Why is customer centricity making its way on to the C-level agenda as an urgent management mandate? IDC and the 10 chief marketing officers (CMOs) we interviewed for this IDC Insight believe it is because companies today have no choice. In this era of digital transformation, buyers are smarter, savvier, and more demanding. The best customer experience sets the bar for the rest. Our 10 CMOs exemplify the type of business-oriented marketing leaders that are in high demand. As the burning need for excellent customer experience lights a fire under every CEO’s seat, no executive role is more important to get right than the CMO. IDC finds that, in 2015, 59% of tech CMOs in companies with annual revenue over $50 million had been in their jobs for less than two years. The best CMOs seek positions with the most interesting challenges. The unprepared falter. This IDC Insight offers guidance on how to steer your company’s attention away from an internal fixation and outward to the customer centricity that will drive future success. Key findings of this study include the following:

- **Customer centricity can and must be measured.** Revenue, particularly from renewals, expansion, and repeat business, was highlighted by the CMOs as the ultimate metric of customer centricity. However, companies are advised to also measure leading indicators to ensure they get ahead of any issues. Qualitative “soft” measures are needed for constructive diagnostic feedback.

- **Customer-centric organizational behaviors must be fostered.** The wisdom and guidance of the 10 CMOs along with analyst perspectives is summarized in a checklist. Collectively, the 10 CMOs described six categories of customer-centric behavior:
  - **Accumulate tribal knowledge about customers.** Ensuring that marketing teams gain firsthand experience with customers will foster their deeper understanding of the customer's reality.
  - **Signal a customer-centric culture.** Customer centricity starts at the top. The actions of leaders will either encourage progress or throw up roadblocks.
  - **Build “connective tissue.”** Companies must invest in the links needed to bridge functional silos. Silos are optimized for internal benefit. They cause pain and suffering for customers.
  - **Forge feedback loops.** Intelligence helps companies avoid bias and get closer to the truth of customers’ needs and preferences. Companies required feedback to be agile and responsive.
  - **Cultivate customer counsel in solutions.** To nurture high-propensity buyers, marketers need to not only understand customer needs and preferences but do so in the context of the company’s solutions.
  - **Channel the voice of the customer.** Said one CMO, "When the message comes from the voice of the customer, it has instant credibility. You are just the conveyer."
IN THIS INSIGHT

This IDC Insight contains interviews with 10 marketing heads from a range of company sizes and business models for their views on customer centricity. This perceptive group offers observations on the growing importance of customer centricity in the era of the digital transformation and on the behavior of customer-centric organizations. This study describes the evolving role of the chief marketing officer (CMO) within the executive team during this time of historical shift and guide marketers on what should (and can) be measured about customer centricity. This document includes:

- Interview excerpts from each of the 10 marketing leaders
- Recommendations for customer centricity metrics
- List of customer-centric companies that inspire the 10 marketing leaders
- Checklist of customer-centric behaviors to compare against your organization

The 10 marketing leaders featured in this study are:

- Thomas Been, chief marketing officer, TIBCO
- Sanjay Dholakia, chief marketing officer, Marketo
- Stella Goulet, chief marketing officer, Avanade
- Scott Horn, chief marketing officer, [24]7
- Maggie Chan Jones, chief marketing officer, SAP
- Mike Marcellin, chief marketing officer, Juniper
- Heidi Melin, chief marketing officer, Plex Systems
- James Thomas, chief marketing officer, Allocadia
- Vittorio Viarengo, chief marketing officer, MobileIron
- Jackie Yeaney, executive vice president of Marketing and Strategy, Red Hat

For CMO biographies, please see the Appendix section.

SITUATION OVERVIEW

The New Urgency of Customer Centricity

Is customer centricity a cultural value? Is it a companywide aspiration? Or is it a new and important management process that has designated leadership and objectives?

Most likely, customer centricity is some combination of these things. For the purposes of this IDC research document, we will focus on the last definition. That is: Why is customer centricity now making its way on to the C-level agenda as a more urgent management objective? And if it is on the agenda, how might it be improved and how is improvement measured?

IDC believes that, in this era of digital transformation, there are three key reasons why customer centricity is on the rise as a new management initiative within IT vendor organizations:

- The heightened expectations of today's smarter, savvier, and more experienced customer. Buyers today have a lot of IT buying experience under their belts. Whether this is from their consumer buying experience or the business buying experience, customers now make so many technology transactions that they can (and do) evaluate, rank, and prioritize the vendors
that deliver the best, most personalized (customer-centric) experience. This evaluation and ranking may not be a scripted and "conscious" process. But we all are able to hold in our minds our good and bad experiences and to draw on this in our next, subsequent experience, and the best experience sets the bar for all the rest.

- **Our multimedia, multichannel stream of communications with customers.** In a nutshell: today's vendors have so many communication channels at their disposal that there are any number of ways to really mess things up. Is your customer being addressed the same way by your marketing communications and your sales communications? Is your customer receiving consistency in your communications whether he/she is online or offline? When your customer does business with your call center service personal and then he/she visits your authorized reseller to pick up his/her new device, does he/she feel like two different people?

- **The fact that buyers have more choices today and it's easier than ever to switch products, services, and suppliers.** Digital services have enabled companies in most industries to lower the bar for trial and product adoption. These factors combine with global competition and increasingly consumer-friendly laws to create a situation where no vendor can take customer loyalty for granted. Clearly, this list could go on.

