



R.G. Manabat & Co.

Making connections

Perspectives

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What do consumers want?

To deliver a distinctive, loyalty-inducing experience, customer centricity needs to be a focus for every part of the business, not just sales.

What do consumers want? That question is reverberating more loudly in boardrooms across the world than at any time since the Great Recession of 2008.

Companies in the consumer and retail sector have invested billions endeavoring to answer that question. Much time and money has been spent fleshing out such fashionable concepts as 'omni-channel strategies' and 'customer-journey mapping' but, if pressed, few managers could honestly say they really know what consumers want.

In some ways, it's easier to say what shoppers don't want. In her Issuetrak blog, Sarah Spangler identifies five things they definitely don't like: sales staff who are rude to them (or ignore them or can't help them); mistakes in billing them; having the wrong goods being delivered (or the right goods delivered to the wrong place or at the wrong time); confusing returns policies and a product that doesn't do what they bought it to do. To which, you could easily add two more bugbears: long checkout queues and complicated online ordering processes, with hidden (or poorly explained) delivery charges.

These seven deadly sins have one thing in common: they degrade the quality of the customer experience – and that matters because, as Duncan Avis, Customer Solutions Leader, KPMG in the US and Global Connected Enterprise Architect, says: "In many different sectors – and in many countries – success is defined by the quality of the customer experience. How distinctive is it? How seamless is it? How personalized is it? Does it create value for the customer – and for that matter, your company? We call this 'experience centricity'." These are mission-critical questions for manufacturers and retailers as they try to survive and thrive in an industry experiencing unprecedented change.

"Divinely discontented customers"

In his latest annual statement to shareholders, Amazon CEO Jeff Bezos explained why the need to please consumers is more urgent than ever: "One thing I love about customers is that they are divinely discontented. Their expectations are never static – they go up. It's human nature. People have a voracious appetite for a better way, and yesterday's 'wow' quickly becomes today's 'ordinary'. I see that cycle of improvement happening at a faster rate than ever before. It may be because customers have such easy access to more information than ever before – in only a few seconds and with a couple of taps on their phones, customers can read reviews, compare prices from multiple retailers, see whether something's in stock, find out how fast it will ship or be available for pick-up, and more. These examples are from retail, but I sense that the same customer empowerment phenomenon is happening broadly across everything we do at Amazon and most other industries. You cannot rest on your laurels in this world. Customers won't have it."

Inspired by the success of platform companies, putting the customer at the heart of the business has become a fashionable soundbite among executives, but is it really the key to improving performance?

“Many companies have doubled-down on the front line of customer interaction, investing time, money and resource in an effort to become more customer centric. Many businesses have made substantial progress but they weren’t getting the return they expected,” says Avis. To get to the bottom of the issue, KPMG International commissioned Forrester to research 1,200 organizations in different sectors and countries. The study found that only 24 percent of the companies surveyed had actually connected the entire enterprise in their effort to become customer centric.

What did this mean in practice? Avis cites the example of data. Truly connected enterprises share data quickly and freely so that the supply chain leader has the same information as the head of sales. If that doesn’t happen, the supply chain may not be able to deliver what the sales department has promised the customer. “You have to remember how big a change this is,” he says, “we’re going from a model where you ship pallets of shoes to one where you deliver one pair of shoes to an individual customer.”

The excerpt was taken from the publication entitled Consumer Currents.

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