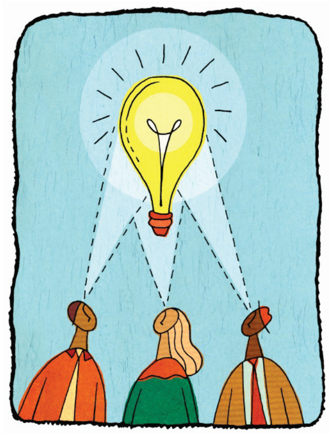
white paper | 2010



The Customer Intimacy Imperative

Business success today requires a new depth of customer insight. The right blend of customer-centric strategies and advanced analytic tools delivers it.

IBM

Peppers & Rogers Group

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Executive Overview

Ask yourself the following question: Is our company realizing the full business potential from our customer relationships?

Chances are, the answer is, "No." And while there may be a myriad of reasons for this—including process inefficiencies in customer-facing operations and poor channel integration—ultimately, the success or failure of a company is determined by the relationships it builds with its customers.

Companies that listen closely to the needs of their customers and develop products and services based on those needs are more likely to develop trusting, intimate relationships with their customers. As you'll discover from reading this white paper, customer intimacy is critical to helping companies achieve their business objectives, including identifying future sales opportunities with customers and prospects.

In *Rules to Break & Laws to Follow*[1], Peppers & Rogers Group Founding Partners Don Peppers and Martha Rogers, Ph.D., explain that business success is built not solely on short-term sales, but largely on the trust that companies develop with their customers over time. Once a company has earned its customers' trust by understanding their perspective and treating them fairly, then it is able to draw long-term economic value from those relationships.

This trust-based, customer-centric business philosophy closely aligns with the principles contained in *The Discipline of Market Leaders*[2]. Coauthors Michael Treacy and Fred Wiersema describe how the most successful companies are those that focus on delivering exceptional customer value through one of three value disciplines, while being satisfied with simply meeting industry standards in the other two areas. These disciplines are: Operational excellence, Product leadership, and Customer intimacy.

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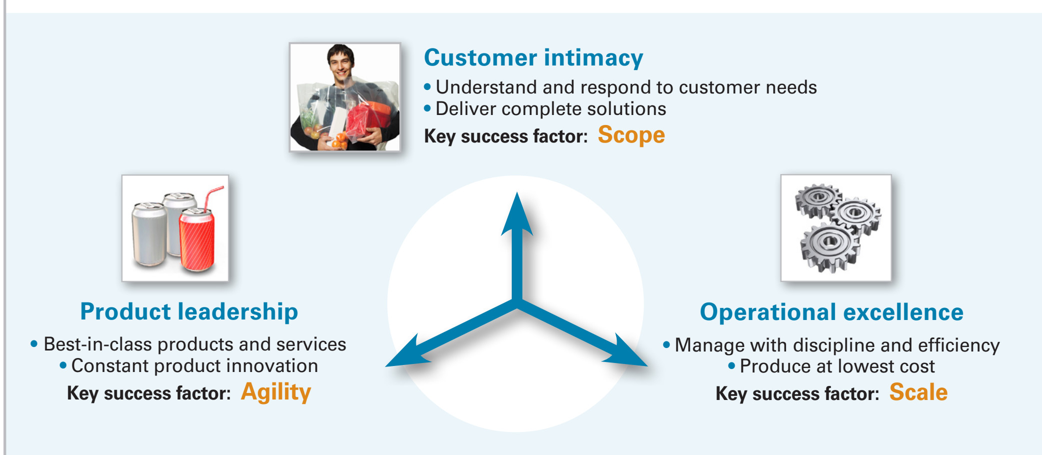
The Dimensions of Competitive Advantage

Product leadership, operational excellence and customer intimacy are value disciplines of successful companies.



Source: Treacy, Michael; Wiersema, Fred—*The Discipline of Market Leaders*

The business landscape has changed dramatically since *The Discipline of Market Leaders* was published. Technologies, processes and customer engagement have all advanced, contributing to the evolution of customer-intimate business strategies. Today companies can excel at customer intimacy, and as a result, improve both operational excellence and product leadership.

