Converging on the customer
New media for closer relationships

A report from the Economist Intelligence Unit
Sponsored by Oracle
Preface

*Converging on the customer: new media for closer relationships* is an Economist Intelligence Unit research paper, sponsored by Oracle. The Economist Intelligence Unit’s editorial team executed the survey, conducted the interviews and wrote the report. The findings and views expressed in the report do not necessarily reflect the views of the sponsor.

Dan Briody was the author of the report. Debra D’Agostino and Katherine Dorr Abreu were the editors. Mike Kenny was responsible for layout and design. Our thanks go to all survey respondents and interviewees for their time and insight.

February 2010
Executive summary

In just two decades, the Internet has revolutionised nearly every industry across the globe. Yet none has been more irrevocably changed than telecommunications, media and information technology (IT). These pioneering industries are being inextricably combined in a wrenching process known as convergence. When the process is complete, the consumer will no longer be able to distinguish between content, distribution channels and the technology that underlies them.

As a result, convergence is changing the nature of customer relationships in these industries. What was previously a simple and direct relationship between a company and its customers has become convoluted. Moreover, although it is a challenge for these companies to maintain their focus on their customers when partnering with so many competing brands, they also enjoy significant opportunities.

Where exactly are those opportunities? According to the results of a survey of 168 executives worldwide in global telecoms, media and IT, conducted by the Economist Intelligence Unit in September 2009 and sponsored by Oracle, everything from unified communications to gaming, from mobile applications to micro blogging can help companies to increase profits by tightening their relationship with customers. To do this, however, companies must stay focused on how their customers are using converged products and services, which are evolving at lightening speed. They must also fight their way through a rapidly changing landscape in which firms large and small are competing for access to the customer.

Navigating the shifting environment of social networking, mobile applications and corporate partnerships, while maintaining a focus on the customer, will require deft management, corporate agility and the judicious use of information technology. The rewards are great: loyal, well-served and profitable customers.
About the survey

A total of 168 executives participated in the Economist Intelligence Unit’s *Converging on the customer* survey, which was conducted in September-October 2009. Their companies’ primary industries are telecommunications (38% of respondents), information technology (36%) and media (16%).

The survey has a broad geographical reach: 30% of respondents are based in Western Europe and 29% each in North America and the Asia-Pacific region. The remaining 12% are based in other regions.

The companies range in size from those with annual revenue of US$500m or less (47% of respondents) to those with revenue of US$5bn or more (26%). The remaining 27% have revenue of US$500m to US$5bn per year.

The level of seniority of respondents is high: 47% are C-level executives or board members. They fulfil a broad range of functions in their companies: 40% are involved in strategy and business development, 38% in general management, 29% in marketing and sales, and 21% in IT.

For more detail, see the Appendix of this report.

Most respondents are in telecoms, IT and media (% respondents)

<table>
<thead>
<tr>
<th>Industry</th>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecommunications</td>
<td>38</td>
</tr>
<tr>
<td>Information technology</td>
<td>36</td>
</tr>
<tr>
<td>Media</td>
<td>16</td>
</tr>
<tr>
<td>Publishing</td>
<td>5</td>
</tr>
<tr>
<td>Broadcasting</td>
<td>2</td>
</tr>
<tr>
<td>Entertainment</td>
<td>2</td>
</tr>
<tr>
<td>Networking enabler</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Economist Intelligence Unit survey, October 2009.
It seems so obvious in theory: how could any company survive without a laser-like focus on its customers? How could any firm maintain profits through economic cycles without catering to its customers’ evolving needs, or increase profits without developing a 360-degree view of each client, analysing their behaviour and predicting their buying patterns?

In practice, although the desire to understand and serve customers has existed since the dawn of commerce, only very recently did a quantum leap in the development of tools make this possible. Over the last 20 years, the Internet and communications technology have revolutionised customer relationships, allowing for unprecedented two-way interaction between companies and their clients. Organisations can now observe and analyse customer behaviour just by capturing movements on a website. They can cross-reference multiple points of customer interaction—from stores to telephone to the Web—and develop comprehensive new customer profiles. Some companies, such as Bank of America, United Airlines and Chrysler, have gone as far as to appoint chief customer officers, charged with managing all forms of customer contact, and reporting directly into the chief executive officer.