If these issues are present for your company, then customer centricity needs to swing over from being a "value" to being a "goal." IDC suggests that you ask yourself three questions. These are three steps to consider, to successfully put customer centricity on to your C-level to-do list:

- **What is the C-level mandate for a customer-centric mission?** Today, IDC is seeing that several CEOs are tasking the CMO to become the customer-centricity czar. Smart CEOs today understand that "internal" customer centricity leads to external customer satisfactions and loyalty, which leads to new and recurring revenue. IDC does believe that more good things will happen, and more quickly, with the CEO-level mandate. But can the CMO do this in addition to his/her day job? If not the CMO, then who?

- **What can you affect?** You can affect communications style and consistency. You can affect the accuracy and consistency of your customer records. And you can affect via your measurement and reporting, the general organizational and cultural response toward becoming more customer centric.

- **What do you measure?** Customer centricity might sound like a fuzzy science with its accompanying fuzzy math, but the best practitioners do have hard numbers that they have baked into their processes and reporting.

**Chief Marketing Officers’ Interview Highlights**

The 10 CMOs interviewed for this research contributed many valuable insights about the need for customer centricity, as well as methods for discovering, cultivating, and measuring it. Their thoughts have formed the basis of this study. Here are quotes from each CMO highlighting his/her views.

**Thomas Been, Chief Marketing Officer, TIBCO**

During his career, Thomas Been (see Figure 1), CMO of TIBCO, has worked in just about every customer-oriented role that exists within an enterprise tech company. From presales engineer through partner/alliance management to product marketing and now overall marketing oversight, this mix of perspectives informs his strategic view of customer centricity and allows him a better grasp of its place in the business. Been has seen firsthand why customer involvement is a necessary ingredient, not just in marketing but across the organization. He stressed the importance of aligning the whole company. Customer involvement allows the company to "breathe air, not your own exhaust." Been wisely points
out that customers are looking to solve a problem, not just form a relationship for the relationship’s sake. Marketing has a special role in helping the company anticipate, be relevant, differentiate, and resonate with its solution experience.

According to Been, "The paranoia you need is about the trend. No dot turns red when you aren't customer centric. Instead, your marketing effectiveness just slowly erodes. You need to get ahead of the trend. It takes time to change the customer centricity trend in either direction."

"Customer centricity isn't just about relating to customers. You are driving them to a point. 10-15% of your customers are the inspiration to the other customers and organizations. Part of customer centricity is aligning with the trailblazers, then leading the others — your bread and butter customers — with innovation that drives them in new and better directions. We have long customer relationships because we have the flexibility to address needs now and in the future."

**FIGURE 1**

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**Thomas Been, Chief Marketing Officer, TIBCO**

Source: TIBCO, 2016

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**Sanjay Dholakia, Chief Marketing Officer, Marketo**

As the CMO of a marketing technology company, Sanjay Dholakia (see Figure 2) not only does the job daily he also talks to the hundreds of marketing leaders that are Marketo's customers. He expresses optimism and confidence about the CMO’s future role in customer centricity. Dholakia sees some CMOs struggling to keep above water as they try to make this historical shift. However, he sees other executives stepping out and coordinating in a richer way with other touch points in the organization. The hallmark of success in this shift is the ability to listen to individual customers to understand their behavior. Combined with this insight, the tools of science and data now provide marketers with the structural capability to listen to what is relevant and personally communicate at scale. Dholakia believes that marketing has changed more in the past five years than it has in the past 500. Future
CMOs, he says, will be "Leonardos," equally science and art. This will earn them the most strategic seat at the executive table.

According to Dholakia, "Customer centricity is the new basis of competitive advantage. You can't compete with cost anymore. You can't compete on just product differentiation any more: The barriers are just too low and people will copy you. Now the new basis is customer intimacy. Relationships in a noisy world are a strong benefit."

"The relationship between the CEO and the CMO has never been more important. The world has changed with digital and social. Companies are realizing that the only way to succeed is through the customer. For this job, the CMO is the CEO's right hand. There are two important metrics in business: acquire more customers and keep them. In this crazy, digital world, the CMO is the executive best suited to figure out how to drive relationships. We conducted a study with The Economist, and the headline was that 75% of CMOs are being asked to be the steward of the customer relationship. This is a shift from the CMO's historical job. At worst, the CMO job used to be deciding the color of the cocktail napkins. At best, it was 'get me more customers.' Now CMOs are the architects of the customer relationship. The CMO job is going to a very provocative place."

**FIGURE 2**

Sanjay Dholakia, Chief Marketing Officer, Marketo

Source: Marketo, 2016

**Stella Goulet, Chief Marketing Officer, Avanade**

Stella Goulet (see Figure 3), CMO at Avanade, understands that one aspect of customer centricity is to communicate with the customer in a way that's most relevant to the individual, taking into account not only their role or title but also their goals, needs, and behaviors — their "persona." Understanding customer personas is particularly important for Avanade and for technology providers that today need to sell to functional and LOB executives and not just to IT.

One of the key buyers that Avanade now has to communicate with is the CMO. Recognizing a need to help Avanade sales and client management teams understand the language of marketing and connect with marketers, Goulet and the marketing leaders at Avanade have directly involved themselves in this
process. Who better than marketers to do this job? And as marketers who understand technology, they're finding that their advice to peers on the CIO-CMO relationship is particularly welcome. But to be successful, customer centricity and the client experience have to be everyone's responsibility and a commitment at the top.

