



How to differentiate a C-Centric strategy from a C-Focused strategy?

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Today, 82% of companies consider themselves to be Customer-Centric. This was the claim made by the businesses surveyed for the 2020 Customer-centric transformation barometer made by EBG and Velvet Consulting¹. However, only 40% of the companies surveyed in this study said that they had taken action to change. 22% have neither an action plan nor an assigned manager for the potential new roles that adopting a C-centric strategy would entail. This study reflects similar results to the survey conducted by Forrester² in 2005, that presented evidence to support the following claim made by a CEO: “Customer-Centricity is mentioned in every annual report, but who is really doing it?” Considering these results, we can see that the concept of a “Customer-Centric” strategy can be misunderstood or misused.

In this study, we aim to redefine what it is precisely, the associated challenges, and the transformations to conduct internally. May the reader rest assured: one can absolutely be focused on the client (C-Focused) without placing the client at the centre of their strategy (C-Centric). Please do not hesitate to contact us if you wish to evaluate your C-Centric strategy or if you have any questions regarding this study: info@semioconsult.com.

¹ BAROMÈTRE CUSTOMER CENTRIC 2021 - EBG X VELVET https://velvetconsulting.com/nos-publications2/barometre_ebg_velvet_2021/

² Survey conducted by Shah, D., Rust, R.T., Parasuraman, A., Staelin, R., Day, G.S., 2006. The Path to Customer Centricity. J. Serv. Res. 9, 113–124. <https://doi.org/10.1177/1094670506294666>

What is C-Centricity?

The notion of Client-Centric (B2B) or Customer/Consumer-Centric (B2C) can be used with intention, often to communicate the company's desire to be closer to its client. However, this notion hardly conveys the true challenges of implementing such a strategy.

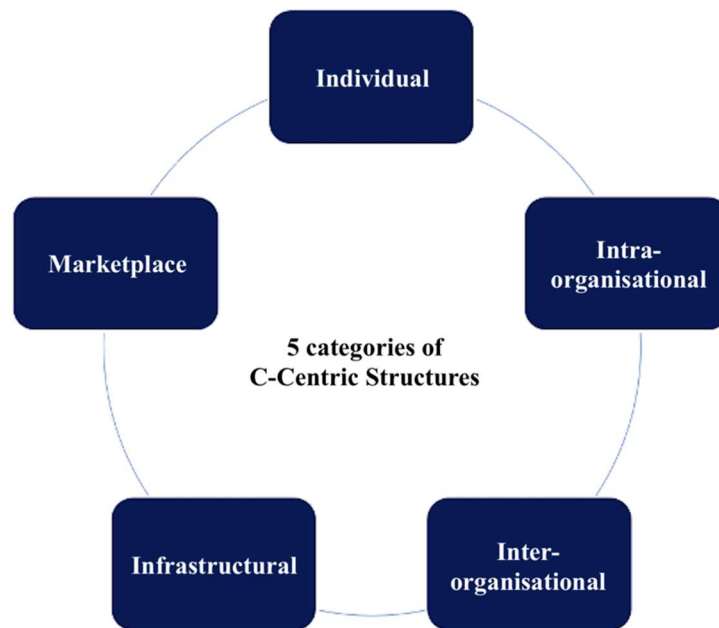
The popular definitions that one can find on the Internet speak of the following:

- « A service or a company centred on the client. To achieve this, the organization **analyses, and segments client data.**” (“Customer centric - Glossary definition,” n.d.)
- Decision-making is done by systematically evaluating the **impact that companies have on their clients.**” (“Customer-centric (or client centred, definition and benefits,” n.d.)
- “The fact that a company puts their **client at the heart of its organization and its decisions.**” (“Customer centricity - Définitions Marketing,” n.d.)

These characteristics are different and must be detailed to guide the strategic decisions of companies more precisely.

