Redefining the Customer Centricity Approach in the Digital Age

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Abstract. When user experience (UX) issues in information and communication technology are investigated, the application context is usually determined by situations where people use and interact with software systems. In this position paper, we address the specific application context where users are also in the role of customers, although they might not be the one who "bought" the product or service. Customer is here defined in the more general term as the key stakeholder. The paper explores the relationship between the notion of "user-centric" design and the notion of "Customer Centricity", a concept that has been around in marketing and business already in the so called pre-digital era. Companies agree that the customer should be in the focus of their business. But they do not really follow the core idea of Customer Centricity. This results in the Customer Centricity Paradox: The more data about the individual customer are available at the touch of a button, the more he (In this paper, the term 'he' is used for simplifying reasons, but it refers to all genders.) is reduced to a set of data points and serves only as a means to an end. He is not in the focus, he is the product. For this reason, Customer Centricity needs to be rethought and redefined. We introduce and propose the Activity-oriented Customer Centricity (ACC) approach. If companies do not want to turn the Customer Centricity approach against their customers, then they must follow the ACC approach as in the concept of Humane Customer Centricity.

Keywords: Customer Centricity · Hybrid Brand · User brand experience
User experience · Design thinking · Job to be done
Human-Centered Design (HCD) · Activity-Centered Design (ACD)
Activity-oriented Customer Centricity (ACC) · Humane Customer Centricity

1 Introduction

When user experience (UX) issues in information and communication technology are investigated, the application context is usually determined by situations where people use and interact with software systems on mobile or stationary devices or interact within a smart environment, e.g., searching for information, navigating websites, using software packages, engaging in social media and other communication activities. In this position paper, we address the special application context where users are in the role of customers at the customer touch points, e.g., ordering items in an online shop. Thus, an additional dimension is to be considered when discussing user experience issues, i.e. the experience as a customer. The paper explores the relationship

between the notion of "user-orientation" or "user-centric"[1] design and the notion of "Customer Centricity", a concept that has been around, especially in the marketing and sales domain, for a long time and independently of digitalization.

Customer Centricity has become a buzzword with no real focus; this was also caused by the fact that there is no uniform definition [3]. It is regarded as a concept, mission statement, process, marketing and sales or corporate strategy. Therefore, it is also not surprising, that the term "customer" is not defined in this context resulting in a wide range of interpretations of who the customer is. Usually, the customer is seen as "a person who buys goods or services from a shop or a business" [4]. This person could be an individual (end customer, B2C) or a business (B2B). It is important to recognize, that the customer is not necessarily the user. It is not unusual, that one person (e.g., wife, mother, child) buys a product or service for someone else who uses the product (husband, baby, aged parents). Customer relationships exist also within a company, between departments as e.g., IT and marketing. In this paper, we argue for the necessity to rethink the Customer Centricity approach in the context of digitalization.

Customer Centricity puts the customer at the center of attention – due to the simple fact, that he is the one who should buy the product or service. Consequently, there is hardly any company that does not concentrate on the customer. Statements like "we focus on the customer", "we put customers first" are found in all corporate guidelines and internal employee guides.

Usually, the concept "customer orientation" is used in processes such as sales, innovation and marketing and is concerned with activities "taken by a business to support its sales and service staff in considering client needs and satisfaction their major priorities" [5]. Corporate culture, i.e. a company's culture (beliefs, ideas) as well as the impact of this culture on how business is done and how its employees behave, has played only a minor role in the past. But even where customer orientation is explicitly anchored in the corporate vision and guidelines, it is often based on a technology-driven approach. Corresponding to the goal, however defined, of putting the customer at the center of attention, there are different interpretations of what it means to "understand" the customer and how to manage the relationship via a CRM system (Customer Relationship Management). Data were needed already in the past for the CRM system. But now, given the new tools and possibilities that come with an increased digitalization, a new level of competition was triggered: Who can collect the most and the best data? Who can track and monitor a customer's behavior in more detail and draw more precise predictions? The focus is on mainly technology-driven approaches to Customer Centricity.

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[1] In ISO 9241-210 the notion "human-centered design" replaces the former "user-centered design" to emphasize that it "also addresses impacts of stakeholders not just typically considered as users." It is "an approach to interactive system developments that aims to make systems usable and useful by focusing on the users, their needs and requirements, and by applying human factor/ergonomics, and usability knowledge and techniques. The approach enhances effectiveness and efficiency, improves human well-being, user satisfaction, accessibility and sustainability; and counteracts possible adverse effects of use on human health, safety and performance" [1]. This shift from user-related design to human-related design goes back to Krippendorff [2].

The issue to be discussed in this position paper is, how can the existing approaches of "user-orientation" and "Customer Centricity" be adapted and combined to provide a new perspective in the context of digitalization, employing and using but not surrendering to technology, by proposing a Humane Customer Centricity, where the customer is still in the loop and in control as well as valued by the companies. If these conditions are not fulfilled, then people allow that technology, invented by mankind, is taking over and controlling them. Hence, in the Customer Centricity approach we introduce and emphasize (Sect. 6.1), customers are defined in the more general term as key stakeholders. According to Freeman and Reed [6], the customer as stakeholder is also considered to be a person for whom the company should be responsible.

