UNIVERSITY
CENTER FOR
C-CENTRICITY

IE C-CENTRICITY MONITOR 2021

THE PULSE OF CUSTOMER CENTRICITY IN LEADING EUROPEAN COMPANIES

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CONTENT

INTRODUCTION LETTER

It is a great pleasure sharing with all the C-Centricity community (academia, corporate managers, consultancy firms…) this Monitor, a paramount study that shades a very necessary light on the state of the art of such a vibrant, hot topic as C-Centricity.

C-Centricity is as new as classic, because placing customers at the very center of our organization's strategies is a principle that has been considered pivotal for success for decades. However, digitalization has turned this guiding idea into a leading priority for many (practically all) organizations. C-Centricity is hype: The best proof is that NPS has become the most relevant KPI, not only in terms of customer satisfaction but, and even more relevant, as the key to profitability as well.

This revolution is influencing organizations in multiple ways. A new customer understanding, deeper than that from traditional market research techniques, has emerged. Organigrams are changing, including new positions and new cross-disciplinary teams. Customer (and employee) voices have become the compass to innovation and optimal customer experience. Moreover, and this is probably the big novelty, all this can be parametrized and measured with new metrics that can encapsulate customer experience, which assess the impact on profitability and market share.

Amidst this revolution, there is absolute hunger for knowledge about the current state of affairs. This Monitor is an oasis of certitude on a desert of educated guesses as it depicts a detailed, scientific-based panorama of how companies are really approaching this topic.

I would like to thank the generosity of all the companies involved in the survey for helping us to move forward in the understanding of this exciting topic, as well as congratulate the team for the excellent work on bringing the Monitor to reality: plenty of talent and hard work behind these pages.

Finally, I would like to express that, from the IE Center for C-Centricity, we are fully committed to making the most of C-Centricity as a tool to help organizations grow and to make customers, consumers and citizens enjoy better experiences and lives.

I am more than happy to share the Center's activities and to find common ground for cooperation.

Best regards,

Gildo Seisdedos
Director
IE Center for C-Centricity

1. WHAT DOES IT MEAN TO BE C-CENTRIC?

Customer Centricity as a topic has evolved substantially in recent years. Traditionally, organizations could claim to be customer centric through simply a good understanding of their customers' needs and vague assertions of "putting customers first". Galbraith (2005) was the first to challenge such ambiguous statements, and since then, academia and business practice have both demonstrated that organizations that just state they put customers first are not necessarily more customer centric.

Indeed, through time it became clear that customer centricity required so much more than customer understanding and could only be achieved through a re-focus of the company around customer needs. Further work has consistently shown that such reorganization is capable of ensuring resilience (Gulati, 2009) and growth, and it significantly impacts corporate culture, employee management, business metrics and customer experience management. This latter concept has frequently been confused with Customer Centricity, though customer experience has clear metrics and KPIs that separate this area of knowledge from customer centricity.

The amount of complexity around this subject explains why, to this date, there is no single measure of Customer Centricity available to organizations.

This C-Centricity Monitor builds on previous work by the IE Center of C-Centricity, which defined Customer Centricity as a "total company strategy that, based on an in-depth understanding of customers, is able to align the whole organization towards maximizing the customer experience in order to drive sustainable growth" (Eizaguirre & Alvarado, 2020).

Two further contributions to the subject are also noteworthy; the first is the need to reframe the use of the word "customer" to include all end-users of a product or service, i. e., customers, consumers, clients, etc. This resulted in our redefinition of Customer Centricity as C-Centricity, an all-inclusive term that allowed us to further focus on the true role of end-users and not marketing intermediaries.

DEFINITION OF C-CENTRICITY

C- Centricity is...

a total company strategy...

that, based on a deep understanding

of customers,...

is able to align the whole organization...

towards maximazing the customer experience...

to drive sustainible growth

The second contribution was the C-Centricity Net, a lever model that could be used to assess the extent of C-Centricity in different types of organizations, irrespectively of who the end-C is. In that way, our proprietary Net was conceived as a universal model applicable to all businesses irrespectively of size (Eizaguirre & Alvarado, 2020).

THE C-CENTRICITY NET

The C-Centricity Net is built around eight identified dimensions that work as levers to build C-Centricity. These levers are interconnected to each other, and companies can transform into fully C-Centric businesses by actioning each lever independently. The eight levers are:

1. CEO & Exec Board Drive/Leadership
2. Deep Consumer/Customer Understanding
3. Organizational Design
4. Culture
5. Employee Centricity
6. Co-Creation and Innovation
7. Metrics
8. Customer Experience Design

An extensive literature review gave qualitative depth to each lever, identifying critical action points capable of defining progress measurements in each lever. Our work zone with our Corporate Sponsors helped finetune this list of action points into 28 different components, which give more detail into each of the levers.

A questionnaire was designed around these C-Centricity levers, identifying 4 levels of development, from basic to advanced, for each of the components. A further deep dive into Level 4 (the most advanced level) allows us to define the characteristics of the most advanced C-Centric organizations.

In this report, data from Level 4 was used to obtain a full picture of the types of companies that have reached it and examines how the different levers interact with each other.

A full view of all the C-Centricity components provides a complete perspective of how the organizations that are most advanced in C-Centricity would look like.

C-Centricity Lever	Level 4, most advanced level for each dimension
1. CEO & Executive Board Drive	The company vision is strongly focused on the Consumer/Customer
	The leadership team celebrates systematically Consumer/Customer-focused behavior in internal and external communication (management speeches, web, etc.)
	Leadership team acts as role model and connects systematically with Customers/Consumers directly, with the purpose of understanding their needs and expectations
	The Customer/Consumer is always part of the agenda of the Executive board members and is usually playing a central role (in company strategy, company reports, internal and external speeches, informal conversations...)
2. Deep Customer/ Consumer Understanding	Broad and deep understanding of Consumer/Customer needs and expectations: well-structured and regularly updated, widely shared across the organization
	Direct and continuous dialogue with Customers/Consumers in order to ensure their involvement in all key decisions and across the breadth of processes
	All information available (big and small data, i.e., social media data, Customer/ Consumer satisfaction data, real time behaviors, CRM, etc.) is systematically processed to identify patterns and extract insights that can be applied to decisions on product/service improvement, business opportunities & innovation, etc.
	Systematic monitoring of emerging Consumer trends is a key priority. The company regularly reviews how trends affect their markets, products/services and brands and take decisions accordingly
3. Organizational Design	The organization is structured around Customers/Consumers or their needs
	Cross-functional projects are at the core of the daily business and the way the company handles the majority of topics and decisions
	Employee empowerment to ensure responsiveness in Customer/Consumer Experience is at the core of the company culture
4. Company Culture	The Customer/Consumer Experience is always and consistently the top priority over other business goals, across the whole organization
	Open to new ideas and constructive with failures. Enthusiasm to new ideas is at the core of the culture. Learnings from failures are widely shared as input for collective progress
	Customer/Consumer Empathy is strongly promoted. Customer/Consumer Empathy programs and activities exist across the organization and everybody has access to them
	An individual sense of duty in Customer service, meaning a sense of moral responsibility in doing a good job, is strongly embedded in the culture of the organization
	A collaborative way of working is deeply embedded in the company culture. The way of working leads everyone to systematically involve people from other functions and business units as well as external stakeholders

C-Centricity Lever	Level 4, most advanced level for each dimension
5. Employee Centricity	Employee satisfaction is a strategic priority in the company. A comprehensive employee feedback system measures employee satisfaction and helps to identify levers for further improvement. The organization always has several initiatives to enhance employee experience and well-being in place
	Customer/Consumer-centric metrics are included in the objectives and incentive systems of the whole organization, with a relevant weight compared to short term business results like costs or revenues (when in trade off)
	Customer/Consumer-focused behaviors and values are an explicit recruitment criteria for a large majority of roles in the business (not only Customer/Consumer-focused roles)
	Structured Customer/Consumer Experience guidelines and training are provided for a majority of roles in the business (not only positions with direct exposure to Customers/Consumers)
6. Innovation & co-creation	The innovation pipeline is based on Customer/Consumer needs. First, aim to understand the Customer's/Consumer's need or problem to solve and only then work on the respective solution
	Flexible and dynamic innovation process. Usually having a portfolio of many small innovation projects and rapid experiments, assuming that some of them fail
	Customers/Consumers are heavily involved in the innovation process, having a key impact on each stage
7. Metrics	A mature Customer/Consumer experience/satisfaction measurement program, such as event-driven studies with near real-time feedback and corrective actions. Use of advanced technology and sophisticated dashboards, integrating digital, ops & finance metrics
	Consumer/Customer satisfaction metrics are systematically and broadly used for decision-making at all levels and areas. Included in scorecard
8. Consumer/Customer Experience Design	Clarity on the definition of Customer/Consumer Experience that the company wants to deliver. Customer/Consumer Experience guidelines and targets are set for each stage of the Customer/Consumer Experience journey and for the Experience as a whole
	Specific resources and talent are fully dedicated to the design and improvement of the Customer/Consumer Experience
	Systematically collaborating with others to enhance the Customer/Consumer Experience, i.e., suppliers, distributors and others

Overall, the C-Centricity Monitor provides three important contributions to the field of Customer Centricity:

- First and foremost, it confirms the need to rename the field of customer centricity as C-Centricity in order to be able to capture the diversity of end-users (travellers, patients, customers, consumers and a broad range of denominations) and heterogeneity of business practice today. In doing so, it opens the door for businesses in different industries to share best practices and learn from each other.