It is undeniable that companies are listening to customers as never before. According to the survey data, 70% of telecommunications, media and IT executives say they plan to increase their efforts in this area over the next 12 months. Most executives (57%) believe that by focusing their firms on the customer, they will have more opportunities to cross-sell and up-sell additional products and services.

### Ability to cross-sell and upsell tops list of customer-centric goals

<table>
<thead>
<tr>
<th>What are the main goals your company hopes to achieve with greater customer-centricity? (% respondents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to cross-sell and upsell products and services</td>
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<tr>
<td>Ability to co-create with customers on new products and services</td>
</tr>
<tr>
<td>Increased market share</td>
</tr>
<tr>
<td>Improved innovation</td>
</tr>
<tr>
<td>Increased revenues</td>
</tr>
<tr>
<td>Improved brand recognition</td>
</tr>
</tbody>
</table>

Source: Economist Intelligence Unit survey, October 2009.
One of the big trends driving this new customer-centric thinking is convergence. Convergence is a term that loosely defines the intersection of telecommunications, media and IT. The phenomenon has given rise to new online sites such as Facebook and Twitter that make it possible for users to chat, e-mail or share video content in a single location. It has enabled telephone companies and wireless service providers to offer Internet and television services along with a host of other applications. Although it can take several forms, convergence is clearly what the customer wants: 42% of survey respondents say that customer demand is driving convergence in their industry.

Convergence is also a powerful new platform for companies to improve and tighten their customer relationships. But knowing this and capitalising on it are two very different things. Many respondents admit that their firms are struggling with the still-emerging technology, jockeying for position against brand-new competitors and eyeing potential new partners. The competitive landscape continues to evolve quickly, and enterprises that were once strategic partners can quickly become “frienemies”, competing in new areas. In addition, in the midst of a weak economy, in which a premium is placed on customer loyalty, firms are racing to use convergence as a means to increase their focus on the customer.

The gang of three

The survey focused on the three industries at the heart of convergence: telecommunications, media and information technology (IT). All three have their advantages and disadvantages when it comes to capitalising on the trends of convergence and a focus on the customer.

Telecommunications. Unsurprisingly, the telecoms companies consider mobility a strength: 72% say they have seen measurable success with customer-centric mobile applications. But they do not view these applications as a profitable business model for themselves. Only 11% of telecoms firms see application development as an opportunity. This indicates that the mobile operators have conceded the application development market to media companies, device manufacturers and the open market.

Media. Media firms are most inclined to turn to emerging technology to increase margins and improve customer relationships. Fully 82% of survey respondents say they effectively use emerging technology to make progress towards customer-centric goals. Moreover, all of them see emerging technology as a good opportunity to increase revenue and profit margins. This is probably the result of the erosion of profit margins in traditional media outlets.

Information technology. Surprisingly, there is strong scepticism about social networks among the IT companies. Only 15% say social media sites are meaningful when constructing a complete view of customers, and 12% think social media will be critical in helping them to become more customer-centric in the next 12 months. It is possible that IT companies are resistant to the sites because of the abundance of unstructured data they generate.

Convergence: The intersection of telecoms, media and technology
“We no longer produce all the content. This is convergence at work, and it really changes the way we approach our business and our customers.”

Charles Moore, Head of Innovation, Thomson Reuters.

Charles Moore is the head of innovation at Thomson Reuters, a global news and industry information provider. Over the last several years, he has been working to enhance the Reuters’s financial desktop product, which serves up financial data to more than 500,000 customers worldwide. When completed, the service will deliver everything from traditional financial news to user-generated video clips that are created by industry analysts and narrowcasted, that is, broadcast to a very small audience. This, together with existing online user communities, social networks and the emergence of mobile video, has led Thomson Reuters to question its categorisation as a media company.

