

MAY  
JUN  
2023

# STRATEGY HQ

the cooper group



## PROFIT OVER CUSTOMER EXPERIENCE?

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# PROFIT OVER CUSTOMER EXPERIENCE?

## Success Blooms in the Balance!

**T**here's no way around this. The driving force behind every successful product, brand and company is vigorous and perennial relationship-building with customers. Unfortunately, too many business leaders cut programs and people who are critical to establishing, sustaining and enriching these vital relationships.

They do this whether economic conditions are shaky or healthy. They make strategic decisions based on short-term financial concerns only, often sacrificing long-term customer experiences, relationships and competitive advantages.

Look intently at companies that are lapping up market share, especially any competitors that are gaining ground. It should be clear to see their focus on the customer experience. It's observable in the ways they

differentiate themselves in the market, how they strive to stand out from the competition, and how their customers respond to their outreach and care.

What exactly do they do that's different? They fertilize and cultivate the market. And they



reap what they sow. Maybe their products or services are more appealing and relevant to their customers' needs. If this is why they grow and shine, you can bet it's because they closely tend to their customers' desires and expectations – and they deliver.

Or maybe a company excels by employing higher levels and better methods of communication in the ways they engage and nurture customers. Whatever their differentiating factors, the traits of today's most successful companies and brands are trained on delivering a great customer experience.

A great customer experience is what protects and grows profit. And pouring profit back into improving customer relationships maintains the reciprocal cycle of success.

Victory is found in the balance.

### **One begets the other**

Don't get me wrong. I'm not saying that businesses should

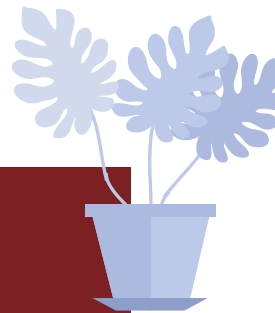
care are irrevocably intertwined in manifesting the desired outcome of a business strategy.

How is this accomplished? Just as a business invests in research, development, new products and services, and marketing, it must simultaneously and continually improve the customer experience. They accomplish this by making customer experience a compulsory line item! Budget for it. Plan it for maximum impact. Prioritize a novel and ongoing commitment to the customer. This is vital in an ultra-

on profit at the expense of customer care invariably leads to detrimental consequences for both the company and its customers. There are many reasons this happens. There are also proven ways to avoid it with better business decisions that steer clear of such consequences, improve relationships and increase revenue.

### ■ **Customer satisfaction and loyalty are everything:**

Customers are the lifeblood of any business. Without them, there is no profit. Focusing



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prioritize customer experience over profit above all else. Rather, the imperative is to create a closely linked distribution of resources between the two because they are mutually reliant. Today and going forward, profit and customer

competitive environment and as a long-term growth strategy.

### **Here's why customer experience is a necessary investment**

Staying solely or mostly focused

on profit while turning a blind eye to customer needs, pain points and satisfaction result in the decline or complete loss of customer loyalty. Make no mistake. Customers know it and feel it when they're undervalued or neglected by a company. Often, the company isn't even aware they're falling short, usually because they're not paying attention. Neglect makes people turn to other sources to meet their needs. Building strong customer relationships and providing exceptional service is crucial for both short- and long-term success.



## By taking the time to research, analyze, understand and address current customer needs and levels of satisfaction (and dissatisfaction!), companies can retool their approach to service and design or enhance products that truly meet customer needs.

- **Company reputation and trust are indispensable:** Putting revenue-generating initiatives ahead of customer experience initiatives can hurt company reputation and erode trust among customers. Reports of substandard experiences and dissatisfaction spread fast these days through word of mouth and social media, causing company and brand images to take a hit. It's extremely difficult, costly and time-intensive to reverse this damage and negative impact on the bottom line.
- **Customer concentration leads to healthy, sustainable growth:** There is no longer any doubt that a customer-centric approach to business leads to sustainable growth. By taking the time to research, analyze, understand and address current customer needs and levels of

satisfaction (and dissatisfaction!), companies can retool their approach to service and design or enhance products that truly meet customer needs.

