

# THOUGHT LEADER FORUM: HOW TO SPOT A CONSUMER- CENTRIC COMPANY

*KNOW* asked some of today's notable marketing and media experts to respond to the following question: "What are the hallmarks of a consumer-centric company?" Here is what they told us ...

## **GEORGE HARRISON**

Senior Vice President of Marketing,  
Nintendo of America Inc.

To marketers, the concept of a "consumer-centric" model is inherently attractive, because it suggests the same paradigm we all learned in school: identify the market, develop appropriate strategies and tactics, then execute them. If you do that last part particularly well, you should find yourself up on a stage someday, accepting industry accolades.

But the beauty, and difficulty, of consumer-centrism is that it places most emphasis on that first and most difficult step. How, exactly, do you define your market? When Pepsi was being soundly routed by Coke, it stopped asking how to sell more cola and instead started asking what else people wanted to drink. The result was market leadership in the bottled water, sports drink, and "health" drink sectors. They redefined their market, and reaped the rewards.

In many businesses, thinking outside the box in market definition is a necessity rather than a luxury. Consider that by 2050, one in every four Americans will be of Latino ancestry. Consider that this year, another 330 Americans will turn age 60, every minute. Most likely, your definition of "consumer" will have to change along with these kinds of trends.

## **STEVE "JAKE" LAULETTA**

President, Radiate Sports Group

A consumer-centric company needs brands to stand out as clearly differentiated in consumers' minds, which takes disciplined focus. Much comes down to culture within a company. I always think that the external world is the easiest part in marketing. The internal world of trying to get a company to understand the consumer—and how to get an idea out of a building, with a lot of different agendas and hands touching it—is the most difficult part. It means that the culture has to have everybody focused on the same end goal. Probably 30-35 percent of companies have achieved that.

It's crucial that companies stay in the realm of what consumers feel about their brand. You don't want them not to be surprised or delighted, and they need to feel like your brand is evolving and alive. But it's a tough balance: you don't want to stray too far from the brand's definition.

With sponsorships, the biggest thing is linking to the brand or company, so that you're borrowing attributes of the property that you're buying. There are millions of passionate fans for a particular NASCAR driver or MLB team, so you want to borrow the passion that the fan has for that brand with the end result of the consumer feeling differently about it. Often companies do it the other way around—your brand is the center of the circle, and the property that you're sponsoring is attaching to it.

Gatorade is tremendously successful with its sponsorships. They're disciplined in their positioning, and they're everywhere the action is—on the sidelines, in race cars with drivers, and with athletes who need to refuel. Gatorade's approach comes across in sponsorships and translates clearly to the consumer, which is evident with their "Is it in you?" campaign. A few years ago, I think they saw the sports landscape changing and looked at other opportunities—that's when Gatorade introduced the brand into music with an LL Cool J commercial. I don't think it worked. They tried something new, which isn't a bad thing, but they returned to their original strategy that's very successful and defined and got back to being disciplined against it.

### ROBERT F. LEDERER

Editor & Publisher, RFL Communications Inc.

No organization, regardless of size, recent success, or long-term success, is immune from dealing with this new reality. You need to do this soul-searching on consumers on a continuing basis. You can't think, "We did that six months or one year ago, and we got it down," because the marketplace changes. Competitors react and respond to each other with great regularity and in real time.

That's been one of Wal-Mart's successes; it has always focused on what consumers want, and even the world's largest retailer has admitted it hasn't been paying enough attention to the preferences and interests of the communities around their stores.

The non food retail industry has been very good at fulfilling consumer desires for a long time. Nordstrom is a great example. It's the kind of place where you can buy a pair of shoes, wear them for a week, then bring them back and say, "You know what? I don't like the way these feel." And they take them back. They've built their whole chain on that kind of service.

Adopting and implementing the new tools that can make real-time sense of the oceans of information available to business is crucial in understanding changes in consumer demand. If you're a retailer or manufacturer, you have to become inclined to servicing each store as if it were the only outlet—but it requires great knowledge to effect the changes that make a difference and satisfy.

Becoming consumer-centric is a particularly challenging task for most supermarket retailers,

who are focused on their bottom line. Changing this mindset will be tantamount to switching the rules of the game. Dedicating their time, attention, and money to consumer-centricity in all their stores will be the evolution of the early years of this century. Yet even some retailers realize if they give consumers the price, quality, and selection they want, why would shoppers need or want to shop anywhere else? That would be a huge change for the retail industry, too.

Clearly, becoming consumer-centric starts with top management. CEOs have to be focused on "what I really need to know about our consumers." And they need to give the marketing research or consumer insight department complete support in such an initiative. Research has to leave behind its status as a staff function and become the player that heads up consumer-centricity. No other internal department comes close to fitting the bill.

