# Why AI Needs to Find
# ITS INNER 'HI'

BY PETE SENA

Let's face it: Just about every company today would say they "put customers first," yet very few companies are able to truly walk the walk.

In recent years, studies have consistently shown a wide disparity between an organization's public commitment to a customer-centric strategy and its ability to carry out that mission. In one survey cited in a May 2015 article on CMO.com, 48% of marketers said they were only moderately confident in the ability of their organizations' core touchpoints to reach and engage with the customer.

Of course, creating a true customer-centric business model—one that is fully integrated and owned across the organization—is far more difficult than it sounds. At traditional companies, a big cultural shift may be required to establish a clearer outward-looking focus on the customer. All departments, not just sales and marketing, must relentlessly pursue the goal of serving the customer's needs at every touchpoint.

Marketers are often stymied in their quest to better understand consumer behavior by a lack of time or resources, incomplete data sets, and an inability to share data and insights across entrenched silos. Yet these organizational barriers alone cannot explain why so many companies fail to meet today's ever-higher consumer expectations. Alarmingly, consumer expectations on the value of trust across categories including social media networks, technology, banking, and retail soared an average of more than 250% last year, according to the 2019 Brand Keys Customer Loyalty Engagement Index.

Clearly, something more fundamental is at work here. I believe the answer lies in an intrinsic aspect of marketing that often gets overlooked but is becoming more crucial as technology advances and data privacy, security, and transparency represent the biggest impediments to a brand's success: a missing human touch. While marketers are right to be excited about artificial intelligence, its underappreciated sibling—human intelligence (HI)—holds the key to a true customer-centric business model.

Recent studies have shed light on this problem. In a 2018 PwC survey, for example, two-thirds of consumers said they felt companies have lost touch with the human element of the customer experience, and three-quarters said they want more human interaction in the future. Marketers who ignore these flashing warning signs do so at their own peril.

## EMPATHY CAN DELIVER REAL VALUE

So how can marketers begin to close this gap and reestablish more meaningful and lasting bonds with their customers? They should start by taking an immediate inventory of their *human* intelligence capabilities and galvanizing around one of the defining characteristics of human behavior: empathy.

Empathy's heightened importance in marketing is arguably a relatively new phenomenon. It is consistent with several Millennial-inspired trends, including the need for greater brand transparency and authenticity, as well as the notion

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that younger generations gravitate toward brands that reflect their own personal values. More and more, brand relationships mirror human relationships. Consumers want to be associated with brands that share the same belief systems and sense of purpose.

Empathy is not an excuse for marketers to indulge in meaningless psychobabble. Quite the contrary, it can provide the necessary fuel for a company's digital transformation. The more a company understands about its customers, the more it can automate mundane processes—thereby increasing productivity and boosting profits. Smart companies understand the value generated by a combination of human touch and automation. The customer experiences of the future will be cared for and imagined by humans but streamlined and supported by smart systems and machines.

At Digital Surgeons, we've developed the concept of C.A.R.I.N.G. as our north star for delivering empathy in the context of human intelligence. "R" in this acronym stands for "respond," which is distinct from the typical corporate "react" approach. Reacting is creating an output for the input, taking the data and information you receive at face value and incorrectly taking the next step. Responding is about knowing the human aspect of your customers: What are their values? What are their experiences like?

As with human empathy, this process requires companies to actively listen to their customers and ensure that they are heard. For marketers, that means being willing and able to change course when customer feedback takes them in an unanticipated direction. By taking time to understand the motives of the people behind the numbers, marketers will be able to interpret the data more effectively and deliver an appropriate response. This is the crux of what empathy means, or should mean, to marketers.

## THE CURRENCY OF THE FUTURE: DATA + CURIOSITY

Companies cannot optimize the customer experience by prioritizing *either* artificial intelligence or human intelligence.

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Both capabilities must be elevated inside the organization and work in concert to inform marketing strategy. But make no mistake: Data in the age of AI, connectivity, and the Internet of Things is more important than ever. A June 2018 survey by the CMO Council found that 78% of senior executives planned to implement tools enriched and driven by AI over the next 12 months. And one-third of respondents said they believe AI is the solution that will deliver the greatest impact on operations and customer engagement.

The main data challenge for today's marketers is less about the "what" of data collection and analysis than the "why"—that is, why certain data sets and metrics are being used for a specific purpose. The idea of aligning measurement ROI techniques more closely with a brand's KPIs has been widely discussed in marketing literature. What I am proposing here is something more basic, and human.