“We no longer produce all the content,” confirms Mr Moore. “This is convergence at work, and it really changes the way we approach our business and our customers. We are both a media company that creates original content and a communications company that distributes other people’s content. For example, some of this content isn’t really media at all. It is more like communications, especially when it’s created by one research firm and only delivered to 40 or 50 people on Wall Street. So, in that case, we’re just providing a platform for that exchange of information.” In this way, Thomson Reuters is learning how to navigate the still-evolving landscape of convergence by enhancing its service and monetising content that someone else creates.

Convergence is without question revolutionising Thomson Reuters’s business model. But it is also providing the company with an unprecedented opportunity to get to know its customers better. Over the last five years, Mr Moore has also been working to use converged media, including social networks, to develop a better “line of sight” to the customer, and develop more customised content as a result. “We have social networks and community initiatives that play a key role in building out our understanding

Social media is growing in importance for focus on customer

How will social media (such as Facebook, Twitter, LinkedIn, Digg, etc.) affect your company’s ability to become more customer-centric? (% respondents)

<table>
<thead>
<tr>
<th>Today</th>
<th>Critical</th>
<th>Very important</th>
<th>Important</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9</td>
<td>18</td>
<td>25</td>
<td>52</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In 12 months time</th>
<th>Critical</th>
<th>Very important</th>
<th>Important</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12</td>
<td>34</td>
<td>23</td>
<td>69</td>
</tr>
</tbody>
</table>

Source: Economist Intelligence Unit survey, October 2009.
of certain markets. It’s a two-way street; we feed them personalised news content and we get to build a picture of who is in the market and who is active for possible upselling opportunities.”

Reuters is not alone. Nearly 70% of survey respondents say that social networks will be important, very important or critical to their ability to become more customer-centric over the next 12 months. But Mr Moore cautions those organisations not to abuse customer privacy or abandon traditional forms of customer feedback. “All of this information is great, and it fundamentally changes the nature of behavioural research and analysis. [However,] you must show restraint in what information you collect and how you use it. And you still need to talk to your customer and do market research.”
Among the most powerful forces driving convergence today is the boundless popularity and growth of mobile devices. What began with simple phones that offered the convenience of being able to place calls at anytime from anywhere has quickly evolved into smartphones that can stream music and video, navigate roads, locate restaurants and browse the Web.

The new generations of mobile devices are combining previously distinct services and brands. For example, consumers must currently choose some combination of wireless service (such as Verizon Wireless, AT&T, Vodafone and T-Mobile), device manufacturer (Blackberry, Palm, Nokia, HTC, iPhone and Motorola, among others) and operating system (Android, iPhone, Windows Mobile, Palm OS) that can run a wide range of key applications. Multiple functions can make these increasingly diminutive devices feel a bit crowded.

Why are so many brands competing for the limited real estate on these mobile devices? Fully 92% of survey respondents say they have either developed or are investigating a mobile application strategy. Only 5% see no value in developing mobile applications. This is because nothing can give a company more insight into their customers than a mobile device, the most intimate, heavily used piece of equipment in most people’s lives. The survey bears this out: more than three out of four respondents say that mobile applications will play an important part in helping them become more customer-centric in the next 12 months.

How does a mobile device help a company to know their customers better? In December 2009, AT&T launched a new mobile application for its iPhone customers called “Mark the Spot”. This simple iPhone application allows wireless subscribers to use the GPS functionality of their phone to alert AT&T quickly of the exact location of a dropped call or spotty service. The free application will help AT&T to direct its planned spending of billions of dollars this year to upgrade the network. The end result is likely to be a better product from AT&T, creating a virtuous cycle of customer feedback, corporate action and improved customer service.

