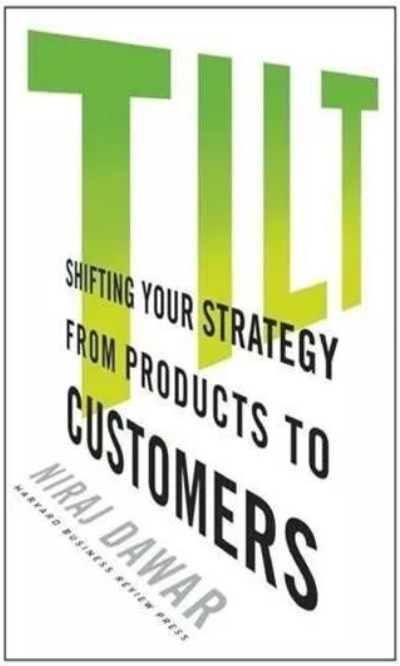
sdmimd
JOURNAL OF MANAGEMENT

DOI:10.18311/sdmimd/2025/48993



Book Review

Tilt- Shifting Strategy from Products to Customers

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In *Tilt: Shifting Strategy from Products to Customers*, the author, Niraj Dawar, marketing professor, presents a compelling discussion that competitive advantage has shifted from product-based strategies to customer-centric approaches. Traditional business strategies have focused heavily on building superior products, optimizing supply chains, and reducing production costs. However, with globalization and technological advancements, product-related advantages are easily replicated by competitors in the current times. Dawar highlights and emphasizes that organisations must now focus on downstream activities such as customer acquisition, satisfaction, retention, and brand-building to sustain long-term success in the business. This book is an essential read for business professionals, particularly those in marketing, sales, and strategic leadership, as it challenges the outdated notions of competition and provides a fresh perspective on sustaining business growth. This book can be of high importance even to budding management students in creating a strong foundation for understanding the importance of downstream activities in the business.

The author has tried to discuss and give clarity to his discussion by incorporating various themes, and among them, one of the central themes of the book is the fundamental shift in how businesses must approach cost structures, value creation, and competitive advantage. Traditionally, companies emphasised more on upstream cost efficiencies such as optimizing production, sourcing cheaper raw materials, and improving logistics. Today, however, the cost burden has shifted downstream, requiring businesses to invest heavily in customer engagement, retention, and brand positioning. Downstream activities have been targeting the marketing concept more seriously. Companies that fail to recognise this shift and continue managing for upstream advantages rather than downstream customer relationships risk falling behind in an increasingly competitive market. Alongside this cost shift, the author also explains that customers no longer make purchasing decisions based solely on product features. Instead, they value brand reputation, trust, ease of doing business, and overall experience. These factors are developed over time through consistent customer interactions rather than merely through product innovation. This

Published by: Harvard Business School Press India Limited
Total Pages- 240
First Published- November 05, 2013
ISBN- 978-1422187173

transition reflects the growing importance of brand-building and customer relationship management over traditional product differentiation.

Another significant shift the author discusses is how competitive advantage has evolved. In the past, businesses gained an edge through superior products or manufacturing efficiency, but today, the focus on the sustainable competitive advantage exists in the minds of customers rather than within factories or supply chains. A compelling example used in the book is Coca-Cola's brand power; if Coca-Cola lost all its physical assets, it could still rebuild due to its strong brand recognition. However, if consumers collectively forgot about Coca-Cola, its competitive advantage would be irreversibly lost. This highlights how modern businesses must focus not only on producing quality products but also on embedding their brand into the consumer's perception in a way that creates long-term loyalty and preference.

Despite these fundamental shifts, Dawar argues that many companies continue to operate as though upstream activities remain the key drivers of success. Organizations still structure themselves around product divisions, allocate budgets based on product development, and define success through sales volume rather than customer engagement. This outdated mindset often leads to missed opportunities for sustainable competitive differentiation.

