



Customer Centricity Hits a Speed Bump

New research shows customer centricity programs are maturing—and leaders are looking to maintain momentum. By Judith Aquino

WHAT'S THE MATURITY LEVEL of most customer experience initiatives? Are organizations proactively using their customer insights? How effective are customer experience action plans?

"What is Your Customer-Centric DNA?" is a longitudinal study that asked these questions and more to understand the state of customer centricity across North America. Since 2012, we have partnered with Janet LeBlanc + Associates to survey senior leaders across industries to gauge progress across five pillars of customer centricity.

For the *2018 North American Study on Customer Centricity*, we surveyed 118 senior leaders to measure the current state of customer experience management and development. Results were then compared to similar surveys conducted in 2012, 2014, and 2016.

"Interestingly, there's been a slight drop among leaders who describe their organization as truly customer centric," says Janet LeBlanc, president of Janet LeBlanc + Associates. "Most likely as they gain a better understanding of what it means to actually embed customer experience as an operating model, more leaders are realizing their companies aren't there yet."

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

Respondents continue to be satisfied with the overall quality of their organization's customer experience compared to others. However, they're increasingly critical of their efforts to continue building a customer-centric organization.

CUSTOMER-CENTRIC INDEX®

OVERALL QUALITY

How would you rate the overall quality of your customer experience compared to others in your industry?

CUSTOMER-CENTRIC

Thinking about your organization today, how customer-centric is it overall?

COMMITMENT

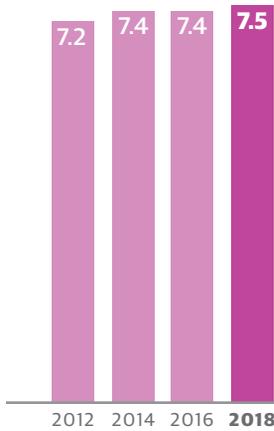
How would you rate the commitment of your organization to building mutually beneficial relationships with customers?

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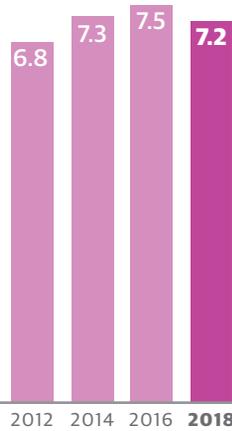
CUSTOMER-CENTRIC INDEX® MEASURES:

* Mean scores on a 10-point scale

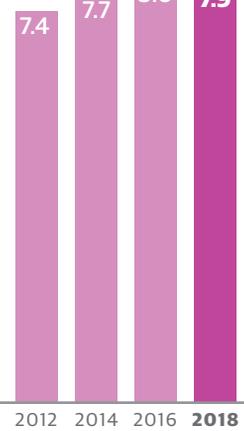
Overall quality of your customer experience compared to others in your industry:



Overall organization customer-centric:

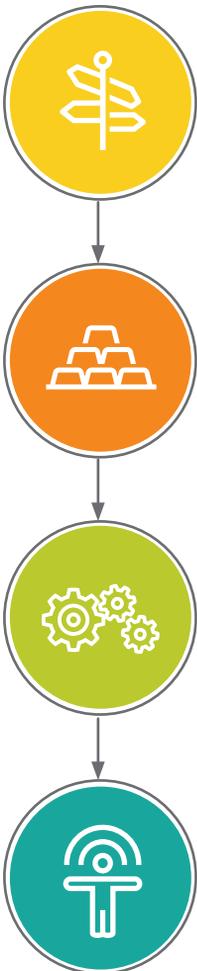


Commitment of your organization to building mutually beneficial relationships with customers:



Source: 2018 North American Study on Customer Centricity

FOUR PHASES OF THE CUSTOMER-CENTRIC JOURNEY:



1. INFANCY:
Strategic alignment and building leadership support is critical at this stage.

2. DEVELOPING:
Building a coalition of sponsors and recruiting change advocates is needed at this stage.

3. TRANSFORMING:
Commitment and endurance is taking shape at this stage to see a long-term transformation come to fruition.