2 Selected Factors of Customer Centricity

In this section, we discuss selected relevant factors which help to understand the current notion of Customer Centricity and how to adapt it to new challenges:

– Strategic starting points for new business opportunities
– UX
– Design Thinking
– Brand

2.1 Strategies for Business Opportunities

There are several strategic starting points for innovation and business success (Fig. 1). The "market-centric" approach is the attempt to identify hitherto unnoticed gaps and niches in the market to step in and squeeze out competition. In the digital age, the availability of new technologies (i.e. 3D printing, AR, VR, beacons, blockchain) triggers new product ideas and promotes a "technology-centric" approach. The
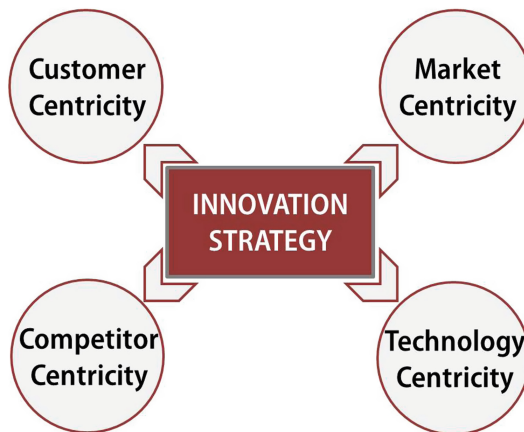

Fig. 1. Strategic Starting Points for New Business, (innovation, new products or services). (Source: Graphics by Riedmann-Streitz [7] following Müller [8])

"competition-centric" approach searches for a better market position in the existing industry with the main competitor of a company as its benchmark. Ultimately, every new offer and every successful innovation must also meet the conditions of Customer Centricity. The term "customer" could refer to the B2B-customer (here, the customer as decision-maker decides and buys for potential resellers or re-users), the B2C-consumer, and rarely to the user of the offer (who might not be the same person who purchases the offer). This approach is of high importance because the customer (and the user in the end) is the one who pays, after all. So finally, Customer Centricity is crucial for the development of successful innovation and it determines the success of a company.

2.2   The Role of UX

UX refers to the experience of the user and emphasizes, that for satisfying a user of a product or service it is by far not enough to offer him only a product that works. To enhance satisfaction, all aspects and elements of interaction with the product or service must be taken into account: accessibility, usability (e.g., intuitive operation), functional factors (e.g., functional design), emotional factors (e.g., pleasure, attractive design). The role of UX becomes more important, when the majority of processes and communication takes place in a digital context. Users are often also customers (with some limitations in B2B). Thus, taking customer orientation seriously, customer experience is a decisive factor. Therefore, UX is also key to shape the way how a product or service is perceived by the customer. (In multi-level-distribution channels it is important to notice, that the needs of buyer, reseller, final customer and user can vary enormously.)

2.3   The Role of Design Thinking

Design thinking is a creative method for designers which involves aspects outside the pure design context e.g., from societal and business sectors. It was David and Tom Kelley [9] who synchronized the basic design processes with the relevant aspects of business strategies, resulting in what is called "design thinking". It became the core principle of the design consultancy IDEO [9]. Their work for Apple and other well-known brands made design thinking popular. In this approach, the actual user is in the focus. The process of innovation (in the context of product development) was completely rethought and restructured with the overall goal of creating successful "breakthroughs" by putting the user in the focus of all activities. According to Burmester [10] design thinking "aims to develop innovative and creative solutions for complex problems … to find a solution that satisfies the needs of users, is technically feasible and economical", whereas the "goal of human-centered design is to guarantee a high usability and user experience of a product".

The current hype about design thinking is strengthened by the effort to gain successful products by taking into account the customer and his needs. As a problem-solving approach it should lead to the development of new ideas and innovation that convince as many customers as possible. This leads to the (theoretical) conclusion that new offers must be convincing – not in the eyes of the company, but first and foremost in the eyes of the customer.

2.4   The Role of Brands

Customer Centricity needs a consignor, the company (industry, media, NGOs, service or others), and an addressee (customer, user). The relationship is reciprocal. The identity of the consignor, the company, is characterized by the company's brand. Analogous to the insight of Watzlawick et al. [11]: "One cannot *not* communicate", it is impossible not to be perceived as a brand. Therefore, it does not matter whether the company has a strong brand, is a hidden champion or a "no name". The company's brands (corporate, employer, product, service, personal brand) always provide the specific framework for the customer experience (Fig. 2). The design of Customer Centricity is shaped by a company's brand (attitude, promises, values) which is offering rational as well as emotional experiences and benefits. Thus, it is inevitable to talk about brands in the context of this paper.
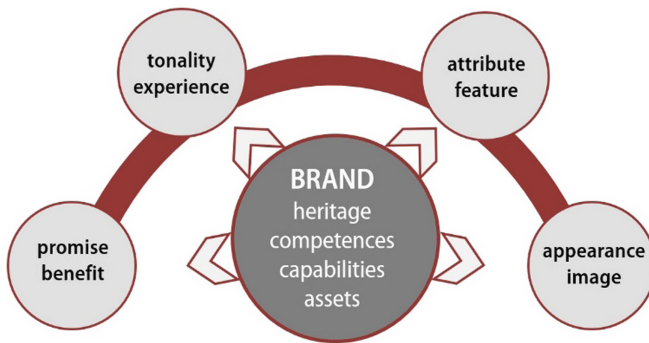

Fig. 2. The main Elements of the Brand Identity. (Source: Graphics by Riedmann-Streitz [7] following Esch [12])

Furthermore, a strong brand, in addition to successful innovation, is the key value driver of sustainable profitability - a goal that every company has set itself to remain viable. Thus, Customer Centricity also aims at strengthening the brand's image and increasing the value of a company.

