
The customer is DEAD: long live the PROSUMER !!

Sound business practices always include paying close attention to Customer Satisfaction indices. All industries, one might argue, are very customer centric and no one disputes the clear linkage between consumer satisfaction and growth in revenues and profits. In recent years, the rise of Net Promoter Score (NPS) has given even more teeth to this metric that has tied customer satisfaction to executive compensation in most companies. Then why, one must ask is customer-perceived satisfaction so low for some industries? Are we looking at the right metrics? Are we looking at the right incentives to change organizational culture??

Let's take a closer look, shall we? First, let's get our "Customer Satisfaction" terminologies right by industry type

- **Business-to-Business (B2B)** – Customer Satisfaction is focused on the buyer who is another business; Oil and Gas and Construction industries have companies that work with them where the core business for the suppliers is selling to the large corporations. Customer Satisfaction here for the supplier is keeping the big players happy and has a direct wallet impact. This class of suppliers are very aware of the profitable impact of Customer Satisfaction
- **Business-to-Consumer (B2C)** - Consumer Satisfaction here is focused on the all-powerful consumer to whom these companies sell directly; Example- Retail organizations like Coca Cola, Amazon, McDonalds, Walmart, movie theaters, etc. have a pulse on consumer sentiment every day and the value of the Brand builds incrementally on top of the thousands of transactions every day. These companies get Consumer Satisfaction!
- **Business-to-Business-to-Consumer (B2B2C)**- Customer Satisfaction is focused on the primary buyer who is the intermediary; Consumer Satisfaction is focused on the secondary buyer who is the all-powerful consumer. There is a layer(s) of financial and product/service intermediation between the primary buyer and the end consumer. B2B2C players may not have a direct relation with the consumer except in the context of a transaction with the primary buyer; Examples-
 - Healthcare: Many medical device companies sell to Hospitals and Clinics who have a B2C relationship with the consumer and hence brand placement as a subtle tool works
 - Energy: Generation companies sell their power directly or indirectly to regulated utilities. The consumer here has historically purchased from the regulated utility, who in turn may not go to the consumer directly for funds in some markets.

Now with the growing Internet of Things (IoT) economy, enter a new exotic creature-the PROSUMER. Each of us is now no longer content to just answer periodic survey questions that evaluate how we feel, how we think and how we spend. We are creating data and that data contains actionable information about us. Information is the new currency. We, the producers of this currency, are in control of this new currency and how we choose to spend this currency

and with whom is our decision. The IoT is helping create this new barter marketplace. Here we are all Prosumers now. B2C is passé, we are now in a B2P economy or if you insist a B2B2P economy. We barter our data currency and still bring our wallet to the negotiation table. We have more leverage now, period.

Example- The \$100 FitBit is all about the information about the physical and sleep activity level of each Prosumer. Every company in the IoT economy thinks that they control this currency since they created the device and sold it to the Prosumer. Each vendor wants us to sign an agreement where they want to analyze our information, aggregate it and create a new layer of analytics that helps improve the existing processes to our benefit. This time though it will be ON OUR TERMS more than ever before. If we want full and complete access to our data, we have it. If we want to share it, that's just fine. If we want to participate in new B2P marketplaces, we can do so, sometimes without unnecessary intermediaries.

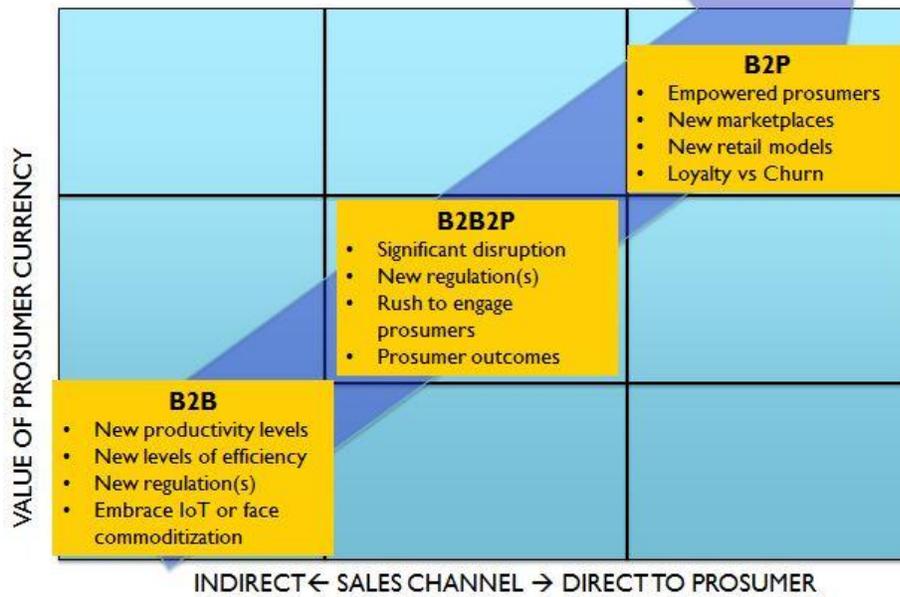
In Energy, for example, we are seeing a vigorous debate as the hitherto B2B2C marketplace is becoming a B2B2P marketplace and the Prosumers are asking to participate in the economy not just as buyers but as sellers. This is unleashing a disruptive effect on the monolithic business models of regulated energy and appropriate regulation alone is not enough to make room for us Prosumers. Let's measure the Prosumer Satisfaction of the new age Prosumer in this industry who is tired of being treated just as a Consumer and wanting a seat at the table as a seller of energy and/or energy consumption data, not just one who is forced to buy from one monopolistic seller.

