



REPORT

WHY MAKING PEOPLE FEEL GOOD IS IMPORTANT: MOVING FROM PURPOSE-DRIVEN TO HUMAN-CENTRIC COMPANIES

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Anyone working for a brand, organization or company will likely be familiar with the concept of being "customer-centric." However, you may have noticed that this concept is gradually giving way to a more "human-centric" approach.

Older generations may recall that prior to being "centric" there was an emphasis on "purpose." Brands with a purpose approach gained momentum in the first decade of the 2000s. During this time, consumers began to demand more government-like social and environmental responsibilities from companies.

Before the "purpose" approach, a brand was expected to deliver what it promised in terms of product and service at an acceptable price, when possible. Today, we also demand transparency in the production process and treatment of the environment. We even want to know more about a company's organizational culture.

However, it didn't end with a brand's commitment to contribute to society and have a positive impact on the planet. Brands went further in their approach to consumers. In the wake of "purpose," a more "customer-centric" strategy took root, putting customers squarely in the center. In a sense, developing a better understanding of consumers in order to design solutions that better suit their needs.

We've reached another level in the relationships between companies and people. This new level centers around being "human centric." The concept is both simple and impressive, basically defined as making people feel good.

The Human Centered Design concept was developed by IDEO in 2009. It encompasses a methodology that places an emphasis on users, their needs and expectations, while considering the human element. The concept begins by understanding an audience and results in solutions tailored to meet the audience's needs.

Taking costumers on a journey rather than a sales funnel means placing people before product. Also, making someone feel good means first getting to know them. Getting to know someone means understanding what concerns they have and how to resolve these issues. Essentially, analysis. In 2023, data is the most sophisticated way to achieve insights beyond intuition, leading to a greater probability of success.

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BENEFITS OF A HUMAN-CENTRIC STRATEGY

At this point, the most logical questions is, does a people-centric strategy yields returns? According to Forbes, the answer is yes. In the publication, "The Top 100 Customer-Centric Companies of 2022," Forbes states that 89% of companies that put customer experience first have better financial results. Chat GPT has the following to say about the issue: "a wellimplemented human-centric strategy can positively impact a brand's bottom line. By building loyalty and trust, enhancing the customer experience and differentiating itself in the marketplace, a brand can attract and retain more customers, increase sales and improve long-term profitability."

Placing people at the center of decisions and actions can help brands build valuable, longlasting relationships with their customers. Whether customers or not, consumers who appreciate a brand will not only recommend it but will be more likely to recommend it or even defend it against criticism. The human-centric strategy works for customers and

other stakeholders—and equally necessary for both groups. When talking about stakeholders, we are referring to people, both internal and external, who factor into a company's sphere of action. We will go into in more detail about this later.

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HOW TO DEVELOP A HUMAN-CENTERED METHODOLOGY

Using the concept of IDEO mentioned above, we divide the human-centered methodology, as applied to digital influence, into five stages: know, listen, empathize, ideate and implement.

This methodology can be used to build a positioning plan that connects with any stakeholder and generating positive influence. Whether talking about customers, employees, investors or suppliers, they all fall into the categories of either public opinion or institutional stakeholders.

The first stage, "know," is often omitted. Without having done any prior analysis, many companies publish social content or ask collaborators to share their content. They do this because they prioritize positioning themselves around this content but fail to understand their audience. Some considerations business miss by taking this approach including timing, personal environment and optimal format for positive impact. Why making people feel good is important: oving from purpose-driven to human-centric companies

Working within these five stages (having completed a prior analysis) will give us the basis to move a narrative to an ecosystem of platforms with a frequency and formats that adapt to the needs of each individual.

KNOW

We are facing an increasingly unpredictable landscape. Society is becoming increasingly polarized, discerning and demanding. Any approach must begin with an understanding of the current state of the target community.

To establish a better connection with the people we want to impact, we must understand the business challenges and tie that together with industry knowledge. This includes understand competitive trends, social-political contexts and technological trends.

Additionally, we must analyze our brand promise, social purpose (beyond economic gain), culture, and company behavior and values.

Thanks to the "know" phase, we will establish our challenges connecting with individuals or key stakeholders.

LISTEN

This stage focuses on what the target individual says, does and thinks.

Nowadays, we have thousands of available datasets at our fingertips. These datasets pertain to consumption, behavior, interests, social usage rates at specific times of day, sentiment, complaints and more. Often, however, we are unable to make use of these virtually limitless data.