Unfortunately, however, most organizations lack the holistic view of their customers that's required to fully understand and react to customers' needs in a way that will help to forge tight-knit and trusting relationships with them. Decision-makers are impeded by barriers such as silos of customer data, poor data quality and misaligned business strategies that prevent them from developing a comprehensive view of each customer and leveraging the business potential of each relationship.

This white paper will explore five disciplines that represent key focus areas where customer intimacy is forged:

- Customer acquisition, which focuses on attracting the *right* customers efficiently
- Relationship development strategies based on customer interests and what they are most likely to buy
- A customer value and satisfaction–based retention strategy
- Operational excellence achieved by acting on customer insight
- Product leadership based on delivering products customers want.

Supported by insights from IBM and Peppers & Rogers Group, this paper will examine those disciplines in terms of customer intimacy, obtaining the insight required to achieve it, acting on that insight, and measuring the impact of taking a customer-intimate approach. Readers will gain knowledge on:

Defining customer intimacy. Customer intimacy is often confused with disciplines such as customer experience management (CEM), enterprise feedback management (EFM) and voice of the customer (VoC) programs. In practice, these activities are actually the building blocks to achieving greater customer intimacy.

Obtaining customer insight. Customer-intimate companies get closer to their customers and develop more robust customer-centric business strategies by leveraging advanced analytics effectively. They take a more holistic approach by applying predictive analytics to historical outcomes such as purchases, responses to offers, defections, etc. A holistic view will enable customer-facing employees to have the right kind of dialogue, leading for example to better sales opportunities with customers and prospects at the point of contact. Capturing the dialogue and the results of these interactions consistently can better inform the business and help to determine future business outcomes.

Acting on customer insight. Businesses are awash in data. Advanced analytics can provide decision-makers with deep insights on customer behaviors, attitudes and preferences which can be used to craft the right offers to the right customers at the right time. Analytics can also be applied to operational systems that support key customer-facing processes to automate and optimize decisions for business leaders.

Measuring the impact. Customer intimacy can generate numerous business returns, including more efficient customer acquisition; recurring revenue opportunities; increased loyalty and retention to help maximize actual and potential customer value; product innovation to deliver the products customers want and will buy; and operational excellence by applying customer input across the organization. Measuring the business impact of customer intimacy can help decision-makers determine which programs have been fully optimized and those which require additional refinements.

"Business success is built not soley on short-term sales, but largely on the trust that companies develop with their customers over time."

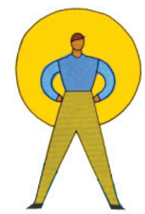
–Don Peppers and Martha Rogers, Ph.D., *Founding Partners, Peppers & Rogers Group*

Defining Customer Intimacy

Before companies can embark on the path to achieving customer intimacy, decision-makers require a crisp understanding of what customer intimacy is. Simply stated, customer intimacy is achieved when companies have created tight-knit and trusting relationships with customers. Once trust has been established, customers are more likely to become repeat buyers and recommend a company's products to their friends and family, says Don Peppers, founding partner at Peppers & Rogers Group.

By consistently delivering the types of "results" and experiences that each customer expects, and by exceeding customer expectations by anticipating their needs in advance, companies are able to earn that customer trust, says Peppers. These results can vary, from supplying the right products at the right time to customers to improving their interactions and experiences with a company.

As Fred Wiersema stated in his 1998 book *Customer Intimacy*, building customer intimacy "doesn't call for increasing customer satisfaction. It requires taking responsibility for customers' results."[3]



"Customer intimacy begins with putting the customer at the heart of the organization."

–Heena Jethwa,
Senior Product Marketing Manager, IBM

Why customer intimacy?

Still, it's important for decision-makers to understand that customer intimacy is about more than just the almighty dollar. "Customer intimacy isn't just about trying to sell more, but is about understanding the needs your customers have, even if the customer herself hasn't articulated that need directly," says Robert Risany, director, product marketing at IBM.

