

The Chuetrain Manifesto and embracing the 'always on' customer

In 1999, a set of 95 theses was collated by a group of Harvard business graduates which examined the impact of the internet on businesses and how they should respond. The realisation for the authors was that there was a 'conversation' taking place between interconnected people which made markets smarter. In one of those theses, it was written that

What does this have to do with eBusiness? Well those interconnected people, both inside and outside the company are customers and they talk about businesses and products, your business, your product. With the interaction of the internet and smart consumer focused technology and with online interaction where peer-to-peer recommendation and advocacy is king, the customers are 'always on'.

So what is driving the characteristics and expectations of the 'always-on' customer? The growth of social media networks has unlocked consumer information and consumers are happy to share their views with select friends (62% of adults worldwide use social media); mobile technology has penetrated all areas of life with more mobiles connect to the web than PCs; cloud technology and the digital revolution has spurred freedom, efficiency and reliability of data; and harnessing the insights yielded from data analytics has contextualised and customised digital consumer experiences.

Digital customers are better informed, they trust their peers more than advertising, they have a myriad of choices and they have a voice in social media. Customers want connections to be real time, but within complex networks not simple linear ones and those connections create significant amount of data. The real challenge is how to unlock and mine that data to reveal insights, used strategically to provide customers with superior consumption experiences.

Digital organisations have insights into how their products/services are consumed, confident with their digital technologies and continually innovating new business models. Yet this does not mean companies should overhaul their entire business model - but rather evolve it to meet changing customer needs.

In this always-on world, consumers expect ample choice, relevance, security and simplicity in real time within a wholly connected experience. Therefore to remain relevant businesses need to match their customer's expectations and also be 'always-on'. Traditionally customer engagement was the remit of the marketing department, but today it needs to be the responsibility of the whole business. To differentiate, the company needs to echo its brand promise in every customer interaction and to get their customers to identify with the product and service at an emotional level.

By putting the customer at the centre, businesses can obtain a thorough understanding of them, take an integrated approach to the customer experience and thereby reap dividends through increased loyalty, retention and price premiums.

Examples of successful digital companies include Amazon, the CEO of which stated "Amazon is a technology company, we just happen to do retail" and it relies heavily on data and metrics to make nearly every decision. Amazon virtually pioneered the use of recommendation engines within e-commerce.

Digital technology has transformed the scope, scale and potential of businesses, disrupting traditional organisations. Profitable growth requires the best that digital can offer and those who have harnessed the potential will achieve greater returns and higher customer engagement.

The first wave of digital transformation has already seen companies adopt digital strategies in the demand and supply chain, often alongside their normal processes, although this can increase costs and damage brands with differing experiences. Greater profitability from integrating e-commerce can come from a total customer centric focus, ensuring a valued experience is delivered.

The second wave comes from developing propositions that encourage customers to share their consumption experiences, increasing customer loyalty and subsequently increasing revenues and reducing costs. Innovative companies are creating individualised customer value by understanding and by establishing new relationships founded on higher levels of trust.

The third wave allows access to and control of the customers' digital identities; their own online data. The more digital interaction between customer and company creates more insights to share. The companies may use a third party to manage the data to meet the customers' needs through finding the right product/service at the right price; a truly customer focused business model for the always-on customer.

The rate of change is faster than previous technology driven change. It's no longer an option to consider digital as a second channel to market. Companies need a business strategy for the digital age, not a digital strategy.

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