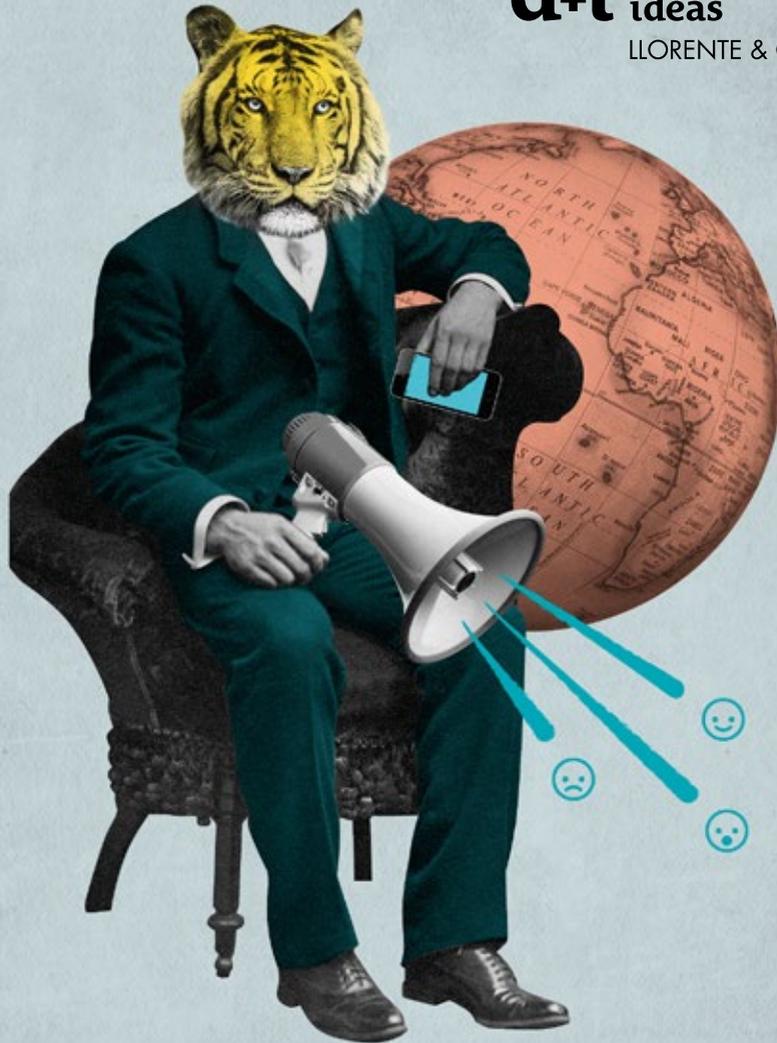


2018 no. 30

USO

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LLORENTE & CUENCA



The client-centric
(R)EVOLUTION

DEVELOPING IDEAS

Developing Ideas by LLORENTE & CUENCA is a hub for ideas, analysis and trends. It is a product of the changing macroeconomic and social environment we live in, in which communication keeps moving forward at a fast pace.

Developing Ideas is a combination of global partnerships and knowledge exchange that identifies, defines and communicates new information paradigms from an independent perspective. Developing Ideas is a constant flow of ideas, foreseeing new times for information and management.

It is because reality is neither black nor white, Developing Ideas exists.

UNO

UNO is a magazine of Developing Ideas by LLORENTE & CUENCA addressed to clients, professionals, journalists and key opinion leaders, in which firms from Spain, Portugal and Latin America, along with Partners and Directors of LLORENTE & CUENCA, analyze issues related to the field of communication.



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José Antonio Zarzalejos

He is a licensed attorney, graduate of Deusto University and journalist, as well as Editor-in-Chief of *El Correo of Bilbao*, Secretary-General of Vocento and Editor-in-Chief of ABC in Spain. He works in connection with LLORENTE & CUENCA as a permanent **external Adviser** and served as managing director of the firm in Spain. He received several awards, including the Mariano de Cavia award, the award presented by Federación de Asociaciones de la Prensa Española (Federation of Press Associations of Spain), the Godó de Periodismo and the Luca de Tena awards. [Spain]



Eugenia Ramírez

Vice President, Strategy and Digital Transformation, Telefonica. Ramirez studied mathematics at the Faculty of Sciences, UNAM and has a master's degree in Business Administration (MBA) from the Instituto de Empresa in Madrid. As associate principal at McKinsey & Company, Ramirez collaborated on topics of customer centricity, transformation and organizational performance, and contributed to the publication of *A Tale of Two Mexicos*, a research paper on Mexico's productivity. She has worked in the areas of strategy, mergers and acquisitions at Walmart and served as principal in Alta Growth, a private equity fund. Currently, Ramirez is vice president of strategy and digital transformation at Telefonica in Mexico, where she is responsible for quality assurance and customers' digital experiences. [Mexico]



Ricardo Naya

President, CEMEX Colombia. Naya joined CEMEX in 1997 and since then has held various roles, such as commercial vice president of CEMEX; executive vice president for planning and integrated areas at CEMEX, U.S.; president of CEMEX, Poland and Czech Republic; vice president of strategic planning for Europe, the Middle East, Africa and Australia; and vice president of strategic planning for South America and the Caribbean region. He is an economist from the Monterrey Institute of Technology and Higher Education and is part of the Sloan Fellows, an MIT global innovation leadership program, and CEMEX's International Management Program (CIMP). As of 2016, he serves as president of CEMEX. [Mexico]

WHO *ARE* OUR *contributors?*

Alberto Martín



Marketing Director, Uniqlo Spain. Martín holds a degree in business from Pompeu Fabra University, a degree in advertising and public relations from Ramon Llull University, and a master's degree in digital marketing from KSchool. He began his career in advertising agencies, working for J. Walter Thompson and TBWA in their Barcelona and Madrid offices, where he worked for various markets and was part of the planning and management team for various accounts, including Nestle, Cadbury, Rimmel London, Nissan, Adidas, Vodafone, Absolut and Mars. He continued to grow professionally, specifically in the retail industry, as brand manager in Springfield and later through various marketing positions at Nike. [Spain]

Javier Díaz



First Executive Vice President and CEO, Grupo Corporativo Perez. At 45 years old, Díaz is one of the youngest executives to lead a conglomerate of companies as important as Grupo Corporativo Perez, a Panamanian corporate group. His professional career began in 2002 as commercial manager of the automotive division at Ricardo Perez, S.A. For the next 10 years, Díaz continued to experience career growth before being appointed to his current role. He now leads a team of more than 1,600 collaborators with a vision of sustainable and robust growth for Grupo Corporativo Perez, a group that has been rooted in family tradition for more than 60 years and whose shareholders entrust with their assets due to its confident and bold vision of sustainability. [Panama]

Miguel Merino



Brand Director, ABInBev Colombia. Merino is an executive with experience in marketing in the mass consumption and services markets. Merino has managed regional brands for companies such as BellSouth, Coca-Cola, Nestle, SabMiller and ABInBev. Several of the campaigns he has led have been recognized, with distinctions, by Cannes Lions, Ojo de Iberoamérica and Effie Latam, among others. He is currently the director of the Poker brand at ABInBev. [Peru]



Rodrigo Esteves

Marketing Director, Liberty Seguros Portugal. Prior to being appointed to his current role in 2009, Esteves worked in various business fields, such as distribution, direct marketing and financial services. He also dedicates a large part of his time to studying and better understanding his customers. [Portugal]



Juan David Giraldo

Director of Business Development for Latin America, dunnhumby. Giraldo graduated in Business Administration and for more than 20 years has conducted marketing, consumer and shopper research in Colombia and Latin America. Giraldo has worked at dunnhumby for seven years; prior to joining dunnhumby, he was business unit director at Ipsos Marketing for five years. Giraldo is specialized in international marketing from Eafit University and completed two years of Latin American Studies at the University of Kansas. Giraldo's customers know him for his creativity, his full understanding of shoppers and his ability to help them turn knowledge into strategic actions. [Colombia]



Eduardo Iglesias

Co-founder and CEO, eColón. Iglesias founded the first online insurance company in Argentina and is a pioneer of the Insurtech sector in Latin America. Iglesias is president of the Harvard Alumni Entrepreneurs Latin America Buenos Aires Chapter and an Alpha4 Ventures advisory board member. In 2013, he founded the Colon Insurance Company in Argentina, which currently insures more than 500,000 people. Iglesias' prolific finance career with both insurance and banks led him to live in the United States for 10 years and work in various Latin American countries. Iglesias holds a bachelor's degree in Business Administration and a postgraduate diploma in business from Harvard University. [Argentina]

Andrés M. Marengo



Communications and Marketing Consultant. Marengo is specialized in branding, positioning strategies and sales channels. In Ecuador, he has advised several companies, including Ecolab Ecuador, on communication and marketing. Marengo also gives lectures and teaches courses on communication, marketing and sales in training institutes across the country. Furthermore, he has consulted for and collaborated on presentations that have won the Mercury Award for Best Marketing Strategy, granted by the Argentinian Marketing Association. [Argentina]

Alejandro Romero



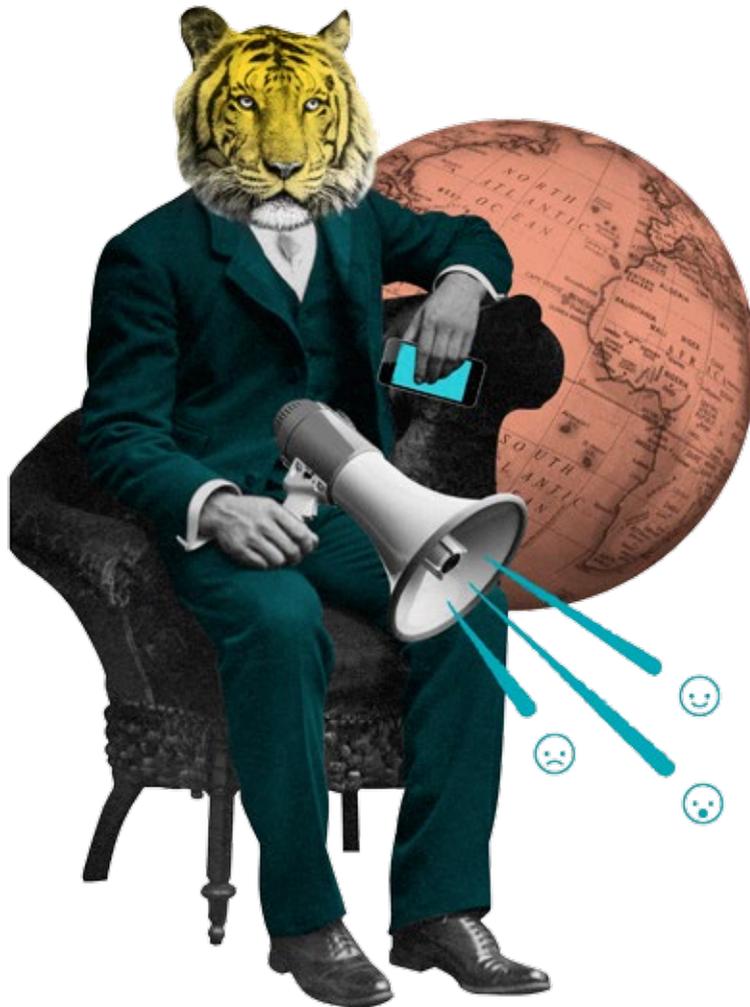
Partner and CEO for the Americas of LLORENTE & CUENCA. Romero has been at the forefront of the company's Latin America expansion processes since 1997, starting operations in Peru, Argentina, Colombia, Panama, Ecuador, Mexico and, most recently, Miami. Romero also recently led three of the 10 most significant corporate deals in the region: the communication strategy for the sale of operations by Bellsouth to the Telefonica Group; the acquisition of the Bavaria business group by SABMiller in Colombia, Peru, Ecuador and Panama; and the sale of the Financiero Uno Group to Citibank. In 20 years, Romero has positioned LLORENTE & CUENCA as the leading communications network in Latin America. [U.S.]

