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Customer Centricity

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Customer centricity is a buzz word these days. Being customer focused, rather than being competition focused, is considered an integral part of the organizational strategy and that has several advantages.

To start with, 'customers' can give you a clear long term road map for product development, not your competition. The latter may force you to be reactive at the market place but cannot be relied upon to estimate the direction in which product innovation needs to happen.

Secondly, being customer-centric allows the organization to be better business optimized in an overall manner. Decisions with regard to all functions can be taken keeping the customer in mind and that provides a long term perspective. This may be a stabler one that takes into account the organization's inherent strengths and weaknesses. A memorable example of this is the Taj 26/11 event..a terrorist attack in their Mumbai property-which witnessed the gruesome loss of around 31 lives (still managing to enable 1200-1500 guests to escape from the location), where the entire staff of the organization across departments (guest relations, banquets, security) behaved

in a manner that was focused on ensuring the best from the customers' point of view—and not necessarily the organization's. The lower level staff were allowed to take independent decisions and even incur expenses on some of those without consulting the superiors. In effect, the employees became the 'customer's ambassadors'!

Amazon has some very interesting ways of practicing customer centrality. On a daily basis, we all know that they are driven to reach a wide range of products to customers in the most cost-efficient way. Behind the scene, however, there is a lot of action too. Jeff Bezos, their founder, has a couple of amazing initiatives that emphasizes this customer orientation. One of them is the 'EMPTY CHAIR ' approach to set the tone of meetings, i.e he brings an empty chair to the meetings- to symbolize the presence of customers to the executives during discussions and decision making. Jeff also says they don't focus on the topics of next quarter instead they look at what is good for customers starting with them, they work backward by stating product benefits, if they don't sound compelling, then they scrap it.

Importantly, Amazon also takes responsibility for the mistakes they make.. for eg. In 2009 they made the decision to remotely delete some books from the users' kindles..after discovery their illegality—this prompted an outcry among users and Jeff sent out a personal apology confessing that the solution was thoughtless and painfully out of line with their principles of customer centrality.

The consumer goods giant Unilever has an arm called CMI- consumer and market Insights- that continually keeps the focus on the consumer within the organization. As they found that the consumers are increasingly seeking brands and products that align with their cultural identity and lifestyle, they wanted to ensure that the local serving Unilever organizations are able to leverage consumer understanding in order to come up highly consumer relevant offerings and insightful ways to market them.

One such initiative is Data Synthesis. Working closely with Information Technology, CMI implemented a global marketing information system, accessible to all marketers throughout the company. That integrates data and presents its inconsistent formats. What CMI calls "one version of the truth"- thus if, marketing and finance are both looking at first-quarter market shares of Dove soaps in any markets segment, they are viewing the same numbers and units derived using the same methodology. This has dramatically reduced the debates about data definitions, methodology and interpretation that led to competing (and sometimes wrong) conclusions and has led to a lot of efficiency in the process.

One major program is illustrative of how CMI combines data and business insight. When Knorr brand launched its "love at first taste", campaign, it was inspired by research showing that most people are attracted to others who like the same flavors that they do. So CMI team found singles with shared tastes, set them up on food-based blind dates and filmed the results. Then it released the video (branded 'Knorr') on social media and engaged with people who been identified as "food influencers" In the first three weeks the videos received 100 million views.

Companies spend a lot of money to test their advertising before it goes on air- but no satisfactory measures have been arrived at to gauge exact viewers' reaction to ads. CMI tackled this. Because Unilever is the world second-largest media spender, improving advertising performance by even a few percentage points can translate into hundreds of millions of dollars in reduced cost and new revenue. CMI implemented a disciplined testing program; using surveys and software that reads facial expressions. They can now see if people find the ads authentic, relevant, conversation worthy-before they are aired. Poor ads killed while powerful ones are given the go-ahead. This has become so effective that marketers all over are considering using this as a part of the pre-ad testing regimen.

Customer centricity should be put into practical action that will enable the entire organization to take better-informed consumer-centric decisions. It is, therefore, a collaborative effort and cannot be left to the marketing department alone.

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