



Customer Centricity Changes Over Time

HOW MUCH IS CUSTOMER CENTRICITY EMBEDDED INTO CORPORATE CULTURE?

Are companies more customer-centric than they used to be? Beyond talking points and lip service, what is the true state of customer centricity in business today?

"What is Your Customer-Centric DNA?" is a longitudinal study conducted to understand the state of customer centricity across North America. For the 2016 *North American Benchmarking Study on Customer Centricity*, Peppers & Rogers Group and Janet LeBlanc + Associates surveyed 209 senior leaders across industries to gauge progress across five pillars of customer centricity. Results were then compared to similar surveys conducted in 2012 and 2014.

"The market is maturing," says Janet LeBlanc,

Beyond talking points and lip service, what is the true state of customer centricity?

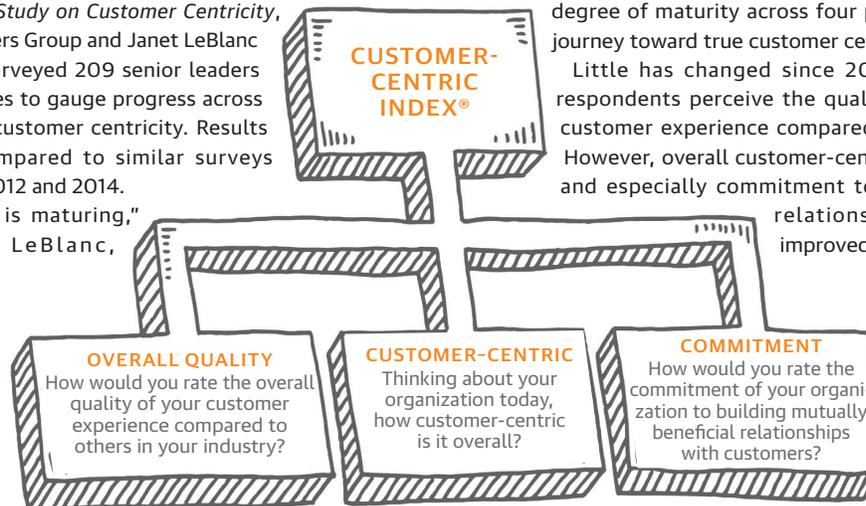
By Elizabeth Glagowski

president of Janet LeBlanc + Associates. "There is more evidence of support from senior leaders that customer experience is a way to help businesses transform and grow. The topic has moved out of select business units and now sits squarely in the boardroom."

Survey responses were mapped along Janet LeBlanc + Associates' Customer-Centric Index®, a composite of three barometer measures used to map an organization's degree of maturity across four phases of a journey toward true customer centricity.

Little has changed since 2012 in how respondents perceive the quality of their customer experience compared to others.

However, overall customer-centric culture and especially commitment to customer relationships have improved.



Customer Centric Index® is a registered trademark of JANET LEBLANC + ASSOCIATES INC. All rights reserved.

Customer Strategist

▲ BENCHMARK : CUSTOMER-CENTRIC DNA

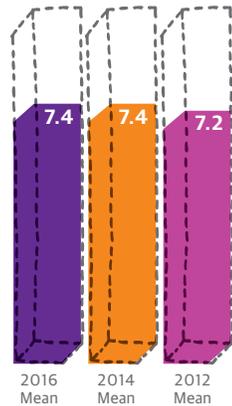
CUSTOMER-CENTRIC INDEX® MEASURES:

* Mean scores on a 10-point scale

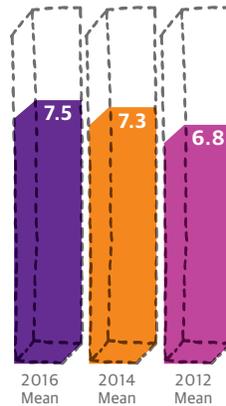
■ = 2016 Mean
■ = 2014 Mean
■ = 2012 Mean

Source: 2016 North American Benchmarking Study on Customer Centricity

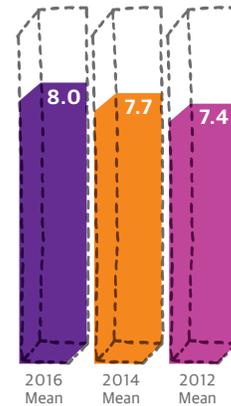
OVERALL QUALITY of your customer experience compared to others in your industry:



