

Russell Reynolds' Findings on Customer-Centricity

Russell Reynolds Associates distributed a survey to over 3,000 global executives to ask their opinion regarding "Customer Centricity" in their organization. Of the respondents, over 20% were sitting CEOs and board members and the remaining responses came from Divisional Presidents/GMs, Chief Marketing Officers, Chief Digital Officers and other go-to-market c-suite leaders. The companies were split between large (>\$2B at 42%) and small (<\$2B at 58%).

This survey revealed that nearly:

75% of leaders say their business has already been disrupted due to customer behavior changes and

70% expect their customers' needs to change significantly more over the next 3 years

The following pages highlight further survey data and demonstrates the critical importance of having the right talent, metrics and culture in place to impact the required change.

Please note: "Customer" is used in this report to represent both customers (B2B) and consumers (B2C) – ultimately, to whom you are targeting to purchase your products and services.

Most Critical Finding: Companies Must Establish A Customer-Obsession Flywheel To Impact Talent, Metrics and Culture



Customer-Centric Survey Findings

Customer Obsession Has Become A Key Corporate Strategy, But It Is Still Elusive



Most companies continue to struggle to know their customers ‘very well’

Although the vast majority (75%) of senior executive believe they have a much better understanding of their customers than they did 3 years ago, only 14% say that they know them “very well” [score of 9 or 10 out of 10] – this is true for both large and small companies alike.

Executives say that the top three reasons for this lack of understanding are:



Customer Needs And Purchase Behaviors Continue To Shift Rapidly – Their Loyalty Is Fleeting



Another part of the issue, is that customers are more fluid than ever...

Over the past 3 years, a third of respondents say that their customers have changed significantly (8 or higher) – becoming more diverse, less loyal and more price sensitive...

...and companies are continually trying to keep up by attracting wholly new sets of customers.

Almost half (48%) expect their customers will change significantly (8 and higher) over the next 3 years. In fact, 43% of all senior executives believe that their current customers are not the customers they will need to stay competitive in the future...

...and 60% of all senior executives believe that they will have to target a different set of customers, and 70% believe that they will need to attract a more diverse set of customers.

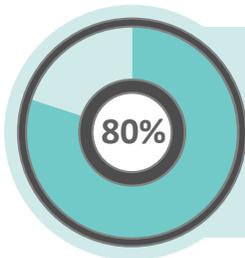
Customer-Centric Survey Findings (continued)

Companies Plan To “Double Down” On Their Customer-Centric Investments



Not surprisingly, most companies plan to dramatically increase customer-related investments over the next 3 years...

80% expect they will increase their customer-related investments somewhat or significantly over the next 3 years as compared to the past 3 years



...in three areas:

Data Analytics

Digital Channels
(e.g., online, mobile, etc.)

Cross-Channel Customer Journey/
Experience

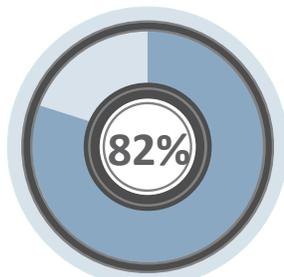
Culture Remains One Of The Most Significant Barriers



Despite visible CEO sponsorship for customer centricity and increased financial investments, corporate cultures are taking considerably longer to shift.

Senior executives from both large (>U\$2B) and small (<U\$2B) report that their CEOs strongly emphasize putting the customer at the center of all decision-making, however decision-making roles, rights and processes, may not be aligned to this strategy and may ultimately continue to impede accuracy, speed, and the desired business results.

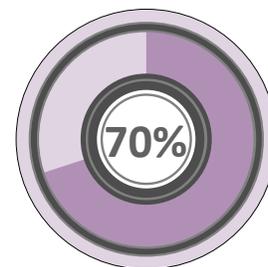
Size And Nimbleness Matter Now More Than Ever



Companies under U\$2B

Senior executives who agree with the statement:

“we put customers at the center of everything we do”



Companies over U\$2B