In their efforts to build customer intimacy with customers, companies must learn as much as they can about each customer's behavior, attitudes and expressed needs and use that to understand where and what their pain points are. Developing that kind of wisdom about each customer and customer segment ultimately enables organizations to create more customer-centric products and support — potentially growing sales and service in the process.

Customer knowledge also allows companies to craft customized offers and even tailored sales arguments for each customer based on their individual preferences.[4] This approach often leads to increases in close rates, repeat purchases and referrals.

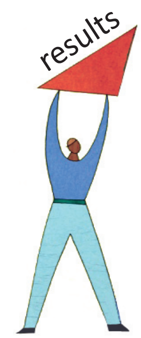
Gathering and analyzing the data required for customer intimacy will also help businesses to acquire the kind of customer who is likely to be profitable, retain their most valuable customers, and improve operations, products and services based on customers' needs and value. All these outcomes help to increase revenue and reduce costs.

Companies that use analytical tools and techniques wisely are also able to explore rich sources of customer data that can be used to more accurately determine future business outcomes, such as the likelihood of converting upsell/cross-sell opportunities, improving customer loyalty, and increasing customer lifetime value (LTV).

Customers: The heart of your organization

The first step on the journey to achieving customer intimacy "begins with putting the customer at the heart of the organization," says Heena Jethwa, senior product marketing manager at IBM. Once companies establish a dialogue with individual customers, they're able to learn much more about them – including the characteristics they look for in products and other factors that influence and drive their purchasing decisions. From there, companies can aggregate customer information from different channels and touchpoints and apply these insights towards optimizing products and support.

"Customers remember you from interaction to interaction," says Peppers. "Those interactions develop a context that exists on its own. Because customers do have memories, it's important for companies to listen closely to their customers, recognize when they're unhappy about something, and then demonstrate that they're taking some form of action to address customers' concerns," Peppers adds. "It's also essential that organizations respond to and address customer feedback and suggestions. Closing the loop by informing customers what actions will (or won't) be taken based on their input goes a long way toward helping to build customer intimacy, as customers will feel that they've been heard and that their input is valued."



"By consistently delivering the types of results that each customer expects, companies are able to earn a customer's trust."

–Don Peppers,
Founding Partner,
Peppers & Rogers Group

The building blocks to customer intimacy

Too often, companies confuse customer intimacy with disciplines aimed at achieving other elements of customer centricity, such as customer experience management (CEM), enterprise feedback management (EFM) and voice of the customer (VoC) programs. "In practice, these activities are the building blocks to achieving customer intimacy," says Colin Shearer, senior vice president of strategic analytics at IBM. "For instance, VoC is a starting point for companies to learn what customers are saying about them and their products across such channels as social media and the contact center," he says.

EFM, on the other hand, should be viewed as a holistic approach to gathering requested customer (and employee) feedback from various channels and business divisions. CEM carries this through into action, helping companies to gain a better understanding of customer experiences and then devise strategies in order to improve customer satisfaction, Shearer adds.

Customer intimacy is the cumulative result of these disciplines, with analytics – and particularly the foresight obtained through predictive analytics - driving the best outcome for the customer and the organization. "You're trying to know every customer as best as you can, and ensure every contact with each of them contributes to making your relationship with them as positive and effective as possible," says Shearer.

The insight and foresight gleaned from rich customer data can enable company employees and executives to approach customer needs more effectively across the entire enterprise.

The Building Blocks of Customer Intimacy

Voice of the Customer, Enterprise Feedback Management and Customer Experience Management programs all feed into customer intimacy.