- Secondly, it provides additional detail to the C-Centricity Net launched in 2020, which identified eight core levers that needed to be acted upon in order to advance in the creation of a C-Centric organization. In doing so, it sheds a light on differences between sectors, not only in their end-user focus, but also on the value of C-Centric transformation processes that focus organizational resources on the end-user to ensure business growth.

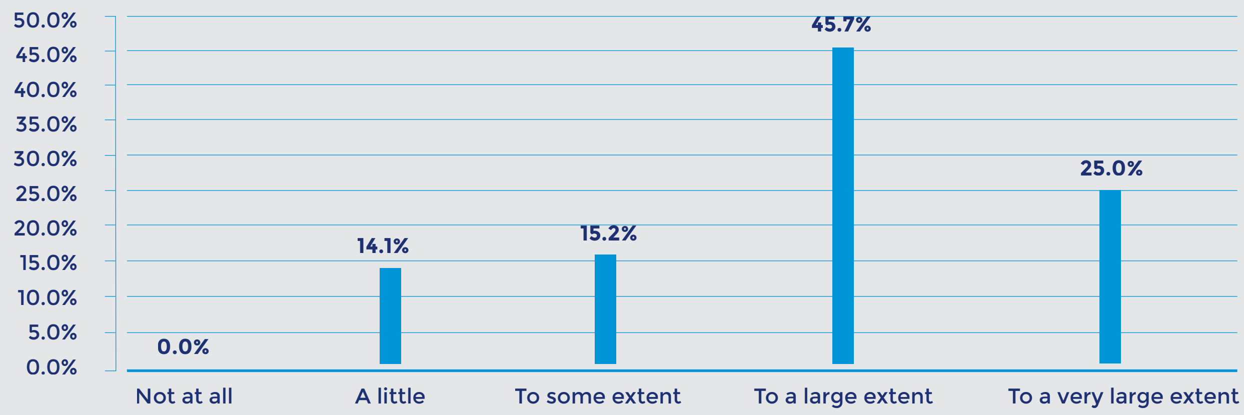
- Last but not least, it provides an actionable framework with nine key practices that can aid organizations in their journey towards C-Centricity.

2. THE STATE OF C-CENTRICITY IN THE AGE OF THE CUSTOMER

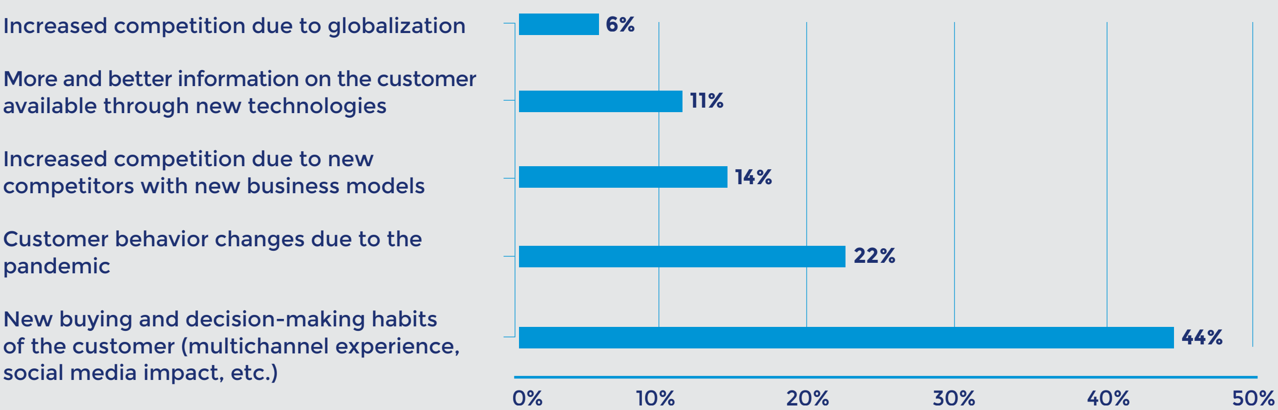
2.1. C-Centricity Is a Hot Topic, Fully Present in Business Agendas and Its Seems to Pay-Back

Focus on the end-user, whether defined as customer or consumer, has clearly accelerated for many organizations in recent years. Indeed, the majority of our sample, 71%, describe this increase in consumer/customer focus as either large or very large. Changes in consumer decision-making and buying behaviors are the key driver of this stronger focus, illustrating the need for organizations to connect with their end-users. Moreover, our data indicates that the COVID pandemic has further accelerated this process, despite the fact that it began well before the pandemic upended our world.

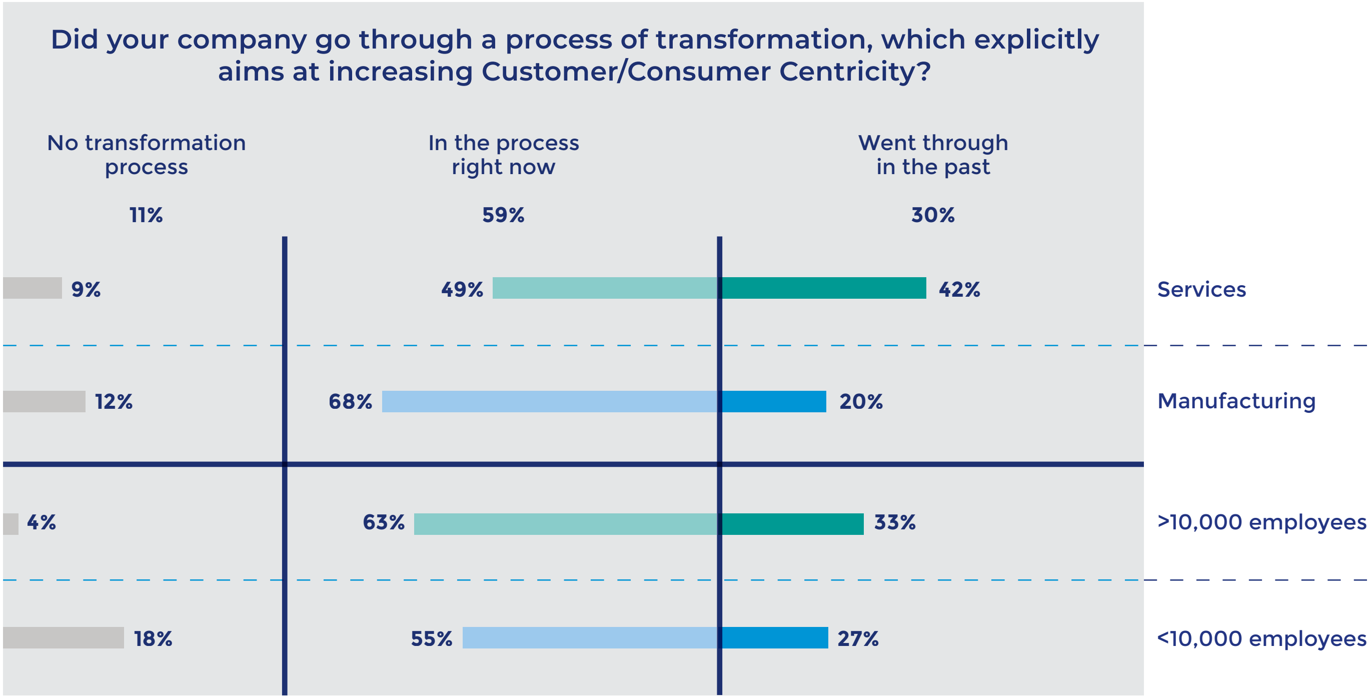
How much has the focus on the Customer/Consumer gained importance in the last years?