To start, the concept of C-Centricity combines and engages **the notions of creating value and capturing value.** A C-Centric strategy can create a significant competitive advantage by allowing a company to build loyal customers and capitalise on these newly loyal customers. This is why the related literature views Customer-Centricity to **reinforce the relationship with the client,** with the value creation process at its core. Kreuzer (2020) claims that client satisfaction is an essential aspect of Customer-Centricity. This implies that the client is placed at the heart of all the company's activities, including business processes. Thus, C-Centricity has a clear goal: **to focus on the needs and desires of its clients to increase their satisfaction,** especially those that they do not express. As a result, a higher value will be perceived by the client, which will increase their satisfaction and loyalty, and the company will reap all the benefits associated with a higher Consumer Lifetime Value (CLV).

The starting point for a C-Centric organisation is need, specifically the priorities and needs of clients. This holds true when defining one's value proposition, developing a new product or service, or improving a product that already exists. Businesses should focus on the needs and desires of their clients and can deliver maximum value by including the client in the organisation and collaborating (Hemel and Rademakers, 2016). However, other models also exist. We find five broad categories in the current literature.



1. The **Individual** category: includes various factors, such as the culture regarding customer relationship management. This translates into a deep understanding of the needs and desires of the consumers before any developments are made, and by the time that is spent listening to the client at both the top-management and employee levels.
2. The **Intra-organisational** category: includes factors such as the establishment of a multi-functional team that does not have a silo-mentality, or the segmentation of clients based on the clients' value determined by various indicators.
3. The **Inter-organisational** category: includes factors such as the inclusion of clients in a co-creation offer, or improving relations with a supplier in order to improve relations and create a production that is better suited to the company's demand.
4. The **Infrastructural** category: regarding factors such as KPIs based on the client, such as *client's share of wallet* or *client loyalty*. The CRM includes all the information regarding the different points of contact between the company and the client.
5. The "**Marketplace**" category includes the factors that will allow companies to determine the facilities and difficulties that they may face with a C-Centric organisation. The regulator can hinder the growth of the structures applying these strategies by preventing the flow of consumer data. It is noteworthy that industries with high demand and low adaptation costs have a strong advantage in applying a C-Centric strategy.

C-Centricity is therefore a complex organisation that requires the integration of multiple strategic, leadership, and organisational factors where the client is at the centre of each decision and of the value proposition. It is used to improve an existing product and to design new products or services using various listening and creative tools. Finally, certain factors concerning the type of industry, the intensity of the competition and the rules imposed by the regulator, may facilitate the transformation of an organisation towards a Client-Centric strategy.

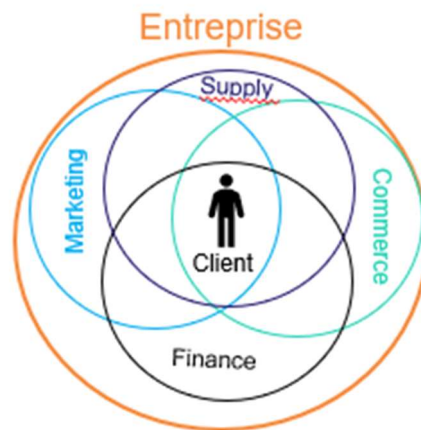


Figure 1- Diagram of the C-Centric organisation of a company.

What is C-Focused or Customer Orientation?

As we have observed, terms are often misused in everyday life but also in the presented literature. Therefore, we will examine the meaning of these different notions and identify the subtleties of each term in comparison to the definition of 'Customer Centricity'.

Before considering the concept of client orientation, it is necessary to address **market orientation**. The concept of market orientation was created to allow businesses to better understand the needs of their customers. The literature defines market orientation as a business's capability to focus on the market it serves. Companies then organize themselves around segments that have been defined based on specific customer characteristics. These characteristics can be of different types, like the following examples: *socio-demographic* (age, sex, profession, or revenue) or *behavioural* (type of user, type of consumption). This new organisation has enabled the creation of new brands that target specific audiences. Thus, we see that this orientation allows businesses to better understand the needs and desires of their clients, which improves their performance. This is the transition from a **product management strategy to a consumer**

management strategy. In other words, this is the transition from product portfolio management to client portfolio/client segment management.