In the digital era, millions of similar products and services are accessible at the touch of a button. For the customer this freedom of choice is no longer manageable when too much unweighted information is available. Strong brands offer valuable orientation in complex situations with their signal effect and set of values. Thus, brands are most valuable for companies as well as for people in their role as customers [7].

Today, customers and society in general expect corporate responsibility. Customers tend to buy products from brands they are familiar with and showing brand promises and brand values they can identify themselves with. The requested corporate or brand responsibility goes far beyond the responsibility for a specific product. It is expected that companies accept responsibility for the short-term and long-term impact of their decisions and actions. This becomes an important driver for brand relevance. People want companies to take over the responsibility and to provide value-based orientation

in an increasingly complex and volatile environment, in a world in which confidence in public institutions and politics decreases. The younger the generation, the more pronounced is the desire to make the favorite brand play an important role in shaping a future worth living in, make the world a better place and solve the world's major problems [7]. While these goals might be very ambitious and hard to meet by the companies, these expectations exist and play a role in the customer behavior.

2.5   The Role of UX in Brand Relevance

"Understanding the customer" is one key to success. The fit between brand and customer is a matter of identification and identity. Identification and identity is based on content, culture and values, provided by the brand (and its company). There is a close correlation between brand relevance, brand promise, customer benefit and a company's success. But there is a problem of increasing significance: Over 70% of the brands worldwide, over 90% of the brands in Europe are simply irrelevant to people. Customers would not miss these brands if they did not exist tomorrow [13]. Most of the brands have lost their relationship with their customers. This situation will become even more explosive in the digital era. Companies - inspired by the possibilities of big data – evaluate the relationship with stakeholders primarily as an economic factor. They use people as a source of data instead of checking the customer and societal benefit the brand offers. In the long run, brands cannot be successful without loyal customers, who will trust and recommend them. Both, the customer's and the user's perception and experience of the brand and its products is crucial for customer loyalty and brand relevance. UX plays a major role in the perception and relevance of a brand.

3   Related Work

Before we propose a new approach to Customer Centricity, it is useful to provide a selected overview about related work in this area.

3.1   The Reason Why of Customer Centricity

Peter Drucker stated: "The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself" [14]. Recognizing that economic success is based on satisfied, loyal customers, customer satisfaction has become a central business purpose. This is one aspect which Drucker [15], among others, repeatedly pointed out. Drucker reminds us also that the success of a company is due to the customer's willingness to spend his money on a given product or service.

3.2   Customer Centricity in the Context of the Hedonic and Pragmatic Model of UX

Hassenzahl [16] developed a model of UX with two dimensions (hedonics and pragmatics), which are interesting for the further development of Customer Centricity, especially with respect to the motivational aspect of purchase decisions. Hassenzahl's model "assumes that people perceive interactive products along two different

dimensions. *Pragmatics* refers to the product's perceived ability to support the achievement of 'do-goals', such as 'making a telephone call', 'finding a book in an online-bookstore', 'setting-up a webpage'. In contrast, *hedonics* refers to the product's perceived ability to support the achievement of 'be-goals', such as 'being competent', 'being related to others', 'being special'" [16]. The hedonics approach "calls for a focus on the Self", here "more general human needs beyond the instrumental come into play, such as a need for novelty and change, personal growth, self-expression and/or relatedness" [16]. The customer evaluates the product individually and sets "its utility and usability in relation to potential tasks" [16]. What Hassenzahl describes here can be applied not only to interactive products, but to products and services in general.

His differentiation between hedonic and pragmatic aspects has its analogy in the emotional and rational dimensions of a brand. And we find this idea of two-sided goals (here: "do-goal" and "be-goal") also in the proposal of Christensen [17] (described in Sect. 3.3) who argues from a very different direction, namely that of innovation.

Another theory that should be mentioned in this context is the CUE Model by Thüring and Mahlke [18]. It addresses identification (see Sect. 2.5) as a hedonistic aspect, but in contrast to Hassenzahl it puts more emphasis on emotion in the context of UX. In an updated version by Minge and Thüring [19] it describes the interdependencies between hedonic and pragmatic qualities and specifies "product loyalty" as one main UX consequence, which can be interpreted as a reference to brand (loyalty). The questionnaire resulting from the more elaborated meCUE 2.0 model [20] for the first time questions people about their experience of a product or service.

3.3 Customer Centricity is about "Jobs to be done"

Clayton Christensen has become known widely for his research and work on the problem that even successful companies cannot be sure that their success will continue in the future [17, 21]. From the perspective of a company's ability to innovate, he developed new important aspects of Customer Centricity. In September 2016, Christensen (et al.) [22] warned of a major misunderstanding. His comments refer to the fact that most of the innovation still fail and that the comprehensive knowledge of the customer companies gained by big data is leading many companies in the wrong direction: "After decades of watching great companies fail, we've come to the conclusion that the focus on correlation - and on knowing more and more about customers - is taking firms in the wrong direction. What they really need to home in on is the progress that the customer is trying to make in a given circumstance - what the customer hopes to accomplish. This is what we've come to call the job to be done" [22].

