Q3
2018

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STRATEGY HQ

Customer Advocacy: How You Should Be Winning Over Your Customer

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by Lasandra Barksdale

There are numerous customer support buzzwords used these days—customer-focused, customer-obsessed, customer-centric. There is nothing wrong with these words, but the problem is how they are being applied. If putting the customer first has had minimal impact to your business, it means your team is still focused on representing the company versus the customer. Being customer-focused is not about getting more customers or getting your customers to spend more money. It's being willing to put your customers' needs before your own. It's about becoming an advocate for your customer.

Customer Advocacy Defined

Many people use customer advocacy and brand advocacy interchangeably, but they are not the same. A brand advocate requires no incentive to speak positively of your brand. They are volunteer marketers, because they see the value of your company. A customer advocate, on the other hand, is someone who speaks on behalf of your customer's interests. Simply put, they are the customer's advocate. A company who focuses on customer advocacy is committed to doing what is best for customers, creating great customer experiences, and helping them solve their problems.

What It Takes to Be a Good Customer Advocate

It's one thing to know what customer advocacy is, but it's another to do it right. Below are four behaviors that must be present to be a good customer advocate.

86

Percentage of people who say authenticity is important when deciding what brands they spend their dollars with.

■ Be Empathic

When it comes to building great customer relationships, empathy is as good as currency. It can't be outsourced or automated, so it's essential that customer advocates are empathetic by nature. Empathy is the capacity to identify and understand another's situation, feelings and motivations, sharpening our instincts to anticipate problems. When a company is in tune with the challenges and needs of their customer, it lets the customer know that they are a priority and that you will respond in a way that acknowledges their thoughts, feelings or concerns.

■ Be Unsatisfied with Mediocrity

Companies sometimes make the mistake of thinking that if customers aren't complaining then all is well, even though growth is stagnant. These businesses are fine with customers thinking they are "ok", will do the minimum to please unhappy customers, and don't have the drive to make their products better than "average". Doing customer advocacy right, means you will not settle for mediocrity and are always striving to be better. You will continuously listen to your customers and are determined to offer products and services that meet their needs.