This involves direct, ongoing communications with customers. It includes monitoring their interactions with service representatives and the frequency of purchase transactions. Have purchases stayed steady, increased, dropped off or just stopped?

Knowing why informs smart decisions that foster loyalty, repeat business and positive referrals – all leading to sustainable revenue growth.

- **Customer interactions and feedback drive innovation and competitiveness:** By focusing solely or mostly on short-term financial gains, companies lose sight of market trends and evolving customer preferences and buying behaviors. They usually lack effective service

and customer experience technologies. Organizations must migrate toward and stay closer to their customers, pay attention to their behaviors and feedback – and use valuable customer insights to guide product development, business strategies and business decisions. Doing this is what drives innovation and keeps companies relevant in the market.

■ **Repeat business and new business are the stuff of lifetime customer value:**

Retaining customers and becoming a magnet for new ones can be costly and time-consuming. Every business leader knows this. Just consider all the major investments in advertising and marketing to customers and prospects. But advertising is only one part of the equation. Companies forget what makes those investments pay off! There must be a genuine, ongoing effort to build and sustain relationships to maximize return on marketing investments and customer lifetime value. Happy, engaged and satisfied customers make repeat purchases, choose higher-value products or services and become brand advocates.

- **Genuine customer care begins at home:** Employee engagement and satisfaction are the building blocks of customer satisfaction and loyalty. A customer-centric approach to business must start with company leadership and become an operating philosophy that is nurtured throughout the organization.

What happens? Employees care more about customers. They go the extra mile in providing excellent service. Customers feel this and respond positively to the company. In turn, employee morale grows because they see that they are making a difference to the customer and the company – and this is the crowning jewel of a great customer experience!

**Turn customers and employees into devoted brand ambassadors**

When a company demonstrates genuine care for its people and customers and does so through an intentionally designed customer-centric company culture, it creates a perception of trustworthiness, reliability and integrity across both groups. A positive brand image pulls in new customers, retains existing ones, attracts top talent and retains existing employees.

The customer experience is your ticket to getting everyone on board with your brand promise – from employees to job candidates, customers and business partners. All are drawn to companies that demonstrate strong values and a customer-driven approach to the market.

**Where does customer experience stand in your business strategy?** Fresh eyes and perspectives might be just what you need to elevate it to its rightful place in your strategy. Let great customer experiences give you a much-needed competitive edge and constantly leverage it to secure your future success!

Here are more resources from The Cooper Group to get your ingenuity flowing:

- ➔ [Are You Beating your Competitors at Customer Experience?](#)
- ➔ [7 Steps to CX Nirvana](#)
- ➔ [The Importance of Customer Insights, Research & Analytics](#)
- ➔ [CX Metrics Matter, but Understand Your What, Why, and When](#)
- ➔ [How to Keep Your Customers Close](#)



# B2B SUCCESS

## Means Knowing Your Customers' Customers

In my experiences as a business consultant, I'm frequently asked by company leaders how to improve sales and revenue performance. Maybe it's because their sales are down. Maybe they need to identify departments or divisions that require attention and more efficient operating procedures. Or maybe the company is in the process of refining their business strategy. These are all excellent reasons to conduct performance auditing.

During our discovery process in working together, most leaders understandably look for a measurable status of operational efficiency and productivity (positive or negative) and how these metrics directly help or hurt revenue.

While this is perfectly logical, such metrics are most often internal measurements centered around internal financial and operational dynamics. 'Internal' is the operative word.

Rarely is any consideration given to one of the most important factors for any business that sells to other businesses. This is an external factor and it is the lack of a company's understanding of their customers' customers.



by  
**David  
Cooper**

# If you're not providing what your customers' customers want and need, how long will your customers continue to buy your products and services?

When you know and respond to your customers' customers, you're a better partner to your direct customers and experience a stronger, high-performing and more profitable business.

## **Their customers are one of your key stakeholders**

A thorough performance audit takes all stakeholders into account – from your people to your customers, prospects, competitors, business partners and any party with an interest in the organization.

As mentioned, a key stakeholder

often overlooked by a B2B company is the end-users of their direct customers. This stakeholder requires rigorous and accurate analysis, too, to avoid the erosion of direct customer relationships. If being a customer-centric business is important to your organization, you simply can't leave these buyers out of your business strategy.

