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CUSTOMER ACUMEN

INSIGHTS TO BUILD
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Dear Reader,

The ubiquitous spread of technology has re-defined marketing that we knew of. In a world of consumerism where customer behaviour is changing rapidly, marketers are currently looking for innovative ways to put out their messaging through various means. What instantly comes to mind is digital marketing (or as McKinsey terms it as modern marketing). Today, marketing is no longer seen as a function, but rather a process characterised by hallmark traits such as agility, speed to market, analytics, and customer focus.

Added to this is any innovative marketing strategy that will not only help to attain the myopic goal of bottom lines but will help enhance customer value in the long run.

This quarter in **Customer Acumen**, we look at '**How well has marketing evolved to meet the needs of the digital world**'.

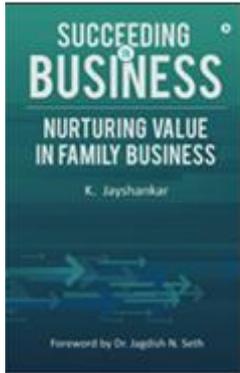
Jay elucidates how the marketing function has evolved, and how far we can reach out with the dawn of digital marketing. Marketing guru **Walter Vieira**, shares nuggets of knowledge about the marketing challenges of the digital era, the evolution of marketing from the traditional 4 P concept, and how you can engage with your clients globally.

We review Dan Gingiss' **The Experience Maker** which delves into how impactful customer experience as a marketing strategy can help retain existing customers and land you new ones. By applying the author's proprietary WISER method, marketers can add value to their customers and will want to talk about your brand to others.

Our in-house Cartoonist, **Vikram Nandwani's** toons offer some marketing 'insights'.

We value your relationship with us and look forward to your feedback and comments on how best we can serve you through our e-zine, **Customer Acumen**.





Out Now!

Succeeding in Business: Nurturing Value in Family Business

What makes some family businesses grow from strength to strength? How do you ensure that value is created and not destroyed when a business passes hands from one generation to the next in the Indian context? How can old families incorporate new ideas to revitalize themselves? Is there a role for professional management in Indian family business?

*This book offers answers to the vexatious issues that families face in their growth journey. The pointers provided can be used as a guide for nurturing the business and to leverage the traditional strengths that family businesses possess. As a counsellor and trusted advisor, the author, **K. Jayshankar (Jay)**, has had a ring-side view of how family businesses have functioned. The practical insights drawn from his experience of four decades has been combined with conceptual elements to become a valuable primer for a family that wishes to succeed in the competitive marketplace that is India.*

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MUSINGS



How much is too much marketing?

- Jay

We live in the world of intrusive marketing.

The digital world is all pervasive now - well, almost. Experts at the United Nations estimated last year that nearly one-third of the world still does not have access to the Internet, even after the spike in usage during the height of the pandemic. Yes, there are parts of the world waiting for Elon Musk to bring his Starlink service, but for those of us who live in an Internet world, we have to contend with the boons (plenty of them) and the bane (some very vicious) of the digital world. Consequently, migration to the digital world has meant that every aspect of business (nay, life) has been transmuted.

Let's take the marketing function as a case in point. Till the early 1990s, the world of business was happy to reach their customers through the traditional mediums of print, telecast and broadcast, apart from the tried and tested physical interaction mode. The advent of America Online in 1991 created a new wave of e-mail communication and slowly but surely, led to the movement of commerce to a new platform. Initially called Internet marketing or web marketing, over three decades later we know it today in its omnipotent form as digital marketing, highlighted in particular by mobile marketing. Through various methods (search engine optimization, content marketing, email blitzing, cookie trails, click baiting, and a plethora of innovative forms), the all-pervasive arm of marketing has ensured that none of us are untouched from the siren call of the marketer.

While all credit has to be legitimately offered to the wizards of technology, kudos also should be tendered to the marketing virtuosos who have profiled us - the consumers - so well that they now have reached manipulative proportions. The advertising world of the 'hidden persuaders' of the 1960s seem like kindergarten kids when compared to the sorcerers of today who have mapped the psychology of human behaviour so well, and harnessed principles from sociology, anthropology, and every other known field of research to target their messages to achieve optimum results. Case studies abound of how firms have studied cultural contexts and communication nuances, apart from gender directed missives, to sway people (their target audiences). The

cruder ones are easy to spot and are red flagged quickly (both through automatic and manual intervention) but what is insidious is the deployment of subtle yet powerful influences either in the content or the form of delivery.