"A commitment, strategy and process to capture and integrate the thoughts, feelings and emotions of a customer into the ongoing operations of a company." —*Peppers & Rogers Group*	**Voice of the Customer**
"A defined and repeatable approach to integrating customer feedback into all customer-focused aspects of the organization." —*Peppers & Rogers Group*	**Enterprise Feedback Management**
"The 360 degree view of the interactions a customer has with an organization across every touch point and channel." —*Peppers & Rogers Group*	**Customer Experience Management**
"The optimization & standardization of enterprise-wide business processes to exceed customer expectations at the point of impact." —*IBM*	**Customer Intimacy**

Source: IBM[5]

Obtaining Customer Insight

Acquiring rich customer insight requires a customer-intimate strategy and supporting technology. Customer-intimate companies can, for example, get closer to their customers by following the steps outlined in the Peppers & Rogers Group IDIC customer relationship framework, says Peppers. The framework comprises four stages:

Identify customers as unique addressable individuals

Differentiate them by value, behavior, and needs

Interact to establish a mutually beneficial learning relationship

Customize products, offerings, and communications to meet customer needs

Source: Peppers & Rogers Group

Companies that use IDIC to build customer intimacy also create a competitive advantage. This approach can effectively support the five disciplines of customer intimacy. As businesses identify individual customers' needs through feedback channels, for example, they will acquire a depth of information their competitors don't have, so they're able to customize products and services in ways that the competition can't. Additionally, companies that use IDIC to support customer intimacy will gain deeper insight into potential up- and cross-sell opportunities. These actions will help to improve the results brought about by customer intimacy.

"All too often, business processes are product or revenue focused when they should instead be focused around customers and addressing their needs."

–Eric Brethenoux, *Predictive Analytics Strategist, IBM*

A proven technique to detect, compile and act on the insight available by using the IDIC framework is through the strategic use of advanced analytics tools, says Onder Oguzhan, managed analytics practice leader at Peppers & Rogers Group. This includes conducting attitudinal and behavioral analyses and integrating that information with data from customer-facing operations and channels to develop a complete view of each customer, he says.

Whether using IDIC or another approach to obtain detailed customer information, decision-makers need to ensure that company processes are centered on their customers. All too often, business processes are product or revenue focused when they should instead be focused around customers and addressing their needs, says Erick Brethenoux, predictive analytics strategist at IBM.

Peppers cites a major online retailer as an example of a firm that puts customers first. "When customers attempt to purchase a book from this company that they have already bought, they are prompted with a 'warning' message asking whether they actually want to buy it again," he says.

Peppers says this kind of service is a sign of a company that is able to forgo short-term gains in order to win the long-term benefits of increased customer trust and loyalty. The online retailer uses customer information and analytics to help build that long-term customer relationship.

Finding missing pieces

When companies attempt to become closer to their customers, decision-makers will sometimes discover that there are data elements missing from a customer's profile that are required to develop a complete picture of that customer and his needs, says Oguzhan. One example of this kind of omitted or incorrect information may be something as simple as a recent change in a customer's mailing address. Or it could be more involved, like information about a customer's future purchasing plans or product requirements.

One of the most effective and least obtrusive ways to fill in these information gaps is by posing a few questions to a customer during an interaction with them, instead of asking them to respond to a separate survey, Jethwa suggests. Companies can gather this information via multiple channels (e.g., Web IVR, agent), and add to this new or updated data to their data stores.

Companies can also draw upon the troves of customer information collected during contact center exchanges with customers.[6] Call centers record conversations for regulatory and quality assurance purposes. "We can convert those conversations to text to do sentiment analysis from that unstructured data to learn why customers might be unhappy about a product or service and then follow up on that feedback to help resolve those issues," Brethenoux says.

Once companies have filled in the paint-by-numbers sets on each customer – or they at least have obtained enough customer attributes to develop a more complete picture – they can then apply analytics to determine the best actions to take to build each customer's value, says Oguzhan. Businesses can then also use predictive analytics to help determine future business outcomes such as a customer's likelihood to purchase a more expensive product in six months.

Targeting the right customers

Companies can exploit analytics tools to help develop a portrait of the ideal customer. They can do this by starting with available customer data and build on it as they gather additional information.[7] For instance, they can pose questions such as, "What are the top five characteristics that high-value customers have in common?"