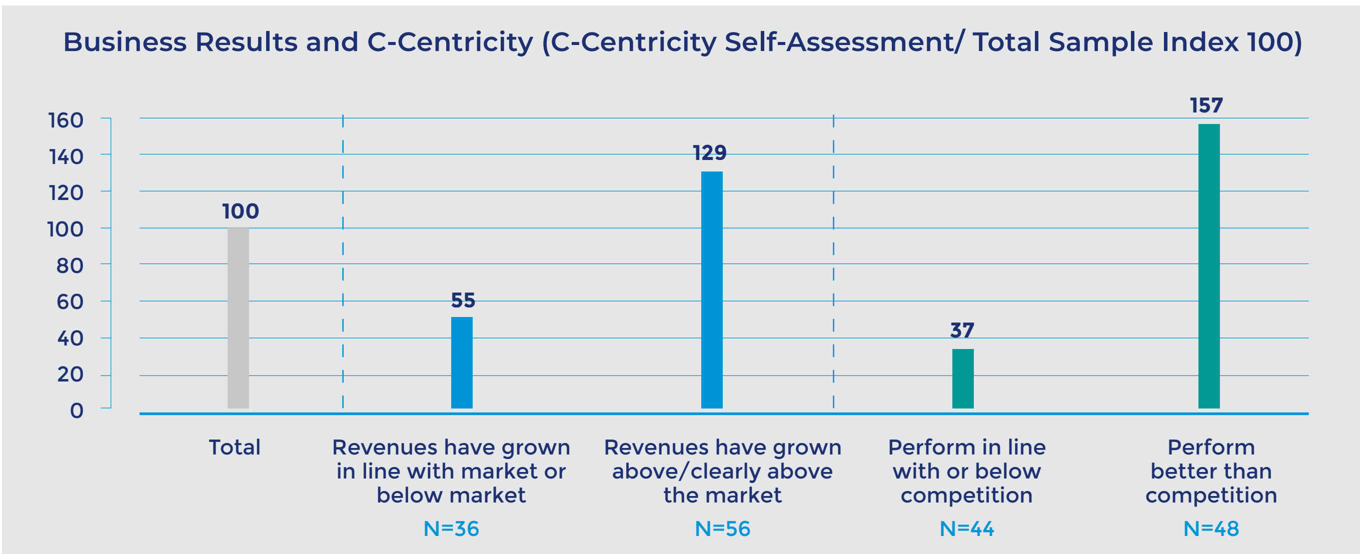
Key drivers for increasing Customer/Consumer focus



Consequently, a majority of businesses, 89% of all those interviewed, have taken or are now taking action towards becoming more Consumer/Customer centric. Such action, as we will see later, appears to consistently bring about visible improvement in end-user focus. Only 11% of the companies interviewed have never embarked on a formal transformation with the aim of becoming more consumer/customer centric.



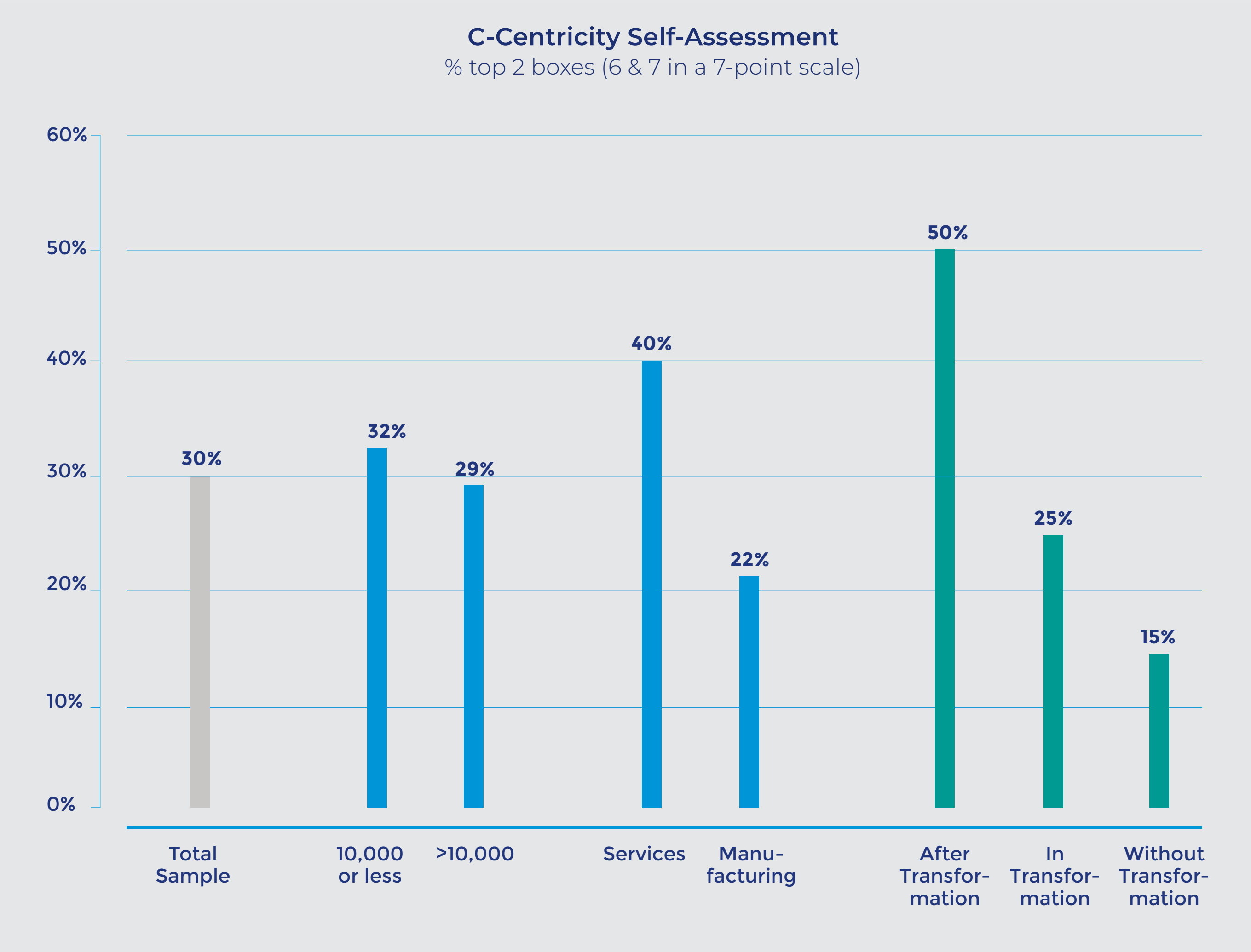
The impact on companies of being Consumer/Customer centric has been discussed in both the academic and business worlds quite extensively. Multiple benefits have been identified from the obvious higher Consumer/Customer satisfaction to stronger employee engagement. Nonetheless, empirically demonstrating an impact on business results remains a challenge. Our survey shows a clear connection between strong business performance and high levels of C-Centricity, yet, which of these is the causal factor has still to be established. What we can observe in our data is that being more C-Centric is a key differentiator for the companies, which achieve better business results, describing better business results as growing revenues ahead of the market or performing better than competitors.



2.2. The Opportunity to Really Engage in C-Centricity Is Not Fully Leveraged Yet

Only 30% of the companies participating in our study describe themselves as very or fully C-Centric (top 2 box – 6 or 7 on a 7 - point scale), which means that there is a still a long way to go for the majority of businesses.