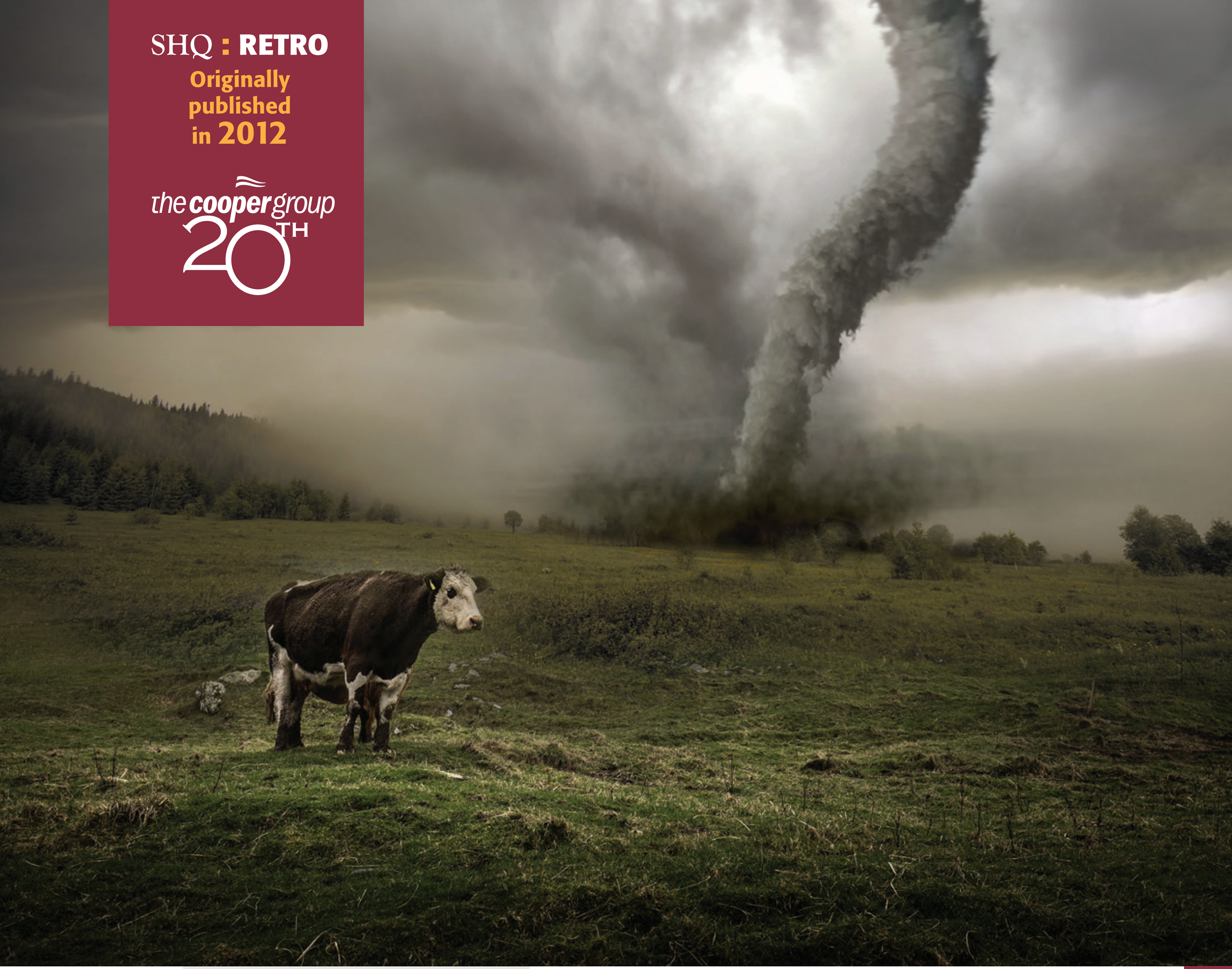
■ Be Change Agents

Rewiring an organization for customer advocacy may require major shifts in strategic initiatives that can upset existing practices. To truly advocate for the customer, you must be willing to take on the task of initiating and managing change and finding partners and collaborators who are willing to help drive change. They are the bridge between customers and your internal teams and are crucial in pushing internal changes that will eventually benefit the organization in the long run.

■ Be Authentic

According to Social Media Today, 86% of people say authenticity is important when deciding what brands they spend their dollars with. Customers who feel that a brand is looking out for their best interests and thinking about their needs are more likely to invest in that brand's success. So ensuring your marketing makes it clear to your customer that you understand and want to solve their problems. This will be much more impressive than the glossiness of your ad.

A company with a well-implemented customer advocacy strategy should aim to continuously learn from the customer at every point in the customer journey and use these learnings to make future business decisions. It will not only be considered within customer service departments, but become an inherent and essential part of marketing, product, operations, and sales. If done right, you will be rewarded with loyal customers who become brand advocates willing to promote your brand and sing your praises.



STRATEGY IS WHAT STRATEGY DOES

by David Cooper

Let's take a moment to review an old macroeconomic theory: Economic expansion benefits everyone, because "a rising tide lifts all boats." While many organizations do experience a ripple effect of growth when an industry prospers, the effect can be misleading. Rather than (correctly) attributing the gains to the rising tide, companies instead credit their leadership's "brilliant strategy," convinced that replicating the success will be simple to achieve.

Economic, competitive and customer revolutions occur frequently. Knowing the organization's destination and navigating with confidence can feel calming when the winds and waves are swirling.

Unfortunately, organizations forget that expansion is always followed by contraction. Every rising tide must recede, and the organization will probably rely on the same strategy on the way down, as they employed on the way up. Despite their efforts, leaders will be unable to hide the absence of sound strategy, and the directives will eventually be reflected in organizational results. Unfocused, reactive strategies will yield predictably disappointing outcomes.

A Cow in a Tornado?

An organization without a solid strategy is like a cow in a tornado, spinning uncontrollably as the wind dictates where it will land. These leaders are reactive, scrambling to save their organizations while their competitors are implementing plans to expand operations, acquire industry verticals and grow market share. Prudent leaders have surveyed and analyzed the landscape, predicted and projected likely outcomes, and adjusted models and strategies. Those who failed to develop effective strategies are puzzled, paranoid and paralyzed.

Review, Revamp and Reload

Simply having a concrete strategy in place is insufficient. Leaders must review, revamp, and reload their strategies to effectively respond to the changing competitive environment. Placing a strategy on autopilot is dangerous, as engaging the control early is crash avoidance, and crash avoidance is risk avoidance.

Lessen the Impact

Please remember that a strategy is a blueprint that moves an organization toward its ultimate goals. It does not ensure smooth sailing, nor does it guarantee success. However, it lessens the impact of many unplanned events that misdirect business endeavors. Economic, competitive and customer revolutions occur frequently. Knowing the organization's destination and navigating with confidence can feel calming when the winds and waves are swirling.