By capturing detailed characteristics of the ideal customer, companies can use those profiles and apply predictive analytics to help them identify prospects that best fit that description, says Shearer. Companies can also use analytics tools to help engage customers and to customize offers for them based on their transaction histories, preferences and other behavioral information, notes Jethwa. From a customer's standpoint, such an offer "is more personalized for them," Jethwa adds.

By isolating the *right* customer data to use, companies are able to achieve alignment with their business goals and generate optimal business outcomes.

"By capturing detailed characteristics of the ideal customer, companies can use those profiles and apply predictive analytics to help them identify prospects that best fit that description."

–Colin Shearer,
Senior Vice President, Strategic Analytics, IBM

Enterprise-wide Organizational Improvements

Here are some ways that IBM customers have achieved solid business outcomes through customer intimacy and applying analytics.

Customer Acquisition
A leading telemarketing firm increased sales per hour by over 30% while giving the company a significant competitive performance advantage

Customer Cross Sell and Up Sell
A leading department store in the United Kingdom analyzed which offers were generating the most sales, as well as identifying "cross-sell" opportunities

Customer Retention
A large Swiss cable network operator reduced customer churn from 19% to 2%

Product / Service Innovation
A division of a major motorcycle manufacturer collaborated with customers to help improve new product evaluation process and enhance the competitiveness of existing products

Source: IBM

Educating Employees

A central element to becoming a more customer-intimate organization is by empowering employees to make decisions on behalf of customers without having to seek their supervisor's approval. "Empowered employees typically make very good decisions," says Brethenoux.

That type of empowerment requires insight. For instance, if a contact center agent for a bank has information about a customer's credit history, they can take the initiative to waive a checking overdraft charge for a customer in good standing while they're on the phone, says Peppers & Rogers Group founding partner Martha Rogers, Ph.D. This type of service will help to improve customer satisfaction and loyalty. The bank might lose $35 in overdraft fees, but they stand to see greater customer lifetime value from a satisfied, profitable customer who is more willing to continue doing business with the bank, she says.

This type of approach will only work if employees embrace it.[8] Offering incentives is an effective way to gain employees' buy-in for becoming more customer-centric, says Brethenoux. This could include incorporating customer-centric behaviors and actions as part of the annual performance review criteria, or rewarding an employee's efforts in helping a business to meet a performance target, such as improving customer loyalty rates by X percent.

Providing employees with the right data at the right time is as important as motivating them with empowerment and incentives.

Demonstrating the benefits of sharing customer data

Providing employees with the right data at the right time is as important as motivating them with empowerment and incentives. Doing this requires information sharing across the organization. Customer intimacy doesn't occur in a silo. Business leaders can use advanced analytics tools to share customer data collected by their divisions with the rest of the enterprise, says Jethwa.

Business leaders who are reluctant to share customer data from their divisions can be shown the value of sharing customer data across the enterprise through small examples that offer tangible results. An example of this might be demonstrating to the leader of the credit card division for a bank how she could potentially acquire new customers by gaining access to customer contact information obtained through other lines of business, such as home equity credit lines.

In this example, if the bank divisions share information and take a customer-centric approach to using it, the customers benefit as well, because they will learn about the products and services most appropriate to their needs.

This approach, along with an enterprise-wide shift to becoming a more customer-centric organization, must be driven by senior leadership and inculcated throughout every layer of the organization. "In order to drive a customer-intimate strategy you have to make sure there's alignment from the board level down to the point of interaction," says Risany.

Acting on Customer Insight

Businesses are awash in data. Decision-makers need to know which customer data is relevant and how it should be applied to obtain the most effective results. Determining which customer data to use starts with identifying a company's specific business goals (e.g., improve upsell/cross-sell by 8 percent within six months), says Oguzhan.

Once decision-makers have objectives in place, they can use data mining and predictive analytics to help identify trends and similarities between their company's goals and what customers are looking for, says Jethwa.

Decision-makers need to know which customer data is relevant and how it should be applied to obtain the most effective results.

