The role of today’s Chief Customer Officer—what it takes to succeed now
Being great at customer experience has taken on new meaning. Studies show one-third of consumers will walk away from a brand after just one bad experience. As the days of selling purely on product, features, and price fade away, the role of the Chief Customer Officer (CCO) has grown more important.

It was Maya Angelou who said, “People will forget what you said, people will forget what you did, but people will never forget how you made them feel.” Today, enterprises are acting on that insight. In a recent Deloitte CCO study, 71 percent of respondents said they have had a customer experience-centric leader in place for more than six years. And Forrester recently reported that over the last five years, the presence of executives with direct responsibility for customer experience has grown 1,000 percent.¹ These experience leaders are becoming more visible and integral to the performance of their organizations.

Because today’s brands stand apart on the strength of the customer experience they offer, companies are expecting customer experience to do more. It’s no longer just about maintaining relationships. Companies want to build deeper connections that generate trust, empathy, and loyalty. What makes this challenge harder is that the competition is not just their direct competitors—they’re competing against the entire customer ecosystem.

When people judge you on experience, they compare the experiences they have with your organization with all of the other experiences in their lives.
So what does it take to succeed?

Deloitte completed its Global CCO Study to answer that question. We surveyed 260 B2B and B2C executives across a broad range of geographies and industries each of whom has most or all the responsibility for customer experience in his or her organization.

We structured our study around Deloitte’s Five Tenets of the Human Experience (below) so we could understand not only how CCOs are thinking holistically about the customer experience, but also how they’re approaching the workforce and partner experience. The Five Tenets represent the capabilities necessary for an organization to Elevate the Human Experience, and are based on years of CX engagements and research.

**EHX™ Five Tenets: A Tool to Understanding Capability Maturity**

In the study, we found that CCOs who embrace the capabilities needed to Elevate the Human Experience (EHX™) were nearly twice as likely as peers in their industries to have significantly higher net margin and revenue growth rates.

When we work with CCOs to help them strengthen their customer experiences, we start by diagnosing their capabilities against Five EHX Tenets to understand where and how strategies should be created to advance their efforts.

**Be obsessed by all things human**
Identify the importance for organizations to create human-centered experiences that resonate by aligning their brand with their stakeholders’ core values.

**Proactively deliver on human needs**
Identify the importance for organizations of implementing flexible and adaptable technology architectures to anticipate and deliver relevant and desired experiences across all stakeholder journeys.

**Execute with humanity**
Identify the importance for organizations to improve how they interact with stakeholders by centralizing and using relevant and accessible data, enabling constant iteration to better serve stakeholder needs.

**Be authentic**
Identify the importance for organizations of structuring their brand around common core values to support and reinforce a human-focused operations and culture within the company and among employees.

**Change the world**
Identify the importance for organizations of defining their engagement model around shared values to create an ecosystem of partners that connect with and support your core mission.

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**Elevating the Human Experience (EHX™):**

The Human Experience (HX) Quotient is an algorithm that indicates where an organization is along the journey to elevate the human experience, by focusing on alignment to the values of customers, workers, and partners.

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(\text{Customer Experience} + \text{Workforce Experience} + \text{Partner Experience})^H
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**Alignment of Human Values**
CCOs need to maintain the continuous flywheel of experience innovation.

The CCO role is not new, but the scope has evolved. So have the strategies to achieve success. CCOs who have been in the role for some time need to continuously adopt, adapt, and evolve with their ecosystem. What do we mean by ecosystem? CCOs need to view the job as an “ecosystem” of relationships—what we call EHX, meaning the enhancement of not just the customer experience (CX), but also the experiences for the workforce (WX) and partners (PX). They need to act nimbly with an eye toward rapid experience innovation—learning to disrupt traditional thinking and acting with more agility.

However, only four percent of CCOs who have been in place more than 10 years are embracing these approaches. We will unpack the implications of this insight in our next article.
Build your strategy with your customers.

It’s no longer sufficient to compete on product or price alone. Many products are easily commoditized and copied (with exceptions in some industries, like pharmaceuticals with long-lasting patents), while competing on price means cutting into margin. Now, organizations must build their strategies around and with one of their most important stakeholders—their customers.

Establishing an understanding of your customer that is rooted in robust quantitative data—and co-creating with customers via Human Centered Design principles, is the key to building a bespoke and human-centered experience strategy. But fewer than half of our CCO survey respondents felt it was critically important to develop a deeper customer understanding and uncover customer insights, values, and goals. Without this understanding, it’s impossible to operate as a customer-centric organization.

In our study, we saw a distinct difference between CCOs who embrace EHX capabilities and those who do not. 77 percent of CCOs who are focused on EHX capabilities strongly agreed that they co-create with their customers, while only 32 percent of respondents not practicing EHX capabilities said so.
Leading CCOs find success through artful collaboration.

Even if you have the CCO title, you likely don’t own the entire stakeholder journey. Because of this, CCOs need to create strategic partnerships across internal functions such as sales, marketing, and HR, and also across external functions like vendors and agencies. When different parts of the ecosystem—the company functions that support experiences for customers, workforce and partners—work together, they can succeed together. But this is complicated by how difficult it can be to influence operation and service delivery models.

In our study, 45 percent of CCOs reported that “aligning operation and service delivery models around the human experience” was the primary aspect of success, but fewer than half of CCOs said they have a “very strong influence” over aligning operating and service delivery.

Only 55 percent of our survey respondents “strongly agree” that they have responsibility for the “end-to-end” customer journey.
The case for change is in the metrics.

Serving as a committed steward of the customer journey requires CCOs to capture insights in more sophisticated ways to drive continuous optimization of the journey and to support their case for change across the business. We also saw that 85 percent of CCOs indicate that their companies leverage disparate data sources and define common data standards to create a deeper understanding of the customer.

These are the CCOs that have two times the amount of net revenue and margin results. It’s clear that focusing on experience metrics has a measurable effect on success.

In our study, 62 percent of CCOs who embrace an EHX approach indicated the critical importance of establishing a measurement baseline, measuring continuously, and adapting the customer journey based on those insights.
CCOs need a seat at the leadership table—and they need sponsorship.

Change comes from the top. If customer experience and the evolving approach of EHX is not a priority for the board and C-Suite, it will never truly be a priority for the business.

The CCOs who are invited to speak at board meetings regularly are more than three times as likely as their counterparts to report they have a significant impact on the direction of their businesses. We also saw that for half of our survey respondents, cultural resistance is one of the greatest challenges they face. Becoming a customer-centric organization is a long-term, company-wide journey. The CCO is the right architect to lead that transformation. The person in that role must be enabled and supported to lead from the front.

Of our surveyed CCOs, only 20 percent receive invitations to attend or speak at board meetings “very frequently.”
More to come

It’s clear that as the needs and expectations of customers evolve, so too must the role of the Chief Customer Officer. Embracing these five key insights could mean the difference between maintaining the status quo and creating exceptional human experiences.

In a series of follow-on articles, we’ll delve deeper into each of these five insights and how the EHX Tenets and Capabilities can propel a COO’s success.