



Achieving B2B Customer Centricity

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Achieving B2B Customer Centricity

Key Takeaways from the Session:



**“Consumerization” of B2B
– rising expectations**



**Business benefits of customer
obsession**



**Superior CX impact on
business performance**

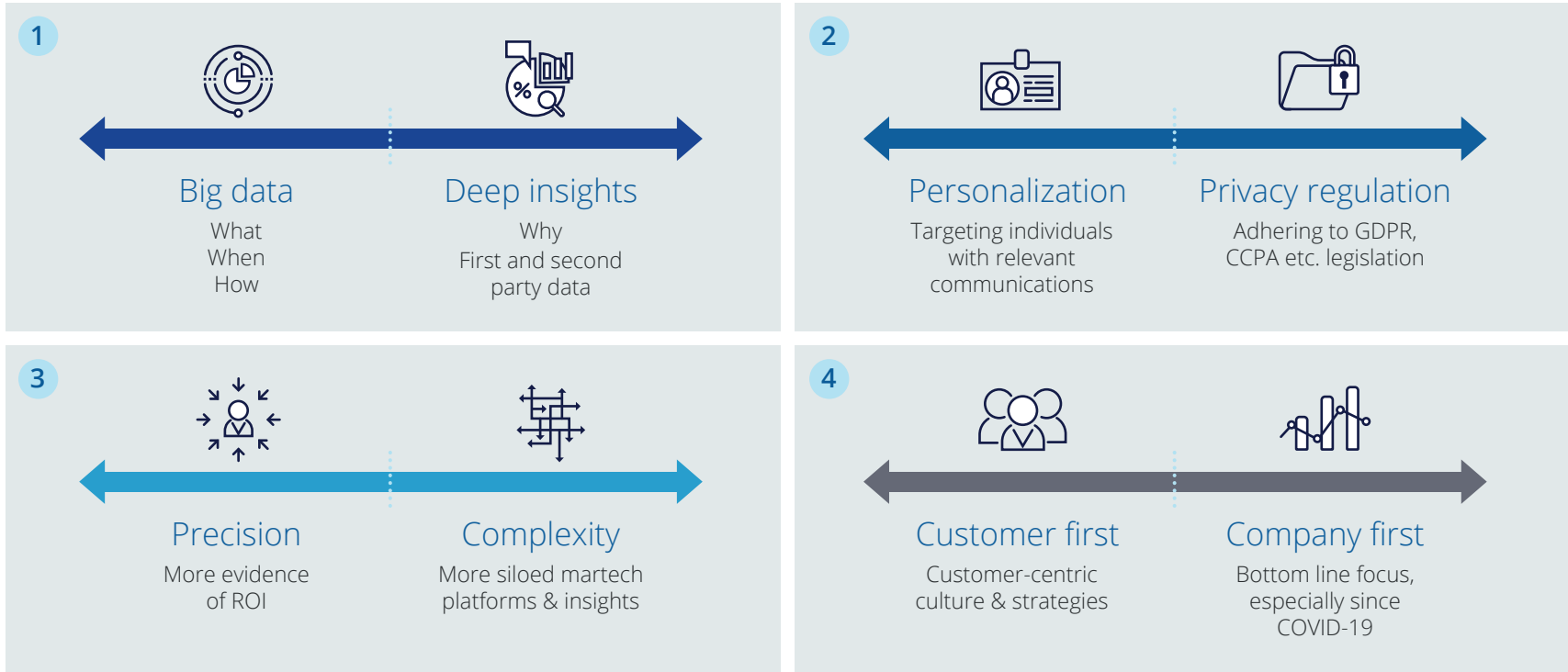


**KPIs for customer centricity
success**



**The characteristics of world
class modern CX**

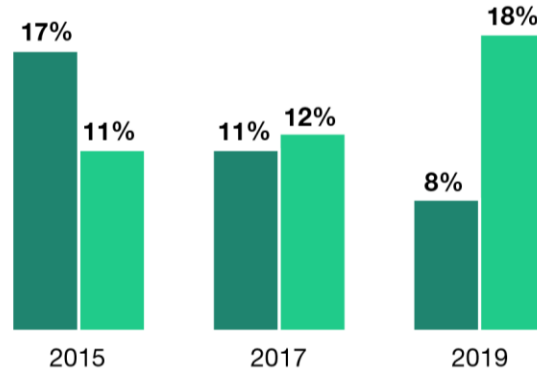
The Current B2B Marketing Dilemma



B2B buyers are behaving more like consumers

“What was the most significant driver of the decision to select the vendor of choice?”

- The promise of the offering to meet our need(s)
- The influence of customer references or testimonials



Source: “SiriusDecisions B-to-B Buying Study,” SiriusDecisions, 2015, 2017, and 2019

Improving CX corresponds to financial benefits

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The ROI Of CX Transformation

The Business Case Report in The CX Transformation Playbook

by Maxie Schmidt-Subramanian
August 15, 2019

Why Read This Report

Customer experience (CX) transformation efforts bring benefits like increased customer retention and greater cross-sell opportunity. To get those benefits, CX leaders need to invest in areas like training, technology, and professional services. Do the benefits of CX transformation outweigh the costs and result in positive ROI? And how can you make that determination for your company? This report explains how to calculate the benefits, cost, and ROI of an enterprisewide CX transformation and use the resulting ROI model to fuel a winning business case for CX transformation.

Forrester refreshes this report regularly based on new research.

Key Takeaways

Companies Can Quantify CX-Fueled Financial Benefits For Their Organization
The benefits of CX vary in type and size depending on the industry and the circumstances of a particular company. Following a step-by-step process, CX transformation leaders can determine whether their organization will see more revenue benefit from reducing customer churn, selling more to current customers, or acquiring new customers through enhanced word of mouth.

A Cost Road Map Details Both How Much And When
CX transformation leaders need to estimate the size of required expenditures and when those costs will occur in order to accurately model the ROI of a transformation. Cost categories like technology purchases have a beginning and an end, while program operation costs are ongoing.

