

What Is Your Customer-Centric DNA?

Tracking executive progress on CX transformation



JANET LEBLANC
+ ASSOCIATES INC.

CX Evolution: The Next Phase

Customer centricity is at an inflection point: organizations are on the cusp of becoming truly customer-centric, but they are also entering the most difficult transformation stages, according to new research.

“What is Your Customer Centric DNA?” is a longitudinal study that has tracked the state of customer centricity across North America since 2012. Over the course of the last 8 years, clear trends have emerged in the CX evolution among executives.

In a partnership with Janet LeBlanc + Associates, TTEC surveyed senior leaders across industries including technology, healthcare, financial services, hospitality, consumer

packaged goods, and the public sector to gauge the current state of customer experience management.

The research finds that executives have completed some of CX’s lowest hanging fruit, and most now find themselves with a tougher challenge: weave customer centricity into the organization as a whole, rather than in just pockets or siloed departments. The following research delves into key findings and insight.

Key findings

56%

of respondents are now in the transforming stage

38%

of respondents are hiring customer-focused executives

40%

of respondents said their company regularly communicates the importance of a customer-centric culture

24%

are gathering customer feedback in real-time to identify early signs of customer defection



Table of Contents

Research Approach and Methodology.....1

The Customer-Centric Index®

CX Maturity Accelerates.....4

Five Pillars of Customer Centricity

Strategic Alignment

Senior Leadership

Customer Insights

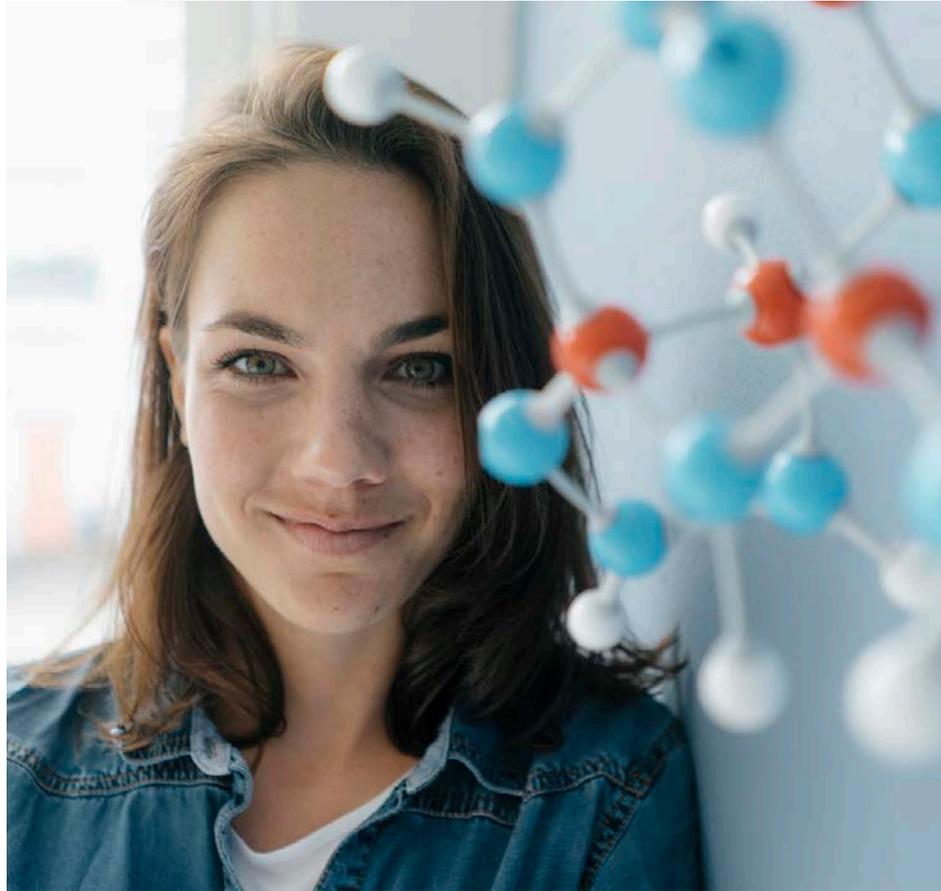
Employee Engagement

Measurement & Rewards

Key Takeaways for Customer Centricity Success.....10

Research Approach and Methodology

124 senior leaders in North America completed an online survey in September 2020 rating progress on Five Pillars of Customer Centricity, which Janet LeBlanc + Associates identified as building blocks of an organization's customer-centric DNA. 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.