Listening means going from the whole to the individual. It means knowing their influences, beliefs, needs and values of our target audience. Several sources of data help us get an overview. Sources include analyzed conversations on social media, reviews, perception, behavioral and consumer studies, work climate surveys and more. But looking at the individual, we find a more particular and personal view.

Today, smart tools make it possible to develop models for analysis and measurement that use different data sources, provide order and value and help us to obtain knowledge that is more grounded in reality.

For example, generative Artificial Intelligence (AI) models will help us detect patterns and relationships between individuals, changing the way we communicate and relate to one another.

In short, during this phase we will gain the knowledge that will help us tie together the brand's challenges and the needs of individuals.

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EMPATHIZE

One definition of empathy is the "mental and affective identification of a subject with the state of mind of another." Another definition is the "capacity to identify with someone and share their feelings."

Most likely, highly empathetic people are happier. If we apply this idea to the relationship between brands and people, we conclude that the most empathetic brands are more likely to generate better individual engagement. Knowing and listening is the database we must work with if we want to deploy a model using empathetic conversation with our target audiences.

Generative intelligences allow us to explore new ways of thinking and understanding people, bringing an additional level of depth to our ability to empathize. They help us challenge our assumptions, explore different perspectives and generate new ideas that allow us to connect with people on a deeper level.

Models such as ChatGPT do not experience emotions and do not understand empathy in the same way humans do. However, these models can be trained to simulate a kind of linguistic empathy. They can learn to respond in a way that appears sympathetic and considerate based on text patterns in training data.

The following are the primary ways generative models could "analyze" empathy in texts and conversations:

- Sentiment analysis. This is a common technique in natural language processing that AI uses to identify and extract subjective opinions from text sources. It can help the AI interpret the overall emotional state of the text (e.g.: positive, negative, neutral).
- 2. Empathic data training. If the model has been trained on a wide variety of texts, it may have learned responses that appear empathic from patterns in the training data.
- 3. Contextual approach. Models such as ChatGPT-4 can understand and generate text based on context. If the context suggests that an empathic response is required (e.g., someone expressing sadness or frustration), the model can generate a response that appears empathic.



However, it is important to emphasize that while AI models can mimic empathy using these techniques, they do not understand or experience real emotions. However, the development of AI models that can simulate empathy more effectively is an area of active research in AI and natural language processing.

Emotions are still the key to empathizing. By knowing someone and listening to the individual, we can generate connections.

IDEATE

After the first three phases are complete (knowing, listening, empathizing), the ideation process begins. This phase involves considering the points when it's necessary to face challenges while simultaneously generating empathy with people.

In the ideation process, we need to find different solutions for different people. Stated another way, a digital communication plan should include platforms, formats and frequencies, all taking different motivations and needs into account. Therefore, we'll have greater influence on each individual. Additionally, this tactic will help us to get more people who positively promote conversation aligned with the brands' messages and empathy.

It is very important not to lose focus at this stage. We now have the data we need to make informed decisions and our customers' needs are what should guide us in defining the right messages; in the right way, in the right format and at the right time. To generate the expected connection, we must put aside distraction and our personal agenda.

When it comes time to implement, it's important to remember that behind every potential customer

profile, there is a real person with their own unique interests, needs and desires. We must not forget to be flexible and to be able to adjust our strategy according to the data and the reactions we have.

Having the ability to adjust and fine-tune this tailor-made approach is a privilege and the core of a human-centric strategy: finding individuality within the collective.

IMPLEMENT

This is the final step in the process. As previously mentioned, on many occasions, when undertaking a digital communication project, it ends up being the only step. Whether due to time constraints, budget limitations or a lack of knowledge about the value provided by the previous phases, a project starts with a kick-off meeting, is then implemented, and from there, content production begins.

Implementing without knowing, without listening and above all, without empathizing with our target audiences leads to one-way communication. This is when brands talk and do not converse, resulting in a lack of direction toward generating promotors of positive conversation.

