CUSTOMER CENTRIC-WALK THE WALK

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"A company's primary responsibility is to serve its customers . . . Profit is not the primary goal, but rather an essential condition for the company's continued existence."
- Peter Drucker

Abstract

This paper explores how and why customer centric has become a focal point from customer relationship point of view as Craig Bailey & Kurt Jensen defined that "Customer-centricity involves aligning organizational resources for effectively responding to the ever-changing needs of customers, while building mutually profitable relationships." A conceptual framework is taken up by sourcing secondary data and the results of the same have been presented.

Keywords: Customer Relationship Management, customer centric, market, organizations, delight

Introduction

Customer-Centricity as a culture must integrate both cognizance and ratification of internal and external customers in order to synchronize workable behavioural acceptation in every facet of a firm's interaction sphere. Customer acceptance is critical for this stage to gauge whether the product is acceptable to the customer, to measure the customer's level of interest, liking, preferences, and intent to purchase, and to determine those benefits, attributes, and features of the product to which the customer responds. Not only must the product work right in the lab or development department, but, more importantly, it must also work right when the customer uses it. The product must excite and, indeed, delight the customer; who must find it not only acceptable but actually like it better than what he or she is currently buying. In short, the customer reaction must be sufficiently positive so as to establish purchase intent. Moreover Customer centricity is aligning organizational resources such as Personnel, Operating practices and procedures, Systems (internal and external) and Products and services. Aligning Personnel Comprises of recognizing and rewarding, customer-centric behaviour. Training every staff on customer centricity.• Ensuring that decision-making hinges on customers.• Using communication

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tools and techniques for highlighting the firm's progress in customer-centricity. Entrenching Customer-Centricity via Training cum Internalization Customer-centricity can be embedded on organizational processes through adequate training and modeling of interdepartmental transactions as depiction of customer relationships that require optimization.

"Being a customer centric company can't feel contrived; it has to feel normal. It requires a concerted effort by the entire company: All of its activities and all of its results must be focused on the customers' explicit and implicit goals."   - Jonathan Narducci

Review of Literature

Bennett and Durkin (2002) in their article discuss how the concept of relationship marketing has attracted increasingly the attention of academies and practitioners in the recent years. Issues relating to the practical and context specific implementation of relationship, marketing cultures have been less developed. Indeed, recent literature pinpoints many difficulties associated with the implementation of relationship marketing. This paper addresses a number of key issues associated with the implementation of a relationship culture in the context of a leading and long established retail banking institution. Specifically, the form which such a culture should take is discussed, together with a critical review of how successful the bank has been in its establishment. In light of this analysis, a conceptual model is proposed for the development of relationship cultures within the banking industry.

Berry Mentions (1983) in his paper on relationship marketing on attracting new customer, but hardly there is any work which had been done on finding the way to retain customers. He suggests about the marketing strategy, which will help the businessmen to develop the relationship marketing plan. Berry mentions about five such strategies,

1. Core Service Strategy, 2. Relationship Customization, 3. Service Augmentation, 4. Relationship Pricing, and 5. Internal Marketing

Biswa and Bhattacharrya (1991)presented a report made by NCAER (1971) &NIBM (1975) NCAER made a study to find the reason for the poor quality of customer service in banks. The result after the study was that more than 50% of the customers who made complaints cited inefficient service being the main cause. The delay in encashment of cheque was the next reason for customer complaints. A similar study was also made by NIBM in 1975, to know how well the commercial banks serve their customer in the city and suburbs of Bombay area. The result of

the study pointed out that there was considerable delay in the service rendered which resulted in total dissatisfaction among customers.

Deepak Sirdeshmukh, Jagdip Singh and Barry Sabol (2002) the authors developed a frame work for understanding the behaviour and practices service providers that creates or depletes consumer trust and the mechanisms that covert such trust into value and loyalty in relational exchanges. The result of the study reveals that the conversion of trust to loyalty involves complex, multiple - loop processes that require an understanding of 1. How specific trust worthiness dimensions can build greater consumer trust. 2. How increased consumer trust can enhance value for the consumer and 3. How value translates into loyalty. Although there are significant pay offs from building consumer trust in relational exchanges - realizing them is neither the straight forward or inevitable.

Deepali Singh(2001) the aim of the study was to examine the status of relationship marketing in India and to elicit the techniques to maintain relationship with customers through information technology and thereby to make a shift from discrete transaction to the enduring relationship. The findings revealed that the development of technology and opening up of the products, services and thereby develop value - based long lasting customer relationship.

Requirements for Building Mutually Profitable Relationships

a.   Ascertainment of customer's request

b.   Ensuring Profitability

c.   Find out repeatability of transaction

d.   Determination of feasible term of relationship.

Voice of the Customer Process

Obtain customer's pulse

• Involve the customer

• Analyze information

• Socialize results

• Implement customer-focused changes

• Respond to the Customer

Involving Customers

This can be done by means of the following:

1. Focus Group: For obtaining information through discussion with a group of participants, taking cognizance of commonality in demographics, attitudes or purchase patterns.

2. Customer Board of Advisors: For holding periodic meetings with selected number of senior executives from firm's customer database. Factors that determine selection of customers include strategic importance, level of complexity/sophistication in use of products or service, diversity of industries which the firm represents.

Developing Customer-Centric Culture

1. Put employees in the customers' shoes

2. Put staff in the shoes of a particular associate

3. Review your habits and attitude

4. Be evaluated in a scalable approach by colleagues you frequently deal with random selection.

Key Performance Indicators Targeted for Improvement

- Customer Satisfaction
- Customer Retention
- Revenue and Profitability

-on the whole

- -By Customer Segment
- -By Customer • Product/Service Diversity by Customer

Conclusions

1. Adjust company's mission and vision statement

2. Segment customer base of organization

3. Align the organization structure with the segmented customer view

4. Make good utilization of technology

5. Create new performance procedures

6. Study the behaviours, attitudes and demographics of organization's customers

7. Understand the true value of company's customers

8. Empower employees, particularly customer facing staff for proactive relationship-building

9. Set clear goals for achieving a defined state of customer centricity by a certain point in time

10. Encourage and seek to create customer loyalty

11. Communicate and engage all stakeholders in the process

12. Responding to Customers

1. Immediate Response

i. Establishment of criteria for 'immediacy'.

ii. Implementing 'immediacy' team.

iii. Management reporting.

13. Responding with Account Strategies

The six steps for implementing Account Strategies:

i. Record account-specific results

ii. Involve senior management in customer experience.

iii. Prepare for customer review meeting

iv. Engage customer in meeting

v. Inform the organization and respond resourcefully.

vi. Continue the process

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