Nurturing a highly-valued segment

Data mining and predictive analytics can also help companies to identify new business opportunities.[9] For example, Peppers points to a leading European retailer which uses a loyalty club card to gather and track thousands of customer attributes based on their transaction histories and other behavioral information.

By applying analytics to its club card and other customer data, executives for the retailer discovered that young families were the biggest spenders among all club card groups. Business leaders used this information to create a baby and toddler club for pregnant women and parents of young children. Members receive a free magazine offering advice from experts on childcare issues. Additionally, the company has designated special parking spaces close to its stores' entrances, helping to make the experience more convenient for parents shopping with their young children.

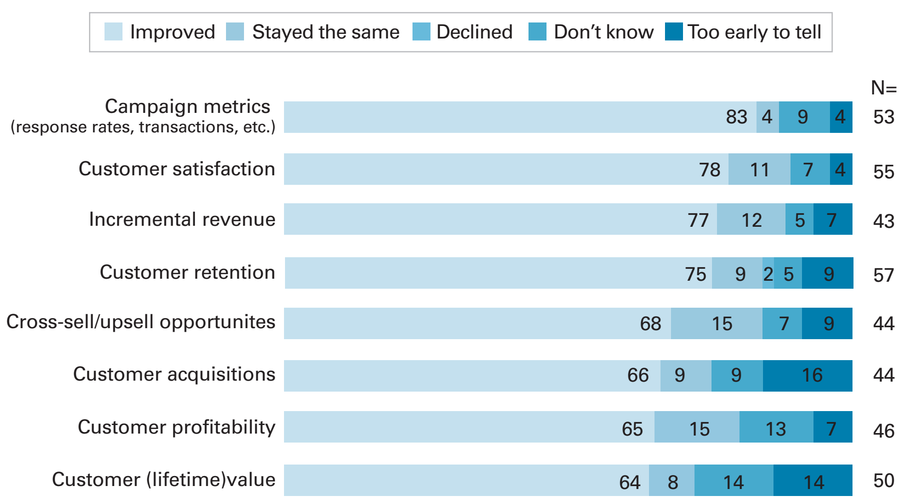
By examining the types of products and services that customers want from the customers' point of view, and then delivering on those needs through its own product leadership, the company has been able to position itself as the retailer of choice for young families, who have the potential to be loyal customers for years as their children grow, says Peppers.

Being intimate with the right customers also helps companies to get a better return based on

Significant Improvements Throughout...

Customer intelligence can have a dramatic effect on customer measurements.

"How has customer intelligence impacted each of the metrics that you measure?"



Base: Customer Intelligence professionals who measure the impact of Customer Intelligence

Source: Forrester Research[10]

delivering what those customers want.[11]

Business leaders shouldn't expect their firms to become as sophisticated with their use of analytics so quickly. But they can begin to act on existing information immediately by analyzing customer data they're already collecting in their contact centers, billing systems and customer surveys, says Shearer.

Connecting with at-risk customers

Even if a company has achieved some level of intimacy with its customers, that doesn't eliminate the possibility of churn. Customers may be enticed by another company's promotional offer or they might have been dissatisfied with a recent experience with a company they usually prefer.

Companies can pick up on these warning signs through the use of sentiment analysis tools, says Brethenoux. Sentiment analysis is particularly effective for capturing and identifying customer comments and concerns that are posted through social media, such as Facebook and Twitter postings, as well as blogs, wikis and web-based customer reviews.

By listening closely to their customers and collecting that information, companies can apply analytics to spot the warning signs of dissatisfaction and help devise customized retention strategies for individual customers, says Risany.

For instance, as part of its efforts to reduce high churn rates, which are common in the telecom industry, Cablecom, the largest cable network operator in Switzerland, turned to IBM to help support an enterprise feedback management program.