Forget the traditional models of business, who would have guessed that testimonial and celebrity advertising would evolve into a whole new channel: the rise of a category called influencers. Ever heard of Whindersson Nunes? With over 52.7 million followers, this 27 years old Brazilian was rated as the top Instagram Influencer in January 2022. While you may not know him, the millennials lap up his work and get conditioned through inputs from him (or, dare I say, programmed by the commercial firms who fund him). But, hey, we live in the era where viewers are more concerned about keeping up with the Kardashians, right, never mind Afghanistan? Marketers may well state with a straight face that their job is not to sit in judgement about the world but figure out a better way to send the message home as directed by their client, through sharper communication tools. And, this they do perfectly well.

Is there any damage done through this refinement of the art of consumer communication? Infinitely so, one could argue. Look around you, and we find a polarised world. Appealing to the baser instincts of human society has worked well for politicians, racists, and many other dark forces who flourish by spreading fear, negativity, hate and violence. The presence of technology is ubiquitous, and you do not have to be an undercover agency employing Pegasus to track every move of the innocent customer. By offering something 'free', you can reel in a customer and having lured him, there will be an endless barrage of commercial spots to incessantly demand his eyeballs. The mesh of tracking tools used also make it easier for the marketer to capture minute changes in a customer's current habits, and soon enough a new pop-up shoots up to interrupt your viewing or reading experience.

It is not my case that recommendations and suggestions from a platform are not valuable, but it is a thin line that delineates the useful from an annoying spam. In a world of marketing and customer analytics, it is easy to become an infuriation from a customer's perspective, if personal privacy is violated. Hence, intrusive marketing could be the pitfall for a company that is blown away by its own fascination for technology.

Am I being foolishly nostalgic for a time when great copy could be enjoyed for its language while subtly selling a product? Let me instead be patient for marketers to truly master digital marketing, as truth be told, we are still in the early phase of discovering its powerful scope.

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SPOTLIGHT



Walter Vieira

President - Marketing Advisory Services Group



Walter Vieira pioneered Marketing Consulting in India in 1975 (Marketing Advisory Services), after a 14-year stint in the pharma industry, finishing as Marketing Head of Boots India, Bangladesh, and Sri Lanka. He was visiting Professor of Marketing for 20 years in India (Bajaj Institute, Mumbai), and later in USA (Kellogg, Cornell, NYU, Drexel, and others), Europe, and Southeast Asia. He has been a business columnist for 40 years - BusinessWorld, Times of India, Financial Express, etc. and published over 900 columns. He is the author of 16 books on management. Walter Vieira was President of the Institute of Management Consultants of India (IMCI), Chairman of Asia Pacific Conference of Management Consultants, and the first Asian elected Chairman of the apex world body, International Council of Management Consulting Institutes (ICMCI). He now spends most of his time on NGO work and is the Chairman of CERS, Ahmedabad - a pioneering consumer organization.

CA. Peter Drucker is quoted as having said, 'The aim of marketing is to make selling superfluous'. With your vast experience in the Indian context, how would you describe the marketing function?

WV: An article of 1,000 words is too small to explain the great challenges that one faces in a digital world. That is why my colleague (Brian Almeida), and I wrote a book titled "**Marketing in a Digital & Data World**". This was a book directed at millennials who are responsible for start-ups, and for a few of the earlier generation, already in marketing, who would be facing the challenge of the VUCA era and the DIGITAL era - all at the same time!

However, I am penning down a few thoughts based on the questions that Mr. Jayshankar, the consultant has raised, and which I am using as a guideline for this article. Though Jayshankar and I had a connection through the IMC-India, over many years, it was only a few months ago that we physically met and had a very pleasant interaction. This note is an extension of that luncheon conversation.

To begin with - What is my reaction to Peter Drucker's quote: "The aim of marketing is to make selling superfluous". I must admit that I am an old-world marketer. I believe that we can keep amending and expanding and refining - but the basic principles do not change. Sales is a part of marketing. The emphasis on the sales function may reduce with the evolution of the digital world and the use of technology. But sales will still be important, and we will never be able to completely write off selling, which will remain as part of the marketing mix.

CA. Marketing has gone through a revolution from the days of the 4Ps. How has the marketing function evolved in the digital world of today?

WV: Marketing has gone through a revolution from the days of the 4Ps. Maybe, to begin with, it was a slower 'evolution'. In more recent times, it has been closer to being a 'revolution'.