3.4 From HCD to ACD: Human-Centered Design Considered to be Harmful

We find reflections like those of Christensen in another area, that of design, from another widely respective thinker: Don Norman. His work on "Emotional Design" [23], "The Design of Future Things" [24], "The Design of Everyday Things" [25] gained worldwide attention. He expressed a very skeptical view at Customer Centricity from a design perspective. Norman wrote in his much-debated essay on "Human-Centered

Design Considered Harmful" (we refer here to his jnd.org blog [26] and quote only those aspects relevant for our topic, the text goes far beyond that): "Human-Centered Design has become such a dominant theme in design that it is now accepted by interface and application designers automatically, without thought, let alone criticism. That's a dangerous state - when things are treated as accepted wisdom." He states that "some of the fundamental principles of Human-Centered Design" (HCD) need to be reconsidered and argues for the term "Activity-Centered Design" (ACD). Why? To know your user is one of the core principles of HCD as well as of Customer Centricity. But, according to Norman: "Even companies that pride themselves on following human-centered principles still have complex, confusing products." But even with products or designs that work well, Norman mentions the automotive industry and everyday objects as kitchen utensils, we have to find out: Why do they work well? "People all over the world manage to learn them - and manage quite well." Some of those products were designed by design teams, others evolved during generations as some of the kitchen tools. "But even for those devices created by formal design teams, populated with people whose job title was 'designer', these designers used their own understanding of the activities to be performed to determine how the device would be operated. The users were supposed to understand the task and to understand the designers' intentions" [26]. Hassenzahl, too, criticizes the typical designer's viewpoint: For a designer the UX key elements are "product features" and "intended product character", whereas for the user the UX key elements are "apparent product character" and the situational consequences of use, i.e. experiences as "appeal", "pleasure", "satisfaction" [27].

3.5   Customer Centricity – but who is the "Customer"?

The interdependence between a company and its customers is a fact that is often underestimated and not well respected in common business practice. The question of who the customer is can be answered differently. Has anyone ever asked how the customer sees himself? "We are not seats or eyeballs or end users or consumers. We are human beings - and our reach exceeds your grasp. Deal with it." is a summary statement in front of the Cluetrain Manifesto [28] published in 1999 by Searls, et al. They formulated 95 theses on the company-customer relationship in the emerging time of online markets and the World Wide Web in general. In 2015, they found themselves forced to rewrite the manifesto, now with 121 theses [29]. In retrospect, it becomes apparent how far-sighted the theses written in 1999 were. In the meantime, the balance of power has been reversed by digitalization.

4   Customer Experience must be Seamless

The future will be seamless. Riedmann-Streitz [7] addressed this aspect under the topic "Seamless Gateways". "Digitalization creates a new complexity and superposition of communication and distribution channels and realities. The challenge for brands is to change from one channel into the other and from physical reality to virtual reality and back avoiding inconvenient interfaces for the customer" [7]. Online giants such as

Amazon® and Zalando have shown this in an impressive way. Both are successful brands that started in the digital world and had a high global impact on our private life and the economy in general. A few years ago, they extended their business into the real physical world by opening their own brand shops, so that people can experience the brand world physically and join likeminded customers. Amazon® opened bookstores in the US. Zalando opened fashion shops, e.g., in Germany.

"The future lies in the seamless shopping experience" [7]. This seamless shopping experience is a demand-oriented contact at the touch point, where the customer is currently located, whether mobile, at home, out-of-home, desktop or in-store. This seamlessness has more than just a technical component, although it is supported by new digital technologies such as AR, VR or beacons. It becomes a central issue and convenience factor as the transitions between the real and virtual worlds are fluid; for decision-making, purchasing and delivery processes the customer seamlessly changes the medium. Focusing on the needs of the stakeholders ultimately enables the brands to create a seamless environment. Seamlessness goes beyond the hitherto existing cross-media strategies and the customer journey cannot longer be regarded as linear. Also, both online and offline should be synchronized and orchestrated. Furthermore, seamlessness presumes the consistency of messages and appearance in all channels. To avoid any dissonances and disruptions there should be one consistent concept of Humane Customer Centricity for both worlds. Inconsistencies have a negative effect, since they lead to cognitive dissonance and damage the brand's image.

Accordingly, brands must be developed into "Hybrid Brands" [7]. The ACC approach consciously integrates the real and virtual worlds in a hybrid world - with a seamless customer experience focusing on the needs of the customer/user. Online and offline channels complement each other, as well as mobile, desktop and in-store. Hybrid Brands are characterized by using the advantages from all realities and channels in terms of targeted use of communication and distribution. They connect the best of both worlds - physical and digital reality for people (society) and the user - to a very special brand USP (unique selling proposition).

5 The Customer Centricity Paradox

Customer Centricity is vital. This leads most companies to follow the principle: "The customer is king" – which became a core principle of modern marketing. The concept of Customer Centricity is based on the relationship between a company and its customer (existing and potential ones). Relationships are established by communication through all kinds of communication channels. In the so-called "customer journey" the customer is attracted by a brand, decides to put it into his so-called "relevant set" and finally decides to buy this product and not the other branded product. If he does this frequently, he becomes a key customer – and is at the heart of business interests. Marketing experts are warning [30] not to be customer-friendly, but customer-centric, which means to focus on the "best" (i.e. the most valuable) customers. Here, big data play an important role in identifying these customers. Regular loyal customers are the backbone of corporate success. Ultimately, the brand as well as the company only

exists because many loyal customers are willing to pay their money for products of that brand.

Looking back, in the pre-digital era, it was a kind of a winking agreement and mutual understanding between a company and the educated customer that the individual's desire to buy is fueled by attractive brands with exciting brand experiences. The customer should get the feeling: "the company understands me". His buying and recommendation behavior supports the profit and image growth of the company which in return reassures the customer and makes him proud "to be part of it".

