



Stanford eCorner

Work Backwards from the Customer

Diego Piacentini, *Amazon*

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Stick to a vision and the company shall succeed, advises Amazon Senior VP Diego Piacentini. For Amazon this means adhering to founder Jeff Bezos' original vision: Build a site where users can find anything they want to buy at the lowest price. To achieve this vision, Piacentini highlights Amazon's dedication to building all code in-house, and safety measures to validate customer purchases.



Transcript

Global strategy. So, this is the first piece. Although the company started by selling only books online, Jeff Bezos' idea and vision were always the same from day 1, which is building a place where people can find and discover anything they want to buy online at the lowest possible price. That was already part of the vision. An important thing for a global company, for a company that innovates, is to make sure that you stick to the vision. And obviously, you have many ways to change and be flexible because the strategy changes, the execution obviously changes. But keeping the same vision in mind, it has been very important that the same vision is exactly the same across all countries. To the right you'll read, "We strive to be the Earth's most customer-centered company. Start with the customer and work backwards." Clearly, you will never hear a company saying, "Oh no, we don't want to be customer-centered." All companies are customer-centered. What you're going to learn today is what are the things that a company builds to make sure that customer-centric means something, working from the customer backward means something.

And I give you two examples. Number 1 is the technology that you operate with. Every single piece of code in Amazon has been written in-house. We have not bought any software from outside, well, also because we were the only commerce software when Amazon was born. We don't rely on external outsources. We think that's the main asset. Example of customer centricity, when we launched the Kindle, one of the first things that we did was, since it's so easy on the Kindle to order a book, we thought, "Well, the customers might place an order by mistake." So, what happens when you place an order? A small button says again, "Did you mean to place the order or was it a mistake?" So, we give the customer the needed possibility to cancel the order if it was a mistake. Usually, most retailers try not to take products back, try not to incent the customer to cancel an order. But this is an example of what customer-centric means. When we do and work with new programs and new ideas, we say, "Start with the customers and work backwards." Every time that we think of a new program, we think, "What is the customer thinking? What is the customer looking at?" This is why as a company for example we try to avoid marketing hypes.

If you go on Amazon.com, usually you don't see things like, "Everything 99% off." Usually, what the companies do is raise prices and then say there is a promotion. All the marketing messages are commercial messages that you see around. We try really as a company's philosophy to avoid it. We tell customers what the members are, what the discount is, and try to be as truthful as possible. So, those are examples of being customer-centric.