Among them, service companies are clearly leading this trend, with 40% considering themselves C-Centric (top 2 box ratings). These are the organizations that describe themselves with the statement “personal interaction is at the core of our service”, a factor which has evidently propelled them to the forefront of the global Customer/ Consumer focus trend. The likes of hospitality & travel businesses have everyday direct interactions with their customers, which has deeply ingrained the notion of

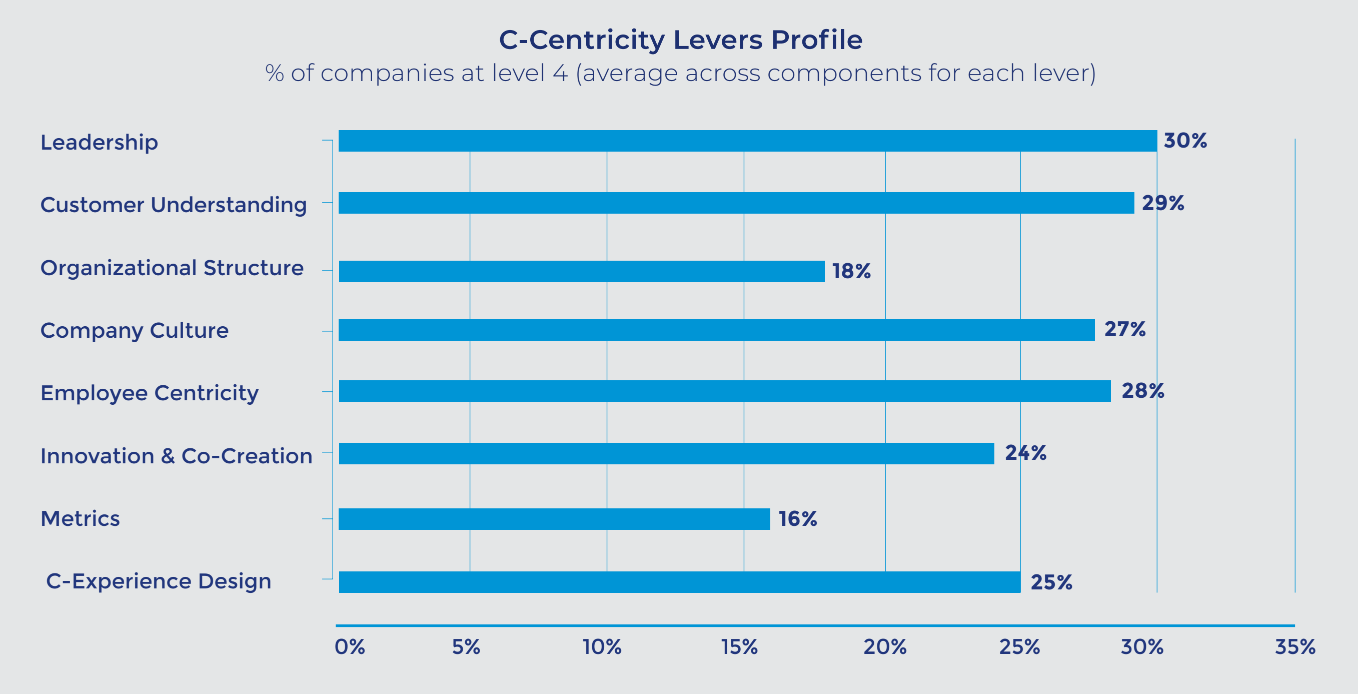


client focus. By contrast, only 22% of manufacturing organizations presently describe themselves as really consumer centric. Nonetheless, they are keen to learn and actively follow in the footsteps of the service industries. Their awareness of the importance of this topic results in 67% of them being currently embarked on actions to advance in this area.

What is clear is that the businesses that really stand out are those that have completed a transformation process, indicating that leadership commitment is the key factor in driving C-Centricity, one of the guiding principles for the C-Centricity Net.

2.3. Achieving C-Centricity Requires Looking at the Process Holistically

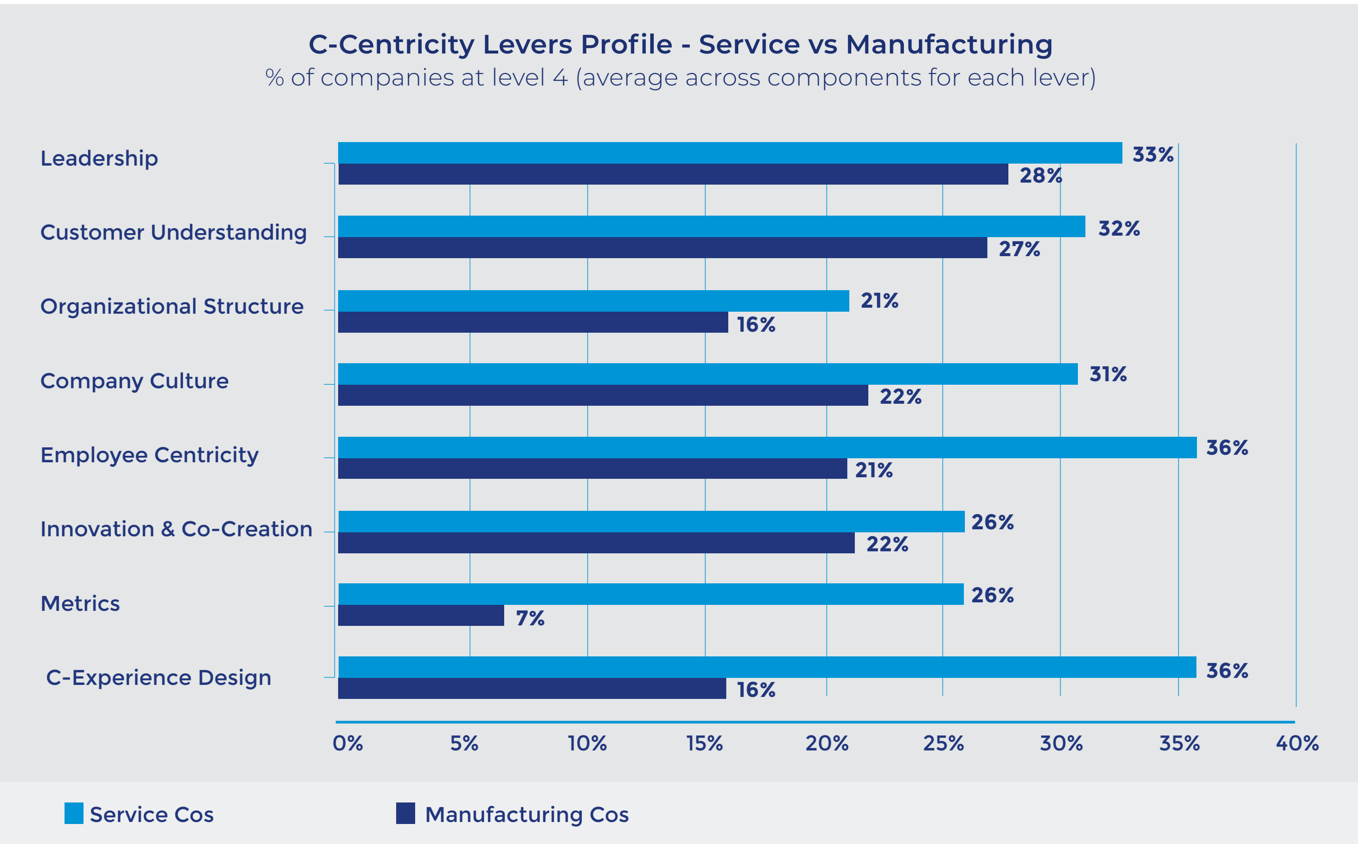
A review of the eight levers of C-Centricity across all types of companies shows that Leadership and Customer Understanding are the areas where we see the strongest development, followed by Employee Centricity and Company Culture. On the other hand, the areas with the lowest development are Customer Experience Metrics and Organizational Structure.



However, a more detailed analysis of service vs manufacturing companies identifies interesting differences about the levers which drive C-Centricity.

- On the one hand, as expected, service focused organizations have an overall higher development across all levers. For this type of company, C-Centricity is driven by a powerful combination of Customer Experience Design and Employee Centricity, followed by good scores on Leadership Drive and Customer Understanding.

- On the other hand, manufacturing organizations (whether it is FMCG or other consumer products) have a lower development across all levers, with some, such as Customer Experience Metrics, especially underdeveloped. Here it is Leadership Drive and Consumer Understanding what drives the concept of C-Centricity with Company Culture and Innovation and Co-Creation being the next levers to pull.