ROI Models Should Be Useful, Not Perfect
CX transformation leaders should strive to create a

The revenue impact of a 1-point improvement in CX Index™ score results in:

	Annual incremental revenue per customer*	x	Average number of customers per company†	=	Total revenue
 Auto manufacturers (mass market)	\$48.82	x	18 million	=	\$879 million
 Hotels (upscale)	\$7.49	x	44 million	=	\$330 million
 Wireless service providers	\$3.48	x	82 million	=	\$285 million
 Retailers (big box)	\$2.44	x	100 million	=	\$244 million
 Auto/home insurers	\$14.29	x	15 million	=	\$214 million
 Hotels (midscale)	\$5.67	x	30 million	=	\$170 million
 Airlines	\$3.48	x	48 million	=	\$167 million
 Banks (multichannel)	\$8.19	x	15 million	=	\$123 million
 TV service providers	\$6.11	x	17 million	=	\$104 million
 Internet service providers	\$5.26	x	16 million	=	\$84 million
 Rental cars	\$1.67	x	40 million	=	\$67 million



INSIGHTS



IMPACT



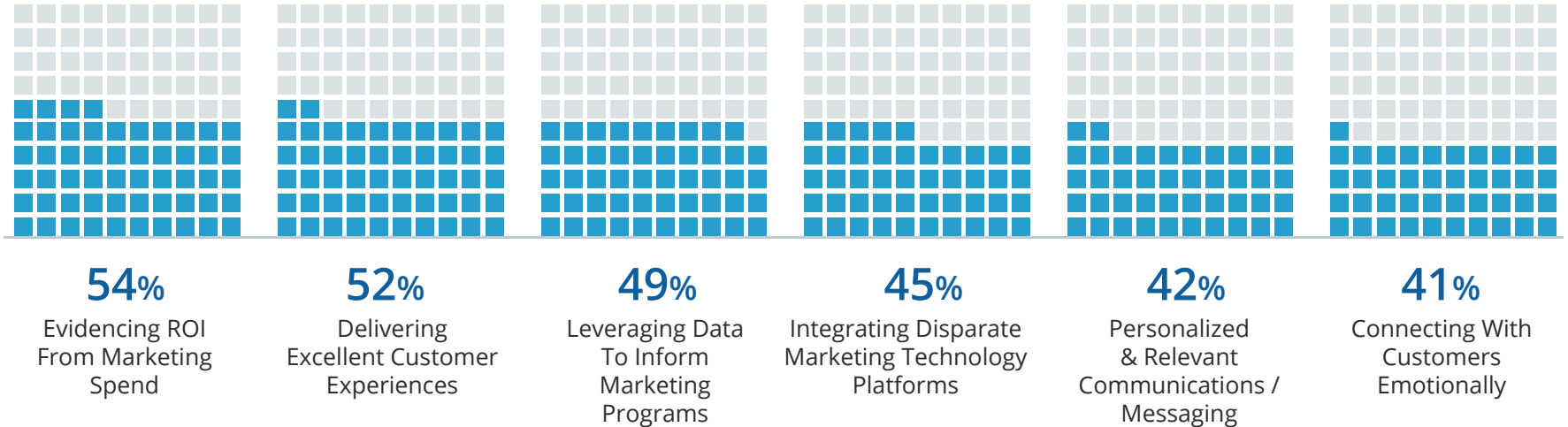
ACTION



Insights On B2B CX Performance

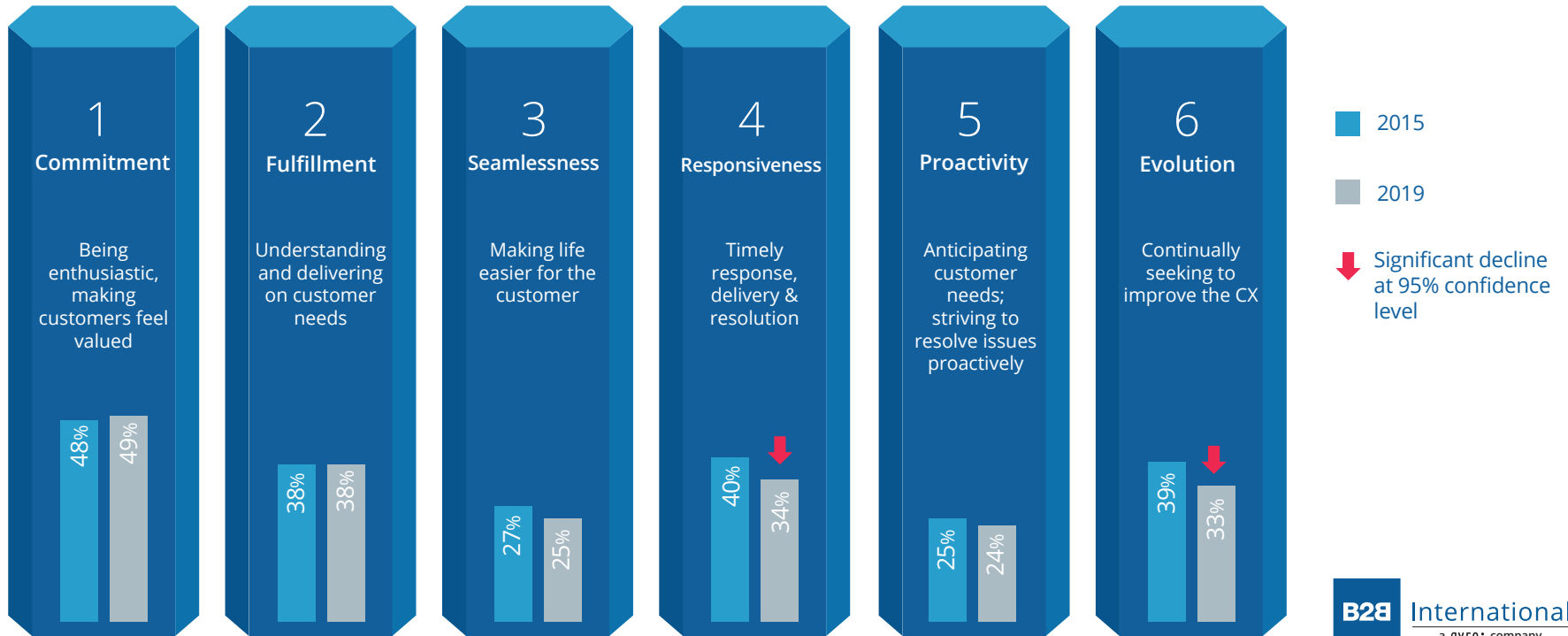
Over Half Of B2B Brands Are Challenged By Delivering An Excellent Customer Experience