Growth Strategy

No matter the leadership's intentions, the organization's strategies are always revealed. If the company intends to grow through acquisitions, its competitors will see this strategy (e.g. Oracle). If the brand expects to grow via product innovation and expansion, its customers will experience the strategy (e.g. Apple). If a company has no strategy to deal with the problematic turbulent marketplace, its leadership will suffer (e.g. Circuit City). Remember, strategy is as strategy does.

STRATEGY DOES IT

If It Ain't Broke, BREAK IT:

The Case for Incremental Business Change

by David Cooper

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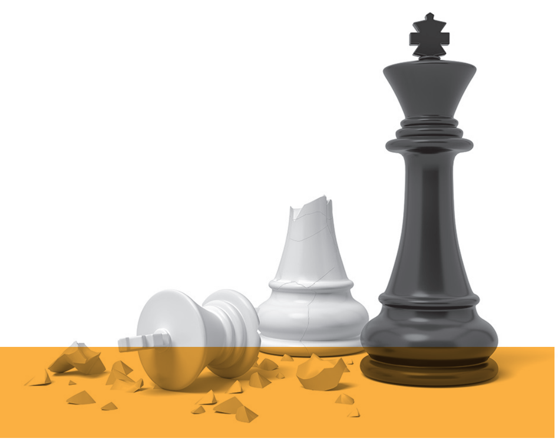
Under the glare of fluorescent lights, Toys R Us mascot Geoffrey the Giraffe stands alone in an abandoned store, framed by vacant shelves and end caps. Holding a suitcase and waving goodbye, he seems strangely human and alone. On the day before Toys R Us shuttered its last stores, this photo taken by a heartbroken employee went viral and broke the internet's heart. For consumers

who grew up as “Toys R Us Kids,” the image felt like the end of an era.

Of course, Toys R Us wasn’t the only victim of 2017’s retail apocalypse. Payless, Gymboree, RadioShack, BCBG Max Azria and many more chains filed for Chapter 11 bankruptcy last year. Nor was the problem confined to retail. Countless organizations in various industries realized—too late—the perils of delayed change.

What if Toys R Us had retired the warehouse-like vibe of their stores and remodeled, transforming their spaces into fun destinations? Lego battles, STEM workshops, teddy bear tea parties? What if they’d developed their own e-commerce channel? We’ll never know the answers, but their struggle offers an instructive example of the dangers of putting off change until it’s too late to impact outcomes.

Just because your organization isn’t completely broken doesn’t mean you couldn’t benefit from improvement. Don’t wait until things are completely broken to fix them. Make changes now, while you still can.



Sometimes Numbers Lie

The simplest explanation for why companies fail to change? They allow themselves to believe change isn’t necessary—“If it ain’t broke, why fix it?” Of course, things could be improved, but without the urgency of brokenness, the energy and decisiveness to act vanishes.

Unfortunately, sales numbers don’t always show the entire picture. Sometimes the data reflects last year’s success, built on last year’s products. When this happens, your data could be accurate but misleading. Metrics based on more recent inventory and consumer behavior could paint a different picture. Sales numbers are always temporary.
Or perhaps your operations really are in the black, but revenue still won’t be enough to satisfy your creditors—an all-too-familiar scenario. Maybe your perceived success rests on cherry-picked metrics. We all know data can be manipulated to support the appearance of success.

Pay attention to sales targets and numbers, but never allow them to lull you into inaction. Numbers can be deceiving, and they can change quickly.

The New Kids on the Block

Who are your newest, hungriest competitors? The ones who don’t play by your rules? Keep your eye on the leanest, scrappiest startups. While you might be tempted to focus on industry leaders or those competitors ahead of you, never take your eyes off those behind you. They can catch up (and take market share) quicker than you think.

Because smaller, newer organizations tend to be more agile, they can strike fast when opportunity arises. Unlike larger, more established companies, tradition, rules, and protocol don’t slow them down or make them hesitate. They’re creating their own rules and defining the game on their terms. GOP political strategist Karl Rove’s success relied on his signature tactics of turning opponents’ strengths into weaknesses and his candidates’ weaknesses into strengths. In 2004 George W. Bush credited him as “the architect” of his victory over Democratic nominee John Kerry. Whatever your politics or opinion of Rove, his playbook worked.

Look for ways to turn your own weaknesses into strengths, but also implement processes that give you the freedom to move quickly and adapt with incremental change, while you still can.

