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**Article**

## Customer Foresight - The Good, The Bad, The Ugly

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# Marketing Review St. Gallen



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## Customer Foresight



# Customer Foresight – The Good, The Bad, The Ugly

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*The Good, The Bad and The Ugly* (1966) is an Italian western about three outlaws on a treasure hunt during the American civil war. While they dislike each other, they are forced into cooperation. They all have some foresight on the treasure location. Only together they finally find the exact location of the treasure, ending in a classic standoff. Fast-forward to the 21st century and once again the world is confronted with three American outlaws. All applying customer foresight to win the ultimate treasure – the customer. In this article we will look at 3 of the most successful companies of our time – Tesla, Amazon and Apple – and the customer foresight they apply.

**Samuel van Deth**





**S**trategic customer foresight strives to capture how the future needs and behaviors of customers might change. As well as subsequently develop an organizational strategy on those insights. Both quantitative and qualitative methods can be applied. By for example interviewing Trend Receivers – those who have a thorough user experience in the field, as well as grasp consumer lifestyles perspectives. The concept of customer foresight is differentiated vs consumer centric strategies. It does not look at the present behavior of consumers, but at their potential future behavior (Schweitzer et al, 2019).

### Experience Economy

Why is the concept of customer foresight of such crucial importance? Customer experience is the key challenge facing businesses today. With the prize for the most successful brands: an increase in revenue, profitability and market capitalization that significantly surpasses their competition. The Experience Economy is fast-paced and frenetic. Consumers have more choice than ever and they choose to interact with a brand only when they feel that the relationship is valuable. They expect answers in milliseconds; taxi's in minutes and packages in hours. They expect businesses to be there in those micro-moments of need. Which means being able to deliver contextually relevant experiences in real-time. However, in a recent CMO research by Oracle in cooperation with Econsultancy only 8% of 500 companies felt equipped to “adapt to changes in the marketplace”.

### Data is Key

In that same CMO research we found that most companies rate their data integration, quality and technology as “poor” or “fair”. All while the key to delivering on these

high expectations is the enormous proliferation of data generated on an ever-increasing number of connected devices. The companies that do well are those that get from data to insights to action, in real-time. A great example is Disneyland Paris. They optimized acquisition costs with 250% while doubling bookings and improving customer experience by a smart combination of audience data (who they target) with contextual data (next to what content they target). Looking at customer foresight; customer data of every sort will be a huge differentiator. Companies will need to understand that there is a certain maturity curve they need to master. To get from hindsight to insight and finally to foresight. See figure 1: Need for Data Maturity: from Hindsight, to Insight to Foresight.

### The Heart, the Brain and the Genitals

If we study some of the most successful companies from our times, we see they have specific assets in leveraging customer foresight. In his book “the Four – the hidden DNA of Amazon, Apple, Google & Facebook” – Scott Galloway argues all successful business appeal to at least one of three areas of the body from an evolutionary perspective: the heart, the brain or the genitals (...). While debatable, let's consider this interesting point of view for a moment; and plot it on the way customer foresight is used at Apple, Amazon & Tesla.

### Apple, Amazon & Tesla: Three Different Founders, the Evolution of Customer Foresight

Late Steve Jobs – a Stanford dropout, noteworthy hippy – is quoting Henry Ford on customer foresight in his biography: “Some people say, ‘Give the customers what they want’. But that's not my approach. Our job is to figure out what they're going to want before they do. I

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think Henry Ford once said, ‘If I’d asked customers what they wanted, they would have told me, ‘A faster horse!’ People don’t know what they want until you show it to them. That’s why I never rely on market research. Our task is to read things that are not yet on the page.” (Steve Jobs by Walter Isaacson, 2011)

“Some people say, ‘Give the customers what they want.’ But that’s not my approach. Our job is to figure out what they’re going to want before they do. I think Henry Ford once said, ‘If I’d asked customers what they wanted, they would have told me, *A faster horse!*’ People don’t know what they want until you show it to them. That’s why I never rely on market research. Our task is to read things that are not yet on the page.”

STEVE JOBS

Steve Jobs advocated customer foresight. However, not by trusting what the customer declares as a source for foresight. Most of Apple’s success has come from the customer foresight that people don’t buy electronics just from the brain. People buy Apple because it is perceived different. Every little detail has received so much attention that the whole experience is taken to a different esthetic level. Apple lifts you from a ‘regular Joe’ to a celebrity. From the inside of their products, to their branding, to the support experience in an Apple store. And people are willing to pay. In Galloway’s wording: “Apple masters the customer foresight focused on the genitals.”

Now let’s look at another widely successful company. Amazon led by Jeff Bezos – a summa cum laude Princeton graduate in computer science & mathematics with early working experience at a hedge fund in mathematical models. The whole Amazon model is focused on building volume and capturing data. Based on which Amazon takes away as much friction (costs,

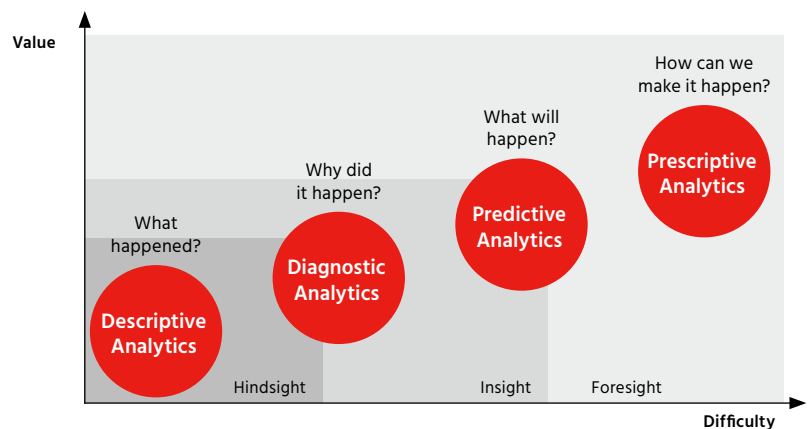
time) as possible for the consumer. While taking away friction is part of the success of Apple too (easy to use, Genius bar), Amazon takes it into convenience, completeness and costs. To do so Amazon is a master at gathering and analyzing consumer data. Including sales data: what is bought, when,

at what price. But also experience data: how they buy it. These insights deliver Amazon the ultimate customer foresight focused on the brain.