Cablecom also drew upon IBM's SPSS predictive analytics technology to better understand its customers in terms of their characteristics, behaviors, and attitudes. By assessing and analyzing customer feedback across various stages of the customer lifecycle using IBM SPSS and data mining technologies, executives for Cablecom discovered that unsatisfactory events in the early to midterm stages of a customer's lifecycle were having the biggest impact on churn further down the line.

Still, there are some customers that companies shouldn't struggle to retain, like those that generate the least profit or cost the most to support, Shearer notes.

Predictive analytics can be applied to help decision-makers obtain rich insights about a customer's value, including long-term profitability.[12] This could also include determining that certain customers who are currently unprofitable are expected to increase their value dramatically within, say, the next six to twelve months, and hence are well worth retaining, he adds.

"By listening closely to their customer and collecting that information, companies can apply analytics to spot the warning signs of dissatisfaction."

– Robert Risany, *Director, Product Marketing, IBM*

3 Ways to Eliminate Dirty Data

One of the common barriers to gaining a complete and accurate view of each customer and then acting effectively upon the information is due to "dirty data."[13] This refers to errors contained in customer information such as misspellings, outdated addresses or even customer information that's duplicated in a database. "Dirty data is really a nightmare for organizations to deal with and it does impair their relationships with customers," says Brethenoux.

Here are three strategies for tackling the dirty-data problem:

- **Cross-referencing:** One way to attack the problem is by using analytics tools to cross-reference customer information that's stored in, say, a contact record with other customer files to determine whether there are multiple files on a single customer.
- **Process reengineering:** Another effective technique to help prevent the proliferation of dirty data is by establishing data governance procedures to ensure that responsibility for maintaining the integrity of the data have been put in place.
- **Text analysis:** In addition to using data scrubbing tools to cleanse sullied data, companies can also use text analytics to identify and root out problematic or duplicate customer data.

Measuring the Impact

Companies that achieve customer intimacy are able to draw upon their knowledge of individual customers and their behaviors, attitudes and preferences to formulate strategies that can generate optimal business returns.

Other types of business outcomes that can be influenced by customer intimacy include:

Customer acquisition. By knowing the characteristics of their ideal customer, companies are better positioned to identify and target prospects with the greatest likelihood to purchase and to become high-value customers.

Recurring cross-sell and upsell opportunities. Evaluating transaction trends, behaviors and sentiments can help companies identify the most likely products customers will be interested in purchasing.

Increased loyalty and retention. Companies that develop intimate, trusting relationships with customers are able to increase customer loyalty to help maximize actual and potential customer value. They're also able to spot subtle changes in customer purchasing and other behaviors, which may help them to react faster to potential churn, as the European telecom company has.

Operational excellence. Companies can use customer insights and other intelligence to help them personalize services for customers. For instance, a leading Australian bank has customized its ATM machines to address each cardholder by name and recommend unique services based on their previous transaction ("Mr. Smith: Would you like to withdraw $100 from your checking account?").

Product innovation. Companies can detect customer sentiment and analyze their feedback to develop the types of products they're seeking. For instance, IBM worked with a leading motorcycle manufacturer to collect and act on customer feedback.[14] The company gathered suggestions on product designs through a Web portal it created.

The site provides motorcycle enthusiasts with articles about the latest models being introduced, as well as interviews with company engineers, product planners and designers. Accompanying the stories are links that direct readers to surveys. In the surveys, the motorcycle manufacturer asks technical questions that only knowledgeable motorcycle aficionados would know, such as the differences between two-stroke and four-stroke engines. This approach ensures that the company is hearing from its target audience: bonafide motorbike fans.

The portal recently enabled the company to gauge European reaction to an electric scooter introduced in Japan. Within two weeks the motorcycle maker was able to solicit responses from more than 2,000 scooter fans in Germany, France and Italy. The feedback helped the company's new product development team learn how Europeans would use the scooter and how much they were willing to pay for it. After some technical modifications, company leaders made plans to import the bike from Japan in limited quantities for customers in the aforementioned countries.

"A company can change a customer's value by getting them to behave differently."