Juan Arteaga



Managing Director of LLORENTE & CUENCA Mexico. Arteaga is specialized in online communications and has more than 15 years of experience. Before joining LLORENTE & CUENCA, he was a television, radio and print journalist, and editor of Marejada magazine in Santander, Spain. In Mexico, he was in the corporate communications field, working for the Spanish Embassy, the Basque Government, the Galician Government, the Cantabria Government and the Health Secretary for the Mexican Government, as well as different Spanish multinational companies, such as Telecom y Novatecno, Fagor Industrial and Leche Kaiku. [Mexico]

The client-centric **(R)EVOLUTION**





José Antonio Llorente

Founding Partner and CEO of LLORENTE & CUENCA / U.S. - Spain

Until recently, analyses on social media tended to emphasize, first and foremost, its immediacy. It was said digitization allowed for the sharing of many types of content in real time and it would change us... but this is not a new phenomenon. For example, it took Cicero a little over a month and four *Catilinarian Orations* to triumph over one of the most-quoted political figure in history. Sure, technology is much faster than in the times of the *senatus consultum*, but the content probably remains the same. What has changed, and radically so, is the point of view. Nowadays, social media lets each citizen (and customer) become Cicero and orate, as many times as necessary, their own *quo usque tandem abutere*. Rest assured—this will be the true communications revolution. And, in fact, it is already happening.

At LLORENTE & CUENCA, we have spent a lot of time reflecting, especially in our 30 issues of *UNO*, on the deep changes occurring in political, corporate and reputational communication. We are convinced: the empowerment that digitization grants citizens is going to be one of its most important milestones. It would have been difficult to predict this social activism back when *UNO* began its journey January 2011. Seven long years ago, the magnitude of the economic crisis caused an absolute bewilderment, a disenchanting revolt against the myopia of political discourse and an increasingly internalized and passionate indifference toward institutions. To make matters worse, the shadow of corruption began to project itself and blur virtually all edges. This scenario is worth noting because a good portion of

“A negative opinion about a company on a social media platform can almost immediately intensify and become a reputational crisis

the communication evolution of today is born and grows from this bleak wasteland.

It is no coincidence the title of *UNO*'s first issue was *Information on Paper: the Newspaper Crisis*; similarly, it is no coincidence its 30th issue discusses the *(R)evolution of the customer*, seven years later. Between the first and 30th issue, digital transformation has changed the way we use facts. Journalism is still useful and key to “set the agenda,” but opinions, the ability to influence and the bulk of social conversation can now form anywhere and be formed by whomever—with no beginning or end, they exist in a continuum where everything is discussed and issues are forgotten just as quickly.

This ongoing conversation has fueled the rise of social activism. A negative opinion about a company on a social media platform can almost immediately intensify and become a reputational crisis. Given there are no communication barriers and the conversation never stops, companies will in due course have to naturally join this constant dialogue. This requires showcasing their values, recognizing their mistakes and involving, as well as encouraging loyalty from, their customers. Companies are destined to be part of this kaleidoscope of sorts where threats and opportunities never stop spinning. There is an overall change in perspective, both from companies to their customers, as well as from communication consultants to their customer companies. Storytelling, conversation and dialogue will soon be used to measure the success or failure of any corporate idea or project.

It is worth noting companies usually take the initiative in this process due to an increasingly determined commitment to transparency, good corporate governance and social responsibility. Back in the '90s, getting the price band of an IPO was practically impossible. Everyone remembers the mismanagement cases at the beginning of the crisis; since then, regulators and companies themselves have worked hard to prevent them from happening again. The National Securities Market Commission requires even the most seemingly minor fact that has or may have influence in the market be communicated. An IPO prospectus includes companies' current and potential information, including consultants and directors' salaries, dividends, remuneration policies, minority shareholders, as well as possible hardships and risk scenarios, as unlikely as they may be. Nothing escapes the scrutiny of the regulator and the markets—every detail and development is known almost instantly.

But in fact, this overabundance and hypertransparency of information is becoming yet another problem. There is such an excess of information that prioritizing the transcendental from the anecdotal proves difficult. Opinions and the ability to be swayed by facts have now become volatile and increasingly arbitrary and emotional. In social media, there is a tendency to follow those who share our opinions, trivialization and polarization process that removes the nuances of social dialogue. There is much talk of deception and post-truth, the tendency to believe like-minded people despite facts proving otherwise. Now a new type of post-truth may deem facts and their consequences a mere hoax.

It is likely that the press' loss of social influence has influenced the deterioration of political and social analysis. In fact, it seems newspapers themselves are beginning to be affected by the same polarization that plagues the society they address. In the first issue of *UNO*, Jose Antonio Zarzalejos warned information could become a commodity: consumed uncritically and without context, recognizable

“*Storytelling, conversation and dialogue will soon be used to measure the success or failure of any corporate idea or project*”

sources or exploration of consequences. Seven years later, it seems clear this threat remains dormant, although at the same time journalism has become more necessary than ever, as it remains the most reliable source for a critical, rational and humanistic approach to reality.

Nevertheless, social activists, customers, consumers, the press, companies, governments and regulators are more interconnected and interdependent than ever before. This is an extraordinary opportunity for collaboration and dialogue that is capable of amplifying and enriching participation, debate, dialogue and shared governance. This is the desirable **(R)evolution of the customer** that serves as this publication's motto. It was also the idea behind the Cicero and Catiline controversy. Were things reduced to a simple count of “favorites” and “likes” on social media, we would simply be abusing the patience of these two Romans, and by extension, our very own.

THE *ADDED VALUE* IN CUSTOMER *management*



José Antonio Zarzalejos

Journalist, ex-director, ABC and El Correo / Spain

The 2008 economic crisis had a devastating effect on the relationships between companies and their customers, as well as the relationships between public administrations and taxpayers: a loss of mutual trust after attempts to take advantage of citizens to obtain increasingly scarce resources. Customer-taxpayers therefore demanded more, this time empowered by digital technology. A special kind of dehumanization made customers out to be commodities. People were overexploited, their needs were abused, the information they needed restricted and in many cases, the relationships automated, lacking an appropriate personal touch.

For example, when you buy a product in a department store, during checkout you may be asked to press a button on a feedback machine to inform the store just how satisfied you were with the service they provided. If you call your car insurance company to change your policy, a machine will likely answer and mechanically guide you through a maze of numbers and slogans until you finally hear the voice of an actual person. If you wish to travel at a reasonable price, especially by plane, you have to opt for low cost flights, where, of course, you run the risk of delays. If you want to cancel a mobile

“*A special kind of dehumanization made customers out to be commodities. People were overexploited, their needs were abused, the information they needed restricted and in many cases, the relationships automated, lacking an appropriate personal touch*”

phone contract, you must first brace yourself for the truly torturous ordeal and inevitable penalty fee. Securing a doctor’s appointment nowadays feels more like setting up a blind date, since it may or may not happen, implying a patient’s time has no value.

The ways customers are mistreated are endless. Fortunately, the economy’s digitization and the search for customer value beyond transactions have begun to trigger drastic changes. In Spain, PwC, one of the world’s leading consulting providers, published a study on customer management, titled *Customers Always Have an Opinion... But Are They Always Right?*¹ (published in Spanish as *El cliente siempre tiene... su percepción, ¿y la razón?*). Although it is a 2013 study and companies have evolved significantly since then, the criteria set out by this study’s researchers are still valid.

¹ The client always has his own perception, and what about the reason? by Javier de Paz Lagar, Nicolás Borges Marcos y Manuel Rodríguez Contra. <https://www.pwc.es/es/publicaciones/gestion-empresarial/assets/gestion-clientes-informe.pdf>

Its conclusions are eye-opening: customers demand much more than what companies provide. Furthermore, improvement comes from knowing the customer, adjusting offers and multi-channel management, while customer management has a direct impact on profitability. The study also accurately suggests customers currently do not feel “mistreated,” but feel they are not listened to and, of course, are never pleasantly surprised.

It appears the consumer sector is able to better adjust its offers for customers through loyalty plans. The next pending item for companies—at least in Spain—is the exploitation of customer knowledge they own. How companies choose to approach customers is of utmost importance because truly knowing customers allows companies to offer a unique, adapted and personalized service.

It is worth including here the conclusions of this PwC study as it is a particularly spot-on summary of the central character customers have to recover in business management:

- “Customer management is increasingly critical to the business success. To succeed in this area it is necessary to balance satisfaction and profitability. Using customers without satisfying them is not sustainable; in fact, you will lose them. It is also unwise to invest in improving the customer experience if, in the medium term, your business will be unable to fund the effort.”