Previously, I have advocated for exploring and intersecting "Small Data" with "Big Data" as a way for marketers to understand the unarticulated needs of their customers and prospects. Marketers must get into the trenches and become better detectives to discover what's driving consumer trends and purchase behaviors.

Too often, marketers assume they know all they need to about their customers. Yet human qualities like inquisitiveness and open-mindedness are essential to peeling back the onion on consumer behavior and tapping into that gold mine of information in cyberspace known as unstructured data. Without psychology and emotional comprehension of what customers "think/feel and do," marketers are simply perpetuating the same PowerPoint persona that got retired as a viable way to build brands years ago.

At the corporate level, executives are recognizing the value of mining data from sources like online customer feedback surveys and live-chat streams as a way to operationalize the customer experience. This explains the recent rash of mergers between cloud companies and CRM providers, including Qualtrics and SAP, and Adobe and Magento. Going forward, marketers that tap into these powerful integrated platforms will be able to develop new products and messaging based on a more complete and holistic set of customer data. That is truly a win-win.

## FINDING THE BEST TOOLS AND BEST PEOPLE

Understanding the why behind the data also means being able to solve for the right customer problem, regardless of the particular marketing challenge or solution. As marketers go forward in this process, it is imperative that the company's leaders be decisive in their selection and application of measurement and tracking tools. They have many options to choose from.

Competitive benchmarking, horizontal analysis, and company insights, for example, allow customer experience and design teams to quantify the many regular interactions and residual memories that influence future behavior. And if customers are lost along the way, tools like journey mapping offer a window into where along the customer experience journey the breakdown is occurring. Marketers need to know exactly where to focus their retargeting efforts—online, in-store, customer service, returns, or elsewhere in the post-purchase phase—rather than blindly attempt to recast the entire journey.

These tools, of course, are only as good as the people who use them. Machines can analyze and display information, but marketing depends on design-led people who can frame the information in the form of stories. Machines are not sentient (yet), and until they can pass the Turing test, it will be the

combination of the heart and the head that manifests into data-driven storytelling. This is the formula for how the most successful brands and businesses are driving the outcomes that matter—CLTV (customer lifetime value), reduced attrition (churn), and net promoter scores, to name a few.

Human relationships are critical both inside and outside the company, and that includes the relationship between the sales and marketing departments. The solution could be as simple as a monthly or quarterly workshop that allows both teams to better understand how important martech solutions are for achieving optimal results. Sales and marketing executives need to build trust and empathy for each other in the same way that they do with their customers.

## EMOTIONAL RESPONSE: 'DESIGN' THE WAY FORWARD

What is the biggest difference between people and machines? The ability to express and process emotions, right? Well, not so fast. Researchers are predicting that AI platforms, and their corresponding neural networks, will soon be able to detect emotions as well as, if not better than, people. "Emotional inputs will create a shift from data-driven IQ-heavy interactions to deep EQ-guided experiences, giving brands the opportunity to connect to customers on a much deeper, more personal level," declared Sophie Kleber in the *Harvard Business Review* in July 2018.

In the meantime, we humans still have a few tricks up our sleeves. For example, marketers are increasingly turning to the cognitive disciplines of design thinking and behavioral economics to help explain the emotional or irrational components of consumer behavior. When deployed in the right ways, these powerful theories can give us all, one might say, a leg up on the machines.

Design thinking provides a new way of assessing corporate processes through the lens of human behavior. And since all consumer behavior is rooted in human behavior, it makes total sense for companies to hang their collective hat on this pursuit.

At Digital Surgeons, we flex our "design doing" muscles using techniques like design sprints, which encourage disparate teams to walk a mile in each other's shoes (again, fostering empathy), and interact directly with customers in the field. We have also coined the term Design Continuum to reflect the various stages of design thinking, which include a continuous feedback loop between the customer, measurement, and ROI. Constant testing and retesting of the feedback loop is where the real learnings take place as we continue to build and strengthen our clients' customer-centric models.

From evolving forms of user-generated content to bold new challenges from direct-to-consumer brands, the future of marketing lies with the customer. Technology can make marketing better, faster, and cheaper, but at the end of the day, it is the synergy between humans and machines that will have the most dramatic impact on consumer behavior. Smart AI is about elevating a company's ability to automate and improve its decision-making capabilities. The intersection of curious and smart humans with connected and smart machines leads to progress.

Put simply, can't we all just get along? AQ

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