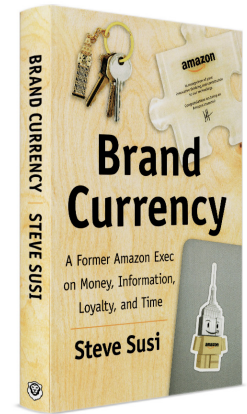


Brand Currency

A Former Amazon Exec on Money, Information, Loyalty, and Time

by **Steve Susi**



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THE SUMMARY IN BRIEF

Our brave new tech world is causing many people to feel confused and afraid of falling behind. The pace of the new techonomy is accelerating faster every year. ***Brand Currency*** describes how Amazon has come to dominate the new techonomy and what lessons can be learned for other companies.

Author Steve Susi explains how a brand is a story. Every customer writes the story of a brand at every interaction with the brand. He describes how customer obsession is Amazon's key to success.

He also examines how money, information, loyalty, and time are human truths. Each one is examined in depth, and considered as to how the customer earns and spends them and how brands do the same. Any brand can use these techniques to find continued success. If you believe your objective is right by the customer, have the data to back it up, and never waiver, success is all but guaranteed.

IN THIS SUMMARY, YOU WILL LEARN:

- The keys to Amazon's success.
- How your customers earn and spend their currencies.
- How to best earn and spend your company's currencies.
- How loyalty can multiply the effects of the other currencies.

At Amazon, there are 14 leadership principles (LPs) that are strictly held as company values. These include customer obsession, ownership, and looking at the big picture. They value innovation, simplicity, frugality, learning, curiosity, and speed. They strive to hire only the best employees and hold them to very high standards. They value the trust of their customers and fellow employees.

These 14 LPs connect to the four currencies – money, information, loyalty, and time. If you can understand how customers earn and spend these currencies, you can maximize success for your brand.

Everything we do is a value exchange. What are we willing to give up in return for something else? We go through life looking to spend as little as possible for as much as we can get. **Brand Currency** evaluates each currency on the individual level through a microeconomic lens – meaning, focusing on individuals, households, and businesses within the economy.

A brand is a story - a brand is how customers perceive it. A brand “spending” refers to a company’s allocation of resources, marketing and otherwise, that affect the customer experience. Customer obsession is the key to success.

A “Day 1” attitude is also central to strong results. Day 1 of a company refers to the first day of business. At the beginning, a business is scrappy with limited resources - hungry, humble, and eager to serve the customer. Day 2 is stasis, which leads to irrelevance and decline. As long as your company has a Day 1 attitude, it will keep moving forward and improving.

Money – The First Currency

Money is the most popular of the four currencies. Our economy is a market economy in which people sell their labor as workers to businesses in return for wages, salaries, and benefits. The more society values a person’s work, the higher his or her income. Market forces drive the economy.

American households are struggling with stagflation, so people aren’t quick to let go of their money. If you want to get customers to send their hard-earned cash your way, the only reasonable approach is to keep costs low on behalf of your customers. People want options, and low prices mean more options for more people.

Many companies have come to believe that corporate revenue is the most important thing and their primary

focus is to please the shareholders. That attitude needs to be replaced with pleasing the customer. The customer’s money is the power driving the company, and being frugal with expenditures directly translates to lowering prices for the customer. Low profit margins attract more customers. It pays to focus on long-term customer trust instead of short-term profit. Perceived value is gold.

Building customer trust leads to a strong reputation, which makes it more likely that an investor will want to own a piece of it.

One important way that companies spend money is on marketing. In the new techonomy, how companies market themselves is changing. Amazon doesn’t prioritize self-promotion and instead markets by example with more and better products. Innovation is the new marketing. Word of mouth and social shares have become more authentic ways to increase customer awareness and engagement.

The only money your business has is because of your customers. It is the money they decided to give to you in exchange for your promise. Spend all you can on your customers – learning about them, listening to them, responding to and delighting them.

Information – The Second Currency

Information is the most powerful of the four currencies. If you have the right information, you can do more for your customer.

When communicating with your customers, every word matters. Redundancy can help provide clarity if used strategically. Tell them what you are going to tell them, tell them, and then tell them what you told them. If used correctly, redundancy is actually more efficient. Clear communication is customer-obsessed. Taking an extra moment to maximize clarity saves everyone time and can go a long way to building customer loyalty.

Information (data) has replaced oil as the world’s most valuable resource. It can be used by companies to innovate and proactively serve the customer. Data is used to streamline the business for maximum efficiency and keep costs low.

Customers generate two types of data when they go online: explicit and implicit. Explicit data are generated by a user intentionally, such as a social media post or taking a survey. Implicit data can be mined from explicit data, such as browsing and purchase behavior. Customers are monitored

by a server and database as they shop or read online. Data such as what the customer searched for, how long she stayed on a page, what products she considered can all be monitored. Social posts provide all sorts of implicit data if read by a skillful operator. Big tech can take our freely given information and turn it into money. Marketers will pay for all of the gathered information so that they can get the right message to the right customer at the right time. The company with the largest data set and the most products that advertisers can pay to use wins.

One of the main contributors to Amazon's popularity is its customer reviews. Social proof is a powerful influencer on people's purchases. If people are unsure what to buy, they look at what other people are buying. Reviews are a valuable form of explicit data.

Businesses need to think carefully about how they earn and spend their customers' information. Protecting your customers' info is protecting your business.