“*Customer management is increasingly critical to the business success. To succeed in this area it is necessary to balance satisfaction and profitability. Using customers without satisfying them is not sustainable; in fact, you will lose them*

- “Companies are attempting to improve their management on this front. However, this study shows how, in general, customers ask for more, but companies are not meeting customers’ expectations.”
- “Management challenges vary by sector. For example, the utilities sector has a strong latent threat because its customers have high levels of dissatisfaction but have not yet been influenced by it to change suppliers. On the other hand, fashion and tourism companies tend to satisfy their customers, but their slower progress in relationship management practices means they cannot convert said satisfaction into loyalty. Other sectors are somewhere in the middle of these two extremes, but they have experienced how customers will choose another supplier if their needs are unmet. Results and satisfaction go hand-in-hand. Given their poor customer loyalty, the banking and telecommunications sectors seem to be struggling the most.”
- “The concept of customer management is also relevant to the public sector. The study also shows the path between municipalities and their citizens is even longer than the one of private sector companies. Citizens’ perception is poor in almost all aspects and management practices are not very advanced. Only in the electronic government field is there a high performance level valued by citizens.”

- “Therefore, managing the customer well consists of managing their satisfaction and profitability. Nowadays, the best way to improve is by making better use of customers’ information in order to establish meaningful relationships beyond individual transactions. Companies do not adequately incorporate customer information into their service points or their offers. Additionally, the multichannel field presents different opportunities. All sectors perform poorly in this aspect, but there is a clear opportunity to surprise customers in ways that are difficult to replicate.”
- “In short, the customer always has an opinion... and from what we have learned in this study, they are also right. Companies need to understand what customers perceive and believe and then improve their processes.”

“One of the key elements lies in the proper training of employees developing their customer service craft. Knowing the rules of civility is not enough. It is necessary to enable them, train them psychologically and socially in order to adjust their responses

So far, we have explained the technical study. Still, certain intangible elements are missing in the company-customer relationship, for example: the respect for the demand; an empathy toward customers’ goals; a personalized service (away from the cold nature of machines); the proper and correct use of databases with sensitive customer information; discretion and, in some cases, confidentiality; and, ultimately, a human component to the company-customer and administration-taxpayer relationship based on respect.

Moreover, one of the key elements to encouraging service companies to establish these strong relationships with customers lies in the proper training of employees developing their customer service craft. Knowing the rules of civility is not enough. It is necessary to enable them, train them psychologically and socially in order to adjust their responses, suggestions and treatment toward customers. This is an ever-evolving world where a person with a face, name, surname, desires and goals should receive answers that contribute not only to profitability and added value for companies, but keep humanity alive in this terrible contemporary environment where societies are adrift in a world of mechanical relationships and anonymity.



CLIENT-CENTRICITY, THE CORE OF *digitalization*



Eugenia Ramírez

Vice-President of Strategy and Digital Transformation, Telefonica / Mexico

The “new” customer is full of possibilities, is organized and empowered, and offers a great opportunity... so long as you know how to capitalize on this opportunity.

In recent years, we have experienced a significant shift of power held previously by companies—a power that is now in the customer’s hands.

We have witnessed how passive customers have become empowered due to permanent connectivity, an abundance of options and the possibility of getting what they want, when they want it and where they want it. Furthermore, customers are now organized and connected with each other and seek immediacy, simplicity and socialization, but at the same time personalization and privacy. They have found their voice, and social networks and digitalization further amplifies it.

This new type of customer makes decisions in an informed manner and with infinite points of reference, and also interacts personally and digitally; simply put, the barriers between online and offline have disappeared for them. They are loyal, but in return, expect quality and transparency. This shift of power can be an opportunity, if we know how to capitalize on it. Companies must take the empowered customer’s

“*Putting the customer at the center of everything you do and meeting their expectations requires end-to-end digitalization, deep data-based knowledge and an ecosystem that supports transformation*”

side and then transform to operate and think in a client-centric way—from their perspective, understanding and addressing their needs—with the support of digitalization and by making decisions based on data. In this new era of information and empowered customers, understanding their current and potential needs and providing an impeccable

experiences are not just good drivers to have, but essential to generate loyalty, repeat purchases and, subsequently, recommendations.

In this regard, customer empowerment is not the only reason why client-centricity is essential. If you consider a loyal customer to be worth much more than their first purchase; that it is much more expensive to win a new customer than to retain a current one and that there is a higher probability of securing a sale to a happy current customer than a new one, then you can see how a client-centric mindset is also more profitable in the long term.

Putting the customer in the center of everything you do and meeting their expectations involves end-to-end digitalization, deep data-based knowledge and an ecosystem that supports transformation.

How then can one ensure that the customer is at the center of a company’s actions? A

differentiated customer experience begins with a collective agreement and purpose to serve customers' needs; in other words, a shared vision and an objective consistent with the brand and the company's value proposition. Understanding customers' fundamental needs and wants is the first step in determining what a differentiated customer experience will look like.

Putting the customer at the center as they interact with the company means doing so with an end-to-end point of view, which in turn requires focusing on the journey rather than just points of contact. Even if each point of contact does well, a lack of seamless integration may negatively affect the overall experience. Why? Because customer satisfaction is defined by the cumulative experience and the total multichannel points of contact over the course of a given time period.

Other crucial actions include:

- Understanding and prioritizing which journeys are most important for each customer segment and then reinventing them;
- Digitizing the processes behind the most important customer journeys, doing so with agile techniques where multidisciplinary teams design, test and repeat on the field, continually refining the techniques through customer feedback;
- Asking and making the customer a part of the product and service development process, as well obtaining their opinions on how to best assist and communicate with them. Digitalization, as well as a culture based on data and the power customer knowledge data provides, are essential drivers of the client-centricity equation.

To think about journeys and experiences, one has to stop thinking and working in silos or through channels. Instead, take any opportunity to improve the overall customer experience to grow customer

“An end-to-end digital transformation and the use of advanced analytical models are absolutely necessary to have client-centricity in the telecommunications sector

loyalty. Furthermore, use the customer's journeys as a frame of reference to empower employees and turn them into great brand and company ambassadors.

Achieving this mentality requires a deep and constant transformation based on aspects of organizational change, which includes five key factors:

1. A transformation story that persuasively communicates the need and the advantages of client-centricity. This starts by incorporating the customer's vision within the company's positioning.
2. Role models in the company who personify this vision... leaders who act while thinking of the customer, who know their needs by using a digital approach.
3. Development of skills and abilities throughout the organization that allows customers' journeys to change according to their expectations, while ensuring the fulfillment of your value promise.
4. An effective and complete indicator system that measures overall experience, focusing on key customer journeys. Furthermore, it is necessary to link user experience metrics to operational and financial values, as well as goals that encourage cross-functional collaboration at all levels of the organization. This must be supported by technology and/or platforms that will measure, communicate and integrate these metrics into day-to-day routines.

5. Including customer experience measures (satisfaction, repeat purchases and recommendations) as part of the company's objectives, which also serves to instill appropriate attitudes and behaviors.

As telecommunications technology quickly evolves, customer demands and expectations increase by leaps and bounds. Furthermore, mobile connectivity has been a key element in empowering customers, as phones nowadays function as a digital companion.



In this context, client-centric digitalization offers us telecommunications companies the opportunity to reposition ourselves, reimagine our business models and create innovative offers for our customers. This client-centric transformation fosters customer loyalty, therefore increasing retention and recommendations, which helps attract new customers with more digital profiles.

Big Data and a data-driven mentality are essential elements of this transformation. Advanced analytics' models powered by customer information—keeping in mind, of course, basic privacy principles—allow companies to identify customers who are more susceptible to differentiated offers and enables companies to develop personalized and timely offers. They can even determine the best way to contact customers. Through these models, we can also establish areas of opportunity in service and coverage that can be addressed essentially in real time.

Also, the telecommunications sector presents unique options due to its digital characteristics. Operators who provide a superior experience in each interaction, from an end-to-end, omnichannel and holistic perspective, will stand out, face challenges and capitalize on the opportunities presented by the new generation of customers.



CONNECTING WITH THE CUSTOMER MEANS INVESTING IN A *strategic partner*



Ricardo Naya

Ricardo Naya, President, CEMEX Colombia / Mexico

We are in one of the most challenging decades for customer service. Hypertransparent processes, quick solutions and real-time support makes it more difficult to connect with customers and transform these relationships into partnerships. How do we achieve this? How do we meet their expectations? How do we innovate in the meantime?

In the modern economy, the focus on the continuous improvement of customer service standards has played an important role. Creating strong service solutions, while putting the customer at the center, is part of building a long-term relationship based on solid beliefs and a shared vision.

You do not need the perfect recipe; but do ensure its main ingredient “transformation”—a transformation that improves customers’ experiences and takes customer-provider relationships to the next level.

“*Creating strong service solutions, while putting the customer at the center, is part of building a long-term relationship based on solid beliefs and a shared vision*”

BECOMING YOUR CUSTOMER’S STRATEGIC PARTNER

How can you be relevant to your customer in a highly competitive environment? Well, innovation in your service makes all the difference; for instance communicate and have real-time data about what

is most efficient for your partner, offer immediate solutions and have end-to-end traceability. This requires new systems that connect the customer and the provider.

Having a roadmap tailored to each potential partner, while fully understanding your services and/or products and how your prospective partner’s business works, lets your customer reach the highest performance level.

The modern customer experience has evolved beyond “reactive attention” and putting customers on hold. To earn their loyalty, companies nowadays must provide options through various channels, allowing the customer to save time while making them feel heard. Studies indicate 73 percent of consumers say customer service can make them fall in love with a brand, and 86 percent are willing to pay up to 25 percent more for better support.

Therefore, knowing how to communicate with customers is essential to gain their loyalty.

Taking on this challenge means understanding five fundamental principles:

1. The customer is your main partner—it is why we listen to them, understand their needs and provide solutions.
2. A close relationship is necessary to form a permanent connection.
3. Ensure that doing business with your company is easy and pleasant for the customer.
4. Honor your commitments and quickly solve problems.
5. Focus on providing customers the best experience—always and everywhere.

A CUSTOMER SERVICE LEADER, CEMEX GO IS THE FIRST INTEGRATED DIGITAL PLATFORM IN THE CEMENT INDUSTRY

After listening to more than 3,000 customers around the world, we discovered the most challenging aspects of businesses and designed a more efficient and simplified experience—a superior experience.

Now, our customers have a solution available via multiple devices that provides an optimal experience when making quotations, ordering, tracking orders in real-time and managing invoices and payments of our main products, from delivery to after-sales service.

“73 percent of consumers say customer service can make them fall in love with a brand, and 86 percent are willing to pay up to 25 percent more for better support

This is proof of our commitment to customers, as well as our constant focus on innovation and continuous improvement. Our customers can now increase their productivity, make better decisions and have more control over their business.