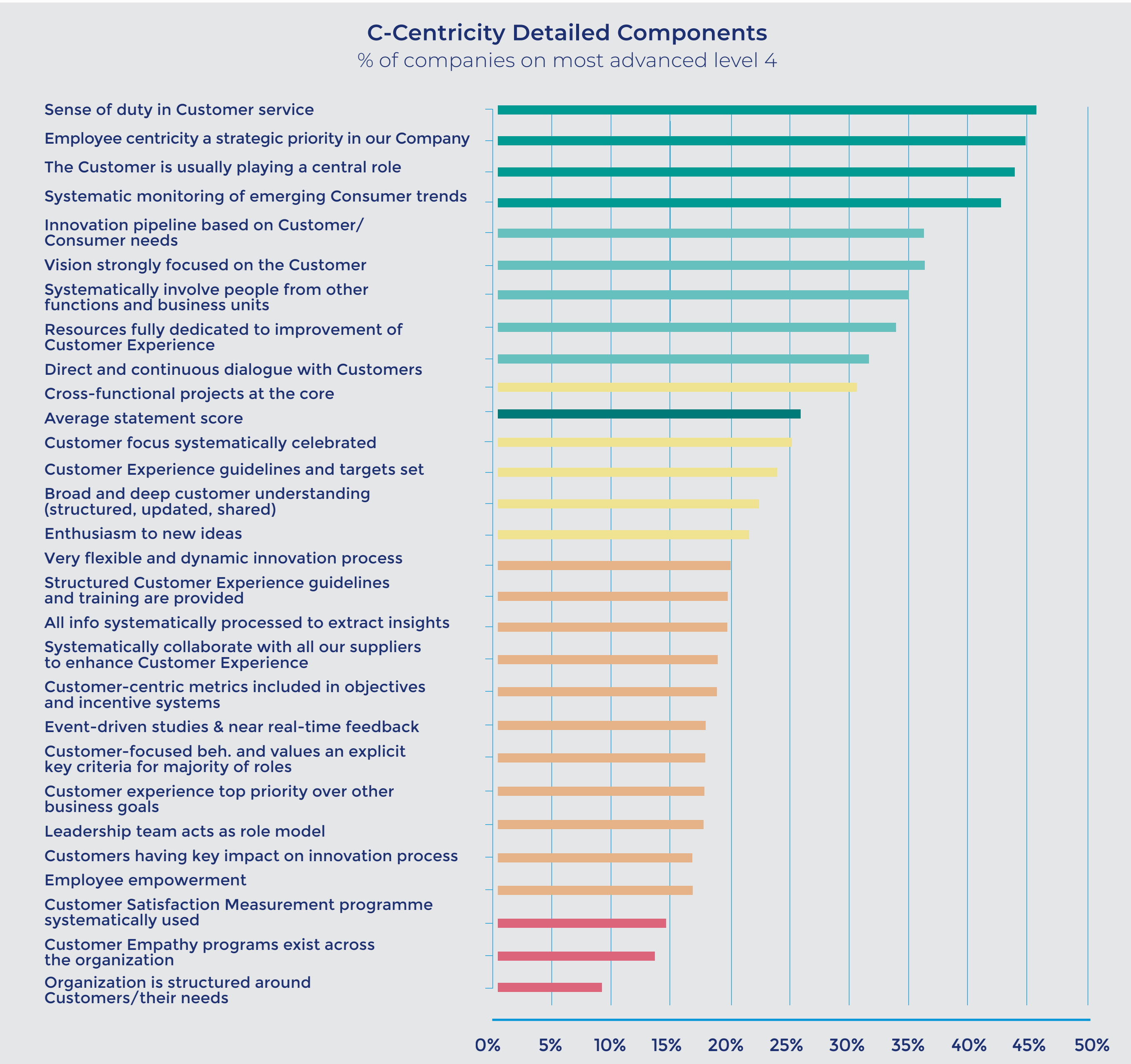


2.4. A Moral Sense of Duty on C-Centricity Prevails, but Organizing Around It Seems a Challenge

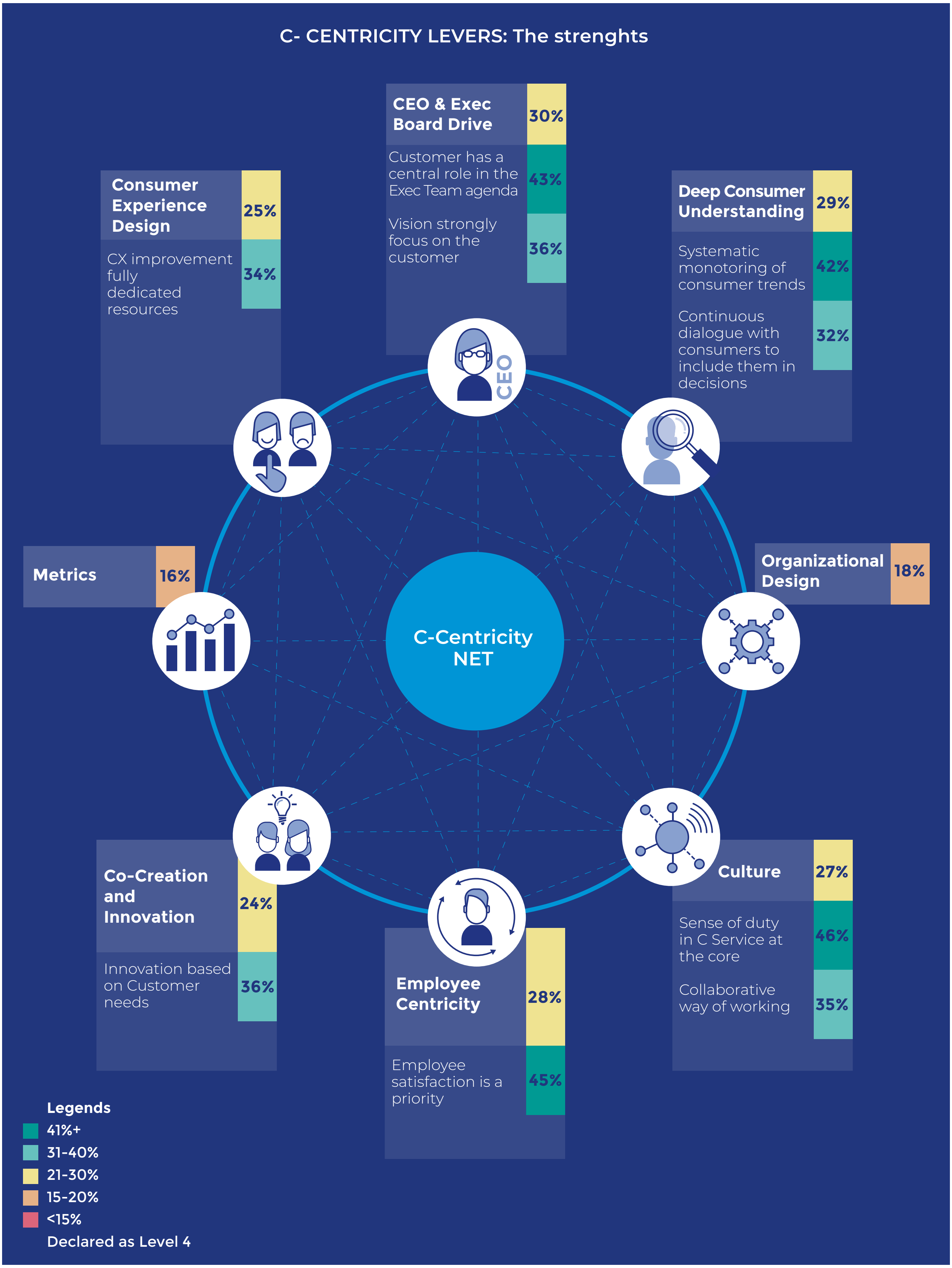
Going one level deeper, a focused, broken down view of the components of each of the C-Centricity levers shows a few strengths. The "sense of duty in Customer/Consumer service" - that is, a sense of moral responsibility in doing a good job - is the one where more companies find themselves at an optimal level. Employee centricity, which includes employee satisfaction and openness to employee feedback, comes next in level of advancement. This confirms the strong connection we have found in all our analysis between C-Centricity and employee centricity, both concepts being strongly linked.

