

# CUSTOMER OUTCOMES

## RESULTS OF OUR 2017 / 2018 SURVEY AMONG 640 BUSINESS MANAGERS

Conducted in collaboration with



**THUNDERBIRD**  
SCHOOL OF GLOBAL MANAGEMENT

### KEY TAKEAWAY

Most companies claim that their mission is to

**MAKE THEIR  
CUSTOMERS MORE  
SUCCESSFUL.**

However our research reveals that their  
internal processes and goals remain

**MORE FOCUSED  
ON SALES THAN  
CUSTOMER VALUE.**

Respondents used a 5-point scale (strongly agree/agree/neutral/disagree/strongly disagree) to rate 36 statements relating to their business environment, to the strategic emphasis that their company places on customer outcomes, and to their operating practices with regard to technology, organization, communication and measurement. The data below represent the net scores (the % of strongly agree and agree minus the % of disagree and strongly disagree) to key statements.

## KEY INSIGHTS

THE **CONCEPT** OF FOCUSING ON CUSTOMER OUTCOMES IS WIDELY ACCEPTED:



**+69%** agree that “our company defines its mission as making our customers more successful”

HOWEVER, THE **PRACTICE** OF FOCUSING ON CUSTOMER OUTCOMES IS MUCH LESS DEVELOPED:



**-10%** agree that “we have a scorecard in place with each of our top customers that includes jointly-agreed metrics focused on the effectiveness of the relationship”



**-14%** agree that “we measure the financial value that we generate for our customers and share this information with them”

THE DEFINITION OF A **VALUABLE CUSTOMER** IS SKEWED TOWARDS THE VALUE EXTRACTED FROM THAT CUSTOMER RATHER THAN THE VALUE GENERATED FOR THAT CUSTOMER:



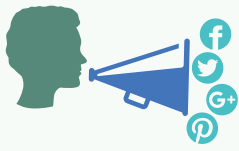
**+57%** agree that “we define ‘our most valuable customers’ as those we sell the most to/have the longest relationship with”



**+30%** agree that “our company defines ‘our most valuable customers’ in terms of the value we deliver to them”

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## THE USE OF SOCIAL MEDIA ILLUSTRATES THIS FOCUS ON SALES OVER CUSTOMER VALUE:



**+13%** agree that "our company uses social media mainly as a way to push information to customers and generate sales leads"



**-21%** agree that "we use social media primarily learning about the interests and issues of our customers."



## WHAT NEEDS TO CHANGE IF YOU ARE SERIOUS ABOUT CUSTOMER OUTCOMES?

### DEFINITION OF SUCCESS

Focus on helping our customers succeed, not short term sales

### COMMUNICATION

Focus on listening as much as speaking

### ORGANIZATION

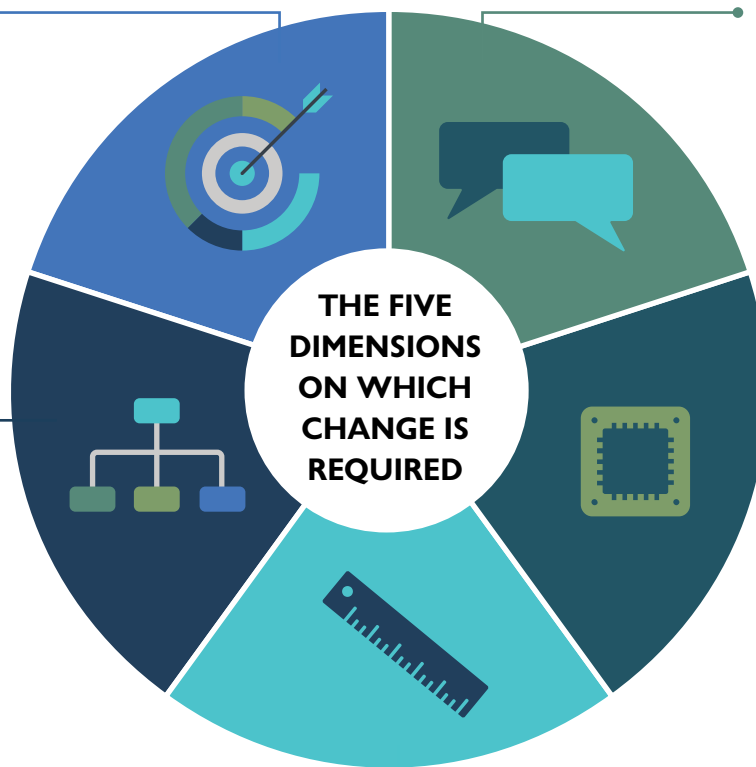
Optimize for external effectiveness, not internal efficiency

### TECHNOLOGY

Increase customer engagement, not just internal cost reduction

### PERFORMANCE MEASUREMENT

Gauge value in use, rather than just meeting specifications





## BUSINESS ENVIRONMENT

Respondents indicate that the sales environment is getting tougher:

**+63%** Customers have become more demanding, requiring more proof of the business justification for purchasing our products and services

**+48%** New rivals have entered our markets offering "capable-enough" products and services

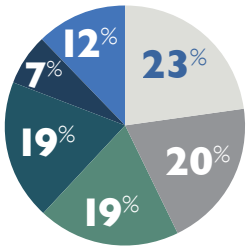
**+55%** The communication of our value proposition has become more complex over recent years

**+44%** Customers have become increasingly resistant to price increases over recent years



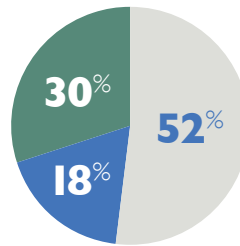
## RESPONDENT PROFILE

### INDUSTRY



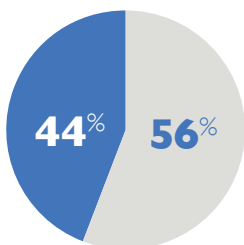
**23%** are in industrial/manufacturing firms; **20%** in consumer products/services; **19%** in technology; **19%** in professional/financial services; **7%** in government/NGO; and **12%** in other sectors

### FOCUS



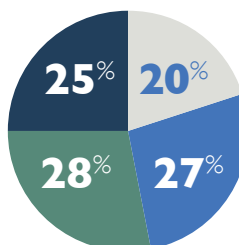
**52%** are B2B, **18%** are B2C, and **30%** are from companies that sell to both intermediaries and end customers

### ROLE



**56%** are in management positions; **44%** are technical specialists

### EXPERIENCE



**20%** have more than 30 years of work experience, **27%** between 20 and 30, **28%** between 10 and 20 years, and **25%** less than 10 years