

How to Curate the Customer Conversation

By Christopher Frank and Paul Magnone
Drinking from the Fire Hose

September 2011

Successful businesses are able to generate an additional dollar of revenue without incurring a corresponding dollar of marketing cost. This simple but powerful maxim is the key to driving profitable growth in today's global economy. To capture this growth, technology and the corresponding information overload it is creating are both roadblocks and the paths forward. The challenge for businesses is not mastering the information available, but judging which pieces of it to use in order to drive strategic initiatives.

Despite the rapid growth of digital platforms and the deluge of information they enable, we haven't yet reached the fat part of the bell curve of information overload. According to a Pew Research Center survey in June 2011, only 13 percent of adults online use Twitter, which means 77 percent are not engaged with today's cornerstone of social media.

Where does all this lead? With the growth in data, businesses are thrust into a dichotomy. The consumer is seeking, even expecting, a richer, personalized, connected but anonymous experience. You need to be both the curator of the customer conversation as well as the protector of anonymity.

Fundamentally, companies seek this closer digital relationship with their customers so they can expand revenue. According to a 2011 McKinsey & Co. report, a retailer using social media driven consumer data has the potential to increase its operating margin by more than 60 percent. McKinsey & Co. went on to say that services enabled by personal location data could allow consumers to capture \$600 billion in economic surplus.

Clearly, benefits are tangible for organizations who successfully straddle this dichotomy. The intensity of sharing will rise as consumers realize this value-add, thus creating a "fly-wheel" effect between consumer and provider. The essential question for businesses is how to deal with this new volume and velocity of information. How do you acquire the judgment and discipline to use information to improve the clarity of your communications with customers? How do you find the truly essential nuggets buried within the river of information and use them with confidence to enhance experiences? Finally, how do you do this in a responsible way and not destroy the trust required for an open market?

The answer for businesses, ironically enough, is found in asking questions which foster meaningful internal dialogue about the customer. These questions should help businesses recognize the difference between data that measures and data that informs. The following five questions serve as a bridge between data and strategy that can drive the customer conversation and fuel growth:

1. How can we keep the customer's voice within earshot of our decision-making processes?
2. How can we bring broader thinking to the short-term nature of business?
3. What information surprised us and did not corroborate existing hypotheses?
4. What are the risks, barriers and bridges that surround our business?
5. Who are our potential customers or potential defectors, and how can we convince them to give our product or service a try?

For example, today's headlines are rife with companies that alienate their customers. In order to keep the customer's voice within earshot of their decision-making process, companies must ask themselves these additional questions:

- How could this decision negatively impact the customer?
- How will the customer perceive this change?
- How will we manage the change internally – to benefit the customer, not only our own business?
- How will we track the impact of these changes on customer behavior?

As consumers become savvier and privacy tools mature, individuals will share more relevant information, but with a narrower audience. From the grocery store loyalty cards we swipe, to the highway electronic toll collectors in our cars, to the GPS-enabled mobile phones in our pocket to all of our social interactions online, this social, mobile, and local phenomena means we can be measured, tracked and trended. This data deluge, if channeled correctly, can be very empowering for both consumers and the businesses that serve them.

The right questions expose outliers in your strategy, draw connections between seemingly unrelated conclusions, and can create new avenues of discussion with your customers. The search for the critical customer insight you need to move your business forward may be surprising, challenge your business model and put you on an entirely different path.

Christopher Frank and Paul Magnone are authors of ["Drinking from the Fire Hose: Making Smarter Decisions Without Drowning in Information"](#) (Portfolio/Penguin, September 2011). Frank is vice president of business-to-business and communications research at American Express and Magnone is vice president of business development and alliances at Openet Telecom, a global telecommunications software and consulting firm.