The biggest challenges (selected by over 4 in 10 in their top 5)

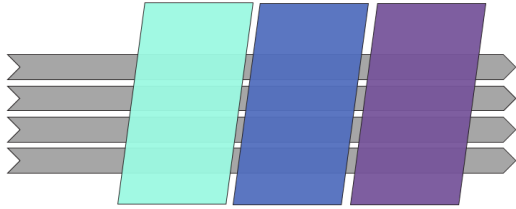


Performance On CX Excellence Criteria Is Stagnant Or Declining

Percent of companies evaluating their performance as “strong” across the 6 pillars of customer experience



Forrester research highlights similar challenges



Fielded a fresh study to (re)test our model and identify maturity indicators.



Surveyed 1,008 B2B and B2C directors, vice presidents, and executives based in the US.



Analyzed which statements best predicted self-reported customer obsession.

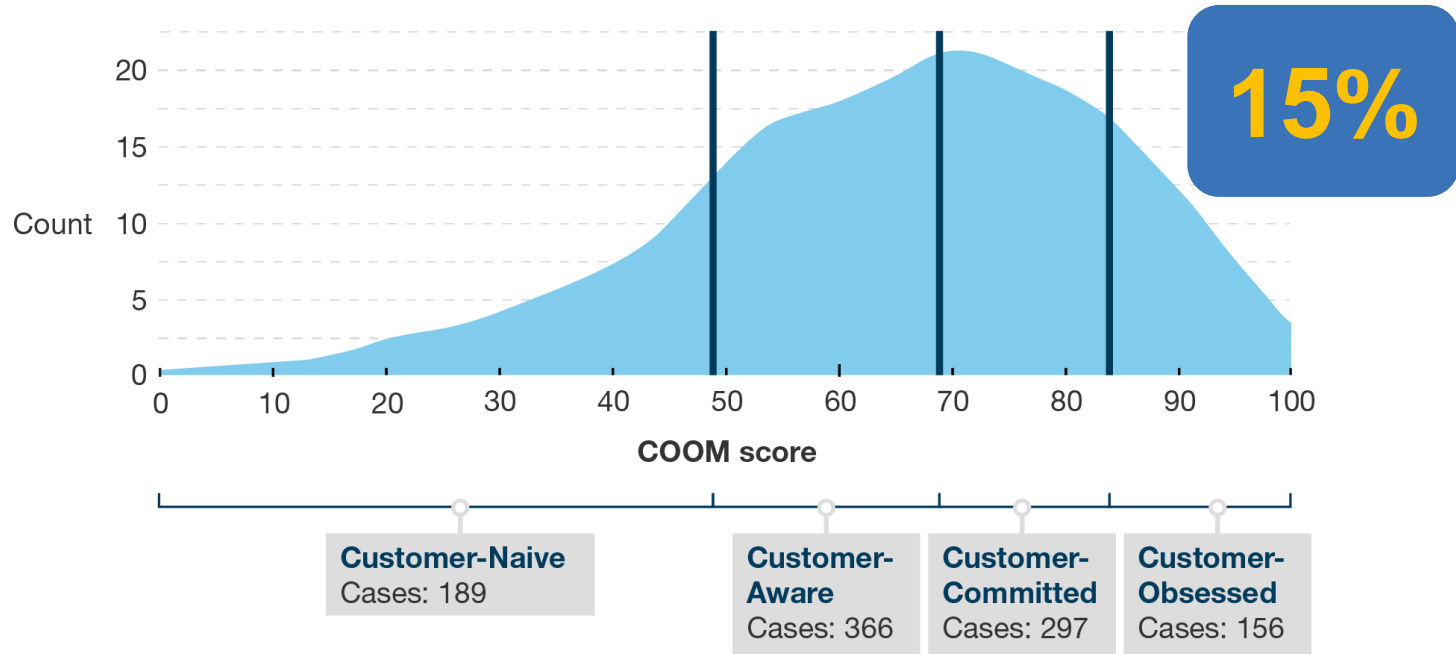
Key factors predict a firm's customer obsession

Answering 21 questions across three dimensions determines how customer-obsessed a firm is and how to advance further.

Leadership			
1. Our senior leaders regularly use customer information to inform decisions.			
2. We have a C-level executive who	Operations		
3. The C-level steward for customer exceptional customer experience	8. We continuously improve the customer experience by using an iterative approach to experience design and delivery.		
4. Our business and technology learning processes are most critical to success	9. We give employees the training expectations.	Strategy	
5. Our senior executives recognize and advocacy.	10. Our approach to operations is	15. We regularly mine customer insights to inform our business decisions.	
6. The C-level steward for customer customers.	11. We give employees the resources	16. Our approach to measurement focuses more on outcomes than the numbers themselves.	
7. We continuously reinforce our standards demonstrate them.	12. We encourage employees to	17. We prioritize building individualized experiences as opposed to segment-level ones.	
	13. We measure key parts of our customer experience (e.g., Net Promoter Score [NPS])	18. We are willing to forgo short-term financial goals to achieve long-term customer objectives.	
	14. The metrics we use daily align with traditional business metrics	19. We regularly adjust the allocation of our investment budgets during the year in order to respond better to the changing customer and market realities.	
		20. We prioritize technology investments that create differentiated customer experiences.	
		21. We have a risk management process that helps us take thoughtful risks.	