Goulet notes: "At Avanade, we have a handful of councils that are formed in our operating committee that focus on important aspects of our business. I chair the Client and Market Council, which is composed of senior people leading our geographic businesses (representatives from our Areas – North America, Europe, and growth markets), market units and offerings, growth, sales, client management, and marketing. Over the past few years, we've had client insight on our agenda. This year, we've added the client experience/client journey as one of focus topics."

FIGURE 3

Stella Goulet, Chief Marketing Officer, Avanade

Source: Avanade, 2016

Scott Horn, Chief Marketing Officer, [24]7

Scott Horn (see Figure 4) is a pragmatic CMO who understands that customer centricity can only be accomplished by getting beyond pretty words to actions that really make a difference. Horn's view is that the rock solid execution that leads to increased revenue from happy customers along with reduced churn is the metric that count. He sees behind the rhetoric of companies that hype the orthodoxy of customer love but engage in battle with them. He points out the short sightedness of failing to hire and invest in the people who can make customer centricity happen. Horn reel off a list of companies whose customer orientation he admires, noting the business reasons for their practices. His advice is to set things up, so you can measure and optimize the effect of customer centricity on the bottom line.

According to Horn, "Customer centricity is not about knowing the buyer's brand of scotch and then talking about price. If you come at customer centricity with fluffy language, you won't succeed in the long term. Customer centricity can and should be practical. Because we offer software as a service (SaaS), we know what customers are doing at every step of their journey. Because of this deep knowledge, we have the opportunity to benchmark the value of the service we deliver. We can continually share the business outcomes we’re able to drive with our customers – whether that's revenue generation or reducing account churn to save them millions of dollars. The ultimate customer
centricity is knowing your customer better than anyone else and using that knowledge to drive business outcomes that benefit both of you."

**FIGURE 4**


**Maggie Chan Jones, Chief Marketing Officer, SAP (in Process)**

As CMO of business software giant SAP, Maggie Chan Jones (see Figure 5) found the roots of her mission in the dual customer experience drivers of science and art. She promotes science because of her strong belief in data-driven marketing. She promotes art because of the compelling role of storytelling in helping today's customers understand how the company improves their business and their lives. The science must inform the art. Jones, a self-described math lover, believes that only a rich stream of data providing an updated 360-degree picture of customers will ensure that companies can keep up with evolving needs and expectations of individual customers. Data, especially in the form of customer-centric key performance indicators (KPIs), is also crucial in getting the company aligned around the customers.

Jones told IDC that a lack of data, along with a rigid organizational culture, was a warning sign that a company lacked customer centricity. Her advice to leaders who find themselves in the early stages of guiding toward a customer orientation was clear: help your organization clear these hurdles.

Jones notes, "A company that has a culture that permits employees to say 'this is the way we do things' to their customers is not putting those customers at the center. Leaders need to set the tone in how they approach customers, support employees who are doing the right things, and be vigilant for cases where customers are being pushed through internal bureaucracy. It's our responsibility as leaders to scrub out that type of language and thinking within the organization through awareness and education and to create an environment where we reward our people for doing what's right for customers. The new marketing mindset has to be more listening than telling, as well as data driven."

"The KPIs that a business tracks reveal a lot about their attitude toward customers. If Net Promoter Score (NPS), customer sentiment, and other customer-centric KPIs aren't being included in business objectives, then it is a clear indicator that the business is only measuring its internal performance and not the external impact as seen by customers. It's a simple idea, and today's digital, social, and
analytical tools make it much easier than before, but I'm surprised at how many leaders still don't emphasize how much these metrics matter."

"Customer centricity is a must in the digital economy. If you can't get a complete picture of your customer, if you can't anticipate their current needs, and if you aren't working to engage your customers on [the] journey they want to take with you, you can bet that someone else is. Second, marketing job is not only to serve existing customers but to help discover new customers and create new markets and demand that even customers may not know they have today. As a CMO, I want my business to be the disruptor in the industry, not the disrupted, and the only way to do that is to put the customer in the center and anticipate, predict, and create the future with deep insight and data. Customers today are self-motivated, self-informed, and self-directed to create and control their own futures. Top Marketing organizations join them on that journey."

FIGURE 5

Maggie Chan Jones, Chief Marketing Officer, SAP

Source: SAP, 2016

Mike Marcellin, Chief Marketing Officer, Juniper

Juniper Networks is a nearly $5 billion B2B company in the networking and security business. Mike Marcellin (see Figure 6) joined Juniper in 2010 and became CMO in 2015, bringing to the office his 20-year career as a senior marketing executive in the telecommunications industry. IDC asked Marcellin about his philosophy for imbuing an organization with a customer-centric approach:

Marcellin stated, "First of all, this has to flow from the CMO. Some organizations would claim to have a long-term customer ethic that already flows throughout the company, and all the CMO has to do is steer the ship. But during times of change like the digital disruption we're seeing, the CMO has to walk the walk and visibly invest."
"A customer satisfaction measurement structure is a must-have. If you don't have this, it's a warning sign. We do a comprehensive customer survey once per year and then throughout the year, smaller 'pulse' surveys. We ask a broad array of questions about our products, solutions, account teams, and marketing (such as usefulness of our marketing collateral and product documentation)."

"The marketing goals should be simple, and we have three:

- First, accelerate time to revenue (working with sales and partners).
- Second, tell compelling stories to the marketplace.
- Third, deliver a remarkable digital experience (which is the new competitive battleground).