If you're not providing what your customers' customers want and need, how long will your customers continue to buy your products and services?

Get this on your radar today to keep your company and offerings relevant and profitable.

## **Increase your value as a business partner**

By understanding and addressing the needs of your customers' end-users, you provide enhanced value to your direct customers. You give them the means to increase their own value, which leads to stronger loyalty, repeat business and referrals for both companies.

B2B companies that focus on their customers' customers proactively align their products and services with end-user requirements, even though they are not direct customers. Making this strategic effort has the added benefit of differentiating the company from its competitors.

## **Know who they are and learn their behaviors**

While it's important to understand the demographics of your customers' customers, including age, gender, income level, location and other factors, it's also critical to know what they value most in a product and the company that

provides it. This is what most influences today's buyers.

Coming to understand the behaviors of your customers' customers includes learning how they use your products or services, how often they purchase them, how they think and feel about your offerings and company, and other factors that influence their buying behaviors.

Work with your direct customers to gain this information. Collaboration makes you stronger than your competitors and it also fosters innovation! Alternatively, you can request your customers' consent to pursue this important data on your own.

The bottom line is that this data analysis helps you identify attributes or problems that end-users face in using your products or services. It gives you insights to remedy pain points, enhance products and services, and refine development initiatives and marketing and sales strategies.

## **Retain your valuable customers**

When you keep your eyes trained on your direct customers' end-users and respond to their needs, you demonstrate that you are committed to being a proactive business partner that is interested in maintaining long-term, mutually beneficial and lucrative relationships. This approach to business-to-business relationships builds trust and loyalty and leads to higher retention rates.

Prove that you're invested in your customers' success by being invested in satisfying their customers. This bears out your



willingness to go above and beyond the transactional aspects of your business relationship. When you do this, you will not only see your customer relationships grow stronger but you will also create mutual opportunities for growth.

### **Develop and operate smarter with current market insights**

Delving into the needs, preferences and behaviors of your customers' end-users gives you valuable market insights. It informs your product development, marketing strategies and business decisions – all contributing to desired outcomes for your own customers and theirs.

You're able to create compelling messages and a refined value proposition that resonates with end-user needs and pain points. Aligning your messaging and outreach efforts in turn increases the effectiveness of your marketing campaigns and wins repeat business. It also improves lead generation for your company and increases revenue for you and your customers.

### **Stay current with shifting market dynamics**

The B2B market continues to experience significant shifts with

advanced digital technologies, big data, ever-changing buying patterns, demographic shifts and more demanding end users. It's vital to know exactly how and where your offerings fit into the overall value chain and what you must deliver to optimize your products and services and increase your value.

Today's buyers, including yours and those of your customers, expect exceptional experiences, fast response times and tailored solutions. You need to understand what's changing and align your strategies accordingly. Staying current with industry and market trends, especially those of your customers' customers, is essential because it enables you to anticipate, develop, deliver and stay ahead of your competition.

### **Be a thought leader**

By proactively engaging with the wants and needs of your customers' end-users, you become more valuable to your customers as a source of market insights and trends that impact their

businesses. This enhances your reputation, strengthens your credibility and brings new business opportunities to your doorstep.

Keeping a pulse on the evolving needs and preferences of end-users, you can anticipate market shifts before they have an impact, and adjust your business strategies, products and services to be solid revenue-generators. You will also stay relevant in the market.

### **Stake your claim in the value chain and watch your revenue grow**

Understanding and catering to the needs of your customers' end-users encourages collaboration, increases loyalty and advocacy, and generates revenue growth for you and your direct customers. This far-reaching, holistic customer-centric approach is essential for long-term success in the business-to-business marketplace.

# B2B



The Cooper Group, Inc.  
5 Concourse Parkway  
Suite 3000  
Atlanta, GA 30328  
678-474-9678

To subscribe, e-mail us at  
[StrategyHQ@thecoopergroup.net](mailto:StrategyHQ@thecoopergroup.net)



[thecoopergroup.net](http://thecoopergroup.net)

