

From Customer Focus to Customer Obsession

Posted At : January 15, 2018 7:31 PM | Posted By : Dr. Art Weinstein

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[There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else. Sam Walton]



The above quote by Walmart's founder said it best - business strategy is all about the customer! The customer-first message has spread to the workforce. During a recent one-week period, I was pleasantly surprised to

hear three Millennials call me "boss" during routine transactions at the Fresh Market, Office Depot and Subway. The same week, I also got a "hey, chief" and "I appreciate you". Yes, the word is getting out - the customer is in charge! Value-creating organizations demonstrate that they value their customers' business.

Customer orientation ascribes to David Packard's (HP's co-founder) philosophy that marketing is too important to be left to the marketing department. It is the responsibility of everyone in the organization. A customer orientation is a service organization practicing Japanese style marketing - putting the customer first. In fact, the Japanese word *okyaku-sama* literally means "honored customer" or the "customer is God." Is the customer really king in the U.S.? When leaving an American restaurant, sometimes one is barely acknowledged; in contrast, it is not uncommon at a Japanese dining establishment to have several parties graciously bow farewell in thanks for the customer's patronage.

"We must be more customer focused, we need to create new market opportunities!" Undoubtedly, you have heard this management mantra or a variant of this theme recently. Executives use terms such as customer (or market) centric/driven/focused/oriented and so forth to motivate their people to do a better job relating and responding to customers. While the idea is sound, too often it's just lip service rather than a major investment to improve all facets of the organization. A true customer orientation changes the business culture to create and maximize customer value which in turn leads to an improved bottom line.

Customer Commitment > Culture > Customer Value > Business Performance

The healthcare market is fast growing and projected to be the largest employer in the services-producing economy in the United States. Globally, health care is a major challenge and vital industrial sector, as well. Many healthcare organizations, however, are slow adopters in creating superior value for customers. Successful healthcare organizations have embraced a customer-centered philosophy in the now economy - it's not just about the care offered, but about the caring offered by service providers (physicians, nurses, technicians, front-desk personnel, and so forth.)

Walk-in clinics or urgent care facilities are a relative new innovation in the industry as most consumers would prefer to not have to visit a hospital emergency room for a sprained wrist, flu shots, skin rash, common cold symptoms, or other minor maladies. Yet, some of these so-called urgent care centers may be viewed as semi-urgent, at

best. They may be closed after 9 p.m. and on Sundays, their website says to call but no one answers the telephone, they have long waits for service, or are even ill-prepared to assist with basic medical issues since they are staffed by nurse-practitioners instead of seasoned physicians. In contrast, the Baptist Health System (17 centers in Miami-Dade and Broward counties) pioneered urgent care in South Florida more than 15 years ago and is all about the healthcare experience [www.GetTreatedBetter.com/]. Patients may call or e-mail ahead for appointments and have reserved free parking. Amenities include comfortable waiting rooms with large flat-screen televisions, wireless internet, and freshly brewed coffee and tea. An efficient expert team of highly skilled and compassionate doctors, nurses and technologists is readily available, and full service imaging services are provided, as needed.

Are You Obsessed about Your Customers?

Great companies such as Amazon and Apple are totally obsessed about their customers. Their CEOs, CMOs (Chief Marketing Officers), CCOs (Chief Customer Officers) and CXOs (Chief Experience Officers) stay awake at night strategizing how to improve the customer experience. They are masterful at creating and delivering value to their highly satisfied, loyal client base. Consider these examples: Federal Express changed its name and repainted its trucks to read FedEx, as that is what customers called them (“let’s FedEx this package to Zurich”). Nordstrom’s sales associates have been known to buy products from a major competitor, Macy’s, to satisfy an unfulfilled customer’s request. Zappos, an online shoe and accessories retailer and an Amazon company, gives their customers a full year to return their product.

According to the 2017 Global Customer Experience Benchmarking Report by Dimension Data, 81% of companies stated that customer experience is their top competitive differentiator. Yet, only 13% of respondents acknowledged that their company’s level of service was excellent. Also surprising was the fact that more than 30% of organizations do not have anyone in charge of the design and delivery of the customer experience.

Forrester identified four levels of customer-centricity. These are: 1) customer-naïve companies, 2) customer aware companies, 3) customer committed companies, and 4) customer obsessed companies. Based on their research, two-thirds of the firms are customer naïve or customer aware (only 10% were customer obsessed). Therefore, a majority of businesses should restructure to implement customer-obsessed operations. Organizations will need to build a culture to mobilize around customers, high performing teams, developing technologies, processes, and metrics. Forrester adds that customer-obsessed organizations such as Coca-Cola, HSN, and the Lego Group follow four guiding principles. They are customer-led, insights driven, fast, and connected. They define a customer-obsessed enterprise as, “one that focuses its strategy, operations, and budget to enhance its knowledge of and engagement with customers.”

Realize that greatness in marketing and customer service is a function of attitude, not resources. Here’s how a local dry cleaner delivers exceptional value. I pulled up in front of the store in a South Florida rainstorm and the owner jogged out with a large umbrella to greet me and my clothes for drop-off. He stated, “I can afford to get wet, but not you!” Another time when I visited there for a pick-up, the store clerk quickly hung up the telephone when I entered. She said, “I was only talking to my boss, customers are way more important.” How’s that for mastering customer value thinking?

Other companies do not do a very good job in customer service - you probably can identify many of these firms. We have all been put on hold endlessly when calling for technical support, been ignored or treated indifferently when visiting a retail site, and sold inferior goods or services upon occasion. While second-rate firms may survive in the short term, they will not last in business unless they become value-creating for customers.

So, is your company truly obsessed about its customers? If not, WHY NOT? How can your organization design and deliver outstanding value to your customers in the now economy?

This blog post is the second in a series extracted from Superior Customer Value - Finding and Keeping Customers in the "Now" Economy, 4th Ed. (2018 forthcoming, Routledge Publishing/ Taylor & Francis). For further information, contact Art Weinstein at art@nova.edu, www.artweinstein.com/, 954-309-0901 .