Startups excel at this game. They turn the tables on their competitors by making their weakness (small size) into a formidable asset (risk-tolerance, agility).

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Disruptions and the Ripple Effect

Large-scale disruptions are a constant threat, and rarely confined to a single industry. Like pebbles tossed into a pond, their effects ripple far from the point of initial impact. Consider the example of Claire's Boutiques, the (now bankrupt) tween jewelry and fashion accessory chain.

Their signature offering—or so their leadership believed—insulated them from the disruptive effect of the e-commerce revolution. Amazon can't (yet) pierce your daughter's or son's ears, after all. As long as ear-piercing remained popular, so would Claire's. As it turns out, they should have worried much more. Pierced ears rely on bodies—mall traffic—which was dropping by an average of 8% each year thanks to the explosion of e-commerce. By March 2018, Claire's had filed for bankruptcy, unable to pay even the interest on their debt.

When disruptions occur, even if they're much smaller than the shift to e-commerce, be aware that they can affect your business in multiple ways. Be ready to adjust, even if you believe you believe your business model probably insulates you. Prepare for assault on multiple fronts, not one.

The Essential Problem: Human Complacency

In some cases, organizations are blissfully unaware of imminent danger. But what about cases when strong warnings are given and received, but no action is taken? Why do businesses remain passive, even when threats are detected? The answer, of course, is that businesses are made of humans, and humans are vulnerable to apathy and complacency. We routinely overestimate our own capabilities and underestimate threats, even when our own lives (or livelihoods) are at stake.

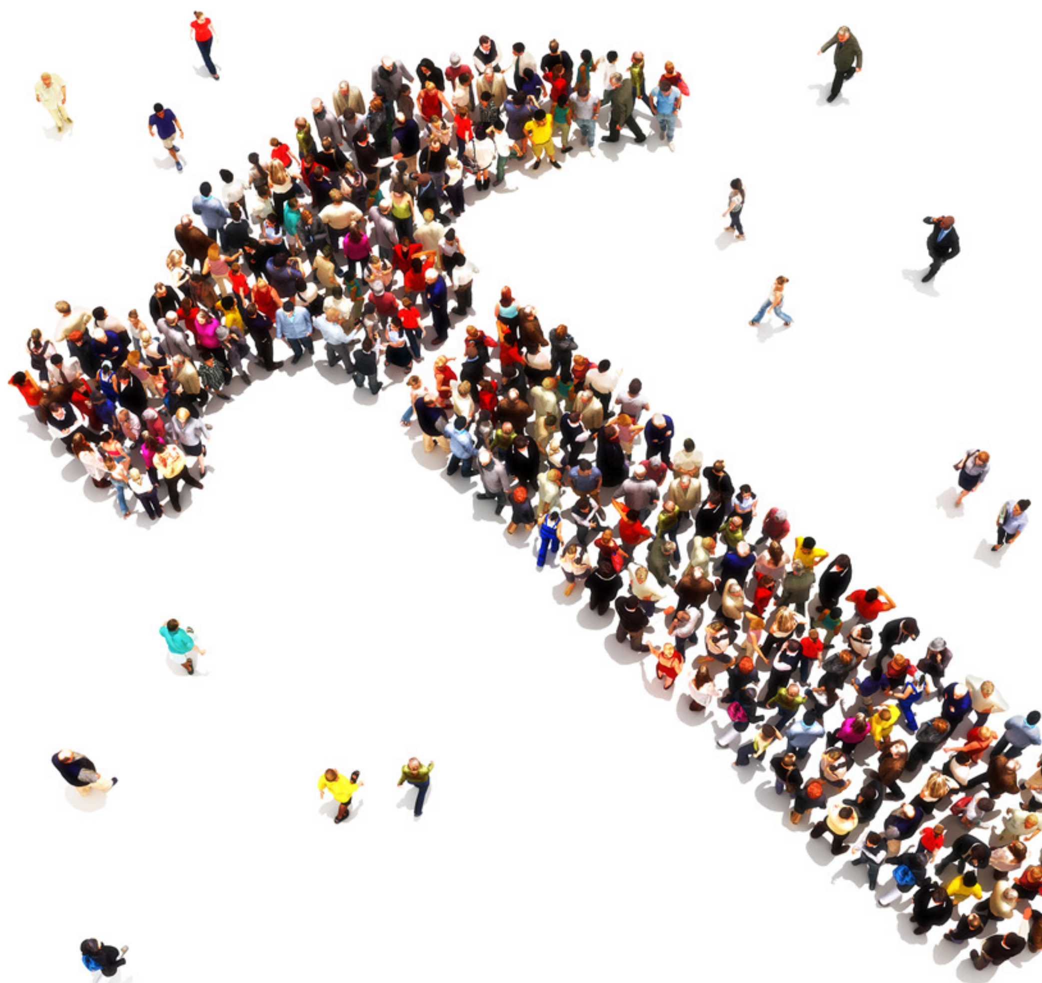
Researchers at the University of Buffalo studied this exact question, applied to natural disaster warnings. They found that past experience in "riding out storms," along with a simple lack of awareness of the severity of danger were factors in refusing to evacuate. For many storm victims, their experience—their past success in riding out storms—made them less likely to take evasive, life-saving action.