From the Forrester report, "The Customer Obsession Assessment" July 2019

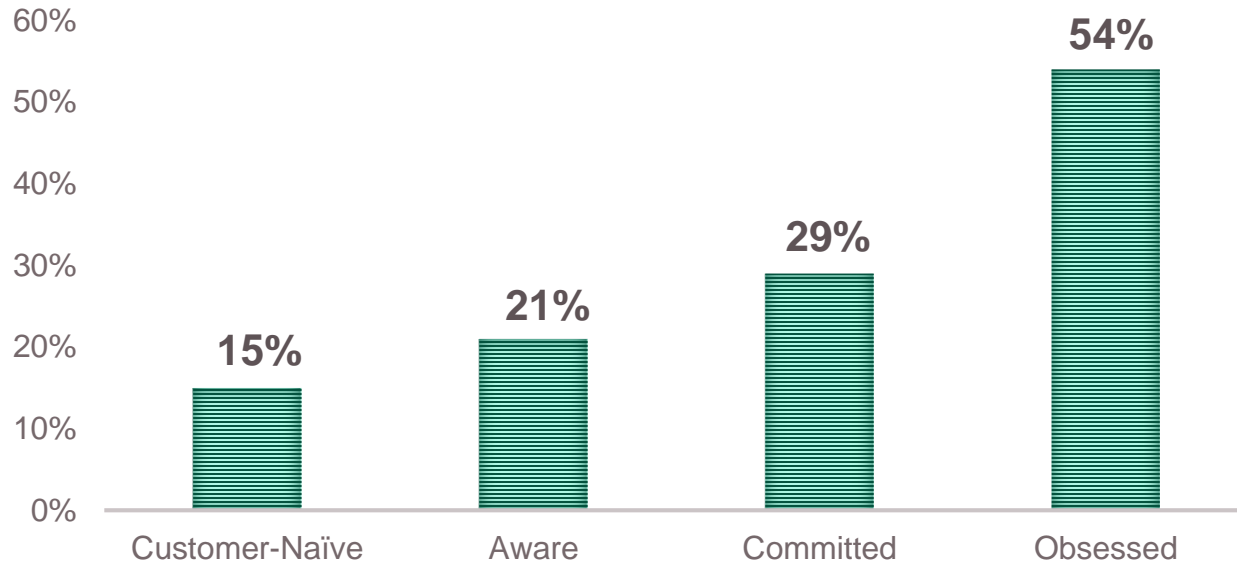
Very few are prepared to serve B2B consumers



Base: 1,008 US-based executives
Source: Forrester's Q4 2018 Customer-Obsessed Operating Model Online Survey

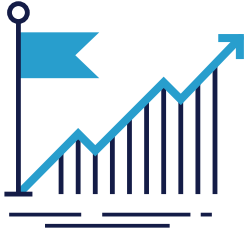
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“Our revenues grew 10% or more during our last fiscal year.”

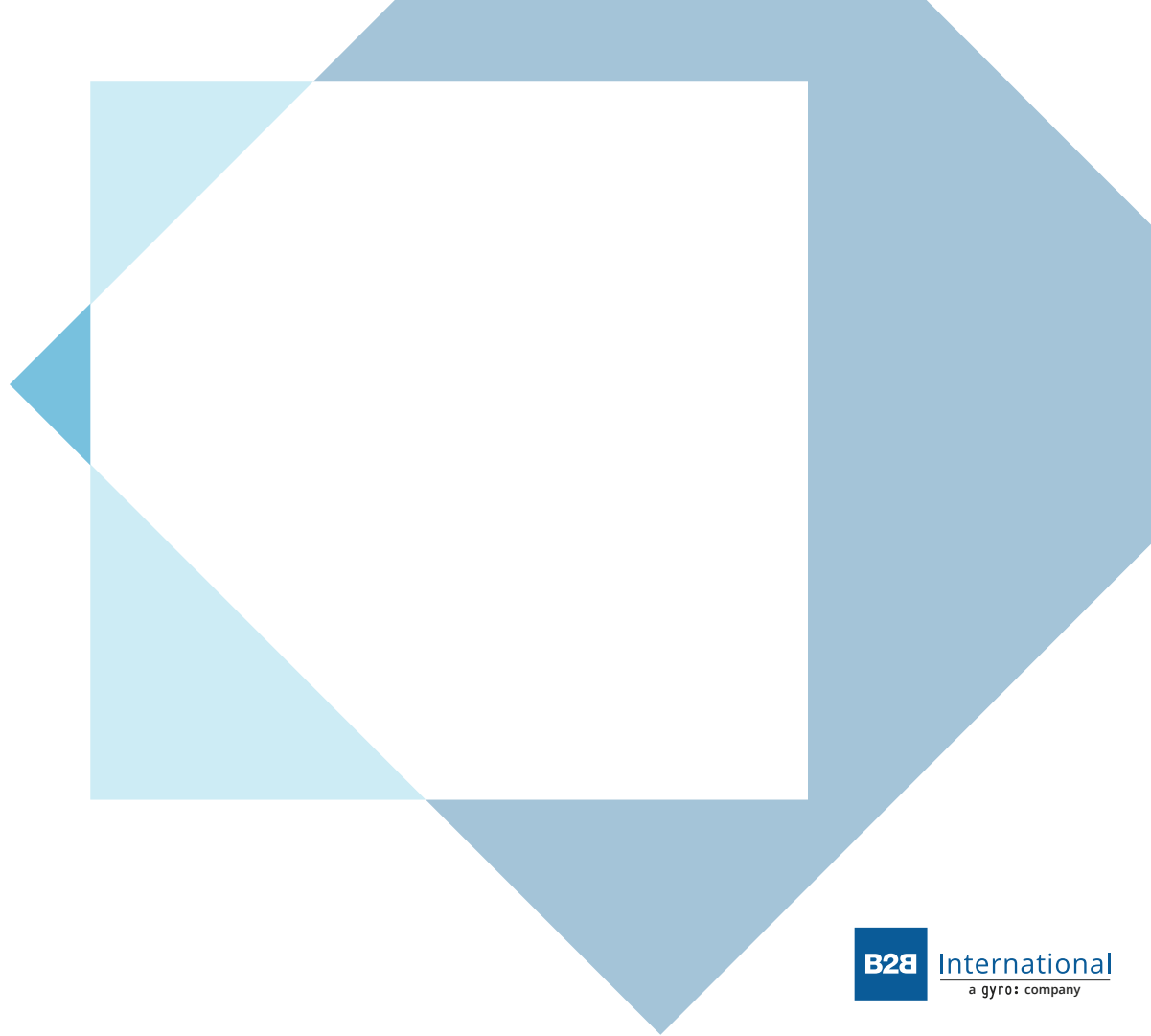


Base: 464 employees in a leadership role at B2B companies with 500 or more employees in the US