Digitalization now offers new possibilities causing a disruptive change in the methods of Customer Centricity. Under the umbrella of Customer Centricity, many companies try to collect as many data as possible for a better understanding of the customer's needs. Customer Centricity promises to strengthen market share, profitability and customer perception - and significantly higher sales. This appraisal is strengthened by the suppliers of digital tools and services. Quite often a fatal mix-up takes place: collecting, aggregating and clustering a huge amount of data does not necessarily imply a better understanding of customers, their motives, decision rationale and overall consumption patterns. Following the logic of big data, the use of algorithms results in correlations and probabilities by recommending "customers who bought this item also bought", "is often bought together", "other customers are also interested in", "your most recently viewed articles and special recommendations - inspired by your browsing history", "discovered for you" and so on [7]. Correlations are often confused with causal relationships. Consequently, today, "we do not lack correlations, but we do lack sustainable conclusions with visionary decisions" [7]. This mix-up results in producing a variety of marketing activities to trigger the customer instead of looking for high qualitative, exciting, brand-specific offers and solutions. In many cases, this course of action leads to offering rebates instead of attraction by content, user experiences and values.

There is no doubt that digitalization changes the manner, methods and ways of communication – also communication between company and customer – at nearly every customer touch point. Those real and virtual touch points are the target points for customer focus and brand experience. The new digital mechanisms are causing a shift in the way communication is done today. Customer communication is reduced to customer tracking and tracing on the web and out-of-home (OoH). Only few people realize that the original idea of Customer Centricity is endangered to be turned into its opposite, at least from a customer's point of view. Yet: this way of doing communication hardly generates satisfied customers and long-term customer loyalty. Finally, brand and image are suffering. This is an invaluable loss - for the company and for the customer.

In many cases, the ambition of creating a positive customer experience throughout the customer journey, i.e. pre-sale, point-of-sale, after-sale, exists only at the surface. Product development and marketing concepts are still developed from an internal point of view, driven by a widely accepted make-and-sell attitude. Products and services are launched which were easy to realize because of technological feasibility, for reasons of efficiency or because opinion leaders in the company are pushing the idea. The high rate of unsuccessful products (approx. 70%) shows that these results are far from appealing to the customer and being relevant to him.

New digital technologies can provide new insights of understanding the customer facilitated by a more precise tracking of customer behavior – from first eye contact with the brand until the purchase decision. Those data should be analyzed and considered in conjunction with trends as well as with the framework set by the respective brand. The real motives and emotions behind using a product or service and the in-depth search for the actual "job to be done" [22] must take place. Forward-looking conclusions must be drawn. Those insights must be incorporated into the product development process. But as long as the evaluation of these data is mainly technology-driven, efficiency-driven or make-and-sell-driven, the customer is still at the end of a long process.

Companies ask themselves: What do we have to do to ensure that customers buy our products and services? Instead companies need to raise questions like: Why did a customer choose our offer? For what concrete reasons did people decide to buy other products and not ours? What do people and society need today and tomorrow to fulfil their tasks and challenges more pleasantly, healthier, quickly, effectively, and qualitatively better - and possibly more cost-effective? How wants the person, who buys our products, be perceived (prestige, values, style, etc.)? And how successful and attractive do our brands make our customers and users? Are there any completely different, novel solutions that no one has ever thought of before - even those that could be developed by new technologies? The process to get those questions answered leading to valuable innovative solutions, is a big challenge and not followed up by many companies.

Digitalization entices people to see technology as the solution to all challenges, problems and wishes. This should be countered by the provocative question of Cedric Price "Technology is the answer, but what was the question?" [31] expressing his general concerns and skepticism in 1966.

This leads us to the **Customer Centricity Paradox**:

Today, nearly everyone agrees that the customer should be in the focus of business considerations and strategies. But, with a more detailed look on the underlying strategies, processes, evaluations and decision filters it becomes clear at a second glance, that - although the customer seems to be in the focus - he is reduced to a set of data points and serves only as a means to an end. The controversial use of face recognition at main traffic hubs or in-store is one example (some companies had to backpedal due to protests). The customer is the "product" (being degraded from subject to object) and not the beneficiary of an offer he intends to use. This trend is reinforced by increasing digitalization and automation. The umpteen questions to be answered in telephone waiting loops, before one is helped, is another example. But: Once the customer himself starts to upgrade his technology as a "defense" against intrusive and unsolicited targeting and tracking (described in more detail in "Gibt es noch Marken in der Zukunft?" [7]), then such a misconceived Customer Centricity risks to develop into an absurdity and will dissolve. More and more customers decide to use, e.g., ad blockers and script blockers to ensure their privacy and to reserve the right to deny and reject invasive promotions. What, if people in the future use bots equipped with AI to react to such invasive persecutions. The technological armament of companies on the one side and counter measures of customers on the other side lead ultimately to an undesirable "machine-to-machine confrontation". This contrasts the goal that brands should be looking for direct but respectful contact to customers, users and fans. It seems that many promises of digital technologies are superimposing the original core