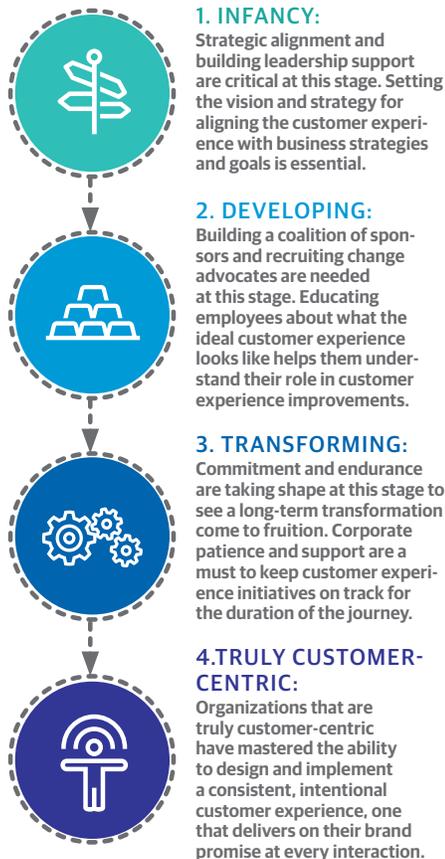
Overall organization **CUSTOMER-CENTRIC:**



COMMITMENT of your organization to building mutually beneficial relationships with customers:



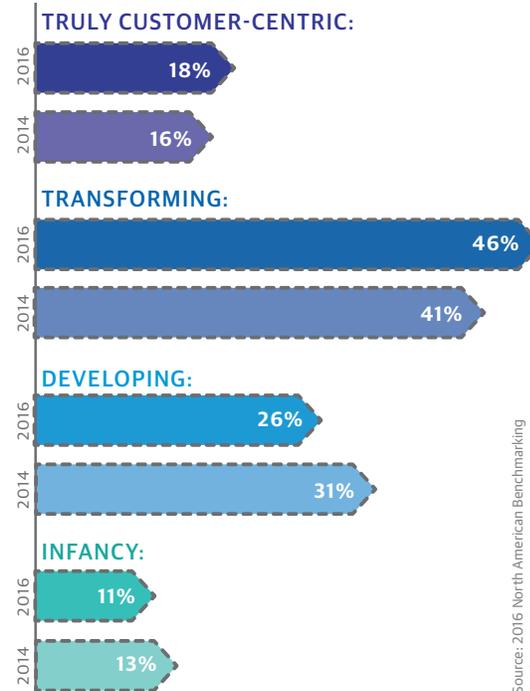
FOUR PHASES OF THE CUSTOMER-CENTRIC JOURNEY:



FORWARD MOMENTUM

Senior leaders are moving out of the early development stages of customer centricity into the transforming and truly customer-centric groups.

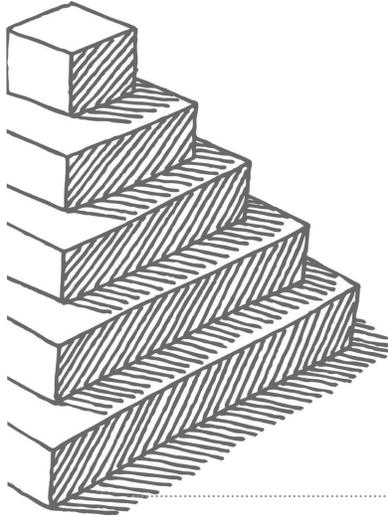
Movement across the four phases of customer centricity:



Source: 2016 North American Benchmarking Study on Customer Centricity

Customer Strategist

▲ BENCHMARK : CUSTOMER-CENTRIC DNA



Pillars of Customer Centricity

“CUSTOMER CENTRICITY is often difficult for people to understand in concrete terms,” LeBlanc says. “As

part of the research, we identified five areas of focus that are considered to be the building blocks of an organization's customer-centric DNA.”

FIVE PILLARS OF CUSTOMER CENTRICITY:



IMPROVEMENT SEEN IN ALL CUSTOMER-CENTRIC PILLARS:

Looking at top performers, improvement was seen in nearly every category. This marks a change from 2014, where only senior leadership and strategic alignment improved from 2012. This year, senior leadership especially stands out for being a statistically significant improvement.