"At Juniper, we have a couple of specific investments that carry us toward these goals. First, we have built an analytics team that includes data scientists to help us sift through the growing amount of data we have and translate it into customer value. The other big investment is in a marketing cloud. We have had a broad array of marketing automation tools in the past, but I felt that standardizing as much as possible on a single marketing cloud would yield big benefits and would allow us to leverage the work that our cloud vendor is doing in R&D rather than forcing us to pay to stitch together disparate tools ourselves."

FIGURE 6
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**Mike Marcellin, Chief Marketing Officer, Juniper**

Source: Juniper, 2016

_Heidi Melin, Chief Marketing Officer, Plex Systems_

Heidi Melin (see Figure 7) is a successful software CMO with a career across several software companies. Her pragmatic approach to marketing has long been tracked by the IDC CMO advisory as best practice for others. Her succinct advice to peer CMOs regarding the job role of the CMO could be written on the back of a business card:
According to Melin, "Customer centricity isn't rocket science. It's about understanding what your customers do and what they need. I can talk all day about how great Plex is ... but who cares? The best voice comes from the customers who can articulate their demonstrated success."

"Don't overcomplicate the job. The CMO needs to do four things:"

- Grow awareness of the company and product.
- Build demand and accelerate pipeline.
- Maintain happy customers.
- Develop good marketing infrastructure and operations."

As for customer centricity, Melin's advice is equally succinct and pragmatic. She says, "The key metric for your customer centricity success is an easy one. And either you have it or you don't. It's the renewal rate. This is the key customer-centric health metric, and our goal at Plex is 95% or above. Our actual numbers today are around 97-98%, and this is extremely good. Hands down, this is the metric. Customers that are unhappy with things don't renew. Of course, our software is hard to shed – we run the organization all the way from the back office to the shop floor. But customers always have choices and can always walk away."

**FIGURE 7**

Heidi Melin, Chief Marketing Officer, Plex Systems

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James Thomas, Chief Marketing Officer, Allocadia

In his role as CMO of a cloud company focused on optimizing marketing's back office, you would expect James Thomas (see Figure 8) to have a special interest in monitoring and metrics. He does. But Thomas also emphasizes that qualitative conversations are needed to get a good look under the hood. When Allocadia found that small companies loved the free trial version of its product but relatively few converted, it did a deep dive. The company found that small companies lacked resources to adopt. This drove the company to refocus on mid[size] to large enterprise businesses. Thomas believes that part of marketing's job is to make it possible for the CEO to spend time with customers. He recently added the customer success team to his organization and he makes sure they are a part...
of every important conversation. His Account Health dashboard includes a metric indicating the depth of relationship with a business sponsor and a power user. If significant progress isn’t made with both during the quarter, the account goes yellow. This kind of cross-functional attitude toward customers won’t happen if the CMO is buried deep in the organization. Thomas believes that a high-ranking CMO is a good indicator of how true a company is to customer-centric values.

Thomas stated, "Today, not protecting the customer relationship is the kiss of death. In the on-premise software days, your products were locked-in and maintenance was a tax customers had to pay. In those days, marketing was measured on how well we served sales. But the reality of the modern software business has changed. Now marketing has two jobs. Revenue and customer centricity rank equally. Customers have more choices. Renewal and usage adoption have equal weight with MQLs and SQLs on the CEO's dashboard. Not knowing the customer impacts the bottom line.

"The CMO's role is likely to migrate toward being the chief customer officer [CCO]. The question will be how do CMOs work with the chief revenue officer [CRO]? Sales and marketing need to be aligned, but the natural tension between a CCO and a CRO is healthy. Ultimately, customers want to buy, they just don't want to be sold to. They want to make sure you will make them successful.”

FIGURE 8

James Thomas, Chief Marketing Officer, Allocadia

Source: Allocadia, 2016

Vittorio Viarengo, Chief Marketing Officer, MobileIron

Vittorio Viarengo (see Figure 9) is a CMO with the soul of a software engineer. He applies the tools of that profession to marketing's contributions to MobileIron's customer centricity. Viarengo uses an agile methodology, with regular scrums and measurable two-week sprints that hyperfocus on outcomes that benefit customers and prospects. He believes that marketers must truly comprehend the products they represent so that they can properly position the value to customers and maintain credibility within the company. Exhibiting a bit of a hacker mentality, Viarengo loves how new marketing technologies enable a fast, direct, connection between the people in the company who have the market and product knowledge and the customers who want to engage and learn from them. When Viarengo has something to say, he personally makes a video to share. "The only way to prepare for the CMO job of the future is to pay attention to young people," he counsels. How they interact with brands is so different than the past. Without a fresh, agile, outlook, CMOs will be history.
According to Viarengo, "Customer centricity starts from you. Get on a plane. Talk and listen to lots of customers. Just do that. You will have fresh and firsthand understanding of why customers bought your product and how they use it to solve business problems. Then you can credibly start driving the organization toward customer centricity. You will be able to understand if others 'get it.' Is your team adding value to every interaction with customers and prospects by delivering high-value educational content? You will get lots of ideas about how to improve it. Moreover, as you get out there in the customer base, you will develop real relationships with customers and with sales. The biggest lessons are sometimes learned from unhappy customers. Go out there and get some punches, then fix their problems, and the relationship is forever."

"If customer centricity is still hard, then most likely it's because you don't have the right people. What drives me insane is the people with marketing degrees who write well but it doesn't mean anything because they don't know the customer and they don't know what the product does. Old school marketers are done."