idea of Customer Centricity. To prevent this, Customer Centricity must be reflected and rethought. Figure 3 shows the different stages leading to the dilemma of the Customer Centricity Paradox.
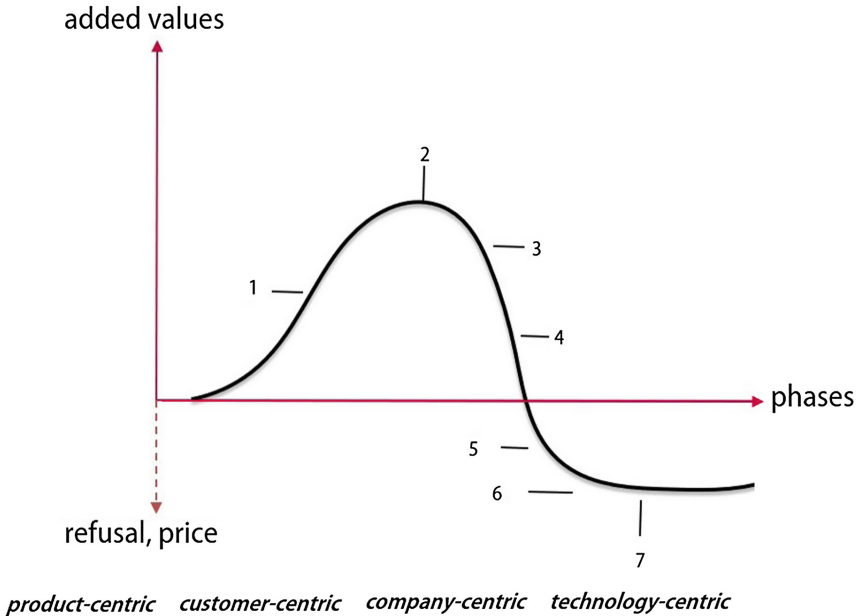

Fig. 3. The Customer Centricity Paradox: Dilemma, (no 1–7 are explained in the text below). (Source: Graphics by Riedmann-Streitz)

The different stages (Fig. 3) are as follows: 1. First insights: It is the customer who buys and pays for the product. 2. Customer Centricity focusses on "how to get the customer buy our product". 3. Digital technologies are used for massive data collection and tracking & tracing. 4. Technology is widely implemented for cost efficiency. 5. Customers prefer to decide on price & likes. 6. Corporate self-centricity leads to discount war (market), unachieved ROI (company), disloyalty and refusal to buy (customer: ad blockers, dislikes, return deliveries). 7. Technology is the answer with losses on both sides (company, customer).

Make-and-sell-thinking (company-centric) and focusing on efficiency by technology (technology-centric) instead on customer needs, motivation and finally emotional satisfaction fail. Not only that 70% of new products do not reach the customer, three of four companies fail to do reap the benefits of digitalization [32]. Redefining Customer Centricity is key for a viable economy and society in the digital age.

6   Rethinking the Concept of Customer Centricity

6.1   Problems of the Current Customer Centricity Approach

As the Cluetrain Manifestos of 1999 [28] and 2015 [29] reveal, the customer has been made transparent for the company's purposes by employing big data methods. The increasing and widespread use of face recognition and hyper-personalization [7] disregards customer's privacy and freedom of choice. During the described transformation of Customer Centricity, the human being is being developed into a high-performance customer. For efficiency purposes, the customer's wishes are recognized in advance by analyzing the personal profile data and potential purchases are predicted, so that production and logistics can already adapt to it. As soon as the customer orders, the package of the goods he just ordered is ready for delivery. This method is called predictive analytics and is also applied to CRM throughout the customer lifecycle.

In the near future, industry's considerations are aimed at offering customers a new kind of service: based on the outcome of predictive analytics and customer profile data, companies deliver selected products to a customer because the company thinks he would like to buy them. This will happen before he even considered to buy these products, i.e. before he searched for or actually ordered them. If he keeps the product, the amount is debited from his account; if he decides against it, he can, of course, send it back – hopefully free of charge.

We must realize that centering on the customer is necessary, but far from sufficient. The customer has been pushed into a predefined role: he is the one who must pay for what the industry produces. The industry succeeded in designing the Customer Centricity concept purely from the company's point of view – with the help of new technological measures. Precise and ubiquitous tracking methods were optimized and refined to such an extent that the appreciation of the customer, his trust and his well-being in many places is irrelevant. "Understanding the customer" has in many cases experienced a completely new twist. As we have seen, this leads to a total, but restricted focus on customer data, the all-encompassing collection of traces during his customer journey. The persistent tracking allows to detect the exact moment of his purchase likelihood. This is nothing else than a degradation of the customer to a set of data points.

Customer Centricity must be rethought, and redefined and responsible managers must change their mindset. This is not a question of supply, it is a question of value: What does our business proposal offer to customers and how could they benefit from it? Strong brands support their customers in their life and work – including striving for the "best" solution of a problem or an activity or a "job to be done" [22]. The mindset, to take the benefit of the customer as the starting point and make it the core of all considerations, will become a central USP (unique selling proposition) of strong brands, especially in the digital economy.

6.2   Shifting Mindsets and Attitudes

A new perspective is necessary. Not people should adapt to technology, technology must adapt to people! The customer is at the center of the considerations only if he is

not considered as a sales volume at the end of the chain, but as a human being and part of the society, who needs offers for today and for the future which enable him to shape his life, his environment and his work in the best possible way – from his perspective. This requires a change of mindset in many industries. The starting point is not the question of what technology could deliver, but what would be desirable for people, for society, for the environment. How do we want to run an economy in the future? How do we want to live and work in the future? And which products and services are needed for this? What do people need and want for a better life, to make their lives more enjoyable and healthy and how could they best benefit from the advantages of new technologies? In turn, businesses have the chance to benefit from sustainable profitability.