*Mean scores on a 10-point scale

STRATEGIC ALIGNMENT to customer centricity:



SENIOR LEADERSHIP team in leading a customer-centric organization:



Effectiveness at using CUSTOMER INSIGHTS to improve the customer experience:



Effectiveness to ENGAGE EMPLOYEES to focus on the customer:



Ability to MEASURE AND REWARD customer centricity:



Source: 2016 North American Benchmarking Study on Customer Centricity

Customer Strategist

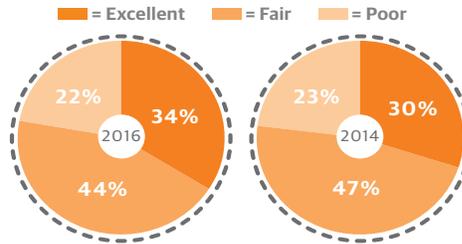
▲ BENCHMARK : CUSTOMER-CENTRIC DNA

TRENDS ACROSS PILLARS



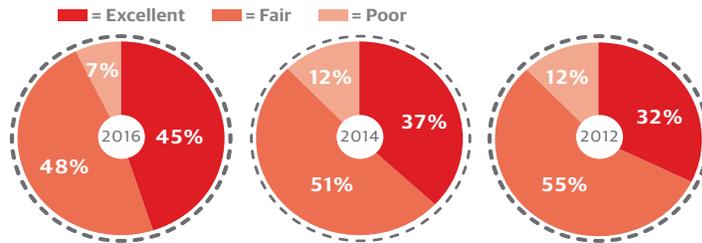
STRATEGIC ALIGNMENT

How well does your company measure the impact of CX initiatives on business performance?



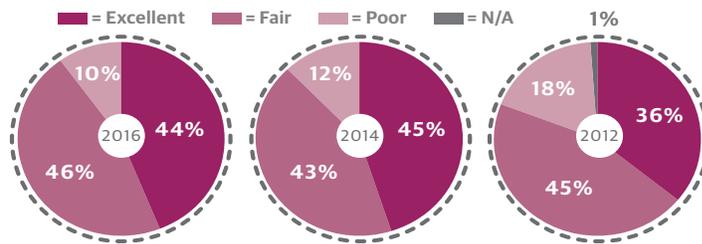
SENIOR LEADERSHIP

How well does your senior management lead when it comes to customer centricity?



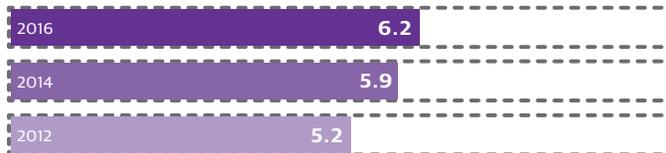
CUSTOMER INSIGHTS

How well do you proactively use customer insights to improve customer-facing processes?



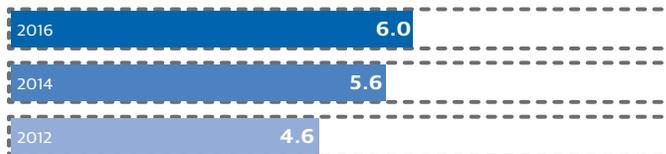
EMPLOYEE ENGAGEMENT

Clearly defines what employees need to do differently to improve the customer experience
(Mean scores on a 10-point scale)

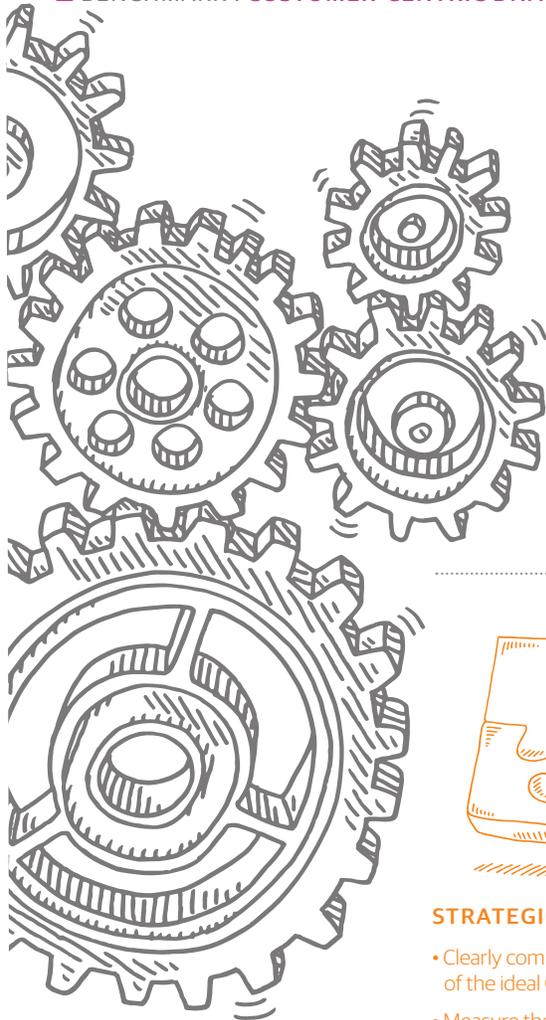


MEASUREMENT & REWARDS

Tracks the effectiveness of customer experience action plans and initiatives
(Mean scores on a 10-point scale)

