



BUILDING A CULTURE OF CUSTOMER CENTRICITY

The How-To Guide



THERE IS NO SINGULAR IDEAL COMPANY CULTURE BECAUSE EACH COMPANY'S CULTURE CAN BE AS UNIQUE AS THE CHARACTERISTICS OF THE INDIVIDUALS WITHIN IT.

Organizational culture is (or should be) a reflection of what is important to the organization and what is required to achieve success. What makes a company's culture truly great is how well it is translated into the experience of every customer, employee, and stakeholder. Company culture determines how the company mission is achieved and how individuals live out company values on a daily basis.

In a world where employees are inspired and engaged by work that has a purpose, stakeholder expectations are set sky-high, and customers have significantly more power than ever before, company culture and customer centricity are key. Becoming customer centric, and building a culture that supports this every single day, is key to improving the customer experience, achieving financial goals, and engaging employees at all levels and in all roles.

As the customer experience rises on the list of corporate priorities and customer centricity gathers increased attention, organizations around the world, in every industry and of all sizes, are taking action to become customer centric and build a culture that supports this. In this guide, we will introduce you to the concept of customer centricity, the numbers that back up its value, and a road map to getting started, so that you can succeed now and long into the future.



THE DEFINITION OF CUSTOMER CENTRICITY

Customer centricity is an organizational mindset that places customers, rather than product or sales, at the center of the business. When an organization has a customer-centric culture, the customer experience isn't an afterthought or an accidental result of the customer service they receive. The entire customer experience is intentionally and strategically designed to be the differentiator. A customer-centric organization includes every person and process within the entire organization – whether or not they are customer facing – in designing and implementing the customer experience. That is, the organizational norms prioritize the customer, so that every person asks how each decision, process, and strategy will affect the customer experience.



RECOMMENDED VIEWING:

WHAT IS CUSTOMER CENTRICITY?

In this video that is just over two minutes in length, you will find a simple explanation of customer centricity and what it means to become truly customer centric.

THE NUMBERS SPEAK TO THE VALUE OF CUSTOMER CENTRICITY

The impact that customer experience has on businesses today is huge and can no longer be siloed off to the customer service department. As we have established, a customer-centric culture is one where every employee consistently considers the viewpoint of the customer when making decisions, creating processes, defining expected behavior, and developing a strategy. To help you understand its value as a concept and potentially sell the initiative to internal stakeholders and executives, here are the numbers and statistics that back up the claim that customer centricity matters.

Financial Impact and Growth

There are real, tangible, bottom-line benefits to building an organization focused on a superior customer experience.

- Customer-centric companies are 60% more profitable compared to companies that are not focused on the customer¹
- Investing in customer-experience initiatives has the potential to double a company's revenue within 36 months²
- 86% of buyers would pay more for better service³
- 84% of organizations working to improve customer experience report an increase in revenue⁴
- \$98 billion is left on the table every year by companies who fail to provide simple experiences for their customers⁵
- Experience-driven businesses see a 15% average annual growth rate vs. other companies⁶
- Experience-driven businesses see 1.6X - 1.9X higher year-over-year growth vs. other companies in terms of customer retention, repeat purchase rate, average order value, and customer lifetime value⁷

Customer Choice and Expectations

Customers no longer base their loyalty on price or product. Instead, they stay loyal to companies due to the experience they receive.

- 73% of buyers point to customer experience as an important factor in purchasing decisions⁸
- 65% of buyers find a positive experience with a brand to be more influential than great advertising⁹
- 97% of global consumers cite customer service as important in their brand choice and loyalty¹⁰
- 67% of customers say their standard for good experiences is higher than it's ever been¹¹
- 76% of customers say they expect companies to understand their needs and expectations¹²
- 56% of consumers say the “overall enjoyment of the purchase experience” is important in their decision to buy a product or service¹³
- 79% of consumers want brands to demonstrate they care before considering a purchase¹⁴
- 87% think brands need to work harder to create a seamless experience for customers¹⁵



Competitive Advantage

With new entrants, fierce competition, and narrowing market share, providing a superior customer experience is the competitive advantage organizations should be striving for.

