



Building a Customer-Centric Mindset

Organisations that want to become customer-centric must shift their focus from tools towards people in the organisation in order to get employees thinking like their customers.

Customer-centricity is a mindset first and a set of processes and tools later. As customer-driven organisations increasingly establish themselves in the global business marketplace, the concept of customer-centricity needs to evolve and develop. The evolution needs to be driven more by an in-depth, pragmatic and intelligent understanding of customer behaviour rather than by development of second, third or fourth generations of tools.

The evolution in customer behaviour understanding directly links up with the development and dissemination of a customer-centric mindset in an organisation. Understanding needs to link up with the desire for action within the organisation for successful implementation of the new mindset.

Customer-centricity is a broader platform than simply understanding needs, preferences and behaviour of customers. These act as the primary inputs or catalysts for change. Customer-centricity involves changing the strategic thinking and direction of the organisation at the highest level and goes down to the development of products and solutions at the ground level. The common thread through the whole organisational hierarchy, functions and departments is the intent to stay close to the customer as much as possible.

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Organisations like Ritz-Carlton implement this by striving to achieve excellence in each and every point of contact with their customers. On the other hand, BMW practices excellence in customer-centricity by creating experiences for its key customer groups (for example, VIP parking at major events, factory tours in Germany, BMW magazine subscriptions, exclusive digital access to BMW lifestyle content etc.)

This common thread can take many different forms and shapes in different organisations. Innovation-driven organisations that have the constant need to introduce new product offerings will orient their product development to be more customer-centric. Sales driven organisations will evolve and adapt their selling techniques to be more rooted in customer understanding rather than pushing their wares. Organisations in services industries will start providing customised rather than standardised offerings. But this is the outcome or the end product of the implementation of the customer-centric mindset. The focus should be on the path taken to create the customer-centric vision for the organisation and the strategic direction taken internally to implement the vision. The principles for successfully developing a customer-centric organisation can be categorised under the following three topics:

Give something more

The essence of successful customer-centric thinking is to evolve a customer's needs and associated behaviour. This means offering products and solutions that not only meet their expectations and fulfill their needs, but also create new ones, anticipating their behaviour. This is the point where "blue ocean strategies" meet "customer-centricity".

Industries and product segments that require constant innovation for differentiation and market survival, ultimately turns towards creating needs, rather than meeting ones. This form of strategic thinking is how customer-centricity can be evolved. Branded coffee chains were not required for making and selling coffee, but now the world cannot be imagined without them. Remote controlled refrigerators, smart grid heating and cooling systems and intelligent home security systems were never an explicit need, but they are now one of the biggest innovations in home technology. Streaming music and television content was a logical next step in innovation in a multi-connected world without a direct realisation that the need existed.

Add value to offerings

Value creation should underpin customer-centricity. Selling is the end exercise of positioning the value as an attractive proposition in front of customers. But customer-centric organisations are very good at creating products and solutions. Innovation is the lifeblood that keeps this creation part going.

Creation does not always mean coming out with a constant stream of new products (which does more harm than good to an organisation's brand equity). It's about finding creative ways of extending a product's value across a broader or adjacent need spectrum. This can only happen successfully if the organisation has a continuous understanding of customer behaviour and its evolution. Organisations that are successful in creating value are excellent predictors of trends, have a strategic understanding of how product categories will evolve in the future and the disruptive forces that will come into play. For example, bookstores still hold their ground by expanding the value of a bookstore beyond a physical space that sells books, to a space that sells experiences around books. They have been able to withstand the threat from e-readers quite well until now.

Make it an organisational mentality

If a CEO of a global organisation calls select customers and thanks them for choosing the organisation's products or goes to every country where the organisation has operations and meets customers, we have the first evidence that customer-

centricity is being driven top down. This is a critical, and often overlooked, aspect of ensuring success of customer-centric thinking.

It is very important that the vision and mission of making the organisation customer-centric comes from the board with the CEO leading. The mission then needs to percolate down the organisation through appropriate thinking, processes, tools and solutions. It is a mistake to assume that customer-centric thinking and ways of working is the responsibility of say, the marketing function, brand strategy function or sales function. The mindset change needs to happen throughout the organisation and at all levels.

In global organisations with operations in multiple countries, this is challenging because many local operations can act in complete silos. In such instances, it is imperative to have a global driving group or custodians whose primary responsibility is to imbibe customer-centric thinking into the nooks and corners of the organisation. We can think of it as an extension of a brand guardrail to an organisational guardrail around which the organisation will manoeuvre to focus on understanding customers.

Organisations aiming for superior product-led market leadership positions have to embrace the co-creation process with customers from the drawing board to the retail shelf. Successful integration of customer-centric thinking also needs to be supported by excellent implementation of tools and platforms. Though they are not the cornerstone of customer-centricity, but tools are important for the organisation to deliver on the goals and objectives designed around customers. More importantly, the thinking originates with people and ends with people. Customer-centric growth strategies are most successful when they are people-driven and tool-agnostic. The success levels in engaging people within the organisation primarily lie in the acceptability and believability of the customer-centric vision.

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