

# **Customer Strategy Basics**

**by Curtis N. Bingham**

**CHIEF CUSTOMER OFFICER  
COUNCIL**

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## Customer Strategy Basics

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*Curtis Bingham is the recognized authority on chief customer officers and the first to promote this role as a catalyst for competitive advantage. He is the creator of the CCO Roadmap, a groundbreaking work containing 100+ critical strategies essential for customer centricity. As an international speaker, author, and consultant, Curtis is passionate about creating customer strategy to sustainably grow revenue, profit, and loyalty.*


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By now, a disciplined focus on the customer has evolved from being “nice to have” to being mission critical. History and business literature are full of companies punished with ultimate failure for developing and deploying products and offerings in a vacuum of customer input or for ignoring customer trends within their markets until it was too late to change course. Many companies now regularly incorporate customer feedback in product development, though surprisingly, it’s still not all of them.

In more recent years, customer insight was a way of triaging customer problems to stem the tide of defecting customers at rates approaching the same as those newly acquired. And even today, an increased customer focus is still being used by some companies to diminish the alarming frequency and severity of customer lawsuits pursued by hugely dissatisfied customers whose business is severely impacted by underperforming and sometimes even misrepresented products and services. In other words, although it has increased, customer focus has increased for the wrong reasons; it has been reactive, not proactive.

As a way of measuring and driving this increased customer focus, customer satisfaction surveys were born and customers were bombarded with survey after survey at the end of every transaction: online, via phone, at the register. Companies were horrified to learn that so-called “satisfied” customers were defecting to competitors at the same rate as those who were dissatisfied. Enter the Loyalty movement; where satisfaction is but a precursor to loyalty. A loyal customer has an emotional connection to a company that drives repurchase and may forgive minor mistakes that would otherwise damage customer relationships.

A major manufacturer of fire prevention systems found that six years of investment had produced strongly improved satisfaction and loyalty scores. Yet, executives were vexed as to why, despite increased investment, scores hadn’t improved during recent years. Like this manufacturer, many

A white lighthouse with a glass-enclosed lantern room is positioned on the left side of the page. A beam of light emanates from the lantern room, extending across the top of the page towards the right. The lighthouse is set against a blue background with a yellow and orange curved graphic element below it.

companies are finding that despite their best efforts, loyalty scores have plateaued. Continued investments in loyalty initiatives are not preventing customers from defecting. Profits are still under pressure. Competitors are still a constant threat.

Loyalty cannot overcome the possibility that your customers may be the wrong ones, or that you simply don't have a viable product/service strategy, and even worse, that some customers will remain fickle and price conscious—and even unprofitable, no matter how much money is invested in changing their behavior.

Peter Drucker said in 1954: “The purpose of a business is to create and keep a customer.” It's not revenue. It's not profits. It's not shareholder value. It's not

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logistics. It's not operational excellence. All of these things are ancillary. If you create and keep the right customers, the rest follow. A customer strategy will help you profitably acquire, serve, and retain your most valuable customers.

Properly defined, a customer strategy is the process by which you align yourself with your most profitable customer segments and maximize the value you deliver to and derive from each customer. The customer strategy identifies the most valuable customers that must be attracted and retained at all costs, uncovers their most critical purchase drivers, and helps make sure the company is uniquely positioned to deliver products and services against these value drivers more effectively and profitably than competitors. As well, this strategy orchestrates every facet of the customer's experience with the company, ensuring the experience across all channels including marketing, sales, service, support, etc. is consistently reinforcing the value being provided the customer and the value of the customer to the company, creating loyal and profitable customers.\*

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## About CURTIS N. BINGHAM

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## About THE CHIEF CUSTOMER OFFICER COUNCIL

The CCO Council is a powerful and intimate gathering of the world's leading customer executives from widely diverse industries. The Council helps executives achieve objectives faster and more easily by leveraging best practices. It helps validate and refine strategies and initiatives to avoid experimenting at customer expense. Membership is by invitation only, and purposefully cross-pollinated with the most forward-thinking companies, large and small, so as to help customer executives deliver solid, customer-centric business results. For more information, email [info@ccocouncil.org](mailto:info@ccocouncil.org) or call 978-226-8675.



**Powerful Influence on Customer Centricity** – Authority is the currency of the C-Suite. Greater Authority means greater ability to influence the organization to take a desired action. So how do you increase your authority and better use the authority that's been granted to you? How can you build stronger relationships and demonstrate and communicate results? In this **Bingham Advisory**, you'll not only learn about the three types of chief customer officer authority: Positional, Borrowed and Earned, you'll also learn five ways to borrow and four ways to earn greater authority, with specific examples of each.

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