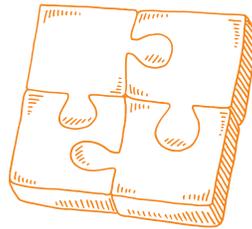


▲ BENCHMARK : CUSTOMER-CENTRIC DNA



Drivers of Customer Centricity

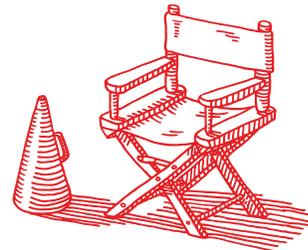
..... MOST INFLUENTIAL DRIVERS OF... ..



STRATEGIC ALIGNMENT:

- Clearly communicate a shared vision of the ideal CX
- Measure the impact of CX initiatives on business performance.
- Hire customer-focused executives

"Without strong executive support and strategic alignment, organizations move too slowly, stagnate and lose their way," LeBlanc says. "The leadership team must help the organization to understand a shared vision of the ideal customer journey."



SENIOR LEADERSHIP:

- Act as a role model for customer-centric behaviors
- Regularly showcase examples of customer-centric behaviors by employees
- Spend time interacting directly with the customer

"The primary role of the senior leader is to channel the voice of the customer," LeBlanc says. "Leaders who are in touch with customers have a special emotional connection to them. Customers and employees alike know when a senior leader truly understands what customers are experiencing."

Customer Strategist

▲ BENCHMARK : CUSTOMER-CENTRIC DNA



CUSTOMER INSIGHTS:

- Quickly identify and resolve trouble spots in the customer experience
- Gather customer feedback, in real-time, to identify early signs of customer defection
- Use customer feedback to improve customer communications

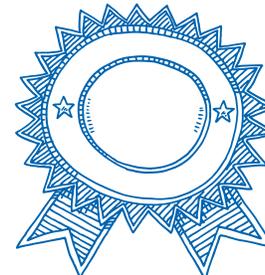
"Customers have changed over time," says LeBlanc. "They have higher expectations for tailored solutions, are more knowledgeable and self-directed, and are continually monitoring and evaluating suppliers. Organizations must aggressively seek to understand and respond to these changing customer expectations to stay on top of the market."



EMPLOYEE ENGAGEMENT:

- Clearly define what employees need to do differently to improve CX
- Give employees the authority to resolve customer issues on the spot
- Provide employees with the right information to address customer issues

"Everyone in the organization must understand their role in the customer experience and what to do differently to improve it to be customer-centric," says LeBlanc. "There is nothing more powerful than when everyone is in sync around a shared understanding of the ideal experience and they know their role in making it happen."



MEASURE AND REWARD:

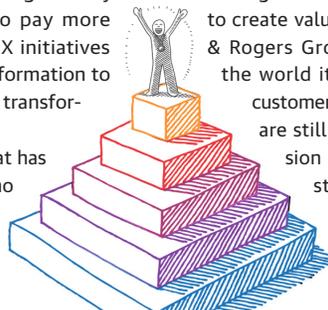
- Use rewards, other than monetary, to reinforce customer-centric behaviors
- Track the effectiveness of customer experience action plans and initiatives
- Reward and recognize achievement of customer experience improvements

"Most senior leaders significantly underestimate the time it takes to lay the foundation to build a customer-centric culture," says LeBlanc. "People are racing to fix customer pain points and don't take the time to measure and reward improvements. Reward and recognition significantly accelerates the pace of transformational change."

BEYOND 2016

With mean scores in the 6 and 7 range out of 10 even among top performers, there is still plenty of room for improvement across all five pillars of customer centricity. Even those who are confident in being a truly customer-centric organization need to pay more attention to measuring the impact of CX initiatives on business performance and use that information to reward and recognize employees to drive transformational change.

It's the gaping hole in the DNA helix that has seen little progress since 2012. Those who use performance management to track customer experience improvements will



be the real differentiators as the business world evolves the building blocks of customer centricity.

"Companies that have CX in their DNA are constantly looking to their employees and customers for new ways to create value," says Tim Keefe, principal at Peppers & Rogers Group. "As we work with clients around the world it is clear that the speed of change for customers is accelerating while large organizations are still bound in long-range analysis and decision making. Companies will need to rapidly start to implement customer experience programs that are dynamic, measured, and evolving if they hope to keep up." ▲