Sharing data regarding the brand internally is also very important. All of a company's successful strategies and intellectual property (IP) need to be readily available within the company. To accomplish that end, Amazon has an internal employee profile system known as "The Phone Tool." It allows employees to lean on the skills and knowledge of others to achieve their goals. Having goals and programs that each employee is accountable for, along with a strong method for info-sharing between employees, is what puts Amazon consistently at the top.

Loyalty – The Third Currency

Loyalty is the amplifier currency. The need for belonging is a central human need. Trust is essential to brand loyalty. People are naturally resistant to new brands because we don't like change. That is why positive word of mouth is so valuable. If someone you trust makes a recommendation, you become less resistant to trying something new.

How is loyalty an amplifier? If you can find a way to combine loyalty with any of the other three currencies, such as a loyalty rewards program that saves a customer money or time, you will create a high return on investment (ROI). If it's done right, you can call it "joyalty" because of the brain chemicals released in the recipient. That's what a great brand can elicit. The brain chemicals dopamine and oxytocin fuel the economy. Think daily about how to stimulate these brain chemicals in your customers. Do so, and you will stimulate customer devotion every day. It's been

found that the brand Apple stimulates the same reaction as religion in the same part of the brain.

One effective way to do that is to collaborate with another brand that is loved by your customers. Find your brand's biggest fans and establish a community for them. Reward them for their loyalty and tap into them as experts.'

Remember that there is a halo-effect that companies can take advantage of. If you like one product of a company, you assume other products will be good. Don't stretch your company so far that you create a bad customer experience. Preserve the customer's loyalty. Every time a customer comes into contact with your company it must be a quality experience.

Since loyalty is a currency, it flows both ways. It is much more expensive to attain new customers than to retain the ones you already have. Increasing customer retention rates increases profits.

Amazon sees itself as a loyalty program because of its customer obsession. Everything is done on behalf of the customer with aggressively high intentions. Customer loyalty takes years to build and a moment to lose. Consumers have so much choice and they don't owe you a second chance. Customer loyalty needs to be built proactively – in the future tense. It can't be built reactively – in the past tense. Meetings should focus not on "we" the company but on "they" the customers.

Your brand needs to establish a bank of loyalty to draw from if anything were to go wrong. Apologizing quickly, admitting mistakes, and being transparent are part of the "Day 1" attitude that can save a company. Give solutions, not excuses.

Mistakes will happen because humans make errors. They are a price of innovation. At Amazon, when mistakes are made they follow up with a Correction of Error document that serves to publicize errors and prevent others from making the same mistakes. The purpose is not to finger-point, but to make future customer experiences better.

Loyalty investments can also be moves to benefit the employees such as benefits, wages, and working conditions. This raises loyalty among employees which extends to customers.

Word of mouth from real customers has become key to brand success. This has led to brands taking a stand on social issues and asserting their ideals. Knowing where your brand stands on social issues and supporting causes which align to that position is smart business. If you can combine this with a loyalty rewards program you multiply its worth.

Time – The Fourth Currency

Time is the only finite currency, which makes it precious. Time is the most valuable currency. Another key to Amazon's success is that it has invested everything to reduce time-to-goal. The slow brands are the first to die. Your company can't be fast on the outside if it's not fast on the inside.

Customers can't earn time like they can earn the other currencies. They can only reduce what time they spend and so are drawn naturally to anything that lowers that cost.

Information can be used to personalize what a customer experiences online. A website is only as good as the usefulness of the information that a customer receives per unit of time. Therefore, a service that can save a customer time and money will drive loyalty. The customer's innate desire to get the most out of her limited minutes makes comparison shopping online more desirable than offline. If a website is poorly designed or loads slowly, customers will leave. A personalized digital environment that recognizes you and your history is effective and can save time by predicting your next move. With machine learning, the chances of accurately predicting your next click increases with every visit.

Many customers shop Amazon because speed is the top priority – saving time over saving money. Brands should take heed and prioritize saving their customers' time as the primary objective.

Time is also important within a company. Meetings are a waste of time. If you aren't frugal with the time of your employees, the brand begins to increase in bloat and expense. This leads to higher prices, longer reaction times, and fewer innovations. Your company needs to "run lean." One example of this is to have small teams. Small teams have less

moving parts and therefore more meaningful conversations with less people. There's no safety in numbers or loss of participation. When you save your company time, you save your customer time. That will make customers gravitate toward you because humans are hardwired to save time.

Brands also need to examine their customer experience. Do it before your customers do it! Make sure wait times for customer service are quick and website experiences are streamlined.

Conclusion

The way Amazon integrates the four currencies into its everyday fabric can be used as a model to adapt your business to drive brand discipline and achieve excellence.

Thinking big is a challenge, but it will always work out if you keep the customer first. You will fail. Embrace it and keep going.

Goals and programs supported by data-capture and analysis make things happen. Make a goal, commit to a program, and tie it to the four currencies. If you fail, capture the reasons why and share your results so your colleagues don't repeat the same mistakes. Combine these techniques with a Day 1 attitude and success is assured.



After 16 years with New York's digital ad agencies, Steve Susi joined Amazon Advertising as its NYC creative director in 2012, where his teams would deliver original brand experiences on behalf of hundreds of advertisers and millions of customers worldwide. In 2014, he became its first group creative director and, two years later, first executive creative director, moving to London to lead creative operations across Europe, Asia, and Canada.

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