Focusing on customers: customer orientation

Today, few executives would dare to state that customers are not their number one priority. Indeed, most companies have initiated customer centric activities by now. But customer centricity is not just a customer hailing mission statement, a friendly customer service center, or a large department with lots of people gathering customer knowledge. It is a strategy. Truly practiced customer centricity is visible in all corners of the organization.

Within companies with a focus other than customers, it is simply unlikely that decisions will be truly customer driven. Even if plenty of resources are available. Authentic customer oriented companies navigate mainly on customer metrics such as NPS (as opposed to navigating on financial metrics), focus on long-term relationships with customers (as opposed to focusing on short-term profits) and consider customer understanding as fundamental to doing business in general (as opposed to considering customer understanding the responsibility of marketing research).

At product or sales oriented companies, the customer insight capability is often regarded as a cost center that has to prove its value over and over. At customer oriented companies, however, customer insight is accepted as a means to create differentiation. So besides having high impact on decisions, it provides input for strategic decisions.

The orientation of a company—and the culture created around it—is, obviously, quite fundamental characteristics and a very tough knob to turn. In terms of a success factor, then, you should look at the company's core orientation as an overarching dimension, the grounds on which customer insight can flourish or suffocate.

### **1.2 Getting everybody on the same page: a clear & widely accepted definition of customer insight**

Mature customer insight capabilities are consistent in applying all three elements of the definition of customer insight provided earlier in this paper; their *insights are substantive, have depth and have clear business implications*. These ingredients are easily tested and should be apparent in every customer insight project in your company. If everybody involved is aware of these three necessary ingredients, it helps both providers and users of customer insight to manage expectations. If all ingredients are there at all times, the translation of insights into ideas will be better and easier and the traditional gap between providers and users narrows. If one ingredient is missing from a meal, one should go back to the kitchen.

### **2.1 Structuring customer insight: (process) formalization**

To guide a customer centric approach and an effective customer insight process it proves to be useful to embed these in formally formulated processes or models. First and foremost, it helps to formalize that *customer insight is part of the larger chain*, as this is usually not self-evident to everybody involved at less mature customer insight capabilities. Well known examples are Unilever's Brand Key and Philips' Value Proposition House, models that all professionals within these companies involved in NPD projects use. Such frameworks represent the corporate vision and guarantee that any decision is aligned with what the brand stands for.

Another advantage of formalizing the process is that you can plan validation moments where there should be. If there is one place in the process where a validation moment makes sense, it is at the translation of insights to ideas. At this phase creativity comes along, so it pays off to double check the original insight the idea is based on is kept alive. As time to market is increasingly under pressure, it is tempting to jump to the next phase. With a validation phase as a formalized part of the customer insight process, one can substantially reduce the risk of unpleasant surprises after implementation.

### **2.2 Sending the message: promoters**

People are usually reluctant to change, so somebody must be the driving force to actually start doing things differently. Therefore, promoters play an important part in transforming the customer insight capability and guarding the quality and direction of these changes. The specific roles promoters should play are very much dependent on the current maturity level. At companies at the 'operational' maturity level, it is necessary to play an activation role: people must be activated to start thinking and acting with an outside-in mindset and drop the common inside-out way of thinking. At companies at a 'transformational' maturity level the necessity of integration and building a holistic picture is acknowledged, which implies the promoter must facilitate integration of people, activities and sources. At companies at the 'integrated' maturity level thinking outside-in and building holistic customer pictures are internalized; here the promoter must guard the quality of collecting, communicating and implementing customer insight(s).

Promoters promote at different positions in the corporate hierarchy: sometimes it is a C-level executive, sometimes a manager running the customer insight department and sometimes somebody from the customer insight team. Again, there is a clear correlation with the maturity of the customer insight capability: the more that needs to be done, the more authority the promoter needs to get the message across.

### **3.1 Cooperating with parties involved: partnership between providers and users**

At effective customer insight companies, users and providers complete the customer insight chain together. So providers are more involved and knowledgeable about the business, while users are more involved and knowledgeable about customer understanding. This provides some obvious advantages.

First, because a 'business sense' customer insight provider is more involved and knowledgeable about the business, he will have the necessary input (and authority) to play a much *more proactive role* than in the traditional supplier-internal client relationship. Second, it will be more self-evident for him to *produce input closely linked with the business issues addressed* in the first place.

Especially in the last decade, authors within the marketing research domain are paying more attention to the changing requirements in skill set of researchers and analysts. In summary, the 'customer insight professional' should position herself not as a supplier of customer information, but should act as a facilitator of customer driven business development. He or she should of course be able to produce robust customer evidence, but should in addition be able to generate ideas and translate these to business objectives.

The requirements of the decision maker are also in need of some adaptations. This type of professional should of course not be converted into a full blown researcher or analyst. A basic curiosity towards the customer, however, should be expected from the contemporary decision maker. She should not only get to understand the customer through reports and presentations, but through her own experience. A 'customer curious' decision maker is more engaged with the activities to get to know the customer, is even part of it, and thus feels more commitment to take customer insight as a starting point in his decisions.