In Healthcare, for example, we are seeing another vigorous debate as in the post ACA 2009 world, as insurance companies, medical technology companies, healthcare providers/ACOs are all rushing to focus on patient outcomes. They are doing this not just because they want us to be delighted with the service they provide but because it impacts their wallet. Let's measure here the Prosumer Satisfaction of the new age Prosumer who is tired of being told something is not covered anymore and wants price transparency in a playing field where they are now mandated to pay to get healthcare. A level playing field will give the B2B2P Healthcare marketplace a significant uplift in patient engagement with all the associated benefits that we can seek from this Sector- Better Quality Health at Lower Costs

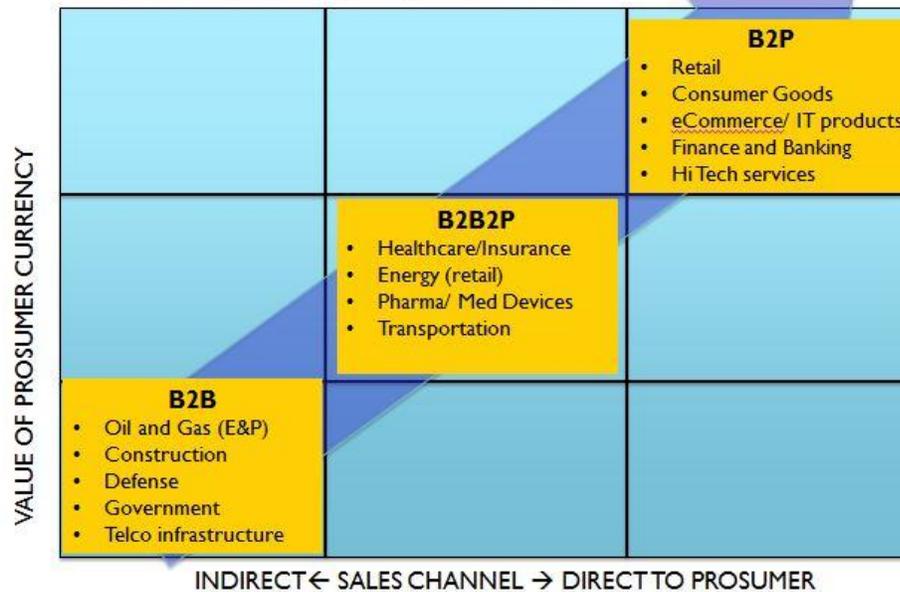
Prosumers now want a seat at the business table, bring not just their wallets but another powerful currency for barter. They want control of their own precious information. They understand the risk of trading their privacy in a secure marketplace and seek the rewards in terms of the next generation of products and services that the Prosumer seeks to acquire in the new marketplace they are creating. This is why @OSG, our mantra is "Customer Centricity" and it has never been more relevant.

-GIRI IYER
Executive Vice President & General Manager, Analytics

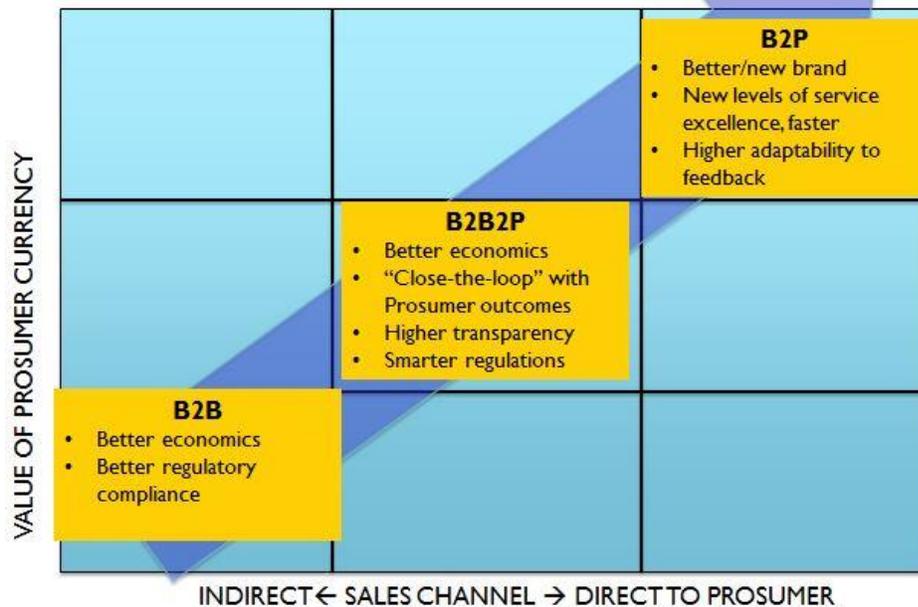
Prosumer Market Trends



Prosumer Industry Segmentation



Prosumer Survival Tips



Moving Forward

We hope this information has been interesting and valuable to you. Please, feel free to share it with colleagues and other people in your network. We look forward to starting a dialog with you about this topic and sharing more information about our knowledge and experience in this field.

Start the conversation with us by emailing us at contact@optimalstrategix.com

About OSG

OSG is a Catalyst for Customer Centered Marketing. We help companies to become truly Customer Centric through a blend of marketing research with consulting services that define strategies and develop operational plans. Whether rolling out new products to market or reshaping market positioning, our clients rely on us for gathering the information necessary to make strong strategic business decisions.

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