4. TRULY CUSTOMER-CENTRIC:
Organizations that are truly customer centric have mastered the ability to design and implement a consistent, intentional customer experience.

MOVEMENT ACROSS THE FOUR PHASES OF CUSTOMER CENTRICITY:

INFANCY:



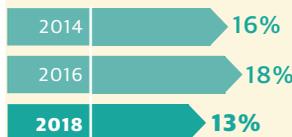
DEVELOPING:



TRANSFORMING:



TRULY CUSTOMER-CENTRIC:



Source: 2016 North American Benchmarking Study on Customer Centricity

GROWING PAINS

Notably, there was a 5% drop in leaders who described their organizations as truly customer centric, which suggests that leaders are growing more critical of what defines a customer-centric organization.

Facing Headwinds

"AN ORGANIZATION'S CULTURE is extremely difficult to change, and customer centricity is often difficult for people to understand in concrete terms," LeBlanc says. The research identified five areas of focus that are considered to be the building blocks of an organization's customer-centric DNA.

This year's respondents struggled to maintain an upward trajectory across the five pillars of customer centricity, except for measurement and rewards. The largest dip occurred in senior teams spearheading customer-centric objectives.

FIVE PILLARS OF CUSTOMER CENTRICITY:

STRATEGIC ALIGNMENT



SENIOR LEADERSHIP



CUSTOMER INSIGHTS



EMPLOYEE ENGAGEMENT



MEASUREMENT & REWARDS

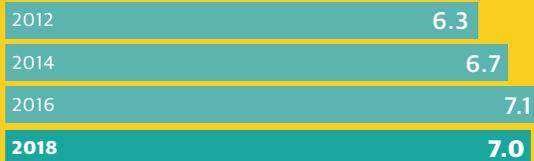


CUSTOMER CENTRICITY DRIVERS DIP

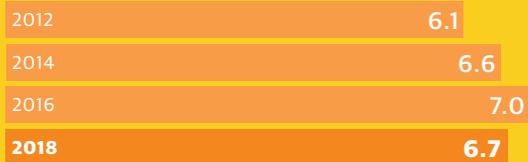
Customer centricity hits a few speed bumps.

Mean scores on a 10-point scale

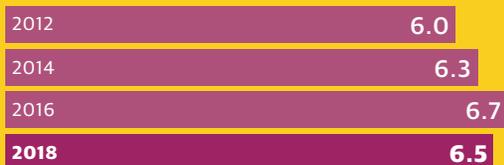
STRATEGIC ALIGNMENT to customer centricity:



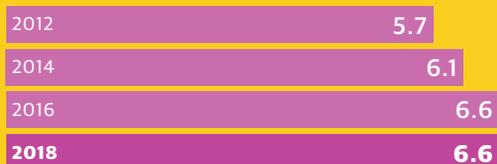
SENIOR LEADERSHIP team in leading a customer-centric organization:



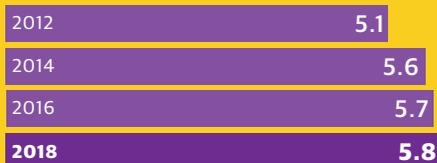
Effectiveness at using **CUSTOMER INSIGHTS** to improve the customer experience:



Effectiveness to **ENGAGE EMPLOYEES** to focus on the customer:



Ability to **MEASURE AND REWARD** customer centricity:



Source: 2018 North American Study on Customer Centricity

TRENDS ACROSS PILLARS

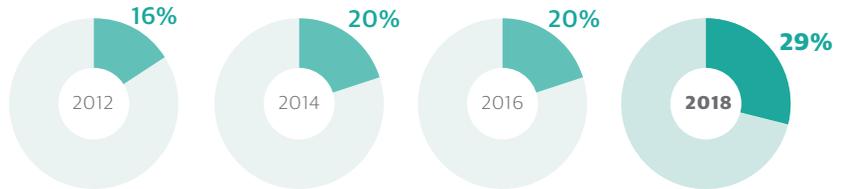
*Top 2 Box is defined as rating of "9" or "10" on a 10-point scale where "10" means excellent.