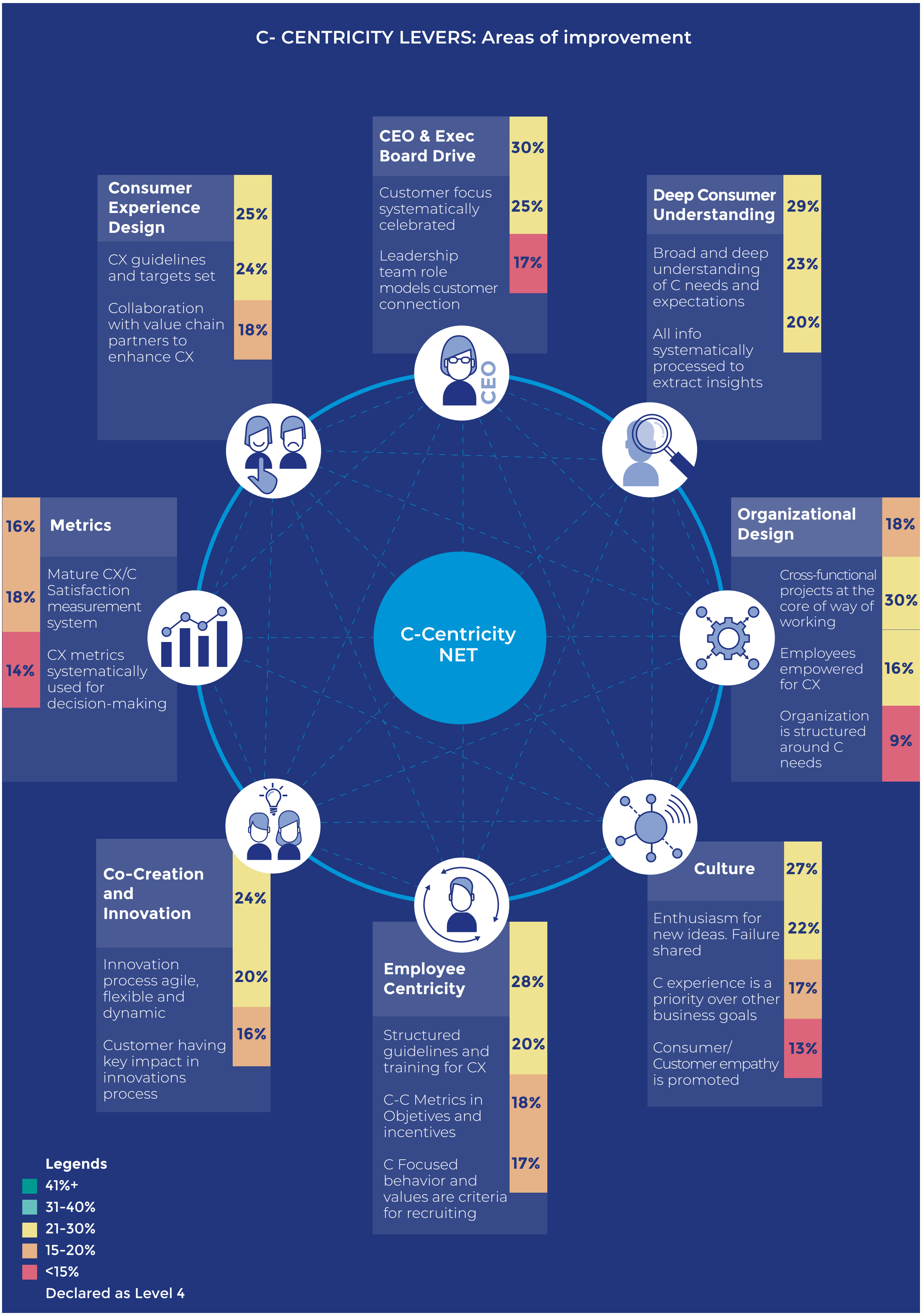
On the other side, we have found a high number of C-Centricity components where organizations show clear room for improvement. These tend to be 'hard factors', linked to structural changes and short-term economics. Here, the best illustration is the item with the lowest level of development: Only 9% of the companies interviewed claimed that their organization is structured around customers/consumers and their needs. Additionally, there is a very low level of development in leveraging Consumer/Customer Satisfaction metrics in the decision-making processes.

Organizing the company by customers or customer's need is one of the hardest challenges of a C-Centricity strategy, and there is a clear tendency for it to be the last one that companies implement. Only some of the companies that have gone through a transformation process in the past declare to be organized around customer needs. Such re-structuring constitutes a major upheaval, with long lasting impact and implications for all employees. However, this is a powerful step in obtaining a high level of C-Centricity.



A detailed view to the strengths and areas of improvement split across our eight C-Centricity levers illustrates how the strengths are focused on the CEO & Exc Board Drive, Deep Consumer Understanding and Culture. On the other side, the areas of Metrics, and, once again, Organizational Design, are clearly unbalanced with no strengths and some clear opportunities for improvement, such as driving a systematic use of CX metrics in the decision making process.




C- CENTRICITY LEVERS: Areas of improvement
CEO & Exec Board Drive
30%
Customer focus systematically celebrated
25%
Leadership team role models customer connection
17%
Consumer Experience Design
25%
CX guidelines and targets set
24%
Collaboration with value chain partners to enhance CX
18%
Deep Consumer Understanding
29%
Broad and deep understanding of C needs and expectations
23%
All info systematically processed to extract insights
20%
CEO
Metrics
16%
Mature CX/C Satisfaction measurement system
18%
CX metrics systematically used for decision-making
14%
C-Centricity NET
Organizational Design
18%
Cross-functional projects at the core of way of working
30%
Employees empowered for CX
16%
Organization is structured around C needs
9%
Co-Creation and Innovation
24%
Innovation process agile, flexible and dynamic
20%
Customer having key impact in innovations process
16%
Employee Centricity
28%
Structured guidelines and training for CX
20%
C-C Metrics in Objetives and incentives
18%
C Focused behavior and values are criteria for recruiting
17%
Culture
27%
Enthusiasm for new ideas. Failure shared
22%
C experience is a priority over other business goals
17%
Consumer/ Customer empathy is promoted
13%
Legends
41%+
31-40%
21-30%
15-20%
<15%
Declared as Level 4

2.5. There Is More Than One Route to Implement a C-Centric Strategy

The differences between the types of companies we have interviewed are also visible when we look within each lever, showing how there is more than one route to develop an end-user centric approach.

Let's see a couple of illustrations:

- Looking at the first lever, CEO and Exec Board Drive, we see how it is played by companies of different sizes. The data shows how smaller organizations lean more strongly on the ability of their leaders to act as role models in Customer/Consumer focus, while bigger companies lean on their vision and on customer celebration programs and activities.

- On Innovation and Co-creation, we see how the service companies focus on having very flexible and dynamic processes, whilst manufacturing organizations tend to put more emphasis on a strong connection of their innovation pipeline with consumer needs.

Looking more broadly, the detailed analysis of the components of each lever illustrates how companies of different sizes pull different strings of the C-Centricity levers, but overall, there is a balance of strengths across both types of organizations.

On the contrary, when we look at service organizations vs the manufacturing ones, we continue to observe how, in general, service companies tend to perform better than the manufacturing ones across all C-Centricity components. Although there are two notable exceptions, where manufacturing tends to have a more positive view: their systematic monitoring of consumer trends and how their innovation pipeline is based on consumer needs.

Analysis by components: Key differences by size of company

	% of companies at most advanced level (level 4) / Index vs Total sample	10,000 or less	>10,000
1	Vision strongly focused on the Customer	63	134
1	Customer focus systematically celebrated	73	125
1	Leadership team acts as role model	131	72
1	The Customer is usually playing a central role	84	115
2	Broad and deep customer understanding (structured, updated, shared)	70	128
3	Organization is structured around Customers/their needs	131	72
3	Cross-functional projects at the core	75	123
3	Employee empowerment	84	115
4	Customer experience top priority over other business goals	131	72
4	Enthusiasm to new ideas	125	77
4	WoW Systematically involve people from other functions and business units	78	120
5	Employee centricity a strategic priority in our Company	82	117
5	Customer-centric metrics included in objectives and incentive systems	123	79
5	Customer-focused beh. and values an explicit key criteria for majority of roles	118	84
5	Structured Customer Experience guidelines and training are provided	81	117
5	We manage all Customer touchpoints through own employees	128	74
6	Customers having key impact on innovation process	84	115
7	Event-driven studies & near real-time feedback	65	133
7	Customer Experience Measurement programme systematically used	64	134
8	Customer Experience guidelines and targets set	85	114

Analysis by components: Key differences Service vs Manufacturing organizations

	% of companies at most advanced level (level 4) / Index vs Total sample	Services	Manufacturing
1	Leadership team acts as role model	147	59
2	Broad and deep understanding (structured, updated, shared)	122	80
2	Direct and continuous dialogue with Customers	118	84
2	All info systematically processed to extract insights	143	63
2	Systematic monitoring of emerging Consumer trends	82	116
3	Organization is structured around Customer/their needs	134	70
3	Employee empowerment	128	75
4	Customer experience top priority over other business goals	120	82
4	Enthusiasm to new ideas	128	75
4	Sense of duty in Customer service	122	80
5	Employee centricity a strategic priority in our Company	120	82
5	Customer-centric metrics included in the objectives and incentive systems	126	77
5	Customer-focused beh. and values an explicit key criteria for majority of roles	120	82
5	Structured Customer Experience guidelines and training are provided	119	83
5	Personal interaction is the core of our service	149	57
6	Innovation pipeline based on Customer/Consumer needs	91	108
6	Very flexible and dynamic innovation process	144	62
7	Event-driven studies & near real-time feedback	163	46
7	Customer Experience Measurement programme systematically used	167	43
8	Customer Experience guidelines and targets set	128	76
8	Resources full dedicated to improvement of the Customer Experience	145	61
8	Systematically collaborate with all our suppliers to the enhance the CustomerExperience	151	55

3. AN OPERATIONAL FRAMEWORK TO BECOME C-CENTRIC

3.1. Nine Core Practices Towards Holistic C-Centricity

The previous chapter assessed the current state of C-Centricity in businesses, revealing which levers and components are most frequently observed at the highest/most advanced level and how this differs between different types of businesses.

