



BUSINESS TRANSFORMATION IN THE AGE OF CUSTOMER-CENTRICITY

Abstract

Digital business transformation efforts are not new; every business has embraced digital transformation in some capacity over the last couple of decades. However, the focus of business transformation must now shift from product-centricity (introducing new digital products, services, or self-service portals) to customer-centricity (understanding the customer journey, highlighting value at each touch point, and bringing human stories to the forefront). Businesses need to combine rich customer data hidden across different silos to enable such customer-centric business transformation and be pioneers in addressing their customers' evolving needs and expectations.

Introduction

Since the dawn of the 21st century, every business – irrespective of its size or industry – has embarked on the journey of digital transformation in some capacity. The recent COVID-19 pandemic and subsequent shift to an “online world” have greatly expedited this journey. This includes a fundamental change in the business model for many businesses, a host

of new digital products and services, and a highly competitive market with connected, informed, and empowered customers.

However, if a business solely focuses on its products (or services) and business model regarding digital transformation, it risks losing relevance very quickly. The rapid technological advancements, global events, and cultural shifts are quickly and

profoundly reshaping our world. So, any business that wants to gain a strategic advantage and stay competitive has to move away from product-centricity and embrace customer-centric business transformation to keep pace with the rapidly evolving international business landscape.



Decoding digital transformation

Since internet services became commercially available, businesses have been trying to establish themselves digitally. What started as merely an extension of existing business processes into self-service applications for the customers has now evolved into conscious efforts to offer the best possible customer experience. Such a digital transformation journey can take many forms for different

businesses. For example, basic self-service ordering or complaint solutions often help minimise operational costs, allowing customers to submit their requests online, and the back office handles them manually. E-commerce solutions can help avoid the hassles of a brick-and-mortar store, where customers can expect shipment traceability, express delivery, and hassle-free returns and refunds.

Irrespective of whether it is a simple way for a customer to submit their request online or an AI-powered advanced service solution, at the core of a business transformation strategy are:

- Digitally informed and active customers
- Novel digital product or service delivery

These have fundamentally altered how brands interact with customers today and how they handle traditional business processes and products. But if they want to survive in today's digitally disruptive era – and be agile – they need to take a cohesive approach to digital transformation that fosters customer-centric business. The key

focus areas for such a customer-centric business transformation journey are:

• **Transformational areas:**

- o Customer experience
- o Operations
- o Digital product and service delivery
- o Leadership and organisational culture

• **Enabler areas:**

- o Organisational and operational modes
- o Employee experience
- o Modern architecture and transformation roadmap
- o Core technology platforms

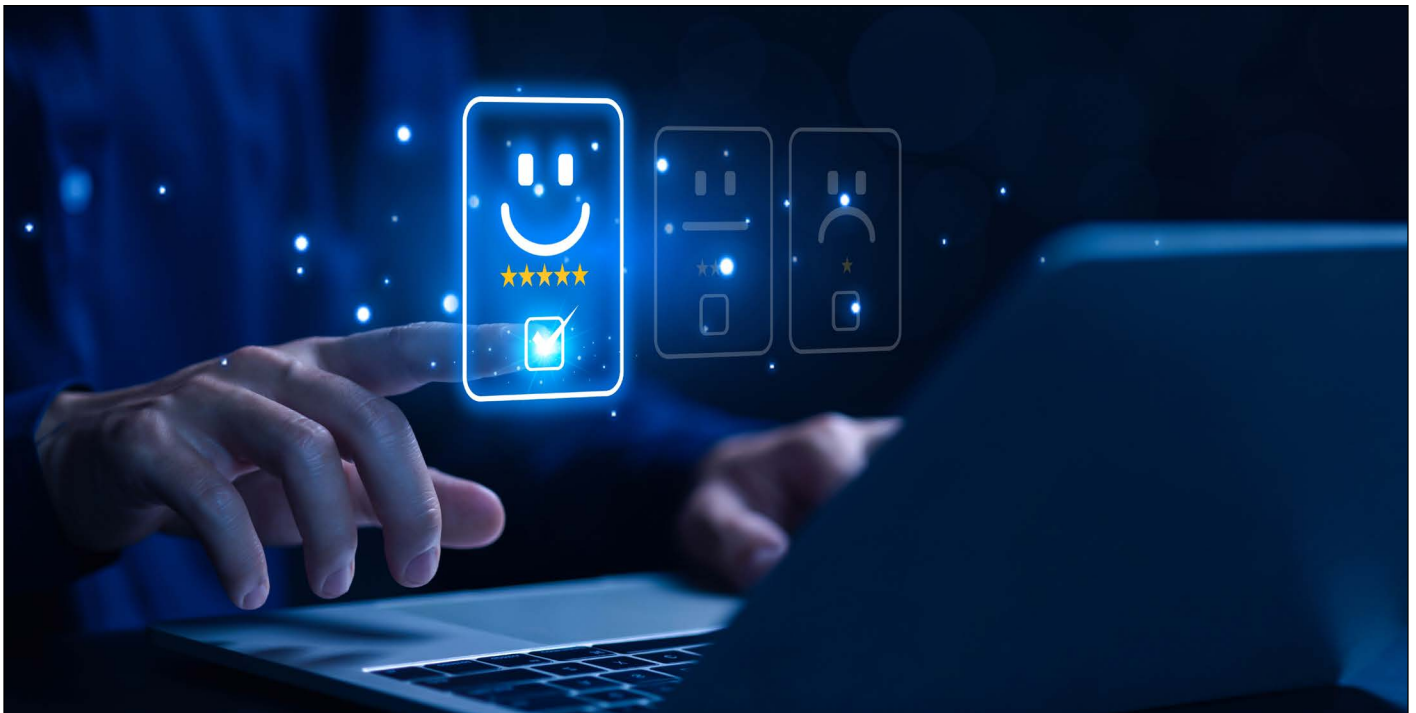
Product-centricity vs. customer-centricity

Despite its numerous nuances, when it comes to digital business transformation, a majority of businesses around the globe simply look at it as a source of competitive advantage and not an opportunity to connect with their customers. As a result, many companies focus on the products and services they offer – establishing product superiority – rather than highlighting the problems they are solving for their customers. A prime example of such a product-centric approach is Apple, where the company focuses on delivering highly innovative products to its customers but does not emphasise individual customer feedback, offering the same

product to every customer.