Source: Forrester's Q4 2018 Customer-Obsessed Operating Model Online Survey

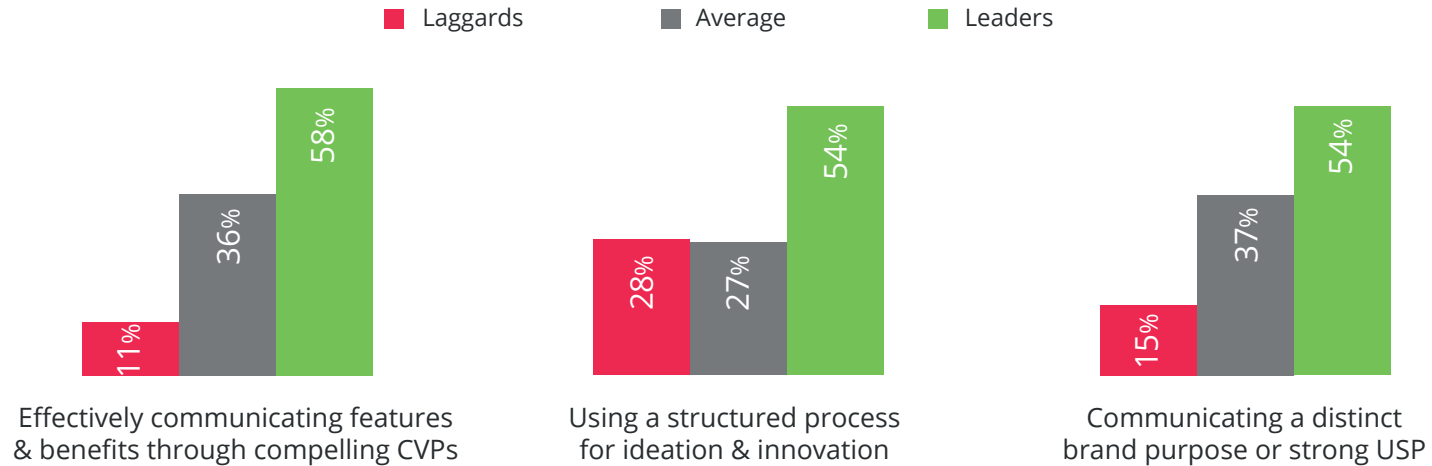


Impact Of CX Performance



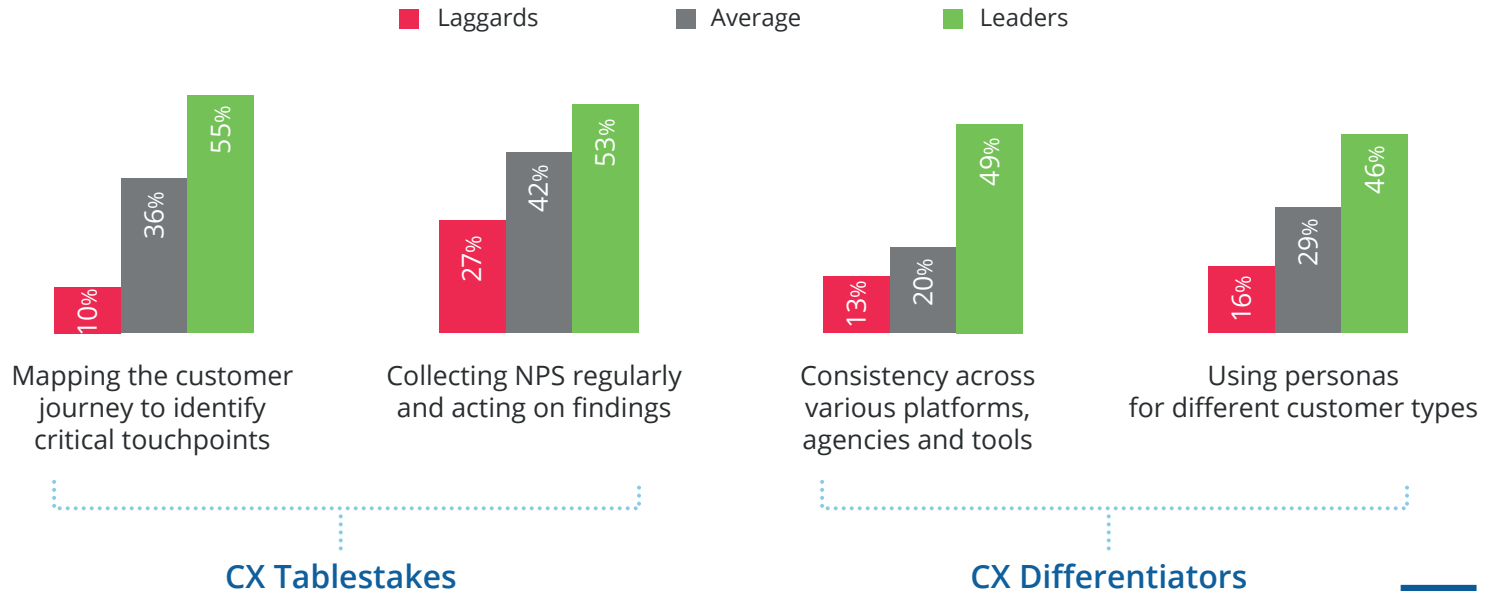
CX Leaders Excel On Optimal Value Propositions, Innovation & Brand Positioning