The Customer-Centric Index®



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?

Overall Quality, Customer Centric and Commitment are all rated on a 10-point scale where "1" is Poor and "10" is Excellent. The Customer-Centric Index® is defined as those who rate a 9 or 10 on all three barometer measures.

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



The Customer-Centric Index®



Based on responses to the three overall barometer measures, respondents were categorized into four phases in the journey towards becoming truly customer centric:

1

Truly Customer Centric:

Top 2 Box rating (9 or 10) on Overall Quality, Customer Centric and Commitment

2

Transforming:

Top 4 Box rating (7 to 10) on Overall Quality, Customer Centric and Commitment except for those in the Truly Customer Centric group

3

Developing:

All respondents that do not belong to any of the other three groups

4

Infancy:

Bottom 6 Box ratings (1 to 6) on all three measures of Overall Quality, Customer Centric and Commitment

CX Maturity Accelerates

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.

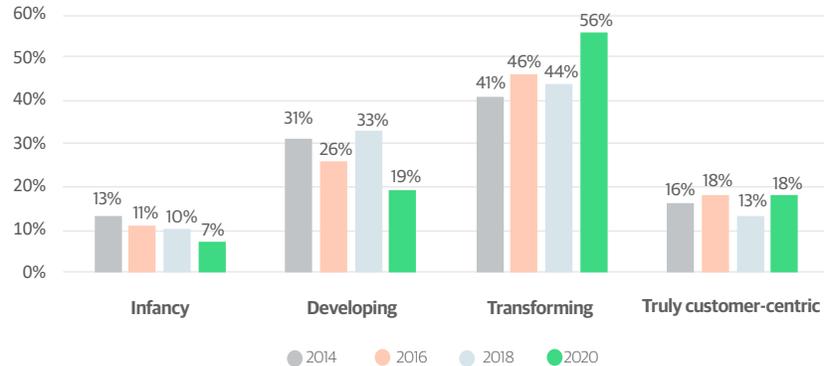
3. Transforming:

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 centrality



"Significantly more organizations have reached the transforming stage. This is when the heavy lifting starts and CX transformation becomes most challenging," says Janet LeBlanc, president of Janet LeBlanc + Associates.

Five Pillars of Customer Centricity

Five areas of focus that are the building blocks of an organization's customer-centric DNA.



**Strategic
Alignment**



**Senior
Leadership**



**Customer
Insights**



**Employee
Engagement**



**Measurement
and Rewards**

Strategic Alignment:

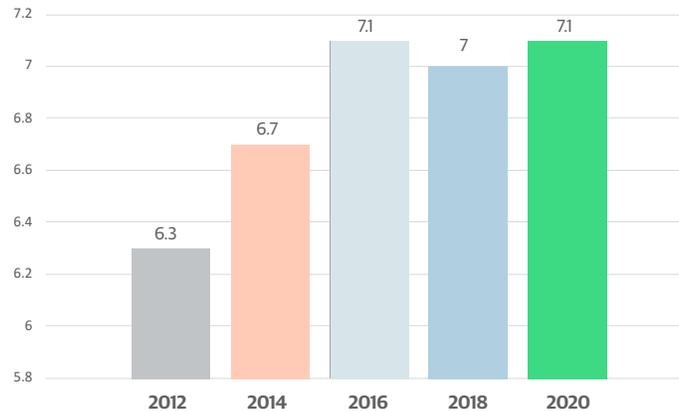
Company strategy is increasingly in lock step with CX priorities

Customer centricity and company strategies are becoming increasingly intertwined as CX transformations mature.