On the other end of this spectrum are customer-centric companies that focus on problem diagnostics and customised solutions to offer unique value to their customers. The goal here is to establish long-term customer relationships with a buyer-driven pull approach. Amazon is a prime example of innovative service delivery focusing on customer journeys and emotional needs. Technically, Amazon has no physical products to sell but a unique service delivery model that focuses on customer expectations and experience, which allows them to be pioneers in the e-commerce market.

Although a product-centric approach might benefit some businesses, without customer experience driving their strategic position, even the most well-designed products are susceptible to failure. In today's hyper-connected world, information about a customer's journey is a precious commodity, facilitating a paradigm shift away from a traditional product-centric approach. So, it stands to reason that any business wanting to succeed today has to focus on a customer-centric business strategy and engage with customers to provide them with a value-added experience.



Putting customers at the core of your digital transformation strategy

In today's highly competitive market, customers have ample comparable choices, making it difficult to create a competitive edge with a solely product-centric strategy. So, what can you use to create a unique differentiator and stand out? The answer is – a better understanding of your customers' experiences, needs, and expectations.

A customer-centric business transformation requires you to put your customers at the core of your digital transformation efforts. This means listening to your customers, engaging with them, and responding to their queries and concerns – especially in the early stages of business transformation. The goal is to map

the customer journey – from awareness and consideration to purchase, usage and service, and retention and loyalty – and attribute different factors at each stage to different communication channels and customer segments. This gives you insights into the major customer touch points and the best times to interact with and influence them.

A customer-centric transformation strategy comes into the picture here, combining the technological transformation with a customer's perspective for better business outcomes. The best way to achieve this is:

- Breaking down departmental and data silos for cohesive company-wide efforts

- Focusing on true process transformation rather than just translating the existing systems into a digital ecosystem
- Creating a centralised customer profile – gathering all the data, taking an agnostic approach, and delivering real-time value to your customers.

Such a customer-centric business strategy allows you to build a compelling customer experience, delivering value and giving customers what they want. However, this is not a one-and-done process; you need to continually study and learn from customer journeys to deliver on the ever-evolving customer expectations.

Data assets enabling customer-centric business transformation

Building a customer-centric transformation roadmap revolves around your people, data, and processes, with data playing a key role in driving strategy and innovation. Once you overcome the key challenge of distributed data silos, your data assets can become the foundational support and enabler of your digital transformation efforts.

Tapping into the rich customer data across different departments and functionalities can allow you to employ advanced analytics solutions to gain visibility and contextual insights into customer experience at each touch point of a customer's journey. Strategies like crowd-sourcing customer opinions or social listening can give you a 360-degree

unified view of a customer's journey with you – from multiple data sources. As a result, you can not only build an 'ideal customer persona' to customise targeting strategies but also understand the factors that might shape your future customer segments for an agile value proposition for your customers.

Bringing human stories to the front

Building a customer-centric business and focusing on customer experience allows you to bring human stories to the front, demonstrating the enhanced value you can offer your customers. With increasing internet penetration and mobile usage across the globe, customers now have an easier time connecting with brands and sharing their experiences – both negative and positive. This paradigm shift – from

a one-sided to a bilateral conversation – has enabled people to influence strategic decisions and brands to demonstrate their commitment to providing the best value possible to their customers.

This new normal of customer-centricity has allowed businesses to be agile when understanding and responding to the rapidly evolving and complex customer dynamics. As businesses have

acknowledged that focusing on customers is the only sustainable route to success, they are now more prepared to respond to external factors that profoundly impact their customers' lives. This ability to understand the lives of their customers will allow businesses to quickly respond to the changing global scenarios, simplify their relevance in customers' lives, and transition towards life-centricity.



Conclusion

Although digital business transformation has been one of the major focus areas for businesses worldwide for the last couple of decades, the majority still look at it as simply a source of competitive advantage. However, in today's digital age, businesses have virtually infinite opportunities to connect with their customers, understand their needs and expectations, and map

their journey to add value at each touch point.

A shift from product-centric to customer-centric [business transformation strategies](#) can help businesses connect better with their customers, be agile in responding to the global events impacting their customers, and bring human stories to the front for life-centricity. Partnering with

leading BPM organisations can help you harness your data assets to understand your customers better and enable customer-centric business strategies. So embrace customer-centricity as the new normal for competitive advantage and stay agile in the face of rapidly evolving complex customer and market dynamics.

* For organizations on the digital transformation journey, agility is key in responding to a rapidly changing technology and business landscape. Now more than ever, it is crucial to deliver and exceed on organizational expectations with a robust digital mindset backed by innovation. Enabling businesses to sense, learn, respond, and evolve like a living organism, will be imperative for business excellence going forward. A comprehensive, yet modular suite of services is doing exactly that. Equipping organizations with intuitive decision-making automatically at scale, actionable insights based on real-time solutions, anytime/anywhere experience, and in-depth data visibility across functions leading to hyper-productivity, [Live Enterprise](#) is building connected organizations that are innovating collaboratively for the future.

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