What we also wanted to understand was if there were any specific combinations of C-Centricity components that businesses tend to do well on. In addition to assessing the combinations of components within the 8 levers individually, we were particularly interested to see if there were any patterns that spanned across several levers and could therefore provide additional insights into today's business practices of C-Centricity.

We applied Principal Component Analysis (PCA) to level 4 of all 28 components in order to identify whether these patterns existed and successfully identified 9 key themes. In the following, we will call them the 9 Core Practices of C-Centricity.

The results of this analysis closely reflect our 'real life' experience with different types of companies. We believe that each of these core practices highlights a set of actionable components that can be initiated simultaneously for companies that want to become more C-Centric.

We identified 9 core practices:

- Promote Employee Collaboration and Satisfaction
- Celebrate the Customer at Every Level
- Recruit and Incentivise for C-Centricity
- Dialogue with Customers
- Foster a Sense of Duty in Customer Service
- Manage Customer Experience Effectively
- Truthful Prioritization of the End-User
- Openness to Risk and Innovative Spirit
- Ensure an Outside-In Perspective

Promote Employee Collaboration and Satisfaction

This practice is very much related to cultural ways of working that ensure collaboration and internal employee satisfaction, promoting and relying on employee motivation. It is a premise for C-Centricity, but it is not specific to a C-Centricity strategy. It is a key pillar and driver for any transformational project.

Core behaviors include:

- Promotion of cross-functional projects and collaborative ways of working in everyday company life.
- Prioritization of employee satisfaction (including consistent feedback).

This is the most frequently observed core practice of all 9 core practices, and there are no strong skews to any particular company type. Nevertheless, the performance gap between companies currently undertaking a transformation process for C-Centricity and those who do not is very high, while the further evolution (difference between 'are currently undertaking' and 'did it in the past') is rather low. This analytical evidence is fully supported by our experience with companies: The transformation process usually relies on employee motivation at the very beginning, both in companies where direct interaction between employees and customers is core (for example, hospitality or retail) as well as in companies where there is nearly no direct relation (for example consumer goods).

Celebrate the Customer at Every Level

This practice aims to enhance employee behavior through leadership and empowerment in everyday customer related decisions, so it implies a commitment for the company.

This practice is the second most frequently observed core practice. Companies in which this core practice can be spotted, are much more likely to claim being C-centric than other companies, and are more likely to have more than 10,000 employees.

Core behaviors include:

- Ensuring the end-user is always present in the strategic agenda.
- Consistent celebration of C-focused behavior both internally and externally by the leadership team.
- Empowerment of employees in Consumer/ Customer related decisions.

Businesses with this practice reinforce the generalized focus on employees through true leadership and empowerment: The whole organization is close and very responsive to the customer. The customer is top of mind.

Recruit and Incentivise for C-Centricity

Through this practice, companies aim to enhance employees' behavior with direct impact on the customer. This practice leverages C-focused behaviors and values of employees throughout the employee´s life cycle.

Core behaviors include:

- Recruiting with Customer/Consumer focused behaviors and values as key criteria.
- Including weighted customer-centric metrics in the objectives and incentive systems of the whole organization.
- Implementation of a strong C-experience and satisfaction measurement program to support customer processes.

This core practice is the least frequently observed of all core practices. Though this is a surprising finding, it is aligned with our previously shared results: Companies seem to leverage the emotional motivation of employees rather than setting up structural tools – eventually competing with other 'business' goals - to support and motivate their performance. This core practice is more likely to be observed in medium-sized companies (in our sample, companies with typically between 1,000 and 5,000 employees) providing services with ample customer interaction. Even if those companies generally do not have sophisticated metrics, it is the service-oriented, 'front office performance' side of human resource management and a practice on which those service companies focus very much when starting a transformation process towards C-Centricity.

Dialogue with Customers

When considering customers for relevant decisions, there is a huge difference between relying on what we know about customers and actually involving them. In other words, between what "we think" and what "we know".

Core behaviors include:

- Engagement in direct dialogue with Consumer/ Customer, with the purpose of including their views in key decisions.
- Involvement of end-users throughout the innovation process.

Whilst being one of the medium-frequency core practices, it can be found in a wide range of companies. It is a bit more likely to be present in businesses with more than 10,000 employees as well as those that have completed a transformation process for C-Centricity.

Foster a Sense of Duty in Customer Service

This practice is strongly related to company culture and organizational behavior. It emphasises the need for all company employees, irrespective of their level, to have a 'devotion' to the customer and make it their mission to ensure the end-user is always satisfied.

Core beliefs (beyond behavior) include:

- Individual sense of duty towards the customer deeply embedded in the culture of the organization.
- Leaders role-model this belief by directly interacting with customers.

This core practice is more likely to be present in service companies with typically between 1,000 and 5,000 employees (often family-owned businesses). This core practice is key for being C-Centric but, in the case of interaction intensive service companies, it is not necessarily related to a C-Centricity transformation process or part of a comprehensive C-Centricity strategy (it is more 'naturally inherent' to the business).

Manage Customer Experience Effectively

This practice reflects a systematic approach to customer experience management.

Core behaviors include:

- Leveraging the available data, big and small, on Customer and Customer behavior to enhance Customer/Consumer understanding.
- Dedicating resources and talent to design and improving the Customer/Consumer Experience.
- Formally defining the Customer/Consumer Experience that the company wants to deliver.
- Measuring Customer/Consumer experience/ satisfaction.

- Working in partnership with other companies of the value chain, suppliers, distributors and others, to enhance and enrich the Customer/Consumer Experience.

This core practice is particularly typical for service companies and is much more likely to be found in companies which have completed a transformation process for C-Centricity.

Truthful Prioritization of the End-User

Truthful "Put Customers First" requires a holistic C-Centricity strategy that extends beyond customer experience management. A fundamental part of this best practice involves ensuring the end-user is present everywhere, including in the company´s purpose. All employees need to walk in the customers´ shoes with strong empathy, irrespective of function or management level.

Core behaviors include:

- Giving the Customer/Consumer a relevant role in the vision of the company.
- Profound understanding of end-user needs and expectations.
- Promoting Customer Empathy (identification with and understanding of customer's situation, feelings, and motives).
- Prioritizing Customer/Consumer Experience continually and consistently across the organization.

This practice is much more likely to be found in companies that have completed a transformation process for C-Centricity. These companies are much more likely to claim being C-Centric than companies without this practice.

Openness to Risk and Innovative Spirit

Dynamism and openness to new ideas that reach far beyond pure R&D. This practice refers to the openness of the company to new ideas.

Core attitudes (beyond behaviors) include:

- Being fully open to new ideas and constructive with failure.
- Ensuring dynamism and flexibility in the innovation process.

This is one of the less frequently observed core practices. It is more likely to be present in service companies and businesses with typically 1,000 to 5,000 employees.

Similarly to 'Foster a sense of duty in customer service', this core practice is key for being C-Centric without necessarily being related to a C-Centricity transformation process (it is rather 'naturally inherent' to the business).

Ensure an Outside-In Perspective

This practice refers to bringing an outside-in perspective into innovation and organization.

Core behaviors include:

- Monitoring customer trends for decision-making.
- Adapting the organizational structure to serve customer needs.
- Embedding Customer/Consumer needs in the company´s innovation.

This is the third most frequently observed core practice. It is much more likely to be found in companies which have completed a transformation process for C-Centricity. Companies that have this core practice are more likely to claim being C-Centric.

This core practice is a very interesting one as it includes the hardest component of a C-Centricity strategy – organizational transformation – and different types of companies tackle its 3 components in a different way: Big manufacturing companies tend to be on a lower level in terms of organizational change, but more advanced in monitoring trends and defining innovation pipelines based on consumer needs. On the opposite small service, companies are more likely to adjust their organization, but they are far less likely to systematically monitor consumer trends and to put the organizational structures in place to serve consumer needs.

