

# Customer centric innovation - the heart of sustainable business growth

 By [John Simpson](#)

30 Jun 2015

Global competition and a weak economy have made growth more challenging than ever before. As products have become easily replicable and budgets slashed, companies are forced to find the next frontier of differentiation...

The task of 'innovating' has moved out of the lab and has landed squarely onto the marketers desk, because at the end of the day what is required for long term growth is a strategic response to change that is customer focused.

A recent report by PWC that surveyed 1757 corporate executives in 25 countries found that 93% of executives are looking to innovation to drive growth, and yet 81% do not believe their organisations know how to lead innovation. To highlight the urgency, consider for a moment that the average lifespan of a company listed on the S&P index of leading companies in the US has decreased by more than 50 years in the last century, from 67 years in the 1920's to 15 years today (Richard Foster, Yale University).



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At this rate, by 2020 three-quarters of the companies on the index will be names that we have not heard of yet. The challenge facing business goes beyond improving products and services, the challenge is just to stay in the game. There's no question that companies are operating in an environment where the rate of change is staggering, and to keep up, let alone exceed benchmarks, there needs to be a well thought through and fully integrated plan for innovation. We're not talking about 'idea generation' here, we're talking about a clear way to put ideas into action that will improve the bottom line.

A customer centric innovation program that is led by the marketing department is uniquely positioned to bring teams together across the business to achieve these goals. Real innovation takes time, and businesses need to shift their thinking beyond the usual two-five year time frame and towards growing a sustainable organisation that has both customer and shareholder value in mind for the long term.

Cost efficiencies and sound financial management are of course essential and with an eye on the long-term they can deliver some quick wins too, especially in the current tough economic climate. But there is real long-term value to be gained from a robust long-term marketing strategy.

With so many global brands on the shelves in SA, the risk is that local marketers will be increasingly sidelined from strategy formulation. Too often we hear about decisions from an international head office that just needs to be implemented, rather than unpacking the real issues facing the local market. And that's the crux of the matter - real innovation should come as a result of listening to our customers.

Ask yourself the question - who speaks on behalf of the customer in your organisation? If organisations really strive to improve customers' lives by making them better, easier and simpler whether incrementally or by giant leaps, the result will inevitably be growth. Real innovation is about finding differentiation and it demands a long term vision with marketers playing key strategic roles.

## ABOUT JOHN SIMPSON

Professor John Simpson is the director of the UCT Unilever Institute of Strategic Marketing and has headed up all the projects that the Institute has produced since it was established in 1998. He has previously headed up the School of Management Studies at UCT and was the Senior Deputy Dean of the Commerce Faculty for a number of years.  
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