

CMO-CFO HANDSHAKE ON CUSTOMER LOYALTY

YOUR FIRST STEP TOWARDS ENTERPRISE- WIDE CUSTOMER CENTRICITY

Customer retention is of prime importance for any business to be profitable, so its strategies and approach have to be customer centric. Realising this, the financial and marketing executives have now started working collaboratively. Anirban Dutta shares his thoughts on this developing relationship between the CFO and CMO of retail organisations. Though they have different set of responsibilities, their ultimate objective is same

If we haven't already heard and spoken enough about the importance of customer loyalty, let's consider it one more time – from another perspective. Forrester Research nails the reason behind the importance of customers and loyalty when it says: "We have entered the age of the customer — an age in which customer obsession matters more than any other strategic imperative, requiring firms to focus their strategy, energy, and budget on processes that enhance knowledge of, and engagement with, customers." We all know that in today's commercial world, strategies and operations are more customer centric than ever before. Everything surrounding the customer is an obvious priority for businesses as that is what drives value and helps them build competitive advantage.



IT IS TIME TO START THE CONVERSATION

The idea of building business value through customer loyalty is changing, and it demands amendments in the roles and outlook of key stakeholders, particularly in that of the CFOs and CMOs. We know they can no longer operate as singular entities, exclusive of each other. They have a lot more in common than ever before.

Businesses are under intense pressure to build value, while minimising costs and risks. They are required to justify and multiply the return on investments on assets. But how tangible assets (such as property, plant, equipment and inventory) and intangible assets (such as customer, brand, loyalty and intellectual capital) drive the value of a company has changed massively. Intangible assets now contribute almost 80 percent of return on investment, as against the earlier 20 percent. And in achieving this, CFOs and CMOs share crucial and common