The literature highlights three dimensions of market orientation:

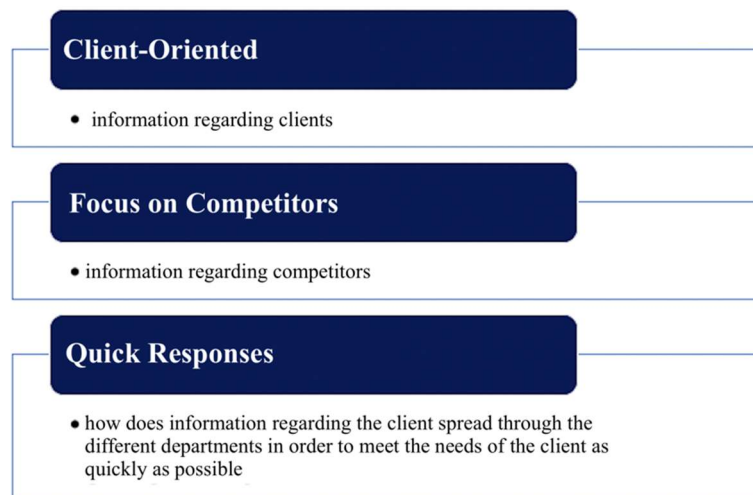


Figure 2: Three dimensions to define market orientation

(Pekovic and Rolland, n.d.) Client orientation is defined by Narver and Alii (Singh and Ranchhod, 2004) as a reactive market orientation through which “a company attempts to discover, understand, and satisfy the expressed needs of the customers”. Kohli and Jaworski (1990) defined client orientation as generating market information on present and future needs, spreading this data across departments, and having a reactive organisation.

Differences Between C-Centric and C-Focused

The above literary definitions allow us to understand the nuances between a **client-oriented business** and a **client-centred business**:

- A **client-oriented business** studies the consumer and tries to understand which product corresponds to these needs, while a **client-centred business** attempts to adopt the client’s point of view.
- A **client-centred business** wishes to deliver what the client needs, whereas a **client-oriented business** tends to deliver what the client wants. This subtle nuance is best understood when considering the example of Henry Ford, who did not want to listen to his clients who expressed the desire for faster horses rather than a motorised engine.

- A **client-oriented business** will conduct customer satisfaction surveys or research on customer loyalty, whereas a **client-centred business** will go further in its research to understand the client's needs, problems, and unsolicited feedback. Client feedback is highly valued and is taken into account when deciding on the business's actions.
- A **client-oriented business** will showcase its excellent service through flexible services, customisable products, and by adapting its communication methods. While a client-oriented business will aim to create positive experiences for its customers, a client-centred business will strive to create the perfect offering through excellent service and an exceptional client experience.
- A **client-centred business** will create products in response to specific needs that have been identified by a particular customer segment.

In other words, a **customer-oriented business** can be seen as a company that seeks to satisfy the short-term needs of its clients which are desires, what the client wants or thinks they want. Whereas a **client-centred business** focused on the real needs of the client, which they may fail to communicate. This approach allows this type of business to create an optimal client experience and satisfy the client in the long term, which ensures client loyalty. Please see the table below for a summary of the significant differences between the two terms.

Table 1 – Summary table of the differences between client-oriented and client-centered businesses.