In 2020, 40% of respondents said their company regularly communicates the importance of a customer-centric culture, up from 33% in 2012. And 38% hire customer-focused executives, a 15% increase from 2012.

But companies still have a long way to go, LeBlanc says. CX leaders are “those who have mastered the ability to intentionally design and consistently deliver the ideal experience across multiple channels.”

Strategic alignment to customer centricity



Mean scores on a 10-point scale

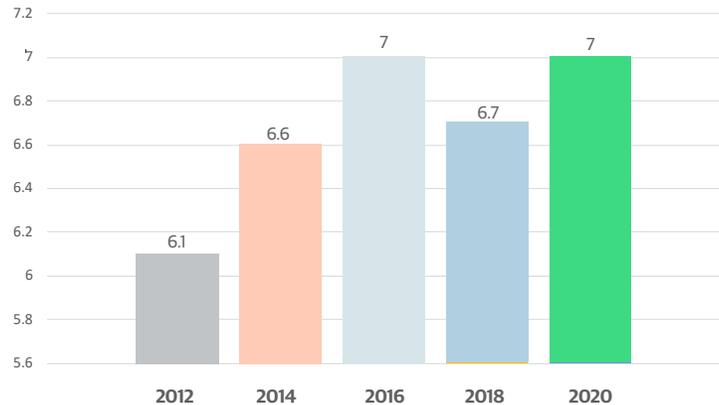
Senior Leadership:

The C-suite takes the reins in leading customer centricity efforts

The pandemic certainly “accelerated trends that were already developing,” LeBlanc says. Consider senior leadership, which experienced a jolt in 2020. It has been all hands-on-deck as senior leaders attempt to guide their organizations through the pandemic, LeBlanc noted.

“Now senior leaders—not just the customer experience practitioners—are re-examining their CX and what the possibilities are in terms of being able to deliver service.”

Senior leadership team in leading a customer-centric organization



Mean scores on a 10-point scale

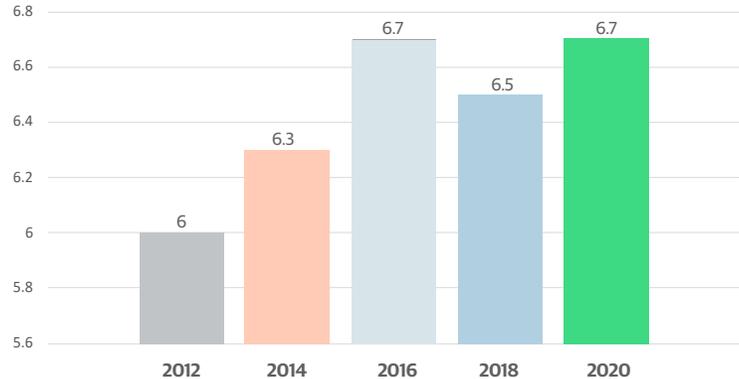
Customer Insights:

Organizations are picking up the slack in using data to improve CX

Customer insights is another area where companies accelerated their efforts after a previous slowdown.

"Uses customer feedback to improve customer communications" (20% increase since 2012) and "regularly asks customers to evaluate performance compared to competitors" (15% increase) were some of the areas showing the most improvement. Companies are also using more real time data. Number of respondents said they're gathering customer feedback in real-time to identify early signs of customer defection in 2020, up from 17% in 2012.

Effectiveness at using customer insights to improve the customer experience



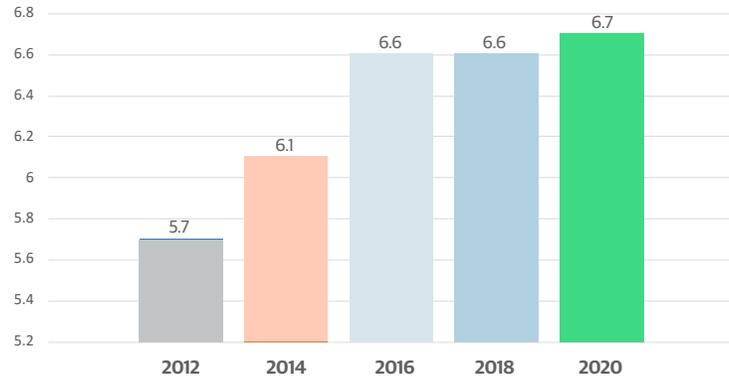
Mean scores on a 10-point scale

Employee Engagement:

