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## **Creating a Customer Centric Organisation**

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Modern Indian retail is a comparatively new concept that started in India with the launch of Pantaloons, which was the first of the many stores and chains (including Big Bazaar) subsequently launched by the Future group and others in the retail space. Despite the presence of a multitude of retail chains today, the Big Bazaar holds a unique position in the retail space. It has grown to be 162-store strong, and is one of the easiest-recall brands.

The Big Bazaar has been able to create a niche for itself in the crowded area of modern retail because of an underlying organisational philosophy of challenging the existing thought process while retaining the Indian way of doing things. Prior to modern retail, the concept of departmental store chains/hypermarkets were non-existent in India. People made their purchases from local area shops, which had a very simple business model. They knew their customers for years and were hence aware of their purchasing habits, preferences, buying cycles, preferred brands, etc. They catered to a limited area, and hence did not have to worry about the purchasing patterns beyond their area of operations. These factors made it easier for them to take decisions regarding stocking and other logistics. Big Bazaar, however, was a retail chain operating across vastly spread geographies in an extremely heterogenous market. Not only did they not have a personal connection with the local customer which would have given them an idea of the customers' preferences, these preferences would change every ten kilometres.

Big Bazaar understood that to make space for itself in such a scenario, it needs to understand the specific needs of its various target customers, offer them a differentiated service, motivate its employees to go out of their way to give such service to its customers, and engage with the local community at the individual store level. The idea behind this approach was that while product and pricing can easily be replicated, exceptional service makes a retail store stand out and not only converts footfalls into sales, but also ensures repeat customers.

Customer-centricity is the core of any successful retail venture. Big Bazaar too, attributes its success to its focus on the customers' needs and generation of goodwill among the community in general and its customers in particular.

### **Understanding the Customer**

While setting up Big Bazaar, Kishore Biyani decided to challenge the 'normal way of doing things'. Internationally, when a retail chain is set up, the first thing that is ironed out is the operations. However, he decided to first tackle merchandising. He understood that the biggest challenge to ensuring good merchandising was the fact there was no knowledge about the customers' needs, habits, preferences etc. The group decided to overcome that by extensively studying the various communities of India, and creating almanacs about them. It was found that there is a tendency for communities (whether linguistic, professional, or any other) to stick together. Whenever a store was going to be opened, the surrounding areas were mapped and the three main communities present in the nearby areas (catchment areas) identified. The merchandising, promotions, planning, storing, and assortment of these stores were all done on the basis of these developed almanacs. It was also seen that in India, consumption and purchases were mainly crowded around weddings

and festivals. Hence, events were created around festivals and celebrated in stores to attract customers. The identification of surrounding communities help in deciding the festivals that are relevant to them.

### **Engaging the Community**

Big Bazaar's approach towards its customers is to become a part of the local community that it is serving. It believes that the company is a part of the community and not an outsider. The store and its employees behave accordingly and try to give back to the community as much as possible.

The attempt to build bridges and become one with the community starts even before a store is opened. The store employees go around the local areas inviting the residents for the opening of the store. While at peoples' residence, they decorate it with thorans and rangoli, creating the feeling that the people and their homes are an integral part of the celebrations. Customers' life events like engagements and anniversaries are celebrated at the stores. Festivals associated with the people living near the store are celebrated. Sometimes big events are created around these festivals and customers are encouraged to participate.

A particular store in Mysore runs a program called Anna Santharpane, wherein food is cooked and served free of cost by employees to all customers who come to the store on the last Friday of every month. After their meal, the customers are free, if they so wish, to donate any amount they deem fit to an NGO that has been invited to the store. Through this program, the store is able to reach out to the local community, earn goodwill, and support local social organisations.

Big Bazaar has now started creating stores around the concept of service. A store has been opened in Rajaji Nagar in Bangalore where extra service is provided to customers without any extra cost. Customers can get the vegetables they buy at the store cut by the store staff according to their requirements, or the flour they buy can be ground and made into chapatis. Help in selecting vegetables and fruits is also extended.

This approach creates a sense of involvement and belonging between the community and the store. It creates goodwill for the store and reflects the human face of the organisation to the customers, something that normally goes missing in the modern retail format. Programs like Anna Santharpane create an emotional account with the customer, creates empathy and ultimately drives business. As a result of the program, a Buddhist monastery in the Mysore district does almost its entire shopping at the store, contributing Rs.10 crore annually to the topline. The program has created a social connect between the store and the residents, with the store manager being invited to all social events in the area. Celebrating customers' engagements and anniversaries makes them have a lifetime connect with the store. The Rajaji nagar store has five other hypermarkets in the surrounding area, in fact that area has the highest density of hypermarkets, yet the store's business has not been adversely affected. Even the suppliers prioritise supply to the store as it is seen to be doing a lot for the community. The relationship is no longer seen as just a business dealing.