According to the findings of Christensen ("job to be done") [22], which are in line with the concept of Hassenzahl ("do-goals"; e.g., buying a bed and "be-goals", e.g., life style, well-being) [16], our new approach focusses on the core objective behind a product purchase. Customers are not looking for bedroom beds, they are looking for deep and refreshing sleep and dreams. Customers, buying at a DIY (do-it-yourself) store, do not want to own a hammer or a drill, but rather wish to hang a picture, shelf, lamp or something else for which they need a hole in the wall. Customers do not want bathroom fittings, but are looking for hygiene, well-being, comfort or a nice inspiring place for self enhancement. Customers are not looking for a dishwasher; they are looking for a solution of coping with the masses of dirty dishes and glasses and getting the job of cleaning done. People are not looking for detergent powder, but they want their family look pretty and neat and get social appreciation. People do not need banks but strong, trustworthy brands and companies to which they can entrust their money. They need a mobile and easygoing but fake-proof secure solution for payment of their private shopping and commercial purchases. Moreover, people do not decide whether they want to do something digitally or not. They see new technologies as instruments, as enablers for participating in the economy and society.

Shifting the Mindset: It is not so much a question of changing processes as of attitude. Attitude, values and visions determine how the process is executed. For Norman, too, the core difference between HCD and ACD (described in Sect. 3.4) is "first and foremost being that of attitude. Attitude? Yes, the mindset of the designer" [26]. Applying this to Customer Centricity, the following is required:

– know your customer (be aware of how he might use your new product or invention: conditions, constraints, habits, preconceptions),
– deeply understand the technology you are applying for the product or service,
– deeply understand the product or service you are creating for your customer,
– deeply understand your customer's reason for this activity (for which you create the solution),
– have a strong transparent vision, clear values and a consistent attitude of how things could be better and what is desirable to fit today's and tomorrow's human needs.

In our approach, Customer Centricity must be grounded in a comprehensive broad perspective – even including the analysis of global social, economic and environmental

trends and developments. This is nothing less than trying to find out, create and offer what really matters.

In the literature on marketing and business strategies [33–35], customers are viewed to belong to special and well-defined target groups or peer groups. The analysis could be based on socio-demographic data or on neuromarketing. There are enough data available to know the gender, age, income, job, family and medical situation (e.g., pregnancy), sexual orientation, preferences concerning special products, wishes, motivation and so on. The high performing customer is the full transparent customer. Thinking in terms of target groups or peer groups makes it easy to label the customer and use him as a means to an end. Furthermore, this approach emphasizes primarily past and present behavior. Even predictive analytics makes no difference because it deals with implications of past and present behavior. The customer is reduced to being only a factor in a given formula of Customer Centricity.

In our approach, Customer Centricity must contain a deep understanding of trends and developments and of the problems, hurdles and fears of people when fulfilling their daily tasks. It must be completed by thoughtful purposes, a clear attitude and a strong vision of how things should be – as seen from the user's perspective.

7 Redefining Customer Centricity by Resolving the Paradox

Customer Centricity needs to be redefined so that it respects the human being as it is and adapts technology as supporter, enabler, providing added value to him. The human being, i.e. the customer and user of the products as well as the society which is affected by others using a certain product (e.g., the use of Google® Glasses or WhatsApp® can have implications for other people, although they were not asked for their consent), is the center of thinking and acting. The offer and its benefits as well as the brand relationships must be seen from his point of view, they must be relevant for the addressee. A strong brand could here fulfill the role of a curator, equipped with comprehensive knowledge, a strong attitude and clear vision of how things should be better. It provides orientation and an offer that the customer can identify with.

Therefore, Customer Centricity must be enriched by dimensions known from the concept of UX: the experience of the customer when buying and/or using the product or service, the product's usefulness and benefits seen from his perspective, and the usability, i.e. ease and intuitiveness of use. It has also to be enriched by dimensions known from the concept of brands, i.e. relevance and meaningfulness (seen from the customer's perspective). This is a shift from the focus on target group specifications to the focus on people's needs and activities. Thus, Customer Centricity must be complemented with Activity-Centered Design goals adapted from Norman's plea for ACD [26]. Combining the various aspects, we propose an **A**ctivity-oriented approach to **C**ustomer **C**entricity, that we call **ACC**. It includes also motivational aspects and is based on a forward-looking framework and future-oriented thinking. It allows creativity to expand its full potential – for the benefit of the user and in a broader sense of society. The Activity-oriented approach to Customer Centricity leads to a different understanding of what should happen at a customer touch point: it should be much more than an opportunity to deliver triggers to buy. A deep understanding of the

customer is the prerequisite. That presupposes the ability of management to find and reframe the customer's problem, maximizing his experience and providing him with an added value – be it rational and emotional, pragmatic and hedonistic.

7.1   Humane Customer Centricity

Given that in the future the focus is really on people and their activities, this has far-reaching consequences. In UX hedonic aspects and well-being gain even greater influence on product and service design [36, 37]. Corporate philosophy and strategy, innovation culture, management culture and KPIs (Key Performance Indicator) must be adapted to the new orientation. This new way of thinking and acting must be anchored in the company's culture and in the behavior of all employees. Correspondingly, the concept of Customer Centricity must be modified and extended. Customer Centricity will only lead to useful solutions that can be applied to people's needs, if it has a humane and philanthropic customer focus. This includes far-sightedness based on clear and transparent values and attitude. Companies take people seriously, respects their needs and privacy. Knowing that this could ensure sustainable profitability for the companies.

That is why we call this new approach: Humane Customer Centricity. The Humane Customer Centricity - including the observation and anticipation of technological and societal developments as well as of the people with their tasks, challenges, problems, dreams and needs in professional and everyday private life - should be in the focus of interest. Applying the Activity-oriented Customer Centricity (ACC) approach is a requirement for Humane Customer Centricity. It will imply a win-win situation for the company and its brands, for customers, users, stakeholders and society in general. The approach of Humane Customer Centricity contradicts the attempt to view human beings as sets of data points that can be used and manipulated or can be spied on using big data, artificial intelligence algorithms and marketing automation.