Furthermore, this initiative represents CEMEX's commitment to lead the construction materials industry in the digital era of business, with support from IBM and NEORIS, who have shared their experiences, innovations and *avant-garde* digital services to offer disruptive solutions that promote the best customer experience.

Many companies across all industries are already client-centric and have designed strategies to connect with customers so they can become long-term partners. However, the difference lies in whether the innovation of their channels comes from their vision or from actively listening to what the customer would need to become a partner.

LESS *POWERPOINT*

MORE *cross-stitching*



Alberto Martín

Marketing Director, Uniqlo Spain / Spain

I recently had the great professional opportunity to lead the launch of Uniqlo in Spain, which to this day was probably the biggest challenge of my career, not only because of how important it was, but because it allowed me to start something from scratch.

The brand was not new to me. After all, Uniqlo is a good point of reference for worldwide branding and creativity, and therefore I have always kept the brand in mind, more so because I am a proud customer! I have been amazed at Uniqlo's high quality products and low prices since first finding the store in London several years ago.

I faced the challenge with enthusiasm and some anxiety, aware of the expectation and what the launch meant for the company. I knew I could not do it alone. How could I organize such a massive launch from scratch? How would I do it without falling into the same trap marketing specialists often fall into: getting carried away by their own experiences and individual ideas? There was only one key: really listening to our customers. This involved meeting and discovering how to best connect with them. Staying locked in the golden cage of strategic marketing was just not going to cut it. How many times do we decide things based on

“The “grandmother” my professor spoke of has become a digital entity that knows everything there is to know, is aware that it knows everything there is to know and can therefore make demands

what we see in our immediate surroundings? That is a big mistake; client-centricity is the basis of any good marketing strategy.

I often remember what my creativity professor used to say: “The consumer is your grandmother.” This was, without a doubt, inspired by David Ogilvy—the father of

advertising as we know it—who always said, “The consumer is not a moron; she is your wife.” This “grandmother” my professor spoke of has now become a digital entity that knows everything there is to know, is aware that it knows everything there is to know and can therefore make demands. In addition, she is no longer afraid of big corporations and faces them through social networks whenever she wants, whether it be for good or bad reasons. Why? Because every day she reads, sees and enjoys content through her phone, tablet, television, Facebook account... and maybe even her cousin's Instagram.

Today, more than ever, we must be sincere, transparent, human and closer to our customers, otherwise we run the risk of being disliked and ignored as a provider. As good communication and marketing leaders, we must stop navel-gazing and submit to the only entity that can help us: the



customer, the grandmother. The following steps should help you be even more effective when executing marketing or communication plans:

1. Step outside and go to the street, without your phone. Your customers will not see you because they are on their phones all day, but you will realize just how important this device is for them.
2. Cancel half of your meetings. Get together with your grandmother. Trust me, it will be worth it. Do nothing, let her talk. Less PowerPoint, more cross-stitching.
3. Create a digital alter ego and follow your customer. Instagram. Twitter. Prioritize the platform your customer uses most often and let yourself be carried away by your creativity. Do not follow their accounts using your business' accounts; either way, eventually you will be able to apply everything you learned via your personal accounts to your business account. Create a personal digital brand related to your brand and consumer.
4. Invite your grandmother to your home (your store). Spending time at the point-of-sale is essential. Ask her what she wants and provide it as well as you can.
5. You have to be sensitive to your environment. Customers seek attention and only want to be heard. Your grandmother wants to be indulged, or receive likes, on Instagram.
6. Tell her a story before she goes to sleep. But make it a real story with a happy ending or your grandmother will get angry, have nightmares and the next day will not want to see you anymore. Storytelling must always be relevant and must adapt to the customer.

“ *You have to be sensitive to your environment. Customers seek attention and only want to be heard. Your grandmother wants to be indulged, or receive likes, on Instagram*

7. Become your own customer. Do you really think you have nothing in common with your grandmother? You do, more than you think.
8. Your grandmother's friends are your friends. Your customer's digital circle will give you as much, if not more, information about the customer than the customer itself.
9. Choose the best collaborators. They are those who understand your grandmother and know how to approach her.
10. Take your grandmother for a walk to the park or the cinema. Where does she like to go? Entertainment is essential for her to be happy and to love, accept and respect you. She does not want a boring caretaker; instead, become her “cool” grandchild so you get the best Christmas gift from her.

Some of these guidelines may seem obvious and overused, but are easily forgotten, which makes us fall into the brand's egocentrism trap, impervious to reality. Remembering these guidelines came in handy as I helped launch Uniqlo in Spain. Throughout this brand launch I met many grandmothers and it became clearer than ever that without them we would not have achieved the success, market impact and record-time positioning we achieved. They are still loyal to us and we continue having snacks with them as often as possible. Make way, “grandma-centrism” is here to stay!





President and Founder, Metroscopia. Toharia holds a doctorate in law from Complutense University and a doctorate in sociology from Yale University, with a thesis directed by Juan J. Linz. He was a professor of sociology at the Faculty of Economics and Business Studies at the Autonomous University of Madrid until 2009, as well as a member of the *Cuadernos para el Diálogo* founding team in 1963. He was a technical consultant for both the United Nations, for electoral and socio-legal matters (from 1993 to 2006), and the World Bank, regarding issues of public opinion on the justice system and justice reform (from 2002 to 2003). In 2002, Toharia was also a technical consultant for the Asia Foundation and the Asian Development Bank on topics related to public opinion and judicial reform. Additionally, Toharia writes opinion pieces for *El País* and regularly gives lectures and leads courses in multiple languages on topics related to public opinion, pre-electoral surveys and the administration of justice. Toharia has also developed several publications in the field of demographic and socio-legal studies. [Spain]

“Citizenship comes before the responses provided by large companies”

He is a small, observant man who emanates friendliness. Professor Emeritus of Sociology at the Autonomous University of Madrid Jose Juan Toharia, holds two doctorates: one in law from the Complutense University of Madrid and another in Sociology from Yale University in the United States, the latter with a thesis directed by Juan J. Linz. In 2004, Toharia founded Metroscopia, a social and opinion research institute, perhaps the most important and reputable of its kind in Spain. After a long talk, I asked him if we could discuss citizen-customers and their relationships with companies. Toharia, already equipped with surveys and studies, is a man who bases his claims on data, which makes him a solid intellectual and analytic reference.

Who do people trust in our country? What do citizens find reliable? Is it companies?

In Spain, companies are well off, although in an unequal way. People place great trust in SMEs; the same is true in Italy and France. Small and medium enterprises have a good reputation. It is important to note 54 percent of people surveyed have seriously considered becoming entrepreneurs, which goes against the idea that Spaniards prefer to be civil servants rather than businesspeople. The business world is associated with freedom, creativity and hope. Keep in mind 80 or 90 percent of those consulted work in SMEs.

And what about large companies?

They are not poorly valued, 42 percent of Spaniards approve of large companies—in comparison, of those surveyed in the United States, 18 percent approve, which is very interesting. Trust in important companies comes mostly from the quality of the product or service; the brand itself. Having said that, these large companies are ambivalent. On one hand, big companies inspire respect... on the other hand, distrust. Large companies, unlike SMEs, are perceived as anonymous and opaque, where one can see diluted responsibilities in purchasing and sales transactions, causing a lack of trust. Companies are aware of this and in order to get closer to people use Corporate Social Responsibility as a means to improve their image.

What do you think customers expect from this evolution in large companies?

In essence, I would say some social responsibility policies are not worthwhile, such as sponsoring large events. Citizens—except in cases where companies provide humanitarian efforts or assistance to victims of major catastrophes—prefer policies that improve customer service and employees' workplace. Employees are the best company ambassadors. Customers really value seeing satisfied employees, it inspires trust. They also already believe they are at the center of a business' policies given the attention they receive via honest advertising. They also appreciate transparency.

Do you think that during the Spanish economic crisis, customers were mistreated, especially by service enterprises?

Certainly. I would say the best regarded companies during the crisis are those that made a determined effort to engage with their

surroundings. Just an example, Juan Roig, CEO of Mercadona, made very interesting policy changes during the crisis in the way the company distributes its products and how it recruits employees. Telephone companies receive more criticism from young people because their phones' maintenance has resulted more costly than they expected. Perceptions also matter. Inditex is a good example of this; Amancio Ortega projects friendliness, does not flaunt his wealth and has shown he worked hard to earn his current position... these qualities were highly valued during the crisis and continue to be today.

Have you detected in companies the need to have powerful customer service departments?

No, actually. For example, I encourage businesspeople to stay informed about current events in Spain and what people here are thinking about. When I suggest it, they find it very interesting, but do not address the issue in depth. Although this is not always the case—there are some large companies exploring this path. Some industries have reputational problems, yet never try to find out why.

I assume there is a lack of business sensitivity regarding what citizen-customers think.

That is right. Only a small number of companies attempt to find out Spaniards' opinions on the most important issues in our country. Most of them find it interesting but do not follow up, they do not take those type of studies seriously. Business executives are more concerned with the bottom line because in their eyes, shareholders come before customers. In terms of public opinion, the prevailing perception is employees and customers receive little attention.

“42 percent of Spaniards approve of large companies—in comparison, of those surveyed in the United States, 18 percent approve, which is very interesting

Are citizens, customers and taxpayers reacting to this lack of interest and prioritization toward them??

Spaniards are becoming more demanding and even look up company reviews online, for one. In Spain, the OCU has not been very effective, unlike the United States where Consumer Reports is “the Bible.” Ralph Nader, who authored *Unsafe at Any Speed* and thereby revolutionized safety in the automobile industry, fully supported Consumer Reports and became known as the consumer’s advocate. Well, something similar is starting to happen in Spain. However, in the United States, a product will not sell unless it has a positive Consumer Reports review. Here in Spain, people look for a reliable reference. There is the OCU, which has some credibility issues, but also social media, a prominent source in this matter as of late. Nevertheless, there is a general sense of distrust companies have yet to detect properly. They spend a lot of money on advertising and very little on getting to know their markets through their current or potential customers.

So Spain has room to be more considerate toward customers?

Indeed, citizenship comes before the response provided by large companies. They believe they are not getting appropriate responses. There is a clear demand for attention that is not always interpreted well. Customers do not understand the logic behind sponsorships and other expensive initiatives, especially given the poor attention they currently receive.

Are you saying a customer-focused corporate social responsibility would work better?

Exactly. People understand humanitarian causes, but not other types of causes. Reorient policies to benefit employees and customers. These are the priorities currently in demand.

Do companies have sociologists and psychologists who study customers’ movements or has this culture of corporate intelligence not taken form?