Elon Musk – a whizzkid at the age of 12, graduated in Economics & Physics, dropout at Stanford – is rapidly

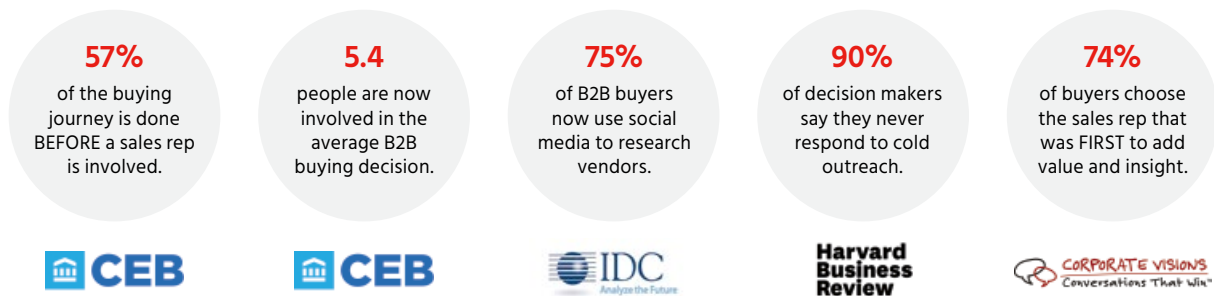
emerging with Tesla, SpaceX and his other projects as the next big entrepreneurial talent. Tesla is leveraging the same highly aspirational brand focus from Apple – launching a product the market didn’t know it wanted, in a premium segment, with high end design, owning the retail experience. But then also takes to heart the power of behavioral data at scale as applied by Amazon. The largest fleet of semi-autonomous, camera rich cars on the planet is from Tesla. The amount of data these cars are creating delivers huge amounts of customer foresight. How are people driving, but also how are people using a car (entertainment, workplace, etc)? What Musk is adding is the customer foresight that people want more than ‘just’ an exciting brand with a product and experience that is optimized over time. The need for a strong purpose. By positioning Tesla as the change agent in the energy transition, and as such to saving the planet and humankind – he is providing an additional reason to choose Tesla. And gets the best talent out of

**Fig. 1: Need for Data Maturity: From Hindsight, to Insight to Foresight**



Source: Gartner, <https://blogs.gartner.com/jason-mcnellis/2019/11/05/youre-likely-investing-lot-marketing-analytics-getting-right-insights/>.

Fig. 2: Reality For The New Buyer



Sources: Gartner, IDC, Harvard Business Review & Corporate Visions.

the market to work from him. As such not only appealing the genitals and the brain, but also the heart.

### Customer Foresight Not Just a B2C Approach – a Practical B2B Example

While the three examples might lead to believe that customer foresight is a B2C thing, it clearly is not. Almost any B2B sales market is changing rapidly to become like B2C experiences. The new B2B buyer is better educated before talking to sales – 57% of the journey is done before a sales rep is involved. Also, it is harder for sales to get early at the table – 90% of decision makers say they never respond to cold outreach. While the premium of being earlier is stronger than ever – 74% of buyers choose the sales rep that was first to add value and insight.

Acknowledging these facts within Oracle's CX EMEA business we are now actively using a set of predictive intelligence data on accounts in our territory. Key elements are: buying history, engagement data and external insights. All of this is modelled to create insights on what appropriate moments are to reach out to contacts and have a timely and relevant conversation on the topic at hand. While still in its early

days we have been able to show strong effects between the predictive intelligence signals and created sales pipe. Anecdotal evidence tells us that some sales got into already running RFP's after the intelligence signal informed them on a potential interest in a certain topic at an account. While the commercial impacts are clear, we also believe this will help our sales teams to be better informed, more relevant and therefore overall offer a better experience to our customers.

Oracle is in a unique position since all technologies used here are Oracle build from the ground up. Using these technologies ourselves helps our product teams shape future direction. As an example, Oracle is currently launching Oracle CX Unity which we position as a part of our Customer Intelligence Platform – the natural evolution from Customer Data Platforms. It provides real-time customer intelligence both for B2C as B2B business by connected data from both front and back office and applies Artificial Intelligence to derive insights that can immediately be actioned. Next to having built a prototype from the ground up ourselves; we are currently testing the product with multiple early customers to derive customer foresight and determine future roadmap.

There are very big differences on how customer foresight is applied across the mentioned examples. All move away from traditional methods where purely is looked at how people are behaving today or what they say they will do in the future. For truly impactful customer foresight the traditional methods are mixed with a wide availability of insight coming from all kind of data. To do so data skills and data maturity is crucial. Becoming successful in the future means winning over not only the brain, but also the genitals and the heart. Not always the best friends, but through cooperation comes the biggest treasure. 🚩

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