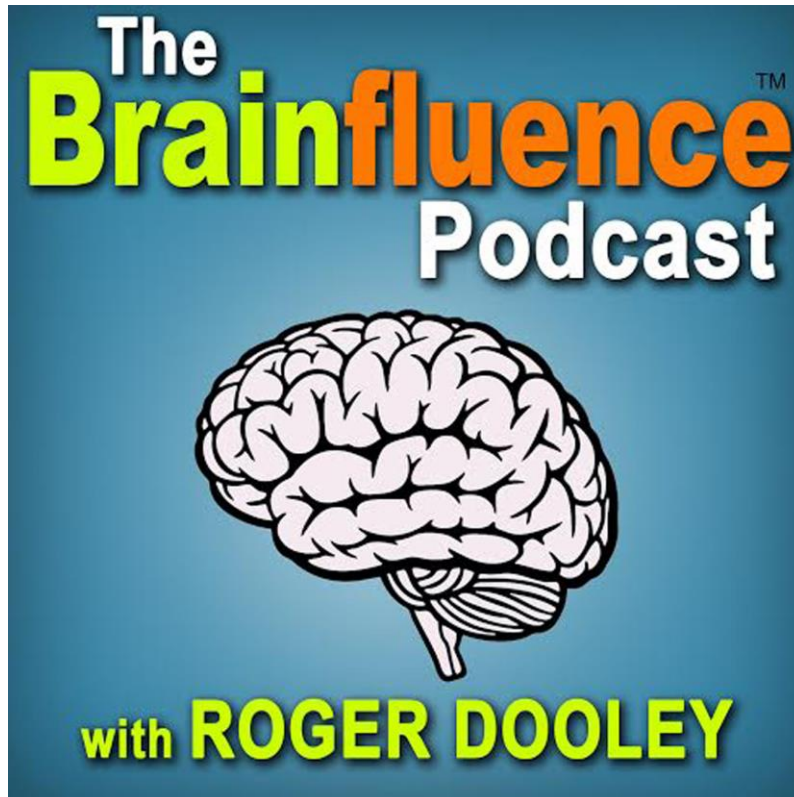


Ep #58: How to Create 100% Customer Focus with
Martha Pease



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Roger Dooley

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Welcome to the Brainfluence Podcast with Roger Dooley, author, speaker and educator on neuromarketing and the psychology of persuasion. Every week, we talk with thought leaders that will help you improve your influence with factual evidence and concrete research. Introducing your host, Roger Dooley.

Roger Dooley: Welcome to the Brainfluence podcast, this is Roger Dooley and today our guest is Martha Pease. Martha is the CEO of DemandWerks. Her expertise is technology, innovation, marketing strategy and customer accountability. Specifically where those three fields intersect, her current and past clients include such huge and diverse brands as such: Apple, L'Oréal, IBM, Neurogenic, Pizza Hut, Novel, Pepsi, InterBev, P.F. Chang's, Epson, and Hitachi. I don't normally list off that many brands but I wanted you to see the diversity of firms that she's worked with. Her new book, which she authored with Michael J. Campbell, is *Think Round: How to Own the Future by Focusing 100% Of Your Company on Customers & Consumers 100% Of the Time*. You are 100% welcome to the show Martha.

Martha Pease: Thank you Roger. I'm delighted to be here.

Roger Dooley: What's the story on this really diverse group of companies you've worked with. You've got everything from beauty and fast food and beverages, adult and otherwise, and technology. Really very, very different companies with very different marketing needs. What's the story on that? How do you happen to work with so many different kinds of companies?

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Martha Pease: Well I've been just incredibly fortunate in my career to have been involved with marketing. Just a wide array of brands, and also a wide array of size of company. You mentioned the really big guys. I've spent a lot of time working with multinational companies and brands. I've also spent time working with emerging companies and midsize companies as well. Part of the reason for that is I started my career in advertising. In the advertising business you're naturally associated with more than one brand or company over the course of a career.

I shifted also to the operating side because I felt having hands on executives, senior c-level operating experience was really important to understanding how companies are received in markets. Also, how companies are designed internally to really be appropriately positioned to be received in markets. So I moved to the operating side. I've also spent part of my career in the advisory and consulting business. When you put all those things together you tend to end up with a lot of exposure. A lot of hands on experience working both with upper management but leadership teams and boards. The folks who are really trying to lead and shape companies in ways that create values long term.