For providers to become sparring partners with users, it is important to adapt the communication with the target audience in mind. While the traditional research language is usually distant, objective and scientific in nature, more mature customer insight capabilities communicate in a much more creative and inspiring way. To be sure: of course this doesn't imply that the underlying data or research shouldn't live up to common standards such as reliability, validity and generalizability. This is purely about how customer insight is communicated to decision makers and get them engaged and inspired to use this insight.

### **3.2 Building customer insight: an integrated approach**

Effective customer insight capabilities accumulate their customer understanding by integrating various sources and approaches. In order to do so, one must first integrate the customer insight activities at an organizational level. Often there are various departments contributing to building customer insight, but they are scattered all over the organization. As a consequence, customer understanding is fragmented across the organization. So a first step would be to have for example market analysts, data modelers and marketing researchers working together under one flag.

This is however, no guarantee whatsoever that various customer insight professionals actually work together and bundle their skills. Quite the contrary: I have seen numerous examples where there is absolutely no mutual understanding of each other's job, even for professionals sitting in the same room. But getting together physically is a first modest but necessary step in getting to know what various domains can contribute, what their strengths and their weaknesses are and to define a common goal.

Bundling various activities is only a basic requirement before you can actually start building a complete and holistic customer picture. Customer insight capabilities that do so acknowledge the fact that different sources and approaches do have their strengths and weaknesses and choose their (combination of) sources by the type of issue they are dealing with. This approach is also called 'bricolage' or 'triangulation'.

### Improving the process

Keeping the above in mind, the ideal process (Exhibit 5.2) looks a bit different than the one you usually find (Exhibit 3.1). First, now the 'issue' phase is placed between brackets, indicating there shouldn't necessarily have to be an issue to gather customer insights. If customers are truly the starting point in your business, you want to keep up with them *at all times*. That also implies that there is no start and no end to the process (hence the arrow pointing from implementation back to the start).

Second, users are involved in the phases that traditionally 'belong' to providers of customer insight and vice versa. Of course there is still division of tasks, but the point here is that in the ideal process there is no such thing as a conventional supplier-internal client relationship. Providers and users are either *jointly responsible* for the results or customer insight professionals *facilitate* decision makers (users) with understanding the customer. In the latter case, the distinction between providers has vanished altogether.

Third, as marked by the darker shades of these phases, the main focus of the customer insight capability is shifted from providing information to gaining 'insight' which should lead to (the implementation of) decisions.



Exhibit 6: An integrated process

### Moving up the customer insight maturity grid

As every company has a unique set of challenges, there is no single formula that works for every company. But from the disparity between *what is* (the current status at your company) and *what could be* (the situation envisioned in the previous paragraph), you could start formulating concrete alterations and improvements in your customer insight system. You can use Exhibit 6.1 to see how these questions translate to concrete actions to reach a higher level in the maturity grid. The table helps you orienting where you are at and what parts of the customer insight system need further reflection and development.

Of course, adapting to the framework I propose in this paper is not going to be easy and is not going to be accomplished overnight. It will take courage, patience, discipline and perseverance. But hopefully you will discover that the current structure of gathering and applying customer insight at your company should not be taken for granted. Various parts can be improved, removed, added or rearranged. Make sure you set realistic goals. For example, it doesn't make sense to aspire a complete integrated approach before everybody involved knows what the key requirements for collecting and applying customer insights are. Below you find some concrete and relatively easy starting points.

## Getting started

### 1. Share the idea of looking at customer insight as a system

Trigger a fundamental discussion about the current effectiveness of customer insight. Make clear that structuring the system in one way could be more or less effective than structuring it another way. Sketch it on the white board, visualize alternatives.

### 2. Make the definition of customer insight explicit in your organization

What are the required ingredients of every single customer insight project? Everybody involved should be held accountable for deliverables that are substantive, explain the why beyond the what and are relevant for the business.

### 3. Set up a Customer Insight Roadmap

Formalize the structure, responsibilities and requirements of the customer insight process. A first workable set up could be as simple as a one-pager. From this, one can add and explain parts and pieces in more detail. Make sure that the Customer Insight Roadmap is set up as an integrated part of the larger marketing chain. The roadmap should be a work in progress. Working with it in practice will teach you what parts need to be filled in to more detail, what parts need more flexibility and what parts are most in need for (radical) change. Make sure you build the roadmap with both providers and users of customer insight.

### 4. Train the communication style of providers

Technicalities about methods and analyses should be reduced to a bare minimum. Don't include all observations, graphs and figures that are available. Those pieces that explain on what the insight(s) are based should be enough. More information is likely to blur one's perspective rather than clarify it. Communicate key messages as visual as possible. And of course, all communication should be tested against the definition of customer insight: substantive, depth and relevance.