It has yet to occur. Research departments have great economists. In a few companies there are professionals who detect “which way the wind blows” in society. However, this is rare for Spanish companies and it probably has to do with entrepreneurs who were trained to see customers only as consumers. Advertising companies are beginning to change, especially with qualitative rather than quantitative studies.

Is Spain’s “upper and lower class” culture the cause for the lack of harmony between companies and customers?

Deep down, yes. We all want to know what the world is like because we live in it, but there are realities that can only be well perceived from the outside. It so happens people believe reality is only what they perceive, but this is not the case and any Spanish company that believes this lacks professionalism. There were no entrepreneurs in Spain—not true entrepreneurs, at least—until the Transition (1977-78). We are moving in the right direction, but there is still a lack of social sensibility toward knowing what society really thinks.

MOVING LIVES IN AN ECONOMY OF *experiences*



Javier Díaz

Executive Vice-President & CEO, Grupo Corporativo Perez / Panama

Technology is very quickly changing our lives. We learn, buy and interact with our friends, customers, colleagues and even family in a different way than we did just a few years ago. We live in a world of constant change, in which yesterday's beliefs and certainties no longer help us predict what could happen tomorrow. This creates uncertainty, not only about the future... but also about our immediate present.

Grupo Corporativo Perez is a company with more than 60 years of experience and a leader in the automotive sector in Panama, but we are aware that our past performance does not equal future success. We must develop a new collective intelligence that renews our value proposition to continue being a leading company. We face change in an optimistic way and believe challenges that are boldly taken on are an opportunity to create new possibilities for our customers and inspire renewed growth for the company.

The disruption is blurring the boundaries of the automotive industry. We no longer manufacture automobiles, but we develop technology, automated vehicles, alternative engines and robotic solutions, among other products, where

“Our line of work focuses on forming relationships with our customers to understand their needs and offer the best mobility solutions

mobility is a service. Our business is no longer focused on selling cars, although we count on the best international brands, such as Toyota or Lexus. Our line of work focuses on forming relationships with our customers to understand their needs and offer the best

mobility solutions.

Until recently, having good cars meant having loyal customers; however, a good design, technical competency and technology no longer guarantees success. Much more is needed—we now need to make our customers' dreams come true.

We exist to “move lives,” more than just physically so. We touch people's hearts to move them emotionally and encourage them commit to our values of quality; competitiveness; and economic, social and environmental sustainability. This purpose stems from having a business and team that is passionate and committed to their work, allowing us to serve our customers well.

To generate the commitment and attitude needed to face the new challenges, we must shift from the dominant business culture that is currently product-focused to a culture centered on excellent

“*Each customer is an opportunity to build a relationship of trust in the long term*”

customer service. We must also display the same level of excellence in each of our points of contact given we are an organization with dozens of dealers and service centers throughout the country.

To move from an industrial to a service economy, the products and service must produce an equal or better experience than what our customers expect. We must offer a service that transmits security, innovation and excellence, and transforms the ordinary into the extraordinary. Every contact has to be as exceptional as our cars.

To achieve this, companies must commit to a transformation process and become organizations that create experiences. We have great cars, the best team and the broadest commercial and support network, but to be competitive and sustainable we have to generate the best experience. We want our customers to be satisfied with our cars and hard work, so they are moved to share their experience with others.

Technology is an excellent ally, since it streamlines processes and shortens time, which is extraordinarily valuable for customers. Likewise, technology offers the opportunity to connect and retain them by attending quickly to their needs when they require assistance. Each customer is an opportunity to build a relationship of trust in the long term, but it requires well-designed and well-executed interactions, as well as platforms that integrate human and technological aspects to produce a memorable customer experience.

Digitalization is more and more relevant by the day, but a committed and passionate team really makes a difference.

Being client-centric is also a responsibility and Ricardo Perez has demonstrated being a responsible company made us profitable too. Each time we give back a part of our economic value to society, it trusts us more and more, again and again. Doing business like this makes sense and is our central strategy.

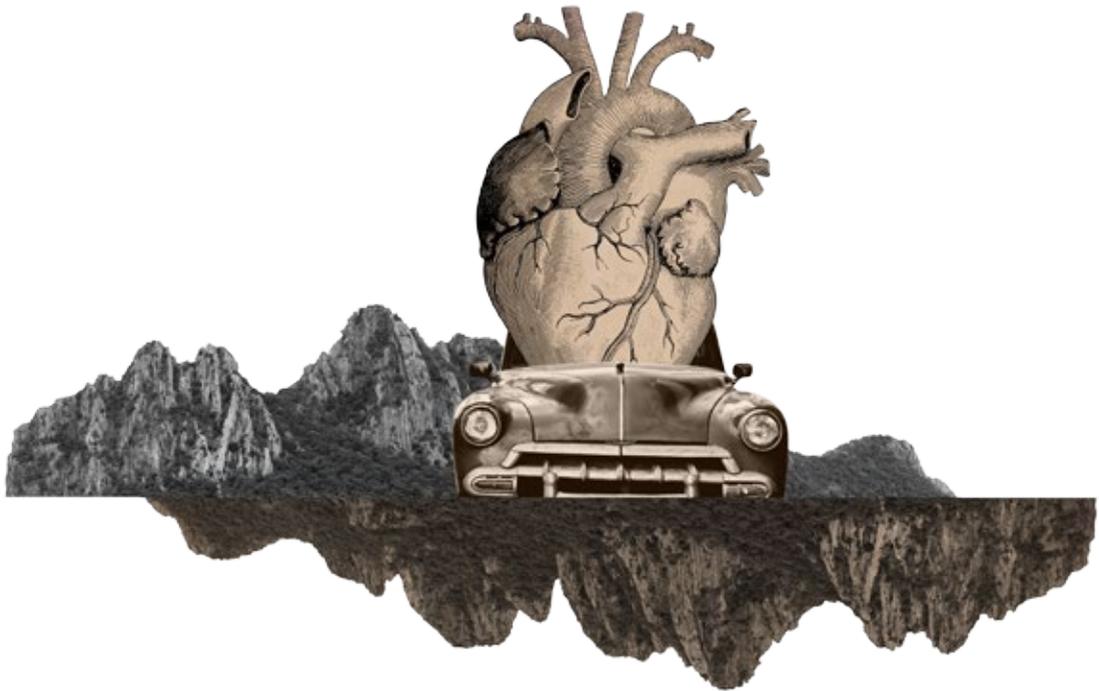
Over these 62 years we have collected great little stories that come from well-developed and well-thought-out daily work that looks both outside the company and serves our customers, but also within the company, moving our collaborators' lives and offering them the necessary tools and training to allow them to improve.

We are proud of our journey, but we know we can achieve more. We are facing a world where digital transformation will, by the year 2050, have a dramatic impact on the way people move, so we know we have to prepare—customers' needs and expectations change and we must constantly adapt to their new realities. The customer experience is going to become the main competitive advantage, so we have to build new experiences that make even transactional processes a positive and memorable moment for customers.

Coherence will be absolutely necessary. We are actively designing a strategy that makes our value proposition and our differentiation and personalization strategy stand. Communication plays a fundamental role in monitoring and evaluating, through active listening, the perception of our customers and stakeholders. Communicating means listening, so we need to maintain an open and transparent conversation with customers and society.

We have made the seemingly impossible possible and now face new challenges that require we work with courage, creativity and efficiency. We want to continue moving lives as we have done in recent decades and to do so, our customers' trust is and will always be the basis of our future success.

“ We are facing a world where digital transformation will, by the year 2050, have a dramatic impact on the way people move, so we know we have to prepare



THE *CUSTOMER* IS *everywhere*



Miguel Merino

Brand Director, ABInBev Colombia / Peru

Some years ago, I took on the challenge of occupying a new position in the Nestle Peru-Bolivia's Management Committee, an attractive opportunity because it allowed me to enter a multi-category world. One of the most interesting things I found was I had to manage very diverse departments, such as Knowledge and Insights, Corporate Brand, Marketing Communications Media, Digital, Wellness and Consumer Services.

Given the intricate nature of my new position, I often asked myself: What should be the area's vision? What should guide this diverse team of professionals who have such specific tasks? How do we share a common objective that allows the team as a whole to generate added value to the organization as opposed to simply being grouped by service area?

The answer was simpler than it seemed: the consumer was the center and reason for the team's existence and was the thread connecting each department and every individual. This gave us the possibility to revisit how we do things in order to do them better and, as a result, contribute to our competitive advantage across all our brands and the overall organization.

“ *The consumer was the center and reason for the team's existence. The consumer was the thread connecting each department and every individual*

THE CUSTOMER IS PART OF OUR TEAMS

We do have to understand not everyone will fit with the vision, nor will everyone have the skills required to bring it to life. Therefore, it is important to ensure all our employees

embrace the implications of a consumer-oriented culture. Otherwise, issues will arise when the employees, along with causing internal disruption, force the vision to remain in the confines of a PowerPoint presentation.

THE CUSTOMER IS PART OF OUR PROCESSES

In the aforementioned challenge, consumer services management in its most basic form was conceived as customer complaint management, responsible for responding in a timely manner according to local consumer protection policies. By embracing the area's vision, we realized complying with regulations was not the most important thing. We understood that one of the most stressful moments for the consumer was waiting for a prompt response, especially when it comes to food.



How a consumer's stresses about poorly prepared food is different to how they reacts to a defective shirt. In fact, particular kinds of food will generate greater stress in the consumer than others—for example, infant formulas. This pushed us to challenge ourselves and establish a protocol to resolve complaints in no longer than one week, not just within 30 days, as the law required.

THE CUSTOMER GUIDES OUR COMMUNICATIONS METHOD

The consumer values honesty. This is a fact we see time and time again; for instance, Coca-Cola Classic's comeback following the failed New Coke. A brand can make a mistake, but evidence proves an honest brand can still maintain customer loyalty and even increase its consumer base. Reliable brands that have made a mistake should not attempt to cover it up; instead, they must do their best to repair the damage. In the end, the way we respond to crises says a lot about us.

THE CUSTOMER CHALLENGES US TO SEE BEYOND THE OBVIOUS

We constantly receive information from customers. However, this does not guarantee we are working while focused on the customer—this only happens when we are able to interpret the information and scratch below the surface.

This is a situation I have faced more than once. A well-known and beloved brand modernized its packaging to make it more attractive and contrary to expectations, sales began to show an unstoppable downward trend. The managers, concerned about this trend, organized several focus group discussions in which consumers consistently stated the product was no longer the same and its flavor had changed. In another case, regarding a beer brand, consumers said the product now gave them a hangover.