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THE CHALLENGE OF LISTENING TO OUTSIDERS AS WELL AS INSIDERS (AND KNOWING HOW TO MEASURE IT)

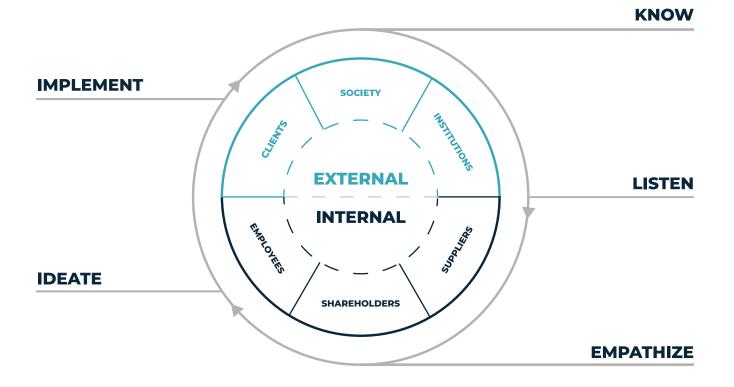
Customer orientation and human-centric thinking are the keys to survival that companies need to prioritize as "must-haves." These elements are necessary to be memorable and survive in a world of constantly evolving environments and consumers.

This entails a Human Centric Experience model defined as a portfolio of solutions in all areas that have a direct or indirect impact on customers and help to improve the satisfaction of everyone (society, customers, employees, institutions, etc.). Furthermore, improvement must be sustainable to ensure that change lasts over time. This is a proprietary methodology with a data-driven philosophy based on measuring (listening), designing (strategy) and improving (opportunities for action) in all aspects of the organization (external and internal) and for all stakeholders.

Our primary concern must be the individual, whether inside or outside the company. These are what we refer to as stakeholders, both internal and external. Having a deep understanding of the relationship between company and the individual will make it unforgettable and memorable.

Aware that this issue is the evangelization phase within companies, there are many organizations need to understand that every brand and every company needs to reflect on how to be memorable.

Below is a brief guide to prompt this internal reflection.



WHY SHOULD I HAVE A HUMAN-CENTRIC STAKEHOLDER MINDSET?

• **Customer:** Because I need to create **"advocates"** for my company and/or brand through memorable experiences that leave a lasting impression on both new and existing customers to achieve my business objectives.

Measurement indicators: Level of customer satisfaction, attributes most valued by customers (brand attributes and business attributes).

 Community: Because I need to identify
"promoters" of positive brand conversation to have ambassadors that help me position my story and give visibility to my actions.

Measurement indicators: Number of promoters of my story vs. detractors in key communities, level of mobilization of promoters, level of sentiment generated by the messages disseminated by the promoters.

• **Institutions:** Because I need **"opinion leaders"** with economic, social and political impact to obtain social license to operate.

Measurement indicators: Number of opinion leaders in key industry action areas, level of influence of opinion leaders who are close to my company, level of sentiment generated by the messages disseminated by opinion leaders.

• **Employees:** Because I need them to be "ambassadors" of my company's human-centric vision in order to attract the best talent within my company and achieve sustainable performance over time. Measurement indicators: Level of employee satisfaction, most valuable tangible and intangible proposals by employees, level of sentiment in employee engagement in internal and external initiatives.

• **Suppliers:** Because I need **"partners"** of my company's value project to have the best network of intellectual collaboration.

Measurement indicators: Satisfaction level of suppliers, attributes (brand attributes and business attributes) most valued by suppliers.

• **Shareholders:** Because I need "industry leaders" in our environment who are committed to long-term investment in our company, benefiting both parties with increased capital.

Measurement indicators: Level of shareholder confidence, business attributes most valued by shareholders.

Each stakeholder contributes to us as a company. That is why it is essential to work on connections that allows us to use our knowledge to develop efficient communication based on interests, motivations and concerns. Through this, we can seek a memorable experience that ultimately makes our audience feel good.

Human beings are by far the most complex species to understand. If we want to survive as a company, we should take the time to pay attention to what people can tell. The framework centered around relationships has become more complex when it comes to connecting with and influencing any stakeholder.

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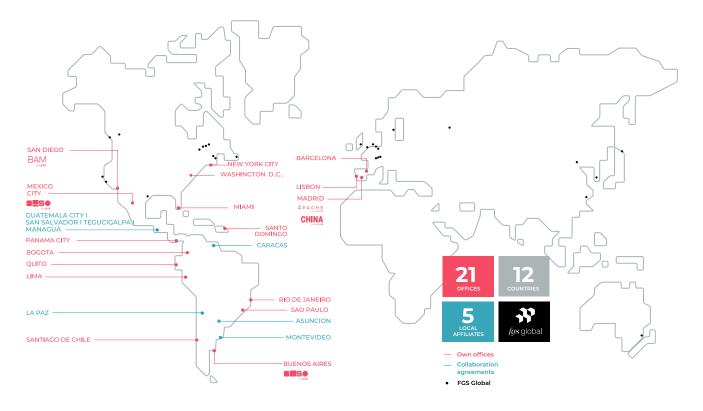
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