### 5. Share your insights

In order to create partnership with users of customer insight, providers should share all their knowledge (explicit and tacit) with as many professionals within the company as possible. Get rid of bureaucratic procedures and start building a user friendly system that unlocks all relevant customer knowledge. Organize customer insight clinics. Distribute key customer insight posters or hang them in the bathrooms. Be creative, be proactive and most important of all, be present!

## Conclusion

For anyone motivated to take customer insight to the next level, the keyword to keep in mind is 'integration': integration of phases in the process, integration of people and skills and integration of sources. It's all about making sure customer insight is part of the entire marketing chain. This ambition stretches far beyond the marketing research or customer intelligence department.

Transforming from a fragmented information supplier to an integrated customer insight capability with strategic impact, might require some organizational changes. But most of all, it takes changes at the individual level, as it is the rigid distinction between providers and users that is blocking a smooth process flow and keeps the customer insight professional from getting the desired seat at the table. An integrated approach requires a broader skill set for both types of professionals than usually observed at companies with the traditional 'supplier-internal client'-relationships.

The 3 x 2 framework will help to prioritize and to guide companies towards a fully integrated customer insight approach. On the short term, it will make the customer insight capability more effective and efficient. On the long term, it will help developing companies into truly customer centric ones.

		<b>Maturity level: OPERATIONAL</b>	<b>Maturity level: INTEGRATED</b>
<b>3. ACTION STYLE</b>	3.2 Building customer insight: <b>an integrated approach</b>	<p>Firms in this level are likely to:</p> <p>Consider <i>quantitative sources</i> and methods superior to qualitative</p> <p>To use data from <i>one source</i> in isolation</p> <p>Have data analysts, market analysts and market researchers <i>working in silos</i> answering questions from other departments</p> <p>Have decision makers knowing the customer from <i>reports &amp; presentations</i></p>	<p>Firms in this level are likely to:</p> <p>Use quantitative and/or qualitative sources and methods <i>as considered appropriate</i> for the type of issue to be dealt with</p> <p>To use <i>multiple sources</i> in combination to build a 360 degree picture of customer</p> <p>Have data analysts, market analysts and market researchers <i>working jointly</i> building a complete customer picture</p> <p>Have decisions makers <i>spending time with customers</i></p>
	3.1 Cooperating: <b>partnership between providers &amp; users of CI</b>	<p>Customer insight / intelligence <i>deliver requested input</i> to marketing</p> <p>Customer insight / intelligence communicate customer insights in a <i>fact-based</i> manner</p>	<p>Customer insight / intelligence professionals cooperate as <i>partners</i> with marketing, branding &amp; strategy professionals</p> <p>Customer insight / intelligence communicate customer insights in ways that <i>inspire decision makers</i></p>
	2.2 Sending the message: <b>promoters</b>	<p>Have <i>no promoters</i> of customer centricity &amp; insight <i>in higher management</i></p>	<p>Have <i>at least 1 C-suite executive</i> promoting the importance of customer centricity &amp; insight</p>
	2.1 Structuring CI: <b>(process) formalization</b>	<p>Structure insight / intelligence processes on an <i>ad hoc</i> basis</p>	<p><i>Use models</i> that guide the insight / intelligence processes</p>
<b>1. MINDSET</b>	1.2 Getting everybody on the same page: <b>a clear and widely accepted definition of CI</b>	<p>Have different professionals using different concepts of customer insight</p> <p>Navigate on <i>financial metrics</i> only</p> <p>Focus on <i>short-term profits</i></p> <p>Consider customer understanding the <i>responsibility of marketing research</i></p> <p>Have decision makers knowing the customer from <i>reports &amp; presentations</i></p>	<p>Have one broadly accepted understanding of what the key ingredients of customer insight are</p> <p>Navigate mainly on <i>customer metrics</i> (e.g. customer satisfaction, NPS)</p> <p>Focus on <i>long-term relationships</i> with customers</p> <p>Consider <i>customer understanding</i> as <i>fundamental</i> to successfully develop marketing, branding &amp; strategy</p> <p>Have decisions makers <i>spending time with customers</i></p>
	1.1 Focusing on customers: <b>customer orientation</b>		

Exhibit 7: **Moving up the Customer Insight Maturity Grid**

### **About the author**

Robert van Ossenbruggen (1973) has a background in psychology, methodology and marketing. He supports companies with bridging the often divided worlds of research and marketing. Robert writes and speaks regularly about developments in the field and how research and marketing professionals could and should adapt.



### **About CustomerCentral**

CustomerCentral is a fresh intelligence consultancy company and is built around the simple but powerful notion that the customer is a company's most important lever for growth and innovation. Getting to know and understand the customer by all means possible is thus the way to develop sustainable relationships with your customers and create competitive advantage. With a diverse and experienced team we offer Customer Insight Management programs to develop companies towards a higher customer insight maturity as discussed in this paper.



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