

Customer-centric strategies: Opportunities for APAC firms to grow

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University of Technology Sydney's Ofer Mintz says customer changes are providing businesses with a unique opportunity to acquire, retain and satisfy more customers than they would have pre-pandemic when customer behaviour was more entrenched.

- Customers are now more willing to buy products at different hours of the day, from different locations, and switch brands.
- Businesses must be proactive and identify new customer behaviour trends – not rely on how customers used to behave.
- Pursuing growth requires both financial and human resources, which may be particularly limited for many businesses.

Why it matters

In the wake of COVID-19, there is an unprecedented opportunity for businesses seeking growth to employ post-pandemic customer-centric strategies by placing customer behaviour as the key focus and driver of their organisational strategy.

Takeaways

- Companies can employ various customer-centric growth strategies, such as opportunity-forced or opportunity-sensing.
- Before picking a strategy, first gather proof of what products and markets are most profitable before committing more resources.
- A customer-centric framework has a combination of strategies with new or existing products for current or new markets.

The business landscape has undergone rapid change over the last two years and still faces challenges around supply chains, labour force and inflation, as well as global conflict. However, this post-pandemic (or at least, less pandemic-dominated) economic phase also offers an unprecedented opportunity for businesses seeking growth.

For my new book, *[The Post-Pandemic Business Playbook](#)*, I analysed hundreds of the best (and worst) business practices from before, during and “after” the COVID-19 pandemic, interviewed dozens of customers and managers on six continents, and examined over a thousand academic empirical studies. My research revealed how the pandemic has forced customers to shift from their longstanding purchasing norms: customers have become more willing to purchase products at different hours of the day, from different locations, and to try new types of products or switch to new brands.

Further, my research revealed that those customer changes provide businesses an unprecedented opportunity to acquire, retain and satisfy more customers than they would have pre-pandemic when customer behaviour was more entrenched.

For example, according to a [McKinsey & Company study](#) of customers in 45 countries, around two-thirds of the customers it surveyed changed their shopping habits to try new brands or products, while three-quarters of the customers it surveyed intended to continue purchasing these new brands or products.

Consequently, it is critical for organisations to capitalise on this present unprecedented growth opportunity. The key to enable such growth, according to my research, is that businesses must employ post-pandemic customer-centric strategies: placing customers’ behaviour as the key focus and driver of their business’ strategy.

- For some businesses, lack of customer demand is requiring the pursuit of what I term as an “opportunity-forced customer-centric growth strategy”.

To be successful with this growth strategy and identify a new position where customer demand exists, businesses need to actively seek out and obtain customer feedback on preferences for current wants and needs, and compare customer wants and needs to current products.

For example, Kia Motors, the Korean-based multinational automobile firm, was forced to employ such a strategy when their dealerships were forced to lockdown during the pandemic. They conducted market research and found out that nearly five out of six customers research automobile product online and half their customers wanted to utilise a digital platform to make their final purchase. The result was a [personalised customer virtual viewing](#) offering that became so successful it is now available in their dealerships in 45 countries.

- For other businesses, actively seeking out and obtaining customer feedback will enable an identification of profitable opportunities and a pursuit of what I term as an “opportunity-sensing customer-centric growth strategy”.

To be successful with this growth strategy, businesses must be proactive and identify new customer behaviour trends instead of reactively relying on how customers used to behave.

Cover-More Group, an Australian-headquartered global leader in the travel insurance industry with brands such as Cover-More, Travelex, Halo, Blue and Universal Assistance, recognised it could attract a greater set of customers interested in travel insurance in the post-pandemic environment than in the pre-pandemic environment due to customers’ heightened concerns for safety and risk mitigation. Thus, Cover-More engaged in market research that analysed pre-pandemic customers and post-pandemic future customers’ preferences for travel insurance coverages, premiums and claims processes.

The result of this research led Cover-More to make minor improvements to its offerings, such as simplifying its policy wording and its refund policies, and also to develop new major offerings, such as an app that places world class travel assistance and travel insurance capabilities at the fingertips of travellers.

In addition, some businesses will find it too challenging to create growth by themselves without external assistance.

- Hence, my research recommends the pursuit of what I label as an “opportunity-collaborative customer-centric growth strategy”, which is developed by creating mergers or informal or formal strategic alliances with other businesses.

Zip Co, an Australian-based multinational BNPL (buy now, pay later) fintech firm, noticed that many small Australian businesses were seeking smaller-scaled loans without having to provide collateral to a bank. Thus, Zip sensed a growth opportunity and created a new product, the Zip Business Platform, catered to those businesses.

Then, to better reach the new set of customers, Zip developed a partnership with eBay, Australia’s largest e-commerce platform, which enabled eBay merchants to use Zip’s business platform. The reaction from the markets was immediately positive: Zip’s stock market shares **jumped 25%** the day the product launch and partnership were announced.