Roger Dooley: Well very good, really fascinating background. I think our listeners will really enjoy hearing what you have to say. Out of the gate, Martha, let me pick on you a little bit. Your book starts with the suggestion that people can make their companies like Apple, Zappos, or FedEx. I would say that most industry experts would say you're not going to be any of those companies. You're not going to be Zappos. You're not going to be Apple. Don't even try and be, do something else. What do you mean when

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you're telling your readers that they should be these companies, or be like these companies?

Martha Pease: Well, first of all, I think it is possible for companies to become wildly successful if they understand that the key to success is first being accountable to their customers. Aligning everything they make, do and offer in the marketplace with that customer accountability. In a nutshell, I would challenge you and say, "Yeah, I think it is possible for companies to do that." Apple didn't start out being Apple as we know it today. FedEx didn't start out being FedEx as we know it today.

Roger Dooley: Martha, to continue on this theme of being like Apple, Zappos, and so on. When you talk about focusing on a customer, it seems like you can try and listen to your customer, observe your customers but then you've got folks like Steve Jobs, who basically would say, "The customers don't know what they want. I'm going to give it to them. Then they'll know they want it after that." How does a company strike a balance between the ideas bursting from the head of the CEO approach? Which I would say most people are not going to succeed with, and sort of a more research based approach.

Martha Pease: I'm not sure that the choice is either having something spew from the head of a founder or having it be research based. Something is entirely possible as a smaller company or as an emerging company or even as a large company and be interested in transforming. It's possible to bring the kind of skill set to growth that an Apple, or a FedEx, or a Zappos has brought to the market. Those companies put their customer first. They are most interested in starting their thought process, and their

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development process with what is going to be accountable to their customer in the marketplace.

They almost reverse engineer that understanding back into everything that the company provides, and thinks about, and offers, and makes. It's that alignment between where the customer behaviors are. Where the emotions and the aspirations and the desires of their customers are. That alignment between what a company makes and offers with what's going on outside of the marketplace that is the real seek boss to creating long term leverageable growth. The problem, the challenge into doing that is how do you socialize that information inside of a company? How do you take the brain of a Steve Jobs and socialize even a part of his empathy towards his customers, set back into the companies so that everyone can be well positioned to activate that empathy to create value in the marketplace.

Roger Dooley: Well, how do you do that?

Martha Pease: Well, you do that by bringing in a system and a methodology that helps to isolate the drivers of demand in your category. Then lining up with the value proportion of the company with those drives. For example, something that Steve Jobs intuited and then was able to actually execute at a very, very discipline level, was he had an understanding that technology aligned with an aspiration around creativity for many people. In fact, as we see today, for most people technology is an enabler of individual creativity and expression. He understood that very early on at Apple.

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He was able to take that connection, that unique understanding of a desire for creativity and all the emotions around that. To be more creative in your work. To be more competitive because of your creativity. To be able to express yourself in more actionable ways using technology. He took all the emotions associated with why you use technology, not the how you use it, but the why you use it. He really was able to bring that understanding and to institutionalize that understanding inside of Apple so that the company, not just Steve Jobs, was able and continues to be able to activate what they do by connecting with the emotional reason that people come to the category, and the emotional reasons that people buy Apple. That's probably the best and cleanest case of connecting this sense of consumer accountability to a methodology. You can actually create what are the eight or ten emotional drivers in your category. How do your products line up? How does your offering line up against each of those emotional drivers. Where are there gaps? Where is there room for innovation? What do you uniquely bring each of those emotional drivers that other companies can't.

When you start to map out, starting with the customer and consumer perspective. Where the needs and desires are, you begin to get a framework, a very actionable framework, for how every department and every employee in the company relates to creating value with the customer.

Roger Dooley: I think that this message will really resonate with our listeners. Many of whom are readers of the marketing blog where we focus a lot on emotions and psychology as opposed to traditional features and benefits marketing. I'm

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sure while Apple's competitors were out advertising their memory capacity, and hard drive capacity, and so on, Apple was focusing on the emotional side of things with some degree of success. That's really how they survived in the marketplace and ultimately prospered.

Martha Pease: Yeah, you raise a really good point, Roger. I actually worked with Apple in the mid-80s. I was in the agency side and was fortunate enough to work with the company, bringing to market a whole wealth of new products and new capability. When I started working with Apple in the mid-80s, the entire computer category was really communicating with customers, whether they are B2B or B2C customers on the basis of feeds, and speeds, and specs, and price. It was purely functional. Where Apple broke through, and in fact many people won't remember, the original Macintosh was not a success in the marketplace. It needed to be re-launched.