We all know that we have gone through the period of the 4Ps of Marketing (McCarthy). Marketers could improve the suitability of their product/service to meet customer needs by adjusting 4 parameters - product, price, physical distribution, promotion. Later, 2 more Ps were added - People, who play a role in defining the matrix, and creating effective messaging, and Politics, which impact trade relationships within countries and even, locally.

In the 90s, the focus changed from product/service to the customer - and Robert Lauterborn of the University of North Carolina, USA, came up with the matrix of the 4Cs- Consumer wants/needs, Cost to satisfy, Convenience of buying, Communication. The customer became the stronger driving force for product related decisions, while the advent of online marketing has reinforced the validity of the 4C - the parameters of communication and convenience of buying have been most impacted. Now digital advertisements are both more relevant and more economical than mass media advertising. And we know what has happened to the convenience of buying with Amazon, Flipkart, BigBasket and others showing the way.

In the 2000s, the Marketing Handbook outlined the 4Rs of Marketing, that pertain to the age of the internet - Relevance, Response, Relationship, Return. Professor V. Kumar in USA is a torchbearer for what we now call Engagement Marketing (EM). He says that this technique will define business for the next five years. Engagement is the total value provided by your customer over the next 3 years. This theory has evolved from the notions of transactional and relationship marketing. EM also makes use of Customer Lifetime Value - the net present value of future cash flow from the customer. In the casual restaurant category,

customers who are fully engaged make 56% more visits per month than those who are disengaged. In the electronics industry, engaged customers make 44% more visits per year, and spend \$84 more than those who are disengaged.

Sometime back, I saw a clothing manufacturer analyzing the data of those who had bought shirts at a special sale. Then they sent out a general promotion for the new blue blazers they had developed. The response was 9%! A month later, they sent out an e-mailer only to those who had bought blue shirts. The response was 35%. This is a simple example of how data is now being used!

The shoeshine boy at VT railway station has taken data collection to its simplest level. He sees the passing crowds. He taps his box to make a sound only when he sees a passenger wearing leather shoes. The others (vast majority, who wear sandals, sports shoes, canvas shoes) he ignores. He is compiling data and doing a selection of the target audience, confidently, as he sits at his shoe box.

CA. How is the marketing function contributing in tackling the business challenges faced by companies in the pandemic era?

WV: I can only tell you that much of my consulting business has crashed. Surely, companies needed guidance on what to do in such a crisis - but they also wanted to save every penny in this environment. So, pay for consulting? No way.

My son ran an event management company in Bengaluru. With the pandemic, there were no conferences, seminars, weddings, exhibitions. Business came to a grinding halt!

But when you walk out in the city, you find that many restaurants have started home delivery services. The shoe shine boy from Chembur station is now offering home service. My wife buys all her grocery requirements from BigBasket - and BB has also gone beyond selling groceries to selling bathroom brushes and other non-consumables. Of course, there are those who could not change 6Ps - and either have shut down or have the financial strength to wait out for the epidemic to be over.

You will also see the number of online education courses being advertised. These are colleges and universities, with foreign collaboration - putting in large advertisements in the media. But you will have to look very closely for the address and find it is somewhere in Gurgaon or in Telengana. The high visibility of Byjus and of Bennett - these are sample products of this epidemic.

CA. Digitization is the reality that all firms face today. How does a firm strengthen client relationships digitally?

WV: The answer is Yes and NO!

Very often companies think technology will solve all their problems. It won't. When I phone my holiday resort company, I get connected to a voice and then must press 2, then 3, then 4. And then - the agent is busy. Please hold on. But there is music, to keep you occupied. Having followed the process three times, I give up! Also, every time I phone, it is a different person to whom I must explain the problem all over again... for the third time?? This happens with my bank, with my insurance company and many

other situations. Working in a PhyDigital world can also be very distressing. I am sure we will overcome these problems as we go along - but as Sanjiv Mehta, Chairman of Unilever, India says - we are now moving from a VUCA world to a BANI world - Brittle, Anxious, Nonlinear, Incomprehensible!

CA. The number of unicorns in the business world seems to be ever-increasing. Do you see any iconic brands emerging from amongst them? What is your advice for the start-up generation who wish to create lasting brands?

WV: The number of start-ups in India is among the highest in the world. The rate of start-ups is now the third highest in the world. Will all of them succeed?