To illustrate how businesses can effectively transition to a downstream focus, Dawar provides numerous case studies of companies that have successfully realigned their strategies. For instance, Apple's success with products like the iPhone, iPad, and MacBook is not just due to their superior design but also because of the ecosystem experience Apple has built around them. Services such as the iTunes Store, the App Store, and iCloud, all unified under a single Apple ID, enhance customer experience and increase brand stickiness, making it difficult for customers to switch to competitors. Similarly, Nespresso restructured its distribution model by eliminating intermediaries and directly engaging with customers through the Nespresso Club. This strategy allowed for greater control over pricing, branding, and customer engagement, ultimately creating a unique value proposition that competitors struggle to replicate.

Another notable example Dawar presents is Master Builders, a company that supplies chemical additives to the construction industry. Recognizing that stockouts of these additives could lead to costly project delays, Master Builders introduced a remote monitoring system for customer storage tanks, ensuring timely refills and eliminating supply risks. This initiative not only reduced uncertainty for customers but also solidified long-term business relationships. Such examples demonstrate how companies can achieve sustainable competitive advantage by reducing customer costs and risks rather than solely relying on superior products.

The author further emphasises the importance of businesses expanding beyond their core competencies to deliver downstream value. This is evident in the case of Janssen Pharmaceuticals, which ventured into video game development to provide effective treatment solutions for Alzheimer's patients. By integrating entertainment with healthcare, Janssen Pharmaceuticals tapped into an entirely new way of engaging customers and addressing their needs. Similarly, Steve Jobs' creation of iTunes and the $0.99 per song model revolutionized the music industry by addressing consumer pain points around accessibility, affordability, and piracy. These examples illustrate that innovation should not be restricted to product development but should extend to reimagining customer interactions and experiences.

A key takeaway from the book is that businesses must maintain a broader market perspective and leverage customer insights to make strategic decisions. Dawar encourages companies to ask themselves critical questions such as: What do customers wish they knew but don't? How can firms use marketplace data to provide better solutions? Companies like ICI Explosives leveraged blast data to offer tailored solutions that significantly reduced risks and costs for their clients.

One of the most thought-provoking discussions in the book revolves around how companies can shape customer

perceptions to establish long-term market positions. Dawar highlights that brands should strive to be "first to mind" rather than "first to market." By influencing how customers evaluate and compare brands, companies can position themselves more favourably against competitors. A powerful example includes Volvo's successful association with safety, Intel's emphasis on performance, and Colgate's reinforcement of dental hygiene, all of which illustrate how companies can define new purchase criteria to their advantage. Becoming a "criterion maker" rather than a "criterion taker" allows firms to shape the competitive landscape rather than merely responding to it.

Dawar also challenges several long-held business beliefs or myths that often misguide companies in their strategic decision-making. He debunks myths such as the notion that having a better product guarantees market leadership, that listening to customers and giving them what they want is enough to succeed, and that technological improvements always drive market evolution. Instead, he asserts that businesses should prioritize customer experience and brand perception, as these elements are far more sustainable sources of competitive advantage. Furthermore, he discusses how businesses can leverage network effects and overcome cognitive inertia, the tendency of customers to stick with familiar brands, by creating seamless and engaging customer experiences that foster brand loyalty.

The book is highly relevant to today's business landscape, and I can attest that managing customer relationships and brand perception is far more critical than simply having a superior product. Many companies fail because they focus excessively on product development or following their company's protocols while neglecting customer engagement and retention. This book is particularly valuable and a must-read for managers in leadership positions who need to rethink their approach to competition. It provides insights that are often overlooked in day-to-day business operations. However, it is equally beneficial for the management students and aspiring managers, as it offers a clear understanding of upstream and downstream dynamics. For those with little experience and little interest, this book serves as an eye-opener to the real challenges businesses face beyond product innovation.

Overall, *Tilt* is a must-read for business leaders, marketing professionals, and students looking to understand the evolving nature of competitive advantage. Dawar's insights challenge conventional business wisdom and highlight the importance of customer-centric strategies. The book provides practical examples and frameworks that can help businesses realign their focus from upstream efficiencies to downstream customer engagement, ensuring long-term success in an increasingly competitive market. The key takeaway from the book is that success lies not just in developing better products but in forging deeper connections with customers and delivering value beyond the product itself.