

## **An Opportunity Unlike Ever Before**

### **An Excerpt from *The Post-Pandemic Business Playbook***

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The following is an excerpt from *The Post-Pandemic Business Playbook: Customer-Centric Solutions to Help Your Firm Grow* by Dr. Ofer Mintz.

COVID-19 created a shift in the customer and economic-based reality unlike anything most of us have ever experienced. Customers have changed from routinized pre-pandemic shopping behaviours to frequently purchasing new brands and suppliers. This has transformed the customer behaviour and purchasing habits most businesses rely upon. For example, Valeria Noguti, who resided in Brazil and in Australia during the pandemic, told me: “Given the use of masks, I stopped using skin products such as foundation and other makeup, or even facial sunscreen. At the same time, going out just when needed and not to socialize, the clothing and footwear I’ve been wearing are chosen to maximize comfort.” Further, Ms. Noguti, drawing on her professional background as a consumer behaviour expert, stated: “Customer behaviour has mostly changed because daily routines have changed. In general, situational influences are playing a large role in which products are now most relevant and which have to go.”

I personally began purchasing from new sets of food vendors, tech vendors, clothing vendors, general goods vendors, toy vendors, pet supply vendors, entertainment vendors, travel vendors, and transportation vendors; and plan on continually purchasing from many of these vendors in the future. One prominent example of these new purchase habits is that I began to buy home-delivered meat and seafood from a local butcher shop (Lucas Meats) during the lockdown phase. I quickly realized the butcher shop’s quality of salmon, bacon, and steaks were AMAZING and clearly superior to what I was previously purchasing from

the grocery store. As a result, my family has now become devoted fanatics of their meat and seafood, and actively spread positive word of mouth about the shop to all our friends (and now also to readers of this book).

These qualitative insights are further substantiated in empirical, large-scale quantitative studies. McKinsey & Company surveyed thousands of customers residing in 45 countries and found that more than 60% of the surveyed customers had changed their shopping habits to try new brands or products (Arora et al. 2020). Further, McKinsey & Company, in a separate study, found that about three-quarters of the nearly 2000 US customers it surveyed intended to continue purchasing these new brands or products (Charm et al. 2020). In yet another study, McKinsey & Company found after analysing more than 500 million purchases by more than 100 million Chinese customers at 31,000 stores, that the majority of customers continue to shift their behaviours away from their traditional stores, brands, and products, even months after re-openings occurred (Huang et al. 2020).

Consequently, customers have altered their long-standing norms on who, which, when, where, how, and why they purchased, and those customer behaviour trends are persisting in the post-pandemic economy. This has resulted in an unprecedented opportunity for firms to gain a new set of customers, enter new markets, and attain growth by adapting to a new customer-based directional reality.

*The key question is how to do this?* One way not to grow is the approach many firms are taking: using quick, ad hoc improvisations that they hope will be successful. Ad hoc measures might succeed in the short-term but, as Andrew Hill wrote in the *Financial Times*, they are unlikely to work in the long-term and instead lead to “bad hoc” practices, habits, and policies (Hill 2020).

What firms need to employ is an approach rooted in fundamentals that allows for thought-out experimentation. Even before the pandemic, leading brands were more willing to

plan and implement experiments to test what does and does not work with their customers (Removille and Gierak 2020). Leading firms also are more likely to empower their employees to take risks in implementing customer-centric growth strategies, since such firms can analyse the results of implementing these strategies with readily available data.

Hence, status quo thinking and lack of experimentation is thought of as “the kiss of death” at firms such as Amazon, Salesforce, Starbucks, and Tesla, which constantly describe learning from failure as a key method for their employees and businesses to grow. Further, a policy of “fast fail” experimentation is heavily enforced, with those firms relying on analysing the empirical results of thought-out experiments as a way to innovate and grow, and quickly adopting (or dropping) those practices that performed well (or poorly) (Mintz and Knight 2022).