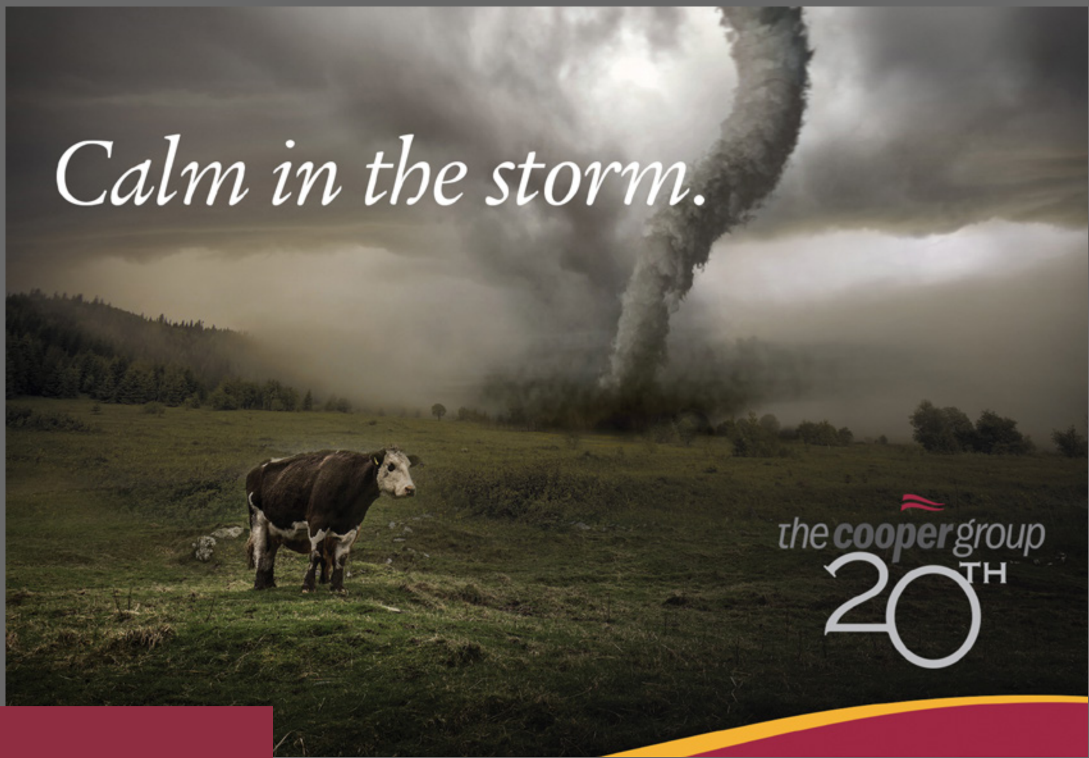
Does past experience in riding out business storms make us believe we're near-invincible? And how can we possibly guard against the human tendency to complacency?
First, we should understand that self-deception is our worst enemy. Like residents of low-lying areas who choose to stay put in hurricanes, we fool ourselves into believing we can somehow weather the storm or escape at the last minute. Never allow yourself to slide into complacency.

Three Things to Remember

Remember to keep your ear to the ground and pay attention to disruptions forming right now, this very minute, both within and outside your industry. If your business hasn't yet suffered from a game-changing event, count yourself fortunate—but never immune.
Remember that change can sneak up on you, even when the ship seems steady enough.

Most of all, remember to make continual, incremental improvements. Rather than "If it ain't broke, don't fix it," think "If it ain't broke, break it." Small changes might just save you from the need for major pivots later. And even if they can't, incremental change can make pulling off those large pivots much more feasible.





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