We were actually involved in the re-launch of it. What we realized in strategizing around how to bring that, reintroduce that product to the marketplace, was exactly what I was just describing. The people were really hooking into a higher order of emotional connection to the category in what technology could do for them. Why it had a particular place in their life. In fact, we took the communications and the marketing to the level of showing what the impact was of using the technology. That created an emotional connection. Instead of feeding a price point or a memory capability as the reason to come in as a value that this is going to play in your life. We instead established that this would allow you to compete better than your peers. That this would give you a better way to express yourself. That your kid would have a

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better opportunity in life because they were using this technology in their classroom. Whatever the emotional connection was that was most relevant to their lives is where we really positioned the messaging and the product.

In fact, we didn't show any computers in the advertising of the re-launch of Macintosh. We showed people. To your point, emotion in categories that you think are really going to be the least emotional, in fact business to business in general, is an exceedingly emotional space in which to market because people's jobs are on the line. People's performance expectations and capability are on the line. People's perception among their peers is on the line in B2B markets. There's a lot of personal equity that's at risk if you make the wrong choice in B2B markets.

Technology happens to be one of the key ones. You see that play out in all kinds of B2B markets. It's as true in consumer markets as well.

Roger Dooley: That's a great point, Martha. A lot of times people ask me, "Well, yeah I get your stuff is appropriate for consumers but my B2B customers they just want a specific price point. They got to have certain performance features and so on." It's a very unemotional sale but of course that's not always true. I think you have to have those features and benefits that are required to get the job done. You can't sell somebody a product based on emotion. It's not going to work for them. In so many cases B2B sales are almost commodity products. The products themselves don't differ all that much. If the products meet the basic needs of the customer, then suddenly what you thought was a purely features and benefits based decision becomes an emotional decision.

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Martha Pease: Right. You're absolutely right. Of course, you have to have the check off, the entry level check off, or even the beyond entry level. The features and functions. When you build a value proposition and you use that as the platform to position marketing effort or beyond that. A company that platform is built on functional benefits but it's also built on emotional benefits. The emotional benefits are the higher order benefits that allow you to maintain a long term relationship with a customer. The products need to constantly reinforce that set of emotional benefits and the value proposition that you bring to the market. We talk a lot about that in our book *Think Round*.

We also talk about, in *Think Round*, that this idea of bringing customer accountability to everyone inside an organization. That it's not just the 10% of the organization and sales and marketing who are on the front lines dealing with customer or customer service. It's the entire organization that should be on the frontline 100% of the time thinking about what they do. Even if they never talk to a customer but thinking about what they do. How that affects creating an experience that's valuable to the customer. That a competitor won't be able to match.

This 90% of the organization that's generally not focused on how what they do affect the consumer are really the people that benefit the most from customer accountability, consumer accountability, being the orientation of a company. It gives them information to do their jobs better. To exploit their expertise areas better when they understand, "Gee, making a similar, but more illustrative invoice form in the back office in accounting. How I'm invoicing people can actually have an effect that reinforces the value proposition around simplicity that this

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company stands for." They are very real direct connections that can be made everywhere in the company, to contributing, to creating value with customers. You talk about B2B and of course we're really interested in B2B. Most companies have multiple customer sets. This is why we refer to customers and consumers. Most companies at some point are touching as an end user a B2B customer as well as an end user consumer. That would be more traditionally described as an end user consumer.

Think Round is actually developed as a system that helps you have a more simplified way of dealing with complex customer sets. It moves you towards a single value proposition. It moves you towards a single set of demand drivers. It moves you toward a way where you can apply a shared mission and a shared value proposition across customer sets and also back inside the company. *Think Round* on one level is an alignment tool but on another level it's a community socialized set of guardrails that allow everyone to behave towards the end goal. March along the same road in terms of what they are trying to accomplish.

Roger Dooley: Martha, on this exact topic that you talk about trying to get everybody in the company on the same page. I really love the box of golds story from FedEx. For our listeners who haven't heard that story explain what it was and why they used it.

Martha Pease: It's interesting, FedEx is basically, although they have consumers as customers, a lot of their business is B2B as well. They're a perfect example of a B2B and B2C company that has a very complex customer set. How did they ...

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They were asking a question, "Gee, how do we bring that value proposition. What is our value proposition and how do we express it in the marketplace in a way that all our customers can really respond to it."

My co-author, Mike Campbell, worked with FedEx when he was at BBDO, at the advertising agency. He was the senior creative guy working with FedEx. He went down to their hub in Tennessee to take a look at their operations and really understand how the company functioned. Of course, they're unloading planes at 4:00 AM in the morning. It's just this massive, highly technical, production capability that is almost overwhelming and awe inspiring. It's precision and it's accuracy. As Michael was walking around the floor of the actual operation he was being guided by a floor manager. He pointed to a huge board showing millions, millions literally, packages being sorted by the company. The floor manager said to Michael, "It's part of our standard training, that in addition to whatever we need to tell you about your specific job function inside of FedEx, everyone who comes into FedEx regardless of your job is told above all else that tonight somebody is sending a package filled with gold. Since we don't know which package it is every package has to be treated as if it were filled with gold."