“With AT&T Mark the Spot, we’re applying the power of crowdsourcing to our ongoing efforts to enhance and expand our network,” reports John Donovan, AT&T’s chief technology officer, in a press release. “Feedback from customers via AT&T Mark the Spot, combined with data from more than 964,000 miles of drive testing conducted by an independent third-party source, will enable us to most quickly and effectively identify trends and maximise the impact of our ongoing network investment.”
Nevertheless, although the vast majority of companies are certain that convergence can help them to become more customer-centric, many are struggling to figure out exactly how. Fully 74% of survey respondents see emerging technologies as an opportunity to increase revenue and margins, but one-half have trouble identifying which technologies they should use to achieve those goals. Many firms still depend on legacy systems and traditional approaches when interacting with customers. A total of 63% of respondents say that their firms still rely primarily on market research to measure their relationship with customers.

It is unsurprising therefore that these companies still wrestle with incomplete and inaccurate data when trying to develop a comprehensive view of their customers. Asked to name the biggest obstacles to becoming more customer-centric, top responses include incomplete customer data (43%), a lack of clarity about what data should be captured (35%) and inaccurate customer data (27%). As a result, only 11% say they have a 360-degree view of customers, and only 10% are confident in their ability to predict customer buying patterns.

None of this is surprising to Ranjan Kapur, country manager in India for WPP, a US$14bn global advertising and marketing firm. WPP works with telecoms and media companies in developing and placing advertisements through converged media, offering clients a unique perspective on how these markets are evolving. The picture that is emerging is not pretty. “We live in a very murky world,” says Mr Kapur. “All of this convergence is complicating life. It’s no longer clear who owns the content. It’s no longer clear who gets to monetise that content. And it’s no longer clear who owns the customer.”

According to Daniel Marotta, senior vice president of the Broadband Communications Group at Broadcom, this murkiness is not entirely a bad thing. Broadcom is a semiconductor company with annual sales of US$4.7bn that makes chips that facilitate convergence. The chips are used in many products, such as set-top boxes for televisions and mobile handsets.

“It’s tricky,” says Mr Marotta. “There is a lot of jockeying for position for who directly addresses the customer. But that is generating some healthy competition, and competition generates innovation. So I think there is going to be a gold rush of services coming out of all this. And it will generate a huge amount of innovation and change.”

At least one of those changes is already taking place: a new era of partnerships. AT&T’s exclusive arrangement with Apple for the iPhone in the United States, General Motors’ seven-week experiment of
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Mr Kapur believes that the tricky part is “determining who is going to have the interface with the customer”. In India, mobile operators serve as the gateway between content providers and the end user, sometimes commanding a 70% cut of revenue that results from the content. It is a relationship that gives little incentive to content and application developers, and causes more than a little bad blood. “The mobile operator owns the relationship, because they send the bill to the customer,” says Mr Kapur. “But it has become a huge irritant to the other companies in the value chain.”

Indeed, when asked to name the most challenging aspects of these partnerships, 27% of respondents cite determining value. Another 20% say collaboration is the biggest stumbling block, and 18% report that controlling the customer experience is the main concern.
Conclusion

Despite the uncertainty, companies are finding their way in convergence. Sixty-five percent of survey respondents say their customer-centric strategy has been more successful over the last year. Companies are quickly coming up to speed on both the customer benefits of convergence and the deeper levels of customer insight that convergence can offer. There are some early lessons to be learned from the successes and failures of the industries’ pioneers:

- **Stay focused on the customer.** More than ever, customers are the most valuable part of the business, and they are eager to interact in multiple ways. Technology can enable these interactions and help to develop customer insight without increasing costs.

- **Capture the data.** Customer data is the currency of the customer-centric company. Companies should make sure that whichever way their customer interacts with the firm, the behavioural trails are being captured and cross-referenced with other customer points of contact.

- **Partner carefully.** Partnering firms should share a common culture and purpose. Their agreement should clearly define who “owns” the customer and how customer data will be shared.

- **Use all the tools available.** Being a customer-centric organisation means understanding everything there is to know about the customer. Within reason, companies should use all of the tools and technologies available to construct customer profiles, and keep these profiles up to date, so that as the customer evolves so do companies.
## Appendix: Survey results

Percentages may not add to 100% due to rounding or the ability of respondents to choose multiple responses.