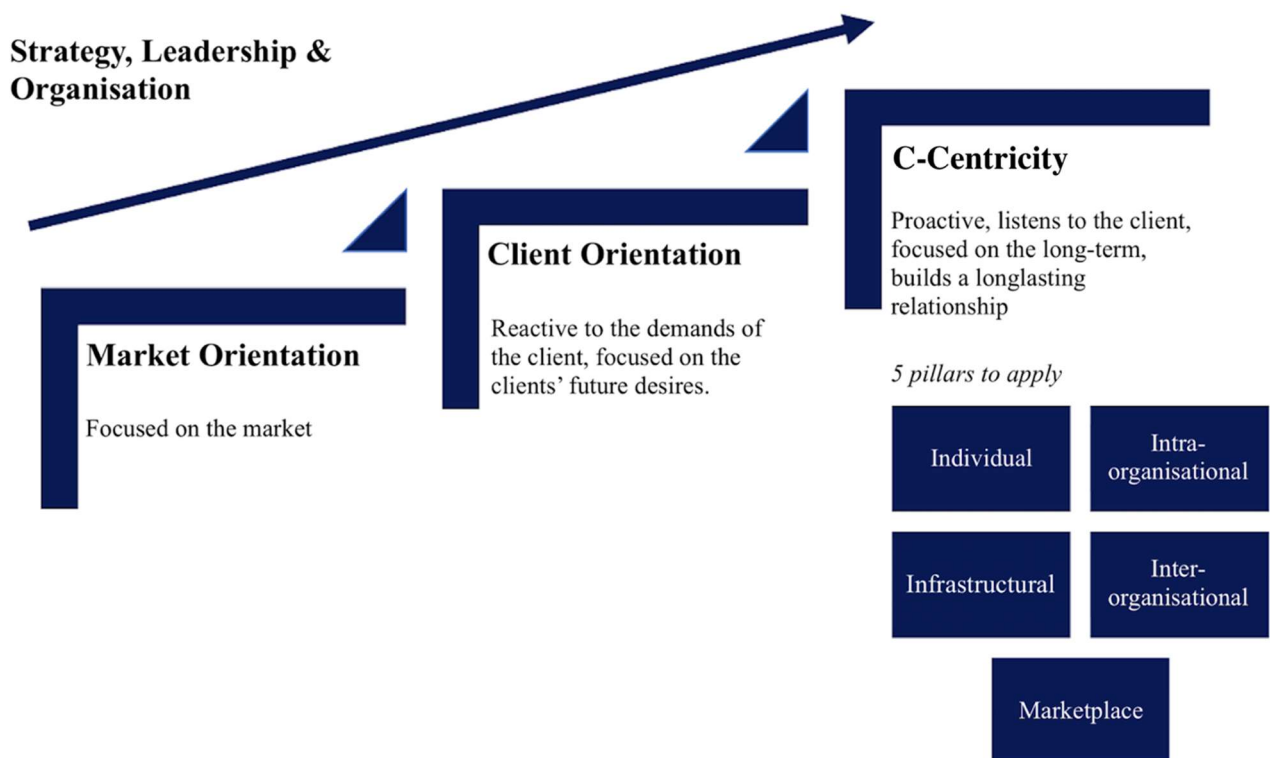
Client Oriented (C-Focused)	Client-Centred (C-Centric)
Ask for feedback through surveys or other methods.	They anticipate future needs by monitoring behaviour and market trends based on the organisation's internal and external data.
The experience is enjoyable.	The experience is unique and memorable.
After-sales service solves a problem as soon as it is reported.	The analysis enables problems to be identified and changes to be made to supply or production if necessary.

Developments and Changes to Consider

The literature indicates that the more customer-oriented a business is, the better its performance. Therefore, businesses tend to adopt this type of strategy and, as a result, must adapt their internal organisation and their relations with the participating stakeholders.

From an organisational point of view, the product manager disappears to leave room for a market or segment manager. Historically, market oriented KPIs must also be replaced by KPIs regarding the client. These changes take effect after careful consideration of the client value that the company can capture. Thus, indicators such as the share of the client wallet that has been captured, the Customer Lifetime Value (CLV), make it possible for companies to quantify their performance based on the share of captured customer value.

Key Points to Remember



- The notion of C-Centricity is not limited to considering the client. The construction of a C-Centric strategy must be based on the five pillars: individual, intra-organisational, infrastructural, inter-organisational and marketplace.

- C-Centricity is a complex organisation involving various strategic, leadership and organisational factors where the customer is at the centre of thought and the value proposition.
- To appreciate the definition of client-oriented, it is necessary to first study the meaning of market orientation.
- In a literary sense, client orientation allows businesses to generate information on the market regarding present and future needs and to have a reactive organisation in response to these needs.
- A client-oriented business is reactive to its clients' requests and focuses on what the clients desire.
- A client-centred business is proactive. It listens to its clients using various methods in order to understand their needs in the long term and uses this information to build a stable and loyal relationship.

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