- 62% of companies view customer experience delivered by contact centers as a competitive differentiator¹⁶
- Two-thirds of a company's competitive edge is based on the experience they deliver to their customers¹⁷
- 57% of customers have stopped buying from a company because one of their competitors provided a better experience¹⁸

Consequences

The benefits of a superior customer experience cannot be ignored. But what happens when customer experience isn't a priority for organizations?

- \$1.6 trillion is estimated to be lost every year in the US as a result of poor customer service¹⁹
- 13% of unsatisfied customers will share their experience with 15 or more people²⁰
- On the other hand, 72% of customers will share a positive experience with 6 or more people²¹
- 67% of customers mention bad experiences as a reason for churn, but only 1 out of 26 unhappy customers complain²²
- 74% of people will likely switch brands if they find the purchasing process too difficult²³
- 32% stop doing business with a brand they love after only one bad experience²⁴

The numbers speak for themselves. Providing a superior customer experience and building a customer-centric organization produce a competitive advantage with wide-reaching impact for customers, employees, and stakeholders. Now, let us explain how you can make this a reality at your organization.

THE PROCESS OF BUILDING A CUSTOMER-CENTRIC CULTURE

Get Aligned As an Executive Team

When it comes time to transform your current corporate culture into one that is focused and driven by the customer experience, alignment on the purpose and action plan forward is key. Clear, intentional alignment within the executive team allows all involved to feel confident in their collective ability to achieve a customer-centric culture, and ensures commitment to seeing it through until the expected results are realized.

Involve All Levels of Leadership

Customer centricity will not take root if the organization does not have the commitment of all leaders, managers, and supervisors – from the very top to those on the front line. Leaders are the ones who must champion a customer-centric culture, lead by example, and support employees in the moment in making customer-centric decisions. They should also reinforce the rationale for the change and be front and center in encouraging people to persevere when it's challenging to adopt the new customer-centric mindset and behaviors.