### What is your primary industry? (% respondents)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecommunications</td>
<td>38</td>
</tr>
<tr>
<td>Information technology</td>
<td>36</td>
</tr>
<tr>
<td>Media</td>
<td>16</td>
</tr>
<tr>
<td>Publishing</td>
<td>5</td>
</tr>
<tr>
<td>Broadcasting</td>
<td>2</td>
</tr>
<tr>
<td>Entertainment</td>
<td>2</td>
</tr>
<tr>
<td>Networking enabler</td>
<td>1</td>
</tr>
</tbody>
</table>

### What would you say is the primary business driver for convergence in your industry? (% respondents)

<table>
<thead>
<tr>
<th>Driver</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer demand for an expanded product or service line</td>
<td>42</td>
</tr>
<tr>
<td>Greater competition from companies outside our primary business sector</td>
<td>23</td>
</tr>
<tr>
<td>A corporate strategy requiring us to better monetise our existing customer base</td>
<td>13</td>
</tr>
<tr>
<td>A need to reduce overhead costs</td>
<td>7</td>
</tr>
<tr>
<td>A corporate strategy requiring us to better monetise our existing assets</td>
<td>7</td>
</tr>
<tr>
<td>A merger or acquisition involving our company</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
</tr>
</tbody>
</table>

### In your view, what type of convergence presents the biggest opportunity as a profitable business model? (% respondents)

<table>
<thead>
<tr>
<th>Type of Convergence</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unified communications (mobile phone, SMS, text, video conferencing)</td>
<td>26</td>
</tr>
<tr>
<td>Television/Internet (entertainment, media, etc.)</td>
<td>23</td>
</tr>
<tr>
<td>Application development (gaming, mobile apps, etc.)</td>
<td>17</td>
</tr>
<tr>
<td>Social media (social networking sites, microblogging, etc.)</td>
<td>17</td>
</tr>
<tr>
<td>Device convergence (mobile phones, cameras, PDAs, etc.)</td>
<td>14</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
</tr>
</tbody>
</table>

### Which statement about mobile applications best describes your company? (% respondents)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>We have a strategy in place for mobile applications and have seen measurable success</td>
<td>22</td>
</tr>
<tr>
<td>We have a strategy in place for mobile applications but have not yet determined ROI</td>
<td>35</td>
</tr>
<tr>
<td>We are looking at how mobile applications fit into our business strategy</td>
<td>35</td>
</tr>
<tr>
<td>We do not see any value in developing mobile applications</td>
<td>35</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2</td>
</tr>
</tbody>
</table>
Please rate your level of agreement with the following statements. “My company…”
Rate on a scale of 1 to 5, where 1=Strongly agree and 5=Strongly disagree.
(% respondents)

- Has seen measurable success with user-generated content: 14 36 19 7
- Has a clear scorecard for measuring its customer centricity: 11 26 23 11
- Has a strategy to monetise social networks: 12 21 25 30 12
- Effectively uses emerging technologies to achieve customer centric goals: 19 28 36 14 3
- Wants to use emerging technologies to achieve customer centric goals, but has trouble identifying the best technologies to use: 17 33 25 21 4
- Sees emerging technologies as an opportunity to increase revenues/margins: 11 41 15 8 4
- Is actively creating customer-centric mobile applications: 18 27 25 19 11
- Has seen measurable success with customer-centric mobile applications: 9 22 34 25 11

How important is social media (such as Facebook, Twitter, LinkedIn, Digg, etc.) to your company’s ability to become more customer-centric today? (% respondents)

- Critical: 9
- Very important: 18
- Important: 25
- Somewhat important: 26
- Unimportant: 19
- Don’t know/Not applicable: 3

How will social media (such as Facebook, Twitter, LinkedIn, Digg, etc.) affect your company’s ability to become more customer-centric in 12 months? (% respondents)

- Critical: 12
- Very important: 34
- Important: 23
- Somewhat important: 21
- Unimportant: 9
- Don’t know/Not applicable: 2

How important are mobile applications to your company’s ability to become more customer-centric today? (% respondents)