% of companies that are strong at the following practices:

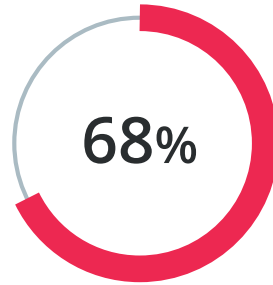
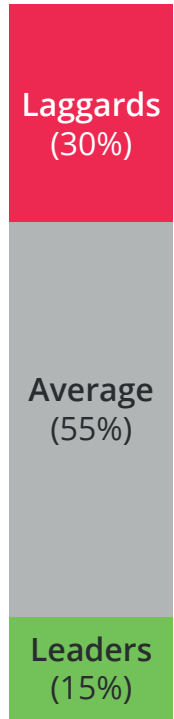


CX Leaders Are Distinguished With A More Seamless Marketing Discipline & An Effective Use Of Personas

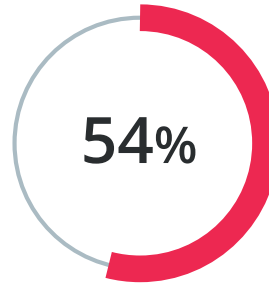
% of companies that are strong at the following practices:



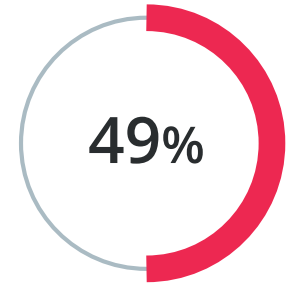
Laggards Lack Commitment To Customer Centricity



...struggle delivering excellent customer experiences throughout the entire customer lifecycle

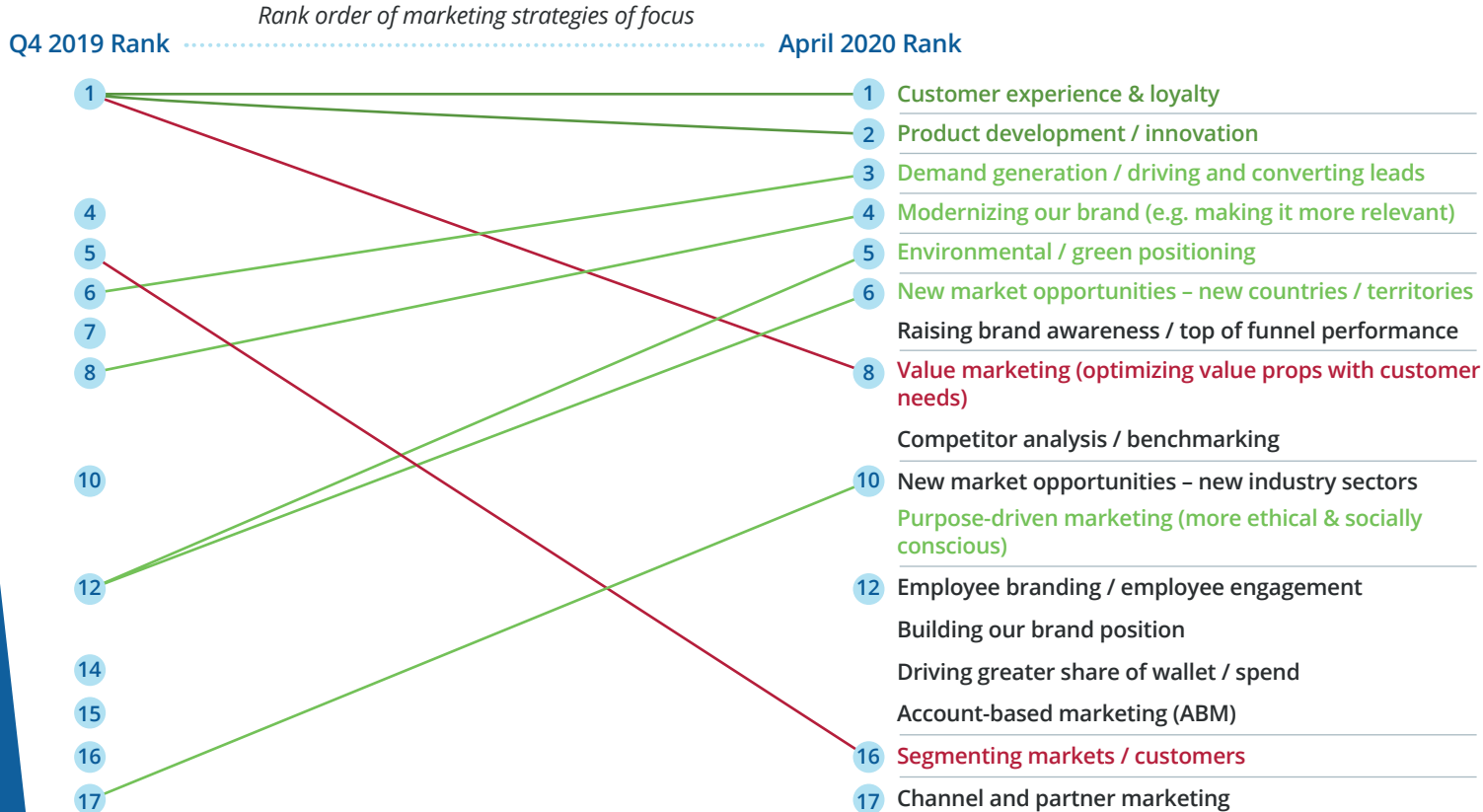


...struggle driving consistency across various platforms, agencies and tools



...struggle connecting with customers on an emotional level to drive higher brand engagement

During COVID-19, Customer Experience Stays The Top Priority



CX & Innovation maintain their top priority positions.