“*Taking consumers' comments literally may lead companies to make incorrect decisions*”

Taking consumers' comments literally may lead companies to make incorrect decisions, such as returning to the old packaging design. However, when trying to understand the reasons for the consumer's change in behavior, we may realize consumers are omitting another reason why they stopped buying the product: because the brand redesign was paired with increased product prices, a price increase they are not willing to pay.

Customers feel, act and then rationalize. Frequently, what they communicate to us is the rationalization of a behavior they have justified with other reasons. While the consumer is the center and guide of everything we do, only those who see beyond the obvious will foster long-term relationships, turn strategic intent into a way of doing business, thus becoming consumers' first choice and gaining competitive advantage.

LISTENING TO THE CUSTOMER:

THE FIRST STEP IN BUILDING MUTUAL *trust*



Rodrigo Esteves

Marketing Director, Liberty Seguros / Portugal

In 1912, the year Liberty Mutual Group (where Liberty Seguros is integrated) was founded in Boston, the Liberty Mutual Creed was also born: "Helping People Live Safer, More Secure Lives." This noble statement that has guided the organization for more than 105 years.

“Few companies undertake the mission of protecting their customers’ lives, which shows just how important customers are to Liberty Seguros

they use and the products they buy and act as an influencer to those in their vicinity. In addition, they seek information about products and services from their peers and value this type of information more than the information provided by manufacturers or service providers.

In 2003, when Liberty Seguros was established in Portugal, we decided to translate the statement and adopt Liberty Seguros’ brand motto “For the protection of life’s values,” a paraphrasing of our parent company’s mission statement. This statement embodies the important mission of protecting our customers’ lives and property.

Few companies undertake the mission of protecting their customers’ lives, which shows just how important customers are to Liberty Seguros.

Insurance activities involve a contract with the customer, based on the principle of good faith, in which the customer entrusts the insurer will protect their assets from certain risks. As of the beginning of this relationship with the customer, our service is an intangible promise that depends on the customer trusting the insurer.

Today’s customer is well-informed and very selective. They constantly evaluate the services

Customers who give a very positive recommendation or evaluation will share their experience and remain loyal to companies and brands.

The feedback we get from customers allows us to identify ways to improve our products and services. By incorporating this knowledge, we are able to constantly improve. Later on, we analyze their feedback again, thus forming a cycle that continuously benefits both the customer and our organization.

At Liberty Seguros, we evaluate customers’ recommendation indicators during key moments of the provision of service, the moments of truth. These moments are the most important to customers and are pivotal for them to recommend our products.

The metric we use is the Net Promoter Score (NPS). NPS, first introduced in Harvard Business

“A “customer” usually refers to the customer who buys our products and services. Still, it is important to remember the internal customer, who buys our products and services, evaluates their experiences and shares their opinions with people they know

Review, helps organizations stay customer-centered, since it is an indicator that ties in with every customer interaction and provides information about the entire customer experience with the company, helping companies improve the experiences they offer.

NPS results are then taken into account when evaluating customer service processes and product designs.

A “customer” usually refers to the customer who buys our products and services. Still, it is important to remember the internal customer, who buys our products and services, also evaluates their experiences and shares their opinions with people they know

Finally, there is another important group of customers: professional insurance agents, often the face of Liberty Seguros. They are fundamental to the organization’s relationship with the customer and play an important role with regard to their experiences with Liberty Seguros.

In the ‘60s, Sam Walton, founder of the U.S.-based Walmart chain, noted the customer had the power to fire all the people in his company with one simple decision: shopping elsewhere. In essence, the customer was the head of the organization.



Organizations that view the customer as the head of the organization and puts them at the center of their decisions are bound to thrive. In Portugal and around the world, Liberty Seguros makes sure to put the customer at the center of its decisions.

HOW TO *BECOME* A “customer FIRST” BUSINESS



Juan David Giraldo

Director of Business Development for Latin America, dunnhumby / Colombia

Almost all companies say they care about their customers, but businesses that genuinely put the “customer first” take steps toward deepening their relationships with loyal customers and investing more in them, more so than their competitors.

Dunnhumby’s Global Customer Centricity Index, which focuses on retailers, shows a direct relationship between client-centricity and increased revenue. Retailers who scored high in customer centricity on average increased their sales by 3 percent and their market share by 7 percent, while those with low scores experienced a 2 percent drop in sales and a 1 percent market share, proving that having a “customer first” approach yields better results.

“Customer first” businesses demonstrate customers are fundamental to their brand identity. They also show they are committed to a strategy that is centered on long-term customers, in spite of competitive threats or economic fluctuations. These businesses adapt to customers’ preferences and gain employees’ support for the strategy through metrics and rewards.

“*Dunnhumby’s Global Customer Centricity Index, which focuses on retailers, shows a direct relationship between client-centricity and increased revenue*”

In addition, they analyze data to make changes beyond marketing and pricing, such as the supply chain or their store design. They use their point of sale, digital and attitudinal data to strengthen customer loyalty; they know their preferences, thus they are able to offer

the right products at the right prices, create new campaigns based on market trends and customers’ shopping behavior and develop personalized communications tailored to individual needs.

Businesses that wish to start this difficult but rewarding journey must keep the following five vital areas in mind to achieve a successful “customer first” strategy:

- 1. Use data to better understand customers’ needs.** Understand more than just what they buy and when they buy it, but also their needs in each step of the shopping experience—what influences their behavior? These steps are: discovery, visit, purchase and reflection. Companies can gain or lose customer loyalty in any one of these stages.

“Loyalty is not about customers being loyal to the company; it is about the company being loyal toward customers

- 2. Create and adopt a “customer language” within your organization.** You will need to understand customers’ shopping habits and segment them by price and quality sensitivity, lifestyle, type of store they frequent, communications, promises, CRM, etc. The big challenge is constantly speaking this language with many people in your organization. Overcome this challenge by first creating a purpose and vision centered on the customer and express them both internally and externally.
- 3. Involve everyone.** Winning personnel’s hearts and minds helps create a powerful “army” that can execute the strategy and help the customer sense a difference in their experience. Unfortunately, most organizations provide employees—the face of the organization for customers—very little confidence and authority to solve customers’ needs.
- 4. Show tangible changes in-store and in customer interactions.** Customer data can be used to activate loyalty programs, but is rarely used to justify in-store changes. Product portfolios, supply, designs, prices, campaigns and customer service are part of the shopping experience and must therefore be based on loyal customers’ data.

- 5. Align processes, systems and structures.** This is the most challenging step—aligning business systems around the customer. “Customer first” organizations show a unique approach to loyal customers: growing this segment and increasing its value for life. They establish systems to retain and boost customer loyalty over time and track, measure and base their customer initiatives on customer promises and customer-centered KPIs.

Finally, it is important to note efforts to develop customer loyalty often do not produce significant results for three main reasons:

1. Loyalty is not about customers being loyal to the company; it is about the company being loyal toward customers.
2. Loyalty is not just a program; it is an approach that prioritizes customers in all business decisions.
3. Loyalty is not just about CRM; it is about the store, product, price, promotions and interactions with customers.

Our and other organizations’ research shows there is a direct financial benefit for businesses that improve their customer service using a client-centric strategy. It may prove very costly to ignore this approach.



CLIENT-CENTRICITY IN TODAY'S INSURANCE *businesses*



Eduardo Iglesias

CEO and Co-founder, eColón / Argentina

Digital transformation is changing the customer experience across all industries. Simplicity, personalization and interactivity standards are currently much higher than they were five years ago.

There is no turning back: the customer experience must be unique no matter the channel. We must think about the customer's experience in all stages of their relationship with the company.

All this requires a revolution; it is why it is so difficult to achieve. The incredible amount of effort needed to make these changes is the reason why we do not see great progress in the industry, except for those companies that produce new players who enter the market with a completely different value proposition.

Therefore, a revolution that can change the foundations of organizations is necessary, and it will require business leaders to provoke a deep cultural change, remembering the ultimate goal is to make everything simple for the customer. In addition, customers should engage the company whenever and through whichever channel they choose, not when it is convenient or profitable for us. Companies

“Companies should be organized around the customer because when the customer is at the center and the relationship is simple and personal, everything works as it should

should be organized around the customer, because when the customer is at the center and the relationship is simple and personal, everything works as it should.

The question we must constantly ask ourselves is whether the business model is centered on the customer.

When I led the eColón launch, the business model was designed from a thorough investigation and deep understanding of all customers' needs (not only those who like to sue insurance companies). When customers, especially millennials, understand that they have the right to demand the same experience they get with, for instance, Facebook, Google and Amazon, their ideas about the insurance industry change and they feel encouraged to demand a similarly simple, digitized and personalized experience.

Although it is an enormous challenge, the new business model allows reaching the largest number of potential customers, which, in our case, makes insurance more available. And we believe in promoting **insurance inclusion**; in other words, allowing everyone, regardless of socioeconomic status or cultural background, to have easy access to insurance.

To achieve this, we must use artificial intelligence technology. For example, we developed a virtual assistant that assists customers from the moment of purchase all the way to the back office in a simple, friendly and personalized way.

Little by little, new “insurtech” models will change how customers perceive the insurance industry. I am convinced: in five years all insurance companies will collaborate with tech start-ups to develop new business models based on the client-centricity.

Customer interactions with insurance companies are changing similarly to how customer relationships changed with travel agencies and the hotel, real estate and transportation industries and shifts like these are occurring more and more each day. Jeff Bezos, for one, has kicked off a deep transformation that generates value for shareholders—and it is based on putting the customer at the center of Amazon’s decision-making process

Satya Nadella increased Microsoft’s value by 130 percent in just three years. He did so by introducing a cultural revolution also based on client-centricity that seeks to empathize more with the customer. Today, we know fintech companies that apply technology to customer interactions are interacting in new ways and have generated a lot of value in a very short time.

“*In five years, all insurance companies will collaborate with tech start-ups and together will develop new business models based on the client-centricity*”

To properly address our customers’ needs, we simply must let go of our old ways and start fresh.

Like Henry Chesbrough, the father of Open Innovation, believes, we must put all our efforts into truly understanding our customers and knowing how to satisfy their changing needs. It is not about changing what we do; it is about embarking on a journey of discovery.

THE *CHALLENGE* OF *contacting* CUSTOMERS



Andrés M. Marengo

Communication and Marketing Consultant / Argentina

Mexican writer Carlos Monsivais once said, “Either I no longer understand what is happening, or what I did understand no longer exists.” This expression seems to best capture the essence of the confusing times we live in.