- Critical: 14
- Very important: 21
- Important: 27
- Somewhat important: 22
- Unimportant: 13
- Don’t know/Not applicable: 2

How will mobile applications affect your company’s ability to become more customer-centric in 12 months? (% respondents)

- Critical: 25
- Very important: 32
- Important: 20
- Somewhat important: 13
- Unimportant: 8
- Don’t know/Not applicable: 2
Appendix
Survey results

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With regard to mobile-based services (such as location-based services, mobile payment and banking, etc.) which statement best describes your company? “My company...”
(% respondents)

- Will launch a mobile-based service or product within the next 12 months: 35
- Is considering launching a mobile-based service within the next 12 months: 32
- Will not launch and is not considering any type of mobile-based service within the next 12 months: 20
- Don’t know: 13

What does your company consider most important for getting a complete view of its customers today?
Select up to three responses.
(% respondents)

- Self-service applications for updating customer data: Now 26, In 12 months 26
- Focus groups: Now 13, In 12 months 20
- Social media sites: Now 18, In 12 months 21
- Open architecture permitting data exchange among disparate applications: Now 18, In 12 months 20
- Direct customer feedback from call centres, Web sites and other channels: Now 26, In 12 months 33
- Customer relationship management software (CRM): Now 26, In 12 months 32
- Analytics software: Now 24, In 12 months 24
- Customer-generated content: Now 14, In 12 months 18
- Customer surveys: Now 10, In 12 months 29
- Feedback gathered at customer conferences: Now 15, In 12 months 8
- Other: Now 2, In 12 months 3
- Don’t know: Now 4, In 12 months 3

How would you rate your company’s customer-centric strategy over the past year compared with the previous year?
(% respondents)

- Far more successful: 10
- Somewhat more successful: 55
- Neither more nor less successful: 15
- Somewhat less successful: 3
- Far less successful: 1
- We do not have a customer-centric strategy: 2
- Don’t know: 4

How would you rate your company’s performance in the following areas?
Rate on a scale of 1 to 5, where 1=Very good and 5=Very poor.
(% respondents)

<table>
<thead>
<tr>
<th>Area</th>
<th>Very good</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5 Very poor</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actionable insights into customer needs and preferences</td>
<td>41</td>
<td>30</td>
<td>10</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Understanding of customer needs and preferences across the entire</td>
<td>30</td>
<td>29</td>
<td>9</td>
<td>2</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>life cycle of our products and services</td>
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<td></td>
</tr>
<tr>
<td>Ability to develop a 360-degree view of customers, including</td>
<td>24</td>
<td>18</td>
<td>7</td>
<td>2</td>
<td>3</td>
<td></td>
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<tr>
<td>accurate purchase and contact history, preferences and demographic</td>
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<tr>
<td>information</td>
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<td></td>
<td></td>
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<tr>
<td>Ability to develop predictive customer buying models</td>
<td>31</td>
<td>18</td>
<td>9</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability to produce valuable analytics about customers, enabling</td>
<td>19</td>
<td>17</td>
<td>8</td>
<td>6</td>
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<td>us to up-sell or cross-sell in real time (eg, via our website or a</td>
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<tr>
<td>call centre)</td>
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</tbody>
</table>
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Survey results

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Which of the following tools does your company use to measure customer centricity?
Select all that apply.
(% respondents)

- Market research
- Customer relationship management software 63
- Analytics software 46
- Win/loss analysis 46
- Other 33
- Not applicable/Don’t know 13

What are the main obstacles preventing your company from meeting its customer-centric objectives?
Select up to three.
(% respondents)

- Incomplete customer data 43
- Lack of clarity about what customer data should be measured 39
- Customer preferences too fragmented to track accurately 20
- Inaccurate customer data 27
- Customer preferences change too quickly 27
- Legacy IT systems can’t adapt to our changing needs/IT switching costs too high 24
- Growing competition is diverting resources from customer centricity 24
- Our executives do not promote a customer-centric approach 10
- Customer-centric proponents at our firm have not created a compelling case for change 9
- Other 3
- Don’t know 9

