

RESEARCH  IN ACTION

# Staying A Step Ahead

## With Proactive Customer Orientation

Responding to customers' needs, though important, has become the status quo. Today's customers, however, are seeking providers who help them go beyond what they ask for by proactively anticipating evolving needs. And that field is uncluttered, says Christopher Blocker, assistant professor of Marketing."

The idea of anticipating customers' future needs dates back to management gurus like Peter Drucker. However, there is little evidence to show what such activity looks like or how it stacks up against other important factors, like quality in the global market. Blocker's research tries to fill this gap by defining proactive customer orientation and assessing its importance from the perspective of customers themselves.

Blocker has studied customer value — a concept that is emerging as the central idea in the field of marketing — across a spectrum of cross-cultural contexts. His recent findings, published in the *Journal of the Academy of Marketing Science*, discuss how value creation has taken on a future-oriented perspective worldwide. The paper's title is "Proactive Customer Orientation and its Role for Creating Customer Value in Global Markets." Blocker and co-authors Daniel Flint and Matthew Myers of the University of Tennessee and Stan Slater of Colorado State University explain how investing in proactive anticipation reflects the leading edge of customer value creation.

"If you want a sustainable advantage in your markets into the future, this is where you have to invest," Blocker said. "It's a 'where do we go next?' kind of dialogue that sophisticated companies are driving forward with their customers."

Using phone and online surveys, Blocker examined 800 businesses in 19 industries and across five countries, asking managers about the nature and importance of proactive anticipation in their business relationships. Managers in India, Singapore, Sweden, the United Kingdom and the United States evaluated a key technology provider for their firms to give insight into what their company values from important business relationships.

"I was really trying to understand the landscape of customer value drivers in the global marketplace," he said. "The real surprise came when we found that proactive customer orientation was the most consistent driver of value within each country sample across the five-country data set."

This showed Blocker that highly responsive suppliers go beyond responding effectively to requests. Rather, "leading providers engage in proactive customer orientation by really studying their customers, getting inside their worlds, understanding their industries and strategies, and by constantly looking for clues that might reveal changes in what they value." They don't stop at just talk; they successfully translate this learning and dialogue into innovative solutions.

Blocker presented statements like "This provider excels at anticipating changes before we even ask." In addition, before conducting the quantitative study, Blocker conducted a qualitative inquiry by interviewing 10 managers to discover their views and develop an understanding of proactive customer orientation. Over the course of several interviews, managers described how their best providers helped them address their firm's evolving needs. "You really have to have those conversations and hear it from their voices," he said. This qualitative discovery helped Blocker create an effective measure for proactive customer orientation that would tap into managers' day-to-day experiences.



He also discovered that most firms are not proactive with customers. Blocker said at best, most are fairly responsive. That's partly because providers misunderstand or underestimate what proactivity means to customers. And some just believe they have better things to do.

"It takes a lot of work to understand a customer well enough to discover and anticipate their latent needs," Blocker said. "Good marketers are always trying to figure out what's next for their customers and help them connect the dots. This is easier said than done."

Knowing this adds both relevance and urgency to his research.

"THIS IS REALLY ABOUT MAINTAINING AN EDGE IN A HYPERCOMPETITIVE GLOBAL MARKETPLACE,"

HE SAID. "BUSINESS STRATEGISTS ARE ALWAYS

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NATURE OF PROACTIVE CUSTOMER

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