How many new products have you bought lately? How many brands have replaced your preferred brands? How many companies managed to inspire more trust in their products? Certainly, very few have done the latter, despite companies executing their communication plans on a daily basis.

Things change quickly and although this is nothing new, few corporate communication managers have modified the brand’s strategies when communicating.

Currently, there are four generations (the Silent Generation, Baby Boomers, Generation X and Millennials) coexisting in the world, new technology is developed at a constant and accelerated rate, social networks grow and consolidate and there are many ways to consume content. This has caused cultural changes and dynamic times that have added complexity to our brands’ effective communication plans, forcing us to rethink our entire strategies.

“*We must do an in-depth analysis of similar demographic profiles because they most likely have very different motivations*”

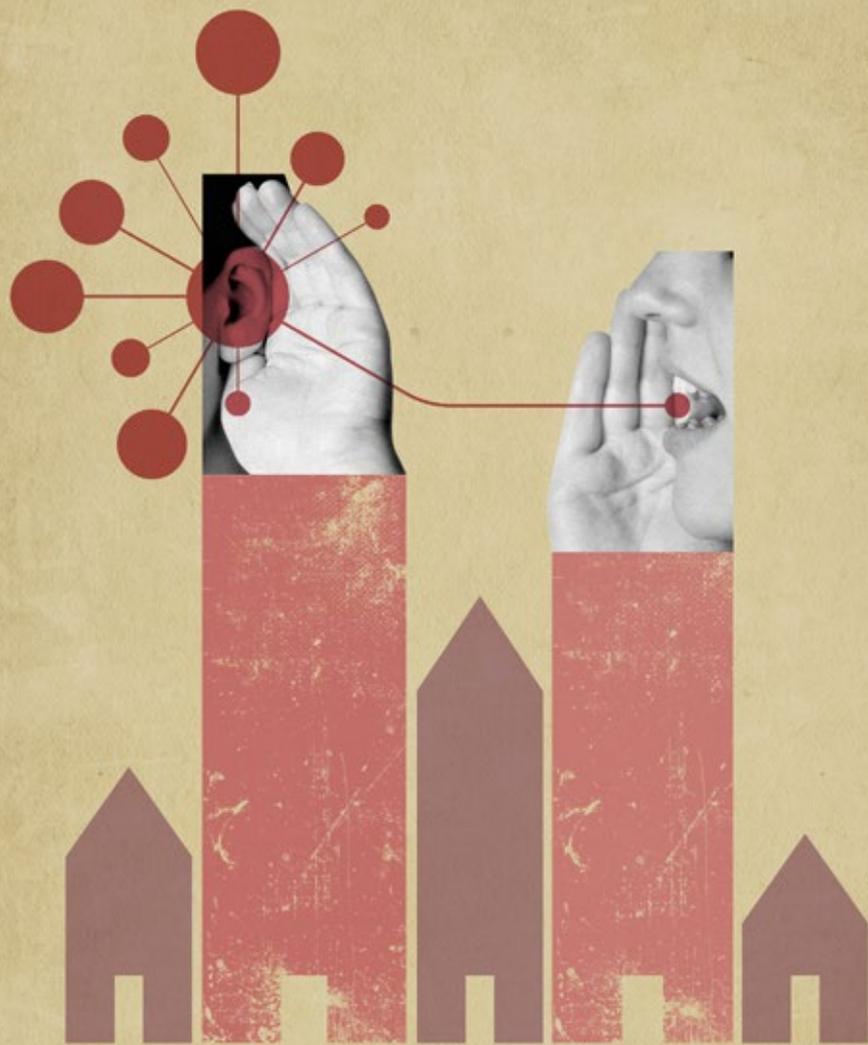
We live in times of ‘infoxication,’ a term coined by Alfons Cornella to describe information overload and the need to always be online. We are exposed to an excessive amount of information every day but do not have enough time to take it all in. We jump

from one thing to the other, never really delving into anything. And also in this sea of information, where quantity is mistaken for quality, you will also find brands trying to communicate and reach their audience.

The market makes it more challenging to communicate and understand how and when to contact the customer. We must do an in-depth analysis of similar demographic profiles because they most likely have very different motivations, consumption habits and social norms. Today society is heterogeneous, divided into unique communities and tribes united by values and specific preferences.

This means we must dig deeper.

To overcome the infoxication barrier and better understand customers, we must be credible and human. The brand must be coherent, transparent and consistently transmit its identity and values over



“*The brand must be coherent, transparent and consistently transmit its identity and values over time to gain credibility and garner trust*

time to gain credibility and garner trust. Nowadays, trust goes beyond being an added value to the brand. It is a difficult service to provide, but one that is highly valued by customers.

If we focus on the target audience's attitudinal traits, fully understanding we can establish a link and interact with them consistently, we will earn a more human scale position, which will allow us to communicate as equals. People want to 'feel' that behind the brand is an actual person, and that the brand is willing to connect, inform, entertain and recognize.

Therefore, creating a brand message has a before and after. The relationship between the company and the customer now has equal weight on both sides. The distribution of power has changed: regardless of the size of the corporation, customers can simply choose to not recommend a brand and can easily 'unlike' the company's Facebook page.

The brand's message must exceed the product or service promise and contain the brand's value, but this value must similarly exceed the institutional or corporate definitions. Consumers are questioning all brands, from fishing or clothing companies, about their social and environmental issues' positions to see if they can agree with those values. The brand has to be accessible enough for the company to contact the customer through various channels at any time, to avoid being lost in the infoxication phenomenon.

To connect with customers, the real challenge is finding a timeless truth to tell about the brand.

We all have plenty to learn; especially in this constantly stimulated world where no one can take in another message.

CLIENT-CENTRICITY:

AN ASPIRATION OR A *reality*?



Alejandro Romero
Partner and CEO for the Americas of LLORENTE & CUENCA / U.S.

Juan Arteaga
Managing Director of LLORENTE & CUENCA Mexico / Mexico

We live in a time of transformation driven mainly by a digital revolution that empowers the individual like never before and changes social, political and economic behavior. Business models must adapt to a society where:

- People have access to more information and options than ever before;
- Competition increases globally and without geographic or industry boundaries;
- There is a race to recruit the best talent to help companies face the above challenges;
- Companies seek to be relevant to get their audience's attention in an infocated world of products, services and content;
- The political and regulatory environment is more complex;
- Promptness is demanded;
- The customer is king, which compels companies to put them in the center of their philosophies, operations or business ideas.

However, this transformation is not easy for companies used to putting the product at the center of their businesses, now forced to change their

“*Make customers the hero of your story*”

vision and way of operating at a rapid pace while continuing to deliver results.

According to the *Harvard Business Review* study *Closing the Customer Experience Gap*¹, which included 680 executives, 73 percent of business leaders believe improving the consumer experience (CX) is critical for their business, but only 15 percent of them are completely satisfied with their strategy. There is a growing trend, but its full potential has not yet been achieved: expectations and reality rarely coincide; storytelling and storydoing do not always go hand-in-hand. According to this study, there are several reasons why, with the four most prominent being:

- The creation of a client-centric culture
- Leadership and management
- Understanding the consumer experience.
- Communication of the strategy.

This situation is challenging for LLORENTE & CUENCA because of two reasons. On one hand, like many other companies, it is forced to adapt and compete in this new context. On the other hand, it is an inherent challenge to the very nature and

¹ <https://hbr.org/sponsored/2017/08/closing-the-customer-experience-gap>

mission of our profession: to be communication consultants who help their customers achieve their goals, for which it is essential to become an advisor and promoter of a **client-centric culture** to organizations, thereby helping and encouraging them to embrace digital transformation.

PROMOTERS OF THE CLIENT-CENTRIC CULTURE

As the *Harvard Business Review* study points out, culture, leadership, understanding and communication are the barriers to overcome when introducing a client-centric vision to an organization. These barriers are intrinsically linked to reputation—in other words, our line of work, which requires a focus on at least the following five areas:

1. **Intelligence**, to understand how customers' perceive brands, products, companies and leaders. Although using Big Data is part of the strategy, it is necessary to understand customers' journeys and the impact each contact has on customers' perception of the brand beyond the end-to-end purchasing process. Keep in mind, a customer's direct experience with the company is very valuable, but it is complemented by their indirect relationship with the product, company or brand through media, advertising, publications, events, search engines, social media and third-party advocates. Both relationships must satisfy customers' expectations and generate trust and empathy for a company to gain a good reputation. Intelligence must be present throughout the organization, starting with the CEO, so it directly impacts the company's vision. It is also vital to implement new tech platforms that will help monitor and understand the vision; it is equally important to inspire a culture of data and understanding within the organization, but in an orderly manner.

“73 percent of business leaders believe improving the consumer experience (CX) is critical for their business, but only 15 percent of them are completely satisfied with their strategy

2. **Leadership**, because great changes require strong, empowered leaders. These leaders help drive innovation and inspire others to go against traditional structures to solve customers' needs regardless of segment, brand, geography and functional area. This is, therefore, the Chief Operation Officer's challenge, as they are usually responsible for transforming the workplace, eliminating operational silos, putting the customer at the center of the business and having clear accountability. The strategy must be tangible, with clear leaders and milestones.
3. **Processes**, because client-centricity must be a part of the entire organization. It is essential to empower and inspire each employee through grassroots strategies in order to solve customers' needs. In this particular objective, remember to define the following strategies:
 - a. Competencies and skills training throughout the organization (which will increasingly be horizontal and autonomous).
 - b. Recognitions and incentives that are not just monetary, but also help to form a common culture. In this strategy, it is crucial to establish talent engagement strategies that foster change.



4. **Comprehensive communications plan**, because any great change needs its own narrative, its own brand with a strong purpose, milestones and a hero who can overcome various obstacles and offer results that inspire the whole organization through stories and, of course, numbers. To be client-centric, we must first seem client-centric and then internalize this way of thinking in order to get the entire organization on board. Remember, the communications plan must involve the entire company in the change.
5. **Metrics**, key for transformation milestones, must have a purpose and tangible goals and be available to all employees... and even customers, who should be aware of your company's progress. The client-centric approach must help achieve greater customer loyalty, satisfaction and willingness to recommend or return to us. This is precisely how Disney measures the outcome of its strategy. However, the metrics must also translate into productivity improvements, cost reduction and employee satisfaction; after all, employees see value in being more involved and having an in-depth perspective of the customer journey. Client-centricity has to come from an ambition shared by the whole organization, and the metrics must show the success achieved by everyone in the company.