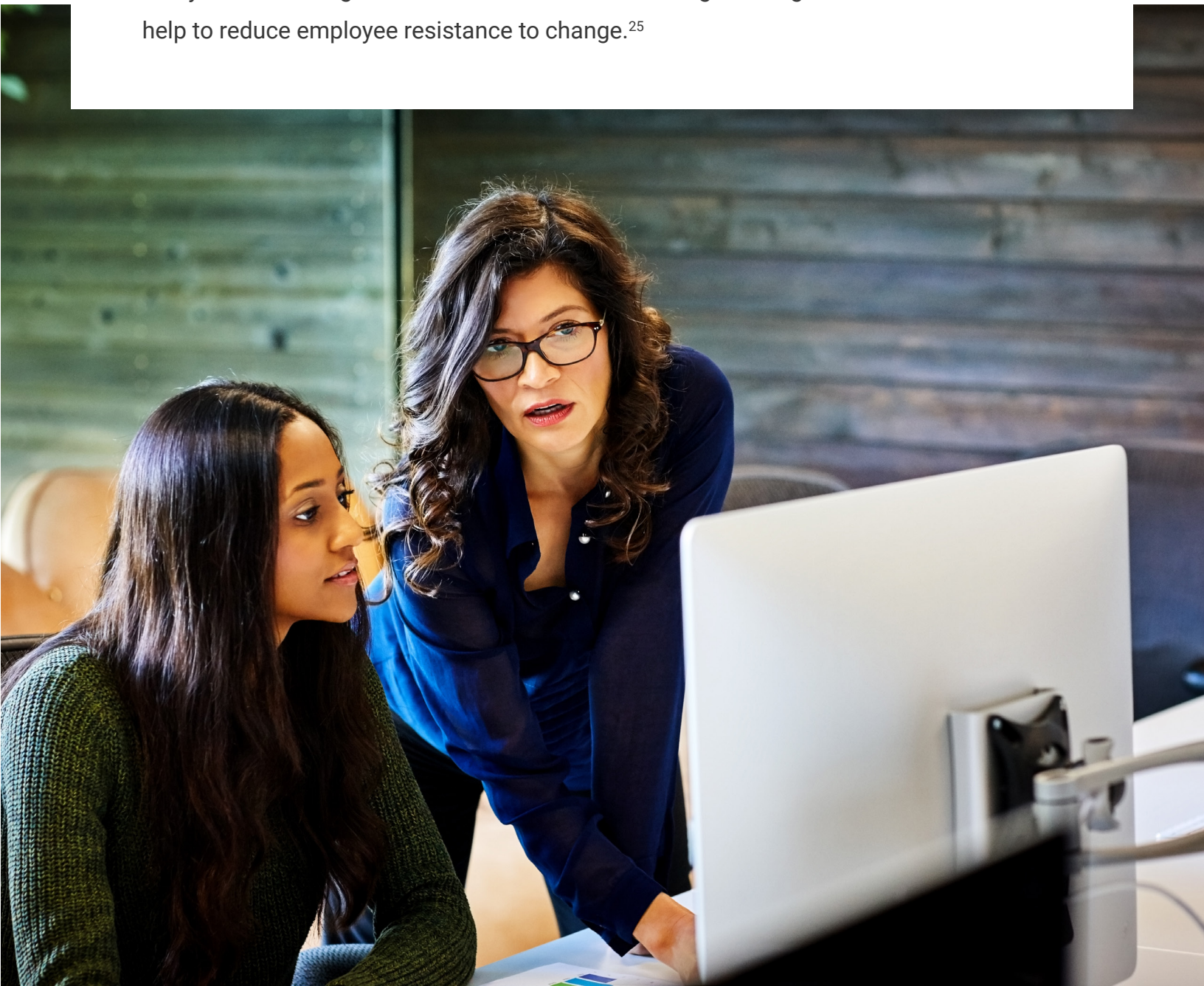


RECOMMENDED VIEWING: **THE ROLE OF GREAT LEADERS IN A CULTURE OF CUSTOMER CENTRICITY**

In this video, Phil Geldart, author of "Customer Centricity: A Present and Future Priority" and CEO of Eagle's Flight, dives into the crucial role leaders play in building a customer-centric culture.

Communicate and Inspire

When it comes to building a culture of customer centricity, you cannot focus solely on goals. Goals are clearly an essential part of the process and they do help to get the tasks done – but they are not usually inspiring. An initiative of this scale must inspire employees to believe that changing is beneficial. They need to understand the benefits that will occur as a result of becoming a customer-centric organization, and when they are inspired by the change, they will be much more willing and able to support all efforts that are required to achieve it. All of this information must be communicated and reinforced frequently in order for the message to stick over the long run. In fact, one study found that regular communication around change-management initiatives can help to reduce employee resistance to change.²⁵



Provide Training on What to Stop, Start, and Continue for Everyone

Becoming truly customer centric hinges on your ability to coordinate all the talents within the organization in such a way that they collectively deliver the experience that your customer will claim is spectacular. Customer-centricity training will be absolutely necessary in order to provide employees with the knowledge, skills, and behaviors they need to become active members of a customer-centric culture. It's not realistic to expect them to already know what behaviors are customer service versus customer centric; this must be taught and supported. Through experiential learning, which allows employees to practice customer-centric behaviors in a hands-on way, and a strong reinforcement and retention strategy, it is possible to unleash the potential of your workforce and build the customer-centric culture you desire.



RECOMMENDED VIEWING:

WHAT IS EXPERIENTIAL LEARNING?

If you are unfamiliar with experiential learning as a training methodology, this short video will give you a better understanding of what it is, how it works, and why you should use it for corporate training.