What are the main goals your company hopes to achieve with greater customer-centricity?
Select up to three.
(% respondents)

- Ability to cross-sell and up-sell products and services 57
- Ability to co-create with customers on new products and services 39
- Increased market share 35
- Improved innovation 34
- Increased revenues 26
- Improved brand recognition 24
- Improved marketing effectiveness 17
- Improved speed to market 16
- Reduced costs 13
- Opportunity for greater mergers/acquisitions 10
- Other 3
- Don’t know 2

Which statement best describes your company? “Over the next 12 months, we plan to…”
(% respondents)

- Maintain our investment in customer-centric efforts 22
- Increase our customer-centric efforts 70
- Reduce our customer-centric efforts 2
- Don’t know 6
With regard to evolving partnerships with other companies to deliver products and/or services (such as Apple’s partnership with AT&T to deliver the iPhone or GM’s selling partnership with eBay), how has your company’s strategy changed… (% respondents)

...over the past 12 months?

- We have partnered/will partner with fewer companies: 28
- We have partnered/will partner with more companies: 25
- We have considered/are considering partnering with more companies: 27
- We are not partnering/will not partner with other companies: 12
- Don’t know: 9

...over the next 12 months?

- We have partnered/will partner with fewer companies: 12
- We have partnered/will partner with more companies: 45
- We have considered/are considering partnering with more companies: 25
- We are not partnering/will not partner with other companies: 11
- Don’t know: 7

What has been the most challenging with regard to these partnerships? (% respondents)

1. Determining overall value of the partnership: 27
2. Collaborating with the partnering company: 20
3. Controlling the customer experience: 18
4. Reconciling competing or disparate business goals: 18
5. Communicating requirements between teams: 11
6. Loss of key customer information and insights: 3
7. Other: 1
8. Don’t know: 3
In which country are you personally located? (% respondents)
- United States of America: 22
- United Kingdom: 10
- India: 8
- Canada: 7
- Singapore: 4
- Hong Kong: 3
- Italy: 3
- Nigeria: 3
- Australia, Japan, Spain, Belgium, France, Indonesia, Malaysia, New Zealand, Switzerland: 3
- Austria, China, Germany, Mexico, Sri Lanka, Sweden, United Arab Emirates, Argentina, Croatia, Denmark, Ecuador, Finland, Ghana, Iceland, Ireland, Israel, Latvia, Lithuania, Luxembourg, Macao, Morocco, Netherlands, Pakistan, Portugal, Romania, Russia, Slovakia, Slovenia, South Africa, Thailand, Uganda: 1

In which region are you personally based? (% respondents)
- Western Europe: 30
- Asia-Pacific: 29
- North America: 29
- Middle East and Africa: 28
- Eastern Europe: 3
- Latin America: 2

What are your main functional roles? (Please choose no more than three functions. (% respondents)
- Strategy and business development: 40
- General management: 38
- Marketing and sales: 29
- IT: 23
- Operations and production: 18
- Finance: 15
- Information and research: 15
- Customer service: 13
- R&D: 11
- Human resources: 5
- Risk: 5
- Supply-chain management: 4
- Legal: 2
- Procurement: 1
- Other: 2

Which of the following best describes your job title? (% respondents)
- Board member: 6
- CEO/President/Managing director: 24
- CFO/Treasurer/Comptroller: 7
- CIO/Technology director: 7
- Other C-level executive: 8
- SVP/VP/Director: 17
- Head of business unit: 3
- Head of department: 11
- Manager: 16
- Other: 5

What are your company’s annual global revenues in US dollars? (% respondents)
- $500m or less: 47
- $500m to $1bn: 11
- $1bn to $5bn: 16
- $5bn to $10bn: 9
- $10bn or more: 17
Whilst every effort has been taken to verify the accuracy of this information, neither The Economist Intelligence Unit Ltd. nor the sponsors of this report can accept any responsibility or liability for reliance by any person on this white paper or any of the information, opinions or conclusions set out in the white paper.
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