Not really. They say that about 40% of the start-ups fail and close by the second year. There are some that become unicorns - and quite fast. A recent example is SportswearIPO. These are the ones that have truly identified a market need/want - and developed an appropriate product - and also built a management team which combines all the talents required for success of a business (as Mr. Narayan Murthy did when starting Infosys) and not just depending on one aspect - superior technology! (Which is the cause of failure of most start-ups).

These are random thoughts on aspects of marketing - which will always rest on the foundation of the 4 Rs- and will therefore be able to manage the challenges of VUCA, and now BANI in our complex environment.

My friend Hermawan Kartajaya, the marketing guru of Indonesia, in his latest book - Marketing 5.0 - says data driven marketing will have to cleverly use a mix of Predictive Marketing, Contextual Marketing, Augmented Marketing. This can well be a subject for another article!

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RESOURCES



The Experience Maker

- Dan Gingiss



Dan Gingiss looks at a different angle of marketing. Marketing is not only about acquiring and maintaining customers but also ensuring that every customer has a remarkable experience. The objective of Dan Gingiss' book is to convince readers that an impactful customer experience (CX) can be your best sales and marketing strategy. The read explains the 'what' that makes for a great experience, the 'why' you need one and 'how' to make the most of CX.

In the marketing world, competing on the traditional 4Ps concept can lead to a dead end and to combat this stalemate situation, competing to ensure a positive CX is the answer. When done right, a great CX leads to more revenue and adds to customer value.

Dan Gingiss is an international keynote speaker, CX coach, and the CXO of The Experience Maker, LLC. He has consistently focused on delighting customers, spanning multiple disciplines including CX, marketing, social media, and customer service. He has held leadership positions at three Fortune 300 companies: McDonald's, Discover, and Humana. Through real-life examples of companies creating impactful experiences for their customers, Dan Gingiss offers food for thought and innovative ways to go beyond the traditional marketing approach. He urges readers to focus on existing customers, engaging with them; these will become your best marketers. Your existing customers will help you acquire new customers!

With every CX either being captured on the smartphone and shared with a connected world, it is not hard to find complaints about negative experiences. Most consumers have trouble remembering positive experiences but are definitely willing to share them when they happen. Here lies the huge opportunity for companies; if you can be that company that creates positive experiences for your customers, people will share them, and you will benefit from free, highly credible marketing.

According to the author, the CX bar is low, but the stakes are high, and the rewards are great. With this in mind, Dan Gingiss has developed a proprietary methodology for identifying and creating remarkable customer experiences - WISER (Witty, Immersive, Shareable, Extraordinary and Responsive) because when you execute them, your company will become "wise" to CX.

The entire CX journey should be one continuous smooth ride for customers. From witty messaging across mediums, to being immersive - delivering a consistent, connected experience so that the whole customer journey feels right. One way to accomplish this is to always ask where the customer came from before they arrived at this part of the experience and where are they going next. Each positive experience has to have the element of being shared (word of mouth or through social media). The second last element is to be extraordinary. Since the bar for CX is exceedingly low, marketers only have to get a little bit over it to be better than ordinary and have people take notice. Marketers must also be responsive to negative experiences and should be able to convert these into a plausible positive experience. While it is also not necessary to incorporate all aspects of the WISE concept into every experience, often just one or two of them will suffice in creating a differentiated experience. But the more aspects incorporated, the better your customers will perceive the experience and the harder time your competitors will have copying it. Viewing complaints as opportunities to improve and fixing what is wrong with the experience to avoid future complaints are enablers to great CX.

In the post pandemic era, CX has become even more important. Quoting McKinsey, "Customer leaders who care and innovate during this crisis and anticipate how customers will change their habits will build stronger relationships that will endure well beyond the crisis' passing." In fact, a growing number of companies are installing a CXO, with responsibility for every facet of the customer journey. Harvard Business Review even makes the case that every company should have a CXO to oversee both customer experience and employee experience.

The author is successful in driving home the message of the importance of creating impactful CX. In a world where many marketing gurus offer strategies to enhance bottom lines, Dan Gingiss' book stands out as he delves into the forgotten aspects of CX. He urges readers to stretch their minds and think about what companies in other industries do and how one can apply that back to your company. The impact of a positive CX goes beyond the persuasive nature of any brand campaign. Dan Gingiss hopes that this easy read will convince marketers to be WISER than the competition and help you become great Experience Makers.

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FEEDBACK

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