



Merely catering to customer demands isn't enough — to be truly responsive, companies must proactively track their changing tastes and attitudes

A CORPORATE DOSSIER SPECIAL SERIES ON CUSTOMER RESPONSIVENESS

Crystal Gazing

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IN MY previous article, I spoke about how important it was for companies to get inside the minds of their users to achieve higher degrees of customer responsiveness. Clearly, the process of self-improvisation has to begin and end with understanding the customer, gaining a thorough knowledge of what companies want, and delivering it in real time. The core of customer responsiveness, in fact, lies in remaining proactive and anticipating customer needs.

When JetBlue, the now-popular US airline took to the skies, people gasped at its amazing cost competitiveness and its ability to convert pricing into a significant market differentiator. Could a giant airline get away with wafer-thin margins? Could it rely solely on traffic volumes? Could it ensure customer responsiveness at low costs?

Indeed it could! This was primarily because JetBlue and its maverick founder, David Neeleman, understood early in the game that success and excellence were a result of a close observation of the customer and what today's traveller needed. Its market intelligence had shown the company that people typically loved airlines that were efficient, on-time and easy-on-the-pocket. It became apparent to the young organisation that people didn't necessarily want luxury when on the move. They would happily accept a no-frills scenario, where they possibly had to buy their cold drinks and snacks on board, provided they enjoyed the liberty of last minute check-ins, didn't get bumped off thanks to overbooking, avoided long waits and longer lines at airport counters, got free seating within the craft and could purchase tickets that were virtually rock bottom in price.

By closely aligning itself with the mindset of its customers, JetBlue was able to take off and scale the heights it wanted to, within record time. Today, the airline is a popular option for thousands of passengers who simply love it for its Spartan, yet service-oriented outlook, which makes travelling by air simple, easy, painless and yes, cheap too. Fliers are also known to love JetBlue for the surprise encounters with its CEO, the big boss, Neeleman himself. Passengers often get shell-shocked when they are served by Neeleman, who is known to don a flight attendant's apron and actually walk down the aisles chatting amicably with those on-board. The CEO, who finds time to listen to his clients and stay close to them, is known to take passenger feedback very seriously and use it to enhance customer responsiveness at JetBlue.

Another story I simply love to tell relates to McDonald's, the global burger giant. I had the opportunity to recently interact with the VP of the company's Indian subsidiary during a panel discussion. As we shared our experiences about customer responsiveness within our respective organisations, he made some interesting observa-

tions about McDonald's and its efforts to align itself with customer tastes. What I learnt was that the global fast food chain, while trying to replicate its quality, look and service across the international network, was also customising its products to suit local requirements by following a process of "assimilation with the customer." Therefore, while salads are now an important part of the health conscious western menus, the Indianised platter with its chutnified Chicken McGrill and Aloo Tikki burgers has proved to be a runaway success.

There are instances, as well, of companies developing organisational capabilities based on anticipation of customer needs. Most clinics in the US offer patients a 'differential diagnosis' alongside a 'primary diagnosis'. While the differential diagnosis may only have a small probability, it enables doctors to be well prepared if they have to deal with a really rare case. Indian companies also need to adopt such a strategy, where alternative solutions that go beyond the norm, are offered to customers.

The above examples show that companies which manage to stay close to their customers are more likely to sustain their success than organisations that simply assume an understanding of their clients. And frankly, it takes more than just direct interaction between the company and its users to establish customer requirements and proactively deal with changing expectations. It often requires more scientific methods such as market research to gain a detailed view of the customer. By conducting regular surveys and pre-testing products, companies can gauge the representative mood of their clients and identify the best practices to create the products that they really want.

At the end of the day, organisations need to set up proactive processes to know their customers. This understanding has to move beyond demographic details and focus on the more sensitive behavioural and attitudinal shifts and issues. Companies have to work on customer-facing employees to ensure that they have a finger on the pulse of their user community. Provided, organisations are able to place their customers under a giant microscope and minutely examine their changing perceptions and requirements, they can remain nimble, market savvy and customer responsive. That, I believe, is the starting point.

Basically, organisations need to answer a few crucial questions. Is the business design conducive to anticipating what the customer wants? Does the company have proper processes to accurately identify and capture customer needs, and remain in tune with changing requirements? Is the organisation geared to disseminate this knowledge within the organisation for initiating relevant action? These and other questions need to become an important part of a CEO's agenda. But more on that later.