Referring to the importance of brands, they must evolve to Humane Hybrid Brands [7], upholding the principles and values of a Humane Customer Centricity. This does not happen automatically but must be explicitly initiated and professionally managed and coached. The following aspects distinguish Humane Hybrid Brands: the alignment with Humane Customer Centricity, the respect for privacy and the guarantee that the "Keep the human in the loop" principle is applied (people must be in control and be the final decision-maker in every situation). Streitz [38, 39] argues strongly for "Keep the human in the loop and in control" as the guiding design principle for the 21st century, when being confronted with developments as smart cities, automated driving and related technologies based on artificial intelligence and high degree of automation. In a broader context, this means that Humane Hybrid Brands assume social responsibility, which is not exhausted in declarations of intent, as expressed in many corporate social responsibility reports, but will be experienced by customers, users and society.

Riedmann-Streitz stated [40]: "Focusing on quantity of private data instead on content, wishes, 'jobs to be done' ushers the end of brands: the customer feels upset and annoyed, especially because he entrusted sensitive data to service providers. Digitalization does not solve the problem of understanding and attracting customers." Nor does it solve the challenges of Customer Centricity. "Technology connects people and people with products, but it does not create the branded experience" [40], the user

experience, content and values which inspire, convince, trigger personal recommen-
dation, acceptance, purchase, and loyalty.

Our approach to address the dilemma of the Customer Centricity Paradox described
in Sect. 5 is illustrated by extending the graph in Fig. 3 in the following way (Fig. 4).
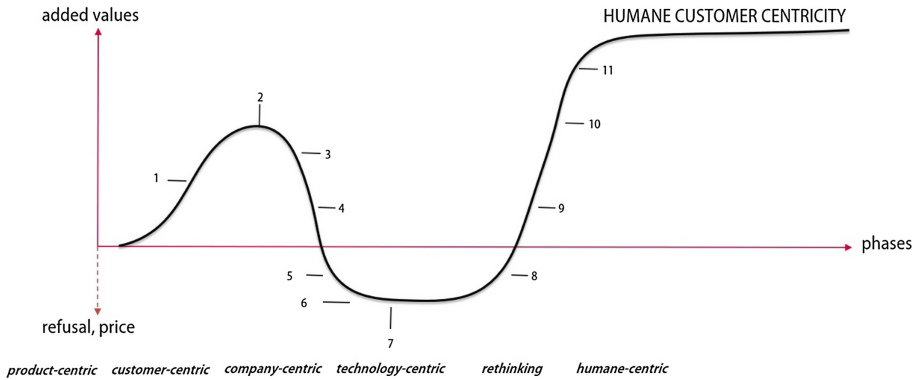

Fig. 4. The Customer Centricity Paradox: Solution, (no 1–7 are explained in Fig. 3, no 8–11 in
the text below). (Source: Graphics by Riedmann-Streitz)

In the technology-centric phase companies find themselves confronted with "losses
on both sides" (7). Ideally, a company achieves an understanding (insight), that this is
because the customer has been degraded from subject to object (8). Rethinking Cus-
tomer Centricity (9) then leads ideally to a shift of mindsets and attitude (10) which
builds the foundation for the redefinition of Customer Centricity (11) following the
ACC approach. Finally, a company can resolve the Customer Centricity Paradox by
following consequently and consistently the concept of Humane Customer Centricity.

8   Conclusions

Today, we are not faced with a shortage of data or with a lack of information. We suffer
from a lack of causalities as well as qualified, value-oriented, transparent orientation
which allows us to make our personal decisions. Recommendation algorithms allow us
to draw correlations on a global basis wherever and whenever we want - within
milliseconds. It seems to be the perfect condition for a highly elaborated and per-
forming Customer Centricity. But algorithms do not answer the question of the Reason
Why: "Why on earth should we buy a product just because someone else we don't even
know bought it?" [7]. Customer information and customer decision making is driven
by a hyper-personalization, which directs the customer in the direction in which the
company would like to have him. On the other hand, it prevents companies from
establishing a Humane Customer Centricity and the prerequisites for real innovation,
because they lose the basis for understanding the customer, his experiences, emotions,
needs and wishes.

It is essential, that the processing and evaluation of big data is executed with the new mindset in order to arrive at valuable conclusions. It is of key importance to understand the customer's emotional user experience (UX) when searching for and finally "hiring" [41] und then using a product or service to get a "problem" solved or a "job to be done". In combination with the further development of Activity-oriented Customer Centricity (ACC), big data can provide input for the final conclusions and resulting strategies of human experts. Of course, further research is needed to understand the specific mechanisms so that it will be beneficial. Offers are only successful if they contain a relevant future-oriented customer benefit and customer reward. They must help people to perform their daily tasks, small as well as large ones, in the best possible way. And they must fulfill upcoming needs and wishes. Thus, Humane Customer Centricity can provide huge benefit to the company as it discovers valuable hints and impulses for new products and services, new technologies and innovation – aligned to the brand. If companies do not want to misuse the Customer Centricity approach and not turn it against their customers, then they must follow the ACC approach as in the concept of a Humane Customer Centricity. Humane Customer Centricity means thinking and acting consistently from the perspective of people based on a forward-looking human-centered attitude and brand vision. This is a decisive premise, since we do not want to deprive the human being of his freedom and we do not want to subordinate him to technology. Humane Customer Centricity is designed for the benefit of all: company, customers, stakeholders, and society.

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