### **Why Your Business Needs to Employ a Customer-Centric Strategy**

Academic research and current customer and economic trends make it clearly evident that a customer-centric strategy – a focus on customers as the key driver of a firm’s strategy – is more crucial than ever. In previous recessions, firms that maintained or accelerated their customer-centric efforts consistently outperformed those firms that do not. For example, during the Great Depression in the 1930s US, Camel Cigarettes and Chevrolet Automobiles aggressively marketed their products to new segments of customers to capture and then maintain top market share positions (Srinivasan et al. 2005). During the 2002–2003 SARS outbreak in China, Alibaba launched its customer-centric online Taobao e-commerce platform that accommodated to customer preferences during a health scare, which helped make the firm become one of the leading e-commerce firms in the world (Huddleston Jr. 2020). During the 2008–2009 Global Financial Crisis, Reckitt Benckiser, the British multinational consumer goods corporation, increased its customer-centric advertising expenditures by 25%, while many of its competitors decreased their advertising expenditures. This customer-centric effort

enabled Reckitt Benckiser to increase its profits by over 10% at a time when many of its competitors lost money (Kumar and Pauwels 2020).

Further, even before the pandemic, customer-centric firm strategies have robustly been found to drive successful firm performance across a number of diverse empirical outcomes: financials, customers, innovation, and employee productivity (Kirca et al. 2005; Moorman and Day 2016). However, post-pandemic, firms must become even more customer-centric by researching and understanding their customers' newly formed preferences and behaviours, and then, structuring their firm's offerings to best match these behaviours. To navigate through the COVID-19 based customer and economic new normal, firms must employ a customer-centric strategy that navigates them on how to adapt to a new post-pandemic directional reality. Firms that do not plan on being customer-centric are at major risk of being left behind by their customers who have shifted their behaviours from pre-pandemic norms.

### **Customer-Centric Growth Strategies: An Overview**

To assist firms to adjust to a new post-pandemic directional reality, I propose a framework based on a customer-centric alternative to Ansoff's (1965) growth strategy matrix (see Table 1). The proposed 2 x 2 matrix is categorized by whether firms should employ growth strategies focusing on (i) targeting current or new customer markets or (ii) keeping their current product offerings or offering new or modified products.

The first quadrant is a highly unadvised strategy: it is for firms that want to maintain their status quo or target their pre-pandemic customers with the same product offerings. The second quadrant recommends firms to expand to new customer markets with their existing products. The third quadrant recommends firms to modify or create new products but target their existing customers. The fourth quadrant recommends firms to diversify simultaneously by expanding to new customer markets and creating new or modified products.

*The Post-Pandemic Business Playbook: Customer-Centric Solutions to Help Your Firm Grow* details why and when firms should employ one of the four customer-centric growth strategies, and provide examples from organizations around the world that have successfully employed those strategies. *The Post-Pandemic Business Playbook* also explains how and why customer behaviour changed due to the pandemic and provides businesses a COUNTER COVID Framework to improve their post-pandemic everyday customers interactions based on global best industry practices and core academic fundamentals.

### **Accreditation of Book Excerpt**

This article is an edited excerpt from *The Post-Pandemic Business Playbook: Customer-Centric Solutions to Help Your Firm Grow*

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Ofer Mintz is Associate Professor of Marketing and Associate Head of the Marketing Department at the UTS Business School at the University of Technology Sydney. Ofer is a globally recognized expert in formulating customer-centric solutions to address marketing and business strategy problems organizations face, as evidenced by his publications in leading managerial and academic journals such as the *World Economic Forum*, *Forbes*, *Journal of Marketing*, *Marketing Science*, and *Harvard Business School Working Knowledge*, invited and delivered presentations on five continents, and his award-winning teaching and award-winning research.



In 2021, Ofer became the first Australian-based scholar to have his research win the Marketing Science Institute's Buzzell Award for greatest impact on marketing practice and thought over a two-year period. In addition, Ofer was an invited delegate on an Australian Trade Mission on Innovation to the USA co-led by Tesla Chairwoman Robyn Denholm and Boeing APAC President Maureen Dougherty that led to an opportunity to visit and talk with executives from leading tech firms in the Silicon Valley and Seattle regions. Further, Ofer has been a judge for the Australian Space Design Competition and is active in many academic and managerial endeavours involving marketing analytics, digital marketing and start-up firms. He is also passionate on teaching his award-winning digital marketing and marketing management subjects that have been highlighted in the media.