Mr. Biyani believes that this approach and these programs are the cheapest way of generating loyalty in customers, and the cost of traditional loyalty programs is far higher than the cost involved in running such programs and offering such services free of cost.

An additional advantage is that the store does not face any antagonism from the community. Big Bazaar has a record of not facing any problems from the surrounding community, something that almost all other modern retail operators have to face at some point or the other. Even the local kirana store operators are more open to the idea of concentrating on their niche areas, rather than on the business being taken away by the retail chain.

### **Motivating Employee Base**

Mr. Biyani believes that the actions of an individual result from his beliefs, and in turn, affect outcomes. Hence, Big Bazaar concentrates on changing the beliefs of the employees. The two beliefs held sacred by the organisation are 'the Indian way of doing things' and 'seva bhav'. These beliefs are inculcated in the employees at the training stage and the organisation continues to emphasise on them subsequently through various activities and programs. It is the only organisation to have a Chief Belief Officer.

One of the 'Indian way of doing things' is the treatment of everyone as a part of a family. Store managers are designated Kartas (as in the head of a Hindu Undivided Family), and are empowered to and expected to take care of the store, its employees and its customers. Whenever a new store manager joins a store, a traditional anointment ceremony is conducted in the presence of the manager's family and the store's employees. He is encouraged to attend employees' personal life events/celebrate them in the store and help them in times of distress. All this reinforces the feeling of the whole group being a family rather than just colleagues, with the sense of belongingness and responsibility going beyond the call of duty.

The Indian way of doing things is also reflected in other operational matters. Big Bazaar recognised that it is more convenient for people to shop on holidays. Hence it created a shopping festival around the holidays for January 26th and January 15th, offering the year's largest discounts. This identification of the customers' requirement of a good deal and their convenience resulted in huge crowds turning up for shopping on those days. At some point, the number of shoppers turning up on those days became so huge that crowd management became a problem. Again, the Indian approach was used, and Big Bazaar turned to temples to learn crowd management.

Big Bazaar's definition of 'seva bhav' is doing something beyond the call of duty, whether it is for customers or colleagues. All employees are encouraged to have a 'seva bhav' towards the people around them. Employees found to be doing something that is over and above their duty, are titled Sevaks, thus giving them a feeling of achievement and recognition. They are also given the power to appoint others as sevaks if they observe them behaving

similarly. This encourages employees to imbibe these values which reflect in their daily behaviour.

The employees are also encouraged to imbibe the belief that the customer is always right. They are empowered to resolve any dispute at the spot without needing to refer it to the zonal or head office. As far as possible, the disputes are settled in the favour of the customer, as it is believed that very few customers would try to take undue advantage of the system, and the goodwill created far outweighs any possible losses.

The four important steps in encouraging seva bhav in employees are:

- Helping them understand what seva is
- Setting team examples
- Celebrating seva
- Enabling and motivating employees to do seva

In order to help its employees understand the concept of seva and promote the culture of SEVA in the org, the company shot a video that showed examples from across the country, of how some people had created a niche for themselves by offering exceptional service.

The last three steps are interrelated. These are achieved through story telling sessions wherein the employees congregate and tell stories of what seva they have done during the week. It gives a chance to these employees for their efforts to be recognised and sets examples for others to follow. Programs like Anna Santharpane inculcate a sense of compassion and service among the employees, and so do the Rajaji Nagar type of stores that are based on the concept of seva. The recognition received by these employees also motivates others to do similar good.

According to Mr.Biyani, if an employee receives money, knowledge growth and identity (respect) from his employer, he will never leave the organisation. The approach listed above helps in fulfilling these needs, and reflects in Big Bazaar's attrition rates that are quite low compared to its competition.

In the end, this approach creates a win-win situation for everyone involved. The employees feel happy, recognised, proud to be working for an organisation that gives back to the society, and contended, the team builds compassion and companionship and stands united, positivity and humility are spread in the organisation. Customers get differentiated service, and get a more enriching and fulfilling experience. The suppliers build a relationship with the company that goes beyond being just a business dealing. The organisation builds a reputational capital and creates a differentiator from its competitors, as a result enjoying a loyal customer base, involved suppliers and dedicated employee base.

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