That was really the summation of FedEx in a nutshell. It was reliable, fast, trustworthy. That essence of what everybody in the company had to gather around ultimately got translated as the value proposition, and the advertising, the marketing, and in fact the entire posture of the company regardless of the customer set. It was about reliability, trustworthiness, the guarantee that it's going to get there, and it's going to be there. Every

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package is a golden package. It's going to be treated that way.

Roger Dooley: It's really great. A few months ago I had Bryan and Jeffrey Eisenberg on the show. They had just recently published a book, Buyer Legends, and it was very similar in the concept that we all know that stories are important marketing tools when we're talking to customers. We can hold their interest and tell them about us a lot more effectively than we can with bullet points or something else. The buyers legend concept is to, again just as you say, get the people internally on the same page. This box of gold story is probably one of the most in sync but impactful stories of that type that I've heard. It's just so simple. It immediately conveys to everybody what the customer is expecting and gets everybody on the same page. That's really a great one.

One of the examples in the book is De Beers, the big diamond group. I always been a bit torn about De Beers. They seem a little bit diabolical at times. They're trying to control the supply in the diamond marketplace. Probably more than most companies they've been able through their ads to really create demand. Create totally new demand for a product category as opposed to just try and create some brand preference. In that respect they seem a bit manipulative. On the other hand, as a marketer I'm really impressed with their ability to create such powerful campaigns. They can build those categories from scratch practically. What do you think that they're doing right?

Martha Pease: Well, De Beers is a great example of a company that understands their value proposition. De Beers understands that diamonds are a surrogate for love.

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That's their value proposition. The entire company is built on delivering the value proposition of love. It's interesting that De Beers is a great example of not only having started by being consumer accountable. They brought real empathy to that understanding, that accountability, and we are using that empathy is really the underlying secret asset. It's the key to how you create a relationship, an experience that people want to come back to over, and over, and over again.

No amount of data and information about your consumer, and putting the consumer in the circle of everything that you produce. The functional way that most companies think about customers, and customer insight, and customer data. That really doesn't necessarily create the foundation for empathy unless you start by looking for the empathetic connections to your customer. De Beers is expert at that. They are also expert at the other thing that we highlight in *Think Round*, which is, a company not only has to have empathy for their customers, they have to be able to scale that empathy inside the organization so that every function has this empathetic connection and can systematize it, and can institutionalize it and can activate it to create value. Whether it's creating innovation or creating balance sheet management, or creating ROI programs in market. Every aspect of the company have to tie what they do to being able to scale this empathy and pushing it out into the consumer marketplace, or customer marketplace that people respond.

What De Beers does, and they've done it repeatedly there's a great example that we have from working with them back in the early 2000s. They understood that this idea of love, which was traditionally defined in marketing

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and positioning, in product development terms frankly, as a ring on the left hand of a woman's finger. Something to do with engagement or marriage or love between people on Mother's Day gift, signal to your spouse or partner that you care about them at any moment in time. They started to understand that as the behaviors of the marketplace, particularly within the target of women, as the behaviors of women were changing, and as women were feeling more economic independence, in fact more emotional independence, there was an opportunity to take love and position it and bring it to market in a new way for women.

The idea of the third finger, basically, the third ring that a woman would give to herself, was born. It was brilliant marketing concept, which was clearly packaged as a product and an experience that at women could bring to herself when she felt, whatever reason she felt for rewarding herself. It could be a promotion. It could be a raise. It could be some excellent emotional experience that she really wanted to commemorate with herself. The idea of buying a piece of jewelry and being able to wear it proudly and show people that she had rewarded herself with this and loved and cared about herself enough to do this for herself was a really remarkable insight that came out of the empathy that De Beers brings to the marketplace about their customer set. They built an enormously successful and added value business that hadn't existed in terms of revenue for the company before they made this connection between empathy and a new behavior that they could really support and promote and innovate around.

Roger Dooley: It's really interesting. It reminds me almost of Bernays successful introduction of cigarettes to women. Where

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previously it had been something that was not considered lady like. By positioning cigarettes back in the day before people knew they were deadly as a sign of independence. It tied in very well to the movements of the time. It was very successful. I certainly prefer to get women hooked on diamonds than cigarettes I guess. It's really brilliant stuff.