**FIGURE 9**

Vittorio Viarengo, Chief Marketing Officer, MobileIron

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Jackie Yeaney, Executive Vice President of Marketing and Strategy, Red Hat

Red Hat is serious about customer centricity. We asked CMO Jackie Yeaney (see Figure 10) specifically about the measures and metrics at Red Hat that are used to monitor customer centricity. Her views are helpful.

Yeaney stated, "What gets measured is what gets done. Are there objectives that people get paid on that are tied to customer satisfaction and experience? This is more likely to happen in a B2C business versus in the IT B2B space. We are focused on this goal at Red Hat. We are on a journey of building out our marketing operations and the dashboards that are attached to operations. We do look at engagement on RedHat.com. We track six metrics of customer progression and the handoffs from marketing to sales. We track account engagement, and of course NPS (from our support area) is consistently reported."
In support of these metrics and dashboards, Red Hat marketing has implemented a unique "Marketing Operations Ambassador" program. The objective is to enable employees outside of marketing to view the same dashboards and insights that are used by the marketing team. Marketing ambassadors in the sales function, for example, use marketing’s "engagement" analysis to tie marketing activity to sales revenue. Marketing ambassadors in the finance function use marketing analytics as one input into their calculations of customer lifetime value (CLV). The CMO team at Red Hat requires that would-be ambassadors go through a series of training, testing, and certification, and they are adding new ambassadors at the rate of 14 per quarter.

It is interesting to note that Yeaney started her mission of customer centricity in one of the most difficult industries to please customers — the airlines. Yeaney told IDC that she serendipitously ended up in marketing in 2002 during a stint at Delta Air Lines and fell in love with the role because the company needed her to be the ambassador and architect of the customer experience. Needless to say — a hard job. Early on in the job, Yeaney recognized that the typical customer experience "wasn't great" at Delta, which led to her thought: "If the product is not great, then why advertise it?" So Yeaney converted all her communications money to the experience. She spent money on kiosks, cleaning the planes, and working with flight attendants ... and made progress. Yeaney notes: "Yes, it was a tough industry. But here I am now in the software business at Red Hat and we don't have that problem — because we have great products!"

**FIGURE 10**

Jackie Yeaney, Chief Marketing Officer, Red Hat

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**Measuring Customer Centricity**

The ultimate metric of customer centricity is revenue growth, especially growth in renewed, repeat, or expanded business. However, revenue is a trailing indicator, especially in companies with long sales cycles.
Leading Indicators and Diagnostic Feedback

In addition to revenue, CMOs should also measure leading indicators that signal the probable changes ahead. Customer-centric actions require time to take effect. Change in either direction will be gradual. By the time that revenue is effected, opportunities for improvement have been lost or damage done. A decline in customer centricity is like the cautionary tale of the frog in boiling water. The premise being that if cold water is heated slowly, the frog won't notice the danger until it's too late to escape. In today's environment, even maintaining the status quo is risky. If a company's competitors or new entrants offer better customer experience, then the company appears to worsen by comparison.

In addition, CMOs should encourage deeper dive periodic health checks and qualitative "soft" measures that provide constructive diagnostic feedback. Customer relationships are complex. They are built over time with materials from thousands of interactions. Brands should not assume they understand what customers prefer or how they will respond. To quote the old World Book Encyclopedia tag line, "We never guess. We look it up." As one CMO said, some metrics will tell you your car won't run, but not whether you are out of gas or need a new engine.

Hard Metrics for Customer-Centricity Success
- Revenue, especially from renewals, repeat business, and expanded business
- Customer churn rate

Leading Indicators of Customer-Centricity Success
- Growing pipeline of permissioned stories and customers willing to act as references
- Improving engagement measures such as conversion from one stage of the buyer's decision journey to the next – or content engagement
- Social media sentiment, influencer share of voice
- Sales and partner views
- Status of marketing, customer support, and customer success within the company (Those companies that are too sales or product oriented are likely not customer centric.)

Formal Periodic Health Checks and Diagnostic Tools
- Improving scores on regular customer loyalty and advocacy survey results such as Net Promoter Scores and third-party surveys (Pulse these in batches throughout the year rather than waiting a long time for a big bang.)
- Account review scores for key accounts
- Third-party customer experience surveys

CMO Customer-Centric Favorites

The 10 CMOs interviewed by IDC named the following companies as among those they admire and look to for customer-centricity inspiration: Amazon, Apple, Audi, Capgemini, Children's Hospital, Coop Italia, Delta Air Lines, FedEx, Google, J.B. Hunt, Mayo Clinic, NBA, Nordstrom, Ritz Carlton, Sonos, Stitch Fix, Uber, Under Armour, USAA Insurance, World 50, and Zappos.

FUTURE OUTLOOK

As customer centricity continues to increase in importance, IDC predicts that more companies will move toward more formalized and measured initiatives and programs. To assist in this effort, IDC
offers a checklist describing the behaviors of customer-centric organizations, summarizing the wisdom and guidance of the 10 CMOs we interviewed.

**Customer-Centricity Behavioral Checklist**

**Are You Gaining Tribal Knowledge?**

Customer-centricity isn't born in your office. Firsthand experience with customers fosters a deeper understanding of the customer's reality. It enriches the narrative and helps people encode the indirect information gained through indirect means such as data. Tribal knowledge is the collective wisdom of your organization. In detail:

- **Personal contact:** How often does the executive staff meet with customers? How often do the product people meet with them? Marketing practitioners? In the most customer-centric companies, executives and key team members spend a lot of time on planes getting face to face with customers. In some companies, hundreds of customers are personally known by someone outside of sales.