Update Human Resources Practices to Align with Desired Culture

While a company's culture cannot live solely with human resources, they do play a significant part in its success. As a department, action will need to be taken to update talent-management practices and programs, recruiting activities, performance-review systems, and training programs to ensure that the organization is hiring, developing, and retaining individuals who embody the values and behaviors of the desired customer-centric culture.



Consistently Monitor Progress

In a study, 73 percent of C-suite respondents said they had no formal process in place for measuring corporate culture.²⁶ Although measuring culture has its challenges, it is imperative to do so in order to demonstrate that progress has been made, and keep people motivated to see the initiative through to completion. To do this, establish key performance indicators to link customer centricity to the bottom line and set customer-experience benchmarks that everybody can work toward. Also, create systems that allow you to easily and efficiently measure your key performance indicators so you can continually monitor which parts of the culture still need improvement and where the culture is taking root.

Celebrate Success

Assuming that the people in your organization are fairly and competitively compensated, recognition can be a powerful motivator. Recognition is a public affirmation of performance consistent with corporate values. Therefore, recognizing people and departments who are actively moving towards building an enviable customer experience reinforces the commitment to customer centricity. Though it will be possible to get caught up in daily challenges and lose sight of the progress that has been made, keep your employees motivated and focused by intentionally taking the time to recognize and celebrate key milestones, so everyone can see the progress being made and notice the difference.

Stay Committed for a Minimum of Two Years

Taking action to becoming a customer-centric culture is a long-term commitment with its share of highs and lows; once the desired culture is built, your organization must take action to sustain it. As new corporate initiatives come to be, and priorities shift within teams and departments, the customer-centric culture could diminish, which is not something you want to happen after the investment you made. Therefore, you will want to make the additional investment of measuring the culture, reporting to executives and key stakeholders, and reinforcing the culture through routine communication, celebration of achievements, ongoing coaching, or digital content reinforcement.



RECOMMENDED VIEWING: **CULTURE TRANSFORMATION AND REINFORCEMENT**

Learn more about how to sustain a culture of customer centricity through reinforcement in this video.

CONCLUSION

Customer centricity matters. In fact, just a moderate increase in the customer experience was found to generate an average revenue increase of \$823 million over three years for a company with \$1 billion in annual revenues.²⁷

However, in order to achieve such gains, your organization will need to adopt a customer-centric culture: a culture where every employee is focused on improving the customer experience as a means of building loyalty and repeat business. So while it's common for people to think about customer experience solely within the context of customer service, sales, and marketing, true customer centricity occurs when every employee within the organization, including those not in roles with direct customer contact, acts and behaves in the best interest of the customer.

If you are committed to building a customer-centric culture that will set your organization on a path to long-term success, you need a great plan and an experienced, knowledgeable partner on your team.

As a proven partner in culture transformations of all shapes and sizes, and as thought leaders in customer centricity, Eagle's Flight can help you develop and implement a plan for culture change that includes a thorough culture-discovery process, identification of key priorities, employee training and development, and the measurement tools and retention programs to support long-term culture change. Using our expertise and proven methods for achieving lasting results, you can successfully transform your organizational culture and find or maintain your competitive advantage in today's ever-changing marketplace.

At Eagle's Flight, we understand how to change employee behavior in support of lasting culture change. Contact us to learn more about how we can put our 30-year track record of success to work for you.



Since our founding in 1988, Eagle's Flight has developed and refined a framework for creating predictable, sustainable behavior change. We specialize in experiential learning and provide organizations with a better outcome by truly engaging the learner. Successful organizational development programs require ongoing work, but this can easily get lost in the shuffle of daily tasks that feel more urgent. Partnering with a provider that has a strong track record of helping organizations achieve long-term measurable change will help ensure that your development goals are met.

If you would like to learn more about how Eagle's Flight can support your corporate culture goals, contact us today.

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