Demand gen and Brand modernization jump from top 10 to top 4 rank.

Value marketing and Segmentation drop significantly in importance.

Obsessed firms put customers at center of their leadership, strategy, and operations



59%

Hold C-level steward of customer outcomes accountable for organization's delivery of exceptional CX



64%

Say senior-level execs put themselves in customers' shoes



58%

Regularly mine customer insights to inform our business decisions



52%

Prioritize technology investments that create differentiated CX



58%

Continuously improve CX by using an iterative approach to experience design and delivery

Base: 464 employees in a leadership role at B2B companies with 500 or more employees in the US
Source: Forrester's Q4 2018 Customer-Obsessed Operating Model Online Survey

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As a result, they have happier employees

“Employees are happy to work in my organization.”

(showing only 5s on a scale of 1 [completely disagree] to 5 [completely agree])



55%	Customer-Obsessed	74%
28%	Customer-Committed	56%
12%	Customer-Aware	38%
2%	Customer-Naive	26%

“Extremely likely to stay at my current employer for the foreseeable future.”

(5 on a scale of 1 [extremely unlikely] to 5 [extremely likely])



Base: 464 employees in a leadership role at B2B companies with 500 or more employees in the US
Source: Forrester's Q4 2018 Customer-Obsessed Operating Model Online Survey

Who believe in their products and services

“Extremely likely that our firm’s products and services will be best-in-class in the next 5 years.”

(showing only 5s on a scale of 1 [completely disagree] to 5 [completely agree])

“Extremely likely that my organization will be a top provider of its products and services for the next 5 years.”

(5 on a scale of 1 [extremely unlikely] to 5 [extremely likely])



59%	Customer-Obsessed	71%
36%	Customer-Committed	43%
27%	Customer-Aware	34%
10%	Customer-Naive	11%



Base: 464 employees in a leadership role at B2B companies with 500 or more employees in the US
Source: Forrester's Q4 2018 Customer-Obsessed Operating Model Online Survey

And help create happier, more satisfied customers

“Customers are satisfied with our products and services.”

(showing only 5s on a scale of 1 [completely disagree] to 5 [completely agree])

“It is extremely likely that my organization’s relationship with its customers will be stronger in the next 5 years.”

(5 on a scale of 1 [extremely unlikely] to 5 [extremely likely])



95%	Customer-Obsessed	70%
83%	Customer-Committed	27%
65%	Customer-Aware	23%
46%	Customer-Naive	4%

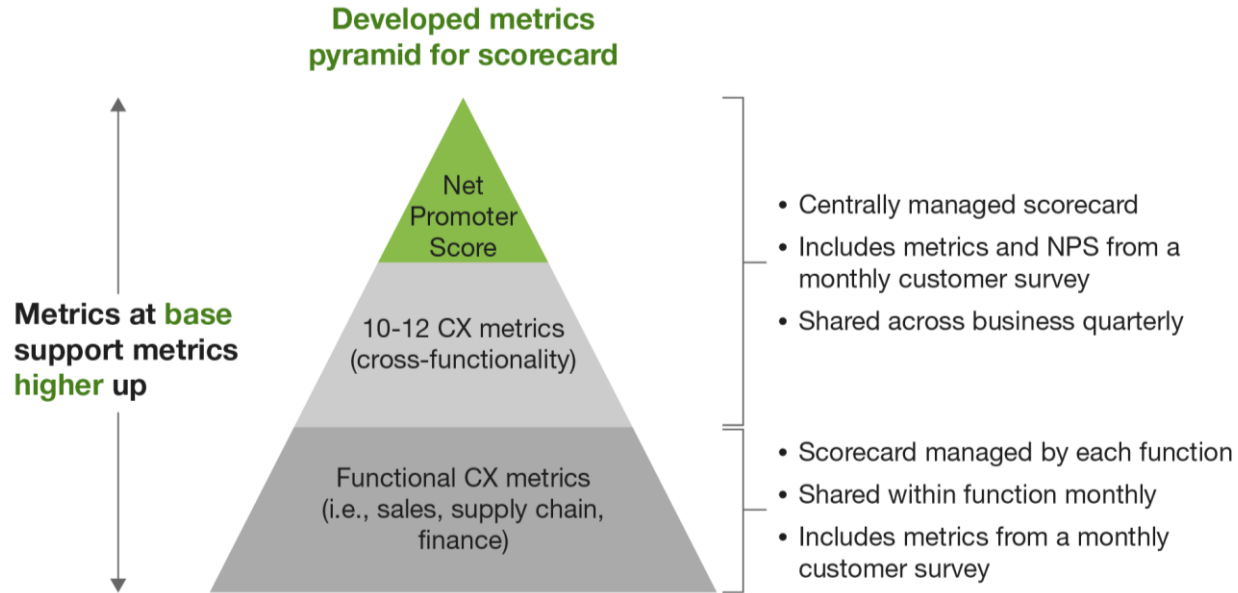


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Source: Forrester's Q4 2018 Customer-Obsessed Operating Model Online Survey