- **Event leverage:** What direct actions do you take at user conferences to build intimacy? Is this a purposeful objective or an afterthought? Events feel busy to marketers, and they can produce a lot of "stuff" like press releases and stacks of business cards. But in the digital era where so much contact takes place virtually, event participation must be held to a higher standard. Take advantage of this increasingly rare opportunity to learn something about customers and build personal relationships.

- **Evidence of deep knowledge:** How deep and rich is your marketing team's knowledge of customers? Are they able to quote customer anecdotes and examples at every opportunity? Are case studies readily available? Can they reach a lot of decision makers themselves without having to go through sales or customer support?

- **Community participation:** Do you have an online customer community? How active is it? Do you measure engagement? Who from your company personally participates — just community managers and support representatives or also key team members including executives, product people, and marketers? Here’s a bonus: One company enabled peer support on its community, and it was so successful, the company avoided the cost of adding a new support center.

**Are You Signaling a Customer-Centric Culture?**

Customer-centricity starts at the top, it starts with the CEO and the CMO. Your organization isn't stupid. If customer centricity gets only lip service while the real actions of leaders continue to reflect inconsistent attitudes, no progress toward customer centricity will be made. The organization will follow the leaders. You will end up with the company you made. Further:

- **What did you say?** Does your organization use combative or collaborative language when speaking about customers? Consider language such as "that's our policy" or "we need to suck the oxygen out of the room" or "war and hunting analogies." Language is a reflection of employees' cognitive framework. These "us versus them" attitudes are warning signals. Take a look at your Web site. Who is the hero of your content narrative? Is it your product and company or is it your customer? Do you talk about customers and customer service at all key meetings? Is customer centricity part of your brand strategy?

- **Cross-training:** How often do your marketing people spend time with sales reps, customer success, and support? Talking with finance is also important since in some businesses they have more customer interactions than any other department. Understanding how each
customer facing function approaches its role, defines its mission, and measures its success is crucial for building a customer-centric culture. Marketing should proactively lead these conversations to discover new opportunities to enhance customer experience, loyalty, and lifetime value to the company.

- **Workforce incentives and readiness:** Employees make thousands of decisions every year. Each one has the capability to nudge you closer or farther away from customer centricity. Employees are also your best brand ambassadors. How are you ensuring workforce readiness for customer centricity? Have you audited hiring, reward, and measurement practices to make sure that customer centricity is encouraged and enabled? Are you training and enabling marketing and sales teams to improve customer interactions? Do you survey employees about their customer interactions and attitudes?

- **Rites and rituals:** Do you publically reward, appreciate, and celebrate customers? Do you publically reward employees who go above and beyond for customers? Do you extend the enthusiasm of your customer event throughout the rest of the year?

- **Investment:** Is there appreciable and appropriate budget provided for the tools and programs to build and maintain customer focus and customer success?

### Are You Building "Connective Tissue?"

To become customer centric, companies must invest in the links and infrastructure needed to bridge functional silos. For decades, companies have organized themselves in differentiated functions that operate more or less independently. Even within marketing independent functions, such as advertising, events, demand teams, and Web teams, they act relatively independently. Each silo has its own content, data, and communication channels. Silos benefit the company's workers with ease and efficiency. But because they are optimized for internal benefit, at best, they will deliver substantially less customer value than they could. At worst, they cause pain and suffering for customers. Customers must do the work of knitting everything together. Attempting a shift toward customer centricity without building "connective tissue" is a recipe for frustration. Further:

- **Customer mission statement:** Do you have a written customer mission and guiding principles? The purpose of a mission is to guide the multitude of decisions that are made on the ground daily. No plan or instruction set from on high can survive the complex reality of customer contact work. A customer manifesto helps direct everyone to the North Star.

- **Organizational structure:** Are you structured to benefit the company — or the customer? For example, is your top-level marketing structure arranged around silo tasks such as demand or advertising, or are you attempting a view such as a customer or solution focus? Have you invested in liaison roles or teams such as customer ambassadors? If your customer is not currently customer centric, much time and effort will be needed to change.

- **Integrated customer-facing IT systems and customer data:** To what degree are the customer-facing systems integrated? If they are not integrated, is there a plan that IT and the business owners agree on? Is it funded? A 360-degree view of the customer includes not only marketing and sales data integrated but billing, support, as well as essential outside data. How close to this 360-degree view can you claim to be?

### Are You Forging Feedback Loops

Intelligence is critical for customer centricity. Intelligence helps you avoid bias and get closer to the truth of your customers' needs and preferences. Intelligence guides strategy and highlights operational and communication areas to optimize. It can also suggest improvement tactics. Intelligence can be explicit (from the customer directly) or implicit (through their behavior). It can be quantitative (data) or
qualitative. Without intelligence, companies are fooling themselves about their customer centricity. Further:

- **Strategy feedback**: Do you validate and test strategies (including go to market) with customers before rolling them out? Research and testing (both qualitative and quantitative) is needed to understand needs, pains, fears, and practices. Third-party research helps ensure an outside-in perspective and avoid internal bias.

- **Messaging feedback**: What measures are you taking to assess whether customer language aligns with your messaging? Do you periodically validate that customers understand and resonate with your brand positioning and value propositions? What happens if they don’t? Do you double down on current strategies to convince customers or do you adapt?