Just to flip to the other end of the spectrum, what about Sea World? What do you do when your brand is tied to these large wild mammals that you're putting in a swimming pool for people to look at. Looking now, you could say, "Gee, what could possibly go wrong." I think they were very successful for a long time because people did want to see these animals.

Martha Pease: Sea World is unfolding before our very eyes. It's unclear what will happen. They're in trouble. They've seen declining revenue and traffic at their parks for I think five quarters now. They've changed management. They have a new advertising campaign. Part of the reason for the decline is attributed to a documentary film about the treatment of orcas, killer whales in captivity as Sea World. The terrible treatment that they receive. That has had a major effect on public opinion around Sea World. There has been other factors, it's not just the documentary.

They have been other factors including competitive successes and distribution, expansion issues in Canada that has affected their overall numbers and their market value. They've seen the stock decline of over 30% in the past five quarters. They're clearly facing a stubborn erosion to their market value. To date the way they're

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dealing with this is by fighting back on the orca level. They're trying to basically, defend their treatment of animals and fight back against their critics. The real issue we think, and we've actually written about this, is that we define them as orca brands.

The real issue is that Sea World needs to understand what their underlying value proposition is to people. That the killer whale as entertainment is being conflated, I think, inappropriately or inaccurately as what the brand of Sea World represents. As long as they're doubling down on orca whales, and killer whales as their reasons for being. I think they're going to find that they are not able to turn around their relationship with consumers. The real consumer accountable way to ask the question is, what's our long standing intrinsic, underlying and ultimately transcendent value proposition for people. Why they want to come to this park? It probably lies in the area of being able to connect families and people in general to the life of animals they wouldn't otherwise be able to be connected to. There's probably a strong component of preservation and environmental responsibility in that as well. I could be wrong about that but it seems that it's certainly not killer whales, and putting killer whales on show for people's entertainment.

We draw parallel between where Sea World is right now and where Blockbuster went. Hopefully Sea World won't end up in that space but these kinds of problems in addressing what the true relationship is your customer set and where behaviors are really going can result in activity that we saw with Blockbuster. As we all know went bankrupt in 2010 after a decade of real difficulty trying to reconnect and anticipate and move their business model

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into the world of changing behaviors with respect to media, movies, and how people wanted to consume it. The value proposition is the underlying challenge for Sea World and they're having a difficult time acknowledging that that's the issue level of activating it.

Roger Dooley: I think probably too, although I don't think Sea World as specifically as social media story. I think their issue is about an exasperated by the sort of enforced transparency of social media. A company can't just shape its own image anymore by its advertising and marketing. Others are going to be shaping that image. You combine the effect of these documentary and various other negative publicity with social media and the ability to spread those ideas. It's really kind of a double whammy.

Martha, we are just about out of time. Let me remind our audience that we're speaking with Martha Pease, CEO of Demandwerks, and co-author of the new book, *Think Round: How to Own the Future by Focusing 100% Of Your Company on Customers & Consumers 100% Of the Time*. Martha, how can our listeners find your stuff online and connect with you.

Martha Pease: Well, we are online at Demandwerks.com and its D-E-M-A-N-D and then W-E-R-K-S.com. You can contact any of us at Demandwerks through our website. The book is available online through iTunes, Barnes & Noble, and it's available on hard copy as well. Both electronically and through hard copy. We have a website for the book named ThinkRound.website which give you a more in depth experience of the book and also allows you to download the first chapter for free. Take a read and see if you'll like it. Hopefully you do and we also have a

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feedback loop there. You can find us on Twitter or any of the social media, LinkedIn, Facebook.

There are lots of ways to hook into us and what we're really hoping is that *Think Round* more than anything starts to create a more robust conversation around the idea of customer accountability and creating market value. The very direct relationship between creating market value. Once you create a customer accountable experience that keeps people coming back. That the technical side of the equation, the production side of the equation, the build it and you will come mentality is leaving money on the table unless you build something that is in alignment with where the marketplace need and desires are.

Roger Dooley: Great. Well, Martha thanks so much. To all our listeners we will have links to all of those resources and the other resources we talked about during the course of our conversation in the show notes at rogerdooley.com/podcast. Also, there will be a text version there if you prefer to read or perhaps save some ideas in text form.

Martha, thanks so much for being on the show.

Martha Pease: Thank you so much, Roger. I appreciate it very much. I hope your listeners enjoy it.

Thank you for joining me for this episode of the Brainfluence Podcast. To continue the discussion and to find your own path to brainy success, please visit us at RogerDooley.com.