To be clear on the fundamentals: All the identified C-Centricity practices are complementary and key for an integral C-Centricity strategy, so the overall best practice implies to be at the best in all of them.

The different prioritizations of those practices are not different ways to be C-Centric, but different ways to become C-Centric.

We identified patterns, which are not prescriptive – that means we do not necessarily think that they are the best way to do it – but descriptive – that means that is what we found out about what companies are doing. However, those patterns make, again, a lot of business sense and could be understood as a pragmatic way of moving forward for C-Centricity. They gave us a lot of insights about the enablers and the roadblocks of C-Centricity by company type, and we hope they will be inspiring for our readers.

4. KEY LEARNINGS

In the Age of the Customer, being Consumer/Costumer centric, or as we have named it, C-Centric, is a key priority for most organizations: More than 2/3 of the companies in our sample state that they are increasing their focus on their end-user.

As a result, 9 out of 10 businesses have already taken some form of action to transform their organization towards increasing customer centricity. Almost a third of these have already completed programs to fully focus on their end-users.

Despite these positive signs, only a third of the companies in our sample describe themselves as very or fully C-Centric. This statement is most strongly related to the sectors in contact with the end-user. Indeed, industries that have more direct contact with the end-user score higher in C-Centricity.

C-Centric transformation efforts pay back: fully transformed organizations show above average C-Centricity and, importantly, they declare to have performed better than the competition.

Service industries consistently rank higher than manufacturing industries in their C-Centricity, both in their overall perception and in the eight levers that compose the C-Centricity Net.

Irrespectively of industry, not all levers are equally developed in the organizations studied.

- The most developed are Leadership and Customer Understanding, which corroborates our initial findings regarding customer centricity and how those two levers were the first steps in any end-user focused transformation process.
- Employee Centricity and Company Culture sustain the customer centric promise.
- Organizational Design continues to be the Achilles heel of customer centricity, as outlined by Galbraith´s work back in the 1990s.
- Customer Experience Metrics appear as the most underdeveloped lever, mostly because they are not used in the decision-making process, despite this being the most distinctive lever to ensure a full transformation towards customer centricity.

There are nine core practices that can help companies to become fully customer centric. All companies across industries will ensure C-Centricity by satisfying all these nine practices and their core behaviors and beliefs. Fully transformed companies that stand out for their level of development in C-Centricity have wholeheartedly and truthfully prioritized the end-user and are managing their customer experience effectively.

Methodology and Sample

We surveyed 93 executives of European companies, in each case the role most focused on Customer Centric Strategy, which turned out to vary strongly among companies, including Marketing, Strategy, Business Development, Customer Experience as the most frequent. This variety is a finding itself.

All interviews were conducted online and on a confidential basis.

Sample:

Headquarter	73%
Regional division or national subsidiary	27%
Services	46%
Manufacturing	54%
Number of employees:	
< 500	1%
500-1,000	10%
1,000-5,000	29%
5,000-10,000	8%
> 10,000	53%
Spain	49%
Europe and US	51%

Behind the Monitor: the authors and the founders of the IE Center for C-Centricity

Tecla Keller

Senior Partner at Strategy with Purpose

Founder and academic collaborator of the IE Center for C-Centricity and the IE Center for Families in Business

Educated in Belgium, Italy and Germany, she has a long international track record in strategic consulting and companies' start-ups. In recent years, she has increasingly focused on understanding and accompanying business families, an activity that she currently develops from the boutique Strategy with Purpose.

She developed her more than thirty years of career in strategic consulting in Roland Berger & Partner, Cluster Consulting (currently Oliver Wyman), ADL, Globalpraxis and PwC, carrying out numerous strategic growth and transformation projects for large multinationals.

In her last stage at PwC, she was a member of the Global Strategy and Leadership team, where she collaborated on the firm's strategic projects, such as the global Family Businesses initiative.

In November 2016, she joined IE as director at IE Foundation with the mission of promoting applied research projects, with special focus on the research and networking centers the IE Center for C-Centricity and the IE Center for Families in Business, of which she was co-founder and director for five years and in which she currently serves as an academic collaborator.

Maria Alvarado

Senior Partner at Brand Leadership Group

Founder and academic collaborator of the IE Center for C-Centricity

Maria has more than 30 years of experience as a Consumer Insights & Analytics leader in CPG global companies and for the last five years as an advisor to global and regional organizations through BLG a "people driven brand growth" strategy firm, where she is a Senior Partner.

Her experience lies in driving brand growth through embedding consumer & shopper understanding in business strategy. She is a passionate believer in consumer centricity as a key driver of business growth as well as a believer in the power of applied marketing science.

Across her career in General Mills, Kraft and Mondelez International, and lately with BLG, Maria led Insights & Analytics teams, driving business impact with maximum efficiency; she has launched globally a program inspired by marketing science based principles of growth, impacting strategy, innovation and brand communication. She designed and implemented consumer landscape maps and leveraged them to set the foundation for brand and corporate growth strategies, for Kraft, Mondelez International, Bahlsen and Ricola among others.

In 2017, she co-founded the IE Center for C-Centricity, an IE venture that provides leading edge applied research on driving growth through customer-centricity with the support of big corporations.

Reinhard Kreth

Consumer Insights Director

Collaborator at the IE Center for C-Centricity

Reinhard is a Consumer Insights specialist with more than 20 years of experience, in both agencies and client-side businesses.

Following his business and economics university and business school degrees in Germany, France and the UK, he spent 14 years at strategic marketing agency Added Value, working across the full range of consumer goods and services, on local and global accounts.

He then joined Mondelez, where he worked both in global strategic insights (cross-category role) and regional category insights (biscuits).

Since 2019, he has been delivering consumer insights work on a self-employed basis, as well as acting as a consultant for other strategic marketing agencies.

Reinhard is an experienced practitioner in a broad range of marketing research, with a focus on quantitative methodologies. His specialism and interest lie in uncovering consumer needs and expectations and helping businesses satisfy these demands by creating and embedding custom-built consumer segmentations and growth frameworks.

Reinhard contributed his knowledge and experience to the IE team by implementing the quantitative survey as well as by providing advice and support in the analysis phase.

Maria Eizaguirre

Professor at ESIC University

Founder and academic collaborator of the IE Center for C-Centricity

Upon completion of her D.Phil, Dr. Eizaguirre started working on the private sector where she has spent 18 years: first as Strategic Planner for Young&Rubicam, she later joined her main client, Kraft Foods within the Consumer Insights & Strategy team (CIS) and ultimately lead the Innovation CI function across the EU (Senior CIS Manager, EU).

María then took up a position as Marketing Director for a new venture by IE Business School: IE University (2010). She subsequently became Director Insights & Strategy for IE Corporate, leading efforts around repositioning programs (e.g., IMBA, MIM) and portfolio management (e.g., part-time executive programs and IE Law School).

After 6 years at IE, she moved back to a multinational setting, taking up an executive position as VP Marketing & Sales at Laureate International Universities and leading Marketing, Sales and Business Development & Analytics.

After 18 years of business experience, she went back to IE Business School where she is Academic Director of the MCMC (Master Corporate and Marketing Communications), Academic Lead for Marketing Fundamentals and Director of the Innovation Lab at IE University.

In 2017, she created the IE's Center for C-Centricity, an IE venture that provides leading edge applied research on driving growth through customer-centricity with the support of big corporations. The Center is also responsible for an Executive Program on Driving Growth through Customer Centricity. Her academic research is all in the field of Customer Centricity and growth.

Carlos Mas Ivars

Senior Partner at Strategy with Purpose

Founder and former president of the IE Center for C-Centricity and the IE Center for Families in Business

Independent advisor

He has more than thirty-five years of experience in advising companies and organizations. Much of his professional career has been focused on family businesses and entrepreneurs.

In the last years, his interest and activity have increasingly focused on families in business, on how to design and implement, from ownership, strategies, governance and models to compete in disruptive environments, creating value and developing the next generations. This interest has recently culminated in the boutique Strategy with Purpose.

From 2006 to March 2015, he was President of PwC Spain, member of the PwC World Council and the EMEA leadership team. He was next PwC's global strategy leader and family & entrepreneurial businesses champion for Spanish-speaking markets.

In 2017, he joined IE as executive vice president of the IE Foundation, with the mission of designing its strategy and establishing impact collaborations for the co-creation and dissemination of knowledge and for the promotion of Beyond Borders talent. As part of this mission, he had a special focus from the beginning as co-founder and executive president of the IE Center for C-Centricity and the IE Center for Families in Business, of which he is currently academic collaborator.

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