“*Culture, leadership, understanding and communication are the barriers to overcome when introducing a client-centric vision to an organization*”

PROFESSIONAL SERVICES' COMPANY

As a professional services firm, LLORENTE & CUENCA launched its 2017-19 Strategic Plan with a client-centric vision. Last year, we began reinventing our business through different programs whereby colleagues across our 18 offices incorporate customers in the vision-defining process. This will help take concrete actions and form goals to be excellent in what we do. Apart from the large investment and vast resources required, we are applying internally the same vision we offer customers; this makes our advice more credible because it is consistent across the board. By 2019, LLORENTE & CUENCA will have platforms and processes to better understand our customers. Given the greater tech support, we will structure the company with new positions that will make it easier for us to work with our customers' to address their unique and ever-changing needs. New talent will help us innovate further and remain at the forefront of communications, reputation and public affairs in the Spanish- and Portuguese-speaking world, keeping in mind, as prestigious Marketing Specialist Ann Handley said, to “make customers the hero of [our] story.”



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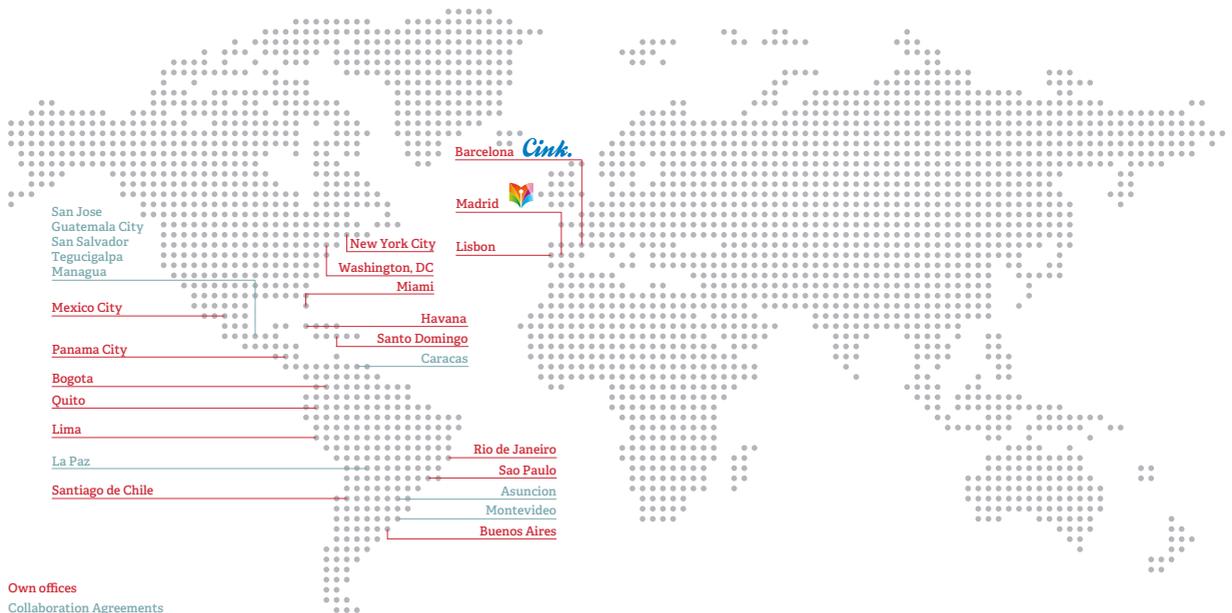
LLORENTE & CUENCA

LLORENTE & CUENCA is the leading **reputation management, communication, and public affairs** consulting firm in Spain, Portugal, and Latin America. It has 19 partners and almost 500 employees who provide strategic consultancy services to companies in all industries, with operations aimed at the Spanish-speaking and Portuguese-speaking world.

LLORENTE & CUENCA currently has offices in **Argentina, Brazil** (São Paulo and Rio de Janeiro), **Colombia, Chile, Ecuador, Spain** (Madrid and Barcelona), the **United States** (Miami, New York, and Washington DC), **Mexico, Panama, Peru, Portugal**, and the **Dominican Republic**. It also operates in **Cuba** and offers its services through affiliates in **Bolivia, Paraguay, Uruguay, Venezuela, Costa Rica, Guatemala, Honduras, El Salvador** and **Nicaragua**.

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www.amo-global.com



CORPORATE MANAGEMENT

José Antonio Llorente
Founding Partner and Chairman
jalloriente@llorenteycuenca.com

Enrique González
Partner and CFO
egonzalez@llorenteycuenca.com

Adolfo Corujo
Partner and Chief Talent and
Innovation Officer
acorujo@llorenteycuenca.com

Carmen Gómez Menor
Corporate Director
cgomez@llorenteycuenca.com

AMERICAS MANAGEMENT

Alejandro Romero
Partner and CEO for the Americas
aromero@llorenteycuenca.com

Luisa García
Partner and COO Latin America
lgarcia@llorenteycuenca.com

Erich de la Fuente
Partner and CEO United States
edelaFuente@llorenteycuenca.com

José Luis Di Girolamo
Partner and Latin America CFO
jldgirolamo@llorenteycuenca.com

TALENT MANAGEMENT

Daniel Moreno
Chief Talent
dmoreno@llorenteycuenca.com

Marjorie Barrientos
Chief Talent for Andean Region
mbarrientos@llorenteycuenca.com

SPAIN AND PORTUGAL

Arturo Pinedo
Partner and Managing Director
apinedo@llorenteycuenca.com

Goyo Panadero
Partner and Managing Director
gpanadero@llorenteycuenca.com

Barcelona

Maria Cura
Partner and Managing Director
mcura@llorenteycuenca.com

Muntaner, 240-242, 1^o-1^a
08021 Barcelona
Tel. +34 93 217 22 17

Madrid

Joan Navarro
Partner and Vice-President
of Public Affairs
jnnavarro@llorenteycuenca.com

Amalio Moratalla
Partner and Senior Director
amoratalla@llorenteycuenca.com

Iván Pino
Partner and Senior Director
ipino@llorenteycuenca.com

Jordi Sevilla
Vice-President of
Economic Context
jsevilla@llorenteycuenca.com

Latam Desk
Claudio Vallejo
Senior Director
cvallejo@llorenteycuenca.com

Lagasca, 88 - planta 3
28001 Madrid
Tel. +34 91 563 77 22

Impossible Tellers

Ana Folgueira
Managing Director
ana@impossibletellers.com

Lagasca, 88, planta 3
28001 Madrid
Tel. +34 91 438 42 95

Cink

Sergio Cortés
Partner, Founder & Chairman
scortes@cink.es

Muntaner, 240, 1^o-1^a
08021 Barcelona
Tel. +34 93 348 84 28

Lisbon

Tiago Vidal
Partner and Managing Director
tvidal@llorenteycuenca.com

Avenida da Liberdade n°225, 5^o Esq.
1250-142 Lisboa
Tel. + 351 21 923 97 00

UNITED STATES

Miami

Erich de la Fuente
Partner and CEO
edelaFuente@llorenteycuenca.com

600 Brickell Avenue
Suite 2020
Miami, FL 33131
Tel. +1 786 590 1000

New York City

Latam Desk
Salomón Kalach
Director
skalach@llorenteycuenca.com

Abernathy MacGregor
277 Park Avenue, 39th Floor
New York, NY 10172
Tel. +1 212 371 5999 (ext. 374)

Washington, DC

Ana Gamonal
Director
agamonal@llorenteycuenca.com

10705 Rosehaven Street
Fairfax, VA 22030
Washington, DC
Tel. +1 703 505 4211

MEXICO, CENTRAL AMERICA AND CARIBBEAN

Mexico City

Juan Arteaga
Managing Director
jarteaga@llorenteycuenca.com

Rogelio Blanco
Managing Director
rblanco@llorenteycuenca.com

Av. Paseo de la Reforma 412, Piso 14,
Col. Juárez, Del. Cuauhtémoc
CP 06600, Ciudad de México
Tel: +52 55 5257 1084

Havana

Pau Solanilla
Managing Director for Cuba
psolanilla@llorenteycuenca.com

Sortis Business Tower, piso 9
Calle 57, Obarrio - Panamá
Tel. +507 206 5200

Panama City

Javier Rosado
Partner and Managing Director
jrosado@llorenteycuenca.com

Sortis Business Tower, piso 9
Calle 57, Obarrio - Panamá
Tel. +507 206 5200

Santo Domingo

Iban Campo
Managing Director
icampo@llorenteycuenca.com

Av. Abraham Lincoln 1069
Torre Ejecutiva Sonora, planta 7
Tel. +1 809 6161975

ANDEAN REGION

Bogota

María Esteve
Partner and Managing Director
mesteve@llorenteycuenca.com

Av. Calle 82 # 9-65 Piso 4
Bogotá D.C. - Colombia
Tel: +57 1 7438000

Lima

Luis Miguel Peña
Partner and Managing Director
lmpena@llorenteycuenca.com

Humberto Zogbi
President
hzogbi@llorenteycuenca.com

Av. Andrés Reyes 420, piso 7
San Isidro
Tel: +51 1 2229491

Quito

Alejandra Rivas
Managing Director
arivas@llorenteycuenca.com

Avda. 12 de Octubre N24-528 y
Cordero - Edificio World Trade
Center - Torre B - piso 11
Tel. +593 2 2565820

Santiago de Chile

Francisco Aylwin
Chairman
faylwin@llorenteycuenca.com

Néstor Leal
Director
nleal@llorenteycuenca.com

Magdalena 140, Oficina 1801.
Las Condes.
Tel. +56 22 207 32 00

SOUTH AMERICA

Buenos Aires

Mariano Vila
Managing Director
mvila@llorenteycuenca.com

Daniel Valli
Non-Executive Chairman for
Southern Cone
dvalli@llorenteycuenca.com

Av. Corrientes 222, piso 8. C1043AAP
Tel: +54 11 5556 0700

Rio de Janeiro

Cleber Martins
clebermartins@llorenteycuenca.com

Ladeira da Glória, 26
Estúdio 244 e 246 - Glória
CEP 22211-120 Rio de Janeiro RJ
Tel: +55 21 3797 6400

Sao Paulo

Cleber Martins
Managing Director
clebermartins@llorenteycuenca.com

Juan Carlos Gozzer
Regional Innovation Officer
jgozzer@llorenteycuenca.com

Rua Oscar Freire, 379, Cj 111,
Cerqueira César SP - 01426-001
Tel. +55 11 3060 3390

WWW.UNO-MAGAZINE.COM