STRATEGIC ALIGNMENT

Measuring the impact of CX initiatives on business performance

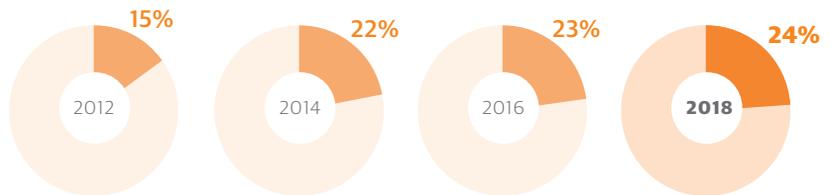
*Top 2 Box



SENIOR LEADERSHIP

Senior management takes the lead on customer centricity

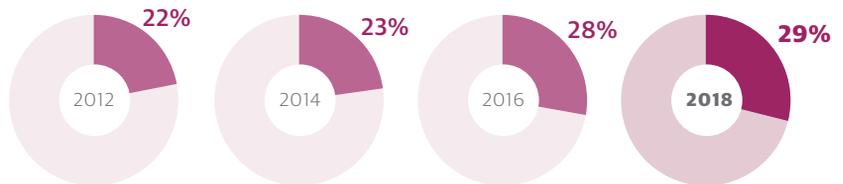
*Top 2 Box



CUSTOMER INSIGHTS

Proactively using customer insights to improve customer-facing processes

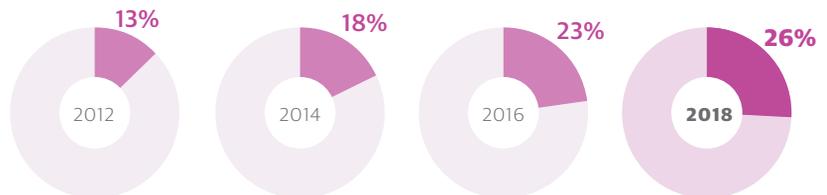
*Top 2 Box



EMPLOYEE ENGAGEMENT

Clearly defines what employees need to do differently to improve the customer experience

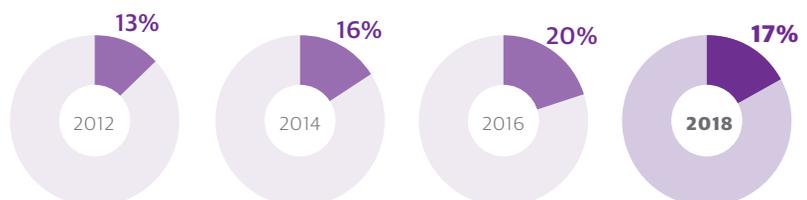
*Top 2 Box



MEASUREMENT & REWARDS

Tracks the effectiveness of customer experience action plans and initiatives

*Top 2 Box



Drivers of Customer Centricity

STRATEGIC ALIGNMENT



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

SENIOR LEADERSHIP



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

"By now, many companies use the Net Promoter Score and CX scorecards to measure progress, but many executives are still reluctant to attach their performance to a specific metric," LeBlanc says.

"The desire to create a customer-centric organization is still strong, but maintaining momentum is a different challenge...and so leaders are finding themselves having to work harder to reach the next level," LeBlanc says.

Beyond the low-hanging fruit

True customer centricity takes more than an inspiring memo or mission statement. It's an ongoing journey that requires collaboration and strong leadership. Most organizational



leaders recognize this and acknowledge there's still a lot of work to be done.

As companies resolve relatively simple issues such as speeding up response times, it's time to look beyond the low-hanging fruit. Reactive practices aren't enough. How can companies be proactive and predictive? Are there opportunities to implement and scale more customer insights?

At the same time, there's a greater risk of stagnation as CX leaders struggle to maintain momentum. While

there isn't an easy solution, focusing on the five pillars of customer centricity (strategic alignment, senior leadership, customer insights, employee engagement, and measurements and rewards) and where they intersect gives organizations a significant advantage.

As customer expectations and challenges rise, leaders will have to ask themselves whether they're going to pursue customer centricity simply at a superficial level or whether they have the interests of the customer truly embedded within their business DNA. ▲