A steady climb

Employee engagement has continued to improve as organizations make the connection between employee experience and the quality of the customer experience. "If you look at where companies started in 2012, there has been significant growth," LeBlanc noted. Areas where respondents made the most improvement include "trains employees on how their role impacts the customer" (15% increase since 2012), and "trains employees to deliver a consistent experience across interaction channels" (9% increase).

Effectiveness at engaging employees to focus on the customer



Mean scores on a 10-point scale

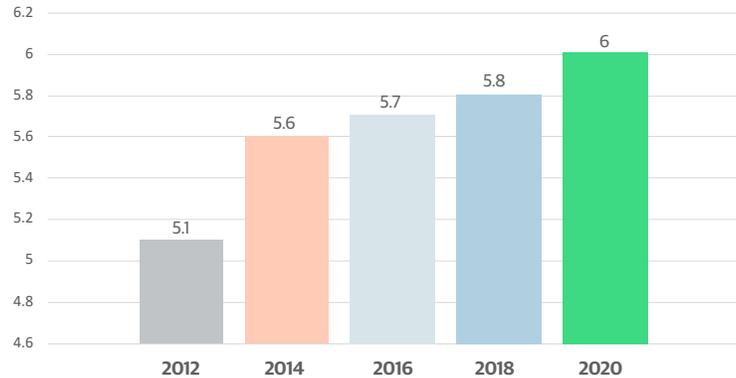
Measurement & Rewards:

Still needs improvement

While organizations are getting better overall at measuring and rewarding employees for customer centricity, a deeper dive into the data shows that only 14% of executives in 2020, down from 20% in 2018, had corporate compensation tied to customer loyalty or a related measure.

It's "disappointing that companies are still struggling to link executive compensation to customer experience," LeBlanc says. Until organizations essentially monetize CX improvements, she anticipates true customer centricity will continue to be a challenge.

Ability to measure and reward customer centricity



Mean scores on a 10-point scale

Key Takeaways for Customer Centricity Success

Customer needs and expectations are **quickly evolving**; reassess your company's CX initiatives to make sure they're aligned with the customer and recalibrate if needed.

As CX transformational plans mature, **create a plan to maintain momentum** after accomplishing the quick and easy CX improvements.

Linking CX to informal recognition is one of the easiest and most effective ways to drive transformational change forward.

When providing recognition for great customer-centric work, **define the behavior and the ideal experience** to reinforce the desired result for other employees.

Leading CX companies intentionally **design an end-to-end experience** and orchestrate brand cues that reinforce their brand promise throughout the experience.

Delivering on your brand promise throughout the customer experience teaches customers to expect a certain experience every time they interact with your brand and drives customer loyalty.



Don't stop at the top

A true customer-centric transformation isn't an endpoint – it's a state of mind. Learn how TTEC can help you continuously evolve by creating amazing customer and employee experiences, contact center operational efficiency, and greater revenue and loyalty for your brand.

Contact us at
cx@ttec.com



About TTEC:

TTEC Holdings, Inc. (NASDAQ: TTEC) is a leading global customer experience technology and services company focused on the design, implementation and delivery of transformative customer experience for many of the world's most iconic and disruptive brands. TTEC Digital delivers outcome-based, human-centric, tech-enabled, insight-driven customer experience solutions. TTEC Engage operates customer acquisition, care, fraud prevention and detection, and content moderation services. These two offerings combined deliver flexible and extensible customer experience solutions at scale. Founded in 1982, with nearly 50K employees and offices on six continents across the globe, the company and its employees are proud to live by a set of customer-focused values that guide relationships with clients, their customers, and each other. To learn more about how TTEC is bringing humanity to the customer experience, visit [ttec.com](https://www.ttec.com).

