Are businesses as customer-centric as they claim to be?

Organizationally, one cannot underestimate the challenge to organizations of re-engineering their systems to recognize the impact of the ageing process. However, it reflects poorly on many organizations' claim to customer-centricity that these requirements of their customers have not already been identified. It is equally disturbing to realize how ineffectual feedback from older people has been in making suppliers aware of so many improvements to their service that could be implemented often at virtually no additional cost. Were there a corporate will to do so thankfully this would be a much less costly challenge to address than climate change.

Richard Webber Hon F IDM

In data we trust: How customer data is revolutionizing our economy

Björn Bloching, Lars Luck and Thomas Range
Bloomsbury: London; 2012; £20.00; 213pp;
ISBN: 978-1408179512

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Making data accessible to a wider audience

Books about data are few and far between. One of the challenges I faced when putting together the IDM Award in Data Management during 2010 was coming up with a satisfactory reading list. What is available divides between the very technical — 'Handbook of Statistical Analysis and Data Mining Applications' by Robert Nisbet, John Elder and Gary Miner (Academic Press, US, 2009 £56.99, ISBN: 978-0123747655), for example — and a handful of broader business titles such as 'The Data Asset' by Tony Fisher (John Wiley & Sons, US, 2009, £30.99, ISBN: 978-0470462263).

Hence, the arrival of 'In Data We Trust', first published in German in 2011 as 'Data Unser', is to be welcomed. It sits comfortably into that category of books which take a technical subject and make them accessible to a wider audience, as was the case when Don Peppers and Martha Rogers published 'The One-to-One Future' in 1998.

Marketing beyond Dunbar's Number

This is an apt reference point as the heart of the first chapter goes over much of the same territory — the need to return to the same level of understanding of the customer which small shopkeepers used to have. As they note, modern businesses have too many customers to handle this way, even if social media appears to offer a new way to do it. (There is a pointed reference here to 'Dunbar's Number', which posits that a person can only maintain relationships with up to 150 friends.)

Although much of this territory is familiar, the book provides some useful German examples, which will be unfamiliar to English-speaking readers, such as Groupe Casino and Dodenhof. They are a refreshing change from the overexposed touch points of Tesco and Wal-Mart (although both get a name check here).

CRM projects forgot to get the data right

Writing a dozen years after the CRM hype cycle also provides the authors with a good opportunity to examine why the right idea — turning the company from a focus on products to one on customers — so often failed to be delivered. They note that many organizations never really changed their corporate culture. However, a key component was also left out of many CRM plans — data. ‘The decisive question of what key information is needed for the company to generate profitable growth is often asked too late’, they write. That certainly happened with many CRM projects.

Since then, data has exploded and this too presents a challenge, which the authors consider. The goal for a business is not to amass as much information as it can, but rather to ensure it has the pieces of data which drive business forward. Central to the authors’ view is the new Big Data era, in which companies find themselves sitting on a potentially vital asset, provided they can implement the appropriate culture and processes to exploit it.

Does Open Data require open consumers?

It may surprise some readers to discover that German authors are not on the side of tighter regulation that puts consumer privacy rights first. Although being sure to nod to this growing requirement, this is a book that has the open data agenda at its heart. This means that an environment more like the United States, in which consumers do have controls such as Do Not Track to use if they wish, but where their digital profiles (and much else) are easily available to commercial companies whose sole wish in using that data is to optimize marketing and sales processes.

On the one hand, this means exploring some of the wilder shores of American digital data mining, such as practised by companies such as [1 + x] Inc, Lotame Solutions or BlueKai. On the other, the authors do not forget to re-examine core direct marketing practices in the light of this new data wealth, such as the importance of test and learn and the vital issue of return on marketing investment.

Data boom too late for Blippy

It is interesting to see European authors so thoroughly embracing data openness in this way, even if there is an unspoken assumption that this is what the consumer wants and will be willing to accept. Providing examples is always one of the perils of the business author since today’s hero brand may have fallen from grace by the time a book appears. In this case, it is a US data-sharing platform called Blippy.com, which the authors herald for providing ‘an insight into what self-chosen transparency can look like’. The site published the location, price and time of any transaction using a credit card which registered users made. Described as ‘the Twitter of personal finance’, it closed down in May 2011 because, as TechCrunch wrote at the time, ‘it turns out that almost nobody wants people to check out their purchases.’

That does not undermine the core arguments of the book — that more data makes for better business if you put it at the core of the business. Later, in the book, the authors use the useful distinction which consumers make between tolerated and unwanted spies, when it comes to being tracked and having data used.

Data may resurrect CRM

Moreover, in a full turn of the circle, they are very persuasive about the way that the insights that data can deliver ultimately make the

business more customer-centric. If more organizations had got their data right first, their CRM projects might have succeeded after all.

Much of the book's focus is on what benefits companies are likely to see from becoming data-centric and it therefore offers a useful prop for any business case in this area. If you need to persuade a senior executive of the wisdom of getting behind data as the next value-generating practice for the business, buy them a copy.

David Reed FIDM

The Drum's 4 min Warning—Conference review

Sheree Hellier

Palgrave Macmillan; Teddington; 2013

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There was a lot to reflect on after The Drum's 4-min Warning event on 5 December 2012 — the speakers and subject matters were diverse, from marketers to scientists to innovators; the conference promised to 'think the unthinkable', and it offered a review of 2012, a prediction of 2013, through to a mind-blowing account of how we may all be living in 2045. It offered a genuine opportunity to reflect on diverse ideas, theories, debates and experiences. A look back on the Olympics and patriotic year of 2012 set up a view of the opportunities for marketing in 2013. Augmented reality (AR), the merging of real and digital, along with the convergence of web and TV were the key focus areas. The renaissance of TV during 2013 was a common theme.

From AR to attitude innovation

**AR (augmented reality)
falls into the marketing
gap**

Thus, taking a closer look at each of these predictions, will AR really gather pace in 2013? Early adopters aside, it is still quite a novel concept for most — the demonstration to even the senior marketer audience at The Drum event generated quite a stir and a few ripples of excitement. O2 plans to use AR to help its customers set up their routers, the idea being to ease its customers' frustrations by offering a 'live' demonstration of where to plug in which cables. The concept is simple enough, but whether customers will be able to confidently and seamlessly use the technology and make setting up the router 'easier' is yet to be proven. Adoption of AR is perhaps further off than 2013.

After all, according to the fast.MAP 8th Marketing Gap research, marketers massively overestimate — often by hundreds of per cent — the popularity of social media, mobile phone, SMS and Twitter. Add AR in to the mix and this gap might widen even further. It will be up to leading-edge organizations, such as O2, to make it work and gradually convert the wider market. The IDM will start to investigate