How to identify new growth

Regardless of the motivation for the growth strategy, nearly all businesses will need to identify where those growth opportunities exist. My research proposes a framework based on a customer-centric alternative to Ansoff’s (1965) growth strategy matrix (Ansoff, H Igor, 1965, *Corporate Strategy: An Analytic Approach to Business Policy for Growth and Expansion*).

This customer-centric framework proposes that businesses employ a combination of three strategies:

1. Create new products tailored for current customer markets
2. Offer existing products but targeting new customer markets
3. Create new products that target new customer markets

Bata India, one of India’s largest footwear retailers, focused on the first strategy. It developed a WhatsApp-based service to accommodate its Indian customers who regularly use WhatsApp for day-to-day mobile interactions. Further, Bata’s WhatsApp-based services were extensive, it allowed customers to chat via text, phone or video with Bata employees, check shoe sizes, look at membership status and order products. In addition, **Bata’s WhatsApp-based services** were so successful that it expanded the services to most of its other 71 countries of operation.

Two Bulls, an Australian multinational app development firm, focused on the second strategy. It successfully expanded from privacy and security-related app products to government and healthcare markets as demand skyrocketed. The resulting identification of new customer markets has positioned Two Bulls with sustainable growth across multiple industries.

Funrise Toys, a Hong Kong and US-based multinational toy manufacturer, focused on the third strategy. Customers’ increasing use of online shopping forced Funrise to slightly alter its low-pricing toy strategy and

target different customers than its previously dominant in-store customers.

In particular, Funrise's retailer buyers were pressuring the firm to increase their products' price points to better account for the nature of online purchase shipping requirements, where customers demanded free shipping but lower-priced products made retailers disinclined to provide it. This slight pricing alteration, of course, also forced Funrise to modify its products to justify the slight increase in price.

Finally, Camilla, an Australia and US-based luxury fashion retailer, successfully employed all three strategies to position itself as one of the fastest growing global retail firms in the world. It listened to its customers' desire for bright coloured clothing and accessories and began to offer new active wear, lounge wear and dress product lines to its regular customers, actively reached out to customers in new locations with their traditional products and created new products such as bed linens and wallpapers that targeted new customers.

How to implement new growth strategies

Pursuing growth by expanding into new markets, creating new products or doing both requires both financial and human resources, which may be particularly limited for many businesses. My research shows the optimal approach to implementing growth strategies is to first conduct smaller-scale structured experiments through a "fast fail" approach. Then, once businesses have proof of what products and markets offer the most profitable growth options, they can commit greater resources.

Easy Signs, a business sign provider, provides an example for businesses to emulate. The Australian firm successfully employed a fast fail approach to gauge the extent of customer demand in the US for its online-ordering, quick-delivery sign products. Analysing the results of its small-scale digital sales-based efforts while shipping products from Australia enabled the firm to recently pursue a full US product and manufacturing expansion.

Kinu Coaching, a Latin American online health and wellness firm, discovered through its experimentation process that customers valued their "masterclasses", which featured the personal story and expertise of their principal wellness coach. In response, Kinu Coaching started offering free-trial masterclasses and achieved exponential growth through attracting customers from a number of new countries.

Riff Raff & Co, an Australian baby sleep toy-focused firm, consistently obtained feedback to improve its conversational tones in its customer service communications and make its customer service become a point-of-differentiation for the firm. Further, Riff Raff & Co employed a fast fail strategy to form an optimal reward structure to incentivise customer referrals, encourage customer acquisition and expand long-term customer relationships with the firm.

Summary and questions to guide your firm

The post-pandemic landscape has shifted longstanding customer behaviour norms and this shift provides businesses with an unprecedented opportunity to grow. Businesses can seize this unique opportunity by employing customer-centric growth strategies and then testing those strategies with a fast fail approach.

To ease the selection and implementation of your organisation's growth strategy, I developed the following questions to consider:

- Can your firm identify new customer markets that are underserved? What market research tools can assist your firm in finding such markets?
- Can your firm identify what types of products could cater to underserved customer markets?
- Can your firm actually modify or create such products that are related to your firm's core offerings? If not, does your firm need to find partners to help develop the modified or new products to cater to those customer markets?
- Can your firm reach and acquire customers in those underserved markets with your modified or new products? If not, can your firm find partners to better reach and acquire customers in those underserved markets?
- Can your firm create these new products tailored for new customer markets and also sustain profitability? Can your firm manage this new strategy and still manage your firm's other products?
- Can your firm apply customer-centric strategies that enable analysis of fast fail experimentation to assess what is and what is not working?
- Finally, how can your firm develop a plan to implement an iterative process to identify answers to each of the questions asked above?

About the author

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Ofer is an Associate Professor in Marketing at the University of Technology Sydney and the author of *The Post-Pandemic Business Playbook: Customer-Centric Solutions to Help Your Firm Grow*.

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