

OBSERVATION IN THE ERA OF SMALL DATA

BY MARTIN LINDSTROM



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A few years ago, while travelling from Poland to Vienna, my GPS stopped working. Forget buying a printed map. They disappeared somewhere during the two decades since I last searched for one. My guidance skills are dubious and I had been in that area only once, so I had no choice but to steer the car towards what I thought was the right direction. Surprisingly, I arrived at destination without a single wrong turn. When I tried to discover how I had done it, I came to the following conclusion: I had let myself be carried away by my instincts.

I define instinct as the accumulation of knowledge obtained after decades of experiences and that guide whoever seeks an answer. Instinct is the art of connecting thousands of impressions. But it is not possible to explain in a conscious way how all those

points were connected. It just happens.

Some of the most powerful business leaders of all time have something in common: they rely on their instincts. An example is Rupert Murdoch, who is said to read most of his newspapers every morning. That means more than 50 per day. If a headline is not in line with what his readers want, he picks up the phone and calls the editors. He has the gift of knowing how to put himself in the shoes of his reader, whether he is a businessman who reads the *Wall Street Journal*, a worker who opts for the *New York Post* or a British housewife who prefers *The Sun*.

The founder of IKEA was no different. In fact, Ingvar Kamprad was in the habit of handling the cash registers of his stores. Why? Because he was not only trying to understand what people were buying but also

the reason for the acquisition. Sitting in front of the cash register allowed him to interact with customers, one at a time.

"There is only one boss: the customer," said Sam Walton, the founder of Walmart. "You can fire anyone who works in the company, from chairman of the board down, simply by spending your money elsewhere." It was also common to see Walton walking around his stores and interacting with customers.

A year ago, NBC asked me to analyze some small North American companies for their *Today Show*. I quickly noticed that these companies shared the same problem: a serious disconnection with the consumer. Again and again, the owners saw their companies from their own perspective and not from the client's point of view.

One of them was a toy store with 100 years of history, called Veach's Toy Station. When I entered the premises, I was immediately surprised by their lack of focus on the client. So I gathered all the staff and asked them to accompany me to walk the store on their knees. I wanted them to see the world from

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the perspective of a six-year-old child. "Can you get to that toy?" I asked. "Can you see that doll? Can you play with that car?" The answer was: "No, of course not." But were not their main consumers children less than ten years old?

By the way, I think of Michele Ferrero, the richest man in Italy, owner of Nutella, Kinder Surprise, Ferrero Rocher, and Tic Tac, who died in February 2015. And I remember a few years ago they saw him on all fours, walking through a store retailer, to test if their chocolates were within the reach of children.

Leaving the office and entering the world of consumers can be uncomfortable. Suddenly, you are stripped of your expensive tie, your high-end watch; that is, all those things that contribute to your image. When you approach consumers in the aisles of your company's stores, or even in your homes, you become an or-

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dinary person. But how can you know what you think if you never put yourself in their shoes? Remember my definition of instinct as an accumulation of thousands of observations? Is not that the secret of Murdoch, Kamprad, Walton, and Ferrero?

I argue, with fervour, that a successful organization cannot be managed only by Big Data. After all, your rivals have the same data as you and will lead you to the same conclusions. Data does not create meaning. We do. Executives have to be much more than data analysts. They should

continually strive to see the world from the perspective of the customer. I believe that the authentically dynamic business leader of the future, although immersed in a flood of Big Data, will need the courage to adapt to the consumer's mentality. You must dare to trust your instincts.



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