- **Customer needs and preferences feedback**: How mature is your ability to gather data about what customers really want? During the buying process? From your products or services? Do you have an active customer advisory board that meets regularly? Who is on that board, just your best customers who love you (you'll get a very slanted view from these) or a range of valuable market participants – including those who are not your customers.

- **Following the feedback trends**: Do you use formal periodic measures such as surveys that can be standardized to assess change over time? For example, Net Promoter Score or media-mindshare?

- **Responsiveness and agility**: How would you rate your ability to act on customer preference trends? For example, how fast did you get on the mobile bandwagon?

**Are You Cultivating Customer Counsel in Solutions?**

How products and customer support performs is the most important element in a customer's experience of a brand. CMOs have the responsibility to attract customers that match well with the company's product benefits. To nurture high propensity buyers, marketers need to not only understand customer needs and preferences but do so in the context of the company's solutions. Some CMOs have responsibility for product marketing and, in these cases, have a direct responsibility for a customer-centric product strategy. As relationships with customers become subscription based, marketers need to collaborate more effectively with customer success and support teams to better enhance the post-purchase experience and nurture loyalty. In detail:

- **Marketers and products**: How knowledgeable are marketers about products and use cases?

- **Product requirements**: Is there a formal process to include customer input into product requirements (and is it actually used?) Do you have mechanisms to anticipate what the customers need next? More than one CMO described how direct customer commentary actually shocked product people and changed the course of development.

- **Innovators and lead users**: Customers aren't always right. For example, they aren't always good at seeing titanic shifts. But they are good at just about everything else. Do you have a good handle on which customers are the most important to listen to? Do you have a lab or other mechanism where your most innovative customers can collaborate with you to design future solutions? Few companies can be Apple.

- **Expert interactions**: Customers, especially the technical representatives, want to access firsthand information from the people who know the products best. How open are you about giving the development team a voice?
Are You Channeling the Voice of the Customer?

Said one CMO, "When the message comes from the voice of the customer, it has instant credibility. You are just the conveyer." Customers crave authenticity. The brand voice is always heard with a bit of skepticism. By opening the channel of communication between peers, with limited or no filtering, marketing both serves customer need and contributes to the trustworthiness of the brand voice. Further:

- **Web site voice**: How does the company describe itself on the Web site? Is it product first ("we have this"), or is there easily visible customer-oriented information?

- **Content voice**: What is the depth of customer voice in content? Case studies? Examples? First person customer content? Marketers should be able to get to customers and their stories easily.

- **Peer voice**: How many different channels do you use to foster direct, unfiltered communication between customers and prospects? Social media, online community, events, and facilitating one-to-one introductions are a few options. Do you place an active and encouraging role or are you passively accepting?

APPENDIX — CMO BIOGRAPHIES

**Thomas Been**

Thomas Been is responsible for worldwide marketing at TIBCO. Prior to becoming CMO, Been held the role of TIBCO's vice president of product marketing, where he crossed organizations' boundaries to support cloud, mobile, and Fast Data initiatives. Throughout his 10+ years with TIBCO, he's held a range of roles, both technical and sales oriented, creating some of TIBCO's key customer relationships. Prior to TIBCO, Been helped companies integrate their own systems and their ecosystem and has been involved in key transformation projects based on integration in various industries such as life sciences, telecoms, and transportation and logistics. Been holds a master's degree in physics from the Université de Nice Sophia Antipolis in France. You can follow Been on Twitter at @tombee74.

**Sanjay Dholakia**

Sanjay Dholakia is responsible for extending Marketo's thought leadership, driving overall marketing operations, developing business segments, and expanding the reach of the company's solution partner ecosystem and customer network. Dholakia joined Marketo from Crowd Factory, where, as CEO, he was responsible for the strategic direction and vision of the company. Prior to Crowd Factory, Dholakia was CMO at Lithium Technologies, the leading provider of Social CRM and software solutions. While at Lithium, he helped achieve dramatic year-over-year growth. Prior to joining Lithium, he served as SVP and general manager for SumTotal Systems and was an advisor at McKinsey & Company and Andersen Consulting. Dholakia holds a bachelor's degree in economics from the Wharton School at the University of Pennsylvania and an MBA in strategy and marketing from the Kellogg School of Management. You can follow Dholakia on Twitter at @sdholakia.

**Stella Goulet**

As chief marketing officer, Stella Goulet leads Avanade's global marketing organization. She is responsible for guiding the company's image and market development through a period of high growth and significant change in the IT industry as businesses become increasingly digital. She is Avanade's
first CMO and a member of its executive committee. Goulet joined Avanade from Capgemini, where she led global marketing. She is a member of Forrester's CMO Group and has served on the Information Technology Services Marketing Association (ITSMA) Advisory Board. Goulet speaks on a variety of marketing-related topics that focus on helping grow profitable businesses in the digital world. Goulet holds an MBA in finance and international business from the Leonard N. Stern School of Business at New York University and a BA from the University of North Carolina at Chapel Hill, where she was a Morehead-Cain Scholar. You can follow Goulet on Twitter at @stellagouletcmo.

Scott Horn
Scott joined [24]7 in 2015 as the chief marketing officer and brings over 20 years of global marketing experience with leading technology companies. Prior to joining [24]7, he was the VP, Global Marketing for Seagate Technology, a global storage technology leader, where he drove revenue with a redesigned product line strategy, focused digital and demand marketing efforts on enhancing customer acquisition and loyalty, and he spearheaded the company's rebrand from a component manufacturer to a technology solution provider. Previously, he spent 17 years in Seattle at Microsoft in marketing and product development roles across various lines of business, including Windows Phone, Windows Embedded, and Developer Tools. Horn was a software developer for several years and holds both a BS in information and computer science from the Georgia Institute of Technology and an MBA from the Wharton School of Business. You can follow Horn on Twitter at @scott_horn.