Action: Towards Total Customer Centricity

Build a CX measurement architecture underneath a beacon metric

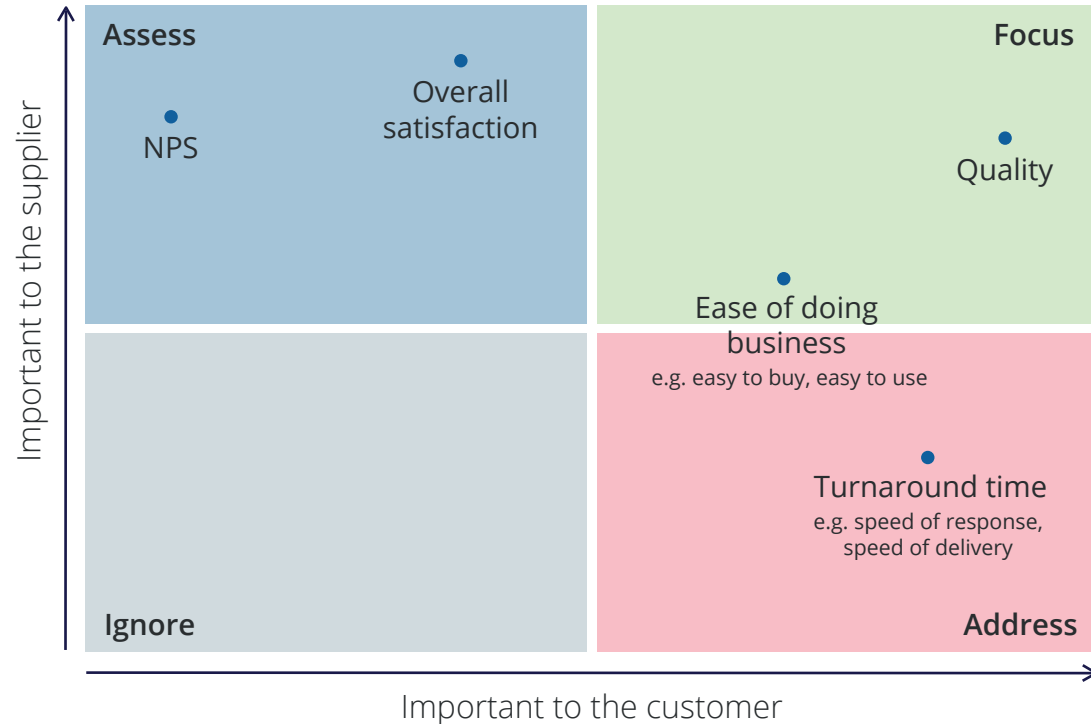


Note: Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.

Source: Ingredion

Ensure The Right KPIs Are In Place & Monitored Over Time

Address customer needs & value drivers as this will translate into desired outcomes for the business.



Optimize Data and Technologies To Deliver A Superior CX

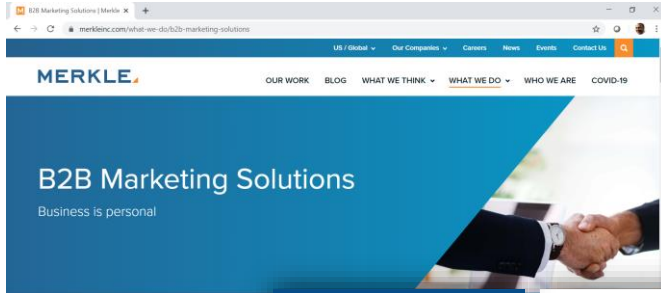


- **Remove organizational silos** to create a single view of the customer.
- **Integrate technology platforms to consolidate data** from multiple sources – inbound and outbound.
- Ensure a **seamless management of the customer experience**.
- Consider a **Digital Center of Excellence** comprising specialists across various disciplines such as website, email, SEO, call center, insights, etc.
- Ensure this **team drives integration of all customer lifecycle management processes**, and establishes best practices based on performance outcomes.
- Seek opportunities to **wow the customer** such as through personalization, real-time responsiveness, AI driven product recommendations, etc.

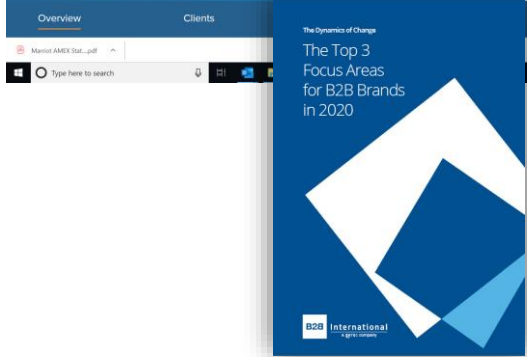


Any questions?

For Further Information...



<https://www.merkleinc.com/what-we-do/b2b-marketing-solutions>



Customer Centricity

Action

In the age of the experience economy, customers expect more than ever before. It is not enough for B2B brands to deliver a strong customer experience; rather, it needs to be exceptional to keep customers loyal and the competition out.

The survey results shed light on what distinguishes the leading B2B brands in customer experience, including their B2B marketing and insights professionals need to do to help their brands get ahead. While the average brands recently perform well on the most common practice of engaging customer partners and building NPS regularly, these practices contribute towards a more average performance. The brands that qualify as 'top leaders' in who report strong performance on at least five of the six best practice areas, typically employ "business process review, performance and lead" and "loyal buyer / user personas to better target and communicate to different customer segments".

This highlights the importance of an engaged and seamless marketing discipline in going from function to customer experience excellence. And it confirms the need for B2B brands to have a clear understanding of their customers at the individual level to better reach and impact their target audience.

Identifying the Distinguishing Characteristics of Customer Experience Leaders

Characteristic	Percentage
Measuring the customer journey to identify critical touchpoints	55%
Building self-serve capabilities and being on-hand	53%
Personalizing content, services, programs, offers and tools	47%
Using personas for different customer types	46%
Using personas that are going to be the primary profile being	34%

b2bint.nl/focusareas

On The Pulse: B2B International's Pandemic Tracker

56%

COVID-19: 56% of businesses very or extremely concerned by supply chain challenges

#StateofB2B
#PandemicTracker

b2bint.nl/covid19

Related Forrester Research

- REPORT: [What B2B Buyers Crave](#)
- REPORT: [The Customer Obsession Assessment](#)
- BLOG: [TO NPS OR NOT — USE OUR NEW INTERACTIVE TOOL AND CHOOSE THE BEST CX METRIC FOR YOUR ORGANIZATION](#)
- BLOG: [PRIORITIZE CUSTOMER VALUE, NOT JUST CUSTOMER EXPERIENCE](#)
- BLOG: [WANT TO KNOW WHAT MARKETING LOOKS LIKE FOR CUSTOMER-OBSSESSED FIRMS?](#)
- BLOG: [ARE YOU A CUSTOMER-OBSSESSED B2B MARKETER? A SNEAK PEEK OF OUR FORUM](#)