–Don Peppers,
Founding Partner,
Peppers & Rogers Group

Predicting Future Outcomes

When companies have achieved a certain level of intimacy with their customers, they can also use analytics to help them determine the types of offers that each customer is most likely to accept, says Peppers.

"A company can change a customer's value by getting them to behave differently," Peppers says. "Understanding the value profile of your customers is a critical step in developing customer insight."

While many companies make use of key performance indicators, predictive analytics can enable them to apply what Shearer calls "key performance predictors." For example, companies can use customer data in a time series to help them predict what their customer retention rates will look like in 6 months or 12 months. They can use analytics to dive even deeper to determine whether customer churn is going to occur within a particular geography or among users of a certain product set.

Companies also need to use customer intelligence to help them strike a balance between short- and long-term business goals, says Peppers. "If you over-market to customers, they get weary of the message or even irritated if you contact them too much," he says. "You have to create whatever value you can from the customers who are available to your company without destroying value in the process by not speaking relevantly or addressing their specific needs."

Ultimately, companies are able to achieve a state of equilibrium with customer intimacy "when they're able to create and preserve customer value," says Shearer.

While many companies make use of key performance indicators, predictive analytics can enable them to apply what IBM's Colin Shearer calls "key performance predictors."

The Economics of Loyalty

Customer loyalty can deliver measurable financial improvements.

	Customer Value ($b)	% increase in Customer Value for a 10% improvement in:		
	Base Case	Acquisition Cost	Margin	Retention
Amazon	2.54	0.51%	10.51%	28.34%
Ameritrade	1.45	1.19%	11.19%	30.18%
eBay	2.11	1.42%	11.42%	30.80%
E*TRADE	1.89	1.11%	11.11%	29.96%

Source: Gupta, Lehmann & Stuart[15]

Conclusion

It's important for decision-makers to remember that it's not necessary to implement every piece of a customer intimacy strategy at once. Companies also don't need to implement customer intimacy strategies across the entire enterprise to achieve success. For instance, a customer intimacy campaign can be launched by the marketing organization and then be extended to sales or customer service.

Companies also don't need to wait until they gather every piece of customer data potentially available to them to achieve customer intimacy. They can start by applying analytics to the customer data they do have. For instance, companies can start with a well-defined customer acquisition strategy and then add more data over time.

Nevertheless, companies should take advantage of every opportunity they get to engage each customer and capture information from every interaction in order to learn from them and act on them, says Risany.

After all, customer intimacy results from a series of interactions between customers and companies that is cumulative, says Peppers.

"There's no end point to customer intimacy," says Jethwa. "It's an evolving journey that keeps delivering better results."

In the last five years, businesses worldwide in every industry, are experiencing an unprecedented shift in their business priorities, a shift of intellectual property from products to clients," says Brethenoux. "Operational excellence and product leadership disciplines are nurtured to support what is becoming the principal strategic objective of a large majority of organizations around the world: customer intimacy."

IBM Business Analytics

IBM Business Analytics software delivers complete, consistent and accurate information that decision-makers trust to improve business performance. A comprehensive portfolio of business intelligence, advanced analytics, financial performance and strategy management and analytic applications gives you clear, immediate and actionable insights into current performance and the ability to predict future outcomes.

Combined with rich industry solutions, proven practices and professional services, organizations of every size can drive the highest IT productivity and deliver better results.

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Peppers & Rogers Group

Peppers & Rogers Group is dedicated to helping its clients improve business performance by acquiring, retaining, and growing profitable customers. As products become commodities and globalization picks up speed, customers have become the scarcest resource in business. They hold the keys to higher profit today and stronger enterprise value tomorrow. We help clients achieve these goals by building the right relationships with the right customers over the right channels.

We earn our keep by solving the business problems of our clients. By delivering a superior 1to1 Strategy, we remove the operational and organizational barriers that stand in the way of profitable customer relationships. We show clients where to focus customer-facing resources to improve the performance of their marketing, sales and service initiatives.

For more information, visit www.peppersandrogers.com

Footnotes

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