Maggie Chan Jones
As the chief marketing officer of SAP, Maggie Chan Jones is responsible for leading SAP's global advertising and brand experience, customer audience marketing, and field and partner marketing functions. Her mission is to bring to life through storytelling SAP’s vision to help the world run better and improve people’s lives and to accelerate company growth. Jones, who has held a succession of roles at Microsoft, Sun Microsystems, and other technology companies, last year was named one of the "Top 50 Women in Brand Marketing" by Brand Innovators. In 2014, she was named "Woman of the Year" by the Rocky Mountain chapter of Women in Cable Telecommunications (WICT) and received a "Most Powerful and Influential Woman" award from the Colorado Diversity Council. Jones earned a bachelor's degree from Binghamton and an executive MBA from Cornell. You can follow Jones on Twitter at @maggiecj.

Mike Marcellin
Mike Marcellin is senior vice president and chief marketing officer, leading the global marketing team responsible for marketing Juniper's product and services portfolio, stewarding the brand, driving market preference for Juniper, training partners and account teams, and developing a differentiated digital experience for customers. Before becoming CMO, Marcellin led business strategy and marketing for Juniper's portfolio of high-performance routing, switching, and security products. Prior to joining Juniper in 2010, Marcellin served as vice president of Global Managed Solutions for Verizon. He also served as vice president of Global Product Marketing for Verizon Business and as executive director of Verizon Business’ IP and Ethernet portfolio led the eCRM marketing division. Marcellin is a board member for the Telecommunications Industry Association and a board member of US Ignite. Marcellin holds two patents. He was a Rodman Scholar at the University of Virginia, where he received a bachelor of science degree with distinction in systems engineering. You can follow Marcellin on Twitter at @mmarcellin.
Heidi Melin
An experienced executive with over 20 years of experience in marketing in the technology industry, Heidi Melin is currently the chief marketing officer of Plex Systems Inc., a company focused on providing plant floor-focused Enterprise Resource Planning (ERP) to manufacturers in cloud. Previously, Melin was chief marketing officer at Eloqua, a provider of cloud-based marketing automation solutions. Prior to Eloqua, she was responsible for the global marketing team at Taleo, a leader in cloud-based talent management and recruiting solutions. She has also served as senior vice president and chief marketing officer at Polycom, a global leader in voice and video collaboration solutions; chief marketing officer at Hyperion; and group vice president of Marketing at PeopleSoft. Melin has also served as a public company board director for Accelrys (acquired by Daussault Systems in 2014). She holds a bachelor's degree in political science and organizational psychology from Willamette University. You can follow Melin on Twitter at @heidimelin.

James Thomas
As CMO, James Thomas is focused on achieving Allocadia's aggressive growth targets through developing and executing customer-focused marketing strategies as well as leadership of the customer success and experience team. Thomas brings more than a decade of experience leading enterprise marketing teams. As an experienced marketing executive and former Allocadia customer, Thomas has a unique understanding of how Allocadia helps CMOs solve marketing challenges. He is experienced in product management, product marketing, analyst and investor relations, and marketing operations. He led marketing functions at SAP and most recently at Talemetry, a high-growth cloud software company. He is focused on helping marketers gain new insight into marketing performance to make better business decisions. You can follow Thomas on Twitter at @jthomas_44.

Vittorio Viarengo
Vittorio Viarengo leads MobileIron's global marketing including corporate brand, communication, product marketing, and demand generation. Previously, he served as vice president of End User Computing Products at VMware. Before joining VMware, Viarengo was VP of Product Development at Oracle Fusion Middleware and ran the Mobility, Voice and Communications Platform team. Viarengo has also served as vice president of Platform Product Management and Strategy for BEA Systems. Following the 1997 acquisition of his company, ViVi Software, Viarengo served as vice president of Product Management at eXcelon Corporation. He holds a degree in engineering from Università degli Studi di Genova. You can follow Viarengo on Twitter at @mobilityjourney.

Jackie Yeaney
Jackie Yeaney is responsible for orchestrating Red Hat's strategy formulation and planning, brand, global programs, global partner marketing, marketing communications, marketing operations, and global field marketing. Before joining Red Hat, Yeaney held CMO roles at PGi, a global communications company, EarthLink, and HomeBanc Mortgage Corporation. She was also the managing director of Consumer Marketing at Delta Air Lines. Before her career in marketing, she spent several years with the Boston Consulting Group and was a captain in the U.S. Air Force. Yeaney was awarded a Silver 2015 Stevie Award for Women in Business for Innovator of the Year, and the fourth-annual PR World Awards recognized her in 2014 as "CMO of the Year." Yeaney was named 2009 and 2010 Woman of the Year by Women in Technology (WIT), a finalist for the 2010 Atlanta Corporate Marketer of the Year, and winner of the 2010 Womenetics POW! Award. She served as copresident (2012-2013) and president (2006-2011) of the board at Open Hand, an Atlanta-based...
nonprofit. In 2012, Yeaney was named the Georgia Center for Nonprofits' Revolution Award Winner for Outstanding Nonprofit Board Member. You can follow Yeane at @jackieyeaney.
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